



# CREDIT FACILITY

## KEY FACTS STATEMENT



**Prime Bank**

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# CREDIT FACILITY - KEY FACTS STATEMENT

This Key Facts Statement has been developed to allow all customers and potential borrowers to understand the key issues of a product before requesting for any Credit Facility. The template below is for illustration only and is designed to show the Annual Percentage Rate on a Loan/Overdraft. Actual rates may differ from product to product. You should not purchase this product based on this fact statement alone.

## 1 LOAN (SECURED)

Bank extends the facility of Demand/Term Loan normally for acquiring fixed assets. Normally, demand loan is repayable within a maximum period of 1-7 years for working capital & for meeting capital expenditure and 6 -15 years for Mortgage Loans.

### What Is The Product And How Does It Work

- A Loan of Kes.1,000,000/-
- Term - 24 months
- Interest Rate – 13% p.a.
- Interest Calculation Method – Reducing Balance
- Collateral Required – Yes.
- Commitment fee – 1% p.a. to be charged annually on the outstanding balance every anniversary
- Processing Fee – 1% one time
- Total Internal Charges – Kes. 25,736/- (For the entire term of Loan)
- Total External Charges – Kes. 5,147/-
- Total Interest – Kes.141,004/-
- Total Cost of Credit – Kes. 171,887/-
- Annual Percentage Rate – 16.19%
- Total Amount to Repay – Kes. 1,171,887/-
- Repayment Per Month – Kes. 47,542
- Due Date – The Last Day of Every Month
- Number of Payments – 24

### Amount You Will Receive

Loan Amount/ Kes	Total Charges/ Kes	Amount You Will Receive/ Kes
1,000,000.00	171,887.00	828,113.00

### Other External Charges which are Governed by the respective remuneration orders

- Valuation fees for the property
- Fire insurance for the property
- Legal Fees payable to the Advocates for documenting the facility.
- Stamp Duty
- Land Rates
- Land Rent Receipts

### Cooling off period

The Borrower will have a maximum duration of 10 days to accept the terms and conditions of the facility.

### Rights and obligations

The Borrower is entitled to draw the facility upon acceptance and fulfillment of all the terms and conditions of the sanction and is obliged to repay the said facility in line with the accepted terms and conditions.

### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on 020-4203222 or email [customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

You want to repay part or all of your Loan early – No Penalty Charges/early repayment fees.

If you fail to meet the set installment/covenants of the facility

- a) Additional default interest of 9% over and above the rate of interest is levied on the amount in default
- b) The Borrowing will be reported to Credit Reference Bureau
- c) Your ability to borrow with any other financial institution will be affected
- d) The Bank may be constrained to dispose off the collateral to protect its interest and any other charges

### This KFS relates to variable credit contract:

If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms.

The interest on your Loan contract is calculated using the reducing balance method. Interest will be calculated on daily cleared debit balances with monthly application and to be serviced as and when applied.

### Please note that;

The amount required to be paid includes the interest stipulated in the offer letter, fees and charges. It does not include:-

- Additional interest payable for late payment (penalty or default interest)
- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

All fees and charges will be in the Loan contract The following fees and charges will be deducted from the Loan proceeds/Balance in your Savings/ Current Account :-

- Processing fee
- Commitment Fees
- Excise Duty on the above two fees chargeable
- Valuation fees
- Legal Fees
- Stamp duty
- Insurance Premium Charges on property, debenture and mortgage life
- Statutory payment relates to the property and goods charged
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover

The amount of each repayment of principal and interest rates may change or there is change in the repayment term, increase/reduction of the principal amount of Loan.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would be signed by the Borrower and under seal in case of a company and Guarantors.

## 2 LOAN (UNSECURED)

Bank extends the facility of Demand/Term Loan normally for acquiring fixed assets/personal use. Normally, demand loan is repayable within a maximum period of 2 years.

