



CENTRAL BANK OF KENYA
SURVEY ON BANK CHARGES AND LENDING RATES
December 2008



INTRODUCTION

The main objectives of the Survey on Bank Charges and Lending rates are:

- To provide current and potential bank customers with regular, consistent and easily understood information on various bank charges and lending rates so that they can make informed banking choices.
- To encourage customers to utilize this information.
- To encourage competition on the basis of price (or value) among commercial banks.

USE THIS BOOKLET

- To learn how your bank's charges compare with the rest.
- How to get the best deal on a bank loan, see page 16.
- If you access your money using an ATM find out which banks have largest networks, see page 19.
- How to choose a bank account, see page 4.
- You can download a copy of this booklet from www.centralbank.go.ke.

CHANGES IN THE MARKET

The last survey results were for 30th June 2008. In the six months to this current data there have been a number of important changes in the banking sector:

- The Banking (Credit Reference Bureau) Regulations, 2008 were published in July 2008. The Regulations which became operational in February 2009 empower the Central Bank of Kenya (CBK) to license and supervise Credit Reference Bureaus (CRBs). The Bureaus will collate credit information from banking institutions that will facilitate lending decisions.
- The Finance Act, 2008 was assented to on 15th December 2008 amending among other statutes, the Banking Act. The key changes to the Banking Act related to:
 - ♦ The minimum core capital for banks has been raised from Ksh 250m to Ksh 1 billion by the end of 2012.
 - ♦ Institutions offering savings products based on Islamic banking principles will be required to pay a "return" on these products. Section 16 of the Banking Act requires institutions to pay interest on savings accounts so long as the minimum balance is maintained. Islamic banking principles prohibit the paying or receiving of interest, thus the concept of a "return" was introduced to ensure Islamic savings products comply with Section 16 of the Banking Act.

CAUTION

These rankings have been calculated for an average consumer. Actual costs will vary from individual to individual based on actual usage. The figures presented only offer a guide to the typical cost.

SURVEY METHODOLOGY

The survey has two parts

- (1) Annual calculation of average user patterns.
- (2) Periodic publication of bank charges and lending rates.

The first survey results were for 30th March 2007. This is when the average user patterns were first calculated.

(1) Average usage patterns

A survey of 900 bank customers in Nairobi, Mombasa and Kisumu was conducted to establish the average usage patterns for savings, current accounts and the average loan size and duration. This average usage pattern has been used to compute the average cost for a customer using these products.

For current accounts the average usage of the following transactions were determined from the survey:

- Number of cash withdrawals
- Number of ATM withdrawals
- Total ledger entries
- Statements and balance enquiries
- Cheque & bankers cheques issuance
- Card issuance
- Retrieval of cheques and bounced cheques
- Standing order set up and processing
- Transfers (EFT, interbank etc.)
- Bills payment
- Other elements

(2) Bank charges and lending rates

Commercial banks make regular returns on interest rates, fees and charges to the Central Bank. Using these figures and the number of transactions which the average user makes in a month, we can readily calculate the average cost of using the service for each bank. These are the figures presented in this booklet.

HOW TO CHOOSE A BANK ACCOUNT

Different banks offer different types of accounts and focus on different types of clients. You should try to **shop around to make sure you get the best value for money**. Before opening an account you may want to visit a number of banks and talk to the staff. Some of the questions that you may want to answer are listed below. You should start by thinking about your needs.

Do you just need somewhere to keep money to meet your daily living expenses? The most appropriate account is probably either a **transaction** or a **current account**. The primary difference between these two types of account is usually that a current account offers a cheque book. These types of account generally allow you ready access to your money. Charges for these accounts are typically made per transaction, such as a withdrawal. However some banks also offer 'bundled' products which have a fixed monthly account fee which includes a number of transactions for the month. Depending on how much you use your account this can be a cost-effective option.

Do you need to store and build up money safely for the future? Think about using a **savings** or deposit account. These accounts will usually earn you interest. As a result of a change in the law, banks no longer charge fees on savings accounts. However there are likely to be restrictions on how much money you must keep in the account or when withdrawals can be made. This can make them less useful for meeting your every day needs.

Do you pay for most things with cash? You need to consider where you can access your account. The table on the back page of this booklet shows how many branches each bank has. Most banks will allow you to access your account from any of their branches. Automatic teller machines (**ATMs**) provide a convenient and fast alternative for withdrawing money. Most ATMs can be used at any time, giving you access to cash outside bank opening hours. Banks which are part of the Kentswitch, PesaPoint or VISA networks will give you access to more ATMs than just its own, usually at an additional fee.

