FROM STABILITY TO STRENGTH: SECURING NIGERIA'S FINANCIAL FUTURE

Address by
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Protocol.

Good evening, distinguished guests, esteemed members of the Chartered Institute of Bankers of Nigeria, colleagues and friends.

It is a pleasure to join you once again at the Annual Bankers' Dinner. I congratulate the leadership of the Institute and the Organising Committee for sustaining one of the most anticipated events on Nigeria's financial industry calendar.

Three years ago, when I first addressed this gathering as Governor of the Central Bank of Nigeria, our priorities were clear: restore confidence, confront serious economic distortions and strengthen the foundations of our financial system.

The decisions were difficult and required considerable adjustment across the economy. But they were necessary, and today we can point to meaningful progress.

Inflation continues to moderate, our foreign exchange market is functioning more transparently, external buffers have strengthened, and our banking industry has undergone a major recapitalisation. Together, these developments have contributed to greater macroeconomic stability and a more resilient financial system.

The task now is to institutionalise the gains of the past three years.

The question before us is no longer simply how to restore stability, but what we do with it, and how we ensure it endures.

What should Nigerians expect from better-capitalised banks, more efficient financial markets and a rapidly expanding financial ecosystem? How do we translate greater financial strength into productive investment, better financial services and wider economic opportunity? The real measure of financial inclusion is not simply how many people have access to the financial system, but how useful that system is in their everyday lives and in pursuing their ambitions.

How we bridge that gap, while ensuring that the reforms of the past three years become lasting institutional strengths, is what I would like to address this evening.

Securing Economic Stability

Distinguished ladies and gentlemen,

The Nigerian economy today is operating under considerably different conditions from those we faced three years ago.

Headline inflation has fallen from 24.48 per cent in January 2025, the first reading of the rebased index, to 14.06 per cent in October 2026. Our external reserves continue to grow and have reached the highest level in approximately 18 years, providing a stronger buffer against external shocks. Improvements in foreign exchange market operations have strengthened transparency, price discovery and market confidence.

The economy has continued to expand, with real GDP growth reaching 4.43 per cent in the second quarter, while international rating agencies have recognised the progress made in restoring macroeconomic stability.

These improvements have taken place against a challenging global backdrop. Geopolitical tensions, trade uncertainty and volatility in international commodity and financial markets continue to test economies around the world.

Nigeria has not been insulated from these pressures. But the reforms undertaken over the past three years have left us better equipped to respond. Stronger external buffers, more transparent foreign exchange markets and a more credible monetary policy framework have improved our resilience and

reduced vulnerabilities that previously made external shocks particularly disruptive.

While these developments are encouraging, we recognise that for many Nigerians, what ultimately matters is the purchasing power of their incomes and, for businesses, the cost and availability of financing. The full benefits of macroeconomic stabilisation take time to materialise, which is why sustaining the progress on inflation remains critical.

Our responsibility at the Central Bank remains clear: to preserve monetary and financial stability and maintain confidence in our policy framework. This provides a sound foundation for the Government's broader growth and development agenda.

An important part of this work has been restoring the credibility and effectiveness of monetary policy. We have strengthened liquidity management, improved the transmission of policy decisions through financial markets and reinforced a more transparent, data-driven approach.

These improvements underpin the development of an inflation-targeting framework, which requires reliable data, sound analysis, clear communication and the discipline to respond consistently to changing economic conditions.

Our ambition remains not simply to bring inflation down to single digits, but to achieve sustainably lower single-digit inflation. This is essential to protecting the purchasing power of Nigerians, giving businesses greater certainty to plan and invest, and laying the foundation for long-term economic growth.

Achieving it will require continued policy discipline, credible institutions and effective monetary and fiscal coordination.

The Memorandum of Understanding signed this year with the Federal Ministry of Finance reflects a shared commitment to achieving low and stable inflation. Sustained fiscal discipline, alongside credible and consistent monetary policy, will help create the conditions for interest rates to decline sustainably.

One question I am frequently asked is how we intend to ensure that the reforms of the past three years endure.

The answer lies in institutionalising the principles and practices on which they are built, both within the Central Bank and across the wider financial system.

For the Central Bank, this means strengthening the frameworks that guide monetary policy, embedding transparency and accountability in our regulatory processes, and ensuring that decisions are grounded in clear rules, sound analysis and consistent application.

In the coming year, we will take a further step towards this objective with the introduction of a comprehensive and accessible regulatory rulebook, bringing greater clarity to regulatory requirements and supervisory standards. This will promote consistency, strengthen accountability and give financial institutions greater certainty in their dealings with the Central Bank.

For the wider financial system, it means reinforcing market practices, institutional capabilities and professional standards necessary to sustain the reforms. Deeper and more liquid markets, stronger risk management, effective governance and greater reliance on transparent market mechanisms will all be important to this endeavour.

