

Bank of Zambia



ANNUAL REPORT 2024



Bank *of* Zambia

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Bank of Zambia

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BANK OF ZAMBIA

VISION

To be a dynamic and credible central bank that contributes to the sustainable economic development of Zambia

MISSION STATEMENT

To achieve and maintain price and financial system stability to foster sustainable economic development



2024



2023

BOARD OF DIRECTORS

BOARD MEMBERS AS AT DECEMBER 31, 2024



Dr. Denny H. Kalyalya
Chairperson



Ms. Pamela K. Bwalya
Non - Executive Director/Vice
Chairperson



Dr. Patricia S. Kamanga
Non-Executive Director



Ms Sarah T. Ross
Non - Executive Director



Mr. Shebo Nalishebo
Non - Executive Director



Mr. Caesar Cheelo
Non - Executive Director



Prof. Douglas Kunda
Non - Executive Director



Mr. Mulele M. Mulele
Ex - Officio

EXECUTIVE



Dr. Denny H. Kalyalya
Governor



Dr. Francis Chipimo
Deputy Governor
Responsible for
Operations



Ms. Rekha Chifuwe Mhango
Deputy Governor
Responsible for
Administration

SENIOR MANAGEMENT AS AT 31ST DECEMBER 2024



Dr. Jonathan M. Chipili
Director - Research



Mr. Isaac Muhanga
Director - Financial
Markets



Mr. Peter Zgambo
Director - Statistics



Mrs. Lyness Phiri Mambo
Director - Prudential
Supervision



Ms. Freda Tamba
Director - Financial Conduct
Supervision



Ms. Mirriam Kamuhuza
Director - Payment
Systems



Mrs. Angela Chileshe
Director - Banking And
Currency



Ms. Mwaba Kasese
Director - Regional
Office



Mr. Goodson Kataya
Director - Financial
Stability

SENIOR MANAGEMENT AS AT 31ST DECEMBER 2024



Mrs. Namwandi H. Ndhlovu
General Counsel and
Bank Secretary



Dr. Emmanuel M. Pamu
Director - Risk and
Compliance



Mr. Evans Luneta
Chief of Staff



Mr. Nayoto Moola
Director - Security



Mr. Emmanuel Malukutilla
Director - Finance



Mr. Roy Sikwibele
Director - Internal Audit



Ms. Mumbi Kandeke Mwila
Director - Human
Resources



Dr. Gregory Nsofu
Director - Information
and Communications
Technology



Mr. Maimbo Nyanga
Advisor to the
Governor



Mr. Edward Simwanza
Acting Director -
Procurement and
Facilities Management

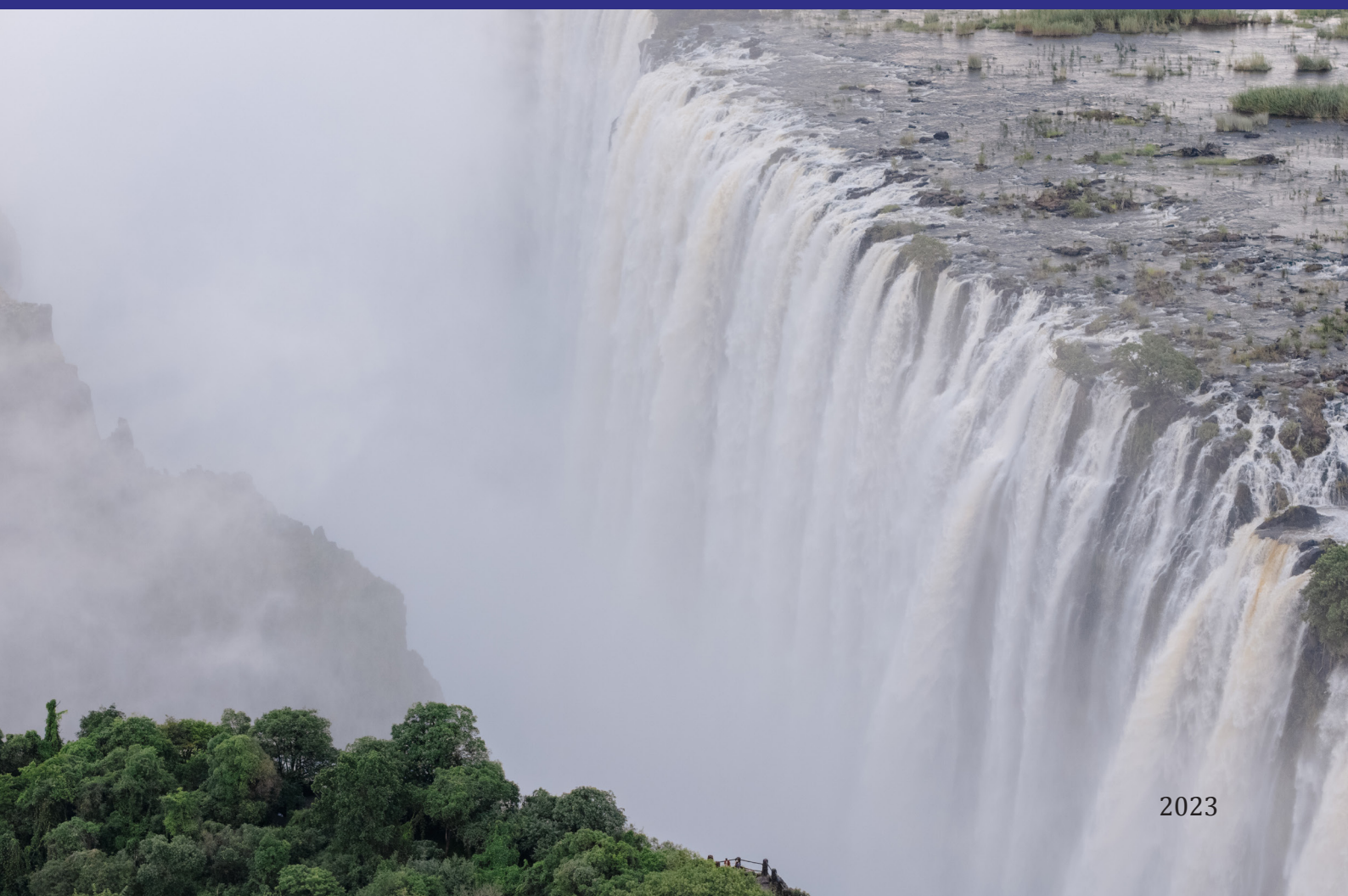


Mr. Happy Mulwe
Acting Director - Strategic
and Change Management



2024

FOREWORD BY THE GOVERNOR



2023

FOREWORD BY THE GOVERNOR

The year 2024 was particularly challenging with the country experiencing the worst drought since the country's political independence in 1964, severely impacting both the supply of food and electricity. Against that background, this Annual Report presents global and domestic macroeconomic developments in 2024 and how the Bank responded to the adverse impact of the drought on inflation and financial stability. The Report also includes the audited financial statements of the Bank for the financial year ended 31st December 2024.

Going into 2024, economic growth was initially projected at 4.8 percent from the preliminary outturn of 5.4 percent the previous year. Based on first quarter GDP growth estimates, economic growth was downgraded to 2.3 percent for the year as a whole. As more information was gathered about the impact of the drought, projected growth was revised further downwards to 1.2 percent. However, against all odds, the economy showed more resilience than was earlier expected as preliminary estimates show that the economy grew by 4.0 percent. Nonetheless, the slowdown from the previous year's growth of 5.4 percent was as expected, driven by reduced production in the agriculture and energy sectors. Specifically, maize production declined by more than half the output in the previous year and electricity generation contracted by 31.2 percent. Expectedly, the latter also had adverse effects on other key sectors, such as, manufacturing as well as wholesale and retail trade.

The domestic economy also faced spillovers from the challenging global economic landscape: geopolitical tensions, particularly in the Middle East, escalated; growth in China slowed down; and the war in Ukraine prolonged. This was largely reflected in weakened currencies of emerging market and developing economies, including Zambia. Inflation moved further away from the upper bound of the 6-8 percent target band and average inflation ended the year at 16.7 percent from 13.1 percent a year earlier. This was mostly attributed to rising food prices and higher electricity tariffs occasioned by the adverse impact of the drought. The persistent depreciation of the Kwacha against major currencies, increases in domestic retail fuel prices, and heightened demand for solid fuels due to sustained electricity shortages, added to inflationary pressures.

In response to rising inflation and projections indicating that it would remain above the target band, monetary policy was tightened further in efforts to steer inflation back to the target band and anchor inflation expectations. In this regard, the Monetary Policy Rate was raised by a cumulative 300 basis points to 14.0 percent. In addition, money market liquidity was tightened by raising the statutory reserve ratio



by a historic 900 basis points to 26.0 percent. These measures were complemented by reforms to enhance operations, efficiency and effectiveness of the foreign exchange market.

Despite the drought heightening macroeconomic risks, the financial system exhibited operational resilience. The system remained adequately capitalised, asset quality was satisfactory and so were earnings and sensitivity to market risk. The national payments system also remained safe and sound, contributing to financial stability and further progress was made in expanding financial inclusion through increased adoption of digital financial services.

To strengthen and enhance the resilience of the financial sector as well as stimulate economic activity in the wake of a severe drought, the Bank launched a Stability and Resilience Facility (SRF) in December. The Facility is intended to provide liquidity to financial service providers for onward lending to viable businesses in the agriculture and energy sectors. Further, to support the Government initiative to run a 24-hours a day and 7 days a week digital economy, the Bank initiated a pilot programme on extended operating hours of the Zambia Interbank Payment and Settlement System (ZIPSS). The expected benefits of this initiative include increased employment opportunities, better resource utilisation, increased consumer spending, improved competitiveness, and enhanced productivity.

Other key milestones achieved during the year included the launch of the Export Proceeds Tracking Framework (EPTF) to enhance the compilation of external sector statistics and address illicit financial flows. The Bank also published the inaugural Monetary Policy Report and Financial Stability Report in February and May, respectively in line with the Bank of Zambia Act, 2022. A peer review of the Bank of Zambia Business Continuity Management System was conducted by the SADC Committee of Central Bank Governors and a satisfactory rating of 87.0 percent was issued. Further, significant progress was made in implementing the 2024-2027 Strategic Plan as a 90.3 percent effective execution rate was achieved against the minimum acceptable threshold of 70.0 percent.

Lastly, let me extend my sincere gratitude to the Board, Management, and staff of the Bank for their dedication to attaining the objectives of the Bank under an extremely challenging macroeconomic environment.



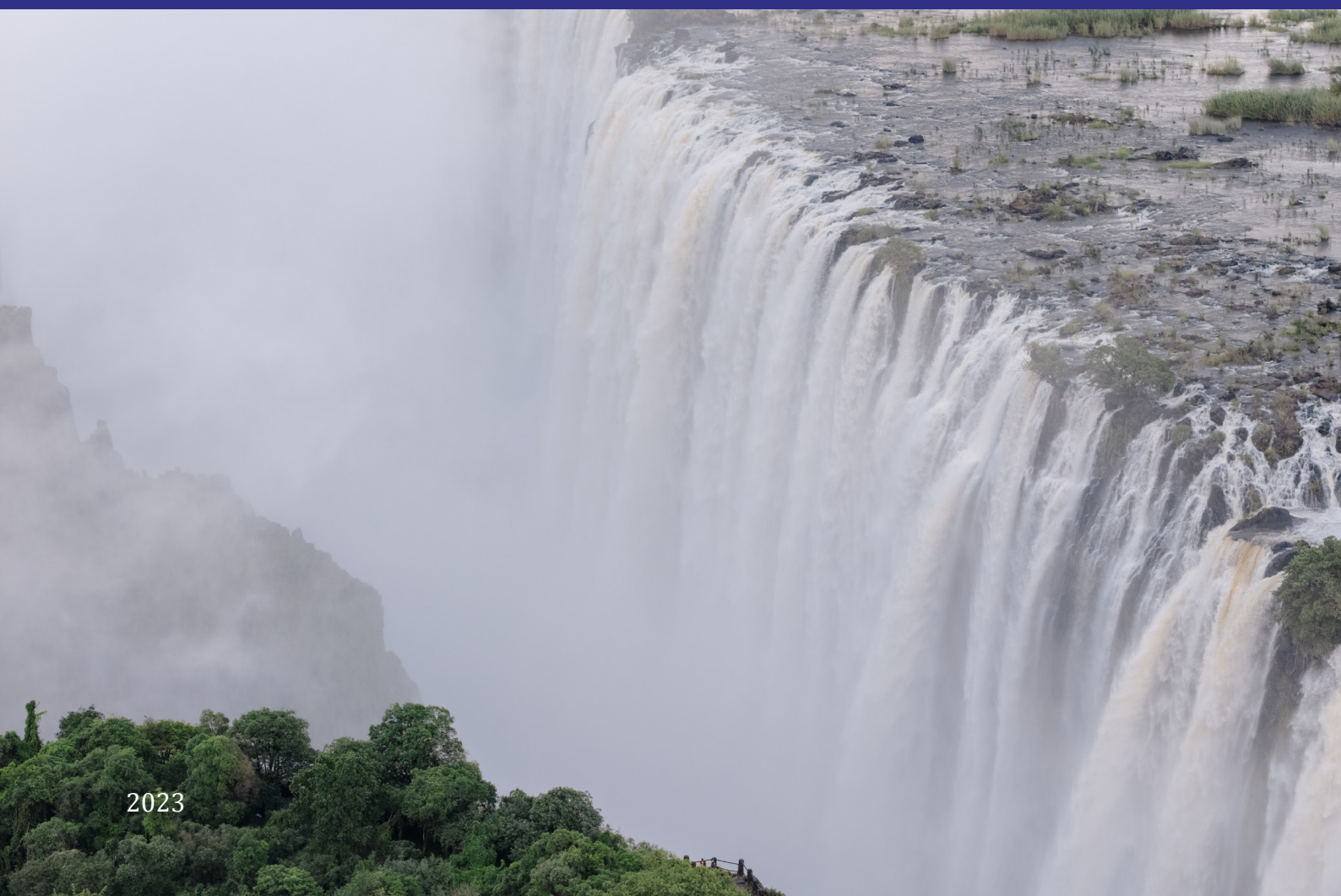
DR. DENNY H. KALYALYA

GOVERNOR



2024

1.0 STATEMENT ON CORPORATE GOVERNANCE



2023

1.0 STATEMENT ON CORPORATE GOVERNANCE

The Bank of Zambia Board of Directors, established under the **Constitution of Zambia (Amendment) Act, 2016**¹, is vested with the powers to run the affairs of the Bank. The Board and its Committees² (Audit and Finance, Appointments and Remuneration, and Governance and Risk) meet at least once a quarter. The composition of the Board and its Committees in 2024 is presented in Table 1.1 and Table 1.2, respectively.

Table 1.1: Board of Directors

Name	Position
Dr. Denny H. Kalyalya	Governor and Chairperson
Ms. Pamela K. Bwalya	Non-Executive Director and Vice Chairperson
Mr. Caesar Cheelo	Non-Executive Director
Dr. Patricia S. Kamanga	Non-Executive Director
Prof. Douglas Kunda	Non-Executive Director
Mr. Shebo Nalishebo	Non-Executive Director
Ms. Sarah T. Ross	Non-Executive Director
Mr. Mulele M. Mulele	Ex-Officio Member (representing Secretary to the Treasury)

Source: Bank of Zambia

Table 1.2: Composition of Board Committees

Audit and Finance	Appointments and Remuneration	Governance and Risk
Ms. Sarah T. Ross *	Dr. Patricia S. Kamanga*	Mr. Caesar Cheelo *
Ms. Pamela K. Bwalya	Ms. Pamela K. Bwalya	Ms. Sarah T. Ross
Prof. Douglas Kunda	Mr. Shebo Nalishebo	Dr. Patricia S. Kamanga
Mr. Shebo Nalishebo	Mr. Mulele M. Mulele	Mr. Mulele M. Mulele
		Prof. Douglas Kunda

Source: Bank of Zambia

*Chairperson

The **Bank of Zambia Act, 2022**³ provides for the establishment of the Monetary Policy Committee (MPC) and Financial Stability Committee (FSC). The MPC formulates monetary policy while the FSC is responsible for macroprudential policies. The composition of the two Committees in 2024 was as follows:

Table 1.3: Monetary Policy Committee Members

Dr. Denny H. Kalyalya	Chairperson
Dr. Francis Chipimo	Deputy Governor responsible for operations as Vice Chairperson
Ms. Rekha Chifuwe Mhango	Deputy Governor responsible for administration
Dr. Jonathan M. Chipili	Director responsible for research and economic policy
Mr. Isaac Muhanga	Director responsible for monetary policy operations
Mr. Goodson Kataya	Director responsible for financial stability
Prof. Munacinga Simatele	External Member
Mr. Alex Chakufyali	External Member

Source: Bank of Zambia

¹Article 213(3)

²Their roles and functions are defined in respective Charters

³Sections 27(1) and 31(1)

Table 1.4: Financial Stability Committee Members

Dr. Denny H. Kalyalya	Chairperson
Dr. Francis Chipimo	Deputy Governor responsible for financial stability as Vice Chairperson
Ms. Rekha Chifuwe Mhang	Deputy Governor responsible for administration
Mr. Goodson Kataya	Bank of Zambia senior management staff responsible for financial stability
Dr. Jonathan M. Chipili	Bank of Zambia senior management staff responsible for research
Ms. Namwandi Ndhlovu	Bank of Zambia senior management staff responsible for legal matters
Mr. Philip Chitalu	Representative of the Securities and Exchange Commission
Ms. Namakau Ntini	Representative of the Pensions and Insurance Authority

Source: Bank of Zambia

The Financial Stability Committee held its first Meeting in April. In line with the Act, the Bank published the inaugural **Monetary Policy Report** and **Financial Stability Report** in February and May, respectively.

A summary of Members attendance of Board and Board Committee Meetings in 2024 are shown in Table 1.5 and Table 1.6, respectively.

Table 1.5: Members Attendance of Board Meetings

Name	Position	Statutory Meetings	Special Meetings	Attendance Percent
Dr. Denny H. Kalyalya	Chairperson	4/4	6/6	100
Ms. Pamela K. Bwalya	Vice Chairperson	4/4	5/6	90
Mr. Caesar Cheelo	Non-Executive Director	3/4	6/6	90
Dr. Patricia S. Kamanga	Non-Executive Director	4/4	6/6	100
Prof. Douglas Kunda	Non-Executive Director	4/4	6/6	100
Mr. Shebo Nalishebo	Non-Executive Director	4/4	6/6	100
Ms. Sarah T. Ross	Non-Executive Director	4/4	6/6	100
Mr. Mulele M. Mulele	Ex-Officio	4/4	6/6	100

Source: Bank of Zambia

Table 1.6: Members Attendance of Board Committee Meetings

Name	Position	ARC Regular and Special Meetings	AFC Regular and Special Meetings	GRC Regular and Special Meetings	Attendance Percent
Ms. Pamela K. Bwalya	Vice Chairperson	4/6	6/7		77
Mr. Caesar Cheelo	Non-Executive Director			4/5	80
Dr. Patricia S. Kamanga	Non-Executive Director	6/6		5/5	100
Prof. Douglas Kunda	Non-Executive Director		6/7	4/5	83
Mr. Shebo Nalishebo	Non-Executive Director	6/6	7/7		100
Ms. Sarah T. Ross	Non-Executive Director		7/7	5/5	100
Mr. Mulele M. Mulele	Ex-Officio	6/6		4/5	91

Source: Bank of Zambia

The key decisions passed by the Board in 2024 included approval of the:

- Bank of Zambia Business Continuity Management Policy (Revised) on March 11;
- Statement of Affairs and resolution plans for the Development Bank of Zambia (In Possession), Betternow Finance Company Limited (In Possession), and Investrust Bank Plc (In Possession) on June 25;
- Appointment of Joint Liquidation Managers for Investrust Bank Plc (In Liquidation) on July 12;
- Bank of Zambia Whistleblower Policy (Revised) on August 28; and
- Stability and Resilience Facility on December 23.

The objective of the K5.0 billion **Stability and Resilience Facility** is to safeguard financial stability and enhance the resilience of the financial sector in the wake of the severe drought. Under this Facility, funds are provided to eligible financial service providers (FSPs) for onward lending to the agriculture sector and those negatively impacted by electricity shortages. The loans tenors are up to seven years and offered against eligible collateral with a 24-month grace period on interest payment and principal repayment. The loans are priced off the Monetary Policy Rate less 100 basis points for ordinary loans and 300 basis points for green loans to promote environmental sustainability.

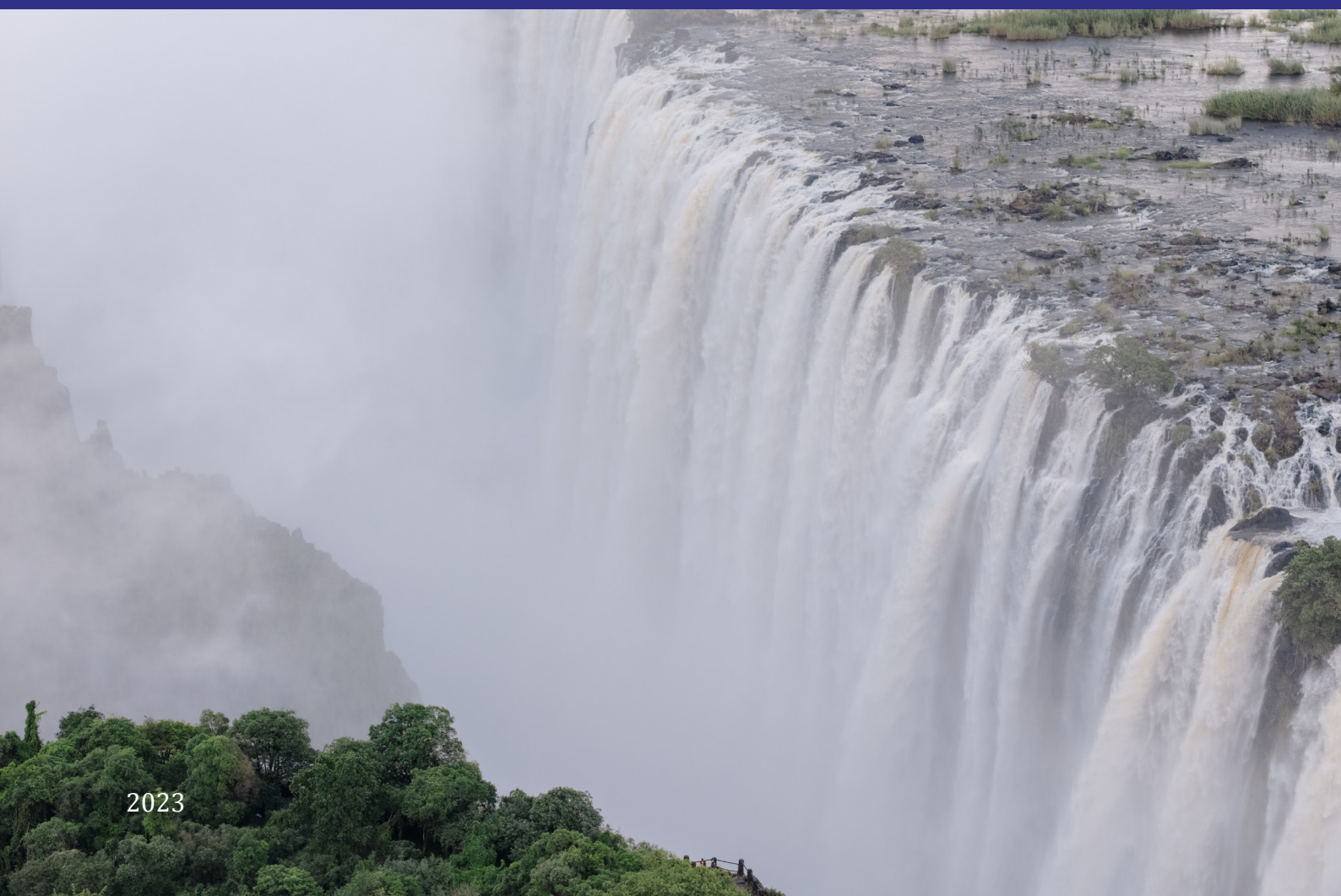
In terms of its corporate social responsibility, the Bank continued to support various humanitarian, educational, and health related activities and contributed about K1.5 million in that respect.

To commemorate the 60th Anniversary, which fell on August 7, the Bank hosted a currency exhibition to showcase the evolution of the Zambian currency from 1964 – 2024, planted trees at the Mumbwa Caves in Mumbwa to mitigate the impact of climate change, and held a sports tournament for employees in the banking sector to exercise and network. The theme for the celebrations was *“60 Years of Central Banking: Repositioning for Sustainable and Inclusive Growth in a Digital World.”* This was in line with key strategic activities under the 2024–2027 Strategic Plan.



2024

2.0 DEVELOPMENTS IN THE GLOBAL ECONOMY



2023

2.0 DEVELOPMENTS IN THE GLOBAL ECONOMY

2.1 Growth

The global economy is estimated to have slowed down further in 2024 to 3.2 percent from 3.3 percent in 2023 (Table 2.1 and Chart 2.1). The escalation of geopolitical tensions, particularly in the Middle East; slowdown in China; rising uncertainty; extreme weather conditions; and prolonged war in Ukraine weighed on global growth.

Table 2.1: World Real GDP and Inflation Rates (annual percentage change), 2022-2024

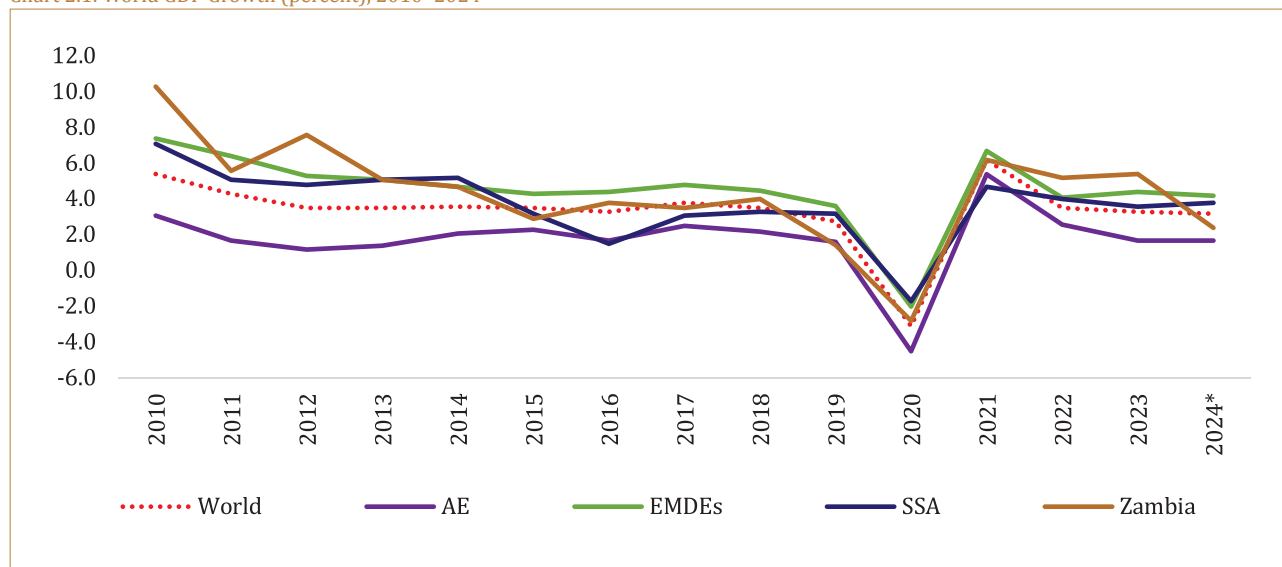
	Real GDP			Inflation		
	2022	2023	2024*	2022	2023	2024*
World	3.5	3.3	3.2	8.7	6.9	5.8
Advanced Economies	2.6	1.7	1.7	8.5	5.7	2.4
United States of America (US)	1.9	2.9	2.8	8.0	4.1	3.0
Euro Area	3.4	0.4	0.8	8.4	5.4	2.4
United Kingdom (UK)	4.3	0.3	0.9	9.1	7.3	2.6
Emerging Markets & Developing Countries	4.1	4.4	4.2	na	na	na
China	3.0	5.2	4.8	1.9	0.2	0.4
Sub-Saharan Africa	4.1	3.6	3.8	14.5	17.6	18.1
South Africa	1.9	0.7	0.8	6.9	5.9	4.7
Nigeria	3.3	2.9	3.1	18.8	24.7	32.5
Democratic Republic of the Congo (DRC)	8.8	8.4	4.7	9.3	19.9	17.8
Zambia	5.2	5.4	4.0*	11.0	10.9	14.6

Source: IMF *World Economic Outlook* (WEO), January 2025 Update, FocusEconomics, Trading Economics, Zambia Statistics Agency, Ministry of Finance and National Planning and Bank of Zambia Compilations.

* preliminary

na – not available

Chart 2.1: World GDP Growth (percent), 2010–2024



Source: IMF *WEO*, January 2025 and Bank of Zambia Compilations

Note: AE = Advanced Economies; EMDEs = Emerging Markets and Developing Economies; SSA = sub-Saharan Africa

*Preliminary

Emerging markets and developing economies experienced a slowdown in growth to 4.2 percent from 4.4 percent in 2023, mostly dragged by China, while growth expanded in Sub-Saharan Africa and held steady in advanced economies (Table 2.1).

Lower growth in China was underpinned by weak domestic demand as the property sector crisis persisted and deflationary pressures⁴ deepened. The sustained decline of the property market created uncertainty and diminished household incomes, which collectively dampened consumer and business confidence.

⁴Persistence of deflationary pressures in China was mainly attributed to the combined effects of overproduction across various industries, subdued domestic demand and prolonged weakness in the property sector.

The expansion in growth in Sub-Saharan Africa to 3.8 percent from 3.6 percent in 2023 was largely influenced by Nigeria (3.1 percent) and South Africa (0.8 percent). Growth in Nigeria was predominantly supported by strong oil and agricultural production while relatively stable electricity supply and the recovery of household consumption underpinned growth in South Africa. However, growth in Zambia was estimated to have slowed down to 4.0 percent⁵ from 5.4 percent in 2023 because of the severe drought on record and its impact on agriculture and energy-intensive sectors. The economy was initially projected to grow at 4.8 percent, but revised down to 2.3 percent and further to 1.2 percent due to the impact of the drought on agriculture and energy sectors.

Growth in advanced economies was unchanged in 2024, at 1.7 percent, mostly reflecting strong performance in the US as well as expansion in the Euro area and the UK (Table 2.1). In the US, growth was mainly underpinned by resilient consumer spending, bolstered by a robust labour market and easing inflation. The rebound in consumption and investment growth, as inflation eased and interest rates were cut, supported growth in the Euro area. Growth in the UK was driven by the expansion in the services sector as well as higher consumer and government spending.

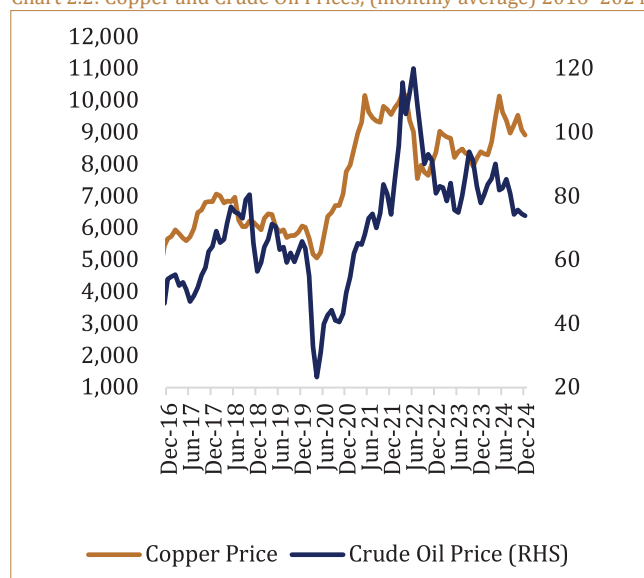
2.2 Inflation

Global headline inflation declined further to 5.8 percent in 2024 from 6.9 percent in 2023 (Table 2.1). Underlying the gradual fall in inflation were the lingering effects of the restrictive monetary policy stance and sustained decline in energy prices.

2.3 Commodity Prices

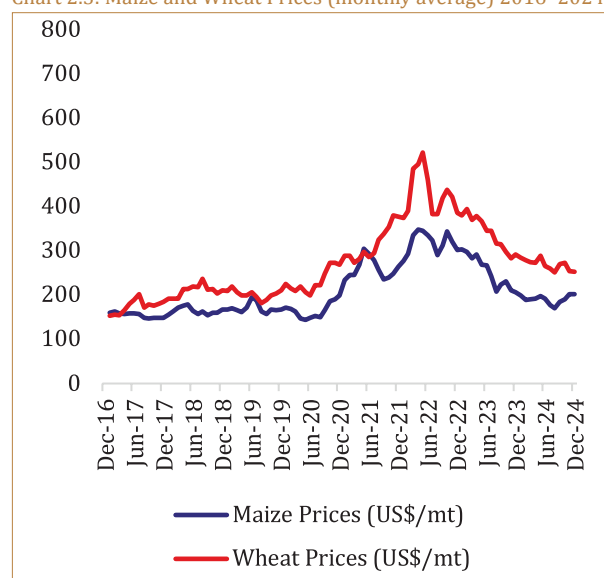
In 2024, crude oil, maize, and wheat prices maintained a downward trend while copper prices rose (Chart 2.2 and Chart 2.3).

Chart 2.2: Copper and Crude Oil Prices, (monthly average) 2016–2024



Source: The World Bank Group Pink Sheet, January 2025 and Bank of Zambia Compilations

Chart 2.3: Maize and Wheat Prices (monthly average) 2016–2024



Source: World Bank Pink Sheet and Bank of Zambia Compilations

Crude oil prices declined to US\$80.70 per barrel from US\$82.62 per barrel in 2023 (Chart 2.2). This was due to higher production by non-OPEC countries⁶, a stronger US dollar⁷ and sluggish demand by China due to increased use of electric vehicles and liquefied natural gas.

At end-2024, maize and wheat prices fell by 1.9 percent and 13.4 percent to US\$202.60 per metric tonne and US\$252.17 per metric tonne, respectively (Chart 2.3). The sustained downward trend in the prices of these commodities was mostly influenced by a strong US dollar; subdued demand by China; increased production, boosted by favourable weather conditions and lower input costs (fertilisers); and strong competition among exporters, especially from Russia.

⁵On February 29, the Republican President declared a **State of National Disaster and Emergency**.

⁶US oil production set a new record in 2024, reaching 13.249 million barrels per day in December, exceeding the high record in 2023: <https://oilprice.com/Energy/Crude-Oil/US-Oil-Production-Shattered-Records-Again-in-2024.html>

⁷At end-December 2024, the US Dollar Index rose to 108.49 from 101.33 at end-December 2023, reflecting strong performance of the US economy, interest rate differential with other economies and growing global uncertainty from potential tariffs under the new administration.

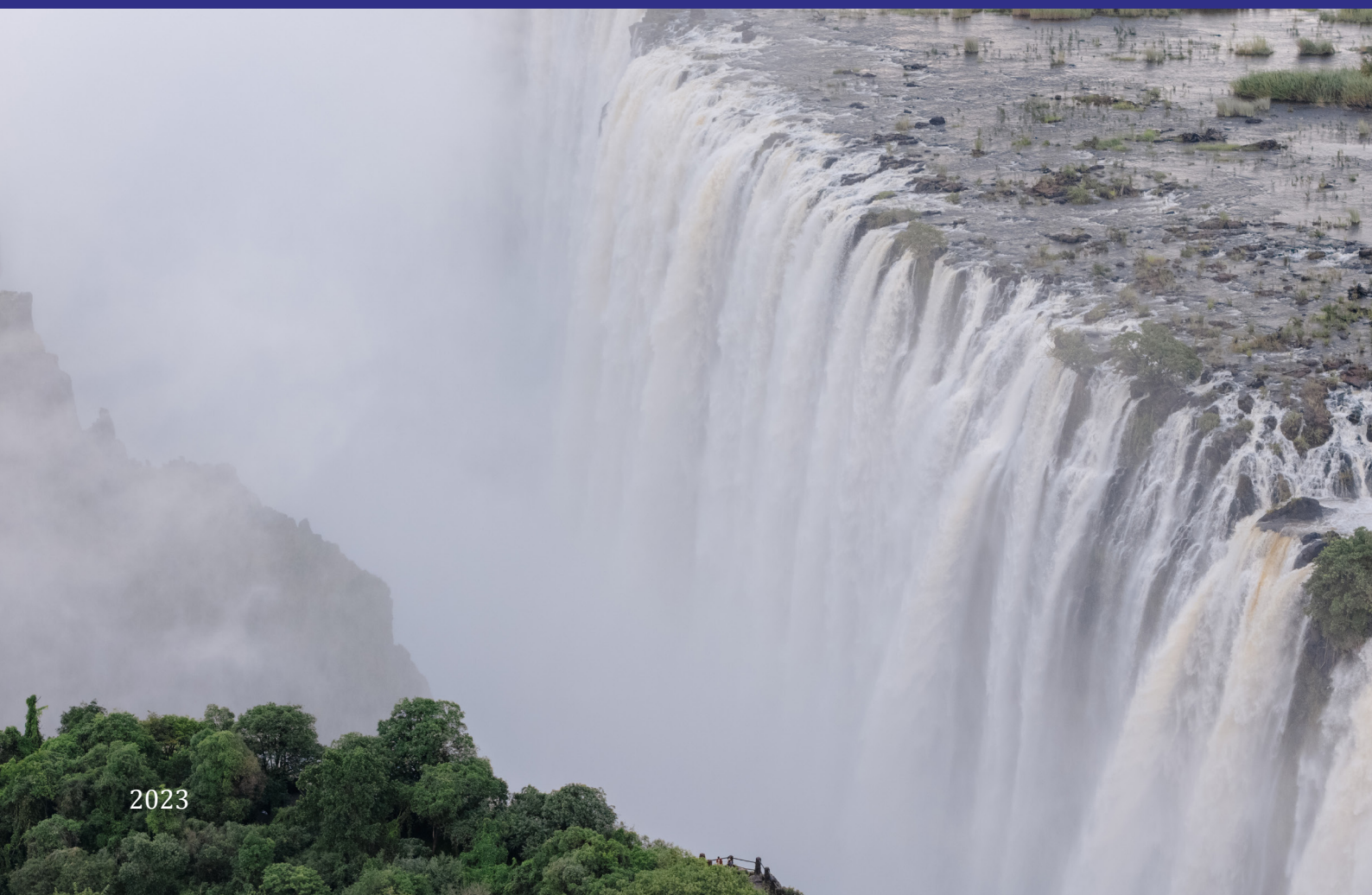
In contrast, copper prices rose to US\$9,142.14 per metric tonne from US\$8,490.29 per metric tonne in 2023 (Chart 2.2). This was mainly driven by strong demand stemming from a general shift to green energy from fossil fuels, deployment of aggressive stimulus measures by China⁸ to support the property market and interest rate cuts by central banks in advanced economies. In addition, investments in grid infrastructure in advanced economies contributed to the rise in copper prices.

⁸In 2024, China introduced a series of fiscal and monetary stimulus measures to boost economic growth amid weak domestic demand. These included cutting interest rates, lowering the reserve requirement ratio and raising local government debt ceilings to support the property market: <https://www.china-briefing.com/news/decoding-chinas-recent-economic-stimulus-package-what-investors-need-to-know/>



2024

3.0 MACROECONOMIC OBJECTIVES AND MONETARY POLICY STANCE



2023

3.0 MACROECONOMIC OBJECTIVES AND MONETARY POLICY STANCE

3.1 Macroeconomic Objectives

Attainment of the macroeconomic objectives set for 2024 was impacted by the drought (Table 3.1). Out of the six objectives, four were met relative to five and four in 2023 and 2022, respectively. The growth target, which had been met in the previous two years, was not achieved, mainly due to the severe drought as alluded to earlier. Similarly, inflation moved further away from the upper bound of the 6-8 percent target band.

Table 3.1: 2024 Macroeconomic Objectives

	Target	Outcome	Status
International reserves	Above 3.0 months of import cover	4.6 months	Met
Domestic revenue	Increase to at least 22.0 percent of GDP	23.4 percent	Met
Fiscal deficit	Reduce to 4.8 percent of GDP	3.5 percent	Met
Domestic borrowing	Limit to no more than 2.5 percent of GDP	2.2 percent	Met
Inflation	Reduce to the 6-8 percent medium-term target band	16.7 percent	Not met
Real GDP growth	Attain a growth rate of at least 4.8 percent	4.0 percent	Not Met

Source: Ministry of Finance and National Planning and Bank of Zambia

3.2 Monetary Policy Stance

A restrictive monetary policy stance was maintained in 2024 as inflation accelerated and projections indicated that it would remain above the 6-8 percent target band in the medium-term. Thus, the Monetary Policy Rate (MPR) was raised by a cumulative 300 basis points to 14.0 percent: 1.5 percentage points in February, 1.0 percentage point in May and 0.5 percentage points in November, but was maintained at 13.5 percent in August as the MPC judged that the monetary policy stance was appropriate and the need to allow past successive increases in the MPR and reforms in the foreign exchange market to take full effect. In addition, in February, the **statutory reserve ratio (SRR)** was substantially increased by 900 basis points to 26.0 percent to address persistently high demand pressures in the foreign exchange market that were contributing to rising inflation. The decision to adjust both the MPR and SRR was aimed at steering inflation back to the target band and anchoring inflation expectations. The upside risks relating to the persistent depreciation of the Kwacha, rising food (maize grain and maize products) prices, extended hours of electricity load management, escalation in geopolitical tensions, and tighter global financial conditions dominated the inflation outlook.

Monetary policy measures were complemented by reforms in the external sector and foreign exchange market. These included the launch of the **Export Proceeds Tracking Framework (EPTF)** in January, introduction of **Foreign Exchange Market Guidelines** in May, and revisions to the **Interbank Foreign Exchange Market (IFEM) Rules** in June. Details of these measures are discussed in subsequent chapters.

3.3 Inflation

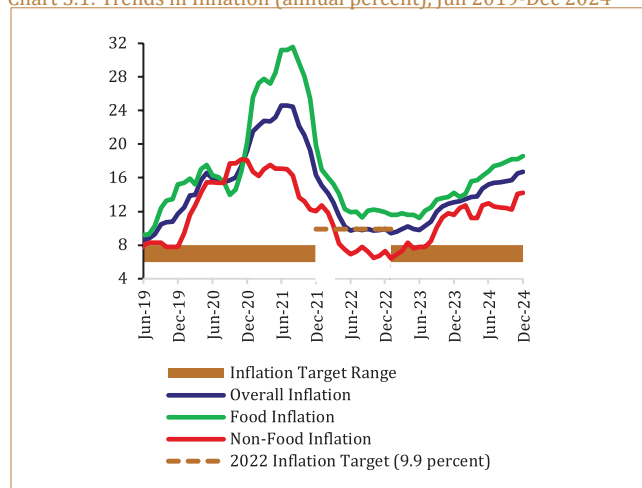
The acceleration in overall inflation in 2024 to an annual average of 15.0 percent from 10.9 percent a year earlier was mostly attributed to the impact of the drought, particularly on food prices and electricity tariffs (Table 3.2 and Chart 3.1). The persistent depreciation of the Kwacha against major currencies, increases in domestic retail fuel prices and heightened demand for solid fuels due to sustained electricity shortages added to inflationary pressures.

Table 3.2 Inflation Developments (percent)

	2021	2022	2023	2024
Average				
Overall Inflation	22.1	11.1	10.9	15.0
Food Inflation	27.8	13.2	12.4	16.7
Non-Food Inflation	15.5	8.3	8.8	12.6
End-Period (December)				
Overall Inflation	16.4	9.9	13.1	16.7
Food Inflation	19.9	11.9	14.2	18.6
Non-Food Inflation	12.1	7.3	11.6	14.2

Source: Zambia Statistics Agency and Bank of Zambia

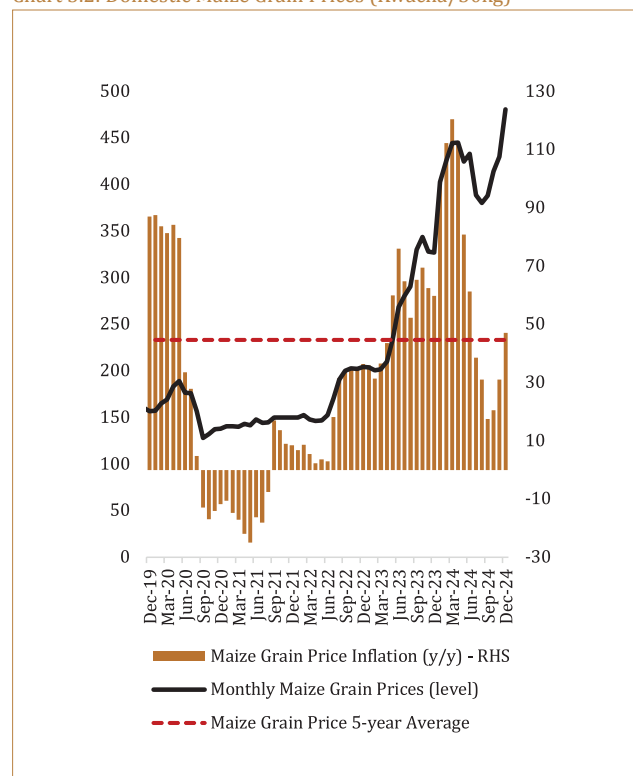
Chart 3.1: Trends in Inflation (annual percent), Jun 2019-Dec 2024



Source: Zambia Statistics Agency and Bank of Zambia

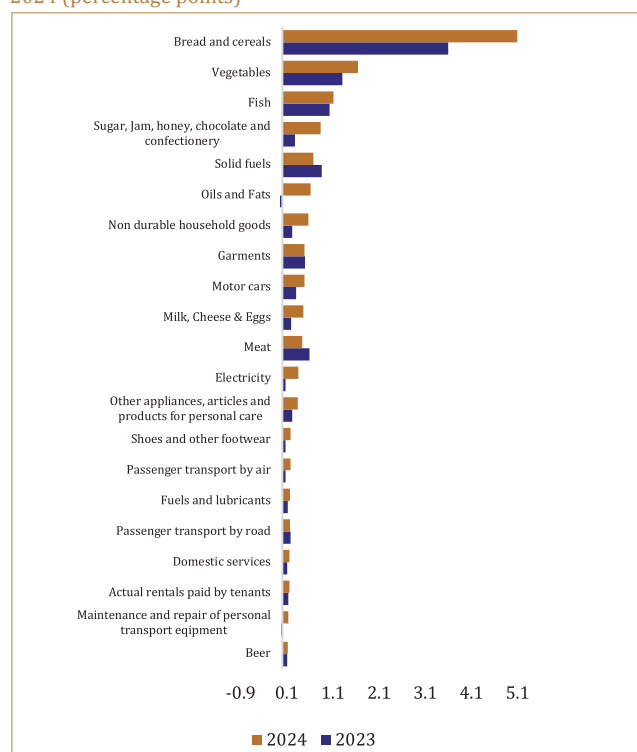
The continued rise in food inflation to 16.7 percent from 12.4 percent was mainly driven by the low supply of maize (grain and its products) and vegetables, and to some extent fish, induced by the drought. Domestic maize output⁹ reduced by more than half (53.7 percent) to 1,511,143 metric tonnes in the 2023/24 farming season. This, coupled with the low supply of maize in the sub-region¹⁰ amidst sustained demand, led to a surge in maize grain prices, which exceeded the 5-year average (Chart 3.2). In turn, the bread and cereals sub-group (Chart 3.3 and Chart 3.4), mostly made up of maize products¹¹, maintained its dominant influence on food inflation (Chart 3.4). Increased production costs induced by prolonged electricity load management and higher electricity tariffs added to the large contribution of bread and cereals to inflation.

Chart 3.2: Domestic Maize Grain Prices (Kwacha/50kg)



Source: Zambia Statistics Agency and Bank of Zambia

Chart 3.3: Contribution to Overall Inflation by Sub-Group in 2023 and 2024 (percentage points)

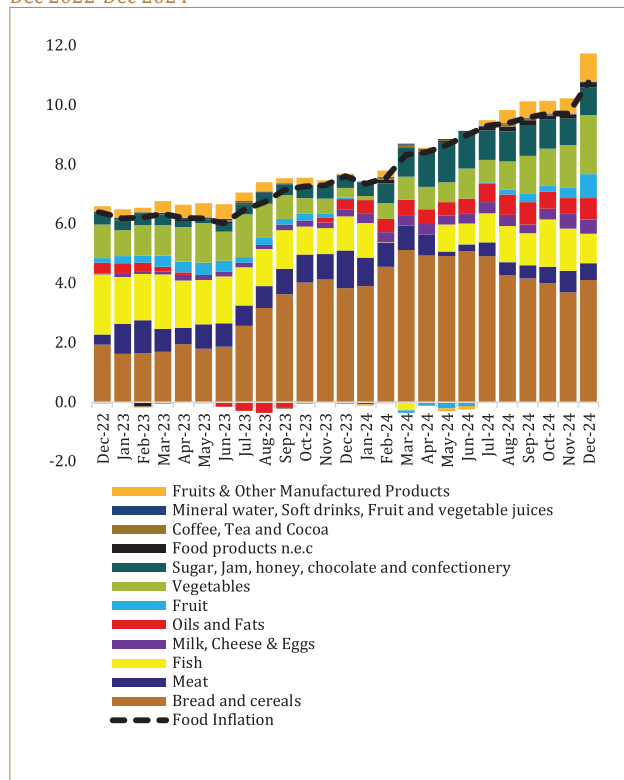


Source: Zambia Statistics Agency and Bank of Zambia

⁹Maize is a staple food with a relatively high weight of 15.9 out of 1,000 items or about 2 percent in the consumer price index as a single product.
¹⁰<https://reliefweb.int/report/democratic-republic-congo/southern-africa-alert-historic-high-needs-anticipated-across-southern-africa-through-early-2025-august-2024>

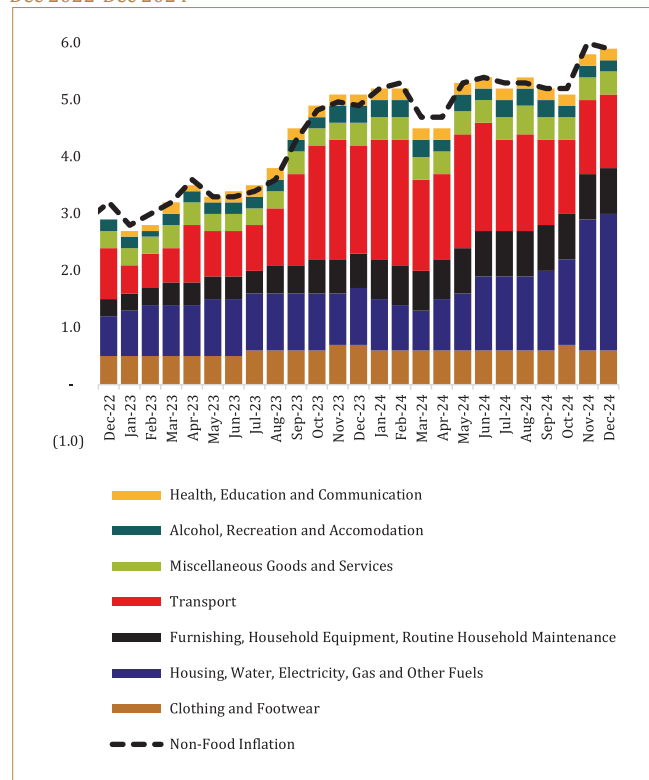
¹¹According to Zambia Statistics Agency, the products constituting the bread and cereals sub-group are plain biscuits, cream biscuits, bread, imported bread flour, breakfast mealie meal, bun, cassava meal, cornflakes, fritters, macaroni, maize grain, millet, millet meal, imported rice, local rice, roller mealie meal, samp, sorghum, spaghetti, plain wheat household flour.

Chart 3.4: Sub-Components of Food Inflation (percentage points),- Dec 2022-Dec 2024



Source: Zambia Statistics Agency and Bank of Zambia

Chart 3.5: Sub-Components of Non-Food Inflation (percentage points),- Dec 2022-Dec 2024



Source: Zambia Statistics Agency and Bank of Zambia

In the case of vegetables¹², the drought resulted in water scarcity and the drying up of some water points used in production, leading to reduced supply and ultimately higher prices. In addition, extended electricity load management adversely affected irrigation leading to lower production. Further, higher fuel prices raised transportation costs and contributed to increased prices. Collectively, these factors explain the sustained upward impact of vegetables on food inflation (Chart 3.4) and overall inflation (Chart 3.3).

As shown in Charts 3.3 and 3.4, the low supply of fish had a sizeable contribution towards overall inflation. The production of fish reduced due to low water levels induced by the drought. The rise in fish prices was also on account of increased refrigeration costs due to higher electricity costs following the implementation of **emergency electricity tariffs** on November 1, which were, on average, adjusted upwards by 85.5 percent.

Emergency electricity tariffs were implemented to facilitate power imports to mitigate extended hours of load management occasioned by the severe drought on hydropower generation. This led to a sharp rise in non-food inflation in November to 14.1 percent from 12.2 percent in October, reversing the declining trend that had emerged in July (Chart 3.1). Its impact on non-food inflation was notable through the housing, water, electricity, gas and other fuels sub-group (Chart 3.5). Consequently, non-food inflation ended the year at 14.2 percent from 11.6 percent in 2023 (Table 3.2).

Petrol and diesel prices increased to K32.93 per litre and K30.11 per litre in 2024 from K27.48 per litre and K26.64 per litre, respectively. This reflects an increase of 19.8 percent for petrol and 13.0 percent for diesel. The effect of these fuel prices is reflected in the transport sub-group of non-food inflation (Chart 3.5).

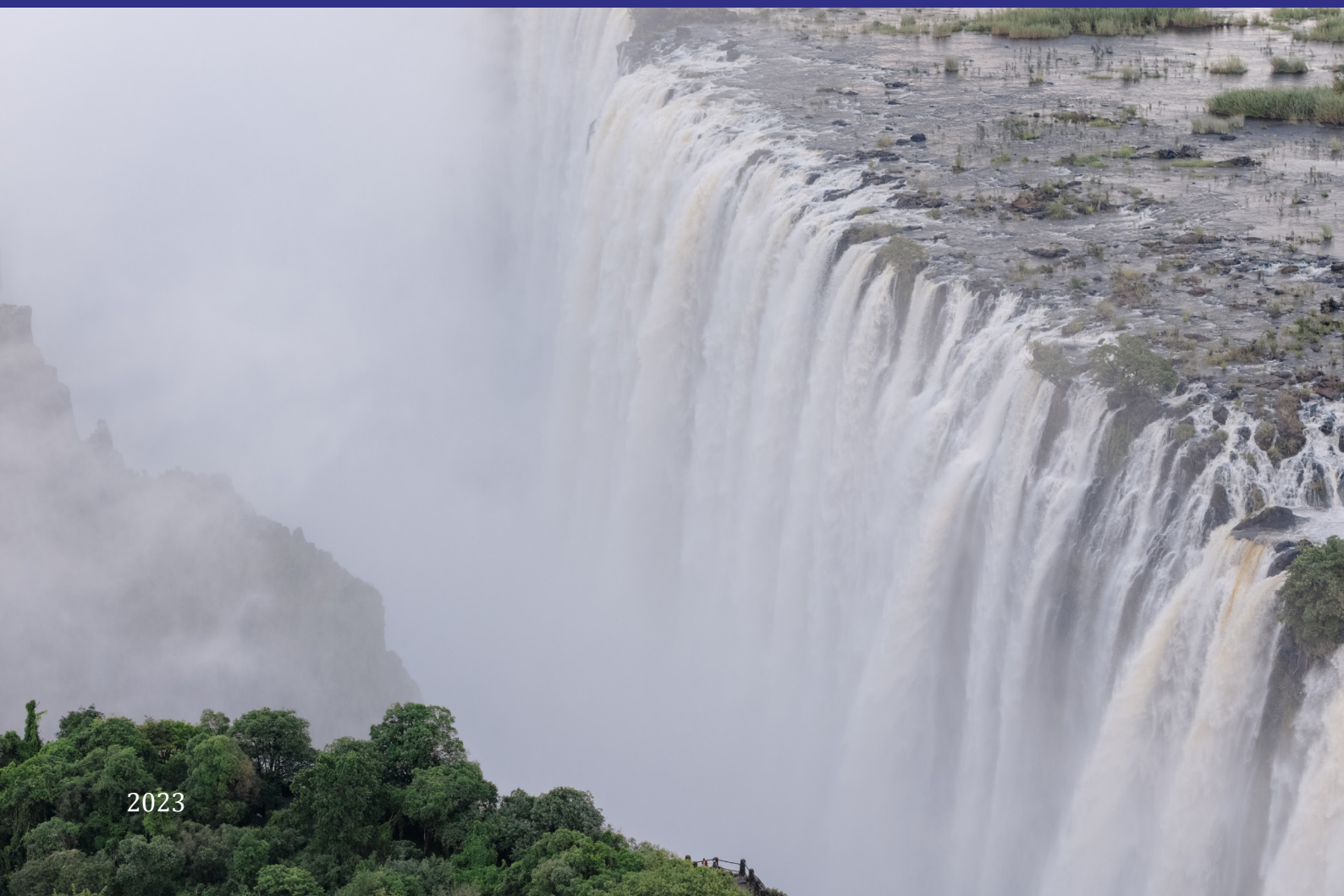
The depreciation of the Kwacha against major currencies had a notable impact on products in the bread and cereals (imported rice, bread, bun and roller mealie meal); vegetables (mushrooms, maize cobs, sweet potatoes and peas); sugar, jam, honey, chocolate and confectionery (sugar); as well as oils and fats (cooking oil) sub-groups. These together had a big influence on overall inflation (Chart 3.3).

¹²Vegetables include baked beans, cabbage, carrots, cassava leaves, cassava roots, chikanda tubers, chinese cabbage, cucumber, dried beans, eggplant, green beans, green pepper, impwa, irish potatoes, lettuce, maize cobs, mushrooms, okra, onion, peas, potato crisps, pumpkin, pumpkin leaves, rape, spinach, sweet potato leaves, sweet potatoes and tomatoes.



2024

4.0 FINANCIAL MARKETS



2023

4.0 FINANCIAL MARKETS

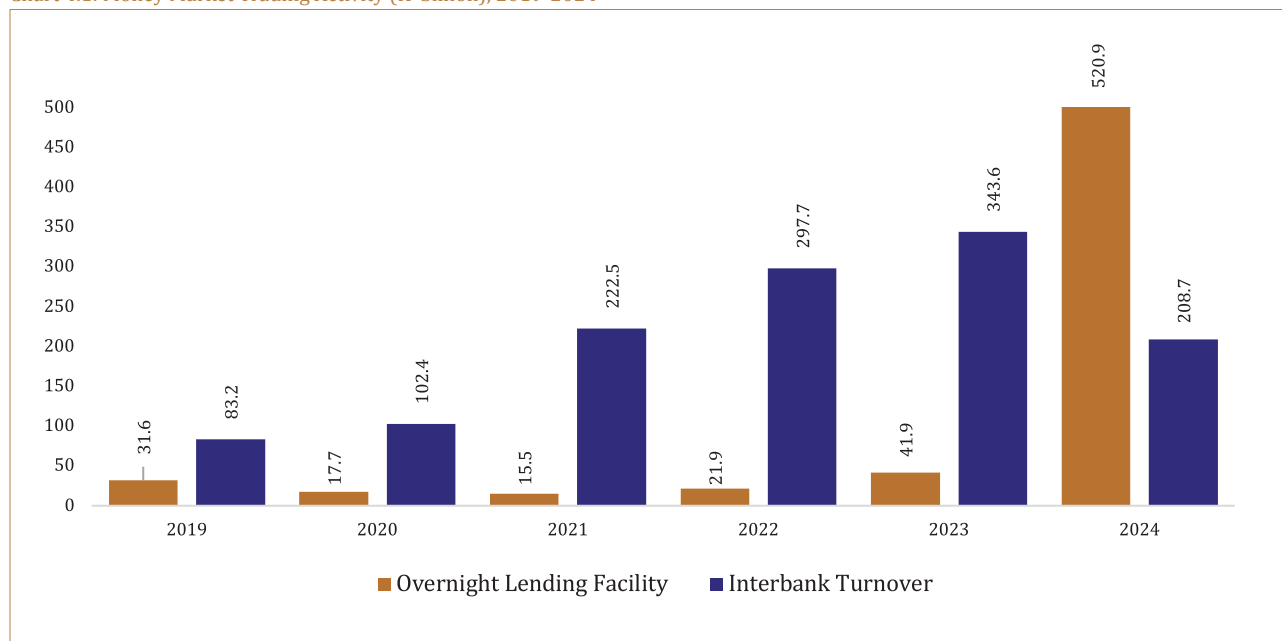
4.1 Money Market Liquidity

During the year, the Bank of Zambia money market operations were primarily driven by the need to contain the build-up in inflationary pressures, particularly those arising from the exchange rate channel. Faced with drought-related headwinds, domestic liquidity operations remained contractionary, consistent with the tightened monetary policy stance.

At the beginning of 2024, pressure on the exchange rate mounted as higher electricity imports to cover drought induced shortfalls in domestic output elevated demand for foreign exchange. Having observed that the heightened exchange rate depreciation was contributing to the sustained deviation of inflation from the 6-8 percent target-band, it became necessary to contain the growth in domestic liquidity. Accordingly, on February 5, the Bank decided to raise the statutory reserve ratio (SRR) by 900 basis points to 26.0 percent¹³. Upon implementation, this measure withdrew K8.1 billion in commercial banks' excess liquidity and eventually induced a sharp increase in interbank money market rates. The overnight interbank rate peaked at 21.5 percent on February 20 (refer to Chart 5.3) while interbank turnover moderated to K208.7 billion in 2024 from K343.6 billion in 2023 (Chart 4.1). To enhance the effectiveness of this measure, liquidity injections through open market operations were reduced and commercial banks facing settlement liquidity shortages had the option to turn to the central bank Overnight Lending Facility (OLF). As it turned out, commercial banks borrowed a cumulative K520.9 billion through this Facility, the highest since the Window was established in 2009.

In the second half of the year, the Bank commenced the supply of liquidity through the relatively cheaper open market operations (OMO) upon containing excess liquidity and dimming its adverse impact on the foreign exchange market¹⁴. This improved liquidity levels and led to the fall in the interbank rate back into the Policy Rate Corridor (refer to Chart 5.3). In addition, increased Government spending to support livelihoods and communities adversely affected by the drought boosted liquidity levels. As a result, the aggregate current account balance rose to K9.5 billion at the end of the year from K7.3 billion in December 2023 (Table 4.1).

Chart 4.1: Money Market Trading Activity (K' billion), 2019-2024



Source: Bank of Zambia

¹³This was the largest increase in 20 years. The underlying reason for such a large increase was the huge unutilised Government funds held in commercial banks and the efforts to move these proved untenable. However, as in all such policy actions, the Bank remained open to lowering the policy interest rate when liquidity conditions were deemed appropriate.

¹⁴OMO liquidity is supplied at the Monetary Policy Rate while funds from the Overnight Lending Facility are provided at 16.5 percentage points above the Policy Rate.

Table 4.1: Money Market Liquidity Influences, 2024

Current Account Opening Balance	7.3
Net Government Spending (Revenue)	24.2
Net Bank Foreign Exchange Purchases/(Sales)	-32.0
Currency in Circulation	-5.6
Statutory Reserve Deposits	-1.7
Overnight Lending Facility (OLF)	0.0
Net Government Securities Maturities/(Sales)	24.5
Net Open Market Operations	3.6
Targeted Medium-Term Refinancing Facility (TMTRF) ¹⁵	-3.0
Miscellaneous	-7.7
Current Account Closing Balance	9.5

Source: Bank of Zambia

In tandem, the Bank also made changes to the statutory reserve requirement framework by including Government securities as a reservable asset effective June 5¹⁶. This measure was primarily meant to avert an onset of financial instability as the country had gotten to a daunting crossroad. On one hand, there was euphoria that a breakthrough with Eurobond holders had been reached. However, this required that an advance payment of over US\$300 million be made to the Eurobond holders for the haircut they agreed to and for the other restructuring terms to hold. Coincidentally, the support the domestic market had provided when there were no external inflows involved issuing securities which were now also maturing. Meeting these maturities, and at the same time paying the Eurobond holders proved to be a daunting task, and which if not addressed, would plunge the economy into another crisis with the effects falling squarely on the financial market. The Bank, therefore, had to come up with a carefully thought out measure that would not undermine its tight monetary policy stance it had taken to stem volatility in the foreign exchange market and in so doing anchor inflation expectations, hence the introduction of this measure. Accordingly, the measure involved allowing commercial banks to use designated securities to comply with the prevailing minimum SRR of 26 percent. This worked as commercial banks were attracted by this innovation, which afforded them the opportunity to earn a return. For the central bank, the dynamics of this were no different from the existing arrangement that allowed commercial banks intra-day access to their statutory reserves it held. From this standpoint, the measure did not unravel the monetary policy stance the Bank had taken. Moreover, the advance payment for the bonds acted as an effective sterilization mechanism.

4.2 Government Securities Market

The performance of the Government securities market reflected changes in liquidity conditions during the course of the year. In the first half, demand for securities declined largely on account of reduced investment by commercial banks. As pointed out in Section 4.1, commercial banks faced a significant reduction in excess liquidity following the increased SRR. However, in the second half of the year, demand for securities recovered following the moderation in liquidity conditions. Overall, the subscription rate for Treasury bills fell to 84.3 percent in 2024 from 102.3 percent in 2023 (Table 4.2). In contrast, the subscription rate for Government bonds rose to 142.2 percent from 97.4 percent, reflecting a more diverse investor base (Table 4.2).

¹⁵TMTRF was established in April 2020 to provide funds to eligible financial service providers to strengthen and enhance financial sector resilience as well as support economic recovery during the COVID-19 pandemic. Refer to the **2020 Bank of Zambia Annual Report** section 3.3 for more details.

¹⁷The change to the SRR framework was made in line with the Bank of Zambia Act, 2022. Pursuant to this, the Bank issued Gazette Notice No.547 of 2024, which designated Government securities issued by the Government as an additional asset class for complying with the minimum reserve requirements. Following this change, commercial banks could comply (and some did) with the SRR of 26 percent by holding a combination of cash in deposit at the Bank of Zambia and prescribed Government securities.

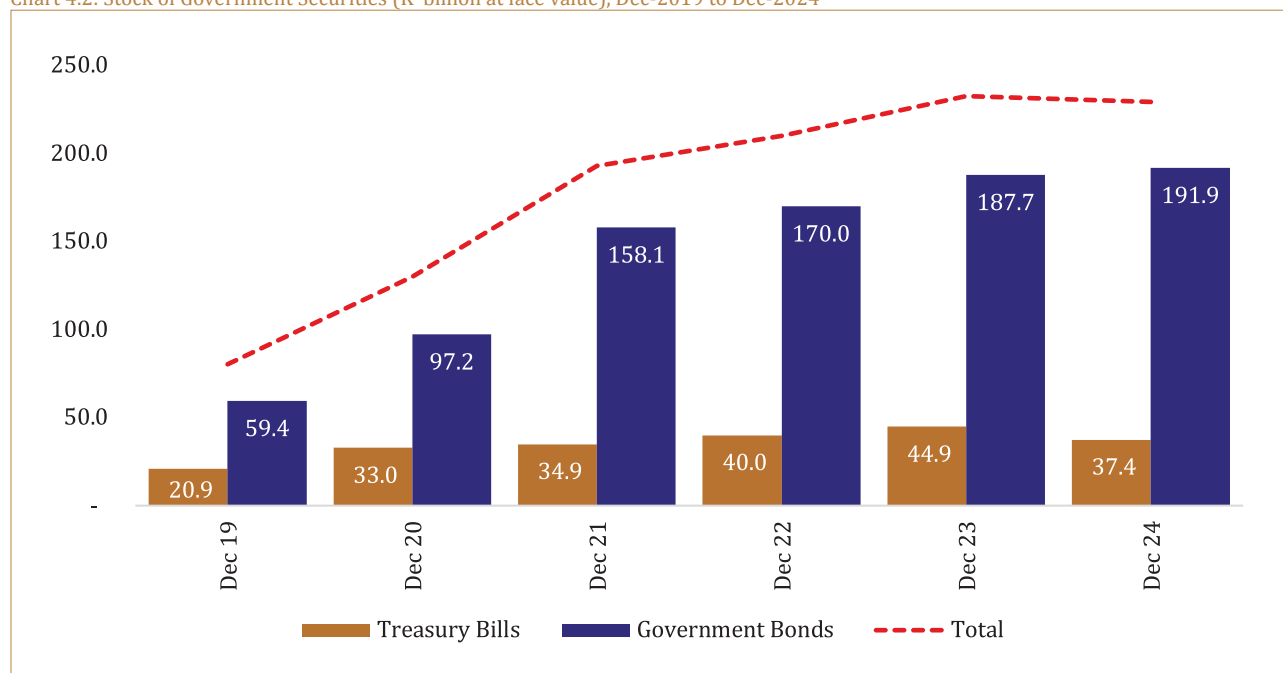
Table 4.2: Government Securities Transactions, 2022-2024

	2022			2023			2024		
	Amount on Offer (K' bn)	Bid Amount (K' bn)	Subscription Rate (percent)	Amount on Offer (K' bn)	Bid Amount (K' bn)	Subscription Rate (percent)	Amount on Offer (K' bn)	Bid Amount (K' bn)	Subscription Rate (percent)
91-day T-bill	7.8	7.0	90.2	7.8	9.1	116.7	9.5	5.2	54.6
182-day T-bill	8.8	7.3	83.0	8.8	5.8	65.9	10.8	2.4	22.2
273-day T-bill	9.4	6.9	73.9	9.4	6.4	68.1	11.3	4.5	39.8
364-day T-bill	26.0	34.0	130.8	26.0	31.9	122.7	15.8	27.8	176.4
Total	52.0	55.3	106.3	52.0	53.2	102.3	47.4	39.9	84.3
2-year bond	3.6	4.9	136.7	5.4	3.1	57.4	3.4	1.5	43.4
3-year bond	4.8	5.9	122.7	6.0	5.5	91.7	3.9	3.7	94.9
5-year bond	7.8	5.5	70.9	6.6	6.0	90.9	4.1	4.5	110.9
7-year bond	4.2	1.9	45.3	4.8	2.3	47.9	2.9	4.3	147.7
10-year bond	6.0	4.1	68.5	4.8	8.8	183.3	2.9	7.2	246.6
15-year bond	4.8	1.3	26.7	3.6	4.7	130.6	2.3	6.6	284.9
Total	31.2	23.6	75.7	31.2	30.4	97.4	19.5	27.7	142.2

Source: Bank of Zambia

The Government raised K66.9 billion in the primary market against maturities of K62.1 billion resulting in a surplus of K4.8 billion. However, the total stock of outstanding Government securities (face value) declined to K229.4 billion at end-December 2024 from K232.6 billion at end-December 2023 (Chart 4.2), largely reflecting reduced yield rates and elimination of discount on Government bonds following the change in the **issuance method** effective January. Since then, all Government bonds in the primary market were issued at par. This meant that the face value and cost value of new issuances were identical, that is, with no discount.