Do you make purchases from shops or other retailers who accept debit cards such as VISA? Growing numbers of shops, garages and other retailers now accept **debit cards** which provide an easy and safe way to pay without the need to carry cash. When you present your **debit card** to the retailer, the payment will be authorised by your bank on the spot. This is a major advantage over cheques since the retailer knows immediately whether the payment will be made or not. Many **transaction** and **current accounts** provide a debit card (which usually also works as an ATM card). VISA debit cards, issued by many banks, are currently the most widely accepted card in Kenya, but there are other types.

Do you often need to make payments to people who do not accept debit cards? Cheques are a very flexible way to pay since they can be used to pay anyone. However until the cheque is presented for payment through a bank the person receiving the cheque will not know whether they will be paid. Many cheques are not paid by banks because the customer does not have sufficient money in their account to meet the payment. As a result some people will be reluctant to accept a cheque for payment unless they know you well. To get a cheque book you will need a current account, and this is the major difference from a transaction account.

How good is the level of service offered by the bank? This is a very important consideration but not always easy to judge. Most people will want service which is rapid and where they are treated with respect. When you make your first enquiry are the staff friendly and helpful? Do you know someone who already has an account with the bank who can tell you about the service they have experienced? Our first survey measured customer service experienced at banks and we will be repeating this annually.

FEATURES OF DIFFERENT TYPES OF BANK ACCOUNTS

Current Accounts

- Immediate access to funds through a variety of channels including cheque book and over the counter transactions.
- Offers an ATM and/or debit card.
- May or may not offer interest.
- Generally charges fees for transactions.
- Aims to provide a day-to-day account for both retail and corporate markets offering a means to conveniently undertake transactions.

Transactions Accounts

- Similar in most respects to a current account but focused on market segment for which a cheque book is not required or appropriate.
- Especially suited to the lower income market for which a simple, low cost means to handle daily transactions is important.
- Generally charges fees for transactions.

Savings Accounts

- Aims to provide a store of value allowing the accumulation of funds.
- Charges/Fees are no longer permitted on this type of account in accordance with the Banking Act. The bank pays interest as long as the minimum balance is maintained.
- May have restrictions on access which will often be an important distinction from a current or transactions account.
- Generally offers interest which may be tiered according to average balances.
- There are different methods of calculating interest. The more frequently interest is calculated the more money you will accumulate. If two accounts with the same interest rate but one is calculated on a daily basis and the other on the monthly basis you will earn more interest on the daily calculation. Likewise if the interest is calculated using your average balance or minimum balance the later will result in less interest being credited to your account.

Calculation of comparison tables

The following comparison tables were calculated from the returns that the individual banks submitted to the CBK with all their account offerings as at 31st December 2008. This booklet is aimed at individual general users therefore specialised account offerings such as staff accounts, business accounts, children's accounts and foreign currency accounts are excluded from these listings. Therefore, the tables below do not list all the individual accounts that banks offer nor does it explain the individual benefits of the various accounts. Please consult your bank to ensure that you get the most appropriate account for your individual needs.

CURRENT ACCOUNTS

Given the average usage patterns described previously the following table lists the cost of operating a current account as at 31st December, 2008. The below accounts are available to individual general users. In cases where a bank has more than one current account, the account with the lower opening balance is shown in this table because it is open to more people. If you have a higher opening balance you can frequently access an account with lower monthly charges. Total monthly costs are for the average user and may not reflect the actual cost to you as an individual user.

