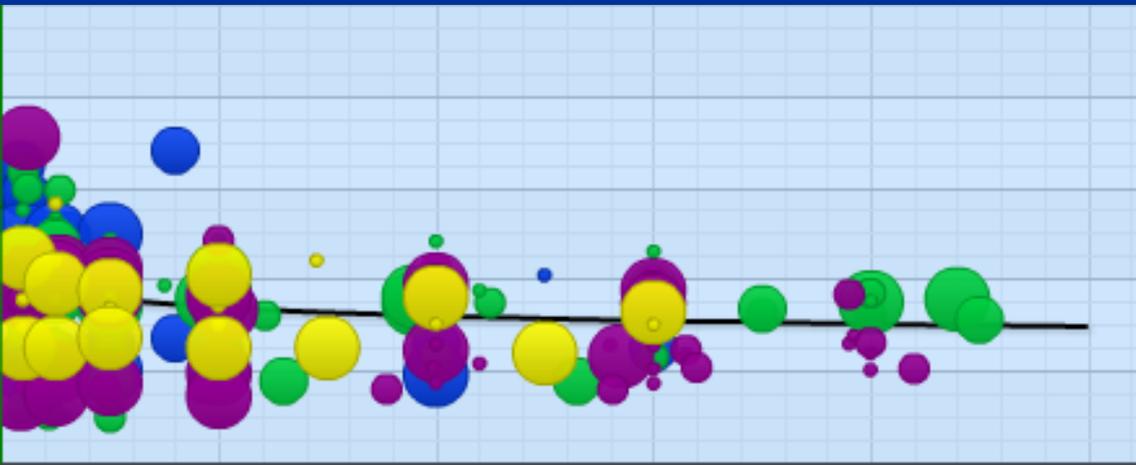


# **Session II: Overview of MF*Transparency* and the *Transparent Pricing Initiative***

Morocco | April 2013



# Qu'est ce que la Tarification Transparente?

Tarification transparente implique que les termes, et conditions de produits financiers soient divulgués aux clients de façon claire permettant à la fois une compréhension précise du tarif et une comparaison des différents produits.

Différents niveaux de transparence:

- Aux régulateurs / Décideurs politiques
- Aux investisseurs / bailleurs de fonds / partenaires financiers
- Aux clients et “au marché”

# Auto-Regulation

## MFTransparency facilite l'auto-régulation en matière de Tarification Transparence

### Notre Approche

- Pays par pays
- Partenariat avec les reseaux locaux, Décideurs politiques, regulateurs et parties prenantes
- Publier les **vrais** tarifs, tous au même moment
- Objectif, traitement égal pour toutes les IMFs

# Approche Combinée

Pratique Auto  
régulée de  
**tarification  
transparente**

**Réglementation  
positive de l'Etat**

Tarification  
Responsible

# MFT travaille avec tous les acteurs de l'Industrie

**MFIs**

Networks,  
Associations,  
Industry Initiatives,  
Rating Agencies

**MFT**

Regulators, Supervisory  
Bodies, Consumer  
Protection Agencies

Donors &  
Investors

# Comment atteindre une Finance Responsable?

## Business Model de MFT

- **Collecte de données et diffusion** : MFT recueille les prix des produits et des informations à afficher sur son site Internet pour faciliter un marché plus transparent.
- **Consultation sur les Lois et Régulations** : MFT fournit des recommandations aux banques centrales et autorités de régulation sur la protection des consommateurs et des normes de transparence
- **Assistance Technique et formation aux fournisseurs de services** : MFT offre une formation technique aux IMF, agences de notation, les initiatrices du secteur, et d'autres organisations pour améliorer les pratiques et créer des pratiques normalisées dans le secteur
- **Sensibilisation des consommateurs, Education et «capacité financière»**: Fournir du matériel de formation et des ressources pour améliorer le savoir des clients consommateurs

# Transparence pour une industrie de la Microfinance Saine

## Politique / Régulation

**Régulateurs**

75 Pays

Analytical  
Publications

**Le secteur des  
IMFs**

5,000 IMF

Conferences and  
Educational Materials

**Public et Presse**

**Consommateurs**

100 millions

**Pricing Data**

**Website**

**Education**

Une politique efficace nécessite la construction d'une base solide au bas de la pyramide --

La transparence des coûts et l'éducation de tous les acteurs crée un environnement favorable pour une industrie saine de la microfinance

# Client Protection Principles



Keeping clients first  
in microfinance

1. Appropriate product design
- 2. Transparency**
- 3. Responsible pricing**
4. Responsible treatment of clients
5. Effective complaints resolution
6. Privacy of client data

