National Bank of Serbia

ECONOMIC RESEARCH AND STATISTICS DEPARTMENT

TRENDS IN LENDING

First Quarter Report 2025

Belgrade, May 2025

Introductory note

Trends in Lending is an in-depth analysis of the latest trends in lending, which aims to ensure a better understanding of the conditions prevailing in the domestic lending market. It looks into lending developments, cost of borrowing by households and corporates and lending market conditions, by examining the factors behind loan supply and demand.

Credit aggregates, as a quantified expression of movements in the lending market, are calculated based on banking sector balance sheet statistics as a source of data on the balance of domestic banks' loan receivables. Given the relatively high share of foreign currency-indexed loans in loan portfolios, the increment and growth rates are calculated excluding the effect of changes in the dinar exchange rate against other currencies in the loan portfolio.

The report also draws on the results of the bank lending survey conducted by the National Bank of Serbia (NBS) since early 2014. Participation in the survey is voluntary. This survey has greatly improved the understanding of developments in the domestic lending market, allowing insight into bankers' perception of actual and expected changes with regard to loan supply and private sector loan demand.

The report also relies on the results of the survey developed by the European Investment Bank in the context of the Vienna Initiative 2 to monitor deleveraging by cross-border banking groups and the resultant constraints on lending activity. This survey, conducted since October 2012 on a semi-annual basis, monitors subsidiaries of international banking groups in Central and South-Eastern Europe, focusing on their strategies, market conditions and expectations. The purpose of the survey is to observe the effects of movement in supply and demand on lending activity, and to gauge the impact of domestic and international factors on supply and demand conditions. Assets of banks participating in the survey on average account for 50% of total bank assets in the region.

ABBREVIATIONS

GDP – gross domestic product
ECB – European Central Bank
mn – million
bn – billion
y-o-y – year-on-year
NPL – non-performing loan
pp – percentage point
Q – quarter

Other generally accepted abbreviations are not cited.

Contents

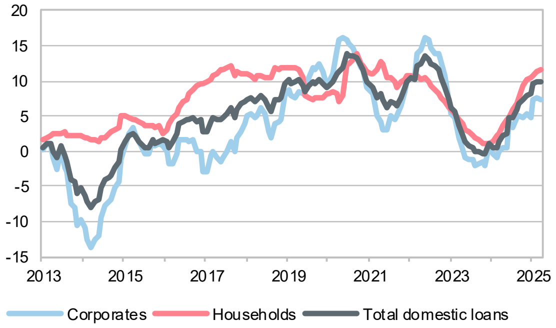
Overview

Lending to the non-monetary sector continued to accelerate as borrowing costs declined and household credit standards were eased. **Total domestic loans** rose at a double-digit y-o-y rate in March (10.0%), excluding the exchange rate effect. As before, growth was led by **household lending,** whose y-o-y growth sped up to 11.6%, and by **corporate lending** which rose 7.4% y-o-y in March.

Growth in **total domestic bank receivables from the non-monetary sector** (which apart from loan receivables also include receivables on account of investment in securities, interest and fees and other receivables) also accelerated in y-o-y terms, to 10.2% in March.

Corporate loans, excluding the exchange rate effect, rose by 0.8%, or RSD 13.0 bn in Q1. Dinar loans continued up, while FX-indexed loans declined. Corporates mostly used liquidity and working capital loans, which accounted for almost four-fifths of the first-quarter increase. Sector-wise, companies in the energy sector borrowed the most, followed by those in the transport, trade and real estate sectors. Companies in the manufacturing sector scaled down their loan obligations. The rise in borrowing by micro, small and medium-sized enterprises (MSMEs) outstripped growth in the obligations of large enterprises in Q1. As a result, the share of loans to MSMEs in total loans increased by 0.1 pp in Q1, to 60.9% in March, and their y-o-y growth picked up to 11.5%. The share of loans to MSMEs rose to 60.9% in March, and their y-o-y growth accelerated to 11.5%.

Y-o-y lending activity growth continued to accelerate in Q1
(y-o-y growth rates at the programme exchange rate, in %)



Source: NBS.

Household loans, excluding the exchange rate effect, increased by RSD 41.5 bn or 2.6% in Q1, of which almost three-fifths referred to dinar loans. The rise in household loans was supported by the eased credit standards, lower costs of borrowing, and higher wages and employment. Cash loans made up slightly more than a half of the increase in household loans, followed by housing loans, the stock of which was 9.6% higher y-o-y in March.

Interest rates on dinar and euro-denominated loans in the domestic market went further down in Q1 under the impact of past monetary policy easing of the NBS and further lowering of the ECB's interest rates. The average rate on dinar household loans dropped to 10.0% in Q1 2025 (from 10.3% in Q4 2024), and that on dinar corporate loans – to 6.7% (from 7.2%). The average interest rate on euro household loans decreased by 0.4 pp to 5.4%, and the rate on corporate loans – by 0.6 pp, to 5.3%.

The NBS extended the cap on housing loan interest rates into 2025, when these rates will not exceed 5%. Interest rates on cash and consumer loans, credit card debt and current account overdrafts were also capped. Rate capping was first regulated by an NBS decision[1] and then by the new Law on the Protection of Financial Service Consumers[2] effective from mid-March. This Law systemically regulates interest rate capping for all credit products in order to protect the interests of financial service consumers, while preserving and strengthening financial system stability.

