PROSHARE | ECONOMY AND MARKET INTELLIGENCE UNIT

The Nigerian Economy Transformation.

An X-Ray of Reforms as an Impetus for National Development

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DATE
Tuesday, August 25, 2026,

TIME
1:00p.m

VENUE
CEO Afternoon | Rotary Club of Ikeja
Marriott Hotel, Joel Ogunnaike Street, Ikeja GRA, Lagos

CONTENTS

The argument in six moves.

The address opens with the evidence, then moves from the operating environment to Nigeria's conversion test.

The throughline: preserve stabilisation, deepen productive capacity, and convert reform into broadly shared economic security.

Prepared from the final guest speaker address for the Rotary Club of Ikeja CEO Afternoon, 25 August 2026.

THE X-RAY IN ONE VIEW

The past, the reality and the outlook.

Where the economy was at the start of the reform cycle, where it stands today, and what 2027 must prove.

Indicator	THE PAST | May 2023 base	THE REALITY | August 2026	THE OUTLOOK | the 2027 test
Real GDP growth	About 1.0% average in the preceding cycle	3.89% in Q1 2026, from 3.13% in Q1 2025	4.10% IMF and 4.50% EA-Proshare for 2026, against a 6% ambition
Headline inflation	Peak near 34% in November 2024	15.43% in July 2026, from 24.94% in July 2025	Holding inside the 15% to 16% band as base effects fade
Food inflation	26.20% in July 2025	20.31% in July 2026, sixth consecutive monthly rise	The binding constraint on welfare and on any rate cut
Exchange rate	Multiple rationed windows, premium above 60%	N1,346.90/US$ at NFEM, premium near 2%	Stability contingent on reserve accretion and non-oil inflows
External reserves	Gross US$35.09bn, net US$3.99bn	Gross US$52.66bn; net US$34.80bn published at end-2025	Publish a current net-reserve series; the two readings are not directly comparable
Equity market	Capitalisation N30.37trn	N154.53trn, after a peak of N160.42trn on 10 Aug	Crossing public debt of N159.35trn for the first time
Fiscal position	61.4% in 2022 on the comparable DMO/CBN series	78.8% in 2025	Revenue growth must outpace the obligation and free space for capital delivery
Monetary stance	MPR 18.50%	MPR 26.50%, CRR 45%, retained July 2026	Easing follows food disinflation, not the reverse
Banking capital	Pre-programme capital base	N4.65trn raised, 33 banks compliant, 72.55% domestic	Deployment into productive credit, not into OMO paper
Household welfare	Minimum wage N30,000	Minimum wage N70,000; poverty 63%; 27m food insecure	Real income recovery is the measure that decides legitimacy

Sources: NBS Q1 2026 GDP and July 2026 CPI, CBN, NGX weekly report to 21 August 2026, DMO, Federal Ministry of Finance Reform Scorecard, IMF Article IV 2026. Proshare's computation where periods are compared.

THE PROPOSITION

Nigeria has stabilised. It has not yet converted.

Stabilisation is the achievement on the record. Conversion is the work in this room.

15.43%

Headline inflation, July 2026

Down from a peak near 34% in November 2024

US$52.66bn

Gross external reserves, 19 Aug 2026

The highest level since January 2009

3.46x

Real fiscal capacity

N19.76trn to N68.32trn in constant 2025 naira

20.31%

Food inflation, July 2026

A sixth consecutive monthly increase

26.50%

Monetary Policy Rate, with CRR at 45%

The hurdle rate for productive investment

63%

Poverty on the national poverty line

About 27 million people food insecure in 2025

Transformation is decided by whether reform converts into productive capacity, investable assets, reliable public services, quality jobs and lower living costs.

Sources: NBS July 2026 CPI, CBN reserve data, Federal Ministry of Finance Reform Scorecard, IMF Article IV 2026, World Development Indicators and Proshare computation.

A slower, more strategic and more expensive world

The low-friction operating environment that shaped corporate strategy before the pandemic is not returning.

