

Financial Inclusion in Russia: The Demand-Side Perspective



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EXECUTIVE SUMMARY

The G20 Financial Inclusion Indicators suggest that financial inclusion should be measured in three dimensions: (i) access to financial services, (ii) usage of financial services, and (iii) quality of products and service delivery. To form a comprehensive view, the G20 Financial Inclusion Indicators include both supply-side and demand-side data. In addition, they provide further insight into access and usage aspects by including indicators on emerging branchless delivery channels such as mobile banking.

In 2012, CGAP conducted a Financial Inclusion Landscaping study in Russia that highlighted the need for comprehensive and detailed data on the picture of financial inclusion — and exclusion — in Russia, to better understand specific profiles and needs of the unbanked and underbanked, as well as barriers preventing people from accessing and using financial services. The goal of this research, conducted by the National Agency for Financial Studies (NAFI) with support from CGAP and Beyond Philanthropy during April–June 2014, was to fill in some of the information gaps with respect to the demand-side aspects of financial inclusion in Russia. The key findings and conclusions of the research, organized around the three dimensions of the G20 Financial Inclusion Indicators, are presented below.

Access to financial services

- Physical access to financial services in Russia remains a challenge; remote and rural areas are insufficiently covered with financial service provider branch networks, POS terminals, and communications infrastructure. Relatively high aggregate statistics on physical access appear to hide the issue of insufficient infrastructure, as they do not capture the supply of physical access points in low-population areas.
- This is confirmed by data on customer satisfaction with physical access infrastructure: there are significant variations in satisfaction levels by region, as well as by settlement type (i.e., city/town/village). For example, in rural areas, satisfaction levels are 11 percent lower than on average, and in regional capitals they are 5–15 percent higher than average. The smaller the settlement, the more often respondents express the need to increase the number of service points.
- From the demand-side perspective generally, physical access seems to be of relatively lower importance compared to the factors related to provider reliability, and especially the high complexity of financial products and services available.
- Recognizing the physical access issue, financial service providers mention the high costs of physical infrastructure development, but more in terms of excessive regulatory requirements, which increase the costs and adversely affect providers' business case.

Usage of financial services

- The overall usage of financial services in Russia has not changed since 2011: 23 percent of respondents report not using any of formal financial services. For all types of financial products, the level of usage strongly and directly correlates with income levels. There is a remarkable difference in financial service usage among the lowest income segment: 53 percent of respondents in this category are not using any formal financial services — more than double the Russia-wide average figure.
- A trend to watch both for providers and policy makers is much higher usage of credit than savings products (39 versus 24 percent; the latter even lower when only term savings products are considered — 15 percent). This trend is especially pronounced among the lowest income segments, where the usage of savings products is five times lower than of credit products; the usage of credit is approximately the same as in the other income categories. On the one hand, among the dangers of an excessive credit usage is customer over-indebtedness; on the other hand, through responsible promotion of both credit and savings services and their increased usage, providers can advance financial inclusion, as they can influence both borrowing and savings behaviors. The challenge is how providers can be better attuned and more responsive to the needs of this segment through the development and marketing of products that offer good value propositions for customers and that are, at the same time, profitable and sustainable for providers.
- Higher awareness levels about financial products and services do not necessarily bring about higher usage: while the aggregate figures on the usage of financial products highly correlate with awareness levels, disaggregated statistics often show either no or even inverse correlations between the awareness and usage for specific segments.
- Personality types identified during this research based on prevailing attitudes about money do not correlate strongly with the usage of specific financial products, but they are slightly better predictors of the choice of financial service delivery channels (although further research may be needed in this area as this research was a first attempt to establish such correlations). Overall, sociodemographic characteristics tend to be stronger predictors for both the types of products customers use and the channels they choose to obtain these products and services.
- Financial products used the most are those that are provided to customers by third parties (e.g., employers and government) rather than those actively sought by the customers. The issuance of these provided products does not result in a more active usage of other financial services. This presents both a challenge as programs such as those aimed at universal bank account coverage may not result in higher financial service usage generally; but at the same time, it is an opportunity for providers to develop various products that account for this type of customer financial behavior.

- Insurance products are the least used among financial products, which suggests a high potential for their development — provided that products are better understood by customers and, possibly, are better suited for their needs.
- The potential of innovative delivery channels for expanding the range of financial services will largely depend on customer perception of these channels as more reliable and more easy-to-understand and use than traditional channels. Currently, traditional channels such as bank branches are mostly viewed as the most reliable, though the least convenient, by a majority of Russians.

Quality of financial services

- The research substantiates the need to increase levels of financial literacy. Qualitative research of financial literacy-related issues confirmed the available quantitative survey evidence on relatively low levels of financial literacy: many customers do not distinguish between products or are not even aware that they are using some of them. The findings reinforced other results of this research signaling that customers have a strong need for simpler, easier-to-understand financial products and services presented in a more standardized way.
- Among the most important factors affecting the choice of financial service provider and decision to use financial services is high complexity of financial products for customers and lack of standardized presentation of terms and conditions of financial products. There is room for providers to be more proactive in making their products more easy-to-understand for customers.
- Policy makers may want to consider introducing standardized financial product description and disclosure formats. They may also consider regulating the terminology that providers can or cannot use — especially with respect to savings products, to clearly denote which of them are covered by the deposit protection scheme. Such measure could be complemented by financial literacy campaigns explaining the descriptions, disclosure formats, and terminology to customers.
- Finally, overcoming common stereotypes with respect to financial service providers and products (such as negative attitude to credit or a belief that savings make sense only for large amounts of money) will be necessary to increase financial inclusion in Russia. This could be a task for both policy makers and providers of financial services.

Box 1. Financial inclusion and low-income population segments in Russia

Among the lowest-income segments in Russia (less than RUB 3,000 — approximately US\$88 per capita monthly), the level of financial exclusion is the highest: 53 percent do not use any formal financial services versus 23 percent, on average. Remarkably, among the next income category — slightly better-off (RUB 3,000–5,999) — the share of nonusers is only 26 percent — much closer to the Russia-wide average.

The lowest income segment is generally characterized by levels of short-term credit usage that are similar to higher income categories, but much lower levels of savings product usage — about five times less often than credit. Only 3 percent of people in this category have a term deposit or savings account versus 15 percent, on average.

Only 42 percent of the lowest income category currently uses insurance products versus 61–66 percent of those in higher income categories.

In the lower-income groups, the awareness levels about financial products are 10–20 percent lower for specific products than the average levels.

INTRODUCTION

Background

The G20 Global Partnership for Financial Inclusion (GPFI) has recognized financial inclusion as a key enabling element, both in the fight against poverty and in reaching the goal of inclusive economic development. About 40 countries around the world have publicly committed to financial inclusion objectives and targets.¹ Reliable financial inclusion data are critical to inform policies, establish financial inclusion targets, and monitor the implementation and progress in achieving the targets. The G20 Financial Inclusion Indicators suggest that financial inclusion should be measured in three dimensions: (i) access to financial services, (ii) usage of financial services, and (iii) quality of products and service delivery. To form a comprehensive view, the G20 Financial Inclusion Indicators include both supply-side and demand-side data. In addition, they provide further insight into access and usage aspects by including indicators on emerging branchless delivery channels such as mobile banking.

Russia is among the countries where access to financial services was identified as one of the country's domestic policy priorities since 2007.² It was estimated back then that over 40 percent of the population lacked access to banking services, and the supply of financial services outside Moscow was only 4 percent of that in Moscow. With respect to the G20 Financial Inclusion Indicators, most of the financial inclusion data for Russia reflect the supply side. While some data on the demand side are available from the World Bank Global Findex Survey (2011),³ more comprehensive and granular information is necessary to obtain a clear a picture of financial inclusion — as well as financial exclusion — in Russia.

In 2012, CGAP conducted a Financial Inclusion Landscaping study in Russia (Lyman, Staschen, and Tomilova 2013). The study found that by 2012, the progress of financial inclusion in Russia had been significant compared to that in 2007.⁴ The number of people not using any banking services reduced to 22 percent; the supply of financial services increased fivefold; and the number of bank branches per 100,000 adults grew to over 37 — which put Russia ahead of some highly developed countries. In the area of branchless banking, the advancement was even more rapid. From virtually no such services several years earlier, Russia developed various innovative financial service delivery channels that are now being used by about 50 percent of the population (though currently primarily for payments). This includes a specific Russian solution — cash-in payment terminals that are the primary points of service in the country for low-value payments.

¹ Interview with CGAP CEO Tilman Ehrbeck, December 2012. <http://www.cgap.org/news/momentum-behind-financial-inclusion-says-ehrbeck>

² President Putin's address to the State Council. November 2007.

³ The World Bank Global Findex Database. 2011. <http://datatopics.worldbank.org/g20fidata/country/russian-federation>

⁴ The summary of the study findings is adapted from a blog post by Olga Tomilova for the CGAP Blog. January 2013. <http://www.cgap.org/blog/how-much-do-financial-inclusion-indicators-say-about-russia>

However, despite all the progress, access to financial services is still a challenge in remote areas of the country. In terms of geographical distribution of bank branches — per 1,000 sq. km — Russia's figures are far behind that of many developed countries. Certainly, being the largest country in the world, Russia has many uninhabited areas (and thus comparisons to densely populated countries may not be appropriate), but the same is true for the United States, for example. Yet in the latter, the number of bank branches per 1,000 sq. km is about 3.5 times higher than in Russia.

The study also highlighted that there are certain categories of people in Russia who remain unbanked and underbanked. However, there were no comprehensive and detailed data available at the time of the study that would provide insight into this segment's specific profiles and needs, nor an understanding of the barriers preventing them from accessing and using financial services.

The goal of the research conducted by the National Agency for Financial Studies (NAFI) with support from CGAP and Beyond Philanthropy during April–June 2014 was to fill in some of the information gaps with respect to the demand-side aspects of financial inclusion in Russia.⁵ Specifically, the objectives of the research were to do the following:

- Identify characteristics of the segments of the Russian population who do not use or have no access to financial services.
- Determine the level of demand for financial products and services (by groups of products and services).
- Identify objective and subjective barriers to accessing financial services.
- Develop proposals on most effective ways to overcome the barriers to accessing financial services.

The research methodology included a national representative quantitative survey, as well as qualitative interviews with both users and nonusers of financial services and financial service providers, to get their insights into the issue of financial inclusion from the demand-side perspective (see Annex 1).

This research report is organized around the three areas of the G20 Financial Inclusion Indicators and provides insights into these areas from a demand-side perspective:

- Chapter 1 presents an overview of the physical **access** infrastructure for key financial services and delivery channels, to put the data on customer perspectives on access-related issues into a broader context. It then follows with the findings of the survey on customer satisfaction with physical infrastructure for financial services.

⁵ While some data on the supply-side are presented to put the findings into a broader context, detailed assessment of the supply side was outside the scope of the current research.

- Chapter 2 presents the survey findings on the current level of customer **usage** of financial services and financial service delivery channels, as well as awareness about them, and the intention to use financial services in the next 12 months.
- Chapter 3 presents the findings on **quality**-related aspects of financial inclusion in Russia. It summarizes results from both the survey and qualitative interviews and addresses various barriers to financial inclusion, such as the level of trust in financial service providers and specific financial services, key reasons for using or not using financial services from the customer perspective, financial literacy, and behavioral biases affecting people's decisions to use financial services. It also presents a comparison of customer versus provider perspectives with respect to key barriers to financial inclusion, based on data from the qualitative research.
- The report concludes with a number of observations that could be useful for both financial service providers and policy makers working on financial inclusion issues in Russia, as well as researchers studying this topic.

The main text of the report is preceded with short reference information on the regional division of Russia. A glossary on the financial services and delivery channels discussed in the report is included in Annex 2.

Regions of Russia

As of January 2014, the Russian Federation consisted of eight Federal Districts (FDs):⁶

1. Central FD, Capital city: Moscow
2. Northwestern FD, Capital city: St. Petersburg
3. Southern FD, Capital city: Rostov-on-Don
4. North Caucasian FD, Capital city: Pyatigorsk
5. Volga FD, Capital city: Nizhny Novgorod
6. Urals FD, Capital city: Yekaterinburg
7. Siberian FD, Capital city: Novosibirsk
8. Far Eastern FD, Capital city: Khabarovsk

Map 1. Federal Districts of the Russian Federation



⁶ See List of Federal Districts, Decree of the President of the Russian Federation No. 849 "On Authorized Representatives of the President of the Russian Federation in Federal Districts," 13 May 2000.

CHAPTER 1.

ACCESS TO FINANCIAL SERVICES AND DELIVERY CHANNELS

Access to financial services is one of the three dimensions of financial inclusion measurement as defined in the G20 Financial Inclusion Indicators, measuring the number of physical points of service. One of the objectives of this research was to provide demand-side insights on the access aspect of financial inclusion. Further in the report, the significance of the physical access factor for customers as compared to other factors that may affect their decision to use or not to use financial services, is discussed.

The chapter is organized as follows:

- Section 1.1 provides general background information on key statistics on physical access to financial services in Russia, based on the available supply-side data. This includes an overview of the banking sector, banking payment agents, and other providers of key financial services.
- Section 1.2 presents results of the primary quantitative research on customer perceptions about and satisfaction with physical access infrastructure.

Box 2. Key points: Access to financial services and delivery channels

1.1 Key statistics

- | | |
|---|-------------------------------------|
| • Number of bank branches: | 45,268 (2014) ^a |
| • Number of bank branches per 100,000 adults: | 38.22 (2012) ^b |
| • Number of bank branches per 1,000 sq. km: | 2.83 (2012) ^c |
| • Number of ATMs: | 183,822 (2014) ^d |
| • Number of ATMs per 100,000 adults: | 182 (2012) ^e |
| • Number of ATMs per 1,000 sq. km: | 13.49 (2012) ^f |
| • Number of bank agent service points: | 319,000 (2012) (CRPSS and RMC 2012) |
| • Number of Russian Post offices: | 42,000 (2014) ^g |
| • Number of microfinance organizations: | 4,294 (2014) ^h |
| • Number of credit cooperatives: | 3,594 (2014) ⁱ |
| • Number of insurance companies: | 587 (2014) ^j |
| • Number of mutual funds: | 2,806 (2014) ^k |
| • Unique mobile subscriber penetration: | 73 percent (2012) ^l |
| • Internet penetration: | 52 percent (2013) ^m |

Box 2. Key points: Access to financial services and delivery channels**1.2 Customer perceptions**

- Relatively high aggregate statistics on physical access appear to hide the issue of insufficient infrastructure as they do not capture the supply of physical access points in low-populated areas.
- This is confirmed by data on customer satisfaction with physical access infrastructure: there are significant variations in satisfaction levels by region, as well as by settlement type (i.e., city/town/village). For example, in rural areas, satisfaction levels are 11 percent lower than on average, and in regional capitals they are 5–15 percent higher than average. The smaller the settlement, the more often respondents express the need to increase the number of service points.

^a http://cbr.ru/statistics/print.aspx?file=bank_system/inform_14.htm&pid=pdko_sub&sid=intr_licko

^b <http://fas.imf.org/>

^c <http://fas.imf.org/>

^d http://cbr.ru/statistics/p_sys/print.aspx?file=sheet010.htm&pid=psRF&sid=ITM_18817

^e <http://fas.imf.org/>

^f <http://fas.imf.org/>

^g <http://www.russianpost.ru/rp/serve/ru/home>

^h http://cbr.ru/sbrfr/?Prtd=microfinance_org

ⁱ <http://cbr.ru/sbrfr/?Prtd=cooperatives>

^j http://cbr.ru/sbrfr/?Prtd=insurance_industry

^k http://cbr.ru/sbrfr/?Prtd=polled_investment

^l <http://www.gsma.com/newsroom/gsma-announces-new-global-research-that-highlights-significant-growth-opportunity-for-the-mobile-industry/>

^m <http://bit.ly/1qGCbcj>

1.1 Key statistics

Banks

According to the Central Bank, in April 2014, there were 841 active banks in Russia working through 45,268 branches.⁷ The number of bank branches increased by 3.7 percent in two years since the CGAP Financial Inclusion Landscaping study (Lyman, Staschen, and Tomilova 2013). The banking sector in Russia also includes so-called nonbank credit organizations (NBCOs), which are essentially banks with a limited banking license; these can perform various banking operations except retail deposit taking.

According to the IMF Financial Access Survey, there were 38.22 bank branches per 100,000 adults in 2012, and 182 automated teller machines (ATMs).⁸ This puts Russia ahead of some highly developed countries. For example, in 2012, Germany had 13.9 bank branches per 100,000 adults, and the United States had 35.26 bank branches per 100,000 adults. At the same time, there are only 2.83 bank branches and 13.49 ATMs per 1,000 sq. km in Russia — which is about 4–5 times less than in countries comparable in size, such as China and the United States.

Among the top 10 banks in Russia by net assets size, the top six are banks with state ownership.⁹ The largest one — Sberbank — has the widest branch infrastructure (about 18,500 branches)¹⁰ and holds 46.7 percent of all retail deposits volume in the country as of January 2014, according to the Central Bank.

As shown in Table 1, the distribution of bank branches across Russia generally follows the distribution of the population. The North Caucasian FD is the region with the least sufficient infrastructure, which is reflected in the usage figures, as will be discussed further in Chapter 2. The Central FD, and especially Moscow, is better supplied in terms of physical access infrastructure.

Banks are the only financial service providers in Russia authorized to take retail deposits, which are protected by the state Deposit Insurance Scheme up to RUB 700,000 (approximately US\$20,600) per depositor, per each bank.¹¹ Some of the nonbank financial service providers can offer limited deposit-like products that are not protected by the deposit insurance scheme (see below).

⁷ http://cbr.ru/statistics/print.aspx?file=bank_system/inform_14.htm&pid=pdko_sub&sid=intr_licko

⁸ <http://fas.imf.org/>

⁹ See <http://www.banki.ru/banks/ratings/> (based on Central Bank data, June 2014).

¹⁰ <http://rating.rbc.ru/article.shtml?2013/02/28/33894787>

¹¹ Federal Law No. 177-FZ “On Insuring Deposits of Natural Persons in the Banks of the Russian Federation,” 23 December 2003.

Table 1. *Distribution of bank branches by region, April 2014*

Federal Districts	Distribution	
	Bank branches	Population
Central	28%	27%
<i>incl. Moscow and the Moscow Region</i>	15%	13%
Northwestern	10%	10%
Southern	10%	10%
North Caucasian	3%	7%
Volga	23%	21%
Urals	9%	8%
Siberian	13%	13%
Far Eastern	4%	4%

Source: Central Bank of the Russian Federation: http://cbr.ru/statistics/print.aspx?file=bank_system/cr_inst_branch_010414.htm&pid=pdko_sub&sid=sprav_cdco

Other providers

Other providers of financial services in Russia include the following:¹²

- **The Russian Post:** This is a state-owned organization that has the largest number of branches Russia-wide — about 42,000 (almost the same as the number of branches for the whole banking system). It administers the disbursement of pensions and provides a number of financial services in cooperation with other financial service providers — such as payments, domestic and international money transfers, loan repayments, bank account top-ups, etc. It also sells insurance policies and credit cards acting as an agent of several financial service providers.¹³
- **Banking payment agents:** These include various retail networks, of which the most numerous are mobile phone shops and supermarkets. The agents can provide only cash-in services, most of which are payments. In 2012, there were over 12,000 banking agents serving customers through some 319,000 service points (CRPSS and RMC 2012). Approximately 70 percent of the service points were equipped with automated payment terminals — a specific Russian branchless banking innovation (see Box 3).
- **Microfinance organizations (MFOs):** As of mid-2014 there were 4,294 MFOs registered in Russia since January 2011,¹⁴ when the Law on Microfinance Activity and Microfinance Organizations came into force.

¹² The research did not cover money transfer and remittance services, and as such, providers of these services are not included in this overview.

¹³ <http://www.russianpost.ru/rp/service/ru/home>

¹⁴ The State Register of Microfinance Organizations: http://www.fesm.ru/ru/contributors/microfinance_org/state_register_microfinance_org/

Microloans are defined as loans up to RUB 1 million (approximately US\$29,400) and can be offered both for business and consumption. In 2013, MFOs were collectively serving some 950,000 borrowers, of which about 900,000 were consumer loan recipients.¹⁵ The latter include so-called payday loans. Although there is no legal definition¹⁶ for payday lending in Russia, these companies offer very high interest, very short term consumer loans, and are thus similar to payday lenders in other countries;¹⁷ however, other than the name would suggest, in most cases the lending is not secured with borrowers' salaries. In the absence of a formal definition, the exact extent of payday lending currently cannot be established.¹⁸

MFOs cannot take deposits, but can take loans from natural persons in amounts exceeding RUB 1.5 million (approximately US\$44,100), that is, from more sophisticated lenders. Starting 1 July 2014, they can also issue bonds in amounts less than RUB 1.5 million, but only to qualified investors as defined in the law.¹⁹

- **Credit cooperatives:** According to the Central Bank, in 2014, there were 3,494 credit cooperatives in Russia; in 2013, they were serving about 1.1 million people. Credit cooperatives can provide lending and savings services, but only to their members. Most credit cooperatives work in areas that are less covered by bank branches. MFOs and credit cooperatives are often collectively referred to as "microfinance institutions" as both provide microloans.
- **Insurance companies:** As of July 2014, there were 587 insurance companies registered in Russia.²⁰ In 2013, the top 10 insurance companies had about 57 percent of the market, while the top 50 had 87 percent.²¹
- **Mobile network operators:** There are four large mobile network operators in Russia, together they control 92 percent of the Russian market (Dostov and Shoust 2013). All of them offer a facility to make payments from the prepaid airtime account. To offer such services, they must operate in partnership with either a bank or an NBCO.²²

¹⁵ Microfinance Market Development: A Roadmap for 2013–2017. Presentation of Mikhail Mamuta at the RMC XII National Conference on Microfinance and Financial Inclusion, November 2013.

¹⁶ The Central Bank requires separate reports on microloans in amounts of up to RUB 45,000 (US\$1,250) with a term of up to two months. These characteristics are used as proxies to defining "payday lending." See Information Letter of the Federal Financial Market Service of Russia "On Explanations About Filling in Documents by Microfinance Organizations, Containing Reports on Microfinance Activity and Personnel of Management Bodies of a Microfinance Organization," 14 June 2012.

¹⁷ Some of them are owned by foreign companies that have a long experience of payday lending in other markets such as the United States and the United Kingdom.

¹⁸ There are Central Bank estimates that payday loans represent about 15 percent of the total outstanding microloan portfolio.

¹⁹ Per amendments to the Law "On Microfinance Activity and Microfinance Organizations."

²⁰ http://cbr.ru/sbrfr/?Prtd=insurance_industry

²¹ <http://ins.1prime.ru/news/0/%7BA4218021-059E-47BF-BDE8-6CA1378686BC%7D.uif>

²² Per Federal Law No. 161-FZ of 27 June 2011, "On the National Payment System."

- **E-money operators:** As of February 2014, there were 82 authorized e-money operators in Russia (64 banks and 18 NBCOs).²³ To use their services offered through internet-based e-wallets, customers must be identified if the balance of their e-wallet exceeds RUB 15,000 (approximately US\$440) or monthly transaction volume exceeds RUB 40,000 (approximately US\$1,176); otherwise e-wallets can be anonymous.
- **Mutual funds:** There are 2,806 mutual funds registered in Russia in 2014.²⁴ Of them, 20 percent control about 80 percent of the market.²⁵ These financial service providers are the least known and the least used by Russians, as will be discussed further in Chapter 2.

Except for the Russian Post, payment agents, and mobile network operators, all of the above nonbank providers in Russia were regulated and supervised by the Central Bank starting September 2013.²⁶

Regarding physical access for financial services in Russia, it should be noted that Russia has a very sparse infrastructure of point-of-sale (POS) terminals at retail outlets as compared to other countries. In 2012, there were only 4.8 POS terminals per 1,000 residents versus 18.7 POS terminals per 1,000 residents in the European Union. The highest share of retail outlets accepting cards was in the town of Surgut (home to one of the largest oil and gas companies) with 26.5 percent. In Moscow, only 16.4 percent retail outlets accepted cards in 2012.²⁷ Relative to the number of cards, experts estimate that the number of POS terminals in Russia is two times lower than that in developed countries.²⁸

²³ http://www.cbr.ru/today/print.aspx?file=/today/payment_system/oper_zip/operator_list.html&pid=oper_zip&sid=ITM_41091

²⁴ http://cbr.ru/sbrfr/?PrtlId=pollid_investment

²⁵ <http://grow-rich.ru/top-10-pif-rossii/>

²⁶ Federal Law No. 251-FZ of 23 July 2013, "On Amending Certain Legal Acts of the Russian Federation in Connection with the Transfer of Authority on the Regulation, Control and Supervision in the Sphere of Financial Markets to the Central Bank of the Russian Federation."

²⁷ NAFI calculations based on data from the Central Bank of the Russian Federation and the European Central Bank.

²⁸ <http://www.interfax.ru/business/239232>

Box 3. Payment terminals in Russia

A payment terminal is a cash-in machine (though some terminals can also be operated with a debit or credit card) that allows making various instant payments in cash, with a debit/credit card, or through one's e-wallet account.

Cash payments below RUB 15,000 (approximately US\$440) can be made anonymously, while for larger payments customers must be identified — for example, through their debit/credit cards, which are linked to bank accounts. Payment terminals cannot be used for cash out.

Most of the terminals are operated by banks and NBCOs (including through banking payment agents). Retail banks usually have payment terminals installed at or near their branches, but the majority of terminals are located in busy streets, supermarkets, etc.

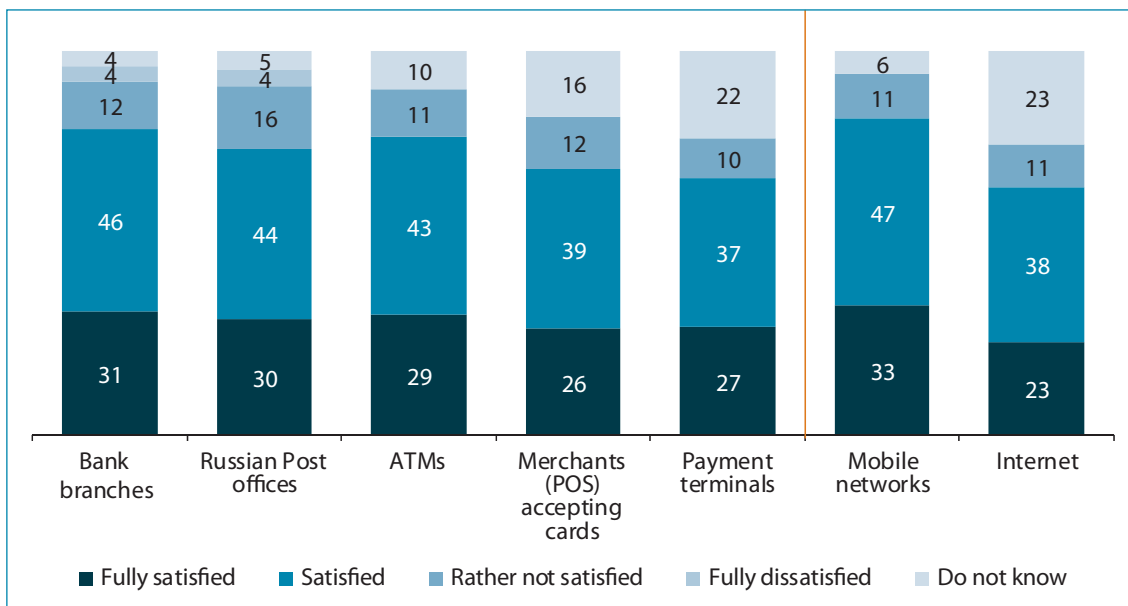
The number of payment terminals operated by the payment agents was estimated at some 224,000 in 2012, according to the Center for Payment Systems and Settlements and RMC (2012), and over 42,200 terminals are operated by banks directly, according to the Central Bank data as of April 2014.^a

a. http://cbr.ru/statistics/p_sys/print.aspx?file=sheet010.htm&pid=psRF&sid=ITM_18817

1.2 Customer perceptions

With access statistics available on the supply side, one of the objectives of this research was to see how satisfied customers are with the financial service delivery infrastructure, as well as with the quality of the main communications channels used for financial service delivery — mobile networks and the Internet. Figure 1 presents a summary of their responses.

Figure 1. Customer satisfaction with the number and location of financial service points/quality of communications channels



Note: Distribution of answers to the question “How satisfied are you with the number and location of the following financial service points/the quality of communication channels at your residence place?” (percentage of total respondents, n = 2800).

As indicated, the levels of satisfaction with the financial service infrastructure range from 64 percent to 77 percent, with higher levels for traditional channels, such as bank branches and the Russian Post offices.

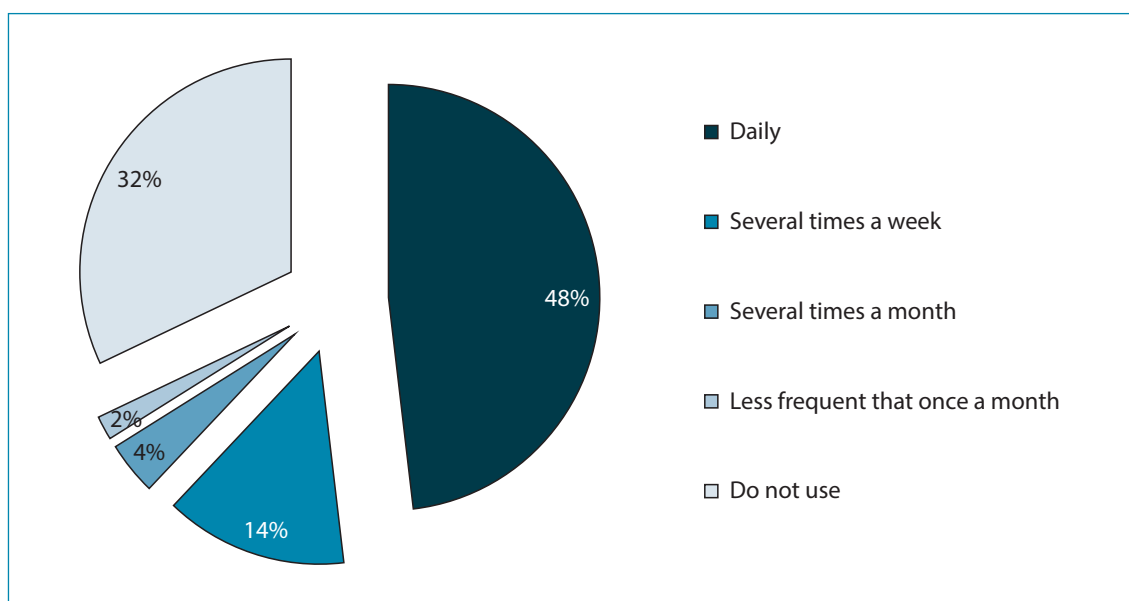
The lowest satisfaction levels are expressed with respect to the number and location of merchants with POS terminals accepting cards. This is consistent with statistics on the sparse POS terminal infrastructure in Russia.

While, on average, the majority of respondents expressed overall satisfaction with the number and location of financial service points, the research revealed some **regional variations** in the satisfaction levels: in the Siberian FD, satisfaction levels are lower than average by 5–10 percent. People in this region are mostly dissatisfied with the number of Russian Post offices, the number and location of ATMs, and availability and quality of Internet connection and mobile communications.

It should be noted that aggregate statistics on bank branch distribution by regions in regard to population distribution might be hiding the issue of insufficient infrastructure as they do not capture the supply of physical access points in low-populated areas. This is partly confirmed by the finding that rural residents show higher dissatisfaction levels as compared to urban residents, with the number and location of bank branches (12 percent versus 8 percent), ATMs (10 percent versus 6 percent), payment terminals (9 percent versus 5 percent), and retail outlets equipped with POS terminals (13 percent versus 7 percent).

With respect to the quality of communications channels, it is clear that respondents are much more satisfied with the quality of mobile network connections than with the quality of Internet connections — the difference in satisfaction levels is 19 percent. This corresponds with available statistics on the mobile phone and Internet usage in Russia. Thus, according to GSMA data, in 2012 the unique mobile subscriber penetration in Russia was 73 percent,²⁹ while the Internet coverage was 52 percent in 2013 according to Yandex research (with 70 percent in Moscow and St. Petersburg).³⁰ The low Internet coverage affects the levels of Internet usage; according to this research, about one-third of respondents do not use it (Figure 2).

Figure 2. *Distribution of respondents by frequency of Internet usage*

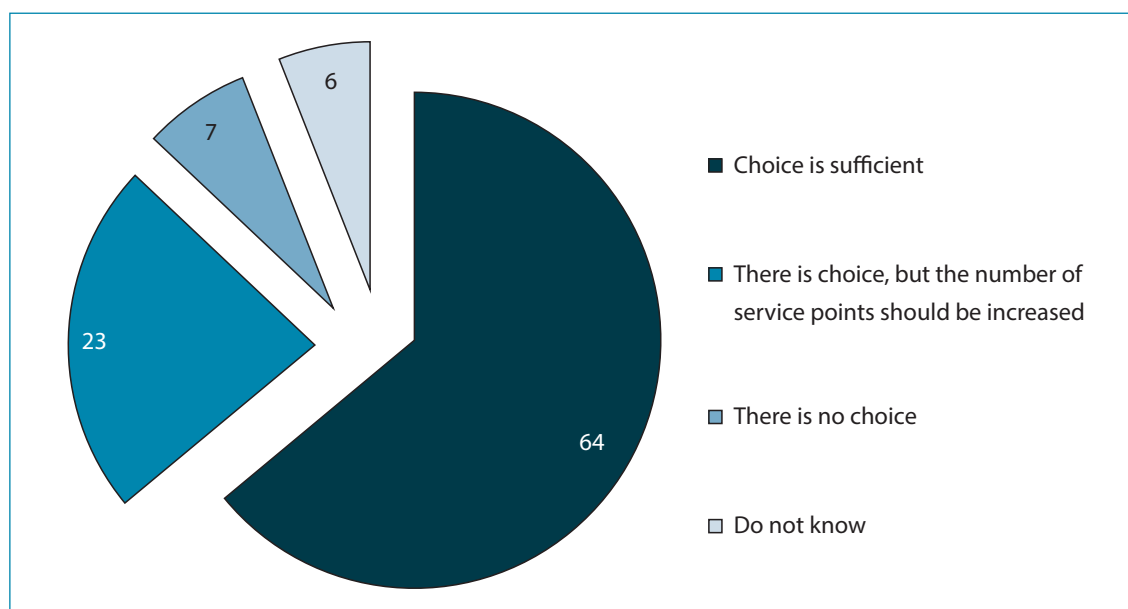


Note: Distribution of answers to the question “How often do you use the Internet?” (percentage of total respondents, n = 2800).

Additionally, the research aimed to see whether people were satisfied with the choice of service points available to them. While the majority felt that the choice is sufficient, 30 percent of respondents were not satisfied with it (Figure 3).

²⁹ <http://www.gsma.com/newsroom/gsma-announces-new-global-research-that-highlights-significant-growth-opportunity-for-the-mobile-industry/>

³⁰ <http://bit.ly/1qGCbcj>

Figure 3. Customer satisfaction with the choice of financial service points

Note: Distribution of answers to the question “How do you assess the level of choice with respect to financial service points at your residence place?” (percentage of total respondents, n = 2800).

