



Bank Of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fmkts/bp

August 10, 2017

CB Circular No. : 04/2017

To : All Heads of Commercial Banks

**ADJUSTMENTS TO THE STATUTORY RESERVE RATIO AND THE
OVERNIGHT LENDING FACILITY RATE**

Reference is made to CB Circular No. 03/2017 dated May 17, 2017.

Commercial banks are hereby advised of the following changes regarding the overnight lending facility (OLF) rate and the statutory reserve ratio.

Overnight Lending Facility Rate

With immediate effect, the OLF rate has been reduced by 1.5 percentage points to 17.0 percent from 18.5 percent.

Statutory Reserve Ratio

The statutory reserve ratio on both Kwacha and foreign currency deposits including Government deposits and vostro account deposits has been reduced by 3.0 percentage points to 9.5 percent from 12.5 percent. This measure will take effect on Monday August 21, 2017. For further details, contact the Assistant Director – Domestic Market Operations in our Financial Markets Department.

These measures are aimed at reducing the cost of funds and promoting credit growth in the economy.

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

Cc Governor