Economic & Market
Intelligence UNIT.

The Future of Finance in Nigeria

Building the Architecture for Productive, Trusted and Technology-Enabled Capital.

August 2026

Proshare.

PROSHARE EMIU WHITE PAPER

The Future of Finance in Nigeria

Building the Architecture for Productive, Trusted and Technology-Enabled Capital.

Nigeria's financial system in transition, covering non-interest finance, funding technology, market infrastructure, regulation and institutional capital.

Economic and Market Intelligence Unit
Proshare Nigeria Limited

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Contents

Preface.

Nigeria's financial system has been described in parts. Banking recapitalisation has been treated as a supervisory exercise, non-interest finance as a specialist industry, payment innovation as a technology story, digital assets as a regulatory question, and pension and insurance reform as matters of institutional governance. Each account holds within its own frame. None of them, taken alone, addresses the question that determines whether the system can finance Nigeria's next phase of growth, which is whether these developments together constitute an architecture capable of creating, pricing, owning, transferring and enforcing productive capital at scale. This White Paper was written to test that question against evidence.

The timing follows the evidence. Nigerian banks raised N4.65trn in fresh capital over two years, and 33 institutions met the revised minimum requirements. Non-interest finance closed 2025 at N5.77trn. Pan-African settlement infrastructure reached fifteen countries in live commercial coverage. Digital assets acquired a legal perimeter through the Investments and Securities Act 2025. Headline inflation moderated to 15.91% in June 2026 from 25.29% a year earlier, while the Monetary Policy Rate was held at 26.50% and the Cash Reserve Requirement stood at 45.00%. These figures describe a system carrying more capital, more legal categories, and more connectivity than at any recent point in its history.

What has advanced more slowly is the supply of investable assets, the legal certainty attaching to new forms of ownership, and the eligibility of domestic institutional capital to hold either. That asymmetry is the subject of this paper, and it shapes every section that follows.

Three commitments governed the work.

First, evidence discipline. Every material proposition is placed in one of four positions, being Established, Emerging, Unproven or Must change, and the positions are held apart rather than collapsed into a single narrative. Where a figure could not be independently verified, it is identified as unverified at the point of use rather than adopted. Where evidence contradicts a proposition advanced by an institution, the evidence is reflected.

Second, independence. The paper was researched, written and published on Proshare's own account, and no institution holds editorial rights over it. An Executive Intelligence Forum convened in Lagos on 30 July 2026 under the theme "Beyond Interest. The Future of Finance" is treated here as an expert consultation whose propositions are examined as evidence for testing. The paper is not a report of that session and does not depend on it. Appendix A records the consultation.

Third, usable specificity. Findings that cannot be acted upon are of limited value to the institutions that must act. Sections 15 and 16 set out recommendations in five tiers together with an implementation matrix that identifies the responsible institution, the instrument required and the sequence in which steps should be taken. Appendix B records the verification status of the principal claims examined.

Readers coming to the paper for the first time will find the Executive Summary and the Priority Sequence sufficient for orientation. Readers concerned with a single market will find self-contained treatment in Sections 3 through 11. Readers carrying institutional decisions will find the material most directly relevant to them in Sections 13 through 16.

The conclusion the evidence supports is specific. Nigeria's difficulty lies in converting available capital, technology and legal innovation into prepared, priced, enforceable and measurable productive assets. The actions required are predominantly institutional, legal, and administrative; they rely largely on existing institutions, and their cost rises with delay.

Proshare has spent close to two decades reporting on and interrogating Nigeria's capital market independently. This White Paper continues that work. We invite policymakers, regulators, institutional investors, banks, market infrastructure providers and corporate leaders to test its evidence, challenge its positions and act on the parts they find sound.

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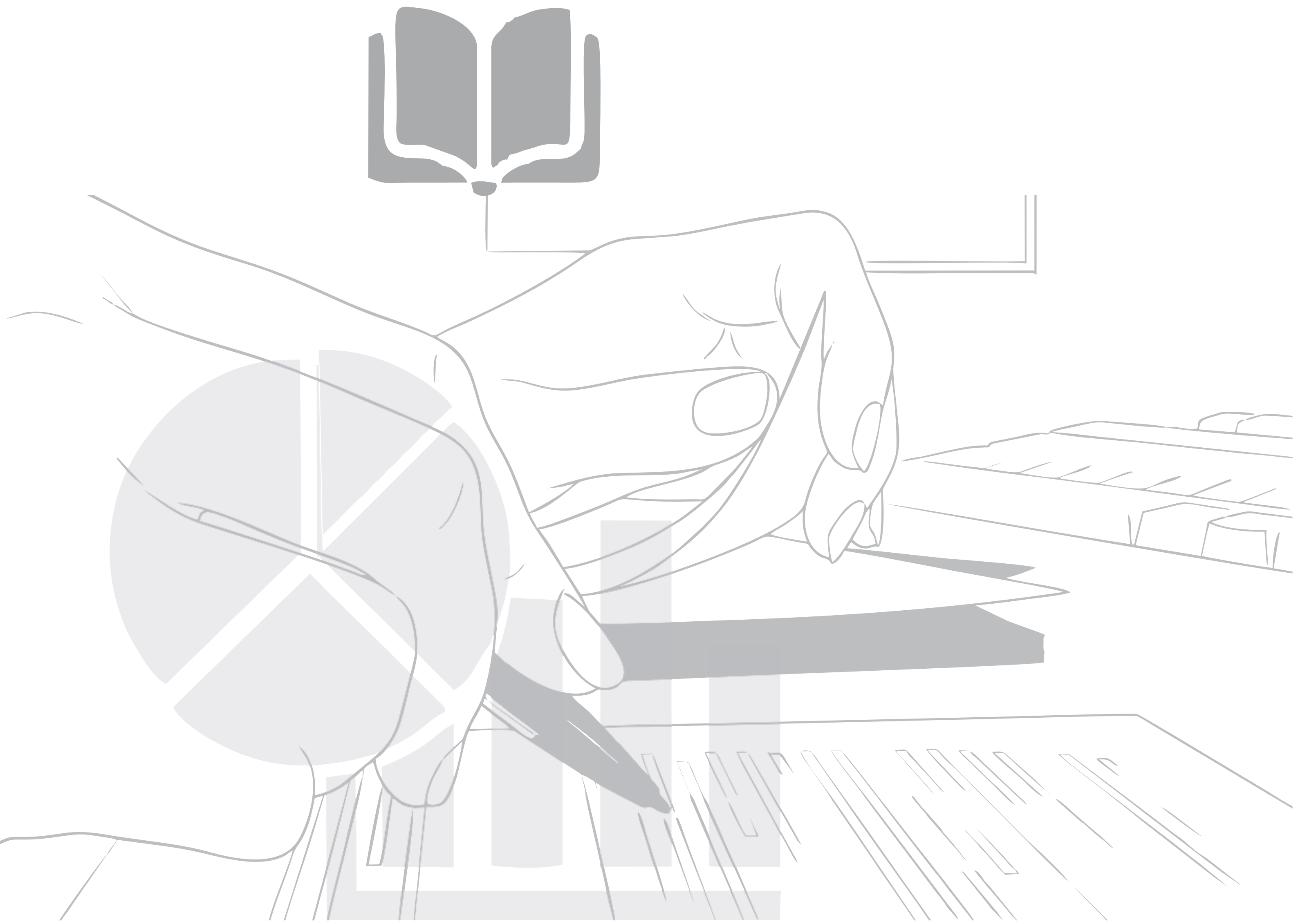
Founder and Chairman
Proshare Nigeria Limited
Lagos, 14 August 2026

Executive **Summary**.



Executive **Summary**.

Nigeria's financial system is in transition. Banking recapitalisation has rebuilt capital buffers, non-interest finance has grown into a distinct industry, digital payment and settlement infrastructure has extended across borders, alternative funding structures have entered the sub-national and corporate markets, digital assets have acquired a legal perimeter, and investor expectations have moved from nominal yield toward durable real return. These developments are usually discussed separately. They are components of one transition, and this White Paper examines where that transition leads.

This White Paper examines the architecture required for Nigeria's financial system to produce productive, trusted and technology-enabled capital. Capital allocation is one component of that architecture. Recent macroeconomic stabilisation efforts have improved operating conditions, while the transmission to productive investment remains incomplete and reflects monetary, structural, institutional and market factors.

Six propositions organise the paper.

First, the transition is real and unevenly distributed. Nigerian banks raised N4.65trn of fresh capital across two years, with 33 institutions meeting revised minimum requirements, and the nine largest held N220.6trn of assets and N141.72trn of customer deposits of September 2025. Non-interest finance closed 2025 at N5.77trn. Digital settlement extended to fifteen countries in live commercial coverage. Digital assets became securities in law. What has not moved at comparable speed is the supply of investable assets, the legal certainty attaching to new forms of ownership, and the eligibility of domestic institutional capital to hold either.

Second, macroeconomic stability defines the operating environment for the next phase of financial development. Headline inflation stood at 15.91% in June 2026, down from 25.29% a year earlier; the Monetary Policy Rate was held at 26.50% at the 306th meeting on 20 and 21 July 2026; and real growth rose to 3.89% in the first quarter. Consultation-sourced indicators also point to limited formal credit access among MSMEs and high borrowing costs for manufacturers; the verification status of these indicators is set out in Section 2. The Cash Reserve Requirement (CRR) of 45.00% also reduced the balance-sheet resources available for allocation.

Third, non-interest finance is developing into a broader financing ecosystem. Non-interest banking assets scaled to N3.78trn across four banks; the non-interest capital market stood at N1.6trn, with sovereign Sukuk supplying N1.19trn; and five Takaful operators and twenty Shariah-compliant funds complete the industry. Partnerships, profit-sharing, lease, and construction-linked contracts can support financing structures for infrastructure, housing, energy, trade, and asset-light enterprises. The sector remains at approximately 1.7% of Nigerian banking assets, with instrument supply identified in this paper as a material constraint alongside market demand and regulatory development.

Fourth, funding technology is distinct from financial technology and represents an important part of the productive-capital agenda. Nigeria has developed technology that improves payments, distribution and customer interfaces more rapidly than the structures used to originate, underwrite, own, distribute and finance assets. Sukuk, private credit, project vehicles, securitisation, guarantees, receivables finance, blended capital, tokenised instruments and digitally distributed assets are at different stages of legal and market development, with gaps in issuance precedent, valuation standards and eligible institutional holders.

Fifth, market infrastructure and trust are necessary for institutional scale. Exchanges, depositories, clearing, settlement, custody, trusteeship, registrars, digital identity, credit information and market data operate as parts of a connected architecture, making interoperability a central requirement. Valuation integrity, legal title, beneficial ownership, disclosure, cyber resilience, enforcement and recourse are additional conditions. Asset backing reduces risk only where valuation, title, liquidity and enforcement are reliable; Nigerian real-asset markets continue to show limitations in price discovery, independent valuation practice, title certainty and enforcement speed.

Sixth, institutional capital is central to market scale. Pension funds, insurers, asset managers, development finance institutions, and sovereign and sub-national vehicles are the pools capable of supporting larger financing structures. The investment rules reviewed for this paper do not expressly permit tokenised instruments and offer more limited scope for private credit and unlisted exposure. Published eligibility and prudential treatment from the relevant regulators would clarify the conditions for participation by these pools.

The paper also records what the evidence establishes and what it contradicts in certain claims in circulation. Lagos State's N244.815bn dual issuance has been verified, while the published project pipeline detailing the sponsor, cost, risk allocation, and financial close date could not be located. PAPSS live commercial coverage extends to 15 African countries, compared with 28 connected in some form, and the continent-wide transaction value is not published. Tokenised real-world assets stood at approximately US$31bn in July 2026, and the US$3trn figure recently cited as the 2026 market size is not supported by any measured series. Standing Deposit Facility (SDF) totals of the order of N128.9trn in a month are aggregates of repeated overnight placements rather than a stock of idle cash.

Table 1

WHAT IS ESTABLISHED, EMERGING, UNPROVEN AND WHAT MUST CHANGE.

Element	Position	Basis
Banking recapitalisation	**Established**	N4.65trn raised across two years, 33 institutions meeting revised minimums
Macroeconomic stabilisation	**Established**	Inflation, policy rate and growth series verified to June and July 2026
Sub-national capital-market access	**Established**	Lagos N244.815bn dual issuance listed 9 February 2026
Sovereign Sukuk as an asset-backed class	**Established**	N1.092trn across six issuances to December 2023, consistently oversubscribed
Non-interest finance as an industry	**Emerging**	N5.77trn total, N3.78trn banking assets, approximately 1.7% of banking assets
Cross-border local-currency settlement	**Emerging**	Live commercial coverage in 15 countries, utilisation not published
Digital-asset legal perimeter	**Emerging**	Investments and Securities Act 2025, Executive Order of 17 July 2026, operating rules unpublished
Funding technology instrument set	**Emerging**	Instruments exist in law, issuance precedent limited outside the sovereign
Transmission of stability to households and enterprises	**Unproven**	Poverty rose as inflation fell, 4% MSME formal credit access
Commercial outperformance of risk-shared structures	**Unproven**	No comparable Nigerian non-performing financing series published
Secondary liquidity in tokenised instruments	**Unproven**	No Nigerian tokenised instrument with observable two-way pricing located

Table 1 continue

Element	Position	Basis
An integrated operating stack	**Unproven**	Eleven integration conditions tested, none satisfied
Legal certainty on title, finality and netting	**Must change**	Precondition for every instrument proposition examined
Institutional investment eligibility	**Must change**	Largest domestic pools cannot presently hold new instrument classes
Instrument supply beyond sovereign paper	**Must change**	Sovereign Sukuk supplies approximately 74% of the non -interest capital market
Market-infrastructure interoperability and disclosure	**Must change**	Availability, incident and utilisation data not published

Source: Proshare Research analysis of sources cited throughout this paper.

The paper concludes that four capacities will shape Nigeria's future financial architecture, being the capacity to create investable assets, to broaden the instruments through which they are financed, to connect domestic and regional capital through reliable market infrastructure, and to adapt regulation to new forms of ownership, settlement and risk. Non-interest finance and funding technology are emerging as important components of that transition, and scale will depend on institutional capital, trusted infrastructure and enforceable rules.

The Priority Sequence

The architecture requires sequencing because several later steps depend on earlier legal, eligibility and market-infrastructure foundations. Six priorities follow from the evidence in this paper.

First, legal certainty. Clear rules are required for the governing record of title, settlement finality and the enforceability of close-out netting. The appropriate mix of legislation, regulation and judicial clarification should be determined against the existing legal framework before new instruments are scaled.

Second, institutional eligibility. Published determinations by pension and insurance regulators are required to establish whether large domestic pools may participate in new instrument classes and on what terms. In their absence, instrument design can proceed without a sufficiently defined eligible investor base.

Third, instrument supply. A standardised corporate and sub-national Sukuk template, a first issue by a non-financial corporate and a fourth state issue convert instruments that exist in law into instruments that exist in the market.

Fourth, market-infrastructure interoperability. Common instrument identification, custody standards, disclosure taxonomy and data formats allow an asset to move between venues without leaving the protection under which it was issued.

Fifth, asset creation. Prepared project registers at federal and state level convert policies into pipelines, and this can proceed in parallel because it depends on none of the preceding four.

Sixth, measurement. Corridor-level settlement utilisation, sectoral credit extension, comparable non-interest performance data and infrastructure availability reporting would allow participants and supervisors to assess actual market development.

Nigeria is presently building in approximately the reverse order, with platforms, capital requirements, and coordination structures established ahead of legal certainty and institutional eligibility. The consequence is that early participants absorb legal uncertainty that later rule-making will resolve. The position is recoverable, and the cost of recovery rises with delay.

