



Bank of Baroda (Kenya) Ltd.

IMPORTANT

Implementation of the Revised Risk-Based Credit Pricing Model

In alignment with the Revised Risk-Based Credit Pricing Model framework issued by the Central Bank of Kenya, Bank of Baroda (Kenya) Ltd wishes to inform our valued customers that we will be adopting a new credit pricing approach for Kenya Shilling-denominated variable rate facilities.

Under the revised framework, all variable rate loans and advances will be priced using a standardized reference rate as directed by the Central Bank of Kenya. This reference rate will be either:

- The Kenya Shilling Overnight Interbank Average (KESONIA), or
- The Central Bank Rate (CBR).

In addition to the reference rate, a Risk Premium “K” will be applied. This premium reflects the borrower’s individual credit risk profile along with other relevant considerations, resulting in the final cost of credit in line with the Central Bank’s Risk-Based Credit Pricing Model.

Implementation Timeline

All new Kenya Shilling variable rate loans will be priced under the revised model from 1st December 2025.

All existing Kenya Shilling variable rate facilities will migrate to the revised pricing model upto 28th February 2026.

Please note that these timelines remain subject to any further guidance or directives from the Central Bank of Kenya.

We will notify you of the applicable reference rate and the revised pricing structure for your specific facility prior to the transition date.

For any inquiries, please contact your nearest Bank of Baroda (Kenya) Ltd. Branch.