

**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 2022**

**MICROFINANCE INSTITUTIONS**

	Agwa Microfinance Zambia Ltd	ALS Capital	Atlas Financial Services	Bayport	BH Capital	Chibaya Finance Limited	Christian Empowerment Microfinance	Daight Finance Limited	Pulse Financial Services Ltd	Elpe Finance Limited	Fair Choice	Fineza Zambia Limited	FMC Finance	Goodwill Microfinance Limited	LZWE Loans	My Banks	Madison Finance Company	Meatwood Finance	Micro Finance Zambia	Microban Foundation	Robert & Syll Microcredit	Tanatta	Udifi	Vision Fund Zambia	Zambos	Schanga	Streads	
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	K770.43	K780.82	K1111.05	K144.41	K410.00	K1,400.00	K420.00	K977.00	K620.00	K110.82	K227.74	K366.00	K348.13	K111.00	K244.41	K211.43	K296.64	K314.00	K199.16	K514.00	K1,100.00	K300.00	K61.00	K60.00	K231.20	K620.00	K211.11	
Loan processing fee	K118.00							K50.00			K60.00			K20.00	K18.00	K21	K100.00		K21.00									K10.00
Administration fee			K20.00		K25.00					K20.00				K20.00	K90.00	K20		K100.00	K8.00		K50.00	K75.00					K30.00	
Loan application fee		K50.00	K25.00				K10.00									K41		K20.00										
Insurance	K1.0	K50.00	K25.00			K41.41					K20.00	K11.70				K18.14	K20.00		K40		K15.00	111.00		K7.00	K16.00		K50.00	
Commitment Fee																												
Service/ Audit services fee																												
Credit Reference Bureau											K31.00		K40.00															
Any other credit related charges						K100			K50.00			K18.00	K10.50	K180.00														K120.00
<b>Total Cost of borrowing</b>	<b>K196.43</b>	<b>K181.82</b>	<b>K415.00</b>	<b>K144.41</b>	<b>K475.00</b>	<b>K1761.40</b>	<b>K430.00</b>	<b>K997</b>	<b>K716.00</b>	<b>K130.82</b>	<b>K408.24</b>	<b>K401.00</b>	<b>K1,026.71</b>	<b>K985.00</b>	<b>K152.41</b>	<b>K390.00</b>	<b>K415.64</b>	<b>K554.00</b>	<b>K317.56</b>	<b>K616.00</b>	<b>K1,495.00</b>	<b>K475.00</b>	<b>621.00</b>	<b>K292.00</b>	<b>K415.51</b>	<b>K620.00</b>	<b>K391.50</b>	
<b>Effective Annual Interest Rate (%)</b>	<b>68.67%</b>	<b>57.60%</b>	<b>77.00%</b>	<b>25.49%</b>	<b>47.50%</b>	<b>192.20%</b>	<b>41.00%</b>	<b>111.20%</b>	<b>71.60%</b>	<b>37.00%</b>	<b>71.00%</b>	<b>74.00%</b>	<b>101.00%</b>	<b>98.50%</b>	<b>55.11%</b>	<b>68.20%</b>	<b>64.17%</b>	<b>88.00%</b>	<b>55.60%</b>	<b>101.77%</b>	<b>209.23%</b>	<b>76.00%</b>	<b>97.00%</b>	<b>79.00%</b>	<b>76.71%</b>	<b>114.00%</b>	<b>68.48%</b>	

FINANCE INSTITUTIONS		BUILDING SOCIETY		FINANCIAL BUSINESSES		OTHERS	
	Agwa	Zambia National Building Society	LOIC Zambia	Reference Finance	Zambian Home Loans	Development Bank of Zambia	National Savings and Credit Bank
Amount of Loan	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000	K1,000
Interest cost	K280.00	K220.50	K140.10	K151.00	K206.17	K12.14	K77.14
Loan application fee		K30.00	K40.00	K50.00			
Discount Fee				K50.00			
Processing fee					K11		
Administration fee		K40.00	K210.000				
Arrangement fee				K50.00		K40.00	
Loan management/ ledger fee							
Commitment fee					K70.00		
Insurance fee							
Terminal fee							
Insurance		K20.00			K9.00		K21.00
Credit Reference Bureau		K50.00					K100.00
Inspection fee							
Search fees							
Utility fee						K20.00	
Appraisal fees						K10.00	
Any other credit related charges							
<b>Total Cost of borrowing</b>	<b>K280.00</b>	<b>K360.50</b>	<b>K390.10</b>	<b>K271.00</b>	<b>K285.17</b>	<b>K62.14</b>	<b>K156.14</b>
<b>Effective Annual Interest Rate (%)</b>	<b>31.00%</b>	<b>61.00%</b>	<b>66.30%</b>	<b>126.00%</b>	<b>22.00%</b>	<b>14.00%</b>	<b>61.00%</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 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