About This White Paper

About This White **Paper.**

About This **White Paper**.

Purpose and Scope

The paper examines the financial architecture Nigeria requires to produce productive, trusted and technology-enabled capital at scale.

Four subordinate tests follow from it. Whether policy produces investable assets. Whether capital allocation directs savings toward productive use. Whether market infrastructure permits new instruments to be held, valued, transferred and enforced. Whether regulation and institutional mandates permit domestic capital of size to participate.

It is written for policymakers, regulators, institutional investors, banks, development finance institutions, capital market operators, corporate leaders, professional advisers, and financial market infrastructure providers.

Method and Evidence Standard

Research combined desk review of primary law, regulation and official statistics with quantitative analysis of published financial and market data, and with expert consultation.

Material claims were tested against the Central Bank of Nigeria (CBN), the National Bureau of Statistics (NBS), the Debt Management Office (DMO), the Securities and Exchange Commission (SEC), the Nigerian Exchange (NGX), PAPSS, Afreximbank, the Islamic Financial Services Board, the World Bank, the International Monetary Fund (IMF) and Lagos State Government publications, supplemented by transaction documentation and contemporaneous reporting where primary material was unavailable.

Every material proposition is placed in one of four positions, and the positions are not collapsed. **Established** means supported by independently verifiable evidence. **Emerging** means the direction is supported, but the scale, depth, or durability has not yet been demonstrated. **Unproven** means the proposition is coherent and the evidence required to test it does not currently exist. **Must change** means a specific institutional action is required before the preceding categories can advance.

Where a figure could not be independently verified, it is identified as such at the point of use rather than adopted. Where evidence contradicts a proposition, the evidence is reflected. Where a proposition cannot yet be tested, the paper states this and specifies the primary work needed to close the gap.

Independence

This is an independent Proshare EMIU White Paper, researched, written and published on Proshare's own account. No institution holds editorial rights over it. An Executive Intelligence Forum held on 30 July 2026 in Lagos under the theme "Beyond Interest. The Future of Finance" is treated as an expert consultation that informed the research. Propositions advanced at that session are examined here as expert evidence for testing, and Appendix A records the consultation. The paper is not a report of that session and does not depend on it.

Institutional claims examined in this paper are treated as issuer claims pending independent verification. Where verification succeeded, the claim is adopted with its source. Where it did not, the paper says so and does not adopt the figure.

CHAPTER 1

Nigeria's Financial System in **Transition**.

1.1 The Transition Already Underway

Seven changes have occurred in the Nigerian financial system within approximately three years, and each is conventionally analysed in isolation.

First, banking recapitalisation. Nigerian banks raised N4.65trn of fresh capital across two years, with 33 institutions meeting revised minimum requirements set by the Central Bank of Nigeria. The nine largest banks held total assets of N220.6trn at September 2025 against N198.4trn at the 2024 financial year end, with customer deposits of N141.72trn. Gross earnings across tier-one lenders rose 7.69% to N18.2trn in 2025. Aggregate profit after tax across ten commercial banks fell 11.9% to N4.26trn as regulatory forbearance was withdrawn and impairments were recognised, and average return on equity fell to 24% from 31.7%. The sector is better capitalised and less profitable, which is the intended consequence of the exercise.

Second, the growth of non-interest finance. The industry closed 2025 at N5.77trn, comprising N3.78trn of banking assets across four banks, the N1.6trn non-interest capital market, five takaful operators and twenty Shariah-compliant funds.

Third, digitalisation of the customer interface. Electronic banking revenues across the largest institutions rose to N685.5bn from N628.4bn, and Nigeria's position in digital-asset activity is substantial, with the International Monetary Fund's 2026 Article IV assessment estimating that Nigeria accounted for approximately 60% of stablecoin inflows to sub-Saharan Africa.

Fourth, alternative funding structures entering the sub-national and corporate markets. Lagos State completed the N244.815bn dual issuance including Nigeria's first sub-national certified green bond. Corporate issuance has continued in a high-rate environment, with UACN listing a seven-year N54.03bn bond at 17.35%. Sovereign Sukuk has raised N1.092trn across six issuances since 2017, funding more than 4,100 kilometres of roads and nine bridges.

Fifth, regional payment integration. The Pan-African Payment and Settlement System extended to Kenya through Pesalink in February 2026, launched a bi-directional Nigeria to Ghana wallet corridor in the same month, and recorded the accession of the Bank of Central African States on 9 July 2026.

Sixth, new asset classes acquiring a legal perimeter. The Investments and Securities Act 2025 classified digital assets as securities. A Securities and Exchange Commission circular of January 2026 set category-specific minimum capital from N300m to N2bn with compliance due by 30 June 2027. Nine virtual-asset service providers held conditional Approval-in-Principle by 3 July 2026, and a Virtual Asset Council chaired by the Central Bank of Nigeria was established by Executive Order on 17 July 2026.

Seventh, changing investor expectations. Sovereign Sukuk has been consistently oversubscribed since a debut N100bn offer drew N105.878bn in 2017, with cumulative subscriptions reported at N2.205trn. Lagos State's green bond attracted N29.29bn against an offer of N14.815bn and its conventional tranche drew a book reported at N310.06bn against an initial N200bn offer. Foreign investment inflows were reported at US$10.4bn in the first quarter of 2026, an increase of 84%, and this figure is drawn from secondary reporting and was not independently verified for this paper. The pattern across these transactions is a preference for identified assets, disclosed use of proceeds and traceable outcomes.

Table 2

THE TRANSITION ALREADY UNDERWAY.

Dimension	Evidence	Position
Banking recapitalisation	N4.65trn raised, 33 institutions compliant, return on equity down to 24%	Established and complete
Non-interest finance	Industry at N5.77trn, banking assets N3.78trn, four banks	Established and small
Digital customer interface	Electronic banking revenue at N685.5bn, substantial stablecoin activity	Established and outside the perimeter
Alternative funding structures	Lagos N244.815bn including first sub-national green bond, sovereign Sukuk at N1.092trn	Emerging, concentrated in public issuers
Regional payment integration	Live commercial coverage in 15 countries, 28 connected, utilisation unpublished	Emerging, unmeasured
New asset classes	Digital assets classified as securities, nine conditional approvals, Council established	Emerging, operating rules unpublished
Investor expectations	Consistent oversubscription of asset-linked and use-of-proceeds instruments	Established

Source: Proshare Research analysis: Central Bank of Nigeria; Debt Management Office; Securities and Exchange Commission; Nigerian Exchange; PAPSS; International Monetary Fund.

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1.2 Gaps in the Transition

The seven changes above strengthen the supply side of the financial system through capital, technology, legal categories and connectivity. They do not by themselves expand the pipeline of investable assets.

Formal bank credit reaches approximately 4% of an estimated 40 million micro, small and medium enterprises. Manufacturers borrowed at an average of 35.5% in 2024, and manufacturing investment contracted. Sovereign Sukuk supplies approximately 74% of the non-interest capital market, and only three of thirty-six states have issued. No corporate Sukuk from a non-financial issuer was located. No Nigerian tokenised instrument with observable two-way secondary pricing was located. No published sub-national project pipeline with sponsor, cost, risk allocation, and financial close date was found.

A better-capitalised banking system, a growing non-interest sector, a functioning settlement rail and a legal perimeter for digital assets are the preconditions for a new financial architecture. They are not the architecture.

1.3 The Argument of This Paper

Nigeria's future financial architecture will be determined by four capacities. The capacity to create investable assets. The capacity to broaden the instruments through which those assets are financed. The capacity to connect domestic and regional capital through reliable market infrastructure. The capacity to adapt regulation to new forms of ownership, settlement and risk.

Non-interest finance and funding technology are emerging as important components of that transition. Whether they reach scale depends on institutional capital, trusted infrastructure and enforceable rules, and sections 8 to 11 examine each in turn.

Capital allocation is examined next as part of the economic environment within which the future financial system must operate.

CHAPTER 2

Macroeconomic Stability and the **Capital Allocation Test.**

2.1 The Environment

Table 3

NIGERIAN MACROECONOMIC POSITION

Dimension	Evidence	Position
Banking recapitalisation	N4.65trn raised, 33 institutions compliant, return on equity down to 24%	Established and complete
Non-interest finance	Industry at N5.77trn, banking assets N3.78trn, four banks	Established and small
Digital customer interface	Electronic banking revenue at N685.5bn, substantial stablecoin activity	Established and outside the perimeter
Alternative funding structures	Lagos N244.815bn including first sub-national green bond, sovereign Sukuk at N1.092trn	Emerging, concentrated in public issuers
Regional payment integration	Live commercial coverage in 15 countries, 28 connected, utilisation unpublished	Emerging, unmeasured
New asset classes	Digital assets classified as securities, nine conditional approvals, Council established	Emerging, operating rules unpublished
Investor expectations	Consistent oversubscription of asset-linked and use-of-proceeds instruments	Established

See also Proshare, disinflation and food prices, June 2026.
Source: National Bureau of Statistics; Central Bank of Nigeria, Monetary Policy Decisions; Debt Management Office.

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The tightening cycle began in February 2024, peaked at 27.50%, and was reduced by 50 basis points to 26.50% in February 2026. Price stabilisation of this order is a substantial achievement, and it is close to the limit of what monetary policy alone can deliver.

2.2 Disinflation and the Price Level

The World Bank's Nigeria Development Update recorded poverty at 56% in 2023, 61% in 2024 and 63% in 2025. Headline inflation declined from 25.29% in June 2025 to 15.91% in June 2026, a reduction of 9.38 percentage points. Disinflation reduces the rate of price increase; it does not reverse the accumulated price level. The Consumer Price Index stood at 143.0 in June 2026.

Food inflation stood at 17.52% in June 2026. Its household impact is material because food carries a large weight in lower-income household expenditure. Kogi State recorded food inflation of 53.02% year-on-year in June 2026, Niger recorded 43.83%, and Benue recorded 40.83%. A 2026 poverty projection of 62%, or approximately 141 million people, was cited during the research and is treated here as a forecast rather than an observation.

see - 2.3 The Enterprise Position

2.3 The Enterprise Position

Table 4

NIGERIAN MSME AND MANUFACTURING CREDIT POSITION.

Metric	Value	Attribution and Status
Number of MSMEs	**Approximately 40 million**	Widely cited and consistent across sources
Share of gross domestic product	**Over 50%, cited elsewhere as 48%**	Source inconsistency, not resolved
Share of employment	**Nearly 70%**	Consultation proposition, not independently re-verified
Share with formal bank credit	**Approximately 4%**	Attributed to Stears MSME lending research
Estimated funding gap	**Approximately US$236bn**	Attributed to Stears, 2026, methodology not published
Typical SME lending rate	**Above 30% per annum**	Attributed to Central Bank weekly disclosure, January 2026
Average manufacturer lending rate	**35.5% in 2024, from 28.06% in 2023**	Attributed to Manufacturers Association of Nigeria
Manufacturers' self-generated power spend	**N1.11trn in 2024**	Attributed to Manufacturers Association of Nigeria
Informal businesses that have never borrowed and do not intend to	**51%, from 30% the previous year**	Attributed to Moniepoint Informal Economy Report 2025

Contextual reference, Proshare Country Watch, Q2 2026.

Source: Expert consultation materials, 30 July 2026, with attribution and verification status as stated.

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If the cited finding is accurate, it indicates a measure of credit-demand withdrawal alongside supply constraints. A credit market in which many potential borrowers do not apply cannot be addressed through supply expansion alone. The financing propositions examined in this paper, therefore, require consideration of formalisation costs, prior credit experience, and the borrower's willingness to seek formal finance.

2.4 The Allocation Test

Nigeria has substantial liquidity and expensive credit. The proposition that this constitutes an allocation problem is supported in direction and requires correction in arithmetic.

Standing Deposit Facility (SDF) figures cited during the research ran from approximately N52.6trn in January 2026 to approximately N128.9trn in March 2026, remaining above N87trn through June. Those figures cannot represent a stock of idle balances, because the nine largest banks held customer deposits of N141.72trn as of September 2025 and a parked balance of N128.9trn would exceed 90% of that base. SDF placements are overnight and aggregate across business days, so a monthly total of N128.9trn across approximately 21 business days implies average daily placement of the order of N6trn.

On an average-daily basis, the SDF figures are materially smaller than the monthly aggregates. The crowding effect, therefore, depends on relative prices rather than on the total monthly placement. A treasurer comparing a 22.00% risk-free overnight placement with credit-exposed term lending above 30% must also account for default probability, loss given default, monitoring costs, capital consumption, and enforcement uncertainty. The Cash Reserve Requirement also affects the available balance sheet, since 45.00% of applicable deposit money bank liabilities is sterilised before an allocation decision is taken.

Table 5

COMPETING CLAIMS ON BANK LIQUIDITY.

Claim on Liquidity	Nature	Displaceable by Policy
Cash Reserve Requirement at 45.00%	**Regulatory sterilisation**	Yes, by regulatory decision, with inflation consequences
Liquidity ratio at 30.00%	**Prudential requirement**	Partially, with financial-stability consequences
Federal Government securities at 18.34% to 18.40%	**Voluntary, credit-risk-free, capital-efficient**	Only by reducing sovereign issuance or yields
Standing Deposit Facility at 22.00%	**Voluntary, overnight, zero risk**	Yes, by corridor adjustment or volume capping
Foreign-currency positions and trade finance	**Commercial**	Limited
Credit-risk judgement on available borrowers	**Commercial**	Only by changing borrower risk or transferring it

Source: Proshare Research analysis; Central Bank of Nigeria parameters as at July 2026.

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The policy options in Table 5 affect different parts of the liquidity decision and carry different trade-offs. This limits the extent to which corridor policy alone can alter productive credit outcomes and supports the paper's wider focus on instruments, assets, infrastructure, regulation and eligibility.

2.5 Transmission Constraints

Table 6

TRANSMISSION BLOCKAGES AND INSTITUTIONAL OWNERSHIP.

Blockage	Mechanism	Institution That Owns the Constraint
Deposit sterilisation	Cash Reserve Requirement at 45.00%	Central Bank of Nigeria
Risk-free absorption	Standing Deposit Facility at 22.00%	Central Bank of Nigeria
Sovereign crowding	Bond auctions clearing at 18.34% to 18.40%	Debt Management Office and Federal Ministry of Finance
Information asymmetry	Absence of audited accounts in most MSMEs	Corporate Affairs Commission, Nigeria Revenue Service, operators
Collateral and enforcement	Weak title, slow perfection, uncertain realisation	State land registries, judiciary
Absent prepared assets	Policy documents without costed, sponsored, permitted projects	Federal and state governments
Instrument scarcity	Long-tenor and compliant asset pools concentrated in sovereign paper	Securities and Exchange Commission, issuers
Institutional ineligibility	Investment regulations do not provide for new instrument classes	National Pension Commission, National Insurance Commission

Source: Proshare Research analysis

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Six of these eight constraints sit with the state or its agencies and two are shared with market participants. The largest share of the addressable constraint, therefore, lies within public-sector control and requires neither new capital nor new technology.

Nigeria does not publish, with sufficient frequency or granularity, the sectoral distribution of new credit extensions relative to sectoral contributions to gross domestic product. The Central Bank of Nigeria and the National Bureau of Statistics can close that gap.

2.6 Policy Options

First, narrowing the SDF corridor would reduce the return on overnight placement without changing the policy rate. Some displaced liquidity could move to Federal Government securities and Open Market Operation bills, which remain low-credit-risk alternatives. Corridor adjustment, therefore, changes relative returns but does not, by itself, ensure additional productive lending.