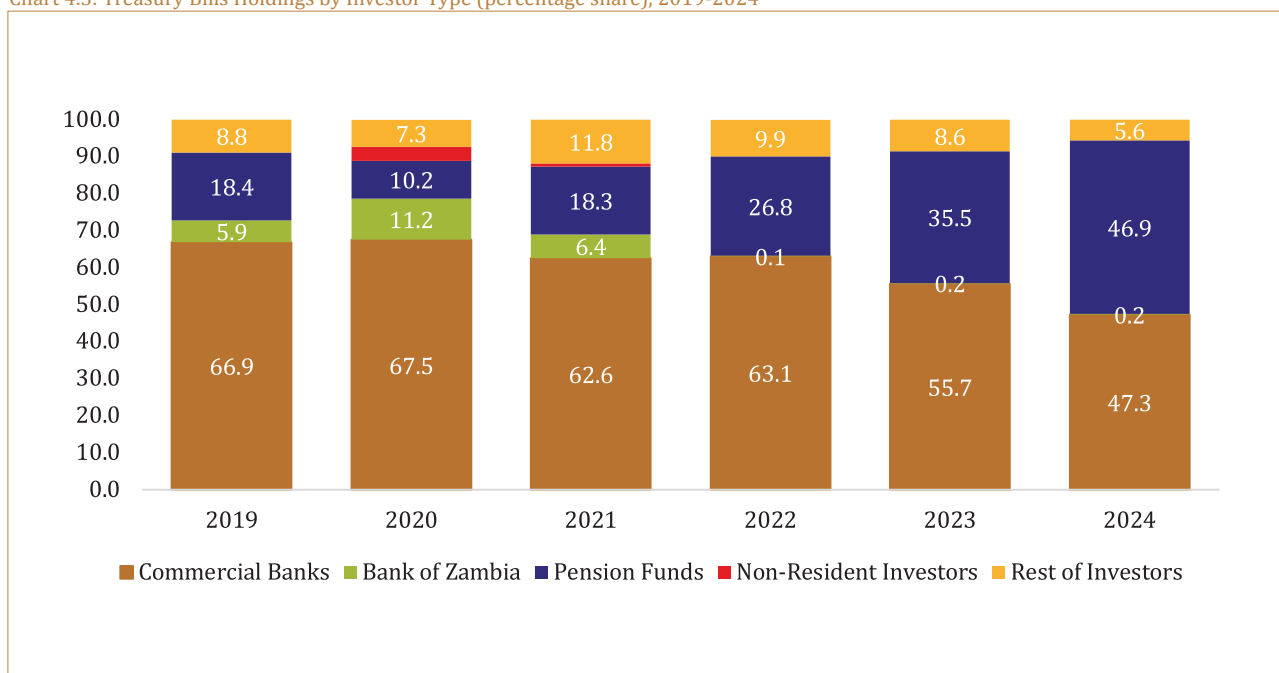
Chart 4.2: Stock of Government Securities (K' billion at face value), Dec-2019 to Dec-2024



Source: Bank of Zambia

Commercial banks maintained the largest share of Treasury bills despite recording a further drop to 47.3 percent from 55.7 percent in 2023 (Chart 4.3). Pension funds increased their holdings further to 46.9 percent from 35.5 percent the previous year as participation by commercial banks was constrained by low liquidity in the first half of the year.

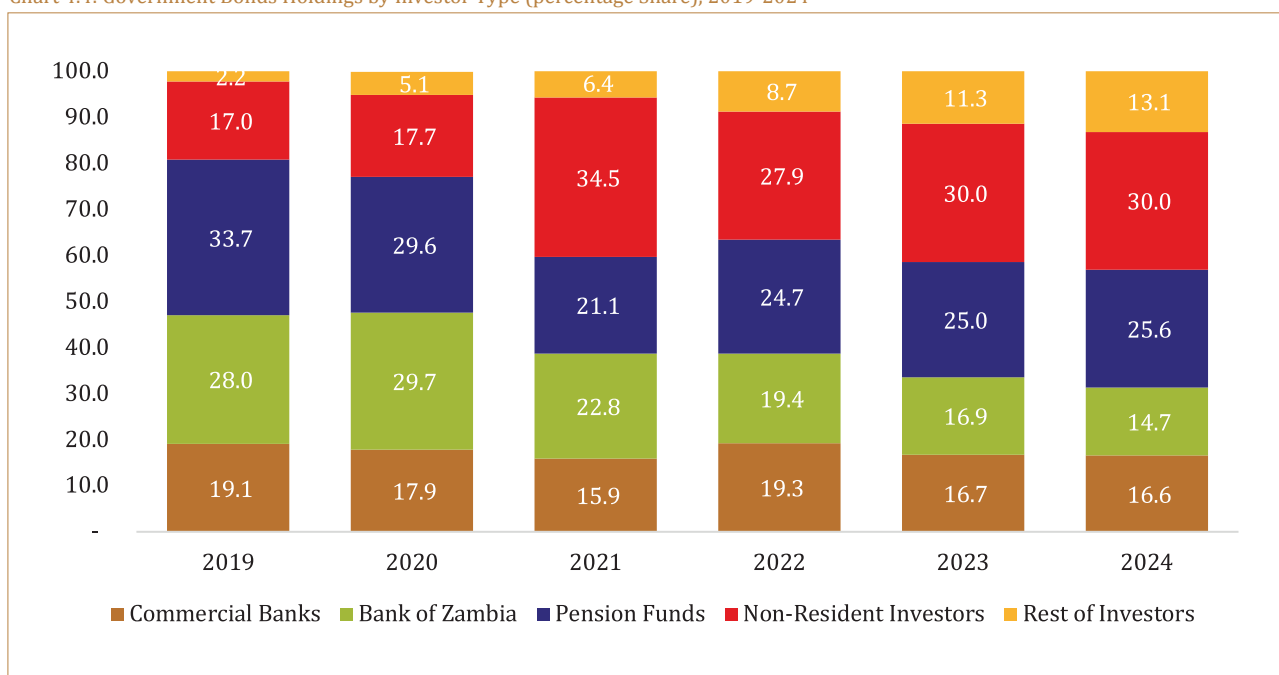
Chart 4.3: Treasury Bills Holdings by Investor Type (percentage share), 2019-2024



Source: Bank of Zambia

With respect to Government bonds, non-resident investors and pension funds continued to hold the largest share in 2024 around 30.0 percent and 26 percent, respectively (Chart 4.4).

Chart 4.4: Government Bonds Holdings by Investor Type (percentage Share), 2019-2024



Source: Bank of Zambia

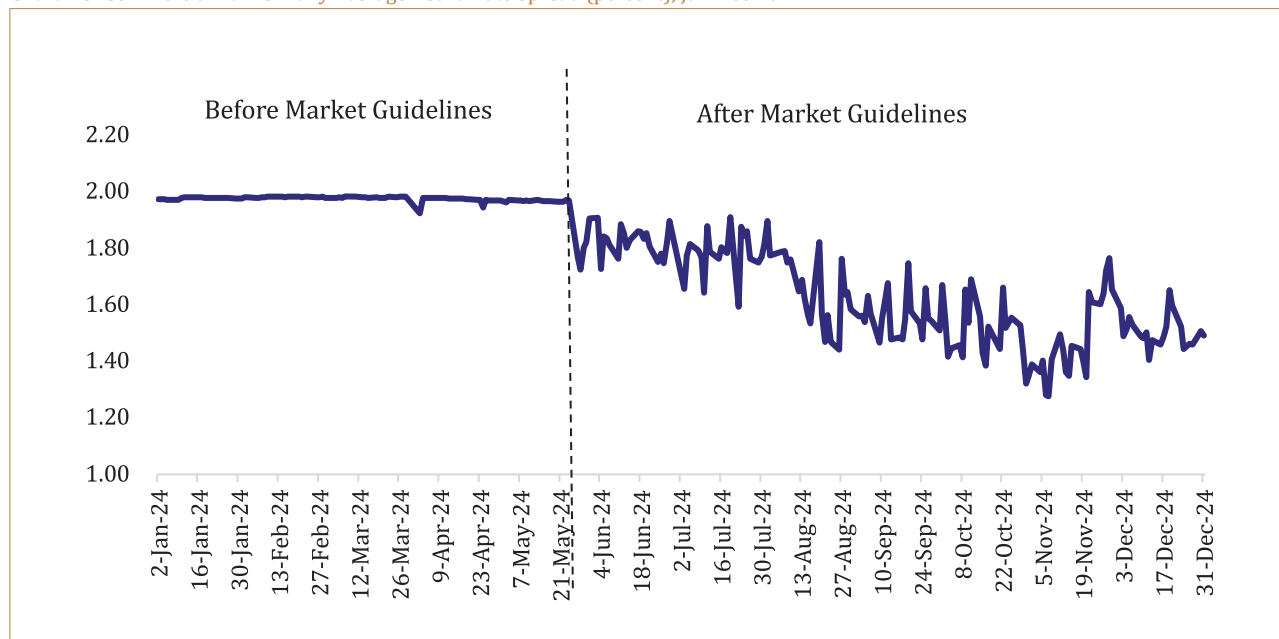
4.3 Foreign Exchange Market

The ramifications of the drought filtered to the foreign exchange market as disruptions to agricultural output and electricity generation necessitated more imports to cover the deficit in domestic production. Stronger demand for foreign exchange in an environment of persistent supply shortages in addition to a stronger US dollar compounded the weakening of the Kwacha in 2024 and contributed to the rise in inflation.

As explained earlier, monetary policy was tightened to address rising inflation and manage exchange rate volatility. This was complemented by measures to promote transparency and efficiency in the foreign exchange market. On May 24, the Bank issued **Foreign Exchange Market Guidelines**. This was followed, on June 14, by the **Revised Interbank Foreign Exchange Market Rules**. A notable element in the Guidelines was the introduction of a

threshold on a negotiable transaction amount of US\$1.0 million. Exchange rates on transactions of at least US\$1.0 million could be negotiated while transactions below this threshold were to be conducted at displayed board rates. This improved competition in market pricing resulting in the compression of the bid-ask spread on board rates to 1.5 percent in December from 2.0 percent in April (Chart 4.5).

Chart 4.5: Commercial Banks' Daily Average Board Rate Spread (percent), Jan-Dec 2024



Source: Bank of Zambia

The other key measure was the introduction of the requirement for the trading of foreign exchange between persons resident or registered to operate in Zambia with authorised dealers only. This was aimed at addressing the observed trading of foreign exchange outside the formal market. With respect to the interbank foreign exchange market, one of the notable inclusions was the requirement for the interbank rate to lie between the buying and selling retail rates for effective operations of the market.

The combined effect of these measures, along with positive investor sentiments associated with progress made in the restructuring of external debt¹⁷, as well as a successful Third Review of the International Monetary Fund (IMF) Extended Credit Facility (ECF) arrangement in June¹⁸ helped to stabilise the exchange rate. These developments contributed to the decline in outstanding demand to US\$3.7 million at the end of the year from US\$195.1 million in December 2023 (Chart 4.7). As a result, the depreciation of the nominal Kwacha/US dollar exchange rate moderated to 11.4 percent in 2024 from 40.8 percent in 2023 (Table 4.3 and Chart 4.6). In real terms, the Kwacha appreciated by 2.7 percent due to higher domestic inflation (Chart 4.8).

Table 4.3: Kwacha Exchange Rate, 2023-2024

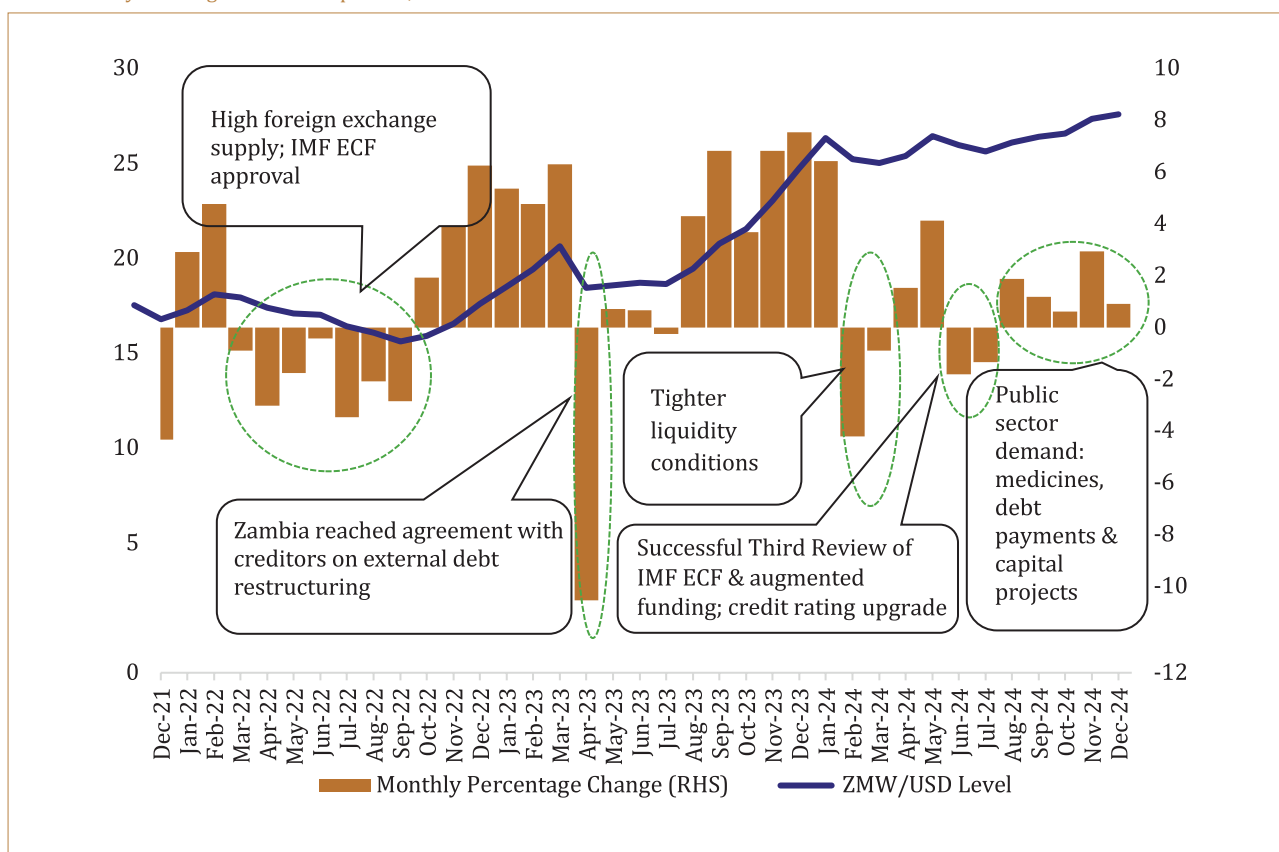
	ZMW/USD	ZMW/GBP	ZMW/EUR	ZMW/ZAR
Dec 2023 (monthly average)	24.7534	31.3316	27.0087	1.3276
Dec 2024 (monthly average)	27.5849	34.9043	28.9097	1.5160
Percentage Change	11.4	11.4	7.0	14.2

Source: Bank of Zambia

¹⁷Progress in debt restructuring was recorded after a Consent Solicitation Agreement was reached with Eurobond holders accepting the restructuring deal on May 24. This triggered an upgrade of Zambia's short-term foreign currency sovereign credit rating to C from restricted default by Fitch Ratings on June 10.

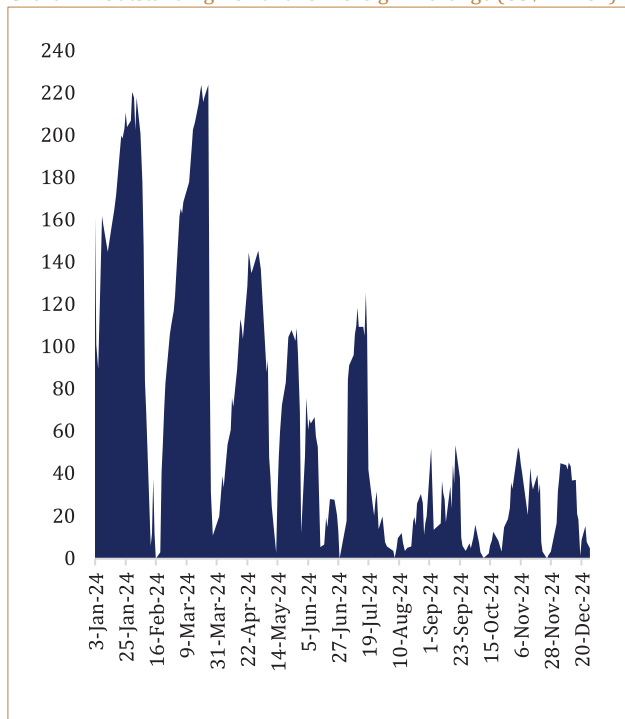
¹⁸The IMF Board approved augmentation of financial support, which allowed immediate access to funding worth SDR433.34 million (about US\$569.6 million) in view of the adverse impact of the drought.

Chart 4.6: Key Exchange Rate Developments, Dec 2021–Dec 2024



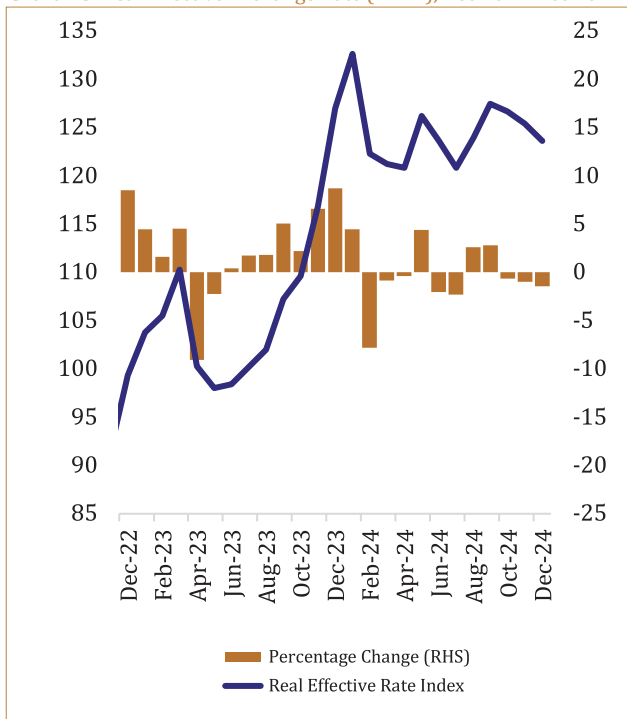
Source: Bank of Zambia

Chart 4.7: Outstanding Demand for Foreign Exchange (US\$ million)



Source: Bank of Zambia

Chart 4.8: Real Effective Exchange Rate (REER), Dec 2022–Dec 2024



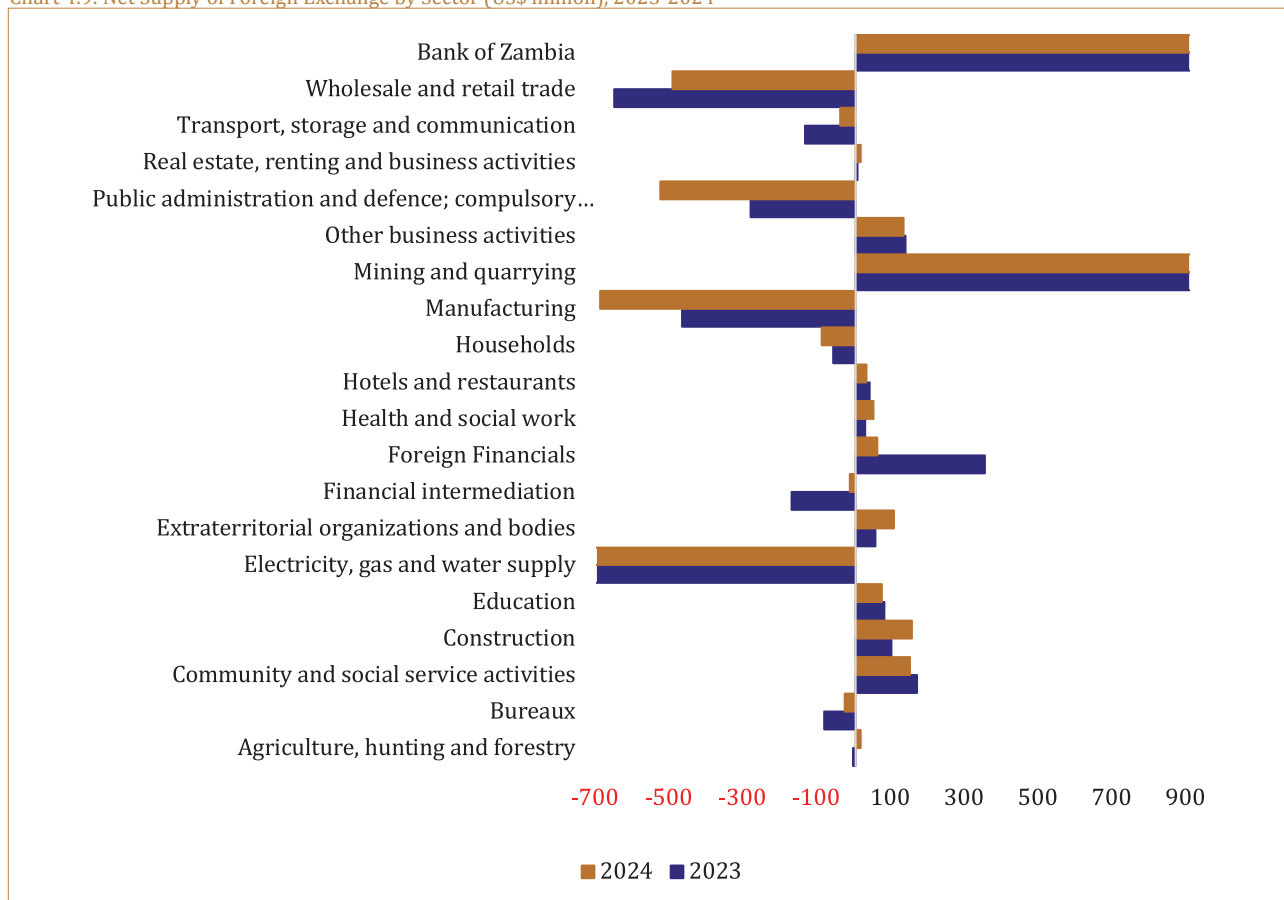
Source: Bank of Zambia

The electricity, gas, and water supply sector dominated demand with US\$709.4 million, mostly for imports of petroleum products and electricity (Chart 4.9). Other sectors with notable net foreign exchange requirements were manufacturing (US\$691.8 million), public administration¹⁹ (US\$528.7 million), as well as wholesale and retail trade (US\$496.9 million).

¹⁹The purchase of foreign exchange was primarily for the procurement of drugs and medical supplies and the funding of capital projects.

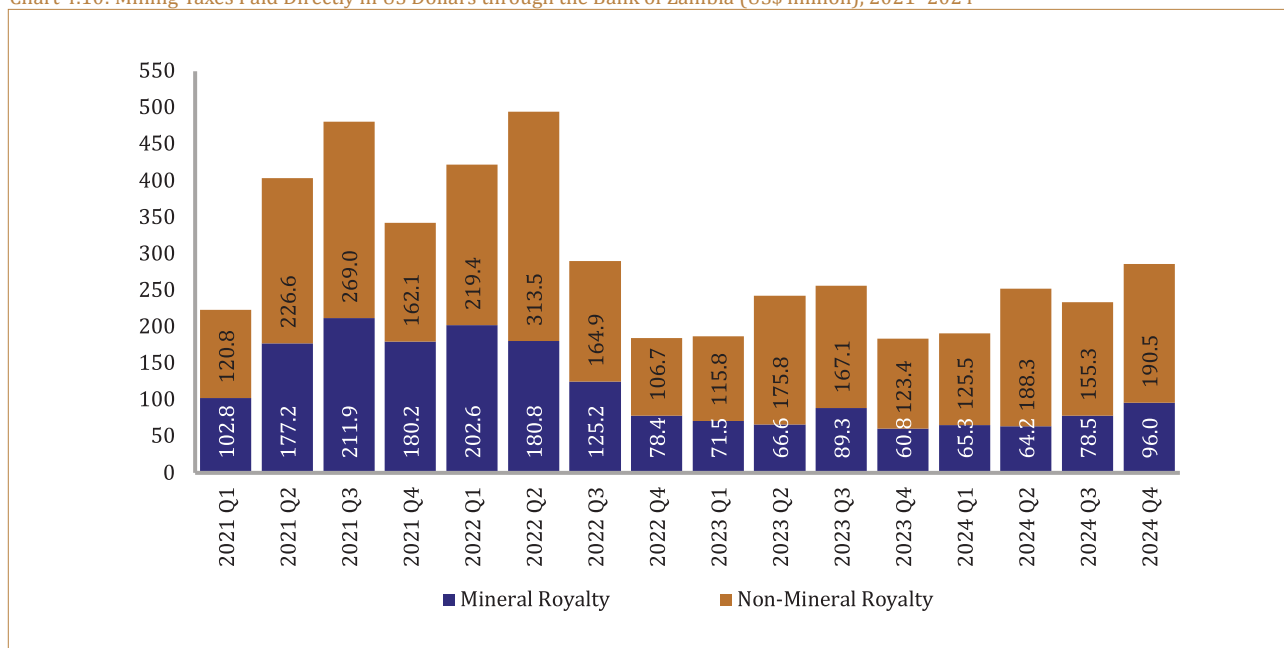
To manage demand pressures, the Bank provided US\$1,072.6 million to the market (Chart 4.9). Of this amount, US\$933.8 million was settled in 2024. Besides the US\$963.9 million paid in taxes directly in US dollars through the Bank (Chart 4.10), the mining sector supplied US\$921.2 million to the market (Chart 4.9). Additional liquidity to the market was provided by the construction (US\$152.2 million), community and social services (US\$146.7 million) and other business activities²⁰ (US\$129.8 million) sectors.

Chart 4.9: Net Supply of Foreign Exchange by Sector (US\$ million), 2023-2024



Source: Bank of Zambia

Chart 4.10: Mining Taxes Paid Directly in US Dollars through the Bank of Zambia (US\$ million), 2021-2024



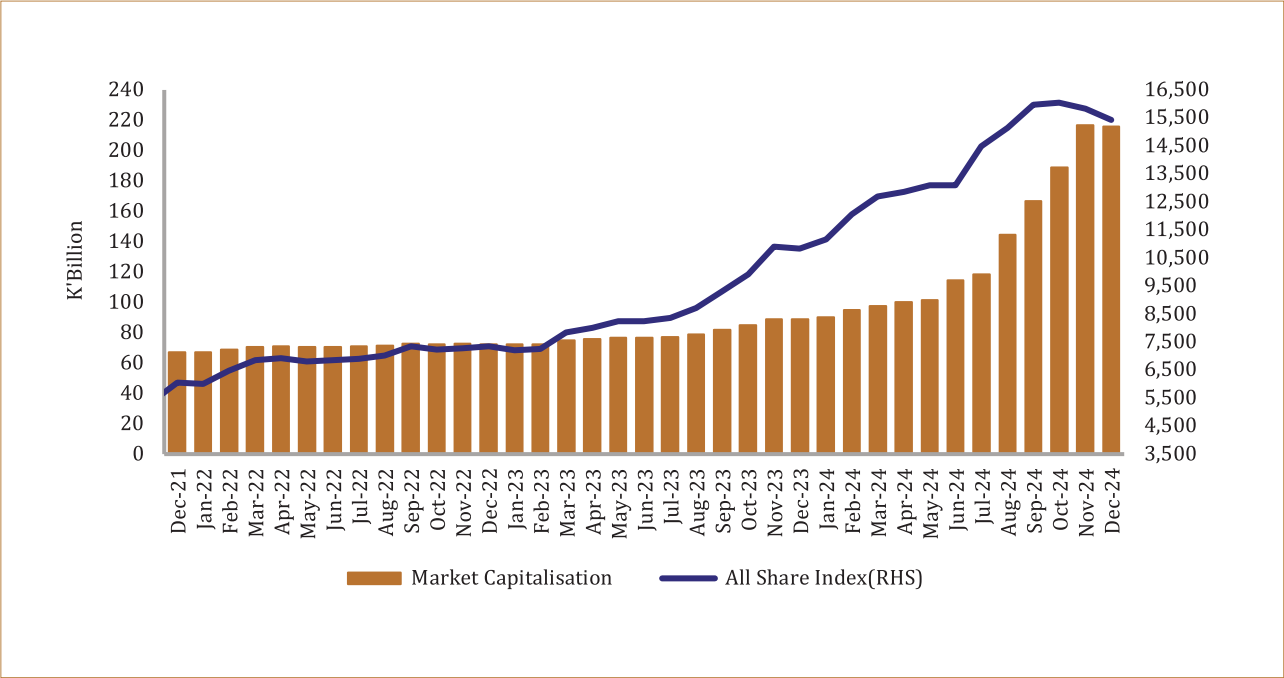
Source: Bank of Zambia

²⁰Other business activities represent entities engaged in research and development, research and experimental development on natural sciences and engineering, research and experimental development on social sciences and humanities, software publishing, consultancy and supply, and technical testing and analysis.

4.4 Capital Market

The market value (capitalisation) of shares listed on the Lusaka Securities Exchange (LuSE) increased by 143.6 percent in 2024. This led to a 42.6 percent rise in the Lusaka All-Share Index, primarily driven by the wholesale and retail trade, energy, manufacturing, tourism, banking and mining sectors (Chart 4.11). Excluding the banking and mining sectors, the strong performance was largely attributed to higher sales volumes and increased prices. In the banking sector, the rise in share prices was driven by consistent profitability while in the mining sector, the increase was mainly observed in **Zambia Consolidated Copper Mines-Investment Holdings Plc** following a K42.3 billion acquisition of shareholding by International Resources Holding RSC Ltd in Mopani Copper Mines Plc.

Chart 4.11: Indicators of Capital Market Activity, Dec 2021-Dec 2024

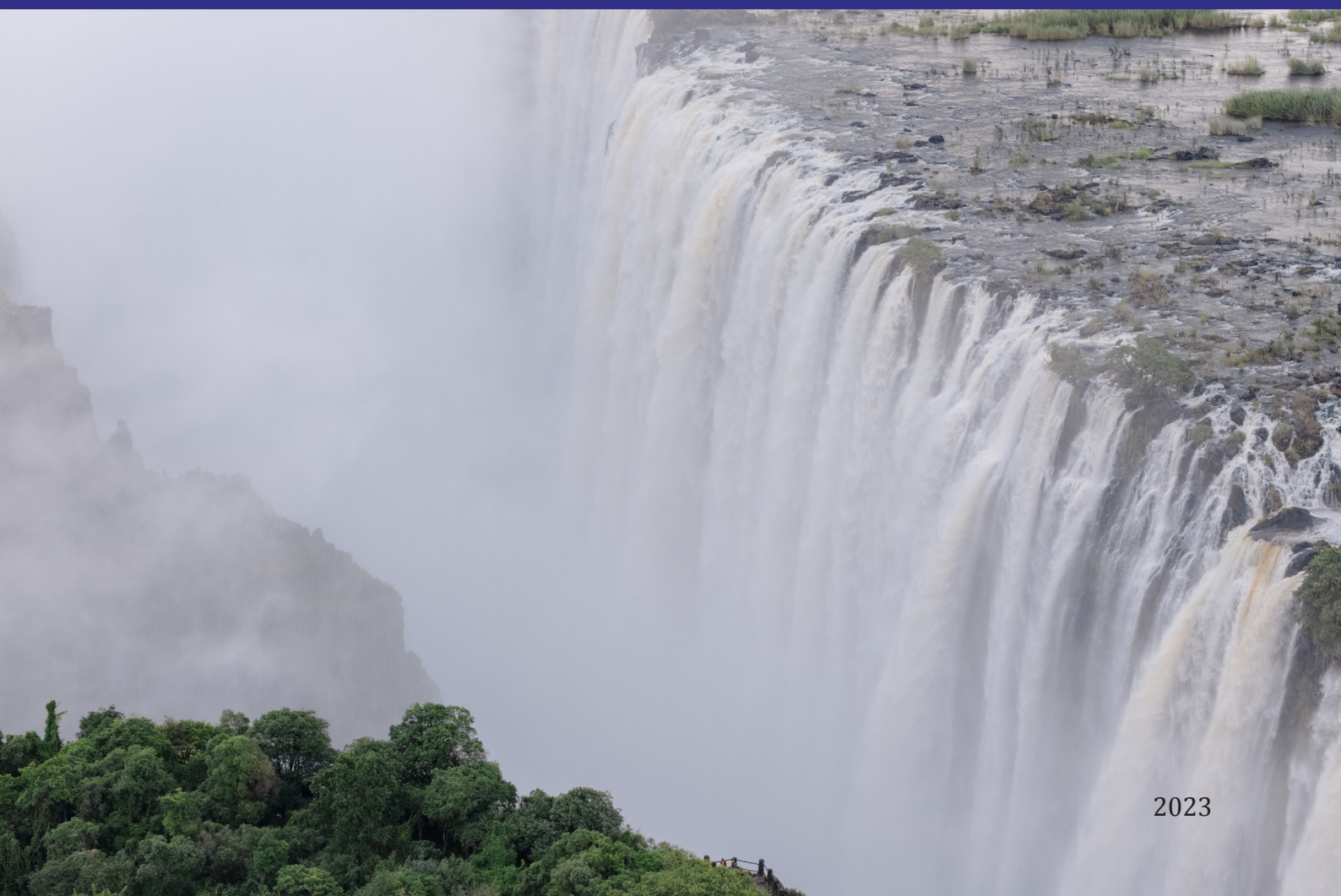


Source: Bank of Zambia



2024

5.0 INTEREST RATES, CREDIT, AND MONEY



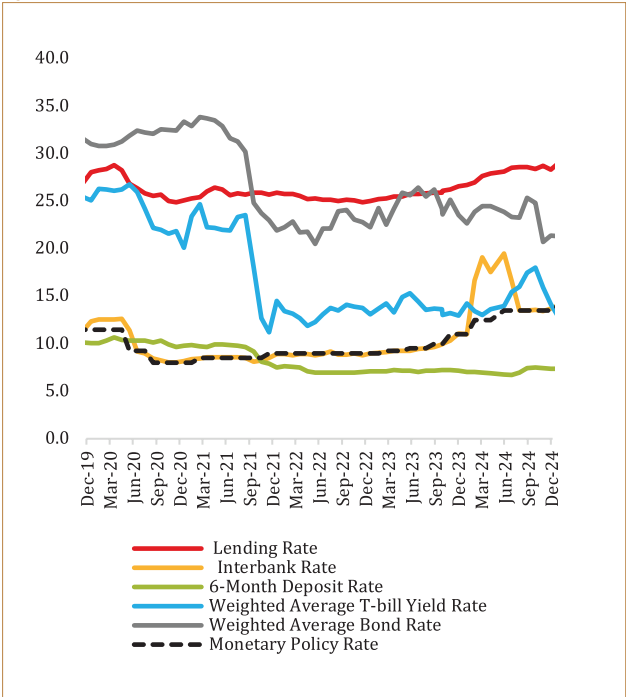
2023

5.0 INTEREST RATES, CREDIT AND MONEY

5.1 Interest Rates

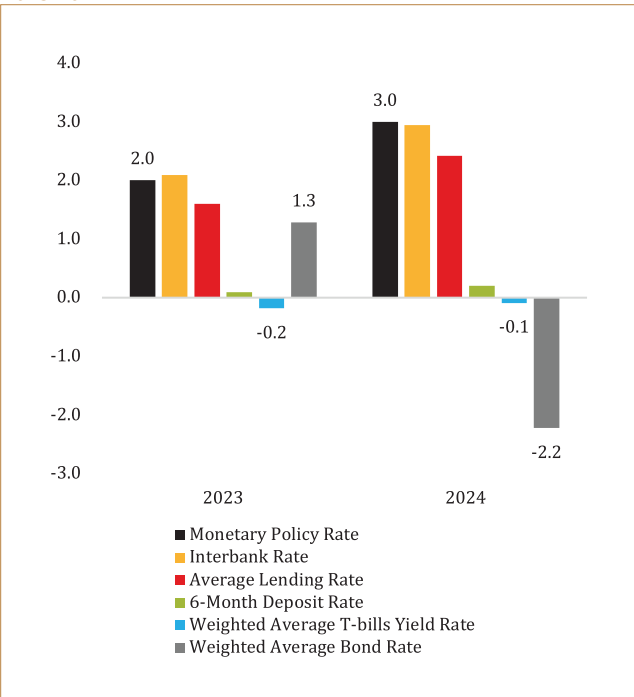
With the exception of Government bonds yield rates, the rest of the monitored interest rates rose in 2024 in line with the tight monetary policy stance (Chart 5.1 and Chart 5.2).

Chart 5.1: Average Nominal Interest Rates (percent), Dec 2019-Dec 2024



Source: Bank of Zambia

Chart 5.2: Annual Changes in Interest Rates (percentage points) 2023-2024

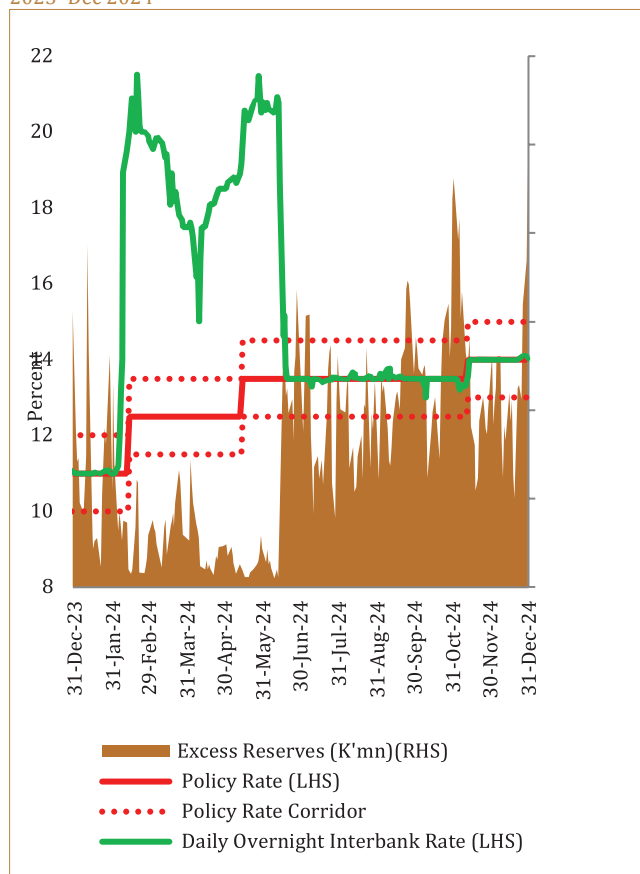


Source: Bank of Zambia

The overnight interbank rate closed the year at 14.01 percent in line with the Monetary Policy Rate (MPR) hike by 300 basis points and was maintained within the Policy Rate Corridor for most part of the year (Chart 5.3). Similarly, the commercial banks' average lending rate steadily rose to 29.0 percent from 26.6 percent in 2023 and so did the 6-month deposit rate to 7.4 percent from 7.2 percent. The composite Treasury bill yield rate also increased to 14.8 percent from 13.7 percent. This was due to lower demand in the first half of the year owing to tighter liquidity conditions in the money market. In contrast, the composite Government bond yield rate declined to 23.3 percent from 24.8 percent in 2023 due to high demand (refer to Chapter 4).

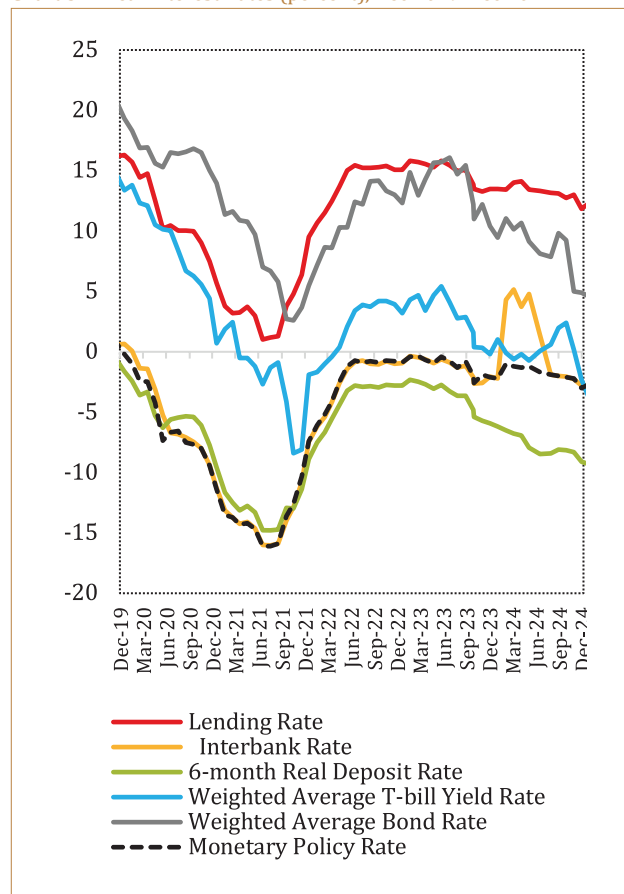
The declining trend in real interest rates was sustained in 2024 as inflation accelerated (Chart 5.4) while the MPR and the savings rate remained negative and lending rates remained high in real terms.

Chart 5.3: Policy Rate, Interbank Rate and Money Market Liquidity, Dec 2023–Dec 2024



Source: Bank of Zambia

Chart 5.4: Real Interest Rates (percent), Dec 2019–Dec 2024

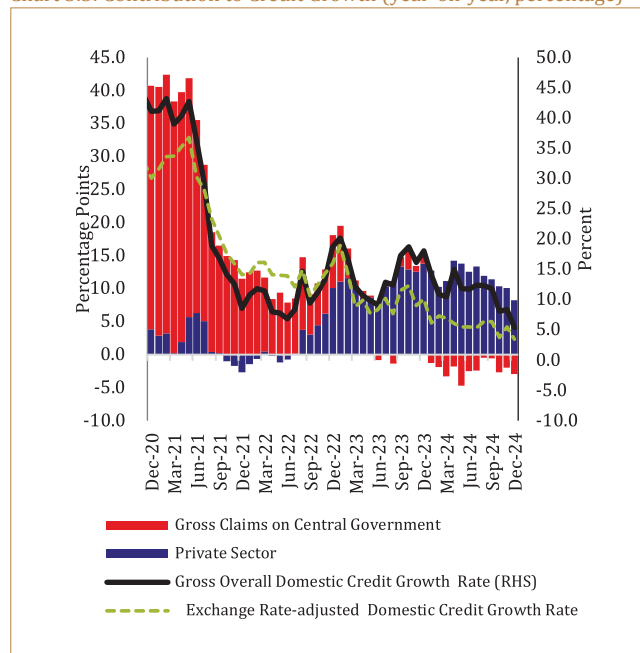


Source: Bank of Zambia

5.2 Domestic Credit

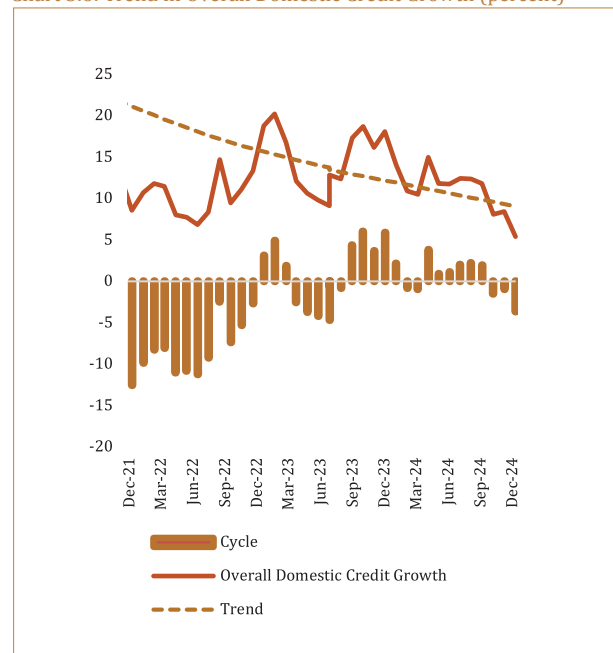
In 2024, the growth in domestic credit²¹ fell below trend as the drought significantly impacted economic activity and constrained demand (Chart 5.5 and Chart 5.6).

Chart 5.5: Contribution to Credit Growth (year-on-year, percentage)



Source: Bank of Zambia

Chart 5.6: Trend in Overall Domestic Credit Growth (percent)



Source: Bank of Zambia

²¹Domestic credit includes lending by the Bank of Zambia, commercial banks and other depository corporations in both Kwacha and foreign currencies.

Overall domestic credit growth declined sharply to 5.4 percent in December 2024 from 18.1 percent in December 2023 (Table 5.1). Adjusted for exchange rate depreciation, the growth rate was even lower, at 3.4 percent.

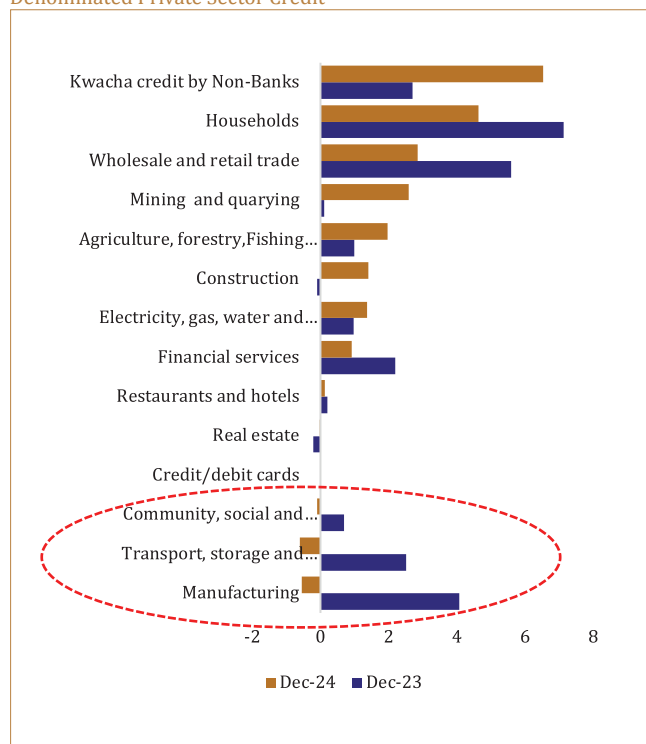
Table 5.1: Credit Growth (year-on-year, percent), 2019-2024

	2019	2020	2021	2022	2023	2024
Overall Credit	16.8	41.1	8.6	18.7	18.1	5.4
Overall Credit Exchange Rate Adjusted	12.0	32.9	14.1	15.9	10.2	3.4
Private Sector Credit	17.2	8.5	-7.8	34.2	41.3	20.5
Private Sector Credit Exchange Rate Adjusted	9.5	-6.5	-1.6	30.0	24.2	16.8
Public Sector Credit	17.2	68.8	17.9	11.5	2.5	-5.1
Kwacha Denominated Credit	9.2	10.0	19.4	17.0	29.2	21.1
Foreign Currency Denominated Credit	10.2	-29.2	-31.3	70.3	16.5	11.4

Source: Bank of Zambia

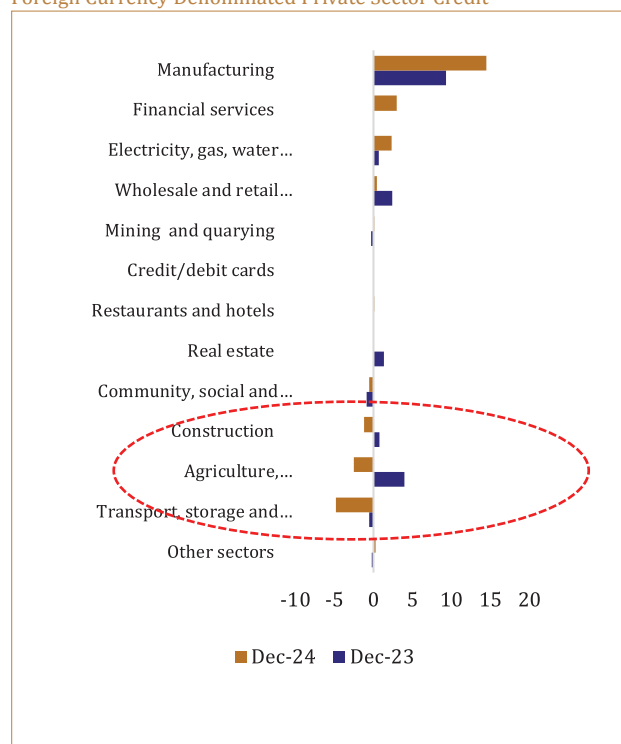
The decline in economic activity dampened private sector credit, particularly to the transport, manufacturing, agriculture and construction sectors (Chart 5.7 and Chart 5.8). The extended electricity load management impacted credit extension to the manufacturing, agriculture and construction sectors in view of lower production and increased credit risk. In addition, higher borrowing costs and default rates, coupled with the depreciation of the exchange rate, led to the reduction in credit to firms in the agriculture and transport sectors (**Bank of Zambia Credit Conditions Survey**).

Chart 5.7: Sectoral Contribution to Annual Percent Change in Kwacha Denominated Private Sector Credit



Source: Bank of Zambia

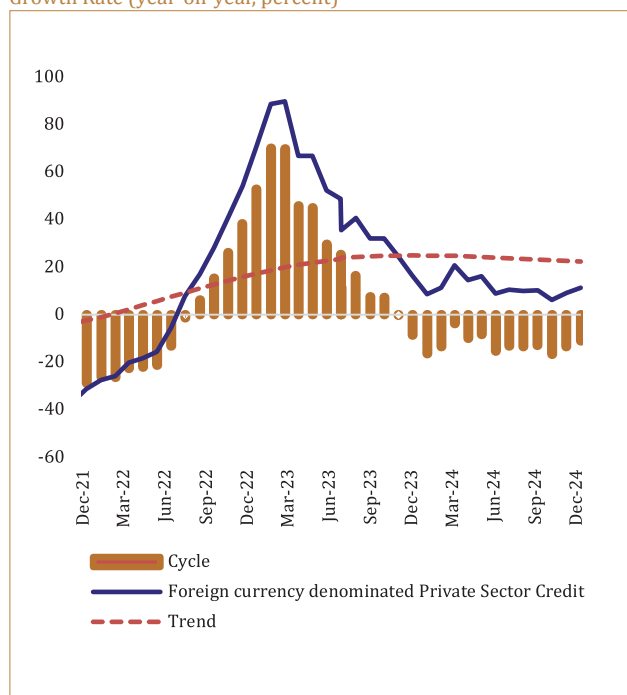
Chart 5.8: Sectoral Contribution to Annual Percent Change in Foreign Currency Denominated Private Sector Credit



Source: Bank of Zambia

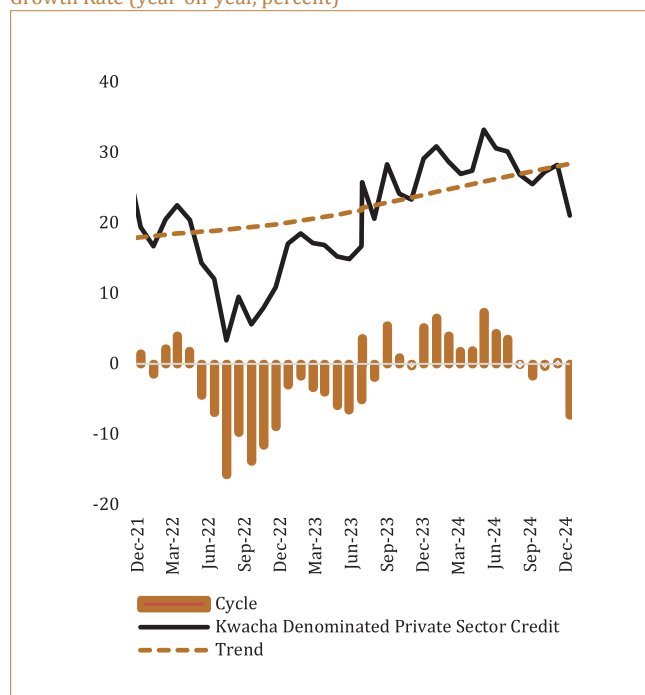
Thus, the annual growth in private sector credit slowed to 20.5 percent in 2024 from 41.3 percent in 2023 (Table 5.1). The slowdown in foreign denominated credit growth was less pronounced than the Kwacha counterpart on account of plant expansion in the manufacturing sector (Table 5.1). Nonetheless, the declining trend in foreign currency credit was sustained in 2024 (Chart 5.9), with contractions in lending to the transport, agriculture and construction sectors (Chart 5.8). The growth in Kwacha denominated credit fell below the trend (Chart 5.10).

Chart 5.9: Trend in Foreign Currency Denominated Private Sector Growth Rate (year-on-year, percent)



Source: Bank of Zambia

Chart 5.10: Trend in Kwacha Denominated Private Sector Credit Growth Rate (year-on-year, percent)

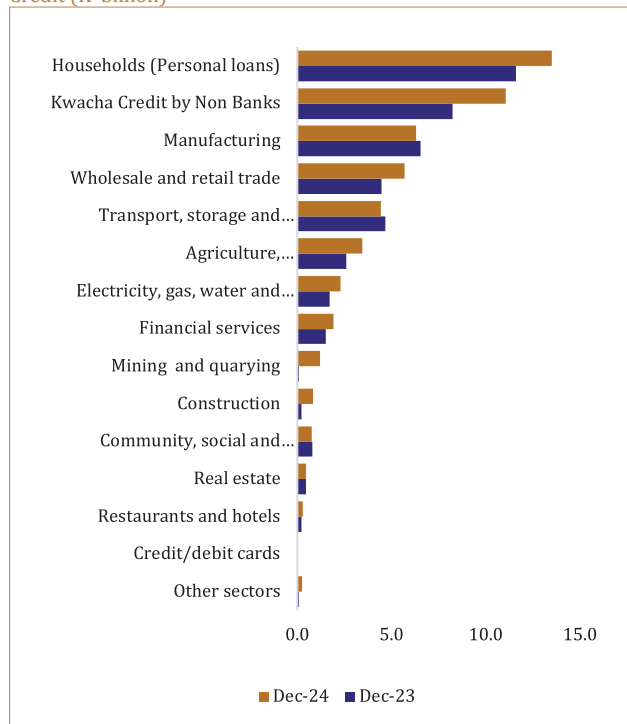


Source: Bank of Zambia

Lending to Government by commercial banks remained subdued, largely due to tight liquidity conditions in the first half of the year. Thus, the contribution of Government credit to overall credit was negative throughout the year (Chart 5.5).

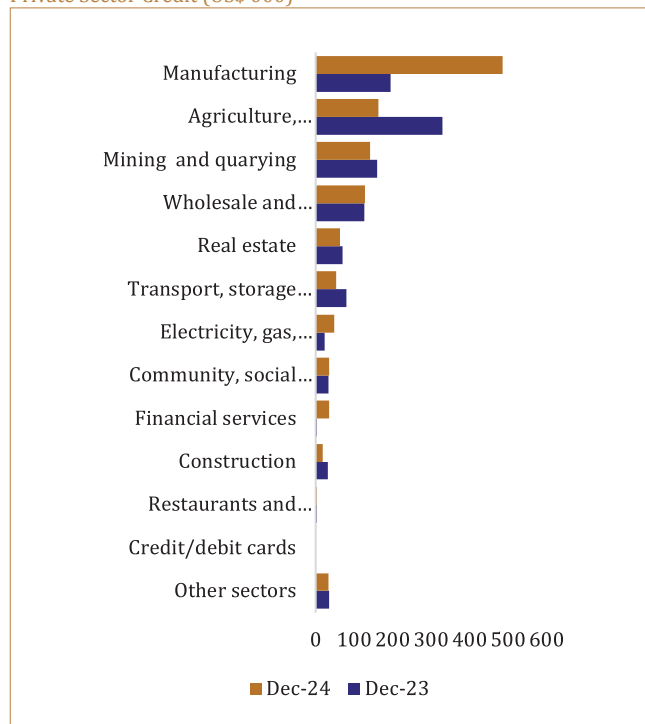
As shown in Chart 5.11, households (personal loans) continued to account for the largest share of Kwacha denominated credit (26.0 percent). This was followed by manufacturing (12.0 percent) and wholesale and retail trade (10.9 percent) sectors. With respect to foreign denominated credit, the manufacturing sector displaced the agriculture sector in terms of share (Chart 5.12) as the latter was more severely affected by the drought while plant expansion led to faster growth in the former.

Chart 5.11: Stock Distribution of Private Sector Kwacha Denominated Credit (K 'billion)



Source: Bank of Zambia

Chart 5.12: Stock Distribution of Foreign Currency Denominated Private Sector Credit (US\$'000)

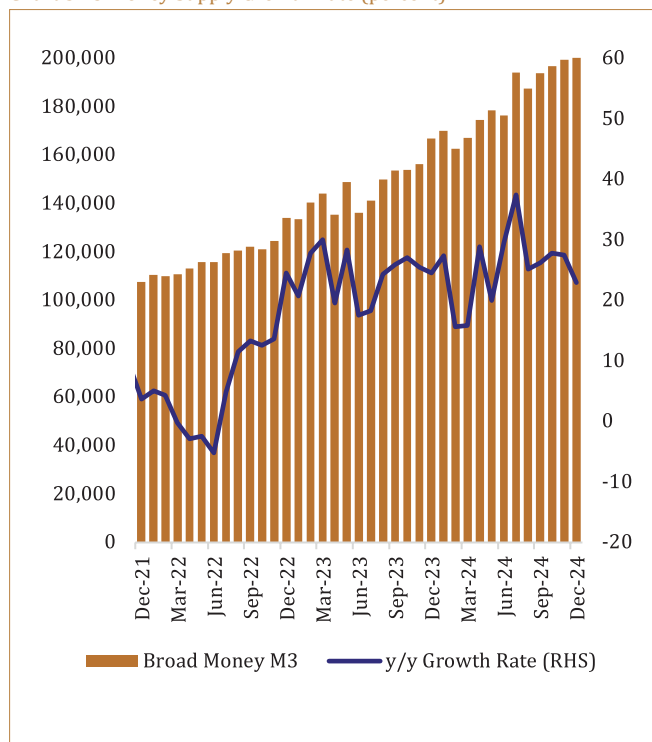


Source: Bank of Zambia

5.3 Broad Money

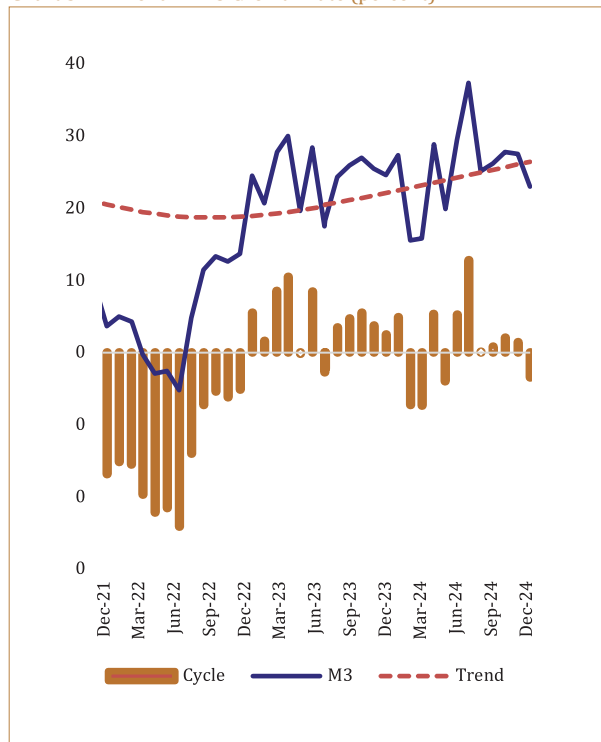
The decline in domestic credit growth dampened broad money (M3) expansion. M3 grew by 23.0 percent in December 2024 compared to 24.6 percent in December 2023 (Chart 5.13). As a result, it fell below the long-term trend (Chart 5.14). However, adjusted for exchange rate depreciation, M3 increased to 18.7 percent from 9.0 percent and moved above trend (Chart 5.15) as foreign currency denominated deposits rose to US\$3.7 billion from US\$3.1 billion in 2023 (Chart 5.16). In terms of stock, M3 ended the year at K205.3 billion from K166.9 billion at end-2023.

Chart 5.13 Money Supply Growth Rate (percent)



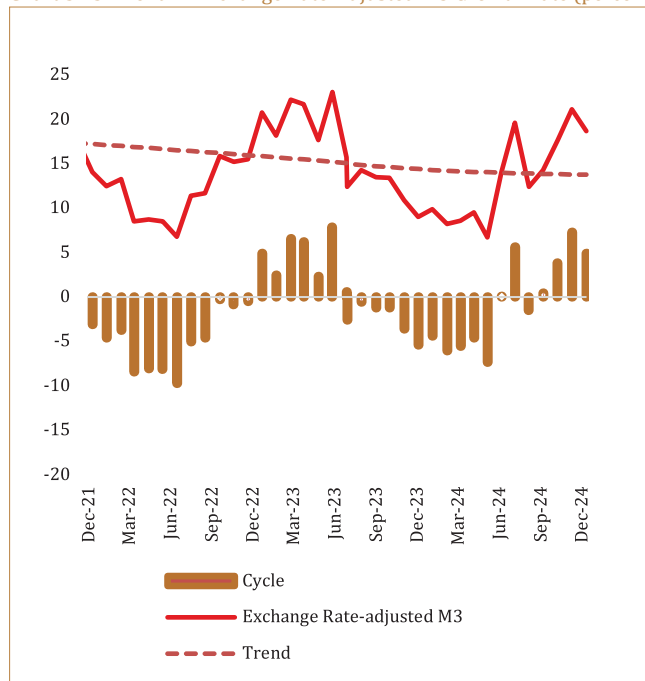
Source: Bank of Zambia

Chart 5.14: Trend in M3 Growth Rate (percent)



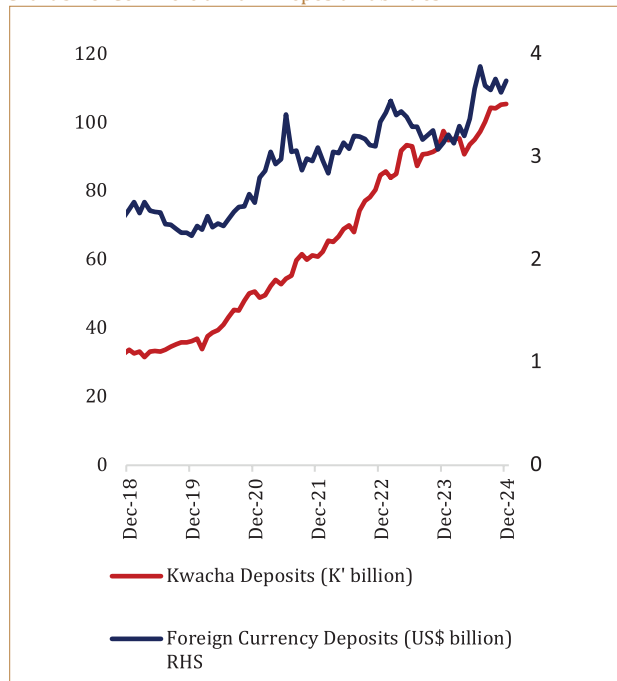
Source: Bank of Zambia

Chart 5.15: Trend in Exchange Rate-Adjusted M3 Growth Rate (percent)



Source: Bank of Zambia

Chart 5.16: Commercial Bank Deposit Liabilities

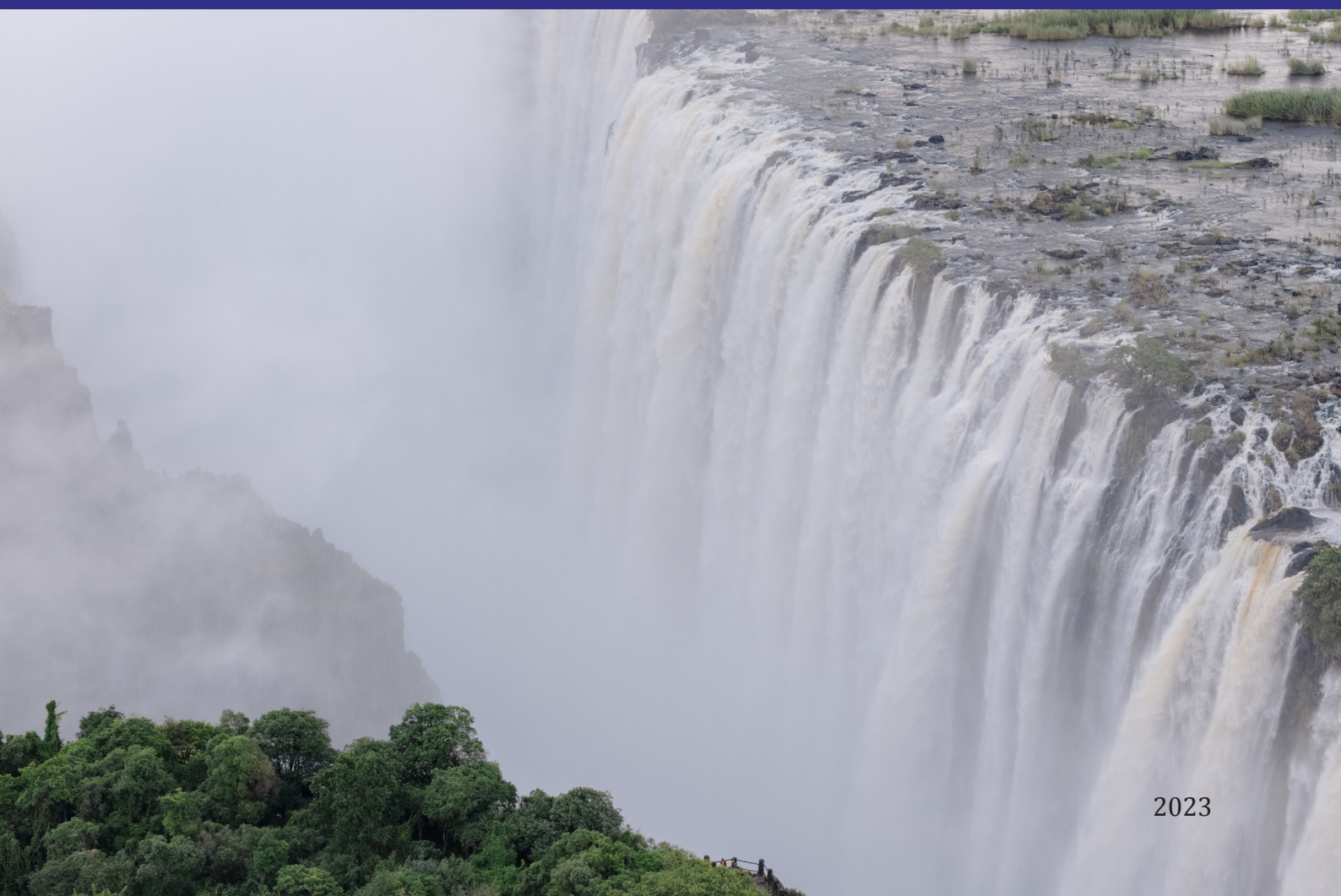


Source: Bank of Zambia



2024

6.0 FISCAL SECTOR DEVELOPMENTS

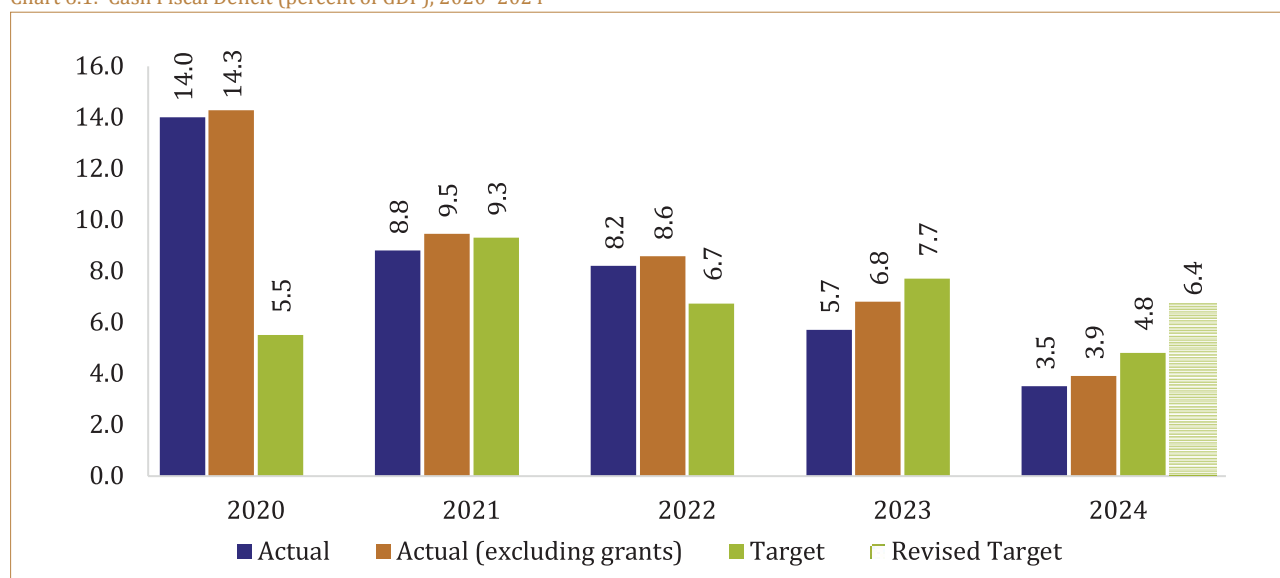


2023

6.0 FISCAL SECTOR DEVELOPMENTS

To accommodate additional expenditures²² induced by the impact of the drought²³, the projected cash fiscal deficit (as a percent of GDP) of 4.8 percent for 2024 was revised upwards to 6.4 percent. Preliminary estimates, however, indicate a lower cash fiscal deficit of 3.5 percent largely underpinned by financing constraints that necessitated expenditure containment through budget cuts (Chart 6.1).

