

METHODOLOGY FOR CALCULATION OF INTEREST RATES AS THE BASIS FOR DETERMINING INTEREST RATE CAPS IN ACCORDANCE WITH THE LAW ON THE PROTECTION OF FINANCIAL SERVICE CONSUMERS

1. For the purpose of applying the Law on the Protection of Financial Service Consumers (RS Official Gazette, No 19/2025) (hereinafter: the Law), the National Bank of Serbia regulates in more detail the method for calculation of interest rates that serve as the basis for determining interest rate caps in accordance with the Law.

2. The basis for calculating the nominal interest rate caps, in accordance with the application of the Law, shall be the data on the weighted average nominal interest rates on existing contracts (outstanding business) and new contracts (new business) that banks submit to the National Bank of Serbia in accordance with the Guidelines on the Submission of Data on Interest Rates on Bank Loans and Deposits to the National Bank of Serbia (RS Official Gazette, Nos 42/2010, 2/2012 and 86/2019) on a monthly basis.

Within the meaning of paragraph 1 of this Section, outstanding business shall include the accounting balances of bank loans in gross amounts (without value adjustments) on the last calendar day of the reporting month. Interest rates on outstanding business shall be calculated as weighted averages of the interest rates applied to the accounting balances of loans on the last calendar day of the reporting month.

Loans classified as non-performing, as well as debt restructuring loans at interest rates significantly lower than market rates shall not be included in the calculation of interest rates on outstanding business.

Within the meaning of paragraph 1 of this Section, new business shall include all new loan contracts concluded between a bank and a client during the reporting period. New business shall include all financial arrangements for which the terms were agreed for the first time during the reporting period, as well as all existing contracts for which new terms were renegotiated with the active participation of the client.

Interest rates on new business represent the weighted average interest rates on all loan transactions concluded during the reporting month,

excluding debt restructuring loans at interest rates significantly lower than market rates.

The date of contract conclusion shall be considered the primary factor for the classification and inclusion of a new loan transaction in the bank's report on interest rates for the reporting period.

3. For the purpose of determining the cap on the variable nominal interest rate applicable to loan contracts with natural persons, the weighted average interest rate for existing loan contracts of the same type, purpose, and currency (indexation), which cannot exceed this interest rate increased by $\frac{1}{4}$, shall be used. In case of variable-rate housing loans, the cap cannot exceed the weighted average interest rate for existing variable-rate housing loan contracts in the same currency (indexation) increased by $\frac{1}{4}$. In case of fixed-rate housing loans, the cap cannot exceed the weighted average interest rate for new fixed-rate housing loan contracts in the same currency (indexation) increased by $\frac{1}{4}$.¹

4. For the purpose of determining the interest rate at the time of contract conclusion, the effective interest rate caps cannot exceed the default interest rate under the Law, increased by 4 pp for loan contracts, and/or reduced by 2.5 pp for housing loan contracts. The effective interest rate cap at the time of contract conclusion cannot exceed the statutory default interest rate increased by 6 pp for credit card contracts, and/or 8 pp for overdraft and overrunning agreements.

5. Given that the Law envisages interest rate caps only for loans to natural persons, the calculation of the weighted average nominal interest rate for existing and new business to which the Law applies takes into account only nominal interest rates on loans approved to natural persons², where only loan tranches approved at positive nominal interest rates are included in the calculation.

¹ Exceptionally, until 31 December 2025, the variable interest rate for housing loan contracts cannot exceed 5%, and from 1 January 2026 to 31 December 2027, the variable interest rate for housing loan contracts cannot exceed the weighted average interest rate for existing variable-rate housing loan contracts in the same currency (indexation) increased by $\frac{1}{5}$. Until 31 December 2025, the fixed interest rate for housing loan contracts cannot exceed 5%, and from 1 January 2026 to 31 December 2027, the fixed interest rate for housing loan contracts cannot exceed the weighted average interest rate for new fixed-rate housing loan contracts in the same currency (indexation) increased by $\frac{1}{5}$.

