PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll
Special Press Release
Access to Finance
(Part 25 of a 30 part series)

39% of the general public in Pakistan does not have any understanding about insurance. (Access to Finance Survey 2015 – State Bank of Pakistan/ Gallup Pakistan)

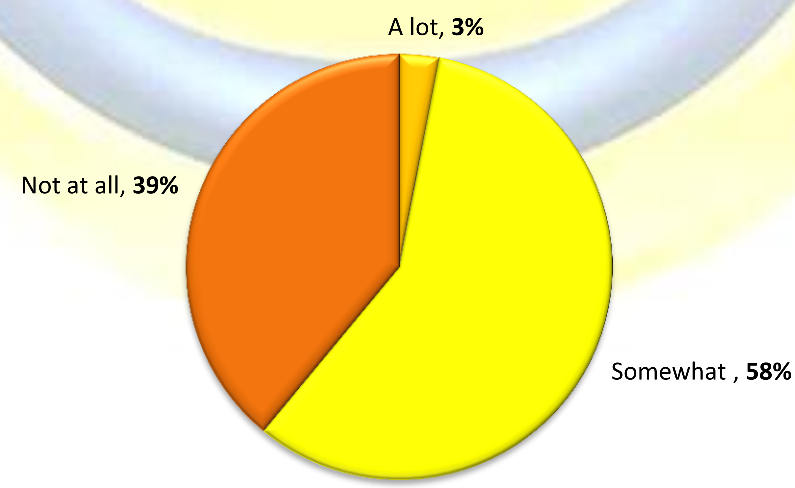
Islamabad, October 04, 2016

According to a survey conducted by Gallup Pakistan, 39% Pakistanis do not have any understanding at all about insurance. On the other hand, 58% respondents claimed to somewhat understand insurance whereas only 3% have a lot of understanding about insurance. 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 focuses on empirically determining the proportion of Pakistanis who are aware of insurance. Insurance is a tool which reduces the cost of loss or effect of loss caused by a variety of risk by accumulating an individual's finances to meet that individual's unforeseen losses. Insurance is of a variety of types, such as life insurance, medical insurance, vehicle insurance, property insurance, accidental insurance, etc. However, the concept of insurance is still only growing at a moderate pace in the Country. A possible impediment to its growth can perhaps be attributed to the general suspicion that Pakistanis have regarding financial transactions, particularly the ones that involve having to pay a certain sum per month for a service without seemingly any return. However, in lieu of the limited financial literacy of the majority public, it is pertinent to first be aware of the proportion of the Pakistani public that is aware of insurance.

A nationally representative sample of men and women from across the four provinces was asked, "How much do you understand about insurance?" In response to this question, 39% Pakistanis do not have any understanding at all about insurance. On the other hand, 58% respondents claimed to somewhat understand insurance whereas only 3% have a lot of understanding about insurance.

Question: "How much do you understand about insurance?"

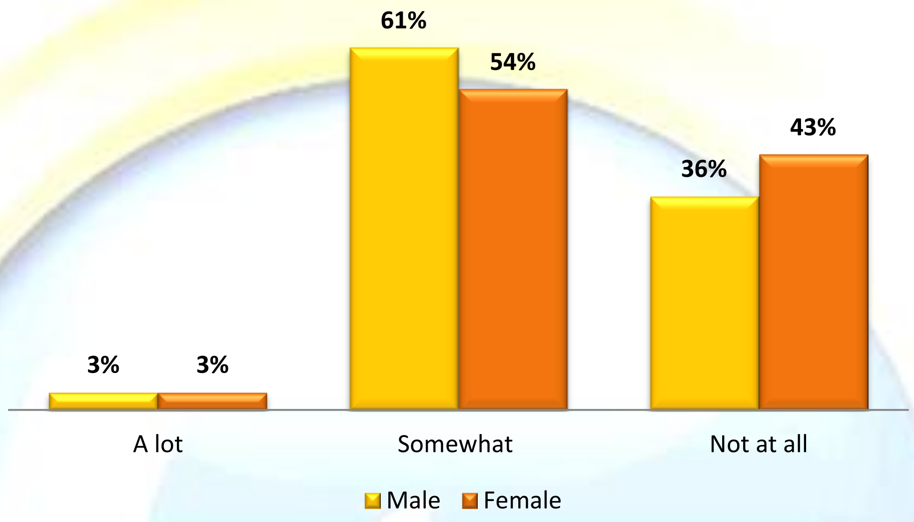


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Gender Breakdown: Slightly more men as opposed to women have a lot to somewhat understanding of insurance

A gender breakdown of this result also reveals a picture with a not so distinguishable gap between the two genders. 36% males do not have any understanding at all about insurance whereas the same response was given by 43% females. On the other hand, 61% male respondents claimed to somewhat understand insurance whereas the same response was given by 54% females. 3% males and 3% females have a lot of understanding about insurance.

