

How did we do it?

Information extracted from our database listing approved loans, their value and the gender of each borrower was plotted on a map of our area of operation.

This report took 1 hour a day for 4 days to complete, and we consider it a worthwhile investment.

Our next report is due in November 2006

Responses to our first disclosure report

"I am delighted to see Fair Finance setting such high standards of disclosure transparency – an example to all financial services"

David Carrington, member of the Social Investment Task Force

"We congratulate Fair Finance for developing regular reports on its lending. This is an innovative step for the community finance sector and will facilitate a greater understanding of its impact in the community."

Peter Kelly, Head of Financial Inclusion, Barclays

"Fair Finance has shown its commitment to transparency by clearly reporting who, where and how many customers they are reaching in its first disclosure report. Their report provides a template for disclosure that other lenders can and should follow"

Sarah McGeehan, Deputy Chief Executive, Community Development Finance Association

Who are we?

Fair Finance is a not for profit, ethical and socially responsible lending organisation offering financial services for excluded and exploited communities in East London. We believe we are serving a market injustice and want to democratise finance to empower individuals, rather than enslave them.

Through publications like this we hope to encourage all providers of finance to act in the best interest of all consumers and make sure that the credit market is as fair and equitable as possible.

Useful contacts:

The Power of Information: Opportunities for Disclosure by Barclays Bank and New Economics Foundation, which looked at practical ways to use bank information and was the first disclosure of lending by a Bank in the UK (www.neweconomic.org and www.barclays.com/financialinclusion)

Enterprising Communities: Wealth Beyond Welfare by Social Investment Taskforce: Wealth beyond Welfare, and additional updates. The first report to actively point to the importance of disclosure (www.enterprising-communities.org.uk)

National Community Reinvestment Coalition: a network body for over 500 community organisations that produces easy to digest reports on bank lending activity in all communities in America (www.ncrc.org)

The Woodstock Institute: A US nonprofit organisation formed in 1973 with a mission to research, develop and promote ways to bring economic resources to lower-income and minority families and communities (www.woodstock.org)

www.multimap.co.uk: a free on-line resource that can help you locate a postcode or address.

Debt On Our Doorstep: a campaign group of grassroots activists and community organisations aiming to end extortionate lending and ensure universal access to affordable credit and other financial services. (www.debt-on-our-doorstep.com)

www.fairfinance.org.uk

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East End Fair Finance Limited (trading name Fair Finance) is incorporated under the Industrial and Provident Societies Act 1965 and registered by the Financial Services Authority (Registration No. 29889R)



DISCLOSURE REPORT

April 05 to December 31st 2005

What is this report?

This report is a disclosure of all of the loans made by Fair Finance, broken down by geography, gender and ethnicity, since April 6th to December 31st 2005. The maps opposite show both loans made and rejected, while the tables reveal our lending portfolio statistics.

What have we learnt?

Many Fair Finance clients are women, with a strong spread amongst ethnic communities. Our clients come from the three London Boroughs shown, but coverage is not uniform.

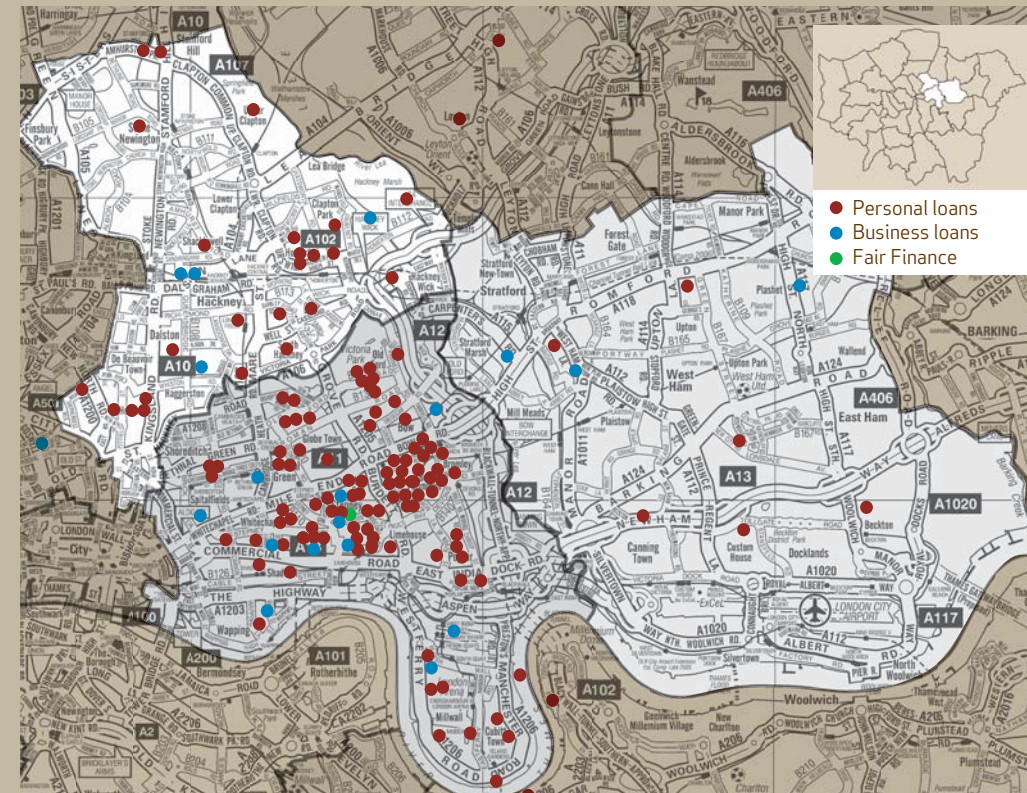
Fair Finance has a high number of agreed loans to rejected loans. We give clients the exact reason why a loan is rejected, and what they need to do to make a 'no' a 'yes'. Many return after a month or two having sorted out their finances, repaid outstanding arrears or saved regularly.

