



Financial Sector 2025 Round-up & Outlook for 2026

22nd January, 2025

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Table of Contents

02

Introduction

04

Notable Developments

1st Quarter 2025

Page 4

2nd Quarter 2025

Page 13

3rd Quarter 2025

Page 25

4th Quarter 2025

Page 34

12

**Market Impact and
Significance
Developments**

1st Quarter 2025

Page 12

2nd Quarter 2025

Page 24

3rd Quarter 2025

Page 33

4th Quarter 2025

Page 49

50

Outlook For 2026

55

Conclusion

Introduction

Nigeria's financial sector in 2025 witnessed transformative developments characterised by strategic policy reforms, enhanced regulatory frameworks, and significant infrastructure investments aimed at strengthening the financial system's resilience and competitiveness. The year began with the Central Bank of Nigeria (CBN) maintaining its benchmark Monetary Policy Rate (MPR) at 27.50% through the first half of the year, before implementing a 50 basis points reduction in September to 27.00%, signalling a gradual shift from its aggressive tightening stance adopted in 2024.

The financial sector continued to benefit from ongoing bank recapitalisation efforts initiated in 2024, with some major banks, including Access Bank Plc, Zenith Bank Plc, United Bank for Africa (UBA) Plc, Guaranty Trust Holding Company (GTCO) Plc, and First Bank of Nigeria Limited, successfully concluding their capital-raising exercises.

The year also witnessed significant advances in financial inclusion and diaspora engagement through the introduction of specialized Non-Resident Nigerian accounts designed to facilitate remittances and investments from Nigerians abroad. Additionally, the fintech sector continued its rapid expansion, with regulatory frameworks evolving to accommodate cryptocurrency and digital assets trading, while traditional payment infrastructure underwent modernization through initiatives like the National Payment Stack.

Looking ahead, Nigeria's financial sector faces both opportunities and challenges. While inflation moderated from 33.88% in October 2024 to 16.05% in October 2025¹, and foreign reserves climbed to approximately \$46.7 billion², the sector must navigate persistent structural challenges, including high lending rates, foreign exchange volatility, and the need for continued compliance with evolving regulatory requirements.

This round-up provides a comprehensive analysis of key developments across Nigeria's financial sector in 2025, organized by quarters, highlighting critical regulatory changes, market performance, technological innovations, and emerging trends that shaped the sector throughout the year. These developments are key indices that will shape the financial trajectory of the country in 2026.

Notable Developments

in the 1st Quarter of 2025

CBN Launches Non-Resident Nigerian Accounts to Attract Diaspora Investments

On 10th January, 2025, the Central Bank of Nigeria announced the introduction of two specialized account products aimed at enhancing financial access and investment opportunities for Nigerians at the diaspora. The Non-Resident Nigerian Ordinary Account (NRNOA) and Non-Resident Nigerian Investment Account (NRNIA), which took effect retroactively from 1st January, 2025, represent a strategic initiative to harness the economic potential of Nigeria's estimated 17 million diaspora population.

The NRNOA enables Non-Resident Nigerians (NRNs) to remit their foreign earnings to Nigeria and manage funds in both foreign and local currencies. Account holders may maintain both a foreign currency (FCY) account and/or a local currency (Naira) account to facilitate transactions.

The account is designed to accommodate deposits of foreign income such as salaries, allowances, dividends, and rental income, while supporting personal expenses, including family maintenance, education, healthcare, and other day-to-day needs in Nigeria.

The NRNIA, on the other hand, enables Non-Resident Nigerians to invest in assets in Nigeria using either foreign currency or Naira. Account holders can use their NRNIA to participate in Nigeria's Diaspora Bond and other debt instruments issued locally, specifically targeted at the Nigerian diaspora or available to the investing public. This account facilitates investments in Nigerian financial markets and instruments, including domestic bonds, equities, government securities, and mortgage products.³



CBN Waives 2025 License Renewal Fee for Existing BDC Operators

The Central Bank of Nigeria announced the waiver of the 2025 annual license renewal fees for existing Bureau de Change (BDC) operators. This decision was aimed at providing relief to BDC operators who had been facing operational challenges due to forex market volatility and regulatory compliance costs.



The waiver represented a departure from the CBN's typical stance and signaled the apex bank's recognition of the operational difficulties faced by BDC operators in the Nigerian foreign exchange market. BDCs play a crucial role in the retail segment of Nigeria's forex market, serving individuals and small businesses with foreign exchange needs for personal travel allowances, school fees, and medical expenses.⁴

CBN Mandates NIBSS to Debit Accounts of Banks Receiving Fraudulent Transactions

In a move to combat financial fraud and enhance the integrity of electronic banking transactions, the CBN mandated the Nigeria Inter-Bank Settlement System (NIBSS) to directly debit the accounts of banks that receive fraudulent transactions. This directive was part of broader efforts to hold financial institutions accountable for lapses in their fraud detection and prevention mechanisms.

The policy requires banks to implement more robust systems for identifying and flagging suspicious transactions in real-time. Where a bank is found to have received proceeds of fraudulent transactions into accounts under its custody, NIBSS is authorized to immediately reverse such transactions and debit the receiving bank's account.

This measure aims to discourage banks from being complacent in their fraud monitoring obligations and to protect customers from losses arising from fraudulent electronic transfers.

CBN Releases Circular on Sale of Foreign Exchange by BDC Operators

The Central Bank issued a circular on the sale of foreign exchange to Bureau de Change operators, clarifying operational procedures and transaction limits. The circular emphasized the CBN's commitment to ensuring transparency and accountability in the retail forex market segment.

Key provisions included stipulations on documentation requirements, transaction reporting obligations, and customer identification protocols.

The guidelines also addressed the integration of BDCs with the Nigerian Foreign Exchange Market (NFEM) framework and specified conditions under which BDCs could access forex from authorized sources.

These guidelines were part of the CBN's broader forex market reforms aimed at improving liquidity, reducing arbitrage opportunities, and fostering a more efficient price discovery mechanism.⁵

Enactment of the Investments and Securities Act (ISA) 2025

In March 2025, President Bola Tinubu assented to the Investments and Securities Act (ISA) 2025, thereby repealing the Investments and Securities Act 2007 and ushering in a more robust regulatory regime for Nigeria's capital markets. The Act significantly strengthens the supervisory and enforcement powers of the Securities and Exchange Commission (SEC), aligning Nigeria's capital market regulation more closely with international best practices.

Notably, the ISA 2025 introduces progressive reforms, including the formal recognition and regulation of digital assets and cryptocurrencies as securities, the distinction between composite and non-composite exchanges, and the imposition of stricter sanctions to combat Ponzi and other fraudulent investment schemes. Collectively, these reforms are designed to enhance investor confidence, reinforce market integrity, facilitate commodity-based and sub-national financing, and improve Nigeria's attractiveness as a destination for both domestic and foreign investment.

Revision of ATM Transaction Fees by the CBN

In February 2025, the CBN issued a circular revising the applicable charges for Automated Teller Machine (ATM) transactions, with effect from 1st March 2025. Under the revised framework, “On-Us” withdrawals—transactions conducted on a customer’s own bank’s ATM—remain free of charge, while “Not-On-Us” withdrawals at other banks’ ATMs now attract a fee of ₦100 per ₦20,000 withdrawn. In addition, off-site ATM transactions may attract a surcharge of up to ₦500, which must be clearly disclosed to customers at the point of transaction.

withdrawals at
other banks’ ATMs

₦100
per ₦20,000

The circular also removed the previous allowance of three free “Not-On-Us” withdrawals per month. According to the CBN, these measures are intended to reflect prevailing operational costs, promote the sustainability of ATM infrastructure, and improve pricing transparency within the banking system. While consumer advocacy groups have raised concerns about the potential impact on low-income users, the CBN maintains that the revised fee structure will enhance service availability and reduce opaque charges across the sector.

off-site ATM
transactions

₦500

CBN Orders Nigerian Banks to Cut Insider Loans Within Six Months

The Central Bank issued a directive requiring Nigerian banks to reduce their insider-related credits within six months. Insider loans, credit facilities extended to bank directors, significant shareholders, and their related interests, had become a source of concern for regulators due to potential conflicts of interest and risks to bank stability.

The CBN's directive aimed to ensure that banks maintain sound corporate governance practices and that credit decisions are based on merit rather than relationships.

Hence, banks were required to submit detailed reports on their insider-related exposures and develop concrete plans to bring these within regulatory limits. The CBN indicated that it would closely monitor compliance and take enforcement action against institutions that fail to meet the deadline.

CBN Guidelines on Dormant Accounts and Unclaimed Balances

In February 2025, the CBN strengthened its regulatory oversight of unclaimed funds by issuing updated Guidelines on the Management of Dormant Accounts, Unclaimed Balances, and Other Financial Assets. The Guidelines require all deposit-taking institutions to publish specified details of dormant accounts including the names of account holders, account types, and branch locations on their websites and in at least two national newspapers. In addition, financial institutions are mandated to maintain comprehensive registers of dormant accounts and undertake proactive engagement with account holders to facilitate reactivation where possible.

