

Vision: To be a dynamic and credible central bank that contributes to the economic development 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 31 MARCH 2018

MICROFINANCE INSTITUTIONS

	Agora Microfinance Zambia Ltd	ALS Capital	ALTUS Finacial Services	Bayport	Betternow Finance	Blue Financial Services	Bomach Finance Limited	Chibuyu Finance Limited	Christian Empowerment Microfinance	Direct Finance Limited	EFC Financial Services Ltd	Elpe Finance Limited	Finca Zambia Limited	FMC Finance	Innovate Capital Solutions	IZWE Loans	JMAAC	Madison Finance Company	Meanwood Finance	Micro Finance Zambia	Microloan Foundation	Moneta Finance Limited	Tandiza	Unity Finance	Vision Fund Zambia	Xtenda Finance	YesCash Zambia Limited	Zambou	Zampost Microfinance
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	K,1000	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
Interest cost	K293.00	K284.82	K479.00	K258.77	K900.00	K639.68	K1300.00	K200.00	K420.00	K1000.00	K471.00	K761.16	K346.00	K480.00	K140.00	K256.21	K780.00	K482.80	K510.00	K238.76	K600.00	K780.00	K238.00	K556.76	K660.00	K32.80	K761.20	K286.90	K328.60
Loan processing fee					K50.00							K20.00	K38.00		K70.00			K100.00		K25.00									
Administration fee		K50.00	K42.50		K50.00		K25.00			K120.00	K120.00			K90.00		K90.00	K50.00		K100.00	K8.00		K20.00	K350.00			K120.00		K200.00	K35.00
Loan application fee	K137.40	K50.00	K42.50						K10.00				K11.00						K80.00										K25.00
Insurance	K2.60	K50.00	K25.00	K77.92	K8.00	K50.00							K5.00	K10.00			K50.00	K99.99		K44.00			K52.00	K126.00				K20.00	K4.00
Comittment Fee																									K120.00				
Service/ Debt recovery fee																													
Credit Reference Bureau										K500.00																			1
Any other credit related charges				K53.76	K120.00			K100.00						K120.00						K45.00				K109.24				1	1
Total Cost borrowing	K433.00	K434.82	K589.00	K390.44	K1,128.00	K689.68	K1,325.00	K1,300.00	K430.00	K1,620.00	K591.00	K781.16	K401.00	K700.00	K210.00	K346.21	K880.00	K682.80	K690.00	K360.26	K600.00	K800.00	K640.00	K792.00	K780.00	K152.80	K761.20	K506.90	K392.60
Effective Annual Interest Rate (%)	87.00%	57.22%	59.00%	39.04%	90.00%	69.00%	245.00%	30.00%	42.00%	54.00%	59.10%	78.00%	74.00%	70.00%	252.00%	40.89%	88.00%	68.28%	69.00%	62.60%	110.00%	78.00%	64.00%	68.00%	78.00%	27.00%	214.00%	42.00%	39.26%

LEASING FINANCE INSTITUTIONS

	Alios Finance Company	Focus Financial Services Limited	Leasing Finance Company Limited
Amount of Loan	K1,000	K1,000	K1,000
Interest cost	K254.00		K140.00
Loan application fee			
Discount Fee		K69.00	
Processing fee		K6.00	
Administration fee			K5.00
Arrangement fee	K23.00		K5.00
Lease management/ ledger fee			
Commitment fee			K5.00
Disbursement fee			
Terminal fee			
Insurance	-		
Credit Refernce Bureau			
Inspection fee			K5.00
Search fees			
Facility fee			
Appraisal fees			
Any other credit related charges			
Total Cost of borrowing	K277.00	K75.00	K160.00
Effective Annual Interest Rate (%)	48.00%	75.00%	33.00%

BUILDING SOCIETIES

Finance Building Society	Pan African Building Society	Zambia National Building Society				
K1,000	K1,000	K1,000				
K187.62	K420.00	K200.00				
		K3.33				
K3.33	_	K3.33				
110.00	K90.00	113.33				
	K30.00	K4.00				
	K70.00	K3.33				
K190.96	K510.00	K214.00				
33.59%	51.00%	21.40%				

FINANCIAL BUSINESSES

Zambia Home Loans	
K1000	
	K149.31
	K38.71
	K8.30
	K196.32
	35.50%

OTHERS

Development Bank of Zambia	National Savings and Credit Bank
K1,000	K1,000
K149.69	K199.52
	K25.00
	K100.00
	K60.00
	K00.00
K20.00	
K10.00	
K179.57	K384.52
31.90%	38.00%

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.

THIS ADVERTISEMENT IS PUBLISHED BY THE BANK OF ZAMBIA IN THE INTEREST OF PROMOTING TRANSPARENCY IN THE PRICING OF LOAN PRODUCTS