1

Economic security is now national security

Governments are again selecting strategic sectors, supporting domestic production, and using access to capital, technology and markets as instruments of power.

2

The AI cycle is reallocating capital

Investment is moving towards data centres, power, chips, connectivity and specialised talent, and away from undifferentiated capacity.

3

Capital is structurally more expensive

Sovereign borrowing, defence, infrastructure and the energy transition compete for the same pool of savings.

The numbers that set the frame

3.0% global growth projected for 2026 by the IMF

Trade merchandise expanding more slowly than services, per the WTO

US$100 a barrel in 2026, from near US$60 in 2025

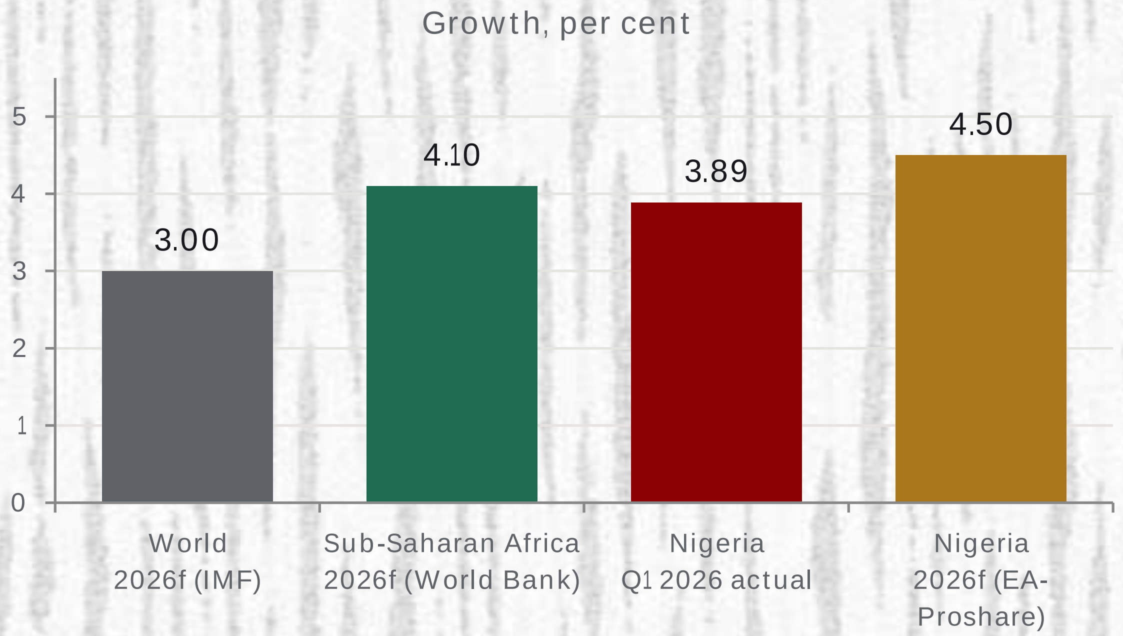
Wealth resides in markets, not in molecules.

Natural resources are no longer sufficient. Value sits in the systems built around them, in intellectual property, data, standards, benchmarks, exchanges, logistics, finance, processing and distribution. Supply chains are being redesigned, and the economies that offer reliability, energy, skills and enforceable contracts will capture activity that was concentrated elsewhere.

Sources: IMF World Economic Outlook briefing, July 2026; WTO Global Trade Outlook, March 2026.

Africa's scale is real. Tradability is not.

The continent grows above the global average, and a treaty alone does not create a market.



The barriers are operational, not rhetorical

Fragmented regulation, weak transport links, slow border processes, uncertain settlement, limited convertibility, thin trade finance, and contracts that are hard to enforce across jurisdictions.

Integration becomes real at the transaction

AfCFTA is commercially meaningful only where a firm can price, finance, ship, settle and enforce across borders with predictable costs and timeframes.

