

Pursuant to Article 10, paragraph 8, Article 19, paragraph 5, Article 20, paragraph 17 and Article 33 of the Law on the Protection of Financial Service Consumers (RS Official Gazette, No 19/2025) and Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision, 44/2018 and 19/2025), the Executive Board of the National Bank of Serbia hereby issues the following

**DECISION**  
**ON TERMS AND METHOD OF CALCULATING THE EFFECTIVE**  
**INTEREST RATE AND ON THE LAYOUT AND CONTENT OF FORMS**  
**HANDED OUT TO CONSUMERS**

***1. Introductory provisions***

1. This Decision sets out in detail the terms and assumptions of calculating the effective interest rate, the layout and content of forms used to present to the consumer the offer to close an agreement on deposit, credit, credit card, overdraft facility or financial leasing, the list of mandatory elements of these agreements and agreements on the opening and keeping of accounts that enable the overrunning, as well as the form and content of credit/financial lease repayment schedules and the deposit payment schedule.

2. Within the meaning of this Decision, certain terms shall have the following meaning:

1) the terms *financial services*, *financial service consumer* (*hereinafter: consumer*), *financial service provider* (*hereinafter: service provider*), *creditor*, *housing credit agreement*, *in writing* and *nominal interest rate* shall have the meaning defined in the law governing the protection of financial service consumers (*hereinafter: Law*);

2) *revolving credit agreement* means a credit agreement enabling the consumer to use approved funds repeatedly, over a specified period, up to the amount of unused or repaid funds, with the unused part of the credit being increased by the amount repaid (e.g. overdraft facility agreement, credit card agreement and similar);

3) *discounting* means converting all cash flows into present value, i.e. all cash receipts and outlays arising from the use of financial services by applying the discount rate;

4) *deposit payment schedule and/or credit/lease repayment schedule* (*hereinafter: leasing*) is a table which lists chronologically all cash flows

(receipts and outlays) arising from the deposit and/or credit/lease taken and forms an integral part of the deposit and/or loan/lease agreement;

5) *down payment* in a credit/lease agreement means placement of funds by the borrower to finance a percentage of the credit/lease;

6) *list of mandatory elements of the agreement* within the meaning of forms of this Decision means a concise overview of the main elements of the agreement in the manner as envisaged in Annex 3 of this Decision.

## **2. Calculation of the effective interest rate**

3. The effective interest rate shall be a discount rate which equates, on an annual basis, the present value of all cash flows and/or the present value of all cash receipts with the present value of all cash expenses relating to the use of financial services. It shall be calculated using the trial method and linear interpolation, through the following formula

$$\sum_k \left[ NNT_k \left( 1 + \frac{EKS}{100} \right)^{-(d/t)} \right] = 0 ,$$

where:

$NNT_k$  – net cash flow, i.e. balance remaining after deducting the consumer's cash outlays from cash receipts in a given time period  $k$ ,

$d/t$  – sum total (1) of the number of days from the zero period date until 31 December of that year, as a share of the number of days in the zero period year, (2) number of years from the cash flow year being discounted until the zero period year, but excluding these two years, and (3) the number of days from the date of the beginning of the cash flow being discounted, as a share of the number of days in the year of that cash flow from 31 December of the previous year – calculated using the following formulas:

$$d/t = \left[ \frac{yyyy(0).12.31. - dat(0)}{t(0)} \right] + [yyyy(k) - yyyy(0) - 1] + \left[ \frac{dat(k) - (yyyy(k) - 1).12.31.}{t(k)} \right]$$

$$t(0) = 1 + yyyy(0).12.31. - yyyy(0).01.01.$$

$$t(k) = 1 + yyyy(k).12.31. - yyyy(k).01.01.'$$

$dat(0)$  – the zero period date, and  $dat(k)$  – period date of the cash flow subject to discounting.

