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TRENDS IN THE BANKING INDUSTRY AND DEVELOPMENT IN THE NIGERIA FINANCIAL SECTOR

Adamgbo Suka Lenu Charles *

Department of Finance, Rivers State University, Port Harcourt, Rivers State, Nigeria.

* Corresponding Author

ORCID Details

Adamgbo Suka Lenu Charles: <https://orcid.org/0009-0000-4055-0267>

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ABSTRACT

The study examines trends in the Banking Industry and Development in the Financial Sector in Nigeria. This study is carried out to analyse and evaluate changes in the traditional banking practices driven by technological advancements that has translated to development in the Nigerian financial landscape. The study adopts conceptual and analytical research approach to account for digital advancements creating new possibilities and pathways for financial services delivery, products, as well as payment systems leading to expansion of the financial super sector. The study based its analysis on data available from the Central Bank of Nigeria official Gazette evaluating technological transformations that has shaped and reshaped the Nigerian financial sector and its development. The study carefully ex-rayed and identified experiences from the COVID-19 pandemic, the various central Bank of Nigeria initiatives toward financial inclusion targets and the 21st century digital financial innovation appreciation across industries as major drivers for the trends in the banking industry. Analysing its consequences on the sector, identifying artificial intelligence (AI) as agent of revolutionary frontiers in the development of the sector. The study recommends that Fintech led development is key to the forthcoming industrial revolution, risk management tool and to curtail the banking malware in the banking sector amongst others.

Keywords: Trends, Financial Development, Technology Advancements, Financial Inclusion Banking Malware

1 INTRODUCTION

Trends in the banking industry in recent times have elicited policy changes leading to development in the financial service sector. Advancement in technological application in the banking industry has shifted from the traditional methods to digital-first, with adoption of AI for fraud detection and risk management (Sny, Cosmos, 2024).

According to (Usoro, 2022), advancements in technology have created new possibilities and pathways for the delivery of financial products and services. The upsurge of technological milestones have led to significance improvements in service delivery, efficacy, speed, security and customer experience sparking development in the sector as financial

institutions, and other players adopt and adapt to new technologies to improve service quality. No doubt, globally, development in financial service sector is driven by technology.

The global pandemic leads the global socio economic system and various actors at all levels, (macro-meso-micro) respectively to irreversible transformations, that lay the ground for the appearance of an entirely new form of globalization. It is a true fact undisputable that Covid-19 pandemic elicited developments in every sectors or industry towards the fourth industrial revolution (IGI Global Scientific Publishing Tomorrow's Research Today, 2022)

In Nigeria, the National Financial Integration and development has been championed by the regulator (CBN) aimed at enhancing inclusive finance, economic environment and reducing financial exclusion, seamless services and product offered by digital financial players (Fintech) culminated to expanding the length and breadth of the Nigeria financial ecosystem. Technological advancements keep soaring skyrocketed as well added complexities of operations, speed of transmission among others to the already turbulent financial sector landscape (Teaganne, 2024). Modernization of core banking and payments system is built on resilient digital foundations that endure disruption. Trends in the financial service sector signaled preparedness for major changes (development) in real-time up-to-date financial services and related matters including development of the banking and capital market (Teaganne, 2024). Emerging technologies including automation has further exacerbated changes in the sector not only in the financial sector but across industries. The need to revamp the financial sector to attract public confidence and the adoption of non-physical payments during Covid-19 Pandemic propelled expansion of the financial service industry. Financial service landscape development has been massive resulting to expansion in the sector. Digital tech UN (2020) have advanced more rapidly than any innovation in our history reaching 50% of world population in 2 decades enhancing connectivity and financial service delivery.

In post-Covid, organizations industries especially financial service institutions have continued to invest in technology to diversify financial products and services. The unprecedented trends has led to increase in financial service providers (FSPs), financial service consumers (FSCs), financial Institutions especially banks reacting to Fintech disruption. In the 21st century, technology has virtually taken over business activities, the banking sector which play major role in the economy is at the centre. The advent of Fintech and its application for speedy service delivery has renewed various system in the economy though not without its hiccup as noted by (Ekong, 2022).

