PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release

Access to Finance

(Part 2 of a 15 part series)

29% of the general public in Pakistan claims to have not heard the word 'Islamic Banking' at all. (Access to Finance Survey 2015 – SBP/ Gallup Pakistan)

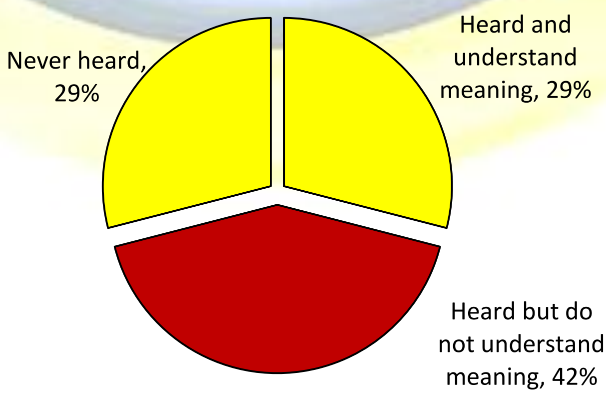
Islamabad, April 14, 2016

According to a survey conducted by Gallup Pakistan, 29% Pakistanis claim to have heard and understood the meaning of the term 'Islamic Banking' whereas an equal proportion of Pakistanis claim to have not heard about Islamic Banking at all. These results are a part of the nationwide Access to Finance Study conducted by the State Bank of Pakistan in 2015 with the intent of determining the degree of financial inclusiveness of the Pakistani public (please refer to page # 4 for more details).

This press release is part of a special series that aim to foster an empirical understanding of financial inclusion in Pakistan and that hope to create a collaborative network of individuals working on the topic. This press release broadly addresses a rather important branch of banking specific to the culture of Islam, i.e. Islamic Banking. Banking is a practice that is often viewed suspiciously by Muslims because of the concept of Interest. In Islamic jurisprudence, the concept of usury, or charging an unfair interest, is considered unlawful. Therefore, in light of these injunctions, a sizable portion of the Pakistani population remains excluded from the formal banking net. Hence, in order to target that segment of the population, Islamic banking, which complies with Islamic law by using a risk/profit sharing mechanism instead of an interest based system, has been introduced. Therefore, this press release focuses on determining the proportion of Pakistanis that is aware of Islamic Banking.

A nationally representative sample of men and women from across the four provinces was asked, "There are many words used in Pakistan that apply to financial services. Please tell me if you have heard the following word: Islamic Banking." In response to this question, surprisingly, majority Pakistanis i.e. 42% said that they have heard of this word but do not understand its meaning. On the other hand, only 29% said that they have heard the word and understand its meaning whereas 29% also said that they have never heard of the word. Thus, on the whole, there is a greater proportion of Pakistanis that is unaware of or unclear regarding Islamic Banking

Question: "There are many word used in Pakistan that apply to financial services. Please tell me if you have heard the following word: Islamic Banking."