Lagos is one Atlantic hub, not many locations

Ports, aviation, finance, technology, professional services, energy trading, data and a large consumer market, joined into a single platform.

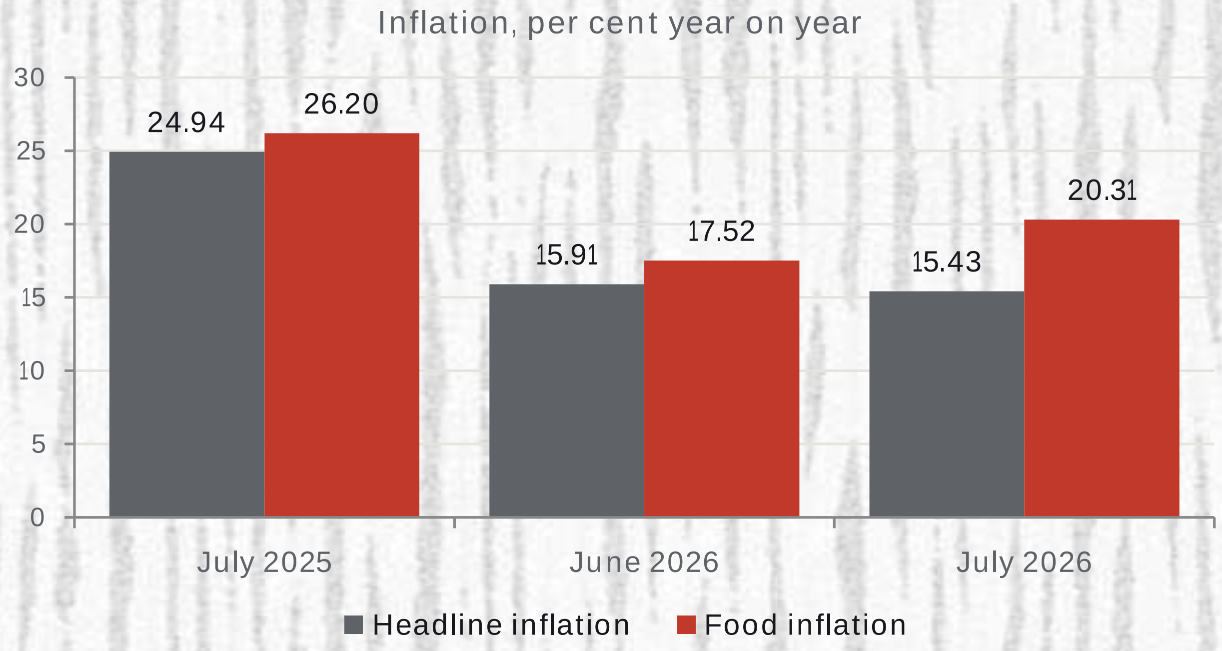
Drill, refine, and then trade, trade, trade, with African talent.

The choice is whether Africa remains a supplier of raw materials, data, talent and markets while others retain the technology and the value, or whether it owns, licenses and prices a larger share of what it contributes.

Sources: IMF, July 2026; World Bank Africa Economic Update, April 2026; African Development Bank African Economic Outlook 2026; NBS; EA-Proshare estimates.

Credible stabilisation, incomplete transmission.

Six corrections since May 2023, and one divergence that decides how the country experiences them.



The six corrections

- Petrol subsidy reform
- Exchange rate unification
- Monetary tightening
- Tax and fiscal reform
- Restraint on Ways and Means
- Bank recapitalisation

Growth in this cycle was not bought by oil.

Real growth averaged 3.4% over three years against about 1% before, while crude moved from near US$60 in 2025 to near US$100 in 2026.