The trends in financial services industry through the contribution of Fintech has been massive impactful, significance and unquantifiable in promoting creative and innovative thinking that have made banks and other financial sector players (BOFSPs) to disrupt their models and unlock potentials leading to financial sector development,. Development in the sector built on digitalization, redefining and reshaping customer's experience to bring forth wealth management tools necessary for managing the lasting impact of Artificial Intelligence (AI) on financial institutions and people. In the light of the above therefore, this piece is tailored to explaining the direction and pace of development within the Nigerian financial ecosystem. This paper intends to give the breakdown of the trends or frontiers of major technological advancements and sustainable developments within the context of the Nigerian financial sector.

According to the World Bank, financial sector development refers to improved efficiency and competitiveness of the sector, enhanced choices of financial products and services which occurs when financial instruments, markets, intermediaries ease the effect of information, enforcement and transaction costs, doing better job, providing key functions of the sector in the economy. Development in the Nigerian financial landscape has transcend from cashless economy, biometric cards, Smartphone wallet, crypto currency, mobile payment, online payment, credit cards, among others which has greatly improved and automated delivery of financial services. In recent times development in the banking industry has led to streamlines processes, improved transparency, facilitating citizen engagement, fostering trust and confidence, improved access to information and services as well as cost savings via automation and digital platforms. As at 2024 mobile sector contribution to GDP is estimated at 13.5% or 33 trillion NGN with 2.4 trillion or less in tax revenue contributions (Nigeria, Mobile Economy Review, 2023). This according to the report place Nigerian mobile penetration rate at over 90% of the population using mobile phones thereby expanding internet connectivity in both urban and rural areas.

1.1 Major Trends in the Nigerian Financial Sector

Generative Artificial Intelligence (AI). This if not the biggest technological advancements made in Fintech since the Pandemic has ultimately changed and expanded the Nigerian financial sector. The application of Artificial Intelligence (Fintech) through banking technologies such as apps, internet and online payments and other online money services capable of producing new revenue streams are on the increase in the sector and is expected to double in the coming years. Artificial Intelligence (AI) is a new world of innovations that help personalize financial planning and investment management. In the insurance sub-sector, AI with its ability to find trends in data, insurers create personalized products leading to more accurate risk assessment and easing of insurance costs for individuals. Generative AI have revolutionize financial services (link reside outside ibm.com).

1.1.1 Hybrid Cloud Technology

Banks and other financial institutions being highly regulated, cloud technology or computing away from its benefit in regulation and compliance, is a tool that assist banks access to infrastructure, applications, servers and more on demand via the internet. Organizations especially financial institutions (banks) are transitioning to hybrid cloud technology models for work loads and for management and conduct of compliance tasks. Financial institutions are dynamic organization operating in a hybrid cloud environment need to keep an eye on digital transformations and integration needed to support growth and competitiveness for enhance efficiency, functionality or escalability of financial services which are key needs of banks, investments companies, insurances agencies, etc. today's financial sector faces lots of challenges such as security issues, differential operational processes, regulatory uncertainty among others (Walker, 2019).

1.1.2 Cyber Security Risk Management

As Ekong (2022) put it, technology in the financial service industry is not without its hiccups, AI has brought about more challenges with respect to cyber risks. There have and will likely continue to be cyber threats as technological advancements in the sector grow in leaps and bounds, as well getting more complex. As technology soars, cyber security threats abounds hence the need for investment in technology by banks to mitigate and combat cyber crime. Adamgbo (2024) banks and the regulators be Drivers and Changers of technological innovation and technology change agents respectively, holding that technological issue should be confronted with technology defensively and offensively in the present era of Fintech disruptions and challenges (risks). Fintech combine traditional financial stability with the benefits of modern digital technology aimed at simplifying payments, reduce transactions costs etc.

1.1.3 Open-Banking

This is a financial service model that enabled third-party developers to access financial data in traditional banking system. Open banking allows financial service consumers access their data, securely share their data thereby increase competition and innovation in the banking sector. Today, open-banking is gradually dismantling traditional financial silos and fostering collaborative environment by allowing third-party developers to integrate with financial data, access consumer banking, transactions and other financial services.

