

BIA INTELLIGENCE

BUSINESS INSIDE AFRICA

A BIA INTELLIGENCE BRIEFING - NOVEMBER 2026

The Great Reversal

Why Global Banks Are Moving Back Into Nigeria

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Evidence-led market intelligence for investors and founders making real decisions in real time.

01

Executive summary: the reversal in five numbers

For nearly a decade, global banks pulled their correspondent plumbing out of Africa. Compliance costs, opaque FX regimes and de-risking pressure made the Continent's money pipes uneconomic to run. That wave is now reversing at the top of the market, and Nigeria is where it is most visible. The evidence sits in five numbers.

N50bn

JPMorgan's approval-in-principle deposit with the CBN, 20-21 Oct 2026 (Guardian, THISDAY)

$4.41bn

Standard Chartered's Q1 2026 capital importation lead (BusinessDay, 12 Oct 2026)

+62.23%

NGX All-Share Index YTD, closing 252,456.74 on 9 Nov 2026 (Proshare/NGX)

~$55bn

External reserves at end-October 2026

$5bn+/yr

Estimated correspondent-banking friction for African flows (industry estimate, not audited)

None of these numbers is a cheerleading line. Each one is sourced, dated and carrying its limits in plain sight. This briefing assembles them into one picture: why the banks left, what changed, who is coming back and what they are coming back for, what they will find when they arrive, and the gap none of them is built to close.

BIA Intelligence brings the numbers, the sources and the judgment together, with the assumptions and limits still visible. This briefing is a sample of that judgment.

02

The de-risking wave, 2016-2024

Between 2016 and 2024, the correspondent relationships that move money between African banks and the global system thinned out steadily. The causes were structural, not cyclical.

First, compliance cost. Correspondent banking is a chain of trust, and every link in the chain must underwrite the ones downstream of it. As African correspondent exposure grew riskier in the eyes of global compliance departments, the cost of maintaining the relationship rose faster than the revenue it carried. Smaller respondent banks were cut first; the pipes narrowed.

Second, FX opacity. Through most of that period, Nigeria ran multiple exchange rates and periodic access restrictions. A correspondent bank cannot price risk it cannot see. Unification of the naira in 2023-24 attacked exactly that problem, which is why the reversal tracks the reform calendar so closely.

Third, de-risking pressure. Global regulators and internal risk appetite pushed large banks toward exiting entire relationship categories rather than managing them account by account. Africa was a category. The result was a decade of quiet narrowing: fewer correspondent accounts, slower wires, more delayed and more expensive trade settlements.

> **THE COST OF THE QUIET NARROWING**
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> The friction has been sized at **$5bn+ per year** in added cost and delay across African correspondent flows. This is an industry estimate, not an audited figure, and we flag it as such. Even at the conservative end, it is the kind of number that shows up as a Lagos exporter waiting weeks for a confirmed letter of credit.

03

The return: who is moving, and how far

The returning banks are not testing the water. They are licensing the plumbing.

JPMorgan: approval-in-principle, N50bn deposited

On 20-21 October 2026, JPMorgan deposited **N50bn** (roughly **$38m**) with the Central Bank of Nigeria, the minimum paid-up capital for a nationally licensed merchant bank, after receiving approval-in-principle for JPMorgan Merchant Bank Nigeria Limited (Guardian, 20 Oct 2026; THISDAY, 21 Oct 2026; MyNigeria, 24 Oct 2026). Final licensing still requires incorporation at the Corporate Affairs Commission and operational sign-off. This is a down payment on a licence, not a licence.

Standard Chartered: leading the inflow

Standard Chartered led all institutions in Nigeria's capital importation in Q1 2026 with **$4.41bn** (BusinessDay, 12 Oct 2026; CBN capital importation data), and publicly credited Nigeria's reforms with winning investors back (Reuters, 10 Jun 2026).

The wider field

- **Absa Group** is weighing an upgrade of its Nigerian representative office toward a merchant-bank style licence (BusinessDay, 12 Oct 2026).
- **Citibank** continues to serve multinationals and government-linked entities (BusinessDay, 12 Oct 2026).
- **First Abu Dhabi Bank** has established a physical Lagos presence (BusinessDay, 12 Oct 2026).
- **Barclays** reported a surge in Africa and Asia cross-border deal flows in late 2025 (Bloomberg, 25 Nov 2025).

The pattern across all of them is the same: the de-risking wave is reversing at the top of the market first.

