



قاعدة بيانات صالح كامل للاقتصاد الإسلامي
Saleh Kamel Islamic Economy Database



المصرفية الإسلامية
ISLAMIC BANKING



الاقتصاد الإسلامي
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Central Asia's Islamic Economy Overview



Islamic Banks

4



Islamic Digital Banks

2



Islamic windows
for conventional banks

9



Halal Standardization and
accreditation bodies

1



Ijara/Leasing Companies

5



Microfinance Companies

8



Takaful

2



Halal Certification bodies

5



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1 Central Asia's Islamic Finance Sector: An Overview

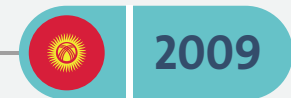
The Islamic finance industry began to take shape in Central Asia during the 1990s. As of 2023, the region's contribution to the global Islamic finance market remains limited, with total assets amounting to USD 699 million—equivalent to just 0.01% of the world's total. Kazakhstan stands out as the regional leader, ranking 19th globally in Islamic finance development, surpassing the global average. Meanwhile, the Kyrgyz Republic, Uzbekistan, and Tajikistan hold the 32nd, 63rd, and 82nd positions, respectively.

2 Key Milestones in Legislation, Policies, and Regulations for Islamic Banking and Finance in Central Asia (2009–2023)

Kyrgyzstan

- Introduces Islamic banking and finance by amending laws on banking. A legal framework for the organization of insurance based on Islamic principles (Takaful) and securities issued by the Islamic principles (Sukuk) have been introduced.

2009



2009

Kazakhstan

- The National Bank of Kazakhstan introduced a legal framework for Islamic banking and finance by amending the laws governing banks, the securities market, and investment funds.
- Signed an intergovernmental agreement with the UAE to facilitate the establishment of Kazakhstan's first Islamic bank, Al Hilal Bank.

2023



Kyrgyzstan

- The Concept for the Development of the Islamic Economic Platform in the Kyrgyz Republic for 2023–2027 was established to create a system of Islamic economics and finance within the country to ensure a more sustainable development model.

Tajikistan

- The instruction on the procedure for regulating the activities of Islamic microfinance organizations was adopted, allowing the legal incorporation of Islamic finance activities within microfinance institutions.

2022



Uzbekistan

- The law 'On Non-Bank Credit Institutions and Microfinance Activities' was issued to regulate the provision of Islamic financing services by non-bank credit institutions.

Kyrgyzstan

- The Basic Guidelines for the Development of the Banking System of the Kyrgyz Republic for 2022–2025 envisage measures to increase the share of financing based on Islamic principles to 5% of the financial system's loan portfolio.

2016



Kyrgyzstan

- Microfinance organisations eligible for Islamic finance.

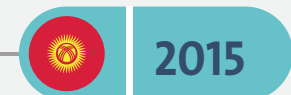
2014



2013

Tajikistan

- Microfinance organizations qualify to provide Islamic financial services.



2015

Kyrgyzstan

- The legal foundation for implementing the principles of Islamic insurance (Takaful) and Islamic leasing (Ijarah) has been established. Additionally, a legal framework has been created for converting a conventional bank into an Islamic bank.

Source:

Islamic Development Bank Institute (ISDBI). May 2025 The future of Islamic finance in Central Asia. Islamic Development Bank.



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Islamic Banking

«Global Mapping»

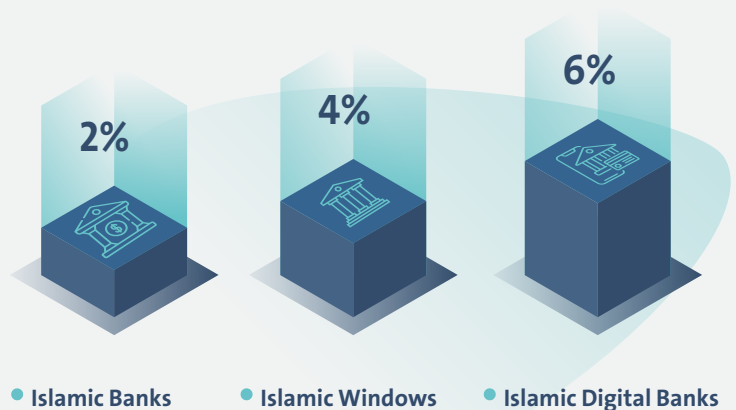
1 Distribution of Islamic Banking Institutions among Regions