1.1.4 Block-chain Technology

Block-chain technology emerges as disruptive force in the banking industry, transforming areas such as cross-border payment, trade finance etc. Block chain technology is adding new layer of security and transparency. It is particularly impactful in cross-border financial transactions. The technology is used in crypto currencies like bitcoin. Banking organizations has started implementing and adopting block chain technology to improve service delivery and customer experience (CX) with increased compelling technological waves driven by potential to create more secured financial transactions.

1.1.5 Customer Experience (CX)

Customer experience technologies enable banks harness technology like chatbots, visualization, Argumented Reality (AR) and virtual reality (VR) to improve customer service delivery. Nowadays, banks use various methods to offer seamless and personalized experience to customers, including chatbots, 24/7 customer support, and easy-to use banking products. Banks are putting more focus on digital customer experience in order to achieve a perfect functioning service system. The banking sector is witnessing a paradigm shift towards hyper-personalization service delivery fueled by technological advancements.

1.1.6 Analytics

Data analytics technologies enables financial institutions to gain a deeper understanding of their operations, identify trends and manage their processes well. Managing data to a centralized cloud-based platform is one option that reduce silos i.e. unwillingness to share information or knowledge across individual or employees or departments which may lead to misalignment and enhance integrated services. Big data and analytics is another digital banking trend that enables personalized services, insights in customer's behavior, market trends and potential risk. The application of analytics technology is to make bank realize that technology is important as well people in their human plus machine initiatives (Accentare, 2024).

1.1.7 Mobile banking

Banking apps Penetration via mobile devices is escalating pressure in the delivery of personalized financial services and transactions. Mobile banking apps is provided by banks and other payment service or agent banks to enables customers operate and manage their accounts and conduct banking transactions at the comfort of their homes. As more and more bank customers embrace smartphones and other mobile devices, banks are increasingly focusing on

developing mobile first strategies in their offerings. Mobile banking apps is a lesser friendly banking experience that permits 24/7 access, offering around-the-clock banking services via digital services. As at 2024, 45% of Nigerian of 15 years and above have bank accounts and 8.7% using mobile money (Statista, 2025).

1.1.8 Embedded Finance

Embedded finance enables the integration of financial services into non-financial platform, products or customer experiences. With this innovation, non financial companies use application programming interface (API) and partnership with financial technology (Fintech) companies to offer financial products directly to customers. Embedded financial exemplified sale to customers. Embedded finance exemplified sale financing for household goods and car loans as well as Buy-now-Pay Later (BNPL) from non-finance companies embedded finance provides new way for small businesses to access financial services, encourage business uptake and seamlessly integrate into core business products such as accounting, lending and inventory management with embedded finance e-commerce is possible and other software platforms (Investopedia, 2024).