Under the new framework, funds in accounts that have remained inactive for a period exceeding ten (10) years are to be transferred to a designated Unclaimed Balances Trust Fund domiciled with the CBN, while preserving the right of beneficial owners to reclaim such funds within ten (10) working days upon satisfactory proof of ownership. These measures are intended to enhance transparency, mitigate fraud risks, and ensure the responsible management of unclaimed financial assets. Non-compliance attracts administrative penalties starting from ₦2 million, underscoring the CBN's broader commitment to accountability, consumer protection, and confidence in Nigeria's financial system.



**Unclaimed Balances Trust Fund
domiciled with the CBN for funds in
accounts that have remained inactive for**

10years

Fintech and Startup Funding Activity

Nigeria retained its position as Africa's leading fintech hub in 2025, attracting over US\$100 million in funding in Q1 alone, with strong investor interest in remittances, payments, SME banking, and climate-focused finance. Key transactions during the period included:

- a. **LemFi \$53 Million Series B Funding for Remittance Expansion:** LemFi raised US\$53 million in a Series B round led by Highland Europe, increasing its total funding to US\$85 million, to support its expansion into Asia and Europe and deepen its presence across global diaspora remittance corridors.
- b. **Moniepoint – Strategic Visa Investment:** Moniepoint received over US\$10 million from Visa as part of its broader Series C round, bringing total funding to over US\$120 million, to scale its SME banking, embedded finance solutions, and services for underserved business communities across Africa.

- c. **Raenest \$11 Million Series A for Cross-Border Payments Growth:** Raenest secured US\$11 million in Series A funding to enhance its cross-border payment platform for freelancers and SMEs, expand into new markets including Egypt and the United States, and roll out additional financial management tools.
- d. **Accrue – Seed Funding for Cross-Border Payments Pivot:** Accrue raised US\$1.58 million in seed funding to accelerate its transition from a crypto-investment platform into a cross-border payments provider, expand its payment infrastructure, and scale product development across African and U.S. markets.

In seed funding, Accrue raised

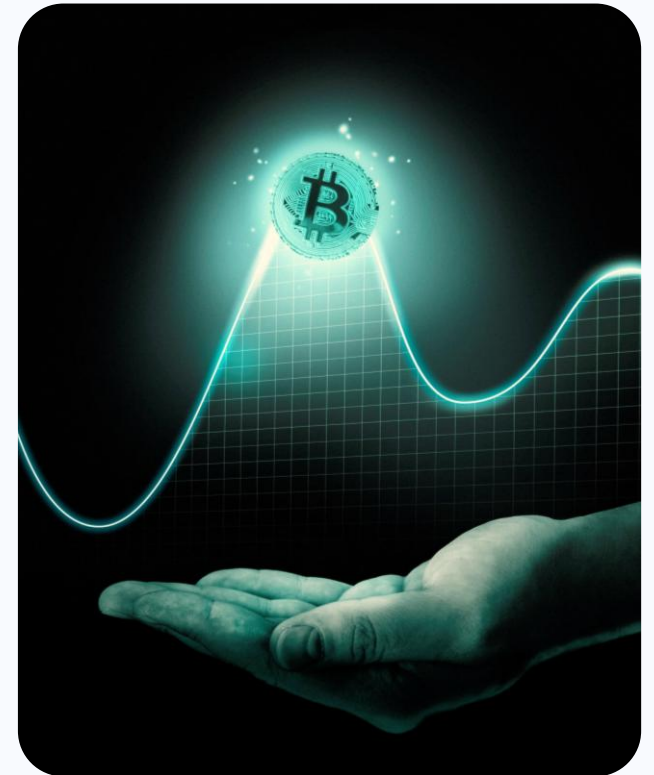
US\$1.58m

Fintech and Startup Funding Activity

- e. **Rivy raises \$4 Million Pre-Series A for Clean Energy Financing:** Rivy (formerly Payhippo) raised US\$4 million in Pre-Series A funding to scale its clean energy financing model for SMEs, supporting solar asset acquisition through flexible credit while maintaining low non-performing loan levels.
- f. **Mansa secures \$10 Million Seed and Liquidity Financing for Stablecoin Infrastructure:** Mansa secured US\$10 million in combined equity and liquidity financing to expand its stablecoin-based settlement and liquidity solutions for cross-border payment companies across emerging markets.

For Clean Energy Financing, Rivy raises

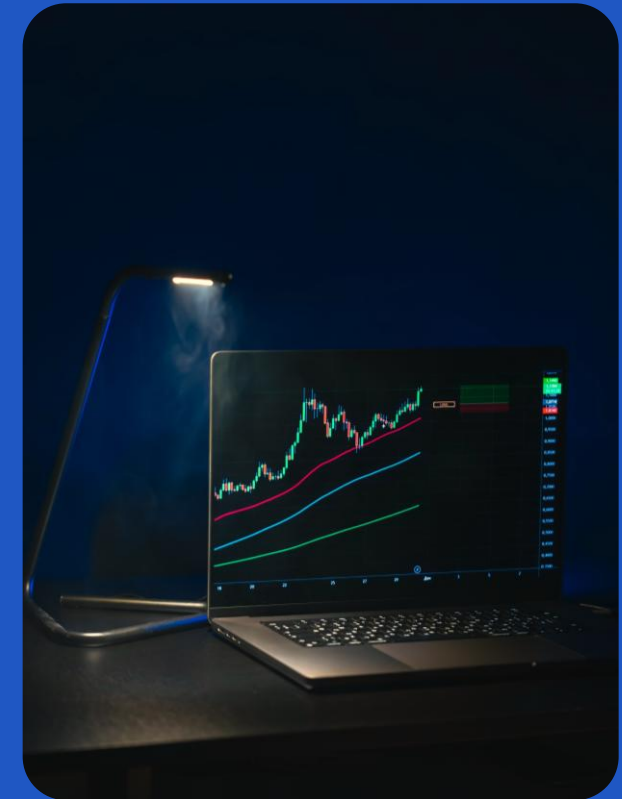
US\$4m



Market Impact and Significance of Q1 2025 Developments

The first quarter of 2025 marked a decisive shift toward deeper regulatory discipline, enhanced market transparency, and renewed confidence across Nigeria's financial ecosystem. The Central Bank of Nigeria's interventions, ranging from diaspora-focused account frameworks and foreign exchange market reforms to strengthened enforcement against fraud, insider lending, and dormant account mismanagement, signaled a clear policy emphasis on accountability, market integrity, and system resilience. Collectively, these measures sought to address structural weaknesses in governance, liquidity management, and consumer protection, while reinforcing the credibility of financial institutions and improving trust in the banking and payments system.

In parallel, the enactment of the Investments and Securities Act 2025 and sustained fintech funding activity underscored Nigeria's ambition to modernise its capital markets and position itself as a competitive investment destination. The formal recognition of digital assets under the ISA, coupled with strong capital inflows into payments, remittance, SME banking, and clean energy fintechs, reflected growing alignment between regulatory reform and market innovation. Q1 2025 developments laid a foundational framework for improved capital mobilisation, expanded financial inclusion, and technology-driven growth, setting the tone for continued market consolidation and policy implementation in subsequent quarters and shaping expectations for the sector's trajectory in 2026.



Notable Developments

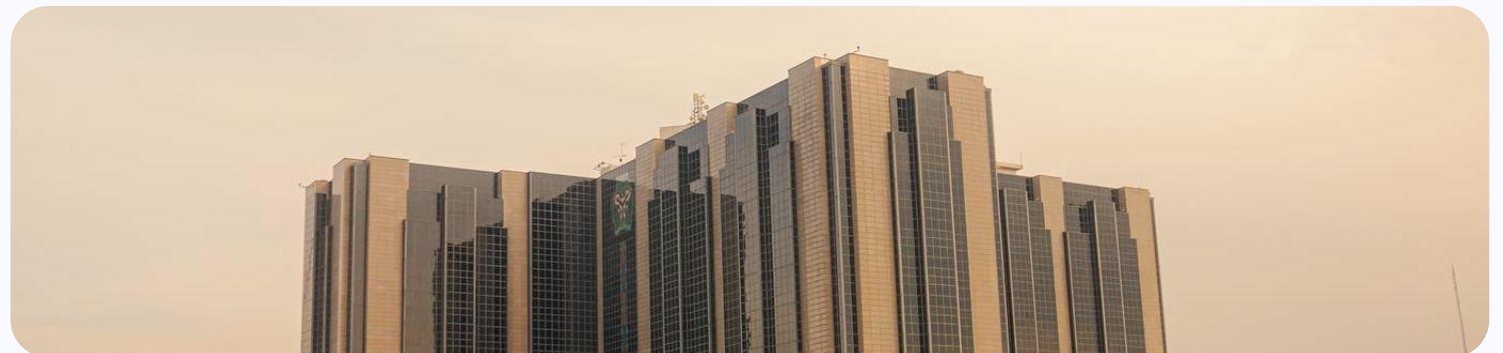
in the 2nd Quarter of 2025

CBN Launches Non-Resident BVN Framework

The CBN launched the Non-Resident Bank Verification Number (NRBVN) framework to enable Nigerians in the diaspora to obtain BVNs without physically visiting Nigeria. The NRBVN represents a unique identifier that facilitates the opening of Non-Resident Nigerian accounts and other banking transactions for diaspora Nigerians.