## Social Performance Indicators

INDICATOR	WHAT DOES THE INDICATOR MEASURE?
1. Mission and Social Goals	The MFI's stated commitment to its social mission, its target market and development objectives.
2. Governance	Whether the members of the Board of Directors' have been trained in social performance management and the presence of a formal Board committee that monitors social performance.
3. Range of Products and Services	Both the financial and non-financial products and services offered by an MFI.
4. Client outreach by lending methodologies	The typology of lending methodology offered by the MFI.
5. Client retention	The client retention rate of an MFI.
6. Social Responsibility to Clients	The 6 principles of client protection of The Smart Campaign applied by the MFI: 1) Avoidance of Over-Indebtedness; 2) Transparent and Responsible Pricing; 3) Appropriate Collections Practices; 4) Ethical Staff Behavior; 5) Mechanisms for Redress of Grievances; 6) Privacy of Client Data.
7. Transparency of Costs of Services to Clients	How the institution states the interest rate.
8. Human Resources and Staff Incentives	The MFI's policy regarding social responsibility to staff, such as: human resource policies in place, board and staff composition, staff turnover rate and staff incentives linked to social performance goals.
9. Employment Creation and Enterprises Financed	The number of enterprises financed by the MFI and employment generation opportunities created by the enterprises financed.
10. Social Responsibility to the Environment	Whether the MFI has policies and initiatives in place to mitigate the environmental impact of financed enterprises.
11. Poverty Outreach	Poverty levels of clients at entry and their move out of poverty over time

# Self-Regulation

*MF*Transparency facilitates self-regulation on pricing transparency

## Our Approach

- Country by country
- Partner with local networks, policy-makers, regulators and stakeholders
- Publish **true** prices all at the same time
- Objective, equal treatment of all MFIs

# Immediate Effects of the *Transparent Pricing Initiative*

- MFIs lowering prices for products priced high relative to the market
- MFIs increasing their prices for products priced low relative to the market
- Progress by regulators toward new pro-poor policies

# Primes de Participation



# Recommendation MFT

Nous vous invitons  
tous à signer notre  
déclaration de  
Soutien, en vous  
engageant à la  
Transparence des  
Coûts  
et à l'éducation  
des parties  
prenantes de la  
Microfinance

## Endorsements Form

### ***MFTransparency* Endorser Statement**

I endorse the dual mission of *MFTransparency* to:

- Facilitate the collection and dissemination of transparent microcredit product pricing information.
- Educate stakeholders and enhance their understanding of microcredit product pricing.

I encourage all who are involved in the microfinance industry to support these principles.

\_\_\_\_\_  
(name printed)

\_\_\_\_\_  
(job title)

\_\_\_\_\_  
(organization)

\_\_\_\_\_  
(country)

\_\_\_\_\_  
(select from the following organization types:)

MFI  
Apex Bank  
Financing, Ratings, and Industry Policy  
Networks of Microfinance Institutions  
Academic / Consultants

\_\_\_\_\_  
(email address)

\_\_\_\_\_  
(date)

# Standardized Repayment Schedule

<b>Model Repayment Schedule</b>		<b>Client Information</b>		<b>Annual Percentage Rate (APR):</b>	<b>13.91%</b>	<b>Note: The APR indicates the cost for you to borrow \$1.00 for one year. In this case, it would cost you 13.9 cents to borrow \$1.00 and keep the entire \$1.00 for one full year. The APR is an essential figure for you to compare the true cost of different loans.</b>
<b>Bank:</b>	<b>Transparency Finance</b>	<b>Name:</b>		<b>Total Interest Paid:</b>	66.19	
<b>Address:</b>		<b>Address:</b>		<b>Total Fees Paid:</b>	10.00	
<b>Telephone:</b>		<b>Telephone:</b>		<b>Total Insurance Paid:</b>	0.00	
<b>Branch:</b>		<b>ID Number:</b>		<b>Total Taxes Paid:</b>	0.00	
<b>Loan Officer:</b>		<b>Loan Amount:</b>	1,000.00	<b>Total Cost of Loan:</b>	76.19	
<b>Product:</b>		<b>Disbursement Date:</b>	1-Jan-10	<b>Total Months:</b>	12.0	
		<b>Maturity Date:</b>	1-Jan-11	<b>Cost per month:</b>	6.33	
				<b>Average Loan Balance:</b>	547.90	

For questions or complaints, call customer service at: XXXXXXXXXX

Period	Date	Loan Amount and Balance			Total Cost of Loan				Security Deposit Information				Total Payment (Incl. Security Deposit)	Description	
		Disbursement	Principle Repayment	Balance of Loan	Interest Repayment	Fees	Insurance	Taxes	Security Deposit	Interest on Security Dep	Withdrawal of Sec Dep	Security Deposit Balance			
0	1-Jan-10	1,000.00	0.00	1,000.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	Disbursement
1	1-Feb-10	0.00	78.85	921.15	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 1
2	1-Mar-10	0.00	79.64	841.51	9.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 2
3	1-Apr-10	0.00	80.43	761.08	8.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 3
4	1-May-10	0.00	81.24	679.84	7.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 4
5	1-Jun-10	0.00	82.05	597.79	6.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 5
6	1-Jul-10	0.00	82.87	514.92	5.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 6
7	1-Aug-10	0.00	83.70	431.22	5.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 7
8	1-Sep-10	0.00	84.54	346.68	4.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 8
9	1-Oct-10	0.00	85.38	261.30	3.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 9
10	1-Nov-10	0.00	86.24	175.06	2.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 10
11	1-Dec-10	0.00	87.10	87.96	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.85	Annuity 11
12	1-Jan-11	0.00	87.96	0.00	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.84	Annuity 12
<b>TOTAL</b>		<b>1,000.00</b>	<b>999.99</b>		<b>66.19</b>	<b>10.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,076.18</b>	