Bank	Account	Total monthly cost	Change since June 08	Opening balance	Minimum balance to avoid penalty
Fina Bank Limited	Personal chequer	440	-112	2,000	-
Equity Bank	Personal Current	545	0	5,000	-
EcoBank Limited	Ecobank Current A/c-Personal	572	-754	2,500	2,000
Credit Bank Limited	Credi plus	708	-316	3000	1000
Giro Commercial Bank Ltd	Current/Demand A/cs	800	-	5,000	1,000
Chase Bank Limited	Plus Current	842	-	5,000	-
Guardian Bank Limited	Guardian Bank Limited	883	-89	25,000	25,000
Bank of Africa Kenya Ltd	Individual current	907	-	5,000	-
Paramount Universal Bank	Retail	912	-46	1000	0
Development Bank of Kenya Ltd	Savers A/C	923	-253	10,000	-
Investment and Mortgages Bank Ltd	Sapphire	974	-	30,000	30,000
Barclays Bank of Kenya Ltd	Individual current	959	-576	-	-
Victoria Commercial Bank Ltd	Victoria Commercial Bank Ltd	1,000	+6	50,000	-
Prime Bank Limited	Prime Bank Limited	1,022	+96	20,000	-
Imperial Bank Limited	Amber	1,025	-882	200	200
Bank of Baroda (K) Ltd	Bank of Baroda (K) Ltd	1,030	+62	10,000	5,000
Family Bank	Personal current	1,051	-424	2,000	-
Dubai Bank Limited	Ordinary Current	1,109	-	20000	0
Diamond Trust Bank Kenya Ltd	Current account	1,132	-	1,000	-
Habib AG Zurich	Business	1,134	-	10,000	-
Southern Credit Banking Corp. Ltd	Southern Credit Banking Corp. Ltd	1,140	-	2,000	5,000
National Industrial Credit Bank Ltd	Vintage	1,152	-	-	300,000
City Finance Bank Ltd	Individual current	1,193	+537	10,000	10,000
K-Rep Bank Ltd	Ordinary Current	1,195	0	2,000	-
Bank of India	Individual current	1,248	+177	25,000	25,000
National Bank of Kenya Ltd	Individual	1,299	-798	5,000	-

Bank	Account	Total monthly cost	Change since June 08	Opening balance	Minimum balance to avoid penalty
Middle East Bank of Kenya Ltd	Business	1,330	+383	10,000	10,000
Gulf African Bank	Personal	1,355	+500	1,000	1,000
Habib Bank Limited	Habib Bank Limited	1,385	0	20,000	20,000
First Community Bank	Business current	1,407	-	1,000	-
Trans-National Bank Limited	TNB Transaction A/Cs	1,460	-	10,000	-
Fidelity Commercial Bank Ltd	Personal Current	1,496	+119	10,000	5,000
Consolidated Bank of Kenya Ltd	Business	1,505	+21	2,500	-
Citibank, N.A	Non Interest Bearing	1,529	-	-	-
Oriental Commercial Bank-Ordinary Current	Business	1,552	-	1,000	-
Equatorial Commercial Bank Ltd	Equatorial Commercial Bank Ltd	1,588	+1000	-	10,000
Co-operative Bank of Kenya Ltd	Ordinary Current	1,596	+187	5,000	-
Kenya Commercial Bank Ltd	Individual	1,834	-	-	-
Commercial Bank of Africa Ltd	Individual current	1,879	+218	20,000	5,000
CFC Stanbic Bank	Individual current	1,886	+137	30,000	-
African Banking Corporation Ltd	African Banking Corporation Ltd	1,930	+280	10,000	-
Standard Chartered Bank Ltd	Ordinary Current	2,757	+10	2,000	-
+2 Ksh increase					

BUNDLED ACCOUNTS

Bundled accounts are a type of current account offering where a bank charges a single, usually discounted fee, for a bundle of services. If you use only the services in the bundle this may be a cheaper option than your bank's standard current account. However, you may be charged for all services that you use that are not included in your bundle. If you use few of the services in the bundle and many outside of it, this can be a more expensive way of banking. When considering bundled accounts think about how closely the bundle matches your needs. The total cost of bundled products in the table below has been computed based on the average user patterns for current accounts as established from the survey. The total cost for the bundled products is therefore composed of the following two components:

- Cost of services for the average user (current account) not included in the bundle.
- The fixed bundle cost.

Bank	Account	Total monthly cost minus bundled package	Opening balance	Minimum balance to avoid penalty	Fixed bundled product charge	Total Account cost (Bundled charge + total cost minus bundled package)	Change since June 08
Kenya Commercial Bank Ltd	Amana	-	1,000	-	500	500	0
Diamond Trust Bank Kenya Ltd	DTB Super Salary Account	431	500	500	200	631	+46
Diamond Trust Bank Kenya Ltd	DTB Value Account	431	1,000	1,000	490	921	0
Barclays Bank of Kenya Ltd	Everyday Bouquet	550	-	-	490	1,040	+8
Barclays Bank of Kenya Ltd	Current Bouquet	490	-	-	590	1,080	+22
Barclays Bank of Kenya Ltd	La Riba Personal	490	-	-	590	1,080	-
Diamond Trust Bank Kenya Ltd	DTB Super Value Account	431	2,000	2,000	690	1,121	-
National Industrial Credit Bank Ltd	Smart Move Current A/C	808	2,000	-	400	1,208	-245
African Banking Corporation Ltd	Kisima	718	2,000	2,000	495	1,213	-
Diamond Trust Bank Kenya Ltd	DTB Executive Account	431	3,000	3,000	790	1,221	+331
Barclays Bank of Kenya Ltd	Local Business Transactional	490	-	-	750	1,240	-61
Barclays Bank of Kenya Ltd	La Riba Business	390	-	-	900	1,290	-

