



Bank of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fmkts/bp

November 21, 2023

CB Circular No. : 31/2023

To : All Heads of Commercial Banks

ADJUSTMENT TO THE KWACHA AND FOREIGN CURRENCY STATUTORY RESERVE RATIO

Reference is made to CB Circular No. 30/2023 dated November 3, 2023.

The Bank of Zambia wishes to advise all commercial banks that with effect from Monday, November 27, 2023, the minimum statutory reserve ratio on both local and foreign currency deposits, including Government deposits and vostro accounts deposits, will be increased by 2.5 percentage points to 17.0 percent from 14.5 percent. In terms of compliance, the revised statutory reserve ratio of 17.0 percent will be based on the Weekly Return of Selected Assets and Liabilities as of Wednesday, November 22, 2023.

The further increase in the statutory reserve ratio is necessitated by the persistence of foreign exchange market pressures which are contributing to higher inflation. The Bank of Zambia will continue to closely monitor developments in the macroeconomic environment in general and in the financial markets in particular and will not hesitate to take further measures should they be deemed necessary, in line with its mandate of maintaining price and financial stability.

A handwritten signature in black ink, appearing to read 'Francis Chipimo'.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Governor