There are significant **regional differences**, as well as **variations by settlement type**, in satisfaction levels:

- The North Caucasian FD shows the lowest satisfaction levels — 52 percent, or 12 percentage points lower than on average. Seventeen percent of respondents in this region feel there is no choice versus 7 percent on average.
- Respondents in the Northwestern and Urals FDs most often feel that the number of service points should be increased (30 percent and 27 percent, respectively, versus 23 percent on average).
- Residents of Moscow, St. Petersburg, and regional capitals (69 percent, 79 percent, and 71 percent, respectively) more often feel that the number of service points is sufficient, as compared to the rest of Russia.
- The smaller the settlement, the more often respondents express the need to increase the number of service points.
- In rural areas, only 53 percent of respondent feel that the number of service points is sufficient.

For detailed breakdowns of the survey results on customer satisfaction levels with physical access to financial service delivery channels and quality of communications channels see Annex 3.

CHAPTER 2.

USAGE OF FINANCIAL SERVICES AND DELIVERY CHANNELS

Usage of financial services is the next of the three dimensions of financial inclusion measurement as defined in the G20 Financial Inclusion Indicators. This chapter addresses the usage of various financial services and explores the level of awareness about financial services and people's intention to use them — as important prerequisites for usage. In addition, statistics on the usage of and awareness about financial service delivery channels are presented.

The chapter is organized as follows:

- Section 2.1 presents an analysis of the usage of financial services and delivery channels, with separate subsections devoted to (i) credit, card-based, and savings products; (ii) insurance products; and (iii) delivery channels.
- Section 2.2 explores the awareness about financial products. Similar to the previous section, credit, card-based and savings products are discussed separately from insurance products and delivery channels.
- Section 2.3 discusses potential demand for credit, card-based, and savings products, as well as insurance products — in terms of people's intention to use these products.

Box 4. Key points: Usage of financial services and delivery channels

2.1 Usage

- The overall usage of financial services in Russia has not changed since 2011 (NAFI 2012): 23 percent of respondents reported not using any of the financial services (in 2011, this figure was 22 percent, which is within the statistical error margin).
- For all types of financial products, the level of usage strongly and directly correlates with income levels. There is a remarkable difference in financial service usage among the lowest income segment: 53 percent of respondents in this category are not using any formal financial services — more than double the Russia-wide average figure above.
- Usage levels correlate with the type of settlement, but correlation is not as strong as with income levels. Among urban dwellers, the share of nonusers is 20 percent, while among residents of rural areas, it is 33 percent.
- Significant regional variations with respect to credit and savings products are observed across Russia, with higher levels of usage in the Central, Northwestern, Siberian, and Far Eastern FDs. The Volga, Southern, and North Caucasian FDs are characterized by lower levels of financial service usage.
- No significant variations in the usage of financial services by gender or age have been observed. However, there are variations by age in terms of using delivery channels: not surprisingly, younger people tend to use innovative delivery channels more actively.

Box 4. Key points: Usage of financial services and delivery channels

- The most widely used financial products are those that are initiated by a third party (such as employer-provided “salary cards” used by 44 percent of respondents and health insurance policies held by 20 percent) or those required by law (such as mandatory motor third-party liability insurance used by 22 percent).
- The research found no significant correlation between having any of the “provided” services and more active use of other financial services. In other words, having access to a service in this case has not been translating into more active usage.
- At the same time, higher ownership of all types of card-based products, including those that are “provided,” was found to correlate with higher usage of transitional and innovative delivery channels.
- Russians tend to use credit products more often than savings products: 39 percent use credit, and only 24 percent use some type of savings instruments. Among the lowest income segment, the share of borrowers is approximately the same as in the other income categories, but the share of savers is more than five times lower.
- Among credit products, shorter-term, higher-risk products prevail—such as cash loans from banks and credit cards—used by 18 and 17 percent, respectively.
- Among savings products, longer-term products are the least used: term deposits and mutual funds are used by 4 percent and less than 1 percent of respondents, respectively.
- Only 1 percent of respondents are using microloans issued by MFOs and credit cooperatives.
- In terms of delivery channels, traditional payment methods and channels—such as payment in cash, at bank branches and offices of the Russian Post—are the most widely used (over 64 percent of people)

2.2 Awareness

- Overall, the levels of awareness about financial products are much higher than those of usage in absolute percentages.
- When looking at aggregate figures, there is generally a direct correlation between the awareness and usage levels. However, when disaggregated, the correlations are not always found. Some of the categories of respondents that show significantly higher awareness about certain products are not using these products more often (and in some cases, even less often).
- Income levels are again showing the highest direct correlations with awareness. Regional variations are not as strong for awareness levels as they are for the usage levels (especially with respect to insurance products).

2.3 Intention to use

- Russians do not show high demand for particular financial products. They mostly intend to use those products and services they are already using.
- Responses to questions about usage, awareness, and intention to use financial products revealed that many people do not fully understand specific features of some products and often confuse similar products (see Chapter 3).

2.1 Usage

Box 5. Usage of key financial services: Global Findex and this research

The Global Findex data (2011) provide key figures on the usage of financial services in Russia.

Indicator	Global Findex (2011)	This research (2014)
Account at a formal financial institution (%)	48.2	77
Loan from a financial institution in the past year (%)	7.7	39
Saved at a financial institution in the past year (%)	10.9	15

While some of the differences in results could be explained by the growth in usage in the three years since the last Global Findex survey, there are also several methodology-related aspects that account for the differences:

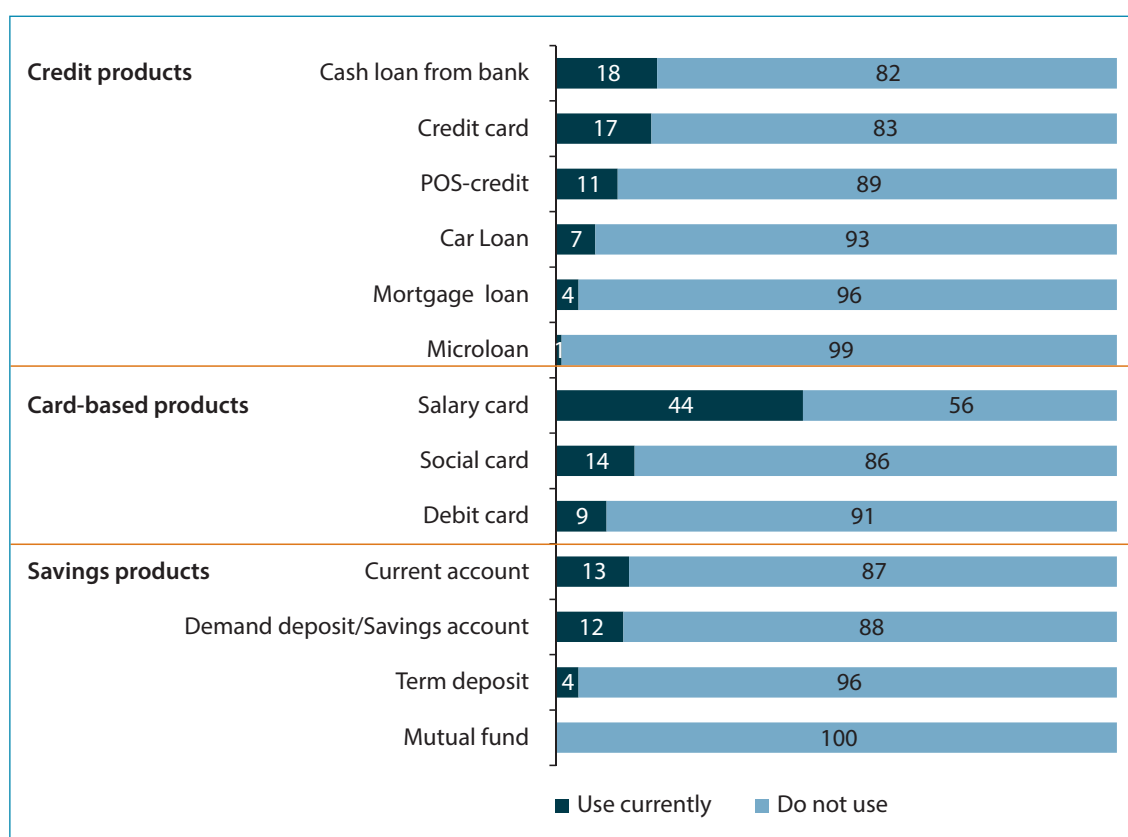
- Regarding respondent age, Global Findex surveyed respondents 15 years old and older, while in this research respondents were 18 years old and older—in line with the legal age for adults in Russia.
- For loans and savings, Global Findex surveyed usage in the past year; the data in this research represent current ownership.
- Global Findex data are self-reported; according to this research, many respondents did not realize they were using some products (as discussed further in this chapter and in Chapter 3). For example, many did not know that some of the products they use are linked to bank accounts. The differences between the Findex figures and the results of this research are consistent for specific types of account holders:
 - Findex shows 8.5 percent use accounts to receive government payments; this research shows 14 percent are “social card” holders (i.e., beneficiaries of government-to-person transfers).
 - Findex shows 31.2 percent use accounts to receive wages; a corresponding percentage of “salary card” holders per this research is 44 percent.
- For account indicator, owners of all products linked to bank accounts were calculated.
- For loan indicators, all current users of loan products were calculated (this research covered only formal financial institutions). It should be noted that POS credit (store credit) in Russia is provided by banks, about which some people may not be aware as such credit is disbursed at stores. Even considering this fact, the time between the two surveys and the methodological differences, it is necessary to explore the reasons for such differences in the credit usage between the two surveys.
- For the indicators on savings, all current users of term deposits and demand deposits/savings accounts were calculated. The resulting figure of 15 percent is generally consistent with the Findex statistic. With current account data, the share of users of savings products is 24 percent, per this research.

Credit, card-based, and savings products

While card-based products in Russia can generally be considered “savings” products (except credit cards that are shown along with statistics on credit products) as they are usually linked to bank accounts that could be topped-up, statistics on their usage are shown separately to reflect specifics of the Russian financial services market — where many of such card-based products are initiated and provided to people by third parties — such as employers (“salary card” used to transfer staff salaries and benefits) and government (“social card” used for various government-to-person transfers to specific categories — see *Glossary* in Annex 2).

As shown in Figure 4, with the exception of “salary cards,” the share of Russians using credit, savings, or card-based products does not exceed 18 percent for each product. The relatively high percentage of those using “salary cards” (44 percent) is due to the fact that this product is initiated and provided by employers to transfer salaries to their employees. Similarly, 14 percent of “social card” users reflect the number of government support beneficiaries — who were issued the card by the state but have not actively requested this service.

Figure 4. Usage of credit, savings and card-based products



Note: Distribution of answers to the question “What financial products do you currently use?” (percentage of total respondents, n = 2800).

As both salary and social cards are usually regular debit cards linked to bank accounts, this allows their holders to transact and use other services, such as payments, money transfers, and savings. The research has not found significant correlations between the fact of having any of the “provided” services and more active use of other financial services. At the same time, a correlation has been established between having any of the card-based products and higher usage of transitional and innovative delivery channels.

Credit products are used more often than savings products — in total, 39 percent of respondents have some of the credit products, and only 24 percent have used any of the savings products (the latter figure includes 15 percent of those with term deposit/savings account). Among credit products, Russians use shorter-term, higher-risk products more actively — such as short-term cash loans from banks, credit cards, and POS credit. This is not surprising as consumer credit has become more accessible in recent years — for example, in 2013, the volume of consumer lending by banks in Russia grew by some 40 percent, according to the Central Bank.³¹

At the same time, the volume of natural persons’ deposits has grown by 20 percent in the same year.³² Among the savings products, longer-term instruments are the least used: only 4 percent of people have term deposits, and less than 1 percent have investments with mutual funds.

There are significant **regional variations** in the level of financial service usage:

- Not surprisingly, in the two main Russian cities — Moscow and St. Petersburg — the share of people who do not use any financial services is much lower than elsewhere — about half of the national average of 23 percent (11 and 12 percent, respectively). Among residents of rural areas, this figure is 10 percent higher than the national average.
- The overall usage of financial services is higher in the Central, Northwestern, Siberian, and Far Eastern FDs:
 - The Central FD has the highest share of residents using current accounts (24 percent versus 13 percent across Russia). In Moscow, 22 percent use debit cards versus 9 percent Russia-wide.
 - Both the Central and Northwestern FDs show higher usage of card-based products (especially salary cards), which may be explained by high employment levels in these regions.
 - The Siberian and Far Eastern FDs show the highest levels of short-term credit product usage — cash loans from banks (30 percent and 25 percent versus 18 percent average), credit card (24 percent in Siberia versus 17 percent average), and POS credit (24 percent in the Far East versus 11 percent average).

³¹ <http://www.gazeta.ru/business/2013/10/02/5678441.shtml>

³² http://cbr.ru/statistics/UDStat.aspx?TbIID=302-21&pid=sors&sid=ITM_30761

- The overall lower usage of financial services is typical for the Volga, Southern, and North Caucasian FDs:
 - In the Volga FD, credit card usage is only 11 percent — 6 percent lower than the average.
 - Residents of the Southern FD hardly use debit cards — only 1 percent mentioned using this product as compared to 9 percent Russia-wide.
 - The North Caucasian FD has the lowest level of salary card usage — 23 percent; this is followed by the Volga FD with 37 percent — as compared to 44 percent on average. As mentioned above, this corresponds to employment levels in these regions.
- Residents of certain regions have shown specific financial behaviors:
 - With higher usage figures on credit products, the Siberian FD shows a much lower usage of savings products — only 6 percent use demand deposit/savings account and another 6 percent use current accounts. These are only half of the respective national average figures.
 - St. Petersburg (capital of the Northwestern FD, where the usage is higher than average overall) is showing much lower figures of cash loan usage — only 2 percent compared to the average of 18 percent.
 - The Urals FD is characterized by higher than average usage of mortgage and car loans — 8 and 9 percent, respectively, as compared to 4 percent and 7 percent Russia-wide. At the same time, only 6 percent of residents of this region use POS credit, as compared to 11 percent Russia-wide.

Another factor accounting for significant differences in the usage of financial services is the **level of income**:

- For all types of financial products, the level of usage strongly and directly correlates with income levels.
- The highest share of people who do not use any financial services — 53 percent — is among the respondents belonging to the lowest income segment (below RUB 3,000 — approximately US\$88 monthly per capita). This is more than double the national average of 23 percent. Remarkably, in the next income category — slightly better off (RUB 3,000–5,999) — the share of nonusers is only 26 percent — much closer to the Russia-wide average.
- Income levels correlate with the use of card-based products — notably the salary card, which is usually offered by larger, higher wage paying employers.
- Interestingly, with the exception of a cash loan from a bank (8 percent versus 25 percent on average), the lowest income segment is characterized by levels of short-term credit usage similar to other income categories, but much lower levels of savings products usage: only 3 percent of people in this category have a term deposit or savings account versus 15 percent, on average.

The analysis of credit, card-based, and savings products usage has not revealed significant correlations with such sociodemographic factors as gender and age of respondents.

Detailed breakdowns of the survey results on the usage of credit, card-based, and savings products are presented in Annex 3.

Insurance products

“Generally speaking, it is not very clear what it is all about and who and what is insured.”

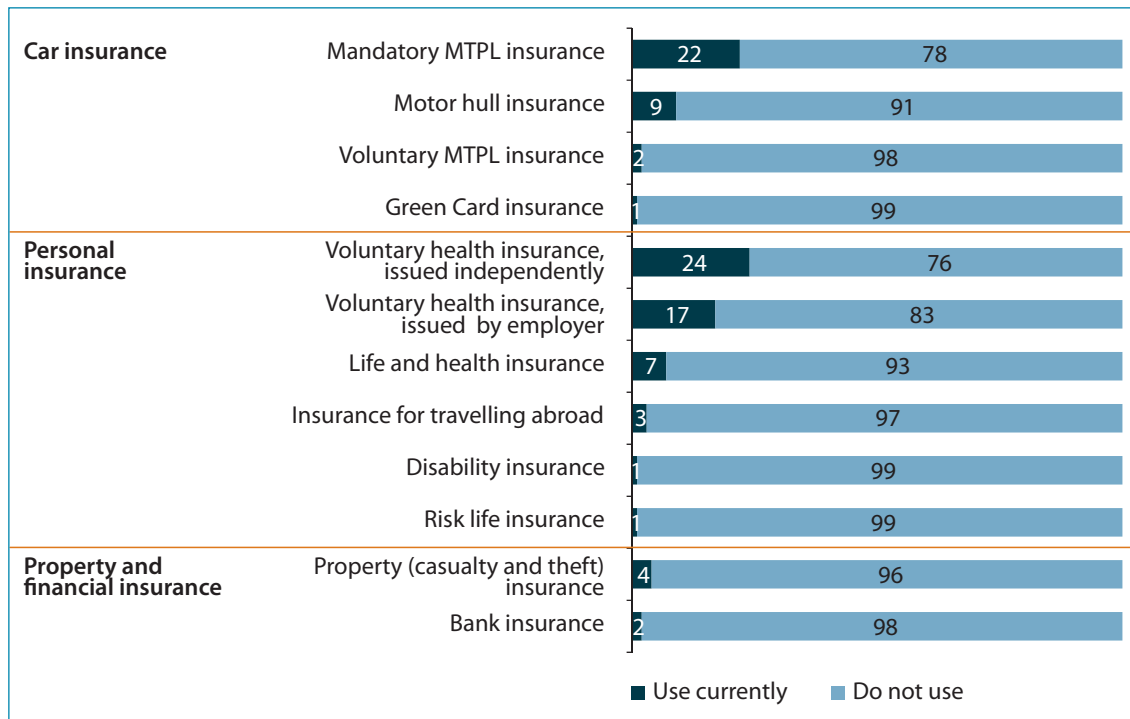
Moderate user of financial services
Moscow, Central FD

The overall level of insurance product usage is lower than that of credit, card-based, and savings products. While the latter are used by 77 percent of respondents, insurance products are used by only some 57 percent of Russians. As will be discussed further in this report,

the research revealed that many Russian confuse various products with similar ones. This was especially evident with respect to insurance products. As such, the data on usage of insurance products are based on *perceived* usage.

Similar to the financial products discussed above, among the insurance products used most frequently are mandatory products — such as mandatory motor third-party liability (MTPL) insurance for car owners (22 percent) and products initiated by third parties — such as employer-provided voluntary health insurance (17 percent) (Figure 5).

The research revealed an unusually high level of the voluntary health insurance usage — 24 percent. During the qualitative research, and also with support from data from prior NAFI research, it became apparent that many respondents confused this product with the free universal public medical care program (which is called “mandatory medical insurance”). Since in 2012 the share of those using this product was about 5 percent (NAFI 2013), it is most likely that it is currently at a similar level.

Figure 5. Usage of insurance services

Note: The data on voluntary health insurance usage presents perceived usage; the actual usage is about 5 percent. Distribution of answers to the question “What insurance products do you currently use?” (percentage of total respondents, n = 2800).

Note that the figures for bank insurance usage (2 percent) do not correlate with the statistics on credit product usage (ranging between 4 percent and 18 percent for various credit products) — although most banks require insurance as one of the conditions for loan disbursement — especially for larger and longer-term loans (mortgage and car loans). While legally banks cannot make any loan insurance mandatory, they usually offer better conditions on loans with such insurance, or sometimes just sell “packaged” products where insurance is already included. As a result, respondents have not identified themselves as users of insurance products, and the actual usage level may be higher.

The research has revealed some **regional** differences in the usage of insurance products, but they are not as significant compared to credit, card-based, and savings products discussed earlier:

- Moscow and St. Petersburg have the lowest levels of respondents not using any insurance products — 27 percent and 29 percent, respectively.
- Not surprisingly, car insurance usage is higher in regions and cities with higher car ownership levels. This includes higher use of motor hull insurance in Moscow (21 percent versus 9 percent on average) and mandatory MTPL insurance in St. Petersburg (36 percent versus 22 percent). In the Southern FD, the level of mandatory MTPL and motor hull insurance is also higher than average (27 percent and 18 percent, versus 22 percent and 9 percent on average, respectively).
- As is the case with other financial products, the North Caucasian FD shows the lowest level of insurance products usage among the Russian regions (only 44 percent currently use insurance products in this region versus 57 percent Russia-wide).

In terms of **income levels**, only 42 percent of the lowest-income category currently use insurance products versus 61–66 percent of those in higher-income categories.

Detailed breakdowns of the survey results on the usage of insurance products are presented in Annex 3.

Delivery channels

Delivery of financial services outside of bank branches presents significant opportunities for the expansion of access to finance. Due to much lower delivery costs compared to traditional banking, branchless banking can reach many more customers and allow for smaller-value transactions at lower costs.³³ One of the objectives of this research was to see how many people are using various delivery channels. Unfortunately, there is no time series data available on the use of the channels,³⁴ which makes it impossible to compare how the usage has been changing with time. As such, the data presented here can be used as a baseline for further research.

For the purposes of the research, financial service delivery channels are organized into three broad categories as presented in Table 2: traditional, transitional, and innovative channels. This classification reflects customer perspective rather than provider perspective. The channels are grouped based on the types of customer interactions (with staff, provider equipment, own devices) rather than the type of provider (bank or nonbank).

³³ See, for example CGAP publications on the topic: [http://www.cgap.org/site-search/Branchless%20Banking?page=2&f\[0\]=type%3Apublication](http://www.cgap.org/site-search/Branchless%20Banking?page=2&f[0]=type%3Apublication)

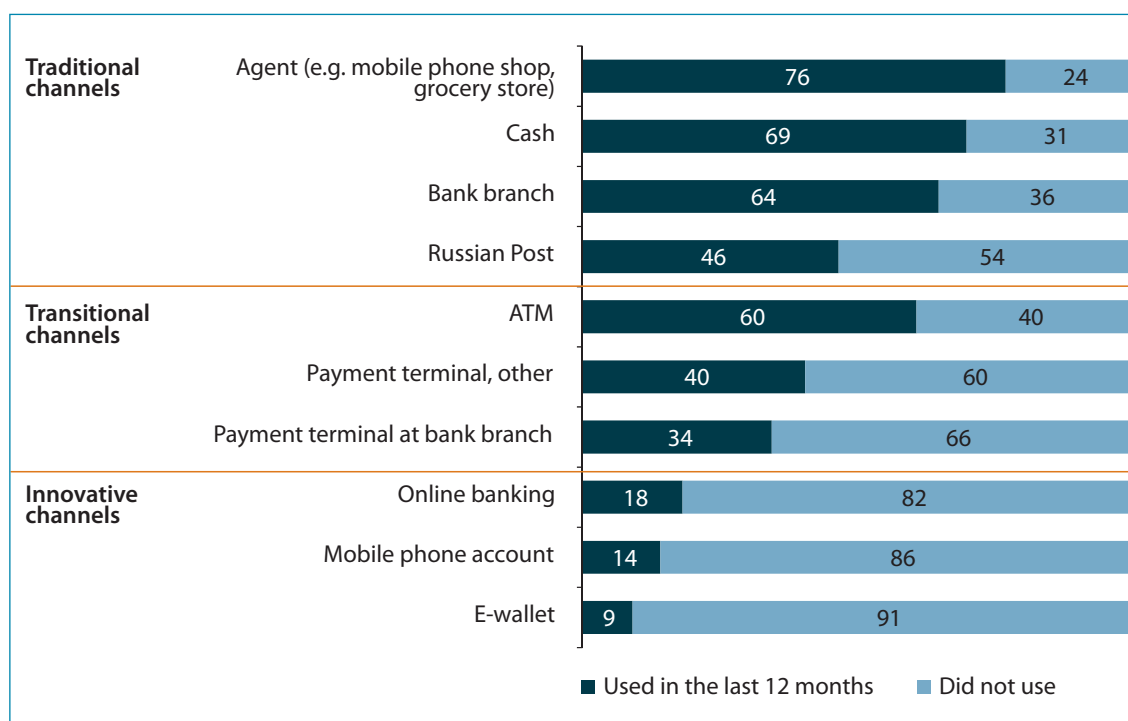
³⁴ There is earlier NAFI research available on preferred delivery channels, but the data are not comparable.

Table 2. *Financial services delivery channels*

Traditional channels <i>(customers make transactions through staff of financial institutions)</i>	Bank branch
	Russian Post
	Cash (i.e., payment to provider directly — e.g., at offices of utility companies, mobile network operators, etc.)
	Agent (e.g., mobile phone shops, supermarkets, etc.)
Transitional channels <i>(customers make transactions using equipment of financial institutions)</i>	ATM
	Payment terminal ^a at bank branch
	Payment terminal, other
Innovative channels <i>(customers make transactions using their own equipment)</i>	Mobile phone account: transactions made out of mobile phone balance
	Online banking: accessing bank account through the Internet/smartphone/tablet applications
	E-wallet: Internet-based e-money account

a. Payment terminals are cash-in machines for making payments or accessing e-wallets. See Section 1.1.

As shown in Figure 6, Russians tend to use traditional channels the most. Not surprisingly, innovative channels are the least frequently used. As mentioned earlier, it was found that owners of any card-based products, both “provided” and independently obtained, tend to use transitional and innovative delivery channels more often than those who do not use these products.

Figure 6. *Usage of financial services delivery channels in the past 12 months*

Note: Distribution of answers to the question “Which of the delivery channels have you used in the last 12 months?” (percentage of total respondents, n = 2800).

Statistics on using payment agents in the past 12 months turned out higher than for other traditional channels. This is likely because payment agents are mostly used for the most popular and frequently used type of payment — the mobile phone, for which payments are made by 90 percent of respondents, 65 percent of whom pay several times a month (see Figures 6 and 7).

As is the case with financial services, usage of delivery channels varies by **regions**:

- In Moscow and St. Petersburg, respondents use transitional channels 5–10 percent more often than Russia-wide; however, these cities also show the highest usage rates of traditional channels (except the Russian Post offices, which tend to be more popular in rural areas), which correlates with the higher-than-average usage of financial services.
- Interestingly, the highest level of innovative channel usage is observed in the Far Eastern FD: payments from mobile phone accounts are used by 19 percent versus 14 percent, on average, and online banking — 30 percent versus 18 percent. This may be due to the low availability of other channels — for example, the usage of agents in this region is the lowest in Russia — only 66 percent versus 76 percent Russia-wide. Another factor affecting this may be the proximity of the Asian countries where mobile phone payments are widely used.
- The North Caucasian FD has the lowest level of bank branch usage — 49 percent as compared to 64 percent on average. This is consistent with the data on physical access (see Chapter 1).

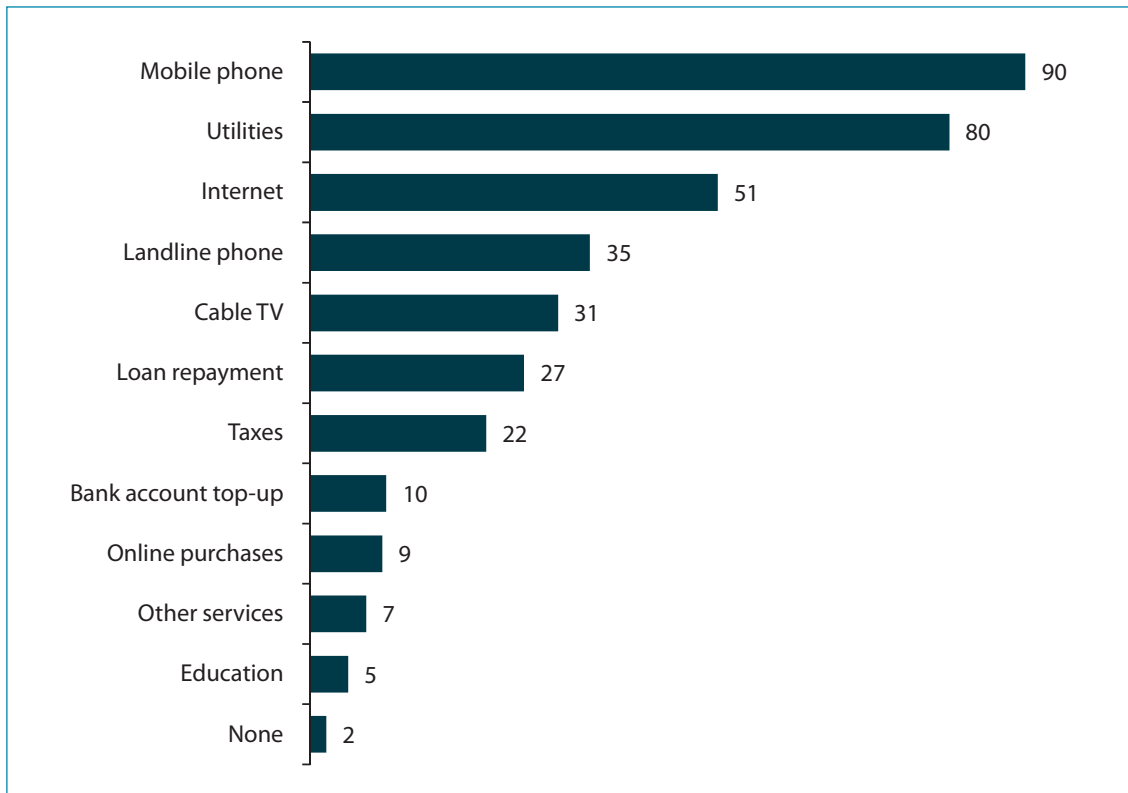
The usage of delivery channels also varies by **income levels** and **age** of respondents:

- Representatives of higher-income segments tend to use transitional channels more often: 80 percent use ATMs versus 60 percent Russia-wide; 63 percent use payment terminals versus 40 percent on average; and 49 percent use terminals at bank branches versus 34 percent. Respondents in this category are also more active users of innovative channels: for example, the usage of payments from mobile phone accounts is 12 percentage points higher than the average.
- Respondents of retirement age use delivery channels less frequently overall, except the Russian Post — of which they are the most active users (52 percent versus 46 percent on average) as the Post administers pension disbursements and thus can cross-sell other services to this category.
- The youngest respondents (18–24 years old) are the most active users of payment terminals (52 percent versus 41 percent Russia-wide). Among this age group, there are 8 percent less users of the Russian Post and 5 percent less users of bank branches.
- Respondents ages 25–34 use bank terminals and ATMs more often than average Russians — by 5 percent and 7 percent, respectively. They are also the most active users of online banking — 26 percent versus 18 percent Russia-wide.

Finally, more active users of innovative channels are those who use the Internet more actively: among those using the Internet daily, 66 percent of respondents use innovative channels versus 26 percent Russia-wide.

Figure 7 shows the most popular types of payments made through financial service delivery channels.³⁵

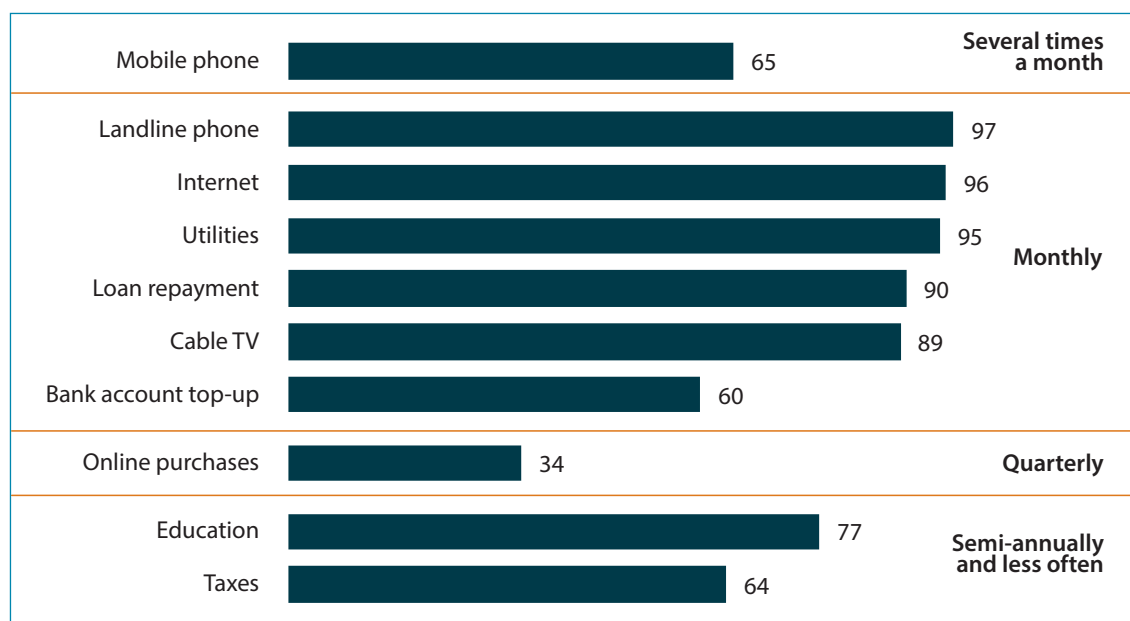
Figure 7. *Types of payments*



Note: Distribution of answers to the question “What payments do you regularly make?” (percentage of total respondents, n = 2800).

About 90 percent of respondents make various payments at least monthly. Figure 8 summarizes the types of payments, percentage of users, and payment frequency. Together with information on customer perceptions about the channels in terms of their reliability and safety (see Chapter 3), and information on preferred delivery channels for different types of payments (which were explored through qualitative methods only during this research), this can provide useful information for financial service providers about the potential for using the channels to expand financial service offerings. Thus, the focus groups revealed that customers prefer to pay for mobile phones mostly through payment agents (which explains the high usage rates of this channel as mentioned above) and payment terminals. Additional research is needed to obtain detailed statistics on this.

³⁵ Note that all of these are cash-in services; cash-out services are allowed in Russia only through banks (including bank-owned ATMs) and thus have not been covered in the survey.

Figure 8. Frequency of payments

Note: Distribution of answers to the question “How frequently do you pay for...?” (percentage of total respondents, n = 2800).

Another factor that could shed light on the potential for expanding the use of transitional and innovative channels for services other than payments is customer sensitivity to amounts that they are ready to pay through available channels. Research by the Central Bank of the Russian Federation (2014) (Table 3) suggests that customers tend to prefer paying higher amounts through banks and bank-operated infrastructure and channels, which correlates with a higher level of trust in banks (see Chapter 3).