The **dinarisation** of total corporate and household receivables rose to 37.8% in March (from 37.4% at end-2024) on the back of **higher dinar lending.** The degree of dinarisation of corporate receivables rose to 21.2% in March (from 20.9% at end-2024), and the degree of dinarisation of household receivables continued further up (to 55.5% from 55.4%). The

[1] Decision on Temporary Interest Rate Cap on Loan Agreements Concluded with Natural Person Consumers, RS Official Gazette, No 102/2024.

[2] RS Official Gazette, No 19/2025.

rise in dinar corporate loans was supported by the provisions of the Decision on Capital Adequacy of Banks. Under this decision, when calculating the capital adequacy ratio, as of 2025, banks shall reduce their capital if the share of FX-indexed and FX loans in total loans to the non-financial and non-governmental sector approved after 1 July 2023 exceeds a specific threshold (71% in 2025).[3]

The share of NPLs in total loans fell to a new all-time low of 2.3% in March as lending increased and non-performing receivables decreased. This is a confirmation of the banking sector's financial soundness, underpinned by the robust regulatory framework for banks and the adopted macroprudential policy measures synchronised with monetary policy measures. NPL coverage remains high – allowances for impairment of total loans measured 116.1% of gross NPLs in March, while allowances for impairment of NPLs stood at 61.7% of gross NPLs.

The capital adequacy ratio measured 20.95% at end-Q1, indicating high capitalisation (the regulatory minimum is 8.0%) and resilience of the banking sector to external and domestic risks.

[3] This threshold will go down to 64% in 2026 and 57% in 2027, and to 50% thereafter.

I Corporate sector

1 Corporate loans

Y-o-y corporate loan growth accelerated in Q1, to 7.4% in March (from 4.8% in December 2024). This was due to the lower cost of borrowing, while the negative impact on the loan stock from the maturing of guarantee scheme loans continued to lose strength. Corporate loans make up almost a half of banks' loan receivables from the non-monetary sector and they stood at RSD 1,702.5 bn in March, while their share in GDP measured 17.4%, down by 0.1 pp from end-2024.

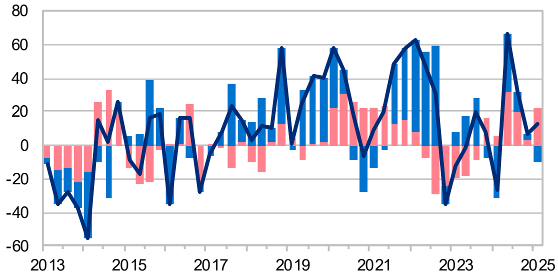
Corporate loans increased by RSD 13.0 bn in Q1, as borrowing by public enterprises went up (by RSD 20.8 bn) and lending to companies subsided (by RSD 7.8 bn). This increase was entirely due to dinar loans (by RSD 22.6 bn), while FX-indexed loans decreased (by RSD 9.6 bn), resulting in higher dinarisation of corporate loans. The dinarisation of corporate loans also increased thanks to the provisions of the Decision on Capital Adequacy of Banks. Under this Decision, when calculating the capital adequacy ratio, as of 2025, banks shall reduce their capital if the share of FX-indexed and FX loans in total loans approved to the non-financial and non-governmental sector after 1 July 2023 exceeds a specific threshold (71% in 2025).[4]

In terms of loan purpose, corporates resorted most to liquidity and working capital loans, which accounted for almost 80% of the first-quarter increase. Borrowing under current accounts, other non-categorised loans and investment loans also went up, while obligations under import loans declined. Such trends drove up the share of liquidity and working capital loans in total loans by 0.2 pp in Q1 to 47.3% in March, with their y-o-y growth accelerating to 8.4%. At the same time, the share of investment loans edged down by 0.3 pp, to 42.5%, while their y-o-y growth continued to accelerate to 10.9% in March.

Sector-wise, companies in the energy sector increased their borrowing the most, followed by those in transport, trade and real estate sectors. Companies in the manufacturing sector scaled down their loan obligations. The share of long-term (loans with the original maturity of over one year) in total corporate loans shrank to 82.9% in March (from 83.6% in

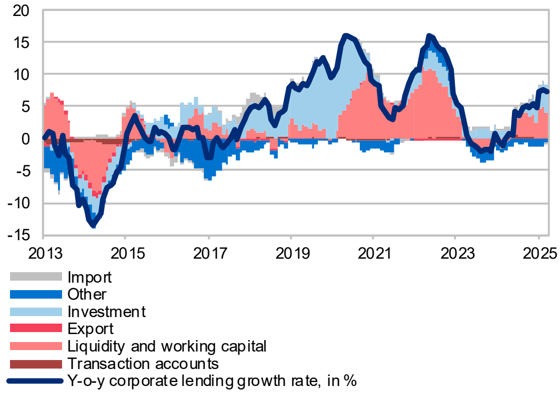
[4] This threshold will go down further to 64% in 2026, and 57% in 2027, and to 50% thereafter.