Chart 6.1: Cash Fiscal Deficit (percent of GDP), 2020–2024



Source: Ministry of Finance and National Planning and Bank of Zambia Compilations

The Government intended to raise a total of K41.0 billion as financing from the domestic market and external sources (mostly flows from the IMF ECF arrangement, the World Bank Group, and the African Development Bank) as highlighted in the **Annual Borrowing Plan**²⁴. However, only K22.3 billion was realised. A significant shortfall was recorded on the domestic component as a net amount of K7.5 billion was raised against a target of K20.1 billion (Table 6.1). The domestic financing constraint was occasioned by tight liquidity conditions in the first half of the year when the statutory reserve ratio was significantly raised to dampen pressure on the exchange rate as articulated in Chapter 4. In addition, a significant portion of the planned domestic financing earmarked for the liquidation of fuel arrears did not materialise.

²²On June 21, a Supplementary Budget of K41.9 billion was presented to the National Assembly to address immediate humanitarian needs occasioned by the drought, meet external debt obligations following successful external debt restructuring and facilitate clearance of fuel arrears. Additional resources were to be raised from budget cuts on existing allocations for Government operations (workshops and travel), concessional financing, support from Cooperating Partners and more domestic revenue.

²³During the 2023/24 rainfall season, the El Niño weather phenomenon caused a severe drought. In this regard, on February 29, President Hakainde Hichilema officially declared a State of National Disaster and Emergency. Further, on April 15, the President announced an estimated K22.2 billion financing requirement to mitigate the adverse impact of the drought, especially on vulnerable households. Refer to the **Statement on the Drought Response Appeal** for further details.

²⁴The **revised Annual Borrowing Plan** was published in December.

Table 6.1: Budget Deficit Financing, 2023-2024

	2023						2024	
	Initial Target		Revised Target		Preliminary			
	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP
Total Financing	30.1	5.6	30.8	4.8	41.0	6.4	22.3	3.5
Net Domestic Financing	10.6	2.0	16.3	2.5	20.1	3.1	7.5	1.2
Government Securities	15.6	2.9	16.3	2.5	4.3	0.7	13.8	2.2
Carry-over Funds	3.7	0.7	0.0	0.0	1.6	0.2	1.1	0.2
Fuel Financing ²⁵	0.0	0.0	0.0	0.0	16.2	2.5	0.7	0.1
Eurobond Proceeds	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Amortisation	-5.0	-0.9	0.0	0.0	-2.2	-0.3	-8.1	-1.3
Net External Financing	15.8	3.0	14.5	2.3	20.9	3.3	14.8	2.3
Programme	14.2	2.7	7.7	1.2	21.5	3.4	18.2	2.8
Special Drawing Rights	9.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0
IMF ECF	4.9	0.9	3.5	0.5	10.0	1.6	12.1	1.9
World Bank	0.0	0.0	1.4	0.2	1.9	0.3	1.6	0.2
African Development Bank	0.0	0.0	2.8	0.4	2.5	0.4	3.1	0.5
Other Budget Support	0.0	0.0	0.0	0.0	7.2	1.1	1.5	0.2
Project	3.9	0.7	9.3	1.5	12.4	1.9	10.8	1.7
Amortisation	-2.3	-0.4	-2.5	-0.4	-13.0	-2.0	-14.2	-2.2

Source: Ministry of Finance and National Planning, Bank of Zambia Compilation

Consequently, K175.5 billion (27.4 percent of GDP), excluding amortisation, was spent out of the planned K190.8 billion (29.8 percent of GDP) as shown in Table 6.2 and Chart 6.2. The ensuing adjustment to Government operations (use of goods and services), capital projects (non-financial assets), and arrears clearance (liabilities) resulted in lower expenditure by 15.5 percent, 25.3 percent, and 42.9 percent, respectively. In response to the drought, an additional K7.2 billion was allocated to social protection programmes, particularly the Enhanced Social Cash Transfer, Emergency Cash Transfer, and Cash-for-Work schemes²⁶. Further, more resources were spent on domestic debt servicing mainly due to the higher cost of Government bonds issued at par effective January 1 and a special bond auction²⁷ conducted on June 6.

²⁵This was a liability management operation designed to arrest the rapid accumulation of fuel arrears.

²⁶The Enhanced Social Cash Transfer Scheme was aimed at cushioning the impact of high food prices on the most vulnerable households to run until June 2025. All the 1.3 million households enrolled on the existing Social Cash Transfer Programme received an additional K200 per month bringing the payout to K400 during the drought response period. Further, 1.2 million households not on the existing Social Cash Transfer Programme also received K400 per month as a benefit under the Emergency Cash Transfer Programme. The Cash-for-Work Programme offered financial relief of K60 per day for 10 days in a month to vulnerable individuals in exchange for their labour time on public works.

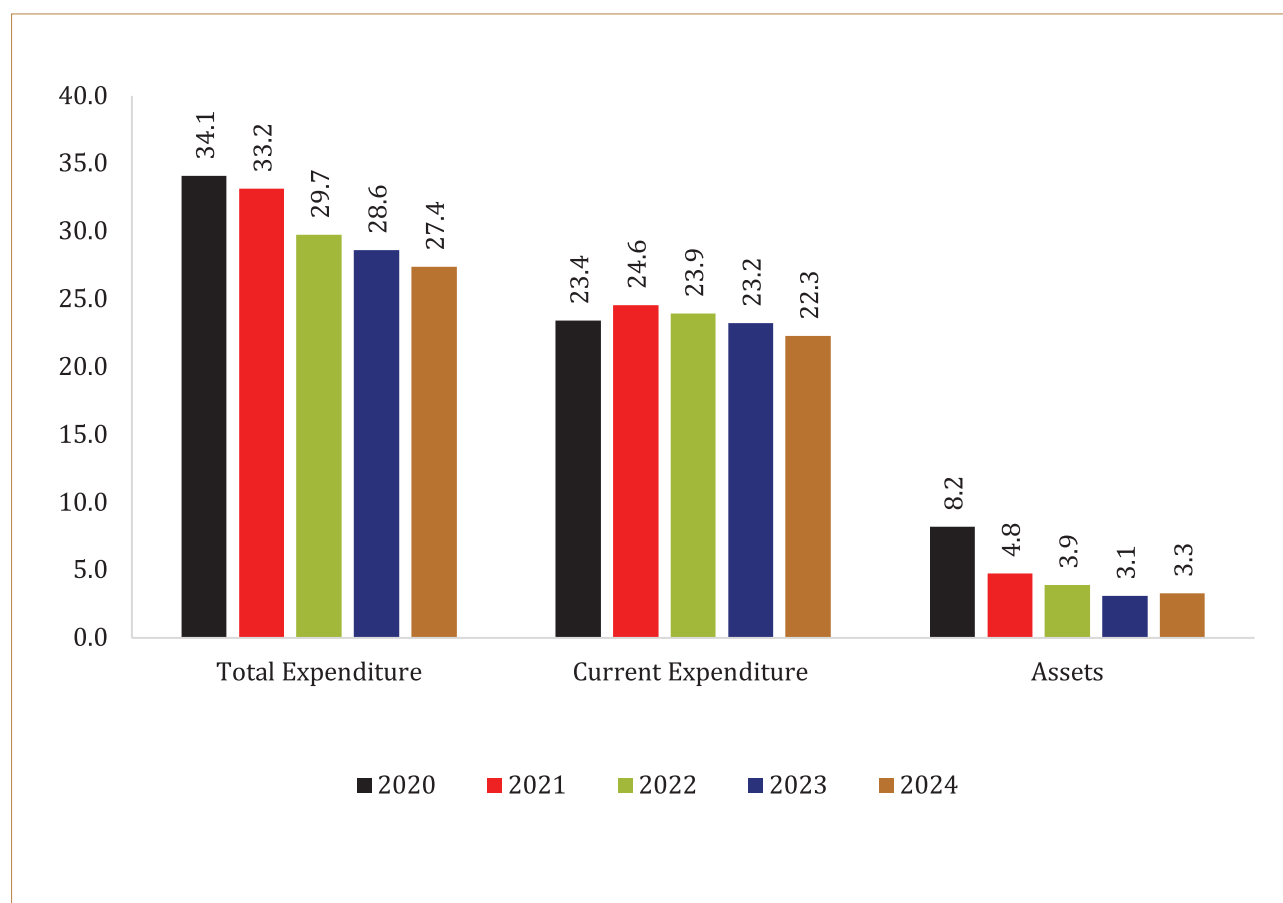
²⁷This auction followed the issuance of **CB Circular No. 11/2024**, which provided guidance that securities issued by the Government of the Republic of Zambia were designated as an additional asset class to be considered for purposes of complying with the minimum reserve requirement.

Table 6.2: Central Government Expenditure, 2023-2024

	2023				2024			
	Initial Target		Revised Target		Preliminary			
	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP
Total Expenditure	152.4	28.6	175.4	27.4	190.8	29.8	175.5	27.4
Current Expenditure	124.0	23.2	143.2	22.3	142.5	22.2	142.9	22.3
Personal Emoluments	44.9	8.4	52.8	8.2	50.9	7.9	53.3	8.3
Use of Goods and Services	13.0	2.4	17.8	2.8	12.9	2.0	10.9	1.7
Interest Payments	33.9	6.4	36.3	5.7	36.3	5.7	43.1	6.7
Domestic Debt	31.7	6.0	32.9	5.1	28.6	4.5	38.5	6.0
External Debt	2.2	0.4	3.5	0.5	7.7	1.2	4.6	0.7
Transfers and Subsidies	25.7	4.8	27.8	4.3	28.8	4.5	25.3	3.9
Social Benefits	6.5	1.2	8.4	1.3	13.6	2.1	10.4	1.6
Liabilities	12.1	5.3	6.8	1.1	19.8	3.1	11.3	1.8
Assets	16.4	3.1	25.3	3.9	28.5	4.4	21.3	3.3
Non-Financial Assets	15.5	2.9	24.0	3.7	24.4	3.8	15.5	2.4
Financial Assets	0.8	0.2	1.3	0.2	4.1	0.6	5.8	0.9

Source: Ministry of Finance and National Planning and Bank of Zambia Compilations

Chart 6.2: Expenditure (percent of GDP), 2020–2024



Source: Ministry of Finance and National Planning and Bank of Zambia Compilations

Notwithstanding the financing challenges, domestic revenue and grants of K152.6 billion (23.8 percent of GDP) exceeded the revised target by 1.9 percent (Table 6.3). Sustained strong collections from trade taxes (fuel imports) and income taxes, particularly withholding tax as well as exceptional revenue from forfeited funds and higher dividends accounted for a better revenue outturn. However, company tax from the mining sector remained subdued due to higher capital allowance deductions and elevated operating costs arising from off-grid power generation and electricity imports.

Table 6.3: Central Government Revenue and Grants, 2023-2024

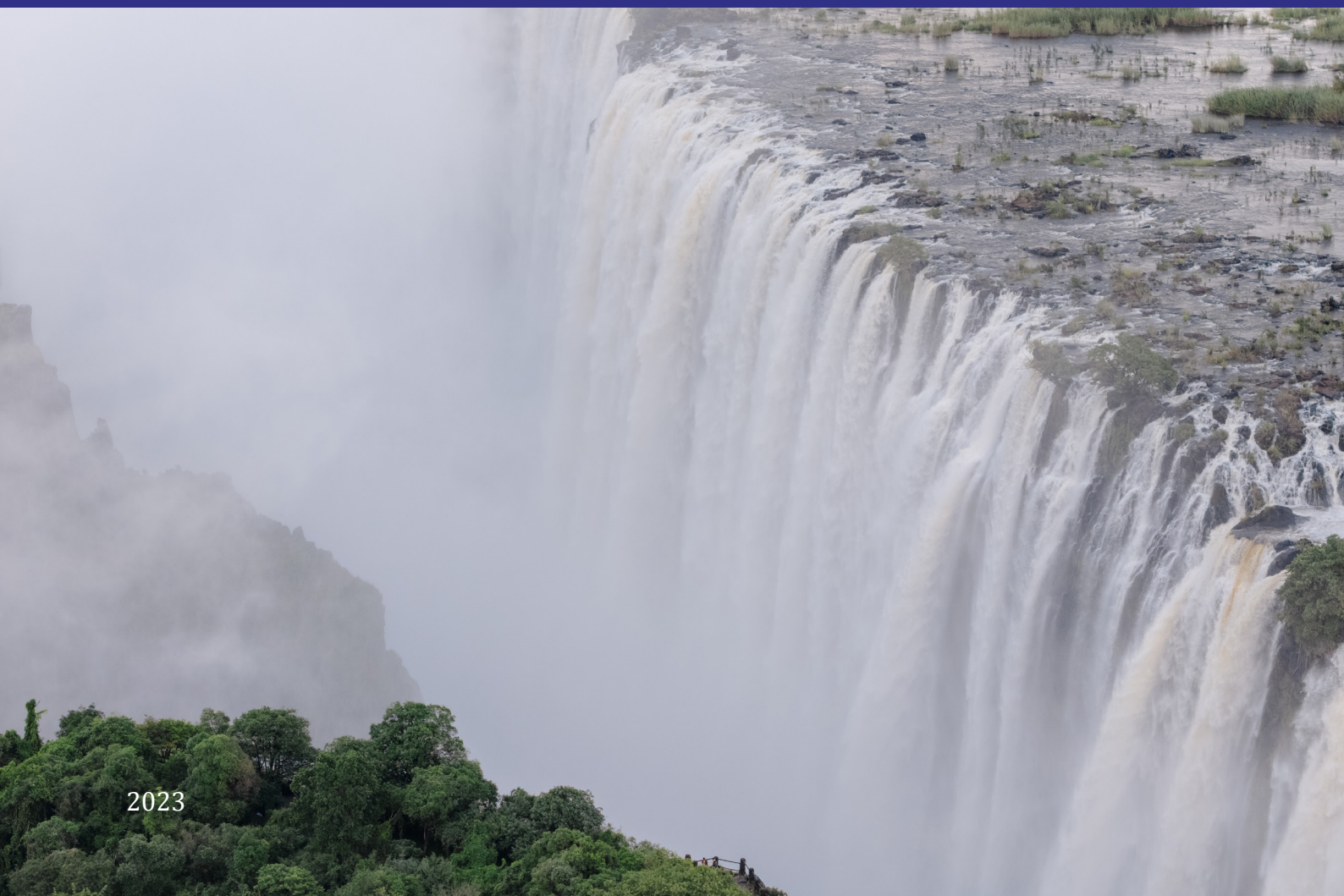
	2023				2024			
			Initial Target		Revised Target		Preliminary	
	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP	K'billion	Percent of GDP
Revenue and Grants	122.1	22.9	144.5	22.5	149.8	23.4	152.6	23.8
Domestic Revenue	116.1	21.8	141.1	22.0	142.0	22.2	150.3	23.4
Tax Revenue	92.4	17.3	114.8	17.9	112.0	17.5	118.8	18.5
Income Tax	45.1	8.5	61.3	9.6	56.0	8.7	59.4	9.3
Personal Tax	19.4	3.6	23.7	3.7	23.7	3.7	24.9	3.9
Company Tax	14.9	2.8	25.7	4.0	20.4	3.2	20.0	3.1
Other Income Tax	10.8	2.0	11.9	1.9	11.9	1.8	14.5	2.3
Excise Taxes	7.5	1.4	8.3	1.3	8.5	1.3	9.4	1.5
Domestic VAT	9.9	1.8	13.5	2.1	11.1	1.7	9.8	1.5
International Trade Taxes	29.5	5.5	31.4	4.9	36.1	5.6	39.9	6.2
Customs Duty	6.4	1.2	8.5	1.3	7.8	1.2	8.4	1.3
Import VAT	23.0	4.3	22.8	3.6	28.2	4.4	31.3	4.9
Export Duty	0.1	0.0	0.1	0.0	0.1	0.0	0.2	0.0
Non-tax Revenue	23.7	4.4	26.3	4.1	30.1	4.7	31.5	4.9
Fees and Charges	8.7	1.6	9.5	1.5	10.7	1.7	9.5	1.5
Dividends and Interest	3.6	0.7	3.3	0.5	6.7	1.0	6.7	1.0
Mineral Royalty	7.7	1.4	10.0	1.6	10.8	1.7	11.5	1.8
Other	3.7	0.7	3.5	0.5	1.9	0.3	3.8	0.6
Grants	6.0	1.1	3.4	0.5	7.7	1.2	2.4	0.4
Programme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projects	6.0	1.1	3.4	0.5	7.7	1.2	2.4	0.4

Source: Ministry of Finance and National Planning and Bank of Zambia Compilations



2024

7.0 REAL SECTOR DEVELOPMENTS



2023

7.0 REAL SECTOR DEVELOPMENTS

Real GDP growth was dampened by the drought in 2024. It is estimated to have slowed down to 4.0 percent from 5.4 percent in 2023 (Table 7.1 and Chart 7.1). The most adversely affected sectors by the drought were energy, administrative and support service, as well as agriculture. Despite growth declining, the economy demonstrated resilience as it exceeded the 1.2 percent projection. Economic growth was initially projected at 4.8 percent from the 5.4 percent outturn in the previous year. However, due to first quarter GDP estimate and the worsening impact of the drought, the forecast was revised down to 2.3 percent and later to 1.2 percent. The revision to 1.2 percent was occasioned by the implementation of a 21-hour electricity load management in the third quarter²⁸ from 12 hours.

Table 7.1: Real GDP Growth (percent), 2022–2024 and Percentage Point Contribution in 2024

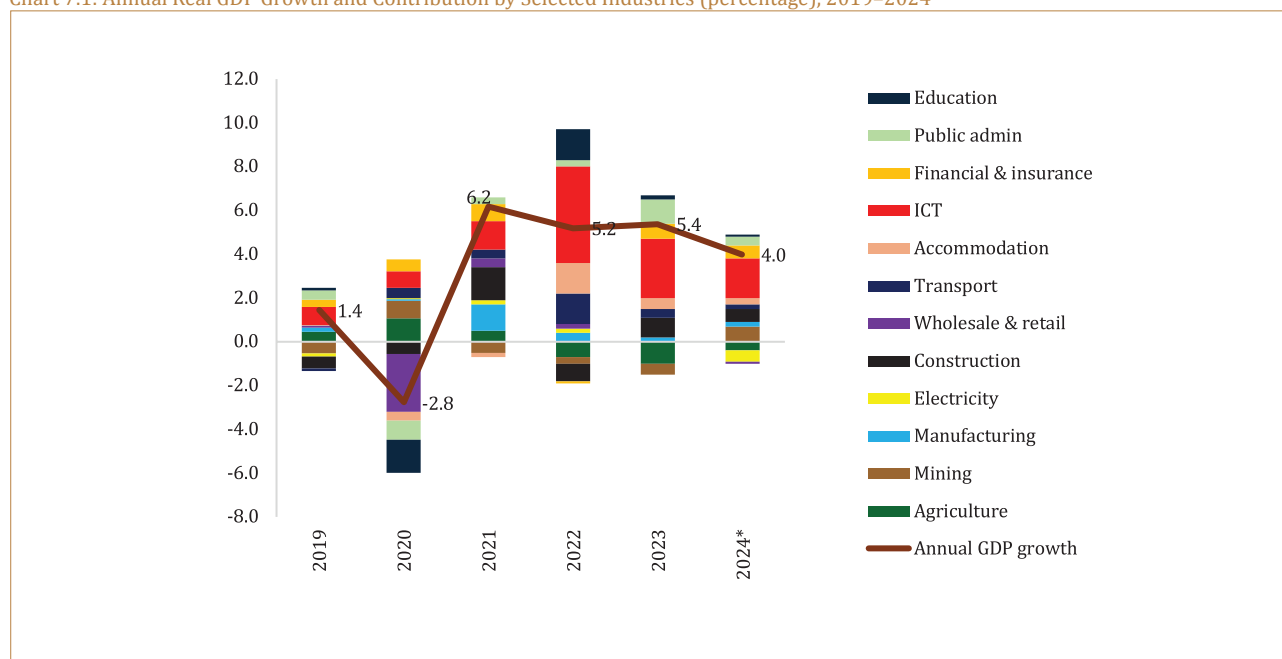
Economic Activity	2022	2023	2024*	
	Growth Rate	Growth Rate	Growth Rate	Contribution to 2024 Growth
Agriculture, forestry and fishing	-11.0	-20.5	-9.2	-0.4
Mining and quarrying	-3.7	-3.5	8.8	0.7
Manufacturing	4.7	4.5	2.3	0.2
Electricity generation and supply	9.5	-0.1	-28.9	-0.5
Water supply and related services*	6.4	2.2	-12.2	0.0
Construction	-8.8	1.8	6.6	0.6
Wholesale and retail trade	1.2	0.5	-0.9	-0.1
Transportation and storage	28.4	8.0	4.4	0.2
Accommodation and food service activities	74.7	54.9	11.1	0.3
Information and communication	46.5	15.9	17.4	1.8
Financial and insurance activities	-1.8	22.9	10.3	0.6
Real estate activities	2.8	0.5	2.9	0.1
Professional, scientific, and technical activities	-1.2	20.0	5.8	0.1
Administrative and support service activities	-9.3	9.3	-23.9	-0.3
Public administration and defense	5.4	2.1	9.5	0.4
Education	20.6	11.4	1.9	0.1
Human health and social work activities	-4.1	27.3	7.2	0.1
Arts, entertainment and recreation	62.2	14.3	15.4	0.0
Other service activities	-9.1	2.5	-4.2	0.0
Taxes less subsidies	1.2	8.4	0.8	0.0
Gross Domestic Product (GDP)	5.2	5.4	4.0	4.0

Source: Zambia Statistics Agency *=preliminary

Note: Water supply and related services* = Water supply, sewerage, waste management and remediation activities

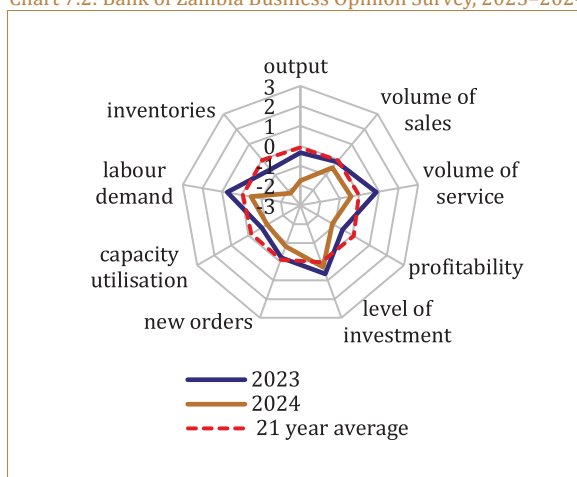
²⁸This was underpinned by stronger-than-expected performance of the mining sector coupled with sustained growth in information and communication, financial and insurance activities, and construction.

Chart 7.1: Annual Real GDP Growth and Contribution by Selected Industries (percentage), 2019–2024



Source: Zambia Statistics Agency and Bank of Zambia Compilations,
*=preliminary

Chart 7.2: Bank of Zambia Business Opinion Survey, 2023–2024



Source: Bank of Zambia

Note: Survey indicators are standardized net balances with mean=0 and standard deviation=1. A value within the red dotted line entails weaker economic conditions than the historical average(2003-2024) while a value outside the red dotted line signifies an improvement over the historical average .

Chart 7.3: Stanbic Bank Zambia Purchasing Manager's Index, 2022–2024



Source: Stanbic Bank and Bank of Zambia Compilations

Note: The PMI is a composite indicator produced by Stanbic Bank Zambia Limited to provide an overall view of activity in the economy. It is calculated as a weighted average of five sub-components: new orders, output, employment, suppliers' delivery times and stock of purchases. A reading below 50 means a deterioration in business conditions and above 50 reading means an improvement in business conditions while 50 means no change in the business environment.

The business survey conducted by the Bank (**Bank of Zambia Quarterly Surveys of Business Opinions and Expectations** – Chart 7.2) and the Stanbic Bank Zambia Purchasing Managers' IndexTM (Chart 7.3) revealed a deterioration in the private sector operating environment in 2024. Respondents attributed this to the adverse effects of the drought compounded by weak demand conditions induced by the persistent exchange rate depreciation and rising inflationary pressures.

The electricity, administrative and support services, as well as agriculture sectors contracted by 28.9 percent, 23.9 percent, and 9.2 percent respectively. As a result of the drought, power generation contracted by 31.2 percent to 13,318 gigawatt hours as water levels in the main reservoirs drastically reduced. Similarly, maize production²⁹

²⁹The **Crop Forecast Survey for the 2023/24** farming season highlighted a significant reduction in crop production due to the drought leading to lower output across all crop types than previous years. Maize accounts for over 60 percent of total crop production. The net food deficit by crop type was 1,323,288 metric tonnes for maize; 55,138 metric tonnes for paddy rice; 225,296 metric tonnes for wheat; and 548,644 metric tonnes for cassava flour.

declined to 1.5 million metric tonnes during the 2023/24 farming season from 3.2 million metric tonnes in the 2022/23 season. This explains the negative growth of the agriculture sector. The administrative and support service sector shrunk following the contraction in base sectors (agriculture, electricity, and water supply and related services).

The other sectors that contracted were water supply, sewerage, waste management, and remediation activities (water supply and related services) as well as wholesale and retail trade. The water supply and related services contracted by 12.2 percent as a result of reduced water levels occasioned by the drought. The persistent rise in inflation and further depreciation of the exchange rate constrained wholesale and retail trade sector activities, leading to negative growth.

In contrast, the mining sector recovered; information and communication (ICT), construction, public administration, real estate activities, as well as arts, entertainment and recreation sectors expanded; while accommodation and food service activities, education, transport and storage, financial and insurance activities, human health and social work activities, professional, scientific and technical activities, and manufacturing sectors slowed down.

The mining sector grew by 8.8 percent in 2024 having contracted by 3.5 percent in 2023. Copper production increased to 820,676.3 metric tonnes from 732,583.5 metric tonnes in 2023. This was primarily driven by higher production at major mines, resumption of operations at Mopani Copper Mines Plc and Konkola Copper Mines Plc, as well as improved ore quality and enhanced grade control. Growth in the ICT sector was sustained in 2024, expanding by 17.4 percent compared to the 15.9 percent outturn in 2023. Despite traffic flow being affected by electricity shortages occasioned by the severe drought³⁰, the digitalisation of Government services and the rise in e-commerce boosted demand for reliable internet and courier services.

The construction sector was supported by the commencement of major road projects, notably the 327-Kilometre Lusaka-Ndola Dual Carriage Way upgrade and rehabilitation of Masangano-Fisenge-Luanshya Roads launched on May 21. The public administration sector expanded due to relatively higher employment in the public sector (excluding education and health). The arts, entertainment and recreation sector grew by 15.4 percent in 2024 from 14.3 percent in 2023 as a result of increased use of sporting and entertainment facilities. Accommodation and food service activities increased, but at a slower pace, as base effects continued to dissipate with the normalisation of tourist arrivals after the relaxation of COVID-19 travel restrictions in June 2020. The education sector expanded at a significantly slower rate of 1.9 percent than the 11.4 percent recorded in 2023. This mostly reflected the decline in contact hours following a substantially large number of teacher recruitments in 2022 with the implementation of the Free Education Policy up to secondary school level. The reduction in cargo movement linked to the decline in agricultural and manufacturing activities explains the slower growth in the transport and storage sector. Manufacturing was mostly affected by lower agro-processing as agricultural production and metal fabrication declined, attributed mainly to electricity supply shortages.

The lower growth in financial and insurance activities was on the back of reduced profitability. For instance, the growth in banking sector earnings declined sharply to 6.2 percent in 2024 from 44.2 percent in 2023 as loan provisions and interest expenses increased following the rise in the stock of non-performing loans due to the impact of the drought and tightening of monetary policy (refer to Chapter 9 for more details).

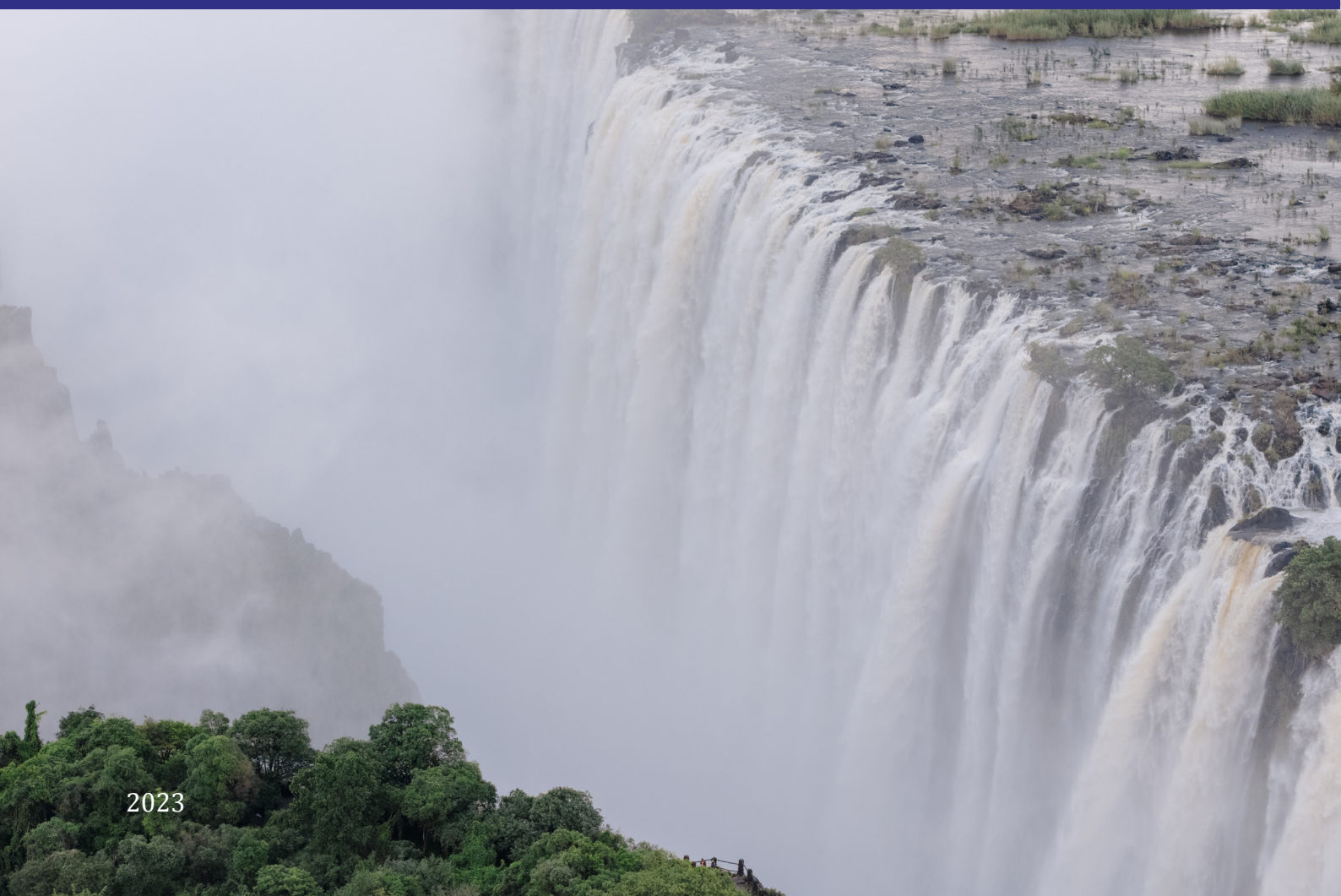
Delayed enrolment on the payroll of recruited health workers dampened the growth of the human health and social work activities sector. The slowdown in the education, manufacturing, and human health and social work activities sectors along with the contraction in the agriculture sector led to reduced growth in the professional, scientific, and technical services sector.

³⁰The volume of international incoming and outgoing traffic (minutes) reduced by 9.6 percent and 7.2 percent to 12.3 million and 11.1 million, respectively. Traffic flow was affected by electricity shortages occasioned by the severe drought. This led to reduced network availability and higher production costs as operators turned to alternative and relatively expensive energy sources to maintain operations.



2024

8.0 BALANCE OF PAYMENTS AND EXTERNAL DEBT



2023

8.0 BALANCE OF PAYMENTS AND EXTERNAL DEBT

8.1 Balance of Payments

The overall balance of payments deficit reduced in 2024 to US\$1.6 billion (7.4 percent of GDP) from US\$2.4 billion (8.8 percent of GDP) in 2023 following improvements in the *current account* (Table 8.1).

Table 8.1: Balance of Payments (US\$ million, f.o.b), 2022-2024

BPM6 Concept	2022	2023r	2024*
A. Current Account, n.i.e.	1,092.8	-837.7	-264.0
Balance on goods	3,367.8	1,372.9	1,301.2
Goods: exports, of which	11,504.8	10,521.1	11,366.8
Copper	8,128.6	6,617.3	7,493.9
Cobalt	0.0	0.0	0.0
NTEs	3,179.9	3,768.5	3,602.6
Gold	187.3	127.5	261.6
Goods: Imports	8,136.9	9,148.25	10,065.6
Balance on Services	-946.3	-799.2	-556.4
Services: credit, of which	938.9	932.8	1,379.9
Transportation	68.8	63.4	67.7
Travel	828.5	800.7	894.9
Services: debit, of which	1,885.2	1,732.0	1,936.3
Transportation	904.9	908.1	946.1
Travel	505.3	240.6	239.6
Insurance & Pension Services	7.5	8.7	9.0
Balance on Primary Income	-1,613.6	-1,668.3	-1,953.9
Primary income: credit	26.7	60.0	96.1
Primary income: debit	1,640.3	1,728.3	2,050.0
Balance on Secondary Income	284.9	257.0	945.2
Secondary income, n.i.e.: credit	397.0	373.3	1,044.8
Secondary income: debit	112.2	116.4	99.6
B. Capital Account, n.i.e.	76.0	77.6	1,335.3
Capital account, n.i.e.: credit	76.0	77.6	1,335.3
C. Financial Account, n.i.e. ^s	3,010.9	901.5	704.6
Direct investment: assets	-263.1	153.2	-38.9
Direct investment: liabilities, n.i.e.	-65.1	641.1	958.9
Portfolio investment: assets	73.8	26.1	13.2
Equity and investment fund shares	0.0	10.6	0.0
Debt securities	73.8	15.4	13.2
Portfolio investment: liabilities, n.i.e.	-1,008.3	7.2	-27.6
Equity and investment fund shares	-0.1	0.0	-11.4
Debt securities	-1,008.2	7.2	-16.2
Financial derivatives: net	31.1	3.6	2.8
Financial derivatives: assets	34.2	4.2	-4.7
Financial derivatives: liabilities	3.2	0.6	-7.6
Other investment: assets	1,928.9	-59.5	-591.0
Other debt instruments	1,928.9	-59.5	-591.0
Central bank	-25.6	470.2	-509.4
Deposit-taking corporations, except C/bank	343.5	-698.1	151.5
Other sectors	1,611.0	168.3	-233.0
Non-financial corps, h/holds & NPISHs	1,611.0	168.3	-233.2
Other investment: liabilities, n.i.e.	-166.9	-1,426.4	-2,449.7
Special Drawing Rights	0.0	0.0	0.0

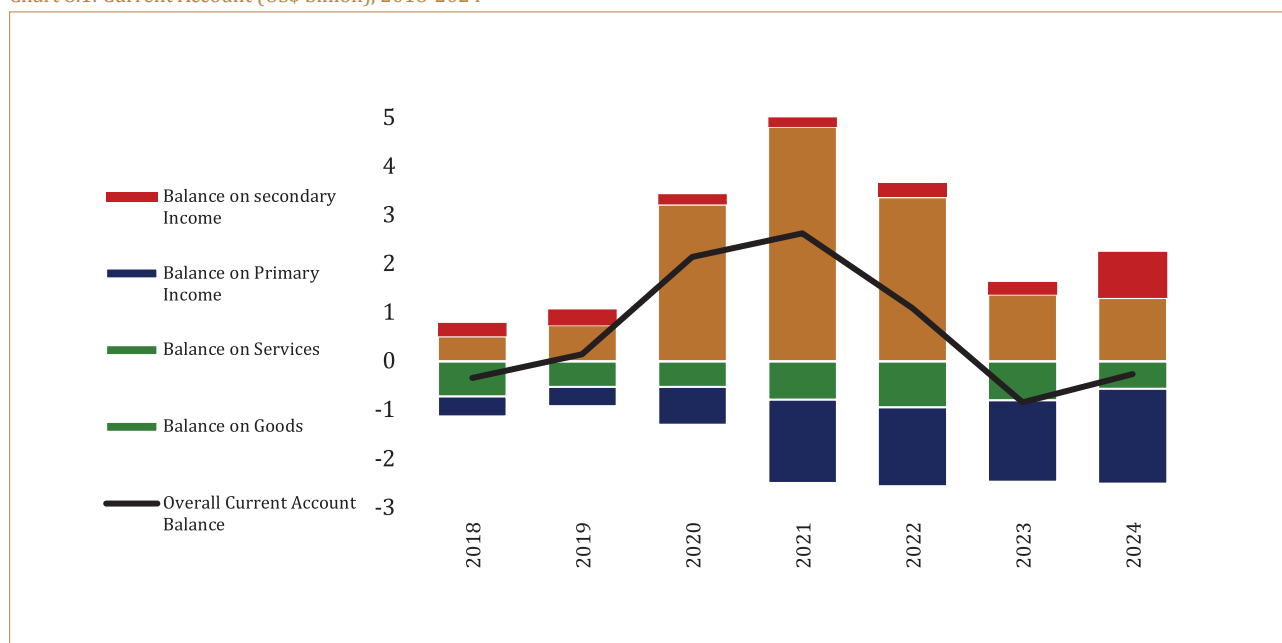
BPM6 Concept	2022	2023r	2024*
Other debt instruments	-167.0	-1,426.7	-2,449.6
Deposit-taking corporations, except c/bank	-67.7	-214.7	-509.4
General government	106.8	-1,218.2	-103.0
Other sectors	-206.1	6.2	-1,637.2
Non-financial corps, h/holds & NPISHs	-206.1	6.2	-1,637.2
<i>D. Net Errors and Omissions</i>	253.4	-755.8	-1,960.5
<i>E. Overall Balance</i>	1,588.7	2,417.4	1,593.7
<i>F. Reserves and Related Items</i>	-1,588.7	-2,417.4	-1,593.7
Reserve assets	494.5	-61.4	553.6
Credit and loans from the IMF	179.0	377.2	753.5
Exceptional financing	1,904.2	1,978.8	1,393.8

Source: Bank of Zambia

f.o.b = free on board; (*) = preliminary; (r) = revised; and (s) = financial account and overall balance take on a sign convention such that a negative denotes a surplus and a positive represents a deficit; NTEs = non-traditional exports; n.i.e = not included elsewhere

The *current account* deficit narrowed to US\$0.3 billion (1.0 percent of GDP) from US\$0.8 billion (3.0 percent of GDP) as indicated in Chart 8.1. This was mostly driven by the improvement in the *balance on services* and expansion of the surplus on the *secondary income* account. A surplus of about US\$1.3 billion on the *balance on goods* was maintained in 2024.

Chart 8.1: Current Account (US\$ billion), 2018-2024



Source: Bank of Zambia

The *services account* deficit reduced to US\$0.6 billion from US\$0.8 billion following higher receipts mostly from tolling services—related to the processing of non-resident third-party copper concentrates. Support from Cooperating Partners, in response to the emergency declared by the Republican President on February 29 relating to the drought, led to the expansion in the *secondary income* surplus.

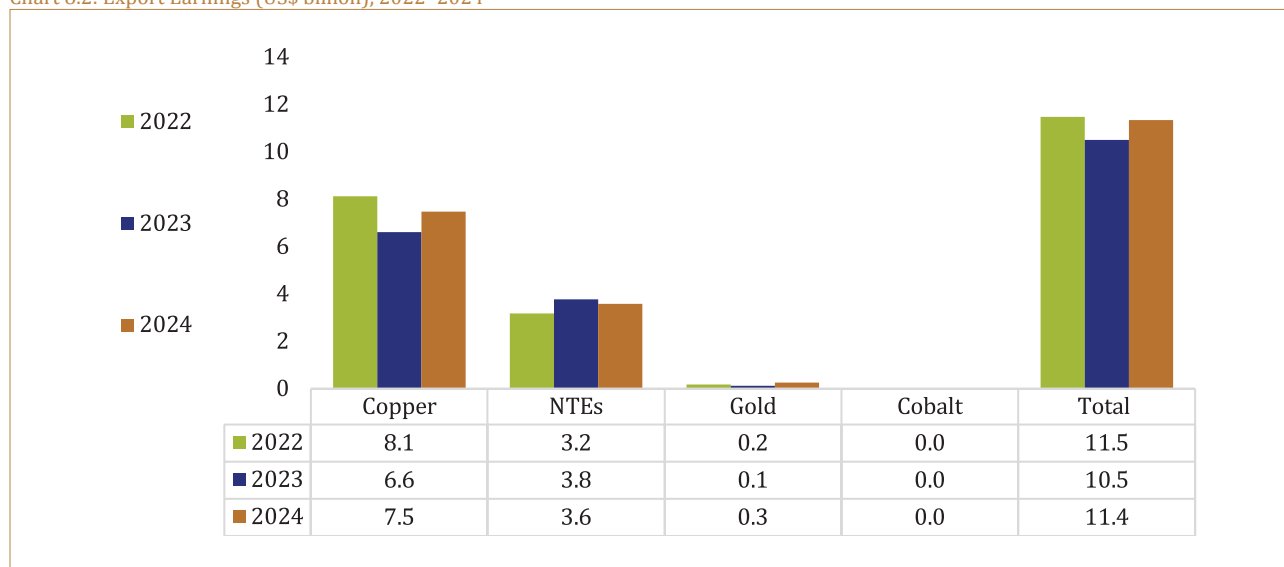
Exports grew by 6.9 percent to US\$11.4 billion, driven mostly by copper export earnings. Non-traditional export earnings (NTEs) declined by 4.4 percent to US\$3.6 billion, reflecting the impact of the drought on agricultural-based products (soybean cake and cane sugar) and electricity generation (Table 8.2 and Chart 8.2). Gold earnings more than doubled to US\$0.3 billion as prices soared on increased global economic uncertainty and demand by central banks in emerging economies. This reflected a diversification from US dollar-denominated assets for macroeconomic and/or geopolitical reasons.

Table 8.2: Major Non-Traditional Exports (US\$ million, f.o.b), 2022-2024

Commodity/Product	2022	2023	2024
Gemstones	79.0	124.6	174.0
Sulphuric acid	134.9	87.0	57.9
Industrial Boilers and Equipment	102.4	134.5	100.6
Cane Sugar	120.3	166.2	113.9
Cement & Lime	186.7	216.4	194.3
Electricity	296.4	345.1	268.2
Burley Tobacco	136.3	166.1	194.1
Copper Wire	63.5	62.3	79.0
Maize & Maize Seed	109.4	58.5	44.6
Electrical Cables	35.9	40.3	35.8
Soap, Active Agents, Washing Preps	111.6	129.1	115.7
Fresh Fruits & Vegetables	14.9	14.7	18.3
Iron and Steel	326.4	195.6	191.2
Beverages, Spirits and Vinegar	159.4	151.9	152.5
Sulphur of all kinds	308.6	293.1	111.0
Oil-cake and other solid residues, of soya-bean	84.6	115.1	57.6
Dairy Prod; Birds' Eggs; Natural Honey; Edible Products	66.8	68.5	64.4
Miscellaneous chemical products	51.0	36.9	28.1
Groats and meal of maize (corn)	22.6	0.0	0.0
Nickel ores and concentrates	118.8	129.6	323.1
Prep of Cereal, Flour, Starch/Milk; Pastrycooks' Products	82.5	78.4	94.4
Residues & Waste from The Food Industry	120.0	147.6	144.3
Wood and Articles of Wood; Wood Charcoal	16.6	12.6	17.5
Vehicles O/T Railw/Tranw Rool-Stock, Pts & Accessories	36.1	188.9	62.6
Other	395.4	806.0	959.4
Total	3,179.9	3,768.5	3,602.6

Source: Zambia Statistics Agency and Bank of Zambia

Chart 8.2: Export Earnings (US\$ billion), 2022-2024



Source: Zambia Statistics Agency and Bank of Zambia

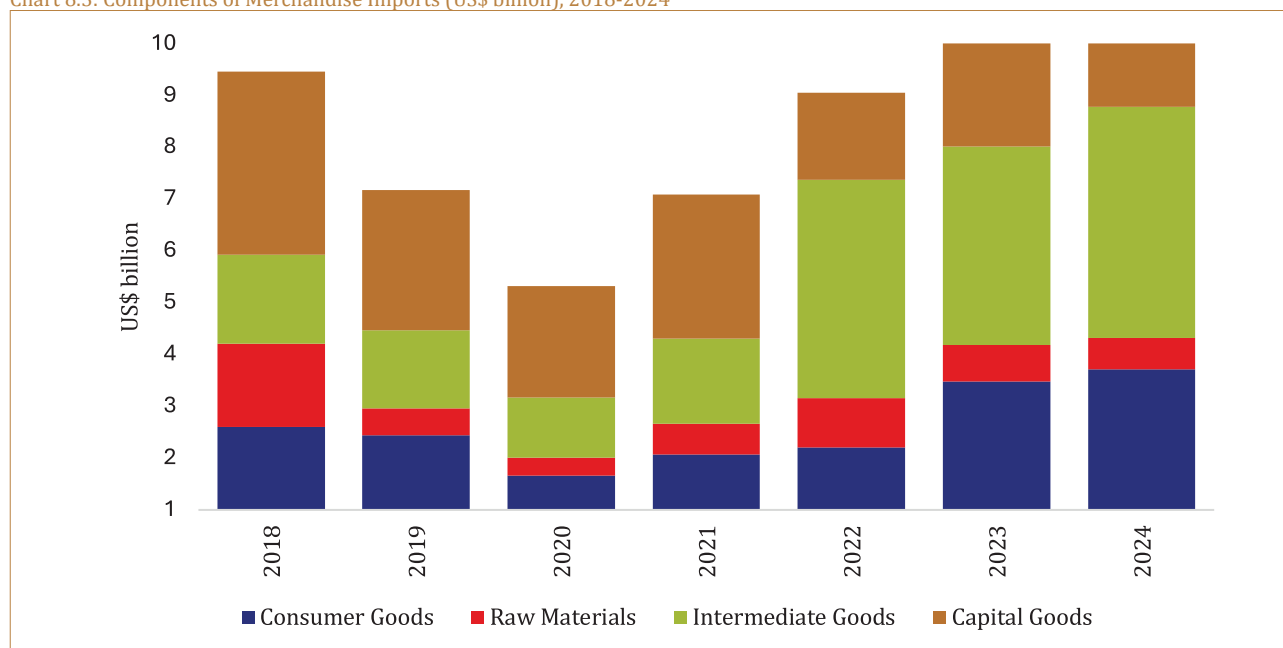
Table 8.3: Realised Prices and Export Volume, 2022-2024

	2022	2023	2024
Realised Prices			
Copper (US\$/mt)	8,921.7	8,398.5	9,317.3
Cobalt (US\$/mt)	0.0	0.0	3,858.8
Gold (US\$/ounce)	1,638.7	2,041.6	2,452.2
Export Volume			
Copper (mt)	898,332.3	782,636.3	801,415.8
Cobalt (mt)	0.0	0.0	150.3
Gold (ounces)	114,317.6	62,428.0	106,670.0

Source: Zambia Statistics Agency and Bank of Zambia

Merchandise imports grew by 10.0 percent to US\$10.1 billion due to increased demand for intermediate goods, mostly electricity, top dressing fertilizer, and machinery parts (Chart 8.3). Imports of consumer goods increased moderately by 6.6 percent to US\$3.7 billion.

Chart 8.3: Components of Merchandise Imports (US\$ billion), 2018-2024



Source: Zambia Statistics Agency and Bank of Zambia

The widening of the deficit on the *primary income account* to US\$2.0 billion from US\$1.7 billion in 2023 was due to the increase in re-invested earnings into expansion projects and dividend payments owing to rising profits for foreign-owned companies. In addition, interest payment on Government external debt rose following the restructuring of Eurobonds (refer to Section 8.4 for more details).

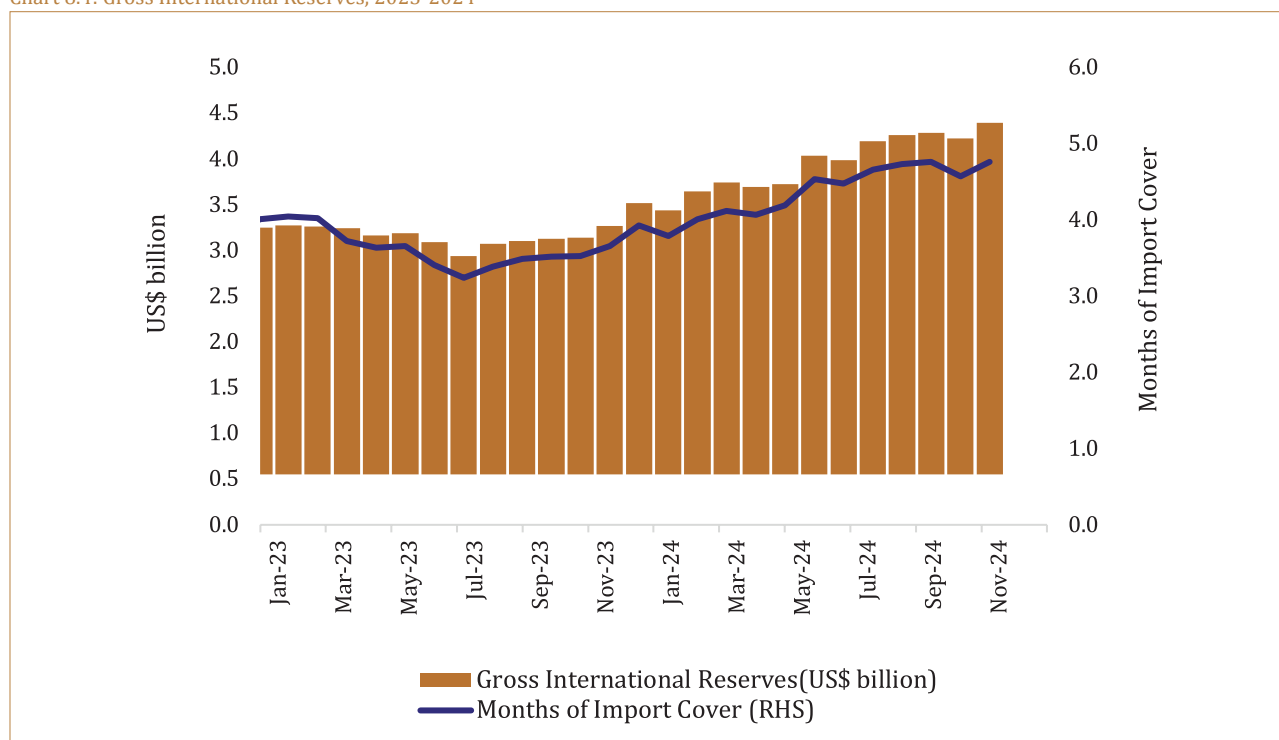
The *capital account* surplus increased to US\$1.3 billion from US\$77.6 million in 2023 (Table 8.1). The large surplus reflected a debt write down of over US\$1.2 billion negotiated between a resident enterprise and a non-resident entity. The narrowing of the deficit on the *financial account* to US\$0.7 billion from US\$0.9 billion was on account of higher foreign direct investment (FDI) inflows. The US\$1.0 billion improvement in FDI inflows from US\$0.6 billion in 2023 was in the mining sector mostly in the form of re-invested earnings.

8.2 Gross International Reserves

At end-December 2024, gross international reserves increased to US\$4.3 billion (equivalent to 4.6 months of import cover) from US\$3.3 billion (equivalent to 3.7 months of import cover) at end-December 2023 (Chart 8.4). This was mostly on account of IMF Extended Credit Facility disbursements (US\$753.3 million), project receipts mainly from the World Bank Group (US\$589.5 million) and the African Development Bank (US\$107.7 million), net statutory reserves deposits (US\$390.0 million), non-tax revenue (US\$222.4 million), and net Bank purchases (US\$64.2 million)³¹.

³¹This includes US\$963.9 million in taxes paid directly by mining companies, US\$34.0 million Bank purchases from commercial banks and US\$933.8 million sales by the Bank to commercial banks.

Chart 8.4: Gross International Reserves, 2023-2024



Source: Bank of Zambia

8.3 Direction of Trade

Switzerland, China, Democratic Republic of the Congo (DRC), United Arab Emirates and South Africa remained as top five export destinations for Zambia in 2024 and accounted for 81.8 percent of total exports (Table 8.4 and Chart 8.5). Copper continued to be the major export product with Switzerland³², China, and United Arab Emirates as key markets (Table 8.4). The top five source countries for imports were South Africa, China, United Arab Emirates, India, and Singapore. These countries collectively accounted for 57.6 percent of total imports (Table 8.5 and Chart 8.6). This reflected an increase of 7.2 percentage points from the 2023 share.

Table 8.4: Products Accounting for Performance to Top Destination Countries (US\$ million)

Country	Main Products	2023	2024	Percentage Change
Switzerland	Copper and articles thereof	4,163.5	4,627.0	11.1
	Ores, slag and ash	97.5	68.5	-29.7
China	Copper and articles thereof	1,781.8	2,264.0	27.1
	Ores, Slag and ash	71.3	43.9	-38.4
DRC	Salt, sulphur, earth and stone	397.1	196.8	-50.4
	Beverages	132.6	134.0	1.1
	Soap...**	104.7	92.1	-12.0
	Sugar and sugar confectioneries	106.4	90.6	-14.8
UAE	Inorganic chemicals	119.8	89.1	-125.6
South Africa	Copper and articles thereof	2.5	234.1	9264.0
	Natural/ cultured pearls and precious stones	42.9	104.1	142.7
	Inorganic chemicals	40.8	80.2	96.6
	Tobacco...**	60.7	61.5	1.3
South Africa	Copper and articles thereof	31.7	30.3	-4.4

Source: Zambia Statistics Agency and Bank of Zambia

DRC = Democratic Republic of the Congo

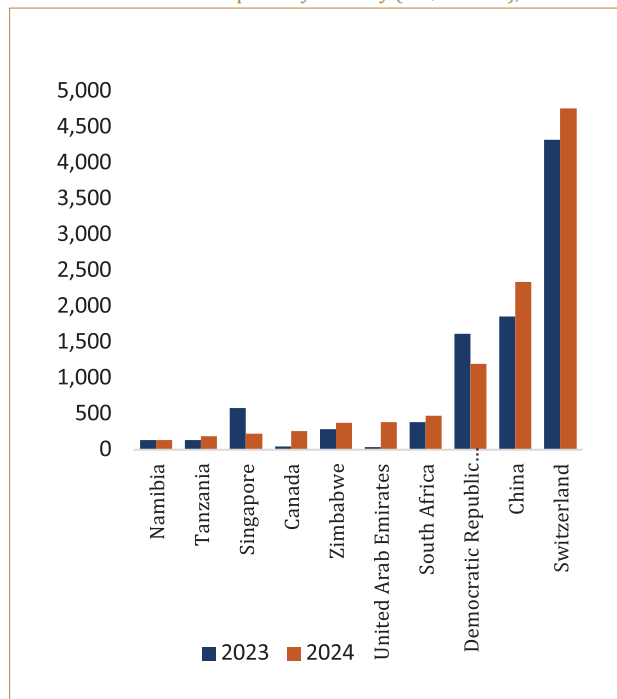
UAE = United Arab Emirates

Tobacco...* = Tobacco and manufactured tobacco substitutes

Soap...** = Soap, organic surface -active agents, washing prep, etc

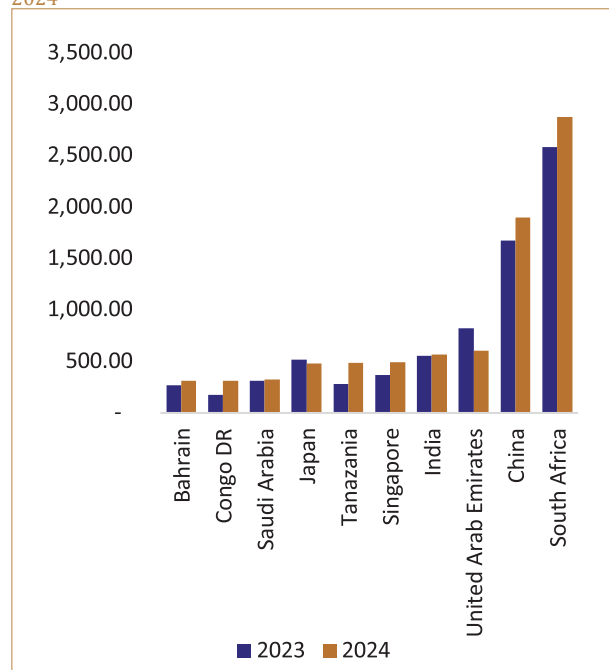
³²Switzerland is reflected as Zambia's partner country in the customs data although the destination for copper is different. Large metal traders based in Switzerland buy copper and cobalt from mining companies operating in Zambia and sell in other foreign markets.

Chart 8.5: Direction of Exports by Country (US\$ million), 2023-2024



Source: Zambia Statistics Agency and Bank of Zambia

Chart 8.6: Direction of Imports by Country (US\$ million), 2023-2024



Zambia Statistics Agency and Bank of Zambia

Table 8.5: Products Accounting for Import Performance from Top Source Countries (US\$ million)

Country	Main Products	Percentage			
		2022	2023	2024	Change
South Africa	Nuclear reactors and boilers	299.6	288.5	348.7	20.9
	Vehicles, parts, and accessories	297.4	374.8	331.1	-11.7
	Mineral fuels, oils and products of their distillation	115.3	156.4	279.8	78.9
	Fertilisers	230.6	216.9	269.2	24.1
China	Nuclear reactors and boilers	260.8	320.6	616.1	92.2
	Vehicles, parts, and accessories	227.4	361.2	269.6	-25.3
	Electrical machinery and equipment	112.9	129.2	155.4	20.3
	Iron and steel	101.7	129.9	128.7	-0.9
United Arab Emirates	Mineral fuels, oils and products of their distillation	313.7	485.9	356.1	-26.7
	Fertiliser	54.2	123.5	58.6	-52.6
	Salt, sulphur, earth and stone	82.1	49.6	20.8	-58.1
	Plastics and articles thereof	21.5	12.6	19.5	55.0
India	Pharmaceutical products	164.1	153.4	145.3	-30.6
	Nuclear reactors and boilers	128.6	83.8	101.6	21.2
	Plastics and articles thereof	46.8	42.5	51.8	21.9
	Vehicles, parts, and accessories	45.0	89.8	50.5	-43.8
Singapore	Mineral fuels, oils and products of their distillation	27.4	326.0	425.4	30.5
	Fertilisers	2.3	20.1	30.3	50.7

Source: Zambia Statistics Agency and Bank of Zambia

8.4 External Debt

Preliminary data indicate a 5.2 percent increase in the stock of public and publicly guaranteed (PPG) external debt to US\$16.80 billion at end-December 2024. Disbursements by multilateral creditors largely accounted for this increase. However, the PPG external debt-to-GDP ratio reduced to 69.6 percent in 2024 from 73.7 percent in 2023 due to a higher growth in nominal GDP than external debt. Of this total debt, US\$15.43 billion was for the Central Government while US\$1.37 billion was guaranteed by the Government. The majority of the Central Government external debt was owed to commercial creditors (36.4 percent) followed by multilateral creditors (32.3 percent) and bilateral creditors (25.8 percent) as indicated in Table 8.6.

Table 8.6: Government External Debt Stock by Creditor, 2022 – 2024

Creditor	2022		2023		2024*	
	US\$ million	Percent share	US\$ million	Percent share	US\$ million	Percent share
Bilateral	3,956.40	28.3	3,972.69	27.3	3,987.72	25.84
Paris Club	555.90		571.71		596.05	
Non-Paris Club	3,400.50		3,400.98		3,391.67	
Multilateral	3,271.80	23.4	3,854.90	26.5	4,977.59	32.25
IMF	186.20		563.02		1,294.82	
World Bank Group	2,060.50		2,234.55		2,521.71	
African Development Bank Group	831.17		865.94		970.36	
Others	193.97		191.40		190.70	
Plurilateral *	819.70	5.9	824.86	5.7	851.98	5.52
Commercial	5,911.70	42.4	5,920.48	40.6	5,616.73	36.39
Total Government Debt	13,959.60		14,572.92		15,434.02	

Source: Ministry of Finance and National Planning and Bank of Zambia

*Preliminary

* Plurilateral - Official institutions for which lenders are countries of a specific region (e.g. Nordic Fund) or bound by a specific relationship (e.g. OFID).

In 2024, external debt service rose to US\$666.0 million from US\$454.1 million in 2023. Out of this amount, principal repayment was US\$448.4 million while interest and other charges were US\$144.8 million and US\$5.96 million, respectively (Table 8.7). The increase in debt servicing followed the resumption of debt service payments on restructured debt, particularly the two Eurobonds in June after the March agreement with Eurobond³³ holders.

Table 8.7: Zambia's Official External Debt Service by Creditor, (US \$ million), 2022–2024

Creditor	2022	2023	2024
Bilateral	0	0	0
Paris Club	0	0	0
Others	0	0	0
Multilateral	113.1	158.9	176.5
World Bank Group	49	67.2	80.0
IMF	0	0	0
European Investment Bank	10.3	11.6	12.4
Others	53.8	80.1	84.2
Suppliers/Bank (Commercial)/Export Credit Agencies	19.2	53.0	489.5
Total	132.3	211.9	666.0

Source: Ministry of Finance and National Planning and Bank of Zambia

Total external debt owed by the private sector and non-guaranteed portion of the parastatals declined by 17.5 percent to US\$6.4 billion in 2024 (Table 8.8). This followed principal repayments exceeding disbursements on new and existing loans, especially with other and multilateral creditors.

³²On March 25, Zambia and the Steering Committee of the Ad Hoc Creditor Committee reached an agreement on restructuring the US\$3.89 billion in Government bonds due in 2022, 2024, and 2027, splitting the debt into two bonds: Bond A (US\$1.72 billion) and Bond B (US\$1.36 billion). Two scenarios were agreed upon: base case applicable under weak debt carrying capacity and an upside case applicable with an upgrade from weak to medium debt carrying capacity. Under the base case scenario, Bond A matures in 2033 (10 years extension) with the interest rate capped at 5.75 percent (2024–2031) and 7.5 percent (2031–2033) with no grace period while Bond B matures in 2053 (30 years extension) with a 27-year grace period and a 0.5 percent interest rate. The agreement also includes US\$840 million nominal haircut. In the upside case scenario, Bond A terms remain unchanged, but Bond B's maturity is reduced to 2035 (11 years) with interest rate starting at 0.5 percent (2024–2025), increasing to 7.5 percent (2025–2031) with 6.0 percent as Payment in Kind (PIK), and 7.5 percent from 2031 to 2035 alongside an 8-year grace period for principal payments to resume in 2032: <https://www.londonstockexchange.com/news-article/32BT/statement-re-restructuring-of-eurobonds/16393988>.

Table 8.8: Private and Non-Guaranteed Parastatal External Debt Stock, 2022 – 2024

Creditor	2022		2023		2024*	
	US\$ million	Percent Share	US\$ million	Percent Share	US\$ million	Percent Share
Private	7,746.9	95.9	7,407.4	95.7	5,578.1	87.4
Multilateral	509.4		442.8		197.0	
Financial Institutions	1,217.1		1,191.8		1,246.8	
Parent and Related Company	3,022.9		1,478.6		1,573.6	
Other**	2,997.5		4,294.2		2,560.8	
Parastatal	329.7	4.1	329.7	4.3	807.1	12.6
Total Private and Non-Guaranteed Parastatal Debt	8,076.6	100	7,737.1	100	6,385.2	

Source: Bank of Zambia

* Preliminary data as at end September 2024

** These are non-affiliated (non-related) creditors of various debtors that neither belong to the multilateral nor parent category

8.5 Export Proceeds Tracking Framework

The **Export Proceeds Tracking Framework** (Framework) was launched on January 1 to enhance the compilation of external sector statistics and strengthen efforts to address illicit financial flows. The Framework requires all exporters captured on the Electronic Balance of Payments (e-BoP) Monitoring System to route export earnings through an account at a bank domiciled in the Republic of Zambia. However, exporters retain full rights and control to use the funds as they deem fit.

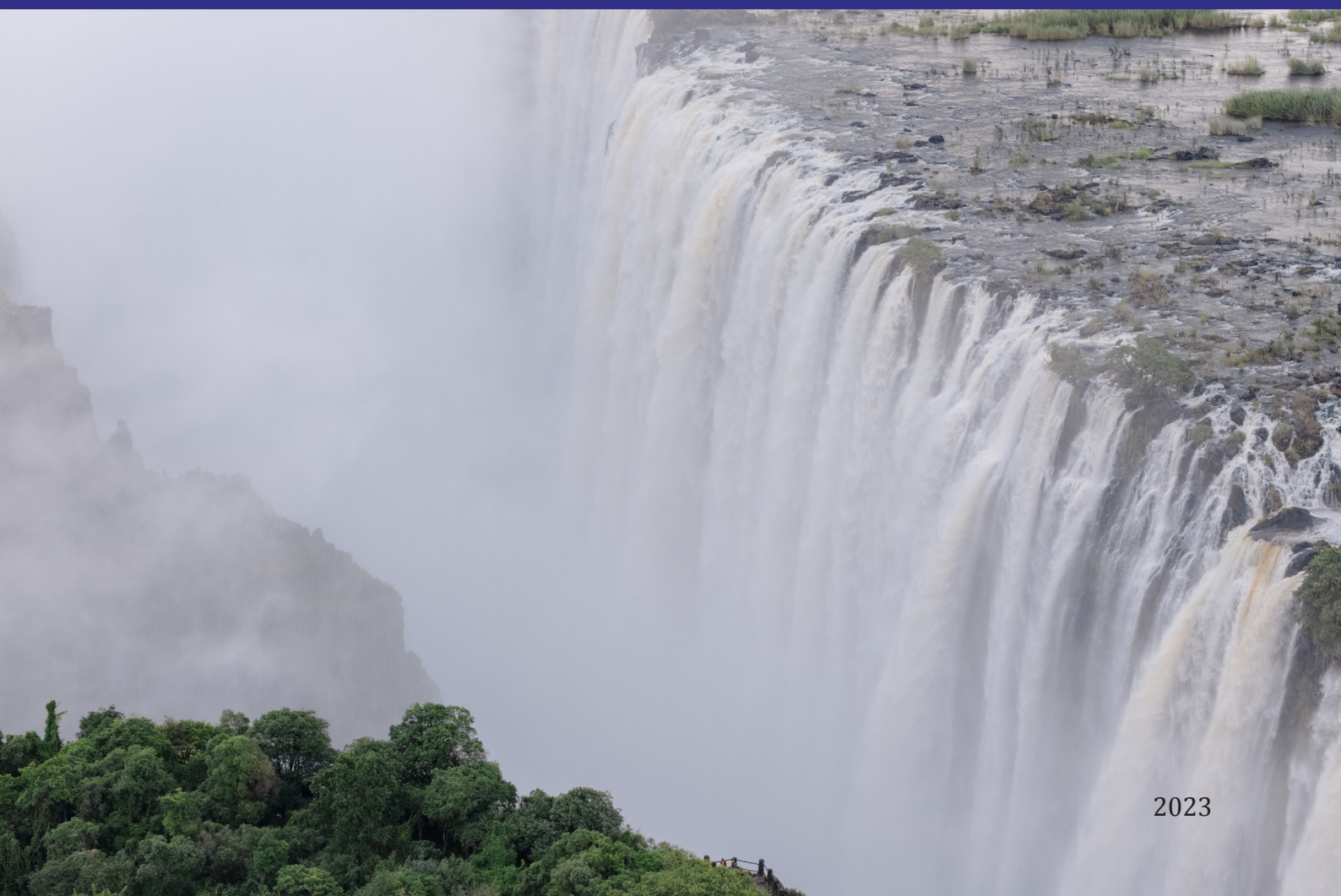
In 2024, the total value of exports recorded in the e-BoP Monitoring System was US\$11.2 billion. Of this amount, US\$8.2 billion was received in domestic commercial banks as required by the Framework out of which US\$4.5 billion was fully reconciled with customs documentation. Exporters have an initial period of 90 days from the date of export to route their export proceeds through domestic banks. In consideration of export credits and delays that may be encountered in making payments, the Framework allows for extensions of up to nine months from the lapse of the 90 days to comply. This provision largely explains the discrepancy between export values and reconciled receipts.