04

What changed: the 2023-24 FX reforms

The reforms did not make Nigeria cheaper. They made it legible, and legibility is what correspondent banking runs on.

Naira unification

The 2023-24 unification collapsed the multiple exchange-rate windows into a single, market-determined rate. As of early November 2026 the naira trades in the **N1,346-1,349/USD** range, with external reserves near **$55bn** at end-October 2026. A correspondent can now quote, hedge and settle against one observable price.

A market repricing in real time

The equity market has carried the repricing: the NGX All-Share Index closed Monday 9 November 2026 at **252,456.74, up 62.23% YTD**, after a N2.32tn single-day gain driven mainly by Dangote Cement (Proshare/NGX data, 9-10 Nov 2026). Dangote Cement's nine-month results carried the Industrial Goods index through October (NGX/Dangote Cement 9M 2026 interim results, Nov 2026).

Reforms winning investors back

Standard Chartered's own read is that the reforms are winning investors back (Reuters, 10 Jun 2026). The bank leading Q1 2026 capital importation at $4.41bn is also the one narrating the reform story: the return of the banks and the return of the flows are the same event seen from two sides.

05

What the returning banks are returning FOR

Be precise about what is coming back. It is not retail banking and it is not mid-market lending. A merchant bank earns its keep on three categories of large-ticket flow.

- **M&A and structuring.** Cross-border deal flow is surging; Barclays alone reported it in late 2025 (Bloomberg, 25 Nov 2025). Advising and structuring those deals is licensed merchant-bank work.
- **Trade finance.** The large-ticket import and export flows that pass through correspondent rails: confirmed letters of credit, commodity finance, structured receivables.
- **Infrastructure.** Deal sizes that only a restored inbound pipe can carry, from energy to transport corridors.

The merchant-bank licence is the institutional version of what compliance rails are doing at the retail edge: licensing the plumbing so large capital has a lawful, priced path in. It is selective by design. The counterparties are large by definition.

THE HUMAN STAKE

Behind every one of these numbers sits a Lagos exporter waiting weeks for a confirmed letter of credit while the correspondent chain re-tests its trust links one by one. The friction this rebuild aims to remove is not abstract. It is working capital, held hostage by plumbing.

06

What the returning banks find: the evidence of depth

The clearest recent evidence of what Nigerian capital markets can absorb is the Dangote Petroleum Refinery IPO. It is context for the banks' return: proof of depth at the top of the market.

An order book near three times target

The IPO closed 28 October with roughly **N6.4tn in subscription orders**, near three times its **N2.15tn base target** (CNBC Africa, 28 Oct 2026). Nairametrics' 10 November reckoning puts **confirmed bids at N5.85tn** from nearly **3.8m applicants** (Nairametrics, 10 Nov 2026). The trackers differ on the headline order book; we show both and treat the lower figure as the floor. Orders are not allocations: these figures measure demand pressure, not money that changed hands.

Two numbers that matter more than the total

- **~3.8m subscribers against a 10m retail investor target.** Dangote attributed the miss to time constraints and platform difficulties (BusinessDay, 9 Nov 2026; Business Insider Africa, 8 Nov 2026). The retail pipe leaked: Newsbase sized the $4.8bn order book as exposing retail reach limits (Newsbase, 10 Nov 2026).
- **~N28m in on-chain DPRI subscriptions against the N6.4tn order book** (Dune data via CNBC Africa). Compliance-grade rails are licensed before they are reachable.

For a returning merchant bank, the read is twofold. The depth is real: one of the largest order books in African market history. The distribution is thin: the rails that reach ordinary capital are still being built. Both facts are the opportunity.

07

The gap both leave open: the mid-market

Here is the tension worth an allocator's attention. The restored foreign plumbing is built for counterparties of Dangote's scale. The question is whether it serves the next ten Dangotes, or only the one that already exists.

Merchant banking is selective by design. Its ticket sizes, its diligence burden and its fee models all assume counterparties that already have scale. The mid-market companies of Nigeria and the wider continent sit exactly in the layer both pipes skip: **too big for the informal economy's mobile rails, too small for merchant-bank ticket sizes**. That layer is where the next cohort of investable African companies is supposed to come from.

This makes the mid-market the binding constraint on African capital formation. It is not a gap that the returning banks will fill by themselves, because filling it is not what their licences are built for. It is measurable, though, and that makes it watchable: capital formation at the middle of the market either gets built by someone, or it does not get built.