Q1 corporate lending growth was due to dinar lending, while FX-indexed loans were on a decline
(increment, in RSD bn)



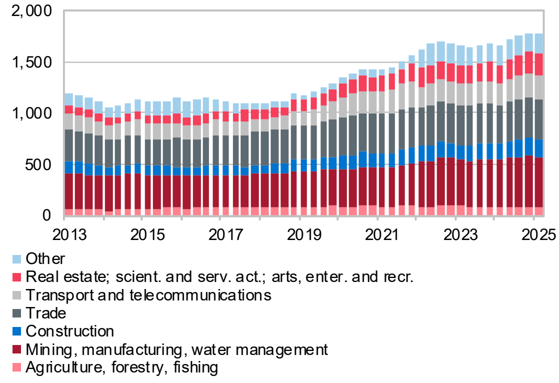
Source: NBS.
* Excluding the exchange rate effect.

Investment and working capital loans contributed the most to y-o-y growth in corporate lending in Q1
(in pp, excluding the exchange rate effect)



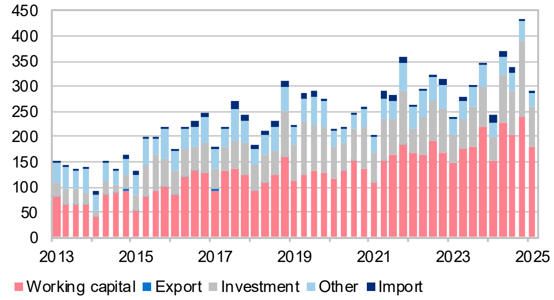
Source: NBS.

The bulk of corporate receivables were loans to manufacturing and trade
(stock, in RSD bn)



Source: NBS.

Working capital and investment loans were dominant in Q1 as well
(new loans, in RSD bn)



Source: NBS.

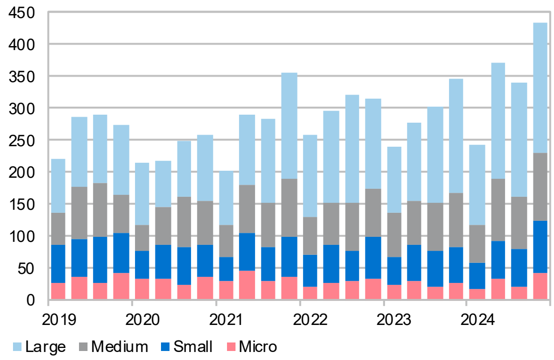
December 2024). **Observed by enterprise size**, the rise in borrowing by MSMEs outstripped growth in the obligations of large enterprises in Q1. As a result, the share of loans to MSMEs in total loans increased by 0.1 pp in Q1, to 60.9% in March, and their y-o-y growth picked up to 11.5%.

The volume of new corporate loans measured RSD 292.4 bn in Q1, up by 19.7% y-o-y. Liquidity and working capital loans remained dominant, making up 62% of new corporate loans and rising by close to 20% y-o-y, with a half of these loans approved to large enterprises. Investment loans accounted for 26% of new loans, with almost 78% of these loans absorbed by MSMEs.

Dinar corporate lending increased in Q1, and FX-indexed loans subsided. As a result, **the degree of dinarisation of corporate receivables** rose by further 0.3 pp to 21.2% in March. The share of euro-indexed and euro receivables shrank by 0.3 pp to 78.7% in March, while the share of US dollar receivables was almost negligible. Of FX and FX-indexed loans, almost 79% were linked to the EURIBOR, mostly three-month. Of dinar corporate loans, 24% were linked to the BELIBOR, mostly one-month and three-month.

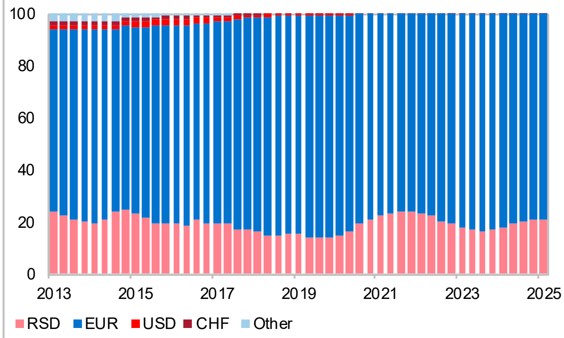
The share of NPLs in total corporate loans shrank by 0.2 pp in Q1, to a new all-time low of 1.6% in March. Looking at companies only, the NPL share in total loans also subsided by 0.2 pp to 1.8% in March. Observed by industry, the share of NPLs ranged from 0.3% in the real estate sector, to 4.3% in agriculture, while new lows were registered in construction (1.1%) and real estate (0.3%). This indicates that economic support measures during the pandemic were adequate and timely and bank asset quality was preserved even after their expiry, as well as that the rise in the costs of repayment of existing corporate loans during the monetary tightening cycle did not lead to any significant increase in NPLs. **Relative to July 2015,**[5] i.e. immediately before the start of implementation of the NPL Resolution Strategy, the **share of NPLs in total corporate loans went down by 23.3 pp.**

Loans to MSMEs made up more than a half of new loans in Q1
(in RSD bn)



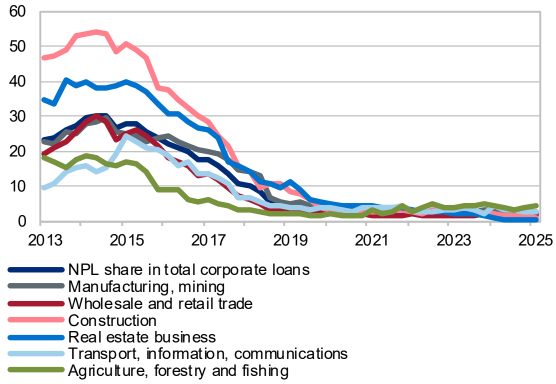
Source: NBS.