The framework leveraged digital identity verification technologies and partnerships with Nigerian embassies and consulates to enable remote BVN enrolment. Applicants could initiate the process online, submit required documentation digitally, and complete biometric verification at designated centers in their countries of residence.

This initiative complemented the earlier introduction of NRNOA and NRNIA accounts, removing a significant barrier that previously prevented diaspora Nigerians from easily accessing Nigerian banking services. The NRBVN framework represented a crucial piece of infrastructure for deepening diaspora financial engagement.⁶



CBN Holds Monetary Policy Rate at 27.5% at 300th MPC Meeting

At its 300th Monetary Policy Committee (MPC) meeting on 16th–17th June 2025, the Central Bank of Nigeria (CBN) maintained its restrictive monetary stance by holding the Monetary Policy Rate (MPR) at 27.5%, alongside unchanged monetary policy parameters including the Cash Reserve Ratio and liquidity ratio. The MPC noted that inflationary momentum remained elevated, with headline inflation trends showing persistence in core and food price pressures despite intermittent improvements in external price drivers.

The Committee observed ongoing challenges in foreign exchange markets and currency volatility, which continued to influence domestic price stability. Against this backdrop, the MPC underscored that sustaining a tight policy posture was necessary to contain inflationary expectations and preserve macroeconomic stability. The decision reflected the CBN's continued commitment to price stability amid complex domestic and external uncertainties.

27.5%

Restrictive Monetary Stance
alongside unchanged monetary
policy parameters



Nigerian Senate Passes Tax Reform Bills

The Nigerian Senate passed the comprehensive tax reform bills after extensive debates and committee reviews, paving the way for Presidential assent. The passage of these bills represented a milestone in Nigeria's fiscal reform agenda, promising to reshape tax administration and revenue generation.



Key provisions that emerged from the Senate's deliberations included:

- Consolidation of multiple taxes to reduce compliance burden
- Enhanced enforcement powers for tax authorities
- Digital taxation frameworks for e-commerce and fintech
- Revised VAT distribution formula (maintained at 7.5% rate)
- Tax incentives for key economic sectors
- Penalties for tax evasion and non-compliance

The bills sparked considerable debate, particularly regarding VAT distribution formulas and the balance between federal and state taxation powers. Some states expressed concern about potential revenue implications, while others welcomed provisions that would increase their share of tax revenues.⁷

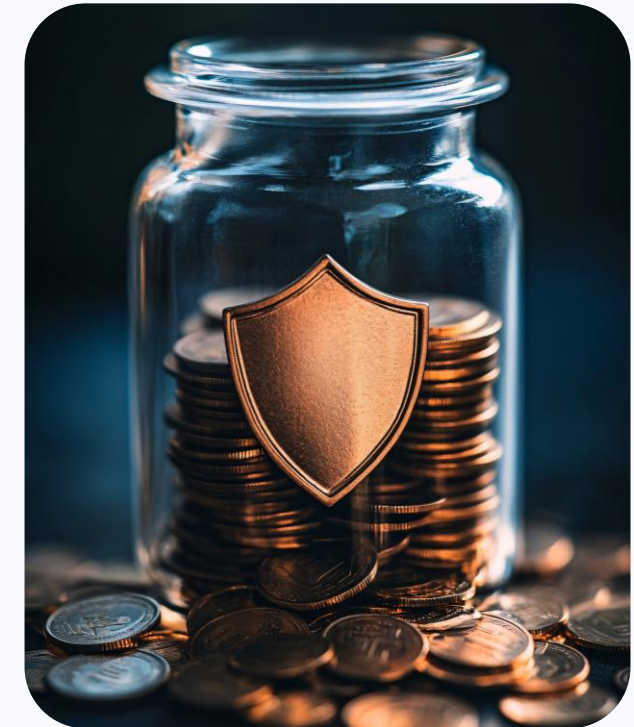
Representatives Pass Insurance Reform Bill, Hike Capital Requirements

The House of Representatives passed the Insurance Reform Bill, which significantly increased capital requirements for insurance companies operating in Nigeria. The legislation aimed to strengthen the financial capacity of insurers, enhance policyholder protection, and position Nigeria's insurance sector to better serve the economy.

Key provisions included:

- Increased minimum capital for life insurance companies
- Higher capital requirements for general insurance businesses
- Enhanced regulatory powers for the National Insurance Commission (NAICOM)
- Stricter corporate governance standards
- Improved claims settlement procedures

The bill followed NAICOM's longstanding call for insurance sector recapitalization to address undercapitalization challenges that had limited the sector's ability to underwrite large risks and compete effectively in the African insurance market.⁸



PAPSS Announces Plan to Launch FX Market in 2025

The Pan-African Payment and Settlement System (PAPSS) announced plans to launch a dedicated foreign exchange market in 2025 to facilitate cross-border trade settlements in African currencies. This initiative, supported by the African Export-Import Bank (Afreximbank), aimed to reduce Africa's dependence on third-country currencies (particularly the US dollar and Euro) for intra-African trade.

For Nigeria, PAPSS represented an opportunity to enhance regional trade integration, reduce transaction costs, and promote the use of the Naira in cross-border transactions with other African countries. The system would enable instant, cross-border payments in local currencies, with automatic settlement and conversion. The development aligned with broader African Union objectives of deepening regional economic integration and advancing the African Continental Free Trade Area (AfCFTA) agenda.⁹

SEC Restricts Role Transitions for Independent Non-Executive Directors and Sets Tenure Limits

On 20th June 2025, the Securities and Exchange Commission (SEC) issued a directive barring Independent Non-Executive directors (INEDs) from moving into executive positions, including Chief Executive Officer, within the same company or group structure. Outlined in the circular titled “Circular to All Public Companies and Capital Market Operators on the Transmutation of Independent Non-Executive Directors and Tenure of Directors”, the measure is intended to preserve board independence and objectivity, in line with the principles of the National Code of Corporate Governance and SEC guidelines.

The SEC also introduced a three-year cooling-off period before a CEO or executive director can assume the role of chairman, with chairmanship capped at four years. Director tenures are now limited to 10 consecutive years in a single company or 12 years across a group. Effective immediately, these rules apply to public companies and significant capital market operators, reinforcing robust governance standards and impartial oversight.

SEC Issues Warnings on Illegal Investment Schemes

In Q2 2025, the SEC stepped up enforcement against unregistered and fraudulent investment platforms, issuing advisories on entities including Value Growth Platform, CMTrading, Punisher Coin (\$PUN), CBEX (Crypto Bridge Exchange), ZugaCoin, and Samzuga GPT. In June, ZugaCoin and Samzuga GPT were formally flagged as unlicensed meme coins with no intrinsic value, while Value Growth Platform was identified as operating a Ponzi scheme featuring unrealistic returns and referral-based incentives.

Similarly, CMTrading, a crypto and commodities investment platform, was deemed fraudulent for lacking Nigerian registration and investor protections. The SEC emphasized the importance of due diligence, urging investors to verify registration status through its Fintech & Innovation Hub, in line with its mandate under ISA 2025 to safeguard retail investors and promote integrity in Nigeria's rapidly evolving digital asset ecosystem.

Capital Market Highlights – Q2 2025

Nigeria's capital markets remained active in Q2 2025, with the Federal Government driving liquidity through bond issuances, sustainable debt instruments, and Treasury bills. Key developments included:

- a. FGN Bond Auctions:** The Debt Management Office (DMO) conducted three auctions in April, May, and June, raising between ₦900 billion and ₦1.2 trillion. Strong investor demand and moderating stop rates signaled improved market confidence and liquidity in the domestic debt market.
- b. Sovereign Sukuk Series VII:** In May, the Federal Government issued ₦300 billion under the Sukuk Ijarah program, the largest since inception, oversubscribed more than

seven (7) times, highlighting strong appetite for infrastructure-focused and non-interest investments.

- c. Sovereign Green Bond – Series III:** The FGN issued a ₦50 billion green bond in June to fund renewable energy, clean transportation, and water projects, attracting ₦91.42 billion in subscriptions, reflecting growing investor interest in sustainable financing.
- d. Treasury Bills Program:** Short-term T-bills auctions continued to manage liquidity, with 91-day, 182-day, and 364-day instruments consistently yielding above 20%, in line with the CBN's tight monetary stance.

Fintech Highlights – Q2 2025

Q2 2025 marked a shift in Nigeria's fintech sector from funding-driven growth to strategic expansion, acquisitions, and regulatory enforcement, highlighting scale, compliance, and systemic relevance. Key developments included:

- a. **MonieWorld Launch by Moniepoint:** Moniepoint launched MonieWorld, a UK-based digital banking and remittance platform for the African diaspora, offering instant transfers, competitive rates, and no transaction fees, leveraging its \$17 billion monthly domestic infrastructure.
- b. **CBN Fines Paystack ₦250 Million:** The Central Bank imposed a ₦250 million fine on Paystack's Zap app for operating a deposit-taking service without a microfinance/banking licence, signaling heightened regulatory oversight.

- c. **Flutterwave & Yellow Card Join Circle Payments Network:** Both fintechs became design partners in Circle's stablecoin-powered global payments network, enabling faster, compliant cross-border settlements for African enterprises and diaspora remittances.
- d. **Carrot Credit Raises \$4.2 Million Seed Round:** Carrot Credit secured \$4.2 million to expand its asset-backed lending platform for retail investors, integrating digital assets as collateral and scaling AI-driven credit and risk management tools.