To improve compliance with the Framework, nationwide sensitisation and training workshops were held with commercial banks, exporters and customs agents. As the Framework only provided for the export of goods, a services module was added and launched on November 1 on a trial basis.



2024

9.0 FINANCIAL SYSTEM REGULATION AND SUPERVISION



2023

9.0 FINANCIAL SYSTEM REGULATION AND SUPERVISION

The financial system, comprising commercial banks, deposit-taking non-bank financial institutions (DTI) and non-deposit taking financial institutions (NDTFIs), exhibited operational resilience in 2024 in the wake of the drought that heightened macroeconomic risks. The need for alternative power sources, due to prolonged power rationing, raised operational costs. However, the additional costs did not cause a significant departure from pre-drought cost-to-income ratios (Table 9.1). The level of disruption to the provision of services due to the drought was also minimal as institutions had introduced business continuity and management plans to moderate the effects of electricity shortages. An analysis of the stress test on the impact of the drought on the banking sector was conducted and published in the **May 2024 Financial Stability Report** (page 22).

Overall, the financial performance and condition of the financial system was rated *satisfactory* based on favourable ratings on capital adequacy, asset quality, earnings and sensitivity to market risk. Liquidity was, however, rated *less than satisfactory* in the first half of the year. The above notwithstanding, some institutions exited the financial system due to insolvency, changes in business opportunities, and failure to comply with the requirements of the Banking and Financial Services Act (BFSA). At the same time, new institutions entered the system and one merger took place.

9.1 Banking Sector

In 2024, the number of licensed banks reduced to 15 from 17 in 2023 as the Bank took possession of Investrust Bank Plc³⁴ in April while Access Bank Zambia Limited and African Banking Corporation Zambia Limited (trading as Atlas Mara) merged in the same month. Over the same period, the number of branches increased to 298 from 296 as banks positioned themselves to tap into emerging business opportunities.

The banking sector performed *satisfactorily*³⁵ in 2024 based on favourable financial soundness indicators reflected in the rating of capital, assets, earnings, and liquidity (Tables 9.1, 9.2 and 9.3). Notwithstanding the deterioration in liquidity conditions in the first half of the year, banks maintained a sufficient level of liquid assets and high liquidity ratio relative to the prudential benchmark. In terms of assets, loans, deposits, and profit before tax (PBT), subsidiaries of foreign banks continued to dominate the sector (Table 9.4).

Table 9.1: Financial Performance Indicators (percent), 2022–2024

	Benchmark	2022	2023	2024
Primary capital adequacy ratio	5.0 or higher	22.0	22.8	23.0
Total regulatory capital adequacy ratio	10.0 or higher	22.8	23.5	24.5
Net non-performing loans to regulatory capital	10.0 or lower	0.8	0.9	0.9
Gross non-performing loans to total loans	10.0 or lower	5.0	4.2	4.1
Net non-performing loans to total loans	2.5 or lower	0.3	0.3	0.4
Allowance for loan losses to gross non-performing loans	80.0 or higher	93.5	92.2	91.2
Return on assets	4.0 or higher	5.0	5.9	5.1
Return on equity	20.0 or higher	29.3	33.8	29.7
Efficiency ratio	60.0 or lower	44.8	50.0	44.6
Liquid assets to deposits and short-term liabilities	25.0 or higher	52.2	42.9	39.5

Source: Bank of Zambia

³⁴The Bank took possession of Investrust Bank Plc on April 2 due to insolvency https://www.boz.zm/Investrust_Notice.pdf

³⁵Ratings: *strong* – sound in every respect, no supervisory response required; *satisfactory* – fundamentally sound with modest correctable weaknesses, supervisory response limited; *fair* – combination of weaknesses, if not redirected will become severe; *marginal* – immoderate weaknesses unless properly addressed could impair future viability, needs close supervision; and *unsatisfactory* – high risk of failure in the near-term.

Table 9.2: Share of Assets and Deposits by Performance Rating, 2022-2024

Performance Rating	Number of Banks			Percent of Total Assets			Percent of Total Deposits		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Satisfactory	14.0	13.0	13.0	90.0	89.2	99.1	90.7	89.2	99.2
Fair	2.0	2.0	1.0	8.9	9.2	0.4	7.8	8.9	0.0
Marginal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Unsatisfactory	1.0	2.0	1.0	1.1	1.6	0.6	1.5	1.9	0.5
Total	17.0	17.0	15.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Zambia

Table 9.3: Composite Ratings of Banking Sector Financial Performance and Condition, 2022-2024

Performance Rating	Capital Adequacy			Asset Quality			Earnings			Liquidity		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Strong	3	2	4	0	0	0	1	0	0	0	0	0
Satisfactory	12	11	10	10	11	12	14	15	14	11	9	9
Fair	1	2	0	5	4	2	1	0	0	5	5	5
Marginal	0	1	0	0	0	0	0	0	0	0	2	0
Unsatisfactory	1	1	1	2	2	1	1	2	1	1	1	1
Total	17	17	15	17	17	15	17	17	15	17	17	15

Source: Bank of Zambia

Table 9.4: Assets, Loans, Deposits and PBT by Ownership Type (share of industry, percent), 2023-2024

	2023				2024			
	Assets	Loans	Deposits	PBT	Assets	Loans	Deposits	PBT
Subsidiaries of Foreign Banks	67.3	60.6	67.1	68.4	68.7	59.5	69.0	66.2
Banks with Government Stake	29.0	34.4	29.1	33.9	27.3	35.0	26.5	31.3
Local Private Banks	3.7	5.0	3.8	-2.3	4.1	5.5	4.4	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Zambia

As shown in Table 9.1, the further rise in both aggregate primary and total regulatory capital adequacy ratios in 2024 continued to be driven by the growth in capital supported by retained earnings that expanded by 33.6 percent to K22.8 billion.

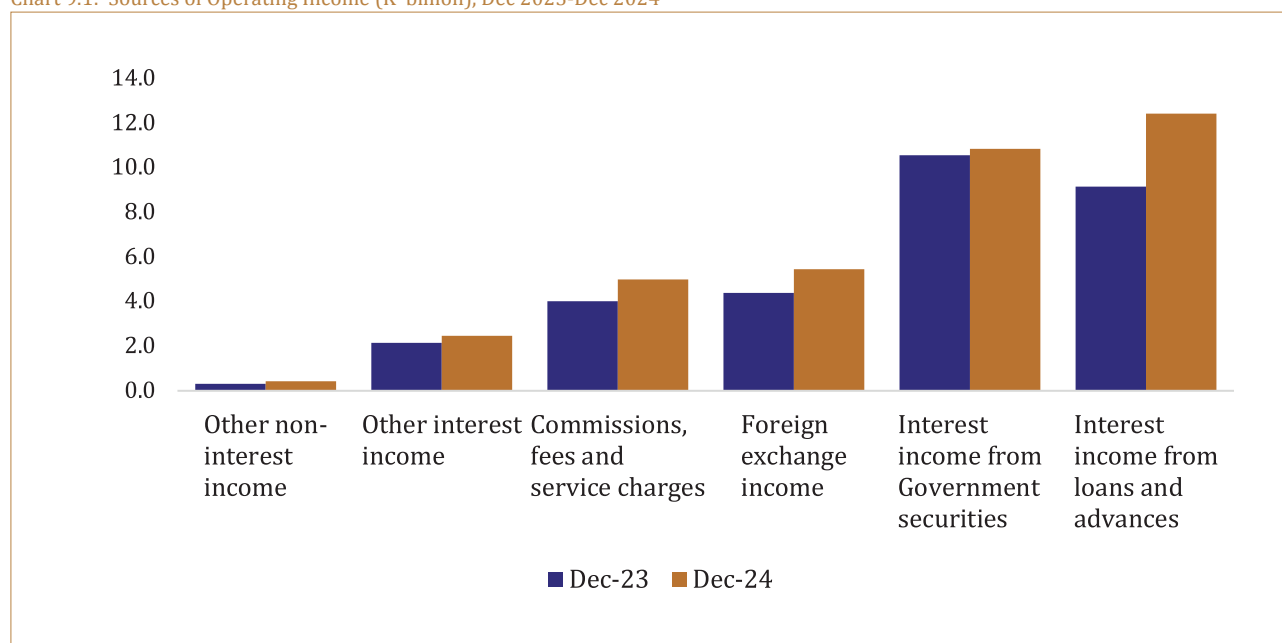
PBT marginally increased to K13.0 billion from K12.3 billion mostly due to interest income from loans and Government securities (Table 9.5 and Chart 9.1). Higher profitability was sustained by the expansion in the stock of loans and higher lending rates on retail loans. However, loan loss provisions rose significantly owing to heightened credit risk arising from increased production costs induced by investment in alternative power sources as a result of electricity shortages and adverse movement in the exchange rate. Consequently, both return on assets and equity reduced to 5.1 percent and 29.7 percent from 5.8 percent and 33.8 percent, respectively, but remained above their respective prudential benchmarks (Table 9.1). The efficiency ratio (cost-to-income ratio) reduced to 44.6 percent, an improvement from 50.0 percent in 2023 (Table 9.1). A lower percentage growth in overhead costs relative to net operating income underlie the decline in the efficiency ratio (Table 9.5).

Table 9.5: Summary Income Statement (K' billion), 2022-2024

	2022	2023	2024
<i>Interest Income</i>	17.7	21.9	25.7
<i>Interest Expenses</i>	4.5	5.5	8.1
Net Interest Income	13.2	16.4	17.6
<i>Non-Interest Income</i>	6.6	8.7	10.9
Net Operating Income	19.8	25.1	28.5
<i>Non-Interest Expenses</i>	10.6	12.7	14.3
Pre-Provision Operating Profit	9.2	12.5	14.1
<i>Loan Loss Provisions</i>	0.7	0.2	1.1
Profit Before Tax	8.5	12.3	13.0
<i>Tax</i>	2.8	3.9	4.1
Net Profit	5.7	8.3	8.9

Source: Bank of Zambia

Chart 9.1: Sources of Operating Income (K' billion), Dec 2023-Dec 2024



Source: Bank of Zambia

The growth in assets reduced to 14.7 percent from 21.8 percent in 2023 in line with the decline in the growth of deposit liabilities as cashflows for households and firms moderated in view of subdued economic activity (Table 9.6). Deposit liabilities grew by 17.2 percent in 2024 compared to 21.3 percent (Table 9.7).

Table 9.6: Asset Structure (K' billion and percent), 2023-2024

	2023			2024		
	K'billion	Percent Share of total assets	Annual Percentage Change	K'billion	Percent Share of total assets	Annual Percentage Change
Net Loans and advances	68.3	28.6	36.6	78.7	28.7	15.4
Investments in Government Securities	61.8	25.9	8.8	61.1	22.3	-1.2
Balances with Bank of Zambia	42.7	17.9	59.3	57.6	21.0	35.0
Balances with Foreign Financial Institutions	32.0	13.4	(9.9)	41.1	15.0	28.6
Other	34.2	14.3	26.2	35.5	13.0	3.9
Total	238.9	100.0	21.8	274.1	100.0	14.7

Source: Bank of Zambia

Table 9.7: Liability Structure (K' billion and percent), 2023–2024

	K' billion	Percent of total liabilities	2023	K' billion	Percent of total liabilities	2024
			Annual Percentage Change			Annual Percentage Change
Deposits	178.4	84.5	21.4	209.0	86.8	17.2
Other Liabilities	13.5	6.4	26.2	15.0	6.2	10.8
Other Borrowed Funds	3	1.4	36.4	6.6	2.8	124.7
Balances Due to Financial Institutions Abroad	6.1	2.9	56.4	3.2	1.3	-47.2
Balances Due to Financial Institutions in Zambia	1.2	0.6	0.0	0.8	0.3	-35.9
Others	8.8	4.2	-4.3	6.1	2.5	-30.2
Total	211	100	21.2	240.8	100	14.1

Source: Bank of Zambia

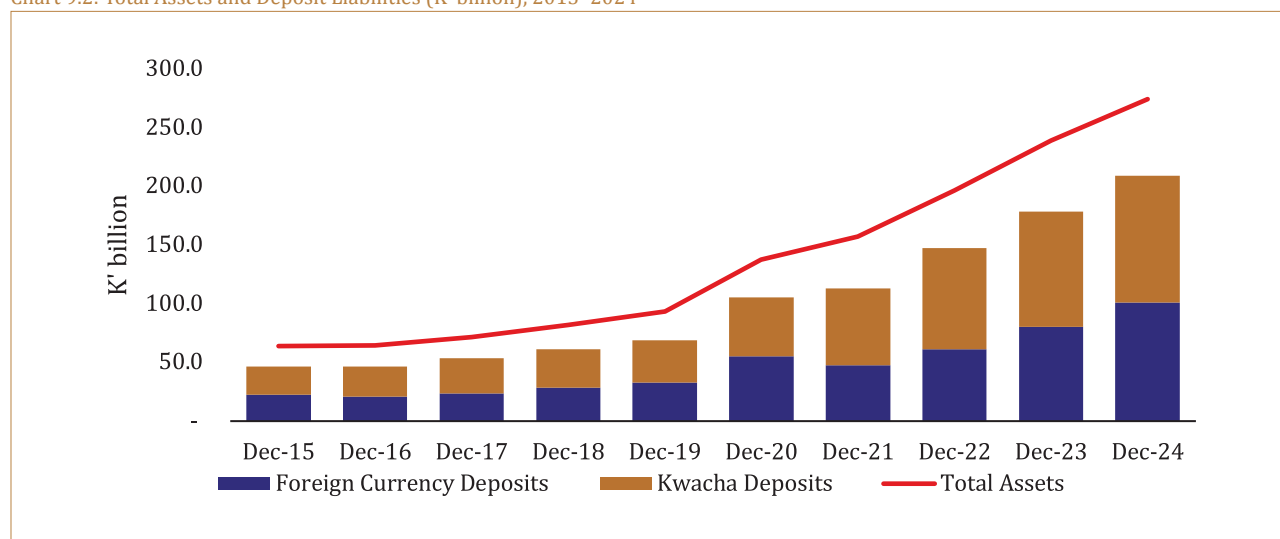
The structure of assets remained broadly unchanged in 2024 as loans and advances as well as investment in Government securities dominated (Table 9.6). There was a notable increase in balances held at the Bank of Zambia, which accounted for 21.0 percent of assets compared to 17.9 percent in 2023. This followed an increase in the statutory reserve ratio by 900 basis points in February and subsequent rebalancing of the portfolio by banks to meet the new reserve requirement. The growth in assets continued to be funded by deposit liabilities (Table 9.8 and Chart 9.2).

Table 9.8: Banking Sector Funding of Assets (percent of total assets), 2022–2024

	2022	2023	2024
Customer deposits	74.9	74.7	76.3
Borrowings	8.3	8.0	6.1
Shareholders' funds	11.3	11.7	12.1
All other liabilities	5.4	5.7	5.5
Total funding	100.0	100.0	100.0

Source: Bank of Zambia

Chart 9.2: Total Assets and Deposit Liabilities (K' billion), 2015–2024



Source: Bank of Zambia

Asset quality remained *satisfactory* as the ratio of non-performing loans to total loans (NPL ratio) slightly declined to 4.1 percent at end-December 2024 from 4.2 percent at end-December 2023 (Table 9.9). Despite a favourable rating, credit risk in the sector remained elevated as the stock of non-performing loans (NPLs) rose by 11.6 percent to K3.3 billion mainly driven by the mining and quarrying sector. Higher impairments in the mining sector arose from the suspension of plant operations due to electricity load management. The wholesale and retail trade as well as manufacturing sectors continued to dominate the NPLs (Table 9.10). But in terms of intra-sector NPL³⁶, the highest default rate was in the accommodation and food service activities as well as transportation and storage sectors (Table 9.11). However, the banking system exposure to these two sectors was minimal at 0.5 percent and 4.3 percent, respectively (Table 9.12).

³⁶ Intra-sector NPLs refer to the non-performing loans within a sector.

Table 9.9: Gross Loans and Non-Performing Loans, 2022-2024

	2022	2023	2024
Gross loans (K' billion)	52.5	71.0	81.8
NPLs (K' billion)	2.6	3.0	3.3
Substandard (K' billion)	0.1	0.4	0.2
Doubtful (K' billion)	0.5	0.4	0.6
Loss (K' billion)	1.8	2.2	2.0
NPL ratio (percent)	5.0	4.2	4.1
Prudential benchmark	10.0	10.0	10.0
Percentage in Total Gross Loans			
Substandard	0.1	0.2	0.2
Doubtful	0.9	0.4	0.7
Loss	3.4	3.1	2.5

Source: Bank of Zambia

Table 9.10: Sectoral Distribution of NPLs (percent), 2022–2024

Sector	2022	2023	2024
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.1	19.2	16.3
Manufacturing	27.0	23.6	16.0
Agriculture, forestry and fishing	15.3	15.2	11.3
Mining and quarrying	11.6	4.8	9.8
Transportation and storage	6.5	7.9	9.5
Personal loans	8.9	8.2	8.2
Real estate activities	6.8	5.4	6.7
Electricity, gas, steam and air conditioning supply	1.6	0.6	4.0
Construction	3.9	3.5	3.3
Accommodation and food service activities	3.2	3.1	3.0
Public administration and defence; compulsory social security	1.7	1.6	2.5
Financial and insurance activities	2.2	1.6	2.3
Activities of households*	0.4	0.4	2.1
Professional, scientific and technical activities	0.3	0.0	2.0
Information and communication	0.3	0.5	0.7
Education	0.6	0.7	0.5
Human health and social work activities	0.3	0.5	0.5
Other service activities	2.3	1.8	0.3
Administrative and support service activities	0.5	0.5	0.3
Activities of extraterritorial organizations and bodies	0.0	0.1	0.1
Water supply; sewerage, waste management and remediation activities	0.1	0.1	0.0
Arts, entertainment and recreation	0.0	0.0	0.0
Other	0.5	0.7	0.4
Total	100.0	100.0	100.0

Source: Bank of Zambia

*As employers; undifferentiated goods and services-producing activities of households for own use

Table 9.11: Intra-Sector NPL Ratios (percent), 2022–2024

	2022	2023	2024
Accommodation and food service activities	29.2	25.2	22.8
Transportation and storage	6.7	5.9	8.9
Activities of households*	8.7	8.2	8.5
Construction	14	9.5	7.9
Real estate activities	6.3	5.0	7.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	3.1	7.3	5.9
Mining and quarrying	7.6	2.5	5.5
Personal loans	5.9	5.0	4.8
Arts, entertainment and recreation	0.2	0.5	4.6
Agriculture, forestry and fishing	7.9	6.6	4.5
Activities of extraterritorial organizations and bodies	3.9	5.9	2.9
Manufacturing	7.3	4.7	2.7
Public administration and defence; compulsory social security	0.5	1.1	2.2
Human health and social work activities	1.7	1.9	1.9
Electricity, gas, steam and air conditioning supply	2.2	0.3	1.7
Education	2.1	2.3	1.6
Financial and insurance activities	2.8	1.5	1.6
Other service activities	16.8	9.6	1.6
Administrative and support service activities	2.4	1.7	1.1
Information and communication	0.3	0.5	0.8
Professional, scientific and technical activities	6.6	0.6	0.7
Water supply; sewerage, waste management and remediation activities	0.4	0.3	0.3
Other	18	13.7	6.1

Source: Bank of Zambia

* As employers; undifferentiated goods- and services-producing activities of households for own use

Table 9.12: Sectoral Distribution of Loans (percent), 2022–2024

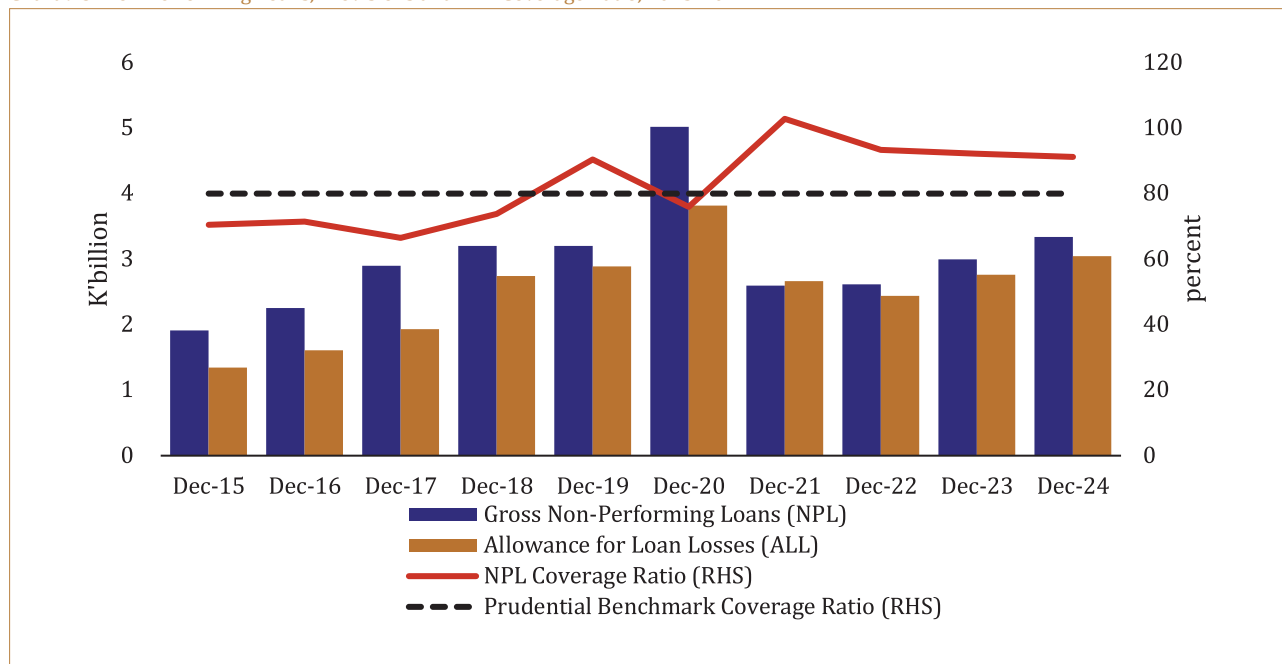
Sector	2022	2023	2024
Manufacturing	18.4	21.3	24.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.7	11.0	11.4
Agriculture, forestry and fishing	9.6	9.7	10.2
Electricity, gas, steam and air conditioning supply	3.5	8.9	9.9
Mining and quarrying	7.6	8.3	7.3
Personal Loans	7.6	7.0	7.0
Financial and insurance activities	3.9	4.6	5.7
Public administration and defense; compulsory social security	16.9	6.4	4.6
Transportation and storage	4.8	5.6	4.3
Real estate activities	5.4	4.5	3.5
Information and communication	4.8	4.7	3.5
Construction	1.4	1.6	1.7
Education	1.4	1.3	1.3
Administrative and support service activities	1.1	1.1	1.1
Human health and social work activities	1.0	1.1	1.1
Other service activities	0.7	0.8	0.8
Water supply; sewerage, waste management and remediation activities	1.0	0.8	0.8
Accommodation and food service activities	0.5	0.5	0.5
Professional, scientific and technical activities	0.2	0.3	0.3
Activities of households*	0.2	0.2	0.1
Activities of extraterritorial organizations and bodies	0.1	0.1	0.1
Arts, entertainment and recreation	0.1	0.1	0.0
Other	0.1	0.2	0.3
Total	100	100	100

Source: Bank of Zambia

* As employers; undifferentiated goods and services-producing activities of households for own use

The capacity of the sector to absorb potential loan losses was adequate as the NPL coverage ratio remained above the prudential benchmark of 80.0 percent despite declining slightly to 91.2 percent from 92.2 percent in 2023 (Chart 9.3). The change in the NPL coverage ratio was mostly influenced by the increase in the stock of NPLs.

Chart 9.3: Non-Performing Loans, Provisions and NPL Coverage Ratio, 2015-2024



Source: Bank of Zambia

The liquidity ratio³⁷ maintained a downward trend in 2024, declining to 39.5 percent from 42.8 percent in 2023, but remained above the prudential benchmark of 25 percent (Chart 9.4). This followed a reduction in liquid assets (Government securities, notes and coins, current account balances at Bank of Zambia, open market operations balances, and balances with domestic and foreign financial institutions) after a significant increase in the statutory reserve ratio, which triggered a balance sheet restructuring to meet the new reserve requirement³⁸. The liquid asset to total assets ratio also declined further to 32.0 percent from 35.4 percent (Chart 9.4). The loan-to-deposit ratio declined, albeit it marginally to 39.8 percent from 39.1 percent (Chart 9.5). However, this level of intermediation does not portend well for the economy, particularly economic growth.

9.2 Deposit-Taking Non-Bank Financial Institutions

Deposit-taking non-bank financial institutions (DTIs) consisted of seven microfinance institutions, two building societies and one savings and credit institution (Table 9.13).

Table 9.13 Structure of DTIs, 2022 - 2024

Type of Institution	Number of Institutions		
	2022	2023	2024
Microfinance Institutions	7	7	7
Building Societies	2	2	2
Savings and Credit Institutions	1	1	1
Total	10	10	10

Source: Bank of Zambia

The overall financial performance and condition of the DTI sector was rated *satisfactory*. This was supported by *satisfactory* regulatory capital, asset quality, earnings performance, liquidity management and sensitivity to market risk (Table 9.14).

³⁷Liquid assets divided by the sum of total deposits and short-term liabilities.

³⁸Statutory reserves are not included in the computation of liquid assets due to daily compliance requirement. Liquidity conditions tightened in the first half of the year following the increase in the statutory reserve requirement in February. This led to heightened demand for central bank liquidity through the Overnight Lending Facility.

Table 9.14: Financial Performance Indicators of the DTI Sector (percent), 2022-2024

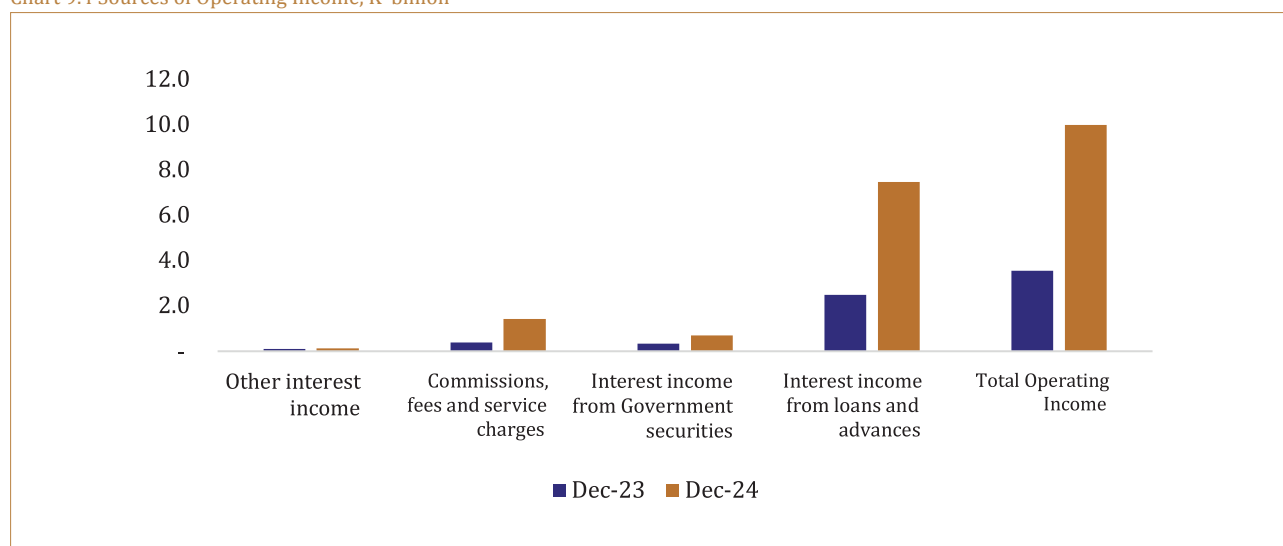
	Benchmark	2022	2023	2024
Primary capital adequacy ratio	5.0 or higher	28.1	28.1	30.8
Total regulatory capital adequacy ratio	10.0 or higher	27.9	27.9	31.3
Net NPLs to regulatory capital	10.0 or lower	2.4	1.5	0.7
Gross non-performing loans to total loans	10.0 or lower	9.0	8.6	7.1
Net non-performing loans to total loans	2.5 or lower	1.0	0.5	0.2
Provisions to non-performing loans	80.0 or higher	89.5	93.7	87.4
Return on assets	4.0 or higher	7.5	8.0	9.3
Return on equity	20.0 or higher	26.6	21.8	29.9
Efficiency ratio	60.0 or lower	64.4	55.1	58.5
Liquid assets to total assets	15.0 or higher	27.9	29.5	15.7
Liquid assets to deposits and short-term liabilities	15.0 or higher	50.4	48.3	24.5

Source: Bank of Zambia

Sustained retained earnings kept aggregate primary and total regulatory capital adequacy ratios above the minimum regulatory requirements (Table 9.14). Primary and total regulatory capital rose by 17.9 percent and 17.8 percent to K3.56 billion and K3.61 billion, respectively.

Profit before tax was K2.9 billion, up from K1.9 billion in 2023, driven by interest income from loans and advances as well as Government securities (Chart 9.4).

Chart 9.4 Sources of Operating Income, K' billion



Source: Bank of Zambia

Assets grew by 14.0 percent to K14.8 billion in 2024, largely funded by deposit liabilities, which accounted for 59.0 percent of the total liabilities. Loans and advances, which increased by 22.0 percent to K10.9 billion, constituted the largest share of total assets (Table 9.15).

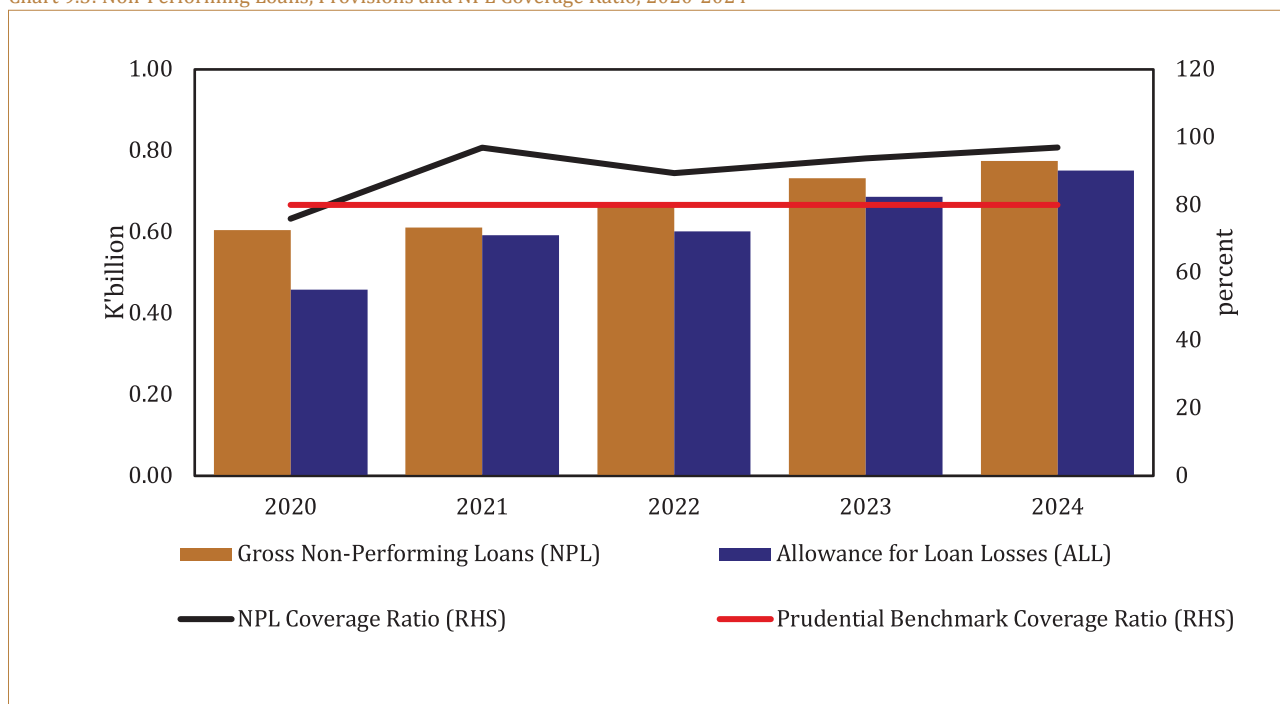
Table 9.15: Asset Composition of the DTIs (K' billion), 2022-2024

	2022	2023	2024
Net Loans and advances	6.9	7.8	10.2
Balances with Domestic Financial Institutions	1.4	1.9	1.4
Investments in Government Securities	1.3	1.6	1.4
Other	1.0	1.4	1.8

Source: Bank of Zambia

Asset quality remained *satisfactory* as the NPL ratio declined to 7.1 percent at end-December 2024 from 8.6 percent at end-December 2023 (Table 9.14). The lower NPL ratio was underpinned by improved underwriting practices and loan administration. The capacity of the sector to absorb potential loan losses was adequate, reflected in a high NPL coverage ratio of 96.9 percent relative to the prudential benchmark of 80.0 percent (Chart 9.5).

Chart 9.5: Non-Performing Loans, Provisions and NPL Coverage Ratio, 2020-2024



Source: Bank of Zambia

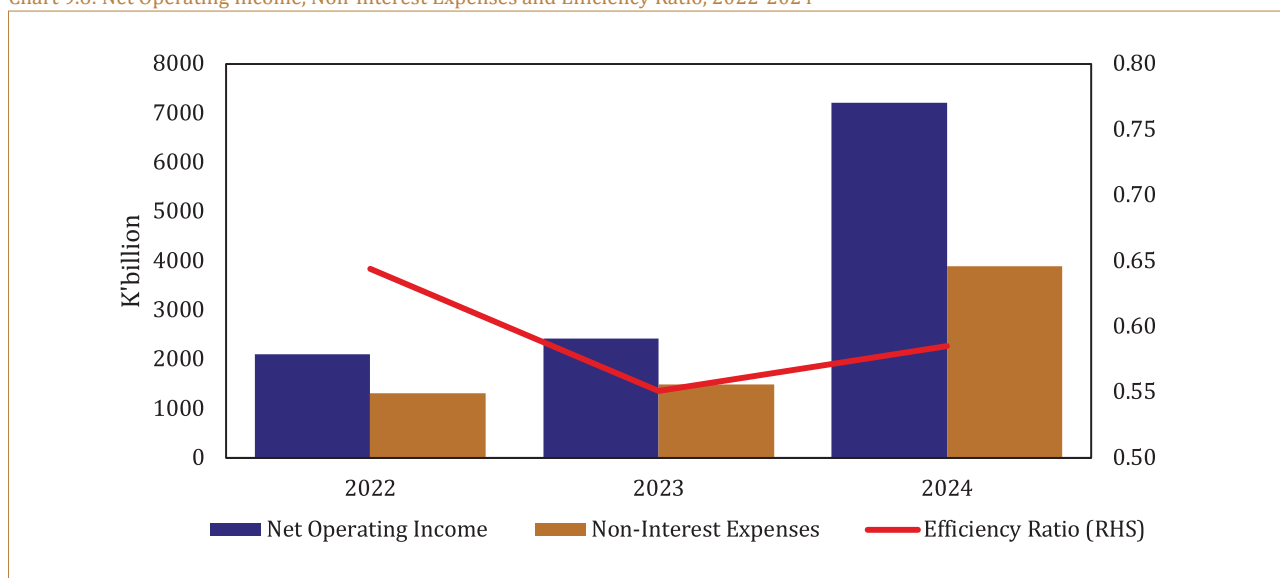
Both return on assets and equity increased to 9.3 percent and 29.9 percent from 8.0 percent and 21.8 percent, respectively, but remained above the prudential benchmarks of 4.0 percent and 20.0 percent (Table 9.14). The increase was due to the growth in retained earnings. However, the efficiency ratio (cost-to-income ratio) deteriorated to 56.2 percent from 55.1 percent but remained below the prudential threshold of 60.0 percent (Table 9.16 and Chart 9.6). The rise in non-interest expenses as a result of investment in alternative sources of power in the wake of electricity shortages impacted the efficiency ratio (Table 9.16).

Table 9.16: Net Operating Income, Non-Interest Expenses and Efficiency Ratio, 2022-2024, K' billion

	Net Operating Income	Non-Interest Expenses	Efficiency Ratio, Percent
2022	2.1	1.3	64.0
2023	2.4	1.5	55.1
2024	7.2	3.9	56.2

Source: Bank of Zambia

Chart 9.6: Net Operating Income, Non-Interest Expenses and Efficiency Ratio, 2022-2024



Source: Bank of Zambia

The liquidity ratio, at 24.5 percent, was slightly below the prudential benchmark of 25.0 percent while the liquid asset ratio was 15.7 percent, and the loan-to-deposit ratio was 24.5 percent.

9.3 Non-Deposit Taking Financial Institutions Sector

In 2024, the number of licensed non-deposit taking financial institutions (NDTFIs) reduced to 99 from 104 in 2023 as the Bank cancelled operating licenses for three microfinance institutions, one leasing finance institution, and two bureaux de change while one bureau de change licence was approved (Tables 9.17, 9.18 and 9.19). The cancellation of licenses for the microfinance institutions was on account of insolvency, failure to comply with the requirements of the BFSa, and voluntary surrender following changes in business opportunities.

Table 9.17 Structure of NDTFIs, 2022-2024

Type of Institution	Number of Institutions		
	2022	2023	2024
Bureaux de Change	72	67	66
Consumer Lending Microfinance Institutions	27	25	23
Enterprise Lending Microfinance Institutions	3	3	3
Leasing and Finance Companies	7	7	5
Building Societies	0	0	0
Credit Reference Bureau	1	1	1
Savings and Credit Institutions	0	0	0
Development Finance Institutions	1	1	1
Total	111	104	99

Source: Bank of Zambia

Table 9.18 Licences Cancelled

Bureau de Change		Date Cancelled
1	Link Bureau de change	February 1
2	FX Africa Bureau de Change Limited	December 13
Microfinance Institutions		
1	Direct Finance Services Limited	February 1
2	Betternow Finance Company Limited	July 15
3	Christian Empowerment Microfinance Limited	September 13

Source: Bank of Zambia

Table 9.19 Licence Cancelled Leasing Finance Institution

1	Leasing Finance Institution	
2	Alios Finance Zambia Limited	March 6

Source: Bank of Zambia

Table 9.20 Licences Issued

1	Bureau de Change	
2	Desire Bureau de Change Limited	October 10

Source: Bank of Zambia

Notwithstanding the impact of the drought, the overall financial performance and condition of the NDTFIs sector was rated *satisfactory*. Regulatory capital, asset quality, liquidity management, and earnings performance were rated *satisfactory*, but sensitivity to market risk was *unsatisfactory* as foreign currency exposure exceeded the benchmark of 25 percent because of the depreciation of the Kwacha (Table 9.21 and Table 9.22).

Table 9.21: Financial Performance Indicators of the NDTFIs Sector, 2022 - 2024

Indicator (percent)	Benchmark	2022	2023	2024
Primary capital adequacy ratio	5.0 or higher	37.0	38.1	37.7
Total regulatory capital adequacy ratio	10.0 or higher	35.3	37.4	35.8
Net NPLs to regulatory capital	10.0 or lower	4.0	(2.5)	(0.8)
Gross non-performing loans to total loans	10.0 or lower	23.6	6.4	8.6
Net non-performing loans to total loans	2.5 or lower	1.6	(1.0)	(0.3)
Net non-performing loans to net loans	2.5 or lower	2.1	(0.1)	(0.3)
Provisions to non-performing loans	80.0 or higher	93.1	116.3	103.5
Earning assets to total assets	80.0 or higher	83.0	85.7	85.1
Provision for loan losses to total assets	80.0 or higher	9.7	6.2	7.6
Net interest income to total assets	10.0 or higher	38.3	39.5	23.1
Return on assets	4.0 or higher	12.8	20.2	13.1
Return on equity	20.0 or higher	37.3	53.5	36.2
Efficiency ratio	60.0 or lower	68.6	56.8	57.4
Liquid assets to total assets	15.0 or higher	17.5	11.3	9.8
Liquid assets to deposits and short-term liabilities	15.0 or higher	44.5	25.0	20.1

Source: Bank of Zambia

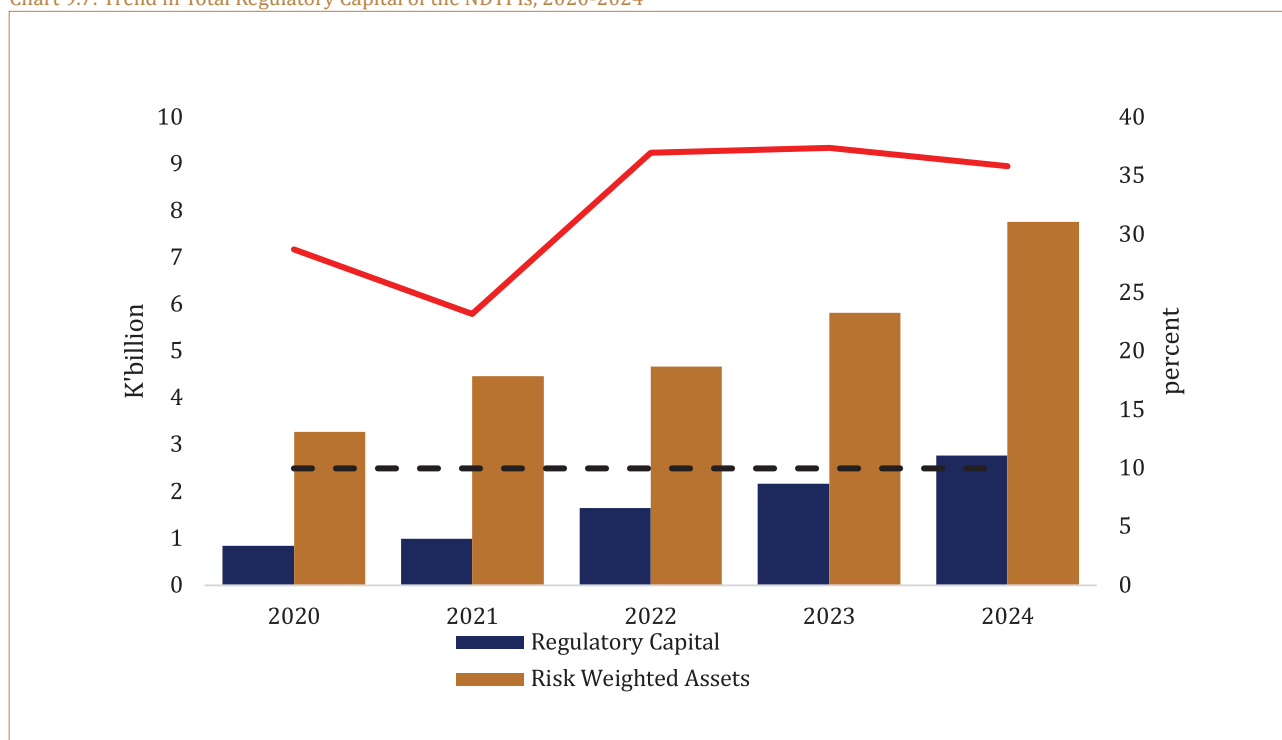
Table 9.22: Performance and Financial Condition of the NDTFIs Sector, 2022-2024

Performance Rating	Licence Type	Number of Institutions			2024 Total Assets (percent)
		2022	2023	2024	
Strong	Leasing Finance Institution	0	1	0	0
	Micro-Finance Institutions	3	8	1	12.7
Satisfactory	Micro-Finance Institutions	16	13	10	66.8
	Leasing Finance Institution	3	0	1	1.9
Fair	Leasing Finance Institution	0	2	2	3.7
	Micro-Finance Institutions	4	2	10	12.2
Marginal	Leasing Finance Institution	1	0	2	2.7
	Micro-Finance Institutions	1	1	1	0.0
Unsatisfactory	Leasing Finance Institution	1	0	0	0
	Micro-Finance Institutions	0	1	0	0
Total		31	28	27	100

Source: Bank of Zambia

The regulatory capital of the NDTFIs sector was rated *satisfactory* with the capital adequacy ratio of 35.8 percent in excess of the minimum threshold of 10.0 percent. However, the capital adequacy ratio reduced in 2024 as the rise in risk-weighted assets by 33.2 percent exceeded the increase in regulatory capital of 27.6 percent (Chart 9.7). Risk-weighted assets were supported by a higher growth in loans. Regulatory capital was largely driven by retained earnings that grew by 55.9 percent to K1.8 billion as profitability rose in line with the expansion in credit. The slowdown in the regulatory capital ratio was due to license cancellations for two bureau de change and four microfinance institutions coupled with a higher stock of non-performing loans (Chart 9.7).

Chart 9.7: Trend in Total Regulatory Capital of the NDTFIs, 2020-2024



Source: Bank of Zambia

Assets grew by 35.7 percent to K8.6 billion, driven by net loans and advances mostly by the consumer-lending microfinance sub-sector (Table 9.22). By and large, the consumer lending sub-sector has low credit risk as loan repayment is collected through employers rather than directly from employees. Loans continued to dominate the asset structure of NDTFIs (Table 9.23). Assets were largely funded by shareholder equity (34.7 percent) and borrowings (25.6 percent).

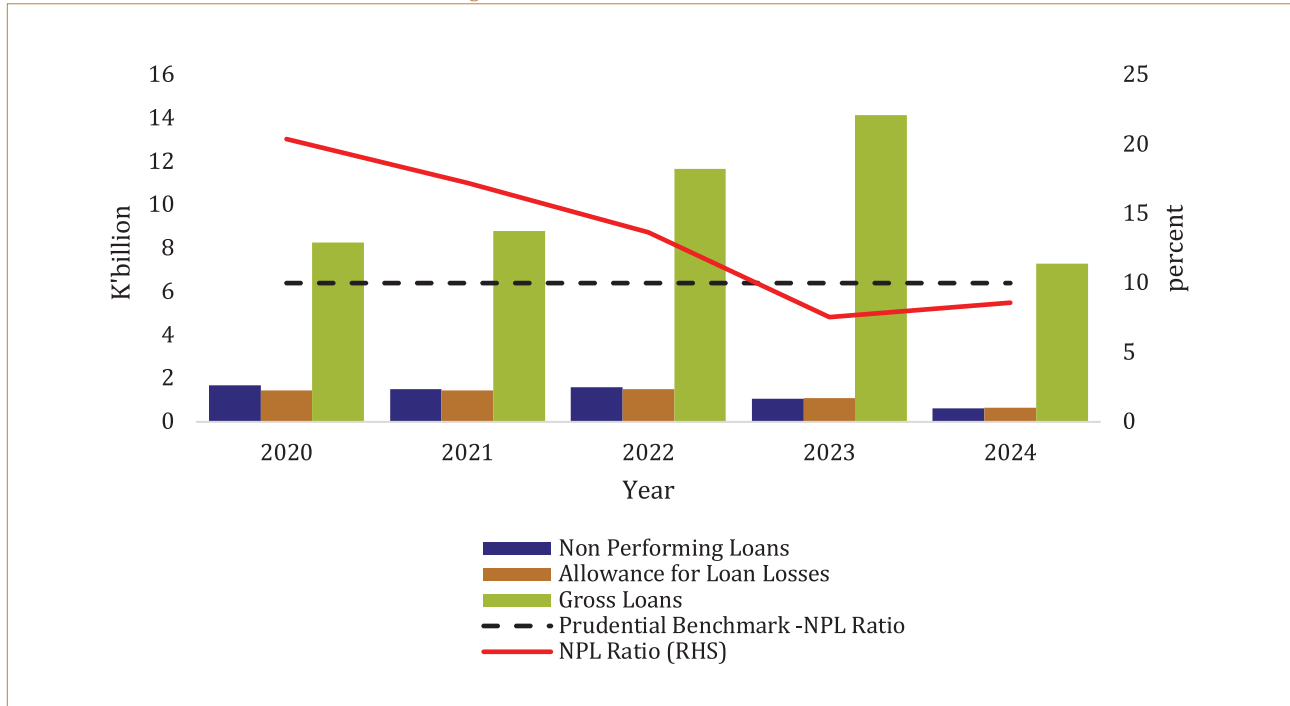
Table 9.23: Asset Structure (K' billion), 2022-2024

Asset Class	2022		2023		2024	
	K'billion	Percent Share of Total Assets	K'billion	Percent Share of Total Assets	K'billion	Percent Share of Total Assets
Net loans and advances	3.2	67.8	4.9	77.5	6.7	77.8
Balances with domestic institutions	0.5	10.4	0.4	7.4	0.6	7.0
Fixed assets	0.3	5.5	0.2	3.9	0.3	3.4
Notes and coins	0.1	1.8	0.1	1.3	0.1	1.0
Investments in Government securities	0.2	4.8	0.1	0.9	0.1	0.8
Other assets	0.5	9.7	0.6	9.0	0.8	10.0
Total	4.8	100.0	6.3	100.0	8.6	100.0

Source: Bank of Zambia

The quality of assets was rated *satisfactory* despite a rebound in the NPL ratio to 8.6 percent, but remained below the prudential benchmark of 10 percent (Chart 9.8). The rise in the NPL ratio was due to the deterioration in macroeconomic conditions, which affected the ability of most borrowers to meet their loan obligations. At the end of the year, gross loans moved up to K7.3 billion from K5.3 billion in 2023 while NPLs increased to K627.3 million from K335.1 million. The increase in NPLs was primarily driven by four institutions (three microfinance institutions and one financial business), which collectively accounted for 67.9 percent (or K425.7 million) of the total sector NPLs. These institutions are involved in mobile lending, which saw a sharp rise in NPLs partly attributed to dishonest behaviour of some borrowers.

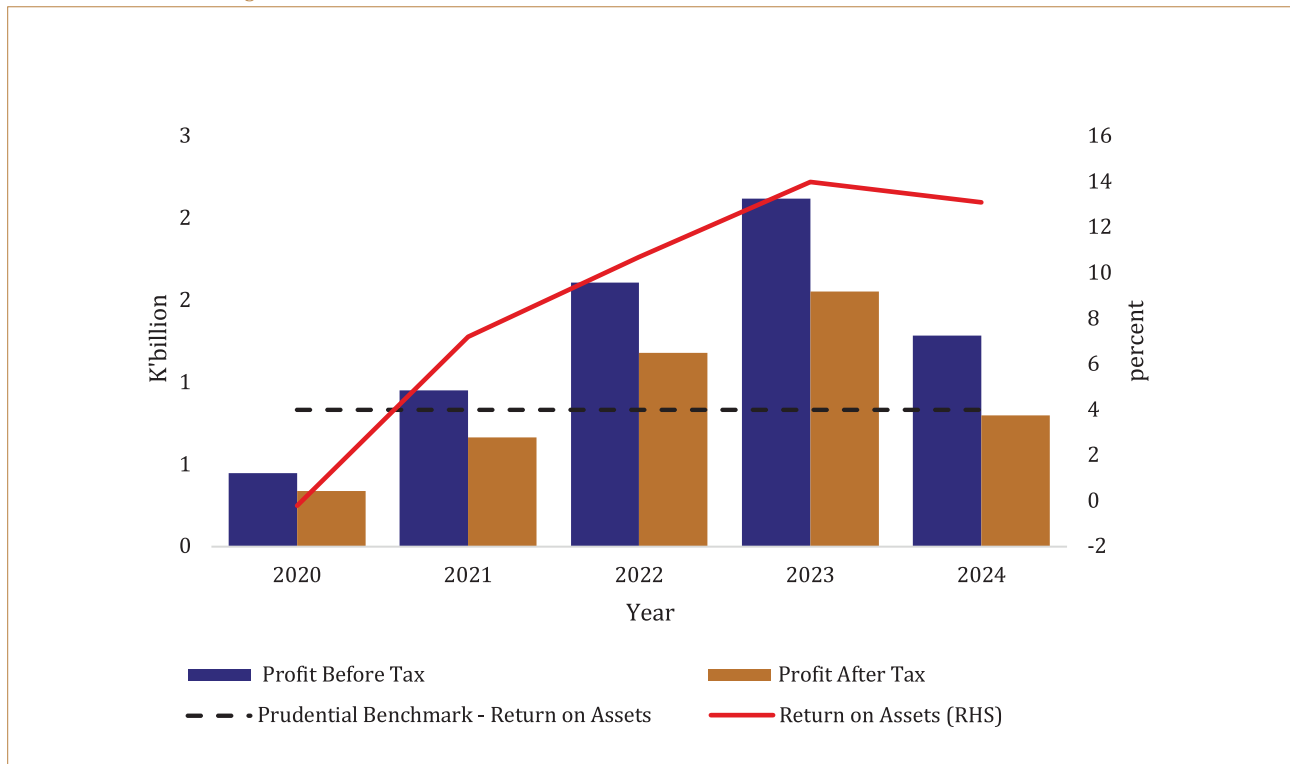
Chart 9.8: Trend in Total Loans and Non-Performing Loans of the NDTFIs, 2020-2024



Source: Bank of Zambia

Earnings were rated *satisfactory* as the sector recorded a profit before tax of K1.2 billion (Chart 9.9).

Chart 9.9: Trend in Earnings of the NDTI, 2020-2024



Source: Bank of Zambia

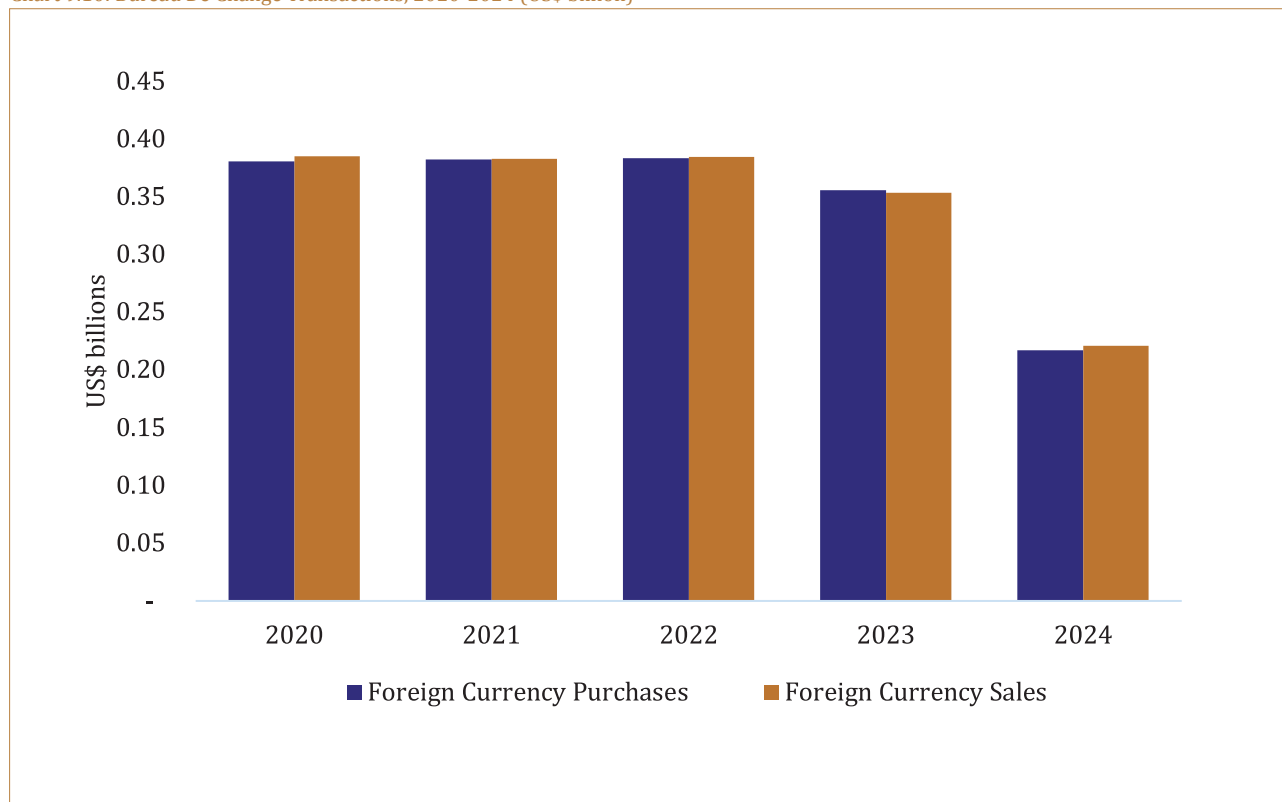
Liquidity was rated *satisfactory* despite a decline in the liquidity ratio to 20.1 percent from 25.0 percent in 2023. The drop in the liquidity ratio was due to tight liquidity conditions in the money market (primary source of liquidity). Nonetheless, the ratio remained above the minimum prudential limit of 15 percent.

Foreign exchange risk exposure of the NDTFIs sector was rated *unsatisfactory*. The foreign currency exposure ratio increased significantly to 34.6 percent from 6.8 percent in 2023 and breached the prudential limit of 25 percent.

This was due to the rise in foreign denominated shareholder loans and unpaid management fees to foreign group companies of some NDTFIs, exacerbated by the depreciation of the Kwacha against major currencies.

Specific to the bureau de change sub-sector, which does not extend credit among NDTFIs, the value of transactions drastically reduced as economic activity declined due to the impact of the drought. Both foreign currency sales and purchases went down by 38.2 percent to US\$220.7 million and US\$217.3 million, respectively (Chart 9.10). Consequently, profit before tax reduced by about half (50.7 percent) to K7.3 million. The sub-sector was, however, adequately capitalised with aggregate capital and reserves of K93.3 million.

Chart 9.10: Bureau De Change Transactions, 2020-2024 (US\$ billion)



Source: Bank of Zambia

9.4 Consumer Protection and Market Conduct

Public awareness campaigns on financial consumer protection and money circulation schemes, mystery shopping activities and onsite examination of licensed institutions were conducted in line with the mandate of the Bank of protecting consumers and overseeing market conduct.

Public awareness campaigns were part of the *Go Cashless* countrywide sensitization to promote the use of digital financial services (DFS) intended to encourage the use of digital payment channels in order to increase financial inclusion. The notable issues raised during the campaigns were:

- a) High withdrawal fees in business transactions and lengthy transaction reversal processes that discouraged stakeholders from fully embracing DFS;
- b) Poor network coverage and limited network infrastructure in most parts of the country, which adversely affects the widespread use of DFS;
- c) Sensitization and information gaps in rural areas, coupled with high financial illiteracy, left most members of the public open to scammers and electronic frauds;
- d) Slow response by the Bank to customer complaints, which discouraged them from going cashless; and
- e) Limited presence of the Bank in providing financial education.

One onsite examination and several mystery shopping exercises were conducted. The onsite examination on a microfinance institution assessed the institutions' compliance with consumer protection and market conduct regulations. Mystery shopping exercises conducted in Copperbelt, Central, Western and Southern provinces assessed compliance by FSPs to the provisions of the BFSA, Consumer Protection and Market Conduct Directives and Circulars, as well as practices in treating customers fairly, focusing on complaints handling, disclosure requirements and transparency. The outcome of both onsite examination and mystery shopping exercise were that:

- a) Institutions lacked written complaint procedures for customers in all the branches visited. However, consumers were educated on their rights and obligations under the loan contract, terms of the loan and issues related to the credit reference bureau prior to loan disbursement;
- b) There was no indication that consumers were aware that the Bank was an external dispute resolution body if a customer was dissatisfied with the FSPs dispute redress system;
- c) There were no records at FSP branches of complaints received and addressed as required by Section 113 (C) of the BFSA;
- d) Key Facts Statements (KFS) were not issued to customers during mobile sales, thus breaching **CB Circular No.19 of 2015**;
- e) There were breaches of Section 109 of the BFSA, which provides that an FSP should not impose a charge or penalty on a borrower due to failure to repay or pay in accordance with the contract governing the loan;
- f) There were breaches of the Banking and Financial Services (Provision of Credit Data and Utilisation of the Credit Reference Agency) Directives, 2020 **CB Circular No. 10 of 2021** that require FSPs to submit relevant credit information of a data subject to whom it has provided credit to a credit reporting agency;
- g) There were breaches of Gazette Notice No.370 of 2020 and Section 113 of the **Banking and Financial Services Act, 2017** on making available a complaint handling procedure to consumers; and
- h) There were breaches of **CB Circular No.19 of 2015** (Removal of Interest Rate Caps and Consumer Protection Measures) that requires FSPs to provide KFS to consumers before contracting a loan so that they understand the terms and conditions of the loan.

In view of this, directives were issued to individual institutions to regularise compliance deficiencies.

9.5 Anti-Money Laundering and Counter-Terrorism Financing Proliferation

The Bank collaborated with other financial sector regulators and stakeholders on money laundering related issues:

- a) In conjunction with the Financial Intelligence Centre (FIC), onsite examinations of three commercial banks were conducted in accordance with the provisions of the BFSA, Financial Intelligence Centre Act, 2010 and other relevant pieces of legislation. The examinations revealed inadequacies in board and senior management oversight of money laundering and financing of terrorism risks. This was evidenced by failure to establish a strong internal control environment to comply with some of the provisions of the FIC Act, 2010 and subsidiary legislation. Appropriate corrective directives were, therefore, issued;
- b) Targeted onsite examinations of eight bureaux de change were conducted together with FIC. The findings revealed serious breaches of laws and regulations. The violations included deficiencies in customer due diligence processes, suspicious transaction reporting processes and sanctions screening procedures at branches. Supervisory actions were instituted against concerned bureaux de change;
- c) In September, the Bank, FIC, Securities and Exchange Commission, and the Centre for Financial Regulation and Inclusion hosted an inaugural Anti-Money Laundering (AML) and Counter-Terrorism Financing and Proliferation (CFTP) Compliance Forum for banks and other credit service providers. The objective was for the financial sector AML/CFTP supervisory authorities to provide FSPs with insights into emerging issues and their implications for AML/CFTP compliance requirements. The Forum also presented FSPs with an opportunity to share views on how supervisory authorities could support their efforts to achieve higher compliance levels; and
- d) In November, the Bank hosted a workshop on virtual assets facilitated by the US Department of Treasury and participated in the second Money Laundering/Terrorist and Proliferation Financing National Risk Assessment.

In view of the aforesaid, the Bank issued 191 Directives to examined institutions to remedy compliance deficiencies under both consumer protection, market conduct and AML/CFT (Table 9.24).

Table 9.24: Supervisory Examinations and Directives Issued (2020–2024)

Year	2020	2021	2022	2023	2024
Institutions Examined	2	13	16	9	14
Directives Issued	24	272	226	134	191

Source: Bank of Zambia

9.6 Financial Inclusion

The Bank engaged and collaborated with key stakeholders to promote financial inclusion and literacy through initiatives, which included the launch of Phase II of the **National Financial Inclusion Strategy** and a survey on forcibly displaced persons.

Launch of Phase II of the National Financial Inclusion Strategy (2024 – 2028)

The second phase of the **National Financial Inclusion Strategy II** (NFIS II) was launched in March. This signified renewed dedication to overcoming the limitations and shortcomings identified in the **inaugural National Financial Inclusion Strategy I** (NFIS I). The NFIS II is based on six thematic areas: financial inclusion for micro, small, and medium enterprises; financial inclusion in rural areas; financial inclusion for agriculture; financial inclusion for the underserved population; environmental, social, and governance; as well as digital financial services and financial infrastructure. The goal is to increase financial inclusion to 85 percent by 2028 from 69.4 percent recorded in 2020.

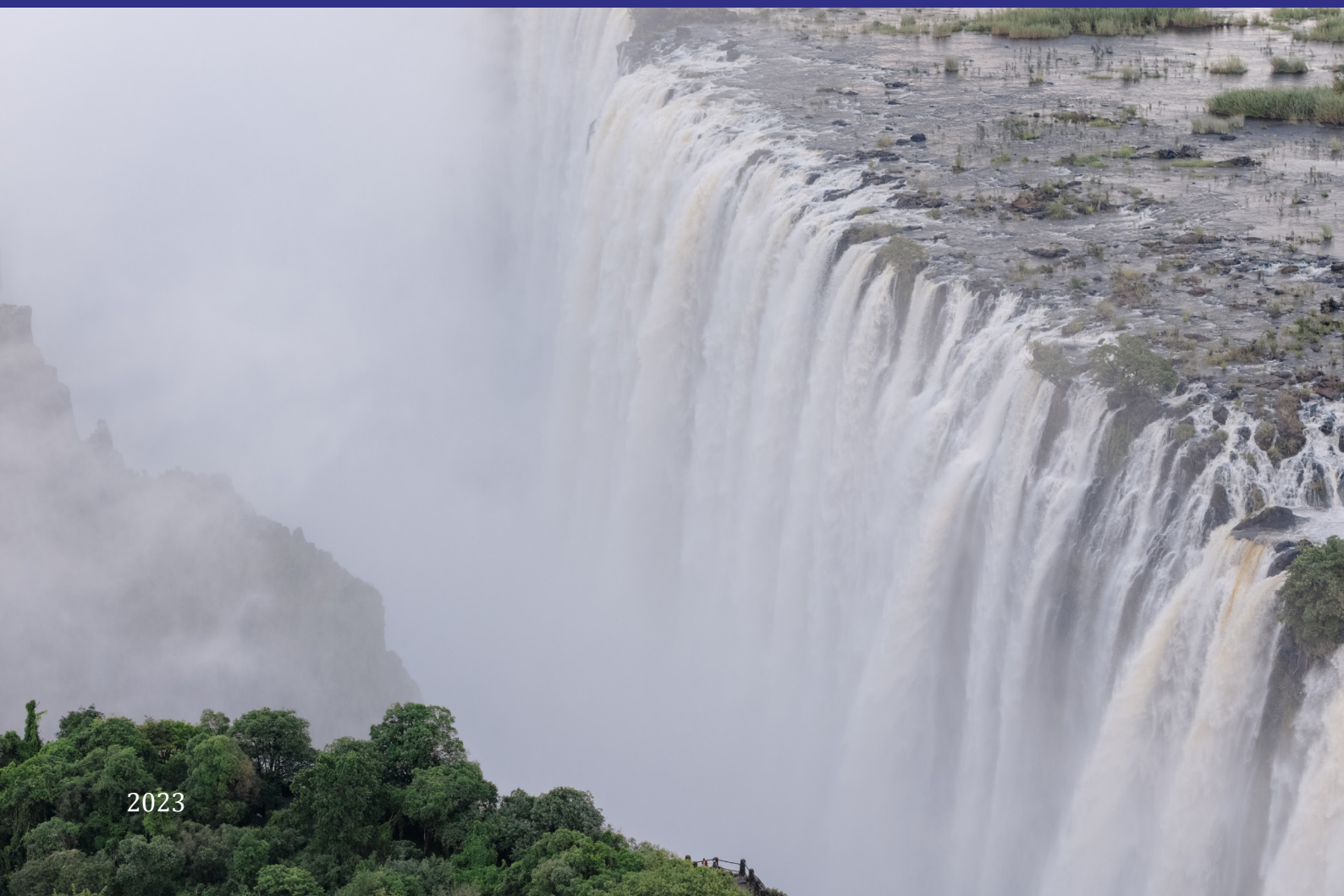
Survey on Forcibly Displaced Persons Access to Financial Services

In June, a **supply-side survey** was conducted to assess the landscape of financial products offered by FSPs to forcibly displaced people. The results revealed that only 28.3 percent of FSPs offered financial products and services to forcibly displaced persons. The widely offered products were remittance services, e-wallets (mobile money services), and loans. Lack of KYC documentation and limited financial literacy and awareness were identified as significant barriers to accessing financial services by forcibly displaced persons.



2024

10.0 BANKING AND CURRENCY



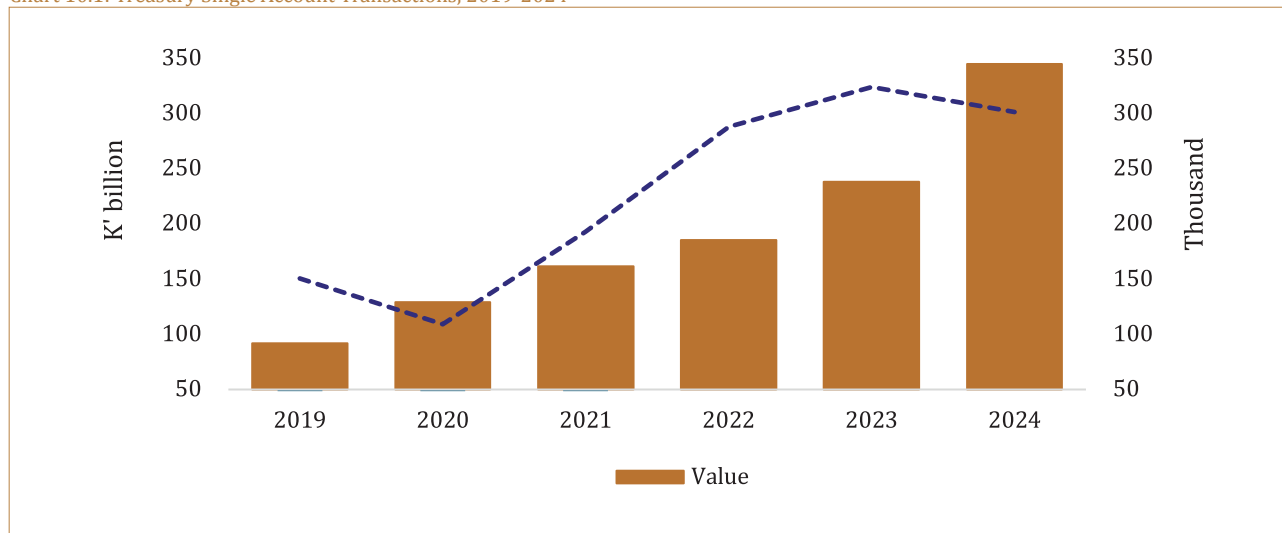
2023

10.0 BANKING AND CURRENCY

10.1 Banking Services

The value of transactions processed through the Treasury Single Account (TSA) in the course of the Bank providing banking services³⁹ to Government and quasi-Government institutions increased by 45.0 percent in 2024 to K344.7 billion (Chart 10.1). However, the volume of transactions reduced slightly to 300,989 from 323,654 in 2023. The number of accounts migrated to the TSA in 2024 increased by 3 to 69.

