PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release
Access to Finance
(Part 22 of a 30 part series)

Majority Pakistanis (59%) are often worried about the possibility of not having enough money in old age. (Access to Finance Survey 2015 – State Bank of Pakistan/ Gallup Pakistan)

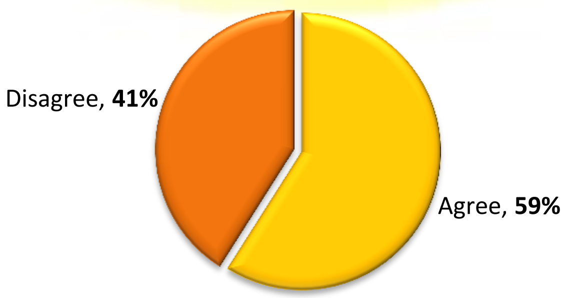
Islamabad, August 12, 2016

According to a survey conducted by Gallup Pakistan, 59% Pakistanis agreed with the following statement: ‘You are often worried that you won’t have enough money for old age’. On the other hand, 41% 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 banks, other formal financial institutions as well as individual and household decisions on financial matters. This particular press release aims to determine the proportion of Pakistanis who feel that they may not be financially secure in their old age. A lot of people are concerned about the state of their finances once they grow old and enter the retirement age. It is undoubtedly a legitimate concern for most people since they want to be able to sustain their existing lifestyles into the future without having to go through hardships or difficulties. To cater for this concern, the banking sector in Pakistan is employing various methods, such as savings accounts for senior citizens as well as different types of schemes for pensioners. The variety of financial services offered by the financial sector can, if utilized, enable customers/clients of banks to feel more financially secure and in control of their lives even when they hit old age. However, the proportion of Pakistanis in the formal financial net is still fairly low, primarily because of a lack of information regarding banks and their various functions. Thus, it would be advisable for the formal financial stakeholders in the Country to overcome this information deficit and subsequently alleviate the misconceptions that Pakistanis have about banks so that more people can be brought into the formal financial sector.

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? [You are often worried that you won’t have enough money for old age]” In response to this question, 59% Pakistanis agreed with this statement whereas 41% respondents disagreed. The empirical results show that majority Pakistanis do feel anxious about their financial stability and security in old age.

Question: “Please tell me if you rather agree or rather disagree with these statements? [You are often worried that you won’t have enough money for old age]”

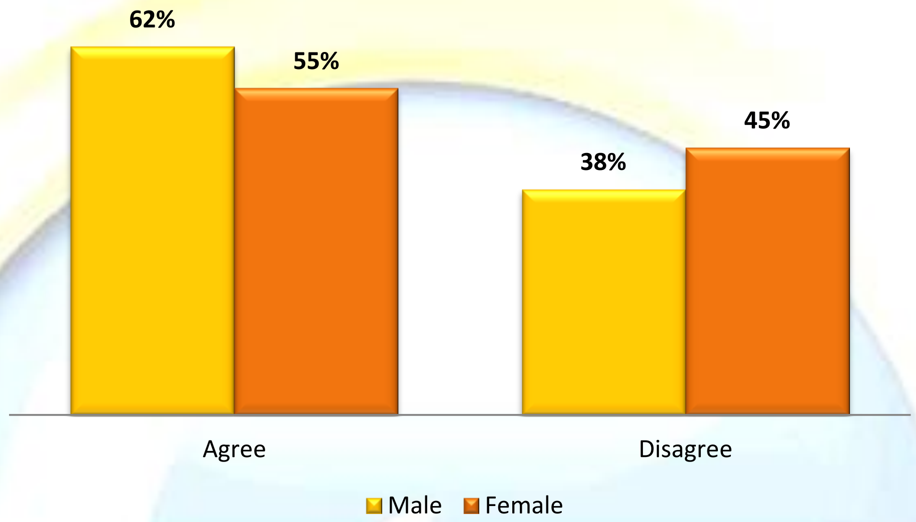


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Gender Breakdown: More men than women in Pakistan often feel worried that they won't have enough money in old age

A gender breakdown of this result reveals that the majority in both genders tends to feel worried about its financial security in old age. 62% males agreed that they are often worried that they won't have enough money during old age while the same response was given by 55% of the females. Meanwhile, 38% males disagreed with this statement while the same response was given by 45% of the females.