Second, tiering SDF access by volume could preserve the facility's liquidity-management role while reducing the marginal return from very large overnight placements. Calibration to institution size would be required to limit unintended pressure on smaller banks.

Third, partial credit guarantees and first-loss structures change the risk-adjusted return without any change in the policy rate. Design must retain meaningful originator risk, and contingent liability accumulates on the sovereign balance sheet.

Fourth, recognition of cash-flow-based and transaction-data underwriting for a defined tranche opens credit to asset-light firms, and requires simultaneous attention to data protection, concentration among a few data holders and untested model risk.

Fifth, accounting literacy and formalisation incentives address information asymmetry at the source.

Sixth, structural cost reduction in energy, logistics and agricultural supply addresses conditions no policy rate can offset.

Measures three to six change the risk-adjusted return on productive lending. Measures one and two change only the return on the alternative.

see - CHAPTER 2

CHAPTER 3

The Rise of **Non-Interest Finance.**

3.1 From Specialist Proposition to Financing Ecosystem

Non-interest finance in Nigeria began as a licensed banking category and has become an industry with four component markets. Fifteen years after the first full non-interest banking licence, the sector comprises banking, capital markets, Takaful and collective investment, and its growth rate is the highest in Nigerian financial services while its share remains the smallest.

Table 7

NIGERIA'S NON-INTEREST FINANCE INDUSTRY AT END-2025.

Component	Value	Share
Total industry	N5.77trn	100.0%
Non-interest banking assets	N3.78trn	65.5% of industry
Non-interest capital market	N1.60trn	27.7% of industry
Sovereign Sukuk within the capital market	N1.19trn	74.4% of capital market
Non-interest banking share of total Nigerian banking assets, 2024	Approximately 1.7%	Not applicable
Operators	4 banks, 5 takaful operators, 20 Shariah - compliant funds	Not applicable

See also Securities and Exchange Commission, development of the non-interest capital market.

Source: 'Proshare Research, Nigerias non-interest finance industry; industry reporting; institutional disclosure.

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Institution-level growth is strong. TAJ Bank reported total assets rising 41% to N1.34trn from N953bn, with pre-tax profit up 74%. Jaiz Bank reported a pre-tax profit of N14.7bn for the first half of 2025, up 27.64%, driven by income from financing contracts of N19.6bn, comprising Murabaha at N13.8bn and Ijara at N4.7bn. The Alternative Bank reported plans in January 2026 to expand from 130 locations to 500.

If non-interest banking assets compounded at 40% annually for five years while conventional banking assets remained unchanged, the non-interest share would rise from approximately 1.7% to about 8.5% of total banking assets. This is a mechanical scenario rather than a forecast, since conventional banking assets will also change over the period.

3.2 Economic Features of the Contract Forms

The relevance of non-interest finance to the future of Nigerian finance lies in the economic structure of its contract forms.

Conventional lending imposes a fixed periodic charge that can begin before an enterprise or asset generates revenue, creating financing pressure during build or early operating phases. Non-interest contracts are structured differently. Musharakah and Mudarabah are partnership and profit-sharing structures that, in economic substance, function like venture equity and revenue sharing. Ijara finances an identifiable asset against its own utilisation. Istisna finances construction or manufacture to order, disbursing against completion. Murabaha and Salam finance goods and forward delivery against verified trade flow.

That distribution maps onto the assets Nigeria most needs financed. Infrastructure and housing require long tenor and completion-linked disbursement. Energy and logistics assets are lease-financeable against utilisation. Trade and receivables suit cost-plus and forward structures. Asset-light enterprises suit profit-shared rather than collateral-dependent arrangements.

A second, more testable proposition holds that risk-shared structures place a financier closer to the customer's underlying activity, requiring the institution to understand how value is created and where risk lies, thereby sharpening credit decisions. This identifies an informational advantage rather than a preference. It is not currently testable in Nigeria because no comparable published series of non-performing financing ratios, loss-given-default outcomes, or recovery rates exists for non-interest institutions against conventional peers on a like-for-like sectoral and vintage basis. The paper records the proposition as unproven with a strong prior and identifies the series as the most valuable single research gap in the field.

3.3 The Four Component Markets

First, non-interest banking. Four institutions hold N3.78trn of assets. Capital requirements and regulatory clarity have improved, and the constraint is the pool of compliant assets available for liquidity management and portfolio diversification rather than deposit gathering.

Second, the non-interest capital market. At N1.6trn it is dominated by sovereign Sukuk at N1.19trn, approximately 74%. Only three of thirty-six states have issued Sukuk since 2013. The corporate Sukuk market is described by EnterpriseNGR as largely untapped.

Third, Takaful. Five operators are licensed and the segment lacks a published baseline for gross written premium and market penetration, which prevents any assessment of depth or trajectory.

Fourth, Shariah-compliant collective investment. Twenty funds operate, and their capacity to grow is bounded by the same compliant-asset scarcity that constrains bank liquidity management.

3.4 The Pathway to a Broader Financing Ecosystem

Table 8

PATHWAY FROM SEGMENT TO FINANCING ECOSYSTEM BY SECTOR.

Sector	Financing Requirement	Suited Structure	What Must Exist
Infrastructure	Long tenor, completion-linked disbursement, availability or usage revenue	Istisna into Ijara, project Sukuk	***Prepared projects, revenue certainty, credit enhancement***
Housing	Long tenor, staged construction, mortgage take-out	Istisna, diminishing Musharakah	***Title perfection, foreclosure speed, refinance vehicle***
MSMEs and trade	Short tenor, cash-flow-linked, collateral-light	Murabaha, Salam, receivables finance	***Cash-flow underwriting recognition, transaction-data sharing***
Energy and distributed power	Asset-financeable against utilisation	Ijara, lease-backed securitisation	***Movable collateral registry, offtake contracts, meter data***
Sub-national projects	Long tenor, ring-fenced revenue	Sub-national Sukuk, project bonds	***Standardised issuance template, revenue segregation, disclosure***
Digital and payment infrastructure	Capital-intensive revenue-generating assets	Corporate Sukuk, asset-backed leasing	***Issuance precedent from non-financial corporates, valuation standards***

Source: Proshare Research analysis

Proshare.

Four developments would provide evidence of deeper market development: a corporate Sukuk issued by a company outside financial services; a fourth state Sukuk extending beyond road financing; a Takaful roadmap from the National Insurance Commission (NAICOM) carrying dated premium and penetration targets; and transparent reporting on the drawdown and deployment of the N100bn Lotus Bank facility with the Rural Electrification Agency (REA) and the N14bn Alternative Bank arrangement with Niger State. These are primarily instruments, disclosure and execution matters under the existing legal framework reviewed for this paper.

3.5 Discipline and the Limits of the Case

Ethical-capital structures remain exposed to analysis, governance, counterparty and execution risks. Asset-backing, identified use of proceeds, governance and measurable outcomes provide commercial disciplines that can support investability and reduce valuation and execution risk.

Two scale claims required correction. A global non-interest finance figure of approximately US$6trn could not be reconciled with the Islamic Financial Services Board estimate of approximately US$4.4trn for the global Islamic financial services industry in 2025. The expert consultation materials also presented three materially different accounts of one participating bank's total assets and customer base, alongside inconsistent institutional designations for the contributor associated with those figures. This paper therefore adopts none of the three institution-level accounts and does not rely on the unresolved designation. Any future use of institution-level figures should be sourced to audited financial statements and an officially confirmed designation.

Table 9

NON-INTEREST FINANCE CLAIMS EXAMINED.

Claim	Position
Nigerian sovereign Sukuk raised more than N1trn since 2017	Established and conservative. N1.092trn across six issuances to December 2023, with a seventh series of N300bn following
Every Sukuk issuance drew demand above the amount offered	Established in direction. Debut N100bn offer received N105.878bn, cumulative subscriptions reported at N2.205trn
Sukuk proceeds funded roads across the six geopolitical zones	Established. More than 4,100 kilometres of roads and nine bridges constructed or rehabilitated
Global non-interest finance assets of roughly US$6trn	Unproven. Islamic Financial Services Board estimate approximately US$4.4trn for 2025
Risk-shared structures outperform on credit quality	Unproven. No comparable Nigerian outcome series published
Institution-level balance-sheet and customer figures	Unproven. Three divergent accounts, none adopted
Contributor institutional designation	Unresolved. Inconsistent across the consultation materials; not relied upon in this paper

Source: Debt Management Office; Islamic Financial Services Board; Proshare Research.

Proshare.

see - CHAPTER 4

CHAPTER 4

Funding Technology and the **New Financing Economy**.

4.1 Beyond Balance-Sheet Lending

Nigerian enterprise financing has historically meant a bank loan against collateral. That model is capital-intensive for the lender, collateral-dependent for the borrower, short in tenor and, at prevailing rates, unavailable to most of the productive economy.

The new financing economy replaces the single channel with a set of instruments, each allocating risk differently and drawing on a different pool of capital. Ten instrument families are relevant to Nigeria.

First, Sukuk and asset-backed public issuance, which connect identified assets to a disclosed use of proceeds and a defined investor base. ***Second,*** private credit, which prices borrower risk outside the banking system and lengthens tenor where bank appetite is short. ***Third,*** project finance vehicles, which allocate construction, demand, and revenue risk contractually among sponsors, lenders, and public counterparties, and which ring-fence cash flow from their sponsors' balance sheets.

Fourth, securitisation, which converts a pool of receivables or leases into a tradable security and releases the originator's balance sheet for redeployment. ***Fifth,*** guarantees and first-loss facilities, which transfer defined tranches of risk to a party better able to bear them, changing the risk-adjusted return without changing the underlying asset. ***Sixth,*** blended capital, which combines concessional, commercial and development finance in a defined waterfall to make a marginal project financeable.

Seventh, receivables and supply-chain finance, which monetise verified trade obligations without reliance on fixed collateral. ***Eighth,*** tokenised instruments, which fractionalise ownership and automate distribution and servicing. ***Ninth,*** digitally distributed assets, which reach investors directly rather than through intermediated placement. Tenth, cross-border settlement arrangements, which determine the cost and finality of moving value between jurisdictions and therefore whether a continental investor base is reachable.

Table 10

FUNDING TECHNOLOGY INSTRUMENT MAP AND NIGERIAN POSITION.

Instrument Family	Financing Function	Nigerian Position
Sukuk and asset-backed issuance	Connects identified assets to disclosed use of proceeds	***Established at sovereign level, absent among non-financial corporates***
Private credit	Prices risk outside banking, lengthens tenor	***Emerging, constrained by institutional eligibility***
Project finance vehicles	Allocates construction, demand and revenue risk, ring-fences cash flow	***Practised, constrained by absence of prepared projects***
Securitisation	Converts pools into tradable securities, releases balance sheet	***Legal framework exists, issuance limited***
Guarantees and first-loss	Transfers defined risk tranches	***Operating below the scale of the gap***
Blended capital	Makes marginal projects financeable	***Used in development finance, rare in domestic commercial transactions***
Receivables and supply-chain finance	Monetises verified trade obligations	***Growing, constrained by underwriting recognition***

Table 10 continue

Instrument Family	Financing Function	Nigerian Position
Tokenised instruments	Fractionalises ownership, automates servicing	***Perimeter established, operating rules and custody incomplete***
Digitally distributed assets	Reaches investors directly	***Emerging, distribution rules and suitability standards developing***
Cross-border settlement	Determines cost and finality across jurisdictions	***Live and expanding, utilisation unmeasured***

Source: Proshare Research analysis.

Proshare.

4.2 Technology's Role in Funding

Technology affects this set at four points, changing the economics, reach and operating efficiency of existing financing functions.

First, origination cost. Digital distribution reduces the minimum viable issue size, which makes fractionalised and retail-accessible instruments feasible where placement costs previously required institutional-scale tickets.

Second, verification cost. Transaction data, digital identity and shared ledgers reduce the cost of confirming that a receivable exists, that a counterparty is who it claims to be and that an obligation has been discharged. Verification cost is the principal reason receivables and supply-chain finance have been unavailable to smaller Nigerian firms.

Third, servicing cost. Automated profit and coupon distribution, corporate actions, and reporting reduce the ongoing cost of holding a diversified pool of small exposures, which makes granular portfolios administratively viable.

Fourth, settlement cost and finality. Real-time and cross-border settlement reduces the working capital tied up in transit and broadens the investor base geographically.

These technologies can reduce origination, verification, servicing and settlement costs. They do not independently establish credit quality, reliable valuation, legal title, enforceability or secondary-market demand.

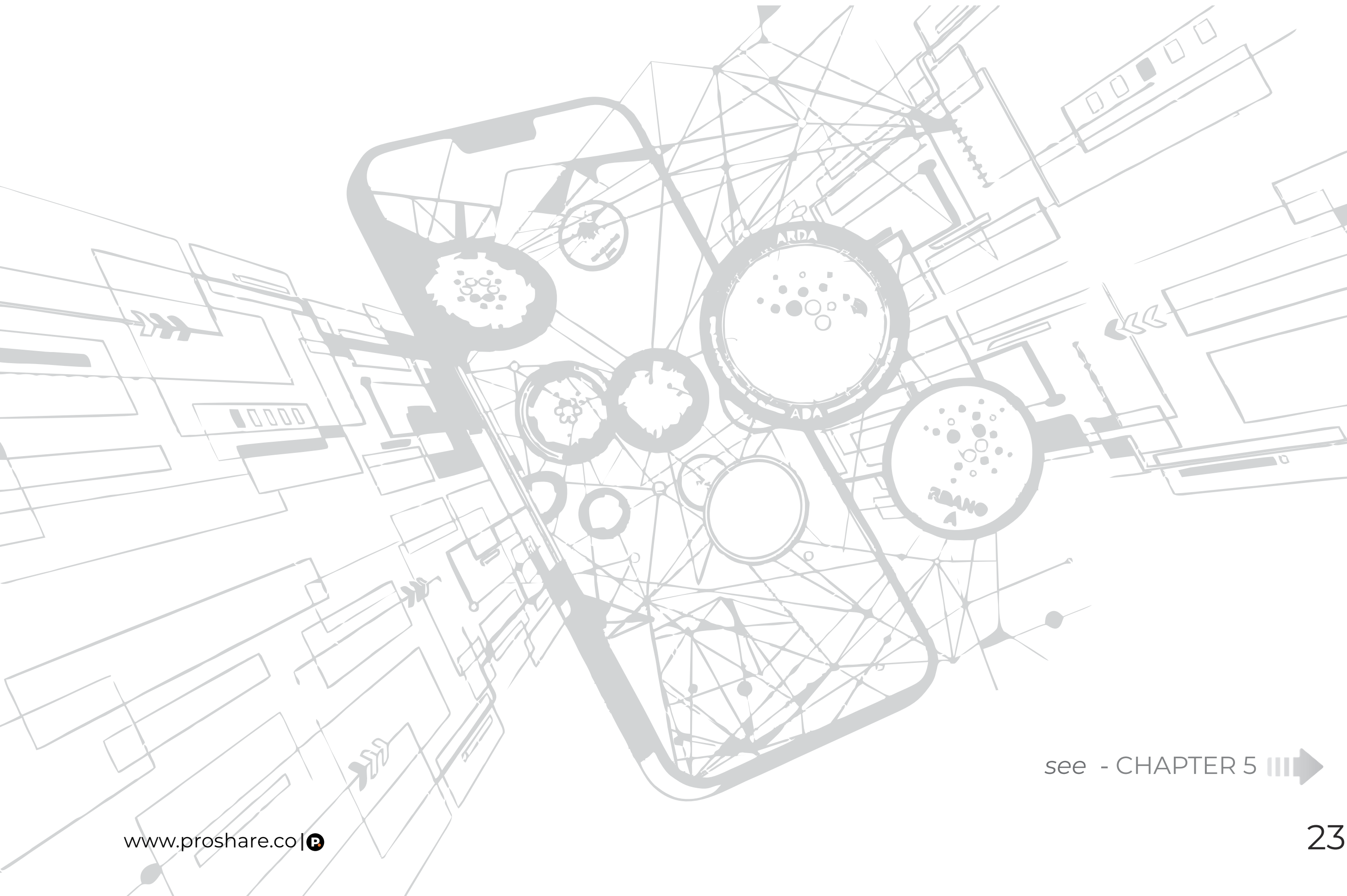
4.3 Domestic Funding Gap

For Nigerian technology and infrastructure businesses that rely on offshore, dollar-denominated equity, three recurring exposures arise. Naira revenues can create currency mismatches against dollar-denominated capital; foreign acquisitions or listings can narrow exit options; and growth-stage financing can become more difficult where domestic long-tenor capital is limited. The scale of these exposures varies by sector and company and is not treated here as a uniform market condition.

