



Opinion Poll
Special Press Release
ACCESS TO FINANCE
Use of Prize Bonds in Pakistan

Access to Finance Survey 2015: An Approximate 3 Million Adult Pakistanis claim to invest in a Prize Bond: (Access to Finance Survey 2015 / Gallup Pakistan)

Islamabad, December 26, 2017

Introduction to the series on Financial Inclusion Research:

This press release is part of a special series that aim to foster an empirical understanding of financial inclusion in Pakistan and hope to create a collaborative network of individuals working on the topic.

This particular press release aims to determine the proportion of Pakistanis who believe in the use of prize bonds in Pakistan.

Introduction to Prize Bonds

Prize Bond, as the name suggests, are Bonds issued by a Government, which do not promise any interest, but award a prize, determined by a draw held at fixed date or regular intervals. Prize Bonds are investment and are bearer type of security available in different denominations.

The First Prize Bonds in the sub-continent were issued on sale in denominations of Rs.10 and Rs.100, by the undivided Indian Government on 15th January, 1944 and could be cashed on any date after 15th January, 1949. These were called “Five Year interest-free Bonds 1949”.

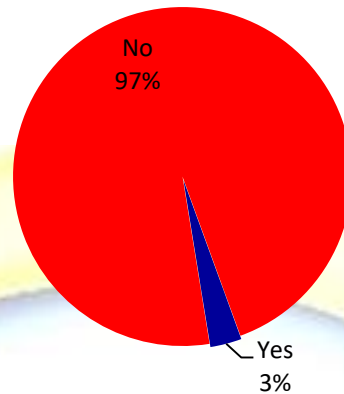
After the partition of sub-continent, Pakistan first issued the interest-free “National Prize Bonds” of Rs.10 in October 1960, managed by the ‘Central Directorate of National Savings’ (CDNS). The Prize Bonds were launched by the then Minister, Gen. K.M. Shaikh, and the first Bond was also purchased by him. Later Rs.5, 11, 50, 100, 500, 1000, 5000, 10000 & 25000 denomination Prize Bonds were issued.

The draw of each Prize Bond was held every three months, with the first draw held in January 1961. The traditional drum was used initially for the draw, but imported machines similar to slot machines were later used. The draws were supervised by draw committees, with the chairman being a senior Government officer, and members from the state Bank of Pakistan and CDNS. Rs. 200, 750, 1500, 7500, 15000, 25000 & 40000 denomination Bonds are currently in circulation.

A nationally representative sample of men and women from across the four provinces was asked, “I am going to tell you financial services and products. For each of them, please, tell me if you use it or have it now (*Savings in Prize Bonds*)” In response to this question, 3% Pakistanis said yes, while 97% said no.



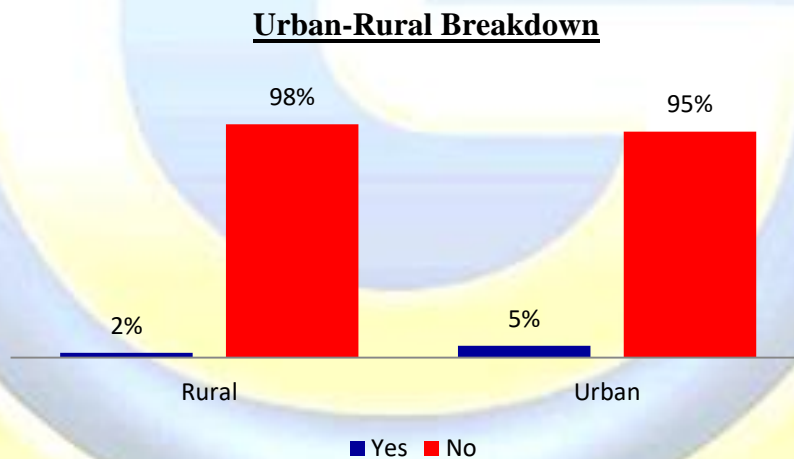
Question: “I am going to tell you financial services and products. For each of them, please, tell me if you use it or have it now (Savings in Prize Bonds)”



Source: Horus - Gallup Pakistan - Access to Finance Survey 2015
(<https://www.a2f2015.com>, www.gallup.com.pk)

Urban-Rural Breakdown: Urban Rural difference suggests that the product is more popular among urban dwellers as nearly 5% urban dwellers claim to have a Bond in comparison to 2% in rural areas.

A rural/urban breakdown reveals that 95% of the respondents in urban areas and 98% in rural areas do not claim to have saving bonds.