When calculating the effective interest rate in the manner set out in paragraph 1 hereof, the following rules shall apply:

1) payments made at different times are not necessarily equal and are not necessarily made at equal intervals;

2) the initial date is the date of the first drawdown of the tranche;

3) the periods between the dates used in the calculations are expressed in years or fractions of a year, assuming that a year consists of 365 days (or 366 days in a leap year), 52 weeks or 12 equal months, and assuming that a month has 30.41666 days (i.e.  $365/12$ ), regardless of whether it is a leap year;

4) if the periods between the dates used in the calculations cannot be expressed in whole numbers of weeks, months, or years, they are expressed in whole numbers of weeks, months, or years combined with a number of days, provided that if days are used:

- every day is counted, including weekends and holidays,
- equal periods, followed by days, are counted backward to the initial drawdown date of the tranche,
- the length of the period in days is obtained by excluding the first day and including the last day, and it is expressed in years by dividing that period by the number of days in a full year (365 or 366), counting backward from the last day to the same day of the previous year.

The effective interest rate shall be disclosed in percentages, with two decimal places and the rounding of the second decimal place, and apply on the calculation date.

The effective interest rate shall be equal to or higher than the contracted interest rate.

Notwithstanding paragraph 4 hereof, where the effective interest rate, calculated as set out herein, is lower than the contracted interest rate or cannot be calculated (e.g. where the amount of deposit used as a collateral for the credit is relatively high compared to the credit amount), the service provider shall inform the consumer thereof and explain why the effective interest rate is lower, or why it cannot provide an economically sound solution (e.g. where the rate has a negative value or the value cannot be calculated).

For the purpose of calculating the effective interest rate, the service provider shall use the payment and/or repayment schedules stipulated in Sections 27, 28 and 29 of this Decision.

4. Cash flows referred to in Section 3, paragraph 1 of this Decision shall mean all cash receipts and all cash outlays borne by the consumer arising from the use of credit / revolving credit / lease or deposit placement, where the time of occurrence is regulated by the agreement, except for credits / revolving credits / leases and/or deposits from Sections 5–16 of this Decision, where the time of occurrence and cash flow amount shall be determined pursuant to those Sections.

### **3. Assumptions for calculating the effective interest rate**

5. For credits / revolving credits / deposits / leases whose elements used in the calculation of the effective interest rate are contracted as variable, the rate shall be calculated using the value of such elements on the date of calculation.

6. For credits and revolving credits where the consumer, pursuant to the agreement, decides on withdrawal dynamics (lines of credit, overdrafts, credit cards etc.), the effective interest rate shall be calculated under the assumption that the approved credit will be immediately disbursed in full.

For credits and revolving credits where the consumer, pursuant to the agreement, decides on withdrawal dynamics, but adheres to limits – amounts and periods of withdrawal as specified in the agreement, the effective interest rate shall be calculated under the assumption that the funds will be withdrawn at the earliest date envisaged by the agreement, up to the limit set therein.

7. For credits / revolving credits / leases where the agreement sets out different interest rates for different withdrawal periods specified in the agreement or different disbursement amounts, the effective interest rate shall be calculated under the assumption that the funds will be withdrawn and disbursed at the highest interest rate set by the agreement.

8. For credits and revolving credits where the consumer, pursuant to the agreement, decides on the amount of repayment in excess of the minimum amount set by the agreement (e.g. credit cards), the effective interest rate shall be calculated under the assumption that the repayment will be equal to the minimum contracted amount.

9. For credits / revolving credits / leases where the agreement envisages several possible repayment dates, the effective interest rate shall be calculated under the assumption that the repayment will be effected at the earliest date set by the agreement.

10. For sight deposits and credits whose repayment amount and credit term are not set by the agreement, the effective interest rate shall be calculated under the assumption that the deposit and/or credit term is one year, and that payment/repayment shall be made in twelve equal monthly instalments.

11. In case of the agreement on overdraft facility, it is considered that the total amount of funds is withdrawn in full and throughout the entire duration of

this agreement. If the duration of the overdraft is unknown, the effective interest rate is calculated based on the assumption that the agreement is concluded for a period of three months.

12. For revolving credit agreements concluded for an indefinite period, where amounts must be repaid in full within or after a certain period, and after repayment become available for withdrawal again, the following is assumed:

1) the credit is granted for a period of one year, starting from the date of the initial drawdown, and the consumer's final payment settles the outstanding principal, interest, and any other applicable fees;

2) the consumer repays the principal in equal monthly instalments, starting one month after the date of the initial drawdown. However, if the principal must be repaid in full in a single payment within each repayment period, it is assumed that consecutive drawdowns and full principal repayments by the consumer occur over a one-year period, with interest and other fees applied according to these drawdowns and principal repayments, as stipulated in the agreement.