Gender Breakdown

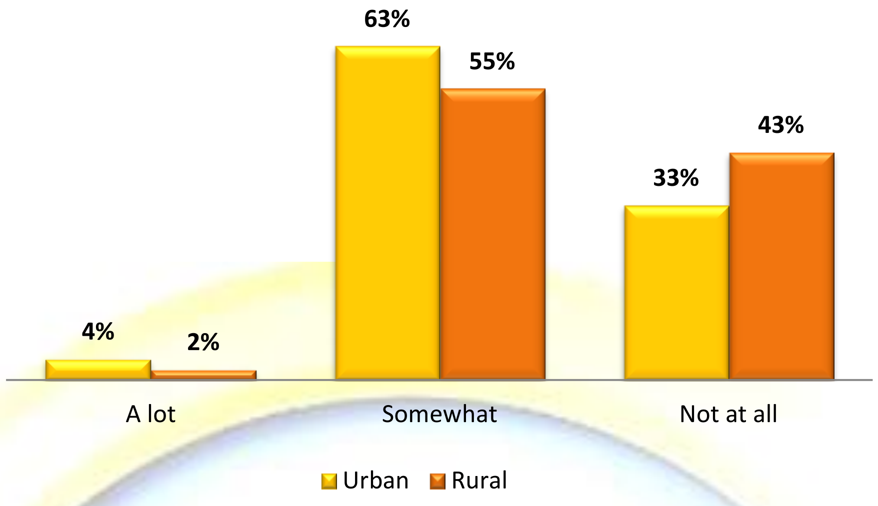


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Differences: A significant proportion of both urban and rural respondents have some level of understanding about Insurance

A rural/urban breakdown reveals that 33% of the respondents in urban areas and 43% in rural areas have no understanding at all about 'Insurance'. In contrast, 63% respondents in urban areas and 55% rural respondents somewhat understand 'Insurance'. Additionally, 4% urban and 2% rural respondents have a lot of understanding on Insurance. It is encouraging to see that the concept of Insurance has also managed to penetrate the rural population of Pakistan. This relatively significant figure for the rural population that understands insurance is indicative of a growing financial literacy among the masses. Urban areas, with a greater concentration of high income individuals and banking facilities, naturally have more respondents who are aware of Insurance.

Urban-Rural Breakdown

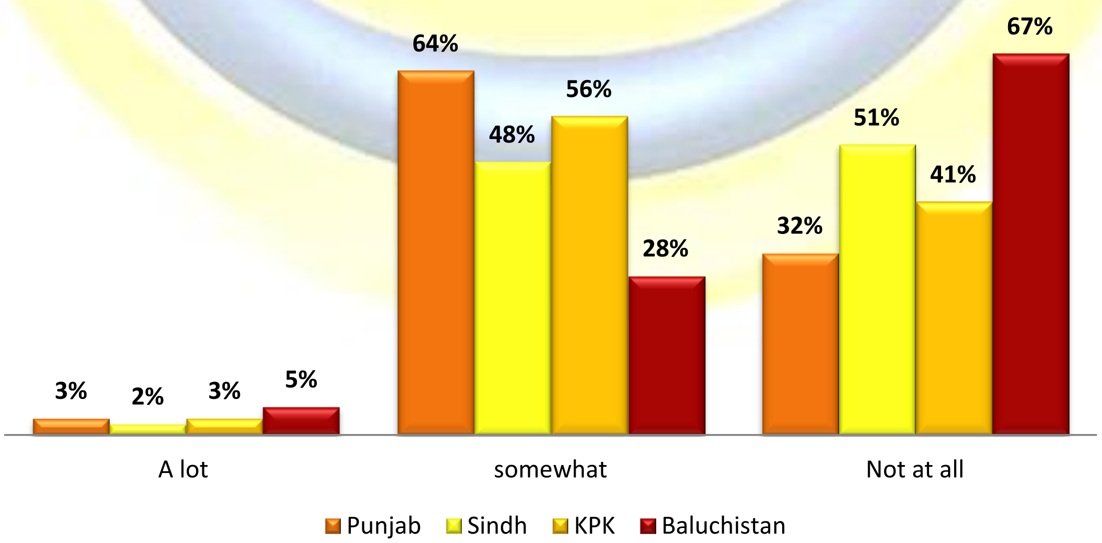


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Provincial Results: A dominant majority of residents in Baluchistan (67%) have no understanding at all about insurance whereas Punjab has highest proportion of respondents (64%) who have a lot to somewhat understanding about Insurance

According to the provincial breakdown, knowledge regarding insurance is at an appreciable level in Pakistan, with the exception of Baluchistan. 3% of the respondents in Punjab, 2% in Sindh, 3% in KPK and 5% in Baluchistan said that they have a lot of understanding regarding 'Insurance'. Moreover, 64% of the respondents in Punjab, 48% in Sindh, 56% in KPK and only 28% in Baluchistan somewhat understand insurance. Meanwhile, 32% respondents in Punjab, 51% in Sindh, 41% in KPK and 67% in Baluchistan do not understand insurance at all. These figures serve to illustrate just how far Baluchistan is lagging behind the other provinces in terms of formal financial penetration. Part of that may also be down to the security situation of the province as well as its relative lack of socio-economic development as opposed to the rest of the provinces of Pakistan.

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*