Table 3. Distribution of answers to the question “What amount will you be ready to pay through each of the following channels?” (percentage of total respondents, n = 3209)

Amount, RUB	Bank card (%)	Bank staff (%)	ATM (%)	Payment terminal (%)	Online banking (%)	Internet, using bank card (%)	E-wallet (%)	Mobile phone (%)
0	4.4	1.3	3.7	3.9	8.0	10.3	9.3	8.2
Up to 100	0.9	0.8	2.7	7.5	0.7	0.6	1.2	7.1
101–500	3.1	1.7	4.0	11.5	2.3	2.4	2.8	7.4
501–1000	5.6	3.0	4.0	6.4	2.0	1.7	1.9	4.3
1001–5000	6.9	4.4	5.0	4.1	1.6	1.5	2.0	1.8
5000+	3.4	3.7	3.5	1.6	1.2	1.0	0.8	0.2
Any amount	42.5	60.0	43.2	29.2	27.1	23.5	21.3	21.0
Hard to say	33.3	25.1	33.9	35.9	57.1	59.0	60.7	49.8

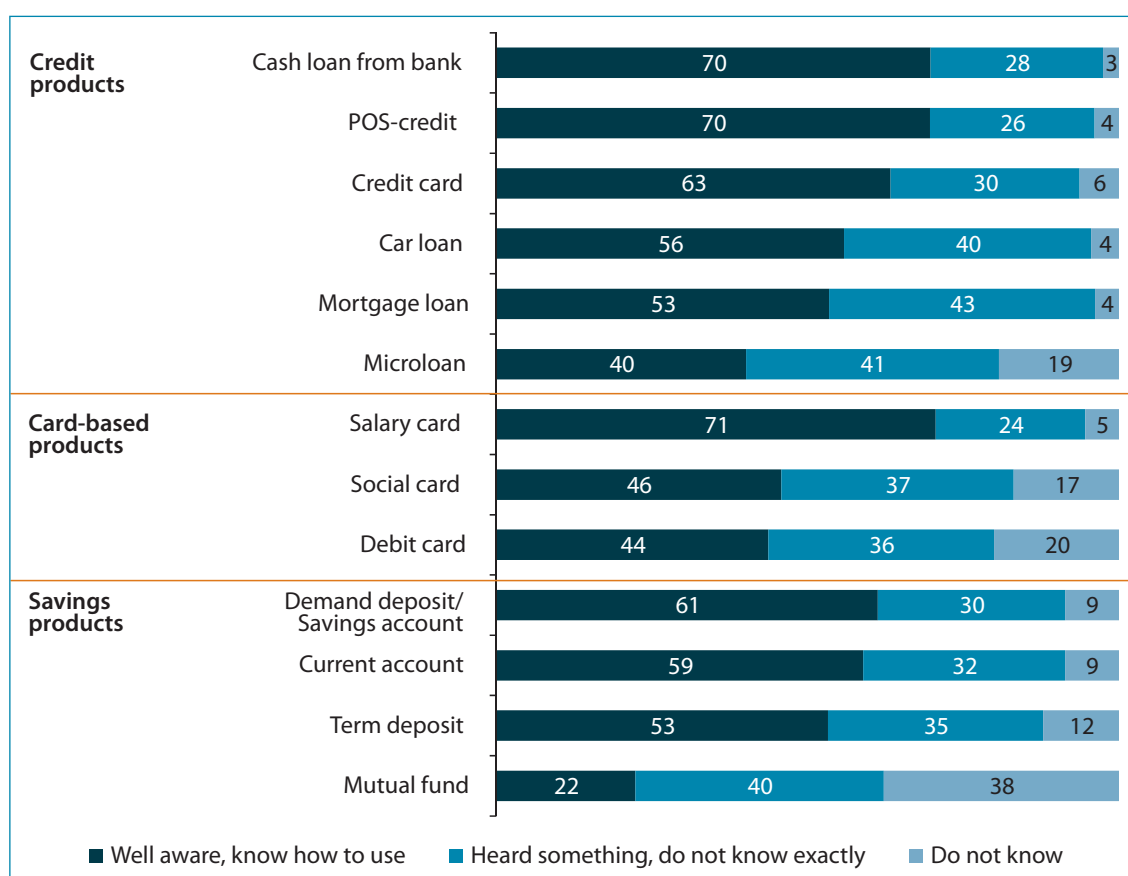
Detailed breakdowns of the survey results on the usage of financial service delivery channels are presented in Annex 3.

2.2 Awareness

Credit, card-based, and savings products

One of the objectives of this research was to establish how awareness levels about financial products correlate with usage levels. Figure 9 presents an overview of awareness levels with respect to credit, card-based, and savings products.

Figure 9. Awareness about credit, card-based and savings products



Note: Distribution of answers to the question “Which of the financial products (services) do you know?” (percentage of total respondents, n = 2800).

Overall, the levels of awareness are much higher than those of usage in absolute percentages. With a few exceptions discussed below, a vast majority of respondents believe they are either well aware and know how to use the products, or at least they have heard something about most of the products. This indicates that low usage levels are not due to the fact that people do not know about the existence of certain products, but there are other factors affecting their decision not to use them. In particular, the research revealed that many people thought they know and understand some product, but actually they confused it with a similar one. This and

other factors preventing people from making the most use of financial services is discussed in more detail in Chapter 3.

Respondents showed the lowest awareness levels about mutual funds and microloans. This can be explained by the relatively short history of these products in Russia: the first mutual funds were established in Russia about 15 years ago, and the first official microfinance institutions (MFIs) started providing services in January 2011 (see Chapter 1).

As is the case with usage, there are **regional differences** in awareness levels — generally corresponding with usage patterns, but with a few exceptions:

“Mortgage is slavery, especially with our prices. For a price of a studio here I could buy a villa abroad!”

Active user of financial services
Moscow, Central FD

- While respondents in Moscow showed the highest awareness levels about most of the products, the share of those well aware about mortgage and car loans is among the lowest. This is probably due to two factors: prohibitive real estate prices, on the one hand (which may make people think that real estate is not

an affordable purchase and thus they may lack interest in loan options), and relatively higher income levels, on the other hand (which allows those in this segment to buy a car without a car loan). Moscow residents are also least informed about microloans as MFIs tend to expand their business in the other regions.

- Regions with more affordable real estate prices and lower income levels demonstrate higher awareness about mortgage and car loans: respondents in the Northwestern, Urals, and Siberian FDs show 8–12 percent higher awareness levels than the average with respect to these products. Residents of these regions show higher awareness about other credit and savings products — which corresponds with higher usage levels.
- The lower-usage regions — the Volga, Southern, and North Caucasian FDs — also show 5–10 percent lower awareness levels for almost all of the products. At the same time, these regions show the highest awareness about microloans — as MFIs are more active in these regions.

Other sociodemographic characteristics that influence awareness levels about credit, card-based, and savings products include the following:

- **Income levels.** As is the case with usage, awareness levels directly correlate with respondents' income levels for all types of products. In the lower-income groups, the share of respondents believing that they are well aware and know how to use the products is 10–20 percent lower than the average.
- **Age.** Awareness levels about most of the credit and card-based products are higher among people of working age as compared to respondents of retirement age. On average, among

younger respondents the awareness levels are 13–19 percent higher than among people 60 and older.

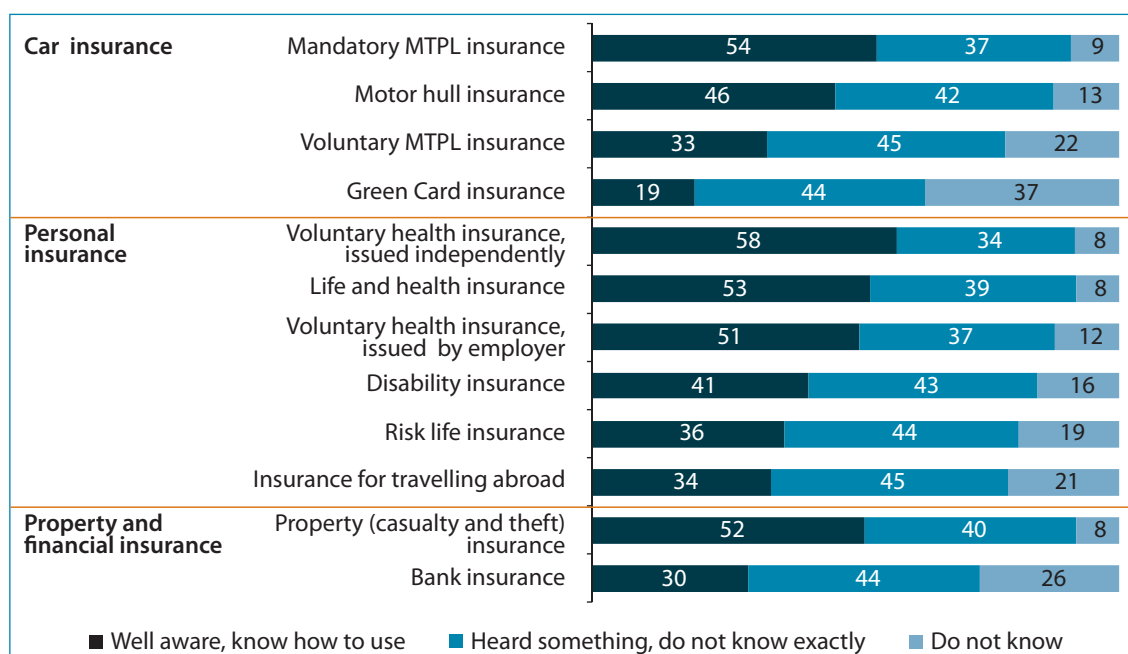
- **Gender**, with respect to certain products. Car loans are better known to men than women (61 percent versus 52 percent, respectively), most likely due to higher car ownership among men. Men also show slightly higher awareness about term deposit, salary card, and microloan products.

Detailed breakdowns of the survey results on the awareness about credit, card-based, and savings products are presented in Annex 3.

Insurance products

The overall level of awareness about insurance products is generally lower than that about credit, card-based, and savings products: the awareness about the most popular products does not exceed 58 percent (Figure 10). As discussed, Russians are most aware of those products that are either required by law (e.g., mandatory MTPL insurance) or provided to them by a third party (e.g., employer-issued voluntary health insurance). The latter is best known to residents of large cities where large corporate employers operate.

Figure 10. Awareness about insurance products



Note: Distribution of answers to the question “What insurance products do you know?” (percentage of total respondents, n = 2800).

The products people are the least aware of include Green Card insurance and insurance for traveling abroad: both are issued only to those who travel abroad by car or to certain countries (e.g., Schengen), respectively, and it seems not many Russians do so (e.g., according to a recent national poll only 6 percent of Russians plan to travel abroad in 2014).³⁶

This part of the research revealed the highest degree of confusion with various insurance products among respondents: for example, many of them were not sure about the differences among health insurance products (and the public medical care program as discussed above), or among mandatory and voluntary products (e.g., mandatory and voluntary MTPL insurance and motor hull insurance).

In contrast with credit, card-based, and savings products, there are no significant regional variations in awareness levels with respect to insurance products. Awareness about car insurance is slightly higher in Southern FD, which corresponds with the higher usage rates of these products in this region. In North Caucasian FD, certain types of personal insurance (such as disability and risk life insurance) are better known to respondents due to higher personal security risks as a result of military conflicts in this area in the late 1990s and early 2000s; however, this does not translate into higher usage rates for these products.

The factors influencing awareness levels about insurance products include the following:

- **Income levels.** Among higher-income groups, awareness levels about all insurance products are generally higher than average by 10–15 percent, including the least known products — Green Card insurance and insurance for traveling abroad (as the share of those who can afford traveling abroad should be higher in these categories).
- **Type of settlement.** Residents of smaller towns and rural areas are better aware of personal insurance (such as life, health, and disability) and property insurance. This is most likely due to the fact that smaller towns are home to many factories with high injury risks, as well as higher impact of natural phenomena on rural housing. Better awareness in this case does not translate into higher usage.
- **Level of the Internet usage.** Active Internet users are better aware about all insurance products: their awareness levels are 5–7 percent higher than average for all insurance products, and 13–19 percent higher than the awareness of those who do not use the Internet.
- **Gender** (with respect to car insurance only). Men are better informed about car insurance products, showing awareness levels 11 percent higher than that of women both about mandatory MTPL insurance and motor hull insurance.

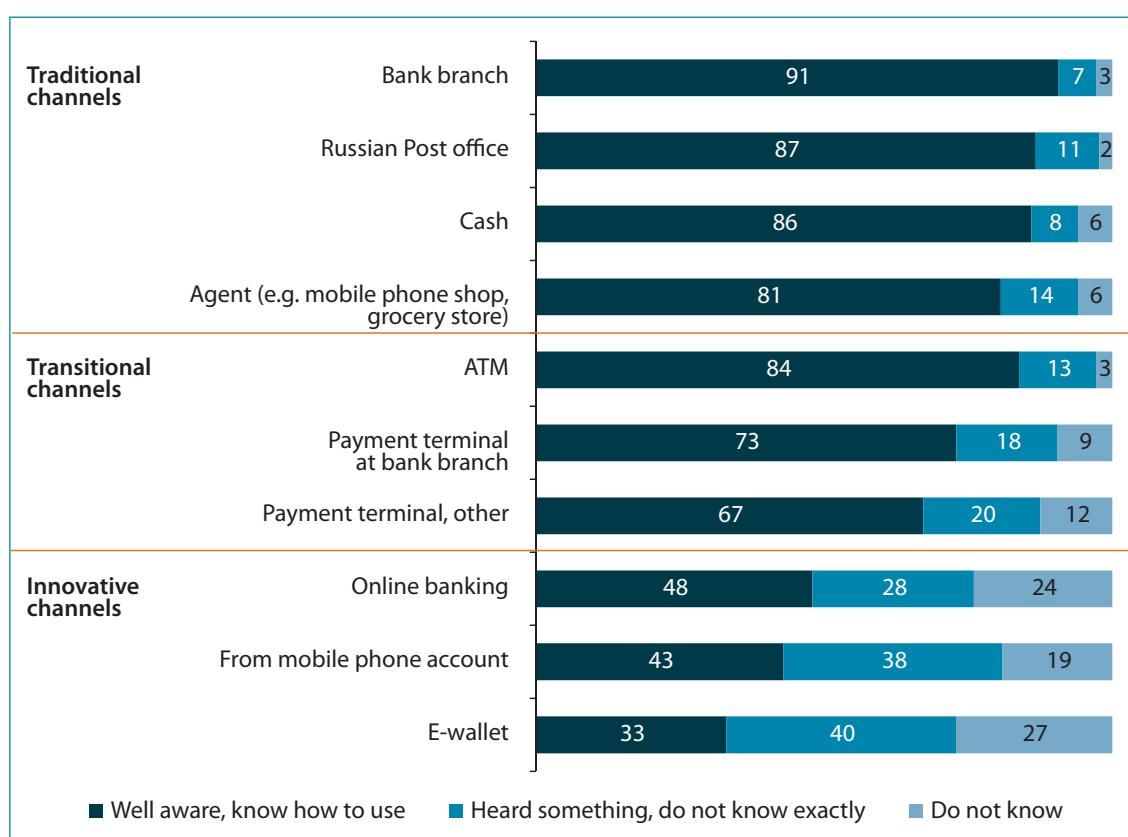
Detailed breakdowns of the survey results on the awareness about insurance products are presented in Annex 3.

³⁶ Russian Public Opinion Research Center: <http://wciom.ru/index.php?id=459&uid=114844>

Delivery channels

As could be expected based on usage patterns, Russians are the most familiar with traditional channels (81–91 percent of respondents are well informed), and the least familiar with innovative channels (33–43 percent believe they are well informed). Lower awareness and usage levels of innovative delivery channels may have to do, inter alia, with high prevalence of cash transactions: only 16 percent of Russians regularly use noncash transactions, and 50 percent use cash transactions exclusively (Central Bank of the Russian Federation 2014). Figure 11 provides a summary of the awareness levels on the various channels.

Figure 11. Awareness about delivery channels



Note: Distribution of answers to the question “What financial service delivery channels do you know?” (percentage of total respondents, n = 2800).

There are no significant variations in awareness levels in terms of regions or types of settlement, though Moscow, as is the case with most financial products, again shows the highest average awareness levels about all channels (54 percent versus 42 percent Russia-wide). Among a few notable exceptions are the following:

- Lower awareness levels about such channels as bank branches and agents in the Far Eastern FD (13–15 percent lower than average). This is consistent with the finding on the higher usage of innovative channels and lower usage of payment agents in this region.
- The North Caucasian FD — a region among those with the lowest financial service usage — shows higher awareness levels about payments from mobile phone accounts (54 percent versus 43 percent Russia-wide) and e-wallets (42 percent versus 33 percent). This is most likely due to the higher share of young people in this region (as awareness about delivery channels correlates with age, as discussed further). However, this does not correlate with higher usage of these channels in this region.
- Extremely low awareness about payment terminals in St. Petersburg — 55 percent versus 67 percent Russia-wide (which correlates with much lower usage — 32 percent versus 48 percent, on average). This may have to do with regional specifics of the city and its suburbs, which consist of many densely populated residential areas with underdeveloped retail infrastructure (payment terminals are often installed at retail grocery chains, etc.). However, this finding may need additional research to better understand the reasons for this phenomenon.

The factors influencing awareness levels about delivery channels include the following:

- **Income levels.** Again, higher income levels directly and strongly correlate with awareness about delivery channels (as is the case with financial products awareness and usage). This is especially evident with respect to innovative channels on which awareness levels among higher-income segments are 14–19 percent higher than average, as well as with respect to payment terminals outside of bank branches, on which awareness is 20 percent higher than average.
- **Age.** Younger respondents are better aware about innovative channels than older ones; for example, the share of those who know about e-wallet is between 44 and 48 percent among respondents in the 18–34 age group, and between 20 and 26 percent among respondents 45 and older. Similar trends are observed with respect to online banking. This also correlates with more active usage of innovative delivery channels among younger respondents.
- **Level of the Internet usage.** Active users of the Internet are better aware about all delivery channels. Nonusers of the Internet show generally lower awareness levels even about traditional channels.

Detailed breakdowns of the survey results on awareness about financial service delivery channels are presented in Annex 3.

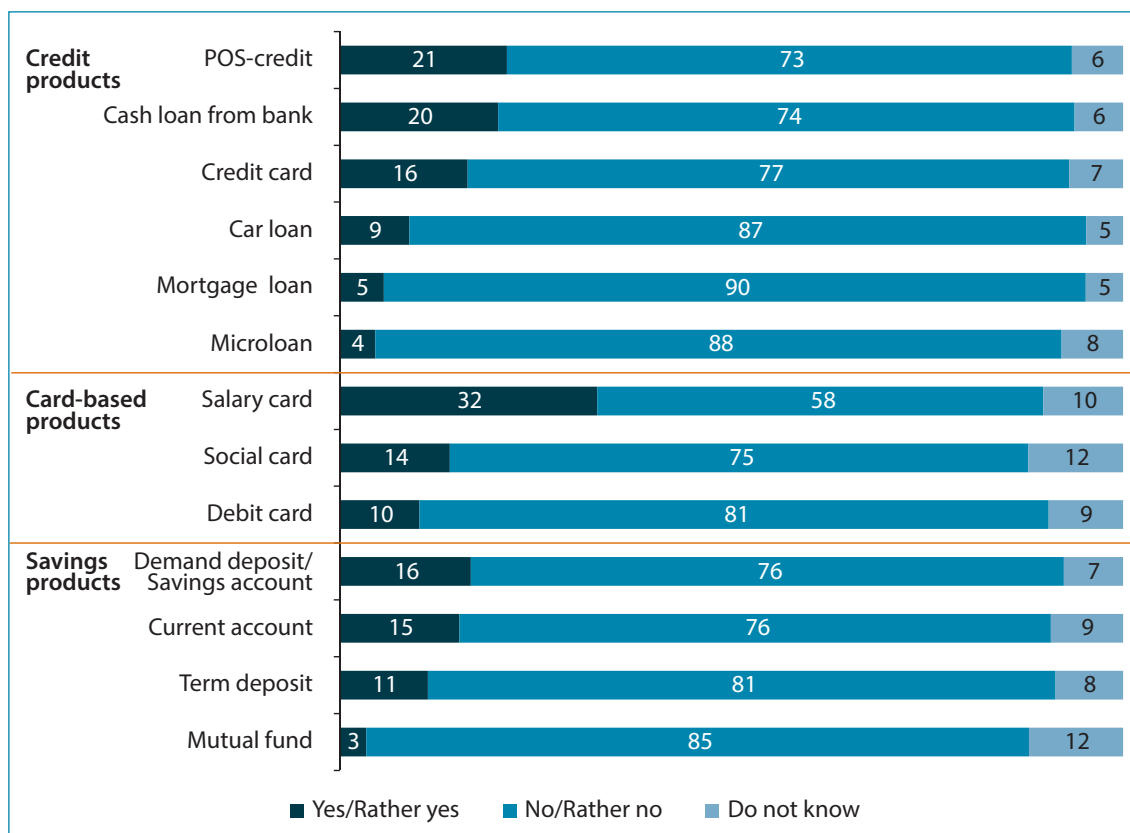
2.3 Intention to use

Credit, card-based, and savings products

Overall, respondents show relatively low levels of demand for credit, card-based, and savings products, as shown in Figure 12. The highest demand among customer-initiated products is that for POS credit (21 percent of respondents).

Generally, the intention to use financial products correlates with usage patterns. But in contrast to usage, there are no significant regional differences. The intention to use any of the financial products does not correlate with the type of settlement either. One slight difference to note is an extremely low interest in savings products in the North Caucasian FD.

Figure 12. *Intention to use credit, card-based, and savings products*



Note: Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following financial services in the next 12 months?” (percentage of total respondents, n = 2800).

In terms of income levels, lower-income groups show less interest in any of the savings products as compared to the average and the interest level of higher-income groups. Lower-income

respondents also show lower than average intention to use credit, while in reality they still use it much more often than any of the savings products, as discussed earlier in this chapter.

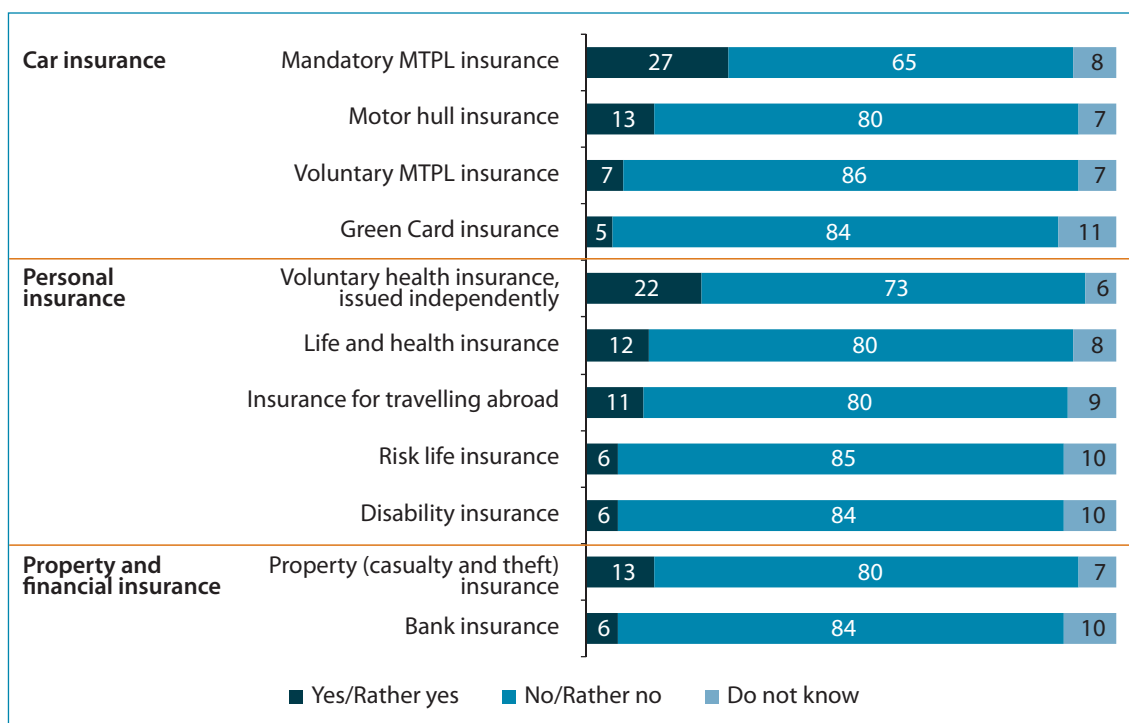
This part of the research further confirmed that many respondents do not fully understand specific features of some financial products — which will be discussed in more detail in Chapter 3.

Detailed breakdowns of the survey results on the intention to use credit, card-based, and savings products are presented in Annex 3.

Insurance products

The intention to use insurance products is low for all types of products: the highest figure among voluntary products is 22 percent, for voluntary health insurance — which again may be due to the confusion of this product with the public medical care program (Figure 13). For most of the insurance products (with the exception of mandatory MTPL insurance), the share of those who do not intend to use these products ranges between 73 and 85 percent.

Figure 13. *Intention to use insurance products*



Note: Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following insurance services in the next 12 months?” (percentage of total respondents, n = 2800). Note that voluntary health insurance issued by employer was excluded as this type of insurance depends on employer decisions and cannot be requested by an employee (unlike salary cards, which can be requested).

The lowest intention to use insurance services was expressed by respondents in the North Caucasian FD. As discussed above, this is in spite of higher-than-average awareness about certain types of insurance in this region (e.g., risk life and disability).

The intention to use insurance services is lower for residents of rural areas and representatives of lower-income segments.

Detailed breakdowns of the survey results on the intention to use insurance products are presented in Annex 3.

CHAPTER 3.

BARRIERS TO FINANCIAL INCLUSION

This chapter looks at issues related to the third aspect of the G20 Financial Inclusion Indicators: quality. The quality dimension covers such demand-side aspects as financial literacy and capability, financial behavior, as well as barriers related to the cost of usage. In this research, qualitative aspects of financial literacy, barriers to financial inclusion from the customer perspective, as well as the impact of behavioral characteristics on the financial service usage are explored.

The chapter is organized as follows:

- Section 3.1 presents a summary of the trust levels to key financial service providers in Russia.
- Section 3.2 explores specific reasons cited by people as preventing them from using specific financial services and delivery channels.
- Section 3.3 discusses key reasons for using financial services, in the opinion of respondents.
- Section 3.4 presents an analysis of issues related to financial literacy which affect people's choice with respect to financial services, based on qualitative research results.
- Section 3.5 presents a comparison of customer versus financial service provider perspectives on key barriers for financial inclusion, based on qualitative research results.
- Section 3.6 presents findings on correlations between customer behavioral characteristics and the usage of financial services.

Box 6. Key points: Barriers to financial inclusion

3.1 Trust in financial service providers

- Banks are the most trusted financial services providers, while MFOs are the least trusted (74 percent versus 14 percent). The trust level of the second most trusted provider — insurance companies — is 33 percent lower than that of banks.
- Trust levels strongly and directly correlate with awareness and usage levels — which in turn, correlate with respondents' income levels.

3.2 Reasons for not using financial services

- With the exception of cash loans and credit cards, reasons for not using other financial products include insufficient knowledge by respondents about these products — this ranked among the top five reasons not to use financial products.

Box 6. Key points: Barriers to financial inclusion

- Insurance products are seen as unnecessary by the majority of respondents. This corresponds to much lower awareness and usage levels compared to other financial products, and the highest degree of respondents' confusion about these products.
- For delivery channels, the top reason not to use traditional channels includes their lower convenience. Transitional and innovative channels are viewed as more convenient, but at the same time less reliable and much less known to respondents.

3.3 Reasons for using financial services

- All card-based products, including credit cards, are used by one-fifth of respondents "just in case." Savings products are mostly viewed as a way to preserve money rather than to earn income.
- Traditional delivery channels tend to be chosen for their reliability and low price, while transitional and innovative are chosen for higher convenience.

3.4 Financial literacy

- Qualitative research of financial literacy-related issues confirmed the available quantitative survey evidence on relatively low levels of financial literacy. The findings reinforced other results of this research signaling that customers have a strong need for simpler, easier-to-understand financial products and services presented to them in a more standardized way.

3.5 Barriers to financial inclusion: Customer versus provider perspectives

- The main factors for customers affecting their choice of financial service providers and decision to use financial services include provider reliability, as well as simplicity, clarity, and transparency of products and product conditions. Price is also important, but to a greater extent in terms of the amount of commissions charged on transactions, rather than with respect to interest on loans and savings. Other factors include physical access and customer service, but these tend to be of relatively lower importance than the factors above, and more often mentioned as factors that customers would be willing to forgo or put up with as long as the main factors are in place.
- Providers generally focus on the same factors mentioned by customers, but in a different light. While recognizing financial literacy as an issue, they seem to underestimate the complexity of their products for customers and tend to shift responsibility for improving financial literacy to customers themselves or the government. Many providers mention limited product range as a barrier to financial inclusion, which is not confirmed by customer opinion. The price factor is more often viewed by providers in terms of high loan price. Physical access is more often mentioned by providers among factors of higher importance for financial inclusion as compared to other factors.
- Providers also mention provider-specific barriers affecting financial inclusion, such as legislation and regulation, lack of government incentives for providers, and insufficient technology infrastructure.

3.6 Behavioral characteristics and financial service usage

- The research revealed correlations between the personality types (identified based on their prevailing attitudes to money) and the usage of financial services, though not as strong as correlations between sociodemographic characteristics and usage. The personality types correlate somewhat higher with delivery channels than with usage of financial products.

3.1 Trust in financial service providers

According to the 2013 Edelman’s Trust Barometer, financial services remain the least trusted industry globally.³⁷ In 2012, Russia was rated last in the survey of 25 countries in terms of the level of trust in financial services, with only 34 percent of respondents trusting them. In 2013, this figure was higher — 40 percent, which is still lower than the global average of 47 percent.

In this research, the levels of trust are disaggregated by types of financial service providers, to get a better understanding to what extent it affects people’s decision to use financial services. Further in the chapter, the importance of the trust factor for specific financial services and delivery channels is discussed.

*“MFOs are some type of financial pyramids, like MMM.” **

Passive user of financial services
Yaroslavl, Central FD

**MMM is the largest financial pyramid in the history of Russia in the mid-1990s.*

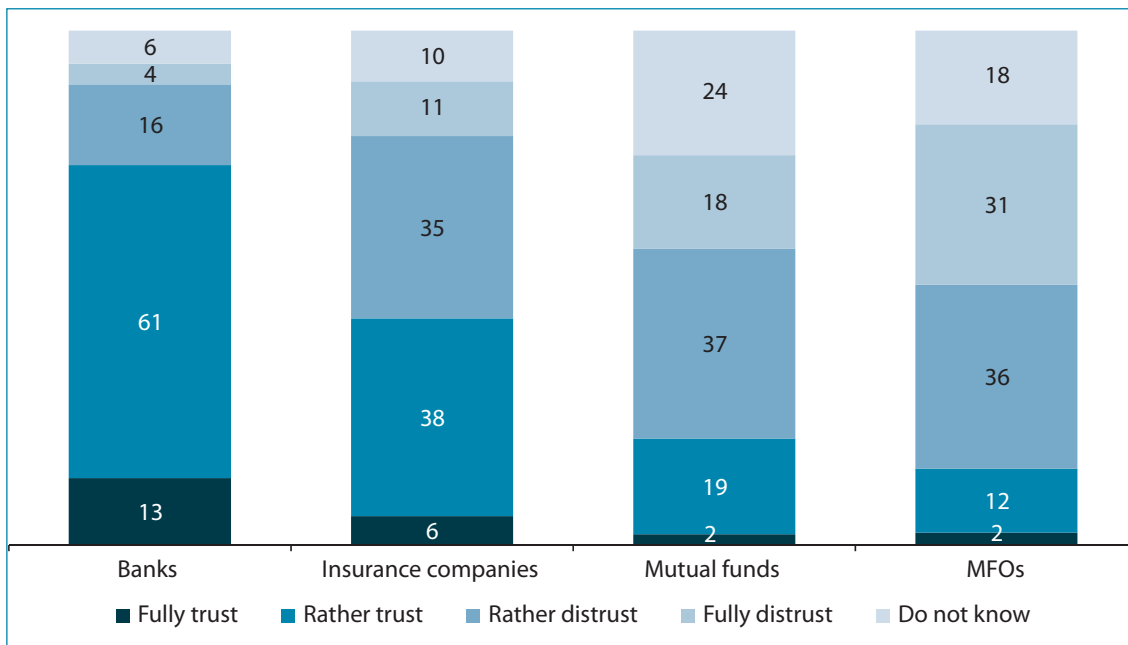
Figure 14 summarizes people’s responses with respect to key providers of financial services in Russia. As can be seen, even the most trusted providers — banks and insurance companies — are “fully trusted” by a relatively low share of respondents (13 percent and 6 percent, respectively). The results show that levels of trust strongly correlate with awareness levels

(see Section 2.2) — both mutual funds and MFOs are the least known and the least trusted.³⁸ With respect to mutual funds, it should be noted that low trust levels in them may also be explained by activities of numerous financial pyramids in 1990s, many of which presented themselves as “investment funds.” Interestingly, in the course of the qualitative research, MFOs were repeatedly referred to as “financial pyramids” even though they do not take retail deposits; this shows the level of distrust in them, as well as the fact that payday lenders registered as MFOs (see Chapter 1) charge extremely high interest rates — just as pyramids would promise high interest rates on investment.

Trust levels also directly correlate with usage levels (which, in turn, directly correlate with income levels, as discussed in Chapter 2): among those who trust financial institutions the most are those who are more active users of financial services, ages 35–44, and with middle and higher income levels.

³⁷ <http://www.edelman.com/insights/intellectual-property/trust-2013/trust-across-sectors/trust-in-financial-services/>

³⁸ For the purposes of this research, credit cooperatives have not been included in a separate category; together with MFOs, they are commonly referred to as “microfinance institutions” as both provide microloans. According to earlier NAFI research, only 12 percent of Russians knew about credit cooperatives in 2013. See NAFI (2013).

Figure 14. *Level of trust in financial service providers*

Note: Distribution of answers to the question “To what extent do you trust the following financial institutions?” (percentage of total respondents, n = 2800).

Analysis of the data by **regions** revealed an especially high share of those who “fully distrust” MFOs in the North-Caucasian FD (40 percent versus 31 percent on average).

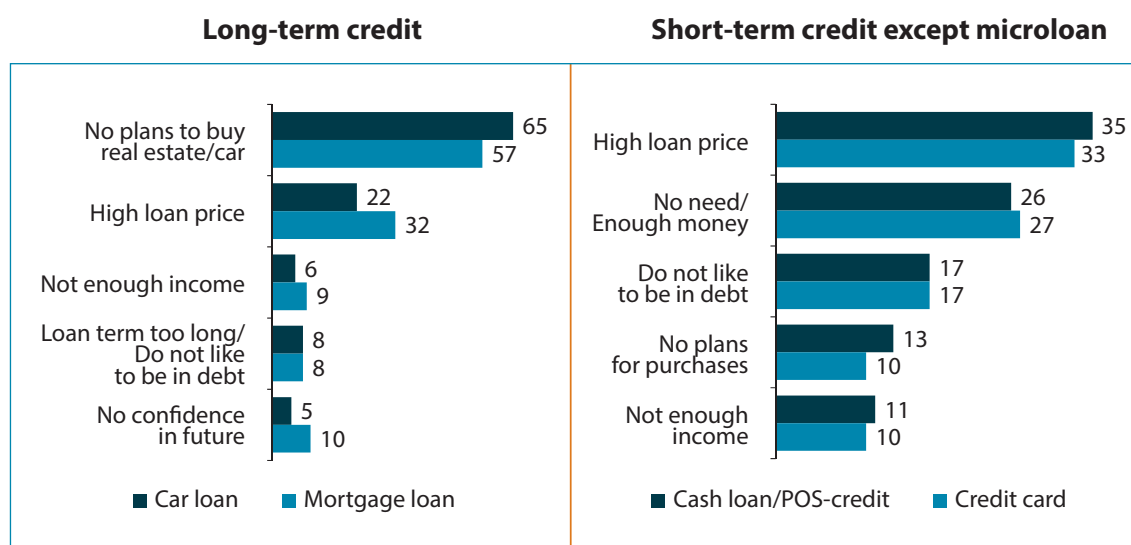
Detailed breakdowns of the survey results on the trust in financial service providers are presented in Annex 3.

