Volume XXXVII
Autumn 2026
£5.95

ARAB Banker

The Global Magazine of the Arab Bankers Association (ABA)

FINANCIAL INCLUSION IN EGYPT

RENEWABLE ENERGY EMPIRES IN THE GULF

UNPACKING LEBANON'S GAP LAW

REBUILDING SYRIA'S BANKS

ANALYSIS OF GULF SOVEREIGN RATINGS

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Volume XXXVII, Autumn 2026

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***Arab Banker* is the global magazine of the Arab Bankers Association (ABA)**

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A year of challenges and opportunities

My second year at the helm of the Arab Bankers Association has certainly been a busy one. In March we moved from the premises that had been our previous base in London for nearly two decades, to smart new offices in Berkeley Street. There have also been staff changes, with the arrival of a new business development manager, and a new assistant editor for this magazine. At the same time we sought to broaden the organisation's focus, establishing stronger connections with the flourishing legal sector and with the business councils and diplomatic missions of Arab countries in the UK.

Our members have had to contend with unusual levels of uncertainty this year as geopolitical risk has become a major economic driver, shaping investment decisions, supply chains and markets. Monetary policy has also been affected by events in our region. As inflation began to stabilise earlier this year, it was anticipated that there would be a gradual reduction in interest rates. But this failed to materialise as central banks were confronted by increasingly volatile energy markets, the result of supply disruption in the Gulf.

Regional unrest also catalysed the departure of the UAE from OPEC, signalling a new era in global energy governance and a potential re-ordering of regional alliances. It also marks a continuing trend away from globalisation, towards an increasingly fragmented trade environment, one that has been accelerated to some extent by the erratic tariff policies of the United States. Businesses are being forced to adapt to a more regionalised and politicised trading environment, often diversifying their supply chains accordingly.

On the positive side, despite persistent concerns about a global recession, the world economy has proved more resilient than many forecast, with positive global growth particularly in India and parts of Asia which in certain areas have outperformed Europe.

It is encouraging to note that our own sector meanwhile, has shown remarkable resilience and that despite higher funding costs and slowing loan growth, most international banking systems remain well capitalised and profitable.

Artificial intelligence has been a key driver of capital markets, with tech companies, semiconductor manufacturers and digital infrastructure providers all attracting substantial capital. Banks meanwhile have become leading consumers of AI, increasingly relying on it for productivity, risk management and customer service. Balanced against this have been the growing concerns about both an overheated market and the potential operational risks associated with the unregulated adoption of this transformative new technology.

AI is being increasingly widely used in the field of anti-money laundering detection in particular. Financial institutions are using it to prioritise investigations and identify hidden transaction networks as well as drafting suspicious activity reporting, freeing up AML professionals to spend less time reviewing routine alerts and more time on complex investigations. Dialogue and the exchange of best professional practice are hugely important in this fast-moving field, and the ABA is proud of its continued role as a strategic partner of the MENA chapter of the Financial Crime Compliance Group

It is in this context that the Arab Bankers Association continues to fulfil a leading role amongst Arab bankers, one that is both distinctive and increasingly valuable, providing an independent forum where professionals from across the Arab financial community engage constructively with colleagues from the City of London and the wider international banking sector. Our purpose extends well beyond professional networking. We exist to promote dialogue, strengthen understanding and foster the trusted relationships that underpin successful international finance.

In an era when headlines often emphasise division, institutions that encourage informed dialogue acquire renewed significance. Through our programme of seminars, meetings and social events we bring together bankers, regulators, investors, and professional advisers for the candid exchange of ideas and a deeper appreciation of the opportunities and challenges that shape our respective markets.

At a time when the world can sometimes appear more fragmented, the importance of institutions like ours that build understanding, encourage cooperation and reinforce confidence should never be underestimated.

We remain, very much a member-led organisation one that is primarily concerned with representing their interests. With this in mind, the board and I are in the process of reviewing our mission and objectives for the coming years to ensure that we remain responsive to members' needs. We will of course keep you informed once these plans are finalised.

Gaby George Fadel
Chief Executive Officer

Thoughts from the editor's desk

Welcome to this year's issue of *Arab Banker* magazine. As always, the magazine contains stories that reflect the interests and concerns of ABA members and affiliates, with some contributions from members themselves.

Events over the past 12 months have made it clear that we live in an increasingly unstable – and interconnected – world, one in which disruption to the free movement of cargo in the Strait of Hormuz today can lead to food shortages in Southeast Asia tomorrow. The rapid pace of the changes taking place within our region has made it particularly challenging to create a publication that will still have relevance 12 months after we go to press in August 2026.

We have expanded our energy coverage to consider the impact that prolonged and intermittent conflict in the Gulf is having on the production and distribution of fossil fuels. Paul Hickin, Editor-in-Chief at *Petroleum Economist*, assesses how the energy map of the region is being redrawn, and what the implications of extended periods of uncertainty are likely to be for future logistics and supply chains. Our regular oil and gas analyst, Jamie Ingram, explores how clean energy is becoming an increasingly significant component of the economic strategies of both Saudi Arabia and the UAE. Saudi Arabia's Acwa and the UAE's Masdar are at the forefront of their respective country's diversification efforts, each playing an increasingly vital role in meeting the vast energy needs of ambitious AI strategies.

Meanwhile, ABA member Themis provides some uncomfortable insights into how high-end London properties could potentially be at risk of criminal infiltration. It focuses on the Iranian authorities' use of luxury real estate as an instrument of sanctions evasion within broader financial networks, and draws attention to the possible risks that this could create for those operating legitimately in the sector.

We also take time to acknowledge some noteworthy success stories from our region. The Central Bank of Egypt has implemented a hugely ambitious financial inclusion strategy, which has resulted in nearly 54 million Egyptians being able to access financial services for the first time. A combination of legislative and technical reforms, rolled out alongside an extensive public education campaign, has meant 77% of the country's adult population now has access to a bank or post office account, or mobile wallet.

There is encouraging news too from neighbouring Syria, where an extensive programme is underway to modernise the country's banking sector and ensure it is aligned with modern sector norms, particularly around transparency and accountability. This is, by any standards, a daunting task, after Syria's banks were cut adrift from the international financial community in 2012 and excluded from all major subsequent reforms. But legislative and fiscal reforms, alongside intense multilateral engagement from international agencies, are starting to take effect.

For the first time the magazine contains a dedicated legal section, reflecting the recent membership of several leading international law firms. Michelman Robinson has provided an insight into recent changes to the organisation of the courts of arbitration in the Gulf and how the region is emerging as a leading contender in the competitive field of global dispute resolution. Meanwhile Stephenson Harwood offers guidance on the management of complex internal fraud investigations and how to balance the often-competing demands of disclosure and data protection.

We have our usual analysis of Middle East sovereign ratings from former *Arab Banker* Editor Andrew Cunningham, along with his regular survey of the top 50 GCC banks. Elsewhere, former ABA CEO George Kanaan has joined forces with law firm Wedlake Bell to chronicle some of the historic changes in the City of London that have led to its evolution into the financial powerhouse of today.

The production of *Arab Banker* is very much a collective endeavour. This year I am particularly grateful for the efforts of Heidi Marttinen who joins our team for the first time, and for the talents – and patience – of designer Antony Gray, which ensure the magazine continues to be visually engaging.

Proofreading has been carried out with diligence and thoroughness by Eileen Byrne and printing and distribution is handled by Jason Smith of JPS Print Consultants.

We hope you enjoy the result.

Tabitha Morgan-Butt
Editor, *Arab Banker*

People and News

Bank ABC appoints Paul H. Jennings as Group CEO

Paul H. Jennings was appointed Group Chief Executive Officer at Bank ABC, with his tenure taking effect in August 2026. Paul has four decades of international banking experience. Most recently he served as CEO of British Arab Commercial Bank (BACB) in London. Prior to this, Paul spent more than two decades with Bank ABC Group, holding a number of senior leadership roles, including Group of Global Trade Finance and Managing Director and CEO of ABC International Bank plc, where he led the bank through a period of sustained growth, strengthened regulatory engagement, and enhanced its governance, risk, and business frameworks.

Commenting on the appointment, the Chairman of Bank ABC Group, H.E. Naji Belgasem, said: 'We are pleased to appoint Paul as Group Chief Executive Officer and to welcome him back to Bank ABC. Paul brings extensive banking experience, a strong track record of leadership, and a deep understanding of the group's business model and markets. In an evolving global environment, the board is confident that, alongside the group's leadership team, he is well positioned to lead Bank ABC through its next phase of growth and to build on the strong foundations established over recent years.'

New Head of EMEA Banks for Global Payments and Trade at BNY

Bank of New York Mellon Corporation (BNY) appointed Mona Mroue as Head of EMEA Banks for Global Payments and Trade in January. In her new role, she is responsible for the coverage of clients across the region and for driving the commercial strategy to accelerate growth through integrated, value-driven solutions. Mroue brings more than 25 years of experience in banking and financial markets. Prior to joining BNY in 2021, she held senior leadership positions at Citi, Morgan Stanley and Société Générale, developing extensive expertise across capital markets, advisory and global transaction banking. Since joining BNY, she has managed global payments and trade clients across EMEA. In 2023, Mroue was recognised as one of *Trade Finance Global's* '100 Women in Treasury, Payments and Trade'. She brings extensive international banking expertise and a strong track record of delivering strategic growth across diverse markets.

New Chief Risk Officer at ABE

Glenn Ashbrooke has moved to Arab Bank Europe (ABE) to take up the post of Chief Risk Officer in 2026. Glenn had previously enjoyed a five-year tenure in the same role at Zenith Bank (UK) Ltd. Prior to this he spent many years working for HSBC's global network in several senior leadership roles.

Global Finance: World's Best Bank Awards 2026, Middle East

Middle East Regional Winner	Arab Bank
Bahrain	KFH Bahrain
Iraq	National Bank of Iraq
Jordan	Arab Bank
Kuwait	National Bank of Kuwait
Lebanon	Arab Bank
Oman	Bank Muscat
Palestine	Bank of Palestine
Qatar	QIB
Saudi Arabia	Saudi Awwal Bank – SAB
United Arab Emirates	ADIB
Yemen	Arab Bank

QIB UK appoints Greg Ellison as Chief Executive Officer

Qatar Islamic Bank (QIB) UK appointed Greg Ellison as Chief Executive Officer in April. A chartered director, Greg has over 29 years' experience in financial services and more than 17 years in chief executive roles. He has led a range of regulated banking and wealth management businesses, with a particular focus on strategic transformation, digital innovation, and sustainable growth.

Before joining the bank, Greg was Chief Executive Officer of Alpha Bank London, where he oversaw a successful period of strategic repositioning and digital investment. He previously also served as Chief Executive Officer of Capital International Group, founding and launching Capital International Bank, a fully digital corporate bank.

Earlier in his career, Greg held senior leadership positions at Barclays Wealth, including Head of Banking and Managing Director for the offshore businesses in Jersey, Guernsey, and the Isle of Man. He will be building on the strong legacy of his predecessor, Richard Musty, who recently retired.

BACB wins trade finance award for 5th time

British Arab Commercial Bank (BACB) has been named Best Trade Finance Bank in North Africa at the 2026 *Global Trade Review (GTR) Awards*, marking the fifth consecutive year the bank has received the honour. The award recognises BACB's continued strength in trade finance across the region and reflects the expertise of its teams. This year's winners were selected by GTR's editorial team with support from an independent panel of industry experts, making the accolade a significant endorsement of the bank's leadership in the sector.

Private Wealth promotions at Trowers & Hamlins

Louise O'Toole

Sophie Critchley

International law firm Trowers & Hamlins has promoted Louise O'Toole and Sophie Critchley to partner in its private wealth department. Based in the firm's London office, Louise advises high-net-worth individuals, professional fiduciaries and advisers on UK tax and private client matters, with a particular focus on clients living in the UK and international clients with UK interests. Her practice covers UK taxation, wealth-holding structures, complex family dynamics, succession planning and trusts. Sophie, based in Exeter, advises on a range of private wealth matters, including wills, lasting powers of attorney, probate and estate administration. She has particular expertise in trusts, advising on their creation and administration and their use in estate planning, asset protection, and inheritance tax mitigation. She also advises on the creation and registration of charitable trusts, enabling clients to meet their philanthropic aims in estate planning.

Europe Arab Bank rebrands to Arab Bank Europe

ARAB BANK EUROPE

The bank officially rebranded from Europe Arab Bank to Arab Bank Europe in July, introducing a refreshed visual identity that more closely aligns the bank with its parent, the Arab Bank Group. The new name is intended to reinforce its position as the Group's European arm while reflecting what the bank describes as 'who we have always been' – an Arab Bank in Europe.

JIB appoints new Head of Trade Finance

Jordan International Bank plc (JIB) has appointed Peter Hampson as Head of Trade Finance, based in London. Peter brings extensive experience in trade finance and international banking, with a strong track record of supporting clients engaged in international trade and delivering trade finance solutions across global markets.

In his new role, Peter is responsible for leading the bank's trade finance business, further strengthening JIB's capabilities in supporting corporate and financial institution clients with a comprehensive range of trade and working capital solutions. He will play a key role in driving business growth, enhancing client relationships, and expanding the bank's trade finance offering.

ABA honours the legacy of two former board members

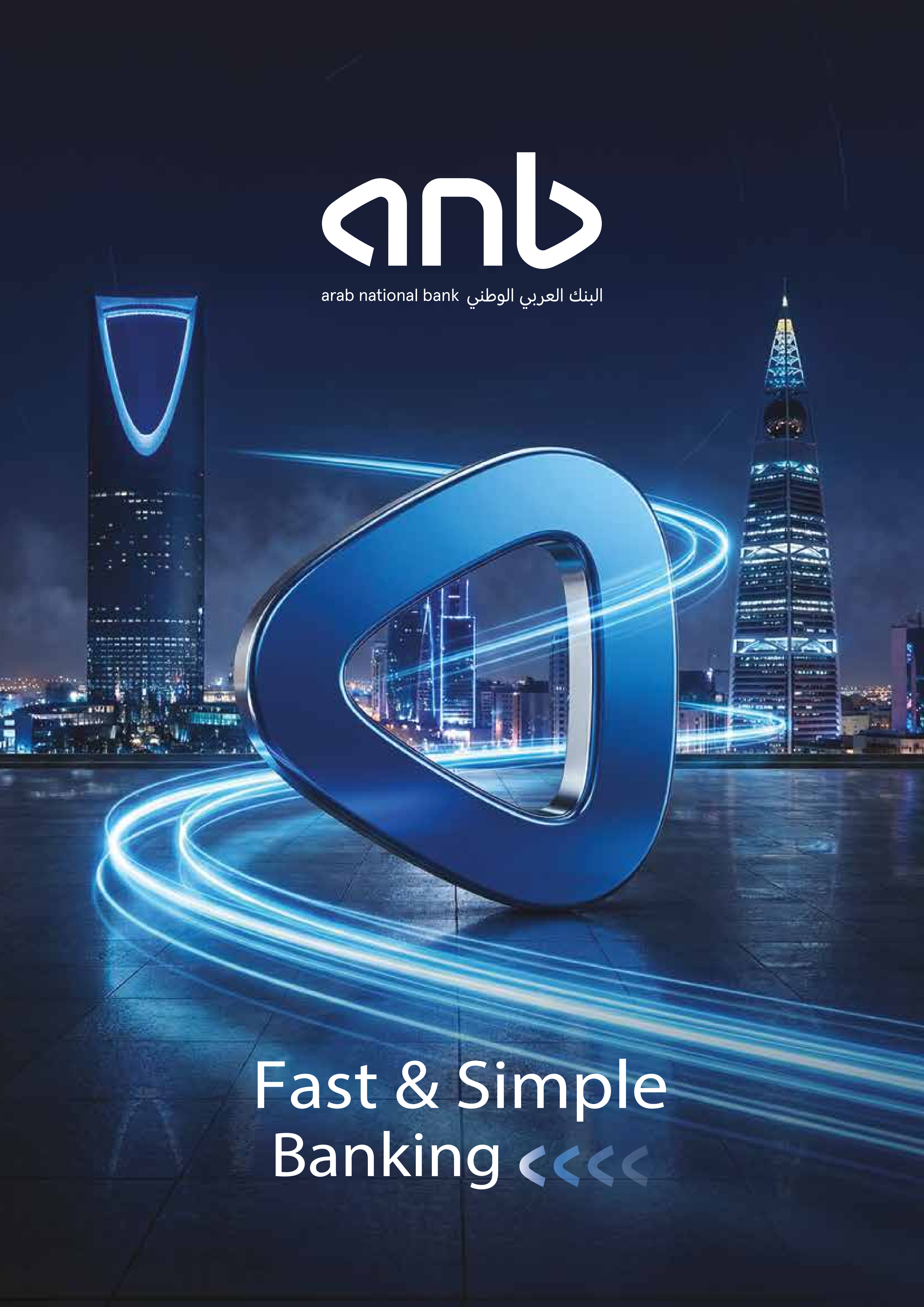
The Arab Bankers Association is honouring the legacy of two distinguished former board members, Mustapha Serageldin and Nofal Barbar, who passed away in 2026 after making significant contributions to ABA and the wider Arab banking community. Mustapha, who served as ABA Chairman from 1989 to 1992, played an important role in the association's early development, helping to strengthen its position as a leading platform connecting Arab and UK financial institutions. Nofal, who served as Acting Chairman in 2011, was a highly respected figure whose leadership, expertise and commitment supported the ABA's mission and activities. The Association remembers both men for their dedication, professionalism and lasting impact on the banking sector, as well as their unwavering support of the ABA.

Zeena Farouk joins ANB London

ANB London welcomed Zeena Farouk as Senior Relationship Manager within its Private Banking Unit in July. With more than 20 years of experience in private banking and wealth management, Zeena has built an international career across leading financial institutions, including Coutts, Société Générale Hambros, Merrill Lynch, National Bank of Kuwait, Ahli United Bank, and First Abu Dhabi Bank. Having advised clients across the French, Egyptian, Kuwaiti, UAE and wider GCC markets, she will now focus on serving and growing ANB London's Saudi client base, working closely with Head of Private Banking Sami Khairat and General Manager Yasser Ibrahim.

Riyad Bank London appoints new Chief Manager

Alvaro Estevez Regnier was appointed Chief Manager of Riyad Bank London and Head of Overseas Offices (US and Asia) in July. Alvaro brings more than 30 years of experience in banking, with a strong focus on international corporate banking and cross-border solutions. He has held different senior roles in Latin America, continental Europe and the UK. Prior to joining Riyad Bank he was Europe and Americas Head of MNC Corporate Banking at Standard Chartered in London. Before that, Alvaro held similar EMEA-focused roles at JP Morgan and Bank of America in London.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Protestors took to the streets of Beirut in 2019 over the banking crisis.

Filling the gaps in Lebanon's banking crisis: does the latest legislation go far enough?

Parliamentary approval of Lebanon's controversial Financial Gap and Deposit Recovery Law – already much delayed – has been postponed again as a result of the continuing conflict in the region and disagreement between legislators and the IMF. But the issues it sought to resolve have certainly not gone away. The law represents the first serious attempt to allocate the losses from the 2019 banking collapse, and is a vital first step towards any kind of banking reform. The financial gap it refers to is that between the assets that banks (including the central bank) actually possess and what they owe depositors: it is estimated to be $70–80 billion wide.

The IMF has long insisted that the banking sector must be comprehensively restructured – including greater transparency and a formal recognition of the losses involved – before any future international financial support packages can be discussed. And there's the rub. Recognising losses involves an official acknowledgement of which institutions are insolvent, who benefited from past financial engineering schemes, and, critically, who should now bear responsibility. For a banker's perspective on this maelstrom, *Arab Banker* spoke to Dr Fadi Khalaf, Secretary General of the Association of Banks in Lebanon.

ARAB BANKER: What is the purpose of the gap law?

DR FADI KHALAF: We have two laws, the banking restructuring law, and the gap law. Both are linked and one cannot work without the other. The gap law should, in principle, decide who will pay from which resources, over what period and with what guarantees.

It was delayed for a time because there was some friction over how best to represent the interests of the depositors, while also preserving the future interests of the banks, how they could pay, and the role of the state.

What is positive about the law is that it represents the first serious attempt in seven years to manage this crisis. It brings the issue of deposits back to the centre of the national debate, and the place it needs to be, which is in the parliament. Until now, we've just been managing the problem through temporary measures when we actually need a permanent solution that has been properly and legally structured. Any solution needs to be realistic, fair, and enforceable. This is most important, the law that promises too much without securing the means to deliver it may actually do more damage to public confidence, when it should be trying to restore it.

It is not enough for this law just to look good on paper. If it is to avoid creating another crisis, it needs to be realistic about its approach to retributions.

Do you feel that in its current form, the law is fair and enforceable?

The law needs to take account of two things. First, it has to formally recognise the state's responsibility for what happened. It was a systemic crisis that started with the state mismanaging its budget deficit and which was exacerbated by measures taken by the central bank as it attempted to defend an unrealistic foreign exchange rate for the Lebanese currency.

Taking those responsibilities into account, we then have to find a realistic way to reimburse depositors. We need to consider by what means? What is the possibility for repayment? Nothing can be repaid now without taking into consideration issues such as timing, the level and method of payments, and what is going to be realistic for the state, the central bank and the commercial banks.

We cannot just expect the banks to pay everything. They don't have enough liquidity for that, particularly while all their deposits continue to be retained by the central bank. It would be grossly unfair to place the entire burden on the commercial banks. We should take into consideration what is available as liquidity and conduct a stress test to see what is practical. If for example, we say we want to pay all deposits below $100,000 is that going to be feasible? Could we pay all this over four years? What happens for instance if we push on with this course of action only to find it is unsustainable and then end up going into another default? In that case, we would never regain the public's confidence in the banking sector. We cannot just use slogans and say we want to repay everything.

Now, we are afraid of seeing the state evading its responsibility and of the central bank drawing on the legal reserves of commercial banks when they simply don't have enough resources to deal with the problem. So a law that promises too much without securing the means to deliver will ultimately damage confidence rather than restore it.

Dr Fadi Khalaf, Secretary General of the Association of Banks in Lebanon.

You refer to the crisis as systemic, what needs to happen to change that system?

The whole system was affected, but its more than that, because the origins of this crisis actually started with the state and its practice of financing its budget deficit through the central bank instead of finding other solutions. The central bank, for a certain period of time, did have the means to finance this, but after it had consumed all its reserves it started drawing on its own statutory reserves as well as the deposits of the commercial banks to finance this deficit. So this obviously affected the country's banking sector because when you have your deposits at the central bank and they are being used by the government to fill the budget deficit, then that has direct and very serious consequences. It means that the banks can no longer repay to the depositors. So the problem started with the government and then it spread to the central bank and then on to the commercial banks.

So the new legislation essentially needs to provide a more robust framework with sufficient checks and balances to stop the government of the day from treating the central bank as a piggy bank that can be raided when required.

Exactly. We already had laws that forbade the government from financing its deficit from the central bank, but they were not properly applied. The new legislation must be much more clearly defined to prevent the central bank from lending to the government or the state. If such laws had been well applied, I think we wouldn't have reached this point. We are trying to rebuild everything now from scratch.

The main problem I think in Lebanon, is that too often controversial elements in a particular law are deliberately left vague or unclear, just to help get the legislation through parliament. But this just will not work because those laws are then open to misinterpretation and exploitation by people who perhaps do not always have good intentions and are not interpreting the law in the spirit in which it was meant. We already have the laws, we have to define them better, because implementing them was a problem.

Demonstrators wearing masks depicting Central Bank Governor, Riad Salameh.

But surely the banks themselves need to play a part in resolving this crisis?

If we put a greater burden on the banks, one that cannot be implemented and is not sustainable and leads the banks to fail, it will be catastrophic not just for the banks themselves, but for depositors and the whole country. We obviously have certain financial limits, and if you go beyond them, it will just weaken the banking sector, so you run the risk of creating similar sorts of problems all over again. It just will not be practical. If you put all the burden on the banks, and they don't have enough resources to pay, how do you continue to implement the law? What is your next recourse?

We are trying to rebuild trust in the banking sector. If we fail a second time, we will never regain that trust. So, putting the burden on the banks is not only unfair, it will actually end up breaking the system again. The depositors, have already suffered enough, if they are ever going to trust again the banking sector and the whole financial system again, they cannot be disappointed a second time.

Recapitalising banks needs investment, and this requires trust in the system, if the banks were to face the same problem again, those investors would not return.

There has been a recent ruling that deposits should now be viewed as property rights. Could you explain the implications of this?

Yes, a property right is inviolable, it cannot be massaged away, reinterpreted or recast as being less than it once was, by creative accounting in the way that a numerical figure could be.

When the deposits are treated just as a number, then that can always be changed, you can interpret it differently, you can discount it, divide it, multiply it, whatever, but when it's a right, it becomes something you cannot just cancel by passing a law. It becomes something that cannot be confiscated.

If we were to ask the depositors to carry all the losses, then that would mean that the state would effectively be confiscating those deposits. However, if they are legally defined as a right, specifically as a property right, this mean that the state cannot confiscate them.

So do you think the commercial banks themselves should also be considered as depositors?

This is what we ask for, because we believe we also have rights, just like individual depositors, who have their deposits at the banks, it's the same thing. Let's be realistic, the central bank is the bank of banks. When banks deposit money with the central bank they are not putting it into a commercial company that can fail normally. The central bank is the lender of last resort, so when banks put their money there, they should be treated the same as depositors.

This has important consequences for the hierarchy of claims. When this is applied to banks, you try to take equities before taking any deposits. As depositors at the central bank, we are asking for the hierarchy of claims to also be applicable to us, which would mean that all the central bank's assets should be used first, before touching any of the deposits of the commercial banks. This is very important because the IMF insists on this principle, so we should first look at the equity of the central bank before we say that it cannot pay the banks their deposits back.

There has been much discussion about the central bank's gold. What role should that be playing in any solution?

The central bank has something like 9.3 million ounces of gold, so it cannot claim that it doesn't have enough resources to pay both the banks and their depositors.

But the problem is also political, because if we use this gold to repay the banks and the depositors, it will require a certain transparency to ensure it is not misused. Naturally, with all what we've seen till now, we need to be extremely careful. Some see the gold as untouchable, others see it as a part of the solution. My own view is that the gold should not be frozen, but that its use should be transparent, legally protected, and professionally managed under strict governance. The price of gold today is very volatile, so we should also take this into consideration, when to use it, and how best to protect its value, so it can be used to reimburse the banks and the depositors.

What is the IMF expecting next from Lebanon?

The IMF wants to see a clear treatment of losses, a credible banking restructuring plan, a serious fiscal path, and a programme that is also socially and economically sustainable. A plan that destroys the banking sector will not create durable recovery, so if the IMF accepts a law that places the entire burden on the banks, it would not serve any real purpose. It needs to treat the country as a whole, including anti-corruption measures, and a fair approach to the distribution of losses, so it must adopt a practical, sustainable recovery programme that makes a realistic assessment of the repayment burdens the banks can support, because we simply cannot take the risk of facing another crisis again. ■

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بيت التمويل الكويتي
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The currency of change: reforming Syria's banks

Syria's future rests in the hands of its banks. With a reconstruction bill running to hundreds of billions of dollars, figures no amount of foreign aid could meet, the country will be dependent on a healthy flow of foreign investment. But before this can happen, it urgently needs to establish a modern, transparent banking sector capable of providing a full range of financial services. Tabitha Morgan-Butt has been exploring what needs to happen next for the development of the banking sector in Syria.

The price tag for the reconstruction of damaged Syrian infrastructure has been variously estimated at between $140 billion and $345 billion. Even the smaller of these figures is significantly beyond the capacity of Syria's own internal resources. It is also substantially more than the aid budgets of most countries – already overstretched by crises in Ukraine, Gaza and Sudan.

Initially, Syrian businesses abroad, estimated in early 2024 to hold around $100 billion, were viewed as potential sources of financial support, but continuing uncertainty about security and lack of clarity on economic policy have dampened the return flow of capital to the country.

It is worth remembering what all this means in human terms. In 2024, gross national income per capita fell to just $830 – well below the international threshold for low-income countries. One in four Syrians are now classed as being 'extremely poor' and the UN Office for Coordination of Humanitarian Affairs estimates that nearly 70% of the population is in need of humanitarian support.

Foreign investment will therefore be vital if Syria is to return to being a functioning state. IMF studies in other post-conflict countries have shown that the robustness and resilience of a country's domestic banking system is a critical determinant of the private sector's ability to drive economic recovery. In other words, without good governance from the central bank, foreign engagement in Syria's reconstruction will disappear fast. According to Benjamin Feve, a senior research analyst at consultancy Karam Shaar Advisory, those countries most inclined to re-engage with Syria, namely Turkey and the Gulf states, 'are structurally geared towards deploying capital through investment funds, PPPs and development banks' rather than through open-ended budget support.

