

Executive Summary: Nigeria E-Payment Channel Analysis (2020–2024)

This project analyzes Nigeria's electronic payment (e-payment) ecosystem using Central Bank of Nigeria (CBN) data, focusing on major transaction channels between **2020 and 2024**. The analysis explores growth trends, market share, and inter-channel dynamics to understand how Nigerians increasingly adopt digital payment methods.

Key Findings

- **Sustained Growth:** Total e-payment transaction value increased steadily from 2020 to 2024, reflecting strong consumer and business adoption of cashless systems.
- **Top Performing Channels:** *Internet Banking, Mobile Apps, and POS* recorded the highest values and fastest growth rates, showing user preference for convenience and real-time transactions.
- **Declining Channels:** *Cheques and RTGS* transactions declined consistently, indicating a shift away from traditional instruments toward instant payments.
- **High Correlation:** Strong positive correlations among digital channels highlight a synchronized ecosystem — as one channel grows, others also expand.
- **CAGR Insights:** Mobile App and USSD payments led in CAGR, showing how smartphone usage continues to drive financial inclusion.

SWOT Summary

Strengths	Weaknesses
Strong digital infrastructure growth	Uneven access in rural areas
Rising mobile and internet penetration	System downtime and transaction failures
Government and CBN support for cashless policy	High transaction costs for some channels
Opportunities	Threats

Expansion of fintech innovations and cross-border payments

Cybersecurity risks and fraud incidents

Increased smartphone and broadband adoption

Regulatory uncertainties and user trust issues

Improvement Outlook

To strengthen the system:

- Enhance **transaction reliability** and **interoperability** between banks and fintechs.
- Invest in **digital literacy** for underbanked communities.
- Prioritize **cybersecurity** and **data protection** measures.
- Encourage competition to reduce transaction costs and drive innovation.

In summary:

Nigeria's e-payment industry remains one of the fastest-growing in Africa, driven by digital innovation and consumer adaptability. Strengthening infrastructure, security, and inclusiveness will sustain momentum and support national financial transformation goals.