# A qui profite la transparence de tarification ?

- Consommateurs:
  - Ils arrivent à savoir le vrai tarif – ils peuvent décider s'ils veulent emprunter
  - Ils peuvent décider entre les produits concurrents des IMFs sur une base de données comparative
- IMFs
  - Elles apprennent les tarifs du marché, où elles opèrent et peuvent prendre des décisions pour affiner leur stratégies de tarification
- Secteur
  - Le secteur de la Microfinance obtient une base de données lui permettant de prendre des décisions avec les décideurs

# A qui profite la transparence en tarification ?

- Partenaires financiers:
  - Ils savent ce que leur IMFs clients IMFs appliquent a leurs clients, et peuvent choisir leurs partenaires en consequence
- Regulateurs
  - Observent les tarifs qui prevaient sur le marche, en aiguisant leur capacite d'intervention specifique et en affinant la politique

# Conclusions

## La tarification transparente est une condition préalable pour tarification responsable

- Nous avons besoin de meilleures connaissances et compréhension en tarification, et de meilleures données à analyser

## Le rendement du portefeuille est loin d'être adéquat

- Une tarification produit individuelle est essentielle et accessible si nous travaillons ensemble

## La Tarification Transparente conduit à plus de concurrence et à de meilleures décisions par les acteurs

- Plus de concurrence et de meilleures décisions conduisent à une tarification plus responsable

# Next Steps in Morocco

- Review materials
- One-on-one discussions and dialogue
- Begin data submission process
- Additional training & technical support
- Consider recommendations on price transparency

## Data Collection Tool

**MFIs submit information on pricing using our Excel-based Data Collection Tool**

# PRICE TRANSPARENCY INDEX

**Features of our new data platform  
and presentation of Pricing  
Transparency Index**

# Transparent Pricing In Uganda

The *Transparent Pricing Initiative* in Uganda has published standardized pricing data from 23 institutions, representing an estimated 85% of Uganda's microloan borrowers. Launched in 2011 the *Initiative* is delivered in partnership with Planet Rating and AMFIU (Association of Microfinance Institutions in Uganda), and is funded by the MasterCard Foundation.

## Microfinance in Uganda

## Truth-in-Lending Legislation

## Uganda Price Graph

The dataset for Uganda comprises of 59 microloan products offered by 23 microfinance service providers. A classic curve in the market average APR is seen, showing that loans of a smaller size rise dramatically in price.



## BROWSE TRUTH IN LENDING

Uganda MFIs:

Select institution...

## TRANSPARENCY STATISTICS

Uganda

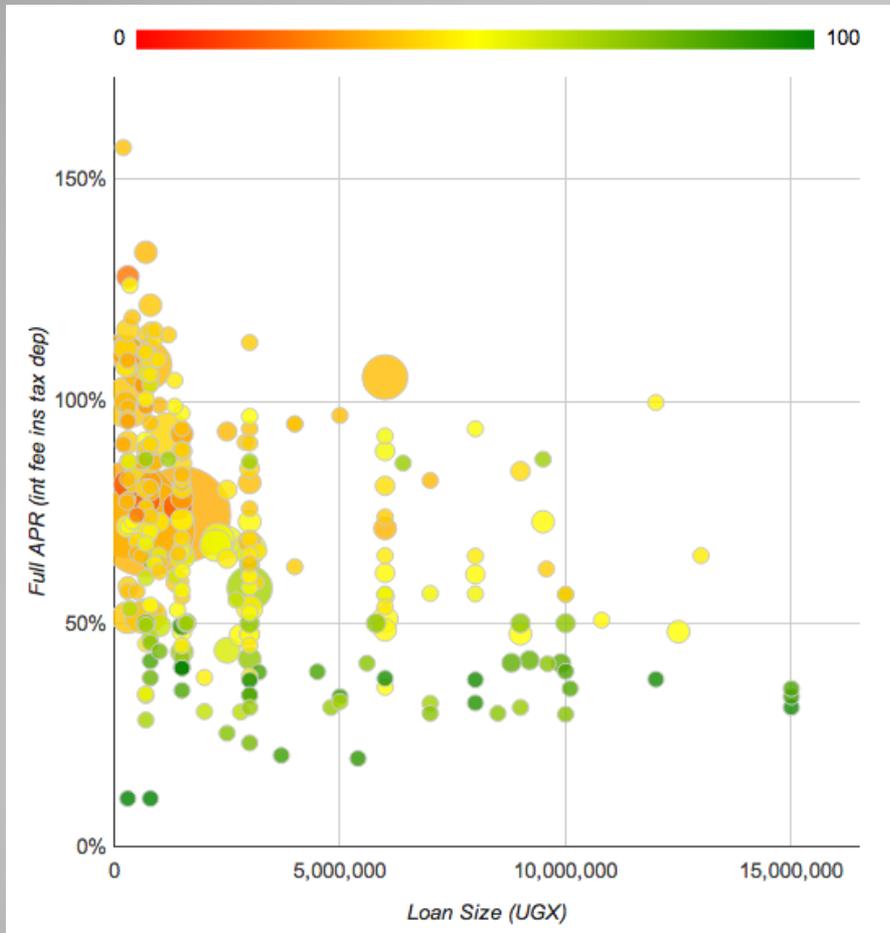


# Institutions:	23
# Borrowers:	417,072
Portfolio (US\$):	\$301.0 Mil
Products:	67
Transp. Index:	46
Initiative start date:	2011-Jan
Update Frequency:	Semi-Annually

## LATEST NEWS & RESOURCES

News

# Uganda Prices and Transparency



- Size of bubbles indicates number of clients with loan for that product in that loan size range.
- Coloring of bubble indicates degree of pricing transparency of that loan sample.