Syrian policymakers themselves stress that their reconstruction strategy is based on long-term investment-driven strategy. 'We want to rebuild Syria through investment, not through aid and assistance,' the country's president, Ahmad al-Sharaa said at the 2025 Future Investment Initiative conference in Riyadh.

For such investment to materialise, Syria first needs to develop a fully digitised banking system capable of generating transparent, auditable transactions to ensure that reconstruction funds are not being diverted to illicit financing.

That risk, and the absence of credible mechanisms to oversee how funds enter and circulate within the Syrian market, are causing particular concern. The danger is heightened by the integration of armed factions with links to terrorist organisations into the Syrian military, and the continuing presence of foreign extremists in parts of the country.

Against this background, the creation of a functioning banking system in Syria becomes an urgent international security imperative. Without it, however many international sanctions are lifted, Syria will remain in financial isolation, unable to access long-term development loans or effectively manage its own economic recovery.

An immature banking sector

Syria's financial system has long suffered from structural financial shallowness compared with other regional economies, a situation which is rooted in the sweeping programme of nationalisations that followed independence in 1946. At that time, many private banks were absorbed by the government-controlled central bank which controlled most economic activity and

managed monetary policy. Thereafter, private banks played only a limited role in liquidity management and commercial transactions, resulting in low levels of bank credit, deposits, and banking assets. This situation was exacerbated during the Assad regime, when the sector was primarily organised for the benefit of a corrupt ruling elite. According to former ABA member and Syrian businessman Faisal Kudsi, 'even the commercial bank reserves required to be retained by the central bank were often used to pay the salaries of the security forces, the army and other government agencies.' No surprise then that the country's pre-war ratio of bank credit to GDP (20–25%) was approximately half the average (50%) for the rest of the MENA region.

In 2002, a private sector law was promulgated, but today, the state-owned sector still accounts for more than 70% of the market. Led by Commercial Bank of Syria, it is overstaffed, technologically outdated, and burdened with non-performing loans from state owned enterprises. While private banks – the country has 14 – are more operationally advanced, they are chronically undercapitalised after years of currency depreciation and economic contraction which have seen their capital-to-assets ratio decline from 10.49 % in 2010, to approximately 0.004 % in 2023. Nonetheless, Faisal Kudsi sees some grounds for optimism within this bleak picture. He points out that the fixed assets of public sector banks are recorded at their historical acquisition costs, and could reasonably be expected to have appreciated significantly, a gain which 'may ameliorate or even eliminate losses from the non-performing portfolios.'

Cash economy

Equally damaging has been the dramatic loss of public confidence in the banking system, both domestically and internationally. Syrians largely moved to a cash economy during the war, electing to keep their savings in cash or gold, and to settle businesses transactions through informal hawala networks. The size of the cash economy mushroomed, leading to a severe liquidity crisis and a shortage of physical banknotes. According to ABA founding member and former CEO of Arab National Bank, Elie Elhadj, this has severely diminished the sector's potential as a multiplier of money supply and a catalyst for GDP growth, a problem that could be addressed – at least in part, 'if the salaries of government and private sector employees were paid into bank accounts'.

Low levels of financial inclusion have also created an environment conducive to illicit financing, constituting what economist and fellow of the International Compliance Association Luma Zitani describes as 'a gift to organised crime, tax evasion, and anyone who prefers their transactions untraceable.'

No great surprise then that international finance remains wary, approaching Syrian banks with caution, if at all: they have had no direct correspondent relationships with them for 14 years. Cut adrift from global banking, excluded from the process of digital transformation, the Syrian banking sector remains an immature outlier. As Zitani points out in her detailed paper, *Reintegrating the Syrian Financial Sector*, governance and compliance frameworks have evolved substantially over this time. 'Basel III, enhanced AML standards, ISO 20022 messaging, the entire apparatus of modern correspondent banking,' have all passed Syria by.

Steps towards international rehabilitation

Syria was effectively invited down from the global naughty step in 2025, following the fall of the Assad regime when Western countries began lifting sanctions. Its banks were reconnected to the SWIFT international payments system in June of that year. Agreements with Visa and Mastercard swiftly followed, bringing with them an updated payment infrastructure, EMV chip cards, digital wallets, and modern processing, (in practice, ATMs and card terminals are restricted to Damascus and Aleppo).

The next milestone came when the US repealed the 2019 Caesar Syria Civilian Protection Act, removing the central bank and state-owned energy firms, from the Specially Designated Nationals and Blocked Persons List.

The following year, in March 2026, the central bank was able to restore its clearing relationship with the Federal Reserve Bank of New York, enabling it to have an active dollar clearing relationship for the first time in many years. It was hoped that capital inflow into Syria would increase significantly as a result.

The country's central bank has certainly been working hard to make this happen. The bank's previous governor, Abdel-Qader Husrieh was instrumental in passing the country's new Investment Banks Law, designed to lay the foundations for reconnecting Syria with the SWIFT global payment systems and establish Syria as a 'financial hub for reconstruction capital.' He also took steps to stabilise the currency by adopting a tight monetary stance, although his efforts have been somewhat constrained by limited foreign reserves.

Some of these measures are indeed paying dividends. In 2025, Saudi Arabia and Qatar jointly paid off Syria's relatively modest $15.5 million World Bank debt, enabling the country to borrow again from the bank, while simultaneously paving the way for Gulf states to access lucrative reconstruction opportunities in an underdeveloped market. There has since been a blizzard of memoranda and energy agreements as Saudi Arabia, the UAE, the US, Qatar and Turkey have all rushed to claim a stake in modernising the country's energy supplies, developing its offshore oil and gas, upgrading telecoms, ports and logistics facilities and modernising Damascus International Airport. According to the country's transitional government, $56 billion of foreign investment was secured in 2025.

Corruption fears

Yet much of this money is entering a country which lacks adequate monitoring, or regulatory supervision, creating opportunities not just for clientelism and corruption within the transitional government itself, but also for the financing of extremist networks. Nader Atassi specialises in Syrian economic history at the University of California, Berkeley, he points out that little information is made available about the process by which these deals are being negotiated, or 'how the partners are being selected, and the exact details concerning long-term ownership and operation.'

Work done by the US based, Foundation for the Defense of Democracies revealed that both of the state institutions that supervise foreign investment, the Higher Council for Economic Development, and the Syrian Investment Authority, 'have each pursued agreements with officials and businessmen previously closely allied to Bashar Al Assad, allowing them to re-enter the market in exchange for commission payments'.

According to Zitani, 'Syria still looks risky: AML deficiencies, reputational concerns, the sheer difficulty of due diligence in a post-conflict environment. The "de-risking" mindset that developed during the sanctions years has not disappeared just because the sanctions have.'

Reform priorities

So what needs to happen next? Specifically what does the new governor of the central bank, Safwat Raslan, need to prioritise? Mr Raslan, who was previously director of the Syrian Development Fund is faced with no shortage of advice and recommendations, but there is near universal agreement that reform has to start with strengthening the independence of the central bank to ensure political independence in monetary policy, the introduction of effective governance protocols and the ability to enforce audit trails and fiscal accountability.

There is also a general consensus that this must be swiftly followed by a wide scale capacity-building programme to upskill local staff who, after 14 years of isolation, now need training in modern AML standards.

Equally pressing, if the country is not to become a hub for illicit finance and money laundering, is the need for an independent financial intelligence unit capable of meeting Egmont Group standards, along with the establishment of secure payment corridors for reconstruction finance, and regulatory reforms to address Financial Action Task Force deficiencies.

There have already been significant achievements to date. The interim government has taken measures to unify macroeconomic, fiscal, and monetary policies, focusing on good governance of public funds and sound fiscal and monetary management. Legal frameworks, including for investment, company, labour, and taxation laws have all been modernised, to support a private sector-led economy. Fiscal reforms have been implemented to simplify the tax system, enhance public financial management, and overhaul the large number of state-owned enterprises. New structures, such as the Syrian Development Fund have been established to finance infrastructure and reconstruction projects and create incentives for foreign direct investment.

None of this is insubstantial. Yet analysts like Yezid Sayigh, Senior Fellow at the Malcolm H. Kerr Carnegie Middle East Center in Beirut, believe that too many of these efforts are piecemeal and that the country needs a comprehensive economic reconstruction programme. Without it, he fears 'there is a distinct risk that the cronyism of the Assad-era economy will reappear'. Moreover, he argues, a lack of transparency around the liquidation of Ba'ath Party assets, and the government's new sovereign wealth fund impedes accountability and threatens the viability of future investments.

Technical support

The beginning of 2026 saw an intense period of multilateral engagement with the Syrian finance sector. The IMF paid a second visit to Damascus, signing off on its Central Bank of Syria Strategy 2025–2030. The strategy provides technical assistance to strengthen fiscal frameworks and develop a competitive tax regime, rehabilitate the payment and banking systems, to facilitate safe and efficient payments, as well as capacity building support to strengthen banking supervision. Syria has virtually no reliable financial data available on which to base credible economic policies and some of the IMF's work is designed to rectify this. The hope is that more accurate statistics will provide greater clarity and lead to the resumption of Article IV consultations (last held in 2009).

A month later, the central bank agreed a strategic partnership with the United Nations Development Fund, targeting supervisory frameworks, digital infrastructure, and institutional capacity. Meanwhile the World Bank approved a $20 million development grant to establish an integrated financial management information system and a dedicated department for the co-ordination of international assistance under the auspices of the finance ministry.

International agencies have clearly been galvanised to provide support, yet Zitani, like others, sounds a note of caution, suggesting that without a common framework, multiple projects are in danger of producing merely 'a patchwork of interventions that correspondent banks cannot rely upon as a coherent compliance architecture.'

Mr Raslan is being called on to pull off a balancing act of extraordinary agility. His list of priorities is long, and every step forward comes with its own set of trade offs. He has to rebuild trust between government, public and private sectors, and uphold fiscal discipline while fighting illicit financing and corruption amid low public sector salaries. At the same time, he urgently needs to enhance transparency, and invest in capacity building and training, to enable the sector acquire the skills needed to advance reforms.

Every one of these banking reforms will take time to come to fruition and to create any tangible economic benefits. For the long-suffering Syrians themselves, for whom continuing poverty and hardship can no longer be attributed solely to international sanctions, the wait becomes harder to bear. ■

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GCC banks navigate regional uncertainty with strong foundations of profitability and capital

GCC banks declared strong profits for 2025 and ended the year with capital ratios ahead of international norms. These solid foundations have enabled them to withstand the uncertainties and pressures arising from the first months of the conflict in the Gulf, which began at the end of February 2026.

Andrew Cunningham, *Arab Banker's* former editor, presents our annual ranking of the biggest GCC banks, with some comments on how GCC banking is changing and how it is staying the same.

All but one GCC bank declared a net profit for the 12 months to the end of 2025, and more than three-quarters reported net profits and operating profits that were higher than those for 2024.

Fifty three of the 62 commercial banks surveyed reported risk-adjusted capital ratios greater than 16%, comfortably exceeding international norms, and 36 reported ratios higher than 18%.

Bahrain's Al Baraka Islamic Bank was the only institution to declare a net loss, but the significance of that loss is hard for outsiders to judge, since the Bahraini bank is part of a large (and successful) group of sharia-compliant institutions that books assets, liabilities, and revenues across various jurisdictions.

Sharjah's Invest Bank returned to profit in 2025. After some challenging years, all four Sharjah-based banks are now showing healthy returns.

Core commercial banking profitability – measured by returns on average assets (ROAA) – varied widely between banks and between the six banking systems. Looking back over the past three years, and excluding any years when a bank declared a net loss, the highest profitability is seen in the UAE, where the commercial banks averaged an ROAA of 1.94%. Saudi banks followed closely behind, with 1.86%. Qatari banks averaged 1.46%, Kuwaiti banks 1.33%, Omani banks 1.15%, and Bahraini banks 1.08%. It is worth noting that the Bahraini banking system is the most diverse in the GCC, with many different commercial banking models.

Balance-sheet flexibility, as measured through the loan-to-deposit ratio, has been tightening in recent years, with many banks now showing ratios of more than 100%. A ratio of more than 100% signifies that a bank is unable to fund its loan portfolio with customers' deposits alone.

This is not necessarily a cause for concern. Strong demand for domestic credit is one indicator of a vibrant and growing economy, and banks with high credit ratings are easily able to raise debt on international markets.

Six of the eight Qatari banks had loan-to-deposit ratios exceeding 100% at the end of 2025, as did seven of the nine

Table 1: Aggregate equity, loans, and customers' deposits of GCC banking systems, and market shares, end 2025

	Equity	Loans	Customers' Deposits	% of total equity	% of total loans	% of total customers' deposits	Number of banks
	$mn	$mn	$mn	%	%	%	
Bahrain	16,009.0	70,790.0	105,389.3	3.1	2.9	4.1	9
Kuwait	59,861.3	264,090.3	254,556.5	11.6	10.9	9.9	9
Oman	18,097.9	88,516.1	89,517.6	3.5	3.7	3.5	7
Qatar	71,655.1	444,669.1	418,284.2	13.9	18.4	16.3	8
Saudi Arabia	190,809.9	837,082.7	785,106.7	36.9	34.6	30.6	10
UAE	160,308.3	712,127.7	916,951.2	31.0	29.5	35.7	19
Total	516,741.5	2,417,275.8	2,569,805.5	100.0	100.0	100.0	62

Figures are taken from publicly available financial statements. See accompanying article for further explanations.

Table 2: Market shares of the largest banks in each country, end 2025

		% share of equity	% share of loans	% share of customers' deposits
Bahrain	Bank ABC	32.7	29.2	25.1
	Gulf International Bank	26.5	23.4	34.2
Kuwait	Kuwait Finance House	36.9	26.6	26.6
	National Bank of Kuwait	30.4	32.8	33.0
Oman	Bank Muscat	37.7	31.9	30.7
Qatar	Qatar National Bank	47.8	62.9	62.8
Saudi Arabia	Saudi National Bank	28.5	23.2	21.6
	Al Rajhi Bank	20.0	24.0	22.7
UAE	First Abu Dhabi Bank	25.0	23.6	25.0
	Emirates NBD	24.6	24.2	23.4
	Abu Dhabi Commercial Bank	15.1	15.5	14.9

Figures are taken from publicly available financial statements. See accompanying article for further explanations.

Kuwaiti banks. In contrast, none of the 19 UAE banks surveyed had ratios greater than 100% – reflecting the large pools of domestic deposits available in the Emirates.

The largest GCC banks have remained consistent over several years. Saudi National Bank, created in 2021 through the merger of National Commercial Bank and Samba Financial Group, is by far the largest when ranked by equity. First Abu Dhabi Bank – another result of a merger between two large local institutions, National Bank of Abu Dhabi and First Gulf Bank – is the second largest.

Four of the biggest 10 GCC banks, at the end of 2025, were based in Saudi Arabia, three were from the UAE (two in Abu Dhabi and one in Dubai), two were from Kuwait, and one from Qatar. The biggest Omani bank, BankMuscat, was ranked 20th, and the biggest Bahraini bank, Bank ABC, was ranked 25th.

As many GCC banks, particularly the biggest, have substantial overseas operations, the size of their loan portfolios and customer deposits is not necessarily an indicator of their size within their domestic markets. For example, domestic loans account for more than 90% of the total loan portfolio of the two biggest Saudi banks, compared to 60–70% for the two biggest Emirati banks. (Exact comparisons are difficult due to variations in reporting.)

In each of the six GCC states, large banks dominate. The biggest two banks account for around 50% of equity, loans, and customer deposits in Bahrain, Saudi Arabia, and the UAE, and around 60% in Kuwait. Qatar National Bank has a market share of 63% of loans and deposits (although as mentioned above, this is the balance-sheet total of all loans, and not the market share in Qatar). In Oman, Bank Muscat has shares ranging from 31% to 38%.

Arab Banker's annual survey of GCC banks includes active commercial banks that are licensed by their central bank and had made their financial statements publicly available by the end of June 2026. It does not include those that are licensed through offshore financial regulatory authorities, such as those that operate out of the Dubai International Financial Centre or the Qatar Financial Centre (GFC).

However, such banks are usually quite small, reflecting the restrictions placed on their ability to collect deposits and make loans in their local markets. For example, Lesha Bank, one of the better known banks operating out of the QFC, had equity at the end of 2025 of QR1.512 billion ($415 million). This was only about a sixth of the size of the smallest of the central bank-licensed Qatari banks, and would have made it the 57th largest GCC bank, ranked by equity, if it had been eligible for inclusion.

More interesting is the appearance of new, digitally focused banks that have been licensed by their central banks. Four such banks have been licensed by the Central Bank of the UAE. Some are reticent about publishing their financial statements, but Wio Bank, which is based in Abu Dhabi and was licensed in 2022, had equity at the end of 2025 of Dh2.975 billion ($811 million) and Al Maryah Community Bank, also based in Abu Dhabi and licensed in 2022, showed equity of Dh548 million ($149 million).

Wio is therefore the second smallest bank in the UAE, ahead of Sharjah's recently recapitalised Invest Bank, in terms of equity.

New banks such as Wio and Al Maryah, and Zand and Ruya Community Islamic Bank (those last two being recently licensed in the UAE), are expected to grow rapidly. But even consistently high growth over many years will leave them well behind the medium-sized GCC commercial banks, and, of course, banks that prioritise rapid loan growth often encounter problems when their controls and staffing levels fail to keep pace.

Intriguing though the new, digital banks are, it is the large commercial banks – which themselves are investing heavily in digital financial services – that will continue to dominate the region's financial markets in the years, and most likely, decades to come.

The more immediate question is how GCC banks will be affected by the conflict in the Gulf, which was continuing, despite efforts to broker a ceasefire, as *Arab Banker* went to press in early August. Without knowing how long the conflict will last, and whether it will be continue on-and-off over the remaining two-and-a-half years of the Trump presidency, little can be said with certainty.

But there can be no doubt that countries such as the UAE and Bahrain have lost their reputations as safe havens for investors and expatriates, and that the vulnerability of the huge oil and gas installations in Saudi Arabia and Qatar has been exposed.

However and whenever the conflict ends, the risk profile of the region's banks has changed. ■

Largest 50 GCC commercial banks, ranked by equity size (end-2025)*

All figures in $ mn except for the capital ratio which is %			Equity	Assets	Net Loans	Customers' Deposits	Net Profit	Total Capital Ratio (Basel)
1	Saudi National Bank	Saudi Arabia	54,353.9	322,675.1	194,482.9	169,625.2	6,664.4	21.2
2	First Abu Dhabi Bank	UAE (Abu Dhabi)	40,023.2	382,524.3	167,936.0	229,093.5	5,773.6	16.9
3	Emirates NBD	UAE (Dubai)	39,460.2	317,286.6	172,437.9	214,175.5	6,541.4	16.6
4	Al Rajhi Bank	Saudi Arabia	38,109.9	278,204.9	200,736.0	177,943.3	6,619.9	21.9
5	Qatar National Bank	Qatar	34,262.7	382,238.0	279,692.0	262,475.9	4,767.5	19.3
6	Abu Dhabi Commercial Bank	UAE (Abu Dhabi)	24,180.1	210,804.9	110,617.7	136,178.5	3,118.5	17.0
7	Kuwait Finance House	Kuwait	22,080.3	137,934.8	70,377.4	67,836.8	2,323.5	19.8
8	Saudi Awwal Bank	Saudi Arabia	21,156.9	121,187.9	79,633.7	86,206.4	2,253.9	19.7
9	Riyad Bank	Saudi Arabia	20,128.4	138,528.3	99,547.9	88,458.9	2,776.3	18.4
10	National Bank of Kuwait	Kuwait	18,226.5	147,138.1	86,501.9	84,077.4	1,986.8	17.0
11	Dubai Islamic Bank	UAE (Dubai)	14,478.3	113,337.4	71,404.7	87,243.7	2,127.4	15.5
12	Banque Saudi Fransi	Saudi Arabia	13,509.2	82,401.5	57,304.3	52,058.4	1,427.6	21.4
13	Arab National Bank	Saudi Arabia	13,203.5	75,035.5	52,079.8	55,809.8	1,364.5	20.0
14	Alinma Bank	Saudi Arabia	12,864.3	82,951.2	61,265.8	60,633.0	1,705.9	20.0
15	Mashreqbank	UAE (Dubai)	11,056.3	91,180.9	44,781.7	55,829.8	1,899.2	14.5
16	Qatar Islamic Bank	Qatar	9,271.5	60,728.2	38,044.4	39,210.6	1,327.0	22.2
17	Abu Dhabi Islamic Bank	UAE (Abu Dhabi)	8,820.1	76,499.5	49,421.3	62,424.1	1,926.5	15.7
18	Commercial Bank of Qatar	Qatar	7,421.3	52,998.0	28,721.8	24,572.9	605.7	17.6
19	Al Rayan Bank	Qatar	7,087.8	49,796.2	32,469.3	30,532.2	371.0	25.3
20	Bank Muscat	Oman	6,821.3	39,813.4	28,269.7	27,448.2	672.4	19.7
21	Saudi Investment Bank	Saudi Arabia	5,982.3	46,058.7	29,885.3	29,231.7	648.4	19.3
22	Bank Aljazira	Saudi Arabia	5,806.6	44,246.4	29,563.3	30,772.1	401.5	19.9
23	Bank Albilad	Saudi Arabia	5,694.9	46,125.9	32,583.6	34,367.8	813.2	20.2
24	Commercial Bank of Dubai	UAE (Dubai)	5,292.2	43,680.7	27,533.8	30,341.4	953.7	15.5
25	Bank ABC	Bahrain	5,234.0	49,912.0	20,661.0	26,491.0	327.0	17.0
26	Doha Bank	Qatar	4,285.9	33,012.4	18,605.0	15,862.7	226.8	18.9
27	Gulf International Bank	Bahrain	4,237.0	51,821.4	16,552.4	36,094.7	215.7	17.5
28	Dukhan Bank	Qatar	4,176.1	34,005.9	24,728.8	24,118.9	345.6	18.2
29	Nat. Bank of Ras al-Khaimah	UAE (Ras al-Khaimah)	4,020.6	28,615.3	14,508.4	19,198.8	711.0	18.1
30	Boubyan Bank	Kuwait	3,670.6	32,907.4	24,773.2	25,796.8	325.5	17.2
31	Burgan Bank	Kuwait	3,391.3	29,351.0	15,582.9	17,601.9	147.7	16.8
32	Warba Bank	Kuwait	3,161.6	19,445.8	12,927.4	11,322.9	160.0	16.9
33	Qatar Internat. Islamic Bank	Qatar	2,762.0	17,205.6	11,529.0	11,892.9	371.2	20.1
34	Gulf Bank	Kuwait	2,756.1	24,838.7	18,899.0	15,983.2	169.0	16.9
35	National Bank of Oman	Oman	2,631.6	14,713.7	10,922.1	10,550.3	184.7	20.4
36	Sharjah Islamic Bank	UAE (Sharjah)	2,596.8	24,608.5	12,411.5	15,169.7	359.0	17.3
37	Commercial Bank of Kuwait	Kuwait	2,530.6	17,300.3	9,593.2	8,422.3	391.0	18.3
38	Sohar International Bank	Oman	2,509.5	24,023.2	15,168.2	17,965.3	264.5	17.3
39	Al Ahli Bank of Kuwait	Kuwait	2,498.7	22,339.0	14,728.1	13,134.5	203.2	19.1
40	Ahli Bank	Qatar	2,387.7	17,224.0	10,878.7	9,618.0	256.2	19.6
41	National Bank of Fujairah	UAE (Fujairah)	2,170.8	19,432.5	10,494.9	14,280.5	337.6	16.0
42	Bank Dhofar	Oman	2,025.3	14,186.3	10,991.1	10,833.9	134.5	18.6
43	Al Salam Bank	Bahrain	1,972.9	21,194.5	10,702.1	13,993.2	225.0	27.2
44	Nat. Bank of Umm al-Qaiwain	UAE (Umm al-Qaiwain)	1,784.8	6,237.0	2,469.9	4,278.4	158.2	30.7
45	Bank of Bahrain & Kuwait	Bahrain	1,737.9	13,090.3	6,206.6	7,509.2	212.9	19.8
46	Al Ahli Bank	Oman	1,687.6	11,022.9	9,069.5	8,309.2	121.8	16.5
47	Oman Arab Bank	Oman	1,687.4	12,071.1	9,789.5	9,932.9	90.5	18.0
48	National Bank of Bahrain	Bahrain	1,582.0	16,648.8	8,451.5	10,520.4	231.3	20.5
49	Kuwait International Bank	Kuwait	1,545.5	14,965.2	10,707.1	10,380.6	98.4	22.1
50	Bank of Sharjah	UAE (Sharjah)	1,262.7	13,180.2	8,294.4	8,585.0	198.6	16.9

** Includes GCC banks that are licensed by their central bank. Source for data is publicly available financial statements*

Sovereign credit ratings resilient during the first months of the war

Credit ratings on GCC governments by the three big international agencies have remained largely unchanged despite the war in the Gulf. Beyond the GCC there have been some changes to rating outlooks, both positive and negative. *Arab Banker's* former Editor, Andrew Cunningham, presents our annual survey of sovereign credit ratings.

Five months into the war in the Gulf, none of the three big international credit-rating agencies – Fitch, Moody's and S&P – had changed their ratings or their outlooks on Saudi Arabia, Kuwait, and the UAE. Fitch alone had taken action on Qatar, placing the sovereign on negative rating watch on 30 March. It also put Ras al-Khaimah on negative rating watch.

In a report published on 17 April, Fitch noted that although the Kuwaiti government is more oil-dependent than Saudi Arabia and the UAE, and lacks alternative oil export routes to bypass the Strait of Hormuz, its balance sheet is (in Fitch's opinion) the strongest in the region, with little debt and substantial foreign assets. The UAE enjoys stable double A ratings, while Saudi Arabia and Kuwait have two double A ratings and one of A+. Saudi Arabia's ratings and stable outlooks were affirmed by S&P in March, by Moody's in April, and by Fitch in July.

Fitch rates the UAE at AA-, one notch below Moody's and S&P. But like the other two it rates Abu Dhabi at AA, making Fitch the only agency to have different ratings on the UAE and on Abu Dhabi, with Abu Dhabi one notch higher. Of the other emirates, Sharjah's BBB- rating from S&P has been on negative watch since March 2025, while Moody's has Sharjah one notch lower, at Ba1, but with a

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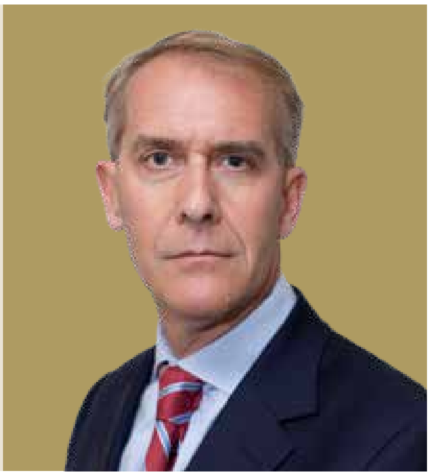

stable outlook. Just a few years ago, Sharjah enjoyed ratings several notches higher.

The emirate of Dubai continues to be unrated; ratings agencies must be invited by governments to examine national finances, and Dubai has never felt the need to do so. How Dubai would likely be rated can be estimated from the A3 assigned by Moody's to the state-owned Dubai Electricity and Water Authority, and from the rating on Dubai Islamic Bank, which has an A3 default rating despite having a much lower stand-alone rating. The implication is that the government of Dubai could, and if needed would, provide support equivalent to that of an A3 entity if the bank were to encounter difficulties.

Oman has been able to retain the upgrades and stable outlooks it has received in recent years. Fitch was the last to raise the sultanate into investment grade territory, in December last year, five months after Moody's had done the same. S&P had upgraded it to BBB- in September 2024. The three investment grade ratings recognise the return to clear economic policy-making and concrete steps to contain the government budget, following years of drift in the period up to the accession of Sultan Haitham in 2020. Nonetheless, ratings of BBB- are still several notches below the single A ratings that Oman enjoyed 10 years ago.

Bahrain was downgraded by Fitch on 23 February, having been on negative outlook for a year – a move that was driven by long-term factors, not the advent of war. Moody's changed its outlook from stable to negative on 18 April, commenting that, 'the current Middle East conflict will aggravate the persistent deterioration in Bahrain's underlying credit metrics', its action was taken after the currency-swap agreement with the UAE was agreed. S&P had lowered its rating on Bahrain by a notch in November 2025.

Beyond the GCC, Morocco now has an investment grade rating, following an upgrade from S&P in September 2025. The agency cited solid growth prospects and economic resilience in the face of global trade instability caused by US trade tariffs. Moody's put its rating on Morocco on positive outlook in March this year.

Jordan's ratings remain stuck one notch below investment grade, with stable outlooks.

