

# IFN Best Banks Poll 2019: Battle of the biggest



Where does the time go? It seems like just a few short months ago that we were celebrating the winners of 2018 — but a whole year has passed, and it is once again time to evaluate the supreme achievers of the past 12 months in the celebrated IFN Best Banks Poll for 2019. Now in its 15<sup>th</sup> year and covering 41 categories and 32 countries, the awards represent some of the most prestigious accolades in the Islamic finance industry, acting as a unique barometer for industry performance.

A lot has happened in the past year within the Islamic banking industry. We saw ongoing consolidation in the Gulf with major players such as Dubai Islamic Bank (DIB), Al Hilal Bank and Barwa Bank spreading their wings. We saw positive legislative progress, with Morocco, the Philippines and Bangladesh all introducing new Islamic frameworks in 2019. We saw Malaysia take the lead with its ambitious new Value-based Intermediation (VBI) Framework. And we saw Sukuk volumes make a strong recovery from their dip in 2018, with lower interest rates and abundant liquidity pushing the market ever higher.

But in an increasingly competitive environment, Islamic banks are having to box ever more clever when it comes to differentiating themselves — from digital facilities, blockchain innovation and fintech investment to sustainable finance, ethical investment, financing for the Halal economy and much more. So who has been cashing in on these opportunities, and leveraging their position to bring the best performance to the table? With well over 14,000 votes received, the industry has now spoken — and this is what it said...

## Supervisory heroes

Governing bodies and state supervisors play a fundamental role in supporting, guiding, directing and leading the industry — both in well established markets and new entrants. No matter where a country might be along the path to Islamic finance, the central bank is the pivot around which every other element must rotate. The category of Best Central Bank in Promoting Islamic Finance is always one of the most closely-fought contests and this year

was no exception. Unusually, last year's winner (the State Bank of Pakistan) did not make it to the shortlist this time around, with the 2018 runner-up and all-round Islamic banking pioneer Bank Negara Malaysia (BNM) instead taking the well-deserved top spot. The apex bank has played a leading role in the global and domestic development of Islamic finance for decades now, and 2019 was no exception — with its groundbreaking VBI initiative expected to drive a transformation toward ethical and sustainable banking practice that will act as a key driver for Islamic financial institutions. Not one to be left behind, BNM is also forging ahead in the digital space, with plans to issue at least five new digital banking licenses to fill gaps in the market.

In second place came the Central Bank of Oman, which stands as a shining example in the GCC of a strong, stable and cautious influence — and which in 2019 began to consider the possibility of moving away from its current window model toward a Qatar-esque fully-fledged Islamic banking market. Finally in third place came Bank Indonesia, which deserves a special mention for its positive support of the country's fledgling Sukuk industry over the year — including the issuance of Sukuk as liquidity management instruments for local Islamic banks, which has boosted the volume of issuance of the overall market.

## Battle of the biggest

Malaysian banks also dominated in many of the thematic categories this year, reflecting the strong year that the country's domestic Islamic banking industry has seen. CIMB Islamic took home the crown for Best Islamic Bank for Treasury Management, taking the title from 2018 winner, Pakistan's Meezan Bank. DIB came second, while Maybank Islamic came third. Malaysia's two leading banks battled it out in numerous other categories this year as well — including Best Islamic Retail Bank, where the roles were reversed and Maybank Islamic took home the prize with CIMB Islamic coming third and, once again, DIB taking second place. In the category for Best Islamic Private Bank, Maybank Islamic once again walked away with the honors, snatching the crown from last year's winner, Abu Dhabi Islamic Bank (ADIB), which came second, while ADCB Islamic Banking was third.

The most fiercely fought category between the two Malaysian giants was, of course, however the country award — a battle that received the some of the highest voting levels in the competition. This year, and for the fourth year in a row, CIMB Islamic came in top, with Maybank Islamic a close second and Bank Rakyat coming in third.

## Innovation station

However, Malaysian banks did not dominate every category. The award for Most Innovative Islamic Bank, always one of the most popular in the poll, this year received a record number of votes and the highest out of all the categories. Although it was close, Dubai's Emirates Islamic finally walked away with the prize. The bank embarked on a major digitization drive over the past year,

and has become a pacesetter in the digital race — including as the first Islamic bank in the UAE to launch a mobile banking app. In April 2019, the bank also became the first Islamic bank in the world to launch its own WhatsApp banking service, while in September it became the first UAE bank to offer dynamic currency conversion. DIB again took second place, while Pakistan's Meezan Bank came third.