The rise in dinar loans contributed to further dinarisation of receivables in Q1
(currency structure, in %)



Source: NBS.

The share of NPLs fell to new lows in Q1 for some sectors
(gross principle, in %)



Source: NBS.

[5] Important factors contributing to the sharp fall in NPLs from 2016 onwards were the successful implementation of the NPL Resolution Strategy and implementation of the Decision on the Accounting Write-Off of Bank Balance Sheet Assets. In accordance with the Strategy, the NBS adopted the Action Plan (https://nbs.rs/en/scripts/showcontent/index.html?id=8678), aimed at strengthening banks' capacity for NPL resolution and contributing to the development of the NPL market. Some activities in the action Plan have been fully implemented, in some cases even before the deadline.

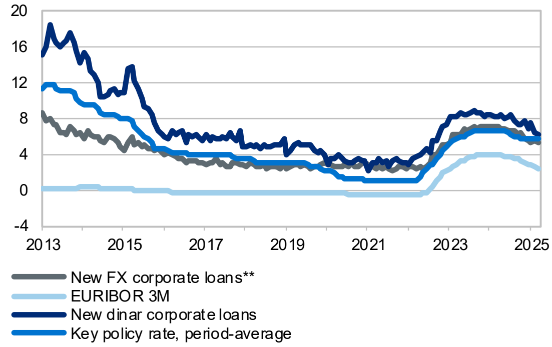
2 Cost of corporate borrowing

Interest rates on dinar and euro loans continued down in Q1, reflecting the effects of past monetary policy easing by the NBS and further trimming of the ECB's interest rates. Interest rates started falling already in late 2023 amid banks' expectations that the NBS and the ECB would soon embark on a monetary policy easing cycle. Their decrease sharpened in June 2024 when the easing began.

The NBS started trimming its key policy rate in June 2024, by 0.25 pp, with additional same-size cuts in July and September. As a result of past monetary policy accommodation, the **weighted average rate on new dinar corporate loans dropped by 0.5 pp to 6.7% in Q1.** This was mostly due to the decline in rates on liquidity and working capital loans to 6.4% (from 7.3% in Q4 2024). Rates on investment loans increased to 7.3% (from 7.0%) and those on other non-categorised loans – to 7.5% (from 7.4%). Observed by enterprise size, the price of borrowing declined across the board, with the average interest rate ranging from 6.4% for SMEs, through 6.7% for large enterprises, to 8.4% for micro enterprises.

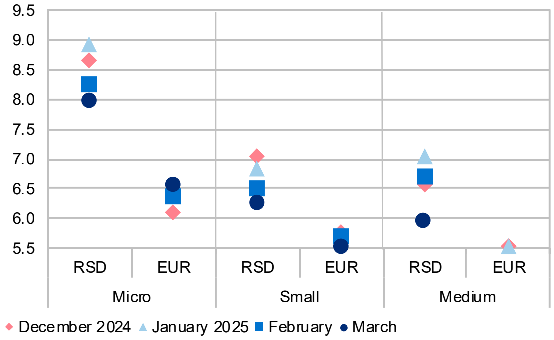
The weighted average interest rate on new euro and euro-indexed loans to corporates decreased in Q1, by 0.6 pp to 5.3%, with rates decreasing across all loan categories. Rates on liquidity and working capital loans fell to 5.2% (from 5.7%), and rates on investment, import and other non-categorised loans by 0.7 pp each (to 5.5%, 4.9%, and 5.4%, respectively). Observed by enterprise size, the average cost of borrowing ranged between 5.0% for large and 6.4% for micro enterprises. Of this, the cost of borrowing by micro enterprises was the only to increase slightly, while enterprises of other sizes borrowed at lower rates than in Q4 2024.

Interest rates on corporate loans continued down in Q1*
(weighted average values, p.a., in %)



Sources: NBS and European Banking Federation.
* Excluding revolving loans, current account overdrafts and credit card debt.
** Euro and euro-indexed.

Interest rates on loans to enterprises of all sizes declined in Q1
(weighted average values, p.a., in %)

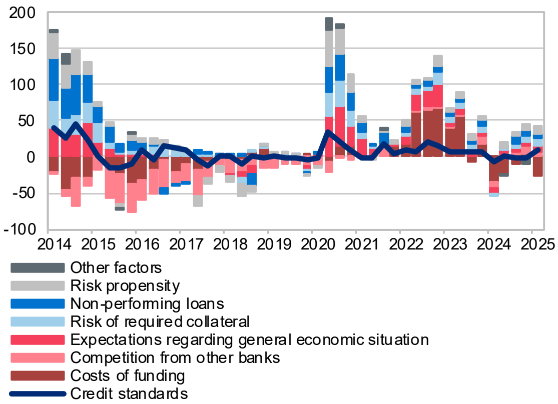


Source: NBS.