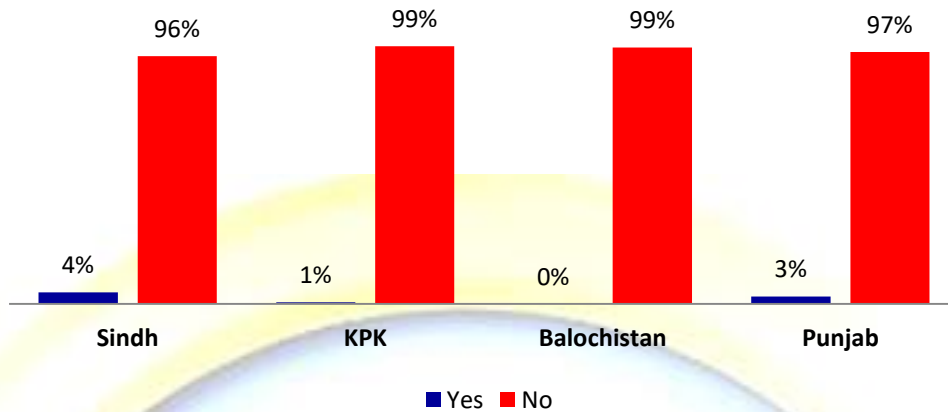
Source: Horus - Gallup Pakistan - Access to Finance Survey 2015

Provincial Results: Prize bonds seem to be most popular in Sindh and least popular in KPK

According to the provincial breakdown, 4% of the respondents in Sindh, 1% in KPK, less than 1% in Balochistan and 3% in Punjab save in bonds. The results for all provinces illustrate that majority respondents are averse towards prize bonds, primarily due to lack of formal literacy programs in the country.



Provincial Breakdown

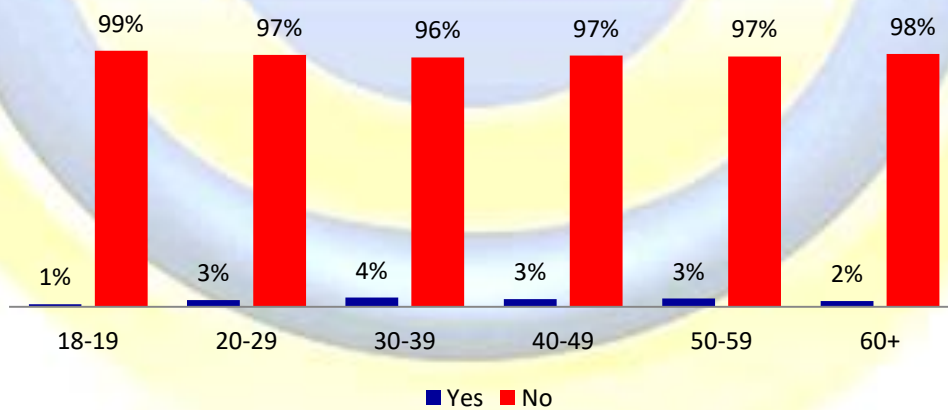


Source: Horus - Gallup Pakistan - Access to Finance Survey 2015
(<https://www.a2f2015.com>, www.gallup.com.pk)

Age: As age increases Prize Bonds become more popular

The greatest proportion of respondents who claim to use bonds are aged between 30-39 years (4%), in comparison, barely 1% respondents who claim to use bonds were aged between 18-19 years. Meanwhile, 3% were aged between 2-29 years, 40-49 years and 50-59 years each. 2% respondents were aged 60+.

Age Breakdown



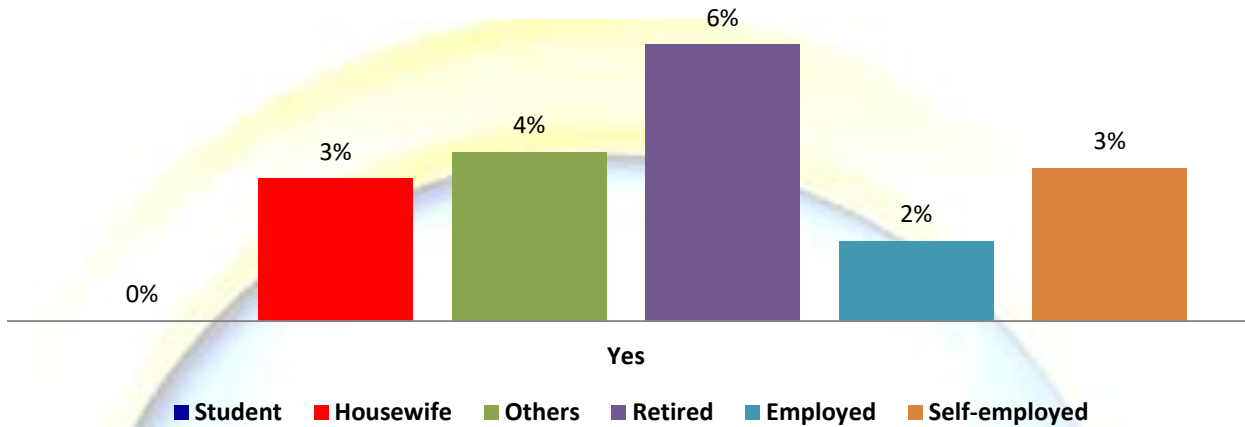
Source: Horus - Gallup Pakistan - Access to Finance Survey 2015
(<https://www.a2f2015.com>, www.gallup.com.pk)



Occupation Groupings and Prize Bond: Saving through prize bonds most popular among retirees and housewives; least popular among students.