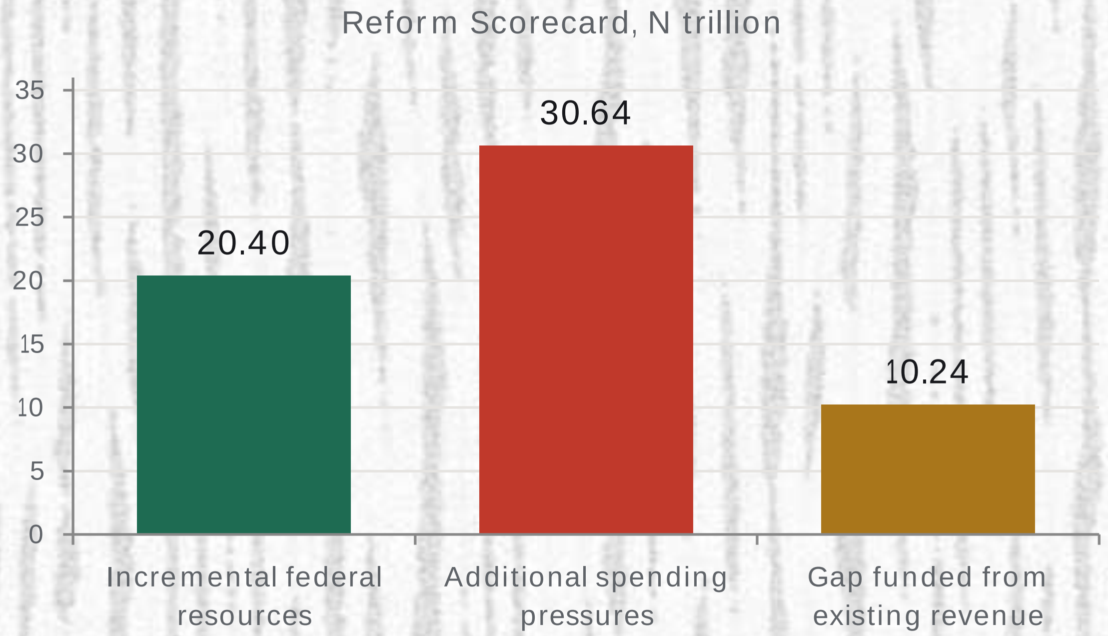
Markets read the period as disinflation. Households read it as food.

Food inflation has risen for six consecutive months, from 8.89% in January 2026 to 20.31% in July, while headline inflation fell. Monetary policy can restrain demand and defend the currency. It cannot produce food or repair a transport corridor.

Sources: NBS Consumer Price Index reports, July 2025 to July 2026; CBN; IMF Article IV 2026.

The fiscal arithmetic behind the headline.

Higher collections have improved the ratio against its 2023 peak, and on the comparable series it remains above its 2022 level.



Where the money came from, and where it went

58% of incremental resources came from borrowing, 27% from the subsidy share and 15% from other revenue

61% of additional spending was absorbed by wage adjustments of N9.39trn and the exchange rate effect on external debt service of N9.37trn

78.8% debt service to federal revenue, up from 61.4% in 2022 on the comparable DMO/CBN series

Consolidation is credible when additional revenue narrows the financing gap, completes projects and lowers the cost of doing business, not when the nominal budget expands.