### What Is The Product And How Does It Work

- A Loan of Kes.1,000,000/-
- Term - 24 months
- Interest Rate – 13% p.a.
- Interest Calculation Method – Reducing Balance
- Collateral Required – No.
- Commitment fee – 1% p.a. to be charged annually on the outstanding balance every anniversary
- Processing Fee – 1% one time
- Total Internal Charges – Kes. 25,736/- (For the entire term of Loan)
- Total External Charges – Kes. 5,147/-
- Total Interest – Kes. 141,004/-
- Total Cost of Credit – Kes. 171,887/-
- Annual Percentage Rate – 16.19%
- Total Amount to Repay – Kes. 1,171,887/-
- Repayment Per Month – Kes. 47,542
- Due Date – The Last Day of Every Month
- Number of Payments – 24

### Amount You Will Receive

Loan Amount/ Kes	Total Charges/ Kes	Amount You Will Receive/ Kes
1,000,000.00	171,887.00	828,113.00

### Cooling off period

The Borrower will have a maximum duration of 10 days to accept the terms and conditions of the facility.

### Rights and obligations

The Borrower is entitled to draw the facility upon acceptance and fulfillment of all the terms and conditions of the sanction and is obliged to repay the said facility in line with the accepted terms and conditions.

### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on 020-4203222 or email [customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

You want to repay part or all of your Loan early – No Penalty Charges/early repayment fees

If you fail to meet the set installment/covenants of the facility

- a) Additional default interest of 9% over and above the rate of interest is

- levied on the amount in default
- b) The Borrowing will be reported to Credit Reference Bureau
- c) Your ability to borrow with any other financial institution will be affected
- d) The Bank may be constrained to commence recovery proceeding against the Borrower to protect its interest and any other charges

### This KFS relates to variable credit contract:

If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms. The interest on your Loan contract is calculated using the reducing balance method. Interest will be calculated on daily cleared debit balances with monthly application and to be serviced as and when applied.

### Please note that;

The amount required to be paid includes the interest stipulated in the offer letter, fees and charges. It does not include:-

- Additional interest payable for late payment (penalty or default interest)
- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

All fees and charges will be in the Loan contract. The following fees and charges will be deducted from the Loan proceeds/Balance in your Savings/Current Account:-

- Processing fee
- Commitment Fees

- Excise Duty on the above two fees chargeable
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover

The amount of each repayment of principal and interest rates may change or there is change in the repayment term, increase/reduction of the principal amount of Loan.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would be signed by the Borrower and underseal in case of a company and Guarantors.







### 3 OVERDRAFT

Business units are required to hold stock of raw materials, finished goods and semi finished goods and also extend trade credit against the sales which results in the funds being blocked. Funds required for day to day working of the units such as acquiring raw materials, financing

of the sales, administrative expenses, etc., are termed as working capital.

Working capital requirements are met partly by availing overdraft from the Banks and partly by the creditors and contribution by the promoters/ shareholders

#### What Is The Product And How Does It Work

- Overdraft of Kes.1,000,000/-
- Term - 12 months
- Interest Rate – 13% p.a.
- Interest Calculation Method – Reducing Balance
- Collateral Required – Yes.
- Commitment fee – 1% p.a.
- Processing Fee – 1% p.a.
- Total Internal Charges – Kes.150,000/-
- Total External Charges – Kes.4,000/-
- Total Interest – Kes.130,000/-
- Total Cost of Credit – Kes.154,000/-
- Annual Percentage Rate – 17.65%
- Total Amount to Repay – Kes.1,154,000/-

#### Amount You Will Receive

The overdraft facility limit will be available year in year out and is subject to annual review

#### Cooling off period

The Borrower will have a maximum duration of 10 days to accept the terms and conditions of the facility

#### Rights and obligations

The Borrower is entitled to draw the facility upon acceptance and fulfillment of all the terms and conditions of the sanction and is obliged to repay the said facility in line with the accepted terms and conditions.