Paragraph 1 hereof shall not apply to overdraft facility agreements.

13. For credit agreements that are not covered under Section 12 of this Decision and are not overdraft facility agreements:

1) if the date or amount of the principal repayment that the consumer is required to make cannot be determined with certainty, it shall be assumed that the repayment is made on the earliest date and in the lowest amount specified in the credit agreement;

2) if the period between the date of the initial drawdown and the date of the first payment that the consumer is required to make cannot be determined with certainty, it shall be assumed that this period is the shortest possible.

14. If the date or amount of a payment to be made by the consumer cannot be determined with certainty based on the credit agreement or the assumptions set out in Sections 11, 12, and 13 of this Decision, it shall be assumed that the payment is made in accordance with the dates and terms required by the creditor. If such dates and terms are unknown, the following shall apply:

1) interest is paid together with principal repayments;

2) one-off fees are paid on the date the credit agreement is concluded;

3) fees payable in multiple instalments are paid at regular intervals, starting from the date of the first principal repayment. If the amount of such payments is unknown, it shall be assumed that they are of equal amounts;

4) the final payment settles any outstanding principal, interest and other applicable fees, if any.

15. If different interest rates and fees are offered for a limited period or a limited amount, it shall be deemed that the highest applicable interest rates and fees specified shall apply throughout the entire duration of the credit agreement.

16. For credit agreements with an initial fixed interest rate period, after which a new interest rate is determined and subsequently adjusted periodically in accordance with an agreed variable component, the calculation of the effective interest rate shall be based on the assumption that the variable interest rate at the end of the fixed-rate period is the same as at the time of calculating the effective interest rate, and on the value of the agreed variable component at that time. However, for housing credit agreements, this interest rate cannot be lower than the fixed interest rate.

17. When calculating the effective interest rate in the pre-contractual phase (advertising, general information, and offer), the service provider shall estimate with the diligence of a prudent businessperson the amount of all elements used to calculate this rate whose exact values are not yet known at this stage.

#### ***4. Providing general information to the consumer***

18. The service provider shall provide to the consumer the information from Article 19 of the Law (general information), containing all the data stipulated by Article 19, paragraph 3 of the Law.

The representative example that the service provider gives to the consumer as part of the general information must contain data on the total amount of the financial service, the total cost of the financial service, as well as the total amount that the consumer pays under the financial service agreement. The service provider may also include in the representative example other data specified in Article 19, paragraph 3 of the Law.

19. The service provider shall prepare a representative example as specified in Section 18, paragraph 2 of this Decision for each type of financial service it offers. If a single type of financial service is offered at different interest rates and in different currencies, this representative example must be prepared for each type of interest rate and for each currency.

The service provider shall also prepare the representative example from Section 18, paragraph 2 of this Decision for each category of consumers, except when the financial service is offered exclusively to a specific consumer category, in which case this constitutes a separate type of financial service (e.g. student credits, senior credits, etc.).

20. If general information is provided to the consumer on the premises of the service provider, the service provider must deliver this information to the consumer immediately upon receiving the consumer's application for such information. The consumer has the right to receive this information in paper form upon request.

The service provider must enable the consumer to request the delivery of general information via email and, in such cases, is obligated to provide the consumer with the general information within two working days from the date of receiving the application by email.

In the case referred to in paragraph 2 hereof, the service provider shall deliver the general information to the email address from which the consumer submitted the application for general information or, exceptionally, to another such address explicitly specified by the consumer in the application as the address to which the service provider should deliver this information.

In addition to delivering general information via email, the service provider may designate other remote communication means for delivering this information. In such cases, it must provide general information to consumers in accordance with paragraphs 2 and 3 hereof.

### ***5. Layout and content of forms handed out to consumers***

21. A service provider shall provide to the consumer, prior to concluding an agreement on deposit, credit, credit card, authorised overdraft facility or lease, an offer laid out on the respective form from Annex 1 of this Decision (informational and binding offer).

