

Open Banking Slipsheet

October 2025



Banking in a Nutshell

What

A framework for banks to share financial data (with consent) with licensed third parties via standard APIs to . enable financial services.



Why

Empowers customers with the control of their data, drives product and service innovation, deepen financial inclusion and efficiency



Who

Financial services institutions (banks, OFIs, MFBs), fintechs / third party providers (TPP), Central Bank of Nigeria (CBN)



How

Through APIs published on an accessible and centralised developer portal, complete with detailed API documentation testing and integration.

Open Banking in Nigeria

With a view to enhance financial inclusion, improve competition in the financial services space and promote efficient services, the CBN issued the regulatory framework and operational guidelines for Open Banking in Nigeria, which sets out the rules under which the sharing of financial data will happen.



The Framework

Objectives includes:

- To promote Innovation
- To broaden the range of financial products and services
- Deepen financial inclusion

It also establishes principles for data sharing across the Banking and payment ecosystem, Data and Application Programming Interface (API) access requirements, principles for API, Data, technical designs and information security specifications.



Encouraging ecosystem partnership and collaboration with clarity on data sharing and liability



Operational Guideline

Designed to provide guidance and practical instructions to participants on how Open banking should be implemented.

Its coverage include the following:

- technology & API Standards
- security Standards
- consent Management
- customer Experience & Contextual Use Cases
- processes & Operations.
- risk management



Ensuring technical consistency across platforms through standardised APIs in line with the regulatory requirements

Guiding Principles for API Specifications



Openness

Accessible to all permissioned parties



Reusability

Premised on existing taxonomy of technology



Interoperability

Premised on existing taxonomy of technology



Modularity

Loose coupling with integration



Robustness

Scalable, improvable transparent



User-centric

Scalable, improvable transparent



Security

Ensures data privacy and safe exchanges and transactions

Open Banking Operational Guidelines

CBN's operational guidelines highlight the following areas for banks (or participants) to ensure readiness and compliance.

Business & Monetisation Models

Regulatory Compliance & Governance

- Registration with CBN's Open Banking Registry (OBR) Comply with AML/CFT and reporting Oversight, enforcement, and audits by CBN

Cybersecurity & Risk Management

- Incident response and breach reporting Risk classification by data sensitivity

Data Governance & Privacy

- Must comply with NDPA Audit trails and data lifecycle policies required

Technology & API Infrastructure

- Standardised APIs (REST, JSON, ISO 20022)
- Secure API gateways and mon

Operational Resilience

- Real-time monitoring and performance KPIs Infrastructure stress-testing

Partnerships & Third-Party Management

- SLAs, Data Sharing Agreements (DSAs), and liability terms
- Clear definitions for API providers/consumers Fintech collaboration frameworks and governance

Customer Experience & Consent

- Explicit, auditable consent processes
- Revocable, user-friendly designs Transparent data use practices

Roles and Responsibilities of Participants

Central Bank of Nigeria (CBN)

- Facilitation of the development of common banking industry
- API Standards.
 Enforces compliance and security standards.
 Enforcement of the framework, among others.

API Consumers (AC)

- mer is a participant that uses API released by the providers
- A consumer is a participant that uses Art released by the provider to access data or service. API users are required to execute a Data Access Agreement and Service Level Agreement with the provider.

 Ensure an annual re-validation of the Data Access Agreement and
- Service Level Agreement.
- Comply with data privacy laws and all consumer protection

Developer Community

- Individuals and entities that develop APIs for participants based
- on requirements.

 Advocate for adoption through hackathons, forums, and use-case
- Employ secure coding and development standards and practices among others.

API Providers (AP)

- A provider is a participant that uses API to avail data or service to another participant.

 Required to define the data and services accessible through
- Establish Data Access Agreement and Service Level Agreements with other participants
 Carry out Know Your Partner (KYP) due diligence on partner
- participants before executing said agreem

Fintechs/Others

- Organisations that offer cutting-edge financial services, products, and solutions.

 It must be ensured that it uses API to create innovative,
- interoperable products and solution
- Avoid making changes to APIs provided by providers without their

Open Banking Registry

- Operates the registry, verifying entities and ensuring secure, transparent registration.

 Maintenance of Open Banking Registry.

Value Proposition

While compliance with the CBN's mandate is a key driver, open banking offers real, strategic business value to organisations beyond just regulatory obligation.

Business

- ustomer-Centric innovation: Enable hyper-personalized financial products (e.g., ilored loans, budgeting tools) driven by real-time financial data from Open Banking
- ** Revenue Streams: Monetise premium APIs and partner integrations via pay-per-models, freemium tiers, and affiliate commission.

 roved Customer Acquisition & Retention: Leverage embedded finance and third-yfintech ecosystems to reach underserved or digital-first customers.

Information Technology

Core IT **Operations**



- creased Interoperability and Ecosystem Participation by Jeveraging
- Enhance Customer Lifetime Value by

- Simplify partner onboarding by using consistent API standards and pre-

Corporate

Retail



- Embedded B2B Services: Enable SMEs and corporates to integrate banking services (e.g., treasury) directly into their ERP or apps. Open Ecosystem Play: Build marketolaces for third-party business tools (accounting, payments, lending) and monetise via commissions or platform fees Faster Credit Decisioning: Use aggregated financial data and alternative credit socres to reduce trunaround time for SME lending.

Cyber



- Secure-by-Design API Frameworks: Implement API security best practices, rate limiting, OAuth2 0, mutual TLS, to ensure confidentiality and integrity. Regulatory Compliance: Embed privacy, consent management, and data-sharing controls aligned with NDPA and Open Banking regulations. Zero Trust & Identity-Centric Security: Enforce fine-grained access control strong customer authentication (SCA), and secure identity federation.

Journey to Open Banking - How KPMG can assist

To support the secure and resilient implementation of Open Banking, KPMG supports its clients across the following phases of the journey:



Open Banking Readiness Assessment

Assess the organisation's current readiness posture, technical infrastructure, and regulatory alignment to determine preparedness for Open Banking. Activities

- Maturity assessment in line with best
- API security posture review, including authentication, authorisation, and encryption
- Gap analysis against open banking
- standards and regulations
 Risk assessment for API exposure and
- Identity and access management (IAM) capability review



Product & Innovation

Design secure, scalable, and compliant digital offerings that align with Open Banking objectives and user trust. Activities include:

- Product strategy and monetisation framework
- Design API product tiers (e.g., free, premium, partner) with differentiated features and pricing to enable monetisation of data and services
- Support the definition of KPIs and usage metrics to measure product uptake, and partner engagement from Open Banking initiatives



Open Banking Implementation

Provide technical support to securely design, build, and deploy Open Banking components and integrations. Activities include:

- Review and operationalise the Open Banking operating model
- Develop Regulatory and Risk Alignment Checklist
- Facilitate design sprints to validate use cases and API value propositions
- Facilitate the development of API
- experience journeys and user stories. Review existing API management tools, developer portals, and support model



Monitoring and Value Realisation

Ensure sustained and operational resilience through continuous monitoring, incident readiness, and compliance assurance. Activities include:

• Defin

- Define incident management procedures and escalation path
- Analyse key KPIs (e.g., revenue contribution, customer acquisition, performance SLAs)
- Evaluate impact of APIs on core banking metrics (conversion, cross-sell)

Contact Us





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