



BANK OF INDIA – KENYA

Date: 28.01.2026

Ref: CBK: Notice:25-26/02

SUBJECT: 30 DAYS' NOTICE – CHANGE IN BENCHMARK REFERENCE RATE FOR KES VARIABLE-RATE LOANS

Dear Valued Customer,

Please note that the Central Bank of Kenya (CBK) has issued a revised Risk-Based Credit Pricing Model (RBCPM), requiring banks to adopt a more transparent framework for pricing Kenya Shilling variable-rate facilities.

Bank of India – Kenya will transition your existing Kenya Shilling variable-rate facility to the revised pricing framework with effect from 28th February 2026.

Under the revised framework, the benchmark reference rate will change from the Bank's **Base Rate** to the **Central Bank Rate (CBR)**, as published by the CBK. CBR may change from time to time in line with Monetary Policy Committee decisions.

Your interest rate will be determined as:

$$\text{Interest Rate (per annum)} = \text{CBR} + \text{Bank Premium (K)}$$

The Bank Premium (K) reflects the Bank's cost of providing credit and includes:

- Operating costs related to lending;
- Expected return to shareholders; and
- Borrower-specific credit risk premium based on your risk profile and internal rating.

Any applicable fees and charges (where relevant) will continue to apply in accordance with your facility documents and the Bank's published tariff, and form part of the total cost of credit.

We will communicate the applicable CBR, the Bank Premium (K), and the resulting interest rate to you before (or at the time of) implementation.

For clarification, please contact your Branch or our Customer Service desk at [phone/email].