The relevant assets include data centres, fibre, towers, payment hardware, distributed energy and logistics infrastructure. Their utilisation-based cash flows can support Ijara, Istisna, lease-backed securitisation and project-finance structures where the underlying revenue, title and risk allocation are bankable. These assets also support the physical market infrastructure examined in Chapter 6, linking infrastructure financing needs to financial-market resilience.

4.4 Position

Funding technology can broaden the channels through which productive assets are financed. The instrument families examined in this paper exist at different stages of Nigerian legal and market development. Further scale requires issuance precedent among non-financial corporates and sub-nationals, valuation and disclosure standards for structured and risk-shared exposures, and eligibility determinations for large domestic institutional pools.



see - CHAPTER 5

CHAPTER 5

From Fintech to **Funding Technology.**

5.1 The Distinction

Nigeria has developed financial technology considerably faster than funding technology, and the two are frequently conflated because both are described as innovation.

Financial technology improves payments, distribution, data capture and the customer interface. It changes how an existing financial product is delivered and to whom it can be delivered. Nigeria's achievement in this domain is substantial and internationally visible, and it has materially widened access to accounts, payments and small-ticket credit.

Funding technology changes how assets are originated, underwritten, owned, distributed and financed, and how risk is allocated among the parties to a transaction. Its relevance lies in expanding the range of assets and structures that can be financed.

Table 11

FINANCIAL TECHNOLOGY AND FUNDING TECHNOLOGY DISTINGUISHED.

Dimension	Financial Technology	Funding Technology
Primary function	Delivery, distribution and interface	Asset creation, risk allocation and capital formation
Typical output	Payment, wallet, lending application, data product	Instrument, structure, security, guarantee, settlement arrangement
Balance-sheet effect	Generally fee-based and off balance sheet	Creates or transforms a balance-sheet exposure
Principal risk	Operational, conduct, cyber	Credit, valuation, legal title, liquidity, settlement
Regulatory anchor	Payments, consumer protection, data	Securities, prudential, insolvency, trust law
Capital required to scale	Working capital and equity	Institutional balance sheet and long-term pools
Nigerian maturity	Advanced	Early

Source: Proshare Research analysis

5.2 The Progression

The progression from one to the other runs through five functions, and Nigeria has advanced unevenly across them.

First, origination. Financial technology digitised application and onboarding. Funding technology changes what can be originated at all, by permitting a receivable, a lease, a completion milestone or a fractional interest to become a financeable asset in its own right. Nigerian progress here is partial and concentrated in receivables.

Second, underwriting. Financial technology introduced transaction data and behavioural scoring for small-ticket consumer and micro-enterprise credit. Funding technology extends the same principle to structured exposures, where cash-flow analysis substitutes for collateral in larger and longer transactions. Regulatory recognition of cash-flow-based underwriting for a defined tranche, with corresponding capital treatment, remains to be taken.

Third, ownership. Financial technology generally leaves the legal record of ownership unchanged. Tokenised instruments introduce an additional layer of record-keeping and therefore require clarity regarding the relationship between a ledger entry and the registrar or depository record recognised under Nigerian law. Chapter 6 examines this requirement.

Fourth, distribution. Financial technology built direct customer channels. Funding technology uses them to place instruments without intermediated syndication, thereby lowering the minimum viable issue size and broadening the investor base. Suitability, disclosure and complaint-handling standards for directly distributed structured instruments are not yet settled.

Fifth, risk allocation and capital formation. Funding technology can allocate defined risks through guarantees, tranching, risk-sharing, insurance and first-loss structures. Its usefulness depends on whether those risks are transferred transparently to parties with the mandate and capacity to bear them.

5.3 Position

Nigeria has an advanced financial technology sector and an early funding technology sector, and the second is where the constraint on productive capital now sits. The policy implication is that support directed at payments, wallets and interfaces addresses a solved problem, while support directed at instrument standardisation, underwriting recognition, ownership law and eligible holders addresses the unsolved one.

see - CHAPTER 6

CHAPTER 6

Financial Market Infrastructure for the **Next Finance Economy.**

6.1 Integrated Market Infrastructure

Exchanges, depositories, clearing houses, payment and settlement rails, custodians, trustees, registrars, digital identity, credit information infrastructure, and market data are conventionally supervised and discussed separately. They are components of a single architecture, and interoperability between them matters more to the outcome than any individual's capabilities.

Interoperability determines whether an asset originated in one venue can be held, valued, financed, transferred and enforced in another. Where standards differ across venues, movement between them can introduce legal, valuation, custody and settlement discontinuities.

Table 12

MARKET INFRASTRUCTURE COMPONENTS AND THE INTEROPERABILITY REQUIREMENT.

Component	Present Function	What Must Evolve	Interoperability Requirement
Exchanges	Price formation and listing for public securities	***Admission and trading of structured, tokenised and non-interest instruments***	Common instrument identification and disclosure taxonomy
Depositories	Definitive record of dematerialised holdings	***Statutory recognition where a distributed record is used***	Single authoritative record of title across venues
Clearing houses	Novation and risk management	***Central counterparty capacity for repo and derivative depth***	Margin and collateral portability
Payment and settlement rails	Domestic and cross-border value transfer	***Settlement finality in law and continuous availability***	Linkage to securities settlement for delivery against payment
Custodians	Safekeeping and asset servicing	***Licensed digital-asset custody with segregation and insolvency remoteness***	Custody standards recognised across regulators
Trustees	Security holding and enforcement for holders	***Trustee function reconstructed for automated servicing***	Legal equivalence between automated and documentary servicing
Registrars	Ownership records for issuers	***Real-time transfer and automated corporate actions***	Reconciliation with depository and platform records
Digital identity	Customer identification for account opening	***Reusable identity across institutions and instrument types***	Interoperable verification and consent
Credit information	Borrower history and reporting	***Transaction and cash-flow records admissible for underwriting***	Standardised data formats and consent framework
Market data	Prices for listed securities	***Observable pricing for real, structured and tokenised assets***	Published methodology and shared valuation basis

Source: Proshare Research analysis

Proshare.

6.2 Cross-Border Settlement

The Pan-African Payment and Settlement System (PAPSS) was developed by Afreximbank with the African Union (AU) and the African Continental Free Trade Area (AfCFTA) Secretariat. It provides a centralised clearing and settlement layer enabling cross-border payments to be initiated and received in local currencies without routing through correspondent banks outside the continent. Instructions are validated by the payer's central bank, netted multilaterally, and credited to the beneficiary, with a maximum processing time of 120 seconds. Netting is the economic core because it reduces the hard-currency requirement of intra-African trade by shifting every gross payment toward the residual net imbalance.

The friction being addressed is substantial. Forty-two currencies, two to five correspondent banks per transaction, two to five days to settle between Lagos and Accra, intra-African remittance costs averaging 8.2% against a global average of 6.2% and a Sustainable Development Goal (SDG) target of 3%, and intra-African trade at approximately 16% of total African trade against approximately 68% in Europe and approximately 60% in Asia. These percentages were cited during the consultation, were not independently re-verified within the research window, and are consistent in direction with the established literature.

Table 13

SETTLEMENT NETWORK COVERAGE AND MILESTONES.

Measure or Milestone	Position	Basis
Countries connected in some form	**28**	Afreximbank reporting following accession announced 9 July 2026
Live commercial coverage	**More than 270 financial institutions across 15 African countries**	PAPSS Payments Network Coverage, June 2026
Public-facing availability statement	**Available in over 20 African countries**	PAPSS Payments Network Coverage, June 2026
Payment switches connected	**16**	Afreximbank reporting, 2026
Continent-wide transaction value	**Not prominently published**	Absence of a published series
Commercial launch	**2022**	Established
Pesalink, Kenya, integration	**February 2026**	Established
Bi-directional Nigeria to Ghana wallet corridor	**February 2026**	Established
Bank of Central African States accession	**9 July 2026, institutions to join by end-2026**	Established as commitment
Banque Centrale des Etats de l'Afrique de l'Ouest pilot	**Flagged for later in 2026**	Announced, not operational
Pan-African Currency Marketplace	**More than 80 companies across 12 currency pairs**	Established as pilot

Source: PAPSS Payments Network Coverage, June 2026; Afreximbank; BEAC accession reporting, July 2026.

Connection statistics should be separated from actual utilisation. Live commercial coverage requires institutions at both endpoints and the relevant central-bank operating arrangements to be active. Continent-wide transaction value is not published, limiting assessment of adoption depth. Reporting from March 2026 documented limits on Nigeria-to-Ghana transactions, including a cap of 10,000 Ghana cedis per transaction, proof-of-funds requirements and purpose declarations. These conditions reflect the interaction between the settlement rail and existing foreign-exchange control regimes.

The payment layer also includes a currency conversion requirement. Netting can reduce hard-currency demand toward the net imbalance, but an entity accumulating a currency it does not need must eventually convert it, and many African currency pairs lack deep two-way markets. The conversion requirement therefore remains until local-currency pairs trade with greater depth and continuous two-way pricing. Claimed cost reductions of 20% to 30%, and separately reported end-user savings of up to 27%, are operator claims that have not been independently audited.

6.3 The Legal Foundations

Three areas require explicit legal certainty for the infrastructure described in Table 12: the governing record of title, settlement finality and the enforceability of close-out netting. The appropriate legal instrument for each area should be determined by reference to existing statutes and regulations.

First, the governing record of title. Tokenised instruments require a clear rule that establishes the legal relationship between a ledger entry and the registrar, depository, or other legally recognised ownership record. Until that relationship is settled, documentation should state precisely what legal interest the token holder acquires.

Second, settlement finality. Real-time cross-border and on-chain settlement requires clear rules that define the point at which a transfer becomes irrevocable and the circumstances under which it may be reversed. Legal certainty regarding finality reduces insolvency and ambiguity in counterparty risk for institutional participants.

Third, close-out netting on insolvency. Enforceable netting determines whether collateralised and cross-border exposures are measured on a gross or net basis, thereby affecting capital usage and counterparty risk management.

6.4 The Physical Layer

Institutional-scale market infrastructure requires resilience in both software and physical systems. Real-time settlement depends on electricity, telecommunications, data centres, network redundancy, cybersecurity and tested disaster-recovery arrangements.

Manufacturers reported N1.11trn in expenditure on self-generated power in 2024, with more than 60% of energy sourced off-grid. These figures indicate that grid reliability cannot be assumed for financial-market infrastructure. Institutional-grade data centres address this risk through redundant generation, fuel storage and uninterruptible power supply, although this increases operating cost and may concentrate critical capacity among a limited number of facilities.

Table 14

PHYSICAL PREREQUISITES FOR REAL-TIME MARKET INFRASTRUCTURE.

Prerequisite	Requirement	Assessment
Electricity	Continuous supply with redundant independent sources	Not available from the grid, achieved at facility level at cost
Telecommunications	Diverse physical routing with automatic failover	Improving. Submarine capacity increased, terrestrial diversity limited
Data centres	Certified facilities with tested resilience	Capacity exists and is concentrated
Network capacity	Headroom for peak settlement volumes	Not independently assessed
Cybersecurity	Capability, threat intelligence, tested incident response	Uneven, sector incident data not published
Disaster recovery	Geographically separated site with tested failover	Practice varies, no published sector standard located
Data localisation	Legal clarity on where settlement data may reside	Framework developing, interaction with cross-border settlement unresolved
Operational concentration	Diversity of critical service providers	Concentrated, single-provider dependency in several layers
Service continuity	Published availability targets and outage reporting	Not published for most financial infrastructure

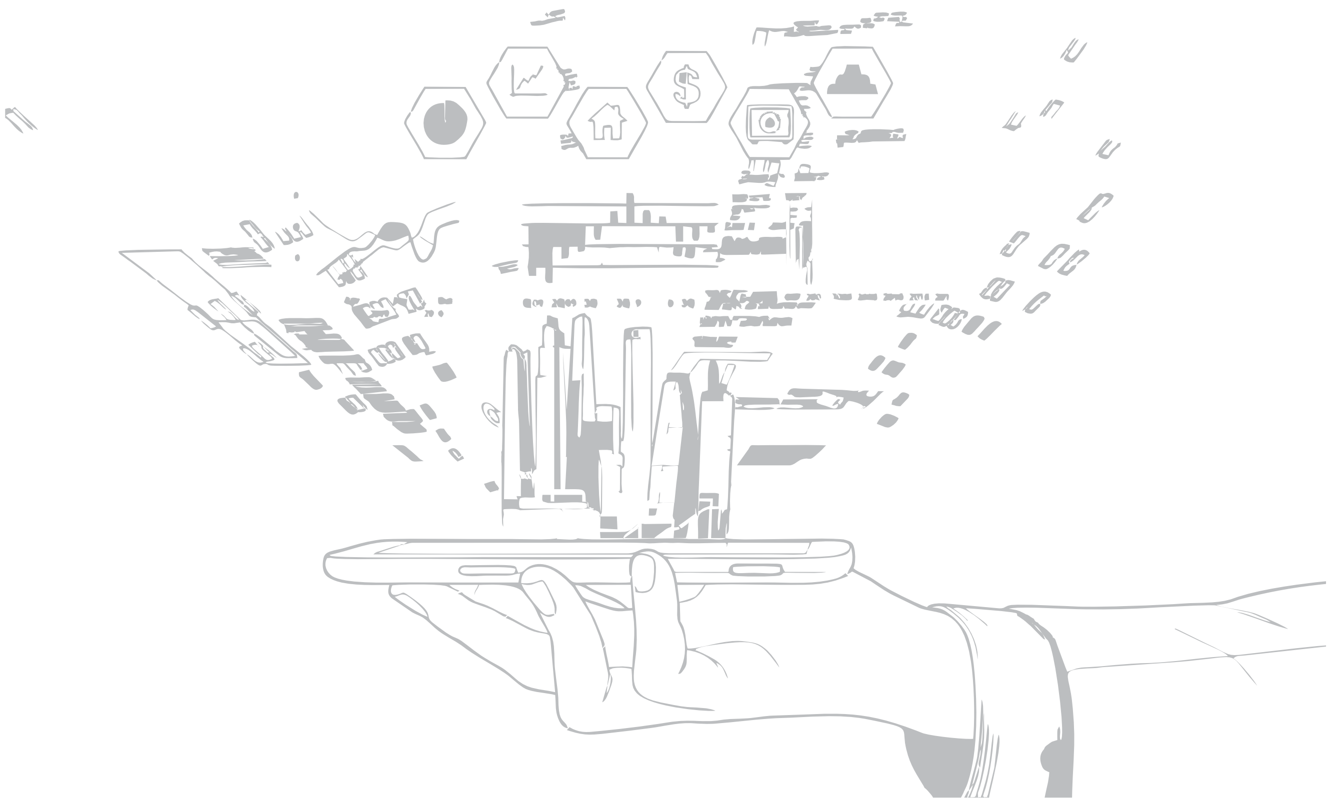
Source: Proshare Research analysis.