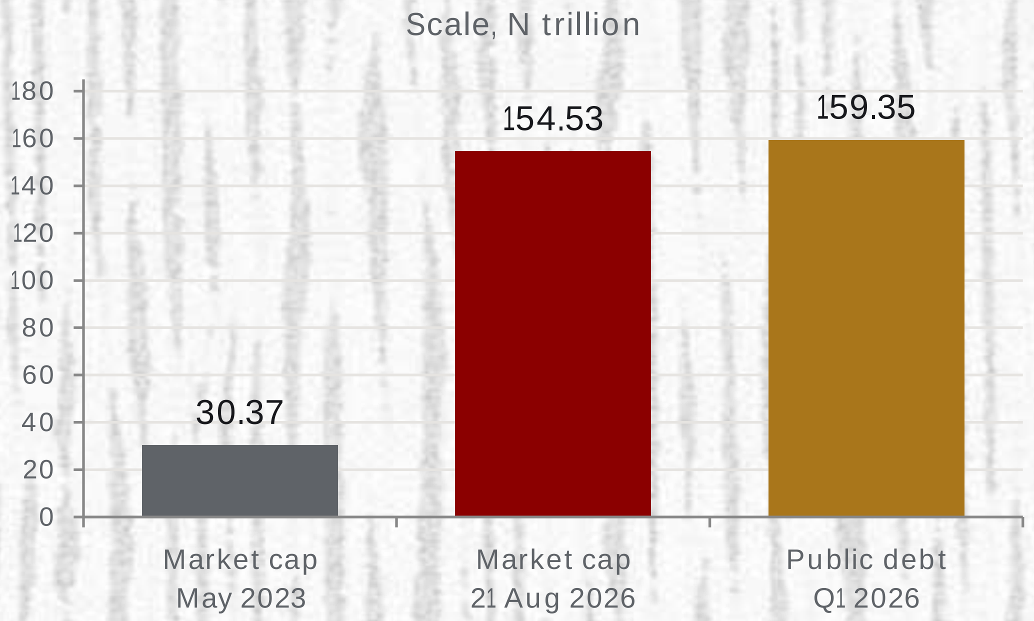
The counterfactual

On the pre-reform trajectory, the subsidy bill was headed towards roughly N53trn and the naira towards N3,500 to the dollar. Twenty-seven states could not reliably pay salaries in May 2023, and at least thirty would have been in distress by 2026.

Source: Federal Ministry of Finance Reform Scorecard, August 2026; DMO; Proshare analysis.

Stronger signals, deeper concentration, an intermediation test.

The market has repriced. Depth is not the same as capitalisation.



Nigeria's equity market is set to exceed the public debt stock for the first time. That crossover raises the standard of stewardship expected of listed boards.

Concentration

Twenty-five companies valued above N1trn accounted for more than 90% of market capitalisation in early August 2026. Concentration and limited free float amplify both gains and losses.

A correction of N5.9trn between 10 and 21 August, from a peak of N160.42trn.

Capital raised, deployment pending

Recapitalisation raised N4.65trn, with 72.55% from domestic and 27.45% from foreign investors, and 33 banks compliant.

The test is where credit lands, not how much capital was raised.

The crowding-out evidence

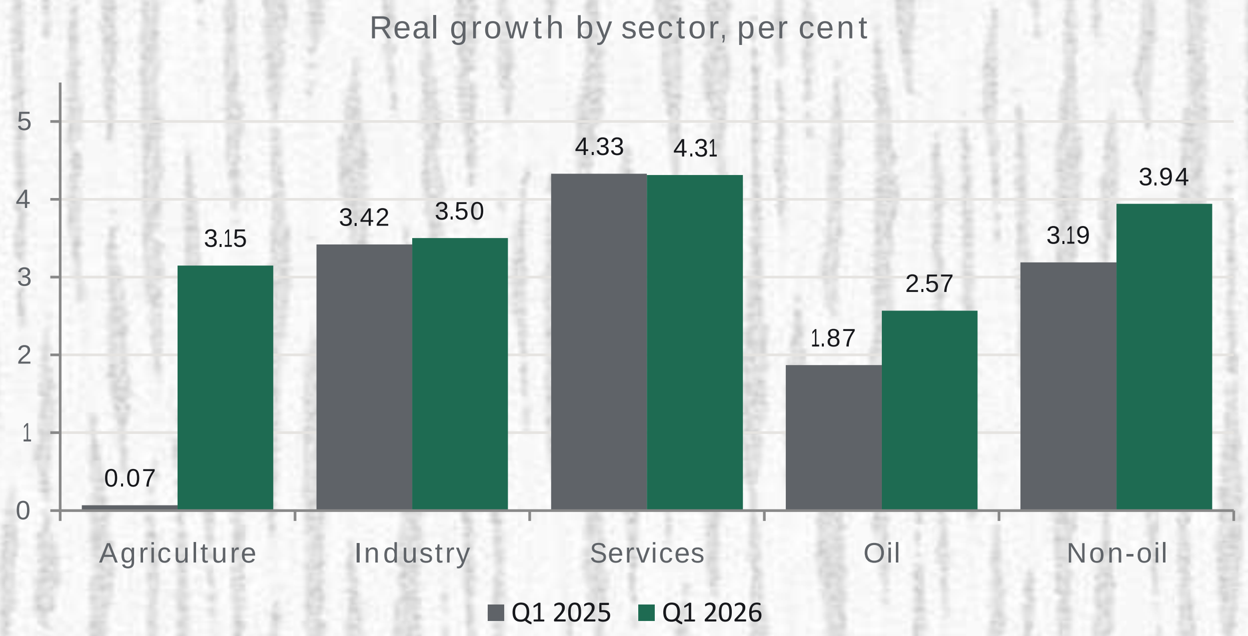
A single OMO offer of N600bn on 13 August 2026 drew subscriptions of N4.9trn and allotments of N2.6trn, at stop rates reaching 20.39%.

