PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release

Access to Finance

(Part 17 of a 30 part series)

Dominant majority of Pakistanis (65%) believe that cellphone/mobile banking will not make banking more affordable. (Access to Finance Survey 2015 – State Bank of Pakistan/ Gallup Pakistan)

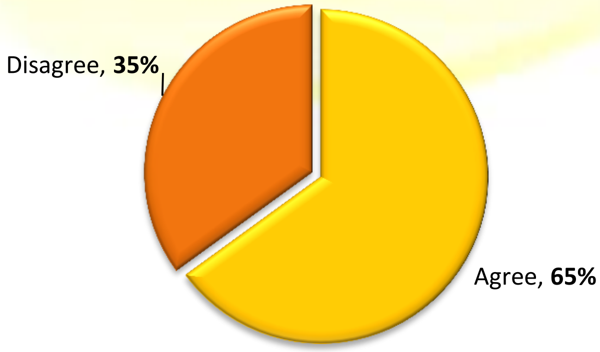
Islamabad, July 14, 2016

According to a survey conducted by Gallup Pakistan, 65% Pakistanis agreed with the following statement: 'Cell phone/mobile banking will not make banking more affordable to use'. On the other hand, 35% disagreed with this statement. 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. Before starting any conversation on developing a methodology of increasing financial inclusivity in Pakistan, it is vital to be aware of the perceptions that the general public has with regards to financial matters. This particular press release aims to determine the views of Pakistanis on the supposed benefits and advantages of mobile banking. In Pakistan, people are often late adopters. One such banking innovation that is still trying to gain a foothold in the Country is mobile banking. Mobile banking, on the face of it, is quite a revolutionary idea that has the potential to even bring people who are living in far flung areas into the formal financial net. However, there still appear to be lingering doubts among the Pakistani public as to whether mobile banking will in fact be able to make banking more affordable or not. This press release aims to empirically determine the proportion of Pakistanis that have such a view about mobile banking.

A nationally representative sample of men and women from across the four provinces was asked, "Please tell me if you rather agree or rather disagree with these statements? [Cell phone/mobile banking will not make banking more affordable to use]" In response to this question, 65% Pakistanis agreed with this statement whereas 35% respondents disagreed. The empirical results show that majority opinion in the Country is still skeptical regarding the benefits of digital financial services. This empirical statistic shows that financial stakeholders in Pakistan still have to make an effort in clearing up misconceptions that Pakistanis have regarding mobile banking so that more people can be brought into the formal financial net.

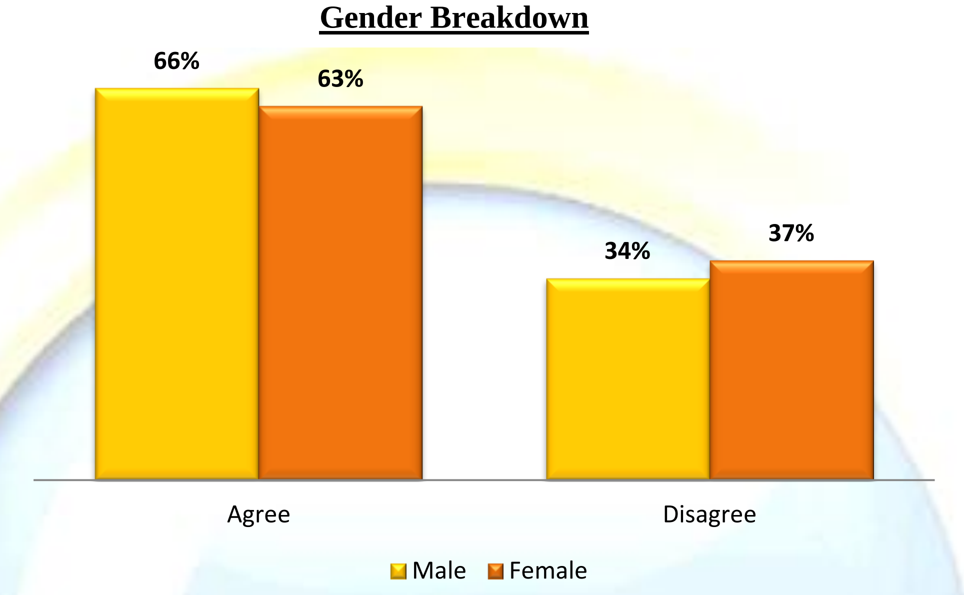
Question: "Please tell me if you rather agree or rather disagree with these statements? [Cell phone/mobile banking will not make banking more affordable to use]"



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

Gender Breakdown: Majority men and women in Pakistan feel that mobile banking will not make banking more affordable

A gender breakdown of this result also reveals a picture with an insignificant gap between the two genders. 66% males agreed that mobile banking will not make banking more affordable while the same response was given by 63% of the females. Meanwhile, 34% males disagreed with this statement while the same response was given by 37% of the females.