Proshare.

The architecture examined in this paper assumes the simultaneous availability of a platform, a custody provider, a settlement rail, a central bank operational framework, and a regulatory reporting channel across at least two jurisdictions. Compound availability across five dependencies is materially lower than the availability of any one component, and a system with 99.5% availability in each of five independent components has approximately 97.5% compound availability, which amounts to approximately 9 days of unavailability each year. Neither settlement operators nor Nigerian infrastructure providers publish availability statistics at a standard permitting this calculation with observed figures, and that gap is recorded here as an evidence limitation.

6.5 The Operational Capacities Required

Beyond the legal rules and the physical layer, four operational capacities must be constructed. A movable-collateral registry with fast perfection and realistic repossession timelines, which addresses the asset-light exclusion identified at Chapter 2. Standardised transaction-data sharing with a consent framework, which is the precondition for cash-flow underwriting. Central counterparty and collateral-management capacity, which permits repo and derivative depth and therefore secondary liquidity. And post-trade automation sufficient to support a shortened settlement cycle without increasing operational risk.



see - CHAPTER 7

CHAPTER 7

Tokenisation, Digital Assets and **Investable Markets.**

7.1 The Market, Measured

Table 15

TOKENISATION FIGURES EXAMINED

Claim	Position
More than US$30bn of tokenised real-world assets on-chain by mid-2026	Established. Approximately US$31bn in July 2026 across 167 platforms and approximately 960,000 holders, excluding stablecoins
Baseline of US$14bn in January 2026	Emerging. Reported variously between approximately US$14.1bn and US$21bn depending on perimeter
Projected total tokenised-asset market of US$3trn in 2026	Unproven and not supportable. No measured on-chain series approaches this level. Including stablecoins, the total was reported in the region of US$240bn to US$330bn during 2026
Consensus forecast of US$18.9trn by 2033	Established as a forecast attributable to Boston Consulting Group and Ripple, presented as a projection
BlackRock BUIDL fund at US$2.9bn	Not verified. Reported at approximately US$2.4bn to US$2.5bn across March to July 2026
Sector growth of 66% year on year in 2026	Understated against some series. Growth of approximately 263% year on year to the first quarter of 2026 is reported by market data providers

Source: rwa.xyz, as reported by multiple market data providers, Boston Consulting Group, Ripple, and Proshare Research.

A stated 2026 market size of US$3trn against a measured value of approximately US$31bn differs by roughly two orders of magnitude, and the figure appears to derive from long-horizon forecasts. An institution setting strategy against it would be allocating capital on a materially wrong addressable market.

7.2 Access and Liquidity Distinguished

Fractionalisation widens access. It does not create liquidity. Liquidity requires willing buyers and sellers at a continuously discoverable price, reliable price formation and a functioning secondary market with market-making capacity or sufficient natural two-way flow. Dividing an illiquid asset into ten thousand units produces ten thousand illiquid units unless those conditions are separately constructed.

Fractionalisation also transmits the valuation of the underlying asset to each fractional interest. Where the underlying valuation is unreliable, the resulting pricing error is distributed across the holder base.

see - 7.3 Preconditions for Institutional Participation

7.3 Preconditions for Institutional Participation

Table 16

PRECONDITIONS FOR INSTITUTIONAL PARTICIPATION IN TOKENISED INSTRUMENTS.

Precondition	Required Determination	Nigerian Status
Legal ownership	***Does the token confer legal title or a contractual claim against an issuer?***	Established for digital assets classified as securities, unsettled for tokenised real assets
Enforceability	***Against whom, in which forum, under which law?***	Unsettled
Custody	***Who holds the asset, under what licence, with what segregation?***	Framework emerging, licensing incomplete
Insolvency treatment	***What happens to holders if issuer, platform or custodian fails?***	Unsettled
Valuation	***Who values the asset, to what standard, how often?***	Not standardised
Price discovery	***Where is the price formed and is it observable?***	Not established
Secondary trading	***Who makes the market and what are observed spreads?***	Not established
Settlement finality	***At what moment is transfer irrevocable, under whose rules?***	Unsettled
Identity and beneficial ownership	***Who is the ultimate holder and is that available to regulators?***	Framework exists, verification capacity limited
Anti-money-laundering controls	***How are source of funds and source of assets tested?***	Applied to investors, rarely to the asset chain
Regulatory perimeter	***Which regulator has jurisdiction over which component?***	Allocated in principle by the July 2026 Order, unresolved cases reserved to the Council
Recourse on failure	***What is the process when a transaction fails and who pays?***	Unsettled
Institutional eligibility	***Are pension funds and insurers permitted to hold the instrument?***	Not established, examined at Chapter 10

Source: Proshare Research analysis; Investments and Securities Act 2025; Securities and Exchange Commission, rules on issuance, offering and custody of digital assets; Presidential Executive Order on Virtual Assets Coordination 2026.

Proshare.

7.4 The Tokenised Sukuk Case

Tokenised Sukuk is the most frequently cited Nigerian use case, on the grounds that the market is constrained by minimum ticket sizes typically at N50m or above, multi-day settlement, thin secondary liquidity, and cumbersome cross-border access.

The clearest near-term benefit of tokenised Sukuk is broader access through smaller investment units. Automated profit distribution is technically achievable and requires the paying-agent function, currently performed by a regulated institution under a trust deed, to be reconstructed with equivalent legal effect. Continuous secondary trading remains unproven because Nigerian sovereign Sukuk secondary liquidity is thin in conventional form due to buy-and-hold investor composition rather than minimum ticket size. Cross-border distribution does not remove the currency and settlement constraints set out in sections 6 and 10.

The proposition is therefore strongest on access and weakest on liquidity.

CHAPTER 8

Trust as Financial **Infrastructure.**

8.1 Trust as a Market Requirement

The propositions examined in this paper depend on institutional trust. Investors in tokenised assets, users of cross-border settlement, depositors in non-interest institutions, and pension funds acquiring sub-national Sukuk each rely on a chain of institutions to perform as documented. Gaps in that chain can transfer risks to holders who may have limited ability to price or manage them.

Trust infrastructure is a component of market infrastructure and can be specified through requirements for governance, disclosure, custody, valuation, enforcement, recourse, and audit.

8.2 Valuation Integrity

Asset-backed finance, Sukuk, tokenised real-world assets and collateralised lending depend on the reliability and realisability of the underlying asset value. Risk reduction, therefore, depends on sound valuation, liquidity, clear title, enforceability and appropriate market-conduct controls.

Nigerian real-asset markets exhibit several adverse characteristics simultaneously. Price discovery is weak because transaction data is not centrally recorded or published. Valuation is not routinely commissioned by, or reported to, a party independent of the transaction. Title is contested in a significant share of transactions and perfection is slow. Realisation through enforcement is protracted. Beneficial ownership information is not consistently verified. Published rental-yield, occupancy and transaction series for high-value property are limited, which prevents independent assessment of whether observed price movements are supported by underlying income.

Where those features coincide, an asset-backed instrument transmits a valuation error into a financial instrument and distributes it to investors who reasonably believe asset backing has protected them. Valuation integrity therefore sits within the anti-money-laundering perimeter as well as the prudential one, because source-of-asset testing depends on a reliable view of an asset's value.

8.3 The Full Requirement

Table 17

TRUST INFRASTRUCTURE REQUIREMENTS AND NIGERIAN STATUS.

Component	Requirement	Status
Independent valuation	Valuer appointed by and reporting to the investor or trustee	***Not standard outside regulated capital-market issuance***
Valuation standards	Recognised international standard with stated methodology	***Adoption uneven, methodology disclosure limited***
Price discovery	Observable, recorded, published comparable transactions	***Absent for most Nigerian real assets***
Periodic revaluation	Scheduled independent revaluation with movement disclosed	***Rare outside listed vehicles***
Basis of valuation	Mark-to-market against model-based, with inputs stated	***Not standard practice***

Table 17 continue

Component	Requirement	Status
Liquidity discount	Explicit haircut for realisable value in a stressed market	***Not standard practice***
Legal title	Clear, perfected, rapidly transferable	***Slow perfection, contested in a material share of transactions***
Beneficial ownership	Identification and verification of ultimate owners	***Register exists, verification capacity limited***
Anti-money-laundering controls	Source-of-funds and source-of-asset testing	***Applied to investors, rarely to asset acquisition history***
Related-party transactions	Identification, pricing benchmark, independent approval	***Regime exists, enforcement limited***
Market surveillance	Detection of material price distortion and market -conduct breaches in real -asset and secondary markets	***Capacity exists in listed markets, absent in private markets***
Disclosure	Continuous disclosure of material events, ownership and performance	***Established for listed issuance, limited elsewhere***
Governance	Board composition, independence and accountability at issuer and platform level	***Established for regulated entities, weaker for platforms***
Custody	Licensed, segregated, insolvency-remote	***Framework emerging, licensing incomplete***
Cyber resilience	Capability, testing and disclosure of material incidents	***Uneven, not published***
Dispute resolution	Accessible, timely, enforceable	***Slow, a material constraint on collateral realisation***
Investor recourse	Defined route, timeline and compensation	***Established for banking and listed securities, absent for tokenised instruments***
Enforcement	Demonstrated sanction for breach	***Evidence limited***

Source: Proshare Research analysis.

Proshare.

8.4 Position

An asset-backed instrument should not be described as intrinsically safer than an unsecured instrument without examining the quality, pricing, enforceability and liquidity of the asset. In a market with weak price discovery and slow enforcement, an asset-backed structure may carry a lower probability of loss and a longer, more uncertain and more expensive recovery than the documentation implies.

Sovereign Sukuk avoid much of this, because the underlying assets are identified public infrastructure, the obligor is the sovereign, and the use of proceeds is traceable to named projects. The protection derives from sovereign credit and disclosed use of proceeds rather than from asset backing as such. Corporate and sub-national Sukuk, and any tokenised real-asset instrument, would not inherit that protection and would have to construct it.

The gap between rule-making and demonstrated enforcement creates a material source of uncertainty in the architecture examined here. Nigeria has, within eighteen months, classified digital assets as securities, revised capital requirements, admitted nine virtual-asset service providers to a conditional approval process and established a cross-agency council at presidential level. No published enforcement action under the new perimeter was located during this research. Institutional investors therefore still require evidence of how the framework operates in practice.

CHAPTER 9

Regulating the **Future of Finance.**

9.1 Existing Regulatory Foundations

The regulatory position is unusual, in that Nigeria has built the perimeter faster than the machinery operating inside it.

Digital assets are classified as securities under the Investments and Securities Act (ISA) 2025. Securities and Exchange Commission Circular No. 26-1 of January 2026 set category-specific minimum capital requirements, raising the N300m threshold to N2bn, with compliance due by 30 June 2027. The real-world-asset tokenisation platform category carries a minimum of N1bn on the same date.

Nine virtual-asset service providers held conditional Approval-in-Principle by 3 July 2026, which is not a final licence. A Virtual Asset Council chaired by the Central Bank of Nigeria, with the Nigeria Revenue Service and the Securities and Exchange Commission as vice-chairs and the Nigerian Financial Intelligence Unit and the Office of the National Security Adviser as members, was established by Executive Order signed on 17 July 2026, with a Virtual Asset Office secretariat at the Central Bank. Securities activity is allocated to the Commission, and the payment, settlement, and custody of non-security virtual assets are allocated to the Central Bank.

Four instruments announced alongside that Order remained unpublished at the cut-off date: the Harmonised Implementation Framework, the Central Bank sandbox rules, the Nigeria Revenue Service tax framework and the Federal Government white paper. Their absence leaves material operating details unresolved while regulated activity continues to develop.

9.2 Regulatory Requirements for the Next Phase

Six characteristics distinguish regulation capable of supervising the financial system now forming.

First, activity-based supervision. Where banks, fintechs, asset managers and platforms perform comparable economic functions, activity-based standards can reduce gaps, duplication and opportunities for regulatory arbitrage across custody, settlement, origination, distribution, underwriting and advice.

Second, technology neutrality. Rules written around a specific technology require rewriting when the technology changes and invite arbitrage in the interval. Rules written around the economic substance of a transaction, being who owns what, who bears which risk and who is accountable on failure, survive technological change.

Third, coordination between the four supervisory jurisdictions. The Central Bank of Nigeria, the Securities and Exchange Commission, the National Pension Commission and the National Insurance Commission each supervise a component of the same architecture. A tokenised infrastructure instrument held by a pension fund, custodied by a licensed operator, settled across a payment rail and valued by an independent valuer touches all four. The Virtual Asset Council is a coordination structure, and coordination requires common definitions, aligned reporting fields and an agreed classification of novel instruments before it can produce a single supervisory view.

Fourth, digital custody standards. Supervisors require capacity to verify segregation, test insolvency remoteness, examine the integrity of ownership records, and assess key management and operational resilience. These are supervisory examination capabilities that require trained personnel as well as rules.

Fifth, prudential treatment for new exposures. Risk-shared, partnership, lease and tokenised exposures require defined capital, valuation and concentration treatment. Without it, regulated institutions cannot consistently price the cost of holding these exposures or determine whether participation is permitted within their risk and solvency frameworks.

Sixth, enforceable interoperability. Common instrument identification, disclosure taxonomy, custody standards and data formats should be mandated rather than encouraged, because voluntary interoperability produces the silos described at Chapter 6.

Table 18

REGULATORY CHANGE AGENDA.

Change Required	Rationale	Lead Institution	Instrument
Statutory recognition of the governing record of title	Determines whether a token conveys ownership or a claim	***National Assembly with Securities and Exchange Commission***	Primary legislation
Settlement-finality rule	Determines whether settled transfers can be reopened on insolvency	***Central Bank of Nigeria with National Assembly***	Legislation and payment-system rules
Close-out netting enforceability	Determines gross against net exposure and capital consumption	***Central Bank of Nigeria with Attorney-General of the Federation***	Legislation and prudential guidance
Activity-based supervisory perimeter	Applies the same standard to the same economic function	***Virtual Asset Council***	Harmonised Implementation Framework
Licensed digital-asset custody	Precondition for regulated institutional participation	***Securities and Exchange Commission***	Rules and licensing
Prudential treatment for risk-shared and tokenised exposures	Determines the cost of holding the exposure	***Central Bank of Nigeria, National Insurance Commission, National Pension Commission***	Prudential guidance
Institutional investment eligibility	Determines whether the largest domestic pools may participate	***National Pension Commission and National Insurance Commission***	Investment regulation amendment
Common classification, disclosure taxonomy and reporting fields	Precondition for a single supervisory view across four regulators	***Virtual Asset Council***	Cross-agency standard
Transaction-data sharing standard	Precondition for cash-flow underwriting	***Central Bank of Nigeria with Nigeria Data Protection Commission***	Prudential guideline and data framework
Movable-collateral registry performance	Determines whether asset-light firms can borrow	***Central Bank of Nigeria with state registries***	Registry reform and practice directions
Corporate and sub-national Sukuk template	Addresses instrument scarcity	***Debt Management Office with Securities and Exchange Commission***	Issuance guidance
Infrastructure resilience disclosure	Allows operational risk to be assessed	***Central Bank of Nigeria***	Supervisory requirement
Demonstrated enforcement	Converts rules into investor protection	***Securities and Exchange Commission and Central Bank of Nigeria***	Enforcement action and published outcomes

Source: Proshare Research analysis.

