



OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/prs/bp

May 13, 2026

CB Circular No. : 05/2026

To : All Heads of Commercial Bank

ISSUANCE OF THE BANKING AND FINANCIAL SERVICES (LIQUIDITY COVERAGE RATIO) DIRECTIVES, 2026

The Bank of Zambia hereby informs all commercial banks that the Banking and Financial Services (Liquidity Coverage Ratio (LCR)) Directives, 2026, were issued on April 17, 2026. The Directives are intended to strengthen the capacity of banks to withstand short-term liquidity stress, reinforcing confidence in the banking sector, and supporting overall financial system stability. In this regard, the Directives require banks to maintain an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted readily into cash to meet liquidity needs during a 30-day stress scenario.

Accordingly, banks are required to maintain, on an ongoing basis, an LCR of not less than 20 percent, measured as the ratio of unencumbered HQLA to total net cash outflows over a 30-day stress period. To facilitate a smooth transition, the LCR shall be implemented in a phased manner, as follows:

- i. An initial minimum requirement of 20 percent; and
- ii. Annual incremental increase of 20 percentage points until the minimum requirement of 100 percent is reached by 2030.

Banks are, therefore, expected to integrate the LCR requirements into their liquidity risk management frameworks, governance arrangements, internal control systems, and contingency funding plans. Monthly LCR returns shall be submitted in accordance with the LCR Directives, 2026, commencing July 1, 2026. Banks are further expected to ensure that all submissions are accurate, complete, and timely, as these returns will form an important part of the Bank of Zambia's ongoing supervisory assessment of liquidity risk. The Directives shall take effect from July 1, 2026, and all banks are required to undertake the necessary operational, systems, and governance enhancements to achieve full compliance within the prescribed implementation timeline.

In addition, please note that the banks shall continue submitting the net stable funding ratio quarterly quantitative impact studies returns until further notice.

Any queries or requests for clarification regarding the Directives or the related reporting requirements should be directed to the Prudential Supervision Department.

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DEPUTY GOVERNOR – OPERATIONS

cc Governor
Director – Prudential Supervision



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The Banking and Financial Services Act, 2017
(Act No. 7 of 2017)

The Banking and Financial Services (Liquidity Coverage Ratio) Directives, 2026

IN EXERCISE of the powers contained in Section Fifty-Seven and Section One Hundred and Sixty-Seven of the Banking and Financial Services Act, 2017, the following Directives are hereby issued:

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PART I
PRELIMINARY

1. Short Title

These Directives may be cited as the Banking and Financial Services (Liquidity Coverage Ratio) Directives, 2026.

2. Interpretation

In these Directives, unless the context otherwise requires:

‘**Bank**’ has the meaning assigned to the term in the Banking and Financial Services Act, 2017.

‘**bank**’ has the meaning assigned to the term in the Banking and Financial Services Act, 2017.

‘**Bank eligibility**’ means an asset accepted by the Bank usually in repo operations and qualify as an HQLA subject to haircuts set by the Bank.

‘High-quality liquid assets (HQLA)’ means assets that can be easily and immediately converted into cash at little or no loss of value.

‘Intraday liquidity’ means funds which can be accessed by a financial service provider during the business day.

‘Micro, small- and medium-sized enterprise (MSME)’ has the meaning assigned to the term in the Banking and Financial Services (Computation of Credit Risk Weighted Assets) Directives, 2025.

‘Unencumbered’ means free of legal, regulatory, contractual, or other restrictions on the ability of a bank to liquidate, sell, transfer, or assign the asset.

‘Retail deposits’ means deposits placed with a bank by a natural person.

‘Significant currency’ means any currency in which a bank’s aggregate liabilities constitute 5 percent or more of its total liabilities.

3. Application

These Directives shall apply to banks.