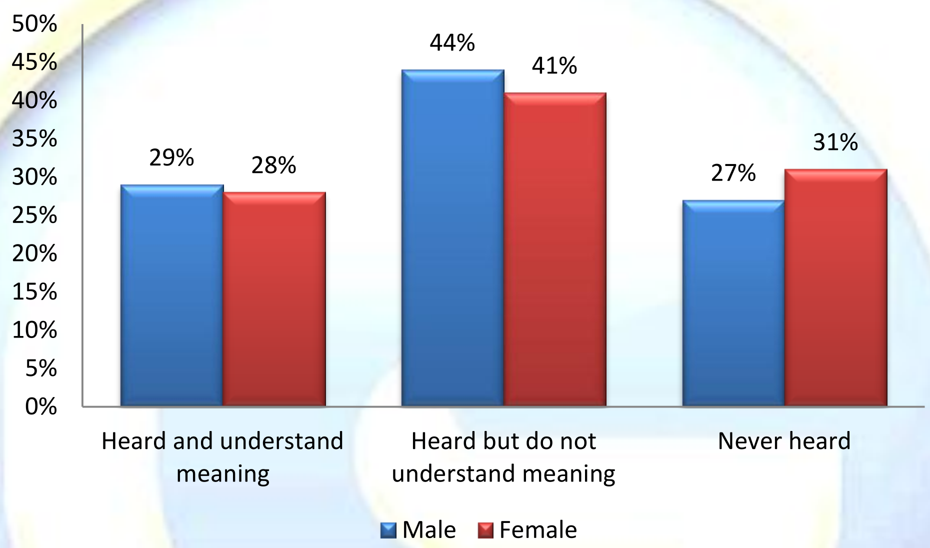


Source: Access to Finance Survey 2015: State Bank of Pakistan/ Gallup Pakistan (https://www.a2f2015.com, www.gallup.com.pk)

Negligible Gender Gap on the matter of Islamic Banking: 28% women as opposed to 29% men are aware of and understand the term ‘Islamic Banking’

When these results are analyzed according to gender breakdown it can be seen that 29% males said that they have heard and understand the meaning of the word ‘Islamic Banking’ while the same response is given by 28% of the females. Furthermore, 44% males said that they have heard of the word ‘Islamic Banking’ while the same response was given by 41% of the females. These statistics therefore point out to a persistent lack of information among the Pakistani masses with respect to Islamic Banking and how it differs from standard banking procedures. More people are still unaware of what it entails and how exactly does it comply with Islamic Law, or Sharia.

Gender Breakdown

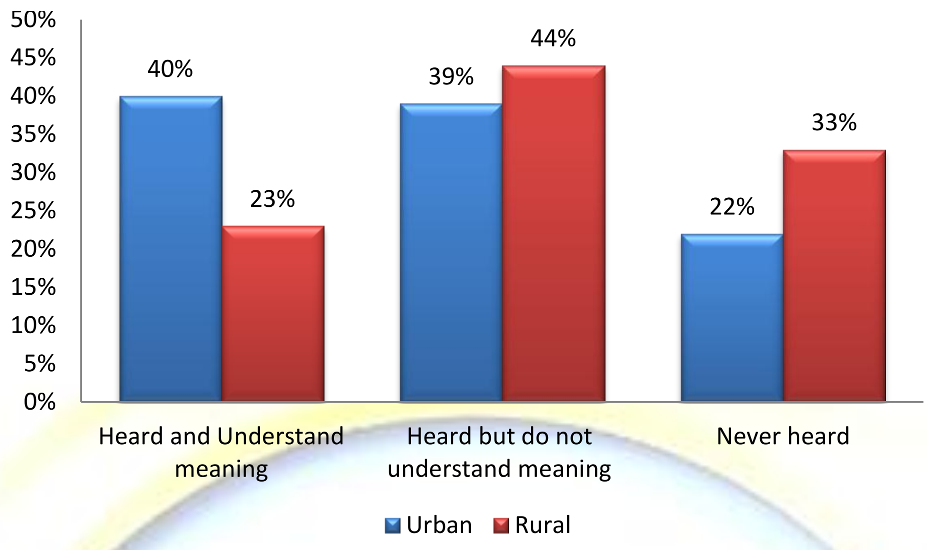


Source: Access to Finance Survey 2015: State Bank of Pakistan/ Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: Higher Proportion of Urban residents (40%) have heard and understood the term ‘Islamic Banking’ as compared to 23% Rural Pakistanis

In the same vein, a rural/urban breakdown reveals that 40% of the respondents in urban areas and 23% in rural areas have heard and understand the meaning of the word ‘Islamic Banking’. With a difference of 17%, this shows that there is a greater awareness of Islamic Banking in urban areas as opposed to rural areas. Furthermore, 39% in the urban areas that they have heard the word but do not understand its meaning, the same answer was given by 44% of the respondents in rural areas, thus empirically proving that urban areas are more informed about Islamic Banking as opposed to the rural areas which aren’t close to the main city centers.