Proshare.

CHAPTER 10

Institutional Capital and **Market Scale.**

10.1 Institutional Capital and Scale

Pension funds, insurers, asset managers, development finance institutions (DFI's), and sovereign and sub-national investment vehicles are the pools capable of scaling new financing structures. Innovation remains marginal until large pools of regulated capital can invest within clear mandates and risk parameters.

Institutional eligibility is a core market-development issue because the instrument families in Table 10, the sector pathways in Table 8 and the infrastructure components in Table 12 require holders with sufficient scale. In the domestic market, the largest pools operate under prescribed investment regulations.

10.2 The Present Position

Nigerian pension fund administrators operate under investment regulations issued by the National Pension Commission (PENCOM) and insurance companies under regulations issued by the National Insurance Commission (NAICOM). These prescribe permissible asset classes, concentration limits, valuation treatment and custody requirements.

No amendment expressly providing for tokenised instruments was located during this research. Provision for private credit, unlisted exposure and infrastructure debt exists in a narrower form than the financing requirement examined here. A transaction involving a Nigerian pension fund acquiring a tokenised infrastructure instrument that settles via a cross-border rail would therefore require additional clarity on eligibility, valuation, and custody before it could be treated as an established investable structure.

Development-finance institutions and sovereign and sub-national vehicles operate under different constraints, principally mandate scope and concessionality rules rather than prudential eligibility, and they are consequently better placed to take first-loss and anchor positions in early transactions.

Table 19

INSTITUTIONAL ELIGIBILITY DETERMINATIONS REQUIRED.

Required Determination	Importance	Determining Institution
Are tokenised instruments a permissible asset class, and under which category	Without classification, there is no permissible holding	***National Pension Commission, National Insurance Commission***
What valuation basis applies to structured, tokenised and unlisted exposures	Daily unit pricing requires a defined and auditable basis	***National Pension Commission, National Insurance Commission***
What custody standard is required and which custodians qualify	Segregation and insolvency remoteness determine recoverability	***National Pension Commission, Securities and Exchange Commission***
What concentration and liquidity limits apply	Illiquid holdings interact with redemption and claims obligations	***National Pension Commission, National Insurance Commission***
How is a risk-shared or profit-sharing exposure treated for capital and solvency	Determines the cost of holding the exposure	***National Insurance Commission, National Pension Commission***
What disclosure is owed to beneficiaries and policyholders	Determines accountability for a novel exposure	***Both commissions***
What treatment applies to cross-border and foreign-currency-linked instruments	Determines whether continental instruments are reachable	***Both commissions with Central Bank of Nigeria***

Source: Proshare Research analysis.

Proshare.

10.4 Position

A determination is required, and it need not be permissive. A published decision that a class is not currently eligible, stating the conditions under which it would become eligible, is more valuable to market development than continuing silence. Silence leads issuers to design instruments that no domestic institution can hold and leads institutions to decline exposures they might lawfully take.

A published regulatory position would therefore provide clarity across several instrument classes and has implications for the broader development of the market.

see - CHAPTER 11

CHAPTER 11

The State, Infrastructure and **New Investable Assets.**

11.1 The Function of the State

Government can support private capital by improving the risk-return characteristics of specific projects through project preparation, infrastructure, permitting, revenue frameworks, credit enhancement and transparent risk allocation. The state's contribution to the future of Nigerian finance is therefore linked to the creation of investable infrastructure and productive assets that can be financed through conventional and emerging structures.

Lagos State provides a developed Nigerian case for examining the relationship between capital-market access and project bankability. It is used here as a case study and not as evidence of a general national outcome.

11.2 What Is Established

Lagos State completed a dual issuance comprising the N14.815bn Series III 5-year 16.00% fixed-rate Green Bond due 2030 and the N230bn Series IV 10-year 16.25% fixed-rate bond due 2035, under the N1trn Debt and Hybrid Instruments Issuance Programme established by a Shelf Prospectus dated 23 May 2023. The combined N244.815bn was listed on the Nigerian Exchange on 9 February 2026. The Green Bond attracted bids of N29.29bn against an offer of N14.815bn and is certified by the Climate Bonds Initiative with a second-party opinion obtained. The Series IV bond was offered at N200bn and raised N230bn against a book reported at N310.06bn. More than 44 professional parties participated. This is the largest sub-national bond issuance recorded in Nigeria.

Lagos also operates institutions, including the Lagos State Development and Property Corporation, Lekki Worldwide Investment Limited, the Office of Public-Private Partnerships, and dedicated investment-promotion structures. The Blue and Red Line rail systems are constructed and operating.

11.3 What Requires Correction

Table 20

SUB-NATIONAL FIGURES CITED, RECONCILED.

Figure As Cited	Verified Position	Status
Lagos gross domestic product exceeds N66trn	*N66.47trn is the Lagos State 2025 budget projection, from N54.77trn in 2024. Lagos gross domestic product was reported at N27.38trn for the first half of 2024, from N19.65trn in 2023, and at US$259.75bn on a purchasing -power-parity basis for 2023*	**Projection cited as realised outcome**
Capital importation of approximately 2.5 billion, about 45% of the national total	*Currency unit and period absent from the cited text. Lagos consistently dominates national capital importation, and the absolute figure could not be period-stamped*	**Not verified**
Dual bond issuance of approximately N244.815bn	*Confirmed. Signed November 2025, listed 9 February 2026*	**Established**
Lekki corridor investment value	*Text incomplete. Consistent with widely reported refinery investment estimates in United States dollars, not attributable from the record*	**Not verified**

Source: Lagos State Government; Nigerian Exchange listing documentation; Lagos Economic Development Update 2025; Proshare, Lagos State Industrial Policy 2025-2030.

Proshare.

Lagos State's 2025 budget assumed real growth between 5.02% and 6.49%, while the state reported a first-quarter 2025 gross domestic product of N14.85trn, with real growth of 1.75%, a slowdown from 3.01% in the fourth quarter of 2024.

11.4 The Pipeline Test

Capital does not fund a policy framework or a development agenda. It funds a project with an identified sponsor, clean title, obtained permits, allocated construction and demand risk, a modelled revenue stream, a security package and a date.

Table 21

INVESTABILITY TEST APPLIED TO THE SUB-NATIONAL PIPELINE.

Requirement	What an Investor Needs	Observable Status
Project preparation	Feasibility, technical design and cost estimate to bankable standard	***Not published for named projects***
Land and title	Perfected title, resolved compensation, physical possession	***Not published for named projects***
Permits and approvals	Obtained or with a binding timetable	***Not published***
Risk allocation	Signed heads of terms specifying who bears construction, demand, currency and political risk	***Not published***
Revenue certainty	Tariff, offtake or availability payment with a defined counterparty	***Not published***
Credit enhancement	Guarantee, first-loss facility or partial risk cover with the provider named	***Not published***
Procurement and governance	Competitive process, published evaluation criteria, contract disclosure	***Framework exists, project-level disclosure limited***
Continuity	Statutory or contractual protection across administrations	***Institutional structures exist, project-level protection unverified***

Source: Proshare Research analysis against standard project-finance requirements.

Proshare.

No published Lagos State pipeline document that provided these data points for a named project was found during this research. The wider review also did not locate a public sub-national project register with comparable detail on sponsor, cost, title, permits, risk allocation, revenue structure and target financial close. This disclosure gap limits the ability to distinguish general-obligation borrowing from project-specific infrastructure financing.

The Lekki corridor is offered as the demonstration case. The government assembled land, supported the free zone, took equity positions, and provided infrastructure over more than two decades, and private investment followed. The causal claim is plausible, and the sequence alone does not establish it, because the corridor also benefited from a coastal location, proximity to Nigeria's largest consumer market, a dedicated free-zone regime and a single anchor investment whose sponsor possessed the balance sheet to build its own port, power and logistics. Whether the model can replicate without an anchor investor of comparable capacity remains unresolved.

11.5 International Financial Centre Readiness

Lagos is Nigeria's principal domestic financial centre, but international-financial-centre readiness requires additional capabilities beyond the concentration of domestic banking, capital-market and insurance activity. An international financial centre must also be able to intermediate cross-border capital efficiently for domestic and non-domestic counterparties.

Table 22

INTERNATIONAL FINANCIAL CENTRE PREREQUISITES ASSESSED FOR LAGOS.

Prerequisite	Assessment
Reliable electricity	Not met. Commercial operation depends on self-generation
Telecommunications	Substantially met internationally. Terrestrial diversity limited
Data infrastructure	Partially met. Capacity concentrated among few operators
Water and urban services	Not met. Flooding recurs in commercial districts
Transport	Improving. Rail operating, road congestion severe
Property and commercial-law certainty	Partially met. Title perfection slow
Dispute resolution	Not met at the speed international counterparties require
Financial-market infrastructure	Substantially met domestically. Cross-border custody incomplete
Professional services	Substantially met
Regulatory predictability	Partially met. Policy direction has reversed previously
Currency convertibility	Not met. Foreign-exchange administration remains an entry consideration
Security	Partially met, variable by district
Quality of life	Partially met at high cost
International connectivity	Partially met. Limited direct long-haul capacity

Source: Proshare Research analysis.

Proshare.

For international counterparties, electricity, water and urban services, dispute-resolution speed and currency convertibility remain material operating considerations. Progress toward international financial centre status, therefore, depends on measurable improvements in these underlying conditions alongside financial sector development.

see - CHAPTER 12

CHAPTER 12

Pathways to Nigeria's **New Finance Economy.**

12.1 Bringing the Components Together

Six components have been examined. Non-interest finance supplies contract forms suited to the assets Nigeria needs financed. Funding technology supplies the instruments through which those assets are created, packaged and distributed. Institutional capital supplies the scale. Digital market infrastructure supplies the means by which instruments are held, transferred, settled and enforced. Regulation supplies the perimeter and the supervisory standard. Trust architecture provides valuation, title, disclosure, and recourse, without which none of the others is safe to use.

A frequently advanced proposition holds that these components are converging into a single operating stack, creating a time-bound first-mover window. The paper treats that as a hypothesis and tests it.

Table 23

INTEGRATION CONDITIONS TESTED.

Condition	Evidence Found	Position
Interoperability between issuance platforms and settlement rails	No live integration located	**Unproven**
Live products demonstrating the combination	None located in Nigeria	**Unproven**
Legal certainty on title, custody and insolvency	Unsettled	**Must change**
Regulatory perimeter resolved in operation	Allocated in principle July 2026, implementation framework unpublished	**Emerging**
Settlement risk allocated for a combined transaction	Not documented	**Unproven**
Custody provider identified and licensed	Licensing incomplete	**Must change**
Underlying asset valuation method defined	No standard located	**Must change**
Secondary-market liquidity present	Not demonstrated for any Nigerian tokenised instrument	**Unproven**
Institutional investors permitted and prepared	Investment regulations do not provide	**Must change**
Demonstrated economic advantage over conventional alternatives	Asserted, not measured	**Unproven**
Defined outcome when the underlying transaction fails	No recourse framework located	**Must change**

Source: Proshare Research analysis.

The components are progressing in parallel but do not yet operate as an integrated architecture. The evidence supports describing them as a potential architecture until live transactions demonstrate end-to-end integration with identified custody, valuation, settlement finality and recourse.

Each component has independent merit, the direction is sound, and the conditions required are identifiable and largely within institutional control. The distinction between a potential architecture and a functioning one is set out in the work programme in Chapters 14 and 15.

12.2 The Sequence

Several components depend on legal, eligibility, and infrastructure prerequisites, making the sequencing of material to implementation.

First, legal certainty. The governing record of title, settlement finality, and close-out netting enforceability take precedence over everything, because every later step transfers risk to holders if taken without them. These require legislation and cannot be supplied by regulation.

Second, institutional eligibility. A published determination by the pension and insurance regulators establishes whether domestic capital of size may participate and on what terms. Without it, instruments are designed for holders who cannot buy them.

Third, instrument standardisation and issuance precedent. A standardised corporate and sub-national Sukuk template, a first non-financial corporate issue and a fourth state issue convert an instrument that exists in law into one that exists in the market.

Fourth, market infrastructure interoperability. Common instrument identification, custody standards, disclosure taxonomy and data formats permit an asset to move between venues without leaving its protection.

Fifth, asset creation. Prepared project registers at federal and state level convert policy into pipeline, and this can proceed in parallel with the first four because it depends on none of them.

Sixth, measurement. Corridor-level settlement utilisation, sectoral credit extension, comparable non-interest performance data and infrastructure availability reporting permit participants and supervisors to see what is actually happening.

Nigeria is currently building in approximately the reverse of this order. Platforms, capital requirements and coordination structures exist ahead of the legal rules governing title, finality and netting, and ahead of the eligibility determinations permitting institutional participation. The consequence is that early participants absorb legal uncertainty that later rule-making will resolve, which is recoverable and expensive.

12.3 Implementation Timing

Framings that categorise participants as architects, early movers or late arrivals are useful for thinking about positioning and are also positioning frameworks that present delay as value-destroying while leaving the risks of early entry unpriced.

Those risks are identifiable. Regulatory change, given that Nigerian digital-asset policy has changed direction previously. Technology immaturity in custody and settlement finality. Thin or absent secondary liquidity, which converts an early position into one that cannot be exited. Operational and custody failure before institutional-grade custody is licensed. Valuation error transmitted from an unreliable underlying asset. Counterparty failure without a tested resolution route.

Early participation in new market-infrastructure standards can create both upside and transition risk. Institutions should therefore underwrite each exposure with a defined maximum loss, exit conditions and explicit assumptions about the legal, operational and market standards on which the investment depends.

CHAPTER 13

Institutional **Choices.**

13.1 Government

Federal and state governments face the largest addressable constraint: the absence of prepared, priced, permitted, and risk-allocated projects. This is not a financing constraint and does not require new legislation, technology or capital. It requires project-preparation capacity, published pipelines and a willingness to specify which risks the state will retain before approaching private capital.

13.2 Legislature

The National Assembly owns the three legal rules on which the architecture rests: the governing record of title, settlement finality, and close-out netting enforceability. No regulator can supply these, and every instrument proposition in this paper is exposed until they exist.

13.3 Regulators

The Central Bank of Nigeria owns the corridor, the Cash Reserve Requirement, prudential treatment for new exposures and the infrastructure resilience standard. The Securities and Exchange Commission owns the valuation-integrity requirement, the tokenised-instrument perimeter and custody licensing. The National Pension Commission and the National Insurance Commission own the eligibility determinations examined at Chapter 10. The Virtual Asset Council is responsible for the publication of the announced implementation instruments and the common classification, without which the four regulators cannot form a single supervisory view.

13.4 Financial Institutions

Banks are responsible for underwriting and portfolio-allocation decisions. The evidence reviewed here indicates that sovereign exposure can offer a more favourable risk-adjusted return than productive lending at current relative prices. Productive lending can become more competitive through stronger borrower information, lower structural costs and appropriately designed risk-transfer mechanisms such as guarantees.

Non-interest institutions are central to expanding the supply of compliant instruments. Branch and deposit growth increases sector size, while broader system relevance also requires origination of corporate and sub-national instruments.

13.5 Institutional Investors

Institutional investors, together with their regulators, determine the level of discipline and eligibility applied to new instrument classes. Because issuers and arrangers generally have more information about a structure than prospective investors, underwriting should identify the maximum loss, exit conditions, valuation basis, custody, liquidity, and the assumptions on which the investment depends.