Iraq has seen its already low ratings put on negative outlook by both Moody's and S&P. In the case of S&P, the rating was put on credit watch negative in March, this was then removed in June, but the outlook changed to negative. (See box for guidance on credit watch and outlooks.)

S&P upgraded Egypt to B in October 2025, citing the benefits of the flexible exchange rate introduced two years ago, and higher revenues from remittances and tourism. The rating, and the stable outlook, were affirmed in April 2026, despite the strains imposed by the Gulf war. S&P again cited the shock-absorbing capacity of the flexible exchange rate, as well as Egypt's higher international reserves (which could be deployed to help banks fund imports).

Sovereign ratings assess the ability of a government to repay interest and principal on the bonds and debt it has issued. Key factors in the rating analysis are the size of the debt stock, the timing of payments falling due, and the financial resources of the government to make those payments. The ability to discharge debt is usually driven by budgetary revenues – essentially, taxes – and by the flexibility to increase those revenues in response to higher debt service obligations. That is why ratings on governments such as Kuwait and Saudi Arabia have proved impervious to a months-long war on their doorstep: neither country has much debt that needs repaying, and both have huge financial reserves with which to make payments.

The same reasoning explains why Egypt's ratings remain stubbornly low: Egypt's ability to raise taxes (or cut government subsidies on basic goods) is limited, and the foreign reserves that could be deployed to repay debt are negligible in relation to the size of the debt stock.

None of the big rating agencies have issued ratings on Algeria, Libya, Sudan, Syria, or Yemen. Many years ago, Moody's and S&P had ratings on Iran but these were withdrawn for fear they might inadvertently facilitate sanctions breaches: even a low rating can enhance a government's access to global financial markets. ■

Notations, outlooks and market shares

Moody's uses a different notation to Fitch and S&P (which both use the same one), but the rating levels applied by the three agencies are comparable from AAA to B3/B-, after which the 'C' category begins and some differences emerge. A rating of C implies a high probability of default and of loss-given-default (that is to say, creditors would not receive all of their money back in a debt restructuring that followed a default).

So, an AA+ rating from Fitch/S&P is equivalent to an Aa1 from Moody's. A rating of AA (usually referred to as a 'double A flat') from Fitch/S&P equates to an Aa2 from Moody's. A+ from Fitch/S&P equates to A1 from Moody's. Ba1 from Moody's equates to BB+. Ratings of Baa3 (Moody's) and BBB- (Fitch/S&P) are the lowest investment grade ratings.

A positive or negative outlook indicates the probability that the rating will be raised or lowered over the next year or two (criteria differ a little between agencies). An outlook is not the same as a 'review for downgrade' or upgrade. A 'review' indicates that a rating committee will be held within the next few weeks to reconsider the rating, although it is always possible that the rating will be left unchanged.

Arab Banker uses the ratings of the three big international credit rating agencies because together they have a market share for global rated debt of about 95%. Morningstar DBRS is generally recognised as the fourth biggest rating agency and there are many others, some of which specialise in particular asset classes.

Ratings on governments in the Middle East ('Sovereign ratings')

Moody's ratings are shown using Fitch/S&P notation to facilitate comparison (see accompanying box for explanation).

		20 July 2026	6 July 2025	3 August 2024	12 July 2023
Bahrain	Fitch	B stable	B+ negative	B+ stable	B+ stable
	Moody's	B negative	B stable	B stable	B stable
	S&P	B stable	B+ negative	B+ stable	B+ positive
Egypt	Fitch	B stable	B stable	B- positive	B negative
	Moody's	Caa1 positive	Caa1 positive	Caa1 positive	B- (Review Down)
	S&P	B stable	B- stable	B- positive	B negative
Iraq	Fitch	B- stable	B- stable	B- stable	B- stable
	Moody's	Caa1 negative	Caa1 stable	Caa1 stable	Caa1 stable
	S&P	B- negative	B- stable	B- stable	B- stable
Jordan	Fitch	BB- stable	BB- stable	BB- stable	BB- stable
	Moody's	BB- stable	BB- stable	BB- stable	B+ positive
	S&P	BB- stable	BB- stable	B+ stable	B+ stable
Kuwait	Fitch	AA- stable	AA- stable	AA- stable	AA- stable
	Moody's	A+ stable	A+ stable	A+ stable	A+ stable
	S&P	AA- stable	A+ stable	A+ stable	A+ stable
Lebanon	Fitch	Rating withdrawn	Rating withdrawn	Rating withdrawn	RD
	Moody's	C stable	C stable	C stable	C stable
	S&P	SD	SD	SD	SD
Morocco	Fitch	BB+ stable	BB+ stable	BB+ stable	BB+ stable
	Moody's	BB+ positive	BB+ stable	BB+ stable	BB+ stable
	S&P	BBB-stable	BB+ positive	BB+ positive	BB+ stable
Oman	Fitch	BBB- stable	BB+ positive	BB+ stable	BB positive
	Moody's	BBB- stable	BB+ positive	BB+ stable	BB positive
	S&P	BBB- stable	BBB- stable	BB+ positive	BB positive
Qatar	Fitch	AA rating watch	AA stable	AA stable	AA- positive
	Moody's	AA stable	AA stable	AA stable	AA- positive
	S&P	AA stable	AA stable	AA stable	AA stable
Saudi Arabia	Fitch	A+ stable	A+ stable	A+ stable	A+ stable
	Moody's	AA- stable	AA- stable	A+ positive	A+ positive
	S&P	A+ stable	A+ stable	A stable	A stable
Tunisia	Fitch	B- stable	CCC+ (no outlook)	CCC- (no outlook)	CCC- (no outlook)
	Moody's	Caa1 stable	Caa1 Stable	Caa2 stable	Caa2 negative
	S&P	Not rated	Not rated	Not rated	Not rated
UAE	Fitch	AA- stable	AA- stable	AA- stable	AA- stable
	Moody's	AA stable	AA stable	AA stable	AA stable
	S&P	AA stable	AA stable	Not rated	Not rated

Source: Publicly available information on the rating agencies' websites.


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Saudi Arabia and the UAE bet big on global clean energy

Once defined by oil and gas, Saudi Arabia and the UAE are now building renewable energy empires. As geopolitical uncertainty reshapes global markets, Saudi Arabia's Acwa and the UAE's Masdar are emerging as powerful champions of clean energy. Jamie Ingram, Managing Editor of *Middle East Economic Survey*, looks at how the Gulf states are turning clean energy investments into new engines of growth, influence, and strategic security.

Saudi Arabia and the UAE increasingly view low-carbon overseas investments as key pillars of their economic strategies, and the embrace of these technologies by hydrocarbon giants illustrates the pace at which the global energy landscape is changing. Both countries are now prominent players in the renewable energy sector and are using the expertise they have developed domestically to build international revenue streams and political influence.

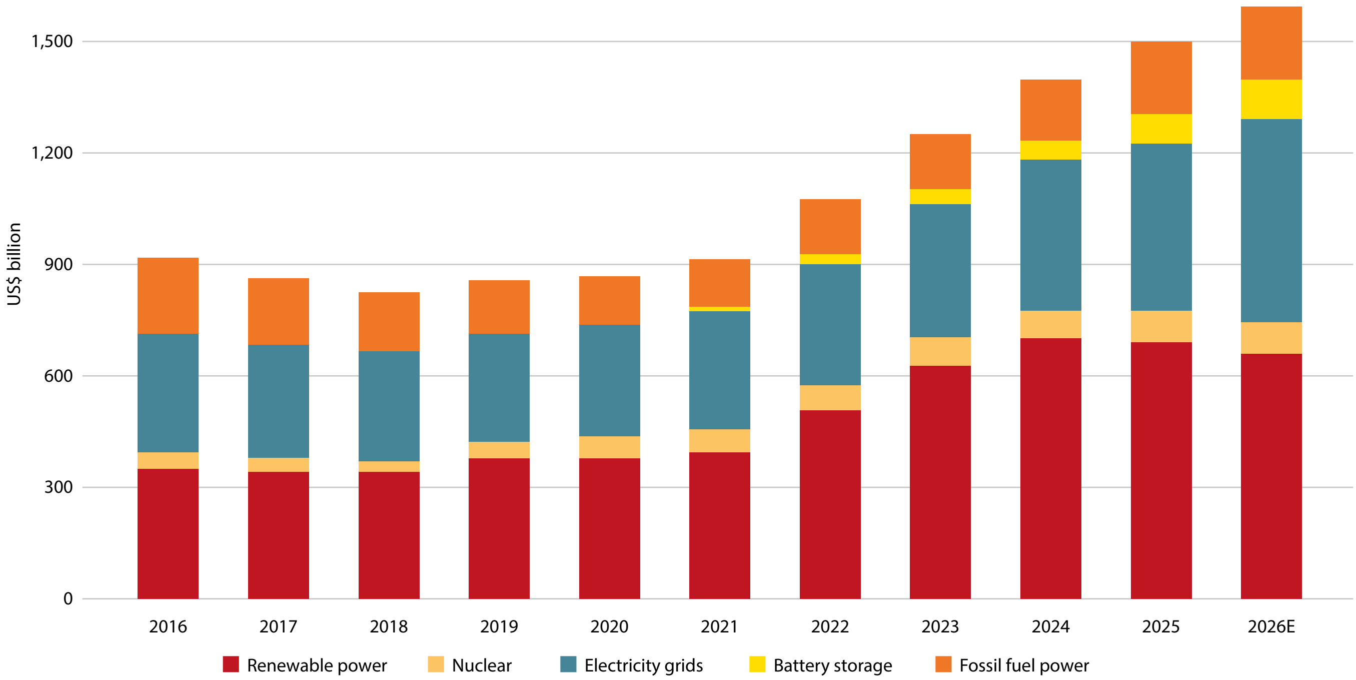
Each has its own national champion in the sector, with Saudi Arabia's Acwa and Abu Dhabi's Masdar both becoming increasingly prominent players on the global scene. They might not have the same name recognition and revenue streams as Saudi Aramco and the Abu Dhabi National Oil Company, but they have built up substantial global portfolios and embarked on ambitious expansion strategies.

The unprecedented geopolitical events of 2026 have reinforced the importance of these investments to Riyadh and Abu Dhabi. Rather than causing a retreat from these emerging economic sectors and a retrenchment to oil and gas investments, the most recent Middle East conflict has reinforced the importance of their investments in overseas clean energy sectors.

The closure of the Strait of Hormuz underscored the need for overseas revenue streams as a hedge against regional instability, making the global expansion strategies of each company more important than ever. At the same time, the conflict has driven enormous volatility in oil and gas markets, leading to speculation that consumers around the world will pivot to locally produced clean energy alternatives

Figure 1: Global power sector investment

Renewable power investments have dropped slightly since 2024 amid falling costs



Source: IEA World Energy Investment report 2026

to hydrocarbons. Combined, these two developments could create enormous opportunities for these two global renewable energy investors.

Global investments in renewable energy power generation have been running at more than $600 billion per year since 2022, according to the International Energy Agency's (IEA) World Energy Investment 2026 report (Figure 1). This equates to more than 30% of total power generation investment and shows the scale of the investment opportunities on offer. Investments fell slightly in 2025 and are expected to do so again this year, as falling costs reduce the investment burden. The cost to install 1GW of solar photovoltaics (PV) has fallen by 80% over the past decade, said the IEA's investment report.

Masdar: driving the change

When Abu Dhabi established Masdar in 2006, it was a regional oddity. A state-owned renewable company in one of the world's most oil-dominated economies – and one that routinely languished towards the bottom of global energy efficiency league tables. As such, Masdar drew a few quizzical glances, but little more. Twenty years on, it is a leading global renewable energy firm with more than 65GW in global capacity and $1 billion in annual revenue. It is targeting 100GW by 2030, and aims to deploy $30-35 billion in equity and project finance to achieve this.

Business is booming as investment in renewables is on the rise globally. But Masdar sees itself as more than just a company capitalising on an emerging economic trend. During a recent event to celebrate its 20th anniversary, Masdar Chairman Sultan al-Jaber, who served as its first CEO, said: 'Masdar didn't ride the clean energy wave. We helped create it.'

The company is also an increasingly active player on the global mergers and acquisitions (M&A) scene. Last year, it completed the €2.4 billion ($2.7 billion) acquisition of 100% of Terna Energy, Greece's largest renewable energy developer. With 1.2GW of installed wind capacity, and another 2.9GW of wind and solar in development, Terna is targeting 6GW by 2029. Like its new owner, it has major growth ambitions.

The Terna Energy purchase came after Masdar completed the purchase of two other prominent renewables players in 2024: Iberian-focused Saeta Yield and US renewables investor Terra-Gen. Masdar remains positioned as an active M&A player as it moves towards its 2030 target. As well as providing Masdar with a capacity boost, these purchases bring valuable new technological understanding and business relationships in new target markets.

Masdar made a profit of AED355.9 million ($96.9 million) last year (a slight drop on 2024), proving its economic value to the UAE. But the company's value extends beyond economics and into geopolitics. For one thing, Masdar's reputation as a green investor gives the UAE an element of credibility in global discussions on climate change that it would otherwise struggle to achieve.

On the political front, Masdar also gives the UAE access to and influence in economies that it has not traditionally dealt with. This is especially the case in Central Asia, where Masdar is now a major player. In Uzbekistan, Masdar built the country's first solar PV plant and the largest wind farm in Central Asia; in Kazakhstan, it is building a large-scale integrated wind and battery energy storage facility (BESS); in the Kyrgyz Republic it is examining the development of 3.6GW of renewables; and in Turkmenistan it inaugurated the country's first integrated solar/battery project last year. By driving the development of these countries' clean energy sectors, Masdar is helping open political doors for Abu Dhabi.

Masdar is able to offer clients in these markets its proven technological prowess in developing low-cost solar and wind resources in the UAE, as well as access to cutting-edge techniques that are making renewables an increasingly resilient component of national power sectors. It is pioneering the world's first gigascale 'round-the-clock' (RTC) renewable energy project in Abu Dhabi, which will be able to supply 1GW of clean electricity on a 24/7 basis.

Electricity from RTC is earmarked for energy-intensive artificial intelligence (AI) data centres, with Masdar therefore key to the UAE's plans to be a global leader in this emerging sector.

Due online next year, this RTC project consists of a 5.2GW solar PV plant coupled with a 19GWh BESS facility and is a blueprint for Masdar's global offerings. In January, Masdar signed an agreement to examine building a 1GW 24/7 facility in Uzbekistan. 'With our groundbreaking, round-the-clock projects, Masdar is overcoming the challenge of intermittency and reimagining the potential of renewable energy for the information age,' CEO Mohamed Jameel Al Ramahi said at the signing of the Uzbekistan deal.

In order to fund its ambitious growth projects, Masdar is increasingly tapping debt markets, where it is finding no shortage of appetite. A $1 billion green bond that it issued in May 2025 was 6.6 times oversubscribed, and brought the total amount raised since it began its green bond programme in 2023 to $2.75 billion.

The Acwa Power 2.0 strategy

Unlike Masdar, Saudi Arabia's Acwa (formerly Acwa Power) is a listed company and develops gas-fired power plants as well as renewables. Established in 2004, Acwa originally had no state backing, but after a series of investments the Public Investment Fund (PIF) sovereign wealth fund is now its largest shareholder, with 44.16%. Company executives routinely describe Acwa as a 'Saudi national champion'.

Growth has been supercharged in recent years, and in 2023 the company launched its 'Acwa Power 2.0' strategy, aiming to triple the value of its assets under management to around $250 billion by 2030 and to become recognised as one of the top renewable companies globally.

To help finance its expansion plans, Acwa finalised terms for a $1.9 billion rights issue in July 2025, of which 75-85% of the proceeds will be used for financing current and future projects, up to 20% for M&A, and up to 5% will be for general business purposes.

Underpinning Acwa's growth trajectory is a huge investment in domestic solar and wind power generation. Saudi Arabia is targeting installed renewable capacity of 100-130GW by 2030, with projects being developed under a two-track system: 30% of capacity will be developed through a competitive tendering process that serves as a price-discovery system, while 70% is to be developed by Acwa in partnership with PIF, and in some instances with Aramco. That alone means capacity of 70-91GW for Acwa, guaranteeing long-term steady cash flow for the company which can help finance its international expansion.

Acwa is growing increasingly adept at securing project funding in a timely manner. In 2024, It took just two months for Acwa Power and its partners to secure $2.6 billion of financing for three Saudi solar projects with combined 5.5GW capacity, and just three months for $6 billion of financing for another five solar plants in 2025.

Jamie Ingram

Jamie Ingram is Managing Editor at *Middle East Economic Survey* (MEES), having taken on the role in May 2025 after a decade leading the publication's analysis on energy and political developments in the Gulf. He has a particular focus on how the Gulf states are navigating the energy transition through balancing their core oil and gas activities with the need to accelerate economic diversification.

Even with the scale of Acwa's project pipeline in Saudi Arabia, the company will still need to expand internationally if it is to achieve its 2030 goal. Its single largest overseas market is Uzbekistan, but the majority of its international investments are closer to home, in the MENA region. Most of this regional capacity is in gas-fired power plants, but Acwa is increasingly involved in nearby renewable projects, where it has been shortlisted for projects in Kuwait.

If any project sums up the intersection of politics and economics in Acwa's portfolio, it is a 2GW solar PV plant planned in Saudi Arabia's Eastern Province that is intended to supply electricity to nearby Bahrain, which lacks the land mass for large-scale solar.

Arguably the most ambitious international expansion planned by Acwa is in China, where it has signed up to 1GW of solar PV and wind projects in collaboration with leading Chinese renewable partners in multiple provinces. Overall, it plans to invest $30–75 billion in China by 2030.

Acwa is also developing high-profile domestic projects aimed at supplying low-carbon energy to international markets. It has a 33% stake in the Neom Green Hydrogen Company (NGHC), which is developing a 237,000 tonnes per year (t/y) green hydrogen plant in the northwest of the country. The $8.4 billion plant will be the largest green hydrogen facility in the world when it starts up in 2027, and all volumes will be exported. Green hydrogen momentum has slowed in recent years due to price concerns from potential end-users, but Saudi Arabia sees an opportunity to secure an early-mover advantage, and Acwa signed preliminary agreements last year for an even larger 400,000 t/y plant at the Red Sea port of Yanbu.

New economic pillars

Saudi Arabia and the UAE see global energy demand accelerating rapidly in the years ahead, especially as AI becomes more embedded in economic systems. They expect demand for all forms of energy to grow, and they therefore remain committed to investing in both traditional hydrocarbon energy sources and renewables. Acwa and Masdar are at the forefront of these strategies and are increasingly important pillars of their respective economies. The sheer scale of the capital-intensive projects they are developing at home and abroad also means they are emerging as major players in global financial markets. ■

The GCC is rewiring its energy future

In the Gulf, a new energy model of diversification, adaptability, and resilience has overtaken the previous paradigm of big volumes at low cost. Paul Hickin, Editor-in-Chief and Chief Economist at *Petroleum Economist* magazine, explores this profound transformation of the Gulf's energy landscape.

The energy geography of the Gulf is being redrawn. For decades, the six states of the Gulf Cooperation Council (GCC) anchored global oil and gas markets with a no-nonsense formula: vast reserves, low production costs, and reliable export flows through the world's most critical maritime chokepoint, the Strait of Hormuz.

That model is now being rethought. Geopolitical shocks and shifting demand patterns are reshaping production and export capacity across the region, with uneven consequences for national economies, and a shared, urgent pivot toward infrastructure as the guarantor of long-term energy security.

The GCC accounts for a fifth of global oil production and a quarter of global exports, and hydrocarbons still generate a large portion of GDP and government revenue among its members. But the 2026 US-Israel-Iran conflict has exposed huge vulnerabilities, and it is no longer enough to rely on production capacity alone. What matters now is the ability to get energy to market – reliably, flexibly, and at scale.

Nowhere has this been more evident than in the sharp disruption to flows through Hormuz, which historically carried roughly a fifth of global oil and liquified natural gas (LNG) exports. The collapse in maritime traffic has forced Gulf producers to rely on alternative infrastructure, revealing stark differences in resilience. For Saudi Arabia and the United Arab Emirates, years of investment in pipeline networks have softened the blow. Saudi Arabia's East-West pipeline, stretching across the kingdom to the Red Sea, has allowed crude to bypass the Gulf entirely, with capacity of around 7 million barrels per day (b/d).

The UAE's Habshan-Fujairah pipeline performs a similar function, albeit at a smaller scale, ensuring that at least a portion of exports can continue even when shipping lanes are compromised. The Emirates' accelerated construction of a second crude pipeline from Abu Dhabi to the key port of Fujairah, in the Gulf of Oman, is clear evidence of a change in strategic direction to fast-track a second West-East pipeline to Fujairah, which is expected to double export capacity by 2027.

Systems once seen as expensive insurance policies have now become strategic lifelines. Yet they also reveal the limits of infrastructure: as flows are redirected, spare capacity quickly disappears, and even these hardened pipelines can become potential targets in a volatile security environment. The result is a new calculus for Gulf policymakers. Energy security is no longer just about reserves or output; it is about redundancy, diversification, and the ability to absorb shocks without crippling the broader economy.

Diverging capacities, converging strategies

Saudi Arabia remains the lynchpin of this evolving system. With the world's largest spare production capacity, with total potential output of 12 million b/d, and an unmatched ability to influence global supply, the kingdom is doubling down on expansion even as it fortifies its infrastructure base. It remains resolute in its long-standing strategy: maintain dominance by being the supplier of last resort.

Yet what is more revealing is how Saudi Arabia is reconfiguring its domestic energy system. There have been massive investments in natural gas – particularly in the Jafurah Field – and also in renewables. This is designed to reduce the amount of crude burned at home, freeing up additional barrels for export. Infrastructure is being deployed not just to move energy, but to reshape internal consumption in the service of external revenues.

The UAE is pursuing a parallel but more flexible model. Its decision to step away from OPEC constraints underscores its ambitions to maximise production capacity – targeting 5 million b/d by 2027 – while maintaining the agility to respond to market conditions. Like Saudi Arabia, the UAE has invested heavily in export infrastructure, but it has gone further in diversifying its energy mix.

Nuclear power from its Barakah plant and large-scale solar deployment have significantly reduced reliance on hydrocarbons for domestic electricity, again freeing oil and gas for export. This interplay between domestic energy reform and export strategy has helped insulate the UAE's economy, which is also less dependent on fossil fuels than most of its neighbours.

If Saudi Arabia and the UAE represent resilience through scale and diversification, Qatar illustrates the risks of concentration. As the world's leading LNG exporter, its model is tightly tied to an infrastructure system centred on Ras Laffan. Iranian strikes in March 2026 damaged LNG facilities there, cutting about 17% of Qatar's export capacity and prompting force majeure declarations on shipments. Reports suggest that repairs could sideline 12.8 million tonnes per year of LNG for three to five years and reduce annual revenue by roughly $20 billion. Qatar's response has been to press ahead with North Field expansion, which is expected to lift output to 126 million tonnes/year by 2027, but this does not eliminate the underlying concentration risk.

Kuwait faces a different set of constraints. With significant reserves, but comparatively limited production growth and slower reform momentum, it lacks the flexibility of its larger neighbours. Capacity remains below 3 million b/d, and progress on diversifying both the energy mix and the broader economy has lagged. This leaves Kuwait more exposed to fluctuations in export capacity and global prices, even as domestic energy demand continues to rise. Investments in refining and heavy oil development have all been intended to boost value extraction, but without a more aggressive push into renewables and more efficiency, the country risks eroding its export potential by consuming more hydrocarbons at home.

Oman and Bahrain, the GCC's smaller producers, are also confronting the same pressures from a disadvantageous starting point. Oman's limited reserves and shorter production horizon have forced it into a more urgent transition. Gas development and LNG exports remain central, but the country is increasingly positioning itself in emerging sectors such as hydrogen and renewable energy, supported by foreign investment. Infrastructure here is less about preserving a dominant export model than about creating a new one – using ports, industrial zones, and energy projects to attract capital and diversify the economy before hydrocarbon revenues decline further.

Bahrain, by contrast, remains acutely vulnerable. Its small production base offers little buffer against market or supply disruptions, while fiscal dependence on hydrocarbons remains high. Efforts to develop downstream refining capacity can provide some insulation, but progress to diversify has been slower than elsewhere in the GCC. For Bahrain, the infrastructure challenge is as much financial as technical: building resilience requires capital, and that is itself dependent on volatile energy revenues.

Infrastructure as new energy security

A common thread is emerging across the GCC. Infrastructure investment is no longer simply about expanding production or export volumes; it is about re-engineering entire energy systems to meet competing needs for security, economic stability, and long-term competitiveness. This includes not only pipelines and LNG terminals, but also electricity grids, renewable power, battery storage, mining, and industrial supply chains. The formula is clear: every barrel of oil or cubic metre of gas not consumed domestically can be exported, waterways and pipelines must work in tandem, while new industries and renewable energy solutions offer alternative revenue streams in a lower-carbon world.

The stakes are high. Oil and gas still underpin fiscal stability across the region, and disruptions to export capacity quickly ripple into broader economic activity, affecting everything from public spending to tourism and investment. Yet the opportunity to leverage infrastructure is not just a defensive tool, but a foundation for a more resilient and diversified economic model.

The Gulf is entering a new energy era. The time of easy exports is giving way to a more complex landscape, where security, flexibility, diversification, and resilience are as important as sheer volume. The winners will not necessarily be those with the largest reserves, but those with the most adaptable and diverse systems – capable of withstanding shocks, capturing new opportunities, and continuing to power both their own economies and the world beyond. ■

Paul Hickin

Paul Hickin is Chief Economist and Editor-in-Chief, overseeing all content and analysis produced by *Petroleum Economist*. He has over two decades of experience across financial and commodity news and analysis, holding senior editorial and management roles at S&P Global Platts, Dow Jones Newswires and the *Wall Street Journal*.

How real estate is powering Iran's financing networks

ABA member Themis has been providing regular updates on the broader security implications of the war with Iran since the conflict began in February 2026. Here, it examines how high-end real estate often underpins the complicated financial systems that provide the Islamic Revolutionary Guard Corps (IRGC) with its financial firepower.

Analysts working in the field of anti-money laundering and terrorist finance have observed a well-established pattern that emerges during periods of geopolitical escalation. Two parallel dynamics are triggered: a surge in regulatory scrutiny, accompanied by a parallel flight of capital into hard assets such as real estate. The Russian invasion of Ukraine is a prime example. It prompted a rapid expansion of sanctions on the part of many Western nations, along with a more aggressive approach to their enforcement. Almost immediately, funds were directed into more laissez-faire markets where sanctions were not yet being deployed. Turkey became a primary destination for Russian capital, along with Georgia, Kazakhstan, and parts of the Gulf – a movement also driven in part by individuals relocating physically.

No surprise, then, that in its 2025 report on serious and organised crime Europol identified the real-estate sector as being highly exposed to criminal infiltration, creating opportunities for bad actors to embed within legitimate sectors and launder proceeds through immovable assets.

Luxury real estate, in particular, has been identified as playing a key role in enabling Iranian-linked capital to evade sanctions and anchor wider financial networks. According to financial news agency Bloomberg, Iran's new Supreme Leader, Mojtaba Khamenei, holds London property assets worth over £150 million, despite being subject to US sanctions since 2019. If so, he will certainly not be the first autocrat to have built up a sizeable property portfolio. But what is significant in the case of Iranian assets is that these properties are not held merely for personal gain. They are embedded within broader financial and corporate structures that have been specifically designed to preserve state-linked wealth and enable the movement of capital across jurisdictions.

IRGC's operational hallmark

The US Treasury's Financial Crimes Enforcement Network estimates that this carefully cultivated system of illicit trade networks and shadow banks facilitated a staggering $9 billion in illegal financial flows through US correspondent accounts in 2024 alone.

Revenue generated through large-scale oil trafficking, sanctions evasion, and opaque commodity trading is channeled through layered intermediaries and front companies, before being parked in real estate abroad. This has become an operational hallmark of the IRGC, for whom property functions not just as a store of value, but also as a locus of stability within a wider sanctions evasion system.

What is singular about the Iranian regime's model is the extent to which it has been systematically embedded in global financial systems. This paradigm, refined over decades of sanctions and financial isolation, often reflects state-aligned priorities: sanctions evasion, asset protection, and the financing of affiliated networks and proxies across the Middle East and the Gulf.

This contrasts starkly with many Russia-linked cases where property holdings are more typically associated with efforts by individual oligarchs to safeguard personal assets, and where lines between private enrichment and state function are blurred.

All this has significant implications for real-estate firms operating within this part of the market, substantially elevating their risk profile. It exposes them not only to individual counterparties but also to vast, state-backed, illicit financial networks extending beyond the Tehran-Moscow axis to include proxies such as Hizbollah in Lebanon and the Houthis in Yemen.