## UGANDA INSTITUTIONS

Institution	# Borrowers	Portfolio (US\$)	Products	Transp. Index	Participating Since	Age of Data
APAS	320	\$128,000	2	73	2011-Jun	21 mos.
BRAC-UGA	121,959	\$18,750,057	3	34	2011-Jun	2 mos.
Centenary Bank	111,035	\$158,076,400	4	58	2011-Jun	21 mos.
EBO SACCO	1,500	\$1,240,382	2	71	2011-Jun	2 mos.
Equity Bank	13,069	\$57,252,004	0	NA	2011-Jun	2 mos.
Finance Trust	22,555	\$17,520,424	5	34	2011-Jun	2 mos.
FINCA-UGA	56,766	\$19,056,121	4	44	2011-Oct	2 mos.
Five Talents	5,365	\$368,057	2	33	2011-Jun	2 mos.
Gatsby	1,346	\$2,440,236	2	44	2011-Jun	2 mos.
Habitat Uganda	858	\$265,508	1	47	2011-Jun	2 mos.
Hofokam	20,908	\$4,793,200	6	52	2011-Jun	2 mos.
KACITA	156	\$60,318	1	37	2011-Jun	2 mos.
Madfa SACCO	4,832	\$288,674	5	45	2011-Jun	2 mos.

# Product Summary – Scale, Amount ,Term

## Loan Products » Scale, Amount & Term

PRODUCT NAME	# BORROWERS	PORTFOLIO (USD)	LOAN SIZE RANGE	LOAN TERM (MONTHS)	AVG GRACE PERIOD (MONTHS)	ANNUAL NOMINAL INTEREST	FULL APR	TRANSPARENCY INDEX
Agriculture Loan	2,506	USD 251,752	UGX 50,000 - 15,000,000	6 - 12	0	33.60% annual, Flat	41.2% - 93.4%	54
Individual Loan	2,951	USD 1,795,390	UGX 500,000 - 10,000,000	6 - 24	0	30.00% annual, Flat	61.2% - 79.1%	45
Salary Loan	573	USD 230,823	UGX 250,000 - 10,000,000	6 - 12	0	33.60% annual, Flat	39.2% - 45.8%	81
School Fees Loan	140	USD 128,977	UGX 700,000 - 1,500,000	6 - 8	0	33.60% annual, Flat	66.1% - 76.2%	47
Solidarity Group Loan	1,278	USD 140,132	UGX 200,000 - 500,000	4 - 12	0	36.00% annual, Flat	82.1% - 90.9%	42
Village Bank Loan	9,843	USD 628,972	UGX 50,000 - 5,000,000	4 - 12	0	36.00% annual, Flat	67% - 69.1%	53