13.6 Market Infrastructure Providers

Infrastructure providers hold the data required to assess utilisation, availability and operational incidents. The absence of published corridor-level utilisation, availability statistics and incident reporting limits this paper's ability to state findings on adoption depth and operational resilience. Regular publication would close part of this evidence gap.

CHAPTER 14

Principal **Findings.**

First, Nigeria's financial system is in a genuine transition. Recapitalisation, non-interest finance growth, digitalisation, alternative funding structures, payment integration, new asset classes and changing investor expectations interact and are analysed together in this paper.

Second, that transition has strengthened the supply of capital, technology, legal category and connectivity, and has not yet increased the supply of investable assets.

Third, macroeconomic stability defines the environment within which the new architecture operates. Disinflation has not restored the purchasing power lost during the preceding price increases. The World Bank records poverty rising from 56% in 2023 to 63% in 2025, while headline inflation declined from 25.29% in June 2025 to 15.91% in June 2026, a reduction of 9.38 percentage points. Food inflation stood at 17.52% in June 2026.

Fourth, the allocation argument is supported in direction and requires correction in arithmetic. Standing Deposit Facility figures describe monthly aggregates of repeated overnight placements rather than a stock of idle balances, and the Cash Reserve Requirement at 45.00% sterilises a substantial share of the deposit base before any allocation decision is taken.

Fifth, non-interest finance is becoming a financing ecosystem across banking, capital markets, takaful and collective investment, and its structural significance is that its contract forms do not impose a fixed charge on a pre-revenue balance sheet.

Sixth, the sector remains at approximately 1.7% of Nigerian banking assets. Instrument supply is a material constraint on further development: sovereign Sukuk supplies approximately 74% of the non-interest capital market and only three of thirty-six states have issued. Market demand, product depth and regulatory treatment also influence the pace of expansion.

Seventh, the informational advantage claimed for risk-shared structures is coherent and untested in Nigeria, because no comparable series of non-performing financing outcomes against conventional peers is published.

Eighth, funding technology is distinct from financial technology and Nigeria has developed the second considerably faster than the first. Technology lowers origination, verification, servicing and settlement cost, and creates neither credit quality nor a willing buyer.

Ninth, ten instrument families exist in Nigerian law and largely in practice, and what is missing is issuance precedent among non-financial corporates and sub-nationals, valuation and disclosure standards for structured exposures, and eligible holders.

Tenth, market infrastructure should be treated as a connected architecture spanning exchanges, depositories, clearing, payment rails, custody, trusteeship, registrars, identity, credit information and market data. Interoperability across these components is a central requirement for scale.

Eleventh, cross-border settlement is live and unmeasured. Live commercial coverage extends to 15 African countries, compared with 28 connected in some form; the continent-wide transaction value is not published, and documented corridor limits demonstrate that connection does not equal frictionless usage.

Twelfth, netting can reduce the hard-currency requirement but does not eliminate the need for conversion when African local-currency pairs lack depth and continuous two-way pricing.

Thirteenth, market infrastructure rests on a physical layer that Nigeria has not secured. Manufacturers spent N1.11trn on self-generated power in 2024; capacity is concentrated among a few facilities, and no availability or incident data is published.

Fourteenth, tokenised real-world assets stood at approximately US$31bn in July 2026, and a figure of US$3trn cited as a 2026 market size overstates the measured position by approximately two orders of magnitude.

Fifteenth, fractionalisation widens access and does not create liquidity; market scale should be considered only after ownership, custody, valuation, price discovery, settlement finality, secondary trading, and eligibility have answers.

Sixteenth, asset backing does not reduce risk where valuation is unreliable. Nigerian real-asset markets exhibit weak price discovery, valuation that is not independently commissioned, contested title, slow enforcement, and unverified beneficial ownership simultaneously; therefore, valuation integrity sits within the anti-money-laundering perimeter as well as the prudential one.

Seventeenth, regulation should move toward activity-based and technology-neutral supervision, stronger coordination across the four supervisory jurisdictions, defined treatment for digital custody and new exposures, and common interoperability requirements. Current operating arrangements remain incomplete across these areas.

Eighteenth, four regulatory instruments announced alongside the Executive Order of 17 July 2026 were unpublished at the cut-off date, and no enforcement action under the new perimeter was located.

Nineteenth, institutional capital is the scale constraint. Pension and insurance investment regulations do not provide for tokenised instruments and provide only narrowly for private credit and unlisted exposure, and a published determination is required as to whether it is permissive.

Twentieth, subnational issuers have demonstrated capital market access. The public evidence reviewed for this paper was insufficient to establish project bankability at the level of named projects because no published pipeline detailing sponsor, cost, risk allocation, and financial close date was found. A Lagos gross domestic product figure of N66trn in circulation is also a budget projection rather than a realised outcome.

Twenty-first, the components are not yet an integrated architecture. Eleven integration conditions were tested, and the accurate description is a potential architecture.

Twenty-second, Nigeria is building in approximately the reverse of the required order, with platforms, capital requirements and coordination structures ahead of legal certainty and institutional eligibility, so early participants absorb legal uncertainty that later rule-making will resolve.

CHAPTER 15

Strategic **Recommendations.**

The recommendations are grouped in five tiers reflecting the priority sequence set out in the Executive Summary. Tiers One and Two are preconditions and should not be sequenced behind the others. Tiers Three to Five may proceed in parallel once the first two are underway. Each recommendation identifies a lead institution, and Chapter 16 attaches an instrument, a risk owner, a timetable and a measurable outcome to each.

Tier One. Legal Certainty

First, the National Assembly, working with the Central Bank of Nigeria, the Securities and Exchange Commission, and the Attorney-General of the Federation, should legislate settlement finality, enforceability of close-out netting in insolvency, and statutory recognition of the governing record of title for dematerialised and tokenised instruments.

Tier Two. Institutional Eligibility

Second, the National Pension Commission and the National Insurance Commission should each publish a determination on the eligibility of tokenised instruments, structured and risk-shared exposures, and private credit, stating the applicable valuation, custody, concentration, capital, and disclosure conditions, and whether the determination is permissive.

Third, the Virtual Asset Council should publish the Harmonised Implementation Framework, the Central Bank sandbox rules, the Nigeria Revenue Service tax framework and the Federal Government white paper, each with a stated date, and should adopt an activity-based supervisory perimeter together with a common instrument classification, disclosure taxonomy and reporting standard across the four supervisory jurisdictions.

Fourth, the Securities and Exchange Commission should complete licensing of segregated, insolvency-remote digital-asset custody, and should issue a valuation-integrity requirement for asset-backed public issuance and regulated tokenised instruments mandating trustee-appointed independent valuation, disclosure of valuation basis, source-of-asset testing and scheduled revaluation.

Fifth, the Central Bank of Nigeria, the National Insurance Commission and the National Pension Commission should jointly publish prudential treatment for risk-shared, partnership, lease and tokenised exposures, so that regulated institutions can price the cost of holding them.

Tier Three. Instrument Supply and Asset Creation

Sixth, the Debt Management Office, in collaboration with the Securities and Exchange Commission, should publish a standardised corporate and sub-national Sukuk issuance template and a documented route to market for non-financial corporate issuers.

Seventh, state governments should each publish a Prepared Project Register that includes, for not fewer than five named projects, the sponsor, cost, land and title status, permit status, risk allocation, financing instrument, credit-enhancement provider, and target financial-close date, explicitly stating where a data point is not yet available.

Eighth, the Central Bank of Nigeria and the Securities and Exchange Commission should jointly publish a financing framework for productive and digital infrastructure recognising risk-shared and asset-linked structures and identifying applicable disclosure and valuation standards.

Tier Four. Allocation and Credit Architecture

Ninth, the Central Bank of Nigeria should tier Standing Deposit Facility access by volume, calibrated to institution size, rather than adjusting the corridor rate alone, and should publish an explicit reaction function for the easing cycle.

Tenth, the Federal Ministry of Finance with the Development Bank of Nigeria should scale a first-loss guarantee facility for qualifying MSME and infrastructure portfolios, retaining a stated minimum of originator risk and publishing claim experience.

Eleventh, the Central Bank of Nigeria should recognise cash-flow-based and transaction-data underwriting for a defined tranche, with corresponding capital treatment and a data framework agreed with the Nigeria Data Protection Commission, and should reform the performance of movable-collateral registries with published timelines for perfection and repossession.

Tier Five. Measurement and Market Conduct

Twelfth, PAPSS with Afreximbank should publish quarterly corridor-level transaction volume and value, live commercial corridors distinguished from connected countries, and average settlement time and cost by corridor.

Thirteenth, the Central Bank of Nigeria should require designated financial-market infrastructure providers to publish annual availability statistics, material-incident disclosures and evidence of tested disaster recovery.

Fourteenth, the Central Bank of Nigeria and the National Bureau of Statistics should publish a quarterly series of new credit extension by sector against sectoral contribution to gross domestic product.

Fifteenth, the National Insurance Commission should publish a takaful roadmap with dated gross written premium and penetration targets.

Sixteenth, non-interest institutions should expand origination of compliant instruments for corporate and sub-national issuers alongside branch, deposit and customer growth.

Seventeenth, development-finance institutions and sovereign and sub-national investment vehicles should take anchor and first-loss positions in early transactions, since their mandates permit participation that prudential eligibility currently denies to pension and insurance capital.

Eighteenth, financial institutions and their boards should require, before committing capital to any instrument examined here, a written statement identifying legal title, custody, valuation basis, settlement finality, secondary-market liquidity evidence, recourse on failure and defined maximum loss.

CHAPTER 16

Implementation **Matrix.**

Where the evidence does not support a specific timeline or institutional assignment, the matrix records that the item is to be determined through stakeholder validation rather than inventing an assignment.

Table 24

IMPLEMENTATION MATRIX.

Constraint	Required Action	Lead Institution	Supporting Institutions	Instrument	Risk Owner	Timeline	Measurable Outcome
Legal uncertainty on title, finality and netting	**Legislate finality, netting and the governing record of title**	National Assembly	**Central Bank of Nigeria, Securities and Exchange Commission, Attorney-General of the Federation**	Primary legislation	**Market participants until enacted**	**18 months**	**Enactment and first transaction settled under the statutory finality rule**
Institutional ineligibility	**Publish eligibility determinations for new instrument classes**	National Pension Commission and National Insurance Commission	**Securities and Exchange Commission**	Investment regulation amendment	**Regulated fund and its board**	**12 months**	**Publication of a determination, whether permissive or prohibitive**
Unpublished implementation instruments	**Publish the four announced instruments and adopt an activity-based perimeter**	Virtual Asset Council	**Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Revenue Service**	Framework publication	**Virtual Asset Council**	**90 days**	**Instruments published and common classification adopted**
Digital-asset custody unlicensed	**Complete licensing of segregated, insolvency-remote custody**	Securities and Exchange Commission	**Central Bank of Nigeria, Virtual Asset Council**	Rules and licensing	**Custodian**	**12 months**	**Number of licensed custodians and value under regulated custody**
No prudential treatment for new exposures	**Publish capital, valuation and concentration treatment**	Central Bank of Nigeria	**National Insurance Commission, National Pension Commission**	Prudential guidance	**Holding institution**	**12 months**	**Publication of treatment for risk-shared, lease and tokenised exposures**
Weak valuation integrity	**Mandate trustee-appointed independent valuation and disclosure**	Securities and Exchange Commission	**Nigerian Exchange, FMDQ, trustees**	Rule or circular	**Issuer and trustee**	**18 months**	**Share of asset-backed issuances with trustee-appointed valuation**
Instrument scarcity	**Publish corporate and sub-national Sukuk issuance template**	Debt Management Office	**Securities and Exchange Commission, Financial Regulation Advisory Council of Experts**	Issuance guidance	**Issuer**	**12 months**	**Sukuk issues by non-financial corporates and by a fourth state**
No visible investable pipeline	**Publish Prepared Project Registers**	State governments	**Public-private partnership offices, ministries of economic planning**	Executive publication	**State government**	**90 days**	**Register projects reaching financial close within 24 months**