Urban-Rural Breakdown

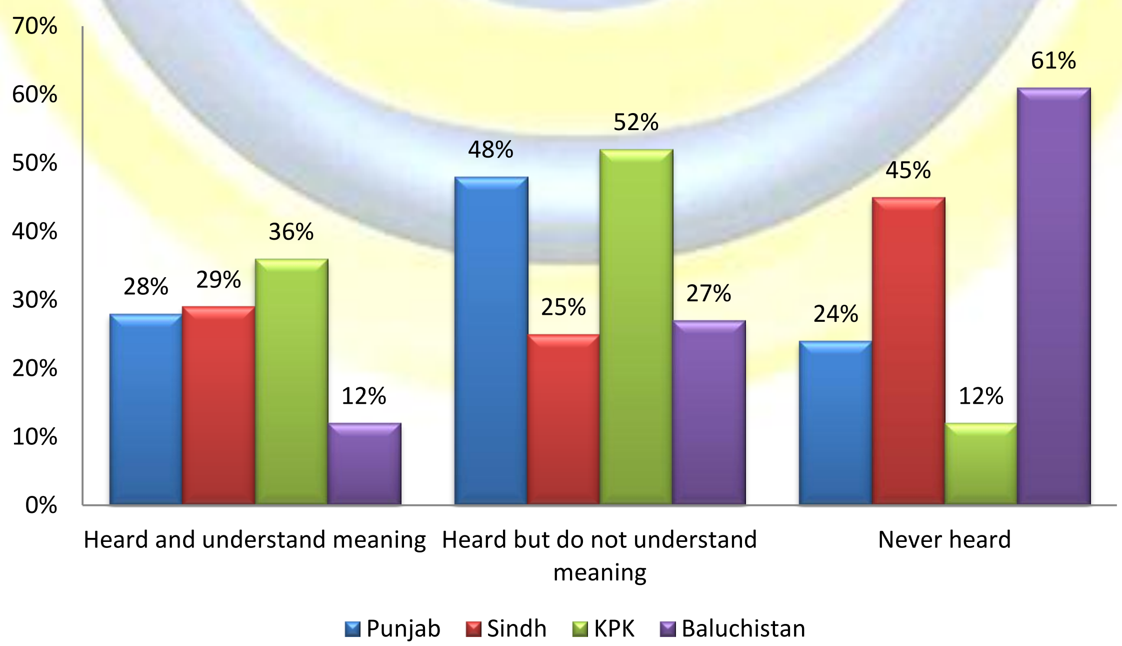


Source: Access to Finance Survey 2015: State Bank of Pakistan/ Gallup Pakistan (https://www.a2f2015.com, www.gallup.com.pk)

Provincial Results: Baluchistan considerably lags behind the other provinces in terms of having heard of as well as understanding 'Islamic Banking'

According to the provincial breakdown, 28% of the respondents in Punjab, 29% in Sindh, 36% in KPK and only 12% in Baluchistan said that they have heard of the word 'Islamic Banking' and understand its meaning. This drastic informational disparity between the province of Baluchistan on the one hand and Punjab and KPK on the other is also reflected in the results of respondents who say they have heard the word 'Islamic Banking' but do not understand its meaning. Only Sindh has a similar proportion of respondents who do not understand the meaning of the term in question (48% in Punjab; 25% in Sindh; 52% in KPK; and 27% in Baluchistan). The outright majority of respondents in Baluchistan (61%) have not even heard of the term.

Provincial Breakdown



Source: Access to Finance Survey 2015: State Bank of Pakistan/ Gallup Pakistan (https://www.a2f2015.com, www.gallup.com.pk) celebrating 36 years of Gallup Pakistan (1980-2016)

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 ± 2-3 per cent at 95% confidence level.

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