Region	Islamic Banks	Islamic Windows	Digital Banks
Europe	14	9	13
GCC	39	35	5
Other MENA	104	38	
Sub-Saharan Africa	33	35	4
Southeast Asia	33	34	6
South Asia	19	51	2
Central Asia	4	9	2
Other Asia	3	12	
Americas	2	5	2
Australia		1	

Islamic banking in Central Asia is gradually expanding, with 4 Islamic banks, 9 Islamic windows, and 2 digital Islamic banks—reflecting a developing mix of traditional and digital Islamic financial services. This growth is supported by emerging regulatory frameworks, rising awareness of Sharia-compliant finance, and increasing demand for ethical banking solutions. As a result, Central Asia is positioning itself as an emerging market for Islamic banking, with potential for innovation, regional collaboration, and greater financial inclusion.

2 Central Asia's share of the total number Islamic Banks Globally

Central Asia holds a modest share of the global Islamic banking sector, accounting for 2% of Islamic banks, 4% of Islamic windows, and 6% of digital banks worldwide. Although its presence remains limited compared to other regions, the data indicates a growing interest in Sharia-compliant financial services. Supported by central bank initiatives, evolving regulatory frameworks, and rising awareness of ethical finance, Central Asia is gradually positioning itself as an emerging market for Islamic banking, with potential for innovation, digital adoption, and broader financial inclusion.



Central Asia's share of global Islamic banking



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Regional Distribution

3 Islamic Banking Institutions Distribution across central Asia

Islamic banking Institutions in Central Asia are mainly concentrated in a few countries. Uzbekistan currently hosts four Islamic windows, Tajikistan has one Islamic bank and one digital bank, Kazakhstan operates two Islamic banks and one digital bank, while Kyrgyzstan has one Islamic bank and five Islamic windows. Although the sector remains relatively small, these figures demonstrate a growing interest in Sharia-compliant financial services across the region. Supported by central banks and evolving regulatory frameworks, Central Asia is steadily expanding its Islamic banking landscape, creating opportunities for digital innovation and improved financial inclusion.



4 Number of Central Asia's Islamic Banking Institutions – Establishment Year



Between 2005 and 2009, the region took its first step in establishing a dedicated Islamic banking institution, marking the initiation of Sharia-compliant banking in Central Asia. This was followed by a second phase from 2010 to 2014 during which two additional Islamic banks were launched. In the 2015–2019 period, the sector progressed further with the establishment of two more Islamic banks and one Islamic banking window. Since 2019, the Islamic banking segment in Central Asia has entered a period of notable acceleration, with seven new institutions entering the market.



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Islamic Investment

1 Microfinance Companies

Number of Microfinance Companies across Central Asia



Microfinance has emerged as a key pillar in promoting financial inclusion across developing regions. Central Asia is witnessing the gradual development of Islamic microfinance, as institutions increasingly provide Sharia-compliant financial services to underserved populations. Kyrgyzstan currently hosts six Islamic microfinance companies, while Tajikistan operates two, both offering small loans and credit facilities in line with Islamic finance principles. The sector is expanding steadily, driven by central bank initiatives, regulatory advancements, and a growing awareness of ethical and inclusive financial solutions. The rise of Islamic microfinance underscores Central Asia's potential to enhance financial inclusion, support entrepreneurship, and foster sustainable economic development through Sharia-compliant financial services.