2 FINANCIAL SECTOR DEVELOPMENT

2.1 Access to Financial Services

The Central Bank of Nigeria (CBN) is at the fore-front to enhance financial inclusion. The CBN joined the global network of policy makers to sign the 'Maya Declaration' in 2010, this is aimed at reducing financial exclusion in Nigeria to 20% and 80% financial inclusion by the year 2020 through the National Financial Inclusion Strategy (NFIS) 1.0 which became effective in 2012. This was hitherto projected to achieve certain baseline in payments, savings, credit, insurance, pensions and increased number of financial institutions, agent banks and digital channels. Financial access or inclusion target was expected to be advanced through the action points of provision of "no-frills accounts", financial literacy, and consumer protection initiatives providing facilities using the Micro, Small and Medium Enterprise Development Fund (MSMEDF) a Nigerian Initiative launched by the Central Bank of Nigeria (CBN) August 15, 2013 aimed at providing low cost funds to the MSMEs sector to boost the economy by increasing access to low finance to MSMEs (CBN, 2024). The Central Bank of Nigeria in its strive to sustain financial inclusion made regulatory changes requisite for advancing financial inclusiveness ranging from Micro Insurance, Cashless Policy, Introduction of BVN, Non Interest Banks, regulation of agent banking, guidelines on bank charges, framework for licensing of super agents, National Financial Literacy Framework (NFLF), transactions switching in Nigeria, bankassurance referral model, licensing and regulation of payment services banks, operations of electronic payment channels, and setting up of financial inclusion secretariat in the CBN. Between 2018 and 2020, the Central Bank of Nigeria reviewed and evaluated success in financial inclusion tagged "the Revised National Financial Inclusion Strategy 2.0. Currently, the measurement of progress in financial inclusion in the country as at the end of 2024 stood at 64.1% portraying growth though below the target of 95% by 2024 (CBN, 2024). According to EFinA Survey conducted after two (2) years, from 2008 to date financial inclusion in Nigeria showed that in 2008, about 45.4 million Nigerians representing about 52.5% adult were financially excluded, while 18.3 million (21.1%) were included. In 2010, the figure stood at 39.2 million (46.3%) excluded and 25.4 million adults' population were financially included, representing (30%). In the subsequent survey period 2012; population excluded soared to 34.9 (39.7%) while 28.6 million Nigerians or 32.5% were included. In 2014, the number of those that do not have access to financial services dropped slightly by 2% as 31.9 million or (39.5%) were excluded while those that have access rose to 33.4 or 4 36.3%. The trends showed massive success of CBN initiatives at advancing financial inclusion. In 2016, the number of financial inclusion was 36.9 million people representing 38.3% while those excluded stood 45.4 million or 46.9%. In 2018, the number of financially included adults were 39.5 million (39.7%) while the financially excluded segment was 36.6 million (36.8%). In 2020, the percentage of financial inclusion was 56% and 44% excluded. As at 2023 survey, the financial inclusion rate increased to 64% and 24% for the excluded segment driven by NFIs 3.0 (EFISA, 2023).

Statistics and trends (2024-2026), Nigeria's financial inclusion stood at approximately 74% (2023-2024 data), with 26% of adults still excluded, failing to hit the targeted 95% by 2024. Digital payments expanded-processing nearly eleven (11) billion transactions in 2024, roughly 28.8 million adults remain completely excluded, particularly in the rural areas estimated at 37% exclusion. Despite, the 2024 target, techcabal notes reported that 26% of adults remained excluded as of March, 2026 highlighting a stubborn gap. (Adedayo, 2026).

3 DEVELOPMENT IN THE NIGERIAN CAPITAL MARKET

The Nigeria Stock Exchange (NSE) now the Nigeria Exchange Group (NGX Group Ltd) drives development in the country's stock market. The market which started in 1961 with 19 securities is a leading integrated market infrastructure in Africa championing the development in the Nigerian Capital Market. The market has evolved from a market of few primary equities listing in 1970s to 155 instruments and even mutual fund categories with 143 funds and 101 federal and 9 states debt instruments listed on the Exchange Group (NGX) as at November 2023 (Nigerian Capital

Update Report, 2023). The NGX capitalization increased by 38.33% occasioned by new listings, acquisitions, and higher share prices. The security and Exchange Commission (SEC) approved to the NGX to invest in digital platform to streamline public offerings and right issues. Between 2022 and 2023, the NGX market capitalization rose by ₦5.28 trillion. In the area of market infrastructure, the Nigerian Capital Market has increased in both financial infrastructure and trading platforms. The main stock market index in Nigeria (NSE-All share) increased to 2437 points or 2.3% compared to 10,000 points it was in 2020 from 1,000 points in 1992. By 2011, the market witnessed era of digital transformation leading to the launch of the historic and robust technology platforms, X-GEN in 2013. This enhanced direct market access brought the era of mobile trading technologies. In 2021, the Nigerian Stock Exchange (NSE) was fully demutualized changing from a member-owned not for profit entity to a shareholder-owned profit maximizing enterprise giving rise to a new structure and nomenclature – Nigeria Exchange Group Plc, (NGX-Group) with subsidiaries including; Nigeria Exchange Limited (NGX Exchange), NGX Regulation Limited (NGX-REGCO), and NGX Real Estate Limited (NGX-RELCO), NGX (2023). Today, the NGX group is a multi-asset exchange with 37.3 listed securities, comprising 151 listed companies (LCs); eight (8) Premium Board, 133 main board, seven (7) Growth Board, and three (3) Asem Companies, 157 fixed income securities, including green bonds and sukuk (106 FGN, 8 state and 43 Corporate Bonds), 12 Exchange traded products (Nigerian Exchange Wikipedia)