3.2 Reasons for not using financial services

Credit products

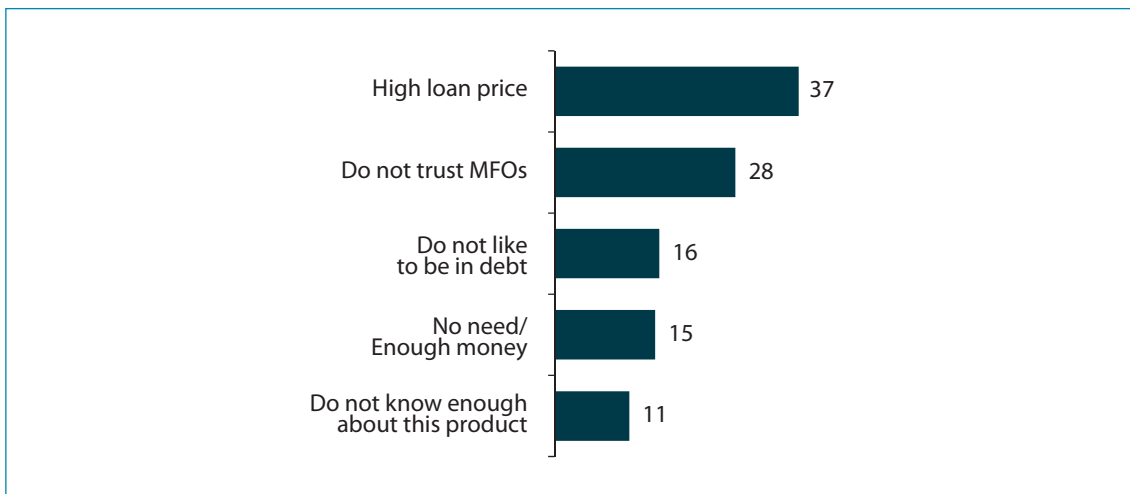
Figures 15 and 16 summarize the top five reasons why respondents do not use credit products. The reasons differ for longer-term and shorter-term products. With respect to the latter, microloans stand apart as trust comes high among the reasons not to use them, as well as little knowledge about microloans — consistent with the above findings about low trust in MFOs and low awareness about them.

Figure 15. Top five reasons for not using credit (except microloan)



Note: Distribution of answers to the question “Why do not you plan to use credit in the next 12 months?” (percentage of total respondents who do not plan to use credit).

Interestingly, respondents in the higher-income categories tend to mention high loan prices for credit cards among reasons not to use them more often than people with lower incomes. This may have to do with the higher financial literacy levels of this segment.

Figure 16. Top five reasons for not using microloan

Note: Distribution of answers to the question “Why do not you plan to use microloan in the next 12 months?” (percentage of total respondents who do not plan to use microloan).

The qualitative research has also revealed an overall negative attitude toward credit, which is confirmed with the survey findings above (e.g., “do not like to be in debt” mentioned among reasons not to use credit). During the focus group discussions, respondents referred to loan interest as “overpayment” and generally perceived high interest rates charged by financial service providers as unfair.

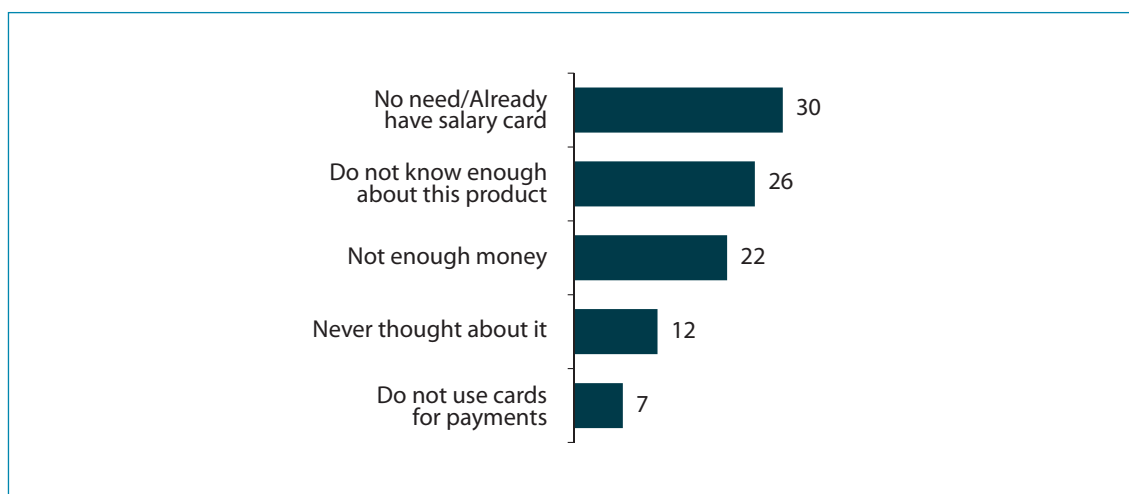
“I’d rather go hungry than take a loan.”

Moderate user of financial services
Moscow, Central FD

Card-based products

As shown in Figure 17, many respondents believe they do not need card-based products (including because they already have salary cards). This is also consistent with data on physical access infrastructure of POS terminals as discussed earlier — there are not many retail outlets accepting cards for payment.

Over a quarter of respondents mention that they do not know enough about card-based products (with respect to credit products, only microloans were not known to 11 percent of respondents).

Figure 17. Top five reasons for not using card-based products

Note: Distribution of answers to the question “Why do not you plan to use card-based products in the next 12 months?” (percentage of total respondents who do not plan to use card-based products).

“I have some card; I top it up and then spend the money. Isn’t it a credit card?”

Moderate user of financial services
Moscow, Central FD

People confuse card-based products with other products: 22 percent of people mentioned having no money as a reason for not using card-based products; in other words, they perceive card-based products as some sort of a savings product. Some people were not sure whether they had a

debit or a credit card, and thus were not sure about their reasons for using or not using card-based products.

In terms of **regions** and **types of settlement**, respondents in the Northwestern FD and in its capital city St. Petersburg more often said they did not need card-based products because they already have salary cards (40 and 46 percent, respectively, versus 30 percent on average). This is consistent with usage patterns in this region and employment levels, and can also be due to active promotion of this product by regional banks.

Savings products

“I had a deposit, and then we bought an apartment. That’s why I stopped using it, why would I need it again?”

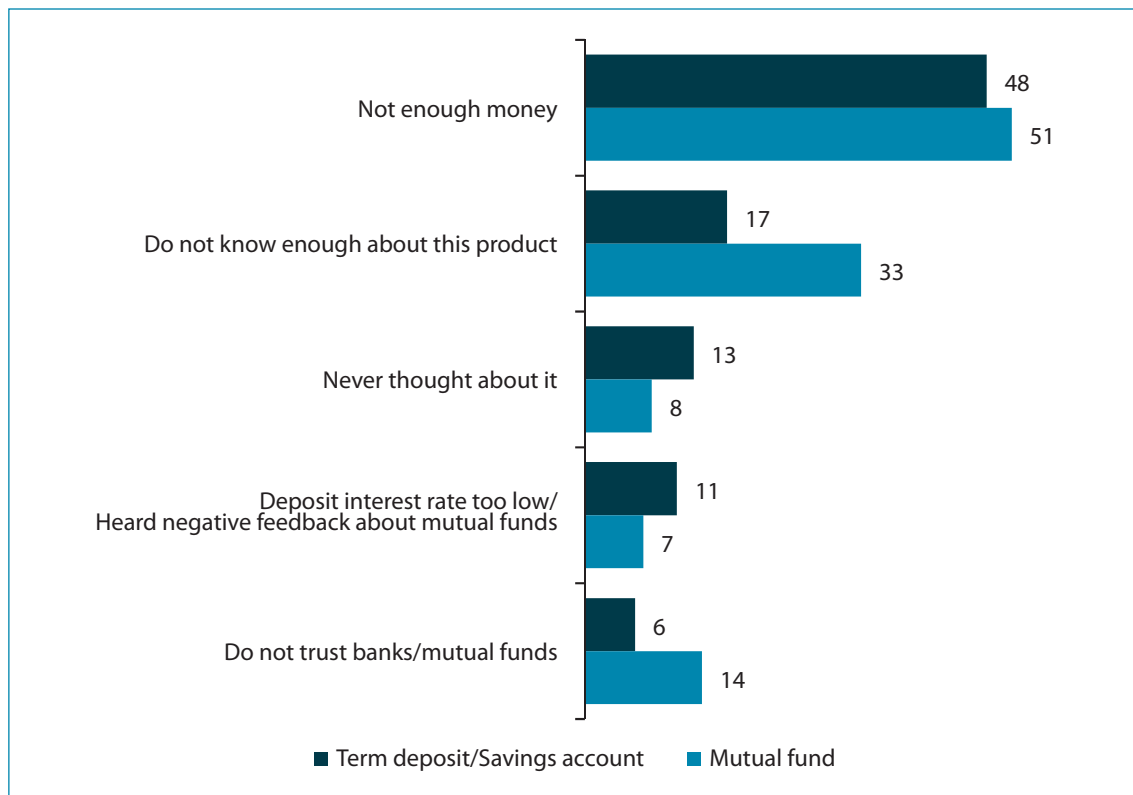
Nonuser of financial services
Volgograd, Southern FD

The top reason for not using savings products for about half of the respondents is having no money (Figure 18). The qualitative research supported this finding by revealing that some people tend to believe only substantial amounts of money are worth saving with financial

institutions — e.g., for large purchases — and smaller amounts should be kept at home (or are not worth saving at all).

Qualitative research also showed that mutual funds are considered to be very complicated products. Survey results confirm this by showing one-third of respondents saying they do not know enough about saving with mutual funds (which is also consistent with findings on awareness levels). In line with the findings on the trust in financial service providers, a higher percentage of people do not trust saving with mutual funds than saving with banks.

Figure 18. *Top five reasons for not using savings products*



Note: Distribution of answers to the question “Why do not you plan to use savings products in the next 12 months?” (percentage of total respondents who do not plan to use savings products).

Insurance products

As customer responses on reasons for not using insurance products showed very similar patterns, they are presented in the aggregate by groups of insurance products — car insurance, personal insurance, and property/financial insurance. As shown in Figure 19, a vast majority of respondents believe that insurance products are not necessary; other reasons are much less significant.

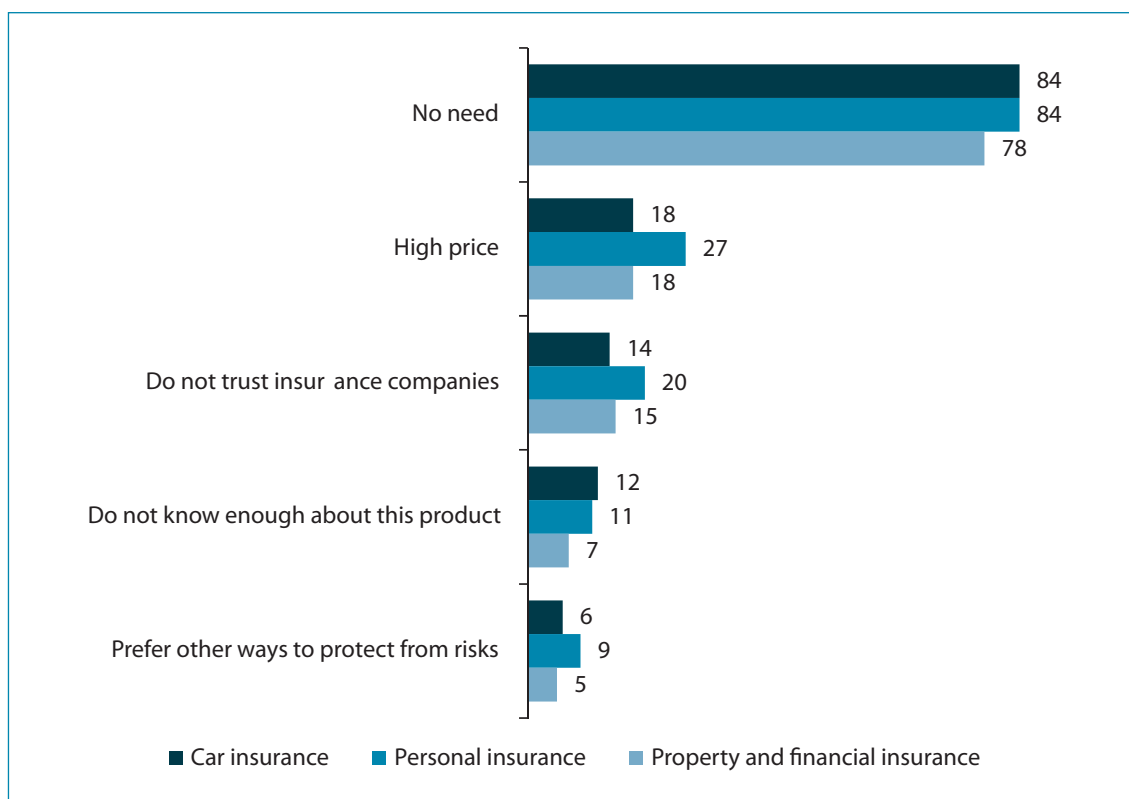
"They say they will insure me — a resident of Moscow — against landslides. What kind of landslides are here in Moscow?!"

Active user of financial services
Moscow, Central FD

Qualitative research revealed that some people do not believe that insurance products are adequate for the risks; some feared they would not be able to get a payout sufficient to cover a loss; yet others thought that if they get insurance, this could increase the likelihood that something bad will happen to them.

Alternative instruments to insurance, in their view, are savings and "just in case" credit cards, as discussed above.

Figure 19. Top five reasons for not using insurance products



Note: Distribution of answers to the question "Why do not you plan to use insurance products in the next 12 months?" (percentage of total respondents who do not plan to use insurance products).

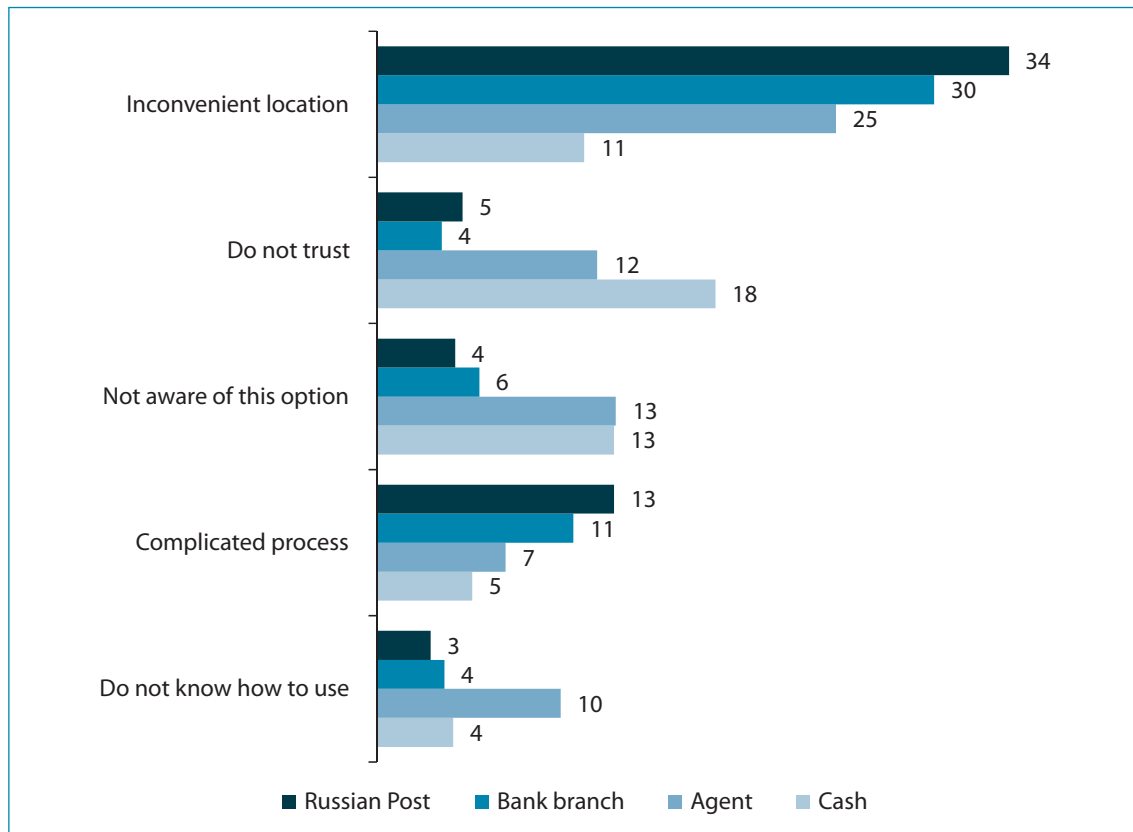
Delivery channels

Similar to insurance products, reasons for not using delivery channels are presented by the groups of channels — traditional, transitional and innovative (Figures 20, 21, and 22).

As can be seen, traditional channels are mostly viewed as inconvenient in terms of their location, except payment in cash to service providers directly (e.g., utility companies). At the same time,

direct payment in cash to service providers is seen as the least trusted option among the traditional channels; this may be explained by findings of the qualitative research when some people mentioned that they preferred to pay via a third party to make sure that if something goes wrong, it would be taken care of (e.g., a bank will be responsible if a payment for utilities does not go through).

Figure 20. Top five reasons for not using traditional channels



Note: Distribution of answers to the question “Why do not you plan to use the following channels in the next 12 months?” (percentage of total respondents who do not plan to use respective channels).

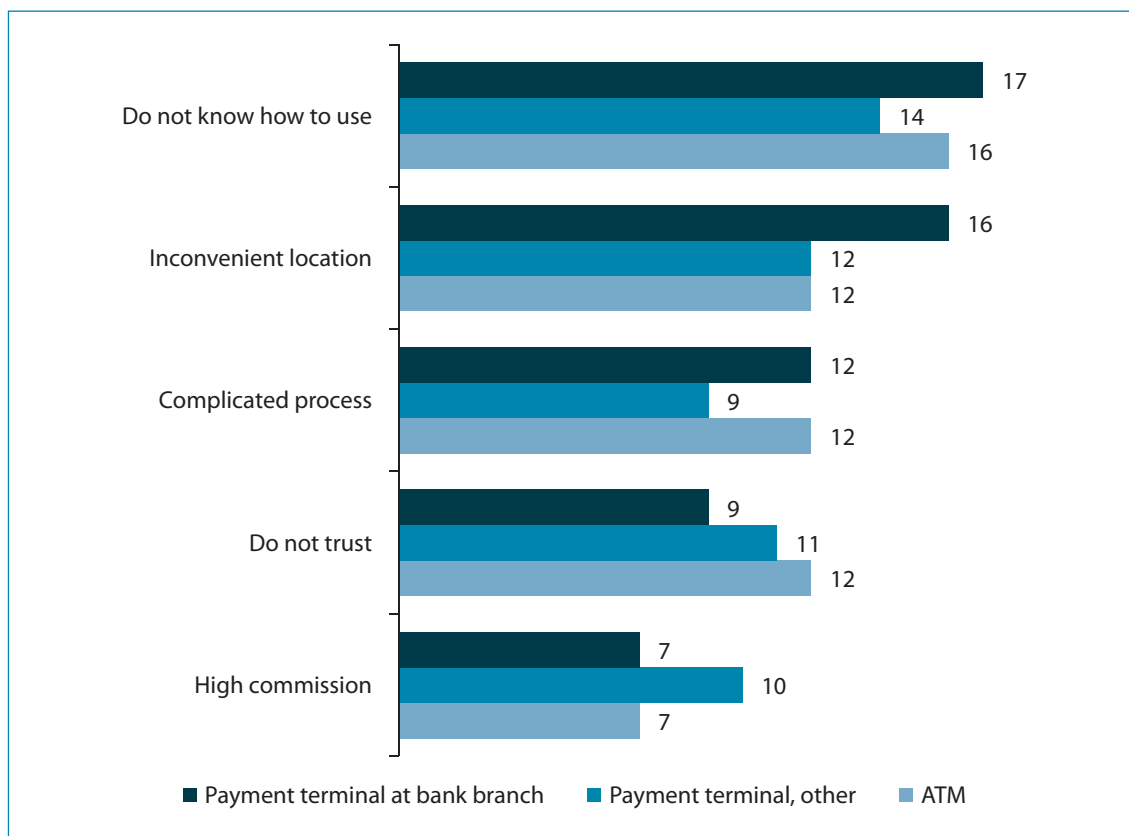
Transitional channels are seen as more convenient in terms of their location as compared to most traditional channels, but the main reason for not using them is not knowing how to operate them. There are similar percentages of those believing that the process of payment is complicated through both traditional and transitional channels. For transitional channels, the levels of trust tend to be lower than to such traditional channels as bank branches and the Russian Post office. During the focus groups,

“My husband pays even for my mobile phone. I do not understand anything there at all, they [payment terminals] are too difficult for me.”

Nonuser of financial services
Volgograd, Southern FD

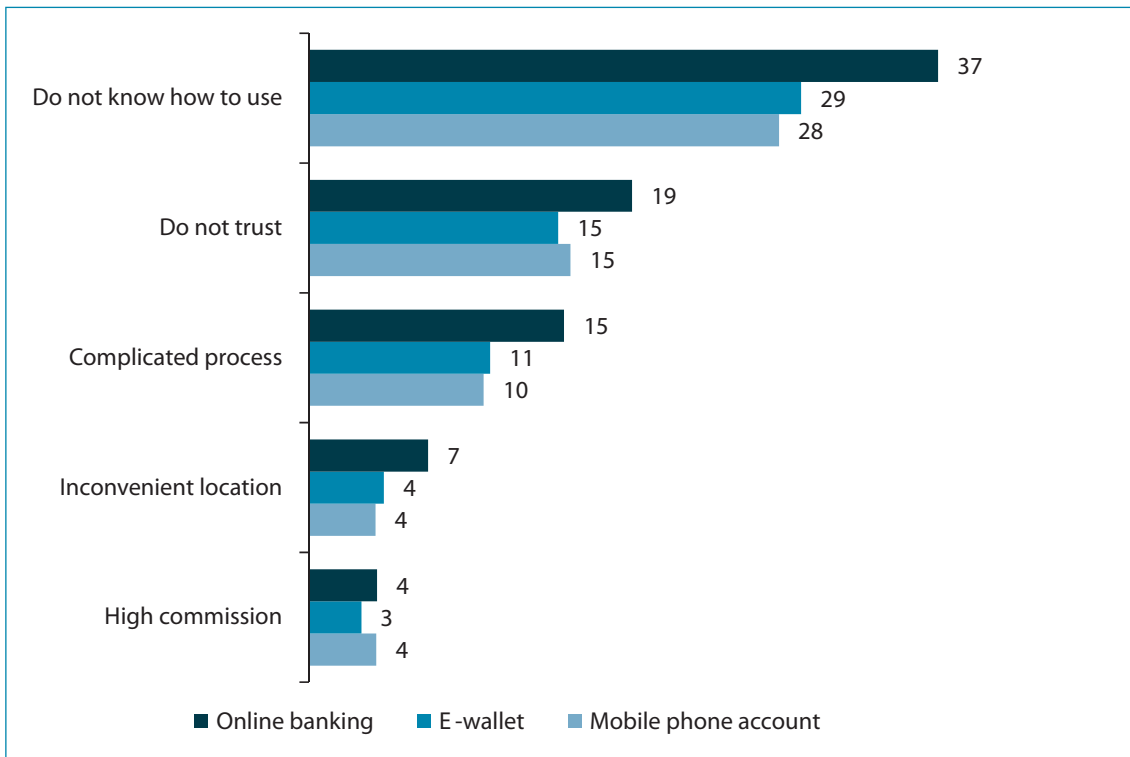
participants expressed their concern that a payment terminal or ATM may break when used for payments, and their money would be lost; while at a bank or a post office they can demand their money back if a payment does not go through. In addition, unlike for traditional channels, among the reasons for not using transitional channels is high price of services.

Figure 21. *Top five reasons for not using transitional channels*



Note: Distribution of answers to the question “Why do not you plan to use the following channels in the next 12 months?” (percentage of total respondents who do not plan to use respective channels).

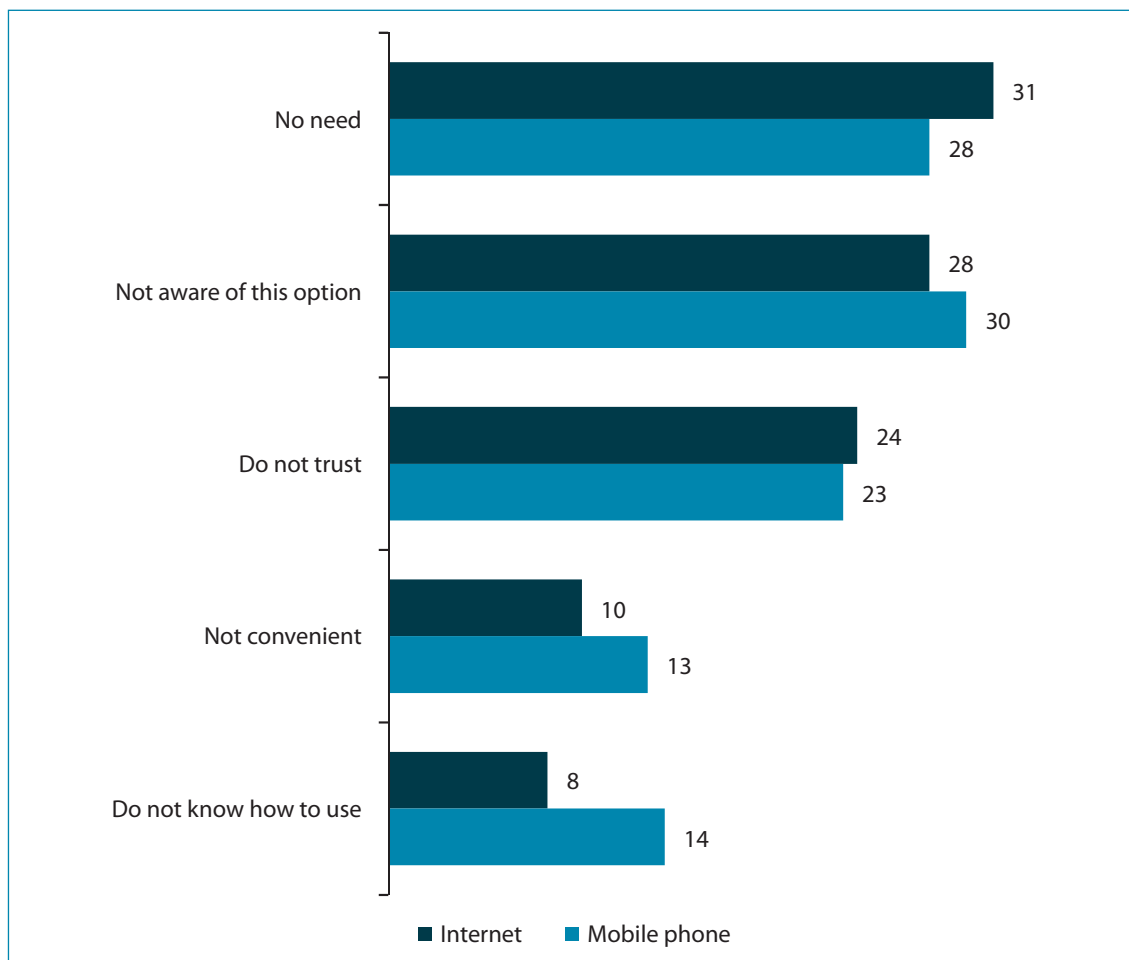
For the innovative channels, there are the highest percentages of those not knowing how to use them and not trusting them.

Figure 22. Top five reasons for not using innovative channels

Note: Distribution of answers to the question “Why do not you plan to use the following channels in the next 12 months?” (percentage of total respondents who do not plan to use respective channels).

During the research, respondents were asked specifically about using the Internet and mobile phone for payments and other transactions. As shown in Figure 23, the responses are similar for both communication channels: people either do not feel they need these options or are not aware of them; close to one-quarter of the respondents do not trust these channels.

Figure 23. Top five reasons for not using the Internet/mobile phone for payments and other transactions



Note: Distribution of answers to the question “Why do not you make payments and other transactions via the Internet/mobile phone?” (percentage of total respondents who do not use the Internet/mobile phone for payments).

Detailed breakdowns of the survey results on the reasons for not using financial services and delivery channels are presented in Annex 3.

3.3 Reasons for using financial services

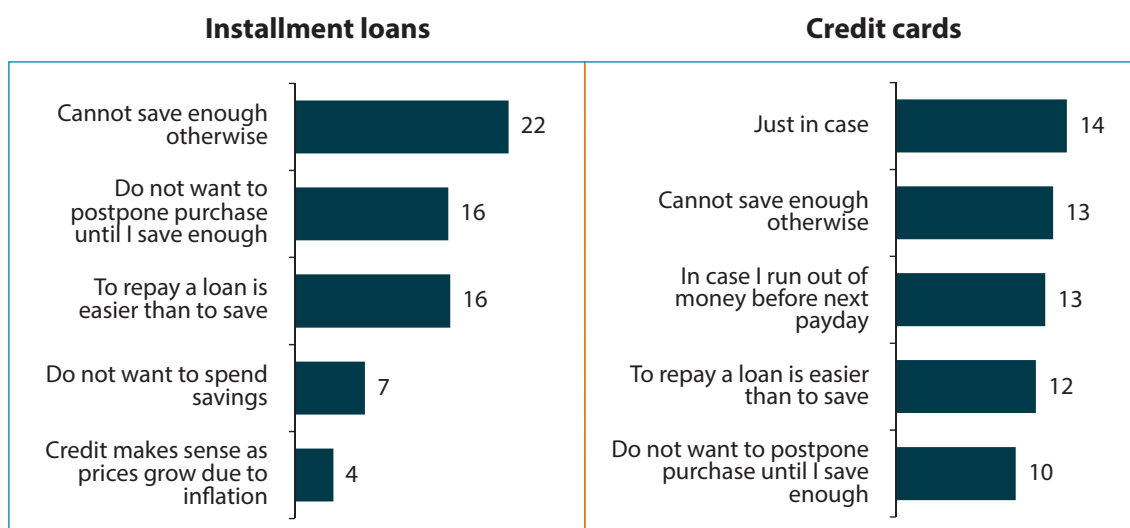
In addition to understanding people's reasons for not using financial services, it is important to understand reasons for *using* them. This can provide more comprehensive information on people's financial behavior and can potentially help in the design of financial inclusion programs and products.

Credit products

When analyzing statistics, it was clear that reasons to use credit products differed significantly for loans with monthly installments and credit card loans (Figure 24). The number one reason for using credit cards was "just in case" — similar to other card-based products as will be presented further. During the focus groups, some people mentioned that having a credit card is good for emergencies (e.g., medical treatment, car accident); in other words, they saw it like some sort of an insurance product. It should be noted that 32 percent of respondents could not cite a reason for using a credit card as it is often offered by a bank and is not actually requested by customers.

Respondents in Moscow and St. Petersburg more often mentioned not wanting to wait until they save enough — 30 percent and 26 percent versus 16 percent on average. Interestingly, in terms of **income levels** this reason was more often cited by both respondents with the highest and the lowest income levels — 28 percent and 23 percent, respectively.

Figure 24. Top five reasons for using credit products



Note: Distribution of answers to the question "Why do you plan to use credit products?" (percentage of total respondents who plan to use credit).

Card-based products

Only about one-fifth of respondents consider card-based products as transaction instruments, while about the same number of people view them as “just in case” products. Some view them as a flexible savings product because a card allows for withdrawal at any time from an ATM without going to a bank branch (Figure 25).

In terms of **regional** differences, respondents in the Far Eastern FD view cards as payment instruments more often (30 percent versus 19 percent Russia-wide). This is consistent with the finding on the higher usage of card-based products and transitional and innovative channels in this region. In the North Caucasian FD, people more often decide to use card-based products “just in case” (25 percent versus 20 percent).

Respondents with higher **income levels** tend to use card-based products as payment instruments more often than lower-income segments (29 percent).

Figure 25. Top five reasons for using card-based products



Note: Distribution of answers to the question “Why do you plan to use card-based products?” (percentage of total respondents who plan to use card-based products).

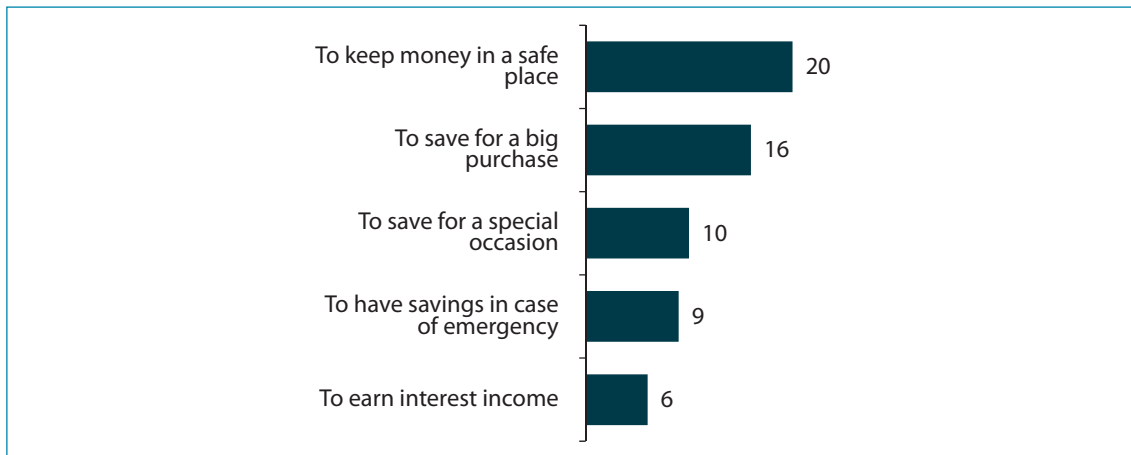
Savings products

The main reasons to use savings, in the view of respondents, are either to ensure the safety of their money or to save for a big purchase or special occasion. To a much lesser extent savings products are viewed as income-earning instruments (Figure 26).

Saving for a big purchase is more often mentioned in the Far Eastern FD (27 percent versus 16 percent, on average); in the Southern FD, a higher percentage of respondents mentioned the safety of money as the reason — 37 percent versus 20 percent Russia-wide.

In terms of **income levels**, higher-income segments tend to use savings products for saving for a big purchase more often than lower-income segments.

Figure 26. *Top five reasons for using savings products*

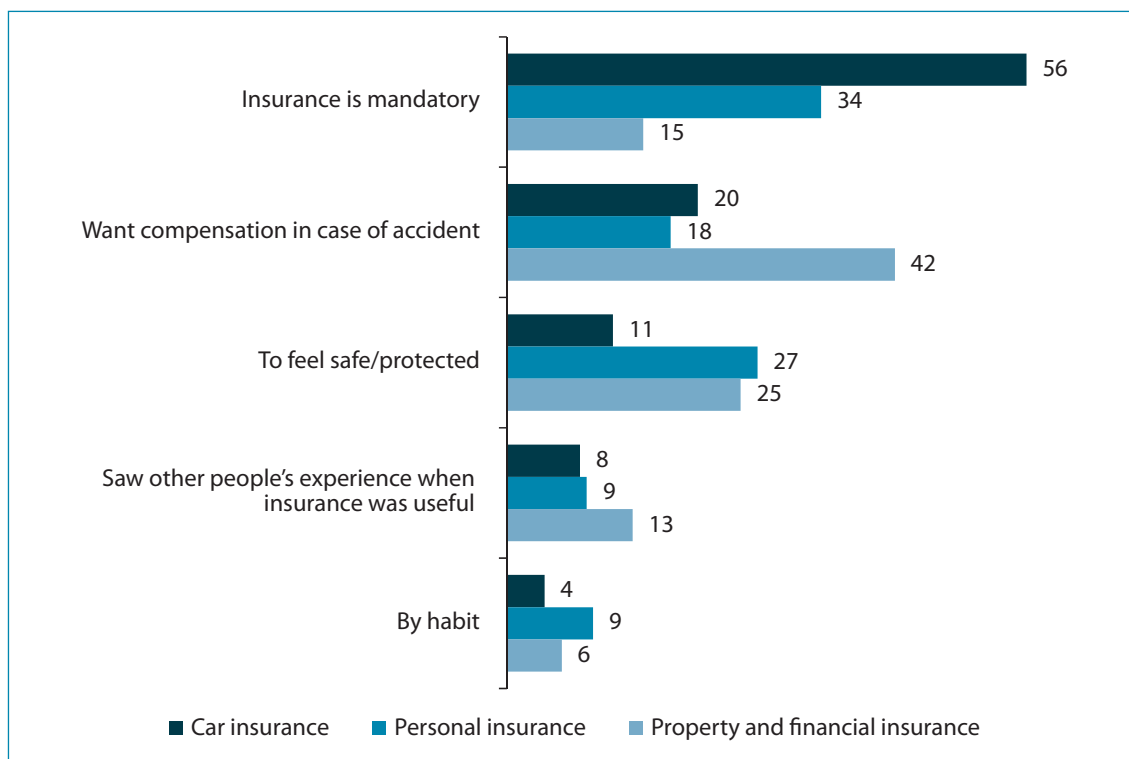


Note: Distribution of answers to the question “Why do you plan to use savings products?” (percentage of total respondents who plan to use savings products).

