



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 31 DECEMBER 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
<b>Amount of Loan</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K,000</b>	<b>K,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>	
Interest cost	K293.00	K294.82	K431.32	K257.22	K551.00	K1,100.00	K420.00	K471.00	K761.16	K346.00	K443.00	K256.21	K295.64	K510.00	K214.56	K600.00	K424.80	K300.00	K576.00	K660.00	K761.20	K286.90	K217.59	K620.00	
Loan processing fee					K50.00			K120.00		K38.00			K100.00		K25.00							K200.00	K35.00		K100.00
Administration fee	K137.40	K50.00	K25.00		K50.00							K90.00		K80.00	K8.00		K20.00	K125.00					K25.00		K100.00
Loan application fee																						K20.00	K4.00		
Insurance	K2.60	K50.00	K25.00		K8.00					K5.00	K10.00		K20.00		K44.00										
Commitment Fee																									
Service/ Debt recovery fee																									
Credit Reference Bureau																									
Any other credit related charges					K120														K130.30						
<b>Total Cost borrowing</b>	<b>K431.00</b>	<b>K384.82</b>	<b>K531.32.00</b>	<b>K257.22</b>	<b>K779.00</b>	<b>K1,100.00</b>	<b>K430.00</b>	<b>K591.00</b>	<b>K781.16</b>	<b>K401.00</b>	<b>K764.00</b>	<b>K346.21</b>	<b>K415.64</b>	<b>K690.00</b>	<b>K336.06</b>	<b>K600.00</b>	<b>K698.72</b>	<b>K425.00</b>	<b>K834.30</b>	<b>K780.00</b>	<b>K761.20</b>	<b>K506.90</b>	<b>K281.59</b>	<b>K620.00</b>	<b>K255.00</b>
<b>Effective Annual Interest Rate (%)</b>	<b>87.00%</b>	<b>57.60%</b>	<b>89.00%</b>	<b>44.52%</b>	<b>77.90%</b>	<b>110.00%</b>	<b>42.00%</b>	<b>59.10%</b>	<b>78.00%</b>	<b>74.00%</b>	<b>76.00%</b>	<b>40.89%</b>	<b>64.12%</b>	<b>69.00%</b>	<b>58.00%</b>	<b>110.00%</b>	<b>74.00%</b>	<b>78.00%</b>	<b>83.00%</b>	<b>78.00%</b>	<b>214.00%</b>	<b>76.71%</b>	<b>28.16%</b>	<b>114.00%</b>	<b>80.05%</b>

## LEASING FINANCE INSTITUTIONS

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

## BUILDING SOCIETIES

	Finance Building Society	Zambia National Building Society	PABS
<b>Amount of Loan</b>	<b>K1,000</b>	<b>K1,000</b>	<b>K1,000</b>
Interest cost	K375.25	K190.00	K400.00
Loan application fee		K2.50	
Discount Fee			
Processing fee			
Administration fee	K6.67	K2.50	
Arrangement fee			
Lease management/ Ledger fee			
Commitment fee			K30.00
Disbursement fee			
Terminal fee			
Insurance			
Credit Reference Bureau			
Inspection fee			K30.00
Search fees			K50.00
Appraisal fees			
Any other credit related charges			
<b>Total Cost of borrowing</b>	<b>K381.92</b>	<b>K201.50</b>	<b>K510.00</b>
<b>Effective Annual Interest Rate (%)</b>	<b>33.59%</b>	<b>20.15%</b>	<b>51.00%</b>

## FINANCIAL BUSINESSES

	Zambia Home Loans
<b>Amount of Loan</b>	<b>K1,000</b>
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	
Appraisal fees	
Any other credit related charges	
<b>Total Cost of borrowing</b>	<b>K188.02</b>
<b>Effective Annual Interest Rate (%)</b>	<b>35.50%</b>

## OTHERS

	Development Bank of Zambia	National Savings and Credit Bank
<b>Amount of Loan</b>	<b>K1,000</b>	<b>K1,000</b>
Interest cost	K118.00	K235.84
Loan application fee		
Discount Fee		
Processing fee		
Administration fee		
Arrangement fee		
Lease management/ Ledger fee		
Commitment fee		K60.00
Disbursement fee		
Terminal fee		
Insurance		
Credit Reference Bureau		
Inspection fee		
Search fees		
Appraisal fees		
Any other credit related charges		
<b>Total Cost of borrowing</b>	<b>K149.00</b>	<b>K420.84</b>
<b>Effective Annual Interest Rate (%)</b>	<b>26.60%</b>	<b>71.00%</b>

## 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 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 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**