Bank	Account	Total monthly cost minus bundled package	Opening balance	Minimum balance to avoid penalty	Fixed bundled product charge	Total Account cost (Bundled charge + total cost minus bundled package)	Change since June 08
Barclays Bank of Kenya Ltd	Local Business Transaction and Cash	490	-	-	900	1,390	-61
Southern Credit Banking Corp. Ltd	Fixed charge current account	1,046	2,000	5,000	500	1,546	+76
National Industrial Credit Bank Ltd	Right Move Current A/C	808	2,000	-	800	1,608	-25
Barclays Bank of Kenya Ltd	Prestige Plus Bouquet	490	-	-	1200	1,690	-52
Standard Chartered Bank Ltd	All in one	1,157	2,000	-	750	1,907	-
National Industrial Credit Bank Ltd	Gold Current A/C	808	2,000	-	1400	2,208	-
Barclays Bank of Kenya Ltd	Premier	390	-	-	2000	2,390	-
Standard Chartered Bank Ltd	X Account	1,438	2,000	-	1250	2,688	-
National Industrial Credit Bank Ltd	Platinum Current A/C	808	2,000	-	2000	2,808	-
							+3 Ksh increase

TRANSACTION ACCOUNTS

The below accounts are available to individual general users. In cases where a bank has more than one transaction account the account with the lower opening balance is shown in this table because it is open to the largest number of customers. If you have a higher opening balance you can frequently access an account with lower monthly charges. Total monthly costs are for the average user and may not reflect the actual cost to you as an individual user.

Bank	Account	Minimum balance	Monthly average costs	Minimum monthly ledger fee	Total monthly cost	Change since June 08
Prime Bank Limited	Faida Account	10,000	65	100	100	-
EcoBank Limited	Wananchi	-	164	-	164	-57
Equity Bank	Ordinary	-	176	-	176	-
Habib AG Zurich	Deposit Book Account	10,000	218	-	218	-
Family Bank	Salary A/Cs	400	223	100	223	-
Housing Finance	Flexi	500	238	50	238	-
Bank of Africa	Bank of Africa	5,000	291	200	291	-811
Consolidated Bank of Kenya Ltd	E-Cash	500	295	-	295	-104
Kenya Commercial Bank Ltd	Mapato	500	192	300	300	-
Trans-National Bank Limited	Mshahara Savings	500	271	300	300	-
Investment and Mortgages Bank Ltd	NextGen	1,000	346	-	346	-
Co-operative Bank of Kenya Ltd	Ordinary Access	1,000	358	-	358	-
National Bank of Kenya Ltd	National Bank of Kenya Ltd	500	379	250	379	-
CFC Stanbic Bank Limited	E Plan A/C	500	382	55	382	-21
Paramount-Universal Bank Ltd	Individual	5000	393	20	393	-
Fina Bank Limited	Salary	-	403	-	403	-
Savings and Loans	S&L Pillar	1,000	406	300	406	-
Victoria Commercial Bank Ltd	Victoria Commercial Bank Ltd	10,000	258	500	500	-
Barclays Bank of Kenya Ltd	Pepea	100	549	100	549	+103
Commercial Bank of Africa Ltd	Commercial Bank of Africa Ltd	5,000	557	600	600	-
First Community Bank	FCB salary	500	604	100	604	-
African Banking Corporation Ltd	Pesa	-	815	50	815	+445
Standard Chartered Bank Ltd	Instant Access-Personal	5,000	907	-	907	+14
Equatorial Commercial Bank Ltd	Equatorial Commercial Bank Ltd	500	489	1,000	1,000	-

-18.7 Ksh decrease

SAVINGS ACCOUNTS

In order to help you to compare savings accounts we have two different savings scenarios. Where banks have multiple offerings the one with the highest interest rate for the scenario is used.

Regular savings – If you saved Ksh 2,000 every month for one year, how much money would you have in your account at the end of the year? (Accounts with an opening or minimum balance above 2,000 are excluded.)