2 Ijara/Leasing Companies

Number of Ijara/Leasing Companies across Central Asia



Islamic leasing and finance represent an emerging segment within Central Asia's Sharia-compliant financial landscape. These institutions play a vital role in supporting asset-based financing and promoting ethical investment practices aligned with Islamic principles. Currently, the region hosts a total of five Islamic leasing and finance companies. Tajikistan and Kazakhstan are home to one institution each, while Uzbekistan leads the region with three companies. The development of these entities reflects the region's growing commitment to diversifying Islamic financial services beyond traditional banking, thereby strengthening the foundation for sustainable, Sharia-compliant economic growth.



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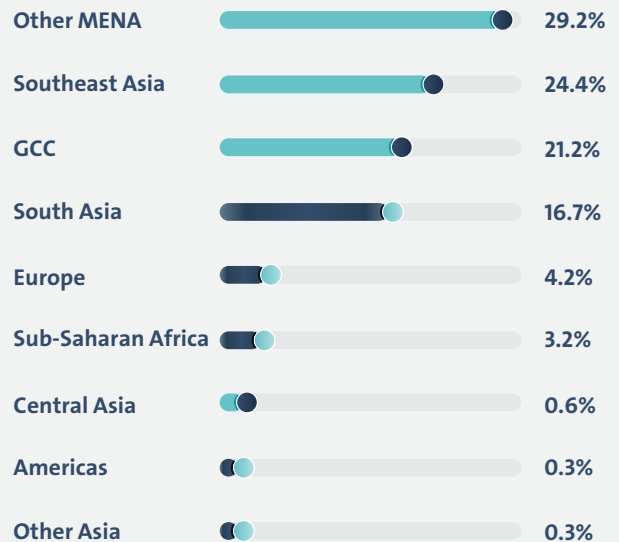


Takaful

«Global Mapping»

1 Distribution of Takaful Companies among Regions

The Takaful sector—Islamic insurance based on the principles of mutual assistance and shared responsibility—remains at an early stage of development in Central Asia. Despite growing interest in Sharia-compliant financial services, the region's participation in the global Takaful market is still limited. Currently, Central Asia accounts for only 1% of the global Takaful market, with just two institutions operating in the region. By comparison, Europe represents 4.2%, Sub-Saharan Africa holds 3.2%, and the Americas maintain a modest 0.3% share. However, these figures remain small relative to Other MENA and the Southeast Asia, which dominate the global Takaful industry with 29.2% and 24.4%, respectively. While still nascent, the presence of Takaful providers in Central Asia reflects the gradual diversification of Islamic finance products in the region and highlights opportunities for growth through regulatory support and increased consumer awareness.



«Regional Distribution»

2 Takaful Companies Distribution across Central Asia



The Takaful sector in Central Asia remains in its early stages of development, currently represented by only two institutions. In Uzbekistan, Apex Insurance JSC was established in 2018, marking the country's first venture into Islamic insurance. In the same year, Tajikistan witnessed the launch of the Takaful Insurance Organization LLC, signaling its entry into the Sharia-compliant insurance market. Although modest in scale, these developments reflect growing regional interest in diversifying Islamic financial services and expanding access to ethical, risk-sharing insurance solutions.



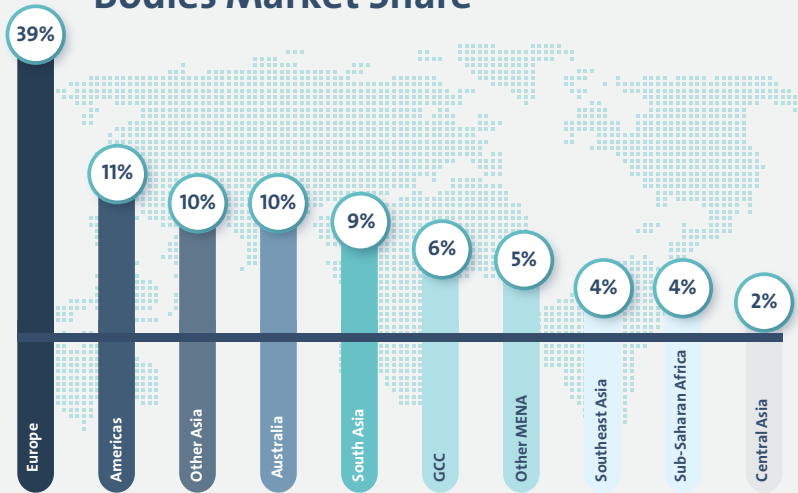
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Halal Industry