### **Breaking ground**

The award for Best New Islamic Bank is another interesting field. Introduced for the first time in 2018 to recognize the bank that has most successfully achieved a new market entry, the inaugural award went to FAB Siraj, the Islamic banking arm of First Abu Dhabi Bank (FAB).

This year saw an even wider field, with the laurels eventually going to Iraq's Al Taif Islamic Investment & Finance Bank. The bank itself has been in operation since 2006, but converted into a fully-fledged Islamic bank in March 2018 following the launch of a new brand identity and a migration onto a new core banking platform. Runner-up was Nigeria's Taj Bank, first licensed in July 2019, while Iraq's Ur Bank for Islamic Investment came third.

On the leasing side, Sri Lanka's LOLC Al-Falaah was yet again voted as Best Islamic Leasing Provider, with the UAE's Islamic Finance House coming a close second and ADIB third. In a surprise twist however, Standard Chartered was pipped at the post for Best Islamic Trustee/Custodian by Citibank, with 2018 runner-up HSBC Corporate Trustee again coming in second and Deutsche Bank bringing up the rear.

### **Asian heroes**

From the global to the local, our country categories exist to showcase the headline act of every significant Islamic finance jurisdiction — the bank that has played the biggest part in driving forward the industry. In some this might be the big boys, the bright stars — but in other markets, new entrants and agile challenger banks can win the day. In the IFN Best Banks Poll size does not matter — the priority is progress.

In Indonesia, Maybank Syariah Indonesia (now known as Bank Net Indonesia Syariah following the acquisition by NTI Global Indonesia and Berkah Anugerah Abadi) won the day knocking 2018 winner Bank Danamon off the top spot. 2017 winner CIMB Niaga once again came in second, while Bank Muamalat Indonesia was third. Maybank Syariah Indonesia had a sterling year in 2019, driven by a focus on retail and digital banking along with its core SME business.

In Brunei, it will come as no surprise that Bank Islam Brunei Darussalam once again took top honors, with CIMB Brunei again coming second and Perbadanan Tabung Amanah Islam Brunei in third place. In Thailand, CIMB Thai took the top spot this year while previous winner Islamic Bank of Thailand fell to second place and the Al-Islamiah Saving Cooperative came third. In Australia, Best Islamic Financial Institution went to Amanah Islamic Finance for the third year in a row. A pioneering mortgage manager headed up by CEO Asad Ansari, Amanah works hard to fill the gap for Shariah compliant home loans in Australia. The Islamic Co-Operative Finance Australia was runner-up and Hejaz Financial Services came third.

Although there is little Islamic finance within Japan itself, Japanese institutions have made a name for themselves within the industry outside of their home country, and their efforts have earned them a category all to themselves. For 2019, the award for Best Japanese Bank Offering Islamic Financial Services goes once again to MUFG Bank, rebranded from Bank of Tokyo Mitsubishi UFJ (the 2017 winner) in April 2018, Japan's largest bank and the eighth-largest in the world.

It was a big year for MUFG Bank in its home country, and in March 2019 the bank partnered with Morgan Stanley to become the first entity in Japan to market domestic Islamic bonds, following a change in the previously prohibitive tax law. Sumitomo Mitsui Banking Corporation came second while Mizuho Financial Group came in third — but with the Islamic finance landscape heating up in Japan and the regulatory environment becoming more inclusive, we could see a shakeup in the category for 2020, so watch this space.

Moving south, in Pakistan there were no surprises, with the award going to dominant player Meezan Bank (runner-up was DIB Pakistan and third place went to BankIslami Pakistan), while the Bangladeshi crown once again went to Islami Bank Bangladesh (with Exim Bank and ICB Islamic Bank coming in second and third respectively). Best Islamic Bank in Sri Lanka went to 2018 winner LOLC Al-Falaah for yet another year, with Amana Bank and Bank of Ceylon's Shariah unit An-Noor as runner-up.

### **African activity**

Africa continues to be one of the most exciting places for growth in Islamic finance, and 2019 built upon previous years' progress to move ever further forward — including a new Islamic insurance law for Morocco, a second Sukuk facility listed in Nigeria and a proposed Islamic finance framework for Tanzania.

This year we expanded the African categories to cover some new and emerging frontier markets — including Somalia, where the award for Best Islamic Bank goes to Salaam Bank, with Salaam Somali Bank and Dahabshil Bank International in second and third. In Sudan, Africa Bank for Trade and Development knocked Al Baraka off the top spot for 2019, with Al Salam Bank (Sudan) voted in second place and Bank of Khartoum third.

