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NATIONAL BANK OF ETHIOPIA

INTEREST RATES (AS AMENDED)

DIRECTIVE NO.NBE/INT/13/2026

Whereas, the National Bank of Ethiopia shall have the powers and duties to regulate and determine the supply and availability of money and credit as well as the applicable interest rates and other charges for the purpose of maintaining price and financial stability that is also conducive to the balanced growth of the Ethiopian economy.

Whereas, it has become necessary to amend the interest rate Directive to enable interest rate free determined by market forces.

Now, Therefore, in accordance with the provision of the National Bank of Ethiopia Proclamation No. 1359/2025 article 6(5) and article 54(5), the National Bank of Ethiopia has issued this directive.

1. Short Title

This Directive may be cited as “Interest Rates (As Amended) Directive No. NBE/INT/13/2026”.

2. Scope of the Directive

This directive shall apply to all banks licensed by the National Bank of Ethiopia and operating in Ethiopia.

3. Deposit Interest Rates

- 3.1** Demand deposit interest rates shall be freely determined by each bank.
- 3.2** Saving interest rate shall be freely determined by each bank.
- 3.3** Time deposit interest rate shall be freely determined by each bank.
- 3.4** The Board of Directors of each bank shall set in writing demand, saving, and time deposit rates as provided under sub-article 3.1, 3.2, and 3.3.
- 3.5** The deposit rates set by the Board of Directors of each bank under sub-article 3.4 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.
- 3.6** The deposit interest rate set by the Board of Directors of any bank under sub-article 3.4 and the criteria upon which they are based, as well as any





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subsequent changes and the criteria upon which the changes are based shall be submitted to the National Bank of Ethiopia within five working days.

- 3.7** Notwithstanding sub-article 3.6 of this article, banks shall calculate the monthly actual weighted average deposit rates under sub-article 3.1, 3.2, and 3.3 shall submit to the National Bank of Ethiopia within seven working days after the end of each calendar month as per the Annex 1, which shall be part of this Directive.
- 3.8** Deposit interest rates stated under sub-article 3.3 or set by the Board of Directors of any bank under sub-article 3.3 of this directive shall not be applicable to time deposits held by banks prior to the effective date of these directives.

4. Lending Interest Rates

- 4.1** Lending rate on Loans and Advances shall be freely determined by each bank.
- 4.2** Lending rate on loans and standing facilities granted by the National Bank of Ethiopia to Commercial Banks and Other Financial Institutions shall be determined by the National Bank of Ethiopia from time to time.
- 4.3** Inter-Bank lending rates shall be determined by negotiation between the trading banks.
- 4.4** Notwithstanding with sub-article 4.3, a bank is not allowed to engage in prohibited activities that could compromise the integrity of efficiency of the interbank money market that are listed under the interbank money market code of conduct.
- 4.5** The Board of Directors of each bank shall set in writing lending interest rate as provided under sub-article 4.1 of this Directive.
- 4.6** The lending interest rates set by the Board of Directors of each bank under sub-article 4.5 of this Directive shall be based upon explicit criteria to be set in writing.
- 4.7** The lending interest rates set by the Board of Directors of any bank under sub-article 4.5 and the criteria upon which they are based, as well as any subsequent changes and the criteria upon which the changes are based shall be submitted to the National Bank of Ethiopia within five working days.
- 4.8** Notwithstanding sub-article 4.7 of this article, banks shall calculate the actual monthly weighted average lending rate on loans and advances under sub-article 4.1, with possible disaggregation by sectors and shall be submitted to





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the National Bank of Ethiopia within seven working days after the end of each calendar month as per Annex 2, which shall be part of this Directive.

- 4.9** Unless the loan contract provides to the contrary, lending interest rates provided by sub-article 4.1 shall not be applicable to loans and advances granted prior to the effective date of these directives.

5. Repeal

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

6. Effective Date

These directives shall be effective as of the **9th day of January 2026**.


Eyob Tekalign (PHD)
Governor





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Annex 1

Table 1: Monthly Weighted Average Lending Interest Rates (Conventional Banks)

Name of Bank: _____

Reporting Month: _____

Sector	Loan Category	Outstanding Loan & Advance (in Mn Birr)	No. of Loan Accounts by Loan Category	Lending Interest Rates (% per annum)			
				Minimum Rate by loan category	Maximum Rate by loan category	Weighted Average Rate by loan category	Weighted Average Rate by Sector
Sector 1	Over- draft						
	Up to 12 months						
	1-5 years						
	Over 5 years						
Sector 2	Over- draft						
	Up to 12 months						
	1-5 years						
	Over 5 years						
...	...						
...	...						
...	...						
Sector n	...						

Note:

- The detailed methodology for weighted average calculation is available in the circulated Weighted Average Compilation Guideline.
- The details of sector names are available in the circulated Weighted Average Compilation Guideline.





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Annex 1 (Cont....)

Table 2: Monthly Weighted Average Lending Profit Rates (Interest-Free Banks)

Name of Bank: _____

Reporting Month: _____

Sector	Loan Category	Outstanding Loan & Advance (in Mn Birr)	No. of Loan Accounts by Loan Category	Lending Profit Rates (% per annum)			
				Minimum Rate by category	Maximum Rate by category	Weighted Average Rate by category	Weighted Average Rate by Sector
Sector 1	Over- draft						
	Up to 12 months						
	1-5 years						
	Over 5 years						
Sector 2	Over- draft						
	Up to 12 months						
	1-5 years						
	Over 5 years						
...	...						
...	...						
...	...						
Sector n	...						

Note:

- The detailed methodology for weighted average calculation is available in the circulated Weighted Average Compilation Guideline.
- The details of sector names are available in the circulated Weighted Average Compilation Guideline.



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Annex 2

Table 3: Monthly Weighted Average Deposit Interest Rates (Conventional Banks)

Name of Bank: _____

Reporting Month: _____

Deposit Type	Deposit Category	Total Deposit Amount (in Mn Birr)	No. of Deposit Accounts by Category	Deposit Interest Rates (% per annum)			
				Minimum Rate by deposit category	Maximum Rate by deposit category	Weighted Average Rate by deposit category	Weighted Average Rate by Deposit Type
Saving Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						
Demand Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						
Time Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						

Note:

- The detailed methodology for weighted average calculation is available in the circulated Weighted Average Compilation Guideline.
- The details of deposit category names are available in the circulated Weighted Average Compilation Guideline.





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Annex 2 (Cont....)

Table 4: Monthly Weighted Average Deposit Profit Rates (Interest-Free Banks)

Name of Bank: _____

Reporting Month: _____

Deposit Type	Deposit Category	Total Deposit Amount by Category (in Mn Birr)	No. of Deposit Accounts by Category	Deposit Profit Rates (% per annum)			
				Minimum Rate by deposit category	Maximum Rate by deposit category	Weighted Average Rate by deposit category	Weighted Average Rate by Deposit Type
Saving Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						
Demand Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						
Time Deposit	1.1						
	1.2						
	1.3						
	...						
	1.6						

Note:

- The detailed methodology for weighted average calculation is available in the circulated Weighted Average Compilation Guideline.
- The details of deposit category names are available in the circulated Weighted Average Compilation Guideline.



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