3 Assessment of loan supply and demand – based on the results of bank lending surveys

According to the April 2025 NBS bank lending survey, banks tightened their corporate credit standards in Q1, but are expected to ease them slightly in Q2. As expected, standards were tightened for dinar and FX-indexed loans, for enterprises of all sizes. Stricter credit standards were due to a heightened risk perception, resulting in reduced risk propensity, lower interbank competition, required collateral risk and non-performing receivables. Lower loan funding costs worked in the opposite direction.

Though lower funding costs worked in the opposite direction, corporate credit standards were tightened in Q1
(in net %)



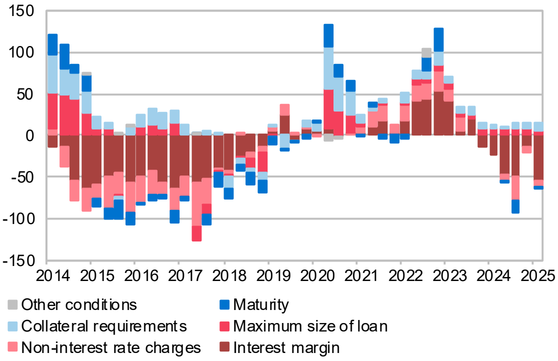
Source: NBS.
Note: Growth indicates the tightening and decline indicates the easing of credit standards.

In Q1, banks additionally lowered interest margins, and commissions and fees for enterprises of all sizes, while some banks also extended loan maturity. On the other hand, collateral requirements were tightened further and the maximum loan amount was reduced.

According to banks, the fall in corporate demand in Q1 referred mostly to long-term loans. In terms of enterprise size, it was mostly due to reduced demand of large enterprises. Demand declined as there was less need to finance investments and working capital, as well as due to internal company financing, loans of other banks and non-bank institutions. Banks expect corporate loan demand to go up in Q2, propped up by the financing of working capital and investment.

Interest rate margins, fees and commissions eclined in Q1, and loan maturity was extended

(in net %)

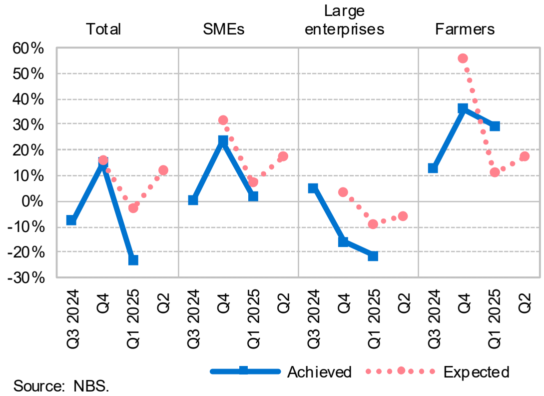


Source: NBS.

Note: Growth indicates the tightening and decline indicates the easing of credit standards.

Corporate loan demand declined in Q1 due to reduced demand of large enterprises

(in net %)



Source: NBS.

* Positive value indicates an increase in demand, and negative value indicates a decrease.

II Household sector

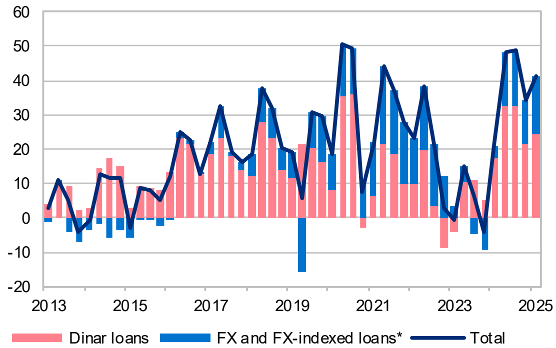
1 Household loans

Y-o-y growth in household loans gained further momentum in Q1, coming to 11.6% in March (from 10.4% in December 2024), propped up by a further easing of credit standards, increased household loan demand and more favourable financing conditions. In nominal terms, the stock of household loans was RSD 1,659.1 bn in March, making up 48.2% of banks' loan receivables from the non-monetary sector. The share of household loans in GDP went up by 0.2 pp in Q1, to 17.0% in March.

Household loans increased by RSD 41.5 bn in Q1, guided by the rise in cash and housing loans. Current account borrowing and borrowing under consumer loans also increased (by RSD 1.5 bn and RSD 0.3 bn, respectively), while borrowing under other non-categorised loans declined (by RSD 1.4 bn). Household loan growth was supported by relaxed credit standards, lower interest rates, and wage growth. Cash loans accounted for more than a half of the increment in household loans, and their share in total household loans went up by 0.2 pp in Q1, to 46.5%, while that of the next most common loan category – housing loans (38.3%), declined slightly from end-2024, though these loans grew by RSD 15 bn in Q1. At the same time, within loans to entrepreneurs, the stock of liquidity and working capital loans increased by RSD 3.0 bn, and that of investment loans by RSD 0.9 bn. Y-o-y, growth in cash loans accelerated to 15.2% and that in housing loans – to 9.6%.

