



Bank Of Zambia
OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXE/DGO/fmkts/bp

May 22, 2019

CB Circular No. : 04/2019

To : All Heads of Commercial Banks

ADJUSTMENT IN THE OVERNIGHT LENDING FACILITY RATE

Further to CB Circular No. 02/2018 dated February 21, 2018, the Bank of Zambia wishes to advise all commercial banks that, with immediate effect, the Overnight Lending Facility (OLF) rate will be set at **775 basis points** above the prevailing Bank of Zambia Policy Rate from **600 basis points** previously. In addition, commercial banks shall provide a written explanation on how the funds accessed from the OLF were utilised. This information should be submitted to the Director – Bank Supervision and copied to Director – Financial Markets by the close of the following business day.

These measures are in line with the monetary policy stance of the Bank of Zambia aimed at curbing inflationary pressures.

The Bank of Zambia will continue to monitor developments in the macroeconomic environment and review the conditions for accessing the OLF from time to time.

A handwritten signature in black ink, appearing to read 'Bwalya K. E. Ng'andu'.

Bwalya K. E. Ng'andu (Dr)
DEPUTY GOVERNOR – OPERATIONS

Cc Governor