



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - ADMINISTRATION

February 24, 2014

CB Circular No: 05/2014

To: All Heads of Commercial Banks

INCREASE IN STATUTORY RESERVE RATIOS

The Bank of Zambia wishes to advise all commercial banks that with effect from 10th March, 2014, the minimum statutory reserve ratio on both the kwacha and foreign currency deposit liabilities to the public will be increased by 6 percentage points to 14.0 percent from 8 percent.

The increase in statutory reserve ratio is primarily aimed at addressing the prevailing excess liquidity conditions in the money market and its consequential impact on inflation.

Commercial banks are further advised that in terms of compliance, the revised statutory reserve ratio of 14.0 percent will be applied to the Weekly Return on Selected Assets and Liabilities as at Wednesday, 5th March, 2014, for the compliance period 10th – 16th March, 2014.

The Bank of Zambia will continue to monitor developments in the macroeconomic environment and stands ready to take other measures as deemed necessary.


Dr Tukiya Kankasa-Mabula
DEPUTY GOVERNOR – ADMINISTRATION

Cc Governor