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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

TELEGRAPHIC ADDRESS
NATION BANK
TELEX 21020
CODES USED
PETERSON 3rd & 4th ED.
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A. B. C. 6th EDITION.

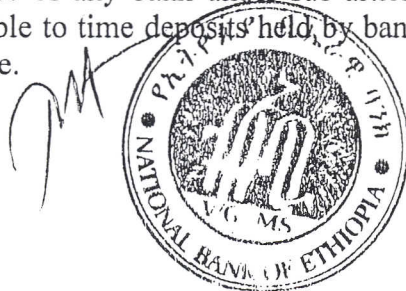
PLEASE ADDRESS ANY REPLY TO
P. O. Box 5550
ADDIS ABABA

December 1, 2010

INTEREST RATES
DIRECTIVE NO. NBE/INT/11/2010

Pursuant to the provision of the National Bank of Ethiopia Establishment Proclamation No. 591/2008 article 5, interest rates on deposits and loans are hereby adjusted as follows:

- | <u>1. Deposit Interest Rates</u> | <u>Percent Per Annum</u> |
|---|--------------------------------------|
| 1.1 Demand Deposit | To be freely determined by each bank |
| 1.2 Minimum interest rates on Savings and Time Deposits | 5.0 |
| 1.3 The Board of Directors of each bank shall set in writing demand deposit rates as provided under sub-article 1.1 of this directive and savings and time deposit interest rates not less than the minimum rate stipulated in sub-article 1.2 of this directive. | |
| 1.4 The deposit rates set by the Board of Directors of each bank under sub-article 1.3 of this directive shall be non-discriminatory among the same category of depositors and shall be based upon explicit and clear criteria to be set in writing. | |
| 1.5 The deposit interest rates set by the Board of Directors of any bank under sub-article 1.3 and the criteria upon which they are based, as well as any subsequent change and the criteria upon which the change is based shall be promptly communicated in writing by the concerned bank to the National Bank of Ethiopia. | |
| 1.6 Deposit interest rates provided by sub-article 1.2 or set by the Board of Directors of any bank under sub-article 1.3 of this directive shall not be applicable to time deposits held by banks prior to the effective date of this directive. | |



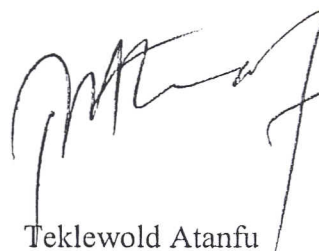
2. **Lending Interest Rates** **Percent Per Annum**
- 2.1 Lending rate on Loans and Advances To be freely determined by each bank.
- 2.2 Lending rate on loans and re-discount facilities granted by the National Bank of Ethiopia to Commercial Banks and Other Financial Institutions To be determined by the National Bank of Ethiopia from time to time
- 2.3 Inter-bank lending rate Negotiable between the banks concerned
- 2.4 Unless there is sufficient cause to do so, banks are prohibited from using the form of ownership of a bank as a lending criterion in inter-bank lending.
- 2.5 The Board of Directors of each bank shall set in writing lending rates as provided under sub-article 2.1 of this directive
- 2.6 The lending rates set by the Board of Directors of each bank under sub-article 2.5 of this directive shall be based upon explicit and clear criteria to be set in writing.
- 2.7 The lending interest rates set by the Board of Directors of any bank under sub-article 2.5 and the criteria upon which they are based, as well as any subsequent change and the criteria upon which the change is based shall be promptly communicated in writing to the National Bank of Ethiopia by the concerned bank.
- 2.8 Unless the loan contract provides to the contrary, lending interest rates provided by sub-article 2.1 shall not be applicable to loans and advances granted prior to the effective date of this directive.

3. **Repeal**

All interest rate directives hitherto issued by the National Bank of Ethiopia are hereby repealed and replaced by the directive.

4. **Effective Date**

This directive shall be effective as of the 1st day of December 2010.



Teklewold Atanfu
Governor

National Bank of Ethiopia

