



**BANK OF ZAMBIA**  
**OFFICE OF THE DEPUTY GOVERNOR – OPERATIONS**

December 13, 2002

CB Circular No. 21/2002

**To: All Commercial Banks**

**STATUTORY RESERVE RATIOS**

Kindly refer to CB Circular No. 27/2001 dated 26<sup>th</sup> November 2001.

Commercial banks are hereby advised that the minimum statutory reserve ratio on deposit liabilities (both Kwacha and foreign currency) has been revised upwards by 2.5 percentage points from 15 % to 17.5 %.

The new statutory reserve ratio of 17.5 % takes effect on Thursday, 26<sup>th</sup> December 2002.

This measure has been necessitated by the need to contain the current excessive growth in money market liquidity and the build up in inflationary pressures in the economy. Therefore, the Bank of Zambia stands ready to make necessary adjustments to the ratios.

**Denny H Kalyalya (Dr)**  
**DEPUTY GOVERNOR - OPERATIONS**