₦250m fine
on Paystack's Zap app

Fintech Highlights – Q2 2025

- e. Fincra Expands into Tanzania:** Fincra obtained a payment system license in Tanzania, joining Kenya and Uganda, enabling real-time cross-border payments and virtual account services across East Africa.
- f. NIBSS Launches National Payment Stack:** The National Payment Stack (NPS) was launched, modernizing instant payments with ISO 20022 compliance, multi-currency support, automated reconciliation, and enhanced KYC, strengthening Nigeria's digital financial infrastructure.
- g. C-One Ventures Acquires Bankly:** Investment firm C-One Ventures completed the full acquisition of Bankly, integrating its microfinance bank, platform, and team to expand technology-driven financial services.
- h. BAS Group Acquires Majority Stake in Zuvvy:** BAS acquired a majority stake in Zuvvy, a fintech providing SME invoice financing, to expand collateral-free lending and integrate into its broader technology-driven financial ecosystem.



Fintech Highlights – Q2 2025

- i. **First Ally Capital Acquires 60% of Migo:** First Ally Capital acquired a 60% stake in Migo, a digital credit platform leveraging AI, consolidating partnerships and scaling responsible lending to underserved individuals and SMEs.
- j. **LemFi Acquires UK-Based Pillar:** LemFi acquired Pillar, a UK fintech with FCA-regulated credit solutions, enabling remittance-linked credit products for immigrants and integration of multi-currency wallets.



- k. **Moniepoint Acquires 78% of Kenya's Sumac Microfinance Bank:** Moniepoint obtained regulatory approval to acquire a 78% stake in Sumac, facilitating East African expansion and integration of digital banking services across SME and retail segments.
- l. **Visa & Access Bank Launch Tap-to-Phone Payments:** Visa and Access Bank introduced Tap-to-Phone, enabling merchants to accept contactless payments via smartphones without additional hardware. The NFC-based solution promotes financial inclusion and digital payment adoption, especially among small businesses and informal sector merchants.



60%

First Ally Capital
stake in Migo



78%

Moniepoint Acquires Kenya's
Sumac Microfinance Bank

Market Impact And Significance of the 2nd Quarter 2025 Development

Q2 2025 marked a pivotal quarter for Nigeria's financial sector, combining regulatory reforms, macroeconomic management, and strategic fintech growth. The CBN's maintenance of the Monetary Policy Rate at 27.5% underscored its continued commitment to price stability amid persistent inflationary pressures, while the introduction of the Non-Resident BVN framework further enhanced diaspora financial inclusion, complementing earlier NRNOA and NRNIA account initiatives. Concurrently, the passage of tax and insurance reform bills signaled a strengthened fiscal and regulatory landscape, positioning Nigeria for improved revenue mobilization and a more resilient insurance sector.

In the capital markets, strong demand for FGN bonds, the record Sukuk issuance, and the sovereign green bond illustrated investor's confidence and growing appetite for infrastructure-focused, non-interest, and sustainable financing instruments. Treasury bills auctions reflected continued liquidity management under a tight monetary regime, collectively strengthening market depth, stability, and investor participation. The fintech ecosystem transitioned from funding-driven growth to strategic expansion, cross-border acquisitions, and compliance-driven innovation. Milestones such as MonieWorld's UK launch, LemFi's acquisition of Pillar, Moniepoint's Kenyan expansion, and the rollout of the National Payment Stack by NIBSS reinforced Nigeria's position as a continental hub for digital financial services.

Regulatory enforcement, exemplified by the Paystack fine and SEC directives on governance and investor protection, highlighted a sector increasingly aligned with compliance, scale, and systemic relevance.

Overall, Q2 2025 reflected a maturing financial ecosystem, with enhanced governance, deeper diaspora engagement, robust capital market instruments, and an evolving fintech landscape, collectively advancing financial inclusion, market confidence, and regional integration.

Notable Developments

in the 3rd Quarter of 2025

CBN's 301st and 302nd MPC Meetings

During the third quarter of 2025, CBN held its 301st and 302nd Monetary Policy Committee (MPC) meetings, providing guidance on monetary policy amid evolving inflation and liquidity conditions. In July, at the 301st meeting, the CBN maintained the Monetary Policy Rate (MPR) at 27.50%, with the Cash Reserve Ratio (CRR) and liquidity ratios unchanged. The Committee emphasized the need to consolidate the gradual moderation in inflation, manage fiscal and exchange rate developments, and preserve monetary stability in a tight macroeconomic environment.

By the 302nd meeting in September, the MPC signaled a mild easing of policy, reducing the MPR by 50 basis points to 27.00% and lowering the CRR for deposit money banks to 45%, while narrowing the standing facility corridor and introducing a 75% CRR on non-TSA public sector deposits. These adjustments reflected growing confidence in the economy's disinflation trajectory and a strategic intent to stimulate credit growth, support economic recovery, and maintain financial system stability.

CBN Circular on Migration to ISO 20022 and Mandatory Geo-Tagging of Payment Terminals

In August 2025, the CBN issued a directive requiring all banks, payment service providers, and financial institutions to migrate fully to the ISO 20022 messaging standard by October 31st, 2025. This global standard governs financial messaging and payment data, ensuring detailed information on payers, beneficiaries, and transaction purposes. The move aims to enhance payment efficiency, strengthen anti-money laundering compliance, and align Nigeria's financial messaging system with international best practices, improving transparency and interoperability across the payments ecosystem.

The circular also mandated geo-tagging of all Point-of-Sale (PoS) terminals and related payment devices within sixty (60) days, requiring real-time GPS coordinates and operation within a 10-metre geofence. Each terminal must be registered with a Payment Terminal Service Aggregator and support Android OS 10 or higher for integration with the National Central Switch. While these measures may involve short-term technical adjustments, they are expected to curb PoS-related fraud, improve traceability, and strengthen Nigeria's digital payments infrastructure, boosting confidence in the financial system.

SEC Guidance Note on Board Appointments & Director Tenure

In July 2025, the Securities and Exchange Commission (SEC) issued a Guidance Note clarifying its rules on board appointments and director tenure. The Note prohibits the conversion of Independent Non-Executive Directors (INEDs) into Executive Directors (EDs) or Chief Executive Officers (CEOs) within the same company or group, aiming to preserve board independence and prevent conflicts of interest. It also sets tenure limits for directors of Significant Public Interest Entities (SPIEs), capping service at 10 consecutive years in a single company or 12 years across a group and requires a three-year cooling-off period before a former CEO or ED can become Chairman, with chairmanship limited to four years.

While these provisions are mandatory for SPIEs, the SEC strongly encourages other public companies and capital market operators to adopt them as part of good governance practice. The Guidance Note reinforces the Commission's commitment to strengthening corporate governance, enhancing board succession planning, and aligning Nigeria's capital market oversight with global best practices.

FCCPC Issues Regulations on Digital, Electronic, Online and Non-Traditional Consumer Lending

In July 2025, the Federal Competition and Consumer Protection Commission (FCCPC) introduced the Digital, Electronic, Online, and Non-Traditional Consumer Lending Regulations (DEON Regulations) to enhance consumer protection in Nigeria's rapidly growing digital lending market. The rules apply to all unsecured lending conducted via electronic, mobile, or online platforms, mandating registration with the FCCPC, explicit consumer consent for loans, and clear disclosure of terms, interest rates, and fees.

The DEON Regulations also target unethical practices, prohibiting harassment, privacy violations, and aggressive debt recovery methods. Non-compliant operators risk fines of up to ₦100 million or 1% of annual turnover, as well as potential disqualification of directors for up to five years. These measures aim to promote transparency, accountability, and responsible lending, while strengthening consumer trust in Nigeria's fintech ecosystem.

President Tinubu signs the Nigerian Insurance Industry Reform Act (NIIRA) 2025 into Law

In August 2025, President Bola Ahmed Tinubu signed the Nigerian Insurance Industry Reform Act (NIIRA) 2025 into law, repealing the Insurance Act 2003 and establishing a modern regulatory framework for the sector. The Act introduces wide-ranging reforms to strengthen governance, enhance policyholder protection, and promote financial sector stability. Key measures include risk-based supervision, expanded powers for NAICOM, the creation of a Policyholders' Protection Fund, and requirements for corporate governance and risk management. The legislation also provides a framework for insurance product innovation, including microinsurance and initiatives to support financial inclusion.

A major highlight of NIIRA 2025 is the recapitalization of the insurance industry, with life insurers now required to maintain a minimum paid-up capital of ₦10 billion, non-life insurers ₦15 billion, and reinsurers ₦30 billion. The reforms aim to ensure solvency, attract investment, and position Nigeria's insurance market for growth and competitiveness. By modernizing regulatory standards and strengthening consumer protection, the Act underscores the government's commitment to building a resilient, globally aligned, and inclusive insurance sector.

CBN's Establishment of Compliance Department to Oversee Financial Crimes and ESG Risks

In September 2025, CBN established a dedicated Compliance Department to strengthen oversight across financial crime prevention, market conduct, corporate governance, and environmental, social, and governance (ESG) risks. The department also supervises data protection, cybersecurity, and other non-prudential risks, reflecting the CBN's move toward a more integrated, risk-based supervisory framework. Financial institutions are required to channel all compliance-related reports, queries, and updates through this department, enhancing regulatory coordination and enforcement consistency.