² The interest rate statistics regularly published on the National Bank of Serbia's website encompass a broader household sector, which, in addition to natural persons, includes private entrepreneurs, the agricultural population, and non-profit institutions.

6. The National Bank of Serbia shall publish on its website data on the level of weighted average nominal interest rates for loan contracts (in RSD and foreign currency) and housing loan contracts (in RSD and foreign currency) twice a year, on 1 December of the current year (based on data as at 30 September of the same year for outstanding business, and/or based on data for the period from 1 April to 30 September for new business) and on 1 June of the current year (based on data as at 31 March of the same year for outstanding business, and/or for the period from 1 October to 31 March for new business)³. The National Bank of Serbia shall also publish data on the level of effective interest rate caps for loan contracts (in RSD and EUR), housing loan contracts (in RSD and EUR), credit card agreements (in RSD and EUR), and overdraft and overrunning agreements, following changes in the key rates of the National Bank of Serbia and the European Central Bank.

7. Banks shall apply the nominal interest rate caps when concluding loan contracts within 15 days from the date the National Bank of Serbia publishes the weighted average interest rates in accordance with the Law and this Methodology.

When concluding loan contracts to which this Methodology applies, banks must apply the newly calculated effective interest rate within 15 days from the date of publication of the key policy rate of the National Bank of Serbia or the rate on the main refinancing operations of the European Central Bank.

The effective interest rate for the purpose of applying the Law shall be calculated in accordance with the Decision on Terms and Method of Calculating the Effective Interest Rate and on the Layout and Content of Forms Handed out to Consumers (RS Official Gazette, Nos 65/2011 and 62/2018).

The National Bank of Serbia shall publish interest rates in accordance with this Methodology in the following form:

³ For the purpose of determining the weighted average interest rates on new business in accordance with the Law, the weighted average interest rates on loan contracts concluded between 1 April and 30 September, or between 1 October and 31 March, shall apply.

Publication date: March 2025

NOMINAL INTEREST RATE CAPS IN ACCORDANCE WITH THE LAW ON THE PROTECTION OF FINANCIAL SERVICE CONSUMERS
(RS Official Gazette, No 19/2025)

Interest rate caps valid until: xx xx xxxx

	Housing loans (variable and fixed rate)*		Other loans (variable rate)	
	RSD	FX	RSD	FX
Weighted average nominal interest rate on 31 January 2025**				
Cap on nominal interest rate				

EFFECTIVE INTEREST RATE CAPS AT THE TIME OF CONTRACT CONCLUSION IN ACCORDANCE WITH THE LAW ON THE PROTECTION OF FINANCIAL SERVICE CONSUMERS

	Credit card loan		Current account overdraft	Housing loans		Other loans	
	RSD	EUR		RSD	EUR	RSD	EUR
NBS key policy rate							
ECB rate on main refinancing operations							
Default rate in accordance with the Law							
Effective interest rate cap at the moment of contract conclusion							

* The interest rate cap on housing loan contracts does not apply to fixed-rate housing loans approved before the Law came into force.

** The calculation of the weighted average interest rate, in accordance with the Law, was performed based on the latest available data.

- Housing loans are loans concluded by a bank with a consumer for the purchase, construction, adaptation or reconstruction of residential property (house, apartment, part of a residential building intended for living, garage, parking space together with an apartment, and land with a building permit for house construction), secured by a mortgage on residential property, as well as loans concluded by a bank for refinancing such loans.
- Other loans include all loans granted to natural persons except housing loans, credit card debt and current account overdrafts. They also include energy efficiency loans not secured by a mortgage.
- Until 31 December 2025, the variable interest rate cannot be applied to housing loan contracts, nor can a fixed interest rate be agreed at a value higher than 5%.
- For credit card contracts concluded before the Law began to apply, the nominal interest rate cannot exceed the default interest rate under Article 11 of the Law, applicable on that day, increased by 6 pp.
- For overdraft and overrunning agreements concluded before the Law began to apply, the nominal interest rate cannot exceed the default interest rate under Article 11 of the Law, applicable on that day, increased by 8 pp.