Bank	Account	Min. balance	Interest rate	Change since June 08	Method interest is calculated on x	Frequency interest calculated	Frequency interest paid	Total Interest	Total balance
Barclays Bank of Kenya Ltd	Mega Saver	1,000	6%	-	Simple	Daily	Monthly	682	24,682
Equatorial Commercial Bank	Saving A/C	1,000	6%	-	Minimum	Monthly	Quarterly	682	24,682
Consolidated Bank of Kenya Ltd	Dream Saver	2000	6%	+1		Semi-Annually	Semi-Annually	682	24,682
Habib Bank	Savings Non-Chequing Accounts	-	5.78%	-	Actual	Semi-Annually	Semi-Annually	656	24,656
Fidelity Commercial Bank Ltd	Mdosi	-	5%	-	Reducing		Semi-Annually	566	24,566
Savings and Loans	Pent House	1,000	5%	-	Minimum Monthly Balance	Annually	Annually	566	24,566
EcoBank Limited	Junior Saver	500	4.50%	-	Average	Semi-Annually	Semi-Annually	509	24,509
Equity Bank	Jijenge	500	4%	-	Daily	Daily	Annually	452	24,452
Fina Bank Limited	Fina saver	-	4%	-	Minimum	Monthly	Monthly	452	24,452
Kenya Commercial Bank Ltd	Simba	-	4%	-	Actual	Monthly	Annually	452	24,452
Prime Bank Limited	Mwananchi	-	4%	-	Actual	Monthly	Monthly	452	24,452
National Industrial Credit Bank Ltd	Young Movers	2,000	3%	-	Minimum	Monthly	Monthly	338	24,338
Oriental Commercial Bank Limited	Ordinary Savings	1,000	3%	+0.25	Minimum	Monthly	Monthly	338	24,338

Bank	Account	Min. balance	Interest rate	Change since June 08	Method interest is calculated on x	Frequency interest calculated	Frequency interest paid	Total Interest	Total balance
National Bank	Vision	500	3%	-		Semi-Annually	Semi Annual	338	24,338
African Banking Corporation Ltd	Young Star	1,000	2.6%	-	Monthly	Semi-Annually	Quarterly	293	24,293
Chase Bank Limited	Horizon	2,000	2.5%	-	Actual	Quarterly	Quarterly	281	24,281
Southern Credit Banking Corp. Ltd	Classic Saver (Local Currency)	1,000	2.5%	-	Minimum	Monthly	Monthly	281	24,281
Standard Chartered Bank	Safari Savings	2,000	2.5%	-1	Actual	Daily	Semi-Annually	281	24,281
City Finance Bank Ltd	Without Cheque Bk	1,000	2%	-	Monthly	Monthly	Monthly	225	24,225
Co-operative Bank of Kenya Ltd	Hekima	-	1.5%	-	Monthly	Annually	Annually	168	24,168
Bank of India	Without Cheque Book	1,000	1%	-	Minimum	Semi-Annually	Semi-Annually	112	24,112
Diamond Trust Bank Kenya Ltd	DTB Savings Accounts	1,000	1%	-	Minimum	Monthly	Monthly	112	24,112
Dubai Bank Limited	Saving USD	500	1%	-	Actual	Semi-Annually	Semi-Annually	112	24,112
Housing Finance	1st HOP A/C	1,000	1.00%	-	Actual	Daily	Annually	112	24,028
K-Rep Bank Ltd	Premium Savings	-	0.5%	-	Straight	Semi-Annually	Annually	56	24,056

+0.1% increase

SAVINGS ACCOUNTS cont.

Lump sum savings

If you deposited Ksh 20,000 at the beginning of the year and did not make any withdrawals, how much money would you have in your account at the end of the year? (Accounts with an opening or minimum balance above 20,000 are excluded.)