In South Africa however, Al Baraka Bank once again won the day (followed by Absa and FNB) while in Kenya, 2018 winner DIB Kenya won yet again, with National Bank of Kenya as the runner-up and Barclays Kenya in third — and 2017 winner Gulf African Bank interestingly nowhere in sight.

Moving north, BTI Bank (Bank Al-Tamweel Wa Al-Inma) won the day in Morocco (followed by Al Akhdar Bank and Bank Assafa); while 2018 winner ADIB Egypt retained pole position in Egypt with Al Baraka Bank Egypt and Faisal Islamic Bank of Egypt coming in close behind.

### **Gulf glory**

The GCC threw up few surprises this year, with the top banks largely just exchanging positions rather than making room for any wild cards. With the latest round of consolidation that occurred over the year however, 2020 could see a very different landscape.

For 2019 however, we kick off with Best Islamic Bank in the UAE, which was taken by ADIB with 2018 winner DIB a close second and Emirates Islamic coming in third.

In Saudi Arabia, Al Rajhi Bank once again retained top spot, with Riyadh Bank coming in second and previous runner-up Alinma Bank third. In Kuwait, Kuwait Finance House claimed the win once again, with Boubayan Bank and Warba Bank second and third respectively. In Qatar, which has seen its own spate of mergers and acquisitions activity in the Islamic sector, 2017 winner Qatar Islamic Bank regained the crown, followed by 2018 winner QIIB in second and Masraf Al Rayan coming in third.

In Oman, Bank Muscat's Islamic arm Meethaq won top spot, with the country's only two fully-fledged Islamic banks, Bank Nizwa and Alizz Islamic Bank, coming second and third respectively. Meethaq launched its second Sukuk program in 2019 to strong demand.

Finally Bahrain Islamic Bank, one of the largest and oldest institutions in the Kingdom, once again took the prize for Best Islamic Bank in Bahrain for 2019, followed by ABC Islamic in second and Al Baraka Bank Bahrain third.

In the wider Middle East, Syria International Islamic Bank retained its title as Best Islamic Bank in Syria (runner-up: Al Baraka Bank Syria; third: Cham Bank) while in Yemen, the prize was again won by the Islamic Bank of Yemen (runner-up: Saba Islamic Bank; third: Al Amal Microfinance Bank). In the Palestine Territories, Arab Islamic Bank once again took top spot (followed by Palestine Islamic Bank and Al Safa Bank). In Lebanon, Arab Finance House pushed its way to the top, shouldering out incumbent Al Baraka Lebanon with Al Bilad Islamic Bank for Investment & Finance and Lebanese Islamic Bank instead coming in second and third respectively.

For the fourth year in a row, Jordan Islamic Bank was voted Best Islamic Bank in Jordan with Al Rajhi Bank Jordan coming second and Islamic International Arab Bank third. In Iraq, World Islamic Bank for Investment and Finance came out top; while in Iran, 2017 winner Ansar Bank wins again with Cooperative Development Bank the runner-up. In Afghanistan, the prize was taken by the Islamic Bank of Afghanistan.

### Western wins

Moving gradually west, in Turkey last year's winner Turkiye Finans Katilim Bankasi was knocked into third place by Albaraka Turk Katilim Bankasi which finished first while Faisal Islamic Bank of Kibris came in second.

In the US, the title of Best Islamic Bank was awarded to UIF Corporation, winner for the third year in a row and the parent of 2016 winner University Islamic Financial (UIF), while Ameen Housing Co-operative came in second and Bank of Whittier third. And finally, in the UK, the Bank of London and The Middle East won the day with 2018 winner and retail pioneer Al Rayan Bank voted in second and Gatehouse Bank third.

### Drumroll please...

Now, the announcement you have all been waiting for...

IFN is pleased to reveal that Dubai Islamic Bank (DIB) is taking home the title of Best Overall Islamic Bank for the sixth year in a row, but not without strong competition from Malaysian heavyweight rivals in one of the most competitive IFN Best Banks Poll rounds in its 15-year history.

The announcement of the Best Overall Islamic Bank 2019 was originally scheduled for the 8<sup>th</sup> March 2020 but was postponed due to the COVID-19 pandemic.

DIB's win is perhaps not surprising considering the repertoire of the Dubai giant which has only strengthened and deepened in 2019 following an exceptional year of growth. Maintaining its position as the largest bank in the UAE, the bank registered record earnings in 2019 at AED5.1 billion (US\$1.39 billion), the highest it has been since it was established in 1975.

It also had an illustrious deal-making year. In 2019, DIB was involved in numerous landmark transactions including award-winning deals such as the US\$1 billion Sharjah sovereign Sukuk which won IFN Sovereign Sukuk Deal of the Year and the US\$600 million Majid Al Futtaim Sukuk issuance which was awarded IFN UAE Deal of the Year and IFN Social Impact/SRI Deal of the Year.

