

Westpac India – Financial Inclusion Policy

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WESTPAC INDIA Policy DOCUMENT HIERARCHY

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1. Introduction & Purpose of this Policy

Introduction

Financial inclusion helps achieve the sustainable development of the country, through available financial services to the unreached people with the help of financial institutions. Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy.

Definition of Financial Inclusion

Rangarajan Committee (2008) on financial inclusion stated that: “Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.” The financial services include the entire gamut of savings, loans, insurance, credit, payments, etc.

Indian Institute of Banking & Finance (IIBF) opines, “Financial inclusion is delivery of banking services at an affordable cost (‘no frills’ accounts,) to the vast sections of disadvantaged and low income group. Unrestrained access to public goods and services is the sine qua non of an open and efficient society.”

The objective of the Financial Inclusion Policy (the “Policy”) is to ensure that Westpac’s banking practices are in compliance with;

- Internal requirements ; and
- Regulatory requirements of Reserve Bank of India (RBI)



- When there is a conflict between the internal and regulatory requirements, the stricter requirement will be followed
- The Policy will be reviewed at least on annual basis
- Improving access to financial services
- Providing banking services to the low income group

2. Bank's Strategy to achieve Financial Inclusion

Financial inclusion broadens the resource base of the financial system by developing a culture of savings among large segment of low income group and plays its own role in the process of economic development. Further, by bringing low income groups within the perimeter of formal banking sector; financial inclusion protects their financial wealth and other resources in exigent circumstances. Financial inclusion also mitigates the exploitation of vulnerable sections by the usurious money lenders by facilitating easy access to formal credit.

The Bank's Financial Inclusion Strategy focuses on the following main products and services:-

2.1 No-Frills Account: With a view to achieving the objective of greater financial inclusion, the Bank has made available a basic banking 'no-frills' account with 'nil' balances as well as minimum charges that would make such accounts accessible to vast sections of population. The nature and number of transactions in such accounts could be restricted, but made known to the customer in advance in a transparent manner.

2.2 Simplification of 'Know Your Customer (KYC)' Norms: Further, in order to ensure that persons belonging to low income group do not face difficulty in opening the no-frills accounts due to the procedural hassles; the bank adopts simplified 'KYC' procedure as prescribed by RBI for opening small accounts.

2.3 Remittances facilities: The Bank is providing remittances facilities such as payments (RTGS/NEFT/Drafts) to all the customers' and residents as per extant



Reserve Bank of India guidelines with reasonable charges which are transparent and have been made available to the customers or displayed in the branch.

3. Compliance

In implementing this policy and strategy it is expected that all other related policies and strategies will also be complied with.

4. Responsibility

The responsibility for implementation of financial inclusion policy lies with all members of staff/employee of the Bank and this will be reinforced during a variety of training and communication events carried out in the future. The India Country Leadership Team (ICLT) has the responsibility to ensure that financial inclusion is being promoted.

5. Monitoring

The overall responsibility for monitoring of the Financial Inclusion Policy & Strategy rests with the India Country Leadership Team (ICLT). This strategy will be subject to a periodic formal review to ensure that it continues to meet its objectives and take accounts of good practice developments.

6. Review

This financial inclusion policy will be reviewed on an annual basis.