#### Other External Charges which are Governed by the respective remuneration orders

- Valuation fees for the property
- Fire insurance for the property
- Legal Fees payable to the Advocates for documenting the facility.

#### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on [020-4203222](tel:020-4203222) or email [customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

If you fail to meet the set covenants of the facility

- Additional default interest of 9% over and above the rate of interest is levied on the amount in default
- The Borrowing will be reported to Credit Reference Bureau
- Your ability to borrow with any other financial institution will be affected
- The Bank may be constrained to sell the assets charged to recover the outstanding dues and costs

#### This KFS Relates To A Variable Credit Contract:

If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms.

The Interest will be calculated on daily cleared debit balances with monthly application and to be serviced as and when applied.

#### Please note that;

The amount required to be paid includes all known interest, fees and charges. It does not include:-

- Any other Fee may arise from time to time on account of delayed payments /default etc.
- Government levies
- Third party fees and charges

All fees and charges will be in the facility contract

The following fees and charges will be deducted from the Overdraft/Balance in your Savings/ Current Account:-

- Processing fee
- Commitment Fees
- Excise Duty on the above two fees chargeable
- Valuation fees
- Legal Fees
- Statutory obligations not paid
- Stamp duty
- Insurance Premium Charges on property, debenture and mortgage life
- Statutory payment relating to the property and goods charged
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover

The amount of each repayment may change if interest rates change, you change the repayment term, increase/reduce the amount of facility.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would signed by the Borrower and underseal in case of a company and Guarantors.

## 4 BILLS DISCOUNTING/CHEQUE DISCOUNTING/ INVOICE DISCOUNTING

Bill refers to “Bill of Exchange” or Promissory Note” defined in Bills of Exchange Act. Business units are required to hold stock of raw materials, finished goods and semi finished goods and also extend trade credit against the sales which results in the funds being blocked. Funds required for day to day working of the units such as acquiring raw materials, financing of the sales, administrative expenses, etc., are termed as working capital.

Working capital requirements are met partly by providing value chain financing from Banks by debt factoring. The Bank deducts interest on the amount of each of the bill/cheque/invoice for the remaining period to maturity of the bill/ invoices and cheques and the net proceeds after deduction of the commission is available for the Borrower to use. On the due date of the bill/ cheque/invoice, the Borrowers debtor would pay directly to the Bank

### What Is The Product And How Does It Work

- Revolving Facility of Kes.1,000,000/-
- Term - 12 months
- Interest Rate – 13% p.a.
- Interest Calculation Method – Reducing Balance
- Collateral Required – Yes.
- Commitment fee – 1% p.a.
- Processing Fee – 1% p.a.
- Commission of 1% for bill up to 120days
- Total Internal Charges – Kes.180,000/-
- Total External Charges – Kes.10,000/-
- Total Interest – Kes.130,000/-
- Total Cost of Credit – Kes.190,000/-
- Annual Percentage Rate – 17.65%
- Total Amount to Repay – Kes.1,154,000/-

### Amount You Will Receive

The Bills/Cheque/Invoice discounting limit will be available year in year out and is subject to annual review.

### Cooling off period

The Borrower will have a maximum duration of 10days to accept the terms and conditions of the facility.

### Rights and obligations

The Borrower is entitled to use the facility by Discounting the Bill of Exchange/Cheques or Invoices upon acceptance and fulfillment of all the terms and conditions of the sanction and is obliged to repay the said facility in line with the accepted terms and conditions, if the discounted instruments are not liquidated on due date(s)

### Other External Charges which are Governed by the respective remuneration orders

- Valuation fees for the property
- Fire insurance for the property
- Legal Fees payable to the Advocates for documenting the facility.

### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on **020-4203222** or email **customercare@primebank.co.ke**

If you fail to meet the set covenants of the facility

- a) Additional default interest of 9% over and above the rate of interest is levied on the amount in default for the period of default

- b) The Borrowing will be reported to Credit Reference Bureau
- c) Your ability to borrow with any other financial institution will be affected
- d) In the event of non-payment on due date, the Bank will be constrained to resort to recovery proceedings against Borrower/ Guarantor by following laid down procedures and/or by realization from security held.

### This KFS relates to a variable credit contract:

If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms.

The Interest will be calculated on the amount of the bill for the number of days up to maturity of the respective bill/cheque/invoice to be deducted from the principal amount of the bill. The commission is also deducted based on amount of the bill and net proceeds credited to the Borrowers account

### Please note that;

The amount required to be paid includes all known interest, fees and charges. It does not include:-

- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

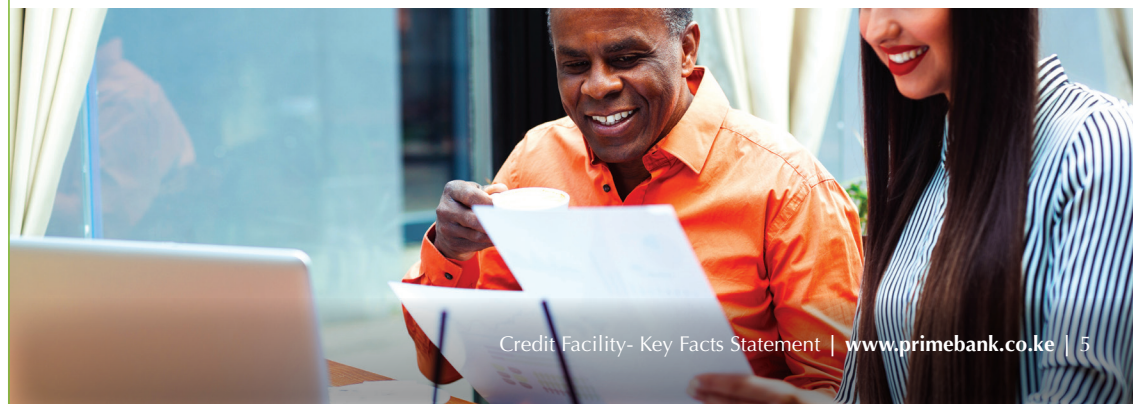
All fees and charges will be in the facility contract

The following fees and charges will be deducted from the Overdraft/Balance in your Savings/ Current Account:-

- Processing fee
- Commitment Fees
- Excise Duty on the above two fees chargeable
- Valuation fees
- Legal Fees
- Insurance Premium Charges
- Statutory obligations not paid
- Stamp duty
- Insurance Premium Charges on property, debenture and mortgage life
- Statutory payment relates to the property and goods charged
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover

The amount of interest deducted from each bill discounted may change if interest rates change or the period of the bill.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would signed by the Borrower and underseal in case of a company and Guarantors.





## 5 ASSET FINANCING AND HIRE PURCHASE

For financing purchase of heavy machinery items or equipments i.e. for capital expenditure In case of equipment financing, the Bank selectively considers such requests normally against a buy-back arrangement with the supplier of the equipment or asset

“Hire Purchase” facility is whereby a Purchaser also known as the Hirer rents out an asset

### What Is The Product And How Does It Work

- A Loan of Kes.1,000,000/-
- Term - 24 months
- Interest Rate – 7.5% flat
- Interest Calculation Method – Flat
- Collateral Required – Yes.
- 30% margin of the value of the asset to be contributed by the Borrower
- 40% margin of the value of the asset to be contributed by the Borrower
- In case of vehicles, the same should not exceed 7 years from date of manufacture
- Commitment fee – 1% p.a. to be charged annually on the outstanding balance every anniversary
- Processing Fee – 1% one time
- Total Internal Charges – Kes.175,000/-
- Total External Charges – Kes.5,000/-
- Total Interest – Kes.150,000/-
- Total Cost of Credit – Kes.180,000/-
- Annual Percentage Rate – 9.92%
- Total Amount to Repay – Kes.1,180,000/-
- Repayment Per Month – Kes. 47,917/-
- Due Date – The Last Day of Every Month
- Number of Payments – 24

