PRESS RELEASE (Also emailed*/faxed separately)

Opinion Poll

Special Press Release

Access to Finance

(Part 27 of 30)

3 in 4 Pakistanis believe that credit/ loan should be avoided as it is a source of tension and worries. (Access to Finance Survey 2015 – State Bank of Pakistan/ Gallup Pakistan)

Islamabad, January 23, 2017

According to a survey conducted by Gallup Pakistan, 75% Pakistanis agreed with the following statement: 'One should avoid credit/ loan because it is a source of tension and worries'. On the other hand, 25% disagreed with the 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 # 3 for more details).

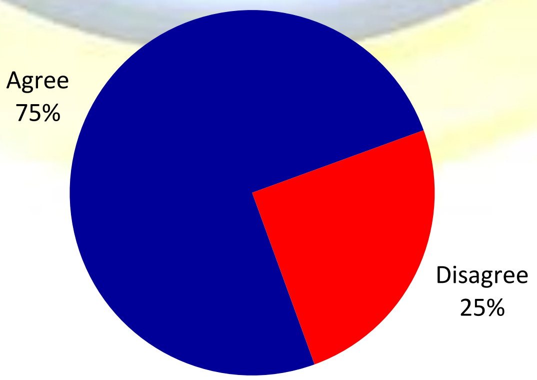
Introduction to the series on Financial Inclusion Research:

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 believe credit should be avoided as it is a source of tension and worries. Impediments to financial inclusion are access to credit, depth of credit and intermediation of credit, thus public perception on credit uptake is an important question to ask. Therefore, if the aim is to increase financial inclusion in the country, where financial literacy is limited among the masses, it is pertinent to first be aware of credit acceptance amongst the public.

A nationally representative sample of men and women from across the four provinces was asked, "Please tell me if you rather agree or disagree with these statements? [One should avoid credit because it is a source of tension and worries]" In response to this question, 75% Pakistanis agreed with this statement whereas 25% respondents disagreed.

Question: "Please tell me if you rather agree or disagree with these statements? [One should avoid credit because it is a source of tensions and worries]"

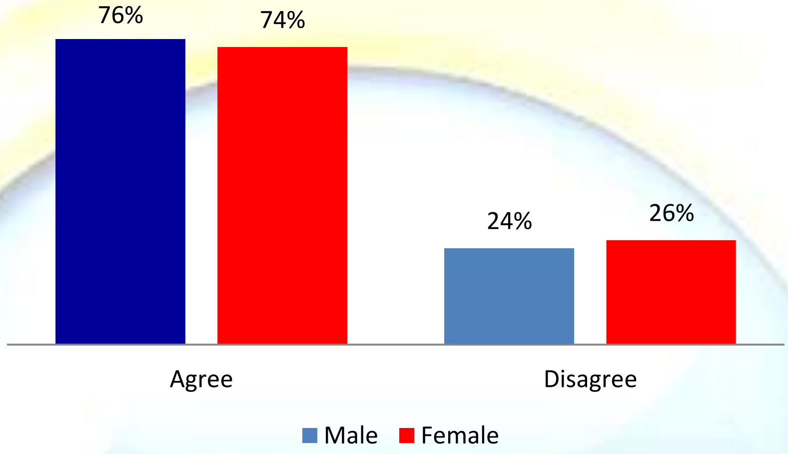


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Gender Breakdown: **Slightly more men than women (2% difference) agree that credit should be avoided**

A gender breakdown of this result reveals that the majority in both genders tend to avoid credit as it is a source of tension and worries. 76% males agreed that credit is a source of tension and worries and hence should be avoided, while the same response was given by 74% of the females. Meanwhile, 24% males disagreed with this statement while the same response was given by 26% of the females.

Gender Breakdown

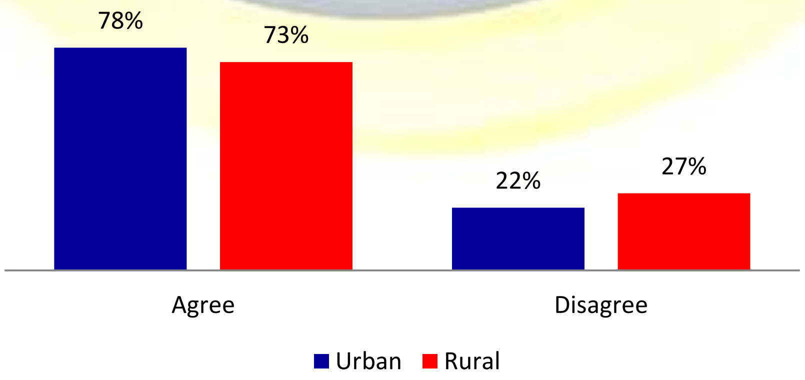


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Urban-Rural Breakdown: **More urban respondents (78%) than rural respondents (73%) agree that credit should be avoided**

A rural/urban breakdown reveals that 78% of the respondents in urban areas and 73% in rural areas believe that credit should be avoided. One plausible reason to explain this difference of 5% between the proportion of urban and rural respondents agreeing with this statement is that rural dwellers due to greater reliance on informal sources are less averse towards credit. Finally, 22% in the urban areas disagreed with this statement while the same answer was given by 27% of the respondents in rural areas.

Urban-Rural Breakdown

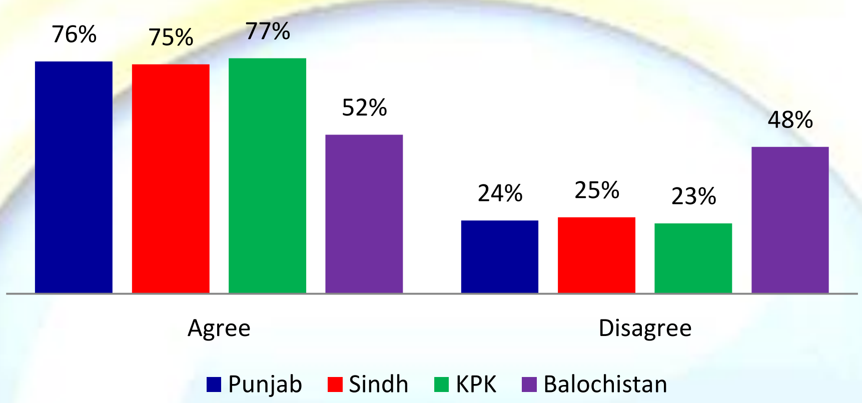


Source: Access to Finance Survey 2015: State Bank of Pakistan/Gallup Pakistan
(https://www.a2f2015.com, www.gallup.com.pk)

Provincial Results: **Majority respondents in all provinces believe credit should be avoided.**

According to the provincial breakdown, 76% of the respondents in Punjab, 75% in Sindh, 77% in KPK and 52% in Balochistan believe that credit should be avoided. On the other hand, 24% of the respondents in Punjab, 25% in Sindh, 23% in KPK and 48% in Balochistan disagreed with the statement. The results for all provinces illustrate that majority respondents are averse towards credit, primarily due to lack of formal literacy programs in the country.

Provincial Breakdown



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

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*

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of Gallup Pakistan
(1980-2017)