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Apart from strong financials built upon a robust foundation, the bank also cemented its bid to become one of the largest fully-fledged Islamic banks globally by successfully acquiring Noor Bank at the end of last year.

DIB continues to perform in 2020. It grew its asset base by 19% to AED276 billion (US\$75.13 billion) and deposits by 22% in the first quarter of this year. Despite tumultuous market conditions — from the COVID-19 pandemic to tanking oil prices — the bank managed to net a profit of over AED1.1 billion (US\$299.43 million) in spite of additional provisions and buffers of nearly AED1.5 billion (US\$408.32 million) as well as maintain a capital adequacy ratio of 16.5%.


With the impact of the coronavirus pandemic continuing to reverberate and persistent weak investor sentiments during

what many have described as a period of severe financial and economic adversity, DIB however is taking the storm in its stride.

“The leadership team at DIB is no stranger to such adverse market phenomena. It is the same team that led the bank successfully through the 2008 financial crisis and is ready to take the challenge and navigate the bank in the current economic environment as well,” Group CEO Dr Adnan Chilwan assured investors and clients, when the bank announced its first quarter results.

And investor confidence in the DIB brand, which spans across the GCC region as well as in South Asia and Africa through its Pakistani and Kenyan operations, is evident as demonstrated by the overwhelming support for its debt offerings: its two US\$750

million Sukuk sold in 2019 were oversubscribed as was its latest US\$1 billion paper.

The IFN Best Banks Poll, launched in 2005, has the distinction of being the trusted barometer of excellence for Islamic banks worldwide, recognizing the best providers of Islamic financial services across a series of markets and sectors as voted by the readers of IFN. The contest for Best Overall Islamic Bank in the latest installment of the poll, which employed an enhanced screening and voting process, is the tightest-ever with strong showings from Malaysian powerhouses CIMB Islamic and Maybank Islamic which grabbed the positions of first runner-up and second runner-up respectively. 

### Best Islamic Bank by Sector

#### BEST CENTRAL BANK IN PROMOTING ISLAMIC FINANCE

1<sup>st</sup>: **Bank Negara Malaysia** 2<sup>nd</sup>: Central Bank of Oman 3<sup>rd</sup>: Bank Indonesia

#### BEST ISLAMIC LEASING PROVIDER

1<sup>st</sup>: **LOLC Al-Falaah** 2<sup>nd</sup>: Islamic Finance House 3<sup>rd</sup>: Abu Dhabi Islamic Bank

#### BEST ISLAMIC PRIVATE BANK

1<sup>st</sup>: **Maybank Islamic** 2<sup>nd</sup>: Abu Dhabi Islamic Bank 3<sup>rd</sup>: ADCB Islamic Banking

#### BEST ISLAMIC RETAIL BANK

1<sup>st</sup>: **Maybank Islamic** 2<sup>nd</sup>: Dubai Islamic Bank 3<sup>rd</sup>: CIMB Islamic

#### BEST NEW ISLAMIC BANK

1<sup>st</sup>: **Al Taif Islamic Investment & Finance Bank** 2<sup>nd</sup>: Taj Bank 3<sup>rd</sup>: Ur Islamic Bank for Investment

#### MOST INNOVATIVE ISLAMIC BANK

1<sup>st</sup>: **Emirates Islamic** 2<sup>nd</sup>: Dubai Islamic Bank 3<sup>rd</sup>: Meezan Bank

#### BEST ISLAMIC TRUSTEE/CUSTODIAN

1<sup>st</sup>: **Citibank** 2<sup>nd</sup>: HSBC Corporate Trustee 3<sup>rd</sup>: Deutsche Bank

#### BEST ISLAMIC BANK FOR TREASURY MANAGEMENT

1<sup>st</sup>: **CIMB Islamic** 2<sup>nd</sup>: Dubai Islamic Bank 3<sup>rd</sup>: Maybank Islamic

#### BEST OVERALL ISLAMIC BANK

1<sup>st</sup>: **Dubai Islamic Bank** 2<sup>nd</sup>: CIMB Islamic 3<sup>rd</sup>: Maybank Islamic



### Best Islamic Bank by Country

#### EUROPE

**TURKEY**  
 Albaraka Turk Katilim Bankasi  
 Faisal Islamic Bank of Kibris  
 Turkiye Finans Katilim Bankasi

**UK**  
 Bank of London & The Middle East  
 Al Rayan Bank  
 Gatehouse Bank (UK)

#### THE AMERICAS

**US**  
 UIF Corporation (University Islamic Financial)  
 Ameen Housing Co-operative (San Francisco)  
 Bank of Whittier