Ultimately, reforms become durable when they are reflected not only in regulatory frameworks, but in how institutions operate and markets function.

From Stronger Banks to a Stronger Economy

Ladies and gentlemen,

When I addressed this gathering in November 2023, I raised the question of whether the capital base of Nigerian banks was sufficient to support the scale of our economic ambitions.

The banking sector recapitalisation exercise introduced in March 2024 was successfully concluded earlier this year, with 33 banks meeting the revised minimum capital requirements and approximately ₦4.65 trillion in fresh capital raised.

We asked the banking industry to strengthen its capital base, and the industry responded. This was a significant achievement and a demonstration of the confidence of domestic and international investors in Nigeria's financial system.

The next challenge is to put that strength to work.

Many may reasonably ask: if our banks are now stronger and better capitalised, why does credit remain so costly and difficult to access for many productive enterprises?

Stronger balance sheets are necessary, but the capacity of banks to lend affordably also depends on the environment in which they operate. The monetary policy stance required to contain inflation, elevated credit risks across several sectors, and weaknesses in the infrastructure for credit assessment, collateral and enforcement all influence the cost and availability of financing.

Addressing these constraints will require sustained disinflation, stronger credit information and collateral systems, and closer collaboration with fiscal authorities to improve the broader environment for productive investment.

The recapitalisation exercise was complemented by the exit from regulatory forbearance over the past year, providing a more accurate assessment of asset quality and a transparent reflection of underlying risks. It is far better to recognise and address these risks now, with stronger capital buffers, than to allow them to build up unseen.

An enhanced capital base must be accompanied by stronger balance sheet discipline, greater transparency in the recognition and management of risk, and effective governance. Our supervisory approach will continue to emphasise these standards, alongside risk-based supervision, stress testing and accountability at board and management levels.

Banks need not meet every financing requirement individually, nor should they assume risks better suited to other investors. Greater emphasis must be placed on risk-sharing arrangements, loan syndication and other collaborative financing structures, particularly for large-scale transactions that exceed the capacity or risk appetite of individual institutions.

We must also recognise that Nigeria's financial system extends well beyond traditional banking.

Banks now operate alongside fintech companies, payment service providers, mobile money operators and other financial institutions that have transformed how Nigerians access and use financial services.

For many Nigerians, particularly younger people and small business owners, their most frequent interaction with the financial system may no longer be through a bank branch, but through a mobile application, payment platform or neighbourhood agent.

Fintech and payment service providers bring innovation and customer reach that complement the traditional strengths of banks. Our task is to support an ecosystem in which these capabilities reinforce one another, competition improves services and financial innovation enables greater economic participation.

The 2026 Access to Financial Services Survey shows that approximately 79 per cent of Nigerian adults now use formal or informal financial services, while 64 per cent use digital financial services.

But another finding deserves particular attention: while 53 per cent of adults now save formally, only 10 per cent borrow through formal financial channels.

We have made considerable progress in bringing Nigerians into the financial system. The next frontier is to make financial access more useful in people's daily lives.

Not every household needs or should take on credit. But businesses with viable prospects should be able to access appropriate financing, and individuals should have financial products suited to their needs and circumstances.

For a market trader in Kano who receives 200 transfers a day, saves consistently and has built a viable business, financial inclusion should mean more than access to digital payments. A stronger, better-capitalised banking system should enable her to use that financial track record to access credit for expansion.

For a household, it should mean being able to save securely, manage unexpected expenses and have confidence in the institutions entrusted with its money.

These are the outcomes against which we must increasingly measure the effectiveness of our financial system.

A modern, secure and efficient payments system is fundamental to achieving these ambitions. Our Payments System Vision 2028, launched this year, sets a clear direction for the next phase of Nigeria's payments infrastructure. The Vision prioritises interoperability, security, inclusion, innovation and trust, with the objective of supporting economic activity and strengthening regional and global connectivity.

It sets measurable ambitions, including 95 per cent financial inclusion by 2028, wider acceptance of QR and contactless payments, reduced reliance on cash outside the banking system and a significant reduction in payment fraud.

These are not simply technology objectives. They are about making it easier and safer for Nigerians to transact, lowering costs for businesses and bringing more economic activity into the formal financial system.

We have also introduced measures to strengthen controls against payment fraud, promote competition and improve the security and resilience of critical payments infrastructure. This includes the localisation of payment transaction data to strengthen regulatory oversight and safeguard the integrity of our payments ecosystem.

Equally important is the cost of digital transactions. Scheme and network fees must remain transparent, fair and proportionate, so that the charges associated with accepting digital payments do not discourage small businesses or impose unnecessary costs on ordinary Nigerians.

Consumer protection must remain central to all of this.

