



**Bank Of Zambia**

**OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS**

BOZ/EXEC/DGO/fmkts/bp

November 22, 2017

CB Circular No. : 09/2017

To : All Heads of Commercial Banks

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

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Reference is made to CB Circular No. 05/2017 dated August 10, 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 0.75 percentage points to 16.25 percent from 17.00 percent following the change in the Bank of Zambia Policy Rate.

**Statutory Reserve Ratio**

Similarly, the statutory reserve ratio on both local and foreign currency deposits including Government deposits and vostro account deposits has been reduced by 1.50 percentage points to 8.00 percent from 9.50 percent. This change will take effect on Monday, November 27, 2017.

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

The Bank of Zambia will continue to monitor developments in the macroeconomic environment and stands ready to take appropriate measures as and when deemed necessary.

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  
Deputy Governor – Operations