A network of risk

The movement of illicit funds into real estate typically involves a complex tier of intermediaries who utilise offshore investment vehicles and shell companies to create opaque corporate structures. By the time funds reach property markets they are often several steps removed from their origin, fragmented across jurisdictions, layered through co-ordinated intermediary systems, and embedded within otherwise legitimate transactions. These patterns all create a systemic, network-driven risk, rather than one that is entity-specific.

This 'layering' of identity and ownership to obscure ultimate control has been a consistent typology across Iranian state-linked property holdings. It often involves the use of alternative identities, sometimes supported by 'golden passports' which distance individuals from sanctioned profiles. These identities are then embedded within offshore corporate structures that span multiple jurisdictions and act as legal owners of the assets. Transactions may appear compliant on paper, but in practice the fragmentation of ownership and control make it significantly harder to identify exposure to sanctioned or regime-linked actors. It is an efficient, highly professional system that has been remarkably successful.

An illicit London property network in plain sight

Iran's new Supreme Leader, Mojtaba Khamenei, has been discreetly building a substantial portfolio of luxury real estate since 2014, amassing a global property network that spans Europe and the Middle East including hotels, resorts and commercial assets.

Bloomberg identified over a dozen London properties linked to his network, including a cluster of vacant mansions along The Bishops Avenue, an exclusive tree-lined street in North London often referred to as 'Billionaire's Row'. Yet many of these buildings have fallen into disrepair – their neglect in stark contrast to the surrounding high-end homes with their manicured gardens. Typically, properties embedded in money-laundering matrices either lie empty or are used infrequently, a reflection of their function as repositories of value rather than assets intended for occupancy or commercial return.

Such assets have been acquired through proxies and offshore structures, and routed through bank accounts in Switzerland, Liechtenstein the UK and the UAE, allowing Khamenei himself to remain absent from formal ownership records. A central figure in this network is Ali Ansari, a sanctioned Iranian banker, who is alleged to have acted as a key intermediary, using an Isle of Man registered company, Birch Ventures Limited, to secure a £33.7 million London property for Khamenei's network.

Indicators of risk

Links to high-risk sectors or geographies: exposure to oil trading, shipping, commodities, or jurisdictions associated with sanctions evasion.

Use of alternative identities: frequently acquired through citizenship-by-investment programmes that obscure nationality.

Use of proxies and extended networks: assets are not linked directly to politically exposed individuals, but to trusted associates and regime-aligned intermediaries.

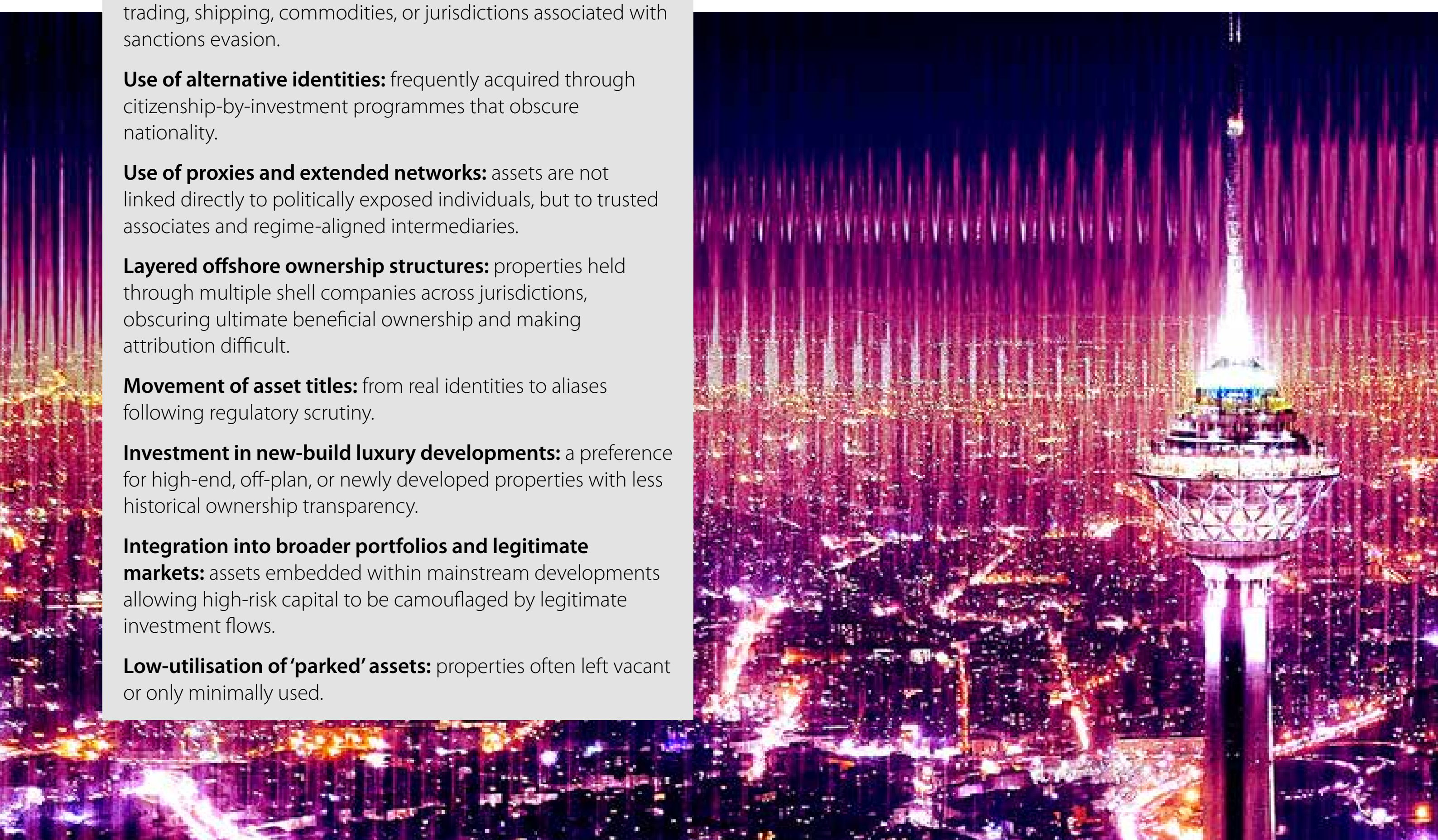
Layered offshore ownership structures: properties held through multiple shell companies across jurisdictions, obscuring ultimate beneficial ownership and making attribution difficult.

Movement of asset titles: from real identities to aliases following regulatory scrutiny.

Investment in new-build luxury developments: a preference for high-end, off-plan, or newly developed properties with less historical ownership transparency.

Integration into broader portfolios and legitimate markets: assets embedded within mainstream developments allowing high-risk capital to be camouflaged by legitimate investment flows.

Low-utilisation of 'parked' assets: properties often left vacant or only minimally used.



The regulatory response

None of this is news to the UK's regulatory bodies, which have been cracking down. In 2025, half of all penalties issued by HM Revenue and Customs for breaching money-laundering regulations were issued to estate agents. Since 2022, the Register of Overseas Entities has required foreign property owners to disclose beneficial ownership, while agencies such as the National Crime Agency and the Office of Financial Sanctions Implementation are increasingly using Unexplained Wealth Orders to unpick property-linked money-laundering networks.

Beyond the UK, the National Risk Assessments of the UAE, Bahrain and Saudi Arabia have likewise identified the real-estate sector as being susceptible to money laundering and terrorist financing. Typically, this is part of a phased flow of capital, which is moved first into hubs across the Gulf before being reallocated into secondary destinations such as the UK, Paris, and Geneva. Markets that combine luxury property with strong global connectivity, such as Europe and the Gulf, occupy a particularly vital position in the money-laundering nexus.

Periods of geopolitical conflict inevitably escalate risk. Economic pressures intensify, sanctions avoidance becomes a pressing priority, timelines compress, and the need to rapidly reposition and secure wealth becomes more urgent. When this rapid movement of capital coincides with the sheer volume of investors currently buying into the Gulf's fast growing luxury real-estate sectors, it is easy to see how optimum conditions are created for illicit finance and proxy networks to operate undetected, camouflaged by genuine investment.

In response, supervisory activity in the Gulf has been stepped up, amidst demands for greater regulatory enforcement ahead of upcoming evaluations by the intergovernmental Financial Action Task Force. A recent raft of legislation in the UAE, Saudi Arabia and Bahrain now demands greater transparency regarding beneficial ownership, the application of enhanced due diligence to high-risk transactions, and the completion of rigorous 'Know Your Customer' checks by estate agents. Meanwhile, anti-money laundering penalties collected in the UAE increased from $5.6 million in 2024, to $115 million the following year.

Consequences for real-estate professionals

Professionals working in the high-end property market should not make the mistake of viewing Iranian linked property as a standalone hazard. The risk is network-driven, rather than transaction-driven and is embedded across complex systems of intermediaries, proxies, and corporate vehicles. This fundamentally challenges traditional, entity-based due diligence models, which will falter in the face of beneficial ownership attributions that have been systematically obscured through offshore structures, aliases, proxies, and alternative citizenship.

The sector is also poorly equipped to uncover the substantial quantities of illicit capital that have become embedded in real estate over time, in portfolios which were accumulated gradually over decades and predate current, more rigorous, levels of scrutiny. For real-estate businesses operating at the luxury end of the market, the new normal is likely to be elevated exposure, accompanied by intensified scrutiny. It is a landscape of compounding risk. ■

The Shamkhani brothers: real-estate exposure through sanctions evasion

Hossein Shamkhani, an Iranian oil magnate, and his brother Abolfazl are the sons of Ali Shamkhani, a former senior adviser to Iran's Supreme Leader who was killed in US and Israeli strikes in March 2026.

Hossein Shamkhani has been under US, UK and EU sanctions since 2025 for allegedly orchestrating a vast shipping network that has generated billions in revenue for Iran and Russia. His shadow fleet of tankers and container ships, built, according to the US Treasury, through 'corruption enabled by his father's political influence,' facilitates large-scale sanctions evasion. It includes the infamous Crios Shipping LLC, which transported missiles, drone components, and dual-use goods from Iran to Russia in exchange for shipments of Russian petroleum. Hossein's brother Abolfazl allegedly plays a central operational role, including managing a front company linked to at least $2 million in seized wire transfers.

The Shamkhanis own a wide range of corporate entities which underpin their intercontinental money-laundering network. These include Ocean Leonid Investments, a hedge fund that leverages the network's oil proceeds into investment profits, and which until recently, operated from offices near Harrods department store in Knightsbridge.

The brothers have accumulated a luxury real-estate portfolio in Dubai valued at approximately $29 million. They are believed to own at least four high-end properties in the emirate's exclusive Golf Place complex which opened in 2023. New-build luxury developments, structured around volume and velocity – where developers are under pressure to sell units quickly and secure upfront capital – are often a preferred entry point for illicit finance, enabling large sums to be integrated quickly at pre-construction or early sales phases.

Key features of their method of working have been the acquisition of alternative identities and the exploitation citizenship-by-investment schemes. At the time of purchase, the properties were registered under the brothers' Iranian names: Mohammad Hossein Shamkhani and Abolfazl Ali Shamkhani. However, subsequent records indicate that ownership was transferred to their respective aliases, Hugo and Sami Hayek. These identities were acquired through the use of Dominican passports and appear not only in property records, but also across corporate filings linked to sanctioned activity.

In early 2026, US authorities moved to seize funds linked to the network after uncovering a web of front companies operating through the US financial system.

A cash course: how Egyptian banks are schooling a nation

These are challenging time for the Egyptian Central Bank as it seeks to contend with the broader economic fallout of geopolitical uncertainty in the Gulf and a volatile energy market. But in the midst of these trials, it should take a moment to congratulate itself on a remarkable story of success. Its national financial inclusion strategy, which concluded last year, means that almost 54 million Egyptians now access financial products and services. *Arab Banker* Editor, Tabitha Morgan-Butt has been finding out more.

Arab countries lag far behind much of the rest of the world when it comes to customer access to financial markets. According to the Global Findex Database 2025, financial inclusion rates for the MENA region remain some of the lowest in the world, with low financial penetration accompanied by a sizable informal sector and high rates of poverty and unemployment. In Egypt, where household credit as a share of GDP is substantially lower than in Morocco and Jordan, for example, limited access to formal financial services has had a particularly dampening effect, stifling growth and private-sector development.

Equality of access to financial services is crucial for the financial integration of the poor, and for tracking the achievement of sustainable development goals. It establishes a virtuous cycle: greater public trust in financial institutions enables them to develop a more diverse and consequently more stable customer base, which makes the institutions more resilient to systemic shocks. This in turn further enhances inclusion, reducing costs, encouraging private investment, and expanding access to credit.

But there's more. Financial inclusion also plays an important role in the effective management of monetary policy. The more people have access to financial services, the more monetary policy adjustments such as interest-rate changes are going to resonate across the economy. Conversely, monetary policy has been shown to be less effective in countries with cash-based financial systems where rates of inclusion are lower.

Seen from this perspective, greater financial inclusion becomes not just a desirable mechanism for generating equality of opportunity, but a prerequisite for effective monetary policy and the management of inflation, particularly in developing regions.

Historically, Egypt has scored particularly badly in this regard. Unattractive lending terms and high collateral requirements led to an undeveloped credit market. In 2017, only 7% of new investment and working capital was financed through the banking sector, compared to more than 13% in the rest of the MENA region. Banks have, for their part, been constrained in their ability to innovate or develop new products by high levels of non-performing assets and loans. The sector has also been burdened with high operating costs, and a centralised, inefficient system for risk-management protocols and decisions around credit.

Commercial branch networks are limited and mostly concentrated in the cities of the Nile Delta, while in Egypt as a whole the number of branches and ATMs per capita is lower than in other MENA nations. Poor and rural areas – home to around half the country's population – have traditionally been particularly badly served. Although there is an extensive branch network of state-owned banks across governorates and villages, these have historically focused on catering to the needs of large corporate clients with lower risk profiles, rather than small depositors or borrowers.

Technical and regulatory changes

All of this makes the achievements of the Central Bank of Egypt even more remarkable. At the end of 2025 it announced that its first Financial Inclusion Strategy had achieved its objectives, boosting the country's rate of financial inclusion from 27% in 2016 to 76.3% in under a decade. This means that 53.8 million Egyptians (out of a total adult population of some 70.5 million) now own and use an 'active' bank or post office account, a mobile wallet, or prepaid card. In 2015 the figure was fewer than 15 million. Inclusion rates among women increased from about 19% to 71% over the same period, while the percentage of people under 35 with access to an active account rose from 36% in 2020 to more than 56% in 2025.

The government's financial inclusion strategy has been critical in driving this progress, largely through tailored programmes aimed at women and the young. Perhaps the most significant catalyst for change was the Central Bank's transformation of its payment system infrastructure from traditional cash-centric systems to accessible digital platforms. The introduction of its Instant Payment Network and Meeza digital system paved the way for the entry of digital-only lenders, and enabled customers to conduct real-time transactions through their mobile wallets.

Extensive low-key technical and regulatory work has been taking place behind the scenes in order to allow full interoperability and ensure that different systems can talk to each other. Stephane Guimbert, the World Bank's Country Director for Egypt, Yemen, and Djibouti, believes this has been critical to user uptake, since 'part of the reason some of these things are not more widely used is that the consumer doesn't want to have to keep juggling different systems'.

Other measures included in the strategy included simplified 'Know Your Customer' procedures, and legislative changes to enable the use of agency banking and facilitate the entry of fintechs into the market. As a result, companies such as Fawry and Paymob, together with mobile wallet provider Vodafone Cash, are now offering streamlined transactions for e-commerce, peer-to-peer transfers, and bill payment.

Expanding offer

Egypt's big commercial lenders have also recently rolled out a range of products designed to reach new customers, making maximum use of digital account-opening platforms, automated onboarding processes, and artificial intelligence – all of which have streamlined the process of customer acquisition.

Earlier this year, Commercial International Bank became the latest bank to announce plans to launch a stand-alone digital lender, targeting an estimated 10 million new customers from the country's rapidly expanding lower-middle class. This segment of the population has traditionally been under-served by mainstream banks, but still has borrowing needs and the potential to make regular savings. The digital bank, based on a low-cost, AI-driven operating model, is backed by a $300 million investment and will be owned by an Abu Dhabi holding company.

Qatar's QNB, the largest bank in the Middle East and Africa by assets, is also primed to enter the market with its digital offer, ezbank, after it was awarded a digital-banking licence by the Central Bank in October 2025. A statement on its website said that it would 'combine advanced digital technology with international best practices to offer seamless financial services to a broad customer base'.

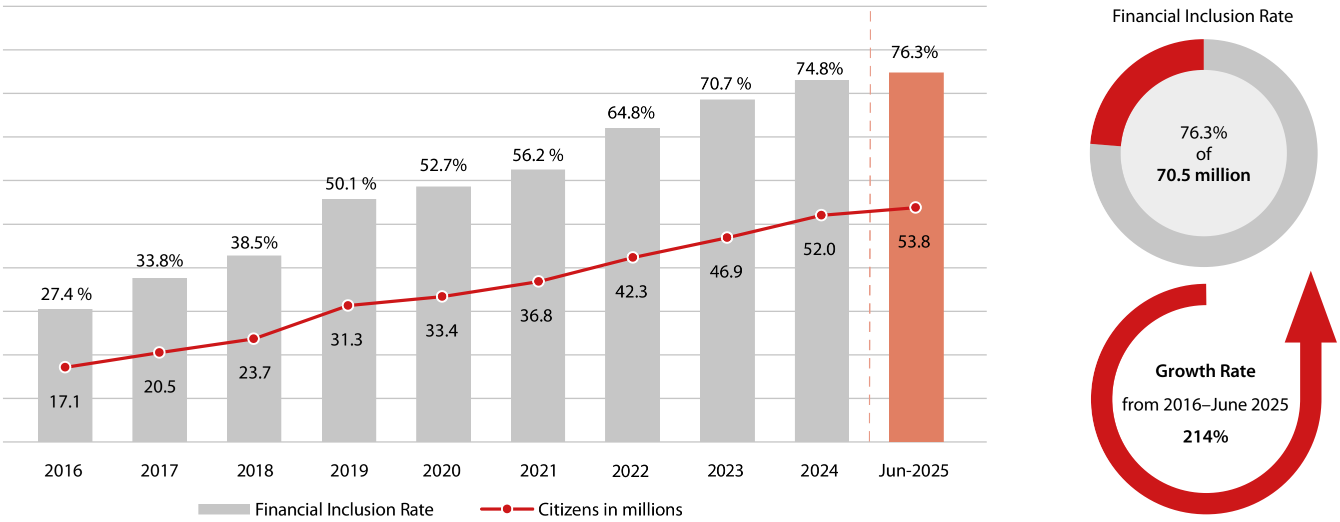
Meanwhile, National Bank of Egypt has signed a short-term financing agreement worth EGP3 billion with leading Egyptian fintech company Valu, which will deliver liquidity support until a forthcoming bond issuance, enabling the company to respond to rising demand for consumer finance services.

Not to be outdone, Misr Digital Innovation (MDI), a subsidiary of the state-owned Banque Misr, has launched its own digital venture, Onebank, to capture a share of the potentially lucrative unbanked market; it is expected to launch itself as the country's first digital-only lender in the second half of 2026. In a departure from the extensively used Unstructured Supplementary Service Data (USSD) protocol, which had been widely credited with facilitating a substantial increase in financial inclusion across sub-Saharan Africa, the digital bank plans to offer its services via smartphone only. Speaking to *The Banker* magazine earlier this year, MDI Chief Executive Sherif Elbehery explained that this was a response to a dramatic acceleration in the use of smartphones in Egypt, which had led to 'a conscious decision to not focus on USSD technology, whose use is decreasing'.

Smartphone penetration is indeed rising rapidly. According to the National Telecom Regulatory Authority, the number of mobile wallets increased by 29% year-on-year, to 46.3 million in the second quarter of June 2025, with the volume of transactions increasing 80% to 718 million in the same period.

Internet coverage, however, has lagged behind. It remains heavily concentrated in urban regions such as Greater Cairo and the Delta, at the expense of rural areas – where over half the population lives. For customers living in Egypt's hinterland, financial inclusion depends almost entirely on digital inclusion. The frustration of navigating patchy internet coverage was eloquently expressed by a 50-year-old in rural Upper Egypt (interviewed for a 2026 study

53.8 Million Citizens Own and Use Transaction Accounts* (15 Years and above)



*Source: Central Bank of Egypt. *All types of accounts at banks and Egypt Post, mobile wallets, and prepaid cards.*

published in *Future Business Journal*), who complained, 'The network disappears just when you need to pay. Then what?' Not surprisingly, digital – and financial – literacy remain correspondingly less developed in areas beyond the cities.

Further expansion of digital banking will depend on the Central Bank's newly established Digital Financial Identity Company, which has responsibility for rolling out a digital onboarding platform along with Know Your Customer verification.

Despite the frustrations of patchy internet coverage, the figures quoted by the Central Bank remain impressive and constitute a remarkable achievement. Guimbert makes a distinction between access to financial tools and the rate at which they are actually used: 'By definition, use will lag behind supply. You can't use if you don't have access, but just having access doesn't necessarily mean that you will use.' He and his team have been working with the Central Bank to narrow the gap between the availability of financial tools and their meaningful usage, a gap that is 'particularly high for under-served groups, workers in the informal economy, the self-employed, and women'.

To this end, the World Bank has been supporting a programme to help 800,000 low-income households access the financial sector, specifically mortgage provision, so as to enable them to buy their own homes. Two-thirds of these have been first-time borrowers. It has also been supporting what Guimbert describes as the Egyptian government's 'state of the art' social security system, known as Takaful and Karama. This aims to bring the poorest and most vulnerable 'one step closer to financial inclusion' by providing them with a card which they can use either for payment or to make cash withdrawals.

MSME lending

Lending to micro, small, and medium-sized enterprises (MSMEs) has been a persistent challenge in Egypt, despite the fact that according to the International Finance Corporation, they constitute 98% of the country's businesses, and account for more than 40% of its GDP. MSMEs constitute a crucial segment of the economy, yet have historically struggled to access funding; banks have been reluctant to diversify their loan portfolios, which have remained concentrated in blue-chip corporations and companies operating in the public sector. A 2016 Central Bank directive to lenders to increase the share of MSME loans in their portfolios to 25% failed to produce results, despite the deadline for meeting the target being repeatedly extended.

According to the latest Central Bank figures, a different picture may now be emerging. Total SME lending has reached about EGP630 billion (around $12.3 billion) representing an increase of 390% over the decade to December 2025. Microfinance also recorded strong growth, reaching about EGP 107 billion ($2.1billion) by end-2025, compared with just EGP6 billion ($117 million) eight years earlier.

Future plans

Egypt's Central Bank has certainly put in the hard yards in order to press home its financial inclusion strategy, and it deserves to savour its success. The evolution of the country's payment landscape continues, energised by a combination of government initiatives, private-sector innovation, and rising digital literacy amongst a younger, tech-savvy population.

The second Financial Inclusion Strategy (2026–2030) is currently in development and contains an equally ambitious 'to do' list: further expansion of the use of financial services and products; support for the transition to a green economy through sustainable financing instruments and educational programmes to raise financial awareness. It also aims to build trust in the sector by protecting consumer rights, to support the growth and sustainability of SMEs, reinforce public-private partnerships, and advance financial and technological infrastructure.

It is quite a list, and the management and co-ordination of all the component parts will inevitably be complex and challenging. But according to Guimbert, the strategy's ultimate success can be reduced simply, to the establishment of trust: 'Whether it's a coin, a cheque book, or something digital, you have to trust that if there's an accounting system somewhere that says that if you own 100 pounds, you will in reality be able to use the funds.' Introducing digitisation, he argues, 'just adds a little bit to the complexity of building that trust'. ■

The evolution of the City of London's regulation and tax regimen

The City of London – otherwise known as the Square Mile – is the oldest part of London, the ancient commercial kernel of the city, from which the rest of the capital developed. It is a little over a single square mile in size yet according to its most recent data, its annual economic output is worth £109 billion.

Former ABA CEO George Kanaan teamed up with Clare Armitage and Emma Loveday of independent City law firm Wedlake Bell to reflect on the history of this financial powerhouse and how its performance has been impacted by successive political decisions that have shaped the British economy over the last 50 years.

In the decades following World War Two, the UK operated under a highly controlled financial regime shaped by the Bretton Woods system of fixed exchange rates and a domestic economic policy that had been shaped to deal with the exigencies of wartime. Capital controls, exchange restrictions, and administrative oversight limited the City's international role.

Rather than utilising a system of formal statutory regulation, the Bank of England exercised influence through informal mechanisms such as moral suasion – appeals to the financial sector to act in the national economic interest – as well as through credit quotas. Interest rates and lending activity were effectively coordinated within a constrained financial system.

Even so, London was considered important as an offshore financial centre, playing a pivotal role in the establishment of the eurodollar market and acting as an intermediary for international capital, including early Middle Eastern funds.

1979–1986: Liberalisation and the reopening of global capital flows

A decisive shift occurred in 1979, when the Thatcher government abolished exchange controls, allowing capital to move freely in and out of the country, and paving the way for other Western economies to embrace market liberalisation. The move reestablished the City as a leading global financial centre and played a crucial role in the establishment of today's global economy, in which capital flows unimpeded across national borders. In terms of the City of London's relationship with Middle Eastern investors, the timing could not have been better. The removal of exchange controls coincided with rising oil revenues and enabled the free flow of 'petrodollars' and other international capital into London, deepening the City's links with Gulf economies and reinforcing its role in global finance.

1986: Big bang and structural transformation

The 'Big Bang' reforms of 27th October 1986 represented another watershed moment in the evolution of the City, when a series of historic regulations that had constrained market competition were simultaneously lifted overnight. Fixed commission charges on trades were abolished along with restrictions on foreign ownership of UK broking firms, opening the London market to international competition. Traditional barriers between brokers – who dealt with clients – and dealers – who did the actual trading on the exchange floor – were removed, paving the way for mergers and take overs. Finally, in the most visible change, traditional face-to-face share dealing was replaced by electronic trading systems. Together, these measures transformed the slightly staid, bowler-hatted City of London into a highly competitive and technologically advanced global marketplace. Trading volumes exploded, from around £3.3 billion, in the week before Big Bang, to £5.5 billion the week after, while major international banks scrambled to expand their presence in the City. London's newly deregulated markets, its stable legal environment, and favourable tax regime all combined to made it an ideal hub for capital deployment, banking, and property investment.

Just as the City was broadening its appeal to international investment at a corporate level, favourable fiscal structures for wealthy individuals had created a powerful incentive for long term UK residency. Under the nondom system of taxation, High Net Worth Individuals (HNWIs) who were also non-UK nationals could reside in the country without being taxed on their offshore income and gains, unless these were remitted to the UK.

2008–2015: Crisis and regulatory recalibration

The next turning point in the evolution of the City of London was a less than happy one. The global financial crisis of 2007–08, described by the Bank of England as 'among the worst on record' saw the collapse of building society turned bank, Northern Rock, significant injections of government cash to bail out many highstreet banks, amidst increasing concerns over general levels of bank liquidity.

This led to a shift away from the 'light touch' regulatory approach that had characterised the preceding decades. The authorities responded to the crisis – and what they perceived to be a regulatory failure – by dividing what was then the Financial Services Authority (FSA) into two. It was replaced by the Financial Conduct Authority (FCA) which would be responsible for policing the financial activities of the City and the banking system, while a new Prudential Regulation Authority (PRA) would carry out the prudential regulation of financial firms, including banks, investment banks, building societies and insurance companies.

Along with this came the introduction of bank ringfencing, the separation of core retail banking services from investment and international banking activities, under the Banking Reform Act 2013, together with enhanced capital requirements and stress-testing frameworks and the introduction of the Senior Managers Regime. All necessary measures which reflected a broader move toward greater regulatory scrutiny and systemic resilience.

Against a backdrop of public scepticism and waning confidence in the sector, additional one-off taxes were imposed on bankers' bonuses. Levies were introduced to the balance sheets of UK banks and overseas banks with UK operations, as well as surcharges on profits in addition to Corporation Tax. Rafts of reforms to the taxation of UK property followed, impacting foreign investment in the UK residential market particularly.

2016–2026: Brexit and strategic repositioning

The next major challenge to the UK's pre-eminence as a destination for foreign investment was its departure from the European Union, a political shock which many at the time predicted the City would struggle to recover from. According to the think tank New Financial, the loss of passporting rights, which had given UK banks and investment firms the right to provide financial services across the EU, while remaining solely regulated by their home state, led to the loss of an estimated 40–50,000 jobs. Over 400 financial institutions left the UK in the immediate aftermath of Brexit, taking with them an estimated £1 trillion, representing about 10% of assets under management in the City.

Yet balanced against this was the fact that greater regulatory autonomy enabled the UK to reshape its framework. This has brought significant advantages for the specialist insurance sector in particular, which has

George Kanaan, Clare Armitage and Emma Loveday

George Kanaan spent 15 years as CEO of the Arab Bankers Association, during which time he fostered relationships between the financial communities of the UK and the Middle East. He is widely recognised for his work supporting cross-border business, banking and investment connections in the region.