Chart 10.1: Treasury Single Account Transactions, 2019-2024

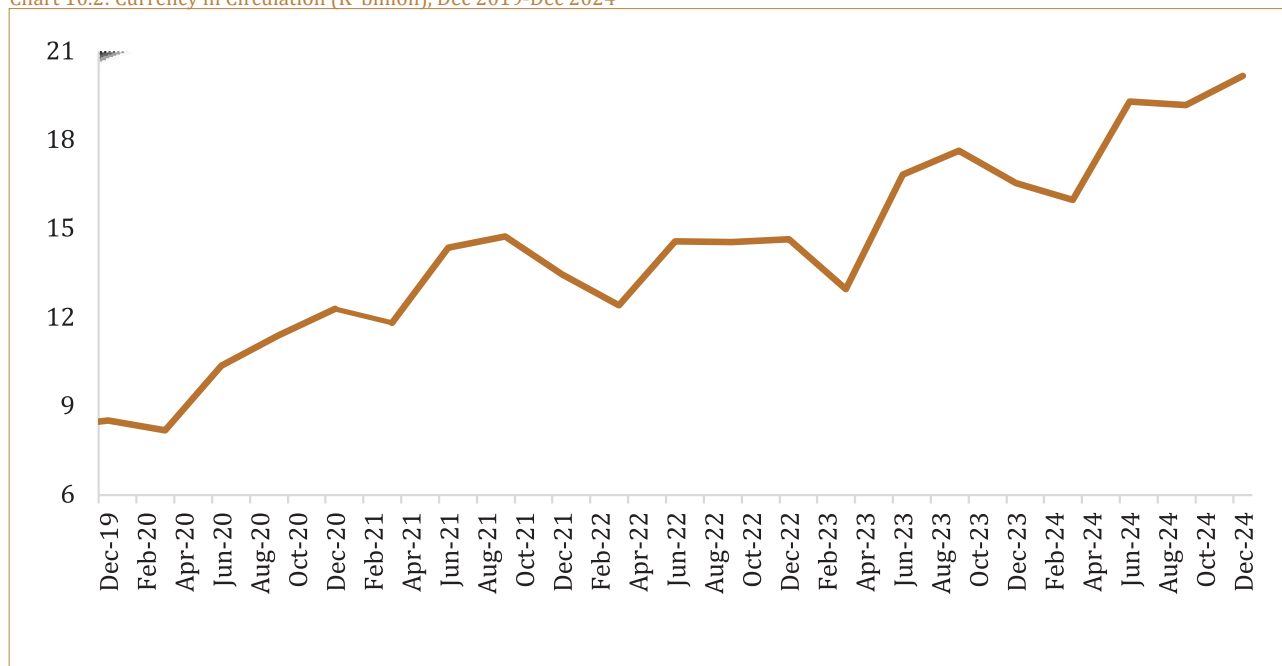


Source: Bank of Zambia

10.2 Currency Management

Currency in circulation grew substantially in 2024, rising by 22.4 percent compared to 13.0 percent in 2023. The stock ended the year at K20.2 billion (Chart 10.2). The strong demand for currency was mostly driven by expanded social benefits payments, comprising social cash transfers and cash-for-work necessitated by the drought, as well as crop marketing activities, especially in the northern part of the country. As shown in Table 10.1, the bulk of the currency in circulation by value continued to be held in K100 banknotes (73.2 percent or K14.8 billion). This exceeded the 60.0 percent threshold, a trigger point for currency restructuring according to international best practice.

Chart 10.2: Currency in Circulation (K 'billion), Dec 2019-Dec 2024



Source: Bank of Zambia

³⁹Services include revenue collection, payments to beneficiaries and funding of Line Ministries, Provinces and Agencies through the TSA. The Bank also maintained commercial bank accounts, provided audit confirmations and delivered other client services.

Table 10.1: Total Currency in Circulation, 2022-2024

	Value (ZMW)			Pieces		
	2022	2023	2024	2022	2023	2024
Banknotes						
K100	9,851,003,950	11,746,750,500	14,777,486,300	98,510,039	117,467,505	147,774,863
K50	3,541,433,550	3,617,322,750	4,344,558,550	70,828,671	72,346,455	86,891,171
K20	613,346,780	471,362,460	341,802,820	30,667,339	23,568,123	17,090,141
K10	206,088,030	230,185,590	253,467,860	20,608,803	23,018,559	25,346,786
K5	148,614,770	156,434,830	118,756,665	29,722,954	31,286,966	23,751,333
K2	51,406,212	63,146,218	32,051,850	25,702,606	31,573,109	16,025,925
Coins						
K1	140,361,992	165,835,503	208,014,424	140,361,992	165,835,503	208,014,424
50N	79,874,429	82,914,232	82,951,694	159,748,858	165,828,464	165,903,389
10N	8,688,072	8,685,972	8,685,472	86,880,724	86,859,720	86,854,724
5N	3,737,759	3,737,759	3,737,759	74,755,189	74,755,180	74,755,189
Total	14,644,554,569	16,546,375,904	20,171,512,895	737,787,175	792,539,584	852,397,944

Source: Bank of Zambia

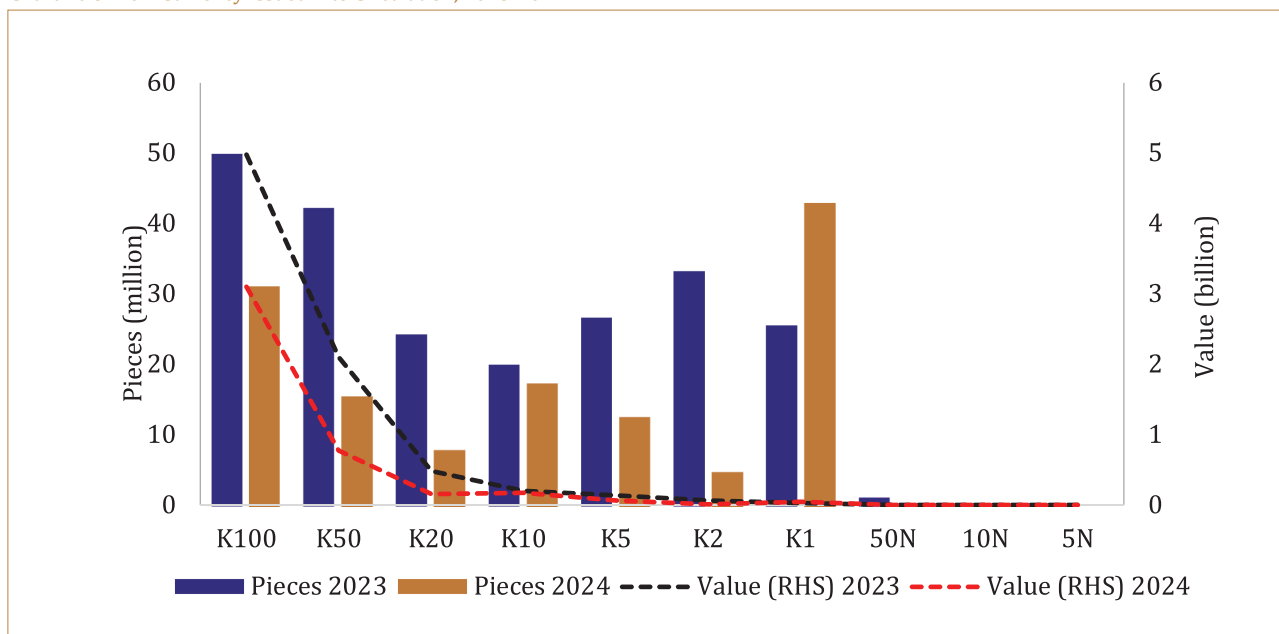
A total of 132.4 million pieces of mint (new currency) banknotes and coins valued at K4.3 billion were issued into circulation. As shown in Table 10.2 and Chart 10.3, most of the currency issued was in high value banknotes: K100 (71.7 percent) and K50 (17.9 percent). The middle value (K20 and K10) and low value (K5 and K2) banknotes accounted for 9.4 percent while coins constituted 1.0 percent of the currency issued.

Table 10.2: New Currency Issued into Circulation, 2022-2024

	Value (ZMW)			Pieces		
	2022	2023	2024	2022	2023	2024
K100	2,348,900,000	4,978,800,000	3,101,200,000	23,489,000	49,788,000	31,012,000
K50	990,550,000	2,106,250,000	776,350,000	19,811,000	42,125,000	15,527,000
K20	256,120,000	485,700,000	159,360,000	12,806,000	24,285,000	7,968,000
K10	140,100,000	200,610,000	174,070,000	14,010,000	20,061,000	17,407,000
K5	128,805,000	133,365,000	63,290,000	25,761,000	26,673,000	12,658,000
K2	54,462,000	66,392,000	9,822,000	27,231,000	33,196,000	4,911,000
K1	17,052,000	25,559,000	42,798,000	17,052,000	25,559,000	42,798,000
50N	5,171,000	625,000	63,500	10,342,000	1,250,000	127,000
10N	2,800	0	0	28,000	0	0
5N	800	950	0	16,000	19,000	0
Total	3,941,163,600	7,997,301,950	4,326,953,500	150,546,000	222,956,000	132,408,000

Source: Bank of Zambia

Chart 10.3: New Currency Issued into Circulation, 2023-2024



Source: Bank of Zambia

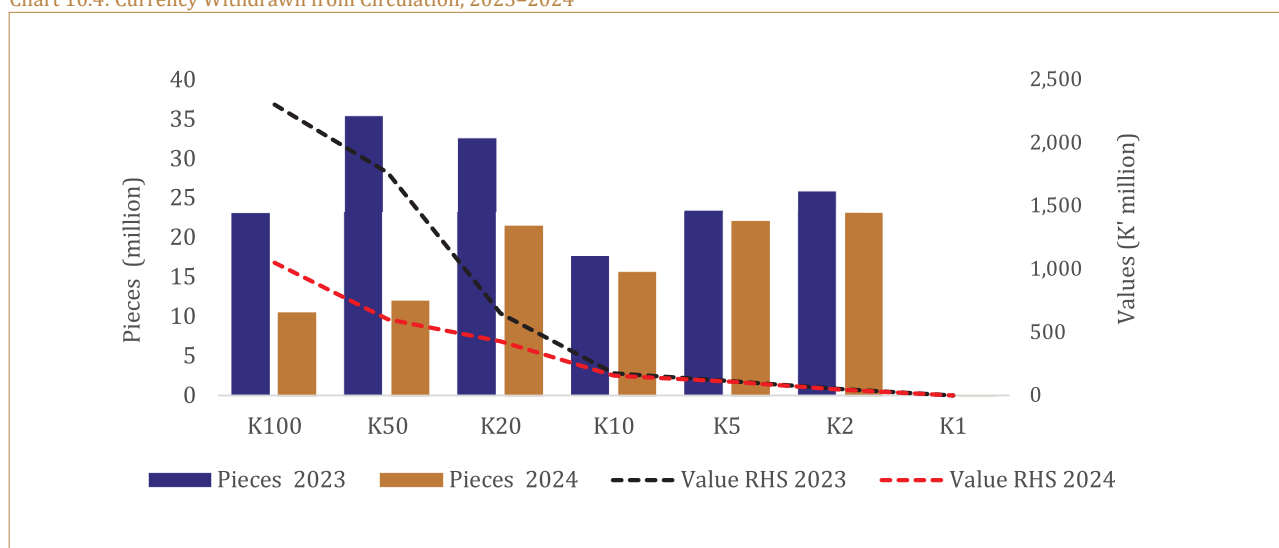
The pieces of unfit banknotes withdrawn from circulation was 104.8 million valued at K2.4 billion (Table 10.3 and Chart 10.4). The bulk of these pieces was in K2, K5, K10, and K20 denominations. These notes have a higher circulation velocity as they are mostly used in retail transactions and, therefore, wear out at a faster rate.

Table 10.3: Currency Withdrawn from Circulation, 2023-2024

	Value (ZMW)			Pieces		
	2022	2023	2024	2022	2023	2024
K100	960,400,000	2,304,252,500	1,051,550,800	9,604,000	23,042,525	10,515,508
K50	946,500,000	1,765,350,275	601,900,100	18,930,000	35,307,006	12,038,002
K20	600,590,000	650,290,040	429,100,000	30,029,500	32,514,502	21,455,000
K10	180,280,000	176,546,030	156,350,020	18,028,000	17,654,503	15,635,002
K5	84,550,000	116,795,015	110,045,000	16,910,000	23,359,003	22,009,000
K2	49,290,000	51,580,007	46,187,000	24,645,000	25,790,004	23,093,500
K1			20,000			20,000
Total	2,821,610,000	5,064,813,868	2,395,152,920	118,146,500	157,766,543	104,766,012

Source: Bank of Zambia

Chart 10.4: Currency Withdrawn from Circulation, 2023-2024



Source: Bank of Zambia

In 2024, the number of counterfeit notes identified by the Bank and reported by commercial banks and Law Enforcement Agencies (LEAs)—Drug Enforcement Commission and Zambia Police—increased by 22.6 percent to 8,580 (Table 10.4 and Table 10.5). The Bank, in partnership with LEAs, continued to educate the public on the methods of identifying genuine banknotes.

Table 10.4: Counterfeit Notes Detected, 2022–2024

Denomination	2022	2023	2024
K100	7,698	5,636	8,161
K50	911	759	142
K20	164	586	267
K10	0	20	7
K5	0	0	3
K2	0	0	0
Total	8,773	7,001	8,580

Source: Bank of Zambia

Table 10.5: Counterfeit Notes Reported by Organisation, 2024

	BoZ	CBs	DEC and ZP	Others	Total
K100	61	282	7,811	7	8,161
K50	7	128	5	2	142
K20	38	126	92	11	267
K10	3	4	0	0	7
K5	0	0	3	0	3
K2	0	0	0	0	0
Total	109	540	7,911	20	8,580

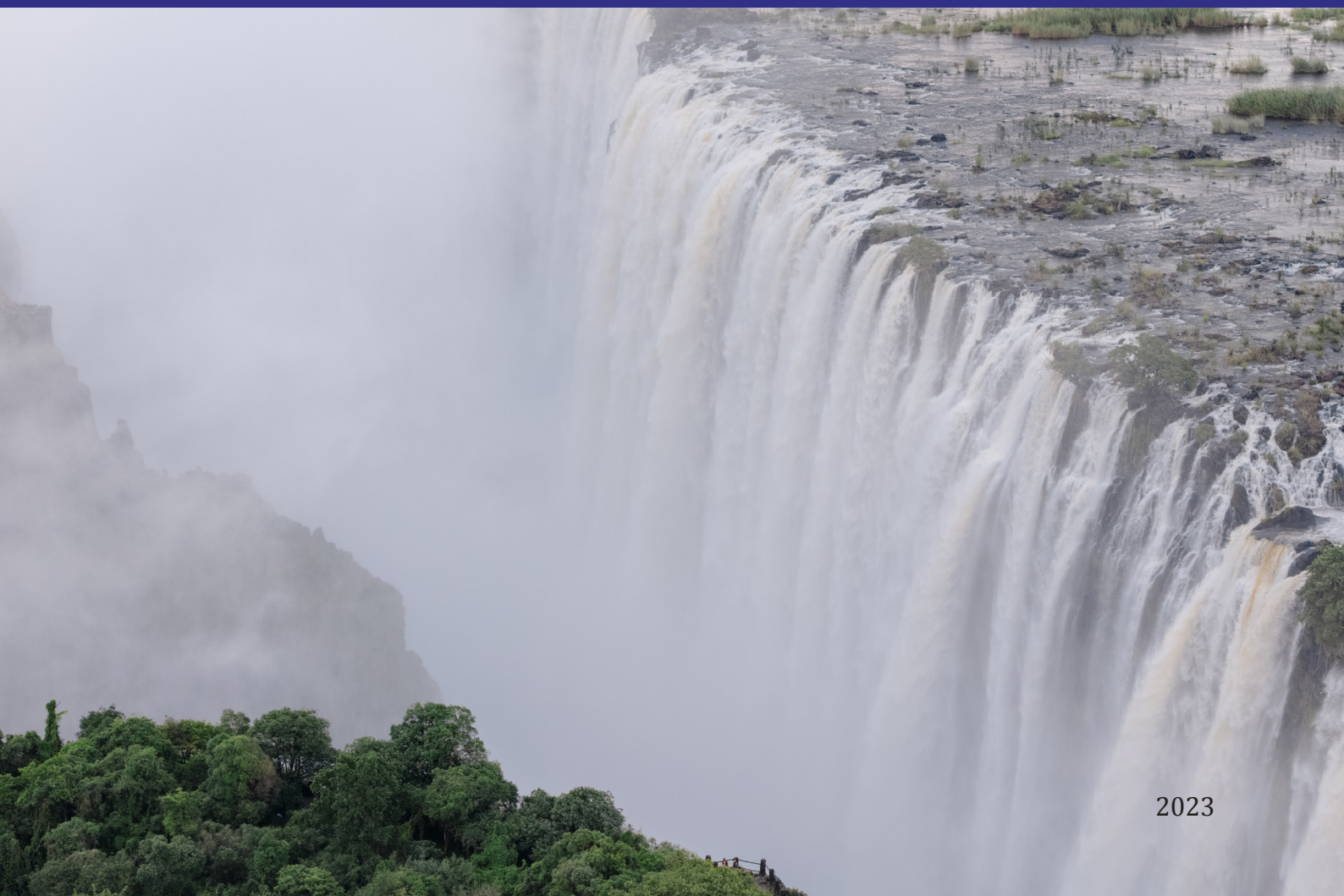
Source: Bank of Zambia

CBs=Commercial Banks; DEC= Drug Enforcement Commission; ZP= Zambia Police



2024

11.0 PAYMENT SYSTEMS



2023

11.0 PAYMENT SYSTEMS

11.1 Domestic Transactions

The use of electronic payment channels or streams, especially in retail transactions (mobile payments, point of sale, electronic funds transfer, and automated teller machines), maintained an upward trend in 2024 as individuals and corporates increasingly preferred more efficient, safe, and convenient payment options—digital financial services (DFS⁴⁰). Heightened awareness campaigns and the removal of unwarranted fees and charges contributed to the observed increase in the adoption of DFS.

The Point of Sale (PoS) stream grew the most, at 30.2 percent, and surpassed electronic fund transfers in terms of value (Table 11.1 and Chart 11.1). This largely reflected sustained increase in the adoption of DFS. The dominant mobile payment stream registered a modest growth of 7.6 percent, mostly as result of reduced economic activity attributed to the adverse impact of the drought. In contrast, the use of ATMs (Chart 11.1 and Chart 11.2) and cheques (Chart 11.3) continued to decline as consumer payment habits shifted in preference for DFS. In the case of cheques, they are considered less efficient and convenient, hence their diminishing use.

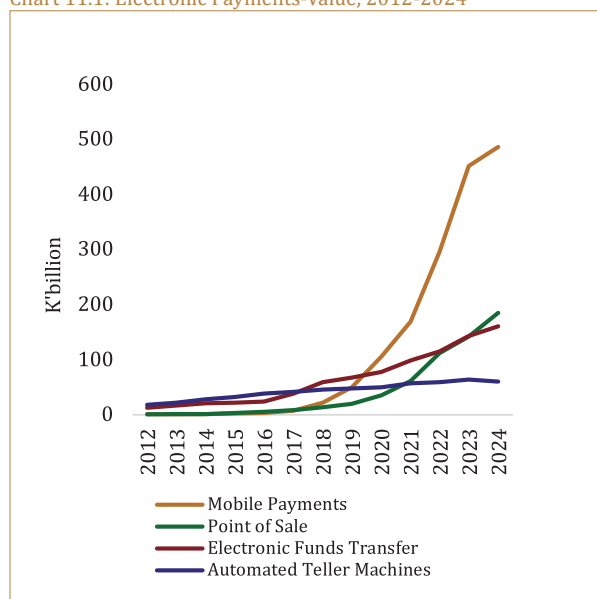
Table 11.1: Growth in Transactions for Electronic Payment Channels (annual percent), 2018-2024

	2020	2021	2022	2023	2024
Value					
Mobile Payments	114.0	60.0	74.7	52.8	7.6
Point of Sale (PoS)	75.3	74.5	81.4	27.5	30.2
Electronic Funds Transfer	15.0	26.6	16.7	24.1	12.3
Automated Teller Machines	4.3	13.6	4.4	7.6	-6.2
ZIPSS	8.0	41.3	46.8	11.8	73.5
Average	43.3	43.2	44.8	24.8	23.5
Volume					
Mobile Payments	35.8	11.1	89.6	41.8	33.4
Point of Sale (PoS)	26.1	34.2	34.9	15.6	11.0
Electronic Funds Transfer	4.9	4.7	9.7	12.3	6.1
Automated Teller Machines	-11.3	-0.7	-10.3	5.8	-13.6
ZIPPS	16.8	26.3	30.3	13.2	14.5
Average	14.5	15.1	30.9	17.7	10.3

Source: Bank of Zambia

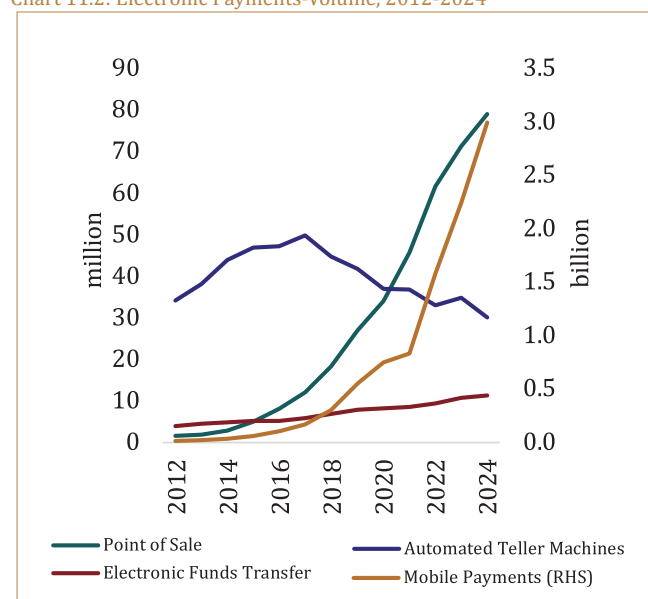
⁴⁰DFS are financial services that rely on digital technologies for their delivery and utilisation by consumers. They include electronic payments and other financial services.

Chart 11.1: Electronic Payments-Value, 2012-2024



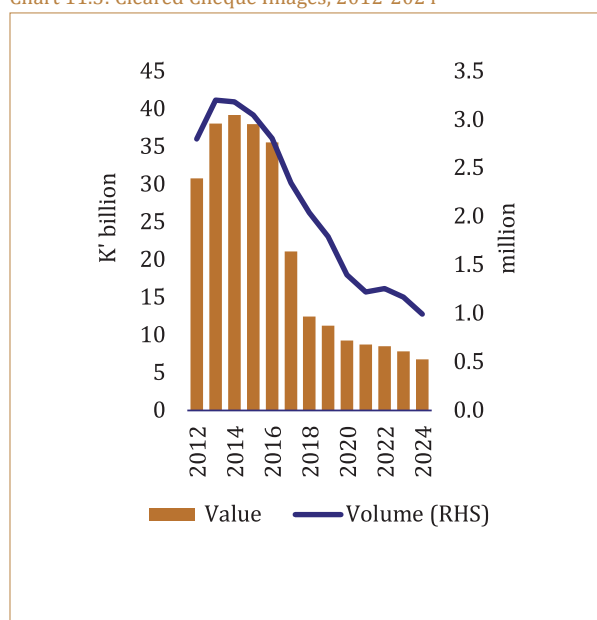
Source: Bank of Zambia

Chart 11.2: Electronic Payments-Volume, 2012-2024



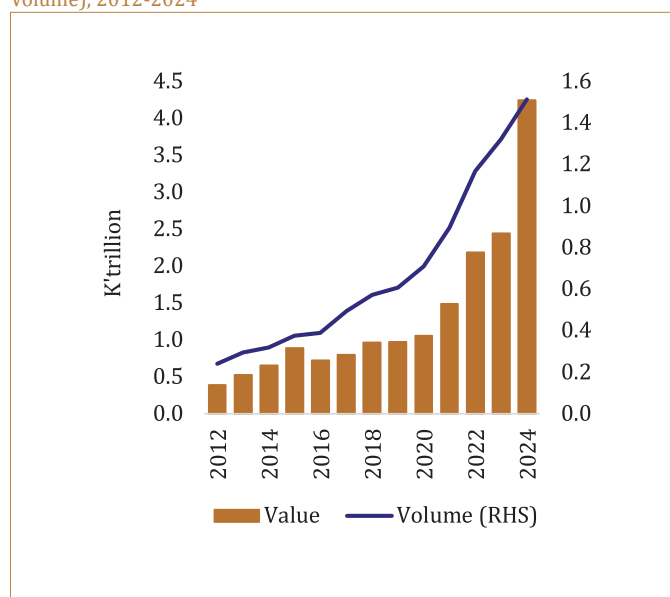
Source: Bank of Zambia

Chart 11.3: Cleared Cheque Images, 2012-2024



Source: Zambia Electronic Clearing House Limited

Chart 11.4: Zambia Interbank Payment and Settlement System (Value and Volume), 2012-2024



Source: Bank of Zambia

The performance of the Zambia Interbank Payment and Settlement System (ZIPPS), where large value transactions (mostly interbank and Government payments) are processed, remained satisfactory. The growth in the value of transactions picked up significantly to 73.5 percent (Table 11.1) and so did the volume (Chart 11.4) as Government spending increased (refer to Table 4.1 in Chapter 4—Money Market Liquidity Influences). However, the availability level of ZIPPS was lower, at 97.4 percent, than the target (99.9 percent) due to downtime on account of electricity and technical challenges on the support infrastructure.

The Bank continued with the programme of encouraging the adoption and usage of DFS. Thus, awareness campaigns were conducted in all the ten provinces, including at traditional ceremonies (Kuomboka and Nc'wala), in collaboration with the Zambia Information and Communication Technology Authority (ZICTA) and Public Private Dialogue Forum (PPDF). The campaigns were targeted at enhancing the awareness of DFS safeguards among users, educating the public on common frauds and safety tips, as well as creating awareness on the risks associated with preregistered SIM cards.

Financial education sensitisation was also conducted under the DFS 'Go Cashless' awareness campaign as well as utilising billboards and social media posts. Further, **Directives on Unwarranted Charges and Fees on Electronic Money Services** were issued in August. The goal was to regulate charges and fees on electronic money

transactions to bolster progress towards financial inclusion. Through these Directives, some charges and fees deemed unwarranted were prohibited while those considered too high were capped. To support innovation and promote DFS, the Bank continued to provide a conducive environment for testing innovation in the financial sector. In this regard, one financial innovation exited the **Sandbox** after a successful test.

While the number of PoS terminals increased by 7,512 to 53,043 at end-2024, the distribution across the provinces was broadly unchanged (Table 11.2).

Table 11.2: Nationwide Deployment of PoS Terminals by Province, 2023–2024

Province	2023	2024
Lusaka	20,956	24,612
Copperbelt	8,702	9,872
Southern	4,051	4,698
Central	3,370	4,156
Eastern	3,117	3,564
Northern	1,363	1,449
Luapula	1,176	1,404
Northwestern	1,018	1,193
Western	935	1,050
Muchinga	843	1,045
Total	45,531	53,043

Source: Bank of Zambia

On the other hand, the number of ATMs reduced by 45 to 961 mostly due to the closure of one bank in 2024, but the distribution was broadly unchanged (Table 11.3).

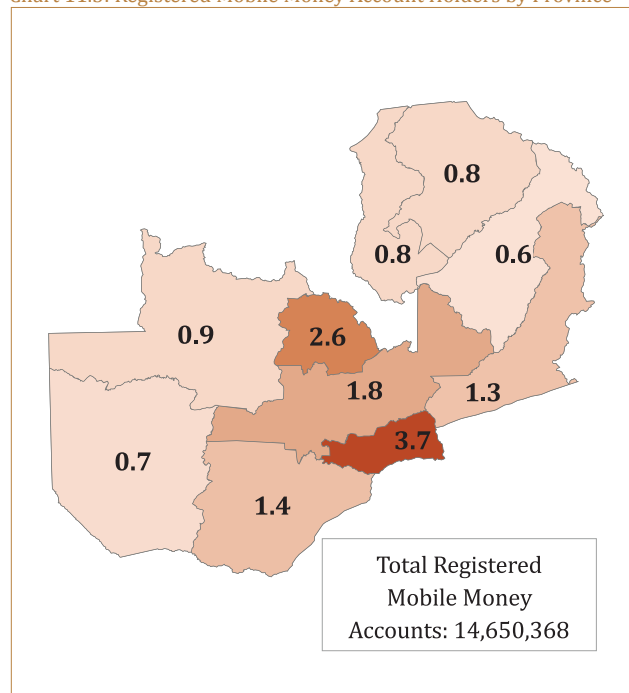
Table 11.3: Nationwide Deployment of ATMs by Province, 2023–2024

Province	2023	2024
Lusaka	494	467
Copperbelt	220	206
Southern	70	69
Northwestern	57	55
Central	49	46
Eastern	38	37
Muchinga	20	22
Western	20	21
Northern	20	20
Luapula	18	18
Total	1,006	961

Source: Bank of Zambia

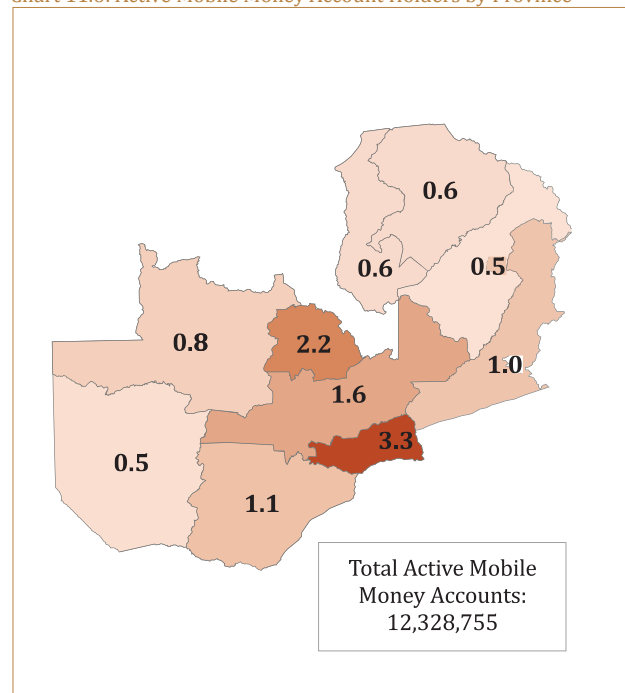
Lusaka and Copperbelt provinces had the highest number of registered and active mobile money accounts (Chart 11.5 and Chart 11.6). Muchinga province had the least number of mobile money accounts.

Chart 11.5: Registered Mobile Money Account Holders by Province



Source: Bank of Zambia

Chart 11.6: Active Mobile Money Account Holders by Province



Source: Bank of Zambia

A total of 34 participants were live on the National Financial Switch with 18 on ATMs, 20 on PoS, and 29 on e-money (Table 11.4).

Table 11.4: Status of National Financial Switch Use Cases as at December 31, 2024

Use Case	Production	Pilot	UAT*	Total
Bank to Wallet	26	5	0	31
Wallet to Bank	27	6	0	33
Bank to Bank	17	3	0	20
Wallet to Wallet	13	5	0	18
ATM Cash Out	16	2	1	19
Agent Cash Out	12	3	1	16
Cash In	21	5	1	27
KYC	28	7	0	35

Source: Zambia Electronic Clearing House Limited

*User Acceptance Testing

As a result of the diminishing use of cheques, the Bank consulted stakeholders on the intention of phasing them out. Thus, a roadmap was issued through **PSB Circular 08/2024** and **Public Notice** as follows:

Table 11.5: Roadmap for Phasing Out Cheques

Date	Milestone
February 28, 2025	Last day for customers to request for cheque books from commercial banks and commercial banks to have a month to process such requests
March 31, 2025	Last day for issuance of cheque books by commercial banks
June 24, 2026	Last day for customers to deposit cheques at any commercial bank
June 26, 2026	Last day for interbank clearing of cheques

Source: Bank of Zambia

To support the initiative by Government to run a *24-hours a day and 7 days a week* digital economy in providing goods and services beyond the standard 08:00 to 17:00 hours of operation, the Bank piloted an Extended Operating Hours of the ZIPSS and Central Securities Depository (CSD) on October 1. The operating window on the ZIPSS was adjusted to open at 07:00 hours and close at 19:30 hours from the previous operating time of 08:00 hours to 16:30 hours on week days. The operating time on Saturday was introduced from 08:00 hours to 14:30 hours.

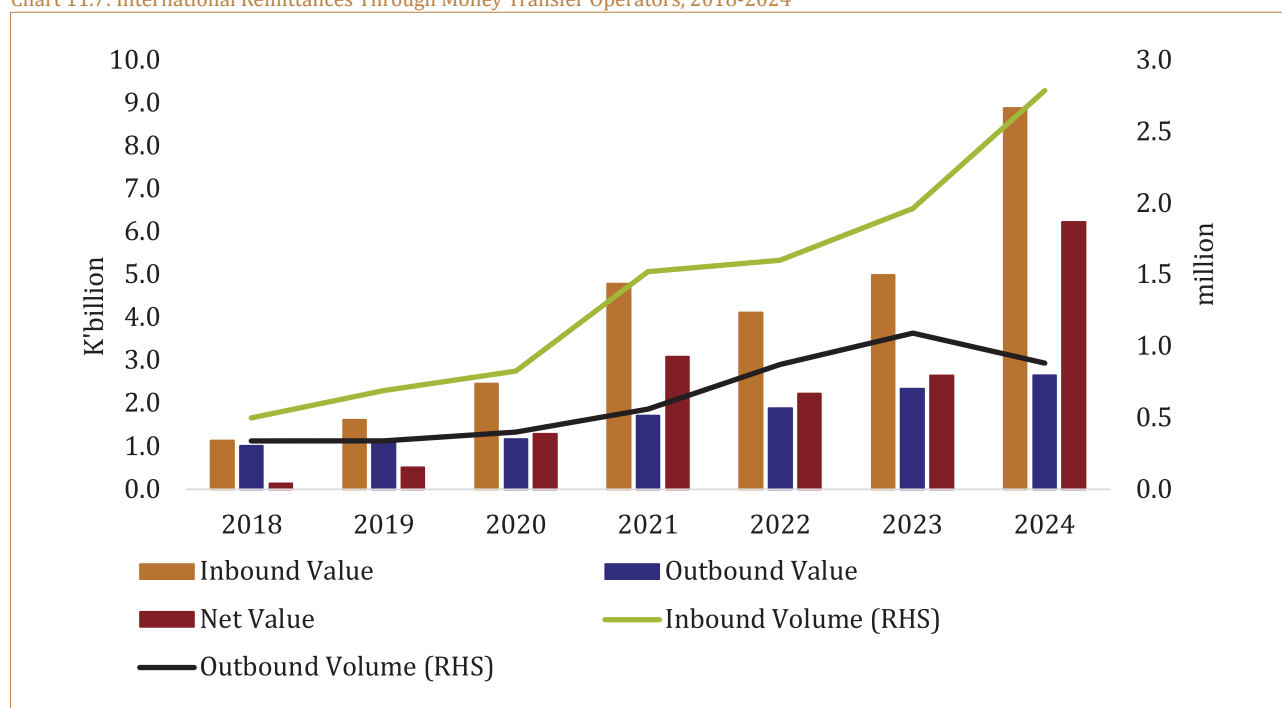
The expected benefits of a 24-hour economy include increased employment opportunities, optimum resource utilisation, greater consumer spending, improved competitiveness, and increased productivity.

During the three-month period to December 31 of implementation, 94,800 transactions worth K123.8 billion were processed during extended hours. In addition, Net Settlement Instructions (NSIs⁴¹) processed by the Zambia Electronic Clearing House Limited were successfully settled during this period.

11.2 International Transactions

Both inbound value and volume of remittances through money transfer operators surged in 2024 (Chart 11.7). In contrast, the volume of outbound remittances declined while the value slightly increased as the exchange rate depreciated. As a result, the net value of international remittances more than doubled to K6.2 billion, mostly attributed to the increase in international remittance partnerships with mobile network operators and the onboarding of new corridors.

Chart 11.7: International Remittances Through Money Transfer Operators, 2018-2024

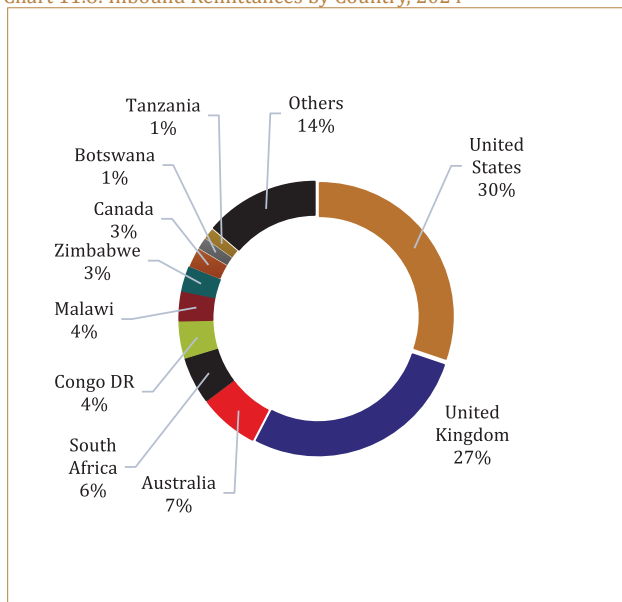


Source: Bank of Zambia

The United States of America and United Kingdom continued to be the main source countries, accounting for 57.0 percent of the total inbound remittances (Chart 11.8). India and Tanzania continued to be the main recipient countries of outbound remittances in 2024, accounting for 35.0 percent (Chart 11.9).

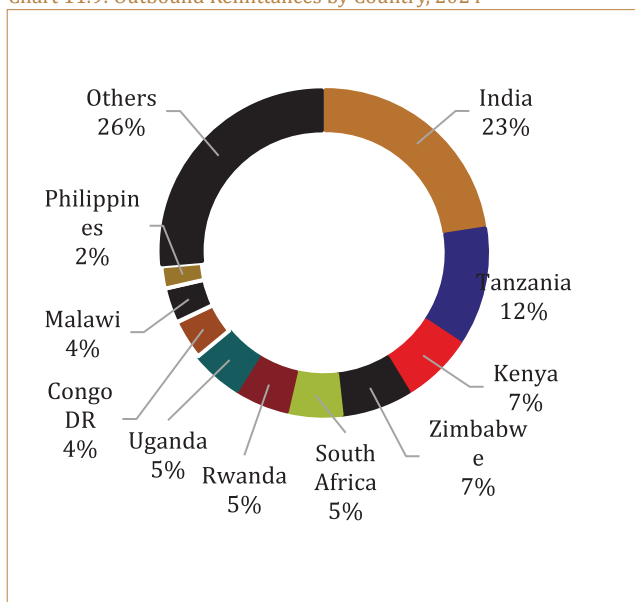
⁴¹ NSIs are multilateral net obligations on retail payment streams generated from clearing and netting of participants payment activity during a clearing session.

Chart 11.8: Inbound Remittances by Country, 2024



Source: Bank of Zambia

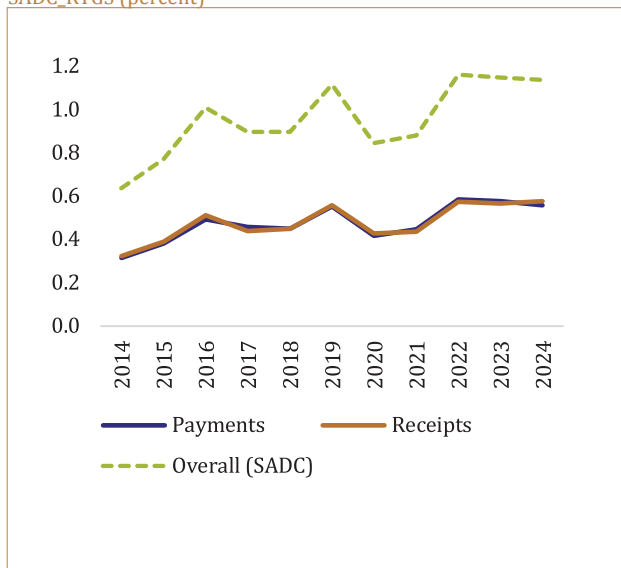
Chart 11.9: Outbound Remittances by Country, 2024



Source: Bank of Zambia

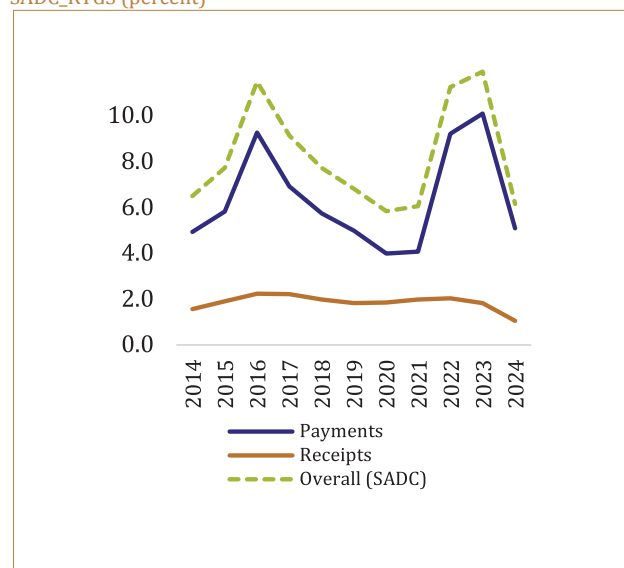
At regional level, the value of transactions processed by Zambian commercial banks as a proportion of overall SADC Real Time Gross Settlement System (SADC-RTGS) was virtually unchanged in 2024, at 1.1 percent, but the volume dropped sharply to 6.2 percent from 11.9 percent in 2023 (Chart 11.10 and Chart 11.11). The value of payments increased by 4.5 percent to ZAR13.4 billion while the volume reduced by 4.0 percent to 47,648 (Chart 11.12 and Chart 11.13). On the other hand, the value and volume of receipts increased by 10.4 percent and 9.4 percent to ZAR 13.9 billion and 9,845 (Chart 11.12 and Chart 11.13), respectively.

Chart 11.10: Proportion of Value of Zambian Transactions on the SADC_RTGS (percent)



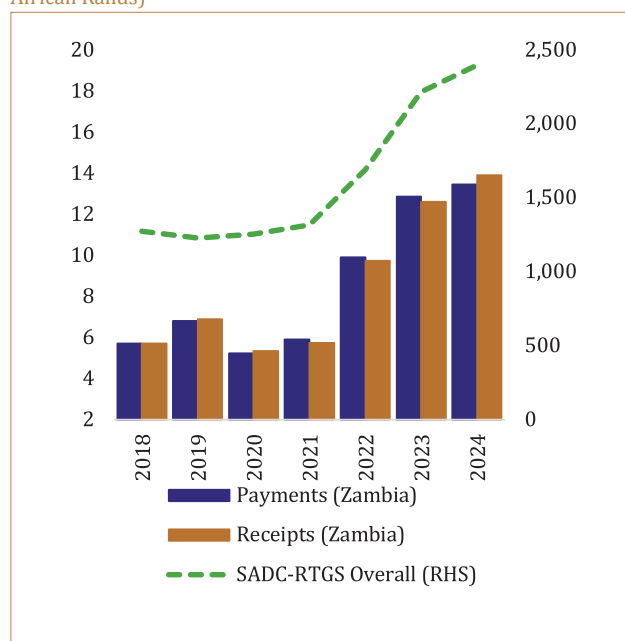
Source: Bank of Zambia

Chart 11.11: Proportion of Volume of Zambian Transactions on the SADC_RTGS (percent)



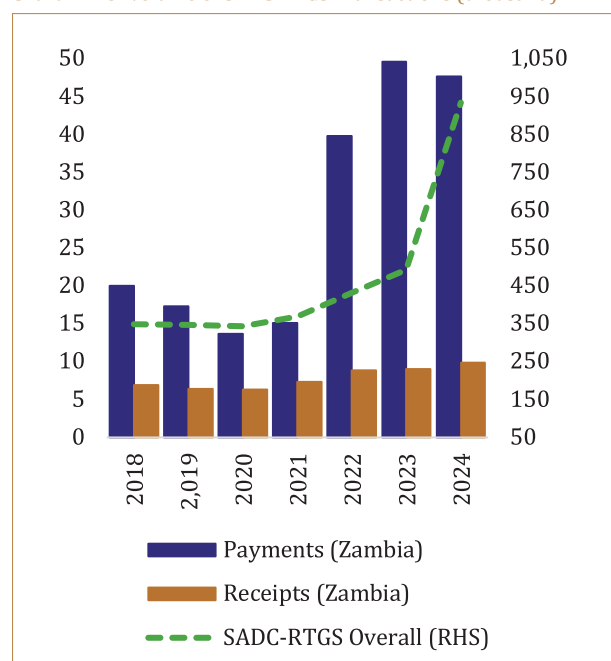
Source: Bank of Zambia

Chart 11.12: Value of SADC-RTGS Transactions (in billions of South African Rands)



Source: Bank of Zambia

Chart 11.13: Volume of SADC-RTGS Transactions (thousand)



Source: Bank of Zambia

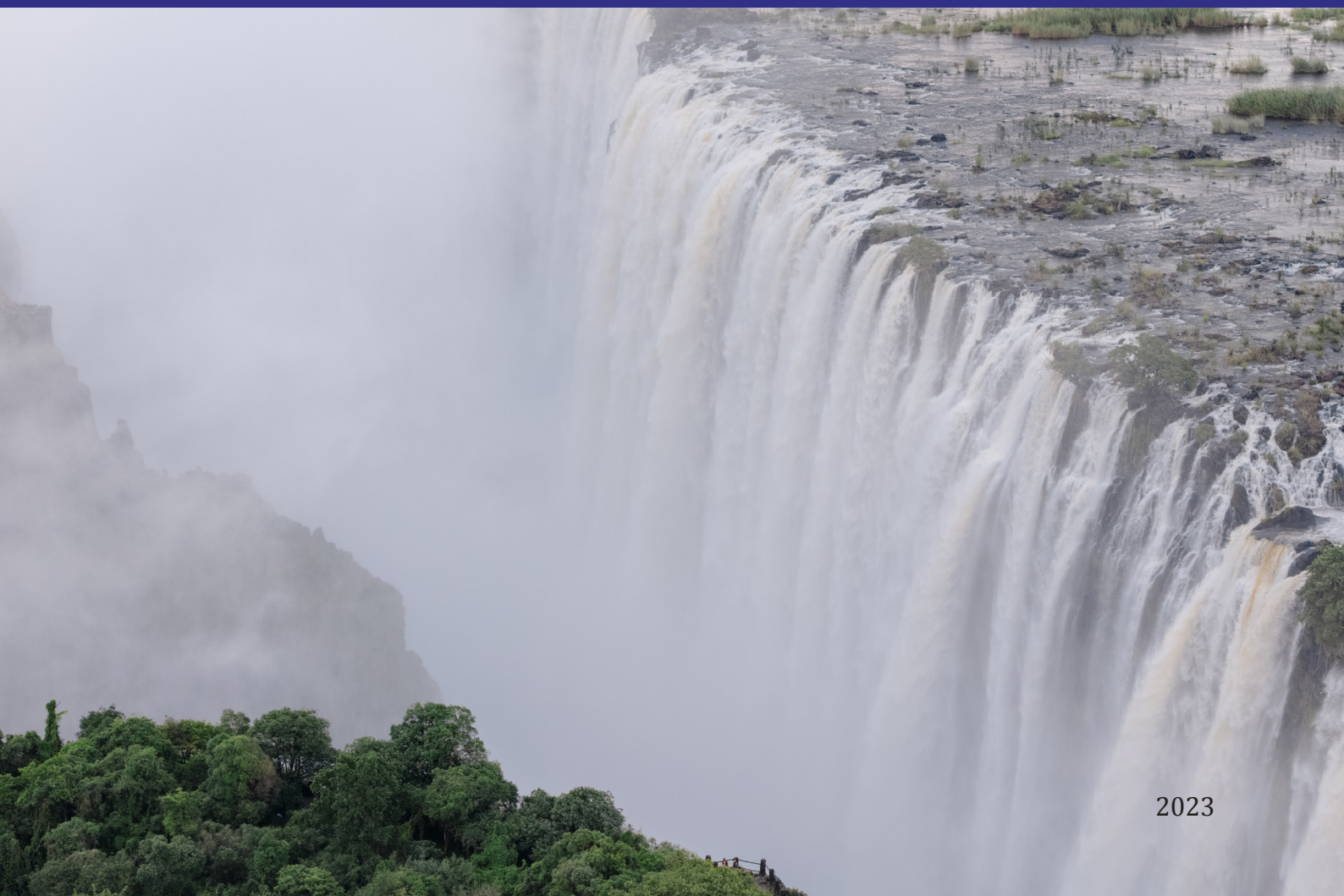
The utilisation of the COMESA Regional Electronic Payments and Settlement System (REPSS) remained low in 2024. The value and volume of transactions received by banks in Zambia on REPPS reduced by 50.0 percent to US\$4.2 million while the volume plummeted by 63.2 percent to 32 transactions. There were no payments⁴² made from Zambia on this platform due to low uptake by banks in Zambia.

⁴² There were no Zambian payments on the COMESA REPSS to other countries. The receipts captured on REPSS relate to proceeds of exports to East Africa.



2024

12.0 STRATEGY AND ENTERPRISE RISK MANAGEMENT



2023

12.0 STRATEGY AND ENTERPRISE RISK MANAGEMENT

12.1 Performance of the 2024-2027 Strategic Plan

The 2024-2027 Strategic Plan was launched on April 5 under the theme *"Promoting Inclusive and Sustainable Development in a Digitalised World"*. The four focus areas of the Plan are *price stability, financial stability, financial inclusion, and organisational resilience and growth*. The objectives of the Plan are to:

- a) Enhance the transmission mechanism of monetary policy;
- b) Strengthen the resilience of the financial system by adopting and entrenching environmental, social, and governance issues and practices within the Bank and in the financial sector;
- c) Improve data collection, management, and application;
- d) Strengthen cybersecurity resilience and fraud mitigation in the financial sector;
- e) Leverage the Bank's vantage position to influence adoption by financial service providers of relevant housing finance products;
- f) Leverage technology to promote safety and efficiency in the financial system; and
- g) Improve operational efficiency and effectiveness.

The completion rate achieved in 2024 was about 46.0 percent against a target of 50.9 percent, representing a 90.3 percent effective execution rate (Table 12.1). This level of performance was rated satisfactory as it exceeded the minimum acceptable threshold of 70.0 percent.

Table 12.1: Performance on the Strategic Plan as at end-2024

Strategic Initiatives		Expected Percent on Target	Actual Percent on Target
a)	Enhance the transmission mechanism of monetary policy	91.67	88.36
b)	Strengthen the resilience of the financial system by adopting and entrenching environmental, social and governance (ESG) issues and practices within the Bank and in the financial sector	41.25	25.58
c)	Improve data collection, management, and application	31.17	21.70
d)	Strengthen cyber security resilience and fraud mitigation in the financial sector	42.97	40.73
e)	Leverage the Bank's vantage position to influence adoption by FSP's of housing finance products.	64.17	33.62
f)	Leverage technology to promote safety and efficiency in the financial system	24.04	22.91
g)	Improve operational efficiency and effectiveness	41.68	38.48
Overall Performance		50.92	45.97

12.2 Enterprise Risk Management

The overall risk profile of the Bank improved in 2024. The total number of risks rated *high* and *very high* reduced to 78 from 90 in 2023. The Bank continued to implement risk mitigation measures, monitor risk action plans, validate risk registers and better understand the management of risks.

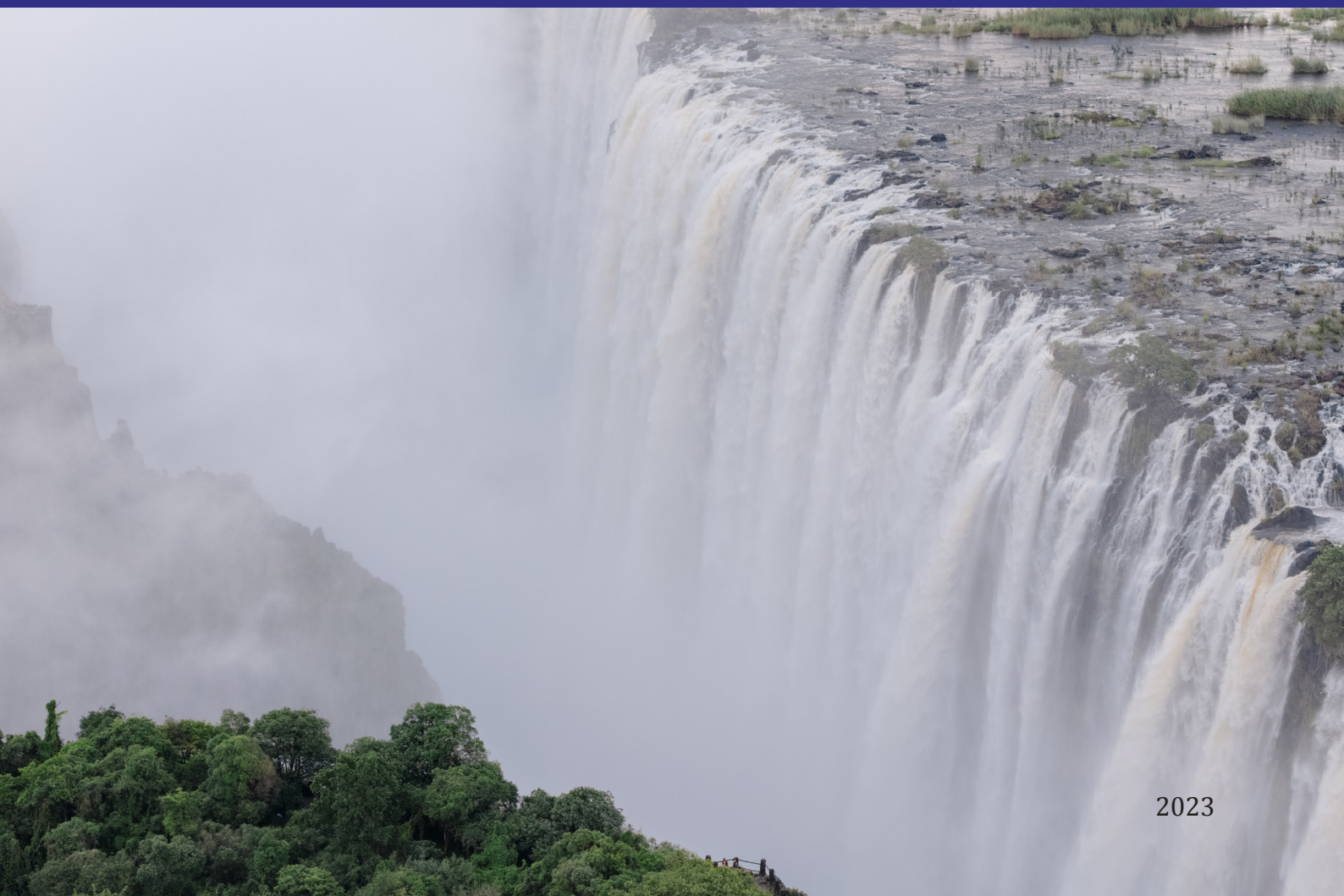
To enhance the Business Continuity Management (BCM) System, simulation exercises were regularly conducted to assess the overall resilience of business capabilities. As a result, appropriate response strategies were implemented. In addition, BCM experts from the SADC Committee of Central Bank Governors undertook a peer review of the Bank's BCM System to evaluate the conformity and effectiveness of the BCM System against the ISO22301: 2019 Standard. An overall assessment rating of 87.0 percent for the BCM System maturity was issued.

Further, the Bank commemorated the Corporate Compliance and Ethics Week and International Fraud Awareness Week, thus reaffirming its commitment to conducting business with integrity, transparency, and respect for all.



2024

13.0 HUMAN RESOURCE MANAGEMENT



2023

13.0 HUMAN RESOURCE MANAGEMENT

In 2024, the establishment expanded to 707 from 680 in 2023 following the partial re-organisation of the Bank to strengthen the monetary and supervisory functions in response to the changing landscape of the economy and financial sector in particular (Table 13.1)⁴³. However, staff complement was lower, at 554 (333 male and 221 female), at the end of the year. Of these, 491⁴⁴ (88.6 percent) were on permanent and pensionable service while 63 (11.4 percent) were on fixed-term employment contracts (Table 13.2).

Table 13.1: Staffing Levels

Functions	2023			2024			Estab.	Actual	Var
	Estab.	Actual	Var	Estab.	Actual	Var			
Executive	33	18	-15	32	17	-15	25	17	-8
SCM	10	9	-1	10	9	-1	10	9	-1
RCM	7	8	1	7	7	0	7	7	0
Security	59	46	-13	59	47	-12	59	54	-5
Subtotal	109	81	-28	108	80	-28	101	87	-14
Core Departments									
Bank Supervision	58	42	-16	58	42	-16			
PS							54	38	-16
B&C	75	55	-20	75	60	-15	75	58	-17
Economics	56	52	-4	56	48	-8			
Research							31	19	-12
Statistics							31	27	-4
Financial Markets	39	36	-3	39	38	-1	40	38	-2
Financial Stability							13	8	-5
NBFIs	43	31	-12	43	32	-11			
FCS							42	32	-10
Payment Systems	22	20	-2	22	21	-1	25	22	-3
Subtotal	293	236	-57	293	241	-52	311	242	-69
Support Services									
Bank Secretariat	17	16	-1	18	18	0	23	18	-5
Finance	37	32	-5	37	32	-5	36	29	-7
Human Resource	26	17	-9	26	17	-9	26	16	-10
ICT	34	30	-4	34	31	-3	50	40	-10
Internal Audit	17	16	-1	17	17	0	17	17	0
PMS	83	62	-21	83	60	-23			
PFM							80	56	-24
Subtotal	214	173	-41	215	175	-40	232	176	-56
Regional Office	64	51	-13	64	54	-10	63	49	-14
Subtotal	64	51	-13	64	54	-10	63	49	-14
Total	680	541	-139	680	550	-130	707	554	-153

Source: Bank of Zambia

Note

Estab= Establishment, Var = Variance

SCM = Strategy and Change Management

RCM = Risk and Compliance Management

PS = Prudential Supervision

B&C = Banking and Currency

NBFIs = Non-Banks Financial Institutions Supervision

FCS = Financial Conduct Supervision

ICT = Information & Communications Technology

PMS = Procurement & Maintenance Services

PFM = Procurement & Facilities Management

⁴³2023 Bank of Zambia Annual Report (page 3).

⁴⁴304 employees converted to permanent and pensionable employment in 2024 from fixed-term contract.

Table 13.2: Distribution of Staff by Location, Gender and Employment Type

	Permanent and Pensionable	Fixed Term Contract	Gender		Total
			Male	Female	
Lusaka	440	63	304	199	503
Ndola	51	0	29	22	51
Total	491	63	333	221	554
Percent share	88.6	11.4	60.1	39.9	

Source: Bank of Zambia

The Bank recruited 30 employees in 2024 while 26 separated due to statutory retirements, resignations, discharge, death, and contract expiration (Table 13.3 and Table 13.4).

Table 13.3: Staff Recruitment in 2024

Department	Number
Banking and Currency	1
Executive	1
Financial Conduct Supervision	1
Financial Markets	1
Financial Stability	1
Human Resource	2
Information and Communications Technology	9
Procurement and Facilities Management	2
Prudential Supervision	2
Security	10
Total	30

Source: Bank of Zambia

Table 13.4: Staff Separation in 2024

Form of Separation	Number
Discharge	1
Death	1
Contract Expiration	5
Resignation	4
Statutory Retirement	16
Total	27

Source: Bank of Zambia

A variety of wellness initiatives were conducted to encourage employee health and well-being and promote a healthy and thriving workforce. This took the form of health awareness programmes, departmental inspections and sporting events. Wellness programmes were expanded to include cancer screenings, mental health awareness seminars and events, such as, the *Duku Challenge* and *World AIDS Day Commemoration*. The Bank also supported malaria prevention activities, facilitated first aid training, and participated in sporting events that included inter-company relay, milestone anniversary events, and the Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) Sports Tournament.

Further, the Bank maintained support to staff in various training programmes to upskill their qualifications (Table 13.5).

Table 13.5: Number of Students Pursuing Study Programmes, 2022-2024

Programme	2022	2023	2024
PhD Training (Full Time)	6	7	8
PhD/DBA (Distance)	4	4	3
Master's degrees	0	3	0
Bachelor's Degrees	0	0	0
Professional Qualifications	12	12	12
Total	22	26	23

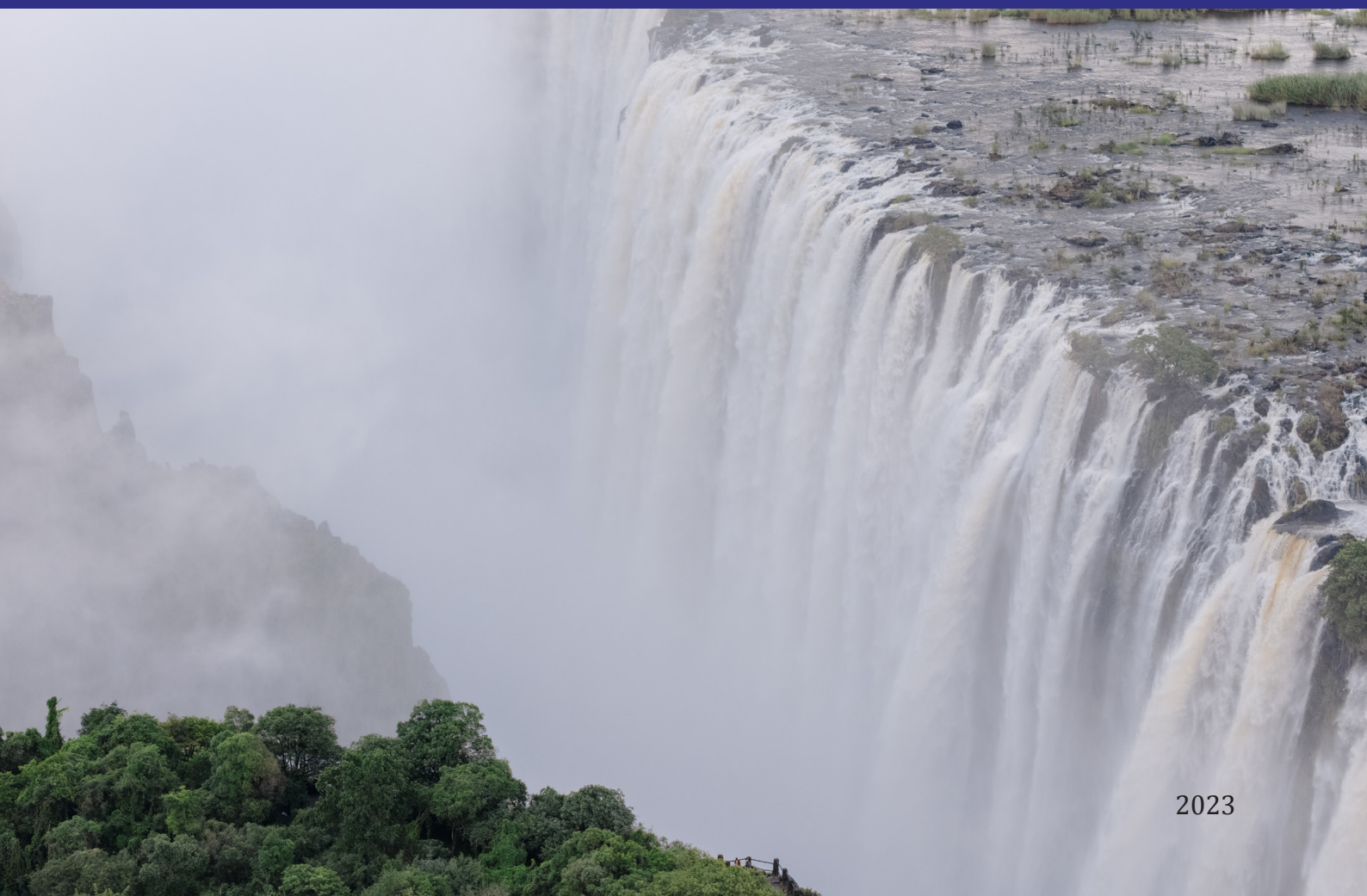
Source: Bank of Zambia

Finally, monthly and quarterly consultative meetings continued to be held with the Bank of Zambia Branch of ZUFIAW to maintain a conducive workplace environment. The World Labour Day was also observed on May 1 under the theme *“Building Resilience: Workers at the Heart of Zambia’s Economic Recovery”* and honoured accomplishments of a number of employees.



2024

14.0 BANK OF ZAMBIA FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024



2023

BANK OF ZAMBIA

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Report of the Independent Auditor	84
Statement of profit or loss and other comprehensive income	88
Statement of financial position	89
Statement of changes in equity	90
Statement of cash flows	91
Notes to the financial statements	92

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Bank of Zambia Act, No. 5 of 2022 requires the Directors to keep proper books of accounts and other records relating to its accounts and to prepare financial statements for each financial year, which present fairly the state of affairs of the Bank of Zambia and of its profit or loss for the period.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Bank of Zambia Act, No. 5 of 2022. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its financial performance in accordance with IFRS. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

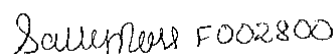
Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

Approval of the financial statements

The financial statements of the Bank set out on pages 88 to 148 were approved by the Board of Directors on **2 April 2025** and signed on their behalf by:



Governor



Director

Grant Thornton

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REPORT OF THE INDEPENDENT AUDITOR

TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bank of Zambia, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Bank of Zambia as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Bank of Zambia Act No 5 of 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Partners

Edgar Hamuwele (Managing)
Christopher Mulenga
Wesley Beene
Rodia Milumbe Musonda
Chilala Banda

Chartered Accountants

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REPORT OF THE INDEPENDENT AUDITOR

TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA

Report on the Audit of the Financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of matter	How matter was addressed
Classification, measurement and impairment of financial assets	We reviewed the classification of the financial assets to ensure compliance with the reporting standards.
When applying the international financial reporting standards, the directors are required to review the classifications of assets and align the classifications to the requirements of the reporting standards. The directors also reviewed the fair valuations and impairment models.	We reviewed the valuation and verified the calculation of the fair values. We also verified the inputs used in the valuations.
Due to the complex and subjective judgements required in estimating the timing and valuation of impairment and in estimating the fair value of assets, this was considered a key audit matter.	<p>In considering the reasonableness of the impairment provision, we reviewed the assumptions used in impairment calculations.</p> <p>We further assessed their recoverability through testing of current year and subsequent receipts.</p> <p>Based on the procedures performed, we are satisfied that the impairment provision is reasonable and the financial assets were properly classified and valued.</p>

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF BANK OF ZAMBIA

Report on the Audit of the Financial Statements

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Bank's annual report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of Bank of Zambia as of 31 December 2024 have been properly prepared in accordance with the Bank of Zambia Act No. 5 of 2022, and the accounting and other records and registers have been properly kept in accordance with the Act.



Chartered Accountants



Christopher Mulenga (AUD/F000178)

Name of Partner signing on behalf of the Firm

Lusaka

Date: 2 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	Notes	2024 K'000	2023 K'000
Interest income	5	8,523,068	6,172,810
Interest expense	5	(465,056)	(539,213)
Net interest income		8,058,012	5,633,597
Fees and commission income	6	502,009	549,762
Fees and commission expense	6	(13,420)	(10,805)
Net fees and commission income		488,589	538,957
Trading (losses)/gains	44	(306,645)	283,946
Other operating gains	7	1,171,231	3,569,595
		864,586	3,853,541
Total operating income		9,411,187	10,026,095
Depreciation and amortisation	24,25	(64,932)	(47,701)
Impairment credit/(charge)	8	14,614	(11,312)
Personnel expenses	9	(798,436)	(717,294)
Operating expenses	10	(2,035,464)	(1,088,598)
Net expense		(2,884,218)	(1,864,905)
Profit for the year		6,526,969	8,161,190
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Changes in fair value of equity investment at FVOCI	21	160,992	39,443
Transfer to reserves	42	(160,992)	(39,443)
Total comprehensive income for the year		6,526,969	8,161,190

Notes to the financial statements on pages 92 to 148 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

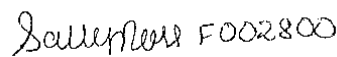
		2024	2023
		K'000	K'000
Assets			
Domestic cash in hand		2,767	5,964
Foreign currency cash and bank accounts	12	114,468,276	81,965,402
Monetary gold	13	6,296,437	3,756,078
Loans and advances	15	141,498	2,002,612
Government securities at amortised cost	16	19,952,577	22,067,383
Prepayments and other assets	17	508,854	113,205
Financial derivative asset	19	-	443,995
Targeted Medium-Term Refinancing Facility (TMTRF)	20	6,337,571	8,802,722
Equity investments at FVOCI	21	1,542,996	1,244,766
Funds receivable from Government	22	11,853,925	9,980,488
IMF subscriptions	23,35	34,517,480	23,389,018
Property, plant and equipment	24	864,665	854,870
Intangible assets	25	213,193	139,787
Non refined gold	27	127,984	127,984
Total assets		196,828,223	154,894,274
Liabilities			
Deposits from Government of the Republic of Zambia	28	5,757,935	6,642,500
Deposits from financial institutions	29	58,122,889	39,862,595
Foreign currency liabilities to other institutions	30	59,160	54,800
Other deposits	31	242,451	2,714,347
Items in course of settlement	14	70	24
Notes and coins in circulation	32	20,271,935	16,646,798
Other liabilities	33	2,411,033	6,528,549
Provisions	34	4,129,241	3,808,590
Domestic currency liabilities to IMF	23,35	34,517,480	23,389,018
Foreign currency liabilities to IMF	36	287,040	337,304
Extended Credit Facility	37	18,052,232	7,239,143
Financial derivative liability	39	-	810,220
SDR allocation	40	17,061,828	16,190,663
Total liabilities		160,913,294	124,224,551
Equity			
Capital	41	500,020	500,020
General reserve fund	42	5,390,147	3,757,909
Property revaluation reserves	42	453,698	475,609
Foreign revaluation reserves	42	15,632,101	10,968,426
TMTRF reserves	42	1,335,370	751,856
Retained earnings	42	12,603,593	14,215,903
Total equity		35,914,929	30,669,723
Total liabilities and equity		196,828,223	154,894,274

Notes to the financial statements on pages 92 to 148 form an integral part of the financial statements.

