



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 2021

MICROFINANCE INSTITUTIONS

	Agora Microfinance Zambia Ltd	ALS Capital	ALTUS Finacial Services	Bayport	Chibuyu Finance Limited	Christian Empowerment Microfinance	Dsight Finance Limited	Pulse Financial Services Ltd	Elpe Finance Limited	Fair Choice	Finca Zambia Limited	FMC Finance	IZWE Loans	My Bucks	Madison Finance Company	Meanwood Finance	Micro Finance Zambia	Microloan Foundation	Moneta Finance Limited	Robert & Syla Microcredit	Tandiza	Unifi	Vision Fund Zambia	Goodfellow Microfinance Limited	Zambou	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	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	
Interest cost	K115.99	K284.82	K353.00	K143.40	K1,800.00	K420.00	K937.00	K620.00	K510.82	K241.81	K346.00	K943.20	K244.41	K211.55	K295.64	K154.00	K230.38	K600.00	K802.80	K1,380.00	K300.00	K362.00	K660.00	K135.00	K235.20	K620.00	K211.55	
Loan processing fee																												
Administration fee			K50.00				K10.00	K90.00	K20.00	K20.00		K100.00	K90.00	K90.00	K100.00	K8.00			K20.00	K50.00	K125.00			K250.00	K163.94			K10.00
Loan application fee	K138.00	K50.00	K25.00			K10.00					K11.00			K45.00		K80.00												
Insurance	K3.00	K50.00	K25.00		61.60									K18.54	K20.00				K123.30	K15.00								K50.00
Commitment Fee										K20.00	K5.00	K10.00										K11.00						
Service/ Debt recovery fee																							K120.00					
Credit Reference Bureau										K81.00									K36.00									
Any other credit related charges					100.00			K6.00			K38.00	K0.30								K50.00			K150.30					K120.00
Total Cost borrowing	K455.99	K384.82	K451.00	K143.40	K1,961.60	K430.00	K997	K716.00	K530.82	K422.81	K401.00	K1,113.50	K352.41	K390.09	K415.64	K534.00	K368.96	K600.00	K982.40	K1,495.00	K425.00	K623.00	K787.00	K985.00	K415.53	K620.00	K391.50	
Effective Annual Interest Rate (%)	77,92%	57,60%	77,00%	25,49%	192,20%	43,00%	153,00%	71,60%	87,00%	73,40%	74,00%	111,00%	55,51%	68,20%	64,12%	88,00%	63,90%	110,00%	98,24%	269,23%	78,00%	97,00%	79,00%	98,50%	76,71%	114,00%	68,50%	

LEASING FINANCE INSTITUTIONS

	Agleasco
Amount of Loan	K1,000
Interest cost	K280.00
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	K280.00
Effective Annual Interest Rate (%)	31,80%

BUILDING SOCIETY

	Zambia National Building Society	LOLC Zambia
Amount of Loan	K1,000	K1,000
Interest cost	K134.72	K140.00
Loan application fee	K50.00	K40.00
Discount Fee		
Processing fee		
Administration fee	K50.00	K210.000
Arrangement fee		
Lease management/ ledger fee		
Commitment fee		
Disbursement fee		
Terminal fee		
Insurance	K4.00	
Credit Reference Bureau		
Inspection fee		
Search fees		
Facility fee		
Appraisal fees		
Any other credit related charges	K50.00	
Total Cost of borrowing	K288.72	K390.10
Effective Annual Interest Rate (%)	51,00%	66,83%

FINANCIAL BUSINESSES

	Betternow Finance	Zambian Home Loans
Amount of Loan	K1,000	K1,000
Interest cost	K551.00	K182.5
Loan application fee		
Discount Fee		
Processing fee	K50.00	
Administration fee	K50.00	K50.00
Arrangement fee	K70.00	
Lease management/ ledger fee		
Commitment fee		
Disbursement fee		
Terminal fee		
Insurance	K8.00	K8.30
Credit Reference Bureau		
Inspection fee		
Search fees		
Facility fee		
Appraisal fees		
Any other credit related charges		
Total Cost of borrowing	K779.00	K260.80
Effective Annual Interest Rate (%)	77,90%	19,86%

OTHERS

	Development Bank of Zambia	National Savings and Credit Bank
Amount of Loan	K1,000	K1,000
Interest cost	K60.13	K171.36
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	K90.13	K356.36
Effective Annual Interest Rate (%)	16,64%	63,00%

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