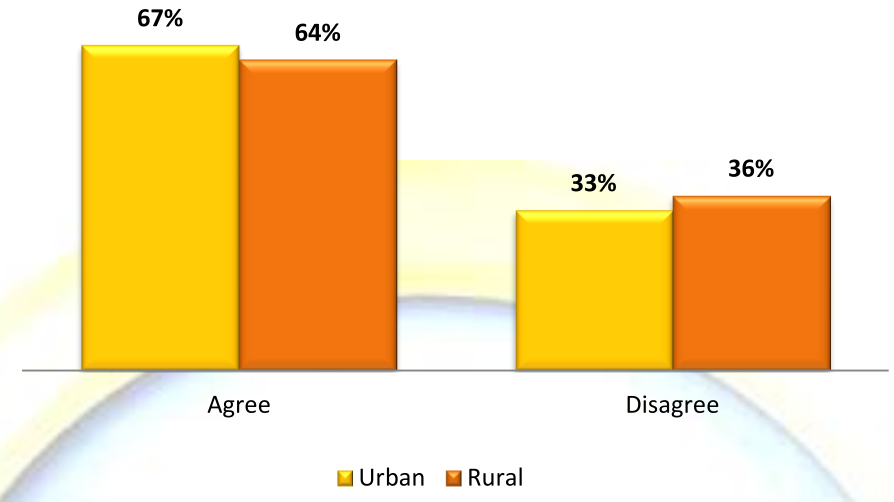


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: Majority urban (67%) and rural (64%) respondents agreed with the statement that mobile banking will not make banking more affordable

A rural/urban breakdown reveals that 67% of the respondents in urban areas and 64% in rural areas felt that banking would not become more affordable with the advent of mobile banking. This negligible difference between the proportion of urban and rural respondents agreeing with this statement highlights an important aspect of the Pakistani society with regards to the perception regarding banks and the relative ease of mobile banking. Despite there being a considerable disparity in the socio-economic development between the urban and rural areas of Pakistan, the proportion of urban respondents agreeing to this statement is still remarkably high. This seems to show that Pakistanis, regardless of their education or income level, are still skeptical about mobile banking. Finally, 33% in the urban areas disagreed with this statement while the same answer was given by 36% of the respondents in rural areas.

Urban-Rural Breakdown

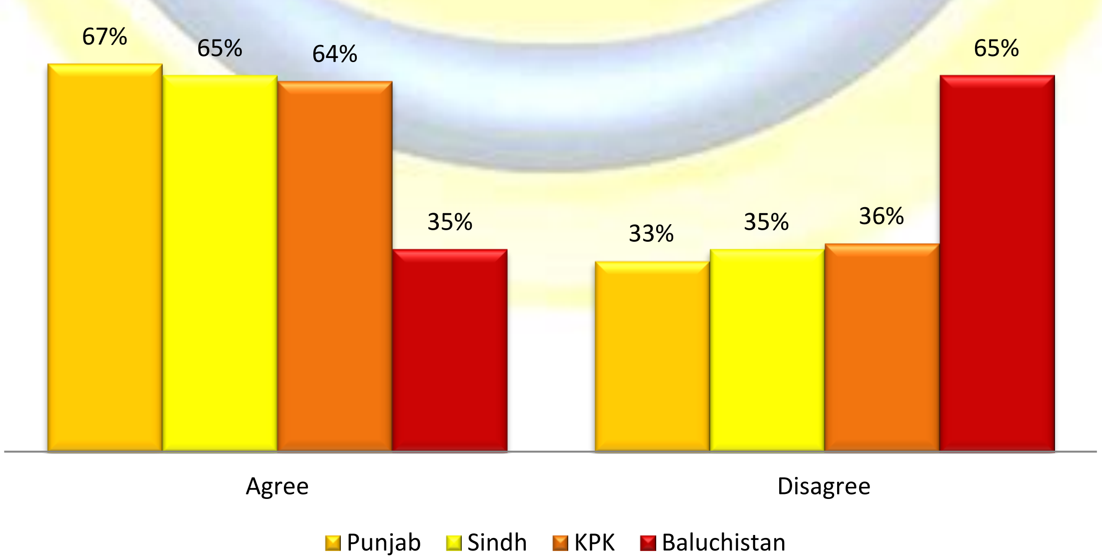


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Provincial Results: Dominant majority of respondents in Baluchistan disagree with the statement that mobile banking does not make banking more affordable

According to the provincial breakdown, 67% of the respondents in Punjab, 65% in Sindh, 64% in KPK and only 35% in Baluchistan agreed that mobile banking does not make banking more affordable. On the other hand, 33% of the respondents in Punjab, 35% in Sindh, 36% in KPK and 65% in Baluchistan disagreed with the statement. The fact that Baluchistan has the highest proportion of respondents that disagree with this statement requires a deeper analysis. Despite not being on the same level of socio-economic development as some of Pakistan's other provinces, notably Punjab and KPK, one would think that the people of Baluchistan would be more skeptical of the benefits of mobile banking. However, as the empirical results show, the case is different and needs to be explored further in order to develop a meaningful hypothesis.

Provincial Breakdown



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

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*