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# VIJAYA BANK

(A GOVERNMENT OF INDIA UNDERTAKING)

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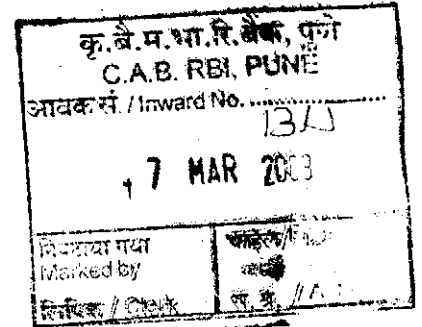
E-Mail : Vijbank@BGL.VSNL.NET.IN

Ref No. : CD:PC:VS:301:2008

Dept : Credit (Priority)

Date : 28-02-2008

Deputy General Manager  
Reserve Bank of India  
College of Agricultural Banking  
University Road  
Pune-411 016.



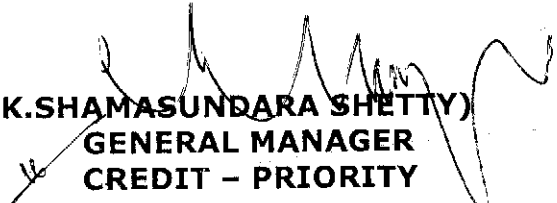
Dear Sir,

### Centre for Financial Education & Inclusion

This has reference to your letter no: CAB.No.549/09.08.002/2007-08 dated 15-01-2008, on the above subject.

The initiatives taken by the Bank on Financial Inclusion are furnished at annexure. Besides, soft copy of the same has also been e-mailed to you for needful action.

Yours faithfully,

  
(K.SHAMASUNDARA SHETTY)  
GENERAL MANAGER  
CREDIT – PRIORITY

## **Initiatives taken by Vijaya Bank on Financial Inclusion**

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### **1. Financial Inclusion:**

Financial inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. Financial Inclusion covers a wide range of efforts and endeavours intended to take Banking Services to the common man, more particularly to those who are financially excluded.

### **2. Measures taken by the Bank to promote Financial Inclusion:**

The measures taken by the bank to promote financial inclusion are as follows:

#### **a). Booklet on Financial Inclusion:**

Bank has come out with a booklet on Financial Inclusion and supplied to all branches for their guidance. A copy of the Booklet is enclosed for ready reference.

#### **b). Vijaya Saral Accounts:**

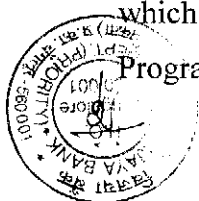
In order to provide “no frill” accounts, the Bank has introduced a special deposit product called Vijaya Saral Savings Accounts, with simplified account opening procedure. These accounts can be opened with a minimum initial deposit of Rs.10/=. However, the balance in the account can go below Rs.10/=:, and the account can be continued even with zero balance.

#### **c). Vijaya General Credit Card:**

Bank has come out with Vijaya General Credit Card to provide general purpose loans to borrowers in hassle-free manner. Interest is charged at the PLR with 0.50% interest concession for loans granted to women beneficiaries. Margin, security and end-use of funds are not insisted.

#### **d). Completion of Financial Inclusion Programme in Lead Districts of the Bank:**

The Bank has lead bank responsibility in Mandya, Haveri and Dharwad districts in Karnataka State, and in the three lead districts First Phase of 100% Financial Inclusion was completed within the stipulated time frame, by opening no frill accounts in respect of all the households which were not having bank accounts so far. In these districts, Financial Inclusion Programme was implemented systematically by the Lead Banks with the active cooperation





exclusive training programmes for farmers / agriculturists. The settlement ratio comes to 69%. The VIBSETIs also contribute towards ensuring Financial Inclusion by training the rural youth. The VIBSETIs also conduct various awareness programmes / Credit Counselling programmes, wherein importance of judicious availing of various credit products of the bank, inculcating thrift habits etc., are highlighted. These endeavours go a long way in ensuring the much-needed Financial Literacy and Financial Inclusion.

#### **Motivation Programme for under trials of Mandya Sub Jail:**

VIBSETI, Mandya has come out with a unique idea of helping the distressed-lot, going beyond the ambits of its training mandate. As a sequel, the Bank's VIBSETI, Mandya, conducted a series of "Motivation Programme" for the benefit of under-trials of Mandya Sub Jail, for changing their mindset and kindling entrepreneurial qualities in them. This Programme also included skill-development programmes viz. paperbag making and preparation of dairy products such as peda, butter, panneer etc. This Programme was designed basically to enthuse, motivate and enable the under trials to take up self-employment ventures, once they are released from the prison. The wholesome idea behind this approach is "total reformation and rehabilitation" of the under trials. During one such programme, the Regional Director of RBI, Bangalore, paid a visit, and appreciated the efforts of the VIBSETI, Mandya.

#### **h). ATM enabled Kisan Credit Card:**

As part of the Bank's initiative of bringing innovation in various products and also to make available IT solutions for the benefit of farmers, the Bank has introduced ATM enabled Kisan Credit Cards. In view of the encouraging results, bank has extended this to all the CBS branches having kisan credit card loans at the branches. The salient features of the ATM enabled KCC are as follows:

- It is a specially designed debit card with photo facility
- It is linked to Vijaya Kisan Card loan accounts. These loan accounts have seasonal crop loan limits based on the cropping pattern adopted by farmers. This seasonal limit itself would constitute the drawing power for the card.
- Within these limits, cash can be drawn upto Rs.15,000/= per day from any of the ATMs of the Bank or other Bank's VISA ATMs.

No service charge will be levied for using our Bank's ATMs; however, a nominal charge of Rs.50/= is levied for using Other Bank's VISA ATMs.



- Farmers can also use this card to procure farm inputs upto Rs.25,000/= per day from Merchant Establishments.
- Whenever, a farmer uses this card, his Vijaya Kisan Card Loan Account gets debited instantly. Thus the drawing power gets updated from time to time.
- The use of ATM enabled card gives farmers a distinct advantage / edge, as it enables them to draw cash or purchase farm inputs, anywhere in India, whenever they are on a journey. This also eliminates the risk associated with carrying huge cash, while on a journey.
- Vijay Kisan Card holders are also covered under Personal Accident Insurance Scheme upto Rs.50,000/=. Out of the annual premium of Rs.15/=. the Bank is bearing Rs.10/= and only the remaining Rs.5/= is borne by the farmer.

**i). Business Facilitator / Correspondent Model:**

Apart from IT interventions, Business Facilitator and Business Correspondent Models could play a useful role in furthering financial inclusion. The Bank has come out with outsourcing policy, including Business Facilitator / Business Correspondent models. In this regard, the Bank is in the process of Business Facilitators / Business Correspondents for further promoting Financial Inclusion endeavours. Besides, Farmers clubs could function as an effective business facilitator / correspondent model for achieving 100% Financial Inclusion, and the same will is also being examined. Using smart cards / biometric handheld devices is also being explored by the Bank. That apart, the Bank has proposed to open biometric ATMs.