Clare Armitage and Emma Loveday advise high net worth and ultra-high net worth individuals, families and trustees on wealth preservation, succession planning and trust structures at independent law firm Wedlake Bell.

benefited from a new UK solvency regime replacing previous EU legislation. According to the representative insurance organisation London Market Group, specialist insurance and reinsurance contributed £61 billion to the British gross domestic product in 2025 (2% of total GDP), up from £49 billion by 2020.

The City has proved as resilient and enduring as ever. Today the Square Mile continues to dominate international derivatives and foreign exchange trading, with market shares of 50% and 38%, respectively. The three major American investment banks (Morgan Stanley, Goldman Sachs and J.P. Morgan) have all maintained their European headquarters in London and figures from the City of London Corporation show that while 525,000 people were working in finance in the City in 2016, that had increased to 675,000 by 2025.

The then Prime Minister, Rishi Sunak's 2022 'Edinburgh Reforms' constituted the next major post-Brexit initiative and consisted of a wideranging package of measures aimed at enhancing competitiveness and growth in financial services. They outlined a new additional objective for the regulators (the PRA and FCA), namely the promotion of international competitiveness and economic growth. They also included: reforms to banks' ringfencing thresholds, revision of EU-derived financial services legislation and support for innovation in fintech and digital markets.

For Arab banks, some of these changes have presented new opportunities, particularly in capital markets, Islamic finance, and emerging financial technologies. However, potential investors need to be aware that regulatory divergence from the EU has also created the potential for increased compliance complexity for firms operating across jurisdictions.

The end of the non-dom regime

These seismic political movements were soon followed by an equally fundamental shift away from longstanding tax principles of British taxation – principles that had underpinned London's attractiveness to international investors for over 200 years.

Since the 1990s, successive governments had sought to address the issue of tax fairness surrounding the tax status of non-domiciled UK residents. However, a formal policy review was not launched until the Blair government of 2003, with the first significant change coming into force in 2008, when an annual charge was introduced for long term non-dom residents seeking to retain the remittance basis of their taxation. This was followed by various incremental changes, until finally, in April 2025, the non-dom regime was completely abolished and replaced with a purely residence-based system. The government also cancelled foreign investor visas offering no comparable alternative, thereby eliminating opportunities for many wealthy foreign nationals to live in the UK and damaging inward investment.

Rules regarding offshore trusts were also tightened during this period and property taxes were introduced, including Stamp Duty Land Tax surcharges for foreign buyers and second homes, as well as the removal of long-standing inheritance tax protections for foreign owners of UK residential property held in non-UK companies. Meanwhile, capital gains tax reforms saw the imposition of tax on non-resident sellers of UK land and a reduction in tax relief for UK entrepreneurs.

Significant further changes to the taxation of offshore trusts were introduced in 2024, making long-term inheritance tax protection of overseas assets much harder to achieve. There were also changes to carried interest, which affected private equity investment.

Yet, according to the Financial Times newspaper, initial data from the UK Inland Revenue suggests that the picture may not be as bleak as initially feared. The exodus of non-domiciled residents who have taken their capital elsewhere has been broadly in line with government predictions, with around one in four trusts moving overseas as a result of the change.

Strategic implications for arab banks and investors

Notwithstanding Brexit, non-dom tax reforms and some high-profile departures from the country, London continues to offer a winning combination of enduring advantages for financial services. It provides a strong legal and regulatory framework committed to the rule of law and investor protection, while its location in a European time zone gives it unrivalled global connectivity. It has virtually unparalleled access to deep global capital markets, providing a world leading cluster of financial expertise. London can lay claim to being the leading Western centre for Islamic finance, hosting shariah-compliant banks, sukuk listings and Islamic financial products. And it is also the largest fintech market in Europe, which, according to a recent report by KPMG, attracts more fintech funding that the rest of the continent combined, notwithstanding the fact that investment overall has declined.

The UK's regulatory environment is striving to become more agile and competitive, even as its tax regime is moving toward greater alignment with international norms. While this may reduce some of its historical advantages for individuals returning or thinking of coming to the UK, or those living here already, there are still opportunities to re-structure wealth in an efficient way with careful planning and asset structuring.

The City of London's financial system has successfully evolved and reinvented itself through cycles of liberalisation and recalibration. The key takeaway for Arab banks and investors is that this is a city with an unrivalled ability to adapt, endure and unlock global opportunity. ■

The future is now – and it's driverless

Driverless taxis are no longer a futuristic concept. Vehicles using AI and sophisticated sensors to navigate the streets autonomously are being rolled out rapidly across China, the US, and the Middle East. They may even be coming to a city near you. Yuqian Ding, Head of China Tech and Autos Research at HSBC, has been exploring this new era in transportation.

The journey starts with an app. As I walk out of the building, I type in where I want to be picked up and where I want to go. A couple of minutes later a taxi arrives and pulls up at the kerb, neatly and quietly. As it runs on an electric battery, there are no exhaust emissions.

So far, all this is familiar to users of many of the world's ride-hailing apps. But in this car the driver's seat is empty. I am in a robotaxi and the 'driver' is, in fact, a software system, supported by a series of automatic light and range-detecting sensors, and enabled by advanced artificial intelligence (AI) to interpret road and traffic conditions.

I am taking my trip in Shenzhen, at the heart of China's Pearl River Delta – one of the world's most dynamic regions for innovation. But this kind of experience will also be familiar to many residents of Abu Dhabi, Dubai, and Riyadh. And it is set to become increasingly commonplace in the Middle East, thanks, in part, to the region's strong trade and investment relationship with China.

China's Belt and Road Initiative has led to a significant expansion of the trade and investment corridor between the Middle East and China, as new commercial and investment patterns emerge beyond the traditional energy trade. China's exports to the MENA region surged to $172 billion in 2024, almost double the average figure for the period 2018-20. Saudi Arabia, in particular, is increasingly looking to Chinese firms to supply pharmaceuticals, renewables, metal processing, advanced manufacturing, artificial intelligence, and 3D printing.

Direct Chinese investment in the kingdom has also soared in the past decade in response to the financial demands of its Vision 2030 initiative. While Chinese firms have been attracted by the country's supportive business policies, the investment interest is two-way, and Middle Eastern countries are also keen to tap into opportunities in China.

From dream to commercial reality

Self-driving cars have been a recurring theme in science fiction, but autonomous driving is now evolving into a large-scale commercial industry. Some of the basic technology used in self-driving cars can already be found on our roads. Most conventional vehicles include driver-assistance technologies such as adaptive cruise control, lane-keeping support, and automatic emergency braking. These functions – commonly referred to as advanced driver-assistance systems (ADAS) – improve safety, but the driver remains fully responsible for the vehicle.

The industry is now moving beyond basic ADAS functions toward higher-level autonomy, creating vehicles that can handle long stretches of driving with only limited human engagement. The latest smart cars are already capable of automatically changing lanes, navigating interchanges, entering and exiting ramps, and self-parking. Some newer systems are also beginning to support car-park-to-car-park navigation in urban environments, with progressively less human intervention.

Robotaxis, supported by rapid advances in AI, sensors, and computing power, and designed to operate independently within designated 'geo-fenced' areas, represent a further step towards full autonomy. Commercial deployment is accelerating in markets with supportive regulation and infrastructure.

Fully Autonomous Vehicles (FAVs) market forecast for 2035

	Global		GCC	
	Units Sold	Market	Units Sold	Market
Robotaxis	1.1–1.5 million	$55–75 billion	110,000–220,000	$5.5–11 billion
Robo-shuttles	200,000–250,000	$30–37 billion	10,000–20,000	$1.5–3 billion
Robo-buses	100,000–150,000	$20–30 billion	5,000–15,000	$1–1.7 billion
Passenger drones	12,000–15,000	$32–40 billion	~400–700	$1–1.7 billion

Strategy&, PwC, Future of Mobility report, 2025

US and China leading the way

China's leading robotaxi developers, Baidu Apollo, Ponyai, and WeRide, like their counterparts Waymo and Tesla in the US, have benefited from broadly favourable regulatory and policy environments. Regulatory support is key to the introduction of autonomous vehicles, and US cities such as San Francisco and Los Angeles already have fleets numbering in the hundreds, as do Shanghai, Beijing, and Wuhan in China.

The two nations are roughly on a par for now, although the signs are that in China the industry may have reached a tipping point, thanks to the timely convergence of regulatory and policy support, falling costs, and favourable unit economics. HSBC estimates that the number of robotaxis in China will rise steeply from just 4,500 in 2025 (a penetration rate of below 0.1%) to as many as 500,000 in 2030 (a 10% penetration rate).

Dispelling anxieties

The consumer appeal of robotaxis is based on the promise of trouble-free transit at a competitive price. Weighted against this have been the concerns of potential passengers and regulators around safety. Manufacturers now claim that after more than a decade of technological improvements, robotaxis can demonstrate a level of safety 10 times greater than that of human drivers. HSBC believes this will only improve. According to 2025 data from US manufacturer Waymo, their automated drivers reduced crashes involving serious injury, or worse, by 90% compared to an average human driver over the same distance. Its industry competitor Pony, meanwhile, claims that the strong safety performance and low accident rates of their robotaxis translate into a 50% reduction in their commercial insurance premiums compared with traditional taxis.

Middle East growth engine

While the US and China have to date been leading the way in the introduction of driverless cars, the Middle East is now set to become a vital third market. A favourable regulatory environment, along with the promotion of robotaxi services through Saudi Arabia's Vision 2030 initiative and the UAE's Artificial Intelligence Strategy 2030, have combined to pluck automated cars from the realm of science fiction and make them an everyday reality.

As a result, Chinese robotaxi brands are now looking to Abu Dhabi, Dubai, and Riyadh as their near-term international growth engines. In early 2026, Dubai's Road and Transport Authority approved the introduction of robotaxis at 65 pick-up and drop-off locations in the Jumeirah district of the city, to be operated by Baidu Apollo's autonomous vehicle programme. Baidu Apollo previously opened its first autonomous vehicle control centre outside China at Dubai Science Park, where the fleet will be charged and provided with software updates. The plan is to expand to over 1,000 autonomous vehicles by 2028. Meanwhile, elsewhere in the city, Baidu's competitor WeRide has been conducting trials of 200 robotaxis in the region, using retrofitted electric vehicles which are hailed via the Uber app. At the moment, the cars require a safety driver, but WeRide is confident that the number of its taxis will triple over the course of the year.

This puts the Middle East firmly ahead of major international cities such as London, New York, and Tokyo when it comes to the adoption of this new technology.

Nearing the destination

So, what's next for robotaxis at a global level? With interest burgeoning, they took centre stage at the Consumer Electronics Show in Las Vegas early in 2026. Recent months have also seen a flurry of media announcements from manufacturers and suppliers of the supporting technology.

HSBC Global Investment Research believes that robotaxis have a clear role to play in the future of transport, providing a service that will complement rather than replace public and private transport options. But there are several factors that will determine the pace and extent of their adoption.

Regulatory support is essential and is one of the major reasons why the Gulf region is currently at the forefront of this change. The choices of regulators elsewhere in the world will define which new markets emerge next. Cost also plays a crucial role. The hope is that technological advances will enable improved performance at a lower cost and bring with it economies of scale.

Range is another important factor. For the time being, robotaxis typically serve a clearly defined geographic area, usually within a city and its suburbs. With technological advance and regulatory support, it may be possible to operate driverless cars on intercity journeys, or even to provide services that can take a passenger anywhere they want to go. ■

Yuqian Ding

Yuqian Ding, Head of China Technology & Autos Research, joined HSBC in 2019 and is a leading autos analyst with strong client recognition. She is widely cited in major financial and automotive publications for her insights on Chinese EV exports, battery supply chains, and autonomous driving advancements.

The new gulf buyer: from trophy assets to portfolio strategy

The UK property market holds a unique position in the investment portfolios of affluent Gulf nationals, but recent research suggests buyer behaviour is evolving. *Arab Banker* Editor Heidi Marttinen explores how buyers are increasingly looking beyond prime London locations and treating UK real estate as part of a broader, more sophisticated wealth management strategy. For banks and advisers, these changes are reshaping the nature of cross-border property finance and investment.

GCC nationals have long had a soft spot for prestigious central London postcodes, and with good reason. From the perspective of personal enjoyment, the lifestyle on offer is hard to beat, while the UK's traditional strengths of political stability, strong property rights, and a transparent legal system provide a solid foundation for any investment portfolio. Yet new research from UK-based, sharia-compliant digital bank Nomo indicates that the profile of the GCC buyer is evolving, with the UK's regional cities now attracting a greater share of investor attention.

Gulf investors are becoming more strategic. Rather than simply acquiring trophy assets in Prime Central London, many buyers are now focusing on yield and portfolio management, deploying increasingly sophisticated ownership structures in their quest for commercial returns.

The reasons GCC nationals purchase UK property have remained remarkably consistent over the years and cannot be explained by investment returns alone. The UK is viewed as a trusted and well-regulated environment for long-term wealth creation, and the longstanding educational, commercial, and cultural links between the Gulf and Britain continue to distinguish it from many competing markets.

According to Nomo, the market for GCC residential property investment into the UK is worth around £1 billion annually. And its appeal shows no sign of diminishing, with many buyers continuing to view UK property ownership as a means of preserving wealth, supporting family objectives, and maintaining a long-term presence in a familiar market.

The rise of regional diversification

The diversification of geographic demand is a key trend emerging from Nomo's 2026 research. This doesn't reflect a decline in London's popularity but rather an expansion of investment strategies, with buyers combining prestige assets with regional investments that offer stronger income returns and lower acquisition costs.

Nomo cites 2025 data from property website Rightmove showing that for the first time high-value areas in London such as Westminster, Kensington, and Chelsea no longer appeared in the top 20 areas for GCC property demand. Interestingly, the Scottish university city of Glasgow, which has one of the lowest average asking prices in the UK, came out on top. Scotland's appeal as a whole was particularly noteworthy, following Glasgow, South Lanarkshire and the Scottish capital Edinburgh proved the most searched locations among GCC buyers.

Top 5 UK property locations for GCC buyers (2025)

	Location	Average asking price
1	Glasgow	£170K
2	Birmingham	£258K
3	Leeds	£270K
4	South Lanarkshire	£182K
5	Edinburgh	£320K

Source: Nomo, The Evolving Gulf Buyer, 2026

The northwest of England also emerged as a popular destination, attracting 18% of total GCC demand in the UK last year, with Manchester and Liverpool enticing buyers due to their affordability and comparatively strong rental yields. Birmingham continues to benefit from large-scale regeneration projects, while Leeds and Sheffield are increasingly on buyer shortlists.

This shift is consistent with wider trends observed across the UK housing market. Research from estate agents Savills and Knight Frank has highlighted growing investor interest in regional cities and income-producing residential assets, reinforcing the importance of affordability and rental performance in investment decision-making.

Broadening preferences

So, what really underpins the investment choices of GCC buyers? Many purchases continue to be driven by personal and family requirements. Educational considerations are particularly influential, with the UK's concentration of prestigious fee-paying schools and internationally renowned universities. In many cases a property purchased to support a child's education subsequently becomes a long-term family asset – which may also lead to further investment in purpose-built student accommodation in the same locality, making the distinction between lifestyle and investment purchases increasingly nuanced.

The type of properties being acquired is changing too. New-build developments have traditionally been a favourite for overseas investors, primarily because modern specifications, building warranties, and professional management arrangements make such properties easier to manage from abroad.

While these characteristics continue to appeal to GCC buyers (despite a slight 5% dip in demand in 2025), Nomo's research suggests that patterns are broadening. Interest in resale properties and what are known as 'second-stepper' homes has increased, indicating that buyers are more willing to consider a wider range of housing stock if it aligns with their financial objectives.

The bank expects that in 2026 there will be particular interest in the sub-£2 million property segment, which appeals to the 'mass-affluent' buyer base (individuals with between £50,000 and £5 million in investable assets), who target smaller purchases that balance yield with long-term stability.

From trophy assets to portfolio strategy

Another significant development highlighted by Nomo is the increasing professionalisation of Gulf buyers' approaches to UK property. Historically, property purchases were driven primarily by considerations of lifestyle, prestige, or long-term capital preservation. While these motives continue to be important, many are now approaching UK property ownership through a more structured investment framework.

Brokers interviewed by Nomo reported that buyers increasingly apply the metrics of professional investment management, and the use of corporate ownership vehicles is rising. While buy-to-let remains the dominant strategy among investors seeking rental income, the structures through which those investments are held are becoming more sophisticated.

Limited companies and Special Purpose Vehicles (SPVs) are being used more frequently, particularly by investors managing multiple properties or taking a longer-term approach to wealth planning. Rather than acquiring isolated assets, many investors appear to be incorporating UK property into broader intergenerational wealth strategies – a shift that aligns with international ownership trends. GCC investment interest has also changed the role of financing. Traditionally, overseas buyers faced challenges when accessing UK mortgage products, particularly if they lacked a domestic credit history. Specialist lenders have increasingly addressed this gap by developing solutions tailored to international investors.

> *"Gulf buyers are taking an increasingly strategic and sophisticated approach to UK property investment. While the UK's stability and transparency remain key attractions, we are seeing growing demand for regional opportunities, diversified portfolios, and structured financing solutions."*
>
> **Paul Szumilewicz** Chief Commercial Officer, Nomo

But buyers are also becoming savvier in terms of borrowing. Brokers interviewed as part of Nomo's research reported growing interest in refinancing strategies and loan-to-value (LTV) optimisation, indicating that many buyers are now managing debt as actively as they manage property selection. As a result, the ability to provide flexible, personalised financing is becoming an increasingly important differentiator in the competition to capture internationally mobile wealth.

Future evolution

GCC investment in UK residential property is evolving rather than diminishing. While luxury purchases remain a significant part of the market, increasing activity below the ultra-prime segment indicates that GCC participation in the UK real-estate market is broadening. In addition to geographic diversification, the greater use of SPVs and limited company ownership, the growing interest in refinancing and LTV optimisation, and a stronger focus on rental yields all point to a market that is becoming increasingly sophisticated in its approach.

This evolution is significant as it represents a shift from simple property acquisition towards portfolio construction and long-term wealth planning. It has important implications not only for the UK property market but also for banks, lenders, and wealth managers as they seek to support their Gulf clients. Successful partnerships will require expertise that extends beyond traditional residential mortgage underwriting and encompasses corporate borrowing structures, cross-border compliance, and wealth management considerations. ■

Shares of total GCC demand for UK real estate (2025)

Country	Share
UAE	57%
Saudi Arabia	16%
Qatar	13%
Kuwait	9%
Bahrain	3%
Oman	2%

Source: Nomo, The Evolving Gulf Buyer, 2026

The evolving family office landscape

From geopolitical conflict and tax reform to AI disruption and the largest wealth transfer in modern history, family offices are no longer simply preserving wealth but are actively shaping the future of private capital. *Arab Banker* Editor Heidi Marttinen interviewed Hani Salem, Family Office Leader at PwC Channel Islands – Jersey office, about how leading family offices are adapting their structures, investments, and governance models to protect and grow wealth across generations.

ARAB BANKER: Geopolitical fragmentation, trade tensions, and shifting tax regimes are creating new risks for globally mobile wealth. How are family offices adapting their investment, residency, and asset-holding strategies?

HANI SALEM: The defining response is a move towards genuinely multi-jurisdictional structuring. Sophisticated family offices are now reviewing their structures continuously rather than every few years, in response to changes such as the abolition of the UK non-dom regime and the OECD's Pillar Two global minimum tax.

Geopolitical shocks, shifting trade policies, and advances in generative AI are reshaping the operating environment, and only 25% of family businesses achieved double-digit sales growth over the past year – down from 43% two years ago. Against this backdrop, families are seeking jurisdictions that combine stability and certainty with deep professional infrastructure. We are seeing more families establish satellite offices in jurisdictions such as the UAE, Singapore, the Channel Islands, and the Cayman Islands.

Investment behaviour is shifting in parallel. Direct investing has surged from around 33% of family office assets in 2015 to roughly 54% in 2025, with deal sizes up about 20%. Around 85% of family businesses fund innovation by reinvesting profits, showing that patient capital is itself a strategic hedge against external volatility. The most sophisticated family offices are replacing siloed advisory arrangements with integrated teams that deliver consistent strategy across borders.

How has the Iran war changed the conversations you are having with wealthy families in the Gulf about risk, diversification, and where to locate capital?

Without commenting on specific political developments, recent regional tensions have meaningfully elevated the conversation around geopolitical diversification. Our research shows that macroeconomic uncertainty and shifting regulatory frameworks are now dominating boardroom agendas globally, and many family businesses are deliberately moving from high-growth bets towards more measured, steady-growth strategies. Gulf families are mirroring this shift by stress-testing portfolios and ensuring their structures allow rapid reallocation of capital.

The character of those conversations has moved from "where do we grow?" to "where do we protect?" That is leading to more multi-jurisdictional structuring through foundations, trusts, and corporate entities, with families branching further into Europe, Asia, and North America. Industry data shows 82% of Middle East family offices now plan to make changes to their strategic asset allocation – the highest of any region.

The UAE has reinforced its position as a regional command hub, but families are increasingly using it as an anchor within a broader international structure, pairing it with established European centres that offer tax neutrality, mature trust law, and world-leading regulatory credentials.

Family offices have grown significantly in scale and sophistication, increasingly resembling institutional investors. Do you see this as a structural shift or more of a market cycle?

This is unmistakably a structural shift. Around 75% of family offices globally have been established since 2000, the number of billionaires has grown approximately 5% per annum since 2015, and total ultra-high-net-worth wealth now stands at roughly $16.1 trillion. Together with the $80 trillion-plus 'Great Wealth Transfer' expected over the next two decades, these are foundational numbers, not cyclical ones.

PwC's 12th *Family Business Survey* highlights why family offices are pulling capital away from traditional financial institutions: the most dynamic family enterprises are leaning into structural advantages such as private ownership, flat hierarchies, and concentrated decision-making to move quickly and decisively. Family offices are no longer quiet

Hani Salem

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administrative centres, they have become command hubs for navigating geopolitical tension, operational risk, and generational transition.

Part of what makes this shift structural rather than cyclical is the operational sophistication that now sits behind it. Leading family offices are deploying AI to accelerate due diligence, forecast cash flows across complex multi-entity structures, and surface cross-portfolio performance insights in minutes rather than days. This is closing the capability gap with institutional investors and in some respects reversing it, because family offices have shorter decision cycles and fewer obstacles to adoption – enabling them to increasingly compete with much larger institutions on speed and depth of analysis.

The data underlines the institutional-grade nature of this participation: family offices provided 40% of capital raised by start-ups in 2024, and contributed 15% of total private equity investments, 18% of debt financing, and 16% of real estate. Several hundred families now compete directly with private equity (PE) firms, to the point where PE houses are adapting by offering more co-investment structures. That is a permanent reshaping of the investor landscape.

Do you expect regulators to impose greater transparency and reporting requirements, and how should family offices balance privacy with accountability?

Yes, greater scrutiny is coming and, in many areas, it is already here. The US Corporate Transparency Act, FATCA, and tightening AML/KYC regimes are clear examples. The regulatory environment varies by jurisdiction and is one of the key factors families weigh in choosing where to locate. Lower regulation may reduce direct costs, but well-regulated jurisdictions often offer the best long-term protection.

Privacy must now be intentional rather than assumed. Our survey shows that reputation is a defining lever for family enterprises, with 78% ranking safeguarding the business and 77% preserving the family's legacy as their top long-term goals. Negative media coverage is identified as the single greatest reputational risk by 43% of family businesses. And while 74% of leaders believe their organisations are more trusted than non-family peers, the Edelman Trust Barometer shows that gap has narrowed from 16 points in 2015 to just eight in 2025.

The arrival of AI has added an entirely new dimension to this conversation. The greatest AI-related risk for a family office is not that the technology produces a wrong answer, but confidential data ending up somewhere it should not. Leading family offices are therefore treating privacy, security, and human oversight as the starting point of their AI strategy, not an afterthought.

The right balance is to embrace transparency internally with family members and beneficiaries, while maintaining appropriate external privacy through formal policies on cybersecurity and data access. Compliance infrastructure shouldn't be viewed as a cost but as an investment in resilience and reputation.

We are at the cusp of a great wealth transfer. What is the biggest challenge facing high-net-worth families as they prepare the next generation, and is there a shift in how investment success is defined?

The biggest challenge is willingness, readiness, and active engagement. Our survey revealed that leadership transitions often lag because the next generation is not fully prepared, and many leaders acknowledge that their governance structures lack the agility to keep pace with rapid change. Only 30% of family businesses have a family constitution and just 9% have meaningfully diverse boards – both are critical for navigating succession.

The question is shifting from "who will take over?" to "how can we continue to take responsibility as entrepreneurs?" This makes structured next-generation development essential – covering financial literacy, leadership, governance, and family office operations. PwC's NextGen programmes, such as 'Connect. Learn. Lead', are designed for exactly this.

On how success is defined, there is a clear shift, with purpose at the heart of it. Our survey shows that 80% of family businesses can articulate their purpose in a single sentence, and purpose-driven firms are twice as likely to pursue aggressive growth and significantly more likely to prioritise innovation. Around 83% say they are guided by a clear set of family values, although only 57% have documented them – which is a significant opportunity for the next generation. Family offices are increasingly tracking KPIs that go beyond financial return, yet today they account for just 4% of the global impact-investing universe, a vast and largely untapped opportunity that the NextGen is poised to capture.

Over the next five years, where do you expect family office capital to flow?

The direction of travel is unmistakable. Our research shows that 65% of family enterprises prioritise technological advancement and 64% digital transformation. GenAI is now cited by 60% of family businesses as a growth opportunity, and among publicly listed family businesses, 46% report that GenAI has already boosted both revenue and profitability.

This translates directly into capital deployment. Direct investing will continue to dominate. Private credit is rising sharply, with family offices increasing their share of total debt finance investment from 14% to 18% between July 2023 and June 2025, as banks retreat from certain forms of lending. Venture capital remains a strong allocation, with AI, SaaS, HealthTech, and FinTech the dominant sectors. Real estate is also being rediscovered selectively, with allocations climbing back to 35% in the first half of 2025.

Sustainability is another area where patient capital is paying off. PwC's data shows publicly listed family businesses are nearly twice as likely to deploy capital into climate-friendly initiatives, with 46% saying these investments have directly increased revenue over the past five years.

Regionally, Asia will be a magnet, with substantial new wealth creation in India, China, Indonesia, and Malaysia. There is also a clearer reassessment of currency exposure, with diversification across the Swiss franc and euro becoming more active. Public markets will sit as a smaller, more liquid allocation alongside what is now a dominant private-markets and direct-investment strategy.

How do you see the traditional family office model developing, and where will competitive advantage primarily come from?

Investment performance matters, but increasingly it is table stakes. PwC's 12th *Family Business Survey* highlights four areas that set top performers apart: scaling purpose, embracing structural agility, putting long-term capital to work, and protecting and activating reputation.

Agility is the multiplier. Almost half of family businesses describe themselves as agile or very agile, and these firms achieve double-digit growth at significantly higher rates (31% vs 21%). For family offices, agility means centralised, decisive capital allocation – moving without lengthy committee cycles.

Technology is the force multiplier, and AI in particular is rapidly becoming a defining feature of the modern family office. We are seeing AI move beyond experimentation into three clusters of genuine, repeatable value: accelerating investment analysis and due diligence; driving operational efficiency in reporting and documentation; and supporting principals through searchable internal knowledge systems and proactive risk management. As one of my colleagues recently put it, until now risk management has been conducted via the rear-view mirror. With AI, family offices finally have headlights to pick out risks ahead on the road.

Critically, the family offices getting real value are not those with the biggest technology budgets. They are the ones picking one workflow, doing it brilliantly, measuring it honestly, and then moving to the next.

That is why talent remains the ultimate differentiator. AI raises rather than lowers the bar — shifting value from execution to judgement, stewardship, and trust. Attracting senior non-family professionals with deal, investment, and cross-border structuring expertise, and now AI fluency, means choosing jurisdictions with deep professional ecosystems and direct access to regulators.

The unique advantage that family offices hold is the ability to act as 'unconstrained investors': deploying patient capital, applying purpose-driven KPIs, and moving without the short-term pressures that constrain listed peers. The family offices that lead over the next decade will combine purpose, governance clarity, technology, and top-tier talent under a single cohesive strategy – moving away from the fragmented advisory approach that still characterises much of the industry. ■

Single customer view: a model for Arab banks to embrace

As the UK's deposit protection framework matures, the mandatory requirement for financial institutions to be able to provide a Single Customer View (SCV), so as to be able to identify rapidly who their depositors are and what they hold, has brought about a quiet revolution in the management of banking data systems.