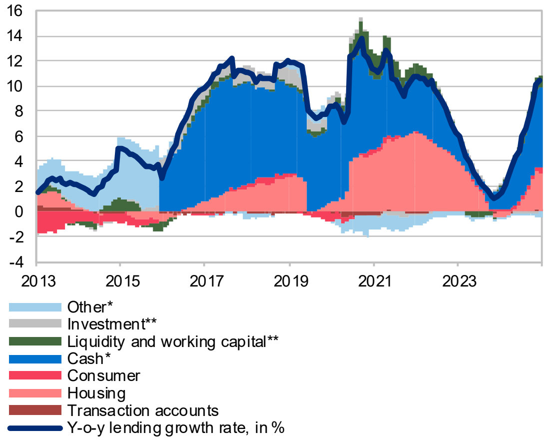
The NBS extended the cap on housing loan interest rates into 2025, when these rates will not exceed 5%. Rates on cash and consumer loans, credit card debt and current account overdrafts were also capped. Rate capping was first regulated by an NBS decision and then by the new Law on the Protection of Financial Service Consumers[6] effective from mid-March. Housing loans had even previously been supported by regulatory amendments. As of 2020, banks were able to approve a loan to first-time home buyers amounting to 90% (instead of 80%) of the estimated value of the real estate securing the loan. Regulatory amendments in December 2024 enabled the implementation of the government housing loan programme for young people, envisaging a down payment of only 1% and a

Household loan growth was guided by dinar loans in Q1
(increment, in RSD bn)



Source: NBS.
* Excluding the exchange rate effect.

Cash and housing loans contributed the most to y-o-y growth in household loans in Q1
(in pp, excluding the exchange rate effect)



Source: NBS.
* Until December 2015, the contribution of cash loans is shown within the contribution of other loans.
** Loans extended to entrepreneurs.

[6] For more details on interest rate caps, see: *Inflation Report – May 2025,* Text box 1.

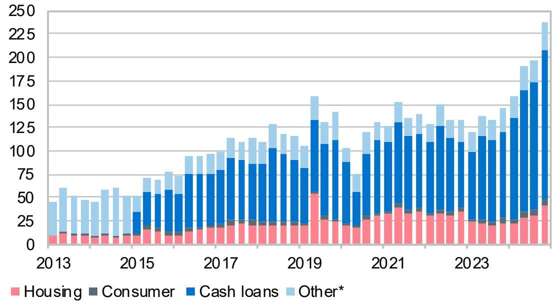
lower risk weight (35%) to be applied to the total exposure under the housing loan approved as part of this programme. As for other loan categories, since December 2022, the rescheduling of cash, consumer and other loans without a specific purpose was enabled on a permanent basis, without any repercussions for the banks' capital. In addition, the application of the measure enabling the approval of consumer loans worth up to RSD 90,000 under a simplified procedure was extended until the end of June 2025.

The volume of new household loans amounted to RSD 216.3 bn in Q1, up by 37.1% y-o-y. This was driven mainly by cash loans, which accounted for 70% of new household loans. The next largest category were housing loans, which made up 16% of new household loans.

Almost three-fifths of household loan growth in Q1 related to dinar borrowing (mostly in the form of cash loans), mildly increasing the **dinarisation of household receivables**[7] to 55.5% in March (from 55.4% in December 2024). At the same time, the share of euro receivables declined to 44.4% (from 44.5%), while the share of receivables in Swiss francs (0.1%) was unchanged. In the structure of FX and FX-indexed household loans, 60% were linked to EURIBOR, mostly six-month. When it comes to housing loans, there is a trend of increase in the share of fixed-rate loans since the start of application of interest rate caps (September 2023). The share of fixed-rate loans thus rose from below 20% in September 2023 to 37% in March this year. Within dinar household loans, around 87% were fixed-rate loans, while the most dominant variable-rate loans were those linked to the three-month BELIBOR.

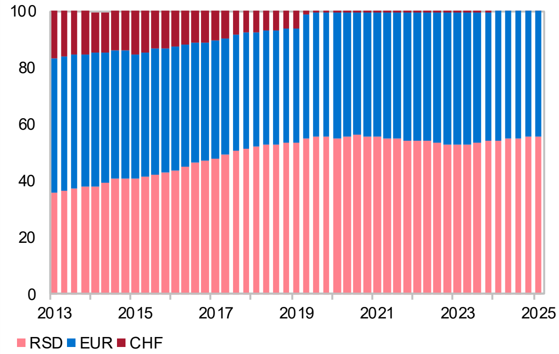
The share of NPLs in total household loans continued down in Q1, dropping to a new historical low in March – 3.2%,[8] down by 0.2 pp from end-2024. This share decreased across almost all loan categories, and measured only 1.3% for housing loans in March. The NPL indicators, still posting their lowest values, suggest that the NBS and Government measures were timely and that they helped avoid a more serious adverse impact of the crises we have been facing in the past four years on citizens' creditworthiness. Compared to the period just before the adoption of the NPL Resolution Strategy, the NPL share in the household sector is lower by 8.9 pp.

