



BANK of ZAMBIA

NON-BANK FINANCIAL INSTITUTIONS

PUBLICATION OF CHARGES, FEES AND COMMISSIONS AND DEMONSTRATION OF THE COST OF BORROWING K1,000 FOR ONE YEAR FIGURES AS AT 30 SEPTEMBER 2018

| | Agora Microfinance Zambia Ltd | ALS Capital | ALTUS Financial Services | Bayport | Betternow Finance | Chibuyu Finance Limited | Christian Empowerment Microfinance | EFC Financial Services Ltd | Elpe Finance Limited | Finca Zambia Limited | FMC Finance | IZWE Loans | Madison Finance Company | Meanwood Finance | Micro Finance Zambia | Microloan Foundation | Moneta Finance Limited | Tandiza | Unity Finance | Vision Fund Zambia | YesCash Zambia Limited | Zambou | Zampost Microfinance | Nchanga | Xtenda |
|---|-------------------------------|----------------|--------------------------|----------------|-------------------|-------------------------|------------------------------------|----------------------------|----------------------|----------------------|----------------|----------------|-------------------------|------------------|----------------------|----------------------|------------------------|----------------|----------------|--------------------|------------------------|----------------|----------------------|----------------|----------------|
| Amount of Loan | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K,000 | K,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 | K1,000 |
| Interest cost | K293.00 | K284.82 | K431.32 | K257.52 | K551.00 | K2,400.00 | K420.00 | K471.00 | K761.16 | K346.00 | K443.00 | K256.21 | K295.64 | K510.00 | K214.56 | K600.00 | K466.08 | K300.00 | K556.76 | K660.00 | K761.20 | K286.90 | K217.59 | K620.00 | K145.00 |
| Loan processing fee | | | | | K50.00 | | | | K20.00 | K38.00 | | | K100.00 | | K25.00 | | | | | | | | | | K100.00 |
| Administration fee | | 0 | K50.00 | | K50.00 | | | K120.00 | | | K90.00 | K90.00 | | K100.00 | K8.00 | | K20.00 | K125.00 | | | | K200.00 | K35.00 | | K10.00 |
| Loan application fee | K137.40 | K50.00 | K25.00 | | | | K10.00 | | | K11.00 | | | | K80.00 | | | | | | | | | | K25.00 | |
| Insurance | K2.60 | K50.00 | K25.00 | | K8.00 | | | | | K5.00 | K10.00 | | K20.00 | | K44.00 | | | | K126.00 | | | K20.00 | K4.00 | | |
| Comittment Fee | | | | | | | | | | | | | | | | | | | | K120.00 | | | | | |
| Service/ Debt recovery fee | | | | | | | | | | | | | | | | | | | | | | | | | |
| Credit Reference Bureau | | | | | | | | | | | K120.00 | | | | | | | | | | | | | | |
| Any other credit related charges | | | | | K120 | | | | | | | | | | K45.00 | | K313.92 | | K109.24 | | | | | | |
| Total Cost borrowing | K433.00 | K384.82 | K531.32.00 | K257.52 | K779.00 | K2,400.00 | K430.00 | K591.00 | K781.16 | K401.00 | K764.00 | K346.21 | K415.64 | K690.00 | K336.06 | K600.00 | K800.00 | K425.00 | K792.00 | K780.00 | K761.20 | K506.90 | K281.59 | K620.00 | K255.00 |
| Effective Annual Interest Rate (%) | 87.00% | 57.60% | 89.00% | 44.56% | 77.90% | 262.00% | 42.00% | 59.10% | 78.00% | 74.00% | 76.00% | 40.89% | 64.12% | 69.00% | 58.70% | 110.00% | 78.00% | 78.00% | 68.00% | 78.00% | 214.00% | 76.71% | 28.16% | 114.00% | 80.05% |

LEASING FINANCE INSTITUTIONS

| | Alios Finance Company | Leasing Finance Company Limited |
|---|-----------------------|---------------------------------|
| Amount of Loan | K1,000 | K1,000 |
| Interest cost | K254.00 | K140.00 |
| Loan application fee | | |
| Discount Fee | | |
| Processing fee | | |
| Administration fee | | K5.00 |
| Arrangement fee | K23.00 | K5.00 |
| Lease management/ ledger fee | | |
| Commitment fee | | K5.00 |
| Disbursement fee | | |
| Terminal fee | | |
| Insurance | | |
| Credit Reference Bureau | | |
| Inspection fee | | K5.00 |
| Search fees | | |
| Facility fee | | |
| Appraisal fees | | |
| Any other credit related charges | | |
| Total Cost of borrowing | K277.00 | K160.00 |
| Effective Annual Interest Rate (%) | 48.00% | 33.00% |