Bank	Account	Min. balance	Interest rate	Change since June 08	Method interest is calculated on x	Frequency interest calculated	Frequency interest paid	Total Interest	Total balance
Victoria Commercial Bank Ltd	Victoria Commercial Bank Ltd	10,000	6%	+1.68	Actual		Monthly	1,303	21,303
Equatorial Commercial Bank	Saving A/C	1,000	6%	-	Minimum	Monthly	Quarterly	1,234	21,234
Consolidated Bank of Kenya Ltd	Dream Saver	2,000	6%	+1		Semi-Annually	Semi-Annually	1,234	21,234
Barclays Bank of Kenya Ltd	Mega Saver	1,000	6%	-	Simple	Daily	Monthly	1,200	21,200
Habib Bank	Savings Non-Chequing Accounts	-	5.78	-	Actual	Semi-Annually	Semi-Annually	1,187	21,187
Imperial Bank Limited	Royal Savings	1,000	5.47%	-	Average	Quarterly	Quarterly	1,122	21,122
Savings and Loans	Pent House	1,000	5%	-	Minimum	Monthly	Annually	1,023	21,023
Fidelity Commercial Bank Ltd	Mdosi	-	5%	-	Reducing	Semi-Annually	Semi-Annually	1,023	21,023
Prime Bank Limited	Mwananchi	-	4%	-	Actual	Monthly	Monthly	815	20,815
Kenya Commercial Bank Ltd	Simba	-	4%	-	Actual	Monthly	Annually	815	20,815
Fina Bank Limited	Fina saver	-	4%	-	Minimum	Monthly	Monthly	815	20,815
Equity Bank	Jijenge	500	4%	-		Daily	Annually	815	20,815
CFC Stanbic Bank Limited	Call deposit	5,000	4%	+1		Daily	Monthly	815	20,815
EcoBank Limited	Super saver	5,000	3.50%	+0.5	Average	Semi-Annually	Semi-Annually	711	20,711

Bank	Account	Min. balance	Interest rate	Change since June 08	Method interest is calculated on x	Frequency interest calculated	Frequency interest paid	Total Interest	Total balance
Oriental Commercial Bank Limited	Ordinary Savings	1,000	3%	+0.25	Minimum	Monthly	Monthly	608	20,608
National Industrial Credit Bank Ltd	Mazao	5,000	3%	-	Minimum	Monthly	Monthly	608	20,608
National Bank	Vision	500	3%	-		Semi-Annually	Semi-Annually	608	20,608
Guardian Bank Limited	Normal savings	5,000	3%	-		Monthly	Monthly	608	20,608
African Banking Corporation Ltd	Young Star	1,000	2%	-		Semi-Annually	Quarterly	526	20,526
Standard Chartered Bank	Safari Savings	2,000	2.5%	-1	Actual	Semi-Annually	Semi-Annually	506	20,506
Southern Credit Banking Corp. Ltd	Classic Saver (Local Currency)	1,000	2.5%	-	Minimum	Monthly	Monthly	506	20,506
Chase Bank Limited	Instant Saver	5,000	2.5%	-	Actual	Quarterly	Quarterly	506	20,506
Paramount Universal Bank	Individual	5000	2%	-	Actual	Monthly	Monthly	404	20,404
Investment and Mortgages Bank Ltd	Young Savers	5,000	2%	-	Minimum	Monthly	Quarterly	404	20,404
Giro Commercial Bank Ltd	Giro Commercial Bank Ltd	3,000	2%	-		Monthly	Monthly	404	20,404
First Community Bank	Cheque Plus	5,000	2%	-	Average	Daily	Semi-Annually	404	20,404
Commercial Bank of Africa Ltd	Personal Savings	20,000	2.0%	-		Daily	Quarterly	404	20,404
City Finance Bank Ltd	Without Cheque Bk	1,000	2%	-		Monthly	Monthly	404	20,404
Dubai Bank Limited	Saving Kes	5,000	1.5%	-2.5	Actual	Semi-Annually	Semi-Annually	302	20,302
Co-operative Bank of Kenya Ltd	Hekima	-	1.5%	-		Annually	Annually	302	20,302

Bank	Account	Min. balance	Interest rate	Change since June 08	Method interest is calculated on x	Frequency interest calculated	Frequency interest paid	Total Interest	Total balance
Bank of Baroda (K) Ltd	Bank of Baroda (K) Ltd	3,000	1.5%	-	Minimum	Quarterly	Quarterly	302	20,302
Housing Finance	St Hop	10,000	1%	-	Actual	Daily	Annually	201	20,201
Habib AG Zurich	Special Saving	10,000	1.75%;	-	Minimum	Semi-Annually	Semi-Annually	201	20,201
Diamond Trust Bank Kenya Ltd	DTB Savings Accounts	1,000	1%	-	Minimum	Monthly	Monthly	201	20,201
Bank of India	Without Cheque Book	1,000	1%	-	Minimum	Semi-Annually	Semi-Annually	201	20,201
K-Rep Bank Ltd	Premium Savings	-	0.5%	-	Straight	Semi-Annually	Annually	100	20,100
Family Bank	Tujenge Savings/SAYE	400	0.5%	-	Average	Annually	Annually	100	20,100
+0.6% increase									

THINGS TO CONSIDER WHEN APPLYING FOR A LOAN

A bank loan is a set amount of money which the bank has agreed to lend you for a set period of time. Payments and interest rates are agreed at the time of the loan. Different banks offer different types of loans. Speaking with bank branch staff should help you to work out the loan best suited to your needs. You will be asked to complete a loan application. It is very important to complete loan application forms accurately and truthfully to make sure that you can afford to pay the loan that you are applying for and to ensure that the bank gives you the right type of loan. Before taking out a loan you should ask the bank branch staff enough questions to make sure you understand fully all the terms and conditions of the loan.