Cash loans made up the bulk of new loans in Q1 as well
(new loans, in RSD bn)



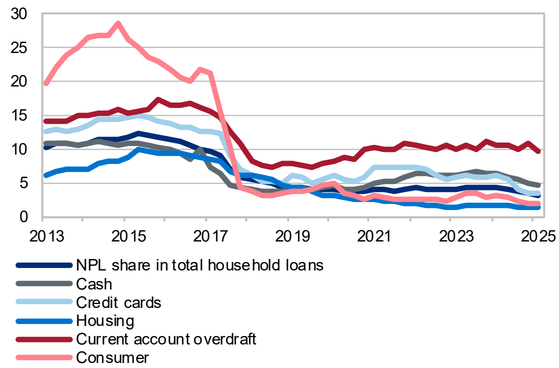
Source: NBS.
* Until December 2014, the 'other loans' category implied cash and other loans together.

Households mostly borrowed in dinars in Q1 as well, driving dinarisation of houshold receivables up to 55.5% in March
(currency structure, in %)



Source: NBS.

The share of NPLs in household loans fell to a new all-time low at end-Q1
(gross principle, in %)



Source: NBS.

[7] Including not-for-profit institutions and entrepreneurs.
[8] Including natural persons, entrepreneurs and private households.

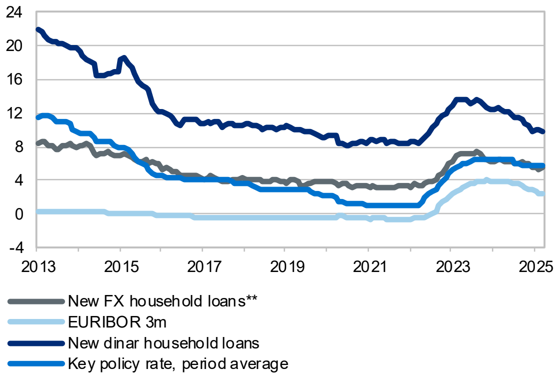
2 Cost of household borrowing

Rates on dinar and euro household loans subsided further in Q1 reflecting past monetary policy easing by the NBS and continued trimming of the ECB's main interest rates. Caps on housing loan rates were extended, and fresh caps on other loans to natural persons were introduced, including those on cash and consumer loans. The purpose of capping cash and consumer loans was more to protect some clients against excessive rates, as the current market rates are below the cap levels.

The weighted average interest rate on new dinar household loans went down to 10.0% in Q1, from 10.3% in Q4 2024, with rates on loans of almost all purposes declining. This decrease was induced by the decline in rates on cash loans (by 0.6 pp to 10.1%), as well as in rates on consumer loans (by 0.3 pp to 2.8%) and housing loans[9] (to 10.3% from 11.0%). The cost of other non-categorised loans rose to 9.7% (from 8.4%).

The weighted average interest rate on new euro-indexed household loans dropped by 0.4 pp on average to 5.4%. Interest rates on consumer loans declined to 5.9% (from 6.1%), as did the rates on other non-categorised loans (by 2.2 pp to 6.9%), while the interest rate on cash loans increased (by 0.7 pp to 3.3%), though the share of these loans in euro loans is very small. The average rate on new housing loans, capped at 5% in 2025 as well, measured 4.97%.

Interest rates on household loans declined further in Q1*
(weighted average values, p.a., in %)



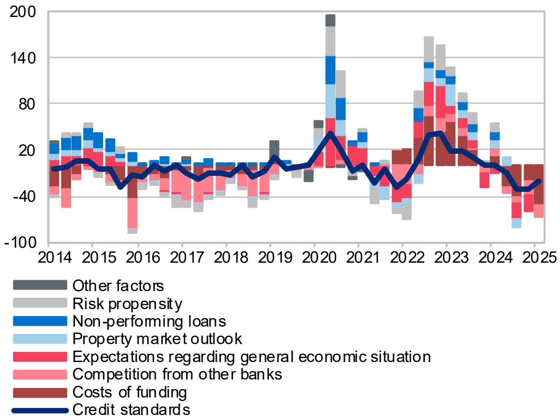
Sources: NBS and European Banking Federation.
* Excluding revolving loans, current account overdrafts and credit card debt.
** Euro and euro-indexed.

3 Assessment of loan supply and demand – based on the results of bank lending surveys

According to the April 2025 NBS bank lending survey, banks further relaxed their credit standards for households in Q1. As before, standards were eased for dinar cash loans, refinancing loans and FX-indexed housing loans. Standards relaxation was motivated by lower funding costs, owing to the NBS's and the ECB's past monetary policy easing, as well as by interbank competition. The same factors should drive a further easing of standards in Q2.