4 PAYMENT INSTRUMENTS DEVELOPMENT

Payment system in Nigeria has remarkably improved and strengthened since 2007 following CBN implementation of the Payment System Vision (PSV) 2020. The invigorated payment system among other initiatives has brought notable increase in the use of digital payment channels (CBN,2023). Based on CBN strive for financial inclusion of the beneficial regulatory policies, the revised KYC requirements as well other measures, payment based solutions has accentuated. The transformation having being encapsulate via cash, mobile money which allow users store, receive and spend money, pay utility and e-commerce transactions using mobile phones at both national and international. Bank transfers using internet, mobile banking apps, real-time Gross Settlement (RTGS) system that provides instant settlement of large value funds transfers.

Debit cards and credit cards are now popular among the middle class for online and offline purchases, visa and master cards are widely accepted, USSD code useful for financial transactions in area or zone of limited network or internet access are advancements in Nigeria payment system. The QR code payment is a contractless transaction method has become more accessible with the launch of the New Quick Response (NQR) platform. The online payment gate ways simplifying the processes for businesses to accept payments and consumers to make purchases. Other payment technology based methods invoked include Point Of Sale (POS) agent banking remittance services, Electronic Funds Transfers (EFTs), e-wallets (Aza Finance 2024). The e-naira digital currency of CBN launched and activated in 2021 as legal tender currency under the slogan; “same Naira, more possibilities are advancements in the Nigeria payment architecture.”

4.1 Institutional Growth and Development

Financial institutions and markets interact in a complex manner to mobilise funds in the economy. Prior to the establishment of the central Bank of Nigeria in 1959, the main institutions operating in the financial service sector were banks of the metropolitan countries, whose activities were confined to financing of expatriate business or exports of primary commodities and imports of manufactured goods (Farida, 2024). Within 1925 and 1952 25 indigenous banks were established which sooner than later failed, since then the number of financial institutions, banks and non banks had increased steadily in breadth and length. The number of licensed financial institutions under CBN regulatory purview rose to 6,760 as at December 2022. Today, players in the Nigerian financial system transcend beyond licensed banks and non banks financial institutions ranging from commercial banks. Merchant banks, microfinance banks, primary mortgage institutions, finance companies, development finance institutions, payment service (agent) banks, (PSBs), Bureau De Change (BDCs) and Fintech Companies. The number of registered banks and non bank financial institutions stood at 744 with 142 acting 23 commercial banks but dropped in 2024 to 21 of which 5 are holding companies, 3 non interest banks, six (6) merchant banks, 34 primary mortgage banks (PMBs), 896 micro-finance banks (MFBs), 111 Finance companies, (FCs) seven (7) development finance institutions (DFIs), five (5) payment service banks (PSBs), and 5,675 BDCs as at 2024 the number of Deposit Money Banks (DMBs) stood at 43 with about 4,617 branches nationwide.

In the same vein, the number of representative offices (i.e offshore subsidiaries of Nigerian banks), affiliates, international branches, and agents of Nigerian banks soared bringing a total number of offshore entities to 68 as at 2022 (CBN, 2022). No doubt, the increase in financial services players in the country and in the Nigerian financial system is connected with the Central Bank of Nigeria and other stakeholders continue promotion of financial inclusion and inclusive economic growth through the provision of financial services to Micro small, Medium Scale Enterprises (MSMEs)