### Amount You Will Receive

Loan Amount/ Kes	Total Charges/ Kes	Amount You Will Receive/ Kes
1,000,000.00	180,000.00	820,000.00

### Other External Charges

- Hire Purchase Agreement registration fees
- Tracking device installation fees
- Valuation fees for the vehicle
- Fire insurance for the vehicle
- Stamp duty

### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on 020-4203222 or email [customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

You want to repay part or all of your Loan early – No Penalty Charges/early repayment fees

If you fail to meet the set installment/covenants of the facility

- Default interest of 22% is levied on the amount in default for the period in default
- The Borrowing will be reported to Credit Reference Bureau
- Your ability to borrow with any other financial institution will be affected

- The Bank may be constrained to repossess the asset and dispose the same to protect its interest following due procedure

Legal Fees payable to the Advocates for documenting the facility.

### This KFS relates to a flat credit contract:

Your repayment will not change during the applicable fixed rate period. If this is a variable interest rate your interest rate would increase/decrease in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time. Your monthly repayment also would increase/decrease in line with the above.

If the interest on your Loan contract is calculated using the reducing balance method. Interest will be calculated on daily cleared debit balances with monthly rests and to be serviced as and when applied.

### Please note that;

The amount required to be paid includes all known interest, fees and charges. It does not include:-

- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

All fees and charges will be in the Loan contract The following fees and charges will be deducted from the Loan proceeds/Balance in your Savings/Current Account:-

- Processing fee
- Commitment Fees
- Excise Duty
- Valuation fees
- Legal Fees
- Insurance Premium Charges
- Stamp duty
- Recovery agents cost
- Any losses associated with repossessing, storage and disposal by auction or private treaty and filing of suit
- Joint registration fees
- Legal fees and costs associated with enforcement of rights to recover

The amount of each repayment may change if interest rates change, you change the repayment term, increase/reduce the amount of Loan.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would signed by the Borrower and underseal in case of a company and Guarantors.



## 6 MORTGAGE LOANS

Mortgage Loans are limited to individuals who are citizens or permanent residents to enable them acquire/purchase residential properties. These loans are granted for term of 10 to 15 years.

The Bank will finance 70% to 80% of purchase price of the property depending on the location and marketability of the property. The Bank does not finance undeveloped properties.

### What Is The Product And How Does It Work

- A Loan of Kes.8,000,000/-
- Term - 120 months
- Interest Rate – 13% p.a.
- Interest Calculation Method – Reducing Balance
- Collateral Required – Yes.
- Commitment fee – 1% p.a.
- Processing Fee – 1% one time
- Total Internal Charges – Kes.608,916/- (For the entire term of Loan)
- Total External Charges – Kes.655,533/-
- Total Interest – Kes.6,333,831/-
- Total Cost of Credit – Kes.7,598,280/-
- Annual Percentage Rate – 17.55%
- Total Amount to Repay – Kes.15,598,280/-
- Repayment Per Month – Kes.119,449
- Due Date – The Last Day of Every Month
- Number of Payments – 120

### Amount You Will Receive

Loan Amount/ Kes	Total Charges/ Kes	Amount You Will Receive/ Kes
8,000,000.00	1,264,449.00	6,735,551.00

### Other External Charges

- Valuation fees for the property
- Fire insurance for the property
- Mortgage Insurance premium

Legal Fees payable to the Advocates for documenting the facility.

### Other Information

For any questions, queries or complaints For any questions, queries or complaints – Contact the Customer Service Team on 020-4203222 or email

[customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

You want to repay part or all of your Loan early – No Penalty Charges/early repayment fees

If you fail to meet the set installment/covenants of the facility

- Additional default interest of 9% over and above the rate of interest is levied on the amount in default
- The Borrowing will be reported to Credit Reference Bureau
- Your ability to borrow with any other financial institution will be affected
- The Bank may be constrained to dispose off the collateral to protect its interest and any other charges

### This KFS relates to a flat credit contract:

This KFS relates to a variable credit contract: If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms.