# Product Summary –

## Target Group, Methodology, Purpose, Services

### Loan Products » Target Group, Methodology, Purpose & Services

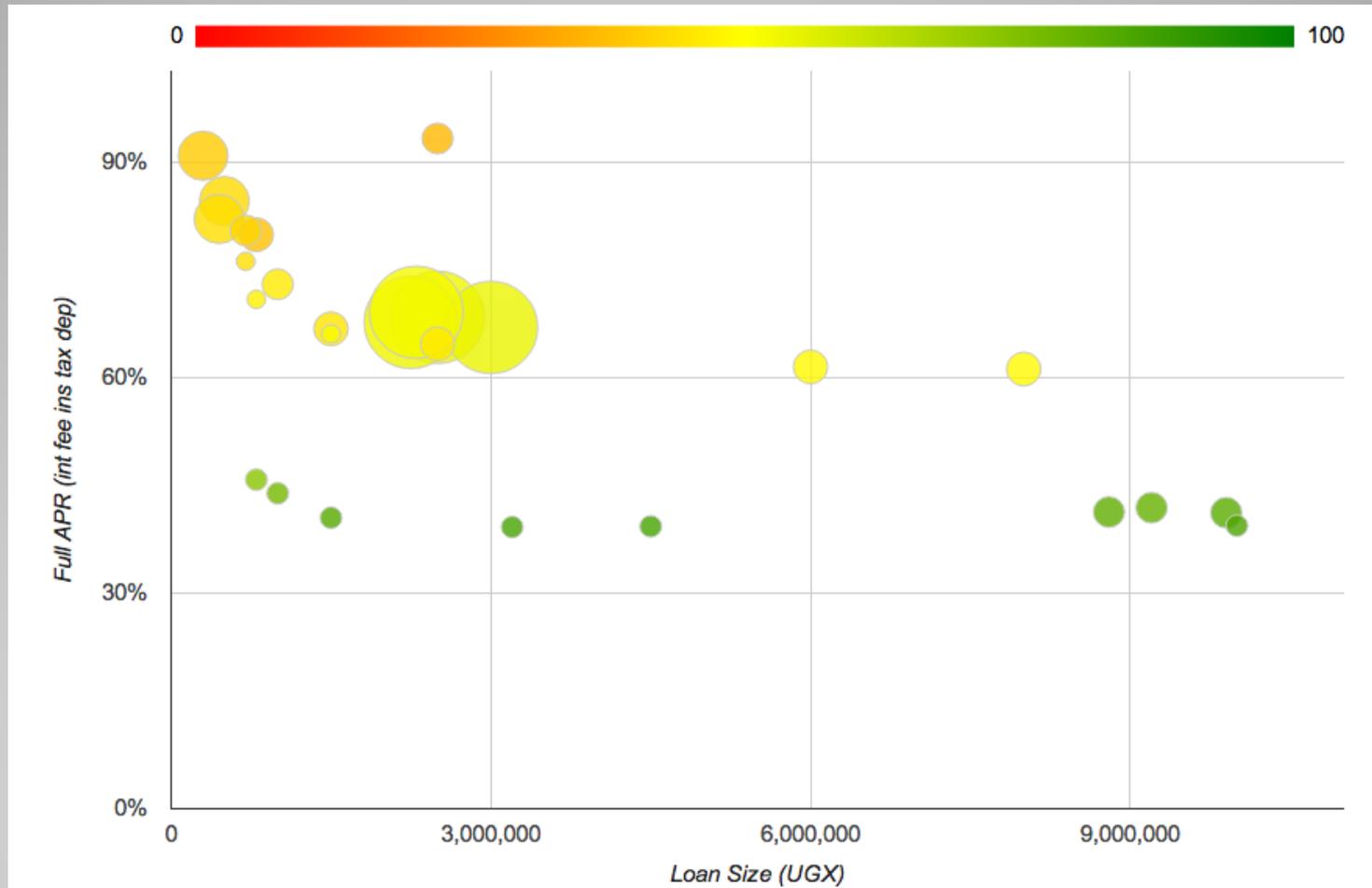
PRODUCT NAME	% FEMALE	% URBAN	LENDING METHOD	PURPOSE	ELIGIBILITY	OTHER SERVICES
Agriculture Loan	60% - 80%	20% - 40%	Individual, Village Banking	Business	Women, Men, Have business, Have home or land	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training
Individual Loan	20% - 40%	20% - 40%	Individual	Business, Education	Women, Men, Have business, Have home or land	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training
Salary Loan	20% - 40%	20% - 40%	Individual	Consumer, Education	Women, Men, Salaried worker, Specific age group	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training
School Fees Loan	20% - 40%	20% - 40%	Individual	Education	Women, Men, Have business	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training
Solidarity Group Loan	60% - 80%	40% - 60%	Solidarity Group	Business, Consumer, Education	Women, Men, Have business, Have home or land	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training
Village Bank Loan	40% - 60%	0% - 20%	Solidarity Group, Village Banking	Business, Consumer, Education	Women, Men, Have business, Have home or land	Credit Educ, Group Mtgs, Tech Asst Visits, Business Training

# Product Summary - Pricing

## Loan Products » Pricing Information

PRODUCT NAME	ANNUAL NOMINAL INTEREST	FEES	INSURANCE	TAXES	COMPULSORY DEPOSIT	APR (INT+FEE)	FULL APR	TRANSPARENCY INDEX
Agriculture Loan	33.60% annual, Flat	1 Fee	1 Ins	None	20.00% upfront	32.8% - 56%	41.2% - 93.3%	54
Individual Loan	30.00% annual, Flat	1 Fee	1 Ins	None	N/A	60.1% - 61.1%	61.2% - 79.9%	45
Salary Loan	33.60% annual, Flat	1 Fee	1 Ins	None	N/A	38.8% - 41%	39.2% - 45.8%	81
School Fees Loan	33.60% annual, Flat	1 Fee	1 Ins	None	N/A	61.2% - 61.6%	66.1% - 76.2%	47
Solidarity Group Loan	36.00% annual, Flat	1 Fee	1 Ins	None	20.00% upfront	64.2% - 65.3%	82.1% - 90.9%	42
Village Bank Loan	36.00% annual, Flat	1 Fee	1 Ins	None	20.00% upfront	64.4% - 64.7%	67% - 69.1%	53

# Hofocam, 6 products



## Product Details

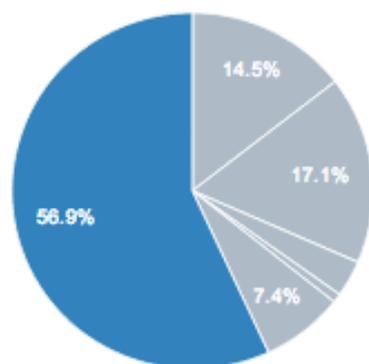
### Key Statistics

Outstanding portfolio (UGX)	UGX 1,572,430,114
Portfolio (USD)	USD 628,972
# Borrowers	9,843
% Female	40% - 60%
% Urban	0% - 20%

### Loan Purpose

Any purpose	
Income generation	x
Mortgage/housing	
Consumer loan	x
Agriculture	
Education	x
Other household finance	
Other	
Other (2)	

### # Borrowers by Product



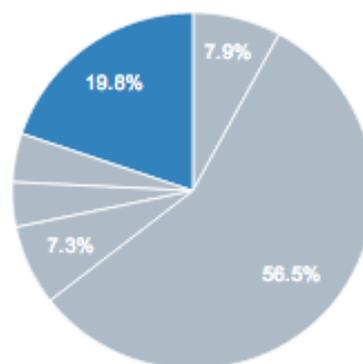
### Methodology

Individual	
Solidarity group	x
Village banking	x
Self-help group	
Other	

### Included Services

Credit education	x
Group meetings	x
Credit insurance	
Workplace visits	x
Business training	x
Other training	
Other	
Other (2)	
No other services	