The financial statements on pages 88 to 148 were approved for issue by the Board of Directors on 2 April 2025 and signed on its behalf by:



Governor



Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Note	Share capital	General reserve fund	Property revaluation reserve	Foreign Exchange Unrealised reserve	TMTRF reserve	Retained earnings	Total equity
		K'000	K'000	K'000	K'000	K'000	K'000	K'000
Balance at 1 January 2023		500,020	3,391,874	296,887	-	-	9,700,640	13,889,421
Profit for the year		-	-	-	-	-	8,161,190	8,161,190
Revaluation surplus amortisation		-	-	(14,424)	-	-	14,424	-
Revaluation increase		-	-	193,146	-	-	-	193,146
Transfer to forex unrealised reserves		-	-	-	10,968,426	-	-	10,968,426
		-	-	-	-	751,856	-	751,856
Transfer to TMTRF reserves		-	-	178,722	10,968,426	751,856	8,175,614	20,074,618
Total comprehensive income		-	-	178,722	10,968,426	751,856	8,175,614	20,074,618
Transactions with owners:								
Dividend to Government		-	-	-	-	-	(3,294,316)	(3,294,316)
Transfer to general reserves		-	366,035	-	-	-	(366,035)	-
Total transactions with owners		-	366,035	-	-	-	3,660,351	(3,294,316)
Balance at 31 December 2023		500,020	3,757,909	475,609	10,968,426	751,856	14,215,903	30,669,723
Balance at 1 January 2024		500,020	3,757,909	475,609	10,968,426	751,856	14,215,903	30,669,723
Profit for the year		-	-	-	-	-	6,526,969	6,526,969
Revaluation surplus amortisation		-	-	(116,731)	-	-	116,731	-
Revaluation increase	42	-	-	94,820	-	-	(94,820)	-
Transfer to forex unrealised reserves	42	-	-	-	4,663,675	-	-	4,663,675
Transfer to TMTRF reserves	42	-	-	-	-	583,514	-	583,514
Total comprehensive income		-	-	(21,911)	4,663,675	583,514	6,548,880	11,774,158
Transactions with owners:								
Transfer to general reserves	42	-	1,632,238	-	-	-	(1,632,238)	-
Dividend to Government	42	-	-	-	-	-	(6,528,952)	(6,528,952)
Total transactions with owners		-	1,632,238	-	-	-	(8,161,190)	(6,528,952)
Balance at 31 December 2024		500,020	5,390,147	453,698	15,632,101	1,335,370	12,603,593	35,914,929
Notes		41	42	42	42	42		

Notes to the financial statements on pages 92 to 148 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Notes	2024 K'000	2023 K'000
Cash flows from operating activities			
Profit for the year		6,526,969	8,161,190
Adjustment for:			
Depreciation/amortisation	24,25	64,932	47,701
Dividends received	7	(24,821)	(10,106)
Gain on disposal of plant and equipment	7	(15)	55
Effects of exchange rate changes on cash and cash equivalents	7	-	(584,716)
Provisions made during the year	34	320,651	1,117,944
		6,887,716	8,732,068
Changes in operating assets and liabilities			
Change in Monetary gold	13	(2,540,359)	(2,173,116)
Change in items in course of settlement	14	46	31
Change in loans and advances	15	1,861,114	(747,923)
Change in amortised financial assets	16	2,114,806	(1,015,296)
Change in prepayments and other assets	17	(395,649)	(54,176)
Change in financial asset derivative	19	443,995	(437,195)
Change in TMTRF	20	2,465,151	1,857,997
Change in equity investments at FVOCI	21	(298,230)	(406,709)
Change in funds receivable from Government	22	(1,873,437)	(3,873,515)
Change in deposits from Government of the Republic of Zambia	28	(884,565)	(13,806,710)
Change in deposits from financial institutions	29	18,260,294	17,703,760
Change in foreign currency liabilities to other institutions	30	4,360	16,355
Change in other deposits	31	(2,471,896)	2,554,583
Change in notes and coins in circulation	32	3,625,137	1,901,821
Change in other liabilities	33	(4,117,516)	(2,276,666)
Change in financial derivative liability	39	(810,220)	810,220
Change in foreign currency liabilities to IMF	36	(50,264)	181,895
Change in extended credit facility liability	37	10,813,089	5,555,953
Change in SDR allocation	40	871,165	4,900,306
Net cash generated from operating activities		33,904,737	19,423,683
Cash flow from financing activities			
Credit to reserves	42	5,247,189	11,720,282
Dividends paid to shareholders	42	(6,528,952)	(3,294,316)
Net cash in/(out) flows from financing activities		(1,281,763)	8,425,966
Cash flows from investing activities			
Dividends received	7	24,821	10,106
Purchase of property, plant and equipment and intangible assets	24,25	(148,118)	(131,339)
Proceeds from sale of property, plant and equipment		-	731
Net cash out flows from investing activities		(123,297)	(120,502)
Net change in cash and cash equivalents		32,499,677	27,729,147
Cash and cash equivalents at the beginning of the year		81,971,366	53,657,503
Effects of exchange rate changes on cash and cash equivalents		-	584,716
Cash and cash equivalents at the end of the year		114,471,043	81,971,366
Cash and cash equivalents at the end of the year comprise of:			
Domestic cash in hand		2,767	5,964
Foreign currency cash and bank accounts		114,468,276	81,965,402
		114,471,043	81,971,366

Notes to the financial statements on pages 92 to 148 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1.0 Principal activity

The Bank of Zambia is the Central Bank of the Republic of Zambia, which is governed by the provisions of the Bank of Zambia Act No. 5 of 2022. The Bank's principal place of business is at Bank Square, Cairo Road, Lusaka.

In these financial statements, the Bank of Zambia is also referred to as the "Bank" or "BoZ". The Bank is 100 per cent owned by the Government of the Republic of Zambia.

The Board of Directors approved these financial statements for issue on 2 April 2025.

2.0 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

2.1 Basis of preparation

The Bank's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Bank of Zambia Act No. 5 of 2022. The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) New Standards and amendments that are effective at 1 January 2024 and are applicable to the Bank

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how an entity's classification of a liability is affected by certain conditions, such as the removal of the requirement 'not to have an unconditional right to defer settlement for at least 12 months after the reporting date' and aim to improve information provided that relate to such liabilities upon fulfilling such conditions.

Amendment to IFRS 16 – Leases on sale and leaseback

The amendments requires an entity that sells an asset and later leases it back, to disclose how it accounts for the variable lease payments when measuring a lease liability arising from a sale and leaseback transaction that does not depend on an index or a rate as detailed under paragraph 15.155.1 of the IFRS manual.

Amendment to IAS 7 and IFRS 7 - Supplier finance

These amendments are aimed at enhancing the transparency, by introducing additional information disclosures, relating to supplier finance arrangements that may have an impact on an entity's liabilities and cash flows, and exposure to liquidity risk. Some entities do not sufficiently disclose supplier financing arrangements.

Some accounting pronouncements that have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Bank's financial statement.

(b) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Bank

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or interpretations have been adopted early by the Bank, which include:

2.0 Principal accounting policies (continued)

Amendments to IAS 21 - Lack of Exchangeability

These amendments impact entities that have transactions or operations in a foreign currency that is not exchangeable into another currency at a time of the transaction. In some jurisdictions, there is no spot rate available for certain currencies and such a currency cannot be exchanged into another currency. These amendments provide guidance on how an entity should estimate a spot rate where the currency lacks exchangeability and provide additional disclosures for users to assess the impact of using an estimated exchange rate on the financial statements.

This amendment is effective for accounting periods beginning on or after 1 January 2025

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Bank's financial statements.

(c) Functional and presentation currency

These financial statements are presented in Zambian Kwacha, the currency of the primary economic environment in which the Bank operates. The Zambian Kwacha is both the Bank's functional and presentation currency. Except where indicated, financial information presented in Kwacha has been rounded to the nearest thousand.

(d) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in the profit or loss within 'interest income' and 'interest expense' respectively using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future receipts and cash payments through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the profit or loss include:

- Interest on financial assets and liabilities at amortised cost calculated on an effective interest basis; and
- Interest on financial assets at FVOCI calculated on an effective interest basis.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(e) Fees and commission income

Fees and commissions, including account servicing fees, supervision fees, licensing and registration fees, are generally recognised on an accrual basis when the related service has been performed reflecting the consideration to which the Bank expects to be entitled to in exchange for providing the services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.0 Principal accounting policies (continued)

The Bank in line with the provisions of IFRS 15, Revenue from Contracts with Customers employs the five-step process in recognising revenue as follows:

- Identifying contracts with customers (financial institutions and others);
- Identifying the separate performance obligation;
- Determining the transaction price for each contract;
- Allocating the transaction price to each of the separate performance obligations; and
- Recognising the revenue as each performance obligation is satisfied.

(f) Dividends

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Bank and the amount of revenue can be measured reliably).

(g) Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(h) Foreign currency reserves, cash and bank balances

In preparing the financial statements of the Bank, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Foreign exchange differences arising on translation that were previously recognised in the profit or loss, except for differences arising on the translation of equity instruments at FVOCI that were recognised directly in other comprehensive income are now recognised in a revaluation reserve account under equity. This is in line with the Bank of Zambia Act No. 5 of 2022 section 11(1) that requires recognition of any net unrealised gains in any financial year of the Bank arising from changes in the valuation of its assets or liabilities in, or denominated in, gold, Special Drawing Rights, foreign currencies, or other financial instruments a revaluation reserve account".

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument.

a. Financial assets

All financial assets are recognised on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Classification

The Bank classifies its financial assets into the following categories as required by IFRS 9 namely, amortised cost (AC), fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

2.0 Principal accounting policies (continued)

Business model assessment

The classification of financial assets is based on the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Classification of a financial instrument into a category occurs at the time of initial recognition. The Bank assesses the business model for newly originated or purchased financial assets at portfolio level because this best reflects the way the financial instruments are managed and how information is provided to Management.

The features assessed may include:

- In case of variable interest instruments, determination of the significance of impact of a rate reset on cash flows;
- Extent to which contractual terms, such as prepayment callable or extension, could change the timing or amount of cash flows;
- For asset backed securities, to assess underlying assets to determine if they are classified as SPPI.

Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

The Bank assesses whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding and that the cash flows are consistent with the basic lending arrangement. Principal here refers to, the fair value of the financial asset at initial recognition. Interest includes the consideration for the time value of money, the credit risk associated with the principal amount outstanding and other basic lending risks and costs (e.g. liquidity risk, administrative costs and profit margin). Further, in assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the subject financial asset to determine if there are any contractual terms that change the timing or amount of cash flows such that the conditions for the SPPI test are not met. In assessing the contractual terms, the Bank considers:

- That contractual cash flows are consistent with the basic lending arrangement; and
- Assesses nature and effect of complex features to determine if they are 'de minimis' or not genuine.

The Bank has classified the following as financial assets at amortised cost:

- GRZ consolidated bond;
- Other GRZ securities;
- Staff saving securities; and
- Loans and receivables, transaction fees receivable, Targeted Medium-Term Refinancing Facility (TMTRF) Stability and Resilience Facility (SRF), credit to banks and staff loans.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets held within a business model that is achieved by both collecting contractual cash flows and selling the asset and also contain contractual terms that give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVOCI). The Bank has irrevocably designated at FVOCI, equity investments in Africa Export and Import Bank (Afreximbank), Society for Worldwide Interbank Financial Telecommunication Services (SWIFT), Zambia Electronic Clearing House Limited (ZECHL) and other domestic securities. The Bank chose this classification alternative because these investments were made for strategic purposes rather than with a view to profit or gain on subsequent sale. There are no plans to dispose of these investments in the short or medium term.

Financial assets at fair value through profit or loss (FVTPL)

All other financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss (FVTPL).

i. Subsequent measurement of financial asset

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.0 Principal accounting policies (continued)

Subsequent measurement, gains, and losses applicable in respect of financial assets are as follows:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

ii. Derecognition of financial assets

The Bank derecognises a financial asset or a portion of it when the contractual rights to the cash flows from the financial asset expire or when it transfers the contractual rights to receive the cash flows in a way that transfers substantially all the risks and rewards of ownership of the financial asset.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

iii. Impairment

IFRS 9 requires impairment assessment of all financial instruments that are not measured at FVTPL under the Expected Credit Loss (ECL) model. The standards require Management to make a number of judgements, assumptions and estimates and these may result in the introduction of measurement uncertainty to the ECL allowance. In determining ECL, Management is required to exercise judgement in defining what is considered to be a significant increase in credit risk (SICR) and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. The recognition and measurement of impairment is intended to be more forward-looking. All financial assets should be assessed for at least 12-month ECL and the population of financial assets to which lifetime ECL applies is larger than the population for which there is objective evidence of impairment.

Measurement of ECL

IFRS 9 establishes a three-stage impairment model, based on whether there has been a SICR of a financial asset since its initial recognition. These three-stages then determine the amount of impairment to be recognised as expected credit losses at each reporting date as well as the amount of interest revenue to be recorded in future periods:

2.0 Principal accounting policies (continued)

- Stage 1: Credit risk has not increased significantly since initial recognition – recognise 12 month ECL, and recognise interest on a gross basis;
- Stage 2: Credit risk has increased significantly since initial recognition – recognise lifetime ECL, and recognise interest on a gross basis; and
- Stage 3: Financial asset is credit impaired, recognise interest on a net carrying amount.

The Bank's financial assets are classified in stage 1, stage 2 or stage 3 according to their absolute or relative credit quality with respect to initial disbursement.

Calculation of ECL

ECLs are a probability-weighted estimate of credit losses and are determined by computing the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

When an ECL is determined, the carrying amounts of an asset is adjusted by the impairment allowance, which is recognised in income statement.

As at 31 December 2024 the Bank recognised an ECL of **K137.8 million** (2023:152 million).

Determining whether there is significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and including forward-looking information. Some of the qualitative factors the Bank uses in determining whether there has been a significant increase in credit risk include modifications to the contractual arrangements, credit ratings, liquidity/cashflow challenges, delays in meeting contractual obligations and significant changes in external market. The model is aligned with the Bank's internal policies.

Definition of default

The Bank considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- There is information that the counterparty is in breach of regulatory requirements that impact its operations or is about to be liquidated; or
- The financial asset is more than 90 days past due.

The Bank considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. In determining low credit risk, the Bank uses its internal ratings and other methodologies as well as market perspective of the financial instrument being assessed.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of lifetime ECLs that represent the expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date.

b. Financial liabilities

All financial liabilities are recognised when the Bank becomes party to the contractual provisions of the instrument.

i. Classification

The Bank classifies its financial liabilities into either fair value through profit or loss (FVTPL) or amortised cost (AC).

2.0 Principal accounting policies (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL at initial recognition.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

ii. Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except those that, at initial recognition, are irrevocably designated as measured at fair value through profit or loss.

iii. Derecognition of financial liabilities

A financial liability is de-recognised when the Bank's contractual obligations have been discharged, cancelled or expired.

(j) Determination of fair value

Fair value, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When a quoted price is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument.

If a market for a financial instrument is not active, the Bank establishes fair value using appropriate valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Bank calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

2.0 Principal accounting policies (continued)**(k) Offsetting**

The Bank offsets financial assets and liabilities and presents the net amount in the statement of financial position when and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains and losses, arising from a group of similar transactions such as the Bank's trading activity.

(l) Property, plant and equipment

An item is recognised as property, plant and equipment (fixed asset) when it is probable that, the future economic benefits associated with the fixed asset shall flow to the Bank, the cost of the fixed asset can be measured reliably, the asset has a useful life of more than 1 year and its cost is above the Bank's minimum capitalisation threshold. Items falling below the threshold are not capitalised unless they form an integral and essential part of a functional group or structure considered to be a fixed asset or a part of a capital project. All items that qualify for recognition as an asset are initially measured at historical cost. Property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Special assets are not depreciated, as they, by their nature, tend to appreciate with time and also because they have unlimited useful life like land.

i. Property

Properties held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Bank revalues its property, plant and equipment every five years. Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case, the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

ii. Plant and equipment

Items of plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

iii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the item's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are charged to the profit or loss during the financial period in which they are incurred. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

iv. Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment to write off the depreciable amount of the various assets over the period of their expected useful lives.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings. A portion of the surplus equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred as the asset is used by the Bank. The transfers from revaluation surplus to retained earnings are not made through profit or loss. Other assets are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.0 Principal accounting policies (continued)

The depreciation rates for the current and comparative period are as follows:

Asset	2024	2023
Buildings	2%	2%
Fixtures and fittings	4%	4%
Plant and machinery	5%	5%
Furniture	10%	10%
Security systems and other equipment	10-20%	10-20%
Motor vehicles	25%	25%
Armoured bullion vehicles	10%	10%
Armoured escort vehicles	16.70%	16.70%
Computer equipment - hardware	25%	25%
Office equipment	33.30%	33.30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

v. De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

vi. Capital work-in-progress

Capital work-in-progress represents assets in the course of development, which at the reporting date have not been brought into use. No depreciation is charged on capital work-in-progress.

(m) Intangible assets

Intangible assets are identifiable, non-monetary assets that do not have a physical existence and are expected to be used for more than 1 year. An intangible asset may be contained within an asset having a physical presence, such as, computer software contained on compact discs, hard-drives or tape media.

Purchased intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Item	Amortisation method	Average useful life
Purchased software	Straight-line basis	3 years
Internally generated	Straight-line basis	3 years
Work in progress	No amortisation charged	-

(n) Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets that are subject to depreciation and amortisation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's carrying amount is written down immediately

2.0 Principal accounting policies (continued)

to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss otherwise in equity if the revalued properties are impaired to the extent that an equity reserve is available.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

(o) Employee benefits**i. Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

In line with the above defined scheme:

- the Bank contributes to the Statutory Pension Scheme in Zambia, National Pension Scheme Authority (NAPSA) where the Bank pays an amount equal to the employees' contributions; and
- the Bank also contributes to the defined contribution pension scheme. The defined contribution pension scheme was established in 2020, following Board approval to convert eligible employees from Fixed Term Contracts to Permanent and Pensionable. The conversion of the eligible staff to the defined contribution pension scheme commenced in 2021 and the Bank's contribution to this scheme is 15.76% of employees basic pay.

ii. Defined benefit plan

The Bank provides for retirement benefits (i.e. a defined benefit plan) for all permanent and pensionable employees in accordance with established pension scheme rules as well as the provisions of Pension Scheme Regulation Act No. 255 of the Laws of Zambia. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The cost of providing the defined benefit plan is determined annually using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. The discount rate is required to be determined with reference to the corporate bond yield, however, due to the non-availability of an active developed market for corporate bonds the discount rate applicable is the yield at the reporting date on the GRZ bonds that have maturity dates approximating the terms of the Bank's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The defined benefit obligation recognised by the Bank, in respect of its defined benefit pension plan, is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets.

When the calculations above result in a benefit to the Bank, the recognised asset is limited to the lower of any surplus in the fund and the 'asset ceiling' (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

2.0 Principal accounting policies (continued)

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to other comprehensive income when they arise. These gains or losses are recognised in full in the year they occur. Past service costs are recognised immediately in the profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

i. Termination benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

i. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus, gratuity or leave days if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i. Other staff benefits

The Bank also operates a Staff Loans Scheme for its employees for the provision of facilities such as house, car and other personal loans. From time to time, the Bank determines the terms and conditions for granting of the above loans with reference to the prevailing market interest rates and may determine different rates for different classes of transactions and maturities.

In cases where the interest rates on staff loans are below market rates, a fair value calculation is performed using appropriate market rates. The Bank recognises, a deferred benefit to reflect the staff loan benefit arising as a result of this mark to market adjustment. This benefit is subsequently amortised to the profit or loss on a straight line basis over the remaining period to maturity (see Note 16).

(p) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include notes and coins on hand, unrestricted balances held with other central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the bank in the management of its short-term commitments.

(q) Transactions with the International Monetary Fund (IMF)

The Bank is the GRZ's authorised agent for all transactions with the IMF and is required to record all transactions between the IMF and the GRZ in its books as per guidelines from the IMF. The Bank therefore maintains different accounts of the IMF: the IMF Subscriptions, Securities Account, and IMF No. 1 and No. 2 accounts.

The Bank revalues IMF accounts in its statement of financial position in accordance with the practices of the IMF's Treasury Department. In general, the revaluation is effected annually. Any increase in value is paid by the issue of securities as stated above while any decrease in value is affected by the cancellation of securities already in issue. These securities are lodged with the Bank acting as custodian and are kept in physical form as certificates at the Bank and they form part of the records of the GRZ.

The IMF Subscriptions account represents GRZ's subscription to the IMF Quota and is reported as an asset under the heading IMF Subscription. This Quota is represented by the IMF Securities, IMF No.1 and No. 2 accounts which appear in the books of the Bank under the heading "Domestic currency liabilities to IMF".

2.0 Principal accounting policies (continued)

The Quota is fixed in Special Drawing Rights and may be increased by the IMF. Any increase in the quota is subscribed in local currency by way of non-negotiable, non-interest-bearing securities issued by GRZ in favour of the IMF, which are repayable on demand. There is also a possibility that the increase in the quota may be subscribed in any freely convertible currency, of which the value of the portion payable would be debited to the account of GRZ maintained with the Bank.

(r) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events for which it is probable that an out-flow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(s) Currency in circulation

Currency issued by the Bank represents a claim on the Bank in favour of the holder. The liability for currency in circulation is recorded at face value in the financial statements. Currency in circulation represents the face value of bank notes and coins issued to commercial banks and Bank of Zambia cashiers.

(t) Currency printing and minting expenses

Notes printing and coins minting expenses which include ordering, printing, minting, freight, insurance and handling costs are expensed in the period the cost is incurred.

(u) Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are classified in the financial statements as pledged assets with the counterparty liability included in Term deposits from financial institutions. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to commercial banks.

The Bank from time to time withdraws money from the market ('repos') or injects money into the economy ('reverse repos'), through transactions with commercial banks, to serve its monetary objectives or deal with temporary liquidity shortages in the market. In the event of the Bank providing overnight loans ('reverse repos') to commercial banks, the banks pledge eligible securities in the form of treasury bills and GRZ bonds as collateral for this facility.

A 'repo' is an arrangement involving the sale for cash, of securities at a specified price with a commitment to repurchase the same or similar securities at a fixed price either at a specific future date or at maturity.

(v) Financial derivatives

The Bank uses fair value on initial recognition of the derivative financial instrument when the contract is entered into. Subsequently, derivative financial instrument contracts are remeasured at their fair value. In order to obtain the fair value, recent market transactions between market participants for similar contracts are noted and or, where available, quoted market prices in active markets are used.

The Bank uses FX Swaps to manage the US dollar liquidity needed for FX market support. Currencies to be exchanged in the swap transaction is the Kwacha (ZMW) and the United States dollar (USD). To operationalise the Swap, both counterparties must agree to initially enter into an International Swaps and Derivatives Association Inc. (ISDA) agreement or any other Swap agreement agreed to by both parties. The US dollar proceeds of the Swap is used by the Bank in discharging its mandate of promoting an efficient and stable foreign exchange market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.0 Principal accounting policies (continued)

The spot rate is the interbank mid-rate of ZMW/USD rate, derived from the bid/ask rates quoted on the BoZ website on the start date of the Swap. For the Kwacha proceeds that a commercial bank is expected to receive in the Swap, the Bank provides an option to the bank to invest the Kwacha in a fixed term deposit. Placing the Kwacha receipts on the Bank fixed term deposit is not mandatory. The return on the Kwacha facility is based on the determined rate at the time the investment is made.

The Bank does not use hedge accounting rules of IFRS 9.

(w) Monetary gold and non-refined gold

The Bank is holding the gold for strategic purposes to enhance the foreign reserves. The Bank holds non-interest gold account with the Bank for International Settlements, BIS Basle while gold custody is held at the Bank of England.

(w) i Monetary gold

Gold designated as monetary gold is recognised when the Bank acquires the contractual rights to the economic risks and rewards of ownership of the Gold and upon receipt of a credit balance of refined ounces of gold deposit on the account at BIS. The Bank initially measures monetary gold at cost. Subsequently, monetary gold is measured at fair value with any realised gains or losses reported in the income statement while unrealised revaluation gains or losses reported in the revaluation reserve account in line with section 11(1) of the Bank of Zambia Act No. 5 of 2022. Monetary gold forms part of the foreign reserves position at the prevailing market gold price.

(w) ii Non-refined gold

On acquisition of non-refined gold (Dore gold), the gold is accounted for as inventory (non-monetary gold) and only converted to monetary gold upon receipt of a credit balance of the refined ounces of gold deposit on the account statement from BIS and consequently form part of the foreign reserves position at the prevailing market gold price.

Initial measurement is at fair value. Where fair value is not available cost is considered as an acceptable proxy, based on cost of getting gold to market. Therefore, the following cost-based adjustments are applicable:

- Refining costs; Costs that are essential to bringing the gold to the desired level for classification as monetary gold; and
- Transport costs; are costs necessary to deliver the gold to a recognised market location.

Both costs cited above, form part of the value of the gold and as such is not considered as being recurrent expenditure. Subsequent measurement is at fair value.

Any unrealised revaluations is not considered for determining annual profits and loss, but is reported in the revaluation reserve account in line with the First Schedule of section 11(1) of the Bank of Zambia Act No. 5 of 2022.

(x) Targeted Medium-Term Refinancing Facility (TMTRF)

The Bank introduced the Targeted Medium-Term Refinancing Facility (TMTRF) whose objective is to strengthen and enhance financial sector resilience, particularly in the wake of the Coronavirus pandemic (Covid-19) in 2020. The interest rate applicable on the TMTRF is the prevailing Bank of Zambia Monetary Policy Rate (MPR) at the time of granting the Advance.

This facility is made available to Financial Service Providers (FSP) that meet the eligibility criteria as defined under the facility's terms and conditions. TMTRF aims at providing liquidity support to qualifying FSPs for onward lending/refinancing to borrowers in the priority sectors identified as key drivers of economic growth and development.

Following the operationalisation of the Bank of Zambia Act No. 5 of 2022, all income from the TMTRF is reported in a special reserve account as it does not form part of the distributable profit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.0 Principal accounting policies (continued)

The loans under the TMTRF are held at amortised cost and are assessed annually for impairment in line with IFRS 9. As at 31 December 2024, the Bank recognised an ECL of K10.3 million on the TMTRF (2023:K4.6 million).

(y) Stability and Resilience Facility

Following Board approval, the Bank established the Stability and Resilience Facility (SRF) and was subsequently launched on 30 December 2024. The facility, is aimed at safeguarding financial stability and ensuring the resilience of the financial sector in the wake of the 2023/2024 drought. The facility is intended to provide liquidity to eligible Financial Service Providers (FSPs) for onward lending to viable businesses in the agriculture sector and to those businesses that were negatively impacted by the electricity shortages.

The SRF which was established with a funding of K5.0 billion (Kwacha Five Billion), and priced off the Monetary Policy Rate (MPR) with a 24 month moratorium on both principal and interest, with a tenure of up to 7 years. Where the advances applied for are to support environmental sustainability as provided for under the Banking and Financial Service (Green Loans) guidelines, the applicable interest rates is the MPR less an administrative margin of 300 basis points.

As at 31 December 2024, the Bank had not advanced any funds under this facility.

(z) Loans and advances

The Bank provides loans and advances to staff. Loans carry varying repayment periods based on the type of loan. All loans to staff are at concessional interest rates determined by the Bank. The internal assessment criteria is stipulated in the Bank's Staff Loans and Advances Policy.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Bank's accounting policies, which are described in note 2 - 'principle accounting policies', the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant and reasonable under the circumstances. Actual results may differ from these estimates.

The Bank is also aware of the uncertainties that surround these assumptions and estimates and that these uncertainties could lead to outcomes that may require a material adjustment to the carrying amounts of assets and liabilities in future periods. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Summarised below are areas where the Directors applied critical accounting judgements and estimates that may have the most significant effect on the amounts recognised in the financial statements.

3.1 Property, plant and equipment

Management uses judgement in determining the appropriate depreciation method, depreciation rate and the appropriate useful life for the various categories of property, plant and equipment, which reflects the best use and duration of these assets. Judgement is also exercised in determining the residual values for assets as well as the recoverable amount of any impaired assets.

3.2 Defined benefits obligations

The Bank's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality government bonds (Refer to note 38 for discount rate used). Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the government bonds, quality of the bonds and the identification of outliers which are excluded.

3.3 Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of default and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increases in credit risk;
- Forward looking information that may have an impact on the financial assets; and
- Choosing appropriate models and assumptions for measuring of ECL.

Significant in the measurement of credit loss is the probability of default. Changes to the probability of default may result in significant changes in the ECLs recognised.

3.4 Fair value measurement

Management uses valuation techniques to determine the fair value (where active market quotes are not available) of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible and available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

The Bank offers loans to its members of staff at concessional rates and these are marked to market at the inception date and subsequently measured at amortised cost. The discount rate for fair valuation purposes is generally

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3.0 Critical accounting judgements and key sources of estimation uncertainty (continued)

constructed from a risk-free curve and a spread in the policy rate during the reported period. The risk-free rate is obtained from financial markets department. The spread is to reflect the credit risk in the market.

Market prices are critical in the measurement of fair value, significant changes to market prices or lack of them may result in significant changes to values adopted as fair values.

4.0 Risk management policies

4.1 Overview and risk management framework

The Bank has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk, which include interest rate risk, currency risk and other price risks.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing the risks, and the Bank's management of capital.

In its ordinary operations, the Bank is exposed to various financial risks, which if not managed may have adverse effects on the attainment of the Bank's strategic objectives. The identified risks are monitored and managed according to an existing and elaborate internal control framework. To underscore the importance of risk management in the Bank, Risk and Compliance Department, co-ordinates the Bank-wide framework for risk management and establishes risk standards and strategies for the management and mitigation of risks.

The Audit and Finance Committee and the Governance and Risk Management Committee oversees how Management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit and Finance Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board through the Audit and Finance Committee.

The Board of Directors has ultimate responsibility for ensuring that sound risk management practices are in place that enable the Bank to efficiently and effectively meet its objectives. The approach of the Board is to ensure the following conditions are enhanced:

- i. Management oversight, that maintains an interest in the operations and ensures appropriate intervention is available for identified risks.
- ii. Implementation of adequate policies, guidelines and procedures. The existing policies, procedures and guidelines are reviewed and communicated to relevant users to maintain their relevance.
- iii. Maintain risk identification, measurement, treatment and monitoring as well as control systems. Management reviews risk management strategies and ensures that they remain relevant.
- iv. Adequate internal controls. Improved internal control structures and culture emphasising the highest level of ethical conduct have been implemented to ensure safe and sound practices.
- v. Correction of deficiencies. The Bank has implemented a transparent system of reporting control weaknesses and following up on corrective measures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

a. Credit risk

Credit risk is the risk of financial loss to the Bank if a counterparty to a financial instrument fails to meet its obligations and arises principally from the Bank's receivables from staff, GRZ, commercial banks, foreign exchange deposits and investment securities.

The Bank has two main committees that deal with credit risk. The International Reserves Management Committee deals with risk arising from foreign currency denominated deposits while the Budget and Finance Committee handles risks arising from all other assets. The details of policy and guidelines are passed on to relevant heads of departments to implement on a day-to-day basis.

The major issues covered in the credit risk assessment include establishing criteria to determine choice of counter parties to deal with, limiting exposure to a single counter party, reviewing collectability of receivables and determining appropriate credit policies.

The key principle the Bank enforces in the management of credit risk is the minimising of default probabilities of the counterparties and the financial loss in case of default. As such, the Bank carefully considers the credit and sovereign risk profiles in its choice of depository banks for deposit placements. Currently, the Bank's choice of depository banks is restricted to international banks that meet the set eligibility criteria of financial soundness on long-term credit rating, short-term credit rating, composite rating and capital adequacy.

The current approved depository banks holding the Bank's deposits have their performance reviewed periodically, based on performance ratings provided by international rating agencies. The Bank's counterparties, that comprises mostly central banks, maintain the minimum balances that are needed to meet operational and strategic objectives. These counterparties continued to meet the Bank's minimum accepted credit rating criteria of A- except for Deutsche Bundesbank, the South African Reserve Bank and the Bank of Mauritius (see table below).

Counterparty ratings

Counterparty	Rating Agencies			BoZ Minimum Acceptable Rating
	Moody's	S&P	Fitch	
Federal Reserve Bank	Aaa	AA+	AAA	A-
Citi Bank New York	Aa3	A+	A+	A-
Bank of New York Mellon (BNY)	Aa3	A	AA-	A-
Deutsche Bundesbank	Aaa	AAA	AAA	A-
Bank of England (BOE)	Aa3	AA	AA+	A-
South African Reserve Bank	Ba2	BB-	BB-	A-
Bank of Mauritius	Baa3	BBB-	N/A	A-
World Bank			Not Rated	A-
Bank for International Settlements (BIS)			Not Rated	A-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

i. Exposure to credit risk

The Bank is exposed to credit risk on all its balances with foreign banks, investments and its loans and advances portfolios. The credit risk on balances with foreign banks and investments arise from direct exposure on account of deposit placements, direct issuer exposure with respect to investments including sovereigns, counterparty exposure arising from repurchase transactions, and settlement exposure on foreign exchange or securities counterparties because of time zone differences or because securities transactions are not settled on a delivery versus payment basis.

The Bank invests its reserves in assets that are deemed to have the low credit risk such as balances at other central banks, or balances at highly rated supranational institutions/bodies such as the Bank for International Settlement (BIS) and other counterparties meeting the minimum accepted ratings criteria.

The table below shows the credit ratings of foreign financial assets. The ratings were obtained from Moody's.

Financial asset	Ratings - 2024							Total
	Aaa K'000	Aa2 K'000	Aa3 K'000	A2 K'000	Baa2 K'000	Ba2 K'000	Baa3 K'000	
Cash balances	8,560,110	357,390	29,710	49,073	39,609	7,541	10,096	9,053,529
Monetary gold	59,459	-	-	-	-	-	-	59,459
Deposits	17,554,259	-	-	-	-	-	-	17,554,259
Securities	1,712,320	-	-	-	-	-	-	1,712,320
Special drawing rights	75,308,488	-	-	-	-	-	-	75,308,488
Total	103,194,636	357,390	29,710	49,073	39,609	7,541	10,096	103,688,055

Financial asset	Ratings - 2023							Total
	Aaa K'000	Aa2 K'000	Aa3 K'000	A2 K'000	Baa2 K'000	Ba2 K'000	Baa3 K'000	
Cash balances	7,921,492	135,124	31,719	8,947	16,621	6,751	8,796	8,129,450
Monetary gold	3,756,078	-	-	-	-	-	-	3,756,078
Deposits	12,256,384	-	-	-	-	-	-	12,256,384
Securities	10,212,674	-	-	-	-	-	-	10,212,674
Special drawing rights	51,366,894	-	-	-	-	-	-	51,366,894
Total	85,513,522	135,124	31,719	8,947	16,621	6,751	8,796	85,721,480

ii. GRZ bonds and treasury bills

Having full visibility of the Government's debt obligations and its assets the Directors are satisfied with the Government of the Republic of Zambia's ability to settle outstanding obligations. Therefore, advances to Government are classified as low risk.

iii. Advances to Financial Service Providers (FSP)

Advances extended to FSPs (banks and non-banks financial institutions) mainly consisted of open market operations, term deposits and Targeted Medium-Term Refinancing Facility (TMTRF) which were fully collateralised. Advances made to banks and non-banks financial institutions under the TMTRF are well collateralised and takes into account applicable haircuts. For TMTRF, credit risk is further mitigated by:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

- Floating Charge: For loans pledged as collateral, the Bank has created a floating charge over the loan book and therefore collateral is based on the category of loans classified as “Pass” at any point in time.
- Periodic assessment: The Bank conducts periodic assessment of the valuation of all collateral and the performance of the facilities are monitored on a quarterly basis through offsite surveillance, assessment of shareholder guarantor’s management accounts and review of the audited financial statements.
- Review of Returns: FSPs are required to submit to the Bank returns on a monthly basis for the first three (3) months after disbursement of funds and thereafter on a quarterly basis.

iv. Staff loans and advances

Staff loans and advances are debt facilities extended to qualifying members of staff in line with the Bank’s loans and advances policy. The loan facilities include house loan (mortgage), car loan, multi-purpose loan, personal loan and other advances. A thorough internal assessment is conducted before providing any credit facility to a member of staff. The internal assessment, which include determining the ability to repay the facility, is designed to reduce the credit risk on staff loans/advances. Other advances are backed by salaries.

Further, the Bank holds collateral against certain staff loans and advances to former and serving staff in form of mortgage interest over property and endorsement of the Bank’s interest in motor vehicle documents of title. The Bank assesses the fair value and impairment of the facility at each balance sheet date.

An estimate of the fair value of collateral held against financial assets is shown below:

Loans and advances	2024	2023
	K'000	K'000
Fair value		
Property	30,725	30,302
Gratuity and leave days	40,534	24,319
Motor vehicles	41,359	58,918
	112,618	113,539
 Loans and advances (see Note 15)	 2024	 2023
	K'000	K'000
Carrying value		
Staff loans	199,808	161,306
Staff advances	3,665	3,076
	203,473	164,382

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

	2024	2023
Concentration by nature	K'000	K'000
Multi-purpose loans	97,533	83,516
Motor vehicle loans	41,359	39,648
House loans	30,725	23,088
Personal loans	10,319	7,777
Staff advances	3,665	3,076
Other	10,140	7,277
	203,473	164,382

i. Collateral and other credit enhancements

The Bank employs a range of policies to mitigate credit risk. The most common of these are insurance, mortgage interest over property and endorsement of the Bank's interest in motor vehicle documents of title. Advances to FSPs are secured by Government securities, floating charge over the loan book classified as "Pass" and shareholder guarantee.

Amounts due from Government through debt securities are unsecured. The Bank's policies regarding collateral have not significantly changed during the period, neither has there been significant change in the overall quality of collateral held by the Bank since the prior period.

Collateral table	2024		2023	
	Asset	Collateral	Asset	Collateral
	K'000	K'000	K'000	K'000
Secured				
Targeted Medium Term Refinancing	6,347,835	18,963,729	8,807,295	18,963,729
Loans and advances	72,084	72,084	1,928,461	1,928,461
Unsecured				
Loans and advances	114,173	-	101,647	-
Government Securities	20,017,225	-	22,175,139	-
Funds recoverable from GRZ	11,876,169	-	10,020,408	-
Total	38,427,486	19,035,813	43,032,950	20,892,190

i. Impairment assessment

The Bank follows IFRS 9 guidelines in assessing the impairment of its financial assets. In assessing the impairment, the Bank considers historical, current and available forward-looking information, which is both qualitative and quantitative. The objective of this assessment is to determine whether there has been significant increase in credit risk of a financial asset since its initial recognition. The Bank conducts either an individual or a collective assessment on an asset's portfolio based on the risk profile of the financial assets.

4.0 Risk management policies (continued)

Some of the qualitative factors the Bank uses in determining whether there has been a significant increase in credit risk include, capacity of the counterparty to pay, taking into account the historical payment profiles as well as the changes in the economic conditions, the currency denomination of the financial assets, modifications to the contractual arrangements, credit ratings, liquidity/cashflow challenges, delays in meeting contractual obligations and significant changes in external market.

Internal rating of financial assets

The Bank uses an internal rating scale to assign financial assets into one of the following stages:

	Stage 1	Stage 2	Stage 3
The Bank considers all financial instruments with an investment grade rating to be classified as low credit risk. These include:			
• Funds receivable from Government	X		
• Investments in Government securities	X		
• Targeted Medium-Term Refinancing Facility	X		
• Loans and advances to banks	X		
Exposures for which credit risk has not significantly deteriorated since initial recognition			
Loans and advances to staff	X		
Newly issued or acquired credit exposures	X		
Credit exposures that, although performing, have seen their credit risk significantly deteriorating since initial recognition		X	
Impaired credit exposures (more than 90 days past due)			X

Probability of default estimation

The Bank uses available information to estimate the probability of default (PD) for all its financial assets. To arrive at the PD, the Bank employs a number of techniques including conditional probability, sensitivity analysis and analysis of past performance, among other factors.

Loss given default

The loss given default (LGD) represents the amount of loss that the Bank may suffer in the event of a default. The Bank assesses various macro-economic factors that may impact the financial asset's performance and utilises information from other banking jurisdictions for the LGD calculations, such as the guidelines from the European Banking Authority (EBA) on capital requirements regulation.

Exposure at default

Exposure at default (EAD) represents the carrying amount of the financial asset at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

The table below contains an internal analysis of the credit risk exposure of the financial instruments for which an ECL allowance has been recognised.

2024	Stage 1 K'000	Stage 2 K'000	Stage 3 K'000	ECL	Total K'000
Government Securities at amortised cost	20,017,225	-	-	(64,648)	19,952,577
Targeted Medium-Term Refinancing Facility	6,344,860	-	2,975	(10,265)	6,337,571
Funds recoverable from Government	11,876,169	-	-	(22,244)	11,853,925
Loans and advances	182,147	-	-	(40,649)	141,498
	38,420,401	-	2,975	(137,806)	38,285,571
2023	Stage 1 K'000	Stage 2 K'000	Stage 3 K'000	ECL	Total K'000
Government Securities at amortised cost	22,175,139	-	-	(107,756)	22,067,383
Targeted Medium-Term Refinancing Facility	8,804,319	-	2,976	(4,573)	8,802,722
Funds recoverable from Government	10,020,408	-	-	(39,920)	9,980,488
Loans and advances	161,306	-	-	(171)	161,135
	41,161,172	-	2,976	(152,420)	41,011,728

vii. Write-off policy

The Bank writes off financial assets, in whole or in part, when the Bank's Board determines that all practical recovery efforts have been exhausted and has concluded that there is no reasonable expectation of recovery. This determination is reached after considering information such as the occurrence of significant changes in the borrower's/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

The following table breaks down the Bank's credits risk exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the nature of the Bank's counterparties.

Concentration of risks of financial assets with credit risk exposure.

	Financial			
31 December 2024	Institutions	Government	Individuals	Total
	K'000	K'000	K'000	K'000
Foreign currency cash and bank accounts	114,468,276	-	-	114,468,276
Monetary gold	6,296,437	-	-	6,296,437
Loans and advances	10	-	141,488	141,498
Government securities at amortised cost	-	19,952,577	-	19,952,577
Targeted Medium Term Refinancing Facility	6,337,571	-	-	6,337,571
Funds recoverable from Government	-	11,853,925	-	11,853,925
IMF subscriptions	34,517,480	-	-	34,517,480
	161,619,774	31,806,502	141,488	193,567,764

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

31 December 2023	Financial			Total
	Institutions	Government	Individuals	
	K'000	K'000	K'000	K'000
Foreign currency cash and bank accounts	81,965,402	-	-	81,965,402
Monetary gold	3,756,078	-	-	3,756,078
Items in course of settlement	-	-	-	-
Loans and advances	1,866,108	-	136,504	2,002,612
Government securities at amortised cost	-	22,067,383	-	22,067,383
Targeted Medium Term Refinancing Facility	8,802,722	-	-	8,802,722
Funds recoverable from Government	9,980,488	-	-	9,980,488
IMF subscriptions	23,389,018	-	-	23,389,018
	129,759,816	22,067,383	136,504	151,963,703

b. Liquidity risk

This is the risk of being unable to meet financial commitments or payments at the correct time, place and in the required currency.

The Bank as a central bank does not face Zambian Kwacha liquidity risks.

In the context of foreign reserves management, the Bank's investment strategy ensures the portfolio of foreign reserves is sufficiently liquid to meet external debt financing, GRZ imports and interventions in the foreign exchange market when need arises. The Bank maintains a portfolio of highly marketable foreign currency assets that can easily be liquidated in the event of unforeseen interruption or unusual demand for cash flows.

The following table provides an analysis of the financial assets held for managing liquidity risk and liabilities of the Bank into relevant maturity groups based on the remaining period to repayment from 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

31 December, 2024	On demand K'000	Due within 3 months K'000	Due between 3 - 12 months K'000	Due Over 1 year K'000	Total K'000
Assets held for managing liquidity risk					
Domestic cash in hand	2,767	-	-	-	2,767
Foreign currency cash and bank accounts	79,918,477	42,671	34,507,128	-	114,468,276
Monetary gold	6,296,437	-	-	-	6,296,437
Targeted Medium Term Refinancing Facility	-	-	2,171,611	4,165,960	6,337,571
Government securities at amortised cost	-	-	4,895,946	15,056,631	19,952,577
Loans and advances	-	-	16,639	124,859	141,498
Funds recoverable from Government	11,853,925	-	-	-	11,853,925
IMF subscription	34,517,480	-	-	-	34,517,480
Total assets held	132,589,086	42,671	41,591,324	19,347,450	193,570,531
Notes and coins in circulation	(20,271,935)	-	-	-	(20,271,935)
Foreign currency liabilities to other institutions	(59,160)	-	-	-	(59,160)
Foreign currency liabilities to IMF	(287,040)	-	-	-	(287,040)
Domestic currency liabilities to IMF	(34,517,480)	-	-	-	(34,517,480)
Deposits from the Government	(5,757,935)	-	-	-	(5,757,935)
Deposits from financial institutions	(58,122,889)	-	-	-	(58,122,889)
Other deposits	(242,451)	-	-	-	(242,451)
Other liabilities	(2,411,033)	-	-	-	(2,411,033)
Total liabilities	(121,669,923)	-	-	-	(121,669,923)
Net exposure	10,919,163	42,671	41,591,324	19,347,450	71,900,608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

31 December, 2023	On demand K'000	Due within 3 months K'000	Due between 3 - 12 months K'000	Due Over 1 year K'000	Total K'000
Assets held for managing liquidity risk					
Domestic cash in hand	5,964	-	-	-	5,964
Foreign currency cash and bank accounts	71,672,222	32,919	10,260,261	-	81,965,402
Monetary gold	3,756,078	-	-	-	3,756,078
Targeted Medium Term Refinancing Facility	-	-	2,316,940	6,485,782	8,802,722
Government securities at amortised cost	-	-	3,131,381	18,936,002	22,067,383
Loans and advances	1,865,725	-	3,459	133,428	2,002,612
Funds recoverable from Government	9,980,488	-	-	-	9,980,488
IMF subscription	23,389,018	-	-	-	23,389,018
Total assets held	110,669,495	32,919	15,712,041	25,555,212	151,969,667
Liabilities					
Notes and coins in circulation	(16,646,798)	-	-	-	(16,646,798)
Foreign currency liabilities to other institutions	(54,800)	-	-	-	(54,800)
Foreign currency liabilities to IMF	(337,304)	-	-	-	(337,304)
Domestic currency liabilities to IMF	(23,389,018)	-	-	-	(23,389,018)
Deposits from the Government	(6,642,500)	-	-	-	(6,642,500)
Deposits from financial institutions	(39,862,595)	-	-	-	(39,862,595)
Other deposits	(2,868,659)	-	-	-	(2,868,659)
Extended Credit Facility	-	-	-	(7,239,143)	(7,239,143)
Financial derivative liability	(810,220)	-	-	-	(810,220)
Other liabilities	(6,528,549)	-	-	-	(6,528,549)
Total liabilities	(97,140,443)	-	-	(7,239,143)	(104,379,586)
Net exposure	13,529,052	32,919	15,712,041	18,316,069	47,590,081

Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high quality highly liquid balances to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- GRZ bonds and other securities that are readily acceptable in repurchase agreements with commercial banks;
- Cash and foreign currency balances with central banks and other foreign counterparties; and
- Targeted Medium Term Refinancing Facility (TMTRF), Stability and Resilient Facility (SRF) as an exceptional advance available to Financial Service Providers.

4.0 Risk management policies (continued)

Sources of liquidity are regularly reviewed by the Investment Committee to maintain a wide diversification by currency, geography, provider, product and term.

c. Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices and foreign exchange rates and credit spreads will affect the Bank's income or the value of its holding of financial instruments.

The Bank sets its strategy and tactics on the level of market risk that is acceptable and how it would be managed through the Investment Committee. The major thrust of the strategy has been to achieve a sufficiently diversified portfolio of foreign currency investments to reduce currency risk and induce adequate returns.

i. Exposure to currency risk

Currency risk is the risk of adverse movements in exchange rates that will result in a decrease in the value of foreign exchange assets or an increase in the value of foreign currency liabilities.

The Bank's liabilities are predominately held in Kwacha, while the foreign currency assets have been increasing in kwacha terms on account of foreign exchange rate movements, resulting in large exposure to foreign exchange risk. This position coupled with substantial exchange rate fluctuations is primarily responsible for the Bank recording large realised and unrealised exchange gains/(losses) over the years. The Bank is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, SDR, British Pound and Euro. The Investment Committee is responsible for making investment decisions that ensure maximum utilisation of foreign reserves at minimal risk.

The Bank as a central bank by nature holds a net asset position in its foreign currency balances. The Directors have mandated the Investment Committee to employ appropriate strategies and methods to minimise the imminent currency risk. Notable among useful tools used by the Investment Committee is the currency mix benchmark, which ensures that the foreign currency assets that are held correspond to currencies that are frequently used for settlement of GRZ and other foreign denominated obligations. All benchmarks set by the Committee are reviewed regularly to ensure that they remain relevant.

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows and the net exposure expressed in Kwacha as at 31 December 2024 was as shown in the table below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

At 31 December 2024	USD	GBP	EUR	SDR	Other	Total
Foreign currency assets	K'000	K'000	K'000	K'000	K'000	Kwacha
Foreign currency cash and bank accounts	36,512,266	38,143	916,315	75,308,488	1,693,064	114,468,276
Monetary gold	6,296,437	-	-	-	-	6,296,437
IMF subscriptions	-	-	-	34,517,480	-	34,517,480
Total foreign currency assets	42,808,703	38,143	916,315	109,825,968	1,693,064	155,282,193
Foreign currency liabilities						
Foreign currency liabilities to other institutions	(29,629,443)	(6,787)	(90)	-	(34,600,638)	(64,236,958)
Foreign currency liabilities to IMF	-	-	-	(287,040)	-	(287,040)
SDR allocation	-	-	-	(17,061,828)	-	(17,061,828)
Total foreign currency liabilities	(29,629,443)	(6,787)	(90)	(17,348,868)	(34,600,638)	(81,585,826)
Net exposure	13,179,260	31,356	916,225	92,477,100	(32,907,574)	73,696,367

At 31 December 2023	USD	GBP	EUR	SDR	Other	Total
Foreign currency assets	K'000	K'000	K'000	K'000	K'000	Kwacha
Foreign currency cash and bank accounts	29,028,120	39,187	16,621	51,366,894	1,514,580	81,965,402
Monetary gold	3,756,078	-	-	-	-	3,756,078
IMF subscriptions	-	-	-	23,389,018	-	23,389,018
Total foreign currency assets	32,784,198	39,187	16,621	74,755,912	1,514,580	109,110,498
Foreign currency liabilities						
Foreign currency liabilities to other institutions	(48,402)	(6,311)	(88)	-	-	(54,800)
Foreign currency liabilities to IMF	-	-	-	(337,304)	-	(337,304)
SDR allocation	-	-	-	(23,389,018)	-	(23,389,018)
Total foreign currency liabilities	(48,402)	(6,311)	(88)	(23,726,322)	-	(23,781,123)
Net exposure	32,735,796	32,876	16,533	51,029,590	1,514,580	85,329,375

The following are exchange rates for the significant currencies applied as at the end of the reporting period:

Spot rate	2024	2023
	K	K
XDR 1	36.37	34.51
GBP 1	34.99	32.75
EUR 1	28.98	28.35
USD 1	27.89	25.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

Foreign currency sensitivity

The following table illustrates the impact of 19% weakening of the Kwacha against the relevant foreign currencies. The 19% is based on long-term observable trends, presented to key management personnel, in the value of Kwacha to major foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items outstanding at reporting date and adjusts their translation for a 19% change in foreign currency rates. This analysis assumes all other variables, in particular interest rates remain constant.

Effect in Kwacha	Equity K'000	Profit or (loss) K'000
31 December 2024		
XDR	13,908,329	13,908,329
USD	2,463,007	2,463,007
EUR	171,229	171,229
GBP	5,860	5,860
31 December 2023		
XDR	9,244,667	9,244,667
USD	5,935,774	5,935,774
EUR	2,995	2,995
GBP	5,956	5,956

An 19% strengthening of the Kwacha against the above currencies at 31 December would have had an equal but opposite effect to the amounts shown above.

ii. Exposure to interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the future cash flows will fluctuate due to changes in market interest rates.

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors approves levels of borrowing and lending that are appropriate for the Bank to meet its objective of maintaining price stability.

Foreign currency balances are subject to floating interest rates. Interest rate changes threaten levels of income and expected cash flows. The Bank holds a net asset position of foreign exchange reserves and interest income far outweighs interest charges on domestic borrowing and staff savings. Substantial liabilities including currency in circulation and balances for commercial banks and GRZ ministries attract no interest.

Foreign currency deposits are the major source of interest rate risk for the Bank. The Directors have established information systems that assist in monitoring changes in the interest variables and other related information to ensure the Bank is in a better position to respond or take proactive action to meet challenges or opportunities as they arise. The Directors have also set performance benchmarks for income arising from investments with foreign banks, that are evaluated monthly through the Budget and Finance Committee, Investment Committee and the Executive Committee. The Board reviews the performance against budget on a quarterly basis.

Whilst adhering to the key objectives of capital preservation and liquidity, the Bank continued to posture itself towards implementing return enhancing strategies which has seen a careful management of the distribution of reserves in terms of liquidity, invested and working capital tranches to obtain optimum balance that enhances returns while assuring security.

The table below shows the extent to which the Bank's interest rate exposures on assets and liabilities are matched. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date or maturity date. This effectively shows when the interest rate earned or charged on assets and liabilities are expected to change. The table can therefore be used as the basis for an assessment of the sensitivity of the Bank's

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

net income to interest rate movements. Due to the short-term nature of most of the financial assets, the Bank retains flexibility in shifting investment horizons resulting in reduced impact on interest rate changes on the Bank's financial performance.

	On	Due within	Due between	Due between	Non-interest	K'000
31 December 2024	demand	3 months	3 - 12 months	1 - 5 years	bearing	Total
	K'000	K'000	K'000	K'000	K'000	K'000
Assets						
Domestic cash in hand	-	-	-	-	2,767	2,767
Foreign currency cash and bank accounts	100,069	-	-	-	114,368,207	114,468,276
Monetary gold	6,296,437	-	-	-	-	6,296,437
Loans and advances	13,400	-	-	128,098	-	141,498
Targeted Medium Term Refinancing Facility	-	-	2,171,611	4,165,960	-	6,337,571
Government securities at amortised cost	-	-	4,895,946	15,056,631	-	19,952,577
Funds recoverable from Government	-	-	-	-	11,853,925	11,853,925
IMF subscription	-	-	-	-	34,517,480	34,517,480
Total financial assets	6,409,906	-	7,067,557	19,350,689	160,742,379	193,570,531
Liabilities						
Deposits from the Government	-	-	-	-	(5,757,935)	(5,757,935)
Deposits from financial institutions	-	-	-	-	(58,122,889)	(58,122,889)
Foreign currency liabilities to other institutions	-	-	-	-	(59,160)	(59,160)
Other deposits	(242,451)	-	-	-	-	(242,451)
Notes and coins in circulation	-	-	-	-	(20,271,935)	(20,271,935)
Other liabilities	-	-	(2,411,033)	-	-	(2,411,033)
Domestic currency liabilities to IMF	-	-	-	-	(34,517,480)	(34,517,480)
Foreign currency liabilities to IMF	-	-	-	-	(287,040)	(287,040)
Total financial liabilities	(242,451)	-	(2,411,033)	-	(119,016,439)	(121,669,923)
Net exposure	6,167,455	-	4,656,524	19,350,689	41,725,940	71,900,608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

	On	Due within	Due between	Due between	Non-interest	K'000
31 December 2023	demand	3 months	3 - 12 months	1 – 5 years	bearing	Total
	K'000	K'000	K'000	K'000	K'000	K'000
Assets						
Domestic cash in hand	-	-	-	-	5,964	5,964
Foreign currency cash and bank accounts	81,958,634	-	-	-	6,768	81,965,402
Monetary gold	3,756,078	-	-	-	-	3,756,078
Items in course of settlement	-	-	-	-	-	-
Loans and advances	1,865,725	-	14,015	119,413	3,459	2,002,612
Targeted Medium Term Refinancing Facility	-	-	2,316,940	6,485,782	-	8,802,722
Government securities at amortised cost	-	-	-	22,067,383	-	22,067,383
Other assets	-	-	-	-	113,205	113,205
Funds recoverable from Government	-	-	-	-	9,980,488	9,980,488
IMF subscription	-	-	-	-	23,389,018	23,389,018
Total financial assets	87,580,437	-	2,330,955	28,672,578	33,498,902	152,082,872
Liabilities						
Deposits from the Government	-	-	-	-	(6,642,500)	(6,642,500)
Deposits from financial institutions	-	-	-	-	(39,862,595)	(39,862,595)
Foreign currency liabilities to other institutions	-	-	-	-	(54,800)	(54,800)
Other deposits	(559,578)	-	-	-	(2,154,769)	(2,714,347)
Notes and coins in circulation	-	-	-	-	(16,646,798)	(16,646,798)
Other liabilities	-	-	(5,509,064)	-	(1,019,485)	(6,528,549)
Domestic currency liabilities to IMF	-	-	-	-	(23,389,018)	(23,389,018)
Foreign currency liabilities to IMF	-	-	-	-	(337,304)	(337,304)
Total financial liabilities	(559,578)	-	(5,509,064)	-	(90,107,269)	(96,175,911)
Net exposure	87,020,859	-	(3,178,109)	28,672,578	(56,608,367)	55,906,961

Interest rate risk sensitivity

As at 31 December 2024, an increase of 175 basis points would have resulted in an increase or decrease in profit and equity of K73,158.9 million (2023: K56,885.3 million).

d. Fair values

The table below sets out fair values of financial assets and liabilities, together with their carrying amounts as shown in the statement of financial position. The Directors believe that the carrying amounts of the Bank's financial assets and liabilities provide a reasonable estimate of fair value due to their nature. The financial assets are subject to regular valuations while the liabilities are short term in nature, often repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

	Carrying amount 2024 K'000	Fair value 2024 K'000	Carrying amount 2023 K'000	Fair value 2023 K'000
Assets				
Monetary gold	6,296,437	6,296,437	3,756,078	3,756,078
Equity investments at FVOCI	1,542,996	1,542,996	1,244,766	1,244,766
Total financial assets	7,839,433	7,839,433	5,000,844	5,000,844

Fair value hierarchy

IFRS13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the bank market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Stock Exchange) and exchanges traded derivatives like futures (for example, NASDAQ, S&P 500).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the swaps and forwards. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

Transfers between levels in the fair value hierarchy

There were no transfers made between levels in the fair value hierarchy.

Valuation techniques used to derive level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that uses both observable and non-observable data. The valuation technique used to value the financial instruments in this level include the quoted share price and yield price for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

Valuation techniques used to derive level 3 fair values

The fair value of the financial instruments in this category have been derived at by using valuation techniques that employed significant unobservable inputs. For these instruments, the determination of fair value requires subjective assessment and judgment depending on pricing assumptions, market prices at the valuation date, and other risks affecting this asset class.

For financial assets in level 2, the valuation techniques employed include quoted share prices that are observable/ unobservable and discounted cash flow valuation. For buildings, which are in level 3, the fair values are determined by independent valuation surveyor engaged by the Bank. The valuation is conducted every five years.

31 December 2024	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
ASSETS				
Monetary gold	6,296,437	-	-	6,296,437
Building	-	-	513,986	513,986
Equity investment at FVOCI	-	1,521,969	21,027	1,542,996
	<u>6,296,437</u>	<u>1,521,969</u>	<u>535,013</u>	<u>8,353,419</u>

31 December 2023	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
ASSETS				
Monetary gold	3,756,078	-	-	3,756,078
Building	-	-	528,328	528,328
Equity investment at FVOCI	-	1,233,89	10,927	1,244,766
	<u>3,756,078</u>	<u>1,233,89</u>	<u>539,255</u>	<u>5,529,172</u>

Level 3 fair value measurement (Reconciliations)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Level 3 fair value reconciliation	Equity investment at FVOCI K'000	Buildings K'000	Total K'000
2024			
Balance as at 1 January	-	528,328	528,328
Additions and disposals	-	9,742	9,742
Depreciation and disposals	-	(24,084)	(24,084)
Balance as at 31 December	<u>-</u>	<u>513,986</u>	<u>513,986</u>
2023			
Balance as at 1 January	-	350,575	350,575
Revaluation	-	193,146	193,146
Additions and disposals	-	(363)	(363)
Depreciation and disposals	-	(15,030)	(15,030)
Balance as at 31 December	<u>-</u>	<u>528,328</u>	<u>528,328</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

e. Management of capital

The Bank's authorised capital is set and maintained in accordance with the provisions of the Bank of Zambia Act No.5 of 2022. The Act provides a framework, which enables sufficient safeguards to preserve the capital of the Bank from impairment (Section 10(5) of the Bank of Zambia Act No.5 of 2022). The Government of the Republic of Zambia is the sole subscriber to the paid up capital of the Bank and its holding is not transferable in whole or in part nor is it subject to any encumbrance.

The scope of the Bank's capital management framework covers the Bank's total equity reported in its financial statements. The major drivers of the total equity are the reported financial results and profit distribution policies described below.

The Bank's primary capital management objective is to have sufficient capital to carry out its statutory responsibilities effectively. Therefore, in managing the Bank's capital the Board's policy is to implement a sound financial strategy that ensures financial independence and maintains adequate capital to sustain the long-term objectives of the Bank and to meet its operational and capital budget without recourse to external funding.

Distributable profits as described in the provisions of Sections 9 and 11 of the Bank of Zambia Act No.5 of 2022 are exclusive of unrealised foreign exchange gains.

Following the operationalisation of the Bank of Zambia Act No.5 of 2022 in August 2023, unrealised foreign exchange gains and losses, as well income from Targeted Medium-Term Refinancing Facility are now accounted for in separate reserve accounts under capital and equity.

The Bank's capital position as at 31 December was as follows

	Note	2024 K'000	2023 K'000
Capital	41	500,020	500,020
Retained earnings	42	12,603,593	14,215,903
General reserve fund	42	5,390,147	3,757,909
Foreign revaluation reserve	42	15,632,101	10,968,426
TMTRF reserve	42	1,335,370	751,856
Property revaluation reserve	42	453,698	475,609
		35,914,929	30,669,723

The capital structure of the Bank does not include debt. As detailed above the Bank's equity comprises issued capital, general reserves, foreign revaluation reserves, Targeted Medium-Term Refinancing Facility reserves, property revaluation reserve and the retained earnings. The Bank's Management Committee periodically reviews the capital structure of the Bank to ensure the Bank maintains its ability to meet its objectives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4.0 Risk management policies (continued)

f. Classification of financial assets

The Bank has classified its financial assets as detailed in the table below:

Financial assets 2024	FVOCI	Amortised cost	FVTPL	Total
	K'000	K'000	K'000	K'000
Domestic cash in hand	-	2,767	-	2,767
Foreign currency cash and bank accounts	-	114,468,276	-	114,468,276
Monetary Gold	6,296,437	-	-	6,296,437
Prepayments and other assets	-	-	508,854	508,854
Loans and advances	-	141,498	-	141,498
Government securities at amortised cost	-	19,952,577	-	19,952,577
Targeted Medium-Term Refinancing Facility	-	6,337,571	-	6,337,571
Equity investments at FVOCI	1,542,996	-	-	1,542,996
Funds recoverable from Government	-	11,853,925	-	11,853,925
IMF Subscriptions	-	34,517,480	-	34,517,480
	7,839,433	187,274,094	508,854	195,622,381

Financial assets 2023	FVOCI	Amortised cost	FVTPL	Total
	K'000	K'000	K'000	K'000
Domestic cash in hand	-	5,964	-	5,964
Foreign currency cash and bank accounts	-	81,965,402	-	81,965,402
Monetary Gold	3,756,078	-	-	3,756,078
Sundry receivables	-	-	113,205	113,205
Loans and advances	-	1,995,694	6,918	2,002,612
Government securities at amortised cost	-	22,067,383	-	22,067,383
Targeted Medium-Term Refinancing Facility	-	8,802,722	-	8,802,722
Equity investments at FVOCI	1,244,766	-	-	1,244,766
Financial derivative asset	-	-	443,995	443,995
Funds recoverable from Government	-	9,980,488	-	9,980,488
IMF Subscriptions	-	23,389,018	-	23,389,018
	5,000,844	148,206,671	564,118	153,771,633

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5.0 Net interest income

	2024	2023
	K'000	K'000
Interest income calculated using the effective interest method		
Interest on Government securities	3,745,801	3,905,913
Interest on loans and advances	990,606	94,787
Interest on foreign currency investments and deposits	3,781,979	2,172,110
	<u>8,518,386</u>	<u>6,172,810</u>
Interest income on financial derivative	4,682	-
Total interest income	<u>8,523,068</u>	<u>6,172,810</u>
Interest expense		
Interest paid on open market operations	455,204	531,481
Interest paid on staff savings	9,852	7,732
Total interest expense	<u>465,056</u>	<u>539,213</u>

6.0 Fees and commission income

	2024	2023
	K'000	K'000
Fees and commission income		
Fees and commission income on Government transactions	174,599	265,152
Supervision fees	313,639	271,867
Penalties	2,896	2,841
Licences and registration fees	689	890
Other	10,186	9,012
Total fees and commission income	<u>502,009</u>	<u>549,762</u>
Fees and commission expense		
Fees and commission paid on foreign exchange transactions	(13,420)	(10,805)
Net fees and commission income	<u>488,589</u>	<u>538,957</u>

7.0 Other operating gains

	2024	2023
	K'000	K'000
Dividend on equity investment at FVOCI	24,821	10,106
Realised foreign exchange gains	1,142,456	2,972,336
Unrealised foreign exchange gains	-	584,716
Rental income	1,845	1,549
Profit/(Loss) on disposal of property, plant and equipment	15	(55)
Other income	2,094	943
Total other operating gains	<u>1,171,231</u>	<u>3,569,595</u>

The movement in other operating income was mainly on account of the reduction in realised gains reported in 2024 and the change in accounting for unrealised foreign exchange gains in the year. The Kwacha depreciated against the US dollar by 8% (2023: 42%) to K27.89 from K25.72, against the Euro by 2% (2023: 48%) to K28.98 from K28.35, the SDR by 5% (2023: 43%) to K36.37 from K34.51 and the Great British Pound by 7% (2023: 50%) to K34.99 from K32.75 between December 2024 and December 2023.

The unrealised foreign exchange gains are now reported under equity in line with section 9(2) of the Bank of Zambia Act No.5 of 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8.0 Impairment credit/(charge)	2024	2023
	K'000	K'000
Opening balance	(152,420)	(141,108)
Credit/(charge) for the year	14,614	(11,312)
Closing balance	(137,806)	(152,420)
Impairment per asset category	2024	2023
	K'000	K'000
Impairment on loans and advances	40,649	171
Impairment on targeted medium term refinancing facility	10,265	4,573
Impairment on poverty reduction growth facility	22,244	39,921
Impairment on Government securities	64,648	107,756
Total impairment	137,806	152,420

The reduction in the expected credit loss of K14.6 million (2023: K11.3 million reduction) follows the Bank's re-assessment of its financial assets, in line with IFRS 9.

9.0 Personnel expenses	2024	2023
	K'000	K'000
Wages and salaries	365,722	340,212
Other employee costs	244,775	203,705
Leave costs	79,248	70,213
Staff benefit costs	22,919	35,033
Employer's pension contributions	47,364	39,150
Employee welfare costs	24,991	16,848
Employer's NAPSA contributions	9,893	8,888
Employer's NHI contributions	3,524	3,245
Total personnel expenses	798,436	717,294

10.0 Operating expenses	2024	2023
	K'000	K'000
Administrative expenses	421,016	517,818
Expenses for bank note production	919,340	20,045
Repairs, maintenance and other costs	695,108	550,735
Total operating expenses	2,035,464	1,088,598

The movement in operating expenses was mainly on account of an increase in currency production costs for the printing of bank notes and coins, and repairs and maintenance costs in the year.

11.0 Income tax

The Bank is exempt from income tax under section 56 of the Bank of Zambia Act, No. 5 of 2022.

12.0 Foreign currency cash and bank accounts	2024	2023
	K'000	K'000
Current account balances with non-resident banks	10,667,743	9,483,685
Clearing correspondent accounts with other central banks	10,042,002	8,774,061
Foreign currency cash with banking office	14,399	6,768
Deposits with non-resident banks	18,435,644	12,333,994
Special Drawing Rights (XDR's) (See Note 12.1 below)	75,308,488	51,366,894
Total foreign currency cash and bank	114,468,276	81,965,402

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12.1 Special Drawings Rights

	2024	2023
	K'000	K'000
Opening balance	51,366,894	29,127,684
Net interest	280,656	328,782
Exchange rate gain	3,833,257	12,255,910
Extended Credit Facility loan	19,827,681	9,654,518
Closing balance	75,308,488	51,366,894

The foreign currency cash and bank accounts represents the balances held mainly with other central banks and are held at amortised cost. The foreign currency cash and bank accounts are current assets.

