PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release

Access to Finance

(Part 23 of a 30 part series)

Dominant majority of Pakistanis (72%) is of the view that owing money to anyone is never a good idea. (Access to Finance Survey 2015 – State Bank of Pakistan/ Gallup Pakistan)

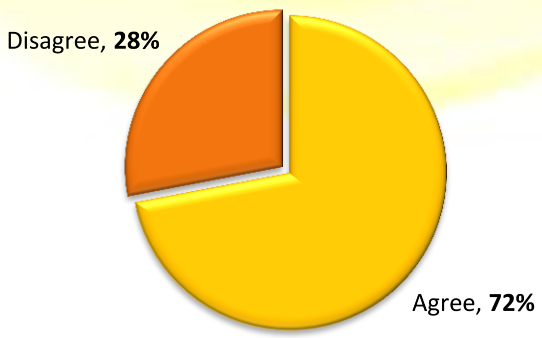
Islamabad, August 23, 2016

According to a survey conducted by Gallup Pakistan, 72% Pakistanis agreed with the following statement: 'Owing money to anyone is not good'. On the other hand, 28% 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 therefore aims to empirically determine the proportion of Pakistanis who are strictly averse to the concept of owing money. Whether people feel that owing money, regardless of who they owe it to, is good or bad, is an important question to ask with regards to financial inclusion since public opinion on this matter may contribute towards determining the success of loans that banks and other financial institutions provide. A loan is a sum of money that a person receives from either informal (people) or formal financial institutions (banks etc.) in exchange for future repayment of the principal amount as well as some interest. Since a loan has to be paid back to the lender, it is therefore money that is owed. However, this aversion of people towards owing money adversely impacts the popularity of loans and further feeds into the negative perception that people have about loans.

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? [Owing money to anyone is not good]" In response to this question, 72% Pakistanis agreed with this statement whereas 28% respondents disagreed.

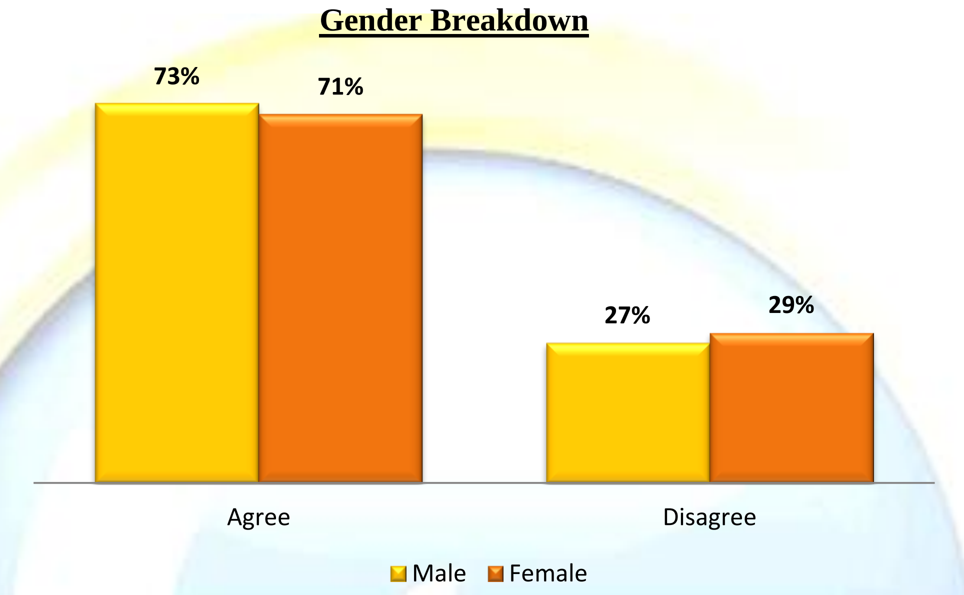
Question: "Please tell me if you rather agree or rather disagree with these statements? [Owing money to anyone is not good]"



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 are of the view that owing money to anyone is not a good idea

A gender breakdown of this result reveals that the majority in both genders tends to feel owing money to anyone is not a good idea and should thus be avoided. 73% males agreed with the statement while the same response was given by 71% of the females. Meanwhile, 27% males disagreed with this statement while the same response was given by 29% of the females.

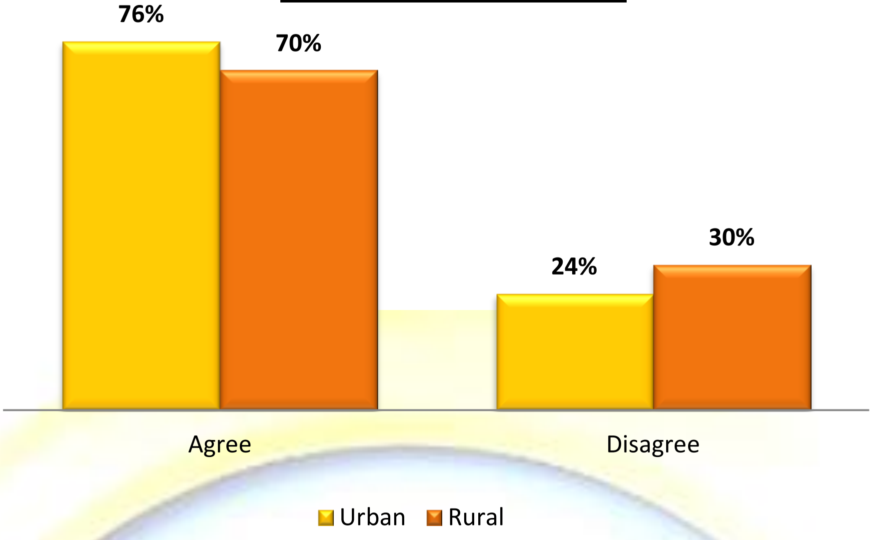


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: Majority urban (76%) and rural (70%) respondents in Pakistan that owing money to anyone is bad

A rural/urban breakdown reveals that 76% of the respondents in urban areas and 70% in rural areas tend to feel wary towards owing money to anyone, be it banks, people or others, and would rather not be in a position where they have to pay someone back. This negligible difference between the proportion of urban and rural respondents agreeing with this statement serves to highlight that the concept of loans, since it involves owing money to the lender, is still perceived in a negative light. 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. Thus, it can be claimed that Pakistanis, regardless of their education or income level, are still equally averse towards owing money and subsequently to the concept of loans. This leads to the fact that people in Pakistan still suffer from a lack of education regarding the benefits of loans, especially when such loans are received from a credible and formal financial institution. It would appear that, at the present moment, any such transaction that involves a loan is still seen rather suspiciously by Pakistanis. Finally, 24% in the urban areas disagreed with this statement while the same answer was given by 30% 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)

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*