«Global Mapping»

1 Central Asia's Halal Certification Bodies Market Share



The halal certification sector plays a crucial role in ensuring compliance with Sharia standards across food, pharmaceuticals, and other consumer goods. Currently, Central Asia accounts for only 2% of global halal certification bodies, reflecting a relatively small institutional presence compared to other regions. Similarly, Southeast Asia and Sub-Saharan Africa each represent modest shares of 4%, while Europe dominates the market with 39%. This distribution underscores the underrepresentation of Central Asia, Southeast Asia, and Sub-Saharan Africa in the halal certification landscape, highlighting significant opportunities for institutional growth, capacity building, and market development in these regions.

«Regional Distribution»

2 Halal Certification Bodies Distribution by Country

The number of halal certification bodies in Central Asia remains limited, with the region hosting five entities—four in Kazakhstan and one in Uzbekistan. Kazakhstan has developed a relatively advanced framework, with its four organizations playing key roles in regulating and promoting halal standards. By contrast. Overall, these developments indicate that Central Asia is gradually establishing credible halal certification frameworks, aligning domestic practices with global standards, and supporting the growth of the halal industry across the region.





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Challenges and Opportunities of Islamic Finance in Central Asia

Challenges

- Limited understanding of Islamic financial principles, hindering comprehension of products and services and their value proposition.
- Scarcity of qualified talent with professional expertise in Islamic finance.
- Need for harmonization of regulatory frameworks at the regional level, which first requires adequate national legal frameworks.
- Low market share of Islamic banking assets: 0.4% in Kazakhstan (Jan 2024), ~2% in Kyrgyzstan (2022), and 1.1% in Tajikistan (2022).
- General lack of empirical research on Islamic finance in Central Asia, limiting market insights and consumer uptake.

Opportunities

- Potential to grow Islamic banking and finance market share due to current low baselines.
- Creating enabling legal and regulatory frameworks could encourage growth.
- Providing specific incentives for Islamic finance transactions could increase participation by local and foreign market participants.
- Technology and digitalization can expand market access through mobile banking, online platforms, and digital solutions, improving customer experience and operational efficiency.
- Partnerships with institutions from mature Islamic finance jurisdictions can transfer expertise, knowledge, and resources to develop the regional ecosystem.
- Regional multilateral institutions (e.g., Eurasian Development Bank) can act as facilitators for knowledge sharing and regional collaboration.
- Developing a steady pipeline of regional talent through workshops, certifications, and upskilling initiatives can strengthen the workforce.
- Expanding focus beyond banking to the broader Islamic finance ecosystem, including Islamic deposit guarantees, microfinance, and FinTech, especially targeting rural, remote, and underserved communities.
- Providing more Shariah-compliant solutions and funding for SMEs to stimulate both Islamic finance and the wider economy.

Source:

Islamic Development Bank Institute & Eurasian Development Bank. (2025).
The Future of Islamic Finance in Central Asia. London Stock Exchange Group.



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COUNTRY FOCUS – KAZAKHSTAN

1 Economic Sector Overview: Kazakhstan



Kazakhstan, the world's largest landlocked nation with over 20 million people, has one of the lowest population densities and serves as a key transit hub in the Middle Corridor connecting China and Europe through Central Asia and the Caucasus.

In the 1990s, Kazakhstan's economic reforms and growth in the oil and gas sector raised it to upper middle-income status. However, its economy remains dependent on natural resources, with low productivity and limited diversification slowing overall growth.