The increase in Special Drawings Rights (XDR), was on account of receipt of **XDR573.2 million** (equivalent to K19,827.7 million) in respect of the Extended Credit Facility (ECF), refer to note 28. The total ECF loan received stands at **XDR992.9 million** as at 31 December 2024.

13.0 Monetary gold

	2024	2023
	K'000	K'000
Opening balance	3,756,078	1,582,962
Purchases in the year	961,836	874,384
Fair value movement	343,077	(4,176)
Exchange gain	1,235,446	1,302,908
Closing balance	6,296,437	3,756,078

Monetary gold consists of 85,600 ounces equivalent to **USD220.9 million** of gold at the market price of **USD2,610.85** per ounce (2023: 70,800 ounces, equivalent to USD147.2 million at USD2,078.40 per ounce).

14.0 Items in course of settlement

	2024	2023
	K'000	K'000
Liability		
Items in course of settlement	70	24

Items in the course of settlement represent claims on credit institutions in respect of cheques lodged with the Bank by its customers on the last business day of the year and presented to the Bank on or after the first business day following the financial year-end. There were no items in course of settlement owing to the Bank, however there were items in course of settlement owed to financial institutions on the last business day of 2024.

15.0 Loans and advances

	2024	2023
	K'000	K'000
Current		
Staff loans	30,191	14,015
Transaction fees	(437)	383
Credit to banks and non-bank institutions	10,171	1,865,725
Staff advances	3,665	3,076
	43,590	1,883,199
Non-current		
Staff loans	169,617	147,291
Total staff loans and advances	213,207	2,030,490
Mark to market adjustment - staff loans	(31,060)	(27,707)
	182,147	2,002,783
Impairment allowance (Note 8)	(40,649)	(171)
Total loans and advances	141,498	2,002,612

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

a. Staff loans benefit

Movement in staff loans benefit	2024 K'000	2023 K'000
Balance at 1 January	27,707	10,540
Current year fair value adjustment of new loans	(17,212)	(1,581)
	10,495	8,959
Amortised to statement of profit or loss	20,565	18,748
Balance at 31 December	31,060	27,707

Loans and advances to staff are made at concessionary rates. At the end of each year, the fair value of the loans and advances is computed based on market rates and presented as a mark to market adjustment shown above. Loans and advances are assessed for impairment in line with IFRS 9. Most of the staff loans are collateralised, by way of insurance or other collateral demanded, as a way of improving their credit quality. Other collateral is generally in the form of property or motor vehicle.

In August 2023, the Emoluments Commission (EC), a statutory body that determines the conditions of service for all Government institutions, revised the Bank's interest rates on Multi-purpose loans from 12.5% to 10%, thereby aligning all loans to a 10% interest rate.

The prevailing interest rates on staff loans were as follows:

	2024	2023
House loan	10%	10%
Personal loan	10%	10%
Multi-purpose loan	10%	10%
Construction loan	10%	10%

16.0 Government securities at amortised cost

	2024 K'000	2023 K'000
Current		
Treasury bills (273 days)	-	76,182
GRZ consolidated securities	507,930	106,536
Other GRZ securities	4,388,017	2,948,662
	4,895,947	3,131,380
Non-current		
GRZ consolidated securities	8,622,008	9,023,207
Other GRZ securities	6,499,270	10,020,552
	20,017,225	22,175,139
Impairment allowance (Note 8)	(64,648)	(107,756)
Total government securities	19,952,577	22,067,383

GRZ consolidated securities	2024 K'000	2023 K'000
3 Year 10% Consolidated bond	-	106,536
7 Year Zero-Coupon bond	3,602,255	3,495,523
10 Year 6% Consolidated bond	1,120,968	1,120,968
10 Year 10% Consolidated bond	4,406,715	4,406,715
	9,129,938	9,129,742

In December 2018, the Government and the Bank of Zambia entered into an agreement to convert the outstanding bridge loan from the Government to the Bank of Zambia into two consolidated bonds in respect to the outstanding principal and accrued interest amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16.0 Government securities at amortised cost (continued)

Consolidated bond No. 2 being the outstanding principal amount was issued on 28 August 2019 at par, with a face value of K4,406.7 million with a coupon interest rate of 10% being the average inflation rate for the previous twelve (12) months prior to the issuance plus two (2) percentage points per annum, whose coupon interest is payable every six months. Consolidated bond No. 2 may be rolled over for another 10 years on such terms as may be agreed by the parties.

Consolidated bond No. 3 being the outstanding accrued interest was issued on 12 December 2019 with a face value of K4,104.4 million with interest rate of 6% per annum. The Bond is a zero-coupon bond with a tenor to maturity of 7 years with effect from the date of issue.

The first consolidated bond was issued on 27 February 2003 as a 10-year long-term bond with a face value of K1,646.7 million and a coupon interest rate of 6%. This reduced to K1,121.0 million effective on 1 December 2007 after a portion of the consolidated bond was converted to treasury bills. This created a portfolio of marketable securities, for the purpose of enhancing the range of instruments available for implementing monetary policy and to support the Bank's strategic objective of maintaining price stability.

Both the marketable securities and the reduced portion of the 10-year consolidated bond were rolled over on 2 January 2013 for an additional period of 10 years. In accordance with the conversion agreement between the GRZ and Bank of Zambia, the marketable securities may be rolled over upon maturity at yield rates prevailing in the market on the dates of rollover, while the K1,121.0 million would be rolled over for another 10 years at a coupon rate of 6%. The K1,121.0 million consolidated bond matured on 31 December 2022, and subsequently rolled over at a coupon rate of 6% for another 10-year period and will mature in 2032.

The treasury bills are renewable in the short term and the rolled over values will reflect fair values. Both the consolidated bonds and the treasury bills are measured at amortised cost at their respective effective interest rates. However, where objective evidence of impairment exists, a measurement of the impairment loss will be determined and recorded in profit or loss.

	2024 K'000	2023 K'000
Other government securities	<u>10,887,287</u>	<u>12,969,214</u>

The Bank implemented the GRZ Bond Purchase Programme for the Backstop Repo Facility to enhance secondary market development. The K10,887.3 million represents securities holdings as at 31 December 2024 following the purchase of bonds by the Bank for secondary market operations.

17.0 Prepayments and other assets

	2024 K'000	2023 K'000
Current assets		
Prepayments	504,057	88,013
Stationery and office consumables	46	8,717
Sundry receivables	<u>4,751</u>	<u>16,475</u>
Total prepayments and other assets	<u>508,854</u>	<u>113,205</u>

The increase in prepayments and other assets, was on mainly account of advance payments made towards note printing costs.

18.0 Amounts due from closed banks

	2024 K'000	2023 K'000
Overdrawn current accounts	89,756	89,756
Movement during the year	-	-
Impairment allowance	<u>(89,756)</u>	<u>(89,756)</u>
	<u>-</u>	<u>-</u>

The amounts consist of various expenditures that the Bank settled on behalf of the closed banks and are fully provided for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

19.0 Financial derivative asset

	2024	2023
	K'000	K'000
Current asset		
Margin call receivable	-	145,591
SWAP receivable	-	298,404
Financial derivative asset	<u>-</u>	<u>443,995</u>

The financial derivative asset matured in 2024.

20.0 Targeted Medium Term Refinancing Facility

	2024	2023
	K'000	K'000
Current - Targeted Medium Term Refinancing Facility	2,171,611	2,405,764
Non-current - Targeted Medium Term Refinancing Facility	4,176,224	6,401,531
	<u>6,347,835</u>	<u>8,807,295</u>
Impairment allowance (Note 8)	(10,264)	(4,573)
Total TMTRF	<u>6,337,571</u>	<u>8,802,722</u>

The K6,337.6 million comprises K6,135.5 million in principal amounts disbursed and K221.6 million in accrued interest. The interest rate applicable on the TMTRF is the prevailing BOZ Monetary Policy Rate (MPR) at the time of granting the facility, with a 12 months moratorium on both principal and interest. The facility became effective on 15 April 2020.

21.0 Equity investments at Fair Value Through Other Comprehensive Income (FVOCI)

	2024	2023
	K'000	K'000
a. Change in fair value of equity investments		
Opening balance	1,241,216	834,506
Additions in the year	31,663	13,328
Fair value gain	160,992	39,443
Exchange gain	105,575	353,939
	<u>1,539,446</u>	<u>1,241,216</u>
b. Equity investment at FVOCI	K'000	K'000
Zambia Electronic Clearing House Limited	3,550	3,550
Society for Worldwide Interbank Financial Telecommunication	17,477	7,377
African Export-Import Bank	1,521,969	1,233,839
Total equity at FVOCI	<u>1,542,996</u>	<u>1,244,766</u>

Zambia Electronic Clearing House Limited (ZECHL)

The investment in ZECHL represents the Bank's contribution of K3.6 million, for the establishment of the National Switch to enhance ZECHL functionality, more specifically to support electronic point of sale transactions to help minimise cash based transactions and their attendant costs and risks. The principal activity of ZECHL is the electronic clearing of cheques and direct debits and credits in Zambia for its member banks, including the Bank of Zambia. ZECHL is funded by contributions from member banks. ZECHL is considered an equity investment at FVOCI. As there is no reliable measure of the fair value of this investment, it is carried at cost, which is the fair value.

ZECHL has a unique feature of being set up as a non-profit making concern whose members contribute monthly to its operating expenses and other additional requirements. In 2024 the Bank made a contribution, towards the operations of ZECHL, of **K0.034 million** (2023: K0.034 million) which costs are included in administrative expenses. In line with the agreement, no dividend is expected from ZECHL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

21.0 Equity investments at Fair Value Through Other Comprehensive Income (FVOCI) (continued)

Society for Worldwide Interbank Financial Telecommunication (SWIFT)

The Bank of Zambia as a member of SWIFT currently holds 75 shares (2023: 44 shares) worth **K17.5 million**. SWIFT is a worldwide community of financial institutions providing global financial messaging and communication solutions which enables interoperability between its members, their market infrastructures and their end-user communities moving value for payments around the world reliably and securely.

SWIFT re-allocates shares, at a minimum, every three years in proportion to its member's participation. The present re-allocation is based on the financial contribution to SWIFT for network-based services in 2020. In 2024, the Bank acquired an additional 31 shares following the re-allocation of shares at a total cost of EUR240,560. The amount in the statement of financial position is based on the fair value (market price) of the shares. The next re-allocation is due in March 2025.

African Export-Import Bank (Afreximbank)

The Bank of Zambia holds an investment in the equity of Afreximbank. Afreximbank is a pan-African supranational multilateral financial institution created in 1993 under the auspices of the African Development Bank designed to facilitate intra and extra African trade.

The Bank's holding in Afreximbank increased from 820 shares in 2023 to 857 shares in 2024. The increase was on account of the acquisition of 37 additional shares at a concessional price of US\$25,473 per share using the 2024 dividend proceeds of USD942,976.59. The price per share was USD58,495.80 based on the Net Asset Value.

22.0 Funds recoverable from the Government of the Republic of Zambia

Funds recoverable from Government, represent funds paid to the IMF by the Bank on behalf the Government of the Republic of Zambia against the IMF Poverty Reduction and Growth Facility.

	2024 K'000	2023 K'000
Poverty Reduction and Growth Facility (PRGF)	8,668,860	8,226,234
Accrued charges - SDR Allocation	3,207,309	1,794,174
	11,876,169	10,020,408
Impairment allowance (Note 8)	(22,244)	(39,920)
Total funds recoverable from Government	11,853,925	9,980,488

23.0 IMF Subscriptions

The IMF subscription represents membership quota assigned to the GRZ by the IMF and forms the basis for the GRZ's financial and organisational relationship with the IMF. The financial liability relating to the IMF subscription is reflected under note 35. The realisation of the asset will result in simultaneous settlement of the liability. The IMF Quota subscription and the related liability carry the same value. The movement on IMF subscription was on account of currency valuation adjustments in 2024. The valuation is conducted annually, every 30 April by the IMF and advised to member countries to effect the necessary adjustments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

24.0 Property, plant and equipment

	Buildings	Furniture fittings computers, plant, machinery and equipment	Motor vehicles, bullion trucks and escort vehicles	Capital work- in progress	Total
Cost or valuation	K'000	K'000	K'000	K'000	K'000
As at 1 January 2023	409,677	362,079	59,093	119,760	950,609
Additions	-	29,749	986	34,084	64,819
Transfers	587	42,384	-	(42,971)	-
Revaluation	118,998	-	-	-	118,998
Derecognition	(934)	(232)	-	-	(1,166)
As at 31 December 2023	528,328	433,980	60,079	110,873	1,133,260
As at 1 January 2024	528,328	433,980	60,079	110,873	1,133,260
Additions	9,742	28,608	11,317	25,583	75,250
Transfers	-	5,469	-	-	5,469
Adjustments	-	(11,483)	4	-	(11,479)
Derecognition	-	(2,902)	-	-	(2,902)
As at 31 December 2024	538,070	453,672	71,400	136,456	1,199,598
Accumulated depreciation					
As at 1 January 2023	(59,102)	(201,174)	(50,953)	-	(311,229)
Charge for the year	(15,237)	(22,989)	(3,462)	-	(41,688)
Depreciation writeback	74,148	-	-	-	74,148
Derecognition	191	188	-	-	379
As at 31 December 2023	-	(223,975)	(54,415)	-	(278,390)
As at 1 January 2024	-	(223,975)	(50,953)	-	(278,390)
Charge for the year	(24,084)	(29,734)	(1,969)	-	(55,787)
Adjustments	-	(129)	(788)	-	(917)
Derecognition	-	161	-	-	161
As at 31 December 2024	(24,084)	(253,677)	(57,172)	-	(334,933)
Carrying amounts					
As at 31 December 2024	513,986	199,995	14,228	136,456	864,665
As at 31 December 2023	528,328	210,005	5,664	110,873	854,870

The derecognised amount of K0.93 million in 2023 relates to the the cost refurbishment works on the Rear Lane at the Regional Office. The Bank had initially capitalised the Rear Lane that was built on land that belongs to the Ndola City Council, the cost was reversed and expensed to profit or loss account. The derecognised amount of K2.90 million in 2024 relates to the cost of three (3) office equipment machines that were capitalised. The machines were initially recognised at a lower cost of K2.90 million which was reversed and correctly capitalised at an amount of K2.92 million. The fair value measurement of the leasehold buildings as at 31 December 2024 were performed by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

24.0 Property, plant and equipment (continued)

The valuation was conducted in accordance with the current new edition of the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual, as recognised by the Surveyors Institute of Zambia, Valuation Chapter. To determine the fair value of business buildings, the valuer employed both the direct comparison and the Cost Approach methods of valuation to reflect the market value of the buildings. The valuation techniques are consistent with those applied in the past. The carrying amount of the revalued properties if carried under cost model would be K47.1 million (2023: K37.4 million). The net movement resulted from the capitalisation of refurbishment works on properties.

	2024 K'000	2023 K'000
Opening balance	37,390	37,071
Net movement	9,670	319
Closing balance	47,060	37,390

Capital work-in-progress in property plant and equipment and intangible assets represents the expenditure to date on office refurbishment and software upgrade projects.

25.0 Intangible assets

	Computer software K'000	Capital work-in progress K'000	Total K'000
Cost			
As at 1 January 2023	84,762	63,226	147,988
Additions	7,936	58,584	66,520
As at 31 December 2023	92,698	121,810	214,508
As at 1 January 2024	92,698	121,810	214,508
Additions	6,927	34,227	41,154
Adjustments	(1,136)	55,024	53,888
Transfers	-	(10,977)	(10,977)
As at 31 December 2024	98,489	200,084	298,573
Accumulated amortisation and impairment			
As at 1 January 2023	(68,708)	-	(68,708)
Charge for the year	(6,013)	-	(6,013)
As at 31 December 2023	(74,721)	-	(74,721)
As at 1 January 2024	(74,721)	-	(74,721)
Charge for the year	(9,145)	-	(9,145)
Adjustments	(1,514)	-	(1,514)
As at 31 December 2024	(85,380)	-	(85,380)
Carrying amounts			
As at 31 December 2024	13,109	200,084	213,193
As at 31 December 2023	17,977	121,810	139,787

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

26.0 Capital expenditure commitments

	2024 K'000	2023 K'000
Authorised by the directors and contracted for	<u>447,717</u>	<u>205,340</u>

Capital expenditure commitments are met from internally generated funds.

27.0 Non refined gold

	2024 K'000	2023 K'000
Opening balance	127,984	127,984
Purchases in the year	-	-
Closing balance	<u>127,984</u>	<u>127,984</u>

The K128.0 million represents 3,535 ounces of non-refined gold (2023: K128.0 million representing 3,535 ounces).

28.0 Deposits from the Government of the Republic of Zambia

	2024 K'000	2023 K'000
Current liabilities		
Deposits from the Government of the Republic of Zambia	<u>5,757,935</u>	<u>6,642,500</u>
	<u>5,757,935</u>	<u>6,642,500</u>

The deposits from the Government of the Republic of Zambia are non-interest bearing and are payable on demand.

The International Monetary Fund (IMF) considered an ECF Arrangement to the Government of the Republic of Zambia (GRZ), for a period of thirty-eight (38) months from 2022 to 2025. The ECF amount is the equivalent of Nine Hundred and Seventy-Eight Million, Two Hundred thousand Special Drawing Rights (XDR978.2 million), being one hundred (100) percent of Zambia's IMF quota. Fifty (50) percent of the ECF Programme Funds are for direct budget financing to the Government while the other fifty (50) percent is for the augmentation of the country's Foreign International Reserve position. Financing under the ECF carries a zero interest rate (with a grace period of 5½ years, and a final maturity of 10 years).

In 2023, Zambia received the second and third tranche of ECF funds amounting to XDR278.9 million (equivalent to K9,654.5 million), 50% towards budget support and the other 50% for Foreign International Reserve augmentation. The Bank of Zambia and the Government through the Ministry of Finance and National Planning (MoFNP) implemented the MoU on the management of the Extended Credit Facility loan.

29.0 Deposits from financial institutions

	2024 K'000	2023 K'000
Current liabilities		
Commercial banks current accounts	11,403,375	6,248,315
Minimum statutory reserve	46,640,892	31,120,899
Term deposits from financial institutions	2,689	2,393
Deposits of other international financial institutions	3,026	3,026
Deposits of other central banks	<u>72,907</u>	<u>2,487,962</u>
	<u>58,122,889</u>	<u>39,862,595</u>

All deposits, except for term deposits, are non-interest bearing and are payable on demand. Term deposits from financial institutions are held at amortised cost and arise from Open Market Operations (OMO). These are short-term instruments with maximum maturity of up to 364 days and are used as a means of implementing monetary policy. The instruments bear interest at rates fixed in advance for periods up to maturity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

30.0 Foreign currency liabilities to other institutions

	2024	2023
	K'000	K'000

Current liabilities

Donor funds	59,160	54,800
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These are deposits by foreign governments and institutions, which are non-interest bearing and are repayable on demand. Balances at end of year relate mainly to funds provided by foreign institutions in respect of project support. The increase between 2023 and 2024 was mainly on account of effects of foreign exchange rate movements following the depreciation of the Kwacha against major trading currencies in 2024.

31.0 Other deposits

	2024	2023
	K'000	K'000

Current liabilities

Staff savings, deposits and clearing accounts	242,451	2,714,347
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32.0 Notes and coins in circulation

	2024	2023
	K'000	K'000

Current liability

Bank notes issued by denomination

K100	14,777,486	11,746,751
K50	4,344,558	3,617,323
K20	341,803	471,362
K10	253,468	230,186
K5	118,757	156,435
K2	32,052	63,146
Bank notes issued	19,868,124	16,285,203
Coins issued	303,389	261,173
Unrebased notes	100,422	100,422
	20,271,935	16,646,798

33.0 Other liabilities

	2024	2023
	K'000	K'000

Current liability

Accrued expenses payable	1,031,959	213,762
OMO liability	300,230	5,532,379
TMTRF Interest (deferred income)	72	120
Accounts payable	1,078,772	782,288
	2,411,033	6,528,549

The reduction as at 31 December 2024, was mainly on account of the Bank having settled the Open Market Operations (OMO) borrowings. However, the increase in accrued expense was mainly on account of accrued costs for printing currency (notes and coins), and staff emolument expenses.

34.0 Provisions

	2024	2023
	K'000	K'000

Non-Current liability

Balance at 1 January	3,808,590	2,690,645
Movement accounted for in profit or loss	5,000	-
Movement accounted for in equity	315,651	1,117,945
Balance at 31 December	4,129,241	3,808,590

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

34.0 Provisions (continued)

The provisions are in respect of various claims brought against the Bank in the courts of law and other creditors on which it is probable that an outflow of financial resources will be required to settle the claims. The increase in the provisions for the year was mainly on account of effects of the exchange rate movements on foreign currency denominated legal cost provisions. In line with the BOZ Act, K315.7 million was accounted for in equity, and K5.0 million accounted for in profit or loss in line with IAS 37.

35.0 Domestic currency liabilities to IMF

	2024 K'000	2023 K'000
Non-Current liability		
International Monetary Fund:		
Securities account	34,425,132	23,326,443
No. 1 account	91,656	62,106
No. 2 account	692	469
	<u>34,517,480</u>	<u>23,389,018</u>

The above liability arises from IMF Quota subscriptions (see Note 23) and has no repayment terms and bears no interest. The increase in value is on account of the currency valuation adjustments in 2024, as advised by the IMF.

36.0 Foreign currency liabilities to IMF

	2024 K'000	2023 K'000
Current liability		
Due to the International Monetary Fund:		
Charges on Special Drawing Rights allocation	287,040	337,304
	<u>287,040</u>	<u>337,304</u>

The charges on the XDR allocation are levied by the IMF and repaid quarterly.

37.0 Extended credit facility

	2024 K'000	2023 K'000
Non-Current liability		
Extended Credit Facility (ECF) – Foreign International Reserve	<u>18,052,232</u>	<u>7,239,143</u>

The amount represents XDR496.8 million being 50% of the ECF loan towards Foreign International Reserve augmentation received to date. In 2024, XDR286.6 million was received i.e. 50% of the ECF funds in respect of augmentation of the International Reserves (refer to note 28).

The Bank of Zambia and the Government through the Ministry of Finance and National Planning (MoFNP) implemented the MoU on the management of the Extended Credit Facility.

38.0 Employee benefits

38.1 Defined Benefit Plan

The Bank provides a pension scheme for eligible employees administered by a Board of Trustees who retain responsibility for the governance of the plan including investment decisions and setting contribution levels. The assets of this scheme are held in administered trust funds separate from the Bank's assets and are governed by the Pension Scheme Regulation Act, No. 26 of 1996.

The plan is a final salary pension plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Contributions to the defined benefit fund are charged against income based upon actuarial advice. The Bank is currently contributing at a rate of 15.76% of members' basic salary. Any deficits that may arise, are funded to ensure the on-going financial soundness of the fund.

38.0 Employee benefits (continued)

Valuation for funding purposes

The statutory actuarial valuation for the fund is done at intervals of not more than three years by an independent qualified actuary, with interim reviews in the intervening years using the attained age method. The statutory actuarial valuation is prepared to comply with the requirements of the Pension Scheme Regulations Act ('the Act') and as required in the terms of the Trust Deed and Rules of the Fund.

A statutory actuarial valuation of the Fund performed in 2019 revealed a funding deficit of K507.6 million. To address the net defined benefit liability resulting from this actuarial valuation, the Board approved that the Bank should fund the net defined benefit liability of K507.6 million by making monthly contributions of K6.3 million over a ten-year period commencing November 2020 and subject to funding plan review at the subsequent actuarial valuation.

As at 31 December 2022, the fund was still underfunded as per interim statutory valuation report which revealed a statutory deficit of K420.9 million. In view of this underfunding, the Bank of Zambia Board in 2023, approved for the Bank to fund, in full, the outstanding actuarial deficit arising from the interim statutory valuation. Following the settlement of the deficit in 2023, the Bank is awaiting a revaluation to determine the position of the fund.

Accounting Treatment for the defined benefit liability

In recognising the net defined benefit liability, the Bank took into consideration the interpretations of the International Financial Reporting Standards Interpretation Committee (IFRIC 14) in relation to the limit on a defined benefit asset, the minimum funding requirements and their interaction. Where the Fund records a net defined benefit asset, the Bank is not entitled to any refunds or reductions in future contributions due to the minimum funding requirement.

In terms of the Fund rules, an obligation is created whereby the Employer is required to fund the deficit and return the Fund to a sound financial condition. This is in line with paragraph 20 of the Fund rules, which state that "If the report of the Actuary shows a deficiency in the Fund, the Employer shall pay the Trustees such sum or sums as shall be certified by the actuary to make good such deficiency".

Furthermore, paragraph 20 states that, "If the report of the Actuary shows a surplus in the Fund such surplus shall be credited to the Fund for the purpose of reducing the Employer's cost of funding, or to increase the benefits to Members or Pensioners". This means that the surplus may be used to benefit the Employer or Members and Pensioners, or both groups. There is therefore no certainty that the Employer will benefit from any surplus in the Fund. Based on the above and in line with IFRIC 14 p 23 and 24, a net liability was recognised in the annual financial statements.

3.2 Accounting valuation

The 2023 accounting valuation as per IAS 19 revealed an actuarial surplus of K456.1 million (2023: K493.6 million actuarial surplus) due to the actuarial assumptions made (discount rate, salary adjustments, demographic assumptions) based on market expectations at the end of the reporting period.

Contributions made to the fund is as detailed:

	2024 K'000	2023 K'000
Employer contribution - 15.76% of Employee's basic pay	13,011	12,174
Employee contribution - 5% of Employee's basic pay	3,725	3,862
	<u>16,736</u>	<u>16,036</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

38.0 Employee benefits (continued)

The Fund is exposed to a number of risks, the main ones being:

a. Changes in bond yields

The Fund liabilities are calculated using a discount rate set with reference to Zambian government bond yields. A decrease in government bond yields will increase the plan liabilities and hence affect the financial position of the fund.

b. Changes in salaries

The Fund benefits are calculated with reference to employees' salaries, an increase in salaries will increase the Fund liabilities. This risk becomes higher as the expectations of short-term inflation increase, due to the fluctuations of the Zambian Kwacha against other currencies.

c. Cost of benefit provision

The Fund is a balance of cost scheme, therefore, the Employer is required to make the additional contributions required to ensure that the benefit promise to members is met. Therefore, the Bank bears the investment risk, longevity risk and risk of increase in expenses of managing the scheme. This results in a volatility of cost of benefit provision for the Bank.

Plan assets for the fund comprised:	2024 K'000	2023 K'000
Investment in equities	81,869	49,502
Government securities	733,060	287,149
Fixed assets and corporate bonds	167,931	167,931
Other assets	10,150	9,733
Cash	116,649	481,958
Total plan assets	<u>1,109,659</u>	<u>996,273</u>

Summary of significant actuarial assumptions:

The significant actuarial assumptions used by the independent actuary to compute the Fund's liabilities on an accounting valuation basis were:

	2024 K'000	2023 K'000
Discount rate (p.a)	23.50%	26.70%
Salary increase (p.a)	13.10%	13.10%
Return on plan asset	27.70%	27.70%
Future pension increase	10.00%	10.00%
General Inflation	12.10%	13.10%

The demographic assumptions used in the valuation are as follows:

	2024 K'000	2023 K'000
Pre-retirement mortality (males)	A24/29	A24/29
Pre-retirement mortality (females)	A24/29	A24/29
Post-retirement mortality (males)	a (55)	a (55)

With no further mortality improvements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

38.0 Employee benefits (continued)

	2024	2023
	K'000	K'000
Post-retirement mortality (females)	a(55)	a(55)
Expected retirement age (males)	60 years	60 years
Expected retirement age (females)	60 years	60 years
Percentage married at retirement	100%	100%

With no further mortality improvements.

Sensitivity of defined benefit obligation to actuarial assumptions

The assumed retirement age is 60 years. The weighted average duration of the defined benefit obligation was 7.1 years.

The sensitivity analysis has been computed using the projected unit credit method used in determining the pension liability. The following shows the sensitivity of the present value of the defined benefit obligation to changes in key actuarial assumptions:

Assumption	Change	2024	2023
		K'000	K'000
Discount rate	+1%	(31,248)	(7,184)
	-1%	34,554	7,639
Salary increase	+1%	10,671	7,826
	-1%	(10,072)	(7,445)
Pension increase	+1%	27,785	55,491
	-1%	(25,040)	(53,483)

The sensitivity analyses are based on a change in one assumption, while holding all other assumptions constant.

Amounts recognised in the Statement of Financial Position

There was no net defined benefit liability as at 31 December 2024. The Bank settled the actuarial deficit in full.

Amounts recognised in Statement of Financial Position	2024	2023
	K'000	K'000
Net defined benefit liability	-	343,648
Additional annual contribution	-	(69,300)
	-	274,348
Settlement of actuarial deficit	-	(274,348)
Net defined benefit liability	-	-

38.2 Defined contribution scheme

The Bank also contributes to the defined contribution pension scheme. The defined contribution pension scheme was established in 2020, following Board approval to convert eligible employees from Fixed Term Contracts to Permanent and Pensionable. The conversion of the eligible staff to the defined contribution pension scheme commenced in 2021 and the Bank's contribution to this scheme is 15.76%. The amount recognised in the income statement is K40.8 million (2023: K15.7 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

39.0 Financial derivative liability

Financial derivative liability represents fair value loss recognised on the revaluation of the SWAP that the Bank entered into during the year.

	2024 K'000	2023 K'000
SWAP payable	-	810,220

40.0 Special Drawing Rights allocation

This represents Special Drawing Rights allocated by the IMF amounting to XDR469.1 million (2023: XDR469.1 million).

The purpose of the allocation is to improve an IMF member country's foreign exchange reserve assets. The amount is not repayable to IMF except in the event that (a) the allocation is withdrawn or cancelled; (b) the member country leaves the IMF; or (c) the Special Drawing Rights department of the IMF is liquidated. The translation rate for end of year was K36.37 per XDR (2023: K34.51).

In July 2021, the IMF approved the allocation of XDR to its member countries. Zambia received a Special Drawing Rights general allocation of XDR937.6 million equivalent to K22,174.7 million, which was included as part of the SDR Allocation.

However, following the implementation of the MoU in 2022, between the Bank of Zambia and the Government through the Ministry of Finance and National Planning (MoFNP) on the management of the 2021 SDR general allocation, the Bank transferred the 2021 SDR allocation to the Government.

SDR Allocation	2024 K'000	2023 K'000
Non-Current		
Opening balance	16,190,663	11,290,357
Exchange gain	871,165	4,900,306
Closing balance	17,061,828	16,190,663

41.0 Capital

	2024 K'000	2023 K'000
Authorised capital	500,020	500,020
Issued and fully paid-up capital	500,020	500,020

The GRZ is the sole subscriber to the paid-up capital of the Bank and its holding is not transferable in whole or in part nor is it subject to any encumbrance.

42.0 Reserves

General reserve fund

The general reserve fund represents the appropriations of profit in terms of the First Schedule Section 10(1) of the Bank of Zambia Act, No.5 of 2022.

Under the First Schedule Section 10(2) of the Bank of Zambia Act, No.5 of 2022, if the Bank of Zambia Board of Directors certifies that the assets of the Bank are not, or after such transfer, will not be less than the sum of its capital and other liabilities, then the following appropriation is required to be made to the general reserve fund:

- thirty-five per centum of the net profits of the Bank, when the balance in the general reserve fund is less than three times the Bank's authorised capital; or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

42.0 Reserves (continued)

- b. twenty per centum of the net profit of the Bank, when the balance in the general reserve fund is equal to or greater than three times the Bank's authorised capital.

Thirty-five percent of the remainder of the net profits for the financial year shall be applied to the redemption of any outstanding GRZ securities issued against losses incurred by the Bank.

Section 10(5) of the First Schedule of the Bank of Zambia Act No.5 of 2022, provides that the remainder of the profits after the above transfers should be paid to the GRZ as soon as practical after the completion of the financial audit at the end of the financial year.

The General Reserve fund was **K5,390.1 million** as at 31 December 2024 (2023: K3,757.9 million).

Property revaluation reserve

This represents effects from the periodic fair value measurement of the Bank's properties. Any gains or losses are not recognised in the profit or loss until the property has been sold or impaired. On derecognition of an item of property, the revaluation surplus included in equity is transferred directly to retained earnings. A portion of the revaluation surplus representing the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the asset's original cost as the property is used by the Bank is transferred to retained earnings.

Foreign exchange revaluation reserve

In accordance with First Schedule Section 11(1) of the Bank of Zambia Act No.5 of 2022, the Act requires the Bank to record unrealised gains or losses on certain assets or liabilities to a revaluation reserve account.

The Foreign Revaluation Reserve account stood at **K15,632.1 million** (2023: K10,968.4 million) at the end of the year.

Targeted Medium-Term Refinancing Facility (TMTRF) reserve

In line with section 8 (o) of the Bank of Zambia Act No.5 of 2022, the Board authorised the creation of a TMTRF reserve account that facilitates for the recording of income from the TMTRF.

The TMTRF Reserve account stood at **K1,335.4 million** (2023: K751.9 million) at the end of the year.

Retained earnings

Retained earnings or losses are the carried forward income net of expenses of the Bank plus current year profit or loss attributable to equity holders. This is a holding account before the residual income is remitted to GRZ.

Retained earnings as at 31 December 2024 were K12,603.6 million (2023: K14,215.9 million).

Appropriation of profits

In accordance with First Schedule Section 10 (2) of the Bank of Zambia Act No.5 of 2022 Management has proposed appropriation of profits resulting in a transfer of K1,305.4 million to the general reserve fund and declaration of a dividend of K5,221.6 million to Government in respect of the performance recorded in the Bank of Zambia Financial Statements for the 2024 financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

43.0 Related party transactions

The Bank is owned by the Government of the Republic of Zambia. In the context of the Bank, related party transactions include any transactions entered into with any of the following:

- The Government of the Republic of Zambia and related Agencies;
- Kwacha Pension Trust Fund;
- Zambia Electronic Clearing House;
- Afreximbank;
- Members of the Board of Directors including the Governor and key management staff; and
- Close family members of both key management staff and the Board of Directors.

The main services provided during the year to 31 December 2024 were:

- Provision of banking services including holding the principal accounts of GRZ;
- Provision and issuance of notes and coins;
- Holding and maintaining the register of Government securities;
- Formulation and implementation of monetary policy; and
- Supervision of financial institutions.

Transactions and balances with the GRZ

During the year, the nature of dealings with GRZ included: banking services, sale of foreign currency and agency services for the issuance of securities culminating in the income and balances stated in (a) and (b) below:

- a. Detailed below was income earned in respect of interest, charges or fees on the transactions with GRZ for the year up to 31 December:

	2024 K'000	2023 K'000
Interest on GRZ securities at amortised cost	3,745,801	3,905,913
Fees and commission income on GRZ transactions	174,599	265,152
Gains on foreign exchange transactions with GRZ	41,122	81,999
Total income from GRZ transactions	3,961,512	4,253,064

All transactions with related parties were made on an arm's length basis.

- b. Listed below were outstanding balances at close of business on 31 December:

	2024 K'000	2023 K'000
GRZ - year end balances		
Deposits from GRZ Institutions	(5,757,935)	(6,642,500)
Holdings of GRZ securities	19,952,577	22,067,383
Transaction fees receivable	(437)	383
Funds receivable from Government	11,853,925	9,980,488

The GRZ securities holdings comprise of various balances outstanding from GRZ (see note 16) secured by predetermined payments based on securities issued by the Government of the Republic of Zambia. Deposits from GRZ Institutions are unremunerated and attract no interest expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

43.0 Related party transactions (continued)

Transactions and balances with Directors and key management personnel

Remuneration paid to Directors' and key management personnel during the year was as follows:

a.	Short-term benefits	2024 K'000	2023 K'000
	Directors' fees	2,454	3,745
	Remuneration for key management personnel	-	
	Salaries and allowances	65,357	62,220
	Pension contributions	1,565	2,380
		<u>69,376</u>	<u>64,600</u>
	Loans and advances to key management personnel		
	Balance as at 31 December	<u>3,364</u>	<u>4,735</u>

The terms and conditions on loans and advances to key management personnel are determined by the the Board of Directors, and approved by the Emoluments Commission.

No impairment has been recognised in respect of balances due from key management personnel.

b.	Post-employment pension benefits	2024 K'000	2023 K'000
	Benefits paid in the year	<u>52,536</u>	<u>13,984</u>

44.0 Trading (losses)/gains

	2024 K'000	2023 K'000
(Losses)/gains on forex transactions with commercial banks	(113,169)	367,165
Losses on forex transactions with Government	(41,112)	(81,999)
Losses on other forex transactions	(152,364)	(1,220)
Net trading (losses)/gains	<u>(306,645)</u>	<u>283,946</u>

45.0 Trading assets at Fair Value through Other Comprehensive Income (FVOCI)

There were no financial assets at fair value through other comprehensive income during the year.

46.0 Stability and Resilience Facility

On 30 December 2024, the Bank setup a Stability and Resilience Facility (SRF) aimed at safeguarding financial stability and ensure the resilience of the financial sector in the wake of the 2023/2024 drought. The facility is intended to provide liquidity to eligible financial service providers for onward lending to viable businesses in the agriculture sector and to those businesses that were negatively impacted by the electricity shortages.

The SRF which was established with a funding of K5.0 billion (Five Billion Kwacha), is priced off the Monetary Policy Rate (MPR) with a 24 month moratorium on both principal and interest, with a tenure of up to 7 years. As at 31 December 2024, the Bank had not advanced any funds under this facility.

47.0 Contingent liabilities

The Bank is party to various litigation cases, whose ultimate resolution, in the opinion of the Directors, is not expected to materially impact the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

48.0 Events after the reporting date

48.1 New Bank Notes

Persuant with the section 17 (1) of the Bank of Zambia Act No. 5 of 2022, the Bank in February 2025, announced the introduction of a new family of the Zambian Currency. The new family of bank notes consists of six notes namely K500, K200, K100, K50, K20 and K10; while the coins consists of K5, K2, K1, 50N, 10N and 5N.

The Bank is scheduled to launch the new family of the Zambian Currency on 31 March 2025.

48.2 Possession of Ecsponent Financial Services

Inline with section 64 of the Banking and Financial Services Act, the Bank took possession of Ecsponent Financial Services Limited (T/AMybucks Zambia) due to insolvency. This was done to safeguard the interest of depositors and other creditors as well as prevent the disorderly exist of the intistution. This has no material impact on the financial position of the Bank.

49.0 Sustainability disclosures

GOVERNANCE

Board of Directors

The Bank has continued to develop and integrate climate change initiatives within its operational and risk management framework to achieve its broader mandate as stipulated in the Bank of Zambia Act No. 5 of 2022 (the Act). The Act empowers the Bank of Zambia Board of Directors (the Board) with the responsibility of ensuring policy formulation for the Bank. As part of its oversight role, the Board through the various Committees such as the Governance and Risk Committee oversees the implementation of the climate change initiatives within the Bank. Further, the Audit and Finance Committee provides, amongst others, oversight over the efficient use of resource allocated to climate change initiatives being implemented by the Bank. Management Committee on a quarterly basis, or when need arises, informs the Board on the progress of the implementation.

Management

The Act also empowers the Board to delegate some of its functions to the Governor of the Bank for the execution of policy and management of the affairs of the Bank. The Governor, in turn delegates the exercise of his powers and some of his functions in respective areas of operations to the Deputy Governors and departmental heads as set out in the Bank's Delegation of Authority policy.

The Deputy Governor - Operations oversees the implementation of the Financial Inclusion pillar within the 2024-2027 Strategic Plan. Within this strategic pillar, the Bank has partnered with a number of stakeholders on green finance initiatives. The Deputy Governor - Administration oversees resource mobilisation to the climate change initiatives within the Bank.

The Bank has undertaken several green finance initiatives and is in the process of implementing:

- **Green Finance Guidelines.** These are intended to foster an enabling policy and regulatory environment for financial services providers to adopt green finance as one of their mainstream product offerings and take environmental-and-climate action. This has been drawn from the BoZ committment to the Alliance for Financial Inclusion (AFI) Sharm El Sheik Accord on Inclusive Green Finance.
- **Green Loans Guidelines.** These will facilitate and support green and sustainable finance activities through; (1) (a) mobilising and incentivising more capital to be invested in green projects, and (b) promoting investments in non-polluting projects; (2) Provide for a green loans taxonomy; and (3) Provide standards to regulated entities for establishing a fair, competitive and sustainable business environment through; (a) encouraging regulated entities to evaluate their loans and exposures to assets in high environmental, social and governance risk areas, and (b) encouraging regulated entities in analysing and managing green credit and market risks in a quantitative way.

49.0 Sustainability disclosures (continued)**STRATEGY****Launch of the 2024-2027 Strategic Plan**

The Bank is committed to integrating the climate change initiatives within the Bank and fostering this with its regulated entities. In 2023 the Board approved the 2024-2027 Strategic Plan and was launched in 2024 which has a focus on four (4) key pillars namely, Price Stability, Financial Stability, Financial Inclusion and Organisational Resilience and Growth. Under the Financial Stability pillar, the Bank has made an undertaking to strengthen the resilience of the Financial Systems by adopting and entrenching Environmental, Social and Governance (ESG) issues and practices within the Bank and in the financial sector.

RISK MANAGEMENT

The Bank manages its risks including those arising from climate change that maybe both direct and indirect, and that may have an impact on financial stability, monetary policy and financial markets within the Risk Management Framework in order to promote sustainable economic development. To manage the climate change risks, such as drought, energy challenges, pandemics etc the strategic plan earmarked to promote compliance to climate change principles in the supervisory and regulatory framework and adapt monetary policy frameworks to reflect risk management. Some of the initiatives undertaken include:

1. Monetary Policy/Financial Stability Mandate**a. Stability and Resilience Facility (SRF)**

In line with its mandate as stated in the Bank of Zambia Act No. 5 of 2022, which is anchored on ensuring price and financial systems stability, the Bank established the Stability and Resilience Facility (SRF) and launched it on 30 December 2024. The facility, is aimed at safeguarding financial stability and ensuring the resilience of the financial sector in the wake of the 2023/2024 drought. The facility is intended to provide liquidity to eligible Financial Service Providers (FSPs) for onward lending to viable businesses in the agriculture sector and to those businesses that were negatively impacted by the electricity shortages. The SRF was established with a funding of K5.0 billion (Kwacha Five Billion) and priced off the Monetary Policy Rate (MPR) with a 24 month moratorium on both principal and interest, with a tenure of up to 7 years. Where the advances applied for are to support environmental sustainability as provided for under the Banking and Financial Service (Green Loans) guidelines, the applicable interest rates is the MPR less an administrative margin of 300 basis points.

b. Currency Management

The Bank has issued four banknotes (K500, K200, K100, and K50) in the new family, made from a cotton-based paper substrate. At the end of their life cycle, these banknotes can be shredded and disposed of in a landfill. Additionally, the Bank has coined two banknotes (K2 and K5) that had a very high circulation velocity as well as a high destruction rate. Furthermore, the Bank has used a composite substrate for two low-value banknotes (K10 and K20) to extend their circulation life. This composite substrate is a combination of polymer and paper, with the polymer core being thinner than the outer paper substrate. The thin polymer core has been incorporated to enhance the banknotes' mechanical strength.

c. Implementation of Solar Energy Solution

The Bank's Green policy provides a framework for the Bank to undertake its environmental sustainability activities. In its quest to ensure sustainable energy consumption and reduce the negative impact on the environment, especially in the wake of the 2023/2024 drought that brought about energy challenges, the Board approved the use of the environmentally friendly alternative energy sources. The Bank has implemented solar power plants at both its Head and Regional offices.

49.0 Sustainability disclosures (continued)

d. Development of the Bank of Zambia ESG Framework

In line with the 2024-2027 Strategic Plan, the Bank commenced the development of an ESG Framework which is expected to be completed and implemented by end- December 2026. The framework will incorporate appropriate international environmental standards and will enable the Bank to develop matrices that quantify its contribution towards mitigation of adverse environmental impacts. Reporting of ESG matters will be incorporated in the Management reporting system.

e. Adoption of ESG Best Practices in Regulated Entities

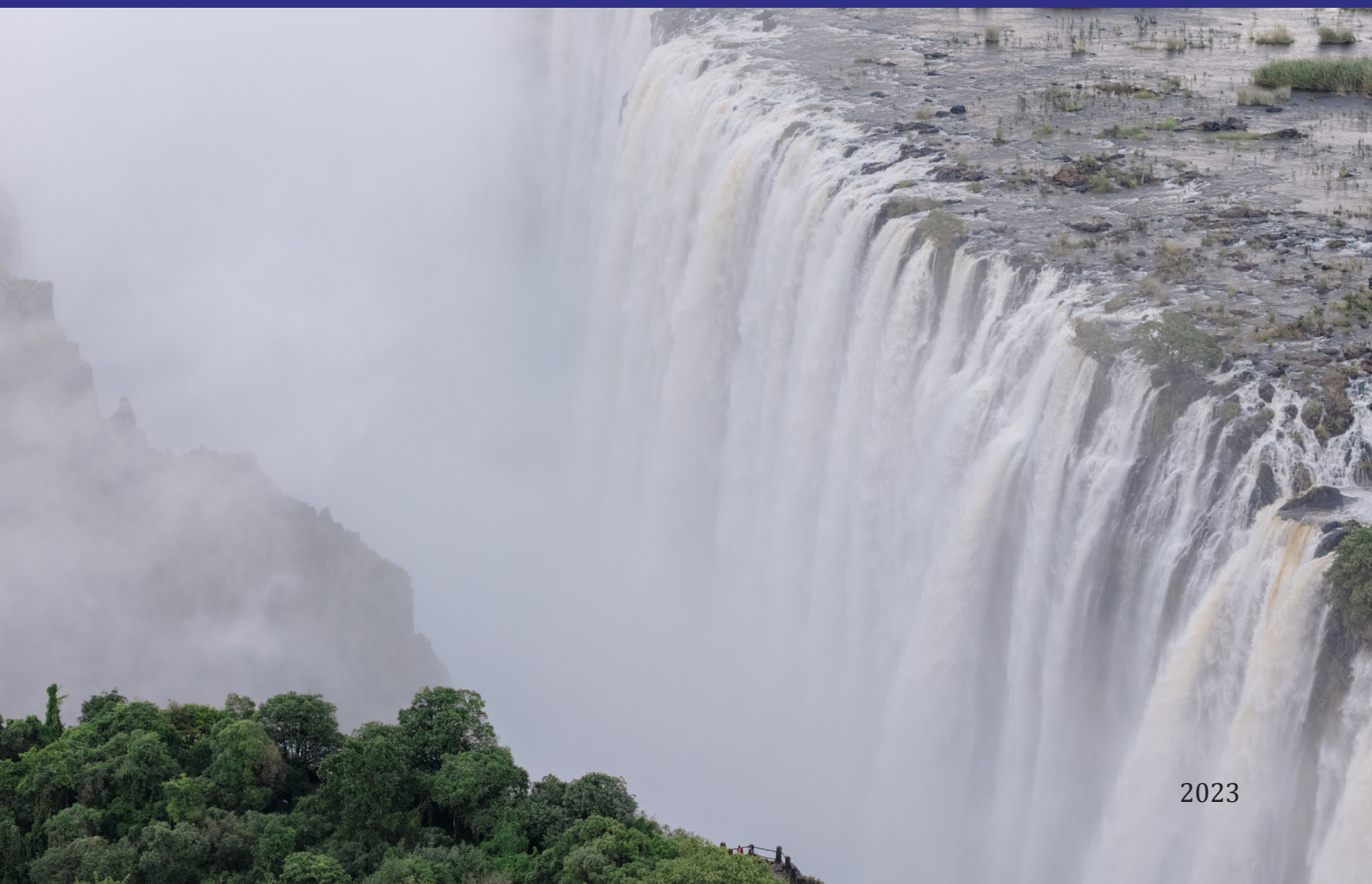
The Bank is leveraging on its vantage position to influence adoption of ESG best practices in regulated entities. In this regard the Bank, in collaboration with various stakeholders is developing Guidance Notes on Climate and Nature Related Financial Risks for Regulated Entities and a Supervisory Manual on Green Finance and Green Loans. This will enable the domestication and practical application of ESG recommendations adopted from international bodies such as the Network for Greening the Financial System. Further the Bank has embarked on a capacity building program for staff and is promoting training among FSPs to ensure that the market is able to participate and contribute to sustainable practices.

As part of its Strategic Plan, the Bank is in the process of developing and implementing a comprehensive Internal ESG Framework and Programme and this will include the establishment of ESG metric/measures across the entire programme.



2024

15.0 2024 ANNUAL STATISTICAL ANNEXURES



2023

2024 STATISTICAL REPORT

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Depository Corporations Survey (K'Millions), Dec. 2023 - Dec. 2024

Table 1

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Net foreign assets													
Claims on nonresidents	56,457.3	58,644.2	53,946.6	59,350.0	68,618.7	67,696.6	60,868.2	72,240.5	64,673.0	76,550.4	78,017.9	76,633.5	81,966.5
Liabilities to nonresidents	131,570.5	135,150.1	122,575.9	130,023.3	143,079.5	138,660.0	142,248.4	160,289.2	153,173.4	167,000.0	167,054.5	165,301.3	175,747.5
Domestic claims	-75,113.2	-76,505.9	-68,629.3	-70,673.3	-74,460.8	-70,963.4	-81,380.3	-88,048.8	-88,500.4	-90,449.6	-89,036.6	-88,667.8	-93,781.1
Net claims on central government	140,474.0	142,172.1	136,225.5	139,254.2	134,053.3	138,490.7	135,161.6	144,557.9	144,788.2	143,019.3	145,814.9	151,070.5	152,072.4
Claims on central government	63,231.6	63,104.5	59,344.3	60,262.0	53,287.0	55,279.9	53,803.8	58,625.2	61,112.6	54,326.7	56,738.8	60,094.1	59,960.3
Liabilities to central government	101,129.9	101,917.0	96,451.1	93,731.1	94,808.0	91,964.9	93,921.4	94,726.4	95,974.1	95,812.5	95,991.7	96,942.9	95,966.8
Liabilities to central government	-37,898.4	-38,812.5	-37,106.9	-33,469.1	-41,521.0	-36,685.0	-40,117.6	-36,101.2	-34,861.5	-41,485.8	-39,252.9	-36,848.8	-36,006.5
Claims on other sectors	77,242.4	79,067.6	76,881.2	78,992.2	80,766.3	83,210.8	81,357.8	85,932.7	83,675.6	88,692.6	89,076.2	90,976.4	92,112.1
Claims on other financial corporations	1,079.7	1,149.7	1,195.0	1,265.5	1,156.4	1,273.2	1,259.6	1,176.5	1,313.9	1,520.2	1,478.7	1,465.6	1,346.5
Claims on state and local government	14.8	14.9	14.8	14.7	15.5	16.2	15.7	13.4	13.7	14.2	13.7	27.5	66.0
Claims on public nonfinancial corporations	4,726.7	4,775.2	4,857.7	4,958.3	4,955.8	5,253.4	5,152.1	5,182.2	5,157.5	5,156.6	4,903.7	4,721.0	4,637.9
Claims on private sector	71,421.3	73,127.7	70,813.7	72,753.8	74,638.6	76,668.0	74,930.3	79,560.5	77,190.6	82,001.7	82,680.1	84,762.3	86,061.7
Broad money liabilities	166,935.0	170,007.2	162,514.8	166,997.5	174,491.4	178,441.9	176,358.0	194,075.4	187,110.6	193,965.3	196,817.9	199,275.7	205,265.7
Currency outside depository corporations	14,668.8	13,417.5	13,133.8	14,077.5	13,862.3	15,774.9	16,406.3	16,256.9	16,828.6	16,803.6	16,923.6	17,487.2	17,407.5
Transferable deposits	98,292.3	100,496.4	92,057.9	92,965.4	98,146.0	97,349.4	94,951.8	110,387.9	105,091.9	111,466.4	111,515.5	110,223.3	115,292.3
Other deposits	53,973.8	56,093.3	57,323.2	59,954.6	62,483.1	65,317.6	65,000.0	67,430.6	65,190.1	65,695.3	68,378.7	71,565.2	72,565.9
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2
Securities other than shares excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	3,325.2	4,416.5	3,528.4	4,871.8	5,014.2	4,402.9	4,217.4	4,254.0	4,099.5	4,223.5	4,515.9	4,305.5	7,369.2
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance technical reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	62,651.9	65,144.5	59,073.8	61,724.4	60,006.2	59,519.6	57,112.3	62,746.2	63,630.8	67,879.5	69,188.7	70,043.0	72,302.5
Other items net	-36,017.0	-38,788.1	-34,981.2	-35,025.7	-36,876.1	-36,213.3	-41,694.1	-44,313.5	-45,415.9	-46,534.8	-46,725.9	-45,956.6	-50,934.8

Source: Bank of Zambia

Central Bank Survey (K'Millions), Dec. 2023 - Dec. 2024

Table 2

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Net foreign assets	21,046.3	20,418.5	23,551.5	26,280.6	29,116.7	28,159.7	21,584.4	21,938.2	22,719.5	29,271.7	32,541.0	31,641.8	34,809.3
Claims on nonresidents	86,636.6	88,804.6	82,851.5	88,697.4	95,651.0	92,677.9	95,102.2	101,683.7	103,595.2	111,405.3	113,680.8	112,023.3	122,229.0
Liabilities to nonresidents	-65,590.4	-68,386.1	-59,300.0	-62,416.7	-66,534.3	-64,518.3	-73,517.8	-79,745.5	-80,875.7	-82,133.6	-81,139.8	-80,381.5	-87,419.6
Claims on other depository corporations	10,885.3	10,831.6	15,050.7	14,356.0	14,429.7	15,458.8	19,142.9	14,916.6	10,818.0	9,940.1	9,577.8	7,623.0	6,450.3
Net claims on central government	25,520.8	23,126.4	22,389.9	25,411.8	19,668.6	21,712.1	16,190.2	20,576.3	23,987.8	20,684.7	22,641.9	22,024.6	24,309.4
Claims on central government	32,740.3	33,562.2	31,865.0	33,007.9	33,593.3	33,139.4	31,508.6	32,155.9	32,286.9	31,902.0	31,771.6	31,592.7	31,927.4
Liabilities to central government	-7,219.6	-10,435.8	-9,475.2	-7,596.2	-13,924.7	-11,427.3	-15,318.4	-11,579.6	-8,299.0	-11,217.3	-9,129.7	-9,568.1	-7,618.0
Claims on other sectors	162.0	167.6	178.3	181.8	183.6	186.1	189.5	185.9	194.7	199.9	200.8	203.4	220.3
Claims on other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on state and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on public nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on private sector	162.0	167.6	178.3	181.8	183.6	186.1	189.5	185.9	194.7	199.9	200.8	203.4	220.3
Monetary base	59,126.8	58,405.9	64,820.7	68,340.5	73,196.1	76,143.7	72,289.7	70,046.2	69,232.5	70,655.5	75,111.7	71,338.7	76,847.5
Currency in circulation	16,640.8	16,016.5	15,417.6	16,077.0	16,177.4	18,393.5	19,385.6	19,535.9	19,314.3	19,287.9	19,595.0	19,993.5	20,269.2
Liabilities to other depository corporations	42,006.3	42,307.5	49,306.8	52,022.5	56,888.4	57,681.2	52,813.8	50,291.4	49,785.6	51,280.8	55,411.6	51,260.9	56,486.8
Liabilities to other sectors	479.7	81.9	96.2	241.0	130.3	69.0	90.4	218.9	132.7	86.8	105.1	84.3	91.4
Other liabilities to other depository corporations	1,107.5	1,152.7	1,221.9	1,269.3	1,315.2	1,362.6	981.7	1,011.8	1,056.5	1,074.4	1,114.7	838.1	810.3
Deposits and securities other than shares excluded from monetary base	0.0	0.0	-0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded in broad money	0.0	0.0	-0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	31,643.8	33,840.4	26,903.5	30,787.4	28,865.7	27,946.9	24,801.6	29,587.7	31,315.5	33,218.7	33,475.5	33,577.2	35,259.6
Other items net	-34,263.8	-38,854.8	-31,775.7	-34,167.0	-39,978.2	-39,936.5	-40,966.1	-43,028.7	-43,884.5	-44,852.2	-44,740.5	-44,261.2	-47,128.0

Source: Bank of Zambia

Other Depository Corporations Survey (K'Millions), Dec. 2023 - Dec. 2024

Table 3

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Net foreign assets	35,411.0	38,225.7	30,423.6	33,069.3	39,502.0	39,536.9	39,283.7	50,302.3	41,953.5	47,278.7	45,476.9	44,991.7	47,157.1
Claims on nonresidents	44,933.9	46,345.5	39,593.0	41,325.9	47,428.5	45,982.1	47,146.2	58,605.5	49,578.3	55,594.7	53,373.7	53,278.0	53,518.6
Liabilities to nonresidents	-9,522.9	-8,119.8	-9,169.4	-8,256.6	-7,926.5	-6,445.1	-7,862.5	-8,303.2	-7,624.7	-8,316.0	-7,896.8	-8,286.3	-6,361.4
Claims on central bank	46,879.1	44,805.6	53,408.8	55,005.2	56,449.0	57,381.3	53,076.4	54,010.9	54,032.2	56,387.0	60,812.6	55,652.2	62,639.2
Currency	1,972.0	2,599.0	2,283.9	1,999.5	2,315.1	2,618.6	2,979.3	3,279.0	2,485.6	2,484.3	2,671.4	2,506.3	2,861.7
Reserve deposits and securities other than shares	44,907.1	42,206.6	51,125.0	53,005.7	54,133.8	54,762.7	50,097.1	50,732.0	51,546.6	53,902.6	58,141.3	53,145.9	59,777.5
Other claims on central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net claims on central government	37,710.8	39,978.1	36,954.4	34,850.2	33,618.4	33,567.8	37,613.5	38,048.9	37,124.7	33,642.0	34,096.9	38,069.5	35,650.9
Claims on central government	68,389.6	68,354.9	64,586.1	60,723.2	61,214.7	58,825.5	62,412.7	62,570.5	63,687.2	63,910.5	64,220.1	65,350.2	64,039.4
Liabilities to central government	-30,678.8	-28,376.8	-27,631.7	-25,873.0	-27,596.3	-25,257.7	-24,799.2	-24,521.6	-26,562.5	-30,268.5	-30,123.2	-27,280.7	-28,388.5
Claims on other sectors	77,080.4	78,900.0	76,820.6	78,810.4	80,582.6	83,024.7	81,168.3	85,746.7	83,481.0	88,492.7	88,875.3	90,772.9	91,891.8
Claims on other financial corporations	1,079.7	1,149.7	1,195.0	1,265.5	1,156.4	1,273.2	1,259.6	1,176.5	1,313.9	1,520.2	1,478.7	1,465.6	1,346.5
Claims on state and local government	14.8	14.9	14.8	14.7	15.5	16.2	15.7	13.4	13.7	14.2	13.7	27.5	66.0
Claims on public nonfinancial corporations	4,726.7	4,775.2	4,857.7	4,958.3	4,955.8	5,253.4	5,152.1	5,182.2	5,157.5	5,156.6	4,903.7	4,721.0	4,637.9
Claims on private sector	71,259.3	72,960.1	70,753.0	72,571.9	74,454.9	76,481.9	74,740.9	79,374.6	76,995.9	81,801.8	82,479.2	84,558.9	85,841.4
Liabilities to central bank	10,377.1	10,461.5	14,060.2	13,754.0	12,987.0	14,416.0	16,285.1	14,420.0	11,076.7	9,203.0	8,782.8	6,823.0	6,938.5
Transferable deposits included in broad money	97,812.6	100,414.5	91,961.6	92,724.3	98,015.7	97,280.4	94,861.4	110,168.9	104,959.2	111,379.6	111,410.4	110,138.9	115,200.9
Other deposits included in broad money	53,973.8	56,093.3	57,323.2	59,954.7	62,483.1	65,317.6	65,000.0	67,430.6	65,190.1	65,695.3	68,378.7	71,565.2	72,565.9
Securities other than shares included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2
Securities other than shares excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	3,325.2	4,416.5	3,528.4	4,871.8	5,014.2	4,402.9	4,217.4	4,254.0	4,099.5	4,223.5	4,515.9	4,305.5	7,369.2
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance technical reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	31,008.1	31,304.2	32,170.3	30,937.0	31,140.5	31,572.7	32,310.7	33,158.4	32,315.2	34,660.8	35,713.2	36,465.8	37,043.0
Other items (net)	548.3	-816.8	-1,472.5	-542.8	475.2	485.0	-1,568.7	-1,359.3	-1,085.6	602.0	424.5	151.7	-1,814.6

Source: Bank of Zambia

Banking System Claims on Government (K' 000), Dec. 2013 - Dec. 2024

Table 4

End of Period	Net Bank of Zambia Claims					Net Commercial Banks Claims					Total Claims (a+b)	
	Total (a)					Total (b)						
	Treasury Bills	GRZ Bonds	GRZ Position (3)	Loans & Advances		Treasury Bills	GRZ Bonds	Loans & Advances	Deposits			
2013	625,775.0	1,800,989.2	-3,595,675.6	1,830,539.0		6,566,194.6	2,653,510.9	120,597.5	-1,158,762.7		8,181,540.4	8,843,168.0
2014	710,825.6	1,714,917.8	-4,739,629.5	1,397,539.0		6,572,940.0	2,362,441.2	661,321.2	-1,573,725.0		8,022,977.5	7,106,630.2
2015	1,277,345.9	1,650,173.5	-2,607,813.1	1,997,539.0		6,184,432.0	1,568,433.9	457,565.9	-1,539,557.1		6,670,874.7	8,988,120.0
2016	647,467.6	1,444,323.2	-1,454,842.5	5,321,014.7		5,471,394.5	2,249,459.2	819,316.9	-1,762,938.7		6,777,231.9	12,735,194.9
2017	625,775.0	1,314,325.2	-2,733,230.7	5,321,014.7		12,035,101.4	4,348,928.7	844,388.4	-1,631,315.0		15,597,103.5	20,124,987.8
2018	642,937.9	3,960,457.5	-1,302,508.7	4,406,714.7		12,117,440.3	6,202,396.3	1,576,097.0	-1,395,958.9		18,499,974.7	26,207,576.0
2019	1,401,554.8	10,281,610.0	-2,468,101.5	0.0		11,028,530.9	8,274,830.8	2,507,729.2	-1,713,590.3		20,097,500.6	29,312,563.9
2020	2,909,413.3	21,318,917.9	-1,580,774.4	0.0		18,187,177.1	11,965,000.7	7,240,374.7	-2,966,590.5		34,425,962.0	57,073,518.7
2021	1,932,521.8	24,176,303.1	-6,167,339.2	0.0		18,143,322.4	16,611,118.1	11,607,787.2	-4,103,088.3		42,259,139.4	62,200,625.2
2022	100,130.5	22,564,133.4	-7,113,179.5	0.0		22,390,114.3	21,505,994.7	7,314,078.2	-6,708,229.6		44,501,957.5	60,053,042.0
2023												
January	53,660.5	22,583,930.5	-20,954,501.3	0.0		19,728,317.2	22,880,961.8	6,830,039.1	-6,491,936.6		42,947,381.5	44,630,471.2
February	1,016,999.1	21,991,372.8	-20,189,571.7	0.0		22,525,304.9	22,466,759.9	6,421,996.6	-6,423,635.8		44,990,425.7	47,809,225.8
March	691,105.5	21,694,953.6	-10,953,447.3	0.0		23,153,591.9	20,712,335.4	6,297,452.5	-5,997,181.0		44,166,198.8	55,598,810.6
April	215,034.5	21,694,953.6	-12,119,241.3	0.0		23,203,828.8	20,446,393.8	5,725,643.3	-6,527,675.8		42,848,190.2	52,638,937.0
May	8,753.7	21,696,952.7	-10,652,583.5	0.0		23,247,287.2	22,841,217.2	4,717,786.4	-5,301,586.0		45,504,704.8	56,557,827.6
June	8,753.7	21,644,987.1	-6,168,038.1	0.0		22,943,083.3	21,883,414.7	4,174,873.8	-5,719,564.6		43,281,807.2	58,767,509.9
July	249,618.1	21,664,975.7	-8,328,230.0	0.0		22,553,599.7	21,730,312.0	4,195,194.1	-4,653,015.0		43,826,090.9	57,412,454.7
August	162,034.3	21,664,685.6	-6,780,920.0	0.0		21,057,085.8	22,034,907.8	3,983,772.2	-4,998,838.5		42,076,927.1	57,122,727.1
September	416,785.0	21,733,865.8	-4,153,134.6	0.0		20,636,342.0	19,936,477.7	3,941,331.3	-5,004,397.8		39,509,753.3	57,507,269.5
October	20,411.9	21,682,481.6	-6,760,785.7	0.0		22,380,944.9	20,411,806.0	3,988,042.4	-5,195,622.8		41,585,170.4	56,527,278.2
November	681,762.7	23,253,044.6	-3,644,272.2	0.0		21,356,676.3	20,260,619.8	3,536,228.7	-5,698,770.5		39,454,754.3	59,745,289.4
December	497,918.4	23,047,835.2	547,066.9	0.0		21,584,018.7	19,181,666.9	2,688,298.3	-7,581,559.2		35,872,424.7	59,965,245.2
2024												
January	1,290,763.8	23,051,974.4	-50,100.0	0.0		20,936,287.1	19,805,946.7	2,115,591.5	-6,256,236.5		36,601,588.7	60,894,227.0
February	3,154,101.6	27,462,210.5	-4,157,028.7	0.0		17,889,421.7	14,287,526.7	1,386,375.7	-5,762,234.4		27,801,089.7	54,260,373.2
March	499,662.3	24,713,743.4	1,412,671.7	0.0		17,139,576.9	17,468,882.7	1,391,758.8	-4,262,178.7		31,738,039.7	58,364,117.2
April	2,411,504.0	24,543,018.4	-4,491,208.2	0.0		14,550,812.9	15,430,332.1	1,402,960.7	-4,939,942.7		26,444,163.0	48,907,477.2
May	1,419,701.3	23,463,968.3	-2,612,987.7	0.0		13,707,231.5	14,555,858.2	1,321,451.8	-3,970,494.7		25,614,046.8	47,884,728.7
June	3,878,021.0	28,161,857.6	-687,746.6	0.0		9,599,430.2	19,895,143.5	1,283,923.3	-3,818,075.6		26,960,421.4	58,312,553.4
July	822,378.3	26,608,862.3	-2,926,932.2	0.0		12,188,778.5	20,235,642.8	1,232,133.0	-4,390,252.2		29,266,302.1	53,770,610.4
August	399,615.5	23,146,313.8	1,015,509.6	0.0		13,106,836.4	22,866,583.9	1,120,721.9	-4,004,912.8		33,089,229.4	57,650,668.3
September	318,270.1	21,665,249.2	10,181.0	0.0		13,623,853.8	23,331,322.0	1,316,930.5	-4,670,058.8		33,602,047.5	55,595,747.8
October	192,375.3	22,129,037.2	-4,935,474.8	0.0		13,850,099.2	23,057,492.7	1,365,209.7	-5,439,448.3		32,833,353.3	50,219,291.1
November	732,631.5	20,018,821.4	-455,191.1	0.0		14,748,020.4	26,223,596.9	1,356,630.7	-4,427,133.2		37,901,114.8	58,197,376.7
December	243,505.0	19,740,826.6	-2,858,091.7	0.0		14,778,280.0	25,213,075.6	1,763,476.4	-4,621,736.8		37,133,095.2	54,259,335.1

Source: Bank of Zambia

Note: Net Commercial Banks claims revised effective December 2022.