### Portfolio Size by Product



### Description

Loans to village banks consisting of 15-40 members, who are organised in solidarity groups of 3-5 members each

### Eligibility

Men	x
Women	x
Must run a business	x
Must own a home or land	x
Must be a salaried worker	
Must be specific age group	
Other	
Other (2)	

### Geographic Coverage

# Regions for this institution	1
# Regions for this product	1
Regions	Western

# Loan Conditions, Single Product

## Loan Conditions

### Loan Amounts

Currency	UGX
Minimum loan size	UGX 50,000
Maximum loan size	UGX 5,000,000

#### DISTRIBUTION AT DISBURSEMENT (EST.)

Loans less than UGX 1,000,000	50%
UGX 1,000,000-5,000,000	50%
UGX 5,000,000-7,500,000	0%
UGX 7,500,000-10,000,000	0%
UGX 10,000,000-13,000,000	0%
UGX 13,000,000-15,000,000	0%
Greater than UGX 15,000,000	0%

### Loan Term and Grace Period

Shortest loan term	4 months
Longest loan term	12 months
Approx average	8 months

#### DISTRIBUTION AT DISBURSEMENT (EST.)

Loans 3 months or less	0%
Between 4 and 6 months	0%
Between 7 and 9 months	50%
Between 10 and 12 months	50%
Between 13 and 18 months	0%
Longer than 18 months	0%

#### GRACE PERIOD

Grace period usage	0%
Average grace period	0 months

### Repayment Frequency

Daily	
Weekly	
Every 2 weeks	x
Every 4 weeks	
Monthly	x
Every 2 months	
Quarterly	
Every 6 months	
Every 12 months	
Single end payment	
Irregular payments	

# Pricing Information

## Interest

Lowest quoted nominal rate	3.00%
Highest quoted nominal rate	3.00%
Interest rate period	Monthly
Interest Rate Calculation Method	Flat
Subsidized by funder request?	No
Is rate fixed for entire loan term	Yes

## Upfront Fees

FEE 1	
Description	Application Fee
% of loan amount - min	2.00%
% of loan amount - max	2.00%
OR, Fixed amount - min	0
Fixed amount - max	0
Reason for variation	N/A
Appears on Repayment Sched?	No

## Ongoing Fees

THIS PRODUCT HAS NO ONGOING FEES

## Upfront Insurance Fees

INS 1	
Description	Life Insurance
% of loan amount - min	0.00%

## Compulsory Deposit

Required for	All
Criteria	N/A
Is deposit indicated on the repayment schedule?	No
Do borrowers control the savings in their group?	Yes

### DEPOSIT BEFORE OR AT DISBURSEMENT

% loan amount deposited	20.00%
or, Fixed-amount deposited	0

### DEPOSITS DURING PERIOD PAYMENTS

% loan amount deposited	10.00%
or, Fixed-amount deposited	0
Conditions on access to deposit	Final Pmt

### INTEREST PAID ON DEPOSIT

Minimum interest rate paid	0.00%
Maximum interest rate paid	0.00%
Interest payment frequency	

## Taxes

Are taxes charged on this product?	No
------------------------------------	----

# Sample Prices, Single Product

## Full Pricing Data

### Village Bank Loan Samples

	SAMPLE 1	SAMPLE 2	SAMPLE 3	SAMPLE 4
Loan Amount	UGX 2,250,000	UGX 2,300,000	UGX 2,500,000	UGX 3,000,000
Loan Cycle (1, 2, 3, etc)	4	6	8	15
Disbursement Date	2012-08-03	2012-09-19	2012-05-05	2012-07-23
Term (Months)	6 months	4.1 months	4.1 months	6 months
Grace (Months)	1 month	1 month	1 month	0 months
Total Cost of Credit	UGX 470,000	UGX 342,000	UGX 370,000	UGX 620,000
APR (int)	57.3%	54.8%	54.6%	57.4%
APR (int fee)	64.5%	64.7%	64.4%	64.6%
APR (int fee ins)	67.7%	69.1%	68.4%	67.0%
APR (int fee ins tax)	67.7%	69.1%	68.4%	67.0%
Full APR (int fee ins tax dep)	67.7%	69.1%	68.4%	67.0%
Transparency Index	53	52	53	54