22. The service provider shall provide an informational offer to a consumer who has expressed interest in or submitted an application for entering into the agreement referred to in Section 21 of this Decision, if it is unable to immediately provide a binding offer following such expression of interest or submission of application.

The informational offer from paragraph 1 hereof shall be made based on the data which the consumer provides to the service provider, shall not be

binding for the provider and has the role of providing the consumer with the opportunity to compare offers by different providers of those services before the service provider presents a binding offer, and thus estimate whether the conditions in those offers correspond to the consumer's needs and financial situation.

Based on the informational offer from paragraphs 1 and 2 hereof, the consumer shall have the right to submit an application for closing the agreement from Section 21 of this Decision within a reasonable timeframe, which in case of promotional periods may not be shorter than three working days.

Once the application for the conclusion of the agreement from Section 21 of this Decision is submitted, the service provider shall make a decision on such application and deliver to the consumer a binding offer in accordance with the Law, using the appropriate form from Annex 1 of this Decision.

23. A service provider shall deliver to the consumer the offer from Sections 21 and 22 of this Decision in dinars at a fixed nominal interest rate and/or in case they do not have such product – an offer in dinars at a variable nominal interest rate, unless the consumer requires that the service be offered in the dinar equivalent of a foreign currency and/or in a foreign currency, in accordance with regulations governing foreign exchange operations.

If the consumer, in accordance with paragraph 1 hereof, required an offer of an agreement from Section 21 of this Decision, with the exception of a deposit agreement, at a variable nominal interest rate and/or in a foreign currency or by contracting a currency clause, the service provider shall also inform the consumer, when delivering the offer from Sections 21 and 22 of this Decision, about borrowing risks in the appropriate form from Annex 2, as follows:

- 1) about the risks of borrowing at a variable nominal interest rate and risks of borrowing in a foreign currency or by contracting a currency clause – using Form RZ-1;
- 2) about the risks of borrowing at a variable nominal interest rate (borrowing in dinars) – using Form RZ-2;
- 3) about the risks of borrowing in a foreign currency or by contracting a currency clause – using Form RZ-3.

24. If the creditor requires a specific insurance policy for concluding a credit agreement, it is obligated to clearly and comprehensibly inform the consumer in writing about the minimum guarantee that such policy must



provide (insurance coverage scope, type of risks, etc.) when delivering the offer under Sections 21 and 22 of this Decision.

In the notification referred to in paragraph 1 hereof, the creditor must emphasize that the consumer may obtain the insurance policy referred to therein from any insurance undertaking or through the creditor itself.

When providing the notification referred to in paragraph 1 hereof, the creditor must inform the consumer that they have the right, within a specified period which cannot be shorter than three working days, to compare insurance offers related to the credit agreement, during which period the creditor may not modify the required insurance conditions.

The consumer may, based on their explicit written request, obtain the insurance policy from the creditor acting as an insurance agent even before the expiration of the period specified in paragraph 3 hereof.

25. A service provider shall enable on their website the calculation of annuities and an overview of the credit/lease repayment schedule in the event of individual and joint change of the variable element of the nominal interest rate and the dinar exchange rate at any moment of repayment, and shall set up a link to the part of the NBS website with relevant calculators.

26. A service provider shall hand out to the consumer, along with the copy of the concluded agreement from Section 21 of this Decision, as well as with the agreement on opening and keeping an account whereby the overrunning facility is enabled, the list of mandatory elements of the agreement laid out on the respective form from Annex 3 of this Decision.

A service provider shall hand out to the consumer, along with a copy of the concluded agreement on a deposit (except for sight deposits), credit and/or lease, in addition to the list of mandatory elements of such agreement referred to in paragraph 1 hereof, the payment/repayment schedule laid out on the respective form from Annex 4 of this Decision.

