



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 JUNE 2019**

	Agora Micro-finance Zambia Ltd	ALS Capital	ALTUS Financial Services	Bayport	Betternow Finance	Chibuyu Finance Limited	Christian Empowerment Micro-finance	EFC Financial Services Ltd	Elpe Finance Limited	Finca Zambia Limited	FMC Finance	IZWE Loans	My Bucks	Madison Finance Company	Meanwood Finance	Micro Finance Zambia	Microloan Foundation	Moneta Finance Limited	Tandiza	Unity Finance	Vision Fund Zambia	Goodfellow Micro finance	Zambou	Zampost Micro-finance	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	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	K276.06	K551.00	K1,800.00	K420.00	K620.00	K761.16	K346.00	K480.00	K256.21	K37.00	K295.64	K354.00	K214.56	K600.00	K561.60	K300.00	K362.00	K660.00	K135.00	K235.20	K217.59	K620.00	K145.00
Loan processing fee					K50.00					K38.00			K4.50	K100.00		K25.00						K20.00				K100.00
Administration fee			0	K50.00	K50.00			K90.00	K20.00		K80.00	K90.00	K9.00		K100.00	K8.00		K20.00	K125.00			K250.00	K163.94	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		K1.85	K20.00		K40.00		K120.00		K111.00			K16.39	K4.00		
Commitment Fee																					K120.00					
Service/ Debt recovery fee																										
Credit Reference Bureau																										
Any other credit related charges					K120	K75.00		K6.00			K240.00		K2.50			K45.00		K60.00		K150.30		K580.00				
<b>Total Cost borrowing</b>	<b>K433.00</b>	<b>K384.82</b>	<b>K531.32.00</b>	<b>K276.06</b>	<b>K779.00</b>	<b>K1,875.00</b>	<b>K430.00</b>	<b>K591.00</b>	<b>K781.16</b>	<b>K401.00</b>	<b>K810.00</b>	<b>K346.21</b>	<b>K54.85</b>	<b>K415.64</b>	<b>K534.00</b>	<b>K332.56</b>	<b>K600.00</b>	<b>K761.61</b>	<b>K425.00</b>	<b>K623.00</b>	<b>K780.00</b>	<b>K985.00</b>	<b>K415.93</b>	<b>K281.59</b>	<b>K620.00</b>	<b>K255.00</b>
Effective Annual Interest Rate (%)	87.00%	57.60%	89.00%	43.84%	77.90%	187.50%	43.00%	59.10%	78.00%	74.00%	81.00%	52.25%	68.20%	64.12%	88.00%	58.00%	110.00%	76.61%	78.00%	97.00%	78.00%	98.00%	76.71%	28.16%	114.00%	141.69%

**LEASING FINANCE INSTITUTIONS**

	Alios Finance Company	Agleasco
Amount of Loan	K1,000	K1,000
Interest cost	K254.00	K280.00
Loan application fee		
Discount Fee		
Processing fee		
Administration fee		
Arrangement fee	K23.00	
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		
<b>Total Cost of borrowing</b>	<b>K277.00</b>	<b>K280.00</b>
Effective Annual Interest Rate (%)	48.00%	31.80%

**BUILDING SOCIETIES**

	Finance Building Society	Zambia National Building Society	Pan African Building Society
Amount of Loan	K1,000	K1,000	K1,000
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			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			
<b>Total Cost of borrowing</b>	<b>K381.92</b>	<b>K201.50</b>	<b>K510.00</b>
Effective Annual Interest Rate (%)	33.59%	20.15%	51.00%

**FINANCIAL BUSINESSES**

Zambian 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	K8.30
<b>Total Cost of borrowing</b>	<b>K188.02</b>
Effective Annual Interest Rate (%)	35.50%

**OTHERS**

Development Bank of Zambia	National Savings and Credit Bank
Amount of Loan	K1,000
Interest cost	K121.80
Loan application fee	K232.69
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	
<b>Total Cost of borrowing</b>	<b>K414.66</b>
Effective Annual Interest Rate (%)	73.00%

**IMPORTANT NOTICE 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**