The reform underscores the CBN's commitment to fostering a strong compliance culture and ethical governance in Nigeria's financial sector. Banks and other regulated entities are expected to enhance internal controls, adopt enterprise-wide risk and compliance management systems, and engage more systematically with the apex bank, promoting transparency, accountability, and a more resilient financial system.

Banking and Financial Institutions' Highlight-Q3 2025

Q3 2025 was defined by Nigerian banks' proactive responses to the CBN's recapitalisation directive, with institutions pursuing capital-raising, mergers, and strategic consolidations to meet new regulatory thresholds ahead of the 2026 deadline. Key transactions included:

- a. GTCO London Stock Exchange Listing** – Guaranty Trust Holding Company Plc became the first West African bank to list on the London Stock Exchange, raising approximately US \$105 million through 2.29 billion new shares to support recapitalisation and long-term growth.
- b. Wema Bank Rights Issue** – Wema Bank completed a ₦150 billion rights issue, fully subscribed, boosting its paid-up capital above the ₦200 billion minimum for national commercial banks.
- c. Premium Trust & Globus Bank Capital Raises** – Premium Trust injected ₦178.7 billion through rights and private placements, while Globus Bank raised ₦200 billion, surpassing regulatory capital requirements.
- d. TAJBank Compliance** – Nigeria's leading non-interest bank met the minimum capital threshold, reflecting strong investor support and operational resilience.
- e. Sterling HoldCo Public Offer** – Sterling Financial Holdings launched an ₦88 billion public offer to fund Sterling Bank, its asset-management arm, and broader expansion initiatives.

Mergers & Acquisitions – Q3 2025

The quarter also saw sector consolidation and mergers as banks sought scale and competitiveness:

- a. Providus Bank & Unity Bank** – Shareholders approved Providus Bank's takeover of Unity Bank, with options for cash or share swaps, effectively dissolving Unity Bank and strengthening Providus Bank's capital base.
- b. Union Bank & Titan Trust Merger** – Union Bank fully absorbed Titan Trust's operations, creating a larger, more capitalised bank with expanded national reach and a stronger technology-driven platform.
- c. Access Bank Acquires AfrAsia Bank** – Access Bank UK Limited acquired a 76% stake in Mauritius-based AfrAsia Bank. The deal expands Access Bank's presence in Africa, Asia, and global financial hubs. AfrAsia's founding shareholder retains 7.89%, signaling confidence in the transaction.
- d. First HoldCo Divests SPV-Held Shares** – First HoldCo Plc announced the sale of shares held by its SPV to streamline ownership and raise capital. The move is part of a ₦500 billion recapitalisation drive, following a ₦147 billion raised through a rights issue earlier in 2025.
- e. Nedbank Sells Ecobank Stake** – Nedbank Group agreed to sell its 21.2% stake in Ecobank to Bosquet Investments for \$100 million, ending a 17-year partnership. The sale will free capital for Nedbank's growth in SADC and East African markets.
- f. Ecobank Divests Mozambique Operations** – Ecobank Mozambique S.A. was sold to FDH Bank Plc, ending Ecobank's 11-year presence in Mozambique. ETI retains strategic partnerships for digital and cross-border services while refocusing on higher-growth markets.

Fintech & Digital Financial Services – Q3 2025

The third quarter of 2025 saw significant activity in Nigeria's fintech and digital financial services sector, marked by strategic funding rounds, market expansions, and regulatory approvals. These developments reflect continued innovation, growth, and investor confidence in the ecosystem. Key highlights include:

- a. Vepay Launches in Nigeria and Kenya** – Vepay launched cross-border payment services in Nigeria and Kenya. Early-stage funding of ₦26.5 million secured. Platform allows wallet funding in local currencies, USD conversion, and virtual cards for global payments. Expansion into African markets planned.
- b. Okra Shuts Down** – Nigerian open banking startup Okra ceased operations after raising \$16.5 million. Challenges included leadership changes, cloud product issues, and regulatory delays. \$4–5.5 million returned to investors; employees received severance packages.
- c. Payaza Gets SEC Approval for ₦20 Billion Commercial Paper** – Payaza approved for Series 3 & 4 notes under its ₦50 billion programme. Yields: 22.2% (181-day) and 25.5% (272-day). Funds will expand payment infrastructure across Africa. Highlights growing use of non-equity financing by Nigerian fintechs.
- d. CreditPro Plans ₦2 Billion Capital Raise** – CreditPro targets ₦2 billion for expansion, technology upgrades, and market growth. Capital raise via private placements, preference shares, or commercial papers. Strengthens the company's credibility and institutional investor appeal.
- e. Kredete Secures \$22 Million Series A Funding** – Kredete raised \$22 million to expand services for African immigrants, launch stablecoin-backed credit cards, and introduce credit-linked savings and goal-based loans. Over \$500 million in remittances facilitated since 2023.

FGN Bond Issuances: July – September 2025

During Q3 2025, the Federal Government of Nigeria (FGN), through the Debt Management Office (DMO), continued to mobilize long-term funding via bond issuances, reflecting strong investor confidence in government securities.

In July 2025, the DMO offered monthly savings bonds with two options: a 2-year bond maturing July 2027 at 15.762% and a 3-year bond maturing July 2028 at 16.762%. Each unit was priced at ₦1,000, with a minimum subscription of ₦5,000 and increments of ₦1,000, up to ₦50,000,000. A total of ₦4.27 billion was allotted, with ₦853.8 million for the 2-year bond (1,078 subscriptions) and ₦3.416 billion for the 3-year bond (1,591 subscriptions), highlighting strong retail participation.

In August and September 2025, the FGN conducted auction-based bond issuances of ₦200 billion each month, split equally between two instruments. The August offering included ₦100 billion FGN AUG 2030 (5-Year New) and ₦100 billion 17.95% FGN JUNE 2032 (7-Year Re-opening). The September auction offered ₦100 billion 17.945% FGN AUG 2030 (5-Year Re-opening) and ₦100 billion 17.95% FGN JUNE 2032 (7-Year Re-opening). Both auctions recorded robust demand, underscoring sustained investor confidence and providing vital long-term financing to support fiscal and developmental objectives.



Market Impact and Significance of Q3 2025 Developments

The third quarter of 2025 was characterized by strategic regulatory reforms, proactive capital-raising, and sectoral consolidation that strengthened Nigeria's financial system. The CBN's mild monetary easing, lowering the MPR to 27.00% and reducing the CRR, supported credit growth and liquidity while signaling confidence in disinflation. At the same time, the migration to ISO 20022 and mandatory geo-tagging of payment terminals improved payment efficiency, transparency, and anti-fraud measures.

Corporate governance reforms from the SEC and consumer protection regulations from the FCCPC reinforced accountability and investor confidence across the capital and digital finance markets. In the fintech sector, notable developments included Vepay's launch in Nigeria and Kenya, Payaza's ₦20 billion commercial paper approval, CreditPro's ₦2 billion capital raise, and Kredete's \$22 million Series A funding, demonstrating continued innovation, expansion, and use of non-equity financing despite challenges faced by startups like Okra.

The banking sector saw heightened activity in response to the CBN recapitalisation directive, with key transactions including GTCO's LSE listing, Wema Bank's ₦150 billion rights issue, capital raises by Premium Trust and Globus Bank, and Sterling HoldCo's ₦88 billion public offer.

Mergers and acquisitions, such as Union Bank's absorption of Titan Trust, Providus Bank's takeover of Unity Bank, and Access Bank's acquisition of AfrAsia Bank, further strengthened balance sheets, promoted consolidation, and enhanced competitiveness. In parallel, FGN bond issuances totaling over ₦600 billion, including savings bonds and long-term 5- and 7-year securities, reflected robust investor demand and provided crucial funding for fiscal and developmental objectives. Collectively, these developments reinforced market stability, deepened investor confidence, and set a solid foundation for growth and financial inclusion heading into Q4 2025 and 2026.

Notable Developments

in the 4th Quarter of 2025

CBN Holds Monetary Policy Rate at 27.0% at 303rd MPC Meeting

At its 303rd Monetary Policy Committee (MPC) meeting in November 2025, the CBN held the Monetary Policy Rate (MPR) at 27.0%, maintaining the Cash Reserve Ratio (CRR) at 45% for deposit money banks and 75% on non-TSA public sector deposits, while adjusting the standing facility corridor to improve liquidity management.

The Committee noted the continued downward trend in inflation driven by stable food supply and foreign exchange conditions, signaling growing confidence in the economy's disinflation trajectory. The decision reflects a cautious approach, balancing price stability with support for credit growth and economic recovery as Nigeria heads into 2026, while ensuring that prior policy measures continue to take effect.



CBN Draft Guidelines on Failed ATM Transactions

In October 2025, the CBN released draft ATM operations guidelines requiring banks to refund customers promptly for failed ATM transactions. Under the proposal, failed “on us” transactions (using a customer’s own bank’s ATM) must be reversed instantly or within 24 hours if technical issues occur, while failed “not on us” transactions (other banks’ ATMs) must be refunded within forty-eight (48) hours.