BUILDING SOCIETIES

| | Finance Building Society | Zambia National Building Society | PABS |
|---|--------------------------|----------------------------------|----------------|
| Amount of Loan | K1,000 | K1,000 | K1,000 |
| Interest cost | K190.62 | K190.00 | K400.00 |
| Loan application fee | | K2.50 | |
| Discount Fee | | | |
| Processing fee | | | |
| Administration fee | K3.33 | K2.50 | |
| Arrangement fee | | | K30.00 |
| Lease management/ ledger fee | | | |
| Commitment fee | | | |
| Disbursement fee | | | |
| Terminal fee | | | |
| Insurance | | K4.00 | K30.00 |
| Credit Reference Bureau | | K2.50 | K50.00 |
| Inspection fee | | | |
| Search fees | | | |
| Facility fee | | | |
| Appraisal fees | | | |
| Any other credit related charges | | | |
| Total Cost of borrowing | K190.96 | K201.50 | K510.00 |
| Effective Annual Interest Rate (%) | 33.59% | 20.15% | 51.00% |

FINANCIAL BUSINESSES

| | Zambia Home Loans |
|---|-------------------|
| Amount of Loan | K1000 |
| Interest cost | K149.31 |
| Loan application fee | K38.71 |
| Discount Fee | |
| Processing fee | |
| Administration fee | |
| Arrangement fee | |
| Lease management/ ledger fee | |
| Commitment fee | |
| Disbursement fee | |
| Terminal fee | |
| Insurance | |
| Credit Reference Bureau | |
| Inspection fee | |
| Search fees | |
| Facility fee | |
| Appraisal fees | |
| Any other credit related charges | |
| Total Cost of borrowing | K188.02 |
| Effective Annual Interest Rate (%) | 35.50% |

OTHERS

| | Development Bank of Zambia | National Savings and Credit Bank |
|---|----------------------------|----------------------------------|
| Amount of Loan | K1,000 | K1,000 |
| Interest cost | K118.00 | K199.56 |
| Loan application fee | | |
| Discount Fee | | |
| Processing fee | | |
| Administration fee | | |
| Arrangement fee | | |
| Lease management/ ledger fee | | |
| Commitment fee | | |
| Disbursement fee | | |
| Terminal fee | | |
| Insurance | | |
| Credit Reference Bureau | | |
| Inspection fee | | |
| Search fees | | |
| Facility fee | | |
| Appraisal fees | | |
| Any other credit related charges | | |
| Total Cost of borrowing | K149.00 | K384.56 |
| Effective Annual Interest Rate (%) | 26.60% | 67.00% |

IMPORTANT NOTES FOR THE PUBLIC

Borrowers should note that two financial service providers may show almost the same amount of the monetary (Kwacha) costs of borrowing. However, their Effective Annual Interest Rate may vary widely. The difference in the Effective Annual Interest Rate on loans obtained from different financial service providers arises from factors such as differences in the frequency of compounding interest, differences in the effective loan periods and differences in the average principal amounts outstanding during the effective loan periods.

Irrespective of the specific structure of a given loan, financial service providers licensed by the Bank of Zambia are required by regulations 4 and 5 of the Banking and Financial Service (Cost of Borrowing) Regulations, 1995 to calculate the Effective Annual Interest Rate.

The Effective Annual Interest Rate is the actual cost (price) of a loan. Financial service providers licensed by the Bank of Zambia are required by regulation 7 of the Banking and Financial Service (Cost of Borrowing) Regulations, 1995 to disclose the cost of borrowing to the borrower, at or before the time at which the loan is made.

Therefore, borrowers are hereby informed to insist on financial service providers disclosing to them the Effective Annual Interest Rate that has been computed according to the Cost of Borrowing Regulations.

Borrowers should also use the Effective Annual Interest Rate, including other factors such as convenience and quality of service, to decide on which financial service provider to borrow from.