The way in which interest is calculated can also have an impact on the amount you pay. The same interest rate charged using a reducing balance method will cost you less than the flat rate based on the original loan amount. For example if you borrowed 50,000 for two years at 18% interest, Bank A using the declining balance method will charge you 9,896/- in interest, whereas, Bank B using the flat rate will charge you 18,000/- interest. The flat rate loan at the same interest rate would cost you over 8,000/- more than the loan calculated using a declining balance.

The interest rate of the loan is only one part of the cost of the loan. You should ask for a complete list of charges. These may include;

- commitment / facility fee,
- processing fee,
- early repayment fee,
- negotiation fee,
- valuation fee,
- insurance,
- appraisal fee,
- legal fee.

These other fees charged by a bank can significantly change the total cost of a loan for a consumer. The table below contains a best estimate of these fees for typical loans. However, these can vary according to circumstances. You should check before signing a loan agreement.

QUESTIONS YOU COULD ASK

- What is the interest rate? How is the interest rate calculated, (flat rate or declining balance)?
- How much interest will I be charged in total?
- What are the charges that I could be faced with during the life of the loan?
- What is the total amount that I will have to repay?

50,000 UNSECURED LOANS

An unsecured loan is the type of loan offered to individuals with a regular monthly salary from employment. The table below shows the costs of taking out a loan of Ksh 50,000 over two years. Not all banks offered loan products of this amount and duration. Banks calculate their loans on a reducing balance basis unless otherwise noted.

Bank	Interest rate %	Change since June 08	Interest to pay	Sub total payment with interest	Other fees	Total Payment
Cooperative	13.50	-	7,031	57,031	875	57,906
Victoria	15.25	+1.75	7,943	57,943	500	58,443
Prime	16.00	+1	8,303	58,303	500	58,803
India	16.50	+1	8,594	58,594	500	59,094
Chase	16.50	-	8,594	58,594	500	59,094
Baroda	17.50	+1.5	9,115	59,115	-	59,115
KCB	16.00	+1	8,333	58,333	1,170	59,503
CBA	19.00	-	9,896	59,896	-	59,896
Trans-national	17.75	+1.75	9,245	59,245	1,000	60,245
EcoBank	18.00	-	9,375	59,375	1,000	60,375
ABC	18.00	-	9,375	59,375	1,250	60,625
First Community Bank	11.00	-	10,992	60,992	-	60,992
NBK	15.00	-	7,813	57,813	3,500	61,313
Habib AG-Zurich	20.00	+1	10,417	60,417	1,000	61,417
Consolidated	19.00	+5	9,896	59,896	2,000	61,896
CFC Stanbic	22.25	+1.5	11,589	61,589	500	62,089
Imperial*	14.00	-	13,992	63,992	500	64,492
Bank of Africa	18.50	+0.5	9,635	59,635	5,000	64,635
Family*	15.00	-	15,000	65,000	2,500	67,500
Barclays*	17.41	+1.41	17,400	67,400	1,000	68,400
Equity Bank*	18.00	+3	18,000	68,000	1,500	69,500
K-REP*	21.00	+3	21,000	71,000		71,000
+1.7% increase						

* Offers loans at flat rate: Imperial, Family, Barclays, Equity, K-Rep

500,000 UNSECURED LOANS

An unsecured loan is the type of loan offered to individuals with a regular monthly salary from employment. The table below shows the costs of taking out a loan of Ksh 500,000 over three years. Not all banks offered loan products of this amount and duration. Banks calculate their loans on a reducing balance basis unless otherwise noted.