As financial services become more interconnected, consumers face new forms of fraud, operational failures and disputes involving multiple service providers.

For a customer whose transfer has failed or account has been compromised, the sophistication of our financial infrastructure offers little comfort.

Consumers should not have to navigate the complexities of our financial system to establish who is responsible when something goes wrong. The industry must give greater priority to operational reliability, transparency and the fair, timely resolution of complaints.

Trust is not built simply by bringing more people into the financial system. It is built through the experience they have once they are there.

The Financial System Nigeria Needs by 2030

Distinguished guests,

2030 is just over three years away.

As we consider the next phase of Nigeria's financial development, we should be asking what kind of financial system the country will need to support its economic aspirations, and how best to prepare our institutions for the opportunities and challenges ahead.

Nigeria has a substantial domestic market, an entrepreneurial population, a dynamic fintech ecosystem and a banking industry that has demonstrated its capacity to mobilise capital.

But translating these strengths into lasting economic advantage will require deliberate choices.

By 2030, our ambition should be to build a financial system that is more resilient, innovative and effective in meeting the needs of Nigeria's growing economy.

This must be reflected in the depth and sophistication of our financial markets, the quality of our institutions, the availability of finance for productive enterprise and our capacity to attract and deploy long-term capital.

There is considerable scope to deepen financial intermediation in Nigeria. As inflation moderates and the broader lending environment improves, our ambition should be to at least double the private sector credit-to-GDP ratio by 2030, consistent with sound lending practices and financial stability.

This will require stronger domestic institutional investment, more developed capital markets and financial institutions capable of supporting businesses at different stages of growth.

We should also expect the structure of financial services to evolve considerably over the coming years.

Artificial intelligence is already creating opportunities in credit assessment, fraud detection, customer service, risk management and regulatory supervision. Developments in digital assets, including stablecoins, may also have implications for payments, remittances and cross-border settlement.

The Central Bank's recently issued regulations for non-security virtual assets, including stablecoins, establish an important framework for managing relevant activities within appropriate regulatory safeguards.

Our responsibility is to ensure that innovation develops in ways that preserve monetary and financial stability, protect consumers and maintain confidence in the system.

We should not assume that the institutions, products or business models that dominate today's financial landscape will necessarily retain the same position in 2030.

The real test is not which technologies we adopt, but whether we build institutions with the depth, resilience, ambition and leadership to serve a growing and changing economy.

Deepening Financial Markets and Strengthening Connectivity

Ladies and gentlemen,

Over the past three years, a central focus of our reforms has been removing distortions from the foreign exchange market and strengthening transparency, price discovery and market conduct, given the importance of the exchange rate to our economy.

We have moved from an opaque system of multiple exchange rates, in which access to foreign exchange was disproportionately available to a few, to a more transparent and market-driven framework that provides broader and more equitable access to foreign exchange.

The broader benefits of these reforms include greater certainty for business planning and investment, renewed investor confidence, greater ease in meeting international payment obligations, and a significant increase in diaspora remittances through formal channels.

When I stood before you last year, I spoke of our ambition to increase monthly remittances to US$1 billion. I am pleased to report that this milestone has been achieved.

We are now working towards increasing monthly remittances to US$1.5 billion by the end of the first half of 2027. I commend our licensed international money transfer operators (IMTOs) for their efforts to strengthen transparency, invest in technology and expand formal remittance channels, particularly across Asia.

The next phase of our financial market reforms must focus on deepening liquidity, broadening participation and expanding the range of financial instruments available to businesses and investors.

The naira has strengthened by approximately 6 per cent over the past year, while daily foreign exchange market turnover has at times exceeded US$1 billion. In the fixed-income market, daily turnover averages ₦1.5 trillion, supported by a credible, tradable benchmark yield curve extending to ten years.

These are encouraging signs of growing market confidence. Our priority is to ensure that markets continue to support efficient price discovery and capital allocation.

As recent movements in the foreign exchange market remind us, a well-functioning market does not mean that prices remain static. Volatility is an inherent feature of global financial markets, and a market-determined exchange rate must be allowed to move in both directions in response to macroeconomic fundamentals and global developments.

Emerging market currencies have experienced volatility amid changes in the US interest rate environment and global risk sentiment. Nigeria is part of this interconnected global financial system, but we are considerably better equipped to manage external shocks than we were three years ago.

The external buffers we have built provide greater resilience, and the Central Bank stands ready to deploy its reserves, where necessary, to address disorderly market conditions and mitigate the impact of transitory shocks. Recent short-term market movements should be viewed in the context of our strengthened macroeconomic fundamentals and the outlook for 2027.

Our responsibility as a central bank is not to target a particular exchange rate level, but to safeguard market stability, deepen liquidity and support orderly price discovery.