Resilience without completed intermediation.

Sources: NGX weekly market report to 21 August 2026; CBN OMO results, 13 August 2026; DMO Q1 2026 public debt; Proshare's computation.

Where reform becomes development

Stabilisation reaches the factory floor and the family budget through output, not through announcements.



The composition of output, Q1 2026

96.08%	*non-oil share of real GDP*
57.73%	*services share of real GDP*
1.55mbpd	*crude output, from 1.62mbpd a year earlier*
50.1	*composite PMI in June 2026*

Transformation occurs when policy, institutions and private capital jointly lower the unit cost of producing and moving goods and services.

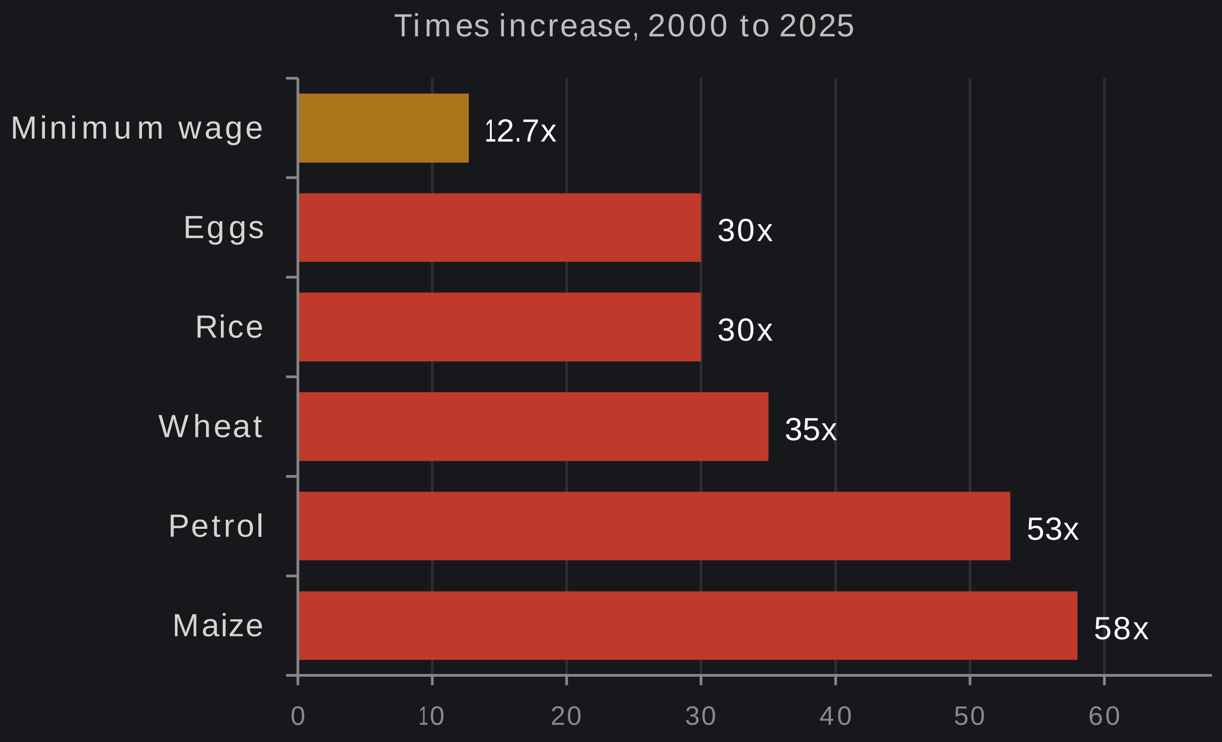
The priority stack

Reliable power. Agricultural security, storage, processing and cold chain. Gas, refining and petrochemicals. Logistics corridors. Digital identity, payments and cloud. Tradable creative, professional and technology services.

Sources: NBS Q1 2026 GDP report; CBN composite PMI, June 2026.

The pain is measurable, and it is long-run

Twenty-five years of staple prices against twenty-five years of the minimum wage.



63%

poverty on the national poverty line, per the IMF

27m

people faced food insecurity in late 2025

N5,500 to N70,000

minimum wage since 2000, a rise of 12.7 times against staples that rose about thirtyfold

Under 10%

of total capital importation since 2023 has been foreign direct investment, with the primary income account in deficit at US$9.09bn in 2025

Sustainable disinflation depends on logistics, energy, agricultural security, storage, processing and competition, not on interest rates alone.

Sources: Proshare twenty-five year staples study; IMF Article IV 2026; World Bank; NBS capital importation and balance of payments data.

The two ledgers a chief executive now carries.

The same transition that creates macroeconomic opportunity changes the operating model of the firm.

OPPORTUNITY

A market reflective exchange rate improves the economics of exports and local sourcing, with the premium near 2%.