Insurance products

Not surprisingly, the number one reason to use car insurance is a legal requirement to have mandatory MTPL insurance for all car owners (Figure 27). At the same time, when looking at disaggregated figures, 19 percent of people mentioned that car insurance is mandatory with respect to voluntary MTPL insurance as well. Similarly, 32 percent of respondents mentioned voluntary health insurance as being mandatory (confusing it with the free public medical care program discussed earlier).

For personal insurance, the desire to get compensation in case of an accident or to feel protected is more typical for people 35–44 years old, as well as for older respondents (60+). The latter age group also tends to plan using property insurance more often.

Figure 27. Top five reasons for using insurance products

Note: Distribution of answers to the question “Why do you plan to use insurance products?” (percentage of total respondents who plan to use insurance products).

Delivery channels

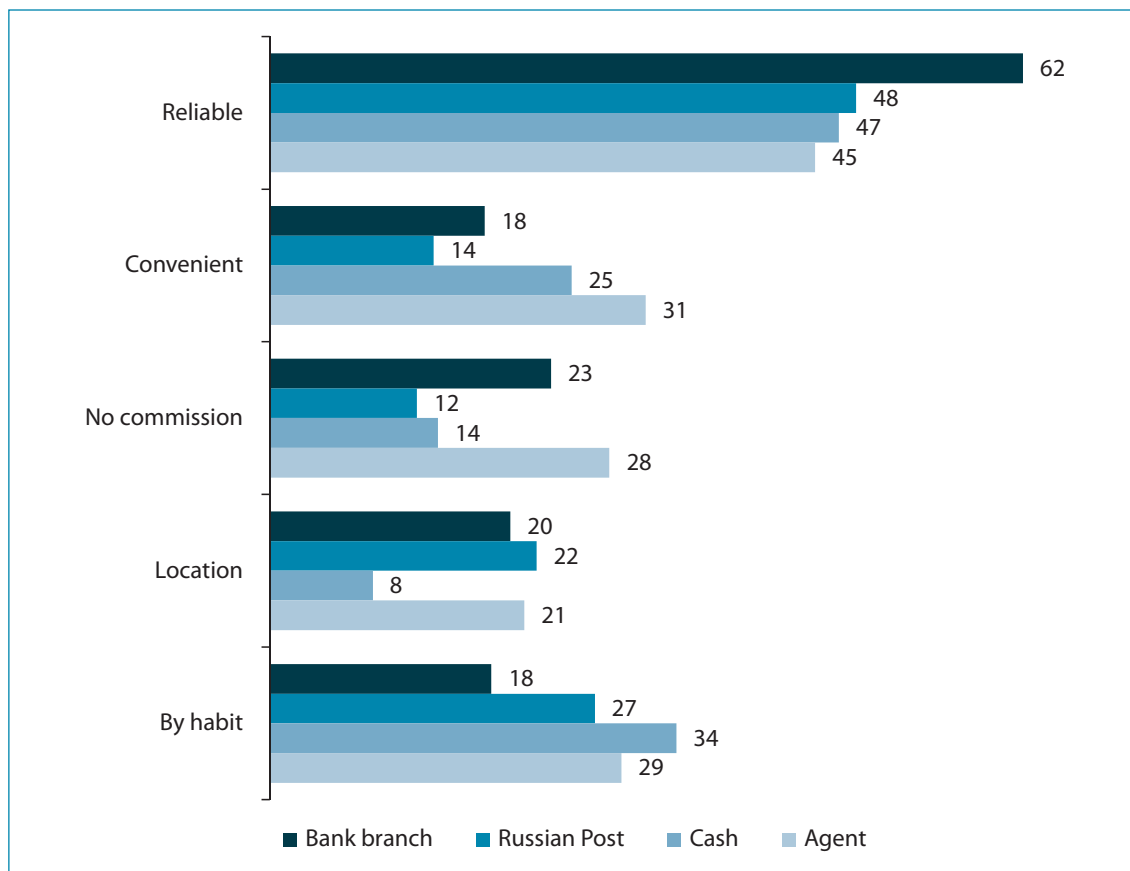
«I do not know who goes to a post office these days — it takes so long, and there are queues, and the staff are rude!»

*Moderate user of financial services
Moscow, Central FD*

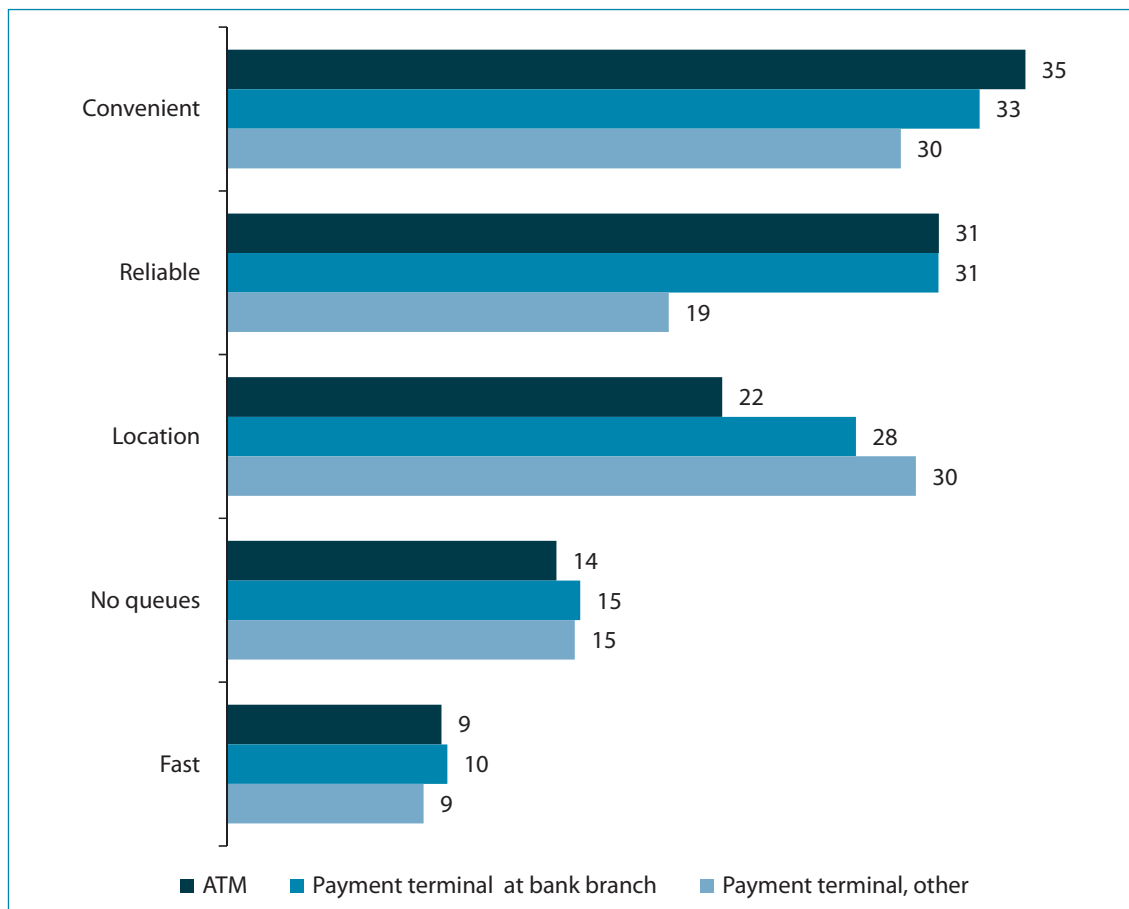
In respondents’ opinion, the main factors determining the use of traditional channels include their higher reliability as compared to other channels; yet they are the least convenient among all channels. Transitional channels are seen as more convenient, with better location of service points, but they are also somewhat less

reliable. Innovative channels are viewed as the most convenient, but also the least reliable (Figures 28, 29, and 30). These findings are consistent with the survey results on the usage of and awareness about delivery channels, as well as reasons for not using them.

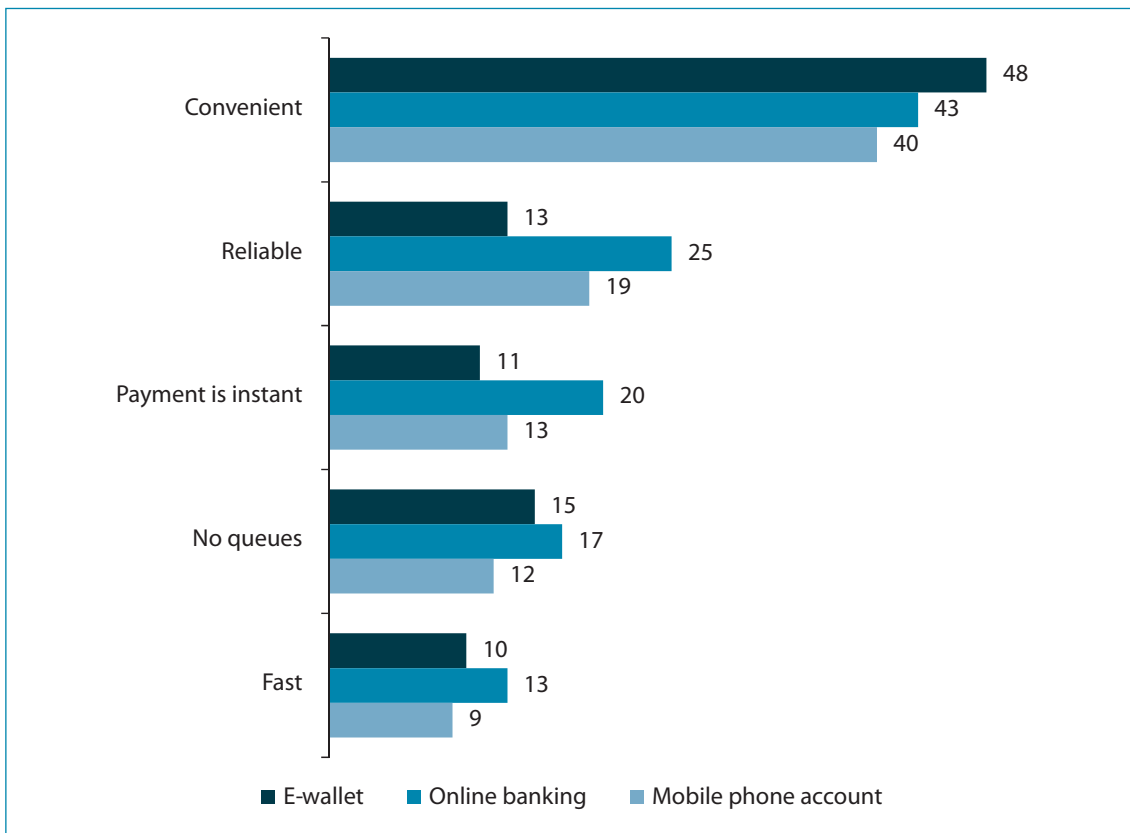
Overall, the attitudes to delivery channels are generally uniform across all sociodemographic segments. Respondents of the older age tend to consider both transitional and innovative channels even less reliable than younger Russians.

Figure 28. Top five reasons for using traditional channels

Note: Distribution of answers to the question “Why do you plan to use the following delivery channels?” (percentage of total respondents who plan to use respective delivery channels).

Figure 29. Top five reasons for using transitional channels

Note: Distribution of answers to the question “Why do you plan to use the following delivery channels?” (percentage of total respondents who plan to use respective delivery channels).

Figure 30. *Top five reasons for using innovative channels*

Note: Distribution of answers to the question “Why do you plan to use the following delivery channels?” (percentage of total respondents who plan to use respective delivery channels).

Detailed breakdowns of the survey results on the reasons for using financial services and delivery channels are presented in Annex 3.

3.4 Financial literacy

Financial literacy is one of the quality dimensions for financial inclusion measurement per the G20 Financial Inclusion Indicators, measuring financial knowledge and financial behavior through quantitative instruments.

Results of 2011 financial literacy survey (Kuzina 2012) in Russia showed that 46 percent of Russians felt that their financial literacy level was unsatisfactory or did not exist at all. To the question regarding which types of investments were protected by the deposit insurance scheme, only 19 percent gave a correct answer; among the rest, 60 percent said they did not know. Only 25 percent were able to correctly identify features of a financial pyramid, and 44 among the rest of the respondents said they did not know. Ten percent admitted that they were not reading financial service agreements before signing, and 20 percent said they usually sign even if they do not understand the agreements.

The objective of this research was to shed light on reasons for relatively low financial literacy levels in Russia through qualitative research (due to the nature of the study the results cannot be generalized for a broader customer group). During several focus group discussions, respondents — active, moderate, and nonusers of financial services — were asked to select several loan products and several deposit products depending on required or available amounts of money, respectively, as presented by the moderator, and explain their choice. The features of financial products to choose from were from among actual financial service provider offerings (except financial pyramid), but the names and other identifying features of providers and products were replaced with invented names.

The study revealed the following findings:

- While most of the respondents said that among the factors that matter the most to them in choosing financial service providers and products are provider reliability and reputation, including state ownership (see Section 3.5), when choosing the products they did not try to match product characteristics with possible provider types, i.e., to guess whether a provider was a large state bank or not. Instead, they mostly paid attention to simplicity and clarity of product descriptions.
- With respect to loan products, they tended to choose loans where an interest rate was presented as an exact figure rather than a range; where loan amount was the highest; with shorter descriptions of other conditions and the least amount of small print; and with a cooling-off period option.³⁹ Among the offers selected the least often were those products that were described using highly technical terminology.
- Microloans were more often chosen by less experienced respondents — nonusers of financial services, regardless of their age. The main features attracting them were a possibility

³⁹ A mandatory cooling-off period on consumer loans introduced by the Law “On Consumer Credit (Loan)” became effective on 1 July 2014; at the time of the research it was offered by only some providers.

to get a loan in one day, as well as availability of an online credit calculator allowing them to see the exact absolute amount of interest they will pay (the “overpayment,” as respondents called it).

- With respect to savings products, respondents generally could not distinguish between various instruments (demand and term deposits or mutual funds) and mostly looked at interest rates. While a high interest rate for an investment with a financial pyramid looked suspicious to some respondents, among all groups of respondents (active, moderate, and nonusers) some still selected a financial pyramid.
- Some respondents viewed longer product descriptions as an attempt to hide some important information from them and therefore preferred products with shorter descriptions.
- Respondents mentioned difficulties in choosing products due to nonstandardized product descriptions.
- Some respondents explained their choice by liking the invented name of the chosen provider or product the most (though this may have to do with the short time they were given to choose products).

Details on the qualitative research methodology are presented in Annex 1.

3.5 Barriers to financial inclusion: Customer versus provider perspectives

This section compares the results of a qualitative study of customer and provider perspectives on barriers to financial inclusion in Russia.

Customer perspective

In addition to the quantitative survey questions on reasons for using or not using financial services and delivery channels, barriers to financial inclusion were discussed with focus group participants (active, moderate, and nonusers of financial services). During a structured discussion, respondents were asked to talk about their experiences with using various financial services and barriers preventing them and their family members from using financial services. In addition, they were asked to name up to five main factors affecting their choice of financial services providers, as well as up to five main factors that they would be willing to forgo or put up with — provided that the main factors are in place. Due to the nature of the study, the results cannot be generalized for a broader customer group; rather, they provide insights into customer thinking on the issues (although some of the findings can be confirmed with results of the quantitative survey — see Sections 3.2 and 3.3).

Customer responses are grouped in two broad categories: factors mentioned more often and considered relatively more important, and factors mentioned less often/of relatively lower importance. A summary of customer responses is presented in Table 4. Factors listed in each of the two broad categories are not ranked but rather presented in the order of how frequently they were mentioned.

Table 4. Summary of customer responses on key factors affecting their choice of providers and decision to use financial services

	Customer responses
Factors mentioned more often/of relatively higher importance	<ul style="list-style-type: none"> • Reliable financial service provider • Simple, clear, easy-to-understand products • Transparency of price and other conditions (no small print) • Low commissions on transactions/payments
Factors mentioned less often/of relatively lower importance	<ul style="list-style-type: none"> • Physical access (wide branch infrastructure, proximity of branch) • Friendly customer service • Access to remote services (e.g., online banking) • Higher price (higher loan interest, lower deposit interest) • Queues • Loyalty programs

Responses have been generally consistent across all groups of respondents — active, moderate, and nonusers of financial services. They all mentioned the following factors that are of key importance for them both for choosing a financial service provider and for using financial services:

- Reliability.** In respondents' views, the reliability criteria include the size of a financial service provider and its reputation. Interestingly, customers tend to think that the reliability and reputation of a provider is determined by its ownership (government)⁴⁰ rather than by financial ratings or opinions of their peers.

"It is pretty clear how to select a bank. At least Sberbank is not going to disappear."

Nonuser of financial services
Volgograd, Southern FD
- Complexity of financial products.** Respondents often feel that they do not understand financial products, and would prefer fewer, simpler, and easy-to-understand products. This is consistent with the findings of the quantitative survey (Sections 3.2 and 3.3): for all products (except cash loans and credit cards), the share of those admitting they do not know enough about them ranges from 11 percent to 33 percent. Many respondents believe some products are unnecessary (e.g., 30 percent for card-based products and 78–84 percent for insurance products) — which may also show that they do not fully understand the products. Finally, the research showed that customers often confuse similar products, as discussed earlier (e.g., credit and debit cards, state-provided medical care and voluntary health insurance — see Chapter 2).

"Overall there is very little information available, and even when available, it is very difficult to understand."

Moderate user of financial services
Moscow, Central FD

"You open the contract, and there are 50 pages of small print. And you are asked to sign it. Can you possibly read it all, right there, in a language that can only be understood by a lawyer!?"

Moderate user of financial services
Moscow, Central FD
- Transparency of providers.** Respondents feel that complicated procedures and documents add to the complexity of financial products.
- Price** is important, but to a higher extent in terms of commissions on transactions and payments, as well as regular service fees (e.g., for debit cards). Respondents would be willing to put up with reasonably higher prices (e.g., higher loan interest and lower deposit rates) if providers offered clearer, more understandable products. This finding is consistent with

⁴⁰ Among the top 10 banks in Russia by net asset size, the top six are banks with state ownership, with Sberbank being the largest. See <http://www.banki.ru/banks/ratings/> (based on Central Bank data, June 2014).

another qualitative study finding when some respondents chose higher-price microloans because the product presentation was much easier to understand with the help of an online credit calculator and the presentation of interest as an absolute value (Section 3.4).

Factors of relatively lower importance, in respondents' view, included the following:

- **Physical access.** Respondents admitted it is an issue, especially for rural areas. At the same time many said they would be ready to put up with the need to travel further if a provider were reliable and transparent.
- **Quality of customer service,** including friendly and supportive staff and absence of long queues was mentioned as an important factor, but just as physical access, much less important than provider reliability and product complexity. It should be noted that respondents often mentioned low qualification of provider staff and their inability to explain products to customers — which relates again to their need to have more clear information on products.
- **Access to remote services** was more important for active users (it should be noted that for this very reason physical proximity was less important for them). For moderate and nonusers it was not as essential.
- **Loyalty programs** were generally referred to by respondents as “nice to have, but not a must.”

Provider perspective

During the research, in-depth interviews with the key types of financial service providers were conducted: federal and regional banks, MFOs and credit cooperatives, insurance companies, and NBCOs providing payment and e-money services. The purpose of the interviews was to understand provider perspectives on the issue of financial inclusion in Russia. Specifically, they were asked to talk about barriers for financial inclusion. As there was only a general interview guide, providers were free to focus on those topics they considered most important.

To allow for comparison between provider and customer perspectives, provider responses are grouped in the same two broad categories as customer responses: factors mentioned more often and considered relatively more important, and factors mentioned less often/of relatively lower importance. Provider responses are summarized in Table 5. As in the case with the customer study above, the results cannot be generalized for all providers; they provide insights into provider thinking on the issues. Factors listed in each of the two broad categories are not ranked.

Table 5. Summary of provider responses on barriers to financial inclusion

	Banks	Regional banks	MFOs/Credit cooperatives	Insurance companies	Payment and e-money service providers
Factors mentioned more often/ of relatively higher importance	<ul style="list-style-type: none"> Legislation: KYC^a rules preventing branchless banking Physical access Customer mentality Limited product range Low income Financial literacy Population density 	<ul style="list-style-type: none"> High price for consumers Low income Financial literacy 	<ul style="list-style-type: none"> Insufficient legislation/ regulation: no level playing field with banks Cost of funding for providers High price for consumers Unfair competition with informal/gray market Limited product range 	<ul style="list-style-type: none"> Legislation: KYC rules preventing branchless banking Low income Complexity of products 	<ul style="list-style-type: none"> Excessive regulation: high compliance costs Economic situation Low income Physical access
Factors mentioned less often/ of relatively lower importance	<ul style="list-style-type: none"> Lack of government support (e.g., provider incentives such as tax breaks on loans to business etc.) Legislation: incentives for cashless transactions Technology infrastructure (e.g., POS terminals) Over-indebtedness among the low-income 	<ul style="list-style-type: none"> Low trust Provider procedures too complicated for consumers Technology infrastructure (e.g., Internet coverage, mobile banking) Physical access 	<ul style="list-style-type: none"> Lack of government support (subsidized funding to providers) Physical access Financial literacy Customer mentality Population density Provider procedures too complicated for consumers Technology infrastructure (e.g., mobile banking) Low income 	<ul style="list-style-type: none"> Limited product range 	<ul style="list-style-type: none"> Lack of government support (e.g., guarantees on student loans) Limited product range High price for consumers Financial literacy

a. "Know your customer" (KYC) is the process used by a business to verify the identity of their clients.

As can be seen, providers generally mention the same factors affecting financial inclusion as customers do, except those that are provider-specific (such as those related to legislation and regulation). At the same time, providers tend to see many issues in a somewhat different light, and their views on the importance of some factors differ from customer views:

- Financial literacy.** Providers tend to underestimate the complexity of the products they offer for customers. While all of them mentioned financial literacy among key barriers for financial inclusion, they tend to shift the responsibility for increasing the literacy to customers themselves. Many also feel that it is the responsibility of the government to develop programs aimed at increasing financial literacy. Among the types of providers, only insurance companies admitted that insurance products may be too complex for customers to understand, and that some products (such as mutual funds) currently may be better suited for sophisticated, rather than ordinary, consumers.

“There is an issue of financial literacy — it is the responsibility of our borrowers, about their [better] planning [when they take a loan].”

MFO representative

- **Provider procedures.** Related to the financial literacy factor, providers mentioned that it is difficult for many customers to collect all necessary documents and understand the forms they need to fill in to get financial products. This factor also has to do with certain regulatory requirements (such as collateral requirements, etc.), as well as provider bureaucracy. With respect to customer desire for clarity and simplicity, the complexity of procedures appears to increase the complexity of products in the eyes of consumers.
- **Customer mentality.** Providers mentioned customer conservatism resulting in sticking to the same usage (or nonusage) patterns; MFOs also mentioned lack of responsibility in terms of customers assessing their own repayment capacity.
- **Physical access.** The issue of lower level of physical infrastructure development in remote, rural, and less densely populated areas is recognized by all providers. Many mentioned the development of branchless solutions, such as online and mobile banking, payment terminal networks, etc., as key for expanding access to financial services. The importance of the physical access factor is higher in the eyes of providers than in the opinion of customers.
- **Limited product range.** Insufficient product range is often viewed by providers as preventing people from using financial services, and providers felt it was their responsibility to develop and market more new products. Consumers, on the other hand, felt that the product range is generally sufficient, but products should be presented in a much clearer manner and specific product features should be better suited to their needs.
- **High price of products and services/low income levels.** Many of the providers interviewed felt that low income levels prevent people from using financial services: high price of products makes them unaffordable for low-income people. At the same time, the qualitative study of customers showed that, in terms of price, customers believed it matters more for commissions on transactions and payments than for credit and deposit products.

In addition, while this research established strong direct correlations between income levels and the usage of financial services, price factors tend to matter more for the higher-income segments (see Section 3.2). In addition, as discussed in Chapter 2, the low-income segments tend to use more expensive credit products (such as short-term credit), and about five times less often use savings products. Thus, the issue may not be so much in the income level as such, but rather in the types of products offered for the low-income segment — specifically, an insufficient offer of lower-price products for this category and more active promotion of higher-risk products among them. It should be noted that among the providers interviewed, federal banks mentioned the issue of over-indebtedness among the low-income as a barrier for financial inclusion.

Providers mentioned the following provider-specific factors, which, in their view, affect access to financial services:

- **Legislation affecting branchless banking.** Current anti-money laundering/combating the financing of terrorism rules do not allow for remote account opening for customers and limit the provision of certain products and the use of innovative delivery channels.
- **Excessive regulation** that increases compliance costs for providers and adversely affects the business case for the provision of certain services. It should be noted that the cost factor as a barrier for expanding the offer of financial services was mainly mentioned by providers in connection with excessive regulation prescribing minimum requirements for branches and payment agents, which affects the business case.
- **Insufficient regulation** for some providers — e.g., MFOs felt that regulation should be more uniform and consistent across all financial market players, to ensure a level-playing field and eliminate unfair competition on the part of the informal market.
- **Insufficient technology infrastructure**, such as low Internet coverage and a shallow POS terminal network was mentioned as an important factor preventing providers from expanding their service offer.
- **Cost of funding** for some providers — again, MFOs and credit cooperatives felt they have insufficient access to reasonably priced funding sources.⁴¹
- **Role of government** was frequently mentioned — most providers believe that the government should play a much more active role in expanding financial inclusion in Russia. In their view, in addition to amending burdensome legislation and regulation, the government should provide incentives to providers serving specific segments or offering specific products (e.g., small business loans, student loans, etc.); promote cashless transactions by providing incentives to retailers; develop and promote financial literacy programs for consumers; and provide subsidized funding (the latter was voiced by MFOs and credit cooperatives).

Details on the qualitative research methodology are presented in Annex 1.

⁴¹ This opinion was most typical of MFOs — providers of payday loans (Section 1.1), which are characterized by high delinquency and default rates and therefore have difficulties accessing bank loans.

3.6 Behavioral characteristics and financial service usage

Behavioral and personality traits can affect people's financial behavior. For some aspects of it, such as propensity to complain to financial consumer protection authorities, they may be even more significant than sociodemographic characteristics (Mazer, McKee, and Fiorillo 2014). Among the objectives of this research was to explore to what extent behavioral and personality characteristics correlate with the level of financial service usage.

During the quantitative survey, respondents filled in a personality test questionnaire on their attitude toward money per Furnham's Money Beliefs and Behavior Scale (Furnham 1984). According to this methodology, people's beliefs about money are measured against the following six dimensions:

1. **Obsession** refers to being obsessed/anxious about all aspects of money.
2. **Power/Spending** refers to treating money as a means of power.
3. **Retention** refers to being careful with money.
4. **Security/Conservative** refers to traditional approaches to money.
5. **Inadequacy** refers to feeling of having not enough money.
6. **Effort/Ability** refers to the means by which one obtains money.

For the purposes of this research, an adapted version of the Furnham questionnaire was used.⁴² Based on statistical analysis, the research identified six main personality types based on their prevailing attitudes to money, which conditionally were called (i) savers/economical, (ii) conservative, (iii) business-like, (iv) unselfish, (v) careless, and (vi) cautious. Table 6 presents the types with the scoring per the dimensions of the Furnham Money Beliefs and Behavior Scale, along with the findings on the correlations between them and the level of financial service usage.

The research revealed that the correlations between the identified personality types and financial service usage were certainly evident, though not as strong as between sociodemographic characteristics and financial service usage as discussed in Chapter 2. In terms of specific products, the "savers" segment (as the name would suggest) shows higher usage of savings products, and lower usage of car loans. The "business-like" segment shows higher usage of salary cards (which may correlate with higher employment levels in this category), as well as much higher usage of all types of delivery channels, including the innovative ones, as compared to average figures. Among the "careless" segment, the share of nonusers of any financial services is slightly higher than average. Overall, somewhat higher correlations were found between the personality types and the usage of the delivery channels rather than the usage of specific products.

⁴² Adapted by the Omsk State Technical University, see <https://sites.google.com/site/konfep/Home/1-sekcia/semenov>.

This information may be useful to providers as they design and market their services and delivery channels (e.g., marketing a product as prestigious for the “business-like” segment, or as a “good deal” product for the “cautious” segment). This also may be helpful for policy makers and other stakeholders working on financial literacy programs and standards for financial services descriptions (e.g., appealing to the need for security by the “savers” segment, or a need for doing something good with the help of money by the “unselfish” segment).

As this is the first such attempt at tracing financial service usage to personality characteristics, more research is necessary in this area that would test various other methodologies evaluating personality types — in terms of their applicability and usefulness for predicting or explaining the usage of financial services.

Table 6. Correlations between personality types and financial service usage

Personality type and scoring	Key personality characteristics (below, % of respondents)	Financial services and delivery channel usage, % (in brackets, % Russia-wide average; arrows denote higher/lower percentage than average)												
1. Savers/Economical <table border="1"> <tr> <td>1. Obsession</td> <td>Low</td> </tr> <tr> <td>2. Power/Spending</td> <td>Low</td> </tr> <tr> <td>3. Retention</td> <td>High</td> </tr> <tr> <td>4. Security/Conservative</td> <td>Medium</td> </tr> <tr> <td>5. Inadequacy</td> <td>Medium</td> </tr> <tr> <td>6. Effort/Ability</td> <td>Medium</td> </tr> </table>	1. Obsession	Low	2. Power/Spending	Low	3. Retention	High	4. Security/Conservative	Medium	5. Inadequacy	Medium	6. Effort/Ability	Medium	<ul style="list-style-type: none"> Very careful about money Save Track expenses Proud of being economical Cannot stand extravagance <p>23.3</p>	<ul style="list-style-type: none"> ↑ Demand deposit/Savings account — 17 (12) ↑ Agents — 56 (50) ↓ Car loan — 4 (11) ↓ None of the financial services — 20 (23)
1. Obsession	Low													
2. Power/Spending	Low													
3. Retention	High													
4. Security/Conservative	Medium													
5. Inadequacy	Medium													
6. Effort/Ability	Medium													
2. Conservative <table border="1"> <tr> <td>1. Obsession</td> <td>Medium</td> </tr> <tr> <td>2. Power/Spending</td> <td>Medium</td> </tr> <tr> <td>3. Retention</td> <td>Medium</td> </tr> <tr> <td>4. Security/Conservative</td> <td>High</td> </tr> <tr> <td>5. Inadequacy</td> <td>Low</td> </tr> <tr> <td>6. Effort/Ability</td> <td>Medium</td> </tr> </table>	1. Obsession	Medium	2. Power/Spending	Medium	3. Retention	Medium	4. Security/Conservative	High	5. Inadequacy	Low	6. Effort/Ability	Medium	<ul style="list-style-type: none"> Do not like to brag about their income Money is of relatively low value Easily part with money Do not bargain <p>8.4</p>	<ul style="list-style-type: none"> ↑ Insurance for traveling abroad — 6 (1) ↑ None of the insurance services — 50 (43) ↑ Agents — 58 (50) ↓ Salary card — 41 (44) ↓ Social card — 11 (14) ↓ Mandatory MTPL insurance — 18 (22) ↓ Life and health insurance — 4 (7) ↓ Voluntary health insurance, issued by employer — 10 (18) ↓ Payment terminal at bank branch — 25 (34) ↓ Cash — 55 (63)
1. Obsession	Medium													
2. Power/Spending	Medium													
3. Retention	Medium													
4. Security/Conservative	High													
5. Inadequacy	Low													
6. Effort/Ability	Medium													
3. Business-like <table border="1"> <tr> <td>1. Obsession</td> <td>High</td> </tr> <tr> <td>2. Power/Spending</td> <td>Medium</td> </tr> <tr> <td>3. Retention</td> <td>Medium</td> </tr> <tr> <td>4. Security/Conservative</td> <td>Low</td> </tr> <tr> <td>5. Inadequacy</td> <td>Low</td> </tr> <tr> <td>6. Effort/Ability</td> <td>High</td> </tr> </table>	1. Obsession	High	2. Power/Spending	Medium	3. Retention	Medium	4. Security/Conservative	Low	5. Inadequacy	Low	6. Effort/Ability	High	<ul style="list-style-type: none"> Money is of the highest value Make luxury purchases Do not like to borrow or lend money Think that success and income level depend on own efforts and ability <p>11.1</p>	<ul style="list-style-type: none"> ↑ Salary card — 51 (44) ↑ Bank branch — 67 (64) ↑ Payment terminal — 47 (41) ↑ Online banking — 22 (14) ↑ Mobile phone account — 15 (10) ↓ Car loan — 8 (11)
1. Obsession	High													
2. Power/Spending	Medium													
3. Retention	Medium													
4. Security/Conservative	Low													
5. Inadequacy	Low													
6. Effort/Ability	High													

Personality type and scoring	Key personality characteristics (below, % of respondents)	Financial services and delivery channel usage, % (in brackets, % Russia-wide average; arrows denote higher/lower percentage than average)												
4. Unselfish <table border="1"> <tr><td>1. Obsession</td><td>Low</td></tr> <tr><td>2. Power/Spending</td><td>Low</td></tr> <tr><td>3. Retention</td><td>Medium</td></tr> <tr><td>4. Security/Conservative</td><td>Medium</td></tr> <tr><td>5. Inadequacy</td><td>High</td></tr> <tr><td>6. Effort/Ability</td><td>Low</td></tr> </table>	1. Obsession	Low	2. Power/Spending	Low	3. Retention	Medium	4. Security/Conservative	Medium	5. Inadequacy	High	6. Effort/Ability	Low	<ul style="list-style-type: none"> Generous Help others even if in need themselves Feel guilty when spending money Think that money can solve many issues <p>13.1</p>	<ul style="list-style-type: none"> ↑ Mandatory MTPL insurance — 25 (22) ↑ Voluntary health insurance, issued by employer — 22 (18) ↑ Russian Post — 50 (46) ↑ Agents — 68 (50) ↓ Car loan — 8 (11)
1. Obsession	Low													
2. Power/Spending	Low													
3. Retention	Medium													
4. Security/Conservative	Medium													
5. Inadequacy	High													
6. Effort/Ability	Low													
5. Careless <table border="1"> <tr><td>1. Obsession</td><td>Low</td></tr> <tr><td>2. Power/Spending</td><td>High</td></tr> <tr><td>3. Retention</td><td>Low</td></tr> <tr><td>4. Security/Conservative</td><td>Low</td></tr> <tr><td>5. Inadequacy</td><td>Low</td></tr> <tr><td>6. Effort/Ability</td><td>Medium</td></tr> </table>	1. Obsession	Low	2. Power/Spending	High	3. Retention	Low	4. Security/Conservative	Low	5. Inadequacy	Low	6. Effort/Ability	Medium	<ul style="list-style-type: none"> Careless about money Do not know how much money they have Do not mind borrowing Think that success and income level depend on luck Despise those who have money <p>24.3</p>	<ul style="list-style-type: none"> ↑ None of the financial services — 26 (23) ↑ Bank branch — 63 (46) ↑ Payment terminal — 37 (34) ↓ None of the insurance services — 40 (43) ↓ ATM — 58 (61)
1. Obsession	Low													
2. Power/Spending	High													
3. Retention	Low													
4. Security/Conservative	Low													
5. Inadequacy	Low													
6. Effort/Ability	Medium													
6. Cautious <table border="1"> <tr><td>1. Obsession</td><td>Low</td></tr> <tr><td>2. Power/Spending</td><td>Low</td></tr> <tr><td>3. Retention</td><td>High</td></tr> <tr><td>4. Security/Conservative</td><td>Medium</td></tr> <tr><td>5. Inadequacy</td><td>High</td></tr> <tr><td>6. Effort/Ability</td><td>Medium</td></tr> </table>	1. Obsession	Low	2. Power/Spending	Low	3. Retention	High	4. Security/Conservative	Medium	5. Inadequacy	High	6. Effort/Ability	Medium	<ul style="list-style-type: none"> Thrifty, yet do not like to plan expenses Look for bargains Money is a sensitive topic, do not like to discuss it <p>19.8</p>	<ul style="list-style-type: none"> ↑ ATM — 65 (61) ↑ Payment terminal at bank branch — 39 (34) ↑ Mobile phone account — 15 (10) ↓ Car loan — 8 (11) ↓ Russian Post — 42 (46)
1. Obsession	Low													
2. Power/Spending	Low													
3. Retention	High													
4. Security/Conservative	Medium													
5. Inadequacy	High													
6. Effort/Ability	Medium													

Detailed breakdowns of the survey results are presented in Annex 3.