Shakeel Aslam, a Partner at MHA/BakerTilly (UK), explains why this is a discipline that banks across the Middle East and North Africa should now embrace.

The lessons learned from the global financial crisis of 2008 continue to shape much of the modern banking system. At the time, the sector was rightly criticised for its painfully slow response to identifying and reimbursing the depositors of failed banks. Customers were often left in limbo and confidence collapsed – critically not just in the failed banks themselves, but also in the ability of regulators to provide redress.

In response, the UK regulatory authorities demanded a raft of reforms, including the requirement that every eligible deposit-taking firm should be able to produce a complete, accurate record of its total depositor holdings within 24 hours. This requirement, known as the Single Customer View, or SCV, has become a cornerstone of the UK's depositor protection regime, and is increasingly resonating with regulators and banking professionals across the Middle East and North Africa.

At its core, SCV requires a bank to have the capacity to aggregate all of a customer's eligible deposits across different accounts, branches, or product lines into a single, accurate record, within the space of 24 hours. The requirement exists to enable the Financial Services Compensation Scheme (FSCS) to pay out to eligible depositors swiftly and accurately if a bank fails.

In the UK, eligible deposits are protected up to £120,000 per depositor, per authorised institution. The SCV file is the mechanism that makes rapid payout possible. Without it, the FSCS cannot distinguish between one depositor with three accounts totalling £150,000 and three separate depositors each holding £50,000 – a distinction that matters enormously when calculating compensation. The SCV file must include each depositor's name, address, account details, eligible deposit balance, and a set of regulatory markers indicating whether the depositor qualifies for Temporary High Balance protection, or whether their account is exempt from compensation altogether.

Case study 1 – An Islamic bank: SCV aggregation for sharia-compliant products

MHA was engaged by the UK, sharia-compliant subsidiary of a large GCC-based group, which had not previously produced a compliant SCV file. The bank offered a range of deposit products structured in accordance with Islamic finance principles, including murabaha and wakala arrangements. These structures required careful analysis to confirm that eligible deposit balances were identified correctly for FSCS purposes.

Customer data was held across three separate core banking platforms, with no unified customer identifier in place. MHA worked with the bank's technology and compliance teams to design and build a data aggregation framework that drew from all three systems, standardising customer identification across the product range, and applying the correct FSCS eligibility markers for each account type. The new framework accommodated the specific accounting treatment of Islamic finance products, ensuring that eligible balances were calculated in a way that was consistent with both FSCS requirements and sharia principles. The bank produced a compliant SCV file within the 24-hour regulatory window for the first time.

Case study 2 – A conventional bank: risk review and gap remediation

MHA was asked to conduct an SCV risk review for a UK retail bank that had received regulatory feedback indicating weaknesses in its SCV data quality. The bank had been producing SCV files for several years, but had accumulated a backlog of unresolved data exceptions.

MHA conducted a structured gap analysis across the bank's end-to-end SCV process, examining data extraction, eligibility classification, marker accuracy, balance aggregation, and the Senior Manager Attestation process. Three principal areas of concern were identified: a high volume of duplicate customer records from an earlier system migration; inconsistent application of Temporary High Balance markers; and a governance breakdown that meant that although exceptions were being logged, they were not being resolved between annual cycles.

MHA worked with the bank's remediation team to establish a prioritised remediation plan, a revised governance framework, and a monitoring process to prevent recurrence.

The regulatory framework

The SCV requirement sits principally within the Prudential Regulation Authority (PRA) Rulebook, which requires all UK-authorised, deposit-taking firms to maintain an SCV capability and readiness. In most cases they are required to submit their data to the FSCS for validation. The submission has to be accompanied by a Senior Manager Attestation, corroborating its accuracy. Crucially, senior managers are now personally answerable for this, even if the work has been delegated. If a manager is considered to have failed to take all reasonable steps to ensure the firm meets its SCV obligations, the regulator can act against them individually. Available sanctions include a personal financial penalty, public censure, suspension of approval, or even, a prohibition on holding a senior role elsewhere in financial services.

The data challenge

Yet, the structure and historical organisation of most banks do not naturally facilitate this sort of centralisation. Customer data is frequently distributed across product-specific systems that were never designed to communicate with one another. A depositor may hold a current account, a savings account, and a fixed-term deposit at the same institution, yet each may sit on a different platform with a different customer identifier. Banks that have grown through acquisition generally inherit a patchwork of systems with inconsistent data architectures: dates formatted differently, address fields structured inconsistently, and account categories classified under different taxonomies. The consequences of failing to address this can be substantial. In January 2024 the PRA fined HSBC £57.4 million – at the time the second largest penalty in the regulator's history – for historic failures to implement depositor protection rules between 2015 and 2022. The bank had incorrectly marked beneficiary deposits that were eligible for FSCS protection, and had not assigned clear senior-management ownership of the SCV process.

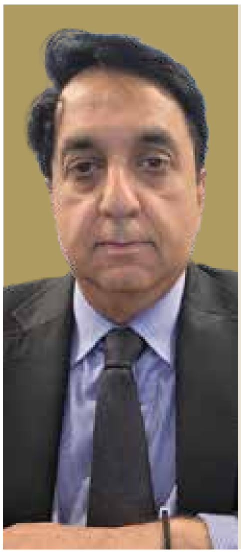
Data-quality failures are among the most common shortcomings identified in SCV reviews. Common inconsistencies include duplicate customer records, missing identifiers, outdated addresses, and incomplete eligibility markers. Under General Data Protection Regulation (GDPR), firms also carry obligations around data accuracy and retention that often directly contradict SCV requirements. The accuracy principle that underpins a reliable SCV system requires personal data to be correct and up-to-date, while the storage limitation principle behind GDPR requires that data is not retained for longer than necessary. Banks have to reconcile the two, holding and continually refreshing depositor records so that an accurate SCV file can be produced on demand, while still being able to justify how long that data is kept and when it should be deleted.

Implementing SCV beyond the UK

The logic of SCV is already being applied to parts of the MENA region, where deposit insurance frameworks are at varying stages of development. Saudi Arabia's Depositors Protection Fund, administered by the central bank, SAMA, has a defined coverage limit of SAR200,000 per depositor per bank. It has been collecting industry premiums since 2016, although full operationalisation has yet to be achieved. Similarly, the UAE's 2025 Federal Decree-Law No. 6 provides an enhanced legislative foundation for deposit protection but has yet to translate into a fully operational guarantee scheme.

Disparities remain across the region between existing deposit insurance frameworks and their operational readiness. This is where the discipline of SCV becomes particularly relevant, often driven by the need to align and rationalise internal practice. Several GCC banking groups maintain subsidiaries in the UK which are already subject to SCV requirements and which develop data disciplines and governance frameworks in response to PRA requirements that frequently feed back into the broader group. This in turn leads to an informal raising of standards across jurisdictions that carry no direct regulatory obligation.

Central banks and deposit insurance bodies that are considering how they will meet these requirements will need to focus on: establishing a clear, standardised data dictionary; adopting a defined methodology for the extraction and validation of data; and agreeing on a governance framework that assigns accountability at senior management level. The question for GCC banking executives is not whether SCV-type requirements will arrive, but when. UK regulatory initiatives rarely remain within UK borders. ■



Shakeel Aslam

Shakeel Aslam, is a partner at MHA/Baker Tilly UK, where he heads the governance, risk management and compliance advisory service line. He is a seasoned regulatory, risk, governance, compliance and controls specialist with more than 25 years of financial services and banking experience both within the UK and internationally. During this time, he has worked with leading global organisations across a range of disciplines helping in the development of strategy and growth and the navigation of complex regulations.

Delivering impact through financial partnerships in the Mediterranean

The European Bank for Reconstruction and Development (EBRD) began operating in the Southern and Eastern Mediterranean region in 2011. Since then, it has channelled over €27 billion into the development of the region's economy. The bank's business model combines financing, advice, and policy reform to support the development of economies where it invests. Last year, it invested €2.8 billion in strengthening the region's potential, nearly half of it in the financial sector.

Arab Banker highlights some of the EBRD's latest projects in the region starting with its work in Egypt.

The EBRD operates by building close partnerships with a broad range of local financial institutions – ranging from microfinance initiatives and collective investment vehicles, to stock exchanges and insurance companies. These strategic relationships enable it to support thousands of trade finance transactions each year and to respond swiftly in times of crisis. They also enable the bank to play a formative role in developing and training a global community of trade finance professionals. EBRD additionally operates a number of flagship programmes to promote green investment and the financial inclusion of women and young people.

Egypt

The development bank began working in Egypt in 2012, since when it has sought to address some of the longstanding challenges in the Egyptian economy and the constraints these place on competitive forces. Over this time, it has invested more than €14.6 billion in projects designed to increase private-sector participation and improve corporate governance in the public sector. It has also been prioritising the implementation of a 'deeper, more holistic green transformation', and the development of long-term low-carbon and net-zero pathways, alongside the formation of new channels of economic opportunity that could be of benefit to all sectors of Egypt's population.

Financial inclusion has long been central to the bank's work in the country. Its Women in Business and Youth in Business programmes combine tailored lending with advisory services and capacity building, ensuring that financial institutions and end-borrowers alike benefit from improved access to finance.

Earlier this year the bank signed off on a €43 million finance package to National Bank of Kuwait (NBK Egypt) to support micro, small, and medium enterprises (MSMEs) in the country. This includes a targeted €17 million loan provided under the Youth in Business programme, which will be lent on to businesses led by entrepreneurs aged under 35; priority will be given to businesses in rural areas led by women. Alongside the loan package, the bank is providing technical support to assist NBK Egypt with the programme's implementation, with marketing, and with general awareness-raising.

Jordan

The EBRD has provided more than €2.3 billion of financing across 86 projects since it began operations in Jordan in 2012. Over that time, it has supported the energy and banking sectors, critical infrastructure, and companies of all sizes. In 2025 it more than doubled the number of new projects in the country, delivering over €200 million (largely to the private sector), while also mobilising close to €110 million of funding from other parties. It now works with five partner financial institutions representing a broad cross-section of Jordan's financial ecosystem. Amongst these is Amman-based Bank Al Etihad, which has now received its third sustainable subordinated debt package from the EBRD. The €27.3 million loan will prioritise sustainable finance, with 60% allocated to green financing and 40% to social assets – including support for inclusive finance and underserved MSMEs.

Earlier this year the EBRD agreed a €12 million loan for the expansion of the Aqaba Digital Hub to strengthen regional data management in Jordan. Financing was underwritten by a first-loss guarantee under the EU's Digital Transformation Platform, and will be complemented by a grant from the bank's Finance and Technology Transfer Centre for Climate Change. The loan package includes technical assistance for the establishment of a new digital academy to deliver training in information and communications technology and cybersecurity, prioritising women and young people.

Morocco

The bank's work in Morocco has been largely shaped by its commitment to green finance.

In early 2026, the EBRD announced that it would be investing €36.8 million in a landmark bond issuance by Morocco's Casablanca-Settat region. The investment will support the district's efforts to diversify its funding sources by tapping the debt capital market. Equally importantly, the bond subscription will trigger access to the EBRD's Green Cities programme, which supports cities to tackle urgent climate and environmental challenges. As part of EBRD Green Cities the region will be supported to develop a mobility and transport planning initiative to explore greener and more inclusive transport solutions. The bank's investment is complemented by a €2 million technical cooperation package, partially funded by the government of the Netherlands, which will support the development of a digital transformation framework for the region.

Tunisia

Over the past three decades, Tunisia has seen a rise in greenhouse gas emissions due to industrial growth. Recognising the importance of sustainable development, the government in 2021 updated its nationally determined carbon contributions, setting an ambitious target of reducing carbon intensity by 45% by 2030.

The EBRD has been able to support the government in its efforts to reach this target by rolling out its new Green Economy Financing Facility (GEFF) which will enable more MSMEs to invest in climate-adaptation and mitigation technologies. Historically, exposure to foreign-exchange risk has been a key barrier to local currency lending in Tunisia. The EBRD has been able to address this through its EU-backed Currency Exchange Fund, which provides foreign-exchange hedging at preferential pricing for local partner banks, thereby reducing overall costs. The facility is underpinned by a Second-Loss Risk Cover guarantee, supported by the European Commission, which has the potential to unlock up to €40 million in new GEFF loans over the next two years.

In total, the initiative will provide €59 million of senior unsecured loans to up to six local financial institutions for lending on to MSMEs. In parallel with these loans, the EBRD is also providing capacity-building programmes for partner financial institutions, promoting equal access to green finance for women and men.

West Bank and Gaza

The EBRD has been investing in the West Bank and Gaza since 2017. Of the €209.5 million provided to the Palestinian economy to date, approximately €196 million has been channelled through the financial sector.

Earlier this year the bank boosted Palestinian export and import activity by providing an additional €4 million in trade finance to Arab Islamic Bank (AIB), increasing its total trade finance line to €8.5 million. This expanded limit will enable the issuance of trade finance instruments at a time when access to international banking services in the West Bank is severely constrained. AIB plays a vital role in the Palestinian market, and since joining the EBRD's Trade Facilitation Programme in 2023 it has used the facility to support numerous transactions to finance essential imports, including food and medical equipment.

In an area where small businesses make up 95% of the local economy, and unemployment runs at around 30%, the EBRD specifically targets support for women in business, recognising that addressing the needs of underserved segments of the market is one of the most effective ways of strengthening economic resilience.

The bank has extended nearly €7 million via Women in Business loans administered through four partner financial institutions: Bank of Palestine, Quds Bank, Cairo Amman Bank, and Palestine for Credit and Development – the largest microfinance institution in the West Bank and Gaza.

Enduring partnerships

Earlier this year the EBRD announced a regional conflict response package which will see it deploy €5 billion over the course of the next 12 months to support countries most affected by the war in the Middle East, particularly those impacted by disrupted trade routes, energy and commodity shocks, or weakened investor confidence. In this sort of rapidly changing situation, the bank's practice of partnering with local institutions to deliver tailored financial instruments enables it to adopt a flexible, demand-driven approach.

The bank's president, Odile Renaud-Basso, believes that the EBRD's experience of building local partnerships makes it uniquely placed to provide adaptive, countercyclical responses: 'In a time of rising uncertainty, we are stepping up where others may pull back, while maintaining sound banking fundamentals. We are here to support economies, clients, and people in our countries of operation, in tough times.' ■

Support from the EBRD has enabled this Moroccan textile manufacturer to renovate its dyeing machinery.

Gulf states are seeking a share of the global arbitration market

Dubai's commercial arbitration centre is housed in the city's gleaming, angular, Chamber of Commerce building overlooking Dubai Creek, a saltwater inlet off the Arabian Gulf. This highly distinctive structure is about to become increasingly familiar to those involved in international arbitration, as the emirate seeks to expand in its presence in a highly competitive field.

Daniel Burbeary and Lizzy Williams of law firm Michelman Robinson joined forces with leading international commercial barrister Rob Hammond of Gatehouse Chambers to explain the impact of recent legislative changes.

Historically, commercial mediation has been less common in the Middle East than elsewhere in the world. Cultural scepticism about negotiating confidentially on a 'without prejudice' basis, along with a lack of procedural mechanisms to facilitate such discussion, combined to push parties towards London or Paris as the default venues for major cross-border disputes. This was particularly the case where contracts were governed by English law, while Singapore became the location of preference for Asia-facing matters.

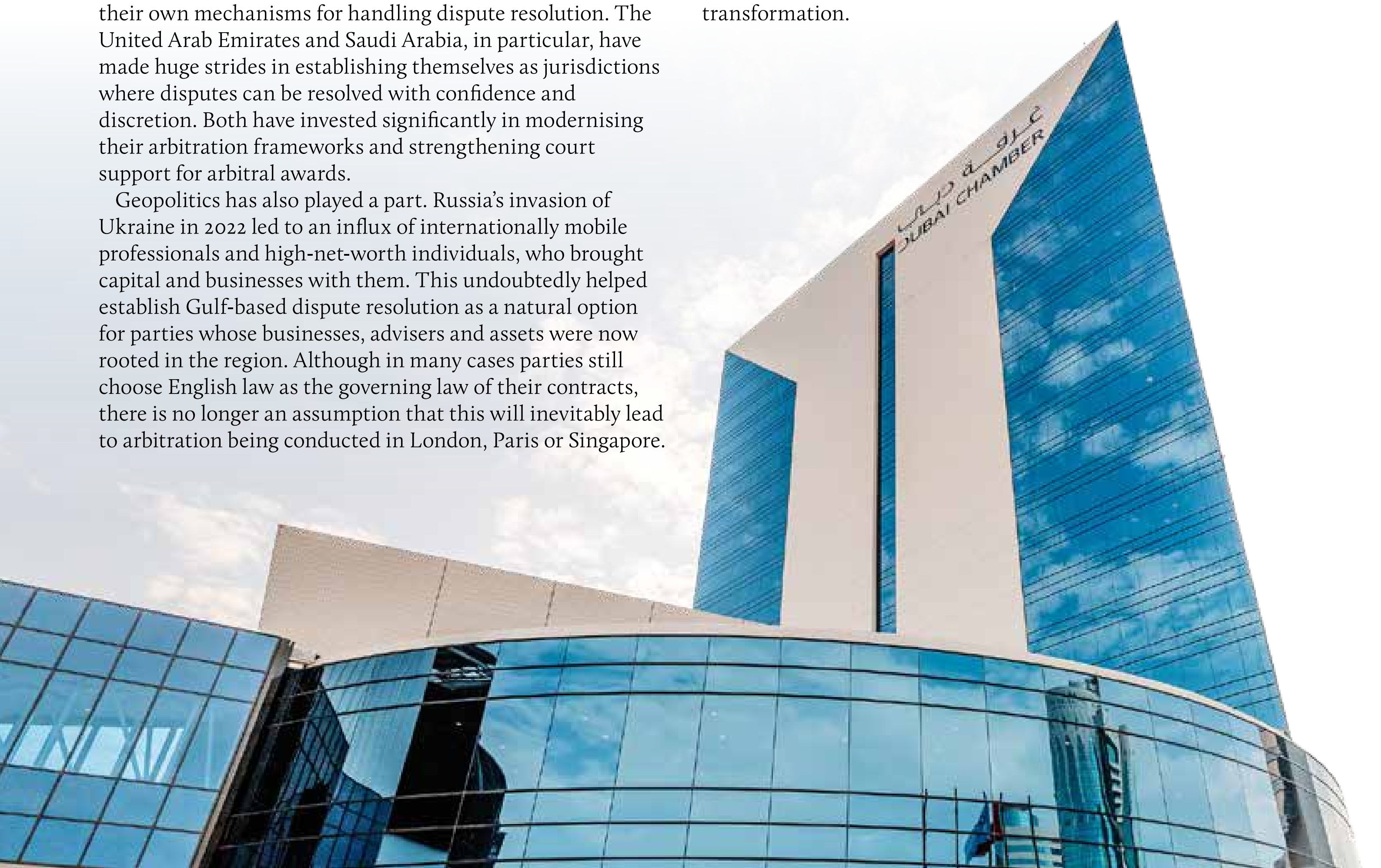
This pattern has now shifted. The economic transformation of the Gulf has seen a corresponding investment in the creation of robust mechanisms for redress when things go wrong. Nearly all GCC states now have their own mechanisms for handling dispute resolution. The United Arab Emirates and Saudi Arabia, in particular, have made huge strides in establishing themselves as jurisdictions where disputes can be resolved with confidence and discretion. Both have invested significantly in modernising their arbitration frameworks and strengthening court support for arbitral awards.

Geopolitics has also played a part. Russia's invasion of Ukraine in 2022 led to an influx of internationally mobile professionals and high-net-worth individuals, who brought capital and businesses with them. This undoubtedly helped establish Gulf-based dispute resolution as a natural option for parties whose businesses, advisers and assets were now rooted in the region. Although in many cases parties still choose English law as the governing law of their contracts, there is no longer an assumption that this will inevitably lead to arbitration being conducted in London, Paris or Singapore.

English remains the language of default for cases being heard under the English legal code, but recent technological improvements to remote-hearing facilities, electronic bundles and real-time interpretation now enable Arabic to be integrated more effortlessly into proceedings, making bilingual proceedings easier to manage. Even so, careful drafting remains essential in cases where parties want to specify the language of the arbitration.

A change of landscape in Dubai

The arbitration market in the UAE undoubtedly has the highest international profile of all GCC states. Its caseload is dominated by construction and real-estate cases, reflecting the drivers underpinning the emirates' rapid economic transformation.



Daniel Burbeary, Lizzy Williams and Rob Hammond

Daniel Burbeary is a partner and Lizzy Williams is an associate in Michelman Robinson's London office, where both specialise in complex, high-value, international arbitration and cross-border litigation. Rob Hammond is a barrister practising from Gatehouse Chambers in London, focusing on commercial litigation, construction disputes and contentious insolvency matters, with extensive experience of dispute resolution in the Middle East.

For many years, parties seeking arbitration agreements in Dubai turned to the DIFC-LCIA Arbitration Centre, a unique joint venture between the Dubai International Financial Centre (DIFC) and the London Court of International Arbitration (LCIA). It offered a familiar structure for parties accustomed to English law and LCIA-style arbitration, combining an international institution with a base in the Gulf.

That model changed abruptly in 2021, when new legislation (Dubai Decree No. 34) abolished the DIFC-LCIA and consolidated its activity under the Dubai International Arbitration Centre (DIAC). The aim was to simplify the emirate's institutional landscape and create a single flagship arbitration centre to replace what was regarded as a more fragmented system.

The move was generally regarded as a logical step towards modernisation, but the speed and abruptness of the transition left parties and advisers urgently seeking clarity on the status of legacy clauses, existing agreements and ongoing cases. It led to a period of disruption and a degree of reputational damage, as parties questioned whether Dubai remained a dependable location for arbitration.

A rapid pace of change

This situation has since largely stabilised. The DIFC Courts, Abu Dhabi Courts, and some (although not all) international courts have now confirmed that existing DIFC-LCIA arbitration agreements remain valid, with the DIAC able to assume an administrative role where necessary. This was especially important for parties that had previously elected to be regulated by English law with a DIFC-LCIA arbitration clause, because it removed the risk of being left with an arbitration agreement that in practice was no longer valid under the new jurisdiction.

Some concerns around legacy arbitration agreements still remain, and questions continue to be raised about clauses drafted during the transition period, and also about how far particular jurisdictional formulations would be upheld if challenged. Commercial arbitration clauses also now need to be drafted with greater care than previously, particularly where the substantive law of the dispute, the DIFC elements and onshore Dubai enforcement may intersect.

Dubai's arbitration sector took another step closer to alignment with international standards with the introduction of the DIAC Arbitration Rules in 2022. These were designed to make the institution more unified and easier to navigate in the sort of high-value disputes that international parties would once have sent automatically to London or Paris. Remote hearings, electronic filings and procedural flexibility all became a standardised part of working practice. These are facilities which, in the current period of geopolitical instability, are being increasingly widely used.

Despite the temporary loss of confidence that followed the initial period of disruption, the streamlined, modernised DIAC now appears to be back on course to compete with established international institutions. Figures from its 2023 report indicate that its ambitions were well placed: the total value of cases registered with the DIAC during the course of that year exceeded £1.16 billion.

Progress in the wider region

Although Dubai remains the Gulf's most visible arbitration hub, the sheer scale of the projects undertaken in Saudi Arabia has required the kingdom to establish its own robust system of mediation.

The country's first modern arbitration law was introduced in 2012, establishing the legal foundation for the country's dispute resolution framework and leading to the creation of the Saudi Center for Commercial Arbitration two years later. Updated rules, introduced in 2023, brought the institution more closely into line with international practice. These included familiar features such as emergency arbitration and expedited proceedings, along with measures to preserve public policy safeguards that remain particularly important in the Saudi context. The arbitration centre also introduced protocols for the online resolution of disputes involving lower-value claims. Perhaps most significantly, the new rules allowed for parties to select the legal code that was most applicable to their dispute. This removed the requirement to comply with sharia rules, aligning the kingdom's arbitration system much more closely to international norms and positioning it as a global competitor in the sector. Consultation is currently underway over further international alignment and changes to a default rule concerning the governing law of any arbitration agreement.

The efficacy of arbitration in dispute resolution ultimately depends on the ease of enforcement of the arbitral award and the existence of supportive supervisory courts. This is largely why, despite recent upheaval, the UAE remains so important and attractive. The DIFC courts remain the most developed common-law courts in the region and have established a durable reputation for supporting arbitration and facilitating enforcement, one which underpins confidence in the wider system.

Legal certainty is not yet as settled as in other jurisdictions, and the Gulf is unlikely to replace London, Paris or Singapore. It will, however, inevitably, take an increasing share of the disputes that once flowed there. The application of an internationally respected system of substantive law (such as English law), supported by local institutional rules, can provide a critical bridge between domestic law (normally unfamiliar to foreign parties) and the dispute resolution norms that foreign investors expect. Gulf States are no longer merely producing international disputes, they are emerging as credible venues for resolving them. ■

Internal fraud investigations: the five critical decisions that shape outcomes

For international financial institutions operating in London, internal fraud investigations frequently involve simultaneous exposure to regulators, prosecutors, and civil claimants across multiple jurisdictions. The parameters of engagement may expand exponentially, placing senior management under corresponding pressure to provide a swift and rigorous response.

Alan Ward and Alex Irvine, of international law firm Stephenson Harwood LLP, outline five critical decision points that consistently distinguish robust investigations from those that create avoidable difficulties.

The first decision is deceptively simple: should the bank treat the issue as a formal internal investigation, and if so, who should own it?

Banks often have multiple functions that could all, in theory, take initial ownership of an internal investigation. But siloing an investigation early on – without first developing a coherent strategy and retaining a clear record of who decided what, and when, and why they did so – can be risky.

It is advisable to formalise the investigation quickly, approving clear terms of reference at an appropriate governance level. Placing legal advisors at the centre enables the principle of legal professional privilege (the client's right to communicate confidentially with their lawyer and to withhold disclosure from third parties) to be established at the outset. The core team should exclude anyone potentially implicated in the suspected fraud, and should also have sufficient seniority to direct business units, IT, human resources, and external advisers.

Banks should adopt a litigation-risk-management mindset from the start, anticipating that civil claims, employment disputes, and even regulatory or criminal proceedings, may follow. By taking control and adopting a structured approach the bank can demonstrate to regulators, and later courts, that it responded in a systematic, impartial, and proportionate manner, and that its decisions were informed by analysis and risk management, rather than unfocused or isolated operational firefighting.

Banks with substantial international operations must also decide which legal system will frame the investigation. In London, English law and the regulatory authorities may be central, but the local criminal law, data protection regimes, and banking secrecy rules of other jurisdictions will also affect what information can be gathered and how it may be shared internationally.

Defining the scope of the investigation

There is a risk of either defining the investigation too narrowly (focusing around a single transaction or team) or too broadly (expanding to encompass a sprawling review of multiple business lines and years of data).

To avoid this, the terms of the investigation should be anchored in the presenting risk, but should also remain capable of expansion as facts emerge. Complex frauds are rarely contained: what begins as a query about unusual transactions may reveal internal collusion, control failures, or sanctions-related misrepresentations to correspondent banks. The scope of an investigation should therefore be regularly reviewed and amended as appropriate.

A well-crafted mission disciplines the investigation, particularly around data collection and interviews, providing a coherent narrative for regulators, and later for courts or counterparties, about what the bank set out to do and

Alan Ward and Alex Irvine

Alan Ward (Partner) and Alex Irvine (Counsel) are part of the regulatory and investigation team at Stephenson Harwood LLP, an international law firm that has been at the forefront of many of the most significant regulatory and investigations issues for decades, acting for banks, corporates, and senior managers. The firm has offices in Europe, Dubai, Riyadh, and Asia.

why. It also supports the assertion that the investigation is privileged legal work rather than general factfinding, which can be a significant distinction in English law. Boards and management bodies can play an important role at this stage in testing appropriate mission scope, and checking that emerging findings are being escalated in a timely way.

Managing legal privilege and the cross-border transfer of data

Data is generally critical in banking fraud, and missteps in identifying, preserving, collecting, and reviewing it can significantly undermine an investigation. Banks will need to consider not only what regulators may want to see, but what courts may later expect to have been preserved.

Once grounds for investigation exist, banks must act swiftly to prevent loss of potentially relevant material – suspending routine deletion of email archives, messaging platforms, and system logs, and issuing clear legal hold notices to relevant custodians. It may be necessary to engage IT and external forensic providers to preserve data from servers, laptops, and mobile devices, including potentially in branches and affiliates in MENA jurisdictions, in a manner that is sensitive to local jurisdictions. Failure to do so risks not only regulatory criticism but also adverse inferences in civil proceedings.

Fictional Case Study

This is not intended as an exhaustive illustration of all potential issues that may arise during a fraud investigation.