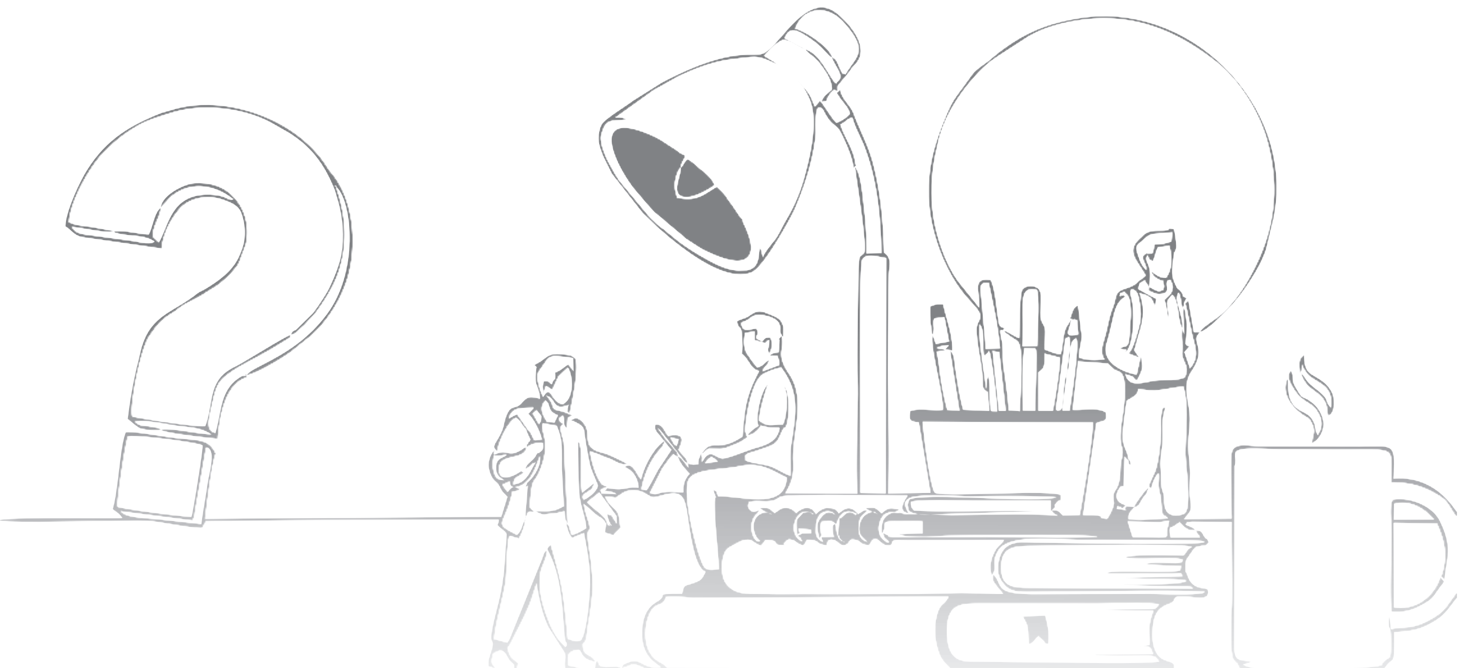
Table 24 continue

Constraint	Required Action	Lead Institution	Supporting Institutions	Instrument	Risk Owner	Timeline	Measurable Outcome
Infrastructure unfunded in naira	**Publish a financing framework for risk-shared and asset-linked structures**	Central Bank of Nigeria	**Securities and Exchange Commission, non-interest banks, Development Bank of Nigeria**	Prudential and disclosure framework	**Originating institution**	**12 months**	**Value of naira financing extended to infrastructure and digital assets**
Risk-free absorption	**Tier Standing Deposit Facility access and publish a reaction function**	Central Bank of Nigeria	**Bankers Committee**	Monetary Policy Committee decision	**Central Bank of Nigeria**	**Two Committee cycles**	**Change in average daily placement volume**
Productive credit unattractive	**Scale first-loss guarantees retaining originator risk**	Federal Ministry of Finance	**Development Bank of Nigeria, Central Bank of Nigeria**	Guarantee facility	**Sovereign with originator retention**	**12 months**	**Guaranteed lending value and published claim ratio**
Asset-light firms excluded	**Recognise cash-flow underwriting and reform collateral registry**	Central Bank of Nigeria	**Nigeria Data Protection Commission, state registries**	Prudential guideline and registry reform	**Originating bank**	**12 months**	**Credit extended under the tranche and published perfection timelines**
Settlement utilisation unmeasured	**Publish corridor-level utilisation**	PAPSS	**Afreximbank, participating central banks**	Quarterly publication	**PAPSS**	**Two quarters**	**Publication of corridor volume, value and cost series**
Resilience unmeasured	**Require availability and incident disclosure**	Central Bank of Nigeria	**Nigerian Communications Commission, designated providers**	Supervisory requirement	**Designated provider**	**12 months**	**Number of providers publishing an availability report**
Credit allocation unmeasured	**Publish sectoral credit series**	Central Bank of Nigeria	**National Bureau of Statistics**	Statistical release	**Central Bank of Nigeria**	**12 months**	**Publication of quarterly sectoral credit and output series**
Takaful without baseline	**Publish takaful roadmap with dated targets**	National Insurance Commission	**Takaful operators**	Sector roadmap	**National Insurance Commission**	**180 days**	**Publication of premium and penetration targets with dates**
Early transactions without an anchor	**Take anchor and first-loss positions**	Development-finance institutions	**Sovereign and sub-national vehicles, arrangers**	Investment mandate	**Anchor investor**	**12 months**	**Number and value of transactions closed with an anchor participant**
Unpriced instrument risk	**Require a pre-commitment underwriting statement**	Financial institution boards	**Auditors, risk committees**	Board policy	**Institution board**	**Immediate**	**Share of new instrument commitments with a completed statement**
International financial centre ambition	**Sequence against the unmet prerequisites**	Lagos State Government	**Federal Ministry of Power, judiciary, Central Bank of Nigeria**	To be determined through stakeholder validation	**To be determined through stakeholder validation**	**To be determined through stakeholder validation**	**To be determined through stakeholder validation**

Source: Proshare Research

Proshare.

Three dependencies apply across the matrix. Publication precedes measurement, and several actions require an institution to publish data it already holds. Legal certainty precedes eligibility, because a regulator cannot reasonably permit a holding whose enforceability is unsettled. Eligibility precedes instrument design, because an instrument no domestic institution can hold will not reach scale.



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CHAPTER 17

Research **Limitations.**

First, the cut-off date. All data reflects the position as at 11 August 2026, and several series examined here move rapidly, particularly tokenised-asset values and settlement network coverage.

Second, unverified institutional figures. Certain institution-level balance sheet, customer, and programme figures could not be independently verified and have not been adopted. The relevant passages record a verification outcome rather than a position.

Third, consultation-sourced statistics. MSME population, funding gap, credit-access share, informal-borrowing survey findings, manufacturer lending and inventory values, cross-border cost percentages and intra-African trade shares are attributed at each point of use and were not independently re-verified within the research window. The first-quarter 2026 foreign investment figure is drawn from secondary reporting and is identified as such.

Fourth, absent primary series. Four series that do not exist in the public domain prevent findings from being stated with greater precision, being corridor-level settlement utilisation, sectoral credit extension against sectoral output, comparable non-performing financing outcomes for non-interest against conventional institutions, and availability and incident data for financial-market infrastructure.

Fifth, forward-looking material. Chapters 9, 10 and 12 describe what must change rather than what has changed. They are analytical propositions grounded in the evidence assembled here, not predictions.

Sixth, independence. The paper is independent of every institution whose claims it examines and distinguishes consultation propositions from Proshare findings throughout.

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CHAPTER 18

Conclusion.

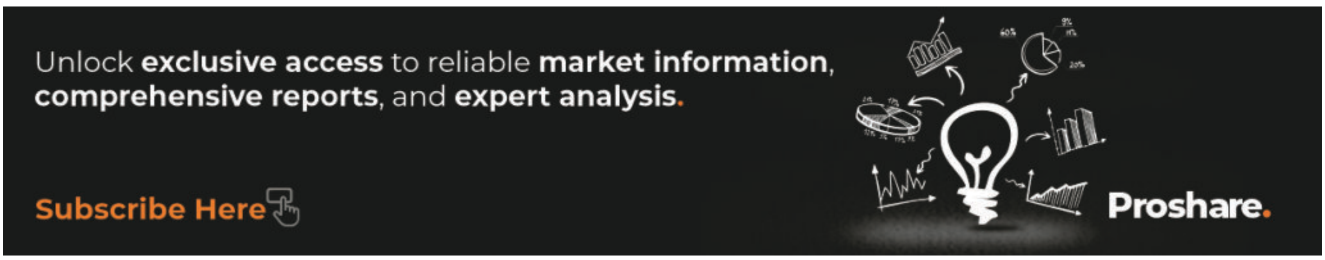
Nigeria's financial system does not lack capital, technology or legal innovation. Its difficulty is converting these into prepared, priced, enforceable and measurable productive assets.

Nigeria's future financial architecture will be determined by its ability to create investable assets, broaden the instruments through which they are financed, connect domestic and regional capital through reliable market infrastructure, and adapt regulation to new forms of ownership, settlement and risk. Non-interest finance and funding technology are emerging as important components of that transition, and scale will depend on institutional capital, trusted infrastructure and enforceable rules.

The transition is already underway. A recapitalised banking system, a non-interest industry of N5.77trn, a settlement rail reaching fifteen countries commercially, a legal perimeter for digital assets and an investor base that has consistently oversubscribed asset-linked instruments are not aspirations. They are the starting position. What has not moved at comparable speed is the supply of assets those resources can enter, the legal certainty attaching to new forms of ownership, and the eligibility of domestic institutional capital to hold either.

The required actions are predominantly institutional, legal and administrative. They include clarifying title, finality and netting; publishing regulatory instruments and a supervisory perimeter; issuing eligibility determinations; standardising issuance guidance; publishing priority data series; and preparing project registers. Most rely on existing institutions and do not require the creation of a new financial-market body.

Nigeria's future financial system will depend on institutional architecture that allows capital to be created, priced, owned, transferred, protected and enforced. Institutional capital is more likely to participate where opportunities can be verified, priced, governed and enforced.



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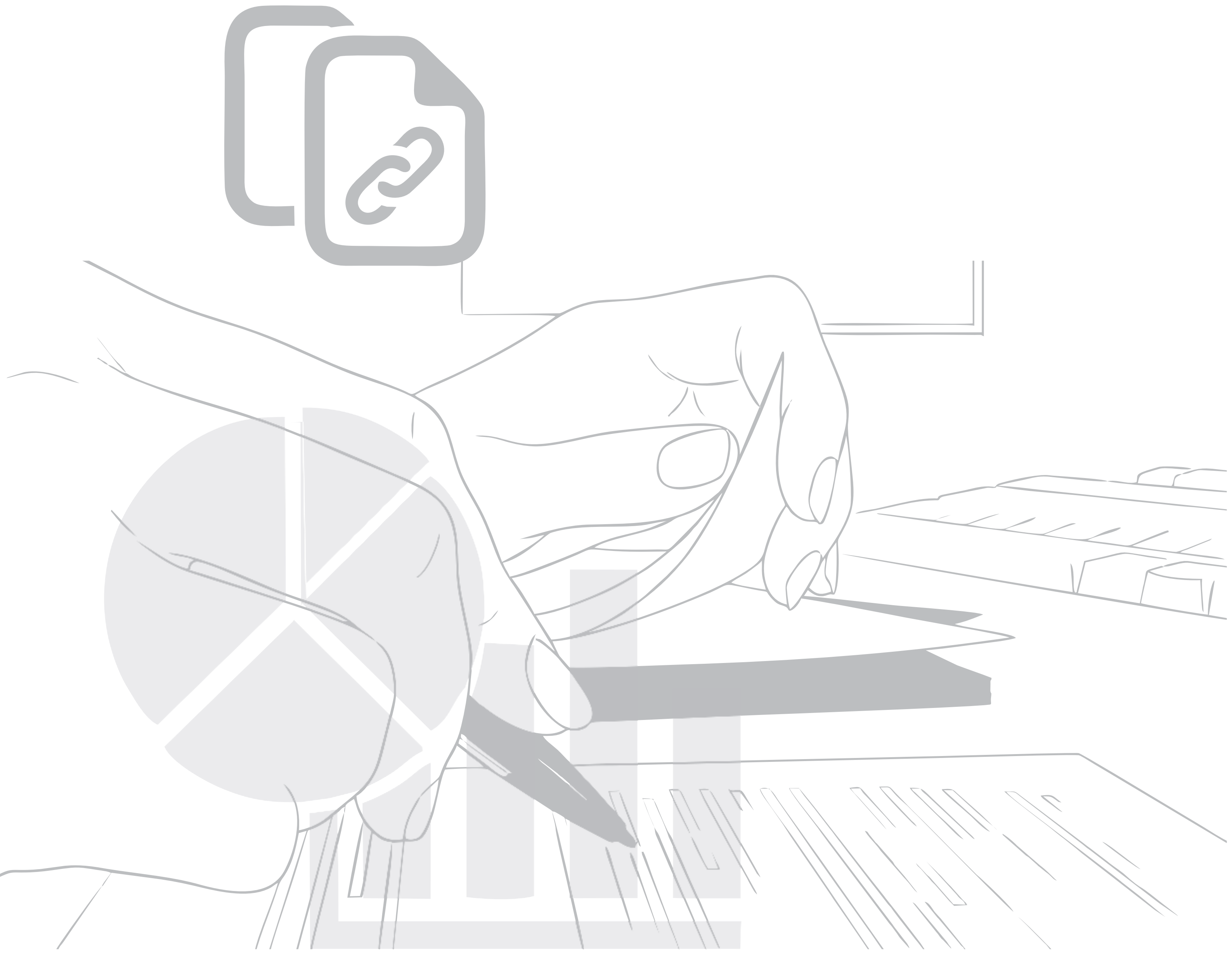

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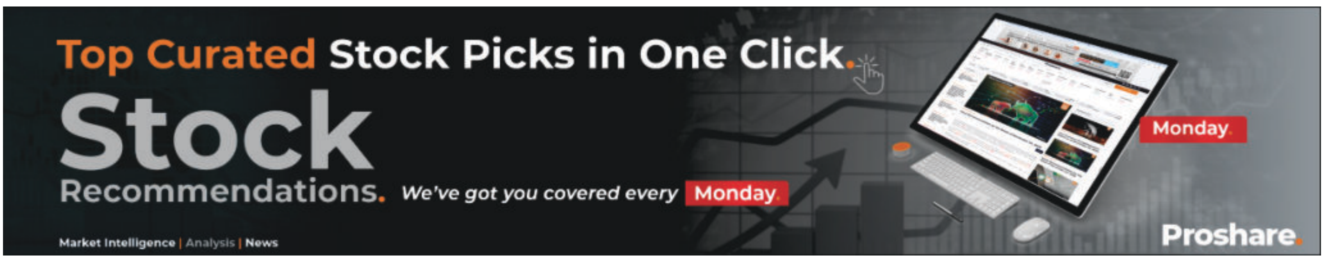

Appendix.

Appendix A. Note on the Expert Consultation of 30 July 2026

An Executive Intelligence Forum, themed "Beyond Interest. The Future of Finance," was held on Thursday 30 July 2026 at The Metropolitan Club, Victoria Island, Lagos. It was a closed, invitation-only session, comprising four contributions and an audience exchange.

The four contributions addressed the state as catalyst for private capital, the business case for ethical capital, tokenisation and cross-border payment infrastructure, and the macroeconomic outlook and the investor's calculus.

The consultation recorded four areas of broad agreement: macroeconomic stabilisation has not yet translated fully into growth and household recovery; productive-enterprise financing remains constrained; digital settlement infrastructure has advanced materially; and ethical-finance propositions require commercial discipline and measurable outcomes.

The consultation reflected differing views on three issues: the relative importance of allocation constraints versus borrower risk and prudential requirements; the extent to which current conditions create a time-bound first-mover advantage; and whether the regulatory framework already constitutes a settled institutional alignment.

Four unresolved issues were carried into the research: the absence of a named investable project pipeline; valuation integrity and market-conduct risks in asset-backed structures; the physical-infrastructure resilience underpinning cross-border settlement; and the physical and institutional prerequisites of an international financial centre.

The consultation was an input to this research. The findings recorded in Chapter 14 are Proshare Research findings, several of which do not support propositions advanced at the session.

Appendix B. Verification Register

This register records the verification outcome for every material claim examined. Two editorial submissions were reconciled before publication. Where the submissions differed, the resolution adopted here removes contested institution-level figures rather than reproducing them, records the unresolved contributor designation as a verification outcome, and confirms the publishing entity. No analytical conclusion in this White Paper rests on a claim marked as not verified.

Table 25

VERIFICATION STATUS OF MATERIAL CLAIMS

Claim	Status
Banking recapitalisation at N4.65trn across 33 institutions	**Established**
Nine largest banks at N220.6trn assets and N141.72trn deposits	**Established**
Lagos gross domestic product exceeds N66trn	**Corrected. Budget projection, not realised outcome**
Lagos capital importation figure and share	**Not verified**
Lagos dual bond issuance at N244.815bn	**Established**
Lekki corridor investment value	**Not verified**
First-quarter 2026 foreign investment inflows at US$10.4bn	**Secondary reporting, not independently verified**
Institution-level balance sheet and customer figures	**Not verified. Three divergent accounts, none adopted**
Programme tonnage, rewards and participant figures	**Not verified**
Cumulative sovereign Sukuk issuance	**Established. N1.092trn to December 2023 across six issuances**
Global non-interest finance assets at US$6trn	**Not verified. Islamic Financial Services Board estimate approximately US$4.4trn for 2025**
Nigerian non-interest finance industry at N5.77trn	**Established**
Settlement network country, bank and switch coverage	**Established with qualification. 15 countries live commercials against 28 connected**
Settlement transaction volumes	**Not published**
Claimed payment-cost reductions of 20% to 30%	**Operator claim, not independently audited**
Tokenised real-world-asset market size	**Established at approximately US$31bn, July 2026**
Tokenisation market figure of US$3trn for 2026	**Not verified and not supportable**
BlackRock BUIDL fund at US$2.9bn	**Not verified. Approximately US$2.4bn to US$2.5bn reported**
Nigeria digital-asset legal perimeter	**Established**
Regulatory capital requirements for digital-asset operators	**Established. N300m to N2bn by category, compliance due 30 June 2027**
Central Bank policy rate and standing facilities	**Established**
Standing Deposit Facility placement figures	**Corrected. Monthly aggregates of overnight placements, not a stock**
MSME numbers and financing gap	**Not independently verified**
Manufacturing lending rate at 35.5%	**Not independently verified**
Poverty estimates	**Established for the World Bank series. The 2026 figure is a forecast**
Fiscal and debt-service figures	**Not verified against the Appropriation Act**
Contributor institutional designation	**Not verified. Inconsistent across the consultation materials; not relied upon in analytical conclusions**

Source: Proshare Research

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