CHAPTER 4. CONCLUSIONS AND OBSERVATIONS

This chapter presents conclusions and observations summarizing the findings from both quantitative and qualitative research on the access, usage, and quality-related aspects of financial inclusion in Russia from the demand-side perspective.

Access

- Physical access to financial services in Russia remains a challenge, with remote and rural areas being insufficiently covered with financial service provider branch networks, POS-terminals, and communications infrastructure.
- From the demand-side perspective, physical access seems of relatively lower importance compared to the factors related to provider reliability, and especially the high complexity of available financial products and services.
- Recognizing the physical access issue, financial service providers mention the high costs of physical infrastructure development, but more in terms of excessive regulatory requirements that increase the costs and adversely affect providers' business case.

Usage

- Higher awareness levels about financial products and services do not necessarily bring about higher usage. While the aggregate figures on the usage of financial products correlate highly with awareness levels, disaggregated statistics often show either no or even inverse correlations between awareness and usage for specific segments.
- Sociodemographic characteristics tend to be stronger predictors for financial service usage than personality characteristics in terms of people's attitude to money (although further research may be needed in this area, as this research was a first attempt to establish such correlations).
- Financial products used the most are those that are provided to customers by third parties (e.g., employers and government) rather than those actively sought by customers themselves. The issuance of these provided products does not result in a more active usage of other financial services. This presents a challenge because programs such as those aimed at universal bank account coverage may not result in higher financial service usage, but at the same time, it is an opportunity for providers to develop various products that account for this type of customer financial behavior.
- A trend to watch both for providers and policy makers is much higher usage of credit than savings products. This trend is especially pronounced among the lowest income segments, where the usage of savings products is five times lower than of credit products. On the

one hand, among the dangers of an excessive credit usage is customer over-indebtedness; on the other hand, through responsible promotion of both credit and savings services and their increased usage, providers can advance financial inclusion as they can influence both borrowing and savings behaviors.

- Insurance products — used the least among financial products — have a high potential for development, provided that products are better understood by customers and are better suited to their needs.
- The potential of innovative delivery channels for expanding the range of financial services will largely depend on customer perception of these channels as more reliable and easier to understand and use than traditional channels.
- Special attention should be paid to financial inclusion of the lowest-income segments: the level of nonusage of any formal financial services in this category is more than double that of the Russia-wide average. The challenge is how providers can be better attuned and more responsive to the needs of this segment through the development and marketing of products that offer good value propositions for customers and that are, at the same time, profitable and sustainable for providers.

Quality

- The research substantiates the need to increase levels of financial literacy as many customers do not distinguish among products, nor are they even aware that they are using some of them.
- Among the most important factors affecting the choice of financial service provider and the decision to use financial services is high complexity of financial products for customers and lack of standardized presentation of terms and conditions of financial products. There is room for providers to be more proactive in making their products easier to understand for customers.
- Policy makers may want to consider introducing standardized financial product description and disclosure formats. They may also consider regulating the terminology that providers can or cannot use — especially with respect to savings products, to clearly denote which of them are covered by the deposit protection scheme. These measures should be complemented by financial literacy campaigns explaining the descriptions, disclosure formats, and terminology to customers.
- Overcoming common stereotypes with respect to financial service providers and products (such as a negative attitude to credit or a belief that savings make sense only for large amounts of money) will be necessary to increase financial inclusion in Russia. This could be a task for both policy makers and providers of financial services.

This research has confirmed that closing the financial access gap in Russia is a multidimensional task that will require efforts on the part of all stakeholders: policy makers, providers, academics, funders — as well as customers themselves.

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ANNEXES

Annex 1. Research methodology

The research methodology included one quantitative survey and two qualitative studies as described here.

1. National representative quantitative survey: Individual, standardized face-to-face interviews at respondents' place of residence — 2800 interviews. The survey was conducted in accordance with the following criteria:

- National multi-stage stratified geographical probability sampling
- Respondents were 18 years old and older
- Quota sampling by gender, age, and education
- Statistical error with 95 percent confidence level not exceeding 1.85 percent
- Coverage of at least 52 territorial entities of the country; at least 150 settlements with at least five respondents per settlement

2. Focus group discussions: Group discussions with representatives of the following segments — active, moderate, and nonusers of financial services — five focus groups. In addition, the composition of the focus groups was designed in accordance with the following criteria:

- Gender: equal number of men and women in each group
- Age: 18 to 60, equally distributed; at least two people of age 60+ for focus groups 3 and 4 (see Table A1-1)
- Education: at least secondary school
- Respondents must be articulate and be able to speak clearly

Table A1-1: Survey Design

#	City	Group composition based on financial services usage experience
1	Moscow	<ul style="list-style-type: none">• Active users of financial services (at least two people per group with very high level of financial products usage — five products and more)
2	Moscow	<ul style="list-style-type: none">• Moderate users of financial services• Passive users of financial services• Former users of financial services (at least two people per group)
3	Volgograd	<ul style="list-style-type: none">• Moderate users of financial services (at least two MFO clients)• Passive users of financial services• Former users of financial services (at least two people per group)
4	Volgograd	<ul style="list-style-type: none">• Nonusers of financial services
5	Yaroslavl	<ul style="list-style-type: none">• Nonusers of financial services• Moderate users of financial services (including at least two users of MFO and credit cooperatives services — microloans, investments in nonbank organizations)• Former users of financial services (at least two people per group)

Description of segments

- Active users of financial services have at least three financial products besides salary or social cards, and actively use them (make payments with cards, top up deposit accounts).
- Moderate users of financial services have at least one, but not more than two financial products, (loan, deposit, insurance, etc.), including salary or social cards, voluntary health insurance policies issued by employer or mandatory MTPL insurance, and actively use them (make payments with cards, top up deposit accounts).
- Passive users of financial services have one or two financial products, do not use them (do not make payments with cards, use salary card only for cash withdrawal, do not top up deposit accounts).
- Former users of financial services have one or two financial products, may or may not use them currently, but must have experience of giving up any of financial products.
- Nonusers of financial services do not use any financial products (except payments).

3. In-depth interviews with financial service providers: Qualitative in-depth interviews with representatives of financial institutions responsible for the development of a market strategy (top managers, managers of strategic and other relevant departments) — 40 interviews.

Tentatively, the provider market has been divided into the following segments covering the main financial services (credit, savings, insurance and payments):

- Banks: The sample included eight federal and five regional banks; 13 interviews.
- Microfinance organizations and credit cooperatives: Seven interviews.
- Insurance companies: The sample included five federal and two regional companies; seven interviews.
- Payment services providers: Eight interviews.
- Mobile operators: Three interviews.
- The Russian Post: Two interviews.

Annex 2. Glossary: Financial services and delivery channels in Russia

Credit products

This category includes typical loan products offered in Russia by banks and MFIs. For the purposes of the research, these products were grouped into the following main categories:

- **Mortgage loan.** A long-term loan from a bank to buy real estate, which is then used as loan collateral. In Russia, banks often require that borrowers buy insurance when they are issued a mortgage loan (e.g., life and health insurance, disability insurance, property insurance, etc.).
- **Car loan.** A loan from a bank to buy a car, which is then used as loan collateral. Most banks require that borrowers buy motor hull insurance when they are issued a car loan, and sometimes other types of insurance as well (e.g., life insurance). Bank may require loan collateral or guarantees.
- **Cash loan from bank.** A consumer loan from a bank disbursed in cash or transferred to a customer bank account. These loans are normally issued at bank branches, for a specified term, and have a regular repayment schedule.
- **Credit card.** A payment card linked to a customer bank account, including products that allow customers to top up the card balance with their own money (i.e., use as a debit card). Credit card loans normally do not have a specified loan term; customers can use credit for a certain grace period interest-free, but they must pay annual service fees.
- **Point-of-sale (POS) credit.** A short-term loan issued by banks to buy goods, at stores selling these goods. At each store, there may be several bank staff present to serve customers. Such loans are usually issued within one hour; customers are not required to go to a bank branch.
- **Microloan.** A short-term loan issued by MFIs, usually without collateral or guarantees, in the amount not exceeding RUB 1 million (approximately US\$20,400). These include so-called payday loans, although there is no official legal definition of this term in Russia (see Chapter 2).

Card-based products

This category includes debit cards linked to bank accounts; they are used primarily for cash withdrawals and payments.

- **Salary card.** A bank-issued debit card that is provided to salaried employees by their employers to transfer salaries and other cash disbursements (e.g., benefits, travel allowances, etc.). As a rule, the issuance of salary cards is initiated by employer, per employer agreement with a bank — i.e., the cardholder does not choose the bank. These cards are regular debit cards that can be used for cash withdrawal and transactions; some cards may have an overdraft facility depending on a bank (usually linked to salary size).
- **Social card.** A bank-issued debit card provided by government to recipients of government support (e.g., pensioners, students, disabled, and low-income people, etc.), linked to a bank account. As in the case of salary cards, cardholders usually do not choose a bank.
- **Debit card.** A debit card issued by a bank, linked to a bank account, often without an overdraft facility.

Savings products

This category includes all savings instruments offered by banks, credit cooperatives, and mutual funds:

- **Current account.** A bank account used to keep funds that can be easily withdrawn at any time, as well as for transactions. Current account can often be accessed via debit cards linked to this account.
- **Demand deposit/Savings account.** A demand deposit with a bank or savings with a credit cooperative. Bank-offered demand deposits include a variety of savings products, including those with flexible multiple top-ups and withdrawals, tiered interest rates accrued on established minimum balances, etc.
- **Term deposit.** A deposit with a bank for a specified amount of time.
- **Mutual fund.** A mutual investment fund where investors are co-owners of shares in the fund property. The fund management is done by a professional investment management company.

For all types of bank accounts and deposits, according to the Russian law, funds can be withdrawn by customers at any time. Depending on a deposit agreement, in the case of pre-term withdrawal, interest rates on deposits are usually reduced. Withdrawal of funds from credit cooperatives and mutual funds depends on the terms of agreements concluded between customers and these organizations.

Insurance products

Insurance products are divided into three categories: car insurance, personal insurance, and property and financial insurance.

The car insurance category includes all types of insurance products that involve the insurance of cars and car owners:

- **Mandatory motor third-party liability (MTPL) insurance.** A mandatory insurance product required by law for all car owners and insuring risks related to car owner liability to third parties.
- **Voluntary MTPL insurance.** A voluntary insurance product for car owners complementing mandatory MTPL insurance; provides a larger payout.
- **Motor hull insurance.** A voluntary insurance product involving the insurance of a vehicle against damage or theft (excluding any property transported in the vehicle and car owner liability to third parties).
- **Green Card insurance.** A mandatory insurance product for car owners visiting countries — members of the International Motor Insurance Card System (an arrangement between authorities and insurance organizations of multiple states to ensure that victims of road traffic accidents do not suffer from the fact that injuries or damage sustained by them were caused by a visiting motorist rather than a motorist resident in the same country).

The personal insurance category includes all types of insurance products that involve insuring the life and health of an insurance policy holder:

- **Voluntary health insurance, issued independently.** Includes a number of medical services to be paid for by the insurance company and either a total payout amount or a payout for each type of the medical services, as well as the names of eligible medical institutions.
- **Voluntary health insurance, issued by employer.** Same as above, only issued by an employer as part of a benefits package for employees.
- **Life and health insurance.** Voluntary insurance against certain events, such as death, reaching a certain age, or illness (except accidents).
- **Insurance for traveling abroad.** A voluntary medical insurance for travelers abroad. For some countries (e.g., Schengen), this insurance is mandatory.
- **Disability insurance.** Voluntary insurance against external events leading to temporary or permanent disability of the insurance policy holder.

- **Risk life insurance.** Voluntary insurance against external events leading to the death of the insurance policy holder.

The property and financial insurance category includes all types of insurance products that involve insuring the property of an insurance policy holder or financial risks:

- **Property (casualty and theft) insurance.** A voluntary insurance product involving the insurance of property (except vehicles) against the risks related to property ownership, usage, or disposal (e.g., loss, theft, damage).
- **Bank insurance.** Insurance products against risks arising during loan contracts, as well as risks related to fraud committed by third parties with respect to financial products of the insurance policy holder (e.g., credit card fraud). While not mandatory by law, these insurance products may be required by banks as part of their loan products.

Delivery channels

For the purposes of the research, financial service delivery channels were divided into the following categories:

Traditional channels <i>(customers make transactions through staff of financial institutions)</i>	Bank branch
	Russian Post
	Cash (i.e., payment to provider directly — e.g., at offices of utility companies, mobile network operators, etc.)
	Agent (e.g., mobile phone shops, supermarkets, etc.)
Transitional channels <i>(customers make transactions using equipment of financial institutions)</i>	Automated teller machine (ATM)
	Payment terminal ^a at bank branch
	Payment terminal, other
Innovative channels <i>(customers make transactions using their own equipment)</i>	Mobile phone account: transactions made out of mobile phone balance
	Online banking: accessing bank account through the Internet/smartphone/tablet applications
	E-wallet: Internet-based e-money account
a. Payment terminals are cash-in machines for making payments or accessing e-wallets. See Section 1.1.	

Annex 3. Statistical tables

Tables: Access to financial services

Table A3-1. Access to financial services: Satisfaction with the number and location of service points. Distribution by region.

Distribution of answers to the question “How satisfied are you with the number and location of the following financial service points/the quality of communication channels at your residence place?” (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Bank branches	Fully dissatisfied	8	7	7	8	10	6	6	5	15
	Rather dissatisfied	12	13	11	13	11	9	13	10	20
	Satisfied	46	40	47	45	44	51	49	49	33
	Fully satisfied	31	37	31	31	32	29	23	32	25
	Do not know/ No answer	4	3	4	2	3	5	10	4	7
Russian Post offices	Fully dissatisfied	5	7	6	6	6	3	4	3	8
	Rather dissatisfied	16	13	17	16	16	13	21	16	23
	Satisfied	44	39	41	42	48	51	44	50	36
	Fully satisfied	30	33	32	33	27	29	19	28	27
	Do not know/ No answer	5	8	5	3	4	4	12	3	6
ATMs	Fully dissatisfied	6	6	7	6	6	5	7	5	8
	Rather dissatisfied	11	8	10	16	10	10	12	8	16
	Satisfied	43	41	41	41	46	48	47	45	42
	Fully satisfied	29	38	32	28	30	26	17	32	25
	Do not know/ No answer	10	7	10	8	8	11	18	9	9
Payment terminals	Fully dissatisfied	5	5	4	6	6	4	4	4	10
	Rather dissatisfied	10	6	11	12	9	8	11	7	11
	Satisfied	37	34	38	38	38	39	33	32	33
	Fully satisfied	27	36	26	27	28	27	21	24	21
	Do not know/ No answer	22	19	21	17	19	23	30	33	25
Merchants (POS) accepting cards	Fully dissatisfied	7	7	7	8	7	6	10	3	10
	Rather dissatisfied	12	10	12	15	14	11	13	9	13
	Satisfied	39	35	39	37	35	44	31	45	36
	Fully satisfied	26	30	27	26	24	20	25	27	26
	Do not know/ No answer	16	17	15	13	19	19	20	15	16

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Internet	Fully dissatisfied	4	4	4	5	5	3	16	3	3
	Rather dissatisfied	11	12	11	10	10	9	14	13	12
	Satisfied	38	36	40	37	40	42	26	44	31
	Fully satisfied	23	27	22	27	19	22	14	21	26
	Do not know/ No answer	23	22	22	21	26	23	30	20	28
Mobile networks	Fully dissatisfied	4	3	3	4	5	3	7	2	4
	Rather dissatisfied	11	13	10	10	8	10	24	15	5
	Satisfied	47	45	48	45	48	48	35	52	44
	Fully satisfied	33	35	32	34	33	33	22	27	39
	Do not know/ No answer	6	4	6	6	6	6	12	5	7

Table A3-2. Access to financial services: Satisfaction with the choice of service points. Distribution by region.

Distribution of answers to the question "How do you assess the level of choice with respect to financial service points at your residence place?" (percentage of total respondents, $n = 2800$)

	Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Choice is sufficient	65	64	71	52	60	67	69	67	64
There is choice, but the number of service points should be increased	23	30	18	23	25	27	19	19	23
There is no choice	5	4	5	17	10	3	6	7	7
Do not know	6	2	7	7	4	3	7	7	5

Table A3-3. Access to financial services: Satisfaction with the choice of service points. Distribution by type of settlement.

Distribution of answers to the question "How do you assess the level of choice with respect to financial service points at your residence place?" (percentage of total respondents, $n = 2800$)

	Moscow	St. Petersburg	Regional capital	Urban	Rural	Sample average
Choice is sufficient	69	79	71	66	53	64
There is choice, but the number of service points should be increased	21	15	21	24	27	23
There is no choice	2	1	4	5	15	7
Do not know	8	4	4	6	6	5

Tables: Usage of financial services

Usage

Table A3-4. Usage: Credit, card-based and savings products. Distribution by region.
Distribution of answers to the question "What financial products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Mortgage loan	Used in the last 5 years	5	5	5	3	7	13	7	5	6
	Use currently	3	5	4	2	4	8	5	4	4
Car loan	Used in the last 5 years	12	12	10	8	12	16	7	12	11
	Use currently	7	6	6	6	8	9	4	6	7
Cash loan from bank	Used in the last 5 years	20	25	23	11	26	27	37	41	25
	Use currently	14	20	19	9	16	15	25	30	18
POS-credit	Used in the last 5 years	25	29	19	20	22	17	24	36	23
	Use currently	11	8	8	11	10	6	13	24	11
Credit card	Used in the last 5 years	21	25	27	18	17	16	28	44	23
	Use currently	18	17	21	13	11	12	24	23	17
Microloan	Used in the last 5 years	2	2	2	2	4	1	3	9	3
	Use currently	1	-	1	2	1	1	1	1	1
Debit card	Used in the last 5 years	13	13	3	26	7	8	12	9	11
	Use currently	11	12	1	25	6	6	8	9	9
Salary card	Used in the last 5 years	55	64	43	25	49	48	56	60	51
	Use currently	48	59	37	23	45	42	41	55	44
Social card	Used in the last 5 years	16	23	11	19	14	13	18	14	16
	Use currently	14	20	10	17	12	12	14	9	14
Current account	Used in the last 5 years	24	18	12	11	12	11	11	21	16
	Use currently	20	17	10	11	11	9	6	12	13
Term deposit	Used in the last 5 years	6	6	5	4	4	7	7	8	6
	Use currently	5	5	3	3	3	3	6	6	4
Demand deposit/ Savings account	Used in the last 5 years	18	16	13	5	17	10	11	30	15
	Use currently	15	11	11	4	16	6	6	19	12

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Mutual fund	Used in the last 5 years	-	1	-	-	1	1	2	-	1
	Use currently	-	1	-	-	-	1	2	-	-
None of the above	Used in the last 5 years	12	11	25	38	21	22	19	19	19
	Use currently	19	13	16	40	25	25	24	25	23

Table A3-5. Usage: Credit, card-based and savings products. Distribution by type of settlement. Distribution of answers to the question "What financial products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capitals	Urban	Rural	Sample average
Mortgage loan	Used in the last 5 years	3	5	6	7	6	6
	Use currently	3	4	5	5	3	4
Car loan	Used in the last 5 years	13	18	11	12	10	11
	Use currently	10	8	6	6	7	7
Cash loan from bank	Used in the last 5 years	20	4	28	24	28	25
	Use currently	16	2	19	18	17	18
POS-credit	Used in the last 5 years	28	21	21	25	23	23
	Use currently	9	8	11	11	9	11
Credit card	Used in the last 5 years	28	14	26	21	21	23
	Use currently	22	8	20	16	16	17
Microloan	Used in the last 5 years	2	-	3	3	3	3
	Use currently	1	-	1	1	1	1
Debit card	Used in the last 5 years	24	21	12	9	7	11
	Use currently	22	19	10	8	6	9
Salary card	Used in the last 5 years	66	73	51	52	45	51
	Use currently	59	69	45	45	36	44
Social card	Used in the last 5 years	25	16	17	14	14	16
	Use currently	23	16	16	13	10	14
Current account	Used in the last 5 years	34	7	19	13	12	16
	Use currently	30	7	16	10	10	13
Term deposit	Used in the last 5 years	9	5	8	4	4	6
	Use currently	9	5	5	4	3	4
Demand deposit/ Savings account	Used in the last 5 years	17	18	14	18	12	15
	Use currently	12	15	11	14	9	12
Mutual fund	Used in the last 5 years	-	-	1	1	1	1
	Use currently	-	-	1	1	-	-
None of the above	Used in the last 5 years	7	12	18	16	27	19
	Use currently	11	12	20	22	33	23

Table A3-6. Usage: Credit, card-based and savings products. Distribution by income level.
Distribution of answers to the question "What financial products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Mortgage loan	Used in the last 5 years	5	5	5	6	5	9	10	11	6	6
	Use currently	5	5	3	3	3	6	8	8	4	4
Car loan	Used in the last 5 years	11	10	7	9	13	15	14	19	11	11
	Use currently	8	6	5	5	9	8	9	11	6	7
Cash loan from bank	Used in the last 5 years	8	21	22	25	26	30	28	32	26	25
	Use currently	8	16	16	16	19	23	18	16	18	18
POS-credit	Used in the last 5 years	13	19	20	26	26	26	26	19	23	23
	Use currently	11	8	9	10	14	12	9	10	10	11
Credit card	Used in the last 5 years	26	24	18	23	23	24	19	27	24	23
	Use currently	26	17	15	17	18	16	15	19	18	17
Microloan	Used in the last 5 years	3	2	1	3	3	5	2	3	3	3
	Use currently	3	2	0	1	2	2	1	0	1	1
Debit card	Used in the last 5 years	11	12	5	9	13	14	12	16	12	11
	Use currently	11	10	5	6	11	13	9	12	11	9
Salary card	Used in the last 5 years	21	39	45	52	58	61	58	56	47	51
	Use currently	21	35	38	44	50	54	53	54	39	44
Social card	Used in the last 5 years	13	16	13	18	17	13	15	17	16	16
	Use currently	11	12	12	15	15	11	14	16	14	14
Current account	Used in the last 5 years	11	12	14	15	16	19	13	20	18	16
	Use currently	8	10	12	12	12	16	10	16	15	13
Term deposit	Used in the last 5 years	3	5	5	6	7	8	6	5	4	6
	Use currently	3	3	4	4	6	5	5	4	4	4
Demand deposit/Savings account	Used in the last 5 years	5	16	16	15	14	18	14	16	14	15
	Use currently	3	12	11	11	11	15	12	14	12	12
Mutual fund	Used in the last 5 years	3	0	1	2	0	1	0	0	0	1
	Use currently	3	0	1	1	0	1	0	0	0	-
None of the above	Used in the last 5 years	53	26	22	19	17	11	16	16	19	19
	Use currently	53	31	27	25	19	14	20	21	24	23

Table A3-7. Usage: Insurance products. Distribution by region.
Distribution of answers to the question "What insurance products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Voluntary health insurance, issued independently	Used in the last 5 years	32	23	32	19	27	25	27	33	28
	Use currently	29	20	27	17	25	21	22	24	24
Risk life insurance	Used in the last 5 years	2	2	2	1	1	4	3	10	3
	Use currently	1	1	1	1	1	1	1	4	1
Life and health insurance	Used in the last 5 years	9	10	11	7	9	11	11	13	10
	Use currently	6	7	6	5	8	8	8	8	7
Disability insurance	Used in the last 5 years	1	2	4	3	3	3	4	6	3
	Use currently	0	0	0	1	2	1	2	2	1
Insurance for traveling abroad	Used in the last 5 years	7	12	5	2	4	7	5	10	6
	Use currently	4	8	3	1	2	4	4	4	4
Voluntary health insurance, issued by employer	Used in the last 5 years	26	27	22	15	15	16	19	21	21
	Use currently	22	24	19	13	13	15	16	16	18
Voluntary MTPL insurance	Used in the last 5 years	5	4	5	5	5	8	6	10	5
	Use currently	2	2	2	3	3	5	4	4	3
Motor hull insurance	Used in the last 5 years	14	11	18	9	14	12	8	14	13
	Use currently	9	9	13	8	12	9	6	11	10
Green Card insurance	Used in the last 5 years	2	5	6	4	3	2	3	1	3
	Use currently	1	3	4	2	1	1	2	0	2
Mandatory MTPL insurance	Used in the last 5 years	26	26	27	21	25	25	19	24	24
	Use currently	23	24	23	19	24	23	18	21	22
Property (casualty and theft) insurance	Used in the last 5 years	7	10	4	6	6	8	6	7	7
	Use currently	5	6	1	5	5	5	5	6	5
Bank insurance	Used in the last 5 years	4	2	4	4	5	3	5	9	4
	Use currently	3	0	2	4	3	1	3	6	3

Table A3-8. Usage: Insurance products. Distribution by type of settlement.
Distribution of answers to the question "What insurance products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capitals	Urban	Rural	Sample average
Voluntary health insurance, issued independently	Used in the last 5 years	39	23	26	29	27	28
	Use currently	39	22	23	24	23	24
Risk life insurance	Used in the last 5 years	2	1	3	3	2	3
	Use currently	2	1	2	1	0	1
Life and health insurance	Used in the last 5 years	7	3	8	12	10	10
	Use currently	6	3	6	9	7	7
Disability insurance	Used in the last 5 years	1	0	2	4	2	3
	Use currently	1	0	1	2	1	1
Insurance for traveling abroad	Used in the last 5 years	13	22	6	5	4	6
	Use currently	7	12	4	3	2	4
Voluntary health insurance, issued by employer	Used in the last 5 years	24	30	19	21	19	21
	Use currently	22	29	16	18	16	18
Voluntary MTPL insurance	Used in the last 5 years	3	3	6	6	5	5
	Use currently	1	1	4	3	3	3
Motor hull insurance	Used in the last 5 years	21	15	13	12	11	13
	Use currently	16	11	10	9	8	10
Green Card insurance	Used in the last 5 years	2	10	4	2	2	3
	Use currently	1	7	2	1	2	2
Mandatory MTPL insurance	Used in the last 5 years	27	36	27	20	24	24
	Use currently	26	33	25	19	21	22
Property (casualty and theft) insurance	Used in the last 5 years	13	1	7	6	6	7
	Use currently	12	1	5	4	4	5
Bank insurance	Used in the last 5 years	2	0	5	4	4	4
	Use currently	2	0	3	2	3	3

Table A3-9. Usage: Insurance products. Distribution by income level.
Distribution of answers to the question "What insurance products do you currently use/Used in the last 5 years?" (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Voluntary health insurance, issued independently	Used in the last 5 years	37	24	25	26	26	33	31	43	28	28
	Use currently	29	18	21	23	22	30	28	37	24	24
Risk life insurance	Used in the last 5 years	3	2	2	2	2	4	4	4	2	3
	Use currently	3	0	1	1	1	2	1	1	1	1
Life and health insurance	Used in the last 5 years	3	5	7	11	11	10	11	13	10	10
	Use currently	3	4	5	9	8	6	9	8	7	7
Disability insurance	Used in the last 5 years	5	1	2	3	4	3	4	1	2	3
	Use currently	0	0	1	1	2	1	2	1	1	1
Insurance for traveling abroad	Used in the last 5 years	3	4	4	5	7	9	9	10	8	6
	Use currently		2	2	3	4	5	4	6	5	4
Voluntary health insurance, issued by employer	Used in the last 5 years	11	20	17	19	23	26	22	16	22	21
	Use currently	11	16	15	16	21	22	19	13	19	18
Voluntary MTPL insurance	Used in the last 5 years	8	4	4	6	4	5	8	8	6	5
	Use currently	5	2	2	3	3	3	3	6	3	3
Motor hull insurance	Used in the last 5 years	5	9	10	11	15	13	12	23	13	13
	Use currently	5	5	7	10	10	11	11	22	9	10
Green Card insurance	Used in the last 5 years	8	5	3	2	4	4	4	3	3	3
	Use currently	5	3	2	1	2	2	2	1	1	2
Mandatory MTPL insurance	Used in the last 5 years	8	17	21	22	27	31	23	24	27	24
	Use currently	8	15	19	20	24	28	22	21	26	22
Property (casualty and theft) insurance	Used in the last 5 years	-	2	6	7	7	9	9	8	5	7
	Use currently	-	2	4	6	5	5	8	7	4	5
Bank insurance	Used in the last 5 years	5	4	4	2	5	5	6	4	5	4
	Use currently	5	2	3	2	3	3	3	2	3	3

Table A3-10. Usage: Delivery channels. Distribution by region.
Distribution of answers to the question “Which of the delivery channels do you currently use/ used in the last 12 month?” (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Bank branch	Used in the last 12 months	79	80	74	61	78	73	71	79	76
	Use currently	68	72	65	49	65	63	60	62	64
Russian Post office	Used in the last 12 months	55	49	56	49	67	53	58	59	57
	Use currently	43	39	46	34	54	44	47	43	46
Agent, mobile phone shop	Used in the last 12 months	63	59	62	66	63	57	54	53	60
	Use currently	52	53	52	50	53	44	42	39	50
Cash	Used in the last 12 months	68	69	70	67	68	72	71	71	69
	Use currently	62	64	64	54	62	67	64	64	63
Agent, cash desk in store	Used in the last 12 months	73	72	68	69	71	73	74	69	72
	Use currently	67	68	64	59	65	69	66	60	66
ATM	Used in the last 12 months	71	74	63	66	66	70	69	79	69
	Use currently	64	66	56	55	57	64	60	64	61
Payment terminal	Used in the last 12 months	51	38	46	45	50	49	50	53	48
	Use currently	44	31	41	34	43	39	44	39	41
Bank terminal	Used in the last 12 months	42	42	44	48	43	44	42	45	43
	Use currently	34	34	37	33	35	32	35	30	34
Online banking (bank account)	Used in the last 12 months	19	17	22	20	15	17	16	27	18
	Use currently	16	14	16	14	11	13	14	21	14
Mobile phone account	Used in the last 12 months	20	19	20	21	16	16	16	27	19
	Use currently	15	14	16	13	12	13	11	19	14
E-wallet	Used in the last 12 months	13	9	13	13	11	14	10	11	12
	Use currently	11	8	10	8	9	10	8	6	9
Mobile banking (bank account)	Used in the last 12 months	12	16	16	16	10	12	10	19	13
	Use currently	9	14	13	13	8	9	9	17	10

Table A3-11. Usage: Delivery channels. Distribution by type of settlement. Distribution of answers to the question “Which of the delivery channels do you currently use/ used in the last 12 month?” (percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capitals	Urban	Rural	Sample average
Bank branch	Used in the last 12 months	83	74	76	76	74	76
	Use currently	74	66	62	65	63	64
Russian Post office	Used in the last 12 months	37	49	58	57	62	57
	Use currently	27	41	45	47	49	46
Agent, mobile phone shop	Used in the last 12 months	66	71	61	58	60	60
	Use currently	55	65	49	48	49	50
Cash	Used in the last 12 months	74	69	66	70	70	69
	Use currently	69	65	60	63	63	63
Agent, cash desk in store	Used in the last 12 months	77	79	70	70	73	72
	Use currently	72	75	64	64	66	66
ATM	Used in the last 12 months	78	74	70	70	64	69
	Use currently	71	66	63	61	55	61
Payment terminal	Used in the last 12 months	56	32	46	52	47	48
	Use currently	48	29	37	45	40	41
Bank terminal	Used in the last 12 months	46	49	46	42	40	43
	Use currently	38	42	37	33	31	34
Online banking (bank account)	Used in the last 12 months	21	16	19	17	19	18
	Use currently	18	15	14	14	14	14
Mobile phone account	Used in the last 12 months	17	16	19	18	20	19
	Use currently	13	13	14	13	15	14
E-wallet	Used in the last 12 months	9	9	12	11	13	12
	Use currently	8	7	10	9	9	9
Mobile banking (bank account)	Used in the last 12 months	11	11	15	11	13	13
	Use currently	8	9	13	9	10	10

Table A3-12. Usage: Delivery channels. Distribution by income level.
Distribution of answers to the question "Which of the delivery channels do you currently use/ used in the last 12 month?" (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Bank branch	Used in the last 12 months	53	79	75	75	76	78	71	84	74	76
	Use currently	42	69	64	64	66	68	58	67	63	64
Russian Post office	Used in the last 12 months	58	56	65	57	55	59	54	51	53	57
	Use currently	39	40	52	47	45	47	42	41	41	46
Agent, mobile phone shop	Used in the last 12 months	50	57	56	58	62	63	64	65	63	60
	Use currently	29	44	47	50	52	54	50	52	49	50
Cash	Used in the last 12 months	58	67	69	72	69	65	66	74	70	69
	Use currently	42	52	63	66	63	60	60	68	63	63
Agent, cash desk in store	Used in the last 12 months	47	66	69	74	73	73	70	75	72	72
	Use currently	39	57	63	67	68	67	65	69	67	66
ATM	Used in the last 12 months	58	70	60	65	75	74	79	80	68	69
	Use currently	45	61	51	59	68	66	70	67	61	61
Payment terminal	Used in the last 12 months	50	48	46	43	49	52	51	63	49	48
	Use currently	42	40	40	38	43	43	43	51	39	41
Bank terminal	Used in the last 12 months	39	41	36	40	45	48	50	49	47	43
	Use currently	26	26	30	31	38	37	41	39	37	34
Online banking (bank account)	Used in the last 12 months	21	12	14	16	19	19	17	25	23	18
	Use currently	16	11	12	13	15	16	13	20	17	14
Mobile phone account	Used in the last 12 months	21	17	15	17	21	17	21	26	20	19
	Use currently	13	9	12	11	18	12	16	25	13	14
E-wallet	Used in the last 12 months	11	11	10	12	13	11	14	16	12	12
	Use currently	8	7	9	9	10	9	11	13	8	9
Mobile banking (bank account)	Used in the last 12 months	11	5	9	12	14	13	16	24	14	13
	Use currently	8	3	7	10	12	11	11	22	12	10

Awareness

Table A3-13. Awareness: Credit, card-based and savings products. Distribution by regions. Distribution of answers to the question “Which of the financial products (services) do you know?” (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Mortgage loan	Well aware of, know how to use	48	61	46	53	50	63	63	52	53
	Heard something, but do not know exactly	47	34	54	41	47	35	31	45	43
	Do not know/ No answer	5	5	0	6	3	3	6	3	4
Car Loan	Well aware of, know how to use	54	70	55	54	50	63	56	52	56
	Heard something, but do not know exactly	40	25	43	41	46	32	38	48	40
	Do not know/ No answer	6	5	1	5	4	5	6	0	4
Cash loan from bank	Well aware of, know how to use	66	78	69	56	62	74	82	81	70
	Heard something, but do not know exactly	31	22	30	36	35	23	15	19	28
	Do not know/ No answer	3	0	1	8	2	3	3	0	3
POS-credit	Well aware of, know how to use	66	79	64	57	65	78	80	73	70
	Heard something, but do not know exactly	29	20	34	34	31	19	15	26	26
	Do not know/ No answer	4	1	2	9	4	3	5	1	4
Credit card	Well aware of, know how to use	60	64	61	55	61	68	72	67	63
	Heard something, but do not know exactly	34	27	34	37	32	23	22	32	30
	Do not know/ No answer	5	9	4	8	6	10	6	1	6
Microloan	Well aware of, know how to use	33	37	45	45	43	45	42	41	40
	Heard something, but do not know exactly	42	47	42	39	39	37	35	50	41
	Do not know/ No answer	25	16	13	15	18	18	24	8	19

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Debit card	Well aware of, know how to use	42	55	32	54	39	43	49	46	44
	Heard something, but do not know exactly	36	30	48	34	40	34	28	40	36
	Do not know/ No answer	22	16	20	13	21	23	22	14	20
Salary card	Well aware of, know how to use	72	81	61	65	68	70	74	73	71
	Heard something, but do not know exactly	23	16	34	31	25	27	20	23	24
	Do not know/ No answer	5	3	5	4	7	4	6	4	5
Social card	Well aware of, know how to use	44	58	30	50	42	53	52	46	46
	Heard something, but do not know exactly	39	31	54	37	36	28	34	41	37
	Do not know/ No answer	17	11	16	13	22	19	14	13	17
Current account	Well aware of, know how to use	60	65	55	60	57	55	68	51	59
	Heard something, but do not know exactly	33	27	41	33	32	29	25	41	32
	Do not know/ No answer	7	9	4	7	10	16	7	8	9
Term deposit	Well aware of, know how to use	51	67	50	51	50	51	64	46	53
	Heard something, but do not know exactly	33	29	46	33	36	32	24	46	35
	Do not know/ No answer	16	5	3	16	15	17	11	8	12
Demand deposit/ Savings account	Well aware of, know how to use	59	73	66	59	58	59	68	61	61
	Heard something, but do not know exactly	31	24	32	31	32	28	24	33	30
	Do not know/ No answer	10	3	2	10	10	14	8	7	9
Mutual fund	Well aware of, know how to use	21	17	17	21	23	25	30	20	22
	Heard something, but do not know exactly	43	46	50	43	35	30	30	47	40
	Do not know/ No answer	36	36	32	36	41	45	40	33	38

Table A3-14. Awareness: Credit, card-based and savings products. Distribution by type of settlement.