Phase 1: Initial discovery

January Bank is a multinational bank headquartered in the Middle East, with operations in London. The financial controller at its London office has received numerous payment reminders from key office suppliers, despite accounting records indicating that invoices have been paid.

After reviewing the accounts, she finds that although the total sums paid match the invoices, each invoice references multiple payments – which is unusual. Initial indications suggest several hundred such duplicate payments have been made. The financial controller halts any further work and seeks guidance from the bank's legal team.

Phase 2: Fraud emerges

Further investigation reveals that £9 million has been diverted from supplier payments to unknown accounts.

Seven different bank accounts have received funds intended for suppliers. The fraud involved manual overrides in the payment system, with 90% of each payment going to the legitimate supplier and 10% to a similarly named fraudulent account.

A whistleblower, Mr X, contacts the bank. He states he raised concerns months earlier but was told to remain silent due to ongoing negative press. Mr X insists the matter is criminal and should be reported to the authorities.

Phase 3: Escalation and crisis management

The CEO, concerned about reputational damage, convenes the board and reveals her suspicions that the finance director has attempted to cover up the fraud.

Under pressure from head office to resolve the matter quickly without external involvement, the CEO instructs an internal investigation with a four-week deadline.

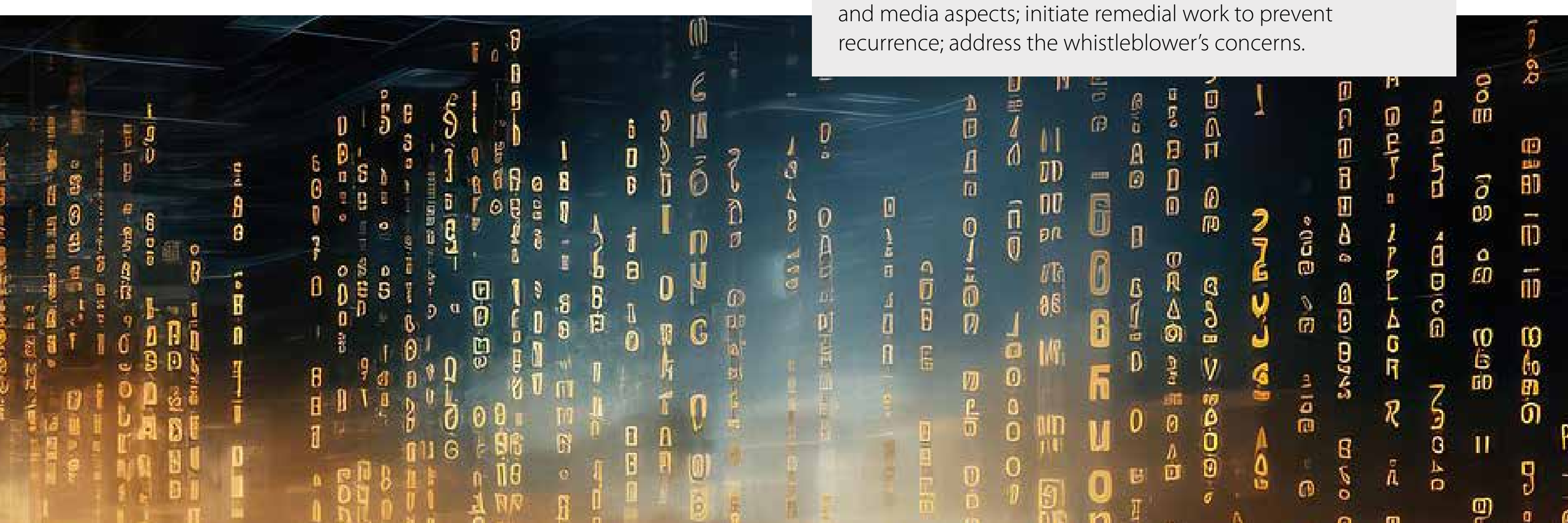
Meanwhile, Mr X threatens to go to the press unless the bank announces the fraud within 24 hours.

The response should evolve through successive stages:

Phase 1 Initial discovery: impose a halt on further payments; identify and preserve evidence; decide who needs to be involved in the investigation; consider reporting obligations.

Phase 2 Revelation of fraud: conduct interviews; take advice on tracing and seeking to recover funds; take advice on appropriately handling the whistleblower.

Phase 3 Escalation: report to the board; manage employment and media aspects; initiate remedial work to prevent recurrence; address the whistleblower's concerns.



Data transfer between jurisdictions is tightly regulated. The EU's General Data Protection Regulation, and an increasing number of MENA data-protection regimes, impose constraints on what material can be collected for investigative purposes, whether it can be transferred to other jurisdictions, and how it should be provided to regulators or criminal authorities outside the jurisdiction where it is held.

In some investigations, tensions can arise between a regulator's expectation that data will be produced and local legal prohibitions on disclosure. Navigating that conflict requires early, jurisdiction-specific advice and, often, direct dialogue between authorities.

Under English law, it is critical to structure an investigation so that it enables legal privilege to be claimed, where available. Legal counsel should be involved at the earliest opportunity, particularly where the conduct may lead to criminal or regulatory proceedings. Investigators must clarify that facts are being gathered in order to obtain legal advice, or to prepare for litigation, rather than as a generic HR or audit exercise. They must be disciplined about who receives privileged material, avoiding unnecessary commentary on informal emails or messaging platforms.

This can be challenging where investigations cross borders. In some European and Middle Eastern jurisdictions, privilege may not attach to the work product (the memoranda, or notes of legal advice) of inhouse lawyers in the same way as in the UK, and regulators and prosecutors in certain jurisdictions may argue they are not bound to respect privilege claims at all. Banks should therefore assume that sharing an investigation's work product with a regulator in one country may affect claims to privilege elsewhere.

Employees, whistleblowers and counterparties

Relationships with staff, suspects, and whistleblowers all need to be managed fairly, in a way that is strategically sound and consistent with employment and regulatory obligations. Banks will first need to consider their relationship with their employees and, critically, with any internal suspect(s). They will need to assess whether individuals under suspicion should be suspended immediately to protect the integrity of the investigation, or may be kept in post under close supervision. As part of this process, they will also need to co-ordinate with regulators or law enforcement to develop an appropriate and timely interview strategy. In potential criminal matters, interviewing suspects too early, or at all, can risk contaminating evidence or interfering with subsequent investigations. An organisation may also need to consider whether individuals facing criminal or regulatory exposure should be offered independent legal advice, and, if so, whether a bank's policies or insurance provide for its funding.

A disciplined approach to record keeping at this stage is critically important. Contemporaneous notes of decisions taken about employees, the reasons for them, and any interviews or discussions need to demonstrate that senior management confronted issues, took advice, and acted reasonably in the circumstances.

Many serious frauds now come to light via internal or external whistleblowers. A bank's response to the first whistleblower contact will be scrutinised by regulators such as the Financial Conduct Authority in the UK, and increasingly, by authorities in the MENA region, which are strengthening their whistleblowing frameworks and whistleblower protections.

It is important to preserve the whistleblower's confidentiality as far as possible, in accordance with local law and internal policies, whilst avoiding any suggestion of direct or indirect retaliation against them – which could in itself become a separate legal and reputational problem. Banks will need to ensure that the complaint is triaged appropriately, with escalation to the formal investigation framework where warranted. Where a whistleblower has also reported to a regulator, banks should assume that their handling of the complaint will form part of the regulatory assessment of their systems and internal corporate culture.

In many cases of alleged fraud, counterparties and correspondent banks find themselves to be either victims or potential facilitators. In such cases banks will need to decide if and when to inform counterparties, suspend relationships, or seek to recover losses. These are difficult decisions and would need to be informed by a careful consideration of contractual notification obligations, potential civil claims, and the impact that any action might have on future cooperation, particularly if crossborder asset recovery may be required.

Engaging with regulators, selfreporting, and litigation risk

In England and Wales, regulators and prosecutors expect financial institutions to be proactive, to explain at an early stage how they are investigating suspected fraud, and to provide a credible plan for remediation. For banks with significant crossborder business, similar obligations may arise in different locations. In certain jurisdictions, for example, anti-money laundering legislation means that failure to report can itself create criminal exposure. Elsewhere, selfreporting is not legally mandatory but may be an important factor in determining outcomes. It is important to bear in mind that while there can be advantages in sharing findings and remediation plans, waiving privilege over internal reports or interview memoranda in one context may have broader consequences across other jurisdictions. Coordination between authorities has become increasingly sophisticated in cross-border matters, making it particularly important that the bank's narrative is coherent across jurisdictions.

It is advisable to ascertain early on who speaks for the bank. Regulators in London and MENA will expect to deal with individuals authorised to speak on behalf of the group, who can explain the investigation's progress and commit to remediation steps.

Every serious fraud investigation is, by definition, unwelcome. Yet the way in which a bank responds to its most difficult moments is often the best evidence that regulators and courts have of its true culture and governance. Institutions that react in a systematic and structured way, put a sound legal and regulatory risk-management strategy at the centre, and combine rigorous factfinding with transparent remediation – whether in London, MENA, or elsewhere – tend, in our experience, to achieve the best outcomes.

If your organisation is revisiting its investigation framework, or facing a live issue in the areas discussed above, it is worth stress testing your current approach against these decision points. The time to identify gaps is before, not during, the next crisis. ■

Become a Member

The Arab Bankers Association (ABA) was founded in London in 1980 as a non profit-making organisation. Its aims are to promote the professional interests of Arab bankers in Europe and the Middle East, provide services to the Arab banking and financial community and enhance overall awareness of recent financial industry developments.

The ABA seeks to develop ties between Arab professionals working in financial services and to encourage the exchange of views, information and expertise between the banking and financial sectors in the Arab world and their counterparts in the United Kingdom and other countries.

Arab Bankers Association
جمعية المصرفيين العرب

ABA Membership Application

PLEASE TICK ✓ BELOW AS APPLICABLE

I wish to become a member of the Arab Bankers Association in the category of:

☐ **Individual Membership** | Annual fee £250

☐ **Young Professional** (less than seven years' experience in the banking and financial sector) | Annual fee £100

☐ **Associate (corporate) Membership** | Annual fee £4,000

Family name .... DOB: ....

Nationality ....

Institution ....

Position/Title ....

Address ....

....

....

Telephone ....

Fax ....

E-mail ....

ABA Sponsor/Referee ....

☐ **I enclose payment**
(Cheques made payable to:Arab Bankers Association)

☐ **Please bill me**

☐ **Please debit my card**

Please debit my ☐ Amex ☐ Delta ☐ Electron ☐ Maestro ☐ Mastercard ☐ Solo ☐ Switch ☐ Visa credit/charge card

Card No: .... Expiry: ....

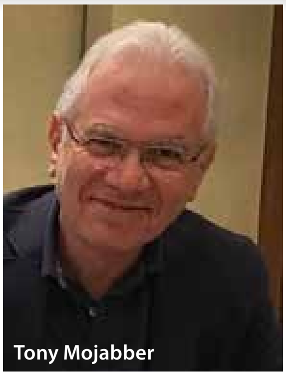
Signed: .... Date: ....

Post to:
ABA
16 Berkeley St,
London W1J 8DZ
T +44 0203 907 3987

www.arab-bankers.co.uk


Gaby Fadel


Nashwa Joy Saleh


Tony Mojabber


The ABA's new home


Najwa A. Thabet


Gabriella Sidoli


Tabitha Morgan-Butt


Heidi Marttinen

A year of change and consolidation

This year marked the end of an era for the ABA, as we left the building in Upper Grosvenor Street that had been our London base for the past 18 years. The premises, owned by the Arab British Chamber of Commerce, had provided us with excellent facilities for hosting member events and for staging some memorable summer parties on the garden terrace. But times change and we are now pleased to welcome you to our new offices in a stylish serviced block in nearby Berkeley Street.

The building includes a number of coffee lounges for small-scale, intimate meetings, along with larger meeting rooms for some of our lunchtime seminars. We plan to host larger events at some of the neighbouring hotels like the May Fair, while some of our lunchtime seminars will be hosted by our active corporate members.

In another significant development, designed to ensure that the ABA fully represents the interests of its individual members, it was agreed to create two new board member positions. Dr Nashwa Joy Saleh and Mr Tony Mojabber were duly elected to join the ABA board. They each bring extensive professional experience to their new roles: Nashwa has spent more than 30 years in the field of global emerging markets, with a special focus on Europe, the Middle East and Africa, while Tony is a seasoned finance and banking professional with 39 years of experience in the private and retail sectors, mostly in corporate banking.

After eight years with the ABA, our Business Development and Public Relations Manager, Hanan AlMasood, moved on to the next stage of her banking career. Hanan made the organisation of the ABA's events – from the annual gala dinner to our programme of working lunches – appear effortless and ensured they were always run professionally. She enjoyed networking and prided herself on knowing all our members. Her generosity and willingness to go the extra mile to get a job done will be much missed. We wish her all the best in her professional endeavours.

Hanan's successor in the role, Najwa Abouzaki Thabet, joined the team in December. Najwa has considerable experience in the banking sector, both in the UK and the UAE. She previously worked in treasury and accounts management roles at Thomson Reuters, and in senior internal control, treasury, and cash management positions at Samba Financial Group. Although she has only been in post for a relatively brief time, Najwa is already making a mark on the organisation of ABA events and is focusing on growing the association's network and strengthening its organisational relationships.

The editorial team at *Arab Banker* magazine has expanded to include Middle East-based journalist, Heidi Marttinen. Heidi brings with her decades of international experience in news and specialist reporting in financial and business intelligence. She runs her own editorial company serving both private and public sector clients worldwide, including major news networks, government agencies, The Association of Governance, Risk and Compliance, and the Investment Migration Council.

Our organisation continues to play a vital role in the banking and financial industry, acting as an interlocutor between the UK's financial regulators and the Arab banking community. Our programme of informative technical seminars by sector experts enables our members to continue with their professional development and to keep abreast of the latest developments in their field. Last but by no means least, through our regular social events we provide opportunities for our members to meet and network with other like-minded professionals.

The ABA now has 41 corporate members, comprising branches and subsidiaries of Arab banks in London, along with financial services companies and leading international law firms working with Arab banks or clients.

Board of Directors

The ABA's Board of Directors is elected at the Annual General Meeting. A list of serving board members, as of 1 September 2026, is given below.

Yasser Ibrahim Arab National Bank, ABA Chairman, ABA board member since 2018
Yasser Ibrahim was appointed General Manager of Arab National Bank's London branch in September 2021. Previously, he had worked in Frankfurt/Main, Germany as Partner and Managing Director of International Banking, and Co-Head of International Banking Sales at ODDO BHF. Prior to that appointment he had been Chief Executive Officer (CEO) and Managing Director of National Bank of Egypt (UK) Ltd. in London. Yasser also spent more than 25 years at Commerzbank AG in Germany, Bahrain, and Egypt. In his last function at Commerzbank he served as Managing Director and Head of the bank's Representative Office in Cairo. Yasser also served as Non-Executive Chairman of the Board of Directors of Mercedes-Benz Egypt, and as Vice-Chairman of the German-Arab Chamber of Industry and Commerce.

Haytham Kamhiyah Arab Bank Europe, ABA Vice-Chairman, ABA board member since 2020
Haytham was appointed CEO of Arab Bank Europe in December 2018, prior to which he had been CEO of Emirates Development Bank in the UAE. Haytham started his career with Arthur Andersen and then joined Capital Bank of Jordan in 1996, where he progressed to become General Manager in May 2005. He has served as a director of several organisations, including Jordan International Investment Group, Ithmar Islamic Finance Company, Jordan International Insurance Company, and Safwa Islamic Bank. Haytham holds a bachelor's degree in Accounting and Business Administration, as well as professional qualifications from the Institute of Certified Management Accountants and the Institute of Certified Public Accountants in the United States. In 2005 he obtained the Advanced Management Programme Diploma from INSEAD Business School.

Gaby Fadel ABA CEO, ABA board member since 2023 (and from 2004 until 2014)
Gaby was appointed CEO of the Arab Bankers Association in April 2024, having served as Deputy CEO since early 2023. He is a seasoned banker with many years' experience in international trade finance. He has been based in London since 1982. After graduating from Université Saint Joseph in Beirut, he began his banking career with Crédit Lyonnais, and then joined Byblos Bank, first in Beirut and then in Brussels. From 1993 until 1999 he worked for Banque Française de l'Orient (part of Crédit Agricole). From 1999, until he retired in 2022, he was General Manager of Byblos Bank's branch in London.

Rajeev Adrian ABC International Bank Plc, ABA board member since 2022
Rajeev is the CEO and Managing Director of ABC International Bank Plc (ABCIB), the London-based subsidiary of Bank ABC Group. Before joining ABCIB, Rajeev worked at Royal Bank of Scotland in various senior positions, including CFO of International Banking, Chief Administration Officer of Global Banking and Markets, and Senior Strategist. Prior to RBS, Rajeev served at Lehman Brothers in London in various roles. He began his career in Australia, working at the Office of the Auditor General and at the Australian Securities Commission. Rajeev holds a Bachelor of Commerce (BCom) and an MBA, and is a Fellow of the Australian Society of Certified Practicing Accountants (FCPA).

Bana Akkad Azhari BNY, ABA board member since 2022
Bana is Head of Global Payments and Trade, Europe, Middle East and Africa (EMEA), for BNY. She is responsible for overall business performance across the region, and for the coverage and delivery of BNY's products and services to existing and prospective clients, along with market development and strategic growth opportunities in payments, cash management, and trade solutions. Prior to joining BNY in 2006 as Chief Representative with overall responsibility for the bank's business in Lebanon and Cyprus, Bana worked for over nine years with Citigroup in Beirut. She is a member of BNY's Global Payments and Trade Leadership Team, BNY's EMEA International Leadership Team, and BNY's London Branch Management Committee.

Sophoklis Argyrou Bank of Beirut (UK) Ltd, ABA board member since 2025
Sophoklis is the Managing Director and CEO at BOBUK, which he joined in 2015. He chairs the Management Committee, serves as a member of the board and the Board Credit Committee, and is a permanent invitee of the Board Audit, Risk and Compliance Committee. Sophoklis previously worked for the Laiki Bank Group as General Manager of its UK branch, and as a member of the Group Executive Committee. Sophoklis also served on the board of the publicly listed Lombard Bank Malta Plc. Before moving into banking he began his career in accounting and finance, working for Coopers & Lybrand, where he qualified as an accountant. He has been a Chartered Member of the Chartered Institute for Securities & Investment (CISI) since 2015.

Bassem Boustany National Bank of Kuwait (International) Plc, ABA board member since 2025
Bassem joined NBKI in 2021 and is currently the bank's Managing Director. Before his move to London Bassem had been based in Kuwait with NBK since 2007, holding various senior positions in Treasury, Fixed-Income and the International Banking Group. Bassem is a Chartered Financial Analyst (CFA), and holds a Bachelor of Engineering (BE) degree in Biomedical Engineering, as well as MBAs from London Business School and Columbia Business School. He is also currently a Director of NBK France SA, and NBK Trustees (Jersey).

Ayda Habboush Trowers & Hamlins, ABA board member since 2020
Ayda is a partner in the corporate department of Trowers & Hamlins, and is Co-Head of the firm's Hotel and Leisure Group. She has over 17 years' experience as a corporate lawyer, and has been involved in a broad range of work, including mergers and acquisitions (both in the UK and abroad), with a particular focus on inward investment into UK real estate from the MENA and ASEAN regions, as well as advising banks, institutional investors, and ultra-high-net-worth investors. As a member of Trowers' Islamic Finance team, Ayda advises on the corporate structuring of sharia-compliant acquisitions and the establishment of sharia-compliant offshore funds. She is a fluent Arabic and French speaker.

Yasser Hassan National Bank of Egypt (UK), ABA board member since 2023
Yasser was appointed Managing Director and CEO of National Bank of Egypt (UK) in May 2019. He previously served as Managing Director and CEO of National Bank of Kuwait (Egypt) where, over the course of an 18-year tenure he led a major transformation project that significantly increased the bank's market share. Earlier in his career Yasser worked for several banks, including National Bank of Abu Dhabi and Egypt's National Société Générale Bank. Yasser is a Director of the Egyptian-British Chamber of Commerce in the UK and is a board member of the Association of Foreign Banks.

Charbel Khazen Gulf International Bank B.S.C, ABA board member since 2014
Charbel Khazen is the London branch head of the Bahrain-based Gulf International Bank B.S.C. (GIB). He has lived in the UK since 1985, and has spent all his professional career since the late 1980s with Arab banks in London. Charbel joined GIB in 1995 and has held his current position since 2006. Before joining GIB, Charbel worked for Qatar National Bank and Europe Arab Bank. His banking career has focused on corporate and institutional banking and trade finance, with an emphasis on relationship management, business development, and branch management.

Paul McDonagh Qatar National Bank, ABA board member since 2025
Paul joined Qatar National Bank as the UK CEO in 2021, following four years at Lloyds leading the corporate and investment banking and fixed-income internal functions, and the client-facing Multinationals and Product Sales teams. Prior to this he was with Santander for five years, heading its UK corporate and investment banking business. The previous 24 years were spent at RBS/NatWest where he held senior management positions based in London, the US, the Middle East and globally. Latterly he was Head of Global Network Banking at RBS/NatWest, leading a team of 250 bankers in 33 countries. Paul holds an MBA specialising in international business and banking culture. He is also a qualified member of the Association of Corporate Treasurers and the Chartered Institute of Bankers.

Tony Mojabber Individual ABA member since 2025
Tony is a C-suite banking professional with over 35 years of retail, corporate, and investment banking experience across the UK and the Middle East. In executive roles, including as Group Head at Samba Financial Group, he established a full banking presence in the UAE and managed critical cross-border operations spanning Saudi Arabia, Qatar, London, and Pakistan. He is passionate about excellence and robust corporate governance and brings deep strategic insight to the ABA board, drawing on proven experience as a board member of a listed bank, and as an active risk and remuneration committee contributor.

Ralph Al Raheb Morgan Stanley ABA board member since 2016
Ralph is a Managing Director of Morgan Stanley, where he is MENA Country Head for Fixed-Income as well as Head of Emerging Markets Sales for Europe, the Middle East and Africa. He is a member of the Morgan Stanley MENA Management Committee, the EMEA Management Committee, and the Cross-Divisional CEEMEA Management Committee. Ralph joined Morgan Stanley Paris in 2003 as an analyst in fixed-income sales, covering French financial institutions. He was named Vice-President in December 2007, Executive Director in December 2009, and Managing Director in January 2015. Ralph graduated from Paris Dauphine University with a master's degree in Economics and also a master's degree in Finance and Asset Management.

Nashwa Saleh Individual ABA member since 2025
Dr Nashwa Joy Saleh is a senior policy advisor, chartered director, educator, and published author, with over 30 years experience across global emerging markets, particularly EMEA. She has held roles with organisations including USAID, the European Bank for Reconstruction and Development, African Development Bank, the Central Bank of Egypt, S&P Global, and KPMG Corporate Finance. She is recognised internationally for her work in fintech and financial services, including through the Innovate Finance UK Women in FinTech Powerlist. She is also an Ambassador for Global Women in AI, a mentor for the FCA's Supercharged Sandbox and Digital Sandbox, and an Independent Board Member and Chair of the Board Risk Committee with the United Bank for Africa UK Ltd and Bank of Ceylon UK Ltd.

Hani Salem ABA Treasurer, PwC, ABA board member since 2016
Hani is a Director in PwC's assurance practice based in the Channel Islands. He leads PwC Channel Islands' Jersey Family Office practice and serves as the PwC Channel Islands' Trust and Fiduciary Leader. He has a wealth of experience in auditing and advising a diverse range of financial entities, including family offices, corporate service providers, multinational banks, and real-estate funds across the Channel Islands, the UK, and the Middle East. Hani is a chartered accountant in the UK and also holds a certified public accountant qualification from the New Hampshire Board of Accountancy.

Looking ahead with Turkey

Ersoy Erkazancı, Advisor, Investment Office of the Presidency of Turkey; Gaby Fadel, CEO of the ABA; Chris Allum of UKEF; His Excellency the Turkish Ambassador, Mr Osman Ertaş; Serpil Timuray, World Turkish Business Council; Geoffrey Yu, Senior Market Strategist at Bank of New York Mellon; Kutan Kudret, Head of Commercial Banking at Türkiye İş Bankası, UK.

This event focused on financial and business relationships between Ankara, the Arab world, and London. It was hosted at the official London residence of His Excellency the Turkish Ambassador, Mr Osman Koray Ertaş, and was organised by the ABA in collaboration with the Embassy of the Republic of Turkey and the World Turkish Business Council.

Mr Ertaş outlined his country's ambitious regional connectivity strategy aimed at linking the Gulf to Europe through the development of a land corridor, as Turkey seeks to generate commercial and financial opportunities by positioning itself as a transit hub linking East and West.

The panel discussion that followed was moderated by Ersoy Erkazancı, Advisor, Investment Office of the Presidency of Turkey. It highlighted the numerous opportunities for Arab banks in Turkey, where they offer much needed liquidity, along with efficient distribution networks and financial resilience.

Kutan Kudret, Head of Commercial Banking at Türkiye İş Bankası, UK, outlined how bilateral trade between Turkey and the UK was no longer sustained by the export of finished products, but was increasingly part of an integrated supply chain.

Chris Allum, of UK Export Finance (UKEF), outlined the basis on which his agency was able to facilitate and support UK exports to Turkey. Collaboration with UKEF is not restricted to businesses of British origin, and can catalyse the release of funds by underwriting and reducing the risks associated with a project.

Finally, Geoffrey Yu, Senior Market Strategist at Bank of New York Mellon, explained that although the Turkish banking system was considered robust and resilient, liquidity in Turkish markets remained a key factor for international clients.

Ms Randa Sadik presented with the ABA's award for Distinguished Services to Arab Banking 2025

Our annual gala dinner took place at the Intercontinental Hotel on London's Park Lane. Over 250 guests listened to a thoughtful and incisive keynote speech from Samir Assaf, senior advisor to HSBC's group chairman. Mr Assaf celebrated the enormous economic progress made by the Arab world in recent decades, but did not shy away from outlining the future challenges facing the sector.

His speech was followed by an address from Lord Gavin Barwell, former Downing Street Chief of Staff to Theresa May, who introduced this year's honouree, Randa Sadik. Ms Sadik has been CEO of Arab Bank Group since 2022 and is only the second woman to receive the ABA's award. She was previously ranked sixth in *Forbes Magazine's* list of the 100 most powerful women in the Middle East. After beginning her career at National Bank of Kuwait at a time of significant expansion, she moved on to Jordan's Arab Bank, where she oversaw the bank's digital transformation programme and introduced a strategic framework for gender equality.

ABA Honoree for 2025, Ms Randa Sadik

Yasser Ibrahim, ABA Chairman; Randa Sadik; Gaby Fadel, ABA CEO

Sabih Masri, Chairman of Arab Bank with George Kanaan

Anthony Urquhart-Davies and Kim Tran, Arab Bank Europe with Keith Leach, Head of Real Estate Finance, Bank ABC

Mahendree Naidoo and Neeti Chauhan, Lester Aldridge with Sacha Exposito, Riyad Bank

The QIB table takes a quick selfie

Lord Gavin Barwell with ABA Chairman Yasser Ibrahim

Millie Hodgson of Knightsbridge Management chats with James Moor of Savills

Layla Hamidian, Anna Barratt and Beatriz Lopez Herrera of BLME

ABA Board Member Nashwa Saleh and Smith O'Connor

Keynote speaker Samir Assaf

ABA Vice-Chairman, Haytham Kamhiyah and the team from Arab Bank Europe

Sharon Gaughan, Riyad Bank; Charbel Khazen

An elegant Christmas party

Our Xmas party proved to be a particularly memorable event and was held in the sophisticated surroundings of the newly refurbished Chancery Rosewood Hotel in Grosvenor Square.

The hotel, a Grade II listed building, occupies the premises of the former US embassy and has a stunning interior designed by Paris-based architect and designer Joseph Dirand. The party also gave us the opportunity to acknowledge the hard work of our departing business development manager, Hanan AlMasood.

Najwa Thabet, Gaby Fadel, Hanan AlMasood, and Gabriella Sidoli

Lizzy Williams, Alice Mills, and Ruth Paley from Michelman Robinson

Marcel Kraan, Eleni Semertzaki, and Laura Olewnik from the Intercontinental Hotel with ABA Chairman Yasser Ibrahim

QIB colleagues Paul Scagliosi, Elsie Kusi-Appiah, Aqeel Haque, Chahnaze Farhat, David Law, Maryam Zonouzi, and Anthony Belsey

Fuad Shakshir, Rayan Tauk, SCW; and Sami Khairat, ANB

Ines Sassi and Aladdin Abou Kalam from ABE

Navigating global uncertainty

The ABA hosted its first geopolitical seminar, examining the economic consequences of recent events in the Gulf and resultant market volatility.

