ANNEXURE II

Glossary

Access - The availability to a given person of affordable and appropriate financial services.

Affordability - A characteristic of quality financial services; describes products for which the price is in line with the client's ability to pay for them.

ATMs: With the help these machines the customer is able to withdraw cash, check details regarding account balance, mini statement, also provide facilities like deposits and payment to the third parties.

Branchless Banking - Banking models and delivery channels that deliver financial services to clients through outlets other than full-service bank branches.

Consumer Credit - Credit allowing an individual to purchase and/or use a consumer good or service while paying for it over a set repayment period.

Convenience - A characteristic of quality financial services; describes products that are easy to access and use.

Credit Card - An electronic payment card allowing the holder to purchase goods and services on credit.

Debit Card - An electronic payment allowing the holder to deposit or withdraw funds to or from a bank account.

Delivery Channel - A method of providing products or services.

E-banking - Also known as electronic banking; a type of branchless banking that uses the internet to deliver financial services.

ECS It enables the electronic clearing of funds of bulk transactions like salary, dividends etc. from one center to another.

Effective Interest Rate - An interest rate that states the cost in terms of the fee plus the compounded interest rate.

ETF - With the help of ETF mechanism, the electronically transfer of funds are made in inter and intra-bank. It is basically the process of making payments through electronic methods.

Financial Capability - The combination of knowledge, understanding, skills, attitudes and especially behaviors which people need in order to make sound personal finance decisions, suited to their social and financial circumstances.
**Financial Distress** - A condition in which a borrower is unable or finds it difficult to repay his or her debt. See also, over-indebtedness.

**Financial Education** - The provision of education on the use of financial services.

**Financial Literacy** - The ability to understand how to use financial products and services and how to manage personal, household, or micro-enterprise finances over time.

**Housing Microfinance** - Credit products specifically designed for low-income households (often with informal revenues streams and informal homes) to purchase, build, or improve a home.

**Installment** - One of many parts into which a debt has been divided so that repayment can be made at smaller and regular intervals; each installment usually includes a portion of the principal being repaid and a portion of interest.

**KYC** - Regulation that requires all financial institutions to ensure that they validate the identity of all of their clients.

**Life Insurance** - An insurance policy that allows an individual's relatives to receive a preset sum of money upon the end of the insured person's life.

**Microcredit** - The provision of small loans to the poor.

**Micro insurance** - Insurance products specifically designed for the needs of low-income households and often characterized by very low premiums, small payouts, and very simple claims mechanisms.

**Mobile Banking** - The provision of financial services via mobile phones.

**Money Transfer** - A payments transaction that moves money from one person or business to another.

**NEFT:** It refers to the process which allows customers to electronically transfer of the money from any bank branch to the another bank branch having bank account across country

**POS** - It refers to the payment card used at retail place for electronic transfer fund by entering personal identification and confirming the amount due at time of sale by customer.
**RTGS**: It allows customers to transfer money by processing with the instructions at the time they receive.

**Savings Account** - An account that allows a client to store and withdraw money.

**Smart Card** - A payment card with an embedded computer chip that stores customer account information.

**Transparency** - A characteristic of quality financial inclusion; complete disclosure of information by a financial service provider.

**Microfinance institution (MFI)** – An organization that offers financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.

**Number of Bank accounts per person**: This indicator can be measured by circulating the questionnaire among regulatory bodies and in public.

**Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.