A larger financing base N4.65trn of new bank capital and market turnover of N11.98trn in seven months, against N6.01trn a year earlier.

Restored external buffers gross reserves of US$52.66bn reduce the tail risk in planning.

Recovering demand in the productive base agriculture at 3.15% and non-oil growth at 3.94% in Q1 2026.

A wider addressable market AfCFTA and a Lagos hub proposition for firms able to price, ship, settle and enforce across borders.

PAIN

Financing remains expensive a policy rate of 26.50% and a cash reserve requirement of 45% lift the hurdle rate on every project.

Demand is uneven and price sensitive food inflation at 20.31% keeps household budgets under compression.

Sovereign paper outbids the real economy N4.9trn chased a N600bn OMO offer at stop rates reaching 20.39%.

Infrastructure and regulation still add cost power, logistics, security and regulatory overlap remain unpriced taxes on output.

Long-term capital is thin foreign direct investment is under 10% of capital importation since 2023, with primary income in deficit at US$9.09bn.

Sources: CBN, NBS, NGX, DMO and Proshare analysis, data to 21 August 2026.

Disciplined, not defensive.

A firm, like a country, cannot cut its way to greatness. At some point it must build new capacity and new sources of value.

1

Protect liquidity and currency exposure

Treat FX, energy and logistics as core operating variables with owners and limits, not as treasury footnotes.

2

Rework supply chains for resilience

Move value creation closer to the market and price reliability into sourcing decisions.

3

Invest in energy, data and talent

Energy efficiency and enterprise data are the two fastest routes to unit cost reduction at current rates.

4

Build regional routes to market

Design for the transaction, the ability to price, finance, ship, settle and enforce across borders.

5

Run a dual-track portfolio

Launch new engines of growth alongside the core, with the chief executive owning capital allocation, culture and capability.

6

Demand and supply disclosure

Require measurable service standards from government, and disclose corporate outcomes with equal seriousness.