Attendees first heard opening remarks from H.E. Shaikh Fawaz bin Mohammed Al Khalifa, the Ambassador of the Kingdom of Bahrain and Dean of the Arab ambassadors in London, which stressed the importance of the new GCC-UK free trade agreement for future growth.

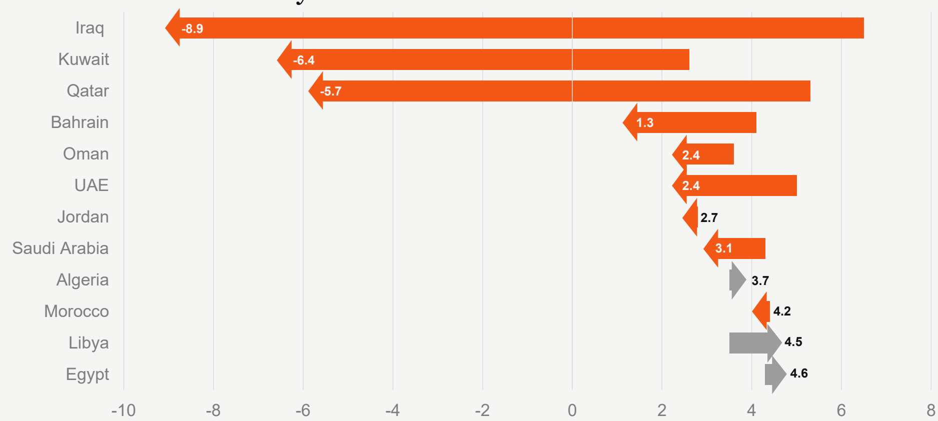
Geoff Yu, Europe, Middle East and Africa Macro Strategist at Bank of New York Mellon, then analysed the position of each GCC nation in turn, focusing first on the UAE, which, despite a strong start in the early part of the year, had been most affected of all nations in the region, with a continuing deterioration of surpluses over recent months. This contrasted with the position of Saudi Arabia which was relatively stable with a more resilient balance of payments. Mr Yu attributed greater investor confidence to the role of the kingdom's east-west pipeline as an alternative route for maintaining exports. Outflows from the KSA, he explained, could be traced to declining oil prices and predated the latest conflict.

He was followed by Dr Christie Viljoen, Senior Manager and Lead Economist at PwC Channel Islands UK. He illustrated how levels of global uncertainty have spiked dramatically after a succession of shocks over the last five years, and went on to itemise the reasons why the UK economy is expected to be the hardest hit among G7 nations as result of the current situation in the Gulf.

The event, exclusively for corporate members, was held at the May Fair Hotel in Stratton Street and was moderated by former ABA Editor-in-Chief, Andrew Cunningham.

Yasser Ibrahim and Gaby Fadel, ABA; Ali Al Mahmoud, Counsellor at the Embassy of Bahrain; Andrew Cunningham, moderator; Geoffrey Yu, Bank of New York Mellon; Dr Christie Viljoen, PwC

Economic growth forecasts for MENA in 2026 have seen significant revisions since January.



Source: World Bank Global Economic Prospects (GEP) January& June 2026

PwC Economic Perspectives: Middle East, Global Scenarios, and Impact on Arab Banks

Impact on Arab / Middle Eastern Banks in London

Sharply deteriorating market conditions in the Middle East - direct hit to earnings, lending volumes, and asset quality

Significant credit and counterparty risk as the infrastructure supporting Middle East clients' revenues is physically damaged or disrupted.

Financial market turbulence – change in financial flows, repricing of sovereign yields and risk premia, FX volatility, etc

Higher wholesale funding costs as sovereign yields and credit spreads widen - increased cost of borrowing in London capital markets

Heightened uncertainty delays capital expenditure and more selective foreign direct investment

Energy shock is propagating through global supply chains – butane, helium, sulphur, methanol, fertilisers, etc.

Acute pressure on the UK economy – rising credit defaults, shrinking loan demand, and higher funding costs

Portfolio gains – those with exposure to energy equities, commodity funds, or petrodollar-linked portfolios stand to benefit.

London serves an increasingly vital bridging function - connecting GCC capital surpluses with Western markets seeking investment

Source: PwC analysis

PwC Economic Perspectives: Middle East, Global Scenarios, and Impact on Arab Banks

A lineup of ABA Board Members past and present: Hani Salem, PWC; Charbel Khazan, GIB; Ayda Habboush, Trowers & Hamlins; Gaby Fadel, ABA; Yasser Ibrahim, ANB; Vivien Davies, Fieldfisher; Haytham Kamhiyah, EAB; Yasser Hassan, NBE and Rajeev Adrian; ABC

Mr Ahmed Kouchouk, Egyptian Minister of Finance

ABA Board Member Bassem Boustany and the team from National Bank of Kuwait International.

Aous Alhelou of BLME shares a joke with Al Rayan's Mahdi Nasser.

Nermine Abdel Fattah, Soha Zekry, Sawsan Awad, Khalil El Bawab, Nadia Lamloum, Haytham Kamhiyah, Nevine Mansour, Aga Akram, Ali Al Mahmoud.

Surprise guest at our Eid dinner

Our Eid dinner took place rather later than usual this year due to geopolitical events in our region. It was hosted with style at London's May Fair Hotel, where guests were able to network with fellow ABA members while enjoying delicious Lebanese food. They could also enjoy the unexpected bonus of an address by the Egyptian Minister of Finance, Mr Ahmed Kouchouk.

We are grateful to our sponsors, Arab National Bank, Arab Bank Europe, AlRayan Bank, Bank ABC, Bank of London and the Middle East, National Bank of Kuwait, and Qatar Islamic Bank, for enabling us to hold such a successful event.

The outlook for real estate in the UK

The ABA's annual real estate seminar took place this year at London's May Fair Hotel.

It covered recent UK regulatory changes and their implications for banks and investors and also considered the impact of wider geopolitical dynamics – particularly in the Gulf region – on residential and commercial property markets.

Katherine Lewis of law firm Trowers & Hamlins spoke first about the recent Renters' Rights Act and the far-reaching consequences it will have for landlords, particularly around enforcement and possession. The act gives tenants greater security, replacing assured shorthold tenancies with assured periodic ones and abolishing no fault Section 21 eviction notices. Landlords now have to make a case for gaining possession based on one of 37 statutory grounds for eviction.

Katherine was followed by Anthony Urquhart-Davies of Arab Bank Europe who explained that the market remained quite polarised. Yields across traditional sectors, retail, offices, and industrial, remained largely stable, and he anticipated a steady and continuing demand for logistics and warehouses. Student accommodation, prime offices and data centres were also generally popular. The determining factor for both private and institutional investors he said was asset quality, with secondary offices continuing to struggle. These, along with properties that were hard to reposition, or were in poor locations, were harder to finance.

Tom Bill of estate agents Knight Frank adopted a similar tone, reporting on a generally flatter but largely undramatic market, one that was proving difficult to read due to a combination of tariffs and the stamp duty holiday. He pointed out that the expected spring uptick in transactions and prices had not materialised, which he attributed to political uncertainty and an adverse lending landscape.

The event was moderated by Tim Jones, Structured Real Estate Manager at Al Rayan Bank.

Seated: Tim Jones, Al Rayan; Katherine Lewis, Trowers & Hamlins, and Anthony Urquhart-Davies, ABE.
Standing: Gaby Fadel, ABA, and Tom Bill, Knight Frank

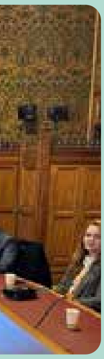
Lunchtime meetings, bridge-building … and football!

This has been a particularly busy and productive year for the association, as it looked beyond its traditional sphere of influence to establish relationships elsewhere and organise a range of new and interesting lunchtime meetings for members. In these pages we look at some of the highlights.

Our programme of lunchtime meetings kicked off in January with an informative lunchtime workshop on internal fraud led by new member, law firm Stephenson Harwood. Participants were presented with a series of scenarios – of increasing gravity and complexity – and were invited to work through appropriate responses in small groups.

Among other issues, they discussed how far an investigation should be pursued before a disclosure is made to the regulatory authority, the importance of containment and rapid control over audit trails, the preservation of data chains, the need for a pre-emptive media strategy, and how to work collaboratively with whistleblowing champions.

In March, we held our regular briefing with the Prudential Regulation Authority, the last event at our offices in Grosvenor Street, where the authority briefed ABA members on challenges connected to geopolitical hazard and operational resilience. It highlighted the capacity of geopolitical risk to cut across credit market operations and expose interconnected vulnerabilities.



Speakers outlined the ways in which geopolitical risk might be transferred to the UK, and how a clear and well-articulated booking model, one that aligned with an organisation's risk-management appetite, together with an effective process for data analysis, could help to mitigate this.

We also we co-hosted a working lunch for corporate members with law firm, Farrer & Co at their offices in Lincoln's Inn Fields. The event began with updates on the latest regulatory changes to the senior managers and certification regime (SM&CR), along with an outline of anticipated legislation that is intended to significantly reduce the overall SM&CR burden and to focus on the accountability of the most senior figures in an organisation.

Speakers highlighted forthcoming changes to employment law which will see the qualifying period for an employee to be protected from unfair dismissal reduced from two years to six months, and the cap on compensation awards removed entirely. Both measures will require employers to adapt their HR policies accordingly, to make recruitment decisions as robust as possible and proactively manage probation periods.

Other notable events included an address by ABA board members to representatives of Arab embassies in London, and a visit by a number of women from the association to the European Bank of Reconstruction and Development to learn more about its work.

Somehow, in between all this, we also found time to play football! Our perennially popular five-a-side football tournament attracted an unprecedented number of teams, with 14 signing up to take part this year. Championship winners were Bank of Beirut, who won a resounding victory over QIB, and player of the year was QIB's Kassem Jarrah, who scored the highest number of goals during the season.

Summer party

This year's summer party was hosted in the chic surroundings of the Sanderson Hotel, where guests enjoyed seasonal canapés in the hotel's water garden. They also heard addresses from two founder members of the ABA, Dr Elie Elhadj and Faisal Kudsi, who spoke about some of the formative moments of their careers in banking and the early days of the association.

ABA Chair, Yasser Ibrahim and CEO Gaby Fadel, with founder members Dr Elie Elhadj and Faisal Kudsi.

The new golden age of Islamic art

Islamic art is undergoing a remarkable transformation, moving from a specialist collecting field to a major force in the global art market. As record-breaking sales and new collectors reshape the landscape, *Arab Banker* Editor Heidi Marttinen explores how London has become a pivotal hub connecting heritage, scholarship, and opportunity in an increasingly dynamic market.

The market for Islamic art has traditionally been regarded as a specialist field in the international art world. Dominated by scholars, seasoned collectors and museums, it was a market driven by connoisseurship, one where extraordinary objects often changed hands discreetly, and appreciation was measured more in cultural significance than headline-grabbing prices.

Today, that picture has changed dramatically. Record-breaking auction results, expanding museum collections, and unprecedented cultural investment across the Gulf have propelled Islamic art into a new golden age. From exquisite Qurans and Mughal miniatures to Mamluk glass, Ottoman carpets and scientific instruments, masterpieces that once appealed only to a niche audience are now attracting intense competition worldwide.

That interest has been fuelled by the creation of numerous ambitious museums across the Middle East. And one city continues to sit at the heart of this remarkable renaissance: London. Twice each year the city becomes the focal point of the Islamic art calendar, when its auction houses attract collectors from every continent.

According to Dr Ridha Moumni, Chairman for Middle East and Africa at auction house Christie's, London has long been a global centre in the Islamic art field. 'For well over a century, it has nurtured some of the world's leading academics, dealers, collectors, and institutions,' he says. 'That legacy is enduring. The depth of expertise, the richness of its archives, and generations of accumulated knowledge remain one of London's strengths.'

Benedict Carter, Sotheby's Head of Department for Islamic and Indian Art, agrees. 'London's strength has always been its ability to bring together artworks, expertise, and collectors from across regions, and that role becomes

Left: *A Family of Cheetahs in a Rocky Landscape*, attributed to Basawan, Mughal India, c.1575–80 – Christie's. Opposite page top: Rare Imperial Mughal pashmina carpet, Northern India, c.1650 – Christie's. Bottom: Monumental brass astrolabe commissioned for Mughal nobleman Aqa Afzal, made by Qa'im Muhammad and Muhammad Muqim, Lahore, dated 1612 AD – Sotheby's.

even more important as interest in Islamic art continues to expand globally,' he explains.

Record-breaking sales

The Islamic art market's rise has been reflected in a succession of remarkable sales. One example was Christie's October 2025 auction of works from the collection of Prince and Princess Sadruddin Aga Khan, which achieved a remarkable £45.8 million – six times the pre-sale estimate. The auction established a new world record for a classical Indian or Islamic painting when *A Family of Cheetahs in a Rocky Landscape*, attributed to the Mughal master Basawan, sold for more than £10.2 million – achieving 14 times over its estimate.

The momentum continued in April 2026, when Christie's sale of the Mary and Cheney Cowles Collection achieved more than three times its estimate, reflecting growing international appetite for museum-quality Indian paintings and Islamic calligraphy. The broader Islamic art auction that followed produced another milestone when a 14th-century Mamluk enamelled, glass-footed bowl sold for over three times its estimate at £5.5 million, establishing a new world auction record for Islamic glass.

The sale attracted buyers from 39 countries, with 20% of them being entirely new to Christie's. 'The collector base has become much broader and more international,' says Sara Plumbly, Christie's International Head of Islamic and Indian Art. 'There is an ongoing evolution in how Islamic art is appreciated. It is increasingly being understood not as a niche collecting category, but as an integral part of the global history of art.'

Scientific instruments are also becoming particularly sought after. At Sotheby's, a monumental Islamic astrolabe sold for more than £2 million, establishing a new auction record for an astronomical instrument from the Islamic world. Likewise, categories once considered relatively overlooked, including medieval ceramics, metalwork, and carpets are also attracting greater attention.

Louise Broadhurst, Christie's International Head of Rugs and Carpets, believes a new generation of international collectors is bringing a different perspective. 'While scholarship remains important, many are also drawn to the aesthetic power of these works ... they are increasingly collecting across categories, placing museum-quality carpets alongside contemporary art, modern design, and sculpture rather than treating them solely as decorative objects,' she says.

The broad range of items currently generating market interest reflects the diversity of Islamic art itself. Christie's Ridha Moumni is keen to dispel the idea that Islamic art is monolithic and argues that 'it is one of the most diverse artistic traditions in the world, shaped over centuries by an extraordinary range of cultures, geographies, languages, religions, and ethnic communities.'

A new generation of collectors

Perhaps one of the most profound shifts is not in what collectors are buying, but who they are. Many of the newest entrants to this market first built collections through contemporary art before discovering historic Islamic masterpieces. Indian collectors have emerged as a significant force, while a new generation across the wider Middle East is approaching collecting from an international perspective, but also with a deep interest in the history and culture of their own region.

Edward Gibbs, Sotheby's Chairman for the Middle East and India, notes that today's collectors move comfortably between Saudi modernism, contemporary Middle Eastern artists, historic Islamic objects and international masterpieces, building collections around ideas and cultural narratives rather than geography alone. Saudi Arabia's expanding cultural landscape is playing a major role in that evolution.

Above: Safeya Binzagr's *Coffee Shop in Madina Road* – Sotheby's. Left: Gilded and enamelled glass-footed bowl, probably Mamluk Syria, second quarter 14th century – Christie's.

Sotheby's 'Origins II' auction in Riyadh this year attracted collectors from more than 40 countries and established a new auction record for Saudi artist Safeya Binzagr, whose *Coffee Shop in Madina Road* sold for $2.1 million – a staggering 10 times its estimate. Around a third of the lots were acquired by buyers based in Saudi Arabia, illustrating the emergence of a strong domestic collector base alongside international demand.

'We are also seeing growing interest in rediscovering artists whose contributions may not yet be fully reflected in the international canon,' says Edward Gibbs. 'The strong results achieved for pioneering Saudi artists, alongside new records for Egyptian artists Ahmed Morsi and Abdel Badie Abdel Hay, suggest collectors are looking beyond established names and engaging more deeply with the modern art histories of the region.'

Beyond the hammer

Despite impressive auction records, both Christie's and Sotheby's note that outstanding collections are rarely assembled merely with short-term investment in mind, but through a desire to preserve cultural heritage for future generations.

Works that stand the test of time tend to share several qualities. According to Sotheby's Benedict Carter, the finest examples 'invariably reward repeated study through their craftsmanship, design and artistic ambition'. But for Carter, provenance is equally important and he advises collectors to pay attention to rarity and historical significance. Objects with distinguished ownership histories provide greater confidence for future generations he explains, adding, 'Works that mark important moments in artistic development, technological innovation or cultural exchange often retain enduring relevance, because they tell a story that extends beyond the object itself.'

As scholarship deepens and new collectors embrace works spanning more than 14 centuries of artistic achievement, Islamic art has become one of the most international and intellectually compelling fields. And while new cultural capitals continue to rise across the Gulf, London remains the place where those worlds meet – where collectors, institutions, and masterpieces from across the Islamic world continue to come together to celebrate one of humanity's richest artistic traditions. ■

Everybody Loves Our Dollars: How Money Laundering Won

Oliver Bullough

336 pages. Weidenfeld & Nicolson. £25 Hardcover. 2026.

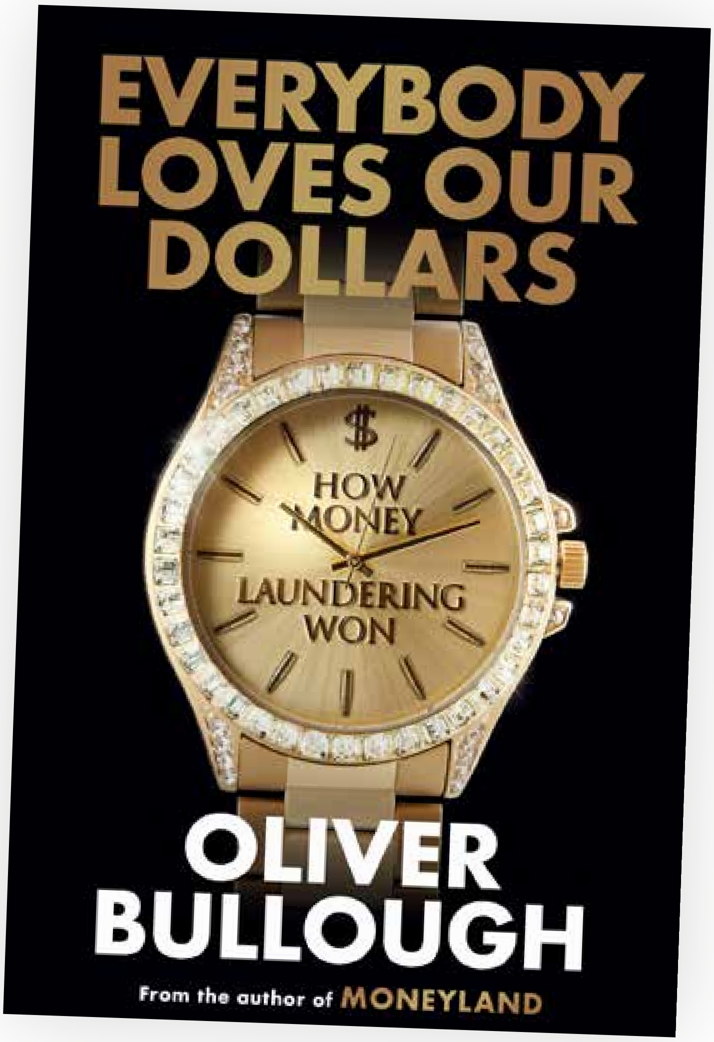
Oliver Bullough has made a career of illuminating the hidden architecture of global finance. *Moneyland* exposed the offshore networks that protect illicit wealth, while *Butler to the World* argued that Britain had become the preferred service economy for the world's kleptocrats. In his 2026 bestseller *Everybody Loves Our Dollars* Bullough turns his attention to an even larger question: why, after decades of regulation and billions spent on compliance, does money laundering continue to flourish?

He supports this premise with meticulous reporting, solid sources, and an impressive command of the mechanics of global finance. His central argument is that the global anti-money laundering (AML) regime has become better at demonstrating compliance than preventing crime. Financial institutions have built increasingly sophisticated systems to satisfy regulators, while criminal organisations have adapted by moving beyond the banking system into trade, logistics, luxury goods, cryptocurrencies, and global supply chains. The figures prove his point: an estimated 2–5% of global GDP is laundered every year, which translates to around $5 trillion – more than the entire UK economy.

The book marks a shift from Bullough's previous work. Rather than revisiting familiar stories of offshore shell companies and anonymous bank accounts, he explores the less visible routes through which illicit wealth is now recycled into the legitimate economy. Designer handbags, Swiss watches, outlet shopping villages, even baby eels – an expensive delicacy in Asia that rivals the cocaine trade in value – are cited as examples of trade-based money laundering. All of it sits largely outside the focus of traditional financial supervision, which reinforces Bullough's broader contention that the regulators are looking in the wrong direction, expending their efforts on areas where criminals are increasingly absent.

His greatest strength is his ability to explain extraordinarily complex systems without sacrificing nuance. The book combines investigative journalism with systems thinking, showing how banks, lawyers, accountants, retailers, logistics companies, and governments all form part of a broader system that enables the movement of illicit finance around the world. His argument is not that individual institutions are corrupt, but that political and commercial incentives have created a system in which opacity becomes economically attractive.

For readers working in financial services, this is where the book becomes particularly valuable. Bullough challenges one of the industry's most deeply held assumptions: that ever-expanding compliance frameworks necessarily translate into better outcomes. Instead, he argues that the modern AML regime has become increasingly process-driven, rewarding institutions for demonstrating adherence to rules rather than measurably disrupting criminal enterprise. Whether you agree with this conclusion or not, it is difficult to deny that he asks uncomfortable – but crucial – questions.

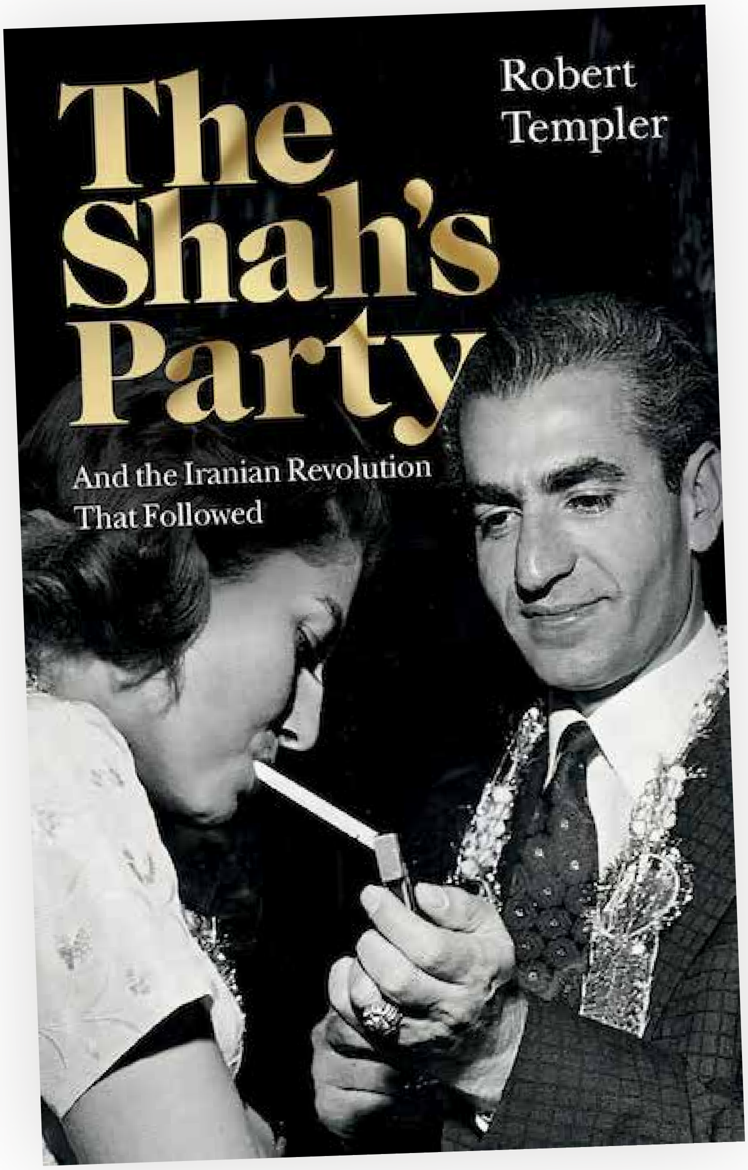


The book is not without its limitations. Bullough occasionally presents the persistence of money laundering as evidence that the AML framework has largely failed, giving relatively little attention to genuine advances in transaction monitoring, intelligence sharing, and sanctions enforcement. His diagnosis is ultimately more persuasive than his prescription, and some readers may conclude that he underestimates both the practical achievements of compliance professionals and the difficulty of designing a system capable of eliminating financial crime.

This is nonetheless a revelatory book in which Bullough challenges the assumptions underpinning current policy. He asks whether governments have become too comfortable with a model that generates vast compliance costs while allowing illicit wealth to continue flowing through the global economy. It is a question that deserves serious consideration.

Everybody Loves Our Dollars is not simply a book about money laundering. It is a thoughtful examination of incentives, regulation, and the unintended consequences of modern finance. Even readers who reject some of Bullough's conclusions will finish the book seeing the financial system differently. That alone makes it one of the most important books on financial crime published in recent years.

Heidi Marttinen



The Shah's Party: And the Iranian Revolution That Followed

Robert Templer

392 pages. Hurst Publishers. £19.99 Paperback. 2026.

History often recognises its defining moments in retrospect. For the French monarchy it is Versailles; for the Soviet Union, the Berlin Wall; for the British Empire, the retreat from Suez. For Iran's Pahlavi dynasty, author Robert Templer argues, it was an elaborate celebration in October 1971 at Persepolis, where Shah Mohammad Reza Pahlavi hosted one of the largest gatherings of world leaders ever, and attempted to link his rule to 2,500 years of Persian monarchy, in one of the most extravagant state spectacles of the 20th century.

The Shah's Party is not another history of the Iranian Revolution. Instead, it asks how a regime that appeared wealthy, confident, and internationally respected could collapse less than a decade after staging what was intended to be its greatest triumph. By using the Persepolis celebrations as his narrative lens, Templer transforms what might otherwise have been an anecdote of royal excess into a study of political legitimacy, elite miscalculation, and the dangers of confusing opulent spectacle with statecraft.

Reza Pahlavi's ambition had been to utilise the wealth created by the Iranian oil boom to transform his country into the technological equal of Japan. He went on a marathon shopping spree in order to do so, importing new steel mills, vast amounts of weaponry and defence equipment, and placing orders for a fleet of three Concordes. Templer describes how the influx of foreign goods was so great that the country's ports became logjammed and ships were forced to wait at anchor for imports to clear. The new technology was also accompanied by foreign experts and their families who now poured into this traditional and culturally conservative country in significant numbers with a remit to modernise – much to the concern of many Iranians themselves.

The party's location, among the ruins of the ancient city of Persepolis, the ceremonial capital of the vast Achaemenid empire of Cyrus the Great, was symbolically significant. The monarchs and heads of state who made up the guest list were to be reminded of the longevity and cultural richness of the Persian empire, but also to draw comparisons with the all-powerful Pahlavis.

The event did become loaded with symbolism, but not in the way the Shah had intended. Miles from the nearest habitation, it required the construction of an entire infrastructure of roads and airports, all built by foreign contractors, further fuelling a sense of economic and cultural exclusion among ordinary Iranians. The vast tented city itself lacked adequate water or sewage systems and fell into disrepair almost as soon as the last guests had departed.

While the lavish celebrations at Persepolis were not the cause of the Iranian revolution, they became its defining symbol – a vivid illustration of a widening gap between rulers and ruled. The uprising of 1978–79 is presented as something far more complex than the inevitable triumph of political Islam; Templer carefully reconstructs the mixture of social inequality, ideological upheaval, nationalism, religious activism, and elite complacency that gradually eroded the monarchy's authority.

But perhaps the author's greatest achievement is his refusal to reduce either the Shah or the revolution to familiar stereotypes. Mohammad Reza Pahlavi emerges as an ambitious, but increasingly isolated ruler, who believed economic modernisation could substitute for political participation. The tragedy, Templer suggests, was not just the repression but also the failure to recognise that a rapidly changing society would eventually demand a political voice.

For readers in financial services and international business, those lessons are surprisingly contemporary. The book is ultimately about governance, legitimacy, and political risk. It reminds us that impressive macroeconomic performance, ambitious infrastructure projects, and international prestige may conceal profound institutional weakness. For anyone seeking to understand not only modern Iran but the dynamics of political risk, it is a rewarding and highly recommended read.

Heidi Marttinen