After the first report we noticed that most of our clients came from Tower Hamlets and a few from Hackney. Consequently, it was decided that we should focus our advertising on Hackney. The evidence of this report is that this approach has paid off. We will build on this success by opening a new branch in Hackney.

Very few residents have accessed our service from Newham and we will try to address this over the coming 12 months using an innovative web cam system with local partners. This will bring Fair Finance to geographically excluded communities in a way not done before.

The proximity of clients to the Fair Finance office has made it clear that people need an easily accessible local branch office that they can drop into or visit.

Loans accepted by Fair Finance

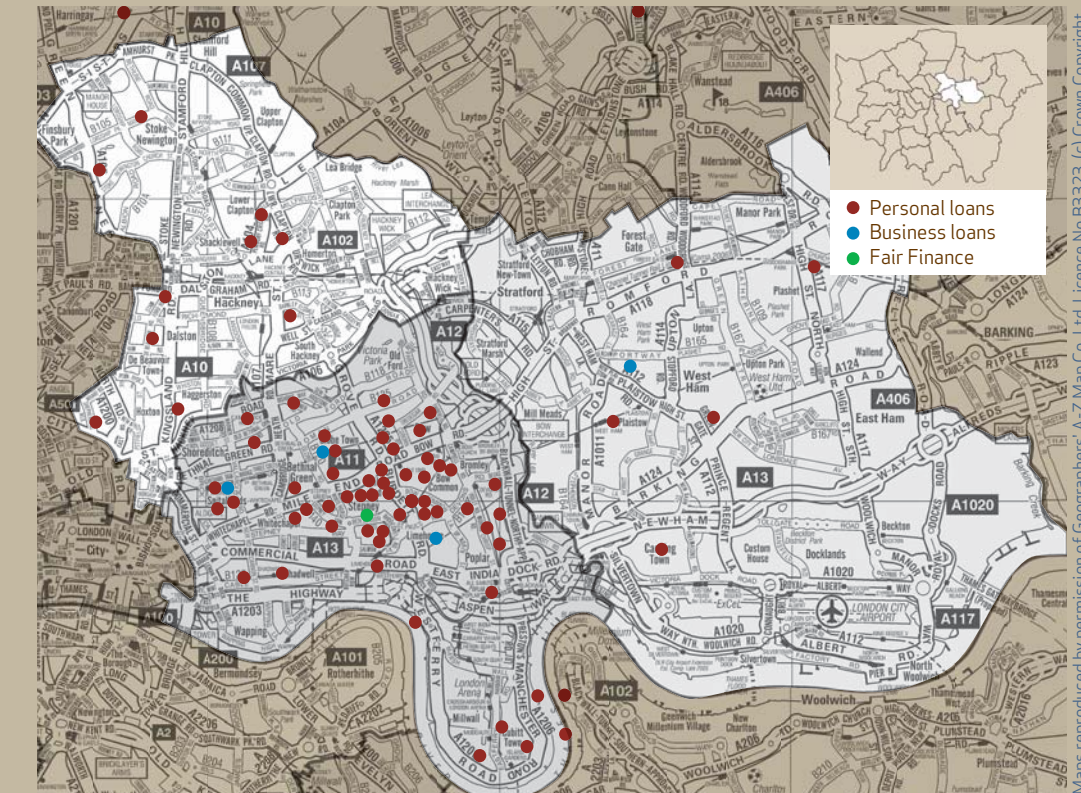


Total Portfolio			
London Borough	Number of loans	Value of loans (£)	
Tower Hamlets	113 (34)	196,237	(84,955)
Hackney	31 (21)	59,325	(43,975)
Newham	12 (6)	14,250	(6,500)
Total	156 (61)	269,812	(135,430)

Portfolio by gender			
	Business loans	Personal loans	Total
Male	11 (7)	49 (19)	57 (16)
Female	11 (4)	88 (32)	99 (36)
Total	22 (11)	134 (51)	156 (52)

(numbers in brackets represent ethnic minority statistics)

Loans rejected by Fair Finance



Personal loans approved			
London borough	Number of loans	Value (£)	Rejected Loans
Tower Hamlets	99 (27)	77,637 (26,955)	66
Hackney	26 (20)	21,825 (18,975)	11
Newham	9 (4)	10,250 (5,500)	8
Total	134 (51)	109,712 (51,430)	85

Business and Social Enterprise loans approved			
London borough	Number of loans	Value (£)	Rejected Loans
Tower Hamlets	14 (8)	118,600 (58,100)	3
Hackney	5 (1)	37,500 (25,000)	0
Newham	3 (2)	4,000 (1,000)	1
Total	22 (11)	160,100 (84,100)	4