The interest on your Loan contract is calculated using the reducing balance method. Interest will be calculated on daily cleared debit balances with monthly application and to be serviced as and when applied.

### Please note that;

The amount required to be paid includes all known interest, fees and charges. It does not include:-

- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

All fees and charges will be in the Loan contract The following fees and charges will be deducted from the Loan proceeds/Balance in your Savings/Current Account:-

- Processing fee
- Commitment Fees
- Excise Duty
- Valuation fees
- Legal Fees
- Insurance Premium Charges

- Statutory obligations not paid
- Stamp duty
- Insurance Premium Charges on property, debenture and mortgage life
- Statutory payment relates to the property and goods charged
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover
- Auctioneers fees

The amount of each repayment may change if interest rates change, you change the repayment term, increase/reduce the amount of Loan.

The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the Bank and the acceptance of the same would be signed by the Borrower and underseal in case of a company and Guarantors.





## 7 LETTER OF GUARANTEES

The Bank issues bid bonds/performance/advance payment/financial guarantees as when required for procurement of tenders, performance of obligation and procure goods on credit from third parties. In case of invocation, the Borrowers account will be debited with the value of guarantee

### What Is The Product And How Does It Work

- Guarantee limit of Kes.1,000,000/-
- Term - 12months
- Collateral Required – Yes.
- Commission – 2%
- Total Internal Charges – Kes.20,000/=
- Total External Charges – Kes.400/=
- Total Cost of Credit – Kes.20,400/=
- Repayment- Maturity of guarantee or invocation

### Other External Charges

- Valuation fees for the property
- Fire insurance for the property
- Mortgage Insurance premium
- Legal Fees payable to the Advocates for documenting the facility.

### Other Information

For any questions, queries or complaints – Contact the Customer Service Team on 020-4203222 or email [customercare@primebank.co.ke](mailto:customercare@primebank.co.ke)

You want to repay part or all of your Loan early – No Penalty Charges/early repayment fees

If you fail to meet the set installment/covenants of the facility

- a) Default interest of 22% p.a levied on the amount in default
- b) The Borrowing will be reported to Credit Reference Bureau
- c) Your ability to borrow with any other financial institution will be affected
- d) The Bank may be constrained to dispose of the collateral to protect its interest and any other charges

### This KFS relates to a variable credit contract:

If your interest rate was to increase/decrease by any figure in line with the adjustment in Central Bank Rate or any other factor affecting the rate of interest as prescribed by Law from time to time, your monthly repayment would increase/decrease thus changing your repayment terms.

The interest on your Loan contract is calculated using the reducing balance method. Interest will be calculated on daily cleared debit balances with monthly application and to be serviced as and when applied.

### Please note that;

The amount required to be paid includes all known interest, fees and charges. It does not include:-

- Any fee for an event that may not happen (e.g. late payment)
- Government levies
- Third party fees and charges

All fees and charges will be in the Loan contract

The following fees and charges will be deducted from the Loan proceeds/Balance in your Savings/Current Account:-

- Excise Duty
- Valuation fees
- Legal Fees
- Insurance Premium Charges
- Statutory obligations not paid
- Stamp duty
- Insurance Premium Charges on property, debenture and mortgage life
- Statutory payment relates to the property and goods charged
- Credit Insurance fees
- Recovery agents cost
- Legal fees and costs associated with enforcement of rights to recover
- Auctioneers fees

In case of invocation, the amount of repayment may change if interest rates change  
The letter of offer specifying the terms of Lending will be signed by Authorised Signatory of the

Bank and the acceptance of the same would signed by the Borrower and underseal in case of a company and Guarantors.



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