

Differences between Baku and the regions in access to financial services

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By the decree of the Azerbaijani President dated May 26, 2026, a state program on expanding financial inclusion in Azerbaijan for 2027–2030 was [approved](#). As a concept, financial inclusion refers to ensuring that all leading and value-creating institutional units of the economy – first and foremost households and businesses – have access to the most essential financial services, such as banking, insurance, and others, on favorable terms.

The state program is quite broad and includes numerous measures and evaluation indicators. In a document that contains many points for analysis, it is necessary to touch upon an important gap that draws attention at first glance. This is the superficial treatment of geographical differences in access to financial services. True, the program notes that financial access in regions, villages, and settlements is lower than in urban areas. But the interesting aspect is that although government propaganda has tirelessly claimed major achievements in regional development over the past 20 years, the program contains the following note:

Because a sufficient volume of business has not developed, financial institutions are not interested in providing financial services in certain geographical areas, which creates problems with financial access in rural and remote areas.

This somewhat cautiously worded sentence says that because business in the regions is extremely weak, financial institutions do not move into those areas. This conclusion is also clearly [reflected](#) in the Central Bank's regional

statistics. At present, 80% of total lending to the economy – 30,7 billion manats – is accounted for by Baku and the Absheron Peninsula. In other words, out of every 100 manats in loans, only 20 manats reach the country's provinces. Elsewhere the document also notes that entrepreneurs operating in rural areas have limited access to sources of finance, which reduces their productivity and investment opportunities.

But the issue is that the program for expanding financial inclusion describes access to services for geographical reasons, including the existence of rural-urban differences, only in general terms. This makes it impossible to see the severity of the problem or to define measures and evaluation indicators that correspond to degree of severity.

If the analytical section of the program emphasizes that there is a difference in access to services in the regions compared with Baku, and in villages compared with cities, then this finding should have been expressed in concrete figures. For example, the situation on the ground should have been presented in the document's analytical section on the basis of important indicators such as the number of bank accounts – including all types of accounts, such as current, deposit, card, settlement accounts, and others – POS terminals, and ATMs per 10,000 people in both regions and rural and urban areas; the share of loans, deposits, and cashless payments; the number of branches and offices of banks and non-bank credit institutions per 100,000 people; and the number of entities using internet banking services, as well as the share of such services in overall indicators.

In turn, today it is very important to identify interregional differences caused both by physical barriers – especially the fact that banking facilities are not located within a convenient distance for a significant share of the population – and by gaps in digital infrastructure, such as low levels of internet coverage, internet disruptions caused by regular power outages, and so on.

Moreover, although the number of bank accounts and their distribution by region are important as quantitative indicators, the ratio of active accounts to the overall figure is more important. This shows, for example, whether current accounts or card accounts have been used at least once over the past 12 months. What is the ratio of active accounts when Baku and the regions, or urban and rural areas, are compared?

Finally, it is very important to measure financial literacy by region and identify the real differences. This is because the expansion of financial inclusion is not only about minimizing physical and digital barriers as much as possible. As one moves from the capital and major cities toward remote areas, if the overwhelming majority of people have limited knowledge of potential financial services and weak skills in using them, their tendency to use these services will also be low.

It is not possible to assess the situation in this field simply by collecting statistical figures from ready-made sources. The Central Bank should regularly study the state of financial literacy by region, as well as by rural and urban areas, through qualitative surveys, either directly through its own research center or by commissioning think tanks. It may even be possible to publish a "regional financial literacy" index based on these studies.

In any case, the failure to reflect geographical differences on the basis of reliable figures in an authoritative government document aimed at expanding financial inclusion is a significant gap in the state program.