Gender Breakdown

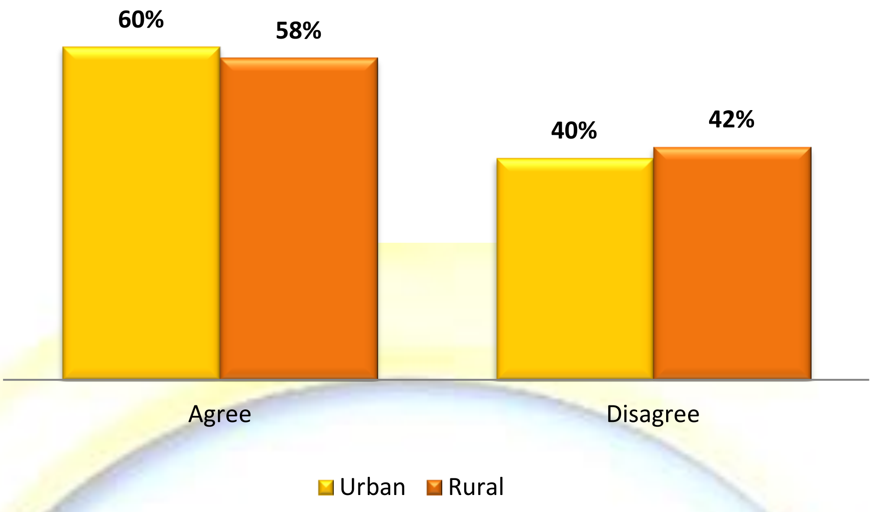


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: Majority urban (60%) and rural (58%) respondents agreed that they are often worried that they will not have enough money in old age

A rural/urban breakdown reveals that 60% of the respondents in urban areas and 58% in rural areas tended to often get worried that they won't have enough money for old age. 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 general handling of finances. 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 not informed enough about banking procedures that can enable them to save or invest their finances proactively so that they have enough to live comfortably in their older years. Finally, 40% in the urban areas disagreed with this statement while the same answer was given by 42% of the respondents in rural areas.

Urban-Rural Breakdown

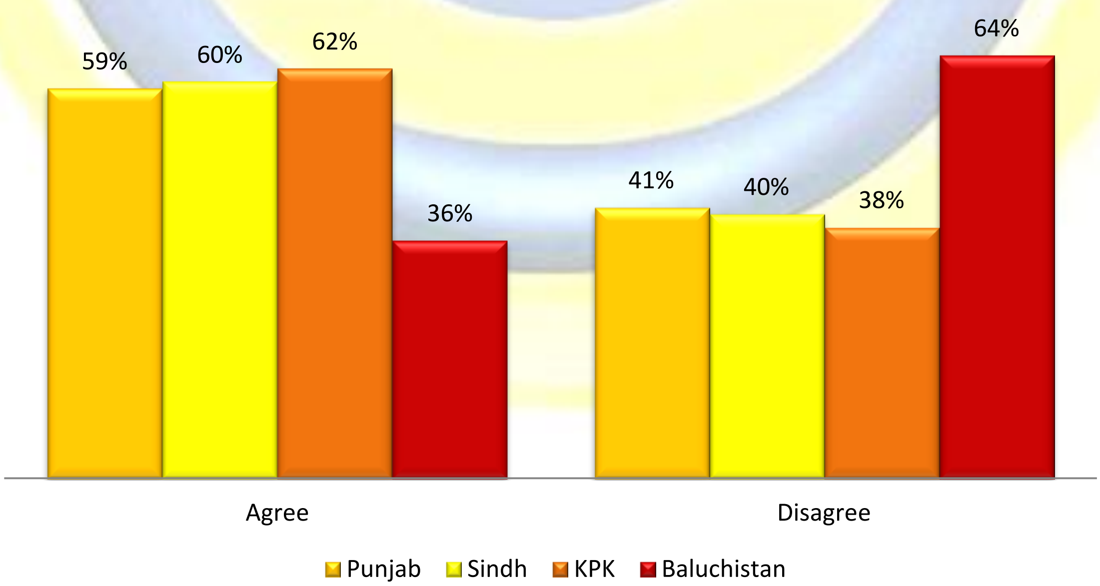


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan (https://www.a2f2015.com, www.gallup.com.pk)

Provincial Results: Majority respondents in all provinces except Baluchistan tend to feel worried about their financial security during old age

According to the provincial breakdown, 59% of the respondents in Punjab, 60% in Sindh, 62% in KPK and 36% in Baluchistan admitted to often feeling worried that they won't have enough money during old age. On the other hand, 41% of the respondents in Punjab, 40% in Sindh, 38% in KPK and 64% 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 perhaps tend to feel more financially insecure. 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) 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.