PART II OBJECTIVES OF THE DIRECTIVES

4. Purpose

The purpose of these Directives is to prescribe minimum liquidity requirement in relation to the Liquidity Coverage Ratio (LCR) for a bank. The Directives set the minimum level of unencumbered stock of HQLA which a bank shall maintain to meet its liquidity needs for a 30-day liquidity stress scenario.

PART III DETERMINATION OF LIQUIDITY COVERAGE RATIO

5. Liquidity Coverage Ratio

The LCR is a key component of the Bank’s supervisory approach to the management of liquidity risk and is supplemented by the Risk Management Guidelines issued by the Bank. The Bank may require a bank to adopt more stringent requirements or parameters to reflect its liquidity risk profile, risk management and control practices. These Directives aim to ensure that a bank has an adequate stock of HQLA to survive a stressed funding scenario lasting 30 days.

6. Currencies

- 6.1. A bank shall meet the required LCR and shall report the consolidated LCR in Zambian Kwacha. Additionally, a bank shall hold stock of HQLA to generate liquidity in the currency in which the net cash outflows arise. A bank shall have policies and limits in place to avoid concentration with respect to asset types, issue and issuer types, and currency (consistent with the distribution of net cash outflows by currency) within asset classes.
- 6.2. A bank shall measure, monitor and report the LCR in significant currencies to track potential currency mismatch issues that could arise in a time of stress.
- 6.3. In managing foreign exchange liquidity risk, a bank shall consider the risk that its ability to swap currencies and access the relevant foreign exchange markets may erode rapidly under stressed conditions. A bank shall incorporate in its liquidity risk management policy and strategy, measures to manage sudden adverse exchange rate movements that could sharply widen existing mismatched positions and alter the effectiveness of any foreign exchange hedges in place.

7. Frequency of Calculation and Reporting

- 7.1. A bank shall compute and comply with the required LCR and maintain records on a daily basis.
- 7.2. A bank shall report the required LCR on a monthly basis and must have the operational capability to increase the frequency of reporting in stressed situations.
- 7.3. A bank shall notify the Bank if its LCR has fallen, or is expected to fall, below the prescribed thresholds at each point in time. In such circumstances, a bank shall provide an explanation or the reason(s) for the LCR falling below the required threshold.
- 7.4. A bank shall, where the LCR remains below the required threshold, indicate the expected timeframe and measures that have been or will be taken to restore the LCR within the required threshold.

8. Computation of the Liquidity Coverage Ratio

8.1. The LCR shall be computed as follows:

Table 1: Formula for Computation of LCR

<i>Stock of HQLA</i>
Total net cash outflows over the next 30 days

- 8.2. A bank shall, at all times, maintain a stock of unencumbered HQLA sufficient to cover its total net cash outflows over a 30-day period under the prescribed stress scenario. The value of such HQLA shall be no less than the minimum requirement, as determined in accordance with these Directives.
- 8.3. The stress test scenario for the LCR shall be based on a combined idiosyncratic and market-wide shock which takes place over a 30-day horizon.
- 8.4. A bank shall conduct stress tests, at least monthly, to assess the level of liquidity it shall hold beyond the LCR stress test scenario, which shall incorporate longer time horizons.
- 8.5. Bank eligibility constitutes a basis for the categorisation of an asset as HQLA.
- 8.6. To qualify as HQLA, an asset shall generally be assessed against both fundamental characteristics and market-related characteristics, as outlined below:
- (a) Fundamental Characteristics
- Have low risk. Characteristics include high credit standing of the issuer and a low degree of subordination; low sensitivity to changes in interest rates; low legal risk; low inflation risk; and where denomination is in a convertible currency, have a low foreign exchange risk.
 - Have ease and certainty of valuation. Characteristics include having a standardised, homogenous, and simple structure.
 - Have low correlation with risky assets. Characteristics include not being subject to wrong-way risk.
 - Listed. Be listed on a securities exchange as the Bank may determine, whether within, or outside, the Republic of Zambia.
 - Liquidity. Be liquid in markets during a time of stress.
 - Easily convertible. Be easily and immediately converted into cash at little or no loss of value.
- (b) Market-Related Characteristics
- Be sizable and have active outright sale or repurchase agreement (repo) markets at all times.
 - Have low volatility and have a lower probability of triggering forced sales to meet liquidity requirements.
 - Have flight to quality characteristics, in that the market has shown tendencies to move into these types of assets in a systemic crisis.
- 8.7. The Bank assesses the eligibility of any assets for inclusion in the stock of HQLA on the basis of the fundamental and market-related characteristics, as well as the capacity of such assets to fulfil certain operational requirements.