Distribution of answers to the question «Which of the financial products (services) do you know?» (percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capital	Urban	Rural	Sample average
Mortgage loan	Well aware of, know how to use	36	75	54	53	55	53
	Heard something, but do not know exactly	58	25	42	43	41	43
	Do not know/No answer	7	0	4	3	4	4
Car loan	Well aware of, know how to use	47	86	55	55	57	56
	Heard something, but do not know exactly	47	14	39	42	38	40
	Do not know/No answer	6	0	6	4	5	4
Cash loan from bank	Well aware of, know how to use	63	85	69	70	70	70
	Heard something, but do not know exactly	32	15	28	29	26	28
	Do not know/No answer	5	0	3	1	3	3
POS-credit	Well aware of, know how to use	66	89	68	71	68	70
	Heard something, but do not know exactly	28	11	27	27	27	26
	Do not know/No answer	6	0	5	2	5	4
Credit card	Well aware of, know how to use	67	55	65	61	64	63
	Heard something, but do not know exactly	27	30	29	33	30	30
	Do not know/No answer	6	15	6	6	6	6
Microloan	Well aware of, know how to use	30	33	39	43	41	40
	Heard something, but do not know exactly	33	53	41	39	42	41
	Do not know/No answer	37	14	20	18	17	19
Debit card	Well aware of, know how to use	54	53	46	43	39	44
	Heard something, but do not know exactly	24	36	35	37	40	36
	Do not know/No answer	21	11	19	20	22	20
Salary card	Well aware of, know how to use	76	81	71	70	67	71
	Heard something, but do not know exactly	17	18	23	24	27	24
	Do not know/No answer	7	1	5	5	6	5
Social card	Well aware of, know how to use	57	49	47	43	45	46
	Heard something, but do not know exactly	32	30	36	40	37	37
	Do not know/No answer	11	21	17	17	18	17
Current account	Well aware of, know how to use	63	48	60	60	56	59
	Heard something, but do not know exactly	23	30	34	32	34	32
	Do not know/No answer	13	22	6	8	10	9
Term deposit	Well aware of, know how to use	54	54	56	55	48	53
	Heard something, but do not know exactly	22	35	33	34	39	35
	Do not know/No answer	24	11	11	11	12	12
Demand deposit/Savings account	Well aware of, know how to use	54	70	62	63	59	61
	Heard something, but do not know exactly	28	27	29	31	31	30
	Do not know/No answer	18	2	9	7	10	9
Mutual fund	Well aware of, know how to use	24	21	26	21	20	22
	Heard something, but do not know exactly	34	55	40	41	38	40
	Do not know/No answer	42	24	34	38	42	38

Table A3-15. Awareness: Credit, card-based and savings products. Distribution by income level. Distribution of answers to the question «Which of the financial products (services) do you know?» (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Mortgage loan	Well aware of, know how to use	32	57	53	51	51	54	64	57	54	53
	Heard something, but do not know exactly	55	40	40	45	46	43	35	42	42	43
	Do not know/No answer	13	4	6	4	3	2	2	1	4	4
Car Loan	Well aware of, know how to use	34	52	53	54	57	56	65	70	56	56
	Heard something, but do not know exactly	47	43	41	40	39	42	33	29	40	40
	Do not know/No answer	18	5	5	6	5	2	2	1	4	4
Cash loan from bank	Well aware of, know how to use	50	61	68	70	73	71	74	82	68	70
	Heard something, but do not know exactly	39	33	30	27	25	28	24	18	30	28
	Do not know/No answer	11	5	2	3	2	1	3	1	3	3
POS-credit	Well aware of, know how to use	39	60	69	69	72	70	79	81	68	70
	Heard something, but do not know exactly	50	33	28	27	23	27	19	18	28	26
	Do not know/No answer	11	8	3	4	4	4	3	1	4	4
Credit card	Well aware of, know how to use	42	60	62	61	63	62	72	74	65	63
	Heard something, but do not know exactly	47	29	31	33	30	32	26	22	29	30
	Do not know/No answer	11	12	7	7	7	5	3	4	6	6

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Microloan	Well aware of, know how to use	21	35	39	40	40	38	48	44	42	40
	Heard something, but do not know exactly	50	40	41	39	42	45	37	44	38	41
	Do not know/No answer	29	25	20	21	18	17	15	13	20	19
Debit card	Well aware of, know how to use	26	42	39	42	44	42	48	56	48	44
	Heard something, but do not know exactly	45	32	39	37	36	41	37	30	33	36
	Do not know/No answer	29	26	22	21	20	17	15	15	19	20
Salary card	Well aware of, know how to use	42	58	68	69	75	77	79	75	68	71
	Heard something, but do not know exactly	47	32	25	26	22	19	18	20	25	24
	Do not know/No answer	11	10	7	5	3	4	3	4	7	5
Social card	Well aware of, know how to use	18	45	44	47	44	42	56	51	47	46
	Heard something, but do not know exactly	61	32	39	36	37	42	32	39	36	37
	Do not know/No answer	21	23	17	17	19	16	12	10	17	17
Current account	Well aware of, know how to use	39	58	62	57	58	56	65	63	60	59
	Heard something, but do not know exactly	42	34	30	35	32	36	28	31	32	32
	Do not know/No answer	18	8	9	9	10	8	7	6	9	9

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Term deposit	Well aware of, know how to use	29	50	54	54	48	55	60	61	54	53
	Heard something, but do not know exactly	50	37	32	34	39	35	30	34	33	35
	Do not know/No answer	21	13	13	12	13	10	10	6	13	12
Demand deposit/ Savings account	Well aware of, know how to use	34	58	64	63	58	63	67	70	58	61
	Heard something, but do not know exactly	47	33	26	30	35	30	26	25	31	30
	Do not know/No answer	18	9	10	7	7	8	8	6	11	9
Mutual fund	Well aware of, know how to use	13	20	20	20	21	22	29	34	25	22
	Heard something, but do not know exactly	42	37	38	41	43	48	40	40	34	40
	Do not know/No answer	45	43	42	39	36	31	31	26	41	38

Table A3-16. Awareness: Credit, card-based and savings products. Distribution by level of Internet usage. Distribution of answers to the question «Which of the financial products (services) do you know?» (percentage of total respondents, n = 2800)

		Daily	Several times a week	Several times a month	From time to time	Do not use, but plan	Do not use and do not plan	Sample average
Mortgage loan	Well aware of, know how to use	58	58	52	31	57	44	53
	Heard something, but do not know exactly	39	40	45	61	39	49	43
	Do not know/No answer	3	2	3	8	4	6	4
Car Loan	Well aware of, know how to use	60	59	49	47	58	47	56
	Heard something, but do not know exactly	36	39	48	45	36	45	40
	Do not know/No answer	3	2	4	8	6	7	4
Cash loan from bank	Well aware of, know how to use	73	76	66	65	72	61	70
	Heard something, but do not know exactly	26	22	32	27	26	34	28
	Do not know/No answer	1	2	2	8	2	5	3
POS-credit	Well aware of, know how to use	73	76	68	55	72	61	70
	Heard something, but do not know exactly	24	21	30	33	24	33	26
	Do not know/No answer	3	3	2	12	4	6	4
Credit card	Well aware of, know how to use	69	67	57	49	69	52	63
	Heard something, but do not know exactly	27	29	37	43	27	36	30
	Do not know/No answer	5	4	6	8	4	11	6
Microloan	Well aware of, know how to use	45	43	34	31	43	31	40
	Heard something, but do not know exactly	38	42	50	51	36	44	41
	Do not know/No answer	17	14	17	18	21	26	19
Debit card	Well aware of, know how to use	49	45	44	37	39	34	44
	Heard something, but do not know exactly	34	39	39	47	37	38	36
	Do not know/No answer	17	15	17	16	24	28	20
Salary card	Well aware of, know how to use	74	79	73	69	76	58	71
	Heard something, but do not know exactly	21	19	23	27	19	33	24
	Do not know/No answer	5	2	4	4	4	9	5
Social card	Well aware of, know how to use	47	48	50	43	49	41	46
	Heard something, but do not know exactly	37	38	34	37	34	39	37
	Do not know/No answer	16	15	17	20	16	20	17

		Daily	Several times a week	Several times a month	From time to time	Do not use, but plan	Do not use and do not plan	Sample average
Current account	Well aware of, know how to use	62	60	59	55	60	52	59
	Heard something, but do not know exactly	30	32	33	35	31	37	32
	Do not know/No answer	8	8	8	10	9	11	9
Term deposit	Well aware of, know how to use	55	57	50	47	49	50	53
	Heard something, but do not know exactly	33	32	42	39	38	36	35
	Do not know/No answer	11	11	9	14	13	15	12
Demand deposit/ Savings account	Well aware of, know how to use	63	63	59	51	63	58	61
	Heard something, but do not know exactly	28	30	35	41	28	32	30
	Do not know/No answer	8	6	6	8	9	10	9
Mutual fund	Well aware of, know how to use	26	22	24	12	18	17	22
	Heard something, but do not know exactly	39	46	42	55	44	36	40
	Do not know/No answer	35	31	35	33	38	47	38

Table A3-17. Awareness: Credit, card-based and savings products. Distribution by age and gender. Distribution of answers to the question “Which of the financial products (services) do you know?” (percentage of total respondents, n = 2800)

		Males	Females	18–24	25–34	35–44	45–59	60 and older	Sample average
Mortgage loan	Well aware of, know how to use	56	52	54	57	59	53	44	53
	Heard something, but do not know exactly	41	44	43	40	39	42	50	43
	Do not know/No answer	3	5	3	3	1	5	6	4
Car Loan	Well aware of, know how to use	61	52	58	62	61	55	44	56
	Heard something, but do not know exactly	36	42	38	34	36	40	50	40
	Do not know/No answer	3	6	5	4	3	5	6	4
Cash loan from bank	Well aware of, know how to use	71	69	71	72	75	69	62	70
	Heard something, but do not know exactly	27	28	27	25	23	28	34	28
	Do not know/No answer	2	3	2	2	2	3	4	3
POS-credit	Well aware of, know how to use	72	68	73	73	73	70	60	70
	Heard something, but do not know exactly	24	28	24	23	24	26	35	26
	Do not know/No answer	4	4	4	4	3	4	5	4
Credit card	Well aware of, know how to use	65	62	68	69	67	63	51	63
	Heard something, but do not know exactly	30	31	27	26	29	30	39	30
	Do not know/No answer	5	7	5	5	4	7	10	6
Microloan	Well aware of, know how to use	43	38	42	43	43	43	29	40
	Heard something, but do not know exactly	38	42	40	38	44	37	47	41
	Do not know/No answer	19	20	18	20	14	20	24	19
Debit card	Well aware of, know how to use	46	42	44	50	47	45	31	44
	Heard something, but do not know exactly	35	38	39	31	37	34	43	36
	Do not know/No answer	19	21	17	19	16	21	26	20
Salary card	Well aware of, know how to use	73	68	73	77	75	71	57	71
	Heard something, but do not know exactly	22	25	21	19	22	24	32	24
	Do not know/No answer	4	6	6	4	3	5	10	5
Social card	Well aware of, know how to use	46	46	49	45	46	47	42	46
	Heard something, but do not know exactly	38	37	33	36	40	37	41	37
	Do not know/No answer	16	18	18	19	14	16	17	17
Current account	Well aware of, know how to use	61	58	59	60	61	59	54	59
	Heard something, but do not know exactly	31	33	30	31	31	32	37	32
	Do not know/No answer	8	9	10	8	8	8	9	9
Term deposit	Well aware of, know how to use	56	51	51	57	56	54	48	53
	Heard something, but do not know exactly	33	36	33	32	36	34	39	35
	Do not know/No answer	11	13	16	11	8	13	13	12
Demand deposit/Savings account	Well aware of, know how to use	61	61	58	62	63	62	60	61
	Heard something, but do not know exactly	30	30	31	29	30	30	31	30
	Do not know/No answer	9	8	11	9	7	8	9	9
Mutual fund	Well aware of, know how to use	24	21	23	26	22	24	15	22
	Heard something, but do not know exactly	40	40	36	39	45	39	42	40
	Do not know/No answer	36	39	41	35	34	37	44	38

Table A3-18. *Awareness: Insurance products. Distribution by region.*
Distribution of answers to the question “What insurance products do you know?” (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Voluntary MTPL insurance	Well aware of, know how to use	31	33	37	34	34	39	30	25	33
	Heard something, but do not know exactly	49	46	47	43	45	36	43	49	45
	Do not know/ No answer	20	20	16	22	21	25	26	26	22
Motor hull insurance	Well aware of, know how to use	48	43	55	45	44	50	40	46	46
	Heard something, but do not know exactly	42	43	36	41	44	36	42	42	42
	Do not know/ No answer	10	14	9	14	12	15	18	12	13
Green Card insurance	Well aware of, know how to use	19	22	25	21	18	21	15	14	19
	Heard something, but do not know exactly	46	45	45	48	42	28	44	52	44
	Do not know/ No answer	34	32	30	32	39	51	41	34	37
Mandatory MTPL insurance	Well aware of, know how to use	57	53	63	51	52	55	48	50	54
	Heard something, but do not know exactly	34	41	29	39	38	38	39	26	37
	Do not know/ No answer	9	7	8	10	10	8	13	1	9
Property (casualty and theft) insurance	Well aware of, know how to use	51	55	50	56	49	56	51	54	52
	Heard something, but do not know exactly	41	39	45	37	41	35	38	41	40
	Do not know/ No answer	8	7	5	7	9	8	11	5	8
Bank insurance	Well aware of, know how to use	29	30	33	27	28	35	28	29	30
	Heard something, but do not know exactly	47	45	45	47	42	30	45	50	44
	Do not know/ No answer	24	25	22	26	30	35	27	21	26

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Voluntary health insurance, issued independently	Well aware of, know how to use	58	56	62	56	54	54	64	56	58
	Heard something, but do not know exactly	33	35	33	34	38	34	30	36	34
	Do not know/ No answer	9	9	5	10	8	13	6	9	8
Risk life insurance	Well aware of, know how to use	34	36	37	41	36	40	37	36	36
	Heard something, but do not know exactly	48	46	46	43	43	38	42	47	44
	Do not know/ No answer	19	18	17	16	20	22	21	18	19
Life and health insurance	Well aware of, know how to use	53	50	56	53	50	57	54	50	53
	Heard something, but do not know exactly	39	43	39	39	40	35	36	45	39
	Do not know/ No answer	8	7	5	8	10	8	10	4	8
Disability insurance	Well aware of, know how to use	39	40	43	50	41	43	41	34	41
	Heard something, but do not know exactly	44	47	45	40	43	35	41	56	43
	Do not know/ No answer	17	13	12	10	16	22	18	10	16
Insurance for traveling abroad	Well aware of, know how to use	36	37	35	33	32	38	26	36	34
	Heard something, but do not know exactly	43	48	45	47	44	36	48	54	45
	Do not know/ No answer	20	14	20	20	24	26	26	10	21
Voluntary health insurance, issued by employer	Well aware of, know how to use	54	55	52	45	47	51	52	44	51
	Heard something, but do not know exactly	38	38	38	40	38	30	34	44	37
	Do not know/ No answer	8	8	10	15	15	19	14	12	12

Table A3-19. Awareness: Insurance products. Distribution by type of settlement.
Distribution of answers to the question “What insurance products do you know?” (percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capitals	Urban	Rural	Sample average
Voluntary MTPL insurance	Well aware of, know how to use	29	33	34	32	33	33
	Heard something, but do not know exactly	49	37	44	46	46	45
	Do not know/No answer	21	30	22	21	21	22
Motor hull insurance	Well aware of, know how to use	50	41	47	46	45	46
	Heard something, but do not know exactly	41	37	42	41	43	42
	Do not know/No answer	9	22	11	13	13	13
Green Card insurance	Well aware of, know how to use	21	26	21	19	18	19
	Heard something, but do not know exactly	45	35	41	46	44	44
	Do not know/No answer	34	38	38	36	38	37
Mandatory MTPL insurance	Well aware of, know how to use	57	48	57	52	52	54
	Heard something, but do not know exactly	36	42	35	38	37	37
	Do not know/No answer	7	10	8	9	11	9
Property (casualty and theft) insurance	Well aware of, know how to use	52	51	50	52	53	52
	Heard something, but do not know exactly	39	36	42	41	37	40
	Do not know/No answer	9	13	9	6	10	8
Bank insurance	Well aware of, know how to use	31	22	29	30	30	30
	Heard something, but do not know exactly	41	41	45	44	43	44
	Do not know/No answer	29	37	25	26	26	26
Voluntary health insurance, issued independently	Well aware of, know how to use	61	55	58	58	56	58
	Heard something, but do not know exactly	31	36	34	34	34	34
	Do not know/No answer	9	9	8	8	10	8
Risk life insurance	Well aware of, know how to use	33	33	37	35	38	36
	Heard something, but do not know exactly	49	38	44	47	42	44
	Do not know/No answer	18	29	20	18	20	19
Life and health insurance	Well aware of, know how to use	52	48	49	55	54	53
	Heard something, but do not know exactly	37	38	43	39	37	39
	Do not know/No answer	11	13	8	6	9	8
Disability insurance	Well aware of, know how to use	39	34	41	41	42	41
	Heard something, but do not know exactly	43	48	44	43	42	43
	Do not know/No answer	17	18	15	16	15	16
Insurance for traveling abroad	Well aware of, know how to use	38	38	35	33	31	34
	Heard something, but do not know exactly	39	44	45	46	45	45
	Do not know/No answer	22	18	20	20	24	21
Voluntary health insurance, issued by employer	Well aware of, know how to use	48	56	53	51	47	51
	Heard something, but do not know exactly	44	38	35	38	37	37
	Do not know/No answer	8	5	13	11	16	12

Table A3-20. Awareness: Insurance products. Distribution by income level.
Distribution of answers to the question «What insurance products do you know?» (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	No answer	Sample average
Voluntary MTPL insurance	Well aware of, know how to use	18	22	33	33	32	33	35	44	34	33
	Heard something, but do not know exactly	58	50	42	44	47	47	47	39	47	45
	Do not know/ No answer	24	28	24	24	21	19	18	16	19	22
Motor hull insurance	Well aware of, know how to use	26	35	44	44	49	47	50	62	46	46
	Heard something, but do not know exactly	55	47	40	43	42	44	41	29	41	42
	Do not know/ No answer	18	19	15	13	9	9	9	9	13	13
Green Card insurance	Well aware of, know how to use	13	15	18	19	19	20	23	25	21	19
	Heard something, but do not know exactly	61	45	42	42	43	46	47	47	44	44
	Do not know/ No answer	26	40	41	39	38	34	31	28	35	37
Mandatory MTPL insurance	Well aware of, know how to use	34	42	54	54	52	59	55	63	55	54
	Heard something, but do not know exactly	50	45	34	38	41	34	38	32	35	37
	Do not know/ No answer	16	13	12	9	8	7	8	5	11	9
Property (casualty and theft) insurance	Well aware of, know how to use	32	47	51	54	50	48	57	58	52	52
	Heard something, but do not know exactly	55	43	39	37	42	45	35	36	40	40
	Do not know/ No answer	13	11	10	9	7	7	8	6	8	8
Bank insurance	Well aware of, know how to use	24	24	30	28	28	31	32	35	32	30
	Heard something, but do not know exactly	55	44	41	43	44	46	47	43	45	44
	Do not know/ No answer	21	32	29	29	29	23	21	23	24	26

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	No answer	Sample average
Voluntary health insurance, issued independently	Well aware of, know how to use	50	45	59	58	57	58	65	68	56	58
	Heard something, but do not know exactly	39	40	33	33	35	36	26	25	37	34
	Do not know/ No answer	11	15	8	9	8	5	9	7	7	8
Risk life insurance	Well aware of, know how to use	26	33	38	37	37	31	34	39	38	36
	Heard something, but do not know exactly	58	43	40	44	43	49	50	46	44	44
	Do not know/ No answer	16	24	22	19	20	19	16	14	18	19
Life and health insurance	Well aware of, know how to use	32	43	54	55	52	50	58	57	53	53
	Heard something, but do not know exactly	53	48	38	36	40	44	34	37	39	39
	Do not know/ No answer	16	9	8	9	8	6	8	6	8	8
Disability insurance	Well aware of, know how to use	29	37	42	40	39	39	44	46	43	41
	Heard something, but do not know exactly	55	44	41	44	46	48	41	39	42	43
	Do not know/ No answer	16	19	17	16	15	13	15	15	15	16
Insurance for traveling abroad	Well aware of, know how to use	24	26	34	33	29	37	42	44	35	34
	Heard something, but do not know exactly	53	48	44	44	48	46	43	37	45	45
	Do not know/ No answer	24	26	22	23	23	17	15	19	20	21
Voluntary health insurance, issued by employer	Well aware of, know how to use	24	42	49	52	52	52	55	49	52	51
	Heard something, but do not know exactly	55	40	37	34	38	40	36	38	36	37
	Do not know/ No answer	21	18	15	13	10	8	9	13	12	12

Table A3-21. Awareness: Insurance products. Distribution by age and gender. Distribution of answers to the question “What insurance products do you know?” (percentage of total respondents, n = 2800)

		Males	Females	18–24	25–34	35–44	45–59	60 and older	Sample average
Voluntary health insurance, issued independently	Well aware of, know how to use	58	57	59	62	55	60	50	58
	Heard something, but do not know exactly	35	33	33	29	38	33	38	34
	Do not know/No answer	7	9	8	9	7	7	12	8
Voluntary MTPL insurance	Well aware of, know how to use	35	31	30	39	34	35	24	33
	Heard something, but do not know exactly	46	45	48	40	47	45	48	45
	Do not know/No answer	19	24	21	21	19	20	27	22
Motor hull insurance	Well aware of, know how to use	52	41	45	55	49	46	33	46
	Heard something, but do not know exactly	39	44	43	35	41	42	48	42
	Do not know/No answer	9	15	12	11	10	12	19	13
Green Card insurance	Well aware of, know how to use	22	17	24	20	22	20	12	19
	Heard something, but do not know exactly	43	44	43	42	41	44	47	44
	Do not know/No answer	35	38	34	38	36	36	41	37
Risk life insurance	Well aware of, know how to use	36	37	35	40	39	37	30	36
	Heard something, but do not know exactly	45	44	44	42	44	45	47	44
	Do not know/No answer	19	20	21	18	17	18	23	19
Property (casualty and theft) insurance	Well aware of, know how to use	51	52	52	54	56	52	44	52
	Heard something, but do not know exactly	41	39	39	38	39	40	44	40
	Do not know/No answer	7	9	9	8	5	8	11	8
Life and health insurance	Well aware of, know how to use	54	52	50	55	56	54	47	53
	Heard something, but do not know exactly	39	39	39	37	38	39	43	39
	Do not know/No answer	7	9	11	8	6	7	10	8
Disability insurance	Well aware of, know how to use	41	41	44	44	41	40	36	41
	Heard something, but do not know exactly	44	43	39	41	44	45	45	43
	Do not know/No answer	15	16	17	14	15	15	18	16
Insurance for traveling abroad	Well aware of, know how to use	35	33	38	40	33	33	27	34
	Heard something, but do not know exactly	45	45	42	41	47	47	46	45
	Do not know/No answer	20	22	20	20	20	21	27	21
Bank insurance	Well aware of, know how to use	30	29	30	35	32	30	20	30
	Heard something, but do not know exactly	43	45	43	40	43	46	47	44
	Do not know/No answer	27	26	26	24	25	25	33	26

		Males	Females	18-24	25-34	35-44	45-59	60 and older	Sample average
Mandatory MTPL insurance	Well aware of, know how to use	60	49	53	62	58	55	41	54
	Heard something, but do not know exactly	33	40	39	31	34	37	44	37
	Do not know/No answer	6	12	9	8	7	8	15	9
Voluntary health insurance, issued by employer	Well aware of, know how to use	53	48	51	58	52	51	39	51
	Heard something, but do not know exactly	37	37	38	31	35	38	43	37
	Do not know/No answer	10	14	11	11	12	11	18	12

Table A3-22. Awareness: Insurance products. Distribution by level of Internet usage. Distribution of answers to the question “What insurance products do you know?” (percentage of total respondents, n = 2800)

		Daily	Several times a week	Several times a month	From time to time	Do not use, plan to	Do not use and do not plan to	Sample average
Voluntary health insurance, issued independently	Well aware of, know how to use	63	57	55	59	49	50	58
	Heard something, but do not know exactly	30	36	36	37	39	38	34
	Do not know/No answer	7	7	9	4	12	12	8
Voluntary MTPL insurance	Well aware of, know how to use	39	32	26	25	28	26	33
	Heard something, but do not know exactly	42	48	53	55	46	48	45
	Do not know/No answer	19	20	21	20	26	27	22
Motor hull insurance	Well aware of, know how to use	54	47	41	45	34	35	46
	Heard something, but do not know exactly	36	45	44	39	51	47	42
	Do not know/No answer	10	8	15	16	15	18	13
Green Card insurance	Well aware of, know how to use	23	19	13	14	15	15	19
	Heard something, but do not know exactly	43	46	50	53	44	43	44
	Do not know/No answer	34	35	36	33	41	42	37
Risk life insurance	Well aware of, know how to use	42	35	34	27	32	29	36
	Heard something, but do not know exactly	41	46	45	51	46	49	44
	Do not know/No answer	17	19	21	22	22	22	19
Property insurance	Well aware of, know how to use	55	55	48	41	47	47	52
	Heard something, but do not know exactly	38	37	42	47	46	44	40
	Do not know/No answer	7	8	10	12	8	10	8
Life and health insurance	Well aware of, know how to use	56	56	53	39	47	47	53
	Heard something, but do not know exactly	36	36	40	51	48	43	39
	Do not know/No answer	8	8	7	10	6	10	8
Disability insurance	Well aware of, know how to use	45	42	40	35	36	35	41
	Heard something, but do not know exactly	41	43	46	47	49	46	43
	Do not know/No answer	14	15	14	18	16	18	16
Insurance for traveling abroad	Well aware of, know how to use	40	33	32	31	22	26	34
	Heard something, but do not know exactly	42	50	50	47	49	46	45
	Do not know/No answer	18	17	19	22	29	27	21

		Daily	Several times a week	Several times a month	From time to time	Do not use, plan to	Do not use and do not plan to	Sample average
Bank insurance	Well aware of, know how to use	35	31	31	25	21	21	30
	Heard something, but do not know exactly	42	46	40	43	44	47	44
	Do not know/No answer	23	24	29	31	34	33	26
Mandatory MTPL insurance	Well aware of, know how to use	61	55	52	51	41	43	54
	Heard something, but do not know exactly	32	39	34	35	49	42	37
	Do not know/No answer	7	6	14	14	10	15	9
Voluntary health insurance, issued by employer	Well aware of, know how to use	57	56	45	45	47	38	51
	Heard something, but do not know exactly	32	35	40	43	43	45	37
	Do not know/No answer	10	9	15	12	11	18	12

Table A3-23. Awareness: Delivery channels. Distribution by region.
Distribution of answers to the question “What financial service delivery channels do you know?”
(percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Bank branch	Well aware of, know how to use	93	92	90	85	92	86	94	80	91
	Heard something, but Do not know exactly	5	6	8	10	7	8	4	13	7
	Do not know/No answer	2	2	2	4	2	5	3	7	3
Russian Post office	Well aware of, know how to use	87	88	86	84	90	83	87	81	87
	Heard something, but Do not know exactly	11	11	14	14	8	13	12	13	11
	Do not know/No answer	2	2	0	3	2	5	2	6	2
ATM	Well aware of, know how to use	85	88	81	84	83	84	83	84	84
	Heard something, but Do not know exactly	13	11	16	11	15	13	13	14	13
	Do not know/No answer	2	1	3	5	3	3	3	2	3
Payment terminal	Well aware of, know how to use	67	60	67	73	71	67	65	64	67
	Heard something, but Do not know exactly	20	27	22	11	19	21	20	23	20
	Do not know/No answer	13	13	12	16	9	13	15	13	12
Agent, mobile phone shop	Well aware of, know how to use	82	80	76	84	83	84	78	71	81
	Heard something, but Do not know exactly	14	16	18	8	12	10	14	17	14
	Do not know/No answer	4	4	6	8	6	5	8	12	6
Bank terminal	Well aware of, know how to use	73	78	70	79	69	74	74	74	73
	Heard something, but Do not know exactly	18	17	22	12	20	17	14	15	18
	Do not know/No answer	10	5	8	9	11	9	11	11	9
Cash	Well aware of, know how to use	88	84	88	84	86	89	85	76	86
	Heard something, but Do not know exactly	7	13	6	8	9	7	6	15	8
	Do not know/No answer	4	4	6	8	5	4	9	9	6
Online banking (bank account)	Well aware of, know how to use	44	39	45	49	40	41	39	42	42
	Heard something, but Do not know exactly	34	42	36	36	39	39	34	39	37
	Do not know/No answer	22	19	19	15	22	20	27	19	21

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Agent, cash desk in store	Well aware of, know how to use	84	79	81	77	79	84	84	71	81
	Heard something, but Do not know exactly	10	15	12	14	11	10	6	19	11
	Do not know/No answer	6	6	7	9	9	6	10	10	8
Mobile phone account	Well aware of, know how to use	42	41	42	54	42	47	39	50	43
	Heard something, but Do not know exactly	40	42	40	32	39	31	37	33	38
	Do not know/No answer	18	16	18	14	19	23	24	17	19
E-wallet	Well aware of, know how to use	33	28	36	42	33	33	30	36	33
	Heard something, but Do not know exactly	40	45	42	37	41	40	34	41	40
	Do not know/No answer	27	27	22	21	27	26	36	24	27
Mobile banking (bank account)	Well aware of, know how to use	35	31	38	39	31	35	31	43	34
	Heard something, but Do not know exactly	37	44	41	40	41	33	33	34	38
	Do not know/No answer	28	25	22	21	27	32	36	23	28

Table A3-24. Awareness: Delivery channels. Distribution by type of settlement.
Distribution of answers to the question "What financial service delivery channels do you know?"
(percentage of total respondents, n = 2800)

		Moscow	St. Petersburg	Regional capitals	Urban	Rural	Sample average
Bank branch	Well aware of, know how to use	97	87	90	91	90	91
	Heard something, but do not know exactly	3	10	7	6	7	7
	Do not know/No answer	0	3	3	3	3	3
Russian Post office	Well aware of, know how to use	87	84	87	86	88	87
	Heard something, but do not know exactly	11	14	11	11	11	11
	Do not know/No answer	2	2	3	2	2	2
ATM	Well aware of, know how to use	89	87	84	84	82	84
	Heard something, but do not know exactly	9	11	12	14	15	13
	Do not know/No answer	2	2	4	2	3	3
Payment terminal	Well aware of, know how to use	74	55	67	69	66	67
	Heard something, but do not know exactly	14	33	19	20	23	20
	Do not know/No answer	12	12	14	12	12	12
Agent, mobile phone shop	Well aware of, know how to use	86	82	80	80	81	81
	Heard something, but do not know exactly	10	15	13	14	14	14
	Do not know/No answer	4	2	7	6	5	6
Payment terminal in bank office	Well aware of, know how to use	78	71	72	74	71	73
	Heard something, but do not know exactly	13	22	16	17	20	18
	Do not know/No answer	8	7	11	9	9	9
Cash	Well aware of, know how to use	92	86	84	86	86	86
	Heard something, but do not know exactly	4	13	8	8	8	8
	Do not know/No answer	4	1	7	6	5	6
Online banking (bank account)	Well aware of, know how to use	54	36	44	40	41	42
	Heard something, but do not know exactly	27	47	35	38	38	37
	Do not know/No answer	19	16	22	22	21	21
Agent, cash desk in store	Well aware of, know how to use	88	84	79	81	81	81
	Heard something, but do not know exactly	8	14	11	11	11	11
	Do not know/No answer	4	2	9	8	7	8
Mobile phone account	Well aware of, know how to use	47	37	46	42	42	43
	Heard something, but do not know exactly	37	48	35	39	38	38
	Do not know/No answer	17	14	19	19	20	19
E-wallet	Well aware of, know how to use	36	25	35	32	33	33
	Heard something, but do not know exactly	37	49	39	41	39	40
	Do not know/No answer	27	25	26	28	28	27
Mobile banking (bank account)	Well aware of, know how to use	39	30	37	33	33	34
	Heard something, but do not know exactly	36	45	36	39	39	38
	Do not know/No answer	25	25	27	28	28	28