Currency in Circulation (K' Million), Dec. 2013 - Dec. 2024

Table 5

End of period		Issued			At banks			Outside banks		
		Total	Notes	Coin	Total	Notes	Coin	Total	Notes	Coin
2013	December	4,601.1	4,550.9	50.1	1,130.5	1,094.2	36.3	3,470.6	3,456.8	13.8
2014	December	5,727.7	5,620.4	107.3	1,507.7	1,503.6	4.2	4,220.0	4,116.9	103.1
2015	December	6,449.8	6,318.0	131.8	1,698.6	1,692.9	5.6	4,751.2	4,625.1	126.1
2016	December	6,451.5	6,292.4	159.1	1,714.2	1,705.7	8.5	4,737.3	4,586.7	150.6
2017	December	7,315.3	7,134.6	180.8	1,715.6	1,702.2	13.4	5,599.8	5,432.4	167.3
2018	December	8,194.5	7,987.0	207.5	1,757.0	1,740.4	16.6	6,437.6	6,246.6	191.0
2019	December	8,526.6	8,342.4	184.2	1,779.0	1,767.5	11.5	6,747.6	6,574.9	172.7
2020	December	12,291.5	12,096.2	195.2	2,481.8	2,469.1	12.8	9,809.6	9,627.2	182.5
2021	December	13,454.9	13,249.1	205.8	4,253.8	4,251.6	2.2	9,201.1	8,997.5	203.6
2022	December	14,644.6	14,412.2	232.4	2,393.7	2,389.7	4.0	12,250.8	12,022.4	228.4
2023	January	13,560.3	13,326.3	234.0	2,273.8	2,268.4	5.5	11,286.5	11,058.0	228.5
	February	13,491.5	13,255.7	235.8	2,109.0	2,104.2	4.8	11,382.5	11,151.5	231.0
	March	13,072.4	12,834.8	237.6	2,120.9	2,116.3	4.7	10,951.4	10,718.5	232.9
	April	14,257.8	14,018.5	239.3	2,344.8	2,339.7	5.0	11,913.0	11,678.8	234.2
	May	15,119.0	14,877.1	241.9	2,226.5	2,222.0	4.5	12,892.5	12,655.1	237.4
	June	16,926.2	16,681.4	244.7	2,704.5	2,699.9	4.6	14,221.7	13,981.5	240.1
	July	17,078.7	16,830.9	247.7	2,546.9	2,542.3	4.6	14,531.7	14,288.6	243.1
	August	17,572.6	17,322.5	250.1	2,265.1	2,261.1	4.0	15,307.4	15,061.4	246.1
	September	17,788.6	17,535.8	252.8	2,210.9	2,206.5	4.4	15,577.7	15,329.2	248.4
	October	17,167.7	16,912.4	255.3	2,425.4	2,421.2	4.2	14,742.3	14,491.2	251.1
	November	16,253.3	15,994.3	259.0	2,463.0	2,458.1	4.8	13,790.3	13,536.2	254.1
	December	16,646.8	16,385.9	260.9	1,883.3	1,878.0	5.3	14,763.5	14,507.9	255.6
2024	January	16,018.4	15,756.3	262.2	2,453.5	2,448.0	5.6	13,564.9	13,308.3	256.6
	February	15,420.6	15,157.3	263.3	2,162.2	2,156.8	5.4	13,258.4	13,000.5	257.9
	March	16,080.2	15,815.5	264.7	1,887.6	1,882.2	5.4	14,192.5	13,933.3	259.3
	April	16,183.0	15,917.6	265.4	2,205.9	2,200.2	5.7	13,977.1	13,717.4	259.7
	May	18,398.6	18,130.0	268.6	2,488.9	2,483.3	5.6	15,909.7	15,646.7	263.0
	June	19,391.4	19,119.2	272.2	2,874.6	2,868.9	5.6	16,516.8	16,250.2	266.5
	July	19,541.6	19,264.9	276.7	3,079.0	3,010.3	68.7	16,462.6	16,254.6	208.0
	August	19,318.9	19,037.5	281.4	2,326.8	2,321.2	5.6	16,992.1	16,716.4	275.7
	September	19,292.8	19,007.1	285.7	2,336.3	2,333.8	2.5	16,956.4	16,673.3	283.2
	October	19,598.8	19,305.7	293.1	2,470.9	2,469.3	1.6	17,127.9	16,836.5	291.5
	November	19,997.7	19,698.7	299.0	2,360.1	2,347.1	13.0	17,637.6	17,351.6	286.0
	December	20,271.7	19,968.7	303.0	2,756.6	2,739.4	17.2	17,515.1	17,229.4	285.7

Source: Bank of Zambia

Commercial Banks' Deposits by Institution-Domestic Currency (K' Million), Jan. 2018 - Dec. 2024

Table 6A

End of Period	Government		Statutory	Parastatal	Private Cor- porations and Partnerships	Individuals and Households		* Other Institutions	Non-resident		Total
			Bodies	Bodies							
2018	January	2,148.0	1,363.2	1,285.7	9,400.6	9,571.1	6,205.4	369.1			30,343.2
	February	1,964.3	1,280.6	1,174.4	9,424.5	9,182.4	5,773.4	361.0			29,160.7
	March	2,131.5	1,720.6	1,020.7	9,144.0	9,118.2	5,952.3	321.2			29,408.4
	April	1,969.8	1,600.9	1,082.5	9,560.6	9,501.0	5,551.4	236.5			29,502.6
	May	2,075.8	1,724.2	996.3	10,477.8	9,815.3	5,808.8	194.4			31,092.6
	June	2,045.3	3,097.1	813.0	10,299.8	8,388.3	5,706.5	176.2			30,526.1
	July	1,868.8	2,022.4	800.8	11,412.9	9,273.1	5,490.1	166.7			31,034.8
	August	2,617.3	1,860.8	828.5	11,811.6	9,304.8	5,170.6	322.8			31,916.4
	September	2,444.6	1,648.0	1,128.8	11,639.6	9,930.0	5,532.3	135.7			32,459.0
	October	2,845.0	2,340.4	798.0	10,049.0	9,850.3	5,125.0	148.1			31,155.6
	November	2,053.8	2,650.6	843.5	11,161.4	10,296.9	5,107.8	75.6			32,189.6
	December	1,871.5	2,766.0	834.2	11,540.5	10,328.0	5,474.9	81.8			32,897.0
2019	January	1,913.4	2,661.5	931.0	11,159.0	10,187.6	5,237.5	86.1			32,176.1
	February	1,940.9	2,719.9	893.8	11,271.8	10,143.9	5,492.5	88.0			32,550.7
	March	2,040.2	3,174.3	859.6	11,409.4	9,822.9	4,847.3	72.4			32,226.1
	April	2,171.2	2,594.4	972.0	11,603.1	10,258.5	4,751.8	181.7			32,532.9
	May	2,372.2	2,861.2	1,303.4	12,166.9	9,237.5	5,157.9	112.0			33,211.1
	June	2,222.6	2,842.3	994.5	11,615.6	9,305.2	5,676.5	97.2			32,754.0
	July	2,466.6	2,789.1	906.2	11,525.1	9,414.4	6,322.5	106.7			33,530.7
	August	2,130.1	3,358.5	873.1	11,237.3	9,690.4	6,456.3	118.6			33,864.2
	September	2,159.8	2,854.6	939.2	11,649.3	9,615.6	6,497.4	80.1			33,796.1
	October	2,815.0	3,228.4	953.9	11,703.7	9,655.3	6,429.1	93.3			34,878.7
	November	2,745.2	3,208.5	802.7	11,775.0	9,880.7	6,377.4	65.6			34,855.1
	December	2,577.4	3,359.0	809.4	12,684.7	10,145.4	6,789.9	72.9			36,438.8
2020	January	2,251.8	3,390.7	748.2	12,745.8	10,309.0	6,476.2	57.4			35,979.1
	February	2,324.8	3,537.3	1,027.3	12,206.8	10,915.9	6,276.6	75.7			36,364.2
	March	3,254.4	3,294.4	1,133.7	11,630.0	11,158.5	6,476.3	84.6			37,031.7
	April	2,443.1	3,479.7	914.0	13,826.9	11,292.7	5,980.6	97.5			38,034.5
	May	2,714.2	3,640.2	975.9	13,470.6	11,584.5	6,195.3	90.7			38,671.3
	June	2,891.9	3,784.6	982.7	14,051.2	12,042.6	6,383.7	85.5			40,222.1
	July	2,301.0	4,282.5	1,155.5	15,297.2	12,613.7	7,539.0	59.9			43,248.8
	August	3,421.6	4,365.8	965.5	15,365.7	12,667.3	8,142.9	101.3			45,030.1
	September	3,581.7	3,661.0	1,138.2	17,138.1	12,662.4	7,300.4	74.7			45,556.5
	October	4,471.2	5,229.8	1,135.1	18,663.5	12,012.6	7,345.9	133.1			48,991.3
	November	4,390.4	4,821.4	1,146.1	18,015.7	13,158.1	7,878.8	115.6			49,526.2
	December	5,084.9	4,027.6	950.7	17,679.4	13,831.6	9,003.3	83.4			50,660.9
2021	January	4,471.5	4,708.4	1,271.4	16,945.8	13,548.9	7,693.7	162.0			48,801.8
	February	3,964.7	5,754.0	574.5	17,586.5	13,898.4	9,633.2	135.5			51,546.8
	March	4,770.7	4,957.4	2,085.8	17,877.3	14,170.3	8,085.9	144.3			52,091.7
	April	5,531.1	5,521.2	1,614.0	18,797.6	14,481.3	8,758.6	94.8			54,798.8
	May	5,179.1	5,491.0	1,714.3	17,168.3	14,411.6	9,621.1	72.5			53,657.8

Commercial Banks' Deposits by Institution-Domestic Currency (K' Million), Jan. 2018 - Dec. 2024 Continued.

Table 6A

		June	5,296.9	6,123.9	1,336.5	17,745.8	15,093.9	8,754.5	216.6	54,568.1
		July	6,004.5	7,045.5	1,358.1	18,570.0	15,555.4	11,242.9	105.9	59,882.4
		August	5,615.7	7,514.2	1,073.0	20,477.8	17,118.9	11,975.9	89.1	63,864.6
		September	6,042.8	6,854.0	2,003.3	18,867.1	17,328.4	11,297.3	95.2	62,488.0
		October	6,334.5	7,418.9	1,120.9	18,878.6	16,180.2	11,097.6	104.9	61,135.6
		November	6,655.7	8,809.6	1,102.2	19,726.5	16,003.2	10,343.2	131.5	62,771.9
		December	5,918.1	7,439.4	1,620.5	22,758.5	17,126.9	10,880.6	142.2	65,886.3
2022		January	5,349.2	8,916.8	1,660.0	19,528.4	16,574.4	13,517.9	108.3	65,655.0
		February	4,395.2	9,933.9	1,765.2	19,120.6	16,641.0	14,148.3	96.2	66,100.4
		March	4,668.4	10,329.7	1,874.1	18,858.3	16,896.1	14,258.2	113.8	66,998.4
		April	4,833.7	9,976.0	2,182.4	19,821.9	16,843.7	15,042.5	93.7	68,793.9
		May	5,074.7	8,262.5	1,956.8	19,992.7	16,638.1	18,128.7	121.4	70,175.0
		June	5,123.7	9,831.6	2,089.3	20,870.3	16,673.2	15,951.2	106.0	70,645.3
		July	5,167.5	8,027.4	4,664.6	23,072.2	18,731.8	11,930.9	53.2	71,647.6
		August	6,050.0	7,392.7	4,531.3	23,773.1	18,234.3	15,306.3	79.9	75,367.6
		September	5,099.5	8,092.0	6,024.2	22,429.8	19,616.1	14,765.7	58.7	76,086.2
		October	7,061.3	9,337.6	6,770.9	23,311.2	18,474.5	12,860.6	86.4	77,902.6
		November	7,304.3	10,520.8	5,339.7	24,586.1	18,791.6	13,095.0	70.2	79,707.7
		December	8,825.8	11,636.8	4,726.8	27,151.6	19,781.4	13,527.3	87.7	85,737.4
2023		January	8,552.5	11,168.7	4,903.8	24,881.6	19,254.8	12,496.9	85.7	81,344.0
		February	8,388.0	12,380.0	5,958.6	25,235.3	19,754.5	14,011.3	73.8	85,801.6
		March	8,076.9	13,012.1	6,729.4	24,954.5	20,473.5	13,768.2	61.6	87,076.1
		April	8,906.0	12,626.0	5,618.9	26,574.9	20,050.8	13,455.4	61.0	87,293.0
		May	6,491.1	13,583.4	6,655.6	28,819.2	20,205.5	17,969.4	3.0	93,727.2
		June	6,803.2	15,088.4	5,692.3	27,020.0	21,264.1	14,324.2	4.7	90,196.8
		July	5,828.2	12,996.0	5,420.3	25,387.9	24,676.9	13,109.9	4.3	87,423.5
		August	6,010.0	11,787.9	4,479.5	28,830.8	25,534.3	13,854.1	2.8	90,499.4
		September	6,989.1	11,229.1	5,092.1	30,988.9	23,388.1	12,821.6	4.7	90,513.7
		October	7,515.2	12,224.0	4,832.9	29,044.3	26,485.6	11,021.2	5.0	91,128.1
		November	8,188.5	11,738.5	4,549.7	30,131.7	25,792.3	11,923.8	3.6	92,328.1
		December	9,958.6	12,651.3	5,309.4	31,621.3	27,322.9	11,491.5	4.1	98,359.2
2024		January	8,738.0	10,673.3	4,961.1	26,221.3	27,637.3	12,733.9	3.6	90,968.4
		February	8,118.1	12,372.3	5,150.7	30,429.3	27,340.3	12,517.9	3.2	95,931.7
		March	6,147.1	12,755.0	4,990.3	30,604.5	26,826.7	12,799.6	3.3	94,126.6
		April	7,386.0	13,073.0	5,246.0	32,071.6	26,220.4	12,132.4	3.1	96,132.6
		May	5,726.6	12,331.0	4,963.2	33,129.3	28,024.0	11,431.2	2.6	95,608.0
		June	5,421.0	13,549.3	6,478.4	33,097.1	24,058.8	12,590.2	2.1	95,197.0
		July	5,881.9	12,317.3	6,975.0	33,897.6	24,972.5	13,073.1	2.7	97,120.0
		August	5,558.5	13,843.4	6,276.5	35,991.5	22,915.6	13,413.2	3.5	98,002.2
		September	6,308.3	16,655.4	7,236.3	36,396.6	24,028.2	12,933.7	3.8	103,562.3
		October	6,946.4	16,776.4	7,109.3	36,662.3	23,621.3	14,450.5	3.2	105,569.5
		November	5,349.4	14,328.7	7,612.6	38,584.8	23,893.9	16,366.4	2.4	106,138.2

Source: Bank of Zambia

Note: Other Institutions includes banks, financial institutions, non-profits, affiliates and non-bank entities.

Commercial Banks' Deposits by Institution-Foreign Currency (K' Million), Jan. 2018 - Dec. 2024

Table 6B

End of Period		Government	Statutory Bodies	Parastatal Bodies	Private Corporations and Partnerships	Individuals and Households	*Other Institutions	Non-resident	Total
2018									
	January	916.5	430.3	678.5	13,281.9	3,043.0	2,381.1	2,395.2	23,126.6
	February	645.0	209.5	582.8	14,475.2	3,307.8	2,592.8	2,555.9	24,369.0
	March	648.1	186.7	413.2	13,248.3	3,130.8	2,323.6	2,704.2	22,654.9
	April	770.2	170.2	529.7	13,679.8	3,206.6	2,834.7	2,457.0	23,648.2
	May	734.4	191.9	418.8	15,015.9	3,112.1	2,801.7	2,827.6	25,102.4
	June	849.7	325.7	381.3	14,406.2	4,522.1	2,920.5	2,424.6	25,830.1
	July	839.1	339.2	368.7	14,043.8	3,099.3	2,941.6	1,836.7	23,468.5
	August	744.4	474.5	427.2	13,836.4	3,187.3	3,282.6	1,907.3	23,859.6
	September	942.3	715.1	473.2	17,385.4	3,962.0	3,965.0	2,445.3	29,888.3
	October	880.6	880.0	402.3	15,342.3	4,214.1	3,927.0	1,929.4	27,575.7
	November	978.2	721.4	549.7	16,497.8	3,910.0	4,074.1	885.2	27,616.5
2019	December	1,266.4	592.6	602.0	17,482.7	3,953.4	3,966.8	698.6	28,562.6
	January	1,317.7	510.3	488.1	19,878.4	3,916.1	4,014.4	442.9	30,568.0
	February	1,033.7	566.8	653.3	17,698.8	3,759.7	4,255.5	535.3	28,503.1
	March	1,074.6	669.3	323.1	17,093.2	3,919.2	4,134.5	2,428.9	29,642.9
	April	1,300.1	673.6	566.2	17,660.9	4,100.4	3,978.4	2,421.3	30,701.0
	May	1,129.3	1,026.0	324.3	18,497.5	4,373.1	4,080.6	2,409.7	31,840.5
	June	1,204.2	1,122.4	474.8	17,765.1	4,290.0	3,998.2	2,184.3	31,039.0
	July	1,328.6	1,320.3	480.0	16,618.4	4,393.8	4,156.0	1,759.5	30,056.6
	August	1,234.7	1,299.0	370.4	18,502.9	4,377.0	3,860.1	2,040.7	31,684.8
	September	1,104.2	608.0	521.6	18,618.4	4,419.2	4,039.8	2,171.5	31,482.7
	October	1,141.3	640.3	462.6	17,471.3	4,642.9	3,980.6	2,119.3	30,458.3
2020	November	1,249.9	821.4	663.2	18,807.1	5,144.1	4,265.1	1,577.9	32,528.5
	December	1,678.6	530.3	558.7	19,630.4	4,947.4	4,480.2	890.3	32,715.8
	January	1,577.5	619.5	440.4	20,230.1	5,175.5	4,581.9	1,619.7	34,244.5
	February	1,541.3	675.2	399.7	22,296.6	4,990.4	4,450.7	1,039.6	35,393.4
	March	2,442.5	563.9	668.1	26,249.2	6,101.8	4,849.1	1,179.5	42,054.2
	April	1,534.5	886.3	614.7	25,430.6	6,448.1	6,154.3	1,379.1	42,447.6
	May	1,791.8	801.1	750.3	26,660.6	6,361.3	5,701.6	1,211.2	43,277.8
	June	1,865.2	1,283.8	767.3	23,537.3	6,231.3	5,350.0	1,386.6	40,421.5
	July	1,889.7	486.2	662.0	25,939.8	6,365.9	5,592.9	1,975.8	42,912.2
	August	2,261.2	1,306.1	625.4	33,009.1	6,872.5	2,041.2	1,987.9	48,103.4
	September	2,389.4	858.6	674.2	34,915.1	7,090.7	2,322.9	2,744.5	50,995.4
2021	October	3,128.8	932.2	1,001.3	34,960.0	6,966.1	1,914.6	2,634.2	51,537.1
	November	2,916.8	719.3	541.6	36,103.8	7,477.7	2,462.1	3,035.5	53,256.8
	December	3,436.7	706.8	411.8	36,813.5	7,716.4	2,048.8	3,779.5	54,913.5
	January	3,366.7	925.0	1,446.8	39,223.3	7,942.2	3,138.3	2,530.9	58,573.3
	February	2,970.7	678.2	859.5	39,427.7	8,131.4	3,461.7	2,480.3	58,009.7
	March	2,741.5	632.8	1,544.5	39,085.5	9,106.5	3,938.9	3,622.2	60,672.0
	April	2,875.0	707.3	1,072.9	42,951.7	10,025.3	3,352.6	4,626.1	65,611.0
	May	3,183.5	996.2	1,193.3	43,310.0	10,275.1	3,171.6	3,827.6	65,957.2
	June	3,138.5	790.8	785.5	45,686.3	10,654.2	3,420.3	5,968.4	70,444.0
	July	2,852.7	784.4	1,754.8	34,328.7	9,752.8	2,377.4	5,990.1	57,840.9

Commercial Banks’ Deposits by Institution-Foreign Currency (K’ Million), Jan. 2018 - Dec. 2024 Continued.

Table 6B

	August	1,926.7	363.2	1,224.6	27,321.1	6,660.9	2,254.4	4,589.7	44,340.6
	September	2,036.7	326.2	873.6	29,513.3	7,216.5	2,029.6	5,111.1	47,106.9
	October	2,240.5	444.4	1,473.9	32,237.2	7,248.7	2,316.6	4,199.4	50,160.8
	November	1,998.6	324.9	1,477.6	34,064.4	7,891.8	2,460.9	4,928.4	53,146.6
	December	2,393.9	350.3	1,550.4	29,510.5	7,489.5	2,134.2	3,897.0	47,325.8
2022	January	1,951.4	344.3	1,754.6	31,009.2	7,631.5	2,877.2	3,910.1	50,515.3
	February	2,069.9	2,311.4	1,604.4	29,697.5	8,620.7	1,487.0	4,379.9	51,544.8
	March	2,292.4	611.6	2,122.1	31,397.3	8,118.8	2,000.8	4,692.9	52,822.8
	April	1,865.3	742.8	2,010.2	31,965.7	8,158.2	767.2	5,026.2	51,991.9
	May	2,761.1	820.1	2,332.7	30,392.2	7,860.6	2,156.2	4,579.2	52,819.6
	June	1,895.6	880.8	2,439.0	29,819.0	7,767.9	779.9	5,148.6	51,122.1
	July	1,088.5	1,511.6	1,540.2	31,453.1	8,051.8	3,909.6	4,581.4	52,136.0
	August	757.4	1,386.1	1,696.4	30,113.0	8,980.7	818.0	5,285.0	49,036.6
	September	527.0	1,262.1	1,278.4	30,956.8	8,801.6	248.2	4,792.3	47,866.4
	October	833.9	1,533.2	1,537.3	30,424.8	9,380.2	1,379.4	3,406.6	48,495.2
	November	1,946.2	1,455.4	1,576.1	33,069.3	9,366.5	2,664.0	3,084.0	53,161.5
	December	2,893.9	1,813.0	2,746.4	36,590.8	10,927.2	3,304.3	3,009.5	61,285.2
2023	January	2,203.0	2,188.8	3,809.5	38,461.5	12,098.8	2,350.0	4,328.5	65,440.0
	February	2,323.7	2,246.7	3,744.5	40,764.5	13,603.9	1,849.3	3,698.3	68,231.0
	March	1,277.9	2,330.3	4,562.4	42,738.1	11,478.8	4,497.0	5,152.8	72,037.5
	April	1,640.3	2,196.0	2,370.5	38,807.5	10,449.9	1,961.2	3,784.5	61,209.9
	May	700.5	2,612.1	2,790.3	41,565.7	11,324.1	2,328.5	4,118.4	65,439.6
	June	574.6	2,736.1	1,978.5	35,745.8	10,242.9	2,493.5	4,053.6	57,825.0
	July	804.1	2,686.1	2,395.5	37,342.9	12,488.6	3,008.4	1,990.0	60,715.5
	August	759.2	2,899.5	2,874.0	39,257.2	12,680.4	3,260.2	1,959.0	63,689.4
	September	340.7	2,577.1	2,918.1	44,254.6	12,070.1	3,314.0	2,112.7	67,587.3
	October	516.6	4,022.0	2,344.0	43,126.2	15,083.2	2,729.7	2,533.1	70,354.8
	November	504.5	3,221.1	3,392.5	43,171.0	15,722.4	3,205.7	2,546.2	71,763.3
	December	1,672.4	3,499.5	3,693.5	47,930.5	16,643.0	3,951.8	2,629.3	80,019.9
2024	January	872.1	5,579.8	5,614.4	53,392.5	18,083.1	3,586.6	2,588.3	89,716.9
	February	683.1	3,865.7	3,597.5	47,423.9	15,269.2	2,967.7	2,998.5	76,805.7
	March	886.9	3,514.4	3,245.7	50,074.7	16,213.0	3,308.3	3,103.0	80,346.0
	April	863.5	3,896.7	4,168.1	54,641.2	17,986.3	3,204.8	2,850.5	87,611.0
	May	1,076.2	3,226.6	3,704.1	55,819.8	17,640.3	3,412.5	2,457.1	87,336.6
	June	885.3	2,799.3	2,848.7	54,268.0	17,791.9	3,683.3	2,534.8	84,811.3
	July	768.5	3,473.7	2,259.6	68,196.3	18,806.5	3,589.4	2,693.4	99,787.4
	August	1,013.5	3,379.5	2,985.5	61,140.1	18,811.1	3,958.0	2,555.0	93,842.8
	September	863.1	3,444.4	4,529.8	64,505.1	17,943.6	4,611.8	2,814.7	98,712.4
	October	1,016.3	2,706.5	4,208.0	65,277.5	18,033.7	4,371.0	2,515.0	98,128.0
	November	1,174.0	3,754.1	3,406.7	63,271.5	18,150.0	4,566.8	2,763.8	97,086.9
	December	1,279.0	4,153.2	3,239.9	66,783.2	18,834.7	4,764.4	1,829.2	100,883.6

Source: Bank of Zambia

Commercial Banks’ Loans and Advances - Local Currency (K’ Million), Dec. 2023 - Dec. 2024

Table 7A

Sector	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Agriculture, forestry, fishing and hunting	6,785,381.1	6,944,661.0	6,754,129.8	6,795,576.2	7,810,629.1	7,659,739.7	7,911,104.1	8,771,701.0	8,559,764.7	8,645,838.9	8,330,205.9	7,908,083.8	8,060,815.2
Mining and quarrying	5,462,152.7	5,510,362.8	4,857,899.9	5,530,590.8	5,702,871.1	6,524,763.5	5,351,012.2	5,811,927.0	5,805,689.8	6,044,195.8	5,404,075.5	5,198,012.0	5,308,366.6
Manufacturing	15,043,064.3	15,242,237.7	14,224,865.3	14,004,025.5	14,675,537.1	15,025,223.7	14,674,056.0	16,801,384.4		18,500,701.2	19,109,429.6	19,419,745.8	19,839,126.9
Electricity, gas, water and energy	6,564,192.4	6,449,577.3	6,304,312.5	7,032,793.6	6,847,585.8	6,983,954.9	7,194,964.0	7,380,249.8	7,008,529.0	7,689,848.6	7,212,700.1	8,316,186.5	8,268,207.1
Construction	1,046,824.9	1,102,593.2	1,219,388.0	582,712.9	663,361.5	864,186.5	834,650.2	857,370.3	911,028.1	831,894.2	1,323,862.9	1,329,917.0	1,362,188.2
Wholesale and retail trade	7,740,801.1	7,917,387.0	7,459,854.1	6,669,105.7	7,507,874.5	8,045,626.9	7,825,885.0	8,122,179.7	8,728,271.1	8,533,537.9	9,047,100.8	9,038,792.4	9,270,529.9
Restaurants and hotels	323,735.7	379,750.7	338,434.4	1,010,531.6	373,530.0	375,644.8	332,207.8	342,255.2	346,080.9	341,959.2	335,600.7	391,268.1	388,054.0
Transport, storage and communications	6,972,569.1	6,787,484.4	6,990,317.8	7,899,165.4	7,359,447.2	7,295,734.6	6,961,200.8	6,744,069.2	6,952,850.0	5,922,908.1	6,231,041.6	6,362,405.5	6,026,004.7
Financial services	1,588,080.5	1,649,862.8	1,677,053.6	1,744,450.8	1,711,445.3	1,717,452.2	1,812,134.6	1,742,865.1	1,859,902.9	2,094,844.0	2,117,517.5	2,061,666.0	2,875,508.3
Community, social and personal services	4,394,981.3	3,924,444.3	3,164,768.8	3,288,025.9	3,028,875.7	3,055,678.6	2,989,030.7	3,504,554.2	3,347,041.8	3,581,968.0	3,132,857.1	3,111,984.3	3,557,943.2
Real estate	2,553,788.8	2,550,799.9	2,226,939.6	2,254,580.3	2,367,929.6	2,292,222.3	2,085,606.4	2,200,543.3	2,188,412.9	2,728,672.6	2,252,778.5	2,206,354.6	2,231,405.5
Credit/debit cards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other sectors	12,552,219.9	13,131,049.6	13,220,518.4	13,216,392.3	13,401,459.3	13,643,857.3	13,573,078.9	13,794,901.9		14,219,916.5	14,413,640.5	14,633,785.9	14,609,530.3
TOTALS	71,027,791.8	71,590,210.6	68,438,482.1	70,027,950.9	71,450,546.3	73,484,085.1	71,544,930.8	76,074,001.1		79,136,284.8	78,910,810.6	79,978,201.9	81,797,680.0

Source: Bank of Zambia

Commercial Banks' Loans and Advances - Foreign Currency (US \$' 000), Dec. 2023 - Dec. 2024

Table 7B

Sector	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Agriculture, forestry, fishing and hunting	158,780.0	158,659.0	164,616.7	165,173.7	178,117.2	170,141.1	180,189.6	181,636.3	176,766.5	181,143.6	163,396.8	157,362.7	163,461.5
Mining and quarrying	208,713.9	199,315.1	201,109.1	209,726.4	211,062.3	237,261.3	202,178.8	205,285.5	203,923.3	184,957.3	160,029.2	150,909.7	146,749.3
Manufacturing	328,492.8	332,456.6	343,931.5	315,976.1	329,944.9	332,703.4	328,690.3	378,786.9	432,919.9	447,113.4	464,278.3	463,360.4	485,707.5
Electricity, gas, water and energy	42,859.7	41,055.2	34,298.8	32,995.4	32,918.8	32,903.0	32,670.0	33,475.9	32,826.0	33,074.8	32,838.4	69,955.2	72,346.9
Construction	31,700.0	32,228.1	42,101.3	14,882.2	15,089.3	16,439.0	16,068.2	12,043.1	14,371.2	11,227.6	19,109.4	19,342.2	18,814.1
Wholesale and retail trade	127,119.6	134,991.3	123,544.5	123,196.5	120,651.3	122,766.8	124,638.1	123,949.8	128,423.2	128,592.5	136,143.6	124,096.4	128,073.3
Restaurants and hotels	86,669.8	79,455.0	84,017.9	123,009.4	72,372.9	70,509.7	68,401.0	64,700.5	63,035.9	64,455.7	59,889.7	58,387.2	56,625.0
Transport, storage and communications	3,262.7	3,400.9	3,456.4	3,742.8	3,504.2	3,503.2	3,392.3	3,265.3	3,281.1	3,317.3	3,185.3	3,597.9	3,316.1
Financial services	2,563.2	2,536.4	2,674.9	2,579.0	2,627.3	2,596.3	7,657.1	7,525.9	7,586.9	7,915.1	11,057.9	7,013.7	34,609.0
Community, social and personal services	72,927.6	69,065.3	67,194.4	72,731.3	71,851.7	71,486.2	68,259.4	67,646.4	66,715.6	66,449.8	66,142.9	65,247.7	63,595.4
Real estate	73,919.4	58,060.3	35,045.6	35,069.6	32,489.0	32,216.1	33,169.2	41,501.2	39,256.7	51,485.2	35,258.8	47,410.7	61,332.7
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other sectors	34,292.8	34,204.9	34,407.7	33,750.9	34,695.9	35,030.8	34,086.4	32,971.4	32,319.4	33,001.7	33,772.0	40,551.7	33,585.8
Totals	1,171,301.6	1,145,428.1	1,136,398.8	1,132,833.3	1,105,324.8	1,127,556.9	1,099,400.8	1,152,788.2	1,201,425.7	1,212,733.9	1,185,102.4	1,207,235.5	1,268,216.8

Source: Bank of Zambia

Structure of Interest Rates (Percent per Year), Dec. 2013 - Dec. 2024

Table 8

End of Period	BoZ Policy Rate	Weighted Interbank Rate	Penalty Rate	91 days	182 days	273 days	364 days	24 months	3 year	5 year	7 year	10 year	15 year	Savings	90 day
2013	December	9.8	36.4	8.0	14.8	15.0	15.7	14.0	15.5	16.5	16.9	18.2	18.0	3.6	6.6
2014	December	12.5	39.5	13.0	17.5	18.0	20.4	15.0	16.2	22.4	21.5	22.0	22.5	3.4	9.1
2015	December	15.5	39.8	15.0	20.3	18.7	21.5	23.0	23.5	28.0	28.0	20.0	22.5	3.3	9.2
2016	December	15.5	39.8	20.5	23.9	25.0	25.0	25.0	23.2	25.0	24.8	25.0	25.0	3.1	10.8
2017	December	10.3	39.8	9.5	9.8	13.6	16.3	16.5	18.3	18.0	19.5	20.6	18.5	2.8	6.9
2018	December	9.8	39.8	15.0	14.8	21.0	23.1	19.5	20.0	20.4	18.5	21.5	17.3	3.0	7.6
2021	December	11.5	39.8	16.5	19.3	27.0	27.5	29.5	29.8	33.0	25.0	27.0	28.0	3.0	8.8
2020	December	8.0	39.8	14.0	16.0	19.7	24.5	32.0	32.7	33.0	25.0	33.0	33.5	3.0	8.1
2021	December	9.0	39.8	9.5	9.6	10.6	14.4	18.6	19.8	22.6	23.9	24.8	26.0	2.6	5.9
2022	December	9.0	39.8	10.0	11.5	12.5	15.0	17.5	22.0	24.0	25.4	27.6	27.8		5.8
2023	January	9.0	9.0	9.7	11.5	12.0	15.0	17.5	22.0	24.0	25.4	27.8	27.8	4.1	5.8
	February	9.3	9.2	10.0	11.5	13.5	15.5	18.0	22.0	24.0	25.4	27.8	27.8	4.1	5.9
	March	9.3	9.3	10.0	11.5	13.5	15.8	18.0	22.0	24.0	25.4	27.8	27.8	4.2	6.1
	April	9.3	9.3	10.1	11.5	13.5	15.8	18.0	22.0	24.0	25.5	27.8	27.8	3.7	6.3
	May	9.5	9.3	39.8	10.9	13.5	15.9	18.0	22.0	24.0	25.5	27.8	27.8	3.5	6.2
	June	9.5	9.4	39.8	11.0	13.1	16.1	18.0	22.0	24.5	25.3	27.8	27.8	3.5	6.1
	July	9.5	9.6	39.8	10.6	12.8	16.1	18.0	22.0	24.5	25.3	26.8	27.8	3.5	6.2
	August	10.0	9.6	9.5	10.2	12.5	15.8	18.0	22.0	24.5	25.3	26.8	27.8	3.5	6.1
	September	10.0	9.9	39.8	9.5	10.1	15.4	17.8	21.5	23.5	24.5	26.0	27.0	3.6	6.2
	October	10.0	10.0	39.8	9.5	9.8	11.6	17.0	21.0	22.0	24.0	25.5	26.5	3.5	6.2
	November	11.0	10.0	39.8	9.5	11.0	15.0	17.0	22.0	22.5	24.0	25.5	26.9	3.6	6.2
	December	11.0	11.1	39.8	9.5	10.7	15.5	17.0	22.0	22.5	23.0	25.5	26.7	3.6	6.2
2024	January	11.0	11.0	39.8	9.5	10.5	15.5	17.0	20.0	22.0	23.0	25.0	26.5	3.4	6.1
	February	12.5	16.7	39.8	9.5	10.3	15.5	17.0	20.0	20.0	23.0	25.0	26.5	3.6	6.0
	March	12.5	19.1	39.8	9.5	10.3	15.5	17.0	20.0	20.0	23.0	25.0	26.5	3.4	6.0
	April	12.5	17.5	39.8	9.5	10.3	15.5	17.0	20.0	22.0	23.0	25.0	26.5	3.6	6.2
	May	13.5	19.5	39.8	9.6	10.6	15.8	17.0	20.0	22.0	23.0	25.0	26.5	3.6	6.1
	June	13.5	16.6	39.8	10.8	11.8	17.7	17.5	20.5	22.5	23.5	25.8	27.3	3.5	6.0
	July	13.5	13.5	39.8	10.9	12.6	18.2	19.0	20.5	22.5	24.0	25.8	27.3	3.5	6.1
	August	13.5	13.5	39.8	10.8	14.0	19.0	19.0	21.5	23.5	25.0	26.8	28.3	3.6	6.5
	September	13.5	13.5	39.8	10.8	15.8	19.0	19.0	21.5	23.5	25.5	25.8	27.8	3.6	6.6
	October	13.5	13.5	39.8	10.2	12.8	17.0	16.5	20.0	21.5	21.5	22.5	23.5	3.7	6.6
	November	14.0	13.7	39.8	10.0	10.0	15.5	16.5	19.9	20.7	21.5	22.5	23.3	3.7	5.7
	December	14.0	13.9	39.8	10.7	9.8	15.5	16.5	20.0	20.8	21.5	22.5	23.5	3.8	6.0

Source: Bank of Zambia

Note: Penalty Rate is applied when a Bank falls short on Statutory Reserve Ratio.

Commercial Bank Interest Rates (Percent Per Year) - Old Format, Dec. 2013 - Mar. 2023

Table 9A

End of Period	Average Lending Rates	Weighted interbank rate	Savings Rates		24 hr call	7 day	Deposits over K20,000				
			less than K100	more than K100			14 day	30 day	60 day	90 day	180 day
2013	16.4	10.1	2.8	3.5	1.9	3.0	4.1	5.1	6.1	6.6	8.4
2014	20.5	12.0	2.4	3.3	2.0	4.2	4.3	6.8	8.3	9.1	10.5
2015	25.8	26.1	2.5	3.3	1.9	4.0	4.2	7.2	7.9	9.2	10.8
2016	29.5	16.2	2.4	3.1	2.4	6.3	6.7	8.7	10.4	10.8	12.7
2017	24.6	10.1	1.9	2.8	2.0	3.3	3.5	5.5	6.2	6.9	8.6
2018	23.6	9.8	1.9	3.0	2.3	3.5	3.3	5.3	6.6	7.6	9.1
2019	28.0	10.7	1.7	3.0	2.6	3.4	3.3	6.8	8.4	8.8	10.1
2020	25.1	8.1	1.5	2.7	2.7	2.7	3.0	5.9	7.1	8.1	9.8
2021	25.9	7.6	1.4	2.6	2.0	1.8	2.1	4.0	5.0	5.9	7.6
2022	25.8	7.6	1.4	2.6	2.0	1.8	2.1	4.1	4.7	5.8	7.6
	25.8	8.6	1.4	2.6	2.0	1.8	2.1	4.0	4.9	5.8	7.6
	25.6	8.9	1.4	2.6	2.0	1.8	2.1	3.9	4.8	6.1	7.5
	25.2	9.0	1.4	2.6	2.0	2.0	2.3	4.0	4.8	6.1	7.1
	25.2	9.0	1.5	2.7	2.0	2.0	2.4	4.0	4.8	6.0	6.9
	25.0	9.0	1.4	2.6	2.0	2.0	2.4	3.9	4.6	5.7	6.8
	25.1	9.0	1.5	2.7	2.0	2.0	2.4	4.0	4.7	5.7	7.0
	25.1	9.0	1.5	2.7	2.0	2.0	2.4	4.0	4.6	5.6	7.0
	25.1	9.0	1.5	2.7	2.0	2.0	2.4	4.1	4.8	5.7	7.0
	25.1	9.0	1.5	2.7	2.0	2.0	2.4	4.0	4.7	5.8	6.9
	24.7	8.9	1.5	2.7	2.0	2.0	2.4	4.1	4.9	5.8	7.0
	25.0	9.0	1.4	2.7	1.9	2.0	2.3	4.1	4.9	5.8	7.0
2023	25.2	9.0	1.3	2.7	1.9	2.1	2.3	4.1	4.8	5.8	7.1
	25.2	9.2	1.4	2.7	1.9	2.5	2.3	4.1	4.9	5.9	7.1
	25.5	9.3	1.5	2.7	1.9	2.1	2.3	4.2	4.8	5.7	6.8

Source: Bank of Zambia

Commercial Bank Interest Rates (Percent Per Year)- New Format, Apr. 2023 - Dec. 2024

Table 9B

Monthly Average		BoZ Policy Rate	Lending Base Rate	Weighted Lending Margin		Weighted Lending Rate		5 Day Weighted Interbank Rate	Current Account		Savings	Time Deposits																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Source: Bank of Zambia

Note:

1. In July 2003, the Bank of Zambia established a broad-based foreign exchange trading system as the new mechanism for determining the exchange rate in Zambia. This implies that Bank of Zambia ceased to auction foreign exchange to the market on behalf of major foreign exchange earners. Foreign exchange earners can now transact directly with commercial banks of their choice.
2. Effective 1st January, 2013 the Zambian Kwacha was rebased by K1,000.

Table 10

Period		Bank of Zambia Rates			Bureau Rates		
		Buying	Selling	Mid	Buying	Selling	Mid
2013	December	5.5	5.5	5.5		5.1	5.1
2014	December	6.3	6.3	6.3	6.3	6.4	6.4
2015	December	10.8	10.8	10.8	10.6	10.8	10.7
2016	December	9.8	9.9	9.8	9.8	10.0	9.9
2017	December	10.0	10.1	10.0	10.0	10.2	10.1
2018	December	11.9	11.9	11.9	11.8	12.0	11.8
2019	December	14.4	14.4	14.4	14.3	14.6	14.5
2020	December	21.1	21.1	21.1	21.1	21.4	21.2
2021	December	17.1	17.2	17.2	17.1	17.4	17.2
2022	December	17.6	17.6	17.6	17.3	17.6	17.5
2023	January	18.5	18.5	18.5	18.0	18.3	18.2
	February	19.4	19.4	19.4	19.1	19.4	19.3
	March	20.6	20.7	20.6	20.2	20.3	20.3
	April	18.4	18.5	18.5	18.7	18.8	18.6
	May	18.6	18.6	18.6	18.3	18.5	18.3
	June	18.7	18.7	18.7	18.3	18.6	18.4
	July	18.6	18.7	18.7	18.1	18.3	18.2
	August	19.4	19.5	19.5	18.8	19.0	18.8
	September	20.8	20.8	20.8	20.2	20.4	20.2
	October	21.5	21.6	21.6	21.0	21.3	21.1
	November	23.0	23.0	23.0	22.6	22.9	22.8
	December	24.7	24.8	24.8	24.3	24.6	24.4
2024	January	26.3	26.4	26.3	25.8	26.3	26.0
	February	25.2	25.3	25.2	24.7	25.1	24.9
	March	24.7	24.8	24.8	24.2	24.6	24.4
	April	25.3	25.4	25.3	24.9	25.4	25.2
	May	26.5	26.5	26.5	25.4	25.7	25.5
	June	26.0	26.0	26.0	25.0	25.5	25.2
	July	25.6	25.6	25.6	24.8	25.3	25.0
	August	26.1	26.1	26.1	26.0	26.1	26.0
	September	26.4	26.4	26.4	26.1	26.3	26.2
	October	26.5	26.6	26.6	26.6	26.6	26.6
	November	27.3	27.4	27.3	27.3	27.4	27.3
	December	27.6	27.6	27.6	27.6	27.7	27.7

Source: Bank of Zambia

Note:

1. In July 2003, the Bank of Zambia established a broad-based foreign exchange trading system as the new mechanism for determining the exchange rate in Zambia. This implies that Bank of Zambia ceased to auction foreign exchange to the market on behalf of major foreign exchange earners. Foreign exchange earners can now transact directly with commercial banks of their choice.
2. Effective 1st January, 2013 the Zambian Kwacha was rebased by K1,000.

Commercial Banks' Foreign Exchange Rates (Monthly Average) , Jan. 2022 - Dec. 2024

Table 11

Period	Monthly Avg.	Non Banks US\$		Bureaux US\$		INTERBANK US\$			UK Pound			EURO		SAR	
		Buying	Selling	Mid-rate	Selling	Buying	Mid-rate	Selling	Buying	Selling	Mid-rate	Buying	Selling	Buying	Mid-rate
2022															
	January	17.2	17.4	17.3	17.3	17.2	17.3	17.3	23.4	23.4	23.4	19.5	19.6	1.1	1.1
	February	18.1	18.2	18.1	18.1	18.1	18.1	18.1	24.5	24.5	24.5	20.5	20.6	1.2	1.2
	March	17.9	18.0	18.0	17.9	17.9	18.0	18.0	23.9	24.0	24.0	20.0	20.1	1.2	1.2
	April	17.4	17.5	17.4	17.4	17.4	17.4	17.4	22.5	22.6	22.6	18.8	18.9	1.2	1.2
	May	17.1	17.1	17.1	17.1	17.1	17.1	17.1	21.2	21.3	21.3	18.0	18.1	1.1	1.1
	June	17.0	17.1	17.0	17.0	17.0	17.0	17.0	20.9	21.0	21.0	17.9	18.0	1.1	1.1
	July	16.5	16.6	16.5	16.6	16.7	16.8	16.7	20.3	20.4	20.3	17.3	17.4	1.0	1.0
	August	17.0	17.1	17.1	16.0	16.1	16.1	16.1	19.2	19.3	19.3	16.3	16.3	1.0	1.0
	September	15.6	15.4	15.5	15.1	15.6	15.7	15.6	17.7	17.7	17.7	15.4	15.5	0.9	0.9
	October	15.8	15.5	15.6	15.1	15.9	15.9	15.9	17.9	18.0	18.0	15.6	15.7	0.9	0.9
	November	16.4	16.6	16.5	16.5	16.5	16.6	16.5	19.4	19.5	19.4	16.9	16.9	0.9	0.9
2023	December	17.3	17.5	17.4	17.6	17.6	17.6	17.6	21.4	21.5	21.4	18.6	18.7	1.0	1.0
	January	18.4	18.5	18.4	18.5	18.5	18.5	18.5	22.6	22.7	22.6	19.9	20.0	1.1	1.1
	February	19.2	17.9	18.5	19.1	19.4	19.4	19.4	23.5	23.5	23.5	20.8	20.8	1.1	1.1
	March	20.4	19.7	20.0	20.7	20.6	20.7	20.6	25.1	25.1	25.1	22.1	22.1	1.1	1.1
	April	18.3	17.1	17.7	18.3	18.4	18.5	18.5	22.9	23.0	23.0	20.2	20.3	1.0	1.0
	May	18.3	18.7	18.5	18.7	18.6	18.6	18.6	23.2	23.2	23.2	20.2	20.2	1.0	1.0
	June	18.7	18.9	18.8	18.8	18.7	18.7	18.7	23.6	23.7	23.6	20.3	20.3	1.0	1.0
	July	18.5	18.8	18.6	18.7	18.6	18.7	18.7	24.0	24.1	24.1	20.6	20.7	1.0	1.0
	August	19.3	19.6	19.4	19.6	19.4	19.5	19.5	24.7	24.7	24.7	21.2	21.2	1.0	1.0
	September	20.6	20.9	20.7	20.9	20.8	20.8	20.8	25.7	25.8	25.8	22.2	22.2	1.1	1.1
	October	21.3	21.6	21.5	21.6	21.5	21.6	21.6	26.2	26.3	26.2	22.7	22.8	1.1	1.1
2024	November	22.8	23.1	22.9	23.0	23.0	23.0	23.0	28.6	28.6	28.6	24.9	24.9	1.2	1.2
	December	24.5	24.9	24.7	24.8	24.7	24.8	24.8	31.3	31.4	31.3	27.0	27.0	1.3	1.3
	January	26.0	26.5	26.3	26.5	26.3	26.4	26.3	33.4	33.5	33.5	28.7	28.8	1.4	1.4
	February	25.1	25.5	25.3	25.5	25.2	25.3	25.2	31.8	31.9	31.9	27.2	27.3	1.3	1.3
	March	24.7	25.2	24.9	25.1	25.0	25.0	25.0	31.7	31.8	31.8	27.1	27.2	1.3	1.3
	April	25.1	25.5	25.3	25.5	25.3	25.4	25.3	31.7	31.8	31.7	27.1	27.2	1.3	1.3
	May	26.3	26.7	26.5	26.7	60.2	20.2	26.5	33.5	33.5	33.5	28.6	28.7	1.4	1.4
	June	25.9	26.3	26.1	26.3	26.0	26.0	26.0	33.0	33.1	33.0	27.9	28.0	1.4	1.4
	July	25.4	25.9	25.7	26.0	25.6	25.6	25.6	33.0	33.0	33.0	27.8	27.8	1.4	1.4
	August	25.9	26.2	26.1	26.4	26.1	26.1	26.1	33.7	33.8	33.8	28.7	28.8	1.4	1.4
	September	26.2	26.5	26.3	26.7	26.4	26.4	26.4	34.9	35.0	34.9	29.3	29.4	1.5	1.5
	October	26.4	26.8	26.6	26.8	26.5	26.6	26.6	34.6	34.7	34.7	28.9	29.0	1.5	1.5
	November	27.2	27.6	27.4	27.5	27.3	27.4	27.3	34.8	34.9	34.8	29.0	29.1	1.5	1.5
	December	27.5	27.7	27.6	27.7	27.6	27.6	27.6	34.9	34.9	34.9	28.9	28.9	1.5	1.5

Source: Bank of Zambia

Bank of Zambia Foreign Exchange Transactions (US \$ Million), Dec. 2013 - Dec. 2024

Table 12

Period	Bank of Zambia Inflows				Bank of Zambia Outflows				Gross International Reserves
	Mines	Other Non-GRZ	Mining Taxes	Donor Inflows	Dealing	Other Non-GRZ	GRZ Debt Servicing	GRZ Other Uses	
2013	0.0	39.7	0.0	20.0	46.0	23.1	25.3	0.1	2,708.8
2014	0.9	40.1	0.0	4.0	0.0	44.9	4.6	1.5	3,103.2
2015	0.0	60.6	0.0	24.5	50.0	49.8	25.5	50.0	2,973.4
2016	0.0	69.4	0.0	12.8	57.3	46.1	28.3	7.8	2,366.0
2017	9.7	55.3	0.0	14.4	115.6	20.2	46.1	1.5	2,092.5
2018	0.0	44.8	0.0	8.5	0.0	11.5	74.9	2.6	1,544.2
2019	0.0	116.0	0.0	7.9	3.0	16.4	23.9	7.3	1,424.8
2020	0.0	132.1	0.0	17.2	143.4	52.5	13.8	1.2	1,178.4
2021	0.0	216.7	115.2	8.6	49.5	74.6	3.9	3.2	2,770.53
2022	0.0	844.4	54.4	28.2	175.0	458.1	6.7	230.5	3,029.00
2023	0.0	138.2	87.8	3.2	112.0	27.3	2.5	20.7	3,007.96
	0.0	164.5	48.4	3.7	121.0	51.6	5.0	8.8	2,989.74
	0.0	105.6	46.6	63.2	129.0	8.3	11.0	102.5	2,907.72
	0.0	137.8	86.7	33.5	116.0	18.5	7.2	6.0	2,931.36
	0.0	73.2	53.8	4.8	75.0	36.2	39.3	34.6	2,824.18
	0.0	133.2	61.6	44.4	150.0	41.7	23.7	136.7	2,649.60
	0.0	322.6	90.0	2.7	82.5	11.9	7.6	68.8	2,804.07
	0.0	112.7	57.3	5.6	2.5	56.8	23.4	11.4	2,828.21
	0.0	99.6	65.3	13.3	3.0	60.1	11.8	-1.3	2,877.42
	0.0	121.0	86.8	3.1	45.5	26.4	24.1	16.8	2,888.88
	0.0	193.6	46.2	16.7	-60.0	6.3	37.3	-22.3	3,033.91
	0.0	249.7	51.1	5.1	110.0	31.5	12.2	4.4	3,312.67
2024	0.0	57.5	81.0	21.3	150.0	64.4	8.2	24.3	3,215.42
	0.0	336.5	61.6	46.7	150.0	51.2	11.0	4.1	3,443.95
	0.0	176.3	48.3	72.9	39.0	79.7	12.8	5.8	3,555.94
	0.0	55.8	93.1	4.3	133.5	93.8	2.8	18.2	3,503.65
	0.0	163.2	59.0	79.8	82.5	55.3	40.2	-32.6	3,535.98
	0.0	812.4	100.5	76.3	88.3	103.5	348.2	0.9	3,885.68
	0.0	97.1	105.6	1.4	45.5	122.8	18.0	4.7	3,827.31
	0.0	233.7	63.3	161.8	31.0	165.7	18.3	4.3	3,855.35
	0.0	90.3	64.9	44.6	18.0	72.6	13.7	35.1	4,133.27
	0.0	72.4	124.0	18.5	8.0	119.9	5.3	49.5	4,165.39
	0.0	116.2	92.3	25.4	121.0	123.6	48.8	13.9	4,092.11
	0.0	70.2	311.3	144.2	33.0	151.0	135.3	10.0	4,288.62

Source: Bank of Zambia

Note:

Note: The mines inflow column showed the Bank's direct purchases of foreign currency from the mines, which ceased in 2015. As of the Statistics Fortnightly ending November 30,2023, the current mining taxes which were previously included in the Other Non-GRZ are shown separately.

Percentage Change in the Consumer Price Indices (2009 weights - Base 2009 = 100), Jan. 2022 - Dec. 2024 **Table 13**

	Monthly	Consumer Price Indices (2009=100)			Annual Inflation Rates			Month on Month Inflation Rates		
		Total	Food	Non Food	Total	Food	Non Food	Total	Food	Non Food
2022	January	344.9	366.0	320.6	15.1	16.9	12.7	2.6	3.1	1.9
	February	350.0	372.9	325.6	14.2	16.0	11.8	1.7	1.9	1.5
	March	353.6	376.4	327.4	13.1	15.3	10.3	0.8	0.9	0.6
	April	356.0	380.5	327.9	11.5	14.1	8.2	0.7	1.1	0.1
	May	359.0	384.0	330.4	10.2	12.3	7.5	0.8	0.9	0.8
	June	362.3	388.4	332.3	9.7	11.9	6.9	0.9	1.2	0.6
	July	363.9	389.5	334.5	9.9	12.0	7.2	0.4	0.3	0.7
	August	364.9	390.9	334.9	9.8	11.3	7.8	0.3	0.4	0.1
	September	363.6	390.2	333.0	9.9	12.1	7.2	-0.4	-0.2	-0.6
	October	364.3	392.0	332.0	9.7	12.2	6.5	0.2	0.4	-0.2
	November	367.3	395.4	335.0	9.8	12.1	6.7	0.7	0.9	0.5
	December	369.6	397.4	337.4	9.9	11.9	7.3	1.1	0.5	1.1
2023	January	377.3	408.3	341.5	9.4	11.6	6.4	2.1	2.8	1.1
	February	384.6	416.3	348.1	9.6	11.6	6.9	1.9	2.0	1.9
	March	388.6	421.0	351.4	9.9	11.8	7.3	1.0	1.1	0.9
	April	392.2	424.6	355.0	10.2	11.6	8.3	0.9	0.9	1.0
	May	394.5	428.3	355.7	9.9	11.6	7.6	0.6	0.9	0.2
	June	397.7	432.1	358.1	9.8	11.2	7.8	0.8	0.9	0.7
	July	401.3	436.6	360.6	10.3	12.1	7.8	0.9	1.0	0.7
	August	404.5	440.5	363.4	10.8	12.6	8.5	0.8	0.8	0.8
	September	407.1	442.3	366.6	12.0	13.4	10.1	0.7	0.5	0.9
	October	410.2	445.2	370.0	12.6	13.6	11.3	0.8	0.7	0.9
	November	414.0	449.3	373.4	12.9	13.7	11.8	0.9	0.9	0.9
	December	418.0	453.9	376.8	13.1	14.2	11.6	1.0	1.0	0.9
2024	January	426.9	464.5	383.8	13.2	13.7	12.4	2.1	2.3	1.9
	February	436.5	475.0	392.2	13.5	14.1	12.7	2.2	2.3	2.2
	March	442.0	486.0	390.8	13.7	15.6	11.2	1.2	2.4	-0.3
	April	446.4	491.4	394.6	13.8	15.7	11.2	1.0	1.0	1.0
	May	452.5	497.6	400.7	14.7	16.2	12.7	1.4	1.3	1.5
	June	458.3	504.8	404.8	15.2	16.8	13.0	1.3	1.5	1.0
	July	462.9	512.5	405.9	15.4	17.4	12.6	1.0	1.5	0.3
	August	466.9	517.5	408.8	15.5	17.6	12.5	0.9	1.0	0.7
	September	470.6	521.6	412.0	15.6	17.9	12.4	0.8	0.8	0.8
	October	474.5	526.1	415.2	15.7	18.2	12.2	0.8	0.9	0.8
	November	482.1	530.9	426.1	16.5	18.2	14.1	1.6	0.9	2.6
	December	488.0	538.4	430.1	16.7	18.6	14.2	1.2	1.4	0.9

Source: Zambia Statistics Agency

Treasury Bill Transactions (K' Million), Dec. 2013 - Dec. 2024

Table 14

Period	Treasury bill tender sales					Settlement Value	Maturities	Special Taps & Off-Tender Sales	Re-discounts	Total Outstanding Bills
	91 Days	182 Days	273 Days	364 Days	Total Sales					
2013	16,400.0	484,705.0	318,190.0	923,695.0	1,742,990.0	1,552,661.7	548,794.7	15,850.5	0.0	9,525,976.4
2014	144,610.0	173,153.0	102,920.0	579,915.0	1,000,598.0	871,680.8	710,943.0	0.0	0.0	10,809,484.4
2015	11,265.0	112,952.0	179,295.0	261,361.0	564,873.0	146,913.0	969,945.0	0.0	0.0	12,090,096.5
2016	291,690.0	480,261.0	555,388.8	1,128,459.0	2,455,798.8	2,077,945.7	762,489.0	0.0	0.0	13,174,213.5
2017	125,831.0	95,430.0	305,845.0	1,270,172.0	1,797,278.0	1,581,365.6	1,229,304.0	0.0	0.0	20,193,512.4
2018	208,102.0	217,886.0	408,240.0	1,504,949.6	2,339,177.6	2,089,999.5	335,975.0	0.0	0.0	17,515,488.9
2019	74,935.0	157,641.0	279,308.0	1,125,052.0	1,636,936.0	1,331,104.0	1,704,667.3	0.0	0.0	21,167,191.5
2020	425,855.0	383,766.0	478,580.0	1,509,585.0	2,797,786.0	2,391,880.4	1,739,830.0	0.0	0.0	33,009,333.0
2021	393,267.0	514,637.0	281,025.0	2,445,900.6	3,634,829.6	3,267,166.1	2,363,356.0	0.0	0.0	35,805,707.2
2022	420,631.0	707,844.0	850,081.0	3,521,584.0	5,500,140.0	4,920,595.1	2,775,023.6	0.0	0.0	39,974,046.5
2023	1,845,409.0	248,571.0	938,983.0	3,215,591.0	6,248,554.0	5,695,654.1	4,421,500.0	0.0	0.0	44,916,442.3
2024	485,790.9	55,045.1	410,212.8	4,058,109.1	5,009,157.8	4,423,142.0	3,564,321.4	0.0	0.0	45,561,870.2
	337,972.3	63,701.5	69,189.4	880,214.8	1,351,077.9	1,208,425.3	2,874,562.0	0.0	0.0	42,687,661.1
	475,102.2	16,434.4	356,658.5	1,106,711.6	1,954,906.7	1,769,134.3	5,240,823.9	0.0	0.0	39,349,288.8
	406,167.7	4,177.5	269,570.5	1,367,097.8	2,047,013.5	1,835,116.8	2,039,389.5	0.0	0.0	38,923,275.4
	621,215.4	39,908.1	295,255.1	1,675,366.4	2,631,745.0	2,364,991.0	5,223,252.7	0.0	0.0	36,425,745.0
	435,096.2	211,335.9	720,774.2	2,505,062.0	3,872,268.3	3,416,239.9	4,691,719.2	0.0	0.0	33,941,219.3
	196,844.7	305,657.6	445,666.5	1,474,903.7	2,423,072.5	2,423,072.5	2,365,378.4	0.0	0.0	33,998,354.0
	474,267.6	186,566.0	204,241.8	2,874,097.6	3,739,173.1	3,520,216.2	2,761,211.5	0.0	0.0	35,406,888.6
	347,034.8	218,964.0	364,652.4	3,821,202.1	4,751,853.3	4,082,751.4	4,371,079.7	0.0	0.0	35,186,610.8
	19,333.1	185,522.9	458,106.2	3,114,632.0	3,777,594.2	3,262,500.0	3,020,191.4	0.0	0.0	35,268,401.3
	677,768.1	498,714.3	473,345.6	4,689,648.6	6,346,052.0	5,635,116.0	4,390,109.0	0.0	0.0	36,691,069.6
	726,985.9	567,859.0	546,575.3	1,781,869.1	3,623,289.3	3,300,555.0	2,706,372.7	0.0	0.0	36,089,718.5

Source: Bank of Zambia

GRZ Bonds Outstanding (K' Million), Jan. 2022 - Dec. 2024

Table 15

End of period		Commercial banks	Others	Total Outstanding
2022	January	17,511,494.4	71,041,090.0	88,552,584.4
	February	17,519,226.9	71,482,599.1	89,001,826.1
	March	19,087,967.0	70,269,532.0	89,357,499.0
	April	18,352,561.8	70,912,497.6	89,265,059.4
	May	20,790,823.5	70,504,614.9	91,295,438.4
	June	22,243,537.3	69,026,908.7	91,270,446.0
	July	22,270,675.9	69,390,034.3	91,660,710.2
	August	22,711,031.4	69,488,765.2	92,199,796.6
	September	23,308,475.6	68,623,652.5	91,932,128.1
	October	18,972,210.8	72,959,917.4	91,932,128.2
	November	24,816,526.5	67,831,453.3	92,647,979.8
	December	25,464,007.0	67,245,807.1	92,709,814.1
2023	January	26,990,472.2	68,697,382.7	95,687,854.9
	February	27,056,369.6	66,760,477.9	93,816,847.4
	March	20,712,335.4	71,261,429.5	91,973,764.9
	April	25,864,424.2	66,863,112.8	92,727,536.9
	May	27,966,320.2	63,699,589.0	91,665,909.2
	June	21,883,414.7	71,116,984.6	93,000,399.2
	July	27,334,667.3	68,922,117.1	96,256,784.4
	August	27,332,071.7	69,853,013.5	97,185,085.2
	September	27,137,490.5	69,900,849.4	97,038,339.9
	October	29,013,870.3	73,126,073.2	102,139,943.5
	November	28,177,242.1	73,774,795.7	101,952,037.8
	December	29,270,847.3	73,975,378.7	103,246,226.0
2023	January	28,646,700.5	75,155,534.2	103,802,234.6
	February	27,837,234.2	76,663,519.2	104,500,753.5
	March	27,503,492.9	76,456,217.2	103,959,710.1
	April	28,114,923.6	77,753,164.6	105,868,088.2
	May	27,005,909.3	77,387,845.4	104,393,754.7
	June	31,586,937.1	79,624,976.4	111,211,913.5
	July	32,716,084.6	78,185,663.6	110,901,748.2
	August	32,763,280.9	77,495,487.1	110,258,768.0
	September	32,992,733.8	78,770,692.1	111,763,425.9
	October	32,722,508.1	84,581,075.0	117,303,583.1
	November	25,653,020.4	88,880,403.7	114,533,424.1
	December	32,301,688.6	82,641,814.2	114,943,502.8

Source: Bank of Zambia

Note: Others includes BoZ and Non-bank holdings of GRZ ordinary bonds

Metal Production and Exports (metric tonnes), 2022-2024

Table 16

Period	Copper				Cobalt		Production
	Exports	Production	Exports	Production	Exports	Production	
2022	January	81,243.8	60,699.0	0.0	0.0	n/a	n/a
	February	71,851.0	59,466.0	0.0	0.0	n/a	n/a
	March	77,389.5	56,682.0	0.0	0.0	n/a	n/a
	April	67,307.4	53,757.0	0.0	0.0	n/a	n/a
	May	77,066.1	70,269.0	0.0	0.0	n/a	n/a
	June	70,619.8	64,169.0	0.0	0.0	n/a	n/a
	July	77,148.7	69,743.0	0.0	0.0	n/a	n/a
	August	75,463.5	66,629.0	0.0	0.0	n/a	n/a
	September	71,710.4	64,393.0	0.0	0.0	n/a	n/a
	October	78,227.2	65,755.0	0.0	0.0	n/a	n/a
	November	83,360.8	62,952.0	0.0	0.0	n/a	n/a
	December	66,944.1	69,037.0	0.0	0.0	n/a	n/a
2023	January	72,552.2	47,715.5	0.0	0.0	n/a	n/a
	February	57,343.2	45,931.1	0.0	0.0	n/a	n/a
	March	62,322.9	50,806.3	0.0	0.0	n/a	n/a
	April	60,780.0	56,766.6	0.0	0.0	n/a	n/a
	May	68,221.7	58,747.6	0.0	0.0	n/a	n/a
	June	66,263.0	64,417.6	0.0	0.0	n/a	n/a
	July	73,586.2	74,176.0	0.0	0.0	n/a	n/a
	August	72,753.5	65,297.7	0.0	0.0	n/a	n/a
	September	64,105.0	60,576.3	0.0	0.0	n/a	n/a
	October	54,127.7	59,719.7	0.0	0.0	n/a	n/a
	November	62,225.9	56,513.4	0.0	0.0	n/a	n/a
	December	68,354.8	57,898.3	0.0	0.0	n/a	n/a
2024	January	65,544.6	48,893.8	0.0	0.0	n/a	n/a
	February	42,485.8	53,295.0	161.9	0.0	n/a	n/a
	March	63,453.7	63,669.8	0.1	0.0	n/a	n/a
	April	69,066.6	55,475.7	0.0	0.0	n/a	n/a
	May	74,793.0	63,187.2	0.0	0.0	n/a	n/a
	June	62,474.1	62,433.1	0.0	0.0	n/a	n/a
	July	68,747.5	61,019.1	0.0	0.0	n/a	n/a
	August	64,330.8	70,834.7	0.0	0.0	n/a	n/a
	September	63,013.7	71,436.8	0.0	0.0	n/a	n/a
	October	67,981.3	70,478.0	0.0	0.0	n/a	n/a
	November	79,544.6	73,696.1	96.3	0.0	n/a	n/a
	December	79,980.2	82,725.6	0.0	0.0	n/a	n/a

Source: Bank of Zambia and Zambia Statistics Agency

Note:

- 1. n/a means not available
- 2. Metal production is for large scale mining only

Major Export Destinations for Zambia's Exports (US\$ Millions), 2020-2024

Table 17

Country	2020	2021	2022	2023	2024
Switzerland	3,461.7	4,722.9	4,478.2	4,328.6	4,760.7
China	1,458.6	2,059.7	2,409.4	1,862.9	2,337.9
Democratic Republic of the Congo	976.8	1,120.0	1,599.3	1,617.8	1,197.9
South Africa	198.8	285.3	268.5	384.4	470.6
United Arab Emirates	22.5	32.0	36.1	38.0	386.5
Zimbabwe	101.1	197.3	267.7	288.0	371.9
Canada	2.0	0.7	0.3	46.2	257.1
Singapore	905.5	1,477.5	1,227.0	577.7	222.9
Tanzania, United Republic of	58.8	89.0	182.2	132.9	189.3
Namibia	65.1	92.0	141.5	137.4	138.5
Malawi	104.7	122.3	120.7	138.8	138.3
India	40.0	100.1	38.2	96.1	136.3
Botswana	23.6	54.0	57.0	164.4	120.3
Hong Kong	51.5	108.0	131.6	108.3	93.8
Other	27.2	59.9	90.7	55.1	44.3
Kenya	39.2	49.8	84.8	51.0	38.6
Mozambique	17.9	28.3	31.5	32.9	37.4
United States of America	22.9	41.0	53.6	56.2	28.9
Netherlands	11.0	18.2	18.3	21.8	27.1
Italy	20.9	52.1	77.6	34.7	25.4
Uganda	7.4	18.0	18.7	22.1	24.9
Mauritius	1.7	24.0	26.0	21.1	21.2
Angola	1.7	2.9	6.8	14.6	15.0
Burundi	24.5	28.6	24.3	23.5	14.2
Vietnam	6.5	11.9	11.1	9.2	13.7
Rwanda	9.9	10.8	26.9	20.5	13.6
Pakistan	1.9	17.3	17.3	35.0	12.0
Germany	13.0	22.8	27.4	16.4	10.5
Congo	2.3	9.6	20.5	15.8	9.7
Belgium	12.6	21.3	22.0	6.2	8.0
Luxembourg	103.5	239.7	71.1	29.2	7.8
United Kingdom	9.0	13.1	22.0	9.6	7.4
Lesotho	2.4	0.7	2.4	6.9	3.4
Egypt	0.5	2.4	4.3	0.3	2.4
Korea, Republic of (South)	0.3	0.0	2.1	7.9	2.1
France	0.9	1.1	1.8	2.0	1.9
Australia	1.2	0.9	1.0	1.7	0.9
Malaysia	0.6	0.8	0.8	0.6	0.8
Eswatini	2.1	2.7	3.1	0.8	0.7
Sudan	0.0	0.0	0.3	0.4	0.7
Madagascar	2.8	0.2	0.9	1.2	0.5
Sweden	1.5	1.5	1.9	0.8	0.4
Philippines	0.0	0.2	0.5	0.0	0.2
Republic of Thailand	0.4	0.5	18.7	18.1	0.1
Saudi Arabia	0.0	0.2	0.4	1.0	0.1
Kuwait	0.0	0.0	0.0	0.0	0.0
Total	7,816.6	11,141.2	11,646.7	10,438.3	11,195.7

Source: Bank of Zambia and Zambia Statistics Agency

Major Source for Countries for Zambia’s Imports (US\$ Millions), 2020-2024

Table 18

Country	2020	2021	2022	2023	2024
South Africa	1,763.2	2,235.4	2,715.7	2,586.2	2,873.8
China	895.1	736.2	1,402.4	1,677.1	1,899.2
United Arab Emirates	469.2	590.9	679.8	824.9	605.5
India	285.6	458.8	590.5	556.7	566.5
Singapore	18.6	29.8	58.6	371.6	495.5
Tanzania, United Republic of	73.7	63.2	62.2	281.9	487.8
Japan	112.7	216.2	316.1	518.5	478.0
Saudi Arabia	45.1	50.3	32.5	312.6	322.6
Democratic Republic of Congo	71.1	325.3	654.4	175.0	315.7
Bahrain	0.5	2.2	0.4	268.1	314.1
United States of America	119.1	168.8	244.7	254.0	309.9
Mozambique	48.6	77.7	48.4	103.6	227.6
Germany	70.4	92.5	107.7	118.5	213.3
Namibia	85.8	138.3	144.9	178.1	188.1
Other	128.6	414.2	163.2	119.3	156.2
Mauritius	109.7	109.3	203.9	193.9	155.3
United Kingdom	97.7	212.0	163.8	123.3	136.9
Zimbabwe	62.4	74.4	90.5	99.6	121.8
Australia	30.4	55.0	28.7	38.6	101.2
Hong Kong	52.4	49.1	58.5	41.6	74.4
Belgium	29.5	41.0	118.2	70.7	66.7
Korea, Republic of (South)	23.8	82.3	40.7	53.3	66.0
Finland	48.1	42.2	45.1	47.5	62.9
Sweden	36.8	32.8	58.1	51.1	57.5
Turkey	32.9	31.1	44.1	34.0	52.4
Switzerland	23.7	22.9	35.4	90.5	52.3
Malaysia	44.7	76.1	76.1	83.0	51.3
Italy	27.9	25.9	46.2	22.8	51.2
Oman	40.5	25.4	44.8	39.2	48.3
Kenya	46.6	52.0	53.8	58.0	48.1
France	35.3	37.9	54.6	35.3	45.3
Argentina	12.7	9.2	9.1	9.3	41.0
Republic of Thailand	12.7	25.1	51.8	35.8	40.8
Netherlands	64.4	60.2	68.9	71.1	40.1
Russia	34.0	18.2	32.5	32.3	38.4
Qatar	12.6	39.1	56.3	139.3	31.1
Egypt	14.6	13.0	16.9	16.3	30.7
Spain	17.8	27.2	28.7	51.8	30.4
Eswatini	13.7	16.2	21.5	24.1	28.4
Kuwait	0.0	0.0	14.6	31.2	28.3
Morocco	18.0	21.5	31.8	6.5	25.8
Brazil	9.4	24.4	20.9	18.5	25.2

Source: Bank of Zambia and Zambia Statistical Agency

