

HOW CAN NIGERIAN BANKS BUILD TRUE DIGITAL RESILIENCE?

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The Nigerian banking sector is evolving rapidly. What does resilience mean in today's context?

Resilience in today's Nigerian banking environment goes far beyond uptime or disaster recovery. It is no longer just about having backup systems - it is about designing institutions that can absorb shocks, adapt in real time, and continue to deliver trust under pressure.

In our context, shocks are not theoretical. They range from regulatory shifts driven by the Central Bank of Nigeria to cybersecurity threats, infrastructure instability, economic volatility, and rapid digital adoption by customers. A resilient bank must be architected to withstand all of these simultaneously. For me, resilience rests on four pillars:

First, architectural resilience. Systems must be scalable, interoperable, and fault-tolerant from design stage - not patched after failures. This includes robust core banking infrastructure, cloud integration where appropriate, Tier-III data centre standards, and zero-single-point-of-failure network design.

Second, cyber resilience. It is not a question of if attacks will happen, but when. A resilient bank assumes breach attempts are constant and builds layered security, continuous monitoring, and rapid incident response capabilities.

Third, regulatory resilience. In Nigeria, compliance is dynamic. Institutions must build technology frameworks that can quickly adapt to new reporting requirements, policy adjustments, and supervisory expectations without operational disruption.

Fourth, operational resilience. People, processes, and governance must function seamlessly during crises. Business continuity and disaster recovery must be tested, not documented and forgotten.

Ultimately, resilience today means this: your customers should not feel your internal disruptions. If the market is volatile, regulations shift, or systems are under stress - service must remain stable. In emerging markets, resilience is not optional. It is the foundation of credibility.

How do regulatory requirements shape your technology and infrastructure decisions?

In Nigeria, regulation does not sit on the sidelines of technology - it drives it. Under the oversight of the Central Bank of Nigeria, technology architecture must be designed with compliance embedded from inception, not layered on after deployment. So regulatory requirements shape our decisions at three fundamental levels.

First, architecture design. We build systems that support traceability, auditability, and regulatory reporting by default. Whether it is core banking, AML/KYC integration, or payment systems, interoperability and data integrity are non-negotiable.

Second, infrastructure standards. Data residency, cybersecurity controls, disaster recovery capabilities, and uptime expectations directly influence whether we adopt on-premise, cloud, or hybrid models - and how we structure redundancy across Tier-III facilities.

Third, governance and change management. Every system upgrade, integration, or digital rollout is evaluated through a regulatory lens. We ask: Does this enhance transparency? Does it strengthen risk controls? Does it reduce compliance exposure?

The key shift is this: we do not see regulation as a constraint. We see it as a design parameter. When compliance shapes your architecture early, you move faster later - because you are not constantly retrofitting systems to meet new directives.



IN TODAY'S ENVIRONMENT, REGULATORY ALIGNMENT IS NOT JUST ABOUT AVOIDING PENALTIES - IT IS ABOUT BUILDING INSTITUTIONAL CREDIBILITY.



How do you balance innovation with compliance?

I don't see innovation and compliance as opposing forces. In banking, innovation without compliance is recklessness - and compliance without innovation is stagnation.

The balance begins with mindset. We design innovation within regulatory guardrails defined by the Central Bank of Nigeria, not outside them. That means compliance is involved at the concept stage of any new product or digital initiative - not at the point of deployment.

Data sovereignty is a growing topic. Why is local hosting important for Nigerian banks?

Data sovereignty is no longer a theoretical debate - it is about control, accountability, and systemic stability.

For Nigerian banks, customer data is not just information; it is financial identity. Hosting critical banking data within Nigeria strengthens regulatory oversight, improves response time during supervisory reviews, and aligns with expectations under the Central Bank of Nigeria and national data protection frameworks. There are three practical reasons local hosting matters.

First, regulatory assurance. When data resides within jurisdiction, regulators have clearer visibility and enforceability. That builds systemic confidence.

Second, operational resilience. Local hosting reduces dependency on cross-border connectivity, geopolitical risks, and latency challenges. In moments of global disruption, you are not exposed to external shocks beyond your control.

Third, incident response and accountability. In the event of a cyber incident or service disruption, proximity matters. Faster forensic access, faster recovery, and clearer legal recourse. That said, local hosting does not mean rejecting global cloud innovation. The future is hybrid - leveraging cloud scalability while ensuring sensitive, regulated data remains within sovereign control.

Ultimately, data sovereignty is about trust. Customers must know their financial data is protected not just by encryption - but by jurisdictional certainty.

What role does infrastructure strategy play in business growth?

Infrastructure strategy is not a back-office decision - it is a growth strategy. In banking, every new product launch, every additional customer, every digital transaction rides on infrastructure. If the foundation is weak, growth becomes a risk rather than an opportunity. A well-defined infrastructure strategy does three critical things.