Banks have an important role in developing stronger treasury expertise, expanding appropriate hedging and risk-management products, supporting exporters and providing more effective services to businesses engaged in international trade.

The introduction of the Nigeria Overnight Financing Rate, or NOFR, as a pricing benchmark earlier this year is another important step towards strengthening market infrastructure. It provides a more transparent reference point for financial transactions and supports the development of more sophisticated lending, financing and risk-management products.

I encourage banks to accelerate its adoption, including in loan pricing, to strengthen transparency and improve the management of interest rate risks.

To further deepen liquidity and improve market efficiency, we will work with market participants to launch the interbank repo and overnight indexed swap markets in the first quarter of 2027.

As these capabilities develop, our markets should become better equipped to manage liquidity and longer-term financing risks, with less reliance on the Central Bank for functions that can be performed effectively by market participants.

Stronger domestic financial markets also create opportunities to improve Nigeria's connections to international finance.

Our recent engagements with central banks, financial institutions and market participants across Asia have reinforced the importance of stronger financial connectivity. There are opportunities to improve cross-border payment and settlement arrangements, deepen banking relationships and facilitate trade, investment and diaspora flows. We will continue to pursue these opportunities in ways that support Nigeria's financial system and the needs of our economy.

The ability to participate effectively in international finance also depends on the integrity and credibility of our institutions.

Nigeria's removal from the Financial Action Task Force's grey list in October 2025 was an important milestone, reflecting sustained efforts across government, regulatory authorities and the financial sector to strengthen our framework against money laundering, terrorist financing and related financial crimes.

That achievement must be protected.

Compliance must be embedded in how institutions operate, not treated as an exercise undertaken only when external assessments are approaching. Maintaining international standards requires effective supervision and consistent implementation across banks, fintechs, payment companies and other relevant institutions.

The Central Bank will continue to support stronger financial market infrastructure, appropriate international cooperation and the regulatory standards necessary to maintain confidence in Nigeria's financial system.

Building a Stronger Central Bank

Ladies and gentlemen,

The expectations I have outlined for the financial industry apply equally to the Central Bank itself. Sustaining the reforms of the past three years requires an institution with the systems, capabilities and professional standards to ensure they endure beyond any individual administration.

When I assumed office, I made a commitment that Nigerians should not need to know the Governor, or anyone else in the Bank, to have their legitimate business attended to.

That principle continues to guide our efforts to improve the Bank's processes, strengthen accountability and ensure that decisions are made consistently, transparently and in a timely manner.

We are investing in the capabilities of our people, strengthening our supervisory and technical expertise, and deepening the Bank's contribution to economic research, policy analysis and informed public debate.

Our aim is a Central Bank that is responsive in its operations, rigorous in its decisions and effective in delivering its mandate.

In this regard, it was particularly encouraging to receive the Central Bank of the Year award from *Central Banking*, a recognition that reinforces our commitment to building a stronger and more effective institution.

The strength of our financial system depends, in no small measure, on the quality and credibility of the institution entrusted with safeguarding it.

The Responsibility Before Us

Distinguished guests,

For banks, stronger balance sheets must translate into greater capacity to finance productive enterprise, invest in the economy and serve customers more effectively.

For fintechs and other financial service providers, the challenge is to build on their innovation and reach while strengthening governance, operational resilience and consumer trust.

For boards and management teams, the responsibility is to anticipate change, manage emerging risks, invest in talent and technology, and build institutions that are resilient, well governed and responsive to the evolving needs of the economy.

For the Central Bank, our priorities remain clear: securing lasting price stability, maintaining a sound and resilient financial system, strengthening the effectiveness of our markets and continuing to develop our own institutional capabilities.

The Chartered Institute of Bankers of Nigeria also has an important role in this next phase.

The future of banking will require strong financial expertise, but also a broader understanding of technology, risk, international markets and changing business models. Professional development, ethical standards and the quality of institutional leadership will remain fundamental to the strength of our financial industry.

I encourage the Institute and its members to approach this next phase with the same seriousness and ambition that characterised the industry's response to recapitalisation.

Conclusion

Distinguished guests,

Three years ago, our immediate task was to restore confidence and stability. Our responsibility now is to ensure that the reforms we have undertaken become lasting institutional strengths.

But the true measure of our success will be what Nigeria is able to build upon these foundations. Our vision is of a financial system that mobilises capital for productive enterprise, supports investment and innovation, and is increasingly useful to the people and businesses it serves.

Nigeria has the market, the talent and the entrepreneurial energy. Our responsibility is to ensure that our financial institutions are equal to that potential.

I look forward to working with all of you in that endeavour.

I thank the Chartered Institute of Bankers of Nigeria for its continued partnership and wish you all a most enjoyable evening.

Thank you, and God bless the Federal Republic of Nigeria.