27. In Annex 4, Form 1 – DEPOSIT PAYMENT SCHEDULE shall be filled in as follows:

1) column *Period* shall include the sequential number of the period in which a particular cash flow occurred. Zero period shall be the period of the first cash flow or the agreed date of deposit placing, whichever is earlier. The last period shall be the period of the last cash flow;

2) column *Maturity Date* shall include the date of the occurrence of a particular cash flow set by the agreement, and/or the assumed date of

occurrence of the cash flow where the agreement does not set a specific date (with reference to the calendar number of days in a month and 365/366 days in a year);

3) column *Deposit Paid* shall include the amount of the deposit (or a portion of the deposit) to be paid in a bank account;

4) column *Payments to Client* shall include the amounts that the bank apportions to the consumer and adds to the deposit (e.g. accrued interest, bonus payments throughout the deposit term or upon its renewal, etc.);

5) column *Payments Against Deposit* shall include other payments made by the consumer pursuant to the agreement that are not added to the deposit (e.g. application processing fee, account maintenance fee etc.);

6) column *Other Payments Against Deposit* shall include all charges to the consumer debited against the deposit (e.g. account maintenance fee, tax liabilities etc.);

7) column *Deposit Paid Out* shall include the amount of deposit paid out to the consumer;

8) column *Interest Paid Out* shall include the amount of interest paid out to the consumer;

9) column *Other Payments* shall include other payments by the bank to the consumer pursuant to the deposit agreement (e.g. payment of the premium on deposit subject to fulfilment of certain conditions and similar payments);

10) column *Balance of Deposit* shall include the deposit balance in a particular period;

11) column *Description* shall include a short description of a cash flow in a particular period;

12) column *Net Cash Flow* shall include the cash flow constituting the difference between the sum total under columns 3, 5 and 6, and the sum total under columns 7, 8 and 9 in a particular period;

13) column *Discounted Net Cash Flow* shall include the discounted amount of the net cash flow in column 12, calculated by using the following formula:

$$NNT_k \left(1 + \frac{EKS}{100}\right)^{-(d/t)},$$

$NNT_k$  – net cash flow in period  $k$ ,

$EKS$  – rate that denotes the effective interest rate in the discount factor;

14) field *Total* in column 13 shall include the sum total of all discounted net cash flows in particular periods. The sum must be equal to zero.

28. In Annex 4, Form 2 – CREDIT REPAYMENT SCHEDULE shall be filled in as follows:

1) column *Period* shall include the sequential number of the period in which a particular cash flow occurred. Zero period shall be the period of the first cash flow or the agreed credit availability date, whichever is earlier. The last period shall be the period of the last cash flow;

2) column *Maturity Date* shall include the date of occurrence of a particular cash flow set by the agreement, and/or the assumed date of occurrence of the cash flow where the agreement does not set a specific date (with reference to the calendar number of days in a month and 365/366 days in a year);

3) column *Credit Disbursement* shall include the amount of credit and/or tranches to be disbursed on a particular date, excluding the credit down payment;

4) column *Other Payments* shall include other payments by the creditor to the consumer pursuant to the credit agreement (e.g. excess interest payment etc.);

5) column *Annuity* shall include the amount of contracted credit annuity paid in a particular period;

6) column *Payment of Principal* shall include a portion of the annuity relating to the principal;

7) column *Interest Payment* shall include a portion of the annuity relating to the payment of interest, as well as the interim interest;

8) column *Other Payments/Charges* shall include payments that a borrower makes pursuant to the credit agreement, as follows:

- application processing fee,
- credit approval fee,
- annual credit administration fee,
- fees for unfunded commitments under lines of credit,
- amount of insurance premium, if insurance is a prerequisite for the credit,

- charges for opening and keeping of account that are prerequisite for credit approval,

- other charges arising from auxiliary services that are prerequisite for the credit disbursement, borne by the consumer (e.g. fixed fee for processing the insurance application, fee for issuance of the excerpt from the land registry, real estate and movable property appraisal fee, fee for certifying a mortgage deed, mortgage registration fee, fee for obtaining information from the debt database, etc.);

9) column *Balance of Credit* shall include the credit balance in a particular period;

10) column *Deposit Cash Flow (collateral)* shall include all cash flows under the deposit placed pursuant to the credit agreement (placement and

payment of deposit and interest on deposit), whereby deposit placement and calculated interest on deposit are shown with a plus sign, while payment of deposit and the appertaining interest are shown with a negative sign;

11) column *Description* shall include a short description of a cash flow in a particular period;