The guidelines also call for automatic refund mechanisms, enhanced security features, and improved terminal uptime to reduce service failures and protect consumers. Stakeholder consultation was invited before finalisation, with the Federal Competition and Consumer Protection Commission (FCCPC) endorsing the draft as a significant step toward strengthening consumer protection and rebuilding trust in Nigeria’s payments infrastructure.

CBN Issues Guidelines on the Operation of Agent Banking in Nigeria

In October 2025, the CBN released a comprehensive Guidelines for the Operations of Agent Banking in Nigeria to strengthen oversight, protect consumers, and deepen financial inclusion across underserved areas. The framework mandates that all agent banking transactions be conducted through dedicated accounts or wallets managed by the principal financial institution and prohibits the use of non-designated accounts to enhance transparency and traceability. It also sets operational standards including daily transaction limits (₦1.2 million cumulative per agent), real-time settlements, required geo-fencing of devices to registered locations, and strict reporting by principals on volumes, fraud cases, and training activities. To ensure accountability, financial institutions must regularly publish and update lists of their agents, and no agent may relocate or close operations without prior notice.

The guidelines introduce robust compliance and enforcement measures, with sanctions ranging from suspension of new agent onboarding and blacklisting to fines and revocation of licences for serious breaches, and are expected to take full effect from 1st April, 2026 for certain provisions such as agent location and exclusivity. By formalising agent operations, enhancing security and monitoring standards, and promoting responsible conduct across agent networks, the CBN aims to boost service quality, expand financial access nationwide, and reinforce trust in Nigeria's expanding digital financial ecosystem.



CBN Revises Cash-Related Policies



In December 2025, the CBN issued a circular titled “Revised Cash Related Policies” updating the framework for cash withdrawals and deposits, effective 1 January 2026. Under the new policy, the cumulative cash deposit limit has been abolished and the fee previously charged on excess deposits removed, while the weekly cash withdrawal limit was raised to ₦500,000 for individuals and ₦5 million for corporates across all channels, including ATM and POS. Withdrawals above these thresholds will attract excess withdrawal fees (3 % for individuals and 5 % for corporates), to be shared between the CBN and financial institutions.

The special authorisation that previously allowed higher monthly cash withdrawals has been discontinued, and all naira denominations can now be loaded into ATMs. The revisions aim to reduce cash handling costs, enhance security, curb money laundering risks, and encourage the adoption of electronic payments, reflecting the CBN’s efforts to streamline cash management in line with evolving economic realities.

ATM
Withdrawals
(Individuals)

3%

ATM
Withdrawals
(Corporates)

5%

CBN Tightens Advertising and Marketing Rules for Banks

In November 2025, the CBN issued a circular directing all banks, payment service banks, and other regulated financial institutions to withdraw any non-compliant advertisements and promotional materials that fail to meet established consumer-protection and fair-marketing standards. The regulator found that many adverts exaggerated benefits, omitted key risks or information, and in some cases used comparative or superlative claims in violation of the Consumer Protection Regulations 2019 and existing guidelines on advertisements by deposit-taking institutions.



Under the tightened framework, all future marketing content must be factual, balanced, and transparent; inducement-based promotions such as lotteries, prize draws, and “lucky dips” are now prohibited, and comparative or de-marketing claims are not permitted. Institutions are required to notify the CBN before publishing advertisements, providing details such as campaign duration, creative content, target audience, and evidence of internal compliance clearance, though this notification is not an approval or endorsement. Financial institutions must submit a compliance attestation signed by senior executives within thirty (30) days, with a follow-up review and enforcement of sanctions expected to begin in January 2026 for breaches under the Banks and Other Financial Institutions Act and related regulations.

CBN Overhauls Nigeria's Fixed-Income Market

In Q4 2025, the CBN initiated a phased operational overhaul of the Nigerian fixed-income market, with full implementation beginning in November and December 2025. Under the reform, the CBN will assume direct control of the settlement process and trading platform for fixed-income transactions, including government securities, transitioning these functions onto its own infrastructure to improve transparency, efficiency, and regulatory oversight. This move marks a shift from the existing market structure, streamlining end-to-end settlement and enhancing visibility into market activity across Primary Dealers, Market Makers, Pension Fund Administrators, and other authorised participants.



The overhaul aims to strengthen market integrity and support more effective monetary policy transmission by eliminating structural bottlenecks in the trading and settlement lifecycle. By centralising fixed-income operations and reducing information asymmetries, such as bid visibility advantages previously enjoyed by intermediaries, the CBN seeks to deepen investor confidence and foster a more resilient and transparent market infrastructure. While the reform invites collaboration with industry stakeholders, it also signals a significant structural shift in how Nigeria's sovereign debt market operates, with potential long-term implications for market participants and secondary market activity.



FATF Removes Nigeria from Grey List, Boosting Investor Confidence



On 24th October 2025, the Financial Action Task Force (FATF) officially removed Nigeria from its grey list of jurisdictions under increased monitoring for money laundering, terrorist financing, and proliferation financing. This followed over two years of intensive reforms by the Nigerian government and regulatory agencies, including the enactment of the Money Laundering (Prevention and Prohibition) Act 2022, the Terrorism (Prevention and Prohibition) Act 2022, operationalization of a beneficial ownership register, enhanced inter-agency financial intelligence sharing, strengthened supervisory measures for banks, increased prosecution of financial crimes, and improved international cooperation mechanisms.

The removal has significant implications for Nigeria's financial sector and economy. It is expected to reduce transaction costs, facilitate smoother international payments and diaspora remittances, boost foreign investment, and support stability and potential appreciation of the naira. The move also enhances Nigeria's reputation in the global financial system, signaling strong regulatory oversight and institutional credibility. While this milestone represents a major achievement, authorities emphasize the need to sustain reforms, ensuring that improvements translate into lasting compliance culture and enforcement across the financial sector.

2+ years

of intensive reforms by the
Nigerian government and
regulatory agencies

Nigeria Proposes Bill for Single Powerful Fintech Regulator

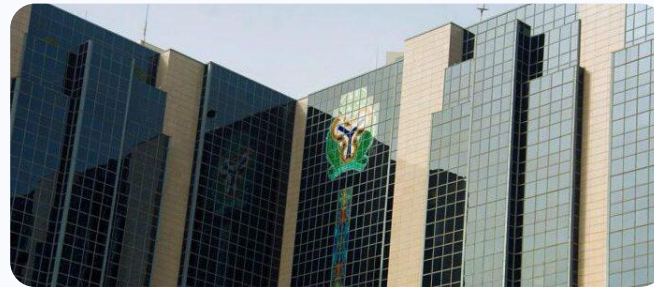
In October 2025, Nigeria's House of Representatives advanced the Nigerian Fintech Regulatory Commission Bill (HB.2389) to its second reading, signaling a major legislative push to overhaul oversight of the fintech sector. The bill, sponsored by Hon. Fuad Kayode Laguda, seeks to establish a single, statutory Nigerian Fintech Regulatory Commission (NFRC) tasked with licensing, supervising, and enforcing compliance for fintech activities across the country, bringing payments, digital lending, digital assets, crowdfunding, and other fintech services under one unified regulatory umbrella. Proponents argue this would reduce regulatory fragmentation, improve clarity, enhance consumer protection, and create a more predictable framework for innovation and investment by consolidating functions currently spread across bodies such as the CBN, SEC, NITDA, NDPC, and FCCPC.

The NFRC Bill could significantly reshape Nigeria's fintech landscape by streamlining compliance, simplifying licensing processes, and strengthening oversight over digital financial services. Supporters believe a central regulator would foster confidence in the ecosystem and help manage systemic risks inherent in fast-evolving digital markets. However, industry observers caution that, unless accompanied by statutory amendments to existing regulatory laws, the proposal may introduce overlaps and complexity with current mandates held by regulators like the CBN and SEC, potentially increasing compliance costs and bureaucratic layers for fintech operators.



House of Representatives Advance Bill to Amend CBN Act

In December 2025, the House of Representatives scaled the Central Bank of Nigeria (Amendment) Bill, 2025 to its second reading, marking a significant legislative effort to modernise the apex bank's legal framework and strengthen oversight, governance, and accountability.



The bill, co sponsored by House Leader Julius Ihonvbere and Jesse Okey Joe Onuakalusi, seeks to address structural gaps in the current CBN Act by separating the roles of the CBN Governor and Board Chairman, enhancing professional oversight, and realigning the bank's governance with global best practices. It also proposes reforms to the Monetary Policy Committee (MPC), tighter Ways and Means financing limits to curb fiscal financing abuses, improved transparency through mandatory reporting and public disclosures, and reforms to foreign exchange management and policy communication, all aimed at boosting institutional balance and investor confidence in Nigeria's monetary policy framework.

FIRS Introduces 10% Withholding Tax on Short-Term Investment Interest

The Federal Inland Revenue Service introduced a 10% withholding tax on interest earned from short-term investments such as Treasury Bills, Commercial Papers, and other money market instruments. This measure aimed to broaden the tax base and increase government revenue while ensuring equitable taxation across different investment types.