Table A3-25. Awareness: Delivery channels. Distribution by income level.
Distribution of answers to the question “What financial service delivery channels do you know?”
(percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Bank branch	Well aware of, know how to use	71	91	92	91	89	91	92	94	91	91
	Heard something, but Do not know exactly	21	5	6	7	7	6	4	4	8	7
	Do not know/ No answer	8	4	3	2	4	3	4	1	2	3
Russian Post office	Well aware of, know how to use	74	91	90	87	86	82	88	91	86	87
	Heard something, but Do not know exactly	21	6	9	12	10	16	9	7	13	11
	Do not know/ No answer	5	2	1	2	4	2	3	2	2	2
ATM	Well aware of, know how to use	71	83	79	81	88	88	91	90	84	84
	Heard something, but Do not know exactly	21	15	17	16	11	10	8	7	15	13
	Do not know/ No answer	8	2	4	3	2	2	1	3	2	3
Payment terminal	Well aware of, know how to use	66	63	63	62	69	70	73	77	70	67
	Heard something, but Do not know exactly	21	23	20	24	21	21	16	13	18	20
	Do not know/ No answer	13	14	17	14	11	9	11	9	12	12
Agent, mobile phone shop	Well aware of, know how to use	71	77	78	78	84	80	83	88	84	81
	Heard something, but Do not know exactly	21	17	14	16	13	14	10	10	12	14
	Do not know/ No answer	8	6	9	7	4	5	7	2	5	6
Payment terminal in bank office	Well aware of, know how to use	58	74	66	71	75	77	81	81	74	73
	Heard something, but Do not know exactly	29	18	21	19	18	15	11	15	16	18
	Do not know/ No answer	13	8	13	10	7	8	9	4	10	9

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Cash	Well aware of, know how to use	55	84	86	88	87	84	84	89	86	86
	Heard something, but Do not know exactly	32	10	7	8	8	8	8	10	7	8
	Do not know/ No answer	13	5	6	5	5	8	8	1	6	6
Online banking (bank account)	Well aware of, know how to use	32	34	36	41	43	41	48	56	46	42
	Heard something, but Do not know exactly	50	42	33	36	40	41	33	29	36	37
	Do not know/ No answer	18	24	31	23	17	18	19	15	18	21
Agent, cash desk in store	Well aware of, know how to use	50	74	81	82	83	80	81	86	81	81
	Heard something, but Do not know exactly	34	15	10	11	9	13	11	10	11	11
	Do not know/ No answer	16	12	9	7	7	7	8	4	9	8
Mobile phone account	Well aware of, know how to use	34	40	39	40	45	40	45	56	48	43
	Heard something, but Do not know exactly	42	41	37	40	39	43	35	28	36	38
	Do not know/ No answer	24	19	24	20	17	17	21	16	16	19
E-wallet	Well aware of, know how to use	29	27	29	31	34	28	38	47	36	33
	Heard something, but Do not know exactly	47	48	37	40	42	46	36	31	39	40
	Do not know/ No answer	24	25	34	29	23	26	26	22	25	27
Mobile banking (bank account)	Well aware of, know how to use	32	28	29	31	35	31	39	53	39	34
	Heard something, but Do not know exactly	45	45	33	39	40	43	36	30	39	38
	Do not know/ No answer	24	27	37	29	26	26	25	18	23	28

Table A3-26. Awareness: Delivery channels. Distribution by age and gender.
Distribution of answers to the question “What financial service delivery channels do you know?”
(percentage of total respondents, n = 2800)

		18–24	25–34	35–44	44–59	60 and older	Males	Females	Sample average
Bank branch	Well aware of, know how to use	91	93	90	92	87	91	91	91
	Heard something, but do not know exactly	8	5	8	5	9	7	6	7
	Do not know/No answer	2	2	2	3	4	2	3	3
Russian Post office	Well aware of, know how to use	85	89	86	87	86	86	88	87
	Heard something, but do not know exactly	14	9	11	11	11	12	10	11
	Do not know/No answer	1	2	3	2	3	2	2	2
ATM	Well aware of, know how to use	88	91	87	86	66	86	82	84
	Heard something, but do not know exactly	10	8	11	12	26	12	15	13
	Do not know/No answer	2	1	1	2	7	2	3	3
Payment terminal	Well aware of, know how to use	79	76	72	65	47	70	65	67
	Heard something, but do not know exactly	13	14	19	23	30	18	22	20
	Do not know/No answer	8	10	9	12	23	12	13	12
Agent, mobile phone shop	Well aware of, know how to use	88	87	85	80	65	82	80	81
	Heard something, but do not know exactly	9	9	11	15	22	12	15	14
	Do not know/No answer	3	4	4	6	13	6	5	6
Payment terminal in bank office	Well aware of, know how to use	81	83	78	70	55	75	71	73
	Heard something, but do not know exactly	13	11	16	19	28	16	19	18
	Do not know/No answer	6	6	6	10	17	9	10	9
Cash	Well aware of, know how to use	88	88	86	86	82	86	86	86
	Heard something, but do not know exactly	6	7	8	8	12	9	8	8
	Do not know/No answer	6	5	5	6	7	6	6	6
Online banking (bank account)	Well aware of, know how to use	53	52	45	37	27	43	41	42
	Heard something, but do not know exactly	31	31	39	42	37	36	37	37
	Do not know/No answer	17	16	16	21	36	21	22	21
Agent, cash desk in store	Well aware of, know how to use	85	84	81	80	76	83	80	81
	Heard something, but do not know exactly	8	10	12	11	13	10	12	11
	Do not know/No answer	7	6	7	9	10	8	8	8
Mobile phone account	Well aware of, know how to use	55	53	47	38	26	44	42	43
	Heard something, but do not know exactly	34	33	37	42	41	38	38	38
	Do not know/No answer	11	14	15	20	33	18	19	19
E-wallet	Well aware of, know how to use	48	44	34	26	20	36	31	33
	Heard something, but do not know exactly	34	36	44	43	38	39	41	40
	Do not know/No answer	17	20	22	31	42	26	28	27
Mobile banking (bank account)	Well aware of, know how to use	47	44	37	28	21	36	33	34
	Heard something, but do not know exactly	35	35	42	41	35	38	38	38
	Do not know/No answer	18	20	21	31	44	26	29	28

Table A3-27. Awareness: Delivery channels. Distribution by level of Internet usage.
Distribution of answers to the question "What financial service delivery channels do you know?"
 (percentage of total respondents, n = 2800)

		Daily	Several times a week	Several times a month	From time to time	Do not use, plan to	Do not use and do not plan to	Sample average
Bank branch	Well aware of, know how to use	92	92	92	94	95	86	91
	Heard something, but do not know exactly	6	5	7	6	4	9	7
	Do not know/No answer	2	3	1	0	1	4	3
Russian Post office	Well aware of, know how to use	86	85	87	88	92	88	87
	Heard something, but do not know exactly	12	12	12	12	7	10	11
	Do not know/No answer	2	2	2	0	1	3	2
ATM	Well aware of, know how to use	91	88	88	92	86	68	84
	Heard something, but do not know exactly	8	12	11	4	12	26	13
	Do not know/No answer	1	1	1	4	3	6	3
Payment terminal	Well aware of, know how to use	76	71	75	63	63	49	67
	Heard something, but do not know exactly	16	19	17	24	23	29	20
	Do not know/No answer	8	10	8	14	15	22	12
Agent, mobile phone shop	Well aware of, know how to use	87	83	81	78	78	69	81
	Heard something, but do not know exactly	10	12	15	16	14	21	14
	Do not know/No answer	3	5	4	6	9	10	6
Payment terminal in bank office	Well aware of, know how to use	81	76	78	82	71	56	73
	Heard something, but do not know exactly	13	16	17	6	18	28	18
	Do not know/No answer	6	8	5	12	11	16	9
Cash	Well aware of, know how to use	88	87	86	90	84	82	86
	Heard something, but do not know exactly	7	8	10	4	11	10	8
	Do not know/No answer	5	5	4	6	5	8	6
Online banking (bank account)	Well aware of, know how to use	54	42	38	49	26	24	42
	Heard something, but do not know exactly	32	44	42	27	44	40	37
	Do not know/No answer	14	14	19	24	29	37	21
Agent, cash desk in store	Well aware of, know how to use	83	83	82	90	80	76	81
	Heard something, but do not know exactly	10	11	12	4	13	13	11
	Do not know/No answer	7	6	6	6	7	12	8
Mobile phone account	Well aware of, know how to use	55	42	42	33	33	24	43
	Heard something, but do not know exactly	34	43	40	35	43	43	38
	Do not know/No answer	12	15	18	31	25	33	19
E-wallet	Well aware of, know how to use	45	33	27	27	18	16	33
	Heard something, but do not know exactly	37	47	51	33	46	38	40
	Do not know/No answer	18	20	22	39	37	46	27
Mobile banking (bank account)	Well aware of, know how to use	45	35	32	29	21	17	34
	Heard something, but do not know exactly	37	43	42	31	42	37	38
	Do not know/No answer	18	22	26	39	37	45	28

Intention to use

Table A3-28. *Intention to use: Credit, card-based and savings products. Distribution by region. Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following financial services in the next 12 months?” (percentage of total respondents, n = 2800)*

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Mortgage loan	Definitely no	70	60	73	69	62	65	62	61	66
	Rather no	19	31	20	19	26	27	29	26	24
	Rather yes	3	2	3	5	6	4	4	8	4
	Definitely yes	2	2	1	2	1	2	0	1	1
	Do not know/ No answer	6	6	4	5	4	2	5	4	5
Car loan	Definitely no	66	52	64	68	61	57	60	59	62
	Rather no	20	34	26	19	24	31	28	27	25
	Rather yes	6	8	8	7	8	7	6	10	7
	Definitely yes	2	2	0	2	2	2	1	1	2
	Do not know/ No answer	6	4	2	5	5	3	5	2	5
Cash loan from bank	Definitely no	54	45	54	57	50	44	47	41	50
	Rather no	21	30	26	23	22	33	25	21	24
	Rather yes	13	15	14	9	18	16	19	28	16
	Definitely yes	4	5	2	5	3	3	4	5	4
	Do not know/ No answer	7	5	4	7	7	5	6	4	6
POS-credit	Definitely no	51	41	54	55	46	43	47	38	48
	Rather no	21	27	25	20	28	32	29	22	25
	Rather yes	18	22	15	14	17	17	16	31	18
	Definitely yes	2	5	2	3	3	2	3	4	3
	Do not know/ No answer	8	5	4	7	6	6	6	5	6
Credit card	Definitely no	56	49	56	61	52	43	52	47	53
	Rather no	21	30	24	20	25	31	26	25	25
	Rather yes	10	11	14	11	12	13	12	19	12
	Definitely yes	5	5	3	4	3	5	3	1	4
	Do not know/ No answer	8	5	3	4	8	8	7	7	7
Microloan	Definitely no	69	61	67	70	63	55	59	55	64
	Rather no	20	30	22	20	23	32	28	27	24
	Rather yes	2	2	3	2	5	3	4	7	3
	Definitely yes	1	1	1	1	1	2	1	4	1
	Do not know/ No answer	8	5	7	7	8	8	8	7	8

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Debit card	Definitely no	61	47	59	55	56	50	55	47	56
	Rather no	21	35	23	20	25	28	29	26	25
	Rather yes	5	5	6	9	6	5	7	13	6
	Definitely yes	3	5	3	9	2	5	3	6	4
	Do not know/ No answer	10	8	9	7	10	13	7	7	9
Salary card	Definitely no	42	33	46	56	40	32	41	33	40
	Rather no	15	14	14	19	19	19	24	19	18
	Rather yes	14	20	14	10	18	21	14	23	16
	Definitely yes	19	18	18	11	13	19	11	17	16
	Do not know/ No answer	11	16	7	4	9	9	10	8	10
Social card	Definitely no	56	41	55	64	51	46	47	44	51
	Rather no	19	25	25	17	25	25	28	22	23
	Rather yes	6	11	5	6	9	9	7	14	8
	Definitely yes	6	5	6	3	5	7	6	7	6
	Do not know/ No answer	12	17	8	9	10	13	12	13	12
Current account	Definitely no	53	43	55	61	53	49	50	46	52
	Rather no	21	33	26	23	24	24	28	24	25
	Rather yes	10	9	8	5	10	9	10	20	10
	Definitely yes	7	5	5	4	4	8	5	3	5
	Do not know/ No answer	10	11	6	8	9	11	8	7	9
Term deposit	Definitely no	57	47	57	63	54	51	52	50	54
	Rather no	24	33	29	21	25	28	29	22	26
	Rather yes	7	9	7	7	9	8	6	20	8
	Definitely yes	3	3	3	1	2	3	3	2	3
	Do not know/ No answer	9	8	4	8	9	10	10	5	8
Demand deposit/ Savings account	Definitely no	54	46	52	62	49	47	52	47	51
	Rather no	23	31	23	21	25	28	29	22	25
	Rather yes	10	12	12	9	12	11	8	21	11
	Definitely yes	7	4	10	1	5	6	3	5	5
	Do not know/ No answer	7	7	3	8	9	9	8	4	7
Mutual fund	Definitely no	67	56	65	68	58	54	58	57	61
	Rather no	20	30	24	21	23	27	29	16	24
	Rather yes	2	3	2	2	4	5	2	16	3
	Definitely yes	1	0	0	1	0	2	0	0	0
	Do not know/ No answer	11	11	8	8	15	13	11	11	12

Table A3-29. *Intention to use: Credit, card-based and savings products. Distribution by income level.*

Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following financial services in the next 12 months?” (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Mortgage loan	Definitely no	79	70	70	68	66	61	64	65	62	66
	Rather no	8	20	21	24	25	26	25	23	28	24
	Rather yes	0	5	4	3	5	4	4	6	4	4
	Definitely yes	0	2	1	1	1	2	4	2	1	1
	Do not know/No answer	13	4	5	4	3	6	4	5	5	5
Car loan	Definitely no	74	64	68	65	60	56	55	63	57	62
	Rather no	11	22	20	22	26	28	33	23	31	25
	Rather yes	0	5	8	8	8	8	5	8	5	7
	Definitely yes	3	3	1	1	3	2	3	1	1	2
	Do not know/No answer	13	5	4	4	4	6	4	5	5	5
Cash loan from bank	Definitely no	66	59	56	50	49	47	38	47	47	50
	Rather no	8	17	21	24	23	24	33	20	31	24
	Rather yes	11	15	16	16	17	17	20	22	12	16
	Definitely yes	3	3	4	3	6	6	1	2	4	4
	Do not know/No answer	13	6	4	7	5	6	8	8	6	6
POS-credit	Definitely no	71	58	53	49	44	43	40	50	44	48
	Rather no	5	18	22	25	25	28	34	24	29	25
	Rather yes	8	16	18	19	21	19	21	16	15	18
	Definitely yes	3	2	2	2	4	4	1	2	2	3
	Do not know/No answer	13	6	5	6	6	6	4	8	9	6
Credit card	Definitely no	74	65	58	53	49	50	45	51	50	53
	Rather no	11	15	24	23	26	28	32	21	27	25
	Rather yes	0	8	11	12	14	10	13	13	12	12
	Definitely yes	3	5	3	4	4	6	6	7	3	4
	Do not know/No answer	13	8	5	7	7	6	5	7	7	7
Microloan	Definitely no	79	74	67	62	61	63	59	67	61	64
	Rather no	3	13	24	24	27	25	26	23	27	24
	Rather yes	3	4	3	3	4	2	4	2	4	3
	Definitely yes	3	2	1	1	1	2	2	2	0	1
	Do not know/No answer	13	7	5	9	8	8	9	6	8	8

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Debit card	Definitely no	66	63	61	58	53	54	48	54	51	56
	Rather no	11	18	23	25	28	26	31	25	26	25
	Rather yes	5	6	6	5	7	6	4	7	8	6
	Definitely yes	3	8	3	2	2	5	5	6	4	4
	Do not know/No answer	16	5	7	9	10	9	12	7	11	9
Salary card	Definitely no	68	53	47	41	38	34	26	38	38	40
	Rather no	5	13	16	16	19	16	23	18	22	18
	Rather yes	8	12	16	15	16	22	18	18	16	16
	Definitely yes	3	12	13	17	17	18	25	18	13	16
	Do not know/No answer	16	9	8	11	10	10	8	8	11	10
Social card	Definitely no	68	63	56	52	48	49	43	54	48	51
	Rather no	8	17	23	22	23	23	30	20	27	23
	Rather yes	3	5	7	7	10	9	8	6	8	8
	Definitely yes	3	6	6	6	6	3	6	11	6	6
	Do not know/No answer	18	9	8	13	14	16	13	9	11	12
Current account	Definitely no	74	61	58	49	50	51	42	51	49	52
	Rather no	8	20	23	26	27	23	33	18	25	25
	Rather yes	5	4	10	9	10	11	9	15	10	10
	Definitely yes	0	3	5	5	5	4	9	6	4	5
	Do not know/No answer	13	12	5	11	8	11	7	8	11	9
Term deposit	Definitely no	74	66	61	54	54	49	45	56	51	54
	Rather no	5	21	25	26	27	27	33	20	29	26
	Rather yes	3	5	7	7	8	11	9	13	9	8
	Definitely yes	0	0	2	3	3	3	7	4	2	3
	Do not know/No answer	18	8	5	10	8	9	6	7	9	8
Demand deposit/Savings account	Definitely no	66	62	57	50	49	50	39	56	49	51
	Rather no	5	19	24	25	28	23	31	23	27	25
	Rather yes	11	9	10	10	11	13	13	10	11	11
	Definitely yes	5	4	5	6	4	7	7	6	5	5
	Do not know/No answer	13	6	4	8	8	8	9	6	8	7
Mutual fund	Definitely no	76	71	66	62	59	59	48	63	58	61
	Rather no	8	16	21	23	25	25	35	21	25	24
	Rather yes	0	4	3	2	3	2	4	8	4	3
	Definitely yes	0	1	1	1	0	0	1	1	0	0
	Do not know/No answer	16	9	9	13	13	13	12	8	13	12

Table A3-30. *Intention to use: Insurance products. Distribution by region.*
Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following insurance services in the next 12 months?” (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Voluntary health insurance, issued independently	Definitely no	47	43	49	55	49	50	41	40	47
	Rather no	22	36	23	27	25	23	29	24	26
	Rather yes	12	8	14	9	12	10	12	17	12
	Definitely yes	12	5	10	7	8	9	13	7	10
	Do not know/ No answer	6	8	3	3	7	8	5	12	6
Risk life insurance	Definitely no	54	46	54	63	54	57	52	46	53
	Rather no	30	40	35	29	31	27	31	30	32
	Rather yes	5	5	4	4	5	5	6	7	5
	Definitely yes	1	0	1	1	0	0	1	1	1
	Do not know/ No answer	10	9	6	4	9	11	10	16	10
Life and health insurance	Definitely no	47	42	54	58	50	51	47	42	49
	Rather no	32	39	33	28	29	27	33	29	31
	Rather yes	13	11	7	5	9	9	7	12	10
	Definitely yes	1	2	2	3	2	5	4	1	2
	Do not know/ No answer	7	7	4	6	9	9	8	16	8
Disability insurance	Definitely no	52	47	59	63	54	56	53	44	53
	Rather no	32	39	32	25	30	28	32	30	31
	Rather yes	5	6	5	5	5	4	5	11	5
	Definitely yes	1	1	1	2	1	1	1	0	1
	Do not know/ No answer	10	8	4	5	9	12	9	15	9
Insurance for traveling abroad	Definitely no	51	42	59	66	55	56	51	46	53
	Rather no	27	36	22	26	26	21	31	29	27
	Rather yes	11	8	12	3	5	8	8	7	8
	Definitely yes	4	6	3	1	2	3	3	2	3
	Do not know/ No answer	7	8	5	4	12	12	8	16	9
Voluntary MTPL insurance	Definitely no	56	51	63	66	57	61	55	56	58
	Rather no	26	37	26	26	27	24	31	24	28
	Rather yes	5	5	5	3	4	5	4	5	5
	Definitely yes	3	0	2	2	3	4	3	1	2
	Do not know/ No answer	11	7	4	4	9	6	8	14	8
Motor hull insurance	Definitely no	54	46	61	60	57	59	55	55	55
	Rather no	25	36	22	24	23	20	30	23	25
	Rather yes	9	10	10	9	7	9	6	7	8
	Definitely yes	5	3	2	4	6	7	3	2	5
	Do not know/ No answer	7	5	5	4	7	6	6	13	6

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Green Card insurance	Definitely no	59	48	60	65	60	63	54	56	58
	Rather no	25	35	24	23	25	23	31	27	26
	Rather yes	5	4	8	6	3	3	4	4	4
	Definitely yes	0	5	0	1	0	1	1	1	1
	Do not know/ No answer	11	8	8	5	12	10	10	13	10
Mandatory MTPL insurance	Definitely no	42	39	50	56	46	48	46	36	45
	Rather no	18	23	19	18	19	16	22	21	20
	Rather yes	13	19	12	9	10	9	8	12	11
	Definitely yes	19	12	15	10	16	20	16	17	16
	Do not know/ No answer	8	7	4	6	9	7	7	14	8
Property (casualty and theft) insurance	Definitely no	54	48	61	65	57	62	52	46	50
	Rather no	28	35	27	26	26	23	32	29	30
	Rather yes	6	6	6	4	4	4	5	5	10
	Definitely yes	1	0	2	1	0	1	2	2	3
	Do not know/ No answer	10	9	4	4	12	10	10	18	7
Bank insurance	Definitely no	50	44	53	56	51	52	50	43	56
	Rather no	30	36	30	28	28	25	31	31	28
	Rather yes	11	11	10	7	10	11	7	9	5
	Definitely yes	3	2	4	5	2	3	5	1	1
	Do not know/ No answer	6	6	3	4	9	9	8	16	10

Table A3-31. Intention to use: Insurance products. Distribution by income level.
Distribution of answers to the question “What is the likelihood that you (or your family) will apply for any of the following insurance services in the next 12 months?” (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Voluntary health insurance, issued independently	Definitely no	47	55	53	47	43	38	40	43	50	47
	Rather no	18	25	25	25	27	28	22	20	27	26
	Rather yes	13	10	9	12	12	13	20	14	11	12
	Definitely yes	16	7	8	9	9	13	13	14	7	10
	Do not know/No answer	5	3	4	6	9	7	6	9	6	6
Risk life insurance	Definitely no	61	63	60	55	51	48	47	44	53	53
	Rather no	24	26	30	29	32	37	32	34	34	32
	Rather yes	3	3	3	5	6	5	6	8	5	5
	Definitely yes	3	0	1	0	1	0	0	1	1	1
	Do not know/No answer	11	9	6	11	11	11	16	13	7	10
Life and health insurance	Definitely no	55	60	59	50	45	42	38	39	48	49
	Rather no	29	26	28	28	32	37	35	30	36	31
	Rather yes	0	5	7	11	11	11	13	18	9	10
	Definitely yes	3	1	2	2	4	2	3	2	1	2
	Do not know/No answer	13	9	4	9	9	9	11	12	7	8
Disability insurance	Definitely no	63	60	62	57	50	48	42	42	52	53
	Rather no	18	28	29	28	32	34	36	35	35	31
	Rather yes	8	5	4	5	6	7	5	8	5	5
	Definitely yes	0	1	0	1	1	1	1	1	0	1
	Do not know/No answer	11	6	5	10	11	9	17	13	7	9
Insurance for traveling abroad	Definitely no	66	63	62	54	49	48	46	41	50	53
	Rather no	13	26	25	26	27	31	23	27	31	27
	Rather yes	8	3	6	7	12	8	10	13	8	8
	Definitely yes	3	1	1	2	2	4	7	7	5	3
	Do not know/No answer	11	7	5	11	11	9	14	12	6	9
Voluntary MTPL insurance	Definitely no	63	69	66	58	56	53	54	46	54	58
	Rather no	24	22	26	25	28	28	26	29	32	28
	Rather yes	5	2	2	5	5	5	4	7	5	5
	Definitely yes	0	2	1	2	2	4	4	5	2	2
	Do not know/No answer	8	6	5	10	9	9	11	13	7	8

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know/No answer	Sample average
Motor hull insurance	Definitely no	68	65	64	57	52	52	52	42	52	55
	Rather no	13	19	24	24	26	27	25	22	30	25
	Rather yes	3	7	6	8	11	11	10	14	7	8
	Definitely yes	5	2	2	4	6	4	6	12	5	5
	Do not know/No answer	11	7	4	7	6	7	7	10	6	6
Green Card insurance	Definitely no	66	66	65	59	57	57	53	49	55	58
	Rather no	16	19	25	25	26	27	26	32	31	26
	Rather yes	11	3	2	5	5	3	6	5	5	4
	Definitely yes	0	2	1	0	1	2	1	1	1	1
	Do not know/No answer	8	10	7	11	12	11	13	12	9	10
Mandatory MTPL insurance	Definitely no	58	56	56	46	39	42	34	38	43	45
	Rather no	8	17	19	19	19	17	19	17	25	20
	Rather yes	11	8	8	10	14	15	17	13	10	11
	Definitely yes	8	12	14	17	19	17	21	18	16	16
	Do not know/No answer	16	7	4	8	9	9	9	14	6	8
Property (casualty and theft) insurance	Definitely no	58	63	59	51	48	44	41	42	49	50
	Rather no	18	24	29	27	31	34	30	27	34	30
	Rather yes	8	4	6	11	10	10	18	15	8	10
	Definitely yes	3	2	3	4	3	2	2	4	3	3
	Do not know/No answer	13	7	3	8	8	9	9	12	6	7
Bank insurance	Definitely no	61	67	63	58	51	50	50	46	54	56
	Rather no	21	21	26	25	30	29	29	32	33	28
	Rather yes	5	4	4	5	5	6	4	6	5	5
	Definitely yes	0	2	1	1	2	1	1	1	1	1
	Do not know/No answer	13	7	6	10	12	13	16	14	7	10

Tables: Barriers to financial inclusion

Trust in financial service providers

Table A3-32. Barriers to financial inclusion: Trust in financial service providers. Distribution by region.

Distribution of answers to the question "To what extent do you trust the following financial institutions?" (percentage of total respondents, n = 2800)

		Central	North-western	Southern	North Caucasian	Volga	Urals	Siberian	Far Eastern	Sample average
Banks	Fully distrust	4	2	8	7	4	4	3	4	4
	Rather distrust	14	12	19	20	15	19	15	18	16
	Rather trust	63	70	53	51	64	54	59	64	61
	Fully trust	13	12	14	12	11	17	14	12	13
	Do not know/ No answer	6	5	6	10	6	6	9	3	6
Insurance companies	Fully distrust	10	9	16	14	11	12	9	6	11
	Rather distrust	33	33	38	34	37	41	33	42	35
	Rather trust	44	47	35	32	35	27	39	44	38
	Fully trust	5	7	2	7	5	10	6	2	6
	Do not know/ No answer	8	4	9	13	12	10	13	5	10
Mutual funds	Fully distrust	18	19	21	20	16	22	16	17	18
	Rather distrust	38	35	38	38	37	35	35	41	37
	Rather trust	20	21	19	20	16	16	18	25	19
	Fully trust	1	4	0	2	1	6	2	1	2
	Do not know/ No answer	23	21	21	20	30	21	29	16	24
MFOs	Fully distrust	34	30	38	28	29	37	26	28	31
	Rather distrust	35	41	33	36	36	30	37	40	36
	Rather trust	11	11	14	16	11	10	15	19	12
	Fully trust	2	3	0	4	2	4	2	4	2
	Do not know/ No answer	18	15	15	16	21	20	21	10	18

Table A3-33. Barriers to financial inclusion: Trust in financial service providers. Distribution by age.

Distribution of answers to the question "To what extent do you trust the following financial institutions?" (percentage of total respondents, n = 2800)

		18-24	25-34	35-44	45-59	60+	Sample average
Banks	Fully distrust	4	4	4	4	5	4
	Rather distrust	16	15	14	16	18	16
	Rather trust	60	58	68	62	56	61
	Fully trust	13	16	13	12	11	13
	Do not know/No answer	8	7	2	6	10	6
Insurance companies	Fully distrust	9	10	8	10	16	11
	Rather distrust	35	33	36	38	34	35
	Rather trust	39	42	45	37	30	38
	Fully trust	4	6	6	6	4	6
	Do not know/No answer	13	8	5	9	16	10
Mutual funds	Fully distrust	16	15	19	18	23	18
	Rather distrust	34	40	36	39	33	37
	Rather trust	21	19	26	19	10	19
	Fully trust	4	3	2	1	1	2
	Do not know/No answer	26	24	17	23	33	24
MFOs	Fully distrust	28	33	33	32	28	31
	Rather distrust	33	36	34	39	35	36
	Rather trust	15	13	20	10	7	12
	Fully trust	3	4	3	2	1	2
	Do not know/No answer	21	14	11	18	29	18

Table A3-34. *Barriers to financial inclusion: Trust in financial service providers. Distribution by income level.*

Distribution of answers to the question “To what extent do you trust the following financial institutions?” (percentage of total respondents, n = 2800)

		Under 3,000	3,000-5,999	6,000-9,999	10,000-14,999	15,000-24,999	25,000-34,999	35,000-44,999	Over 45,000	Do not know	Sample average
Banks	Fully distrust	11	9	6	4	3	3	2	4	4	4
	Rather distrust	21	22	20	13	14	12	11	11	18	16
	Rather trust	32	49	54	59	66	68	70	65	62	61
	Fully trust	21	8	11	17	13	15	14	17	9	13
	Do not know/ No answer	16	12	8	8	4	1	3	4	8	6
Insurance companies	Fully distrust	13	26	15	9	7	7	6	4	13	11
	Rather distrust	45	34	44	31	44	34	29	26	29	35
	Rather trust	18	25	28	42	37	46	49	51	39	38
	Fully trust	0	3	1	5	7	8	11	13	4	6
	Do not know/ No answer	24	12	12	12	4	5	5	6	14	10
Mutual funds	Fully distrust	16	29	24	16	15	18	15	13	17	18
	Rather distrust	24	35	37	35	48	42	34	32	30	37
	Rather trust	29	9	13	19	16	18	28	34	21	19
	Fully trust	0	0	0	2	2	1	5	8	2	2
	Do not know/ No answer	32	27	25	27	19	20	18	13	31	24
MFOs	Fully distrust	24	38	34	31	29	39	28	28	26	31
	Rather distrust	13	26	38	31	42	41	35	38	34	36
	Rather trust	39	9	10	13	13	7	15	18	14	12
	Fully trust	0	6	0	2	3	1	4	10	2	2
	Do not know/ No answer	24	21	19	22	13	12	18	6	24	18

Behavioral characteristics and financial service usage

Table A3-35. Segmentation of financial services users.

Distribution by socio-demographic characteristics (percentage of total respondents, n = 2800)

		Savers	Conservative	Business-like	Unselfish	Careless	Cautious
Age group	18–24	12	14	13	13	15	18
	25–34	20	20	17	21	19	24
	35–44	15	15	18	17	19	17
	45–59	32	31	34	29	30	27
	60+	21	21	18	20	18	13
Family status	Single	20	18	19	20	21	25
	Married/Live together	63	69	64	65	62	62
	Divorced/Live separately	9	8	11	8	8	6
	Widowed	8	5	7	7	9	6
Education	Primary or incomplete secondary education (less than 9 years of school)	4	4	4	4	5	4
	General secondary education (10–11 years of school)	13	11	15	14	14	13
	Vocational secondary or technical education (vocational school, technical school, college)	46	49	43	46	47	47
	Incomplete higher education (at least three years, but without a diploma)	6	4	4	7	8	8
	Higher education	31	31	35	29	27	27
Employment	Full-time	64	59	67	62	60	63
	Part-time	7	9	4	7	7	9
	Do not work	29	31	29	32	33	28
Type of settlement	Moscow	7	4	11	6	5	6
	St. Petersburg	3	3	3	3	3	4
	Regional capital	34	32	21	27	26	28
	Cities and urban-type settlement	33	34	45	33	37	33
	Rural areas/villages	23	28	19	31	29	28
Federal District	Central	25	23	25	22	23	29
	Northwestern	10	11	9	9	9	10
	Southern	10	14	6	9	12	7
	North Caucasian	6	11	3	9	6	6
	Volga	19	20	26	19	24	22
	Urals	11	8	6	9	9	8
	Siberian	15	11	15	18	14	13
	Far Eastern	4	2	10	5	4	5

Table A3-36. Segmentation of financial services users. Distribution by income and well-being assessment (percentage of total respondents, n = 2800)

		Savers	Conservative	Business-like	Unselfish	Careless	Cautious
Family well-being	We do not always have enough money even for food	20	18	19	20	21	25
	We have enough money for food, but to buy clothes is a serious problem for us	63	69	64	65	62	62
	We have enough money for food and clothing, but to buy an imported refrigerator or automatic washing machine, we would have to save or borrow/take credit	9	8	11	8	8	6
	If necessary, we can easily buy basic household appliances without borrowing, but a car is unattainable luxury for us	8	5	7	7	9	6
	We can afford a lot, but in the nearest future will not be able to save even for a studio apartment	4	4	4	4	5	4
	We have no financial difficulties. If necessary, we will be able to buy an apartment or a house	13	11	15	14	14	13
	Income	Under 3,000 rubles	46	49	43	46	47
3,000–5,999 rubles		6	4	4	7	8	8
6,000–9,999 rubles		31	31	35	29	27	27
10,000–14,999 rubles		64	59	67	62	60	63
15,000–24,999 rubles		7	9	4	7	7	9
25,000–34,999 rubles		29	31	29	32	33	28
35,000–44,999 rubles		1	1	3	2	2	1
45,000 rubles and more		7	9	7	10	8	7

Table A3-37. Segmentation of financial services users. Distribution by financial products usage (percentage of total respondents, n = 2800)

		Savers	Conservative	Business-like	Unselfish	Careless	Cautious
Credit, card-based and savings products	Mortgage loan	5	6	2	4	4	4
	Car loan	4	7	8	8	6	8
	Cash loan from bank	18	16	18	19	18	18
	POS credit	10	9	10	12	11	11
	Credit card	17	17	15	17	16	18
	Microloan	1	1	1	1	1	1
	Debit card	11	9	9	7	7	10
	Salary card	45	41	51	44	43	44
	Social card	15	11	14	15	12	14
	Current account	14	13	13	12	12	13
	Deposit	6	4	4	7	3	3
	Demand deposit/Savings account	15	8	12	10	10	12
	Mutual fund	1	1	0	1	0	0
	None of the above	20	24	23	25	26	23
Insurance products	Voluntary health insurance, issued independently	22	22	24	20	28	23
	Voluntary MTPL insurance	3	2	4	2	3	4
	Motor hull insurance	7	9	9	10	10	11
	Green Card insurance	2	4	1	1	2	3
	Risk life insurance	1	1	1	2	2	1
	Property (casualty and theft) insurance	7	4	3	5	4	5
	Life and health insurance	7	4	5	9	8	8
	Disability insurance	1	0	1	3	2	1
	Insurance for traveling abroad	4	6	2	3	3	4
	Bank insurance	2	2	3	4	2	2
	Mandatory MTPL insurance	24	18	20	25	20	24
	Voluntary health insurance, issued by employer	19	10	18	22	19	17
None of the above	44	50	43	44	40	43	
Delivery channel	Bank branch	64	66	67	65	63	66
	Russian Post office	45	45	47	50	46	42
	ATM	61	59	61	63	58	65
	Payment terminal, other	38	39	46	41	37	46
	Agent, mobile phone shop	49	45	51	50	47	54
	Payment terminal at bank branch	39	25	32	37	29	39
	Cash	69	55	66	65	56	64
	Online banking (bank account)	15	11	18	15	13	15
	Agent, cash desk in store	72	55	68	68	60	66
	Mobile phone account	14	11	15	13	12	15
	E-wallet	9	8	10	8	9	11
	Mobile banking (bank account)	10	8	11	12	10	11
None of the above	3	5	4	4	5	2	