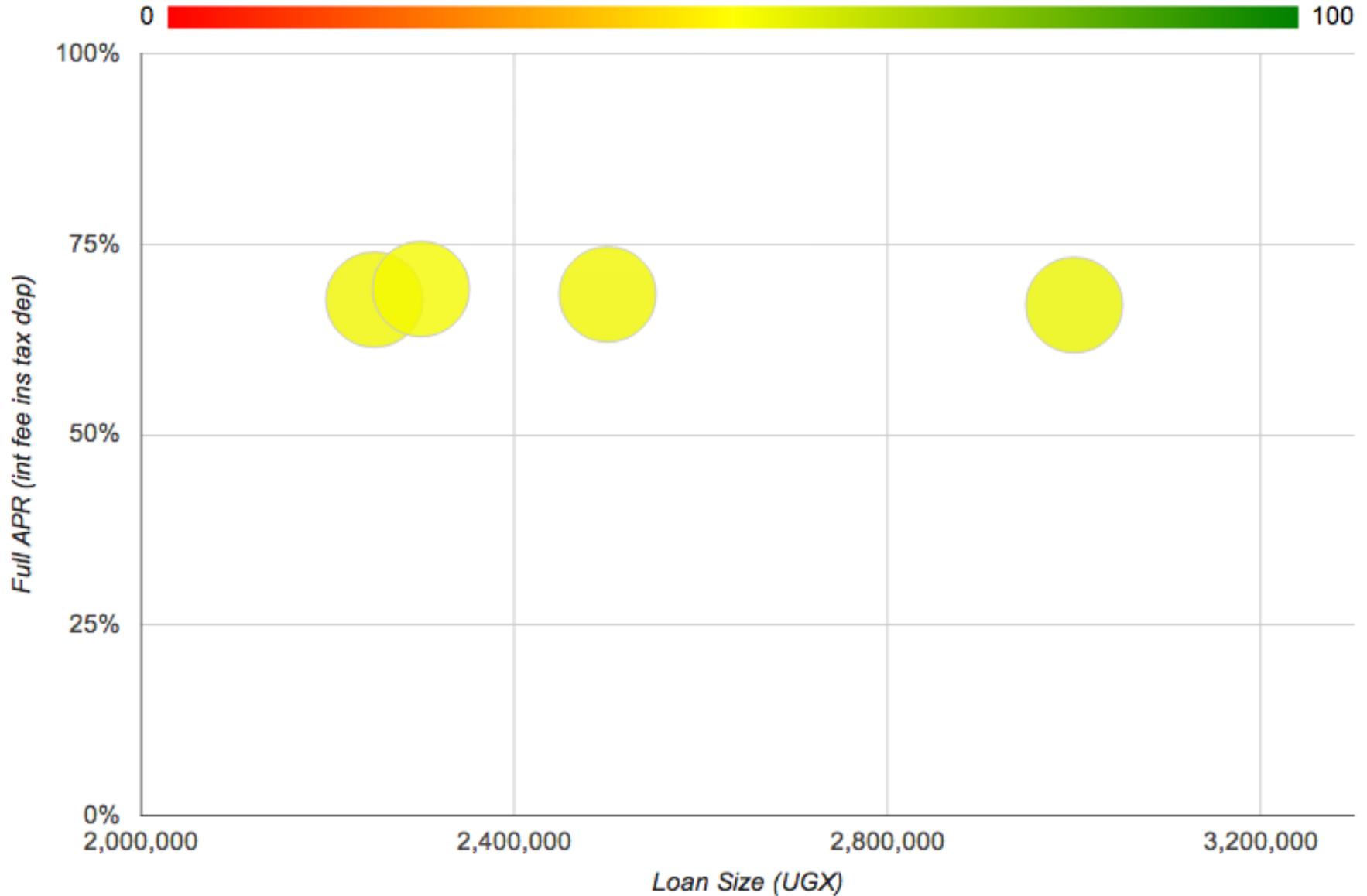
### Files for Samples

1. UG-010-V02-Hofokam-P06-PriceCalc-S1-1-20120724.PDF
2. UG-010-V02-Hofokam-P06-PriceCalc-S2-1-20120724.PDF
3. UG-010-V02-Hofokam-P06-PriceCalc-S3-1-20120724.PDF
4. UG-010-V02-Hofokam-P06-PriceCalc-S4-1-20120724.PDF

1. UG-010-V02-Hofokam-P06-PriceCalc-S1-1-20120724.PDF  
2. UG-010-V02-Hofokam-P06-PriceCalc-S2-1-20120724.PDF

3. UG-010-V02-Hofokam-P06-PriceCalc-S3-1-20120724.PDF  
4. UG-010-V02-Hofokam-P06-PriceCalc-S4-1-20120724.PDF

### Village Bank Loan Price Graph



*Individual*

# HOFOKAM LTD.

Kasese

02/10/2012

17:49:48

## Loan Repayment Schedule

Loan Product: 101543 - COMMERCIAL LOANS



Disbursement Amount: 6,000,000

Disbursement Date: 05/09/2012

Ref. No.:

Loan period in months: 12.00

No. of Installments: 12 (Monthly)

Annual Int. Rate (%): 33.60000%

Loan Officer:

Grace Period: 0 (Monthly)

Loan Fund: General

<u>Due Date</u>	<u>Trx Type</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>	<u>Principal Balance</u>	<u>Interest Balance</u>	<u>Total Balance</u>
05/09/2012	Loan Disbursement	6,000,000	2,016,000	8,016,000	0	0	0
05/10/2012	Repayment Due	500,000	168,000	668,000	5,500,000	1,848,000	7,348,000
05/11/2012	Repayment Due	500,000	168,000	668,000	5,000,000	1,680,000	6,680,000
05/12/2012	Repayment Due	500,000	168,000	668,000	4,500,000	1,512,000	6,012,000
05/01/2013	Repayment Due	500,000	168,000	668,000	4,000,000	1,344,000	5,344,000
05/02/2013	Repayment Due	500,000	168,000	668,000	3,500,000	1,176,000	4,676,000
05/03/2013	Repayment Due	500,000	168,000	668,000	3,000,000	1,008,000	4,008,000
05/04/2013	Repayment Due	500,000	168,000	668,000	2,500,000	840,000	3,340,000
05/05/2013	Repayment Due	500,000	168,000	668,000	2,000,000	672,000	2,672,000
05/06/2013	Repayment Due	500,000	168,000	668,000	1,500,000	504,000	2,004,000
05/07/2013	Repayment Due	500,000	168,000	668,000	1,000,000	336,000	1,336,000
05/08/2013	Repayment Due	500,000	168,000	668,000	500,000	168,000	668,000
05/09/2013	Repayment Due	500,000	168,000	668,000	0	0	0