4.2 Development in the Insurance Subsector

The insurance subsector of the Nigerian financial super structure is not left out of the transformation. The insurance subsector is saddled with the provision of financial protection against unexpected losses. As key player for the protection of customer and businesses, the insurance business has gained prominent within the last three decades as people becoming conscious of their lives and businesses increased. However, the challenge of trust, awareness, regulation still, resulting to low patronage. Nonetheless, opportunities for growth in the subsector as identified by Obikwelu, (2023) are enormous. Like the banking industry, insurance business in Nigeria dates back to the colonial era with the British insurance companies as expatriate insurance firms in 1921. The first indigenous insurance outfit using the Royal Exchange Assurance company was established in 1921. Later within the same period other indigenous insurance companies sprung up but could not do well. Apparently, the fate that befell banks of poor capitalization, regulatory and framework, lack of managerial expertise made them failed. It is on record that the first attempt to regulate the insurance sector was in 2003 following the enactment of the insurance act which hitherto created the Natural Insurance Commission (NAICOM,) as the regulator and supervisor of the insurance business in Nigeria. Since 2003, the subsector had witnessed significant growth in spite of the challenges driven by policy and regulatory changes such as the new National Health Insurance Act (NHIA) of 2022 which replaces the National Health insurance scheme act of 1999 which seek to integrate and regulate health insurance schemes. In 2010 NAICOM legal framework expanded its guidelines to cover oil and gas business. In 2011, NAICOM in its operational guidelines made significant improvement in the sector, as it provides for insurer-reinsurance, accounting and financial reporting etc.

The Natural Insurance Commission of Nigeria (NAICOM) of 2012 guidelines/framework identified material risk, underwriting risk, claims against management risk and liquidity risk. The same law in its 2013 guideline made changes intended to rejuvenate trust in the insurance businesses. The introduction of Islamic insurance (Takaful) and 14 days but now 20 days by the Nigerian Insurance Industry Reform Act (NIIRB) 2025 for payment of all local placement of premium from brokers or insurance companies (NAICOM, 2013). In 2014 NAICOM ushered in group life compulsory for employer with at least five (5) workers rebate and refund of premium, thus the reform prohibits any insurer or broker or its agent to receive or change premium in excess of the actual premium on insurance policy let alone refunding excess amount paid. This development further enthroned confidence and trust in the industry and in line with provisions of the anti-money laundering and combating Financing of terrorism (AM/CFT) regulation 2013 (Okonkwo, 2019). In 2015, NAICOM set out procedures for fair policies and effective claims management, the risk base supervision (RBS) model of the world Bank for insurance industry while the bank assurance guideline, customer protection and market stability as well as market development and restructuring initiatives (MDRs) were emphasized in the 2017 NAICOM operational framework. In 2018, NAICOM reclassified players in the subsector as 1st, 2nd and 3rd tiers with minimum capitalization of N15 billion, life business N6 billion while non-life in the same category of tier 1 to raise its capital to N9 billion, Tier 2 life N7.5 billion. Non life tier 2 N4.5 billion while life operators under tier 2 N3 billion and tier 3 Non life N3 billion, life operators N2 billion and composite insurance N5 billion respectively.

According to the Nigerian Insurance Industry Reform Bill (NIIRB) 2025 classified insurance businesses into life insurance and nonlife businesses. With life insurance categories into; individual life, life assurance, group life assurance, annuity and health insurance businesses, while in the case of non-life; classified into eight (8) classes of; fire, general accident, motor vehicle, marine and aviation energy,, engineering, bonds credit guarantees and sureteeship, agriculture insurance and the miscellaneous insurance design to cover inclusive insurance business. In the current framework premium payment for insurance risk is treated to be a condition precedent (i.e. payment in advanced for an insurer to provide cover). By the new NIIRB requirements, the Minimum capital for nonlife stood at N25 billion while life N15 billion and reinsurance business is N45 billion or a risk-based capital as determine by the Natural Insurance Commission of Nigeria (NAICOM).

4.3 Technologies Used in Insurance Industry

As the insurance subsector grows, so does the methods of conducting insurance activities. In recent times the sector adopted artificial intelligence (AI) Machine Learning (ML), IoT, and Telematics which help insurance companies process claims more quickly and accurately and also help in anticipating the likelihood of claims. Nonetheless, AI and ML are innovations that fast track and automates routine task with less time, improve accuracy, identification of false claims, simulation of future scenario accuracy of risk estimation and better pricing of insurance products. While IoT (Internet of Things) and Telematics facilitates collection of real-time information from homes and automobiles, accurate and efficient claims assessment, as well can empower insurer to move from risk protection to prevention. The “insuretech” in the sector is another improvement, Insuretech as it helps in unlocking the value of insurance to Nigeria.