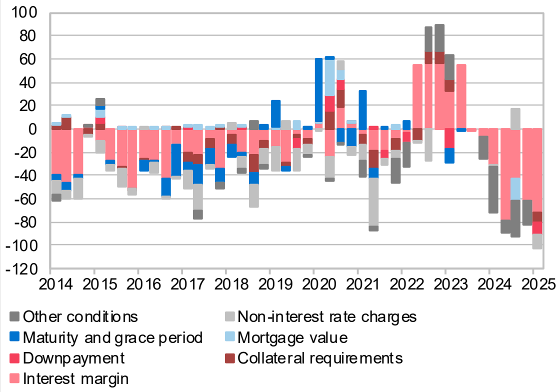
Survey results suggest that interest margins narrowed further in Q1, more so for dinar loans. Requirements relating to collateral and down payment were eased after a long period of time, and banks also lowered their fees and commissions. Requirements with regard

Lower funding costs and increased competition led to an easing of household credit standards in Q1
(in net %)



Source: NBS.
Note: Growth indicates the tightening and decline indicates the easing of credi standards.

The majority of loan terms were more favourable in Q1
(in net %)



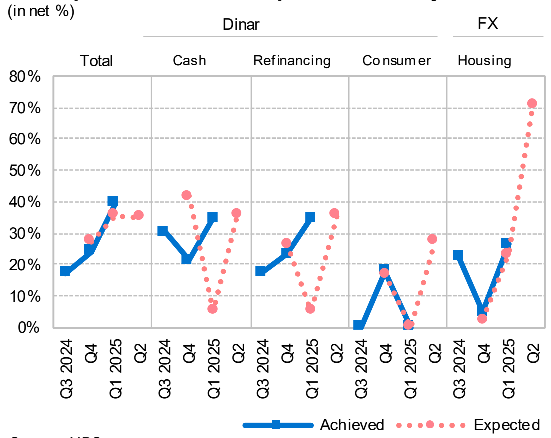
Source: NBS.
Note: Growth indicates the tightening and decline indicates the easing of credit standards.

[9] Loans used for housing adaptation and energy efficiency which are costlier than housing loans.

to mortgage value and loan maturity were the only to stay unchanged.

Household loan demand continued up in Q1, notably the demand for dinar cash and refinancing loans, and FX-indexed housing loans. Demand for consumer loans also increased slightly. According to banks, the rise in demand was driven by the need to refinance outstanding obligations, as well as by wage growth and purchase of durable consumer goods. Some banks also stated that loan demand was propped up by interest rate caps. Banks expect similar growth in household loan demand in Q2, particularly for housing loans, probably on account of the housing loan programme for the young.

Household loan demand increased in Q1, in line with the expectations from the previous survey
(in net %)



Source: NBS.
* Positive value indicates an increase in demand, and negative value indicates a decrease.

Interest rate caps

Nominal interest rate caps

Duration	Type of loan	Basis for calculation	Increase
2025 - onwards	Other variable-rate loan categories	weighted average interest rate on existing loans	+1/4
2025	Housing loans	5.00%	
2026 - 2027	Variable-rate housing loans	weighted average rate on existing variable-rate loans	+1/5
	Fixed-rate housing loans	weighted average rate on new fixed-rate loans	+1/5
2028 - onwards	Variable-rate housing loans	weighted average rate on existing variable-rate loans	+1/4
	Fixed-rate housing loans	weighted average rate on new fixed-rate loans	+1/4

Source: NBS.

Current nominal interest rate caps*

	Housing loans (variable and fixed rate)		Other loans (variable rate)	
	RSD	EUR	RSD	EUR
Weighted average nominal interest rate as at 31 January 2025	4.99%	4.93%	11.26%	5.58%
Nominal interest rate cap	5.00%	5.00%	14.08%	6.98%

* Interest rate caps apply until 31 May 2025.

Source: NBS.

Methodological notes

- Loans imply bank receivables under the loan principal.
- Receivables imply receivables under loans, interests and charges, paid deposits, securities and shares of companies.
- All types of receivables are expressed according to the gross principle, i.e. not reduced by allowances for impairment.
- Dinar receivables are receivables extended in dinars without an FX-clause. The FX clause implies a currency clause that defines hedging against changes in the dinar exchange rate.
- When excluding the exchange rate effect, the calculation is based on the original currency composition and the exchange rate of the dinar against the euro, the US dollar and the Swiss franc as at 30 September 2024.
- New business includes all financial arrangements (credits and deposits) the terms of which are agreed for the first time during the reporting month, as well as all existing contracts the terms of which were re-agreed (through annexes), with the active participation of the client.
- The sectoral classification of monetary statistics is used. The corporate sector includes public enterprises, companies and the non-financial sector in bankruptcy, while the household sector includes citizens, entrepreneurs, private households with employed persons and registered farmers. By way of exception:
  - with newly-approved loans, the household sector includes non-profit institutions serving households (in accordance with the ECB methodology);
  - with non-performing loans, the corporate sector includes public enterprises and companies.
- The term non-performing loans implies the stock of the total outstanding debt under individual loans (including the amount of arrears):
  - where the payment of principal or interest is past due (within the meaning of the decision on classification of balance sheet assets and off-balance sheet items) over 90 days;
  - where 90 days of interest payments have been attributed to the loan balance, capitalized, refinanced or delayed;
  - where payments are less than 90 days overdue, but the bank assessed that the borrower's repayment ability has deteriorated and doubts that the payments will be made in full.