



KEY FACTS DOCUMENT

Consolidated Bank of Kenya
Consolidated Bank House
Koinange Street
P O Box 51133, 00200
NAIROBI

KEY FACTS STATEMENT

Consolidated Bank's Key Facts Statement (KFS) has been created to enable all existing and potential borrowers understand the key issues of the Bank's lending products before making a loan application. These facts have been developed in line with the Risk Management Guideline on Credit Risk Management as well as Central Bank of Kenya's Prudential Guidelines on Consumer Protection.

The table below outlines the Costs or Charges for each Product. Actual rates may differ from product to product and they are subject to change at the Bank's discretion.

1. Asset Finance

- This is a product designed for both salaried and SME customers, who wish to purchase motor vehicles or some specific assets for business use.
- One off Loan processing fee of 2%
- Interest rate currently at 13% p.a. charged on reducing balance
- New and Second vehicles can be considered
- The Bank will finance a maximum of 80% of the value or price whichever is lower
- The Asset will be valued by a Bank approved valuer annually
- The Bank will hold the log book as security. For debentures, the assets will be registered in the Movable properties asset register
- The log book will be registered in joint names with the Bank
- A comprehensive insurance cover will be required arranged through a Bank approved valuer to cover the motor vehicle/ asset for the duration of the loan
- The Bank will install a tracking device on the asset financed

2. Business Term Loans

- Available to SME customers
- This loan product can be used to finance working capital and expenses of capital nature
- One off loan processing fee of 2%
- Interest rate currently at 13% p.a. charged on reducing balance
- Minimum amount Kes 500,000
- The loan should be fully secured either by land in an area acceptable to the Bank or cash

- The Bank will hold a first legal charge over the property or a lien over the cash for the duration of the loan
- For landed property, the Bank will engage a valuer to value the property every five years
- Maximum period of 36 months for working capital requirements and 60 months for capital expenditure

3. Overdrafts

- Available to SME customers to meet working capital needs
- One off loan processing fee of 2%
- Interest rate currently at 13% p.a charged on reducing balance
- The loan should be fully secured by either land in an area acceptable to the Bank or cash
- The bank will hold a first legal charge over the landed property or a lien over the cash for the duration of the facility
- For landed property, the Bank will engage a valuer to value the property every five years
- Minimum amount of Kes 500,000
- The overdraft shall be available for a period of 12 months

4. LPO /LSO Financing/ Invoice discounting

- Available for SME customers
- Available for the financing of local purchases/services orders from reputable organizations which have been vetted by the Bank
- Amount of the facility limited to 60% of the cost of LPO/LSO.
- One off Loan processing fees of 3%
- Interest rate of 13% p.a. charged on reducing balance
- Customers will be required to provide security, either landed property in an area acceptable to the Bank or cash
- For landed property, the Bank will engage a valuer to value the property every five years
- The facility shall be available for a maximum period of 6 months, subject to the contract period.

5. Personal Unsecured Loans

- Personal loans will only be extended to employees whose employers are reputable institutions of good standing and/ or where the bank has check off facilities with the employer.
- The loan is available to meet personal expenses such as medical, school fees, and purchase of household goods.
- One off loan processing fee of 2%
- Interest rate of 13% p.a. charged on reducing balance
- Maximum unsecured personal loans for MOU customers – Kes 3million and for non MOU customers at Kshs 2 million
- Maximum tenor is 36 months for amounts less than Kes 500K and 72 months for above Kes 500K
- The Bank will take out a Group Life cover through a Bank approved insurer for the duration of the loan

6. Mortgages

- Available to both salaried and SME customers who wish to:
 - purchase a residential or commercial property
 - Construct a residential property
 - purchase a plot
- One off loan processing fee of 2%
- Interest rate of 13% p.a. charged on reducing balance
- The Bank will hold a first legal charge over the property being purchased or under construction as security
- The Bank will finance upto a maximum of 80% of the price or vale whichever is lower
- The property will be valued by a Bank approved valuer every five years
- The maximum repayment period of a residential property will be up to a maximum of 15 years, for commercial property will be 10 years and for plot loans 5 years.
- For construction mortgages, pre-requisite approvals will be required from the County, as well as from NEMA and NCA if applicable
- The Bank will take out a Group Mortgage protection cover through a Bank approved insurer for the duration of the loan
- The Bank will arrange an insurance cover over the property through a Bank approved insurer for the duration of the loan

GENERAL REQUIREMENTS

- ✓ Duly completed loan application form
- ✓ Introduction letter from employer for salaried customers
- ✓ National ID of the Customer/ Company directors
- ✓ Copy of KRA PIN certificate for the customer/company directors
- ✓ One recent Passport photograph of the Customer/ Company Directors
- ✓ Business registration certificate/Certificate of Incorporation/ Partnership deed/
- ✓ For Limited companies, Memorandum & Articles of Association
- ✓ For Limited companies, board resolution to borrow
- ✓ Proof of income – Payslips for the last three months for salaried customers, audited accounts for the last three years for limited companies
- ✓ Cash flow projections for limited companies
- ✓ Bank statements for the last six months
- ✓ Sale agreement of the property being purchased plus a copy of the title for mortgages
- ✓ Approved building plans for construction mortgages
- ✓ Sale agreement for second hand motor vehicles/Proforma invoice from the motor dealer for new vehicles.