> **BIA INTELLIGENCE'S STANDING JUDGMENT**
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> The reforms are working at the two ends of the market where they were aimed: foreign institutional capital has a rebuilding path in, and the largest domestic champion has a tax-credit and capital-markets path to scale. The gap in the middle is now the binding constraint, and watching it is the work.

08

What to watch next: three signals

SIGNAL	WHY IT MATTERS	HOW TO READ IT
Final licence approval	Approval-in-principle is not a licence. JPMorgan's CAC incorporation and operational sign-off are the next gates (Managing Nigeria, 6 Nov 2026).	A final licence converts the N50bn deposit into an operating merchant bank.
In-country hiring	Licences are paperwork; hiring is commitment. The first senior merchant-bank hires in Lagos tell you whether the plumbing is being staffed.	Watch for MD-level appointments and coverage builds across M&A, trade and infrastructure desks.
The LC cost line for exporters	The clearest lived measure of whether the reversal reaches the real economy: confirmation cost and settlement time for confirmed letters of credit.	Falling confirmation costs and shorter settlement windows mean the plumbing is actually flowing.

These three signals are how Founders members track the reversal without waiting for it to be announced. Each is dated, observable, and tied to a number.

09

Assumptions and limits

This briefing carries its limits in plain sight. That is house style, not hedging.

- **Approval-in-principle is not a licence.** JPMorgan holds approval-in-principle only; final licence, CAC incorporation and operational approvals are outstanding. Anything written about "JPMorgan's Nigerian bank" today describes a construction site, not an operating bank.
- **Tracker disagreement is shown, not smoothed.** IPO order figures differ by tracker: N6.4tn total orders (CNBC Africa sourcing) vs N5.85tn confirmed bids (Nairametrics). We show both and treat the lower figure as the floor.
- **Orders are not allocations.** The N6.4tn/N5.85tn measures demand pressure, not money that changed hands.
- **Ranges are flagged, not resolved.** Where coverage disagrees on sizing (for example the Dangote expansion program at $23bn per BusinessDay in May 2026 versus higher figures elsewhere through 2030), we flag the range rather than pick a number.
- **Industry estimates are labeled.** The $5bn+/yr correspondent-banking friction figure is an industry estimate, not an audited figure.
- **FX and reserves are point-in-time.** The N1,346-1,349/USD range and ~$55bn reserves are early-November and end-October 2026 readings; both move.

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Dated source list

Every figure in this briefing traces to one of the dated sources below. Where two sources disagree, both are listed and the disagreement is carried in the text.

- Guardian (20 Oct 2026): JPMorgan deposits N50bn with CBN.
- THISDAY (21 Oct 2026): same, merchant-bank licence context.
- MyNigeria (24 Oct 2026): CBN grants preliminary approval.
- Managing Nigeria (6 Nov 2026): approval received, incorporation pending.
- Rocketparrot (28 Oct 2026): N50bn explainer, approval scope.
- BusinessDay (12 Oct 2026): JPMorgan/Absa see opportunity; Standard Chartered $4.41bn Q1 lead; FAB Lagos presence.
- Reuters (10 Jun 2026): Standard Chartered on reforms winning back investors.
- Bloomberg (25 Nov 2025): Barclays Africa/Asia deal-flow surge.
- CNBC Africa (28 Oct 2026): refinery IPO N6.4tn orders, 3x target.
- Nairametrics (10 Nov 2026): N5.85tn confirmed bids, ~3.8m applicants.
- BusinessDay (9 Nov 2026): 10m retail target missed; platform difficulties.
- Business Insider Africa (8 Nov 2026): same, retail reach limits.
- Newsbase (10 Nov 2026): $4.8bn order book exposes retail reach limits.
- Dune via CNBC Africa: DPRI on-chain subscriptions ~N28m.
- Legit.ng (18 Oct 2026): N1.83tn Niger highway under tax credit scheme.
- billionaires.africa (16 Oct 2026): $1.4bn highway, EO7 recovery mechanism.
- BusinessDay (20 May 2026): $23bn cross-border expansion sizing.
- Afreximbank (8 Apr 2026): support for $100bn-by-2030 revenue target.
- NGX/Dangote Cement 9M 2026 interim results (Nov 2026): October +39.7%, Industrial Goods leadership.
- Proshare/NGX data (9-10 Nov 2026): ASI 252,456.74, +62.23% YTD, N2.32tn Monday gain, breadth 20/28.

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The judgment Founders members pay for

This briefing is a sample of the judgment Founders members pay for: the numbers, the sources and the limits, together, on the stories that move African capital.

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