### Mortgage/Machinery:

1. Toyota premio UAR 2022 (Value: 10,000,000)



# PDF of MFT Price Calculation

## MicroFinance Transparency Pricing Calculation

Institution: Hofokam Ltd

Country: Uganda

Full Price: 61.53%

Product 2: Individual Loan

Transparency Index: 49/100

Sample 4 of 5, Variation 1 of 1    FileName: UG-010-V02-Hofokam-PP2-PriceCalc-S4-1-20120724.PDF

Date of Analysis: 2013-01-25

Loan Amt:	6,000,000.00
Avg Balance:	3,242,466
Disb Date:	5-Sep-12
Term (Months):	12.0
Grace (Months):	1.0
<b>Transp INDEX:</b>	<b>49</b>

Pricing Info	Quoted info	Total Pd	Incr	MPR	APR	EIR
Interest	30.00% annual, Flat	2,016,000.00	56.03%	4.67%	56.03%	75.04%
Fees	2.00% upfront	120,000.00	4.11%	5.01%	60.13%	82.37%
Insurance	40,000 upfront	40,000.00	1.39%	5.13%	61.53%	84.92%
Taxes	None	0.00	0.00%	5.13%	61.53%	84.92%
Deposit	None		0.00%	5.13%	61.53%	84.92%
<b>Total Cost</b>		<b>2,176,000.00</b>		<b>5.13%</b>	<b>61.53%</b>	<b>84.92%</b>

Loan Amount & Balance					Total Cost of Loan				Compulsory Deposit			
Per	Date	Disburse	Principle	Balance	Interest	Fees	Insurance	Taxes	Deposit	Interest	Withdraw	Balance
<b>Transparent Price (nominal APR)</b>					<b>56.03%</b>	<b>60.13%</b>	<b>61.53%</b>	<b>61.53%</b>	<b>61.53%</b>			
<b>Totals</b>					<b>2,016,000</b>	<b>120,000.00</b>	<b>40,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
0	5-Sep-12	6,000,000.00	-	6,000,000.00	-	120,000.00	40,000.00	-	-	-	-	-
1	5-Oct-12	-	500,000.00	5,500,000.00	168,000.00	-	-	-	-	-	-	-
2	5-Nov-12	-	500,000.00	5,000,000.00	168,000.00	-	-	-	-	-	-	-
3	5-Dec-12	-	500,000.00	4,500,000.00	168,000.00	-	-	-	-	-	-	-
4	5-Jan-13	-	500,000.00	4,000,000.00	168,000.00	-	-	-	-	-	-	-
5	5-Feb-13	-	500,000.00	3,500,000.00	168,000.00	-	-	-	-	-	-	-
6	5-Mar-13	-	500,000.00	3,000,000.00	168,000.00	-	-	-	-	-	-	-
7	5-Apr-13	-	500,000.00	2,500,000.00	168,000.00	-	-	-	-	-	-	-
8	5-May-13	-	500,000.00	2,000,000.00	168,000.00	-	-	-	-	-	-	-
9	5-Jun-13	-	500,000.00	1,500,000.00	168,000.00	-	-	-	-	-	-	-
10	5-Jul-13	-	500,000.00	1,000,000.00	168,000.00	-	-	-	-	-	-	-
11	5-Aug-13	-	500,000.00	500,000.00	168,000.00	-	-	-	-	-	-	-
12	5-Sep-13	-	500,000.00	0.00	168,000.00	-	-	-	-	-	-	-

# Top Section of MFT Price Calculation

Full Price: 61.53%

Transparency Index: 49/100

12-PriceCalc-S4-1-20120724.PDF

Date of Analysis: 2013-01-25

Pricing Info	Quoted info	Total Pd	Incr	MPR	APR	EIR
Interest	30.00% annual, Flat	2,016,000.00	56.03%	4.67%	56.03%	75.04%
Fees	2.00% upfront	120,000.00	4.11%	5.01%	60.13%	82.37%
Insurance	40,000 upfront	40,000.00	1.39%	5.13%	61.53%	84.92%
Taxes	None	0.00	0.00%	5.13%	61.53%	84.92%
Deposit	None		0.00%	5.13%	61.53%	84.92%
<b>Total Cost</b>		<b>2,176,000.00</b>		<b>5.13%</b>	<b>61.53%</b>	<b>84.92%</b>

R)	Total Cost of Loan				Compulsory Deposit			
	Interest	Fees	Insurance	Taxes	Deposit	Interest	Withdraw	Balance
	56.03%	60.13%	61.53%	61.53%	61.53%			
	2,016,000	120,000.00	40,000.00	0.00	0.00	0.00	0.00	



# Promoting Transparent Pricing in the Microfinance Industry