12) column *Net Cash Flow* shall include the difference between the sum total under columns 6, 7, 8 and 10 and the sum total under columns 3 and 4 in a particular period, which may have a plus or minus sign;

13) column *Discounted Net Cash Flow* shall include the discounted amount of the net cash flow from column 12, calculated by using the following formula:

$$NNT_k \left(1 + \frac{EKS}{100}\right)^{-(d/t)},$$

$NNT_k$  – net cash flow in period  $k$ ,

$EKS$  – rate that denotes the effective interest rate in the discount factor;

14) field *Total* in column 13 shall include the sum of all discounted net cash flows from particular periods. The sum must be equal to zero.

Column *Other payments/charges* from paragraph 1, item 8) hereof shall not include:

1) charges incurred due to a breach of agreement provisions (default interest, penalties etc.),

2) account maintenance charges if the consumer had an account with the creditor prior to credit application,

3) charges arising from purchase of goods, paid in cash or in another way,

4) postal, telegram, telefax and similar charges,

5) document certification fee (except for mortgage deed).

29. In Annex 4, Form 3 – LEASE REPAYMENT SCHEDULE shall be filled in as follows:

1) column *Period* shall include the sequential number of the period in which a particular cash flow occurred, assuming that:

– lease asset takeover by the consumer–lessee represents the consumer's cash inflow in the amount of net financing,

– zero period represents the period in which the first cash flow occurred,

– cash inflow of the lessee always occurs in the zero period;

2) column *Maturity Date* shall include the exact maturity date (according to the calendar number of days in the month and 365/366 days in the year);

3) column *Amount of Net Financing* shall include the lessee's cash inflow, in line with the assumptions from item 1) of this paragraph;

4) column *Rental Instalment* shall include the amount of the rental instalment that the lessee pays to the lessor in a particular period;

5) column *Depreciated Value of Lease Asset* shall include a part of the rental instalment in a particular period relating to repayment of the net financing amount – the last period in this column shall also contain the residual value of the lease asset if it has been so envisaged by the lease agreement;

6) column *Interest* shall include a part of the lease payment in a particular period relating to interest;

7) column *Other Payments* shall include payments arising from lease that the lessee makes pursuant to the lease agreement, as follows:

- approval fee (application processing),
- value added tax calculated on approval charges (application processing),
- value added tax calculated on interest portion of the rental instalment,
- interim interest costs,
- value added tax calculated on interim interest costs,
- fee for entry of the lease agreement in the financial lease register plus the value added tax,
- lease asset repurchase option fee,
- insurance premium, if insurance is prerequisite for leasing,
- other charges incurred in leasing (e.g. fee for obtaining information from the debt database, etc.);

8) column *Non-Depreciated Value of Lease Asset* shall include the unpaid part of the net financing amount;

9) column *Description* shall include a short description of a cash flow in a particular period;

10) column *Net Cash Flow* shall include the cash flow constituting the difference between the sum total under columns 5, 6 and 7, and column 3 in a particular period;

11) column *Discounted Net Cash Flow* shall include the discounted amount of net cash flow from column 10, calculated by using the following formula:

$$NNT_k \left(1 + \frac{EKS}{100}\right)^{-(d/t)},$$

$NNT_k$  – net cash flow in period  $k$ ,

*EKS* – rate that denotes the effective interest rate in the discount factor;

12) field *Total* in column 11 shall include the sum of all discounted net cash flows in particular periods. The sum must be equal to zero.

Column *Other Payments* from paragraph 1, item 7) hereof shall not include:

- 1) charges incurred due to breach of agreement provisions (default interest, penalties etc.),
- 2) postal, telegram, telefax and similar charges;
- 3) document certification fee.

## **6. *Final provisions***

30. The annexes herein are enclosed with this Decision and are integral hereto.

31. As of the application date of this Decision, 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) shall cease to be valid.

32. This Decision shall come into effect on 1 July 2025 and shall apply as of 1 September 2025.

NBS EB No 38  
12 June 2025  
B e l g r a d e

Chair  
of the NBS Executive Board  
G o v e r n o r  
National Bank of Serbia

Dr Jorgovanka Tabaković, sign.