PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release

Access to Finance

(Part 8 of a 15 part series)

39% Pakistanis cite lack of information about bank accounts and financial institutions as the primary reason for not saving money at a financial institution. (Access to Finance Survey 2015 – SBP/ Gallup Pakistan)

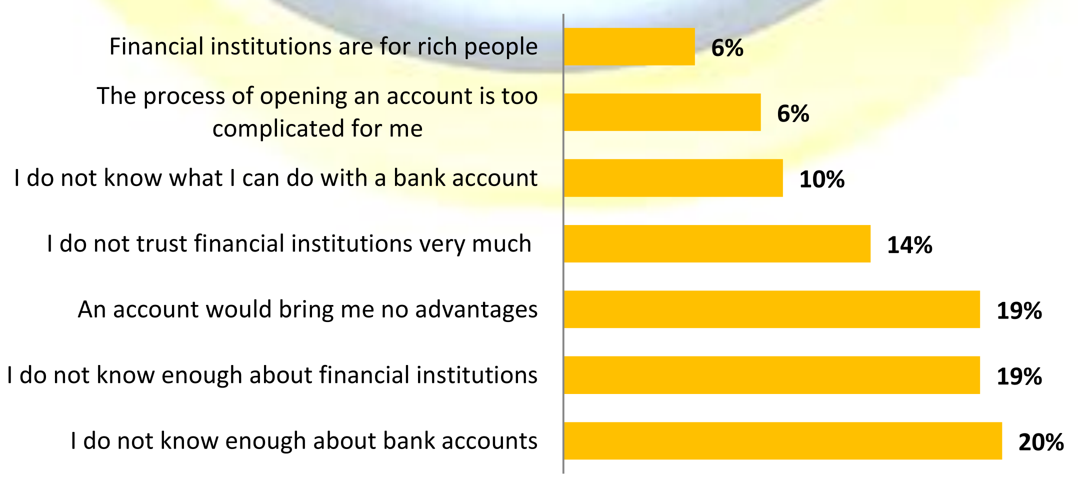
Islamabad, May 10, 2016

According to a survey conducted by Gallup Pakistan for State Bank of Pakistan, when asked the reasons for not saving money in banks and other financial institutions, 20% Pakistanis said that it was because they did not know enough about bank accounts while 19% Pakistanis said that they did not know enough about financial institutions. 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 aims to unearth the reasons behind the aversion of Pakistanis to banks and other formal financial institutions for the purposes of saving money. Thus, this press release aims to provide stakeholders of finance in Pakistan with relevant information so that they can in turn concoct an accurate prognosis for increasing financial inclusivity in Pakistan.

A nationally representative sample of men and women from across the four provinces was asked, "Financial institutions like banks and insurance companies offer possibilities to save money, for example on a savings account. You are NOT depositing money with a financial institution to build up a reserve for future expenses. Can you tell me why?" In response to this question, 20% Pakistanis said that they did not know enough about bank accounts, 19% Pakistanis said they did not know enough about financial institutions, another 19% said that opening an account would not bring them any advantage, 14% said that they do not put a lot of trust in financial institution, 10% said that they do not know what they can potentially do with a bank account, 9% said that the process of opening a bank account was too complicated for them while 6% felt that financial institutions were made for rich people and not for people like them.

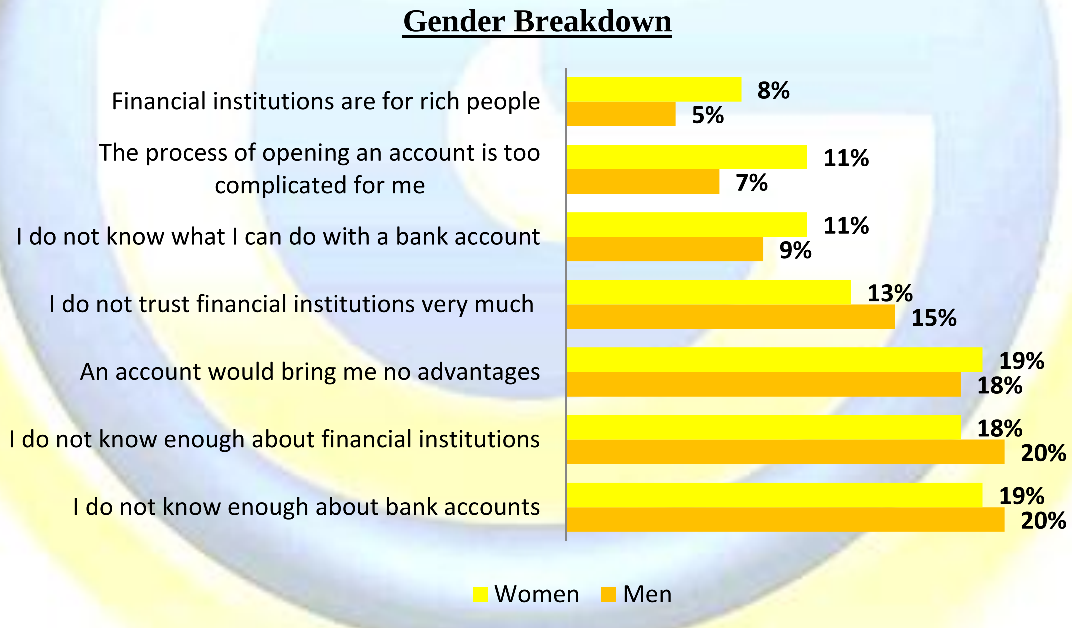
Question: "Financial institutions like banks and insurance companies offer possibilities to save money, for example on a savings account. You are NOT depositing money with a financial institution to build up a reserve for future expenses. Can you tell me why?"