Insurtech is a technological innovation adopted in the sector has been impactful in facilitating risk management for individuals, businesses, and for providing access to capital for investment promotion of financial stability, innovative risks mitigation strategies that will ultimately result in contributing to financial inclusion and growth of the Nigerian economy at large.

5 IMPLICATIONS OF BANKING AND FINANCIAL SECTOR DEVELOPMENT IN NIGERIA

The Banking and by extension the financial services sector by their nature and operations are catalyst in the economy by supporting and facilitating economy growth and development which connect other sectors; as a support base to economic activities of household, businesses and the government. It therefore suggests that crisis in the sector is contagious as does its economic impact. It is obvious that development in the banking sector have triggered significant development in financial sector development score card in the following areas;

5.1 Innovative Technology

The banking industry is leading in technologies through Fintech in the allocation of capital efficiently and effectively in recent times fast-tracking economy activities. With the current trends in the banking industry, risk management is and had been a major failure factor since the history of banking in Nigeria, today innovative technologies via Fintech has greatly improved risk management and mitigation in the sector significantly. With collaborative efforts of both the CBN and critical stakeholders' initiative geared toward financial inclusion, there has been increase banking education (literacy), bank account holdings, industrial and agricultural development through expanded inclusive financial services made available to individuals and businesses than ever before. Above all, financial stability has increased tremendously.

Access to financial services has improved significantly since 2010 to date after CBN signed the Maya Declaration aimed at reducing financial exclusion to 20%, payment instruments, savings, credit insurance number of institutions, account holders, apps down-wards, cashless policy, ATM cash rationalization, BVN introduction, capital market developments, mobile channels among others has been massive. Drawing from the economic theory development in the capital market significantly impact investment decision making in the financial market. According to the efficient market hypothesis, availability of market information can help investors make prudent choices via the right investment strategy, it is therefore imperative to note that the trends in the Nigerian capital market has reduced savings. Investment gap nationally, internationally as well as other financing solution kits that has resulted in economic growth and development. No doubt, as the banking industry expands, businesses and economic activities blossom acquiring capital, hence the importance of capital market development to the larger economy.

The role and significance of the financial sector in economic development especially the banking industry cannot be overstressed. As financial services and products became divers, dynamics, seamless, convenient etc tailored to the needs of individual as well businesses enabling engagement in economic activities and business growth, so thus its contribution to economic progress and development.

6 CONCLUSION

Drawing from the development finance theory and the United Nation (UN) survey digital technology have advanced than any innovation in the last two (2) decades enhancing connectivity and financial inclusion targets aimed at reducing financial exclusion to the bearest minimum of 20% by the year 2020, the milestones achieved by Fintech among other reasons necessitated the study. Our study revealed the reduction of CBN financial exclusion rate to 26% though 6% above the target. The study account for the frontiers banks uses in creating new possibilities and pathways in delivering financial services and products. It is also noted that due to Fintech in the sector, non-banking players and institutions plagued the financial service sector resulting in expanded personalized customer's experiences and seamless offerings. We deduced that creative and innovative thinking in the financial services sector is a blessing and still remain a strategic option especially for banks and the sector's to continually play its catalytic role in the Nigerian economy even in the Post Covid-19 era.

Recommendations

- Though innovative technology (Fintech) in the financial sector comes with hitches-cyber risk, financial technology still remain the option to combat cybercrime plaguing the sector.
- If efficient and effective delivery of financial services is of essence, the current trends in Fintech is considered most effective channels for allocation of capital optimally, hence banks is require to invest heavily in creative and innovative thinking
- Risk is a major factor that impede bank survival, hence innovative technology remain essential mechanism for effective risk management for banks.
- Nothing that banking services is fragile, instantaneous and heterogeneous couple with the dynamism of customer's taste and preferences, as well as personalized and customer experience, development or transformation driven by technological innovation is recommended for the sector
- Continues development in the financial sector lead by Fintech is necessary for the fourth coming industrial revolution, hence bank and the financial services such need not be left out, Fintech development is a

preparatory ground globally and mostly in Nigeria as a developing country development in the financial sector remain a panacea for economic development.

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