Prize bond is most popular among retired Pakistanis, with 6% claiming to have a Prize Bond. Similarly, higher than average, housewives report having a Prize Bond (3%). This adds to around 1 Million Housewives savings in Bonds.

Occupation Groupings and Prize Bond

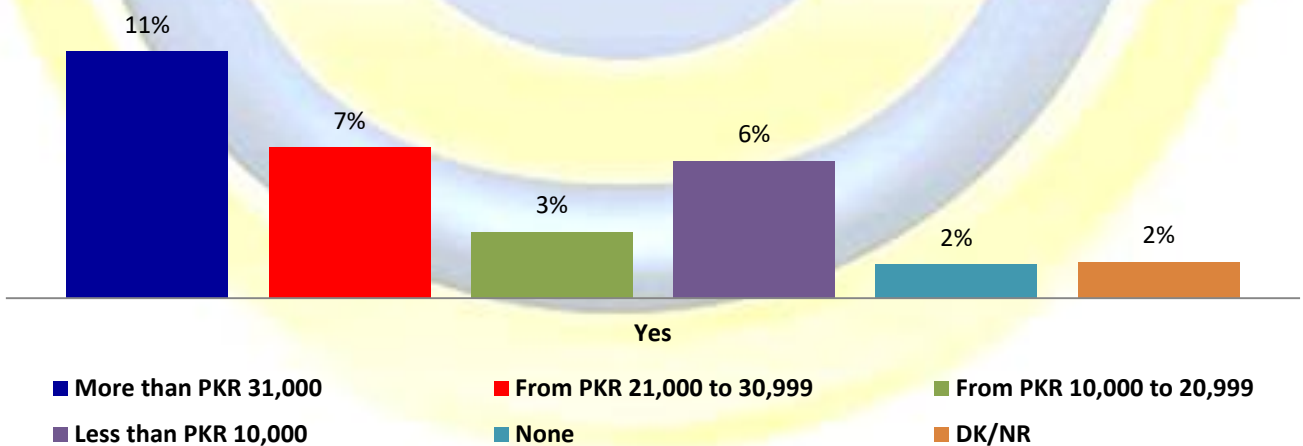


Source: Horus - Gallup Pakistan - Access to Finance Survey 2015
(<https://www.a2f2015.com>, www.gallup.com.pk)

Level of Personal Income: As income rises probability to save in Prize Bonds increases

Nearly 10% Survey respondents with income of more than 30,000 reported having Prize Bonds.

Level of Personal Income



Source: Horus - Gallup Pakistan - Access to Finance Survey 2015
(<https://www.a2f2015.com>, www.gallup.com.pk)



Introduction to Access to Finance:

The Access to Finance Survey 2015 (A2F 2015) aims to create a platform for the State Bank, the Government and the private sector of Pakistan to adopt and implement a comprehensive set of reforms needed to influence financial inclusion among Pakistanis in a more holistic manner. A2F 2015 will help state and non-state actors in streamlining their policies and reforms to ensure that they are able to effectively target the financial inclusivity of the Pakistani public.

Gallup Pakistan, in collaboration with HORUS Development Finance, conducted an extensive survey in over 10,000 households across Pakistan. The primary aim of the study was to determine the extent of financial services being used by Pakistanis as well as to provide insights into the barriers faced by the Pakistani public in accessing formal financial services.

The data was released as part of Access to Finance Study 2015. Fieldwork carried out by Gallup Pakistan, the Pakistani affiliate of Gallup International, among a sample of 10,000 households across rural and urban areas of all four provinces of Pakistan, during March 27 – June 12, 2015. Error margin is estimated to be approximately $\pm 2-3$ per cent at 95% confidence level.

For more survey data on social and other issues see website www.gallup.com.pk

Disclaimer: Gallup Pakistan is not related to Gallup Inc. headquartered in Washington D.C. USA. We require that our surveys be credited fully as Gallup Pakistan (not Gallup or Gallup Poll). We disclaim any responsibility for surveys pertaining to Pakistani public opinion except those carried out by Gallup Pakistan, the Pakistani affiliate of Gallup International Association. For details on Gallup International Association see website: www.gallup-international.com



of Gallup Pakistan
(1980-2017)