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

Gender Breakdown: More women than men feel that the process of opening an account is too complicated and also that financial institutions are made for the rich

A gender breakdown of this result reveals that 20% men said that they did not know enough about bank accounts whereas the same response was given by 19% women. Furthermore, 20% men and 18% women stated that they did not know enough about financial institutions. 19% women said that an account would not bring them any advantages whereas the same response was given by 18% men. More men (15%) than women (13%) said that they do not trust financial institutions very much. 9% men said that they do not know what they can potentially do with a bank account whereas the same response was given by 11% women. More women (11%) than men (7%) stated that the process of opening an account was too complicated for them. Furthermore, 5% men and 8% women felt that financial institutions were made for rich people and not for people like them. Although the differences aren't substantial, there is still a slight majority of women as opposed to men who do feel that the process of opening an account is complicated. Nevertheless, most Pakistanis, irrespective of gender, tend to state that they have a lack of knowledge about formal financial institutions. It is this reason, which in part causes people to distrust banks. The second major reason, as can be seen in the chart below, for not using banks lies in a perception among Pakistanis that they don't really need to avail the services of banks and other such institutions. Hence, to conclude, it is a perceived 'lack of understanding' and a 'lack of need' among the Pakistanis regarding banks that has resulted in a lack of financial inclusiveness.

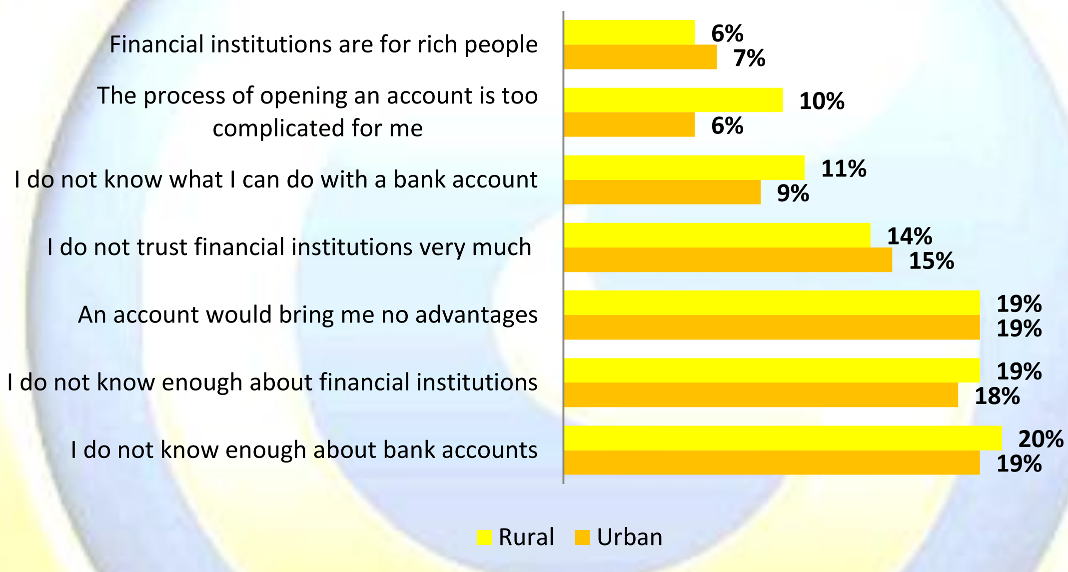


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: A higher proportion of rural residents feel that the process of opening a bank account is too complicated for them.

A rural/urban breakdown reveals that 19% of the respondents in urban areas and 20% in rural areas stated that their primary reason for not saving money with a bank was a lack of knowledge regarding bank accounts. Furthermore, 18% urban residents and 19% rural residents said that they did not know enough about financial institutions. 19% urban as well as rural residents felt that opening a bank account would not bring them much advantage. 15% urban respondents and 14% rural respondents, on the other hand, felt that it was their lack of trust for financial institutions that led them to not save money at a bank. 9% urban and 11% rural respondents said that they did not know what they could potentially do with a bank account. 6% urban respondents and 10% urban respondents felt that the process of opening an account was too complicated for them. Finally, 7% urban respondents and 6% rural respondents felt that financial institutions are not made for people like them; in fact, they are made for rich people.

Urban-Rural 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.