Investors and market participants expressed concern that the tax could reduce net returns and potentially dampen appetite for short-term government securities, though others noted that the rate was relatively modest compared to withholding taxes in other jurisdictions.¹⁰

10% withholding tax on interest from short-term investments

FCCPC Sets 5th January 2026 as Compliance Deadline for Digital Lending Regulations

The Federal Competition and Consumer Protection Commission set 5th January, 2026 as the final deadline for digital lenders to comply with comprehensive new regulations governing the sector, the Digital, Electronic, Online or Non-Traditional Consumer Lending (DEON) 2025. The regulations, announced in August 2025, imposed strict standards on interest rates, data privacy, loan disclosure, and debt collection practices.

Under the framework, each lender is restricted to operating a maximum of five lending applications per operator, a measure aimed at curbing regulatory arbitrage and improving supervisory oversight. Lenders are also required to obtain explicit customer consent before accessing personal data, clearly disclose all loan terms and charges, and discontinue harassment or abusive recovery practices. Non-compliance attracts severe sanctions, including fines of up to ₦100 million, suspension, or outright shutdown of offending operators.¹¹



Nigeria Records First Successful Transaction on National Payment Stack

Nigeria successfully processed its first transaction on the National Payment Stack launched by NIBSS, marking a historic milestone in the country's digital payments infrastructure. The successful test transaction demonstrated the functionality and readiness of the unified payment platform to facilitate seamless electronic payments across different channels and service providers.

The National Payment Stack was designed to enhance interoperability, reduce transaction costs, and accelerate financial inclusion by providing standardized APIs and protocols for payment service providers. Its successful launch positioned Nigeria as a leader in digital payment infrastructure development in Africa.¹²

Capital Market Highlight-Q5 2025

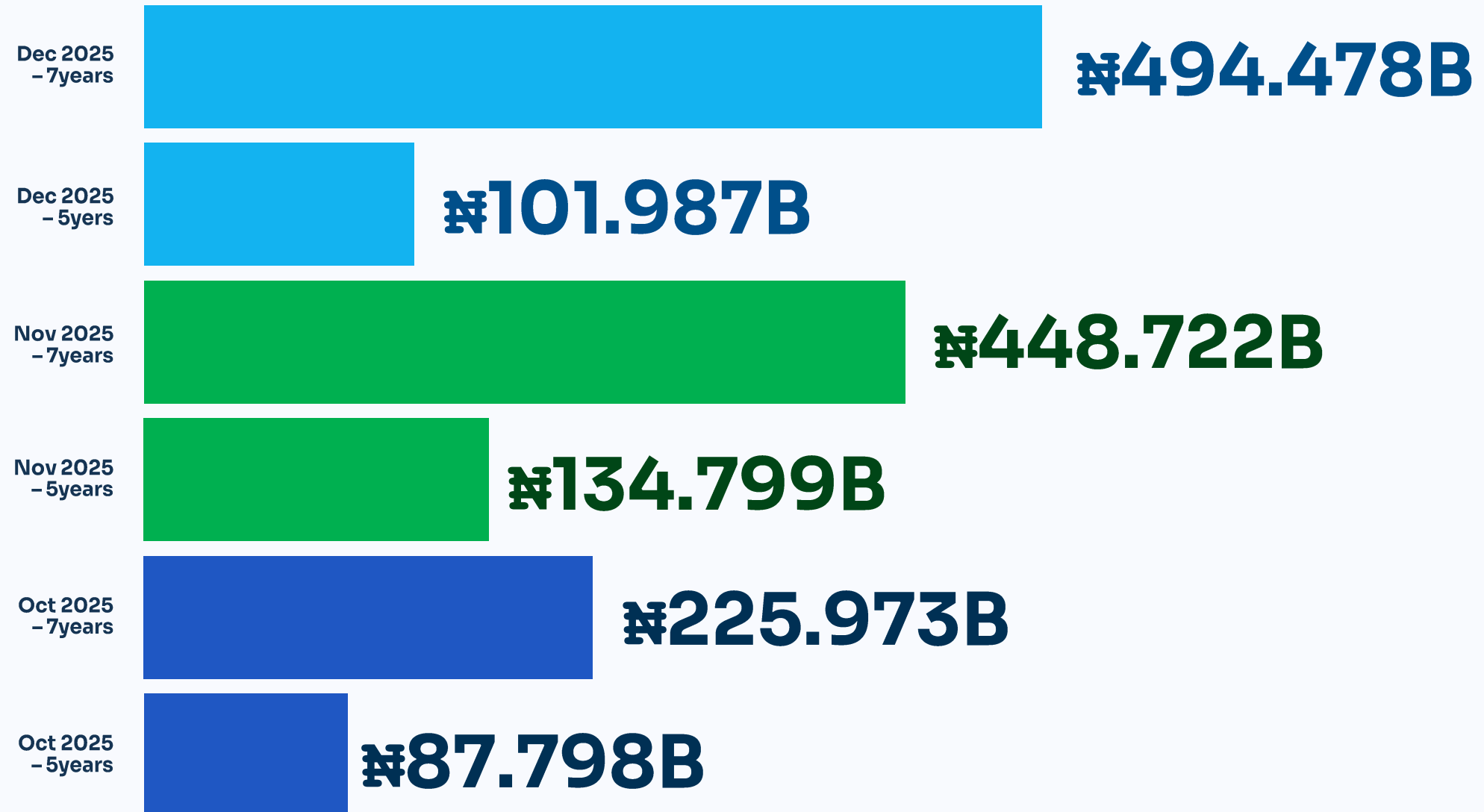
a. FGN Bond Issuances (October-December 2025)

During October 2025, the Debt Management Office (DMO) reopened two benchmark Federal Government Bonds, the 17.945% FGN AUG 2030 (5-year) and 17.95% FGN JUN 2032 (7-year) bonds, offering a combined ₦260 billion. Strong investor interest drove total bids well above the offer, with successful allotments of ₦87.798 billion (5-year) and ₦225.973 billion (7-year) at marginal rates of 15.832% and 15.850% respectively. The results highlighted robust liquidity and demand in the sovereign debt market.

In November 2025, the DMO conducted a larger reopening, offering ₦460 billion across the same two instruments. Subscriptions remained strong, resulting in allotments of ₦134.799 billion (5-year) and ₦448.722 billion (7-year), with marginal yields of 15.900% and 16.000%. The high participation reflected sustained confidence from institutional investors and the continued attractiveness of medium- and long-term government securities.

By December 2025, the final Q4 reopening of the 5- and 7-year FGN bonds saw total bids far exceeding the ₦460 billion offer, with allotments of ₦101.987 billion (5-year) and ₦494.478 billion (7-year). Marginal rates rose to 17.200% and 17.300%, reflecting year-end yield adjustments, but investor appetite remained strong. Overall, the Q4 issuances demonstrated resilient demand for Nigerian sovereign debt, providing the government with significant long-term funding while sustaining market confidence.





Capital Market Highlight-Q5 2025

b. Lagos State Bond Issuances

In Q4 2025, Lagos State Government executed landmark capital market transactions under its ₦1 trillion Debt and Hybrid Instruments Issuance Programme, issuing both infrastructure and green bonds to finance priority projects. The state offered a ₦200 billion Series IV conventional bond (10-year) and a ₦14.815 billion Series III green bond (5-year), priced at 16.25% and 16.00% respectively, with proceeds earmarked for transportation, housing, healthcare, education, and environmental sustainability initiatives.



Investor response was strongly positive, with the conventional bond significantly oversubscribed by about 55%, raising approximately ₦310 billion, and the green bond drastically overshooting its target with bids nearing ₦29.29 billion, nearly double the offer size. This combined transaction attracted total bids in excess of ₦338 billion, marking it as the largest bond issuance by a sub-national issuer in Nigeria and Sub-Saharan Africa.

The oversubscription and execution success reflect robust investor confidence in Lagos State's fiscal discipline, governance, and economic outlook, reinforcing Lagos's emerging role as a key player in domestic capital markets and sub-national infrastructure financing. The green bond issuance, in particular, underscores a growing appetite for sustainable finance instruments at the sub-sovereign level within Nigeria's fixed-income landscape.

Fintech & Digital Financial Services–Q4 2025

a. LemFi Launches AI-Powered "Send Now, Pay Later"

– LemFi introduced an AI-enabled remittance service for UK immigrants, allowing instant transfers to Nigeria and Africa with deferred payments in installments. The platform assesses users' creditworthiness to determine eligibility and limits, combining money transfer with embedded finance solutions.

b. World Bank Rolls Out Blockchain-Based "FundsChain" in Nigeria:

The World Bank introduced "FundsChain," a blockchain-based platform to track project funds in Nigeria, addressing longstanding concerns about transparency and accountability in development project financing. The platform uses distributed ledger technology to create an immutable record of fund flows from disbursement through implementation to final expenditure.

FundsChain enables real-time monitoring of project finances by multiple stakeholders, including the World Bank, Nigerian government agencies, implementing partners, and civil society organizations. This transparency is expected to reduce corruption, improve project implementation efficiency, and strengthen accountability in the utilization of development assistance.

c. Launch of BMONI in Nigeria: AI-powered digital banking platform BMONI launched, offering multi-currency accounts, low-cost transfers, and AI-driven services, signalling growth in next-generation financial solutions.