The reform architecture has already made the hard capital allocation decision. What remains is patient capital, the right institutions and culture, and the willingness to disclose outcomes and close what is not working.

Framing draws on McKinsey Quarterly research on new business building, and on Proshare analysis.

Five conversion tests for the CEO room

A year from now the record will be read against these, not against the number of reforms announced.

Conversion test	What success looks like by 2027	The indicator to track
Reform transmission	Policy changes lower the cost, the time and the uncertainty of doing business.	Composite PMI sustained above 50, and shorter port and permit cycles.
Market intermediation	Stronger bank capital reaches manufacturing, agriculture, exports and infrastructure.	Private sector credit growth measured against OMO and treasury allotments.
Productivity	Power, logistics, security and skills raise output per worker and per unit of capital.	Non-oil GDP growth above 5%, and agriculture sustained above 3%.
Household welfare	Food, transport, rent and energy improve in real income terms.	Food inflation falling below headline inflation, and the real minimum wage.
Institutional trust	Outcomes, liabilities and programme data are disclosed on a predictable timetable.	Net reserves, fiscal arrears, subsidy obligations and capital budget execution.

Reform reversal would damage confidence. Reform continuation without visible gains in productivity and household welfare would damage legitimacy.

Source: Proshare Economy and Market Intelligence Unit.

Six numbers to carry back to the boardroom.

Each has a published source, a known release cadence, and a threshold that changes a decision.

Monthly CPI

Food inflation turning below headline

NBS, mid-month release. Currently 20.31% against 15.43%.

Quarterly GDP

Non-oil growth sustained above 4%

NBS, quarterly. Currently 3.94% in Q1 2026.

MPC decisions

The first cut from 26.50%

CBN, bi-monthly. Held at the 306th meeting in July 2026.

Private sector credit

Growth outpacing OMO allotments

CBN money and credit statistics, monthly.

External reserves

Sustained above US$50bn

CBN daily data. US$52.66bn on 19 August 2026.

Market cap against public debt

The crossover above N159.35trn

NGX daily, DMO quarterly. N154.53trn on 21 August 2026.

The discipline is to hold each number against a decision the firm has already taken, and to change the decision when the number moves through the threshold.

Sources: NBS, CBN, NGX, DMO. Thresholds are Proshare's framing.

Disciplined conversion

Neither reversal nor complacency. The practical course is conversion, with owners and dates attached.

The state

Predictable rules, credible data, functioning infrastructure and enforceable contracts. Preserve the gains in price discovery and fiscal discipline, then intensify execution in power, security, logistics, human capital and productive finance.

The market

Allocate capital beyond the easiest sovereign return. Build corporate debt, infrastructure funds, project bonds, commodity exchanges and vehicles that convert pension and insurance assets into long-term productive finance.

The firm

Invest, innovate, regionalise and disclose. Distinguish cost cutting from productivity, and build new capacity rather than waiting for a certainty that never fully arrives.

The next phase must turn stabilisation into productive scale, and productive scale into broadly shared economic security.

Two and a half decades of democratic rule changed Nigeria's economic scale, its policy institutions and its market architecture. They have not resolved the conversion problem. That is the national development test before us, and it is work in which every chief executive in this room holds both a commercial interest and a civic responsibility.

Sources, and how this deck was built.

Every figure is dated and attributed. Where periods are compared, the calculation is Proshare's.

Multilateral

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- Debt Management Office, Q1 2026 public debt

Market and house

- Nigerian Exchange, weekly report to 21 August 2026
- Proshare twenty-five year staples study, 2000 to 2025
- Proshare Reform Scorecard analyst note, August 2026
- EA-Proshare growth and inflation estimates, 2026
- McKinsey Quarterly, new business building research

Prepared by the Proshare Economy and Market Intelligence Unit for the Rotary Club of Ikeja CEO Afternoon, Tuesday, August 25, 2026. Data current to 21 August 2026.

Thank You.

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