Kazakhstan seeks to double its economy by 2030, emphasizing faster growth through reducing state intervention, boosting competition, investing in infrastructure and human capital, and promoting decarbonization to strengthen competitiveness and tackle future global challenge

Population
20.6
Million



Capital
Astana



Currency
Kazakhstani Tenge



2 Banking Sector in Kazakhstan

Kazakhstan's banking sector comprises 23 institutions, including 21 conventional banks, two fully licensed Islamic banks—ADCB Islamic Bank – Kazakhstan and Zaman Bank In addition to these institutions, Kazakhstan also includes one fully licensed Islamic digital bank, Tayyab, which is not counted among the 23 banks. Currently, no conventional banks operate Islamic windows. The two Islamic banks and the Tayyab digital bank function under the regulatory framework of the Astana International Financial Centre (AIFC). This diverse banking structure positions Kazakhstan to gradually expand its Islamic finance sector while maintaining a strong conventional banking system.

GDP, current

291.48 \$ Billion



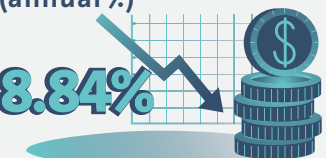
GDP per capita,
current \$

14005.3



Inflation, consumer prices
(annual %)

8.84%



Source:

World Bank. (2025, October 21).
Kazakhstan: Overview.



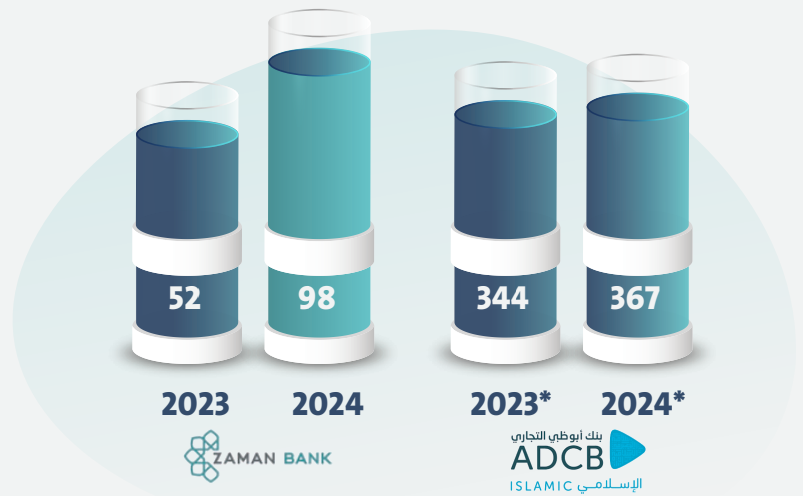
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3

Total Assets of Kazakhstan's Islamic Banks (in Millions of USD) in 2023–2024

The total assets of Kazakhstan's Islamic banking sector increased from \$396 million in 2023 to \$465 million in 2024. ADCB Islamic Bank – Kazakhstan's assets increased from \$344 million to \$367 million, while Zaman Bank's assets increased from \$52 million to \$98 million. This shows the sector is gradually expanding and Sharia-compliant banking is playing a bigger role in Kazakhstan.



Source:

Moody's analytics, 2025

* Abu Dhabi Commercial Bank – Kazakhstan (2024) Audited Financial Report.2024

«Other Islamic Non-Banking Financial services and Halal Services»

4

Kazakhstan - Islamic Non-Banking Financial Services and Halal

Number of Other Islamic Finance Institutions in Kazakhstan



In addition to Islamic banks, Kazakhstan hosts several other Islamic finance institutions that strengthen its Shariah-compliant financial ecosystem. The country has one Ijara (leasing) company, which provides leasing services in accordance with Islamic principles. It also has one Islamic fintech Firm, reflecting the growing adoption of digital solutions in Islamic finance. Moreover, Kazakhstan is home to four halal certification bodies, which ensure that products and services comply with Islamic standards. Collectively, these institutions highlight Kazakhstan's steady progress toward building a diversified and comprehensive Islamic finance infrastructure.



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