Fintech & Digital Financial Services–Q4 2025

d. Moniepoint Secures Over US\$200 Million in Series C Funding: In October 2025, Nigerian fintech Moniepoint Inc. successfully closed its Series C funding round, raising more than US\$200 million in equity financing to support its next phase of growth across Africa and beyond. The round was led by Development Partners International's African Development Partners III fund, with significant participation from LeapFrog Investments, Lightrock, Google's Africa Investment Fund, Visa, IFC, Proparco, and Swedfund. Moniepoint's Series C close builds on an earlier \$110 million tranche and marks one of Africa's largest fintech fundraises in 2025.

The new capital will be deployed to enhance digital financial services for businesses and individuals, expand products such as cross-border remittances and bookkeeping tools for MSMEs, and accelerate market entry in other African countries and key international corridors. The funding also underscores robust global investor confidence in Moniepoint's profitable business model and its role in advancing financial inclusion and digital commerce in the region.



Market Impact and Significance of Q4 2025 Developments

Q4 2025 saw Nigeria maintain macroeconomic stability while gradually supporting credit growth. The Central Bank of Nigeria (CBN) held the Monetary Policy Rate at 27.0% in its 303rd MPC meeting, keeping the CRR unchanged for deposit money banks and at 75% for non-TSA public sector deposits. By retaining these key policy levers, the CBN signaled confidence in the disinflation trajectory while balancing liquidity management, credit expansion, and economic recovery ahead of 2026. Complementary reforms, including the draft ATM refund guidelines, agent banking framework, and revised cash-related policies, strengthened consumer protection, enhanced operational transparency, and promoted broader adoption of digital financial services, creating a more efficient and inclusive payments ecosystem. The tightened advertising rules for banks further reinforced compliance culture and responsible marketing practices across the financial sector.

Structural and regulatory reforms boosted market confidence and investor sentiment. The CBN's overhaul of the fixed-income market centralized settlement and trading operations, enhancing transparency, reducing information asymmetries, and strengthening market integrity. Nigeria's removal from the FATF grey list underscored the country's strengthened anti-money laundering, counter-terrorism financing, and compliance frameworks, signaling improved governance and reducing international transaction costs. In capital markets, the Q4 FGN bond issuances attracted strong investor interest, while Lagos State's record-breaking conventional and green bond issuances reflected robust sub-national fiscal discipline and a growing appetite for sustainable finance. Concurrently, legislative developments, including the House of Representatives advancing the CBN Act amendment bill and the Nigerian Fintech Regulatory Commission Bill, demonstrated ongoing efforts to modernize governance, enhance oversight, and streamline regulatory frameworks for financial services.

The fintech and digital financial services ecosystem continued to expand and attract investment. Q4 2025 witnessed innovative product launches, including LemFi's AI-powered "Send Now, Pay Later" platform and the World Bank's blockchain-based FundsChain for transparent project fund tracking. BMONI launched AI-enabled multi-currency accounts and low-cost transfers, while Moniepoint closed a US\$200 million Series C funding round, highlighting investor confidence in scalable and profitable fintech business models. These developments, alongside initiatives for stablecoin regulation and the National Payment Stack milestone, underscore the sector's growing maturity, improved governance, and critical role in advancing financial inclusion, supporting cross-border commerce, and integrating Nigeria's financial system into global markets.

Outlook for 2026

As *Nigeria* enters 2026,

stakeholders can anticipate a year shaped by continued regulatory reforms, financial sector consolidation, and technological innovation. Key developments in 2025, including Nigeria's FATF delisting, the growth of fintech and digital financial services, and proposed legislative reforms, have set the stage for a more robust, transparent, and investor-friendly environment.



With the Nigerian Fintech Regulatory Commission (NFRC) Bill and the CBN Act Amendment advancing through the legislative process, the financial sector is expected to see clearer oversight, improved governance, and stronger consumer protection, providing a more predictable framework for investment and innovation.

What *Stakeholders* Should Expect in 2026



- 1. Completion of Bank Recapitalization:** By the March 2026 deadline, all banks should have met capital requirements or executed consolidation strategies. Expect final mergers, acquisitions, and potential license downgrades by institutions unable to raise required capital.
- 2. Enactment of the Nigerian Fintech Regulatory Commission (NFRC) Bill:** If passed, the NFRC will centralize the supervision and licensing of fintech activities across Nigeria, covering digital payments, lending, digital assets, crowdfunding, and other fintech services. This reform is expected to reduce regulatory fragmentation, strengthen consumer protection, and provide a predictable framework for innovation and investment.

- 3. CBN Act Amendment:** With the House of Representatives advancing the CBN Act Amendment, expect strengthened governance, separation of the CBN Governor and Board Chair roles, enhanced Monetary Policy Committee oversight, tighter Ways and Means financing limits, and improved transparency in policy implementation, all of which should bolster investor confidence and institutional credibility.
- 4. Expansion of Digital Payment Infrastructure:** The National Payment Stack will mature, enabling broader adoption of innovative payment solutions. Expect increased fintech-bank partnerships and new digital financial products.
- 5. Enhanced Cryptocurrency Regulation:** With SEC fast-tracking crypto licensing, 2026 should see multiple licensed crypto exchanges operating in Nigeria, along with clearer regulatory frameworks for digital assets trading, custody, and taxation.

- 6. Increased Foreign Investment:** Nigeria's FATF delisting, combined with improving fundamentals, should attract increased foreign portfolio and direct investment, particularly in financial services, technology, and infrastructure sectors.
- 7. Insurance Sector Transformation:** Following the passage of the Insurance Reform Act and increased capital requirements, expect consolidation, increased premium income, improved claims settlement, and innovative insurance products.



8. Pension Sector Recapitalization: PenCom's planned capital requirement increases will drive consolidation among pension fund administrators, potentially reducing their number while strengthening surviving institutions.

9. Tax System Modernization: Implementation of tax reform legislation will reshape Nigeria's fiscal landscape, with enhanced digital collection, a broader tax base, and potential adjustments based on initial implementation experiences.

10. Regional Economic Integration: Progress toward ECO currency launch in 2027 will accelerate, requiring Nigeria to meet convergence criteria and prepare for monetary union implications.

11. Continued Consumer Protection Focus: Regulators will maintain strict enforcement of consumer protection standards, particularly in digital lending, with non-compliant operators facing closure.

12. Politically oriented Investment: Considering that 2027 is an election year, marked by the primary elections of all political parties, there is likely to be market positioning in terms of investment. The market may adopt a bearish stance as investors await the outcome of the 2027 general elections in order to determine the policy direction of the government in power before making significant investment commitments.



The market may adopt a bearish stance as investors await the outcome of the

2027
General Elections

Conclusion: Reflecting on 2025 and *Looking Ahead to 2026*

Key Achievements

Nigeria's financial sector in 2025 demonstrated remarkable resilience and transformation, navigating complex macroeconomic challenges while implementing ambitious reforms that positioned the sector for sustainable growth.

1

Successful monetary policy pivot from aggressive tightening to cautious easing, reflecting improved inflation dynamics.

2

Substantial progress in bank recapitalization, with 14 banks meeting requirements ahead of deadline.

3

Historic removal from the FATF grey list, restoring international credibility and facilitating cross-border transactions.

4

Advancement of financial inclusion through diaspora accounts, digital banking innovations, and payment infrastructure.

5

Enhanced regulatory frameworks for emerging sectors, including cryptocurrency and digital lending.

6

Strengthened international partnerships demonstrated by increased foreign investment and institutional engagement.

Looking Forward to *2026*

The foundation laid in 2025 positions Nigeria's financial sector for continued progress in 2026. Successful completion of bank recapitalization will yield a stronger, more resilient banking system capable of supporting economic growth. Sustained disinflation should enable further monetary easing, reducing borrowing costs for businesses and households.

However, stakeholders must remain vigilant about risks, including potential global economic shocks, domestic political uncertainties surrounding the 2027 elections, and the challenge of maintaining reform momentum. Success in 2026 will depend on:



- **Policy consistency and coordination across monetary, fiscal, and regulatory domains;**
- **Continued structural reforms addressing infrastructure, agriculture, and energy constraints;**
- **Enhanced governance and transparency in public and private sectors;**
- **Investment in human capital and technology to support digital transformation;**
- **Deepening financial markets to mobilize long-term capital for development;**
- **Maintaining international confidence through sustained compliance with global standards.**

The financial sector's performance in 2025 demonstrates that when policymakers, regulators, industry participants, and other stakeholders work collaboratively toward shared objectives, substantial progress is achievable even in challenging circumstances. As Nigeria enters 2026, the sector is better capitalized, more technologically advanced, more internationally integrated, and more robustly regulated than at the start of 2025.

The journey toward a resilient, inclusive, and globally competitive financial sector continues. Success will require sustained commitment to reform, prudent risk management, innovative thinking, and unwavering focus on serving Nigeria's economic development needs.

About Stren & Blan Partners

Stren & Blan Partners is an innovative and dynamic Law Firm with a compelling blend of experienced lawyers and energetic talents. We are focused on providing solutions to our client's business problems and adding value to their businesses and commercial

endeavours. This underpins our ethos as everything we do flows from these underlying principles.

Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational

corporations. We have developed a clear vision for anticipating our client's business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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