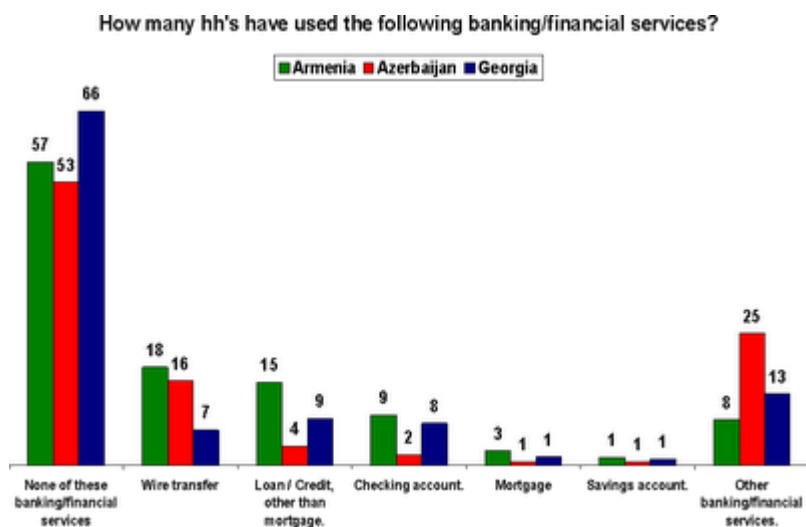


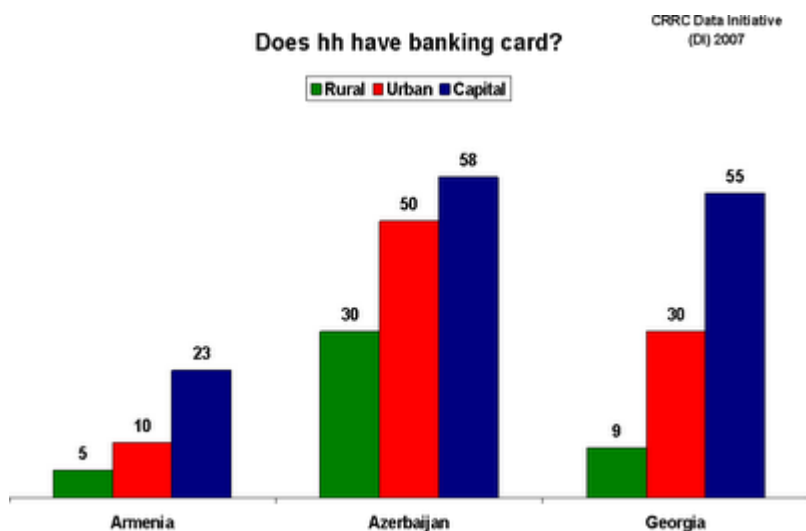
Monday, April 06, 2009

[Banking and Financial Services in the Caucasus | CRRC Data](#)

Have banking and financial services penetrated most households in the South Caucasus? Due to the topicality of finance news, an investigation on the usage of banking and financial services in the Caucasus seems justified. As banks fall, get nationalized and [panic is spreading](#), our [DI data](#) on the usage of banking/financial services can be useful to understand the 2007 baseline. For instance: How many households in the South Caucasus have saving accounts that could, theoretically, be frozen if the financial situation further deteriorates?

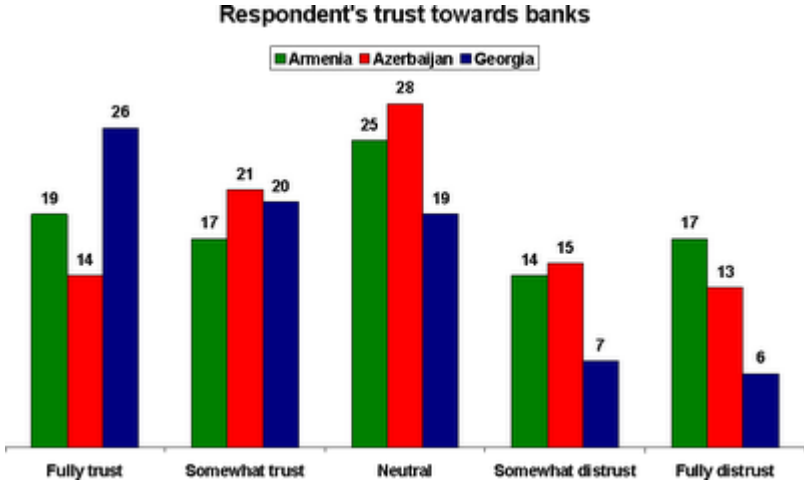


As one can see in the graph above, banking/financial services are not used by the majority of the DI's respondents. 66% in Georgia have not used banking/financial services compared to 57% in Armenia and 53% in Azerbaijan. Not many households are at risk of having their savings eaten up since only 1% of households in the region have savings accounts. It is remarkable that loans have been taken by so many Armenians (18%), but note that these people may not be owing money right now. For a look at household exposure, check our [older post](#).



Now, let's have a look at the usage of banking cards, which ought not to be confused with savings accounts. Although that few households have used banking/financial services in the South Caucasus,

the numbers on usage of banking card is relatively high in the region, with Armenia being the exception that confirms the rule. 5% in rural Armenia and 23% in the capital are bearers of banking cards. Comparing this with 30% in rural Azerbaijan and 58% in its capital, one can see that the penetration of banking cards in Armenian households is relatively small. However, the largest regional differences are to be found in Georgia. Only 9% of households in rural Georgia have banking cards compared to 55% in its capital.



We also have data on public trust towards banks. But here one important limitation of the data above is that it is from 2007, so that it may not be sufficiently up to date. However, the DI 2008 will soon be available online (and yes, if the data show large inconsistencies, there will be a blog post on it). For the data above, check the [CRRC Data Initiative \(DI\) 2007](#).