Bank	Interest rate %	Change since June 08	Interest to pay	Sub total payment with interest	Other fees	Total Payment
Equatorial	14.00	-	107,917	607,917	5,000	612,917
Cooperative	13.50	-	104,063	604,063	10,250	614,313
CFC Stanbic	15.25	-6.5	117,552	617,552	5,000	622,552
Victoria	15.25	+1.75	117,552	617,552	5,000	622,552
Prime	16.00	+1	123,032	623,032	5,000	628,032
Family	15.00	-	115,625	615,625	13,750	629,375
Equity Bank	15.00	-	115,625	615,625	15,000	630,625
India	16.50	+1	127,188	627,188	5,000	632,188
Chase	16.50	-1.5	127,188	627,188	5,000	632,188
Baroda	17.50	+1.5	134,896	634,896		634,896
KCB	16.00	+1	123,333	623,333	11,700	635,033
ABC	18.00	-	138,750	638,750		638,750
Trans-national	17.75	+1.75	136,823	636,823	5,000	641,823
CBA	19.00	-	146,458	646,458		646,458
EcoBank	18.00	-	138,750	638,750	10,000	648,750
NBK	15.00	-	115,625	615,625	35,000	650,625
Barclays	19.00	+2.1	146,458	646,458	10,000	656,458
Bank of Africa	19.50	+1.5	150,313	650,313	10,000	660,313
First Community Bank	11.00	-	164,988	664,988		664,988
NIC	20.5	+1.5	158,021	658,021	6,500	664,988
Consolidated	19.00	+5	146,458	646,458	20,000	666,458
Habib AG-Zurich	20.00	+1	154,167	654,167	15,000	669,167
STD	20.00	+2	154,167	654,167	16,500	670,667
Imperial*	14.00	-	209,988	709,988	5,000	714,988
K-REP*	21.00	+3	315,000	815,000	12,500	827,500
Paramount Universal Bank	42.00	-	323,750	823,750	5,000	828,750
+0.8% increase						

* Offers loans at flat rate: Imperial, K-Rep

BANK BRANCHES AND ATMS

Banks with a larger network of branches and ATMS are able to offer their customers greater accessibility.

Banks	Branches	Change	ATMs	Kenswitch	PesaPoint
Kenya Commercial Bank Ltd.	144	8	197		✓
Barclays Bank of Kenya Limited	117	16	234		
Equity Bank Ltd	102	12	377		
Co-operative Bank of Kenya Ltd.	59	8	182		
National Bank of Kenya Ltd.	39	5	70	✓	✓
Family Bank	38	-	72		
Standard Chartered Bank (K) Ltd.	35	1	95		✓
K-Rep Bank	31	3	34	✓	✓
Commercial Bank of Africa Ltd.	18	1	7	✓	✓
Diamond Trust Bank of Kenya	22	10	16		✓
CFC Stanbic Bank Kenya Ltd	15	-	31	✓	✓
National Industrial Credit Bank	15	-	20		✓
Chase Bank (K) Limited	13	7	5		
Eco Bank Ltd	13	5	1	✓	✓
Investments & Mort. Bank Ltd.	13	3	15	✓	
Trans-National Bank Ltd.	12	3	8	✓	
Consolidated Bank of Kenya Ltd.	11	-	11	✓	✓
Imperial Bank Limited	11	1	7		✓
First Community	11	9	2		
Prime Bank Limited	11	1	0		✓
Fina Bank Limited	11	3	9		✓
Housing Finance	10	-	11	✓	
African Banking Corporation.	10	2	0		
Southern Credit Banking Corp.	10	1	0		
Gulf African Bank	9	6	7		
Bank of Baroda Kenya Limited	9	2	0		✓
Savings & Loan	9		3		
Bank of Africa Ltd	7	1	7	✓	✓
Giro Commercial Bank	7	1	0		
Fidelity Commercial Bank Ltd.	6	-	2		

Banks	Branches	Change	ATMs	Kenswitch	PesaPoint
Guardian Bank Limited	5	-	0		✓
Bank of India (K) Ltd	5	1	0	✓	✓
Equatorial Commercial Bank Ltd.	5	1	0		✓
Oriental commercial Bank Ltd	5	-	0		
Paramount-Universal Bank Limited	5	1	0		✓
Habib Bank A.G. Zurich	4	-	0		
Credit Bank Limited	4	-	0		
Citibank N.A.	3	-	0		
Dubai Bank (K) Ltd	4	1	0	✓	✓
Habib Bank Limited	3	-	0	✓	
Middle East Bank Kenya Ltd.	2	-	1		
City Finance Bank Ltd	1	-	0		
Development Bank of Kenya Ltd.	1	-	0		
Victoria Commercial Bank	1	-	0		
SUB-TOTAL	876	119	1,424		

