

1. What is ICICI Bank's innovation?

Empowering the poor and convert them into customer

2. What is special about RBI's pilot project with NABARD in 1991?

RBI's pilot project with NABARD is for purveying micro credit to the rural poor by linking self help groups with banks

3. According to Mahajan, why are the transaction costs of savings in formal institutions as high as 10% for the rural poor?

Transaction costs of savings in formal institutions as high as 10% for the rural poor because of the small average size of transactions and distance of the branches from the villages

4. What are some of the problems of MFIs in India?

Some problems of MFIs in India is access to credit

5. What are the two innovative BOP models of the ICICI?

Bank-led model and indirect channels partnership model

6. What is the connection between Grameen Bank and Bank of Madura?

Both banks provides small loans to clients that belong to the bottom of the pyramid

7. Describe ICICI's three-tier system. Discuss why it is three-tiered.

They had three-tier system for increased distribution points

8. What are the 3 essential steps in the SHG process? Comment on why each step is necessary.

a) learn to save

b) learn to lend what you saved

c) learn to borrow responsibly

9. Discuss the NABARD checklist for SHG's. Comment on why each item on the checklist is necessary.

The checklists correlate with high repayment rates and characteristics of the SHGs, whenever SHG meets a certain number of criteria, the loan officer is instructed to grant the loan immediately. If the SHG is lacking many areas, loan application is suspended and the group is granted 4-6 months to improve its operation

10. What is the impact of micro lending in a household according to a NABARD study?

The micro lending has a significant positive impact on income levels and income-generating activities. The involvement of the members in SHG activities has contributed to their self confidence and communication skills.

11. Discuss the possible implementation of a smart-card based payment system? Would it work? Why?

The use of smart-card system is to eliminate costs associated w/ cash handling. Some of the problems about smart-card are high cost and lack of technological infrastructure for widespread adoption. It would work because they already launched it in October 2000 at Infosys Campus in Bangalore and at Manipal Academy of Higher Education.

12. Discuss the quote: "Banking with the poorer has undergone a paradigm shift. It is no longer viewed as a mere social obligation. It is financially viable as well". Do you think this quote can be applied in the Philippines? Discuss.

I think what it says is that banking has shifted from average people and higher class people using the bank to poor people up until the high class people. This would be possible in the Philippines if there are corporations that are willing to help and devote their time in thinking how would this work for the poor people.