First, it enables scalability. When your architecture is modular, resilient, and cloud-integrated, you can onboard customers faster, process higher transaction volumes, and expand channels without constant system strain.

Second, it protects revenue. Downtime is not just a technical issue - it is a reputational and financial loss. Strong data centre design, redundancy, disaster recovery, and network resilience ensure continuity. Under the expectations of the Central Bank of Nigeria, operational stability is directly tied to institutional credibility.

Third, it improves cost efficiency. Strategic infrastructure decisions - whether Tier-III co-location, hybrid cloud adoption, or virtualisation - optimise capital expenditure and reduce long-term operational costs, freeing resources for innovation.

The key is alignment. Infrastructure must anticipate business direction. If the business plans aggressive digital growth but infrastructure is reactive, you create friction. But when infrastructure is designed ahead of demand, it becomes an accelerator. In today's environment, infrastructure is not support - it is the platform upon which growth compounds.



What advice would you give to other financial institutions navigating Nigeria's regulatory environment?

My advice is simple: stop treating regulation as an external force - and start treating it as a strategic design input. In Nigeria, the regulatory environment led by the Central Bank of Nigeria is dynamic and evolving.

Institutions that struggle are usually those trying to retrofit compliance into legacy systems. That approach is expensive, disruptive, and unsustainable. There are four principles I would recommend.

First, build for compliance from inception.

Whether you are launching a new product, deploying a new platform, or redesigning infrastructure, ask early: how will this stand up to regulatory scrutiny? Designing with auditability, traceability, and reporting capability embedded saves significant future cost.

Second, invest in governance - not just technology. Strong policies, change management processes, and cross-functional collaboration between IT, risk, legal, and compliance are critical. Technology alone does not create compliance; disciplined execution does.

Third, prioritise resilience. Regulatory expectations increasingly emphasise operational continuity, cybersecurity posture, and data protection. Institutions must stress-test their disaster recovery and incident response capabilities regularly, not just document them.

Fourth, maintain proactive engagement. Regulatory relationships should be transparent and collaborative. Early dialogue prevents surprises. Ultimately, compliance in Nigeria should not be seen as a burden. It is a trust framework.

Institutions that align early and architect deliberately will move faster and operate with greater confidence in the long run.

Business continuity is critical in financial services. How does infrastructure support this?

Infrastructure is the backbone of business continuity in banking - without it, continuity plans are theoretical. In financial services, downtime doesn't just mean lost transactions; it means lost trust, regulatory risk, and reputational damage. At a practical level, infrastructure supports continuity in three key ways:

First, redundancy and resiliency. Systems must be designed with no single point of failure. That includes Tier-III data centres, dual-network paths, replicated storage, and geographically separated disaster recovery sites. These measures ensure that if one component fails, operations continue seamlessly.

Second, scalability and performance.

Modern banks process thousands of transactions per second across digital channels. Infrastructure that is modular, cloud-integrated, and properly monitored ensures that unexpected spikes - whether from customer demand or market events - don't compromise service.

Third, rapid recovery and response.

Infrastructure strategy enables faster incident detection, failover, and recovery. This includes automated backup, real-time monitoring, and clear protocols for switching to secondary systems, reducing downtime to minutes rather than hours.

Ultimately, business continuity is only as strong as the systems that support it. At TATUM Bank, for example, we built our infrastructure with continuity as a foundational requirement - so that even under stress, regulatory reporting, customer transactions, and digital services remain uninterrupted. In emerging markets like Nigeria, robust infrastructure is not a luxury; it is a prerequisite for operational credibility and customer trust.

Looking ahead, what will define the next phase of resilient banking in Nigeria?

The next phase of resilient banking in Nigeria will be defined by three converging forces: technology-enabled adaptability, regulatory intelligence, and customer-centric trust.

First, adaptive technology. Resilient banks will move beyond reactive systems to predictive, modular architectures. AI-driven monitoring, hybrid cloud infrastructure, and real-time analytics will allow institutions to anticipate disruptions - whether from cyber threats, transaction spikes, or operational failures - and respond instantly.

Second, regulatory intelligence. Compliance will no longer be a checklist; it will be embedded into the DNA of banking operations. Banks that integrate regulatory requirements into every system design, business process, and innovation cycle will not only avoid penalties - they will turn compliance into a competitive differentiator.

Third, trust-driven resilience. Customers will measure resilience by their experience, not internal dashboards. Stability, transparency, and the ability to deliver seamless services under pressure will become a core differentiator. Data sovereignty, cybersecurity, and operational continuity will be inseparable from brand reputation.

In short, resilient banking will no longer be about surviving disruptions. It will be about anticipating them, absorbing them, and turning them into opportunities to build confidence and loyalty.

Banks that get this right will define the future of Nigerian finance - not just by what they offer today, but by how they stand firm tomorrow.