#### INDIAN SUBCONTINENT

**PAKISTAN**  
 Meezan Bank  
 Dubai Islamic Bank (Pakistan)  
 BankIslami Pakistan

**BANGLADESH**  
 Islami Bank Bangladesh  
 Exim Bank (Bangladesh)  
 ICB Islamic Bank

**SRI LANKA**  
 LOLC Al-Falaah  
 Amana Bank (Sri Lanka)  
 Bank of Ceylon (Shariah Unit: An-Noor)

#### SOUTHEAST ASIA

**MALAYSIA**  
 CIMB Islamic  
 Maybank Islamic  
 Bank Rakyat

**INDONESIA**  
 Maybank Syariah Indonesia  
 (Bank Net Indonesia Syariah)  
 CIMB Niaga  
 Bank Muamalat Indonesia

**BRUNEI**  
 Bank Islam Brunei Darussalam  
 CIMB Brunei  
 Perbadanan Tabung Amanah  
 Islam Brunei (TAIB)

**THAILAND**  
 CIMB Thai  
 Islamic Bank of Thailand  
 Al-Islamiah Saving Cooperative

#### AFRICA

**SUDAN**  
 African Bank for Trade and Development  
 Al Salam Bank (Sudan)  
 Bank of Khartoum

**SOUTH AFRICA**  
 Al Baraka Bank South Africa  
 Absa Islamic Bank  
 FNB Islamic Banking

**KENYA**  
 Dubai Islamic Bank (Kenya)  
 National Bank of Kenya  
 Barclays Kenya

**MOROCCO**  
 BTI Bank (Bank Al-Tamweel Wa Al-Inma)  
 Al Akhdar Bank  
 Bank Assafa

**EGYPT**  
 Abu Dhabi Islamic Bank (Egypt)  
 Al Baraka Bank Egypt  
 Faisal Islamic Bank of Egypt

**SOMALIA**  
 Salaam Bank  
 Salaam Somali Bank  
 Dahabshil Bank International

#### ASIA PACIFIC

**AUSTRALIA**  
 Amanah Islamic Finance  
 Islamic Co-Operative Finance Australia  
 (ICFAL)  
 Hejaz Financial Services

**JAPAN**  
 MUFG Bank (formerly known as Bank of  
 Tokyo-Mitsubishi UFJ)  
 Sumitomo Mitsui Banking Corporation  
 Mizuho Financial Group

#### MIDDLE EAST

**UAE**  
 Abu Dhabi Islamic Bank  
 Dubai Islamic Bank  
 Emirates Islamic

**SAUDI ARABIA**  
 Al Rajhi Bank (Saudi Arabia)  
 Riyadh Bank  
 Alinma Bank

**KUWAIT**  
 Kuwait Finance House  
 Boubyan Bank  
 Warba Bank

**QATAR**  
 Qatar Islamic Bank  
 QIIB  
 Masraf Al Rayan

**OMAN**  
 Meethaq Islamic Banking (Bank Muscat)  
 Bank Nizwa  
 Alizz Islamic Bank

**BAHRAIN**  
 Bahrain Islamic Bank  
 ABC Islamic  
 Al Baraka Bank Bahrain

**SYRIA**  
 Syria International Islamic Bank  
 Al Baraka Bank Syria  
 Cham Bank

**YEMEN**  
 Islamic Bank of Yemen  
 Saba Islamic Bank  
 Al Amal Microfinance Bank

**PALESTINE**  
 Arab Islamic Bank (Palestine Territories)  
 Palestine Islamic Bank  
 Al Safa Bank

**LEBANON**  
 Arab Finance House  
 Al Bilad Islamic Bank for Investment & Finance  
 Lebanese Islamic Bank

**JORDAN**  
 Jordan Islamic Bank  
 Al Rajhi Bank (Jordan)  
 Islamic International Arab Bank

**IRAN**  
 Ansar Bank  
 Cooperative Development Bank  
 Bank Melli Iran

**IRAQ**  
 World Islamic Bank for Investment & Finance  
 International Islamic Bank  
 Iraqi Islamic Bank

**AFGHANISTAN**  
 Islamic Bank of Afghanistan  
 Afghanistan International Bank  
 Afghan United Bank

Note: Red: Winner; Black: Runner-up Blue: Third



# ON THE PULSE OF ISLAMIC FINTECH

Breaking boundaries and challenging  
preconceptions in one of the shake-ups of  
the century