9. Operational Requirements

All assets in the stock of HQLA shall be subject to the following operational requirements:

- 9.1 A bank shall manage the stock of HQLA in such a manner that it allows the bank to:
 - (a) immediately use the stock of assets as a source of contingent funds, demonstrating the ability to convert such assets into cash through outright sale or repo.
 - (b) fill the funding gaps between cash inflows and outflows at any time during the 30-day stress period, with no restriction on the use of the liquidity generated.
- 9.2 A bank shall not include encumbered assets in the computation of HQLA. Assets received in reverse repo and securities financing transactions that are held at the bank, have not been rehypothecated, and are legally and contractually available for the bank's use can be considered as part of the stock of HQLA.
- 9.3 A bank shall exclude from the stock of HQLA, assets that, although meeting the definition of "unencumbered", a bank would not have the operational capability to monetise the asset in order to meet outflows during the stress period.
- 9.4 A bank shall have operational capability to monetise assets and establish procedures and appropriate systems, including providing the function identified in Directive 9.6, with access to all necessary information to execute monetisation of any asset at any time.
- 9.5 A bank shall ensure that the monetisation of the asset is executable, from an operational perspective, in the standard settlement period for the asset class in the relevant jurisdiction.
- 9.6 A bank shall ensure that the stock of HQLA is under the control of the function charged with managing the liquidity of a bank, and the function should have continuous authority, and legal and operational capability, to monetise any asset in the stock.
- 9.7 A bank shall put in place a policy or framework that identifies legal entities, geographical locations, currencies and specific custodial or bank accounts where HQLA are held. In addition, a bank shall determine whether any such assets should be excluded for operational reasons and therefore have the ability to determine the composition of its stock on a daily basis.
- 9.8 A bank may include in the stock of HQLA, assets received as collateral for derivatives transactions that are not segregated and are legally able to be rehypothecated, provided that the bank records an appropriate level of derivative cash outflows and reports to the Bank accordingly.
- 9.9 Where an eligible liquid asset becomes ineligible, a bank shall be permitted to keep such assets in its stock of liquid assets for an additional 30 days, to allow the bank additional time to adjust its stock as needed or replace the asset, to mitigate cliff effects.

10. Categories of HQLA

10.1. The total stock of HQLA shall fall in one of two Levels of assets:

- (a) Level 1 assets shall comprise an unlimited share of the pool and are not subjected to a haircut under the LCR unless specified by the Bank as indicated in Part One of Schedule I. Bonds and bills issued by the Republic of Zambia qualify as level 1 assets. This only applies to bonds and bills issued by the Government of the Republic of Zambia and denominated in Zambian Kwacha.
- (b) Level 2 assets (comprising Level 2A assets and any Level 2B assets permitted by the Bank) can be included in the stock of HQLA, subject to the requirement that they comprise no more than 40 percent of the overall stock after haircuts have been applied. The 40 percent cap on Level 2 assets should be determined after the application of required haircuts, and if applicable, after taking into account the unwinding of short-term securities financing transactions and collateral swap transactions maturing within 30 days that involve the exchange of HQLA.
 - i. Level 2A haircuts are indicated in Part Two of Schedule I.
 - ii. Level 2B assets can only comprise up to 15 percent of the total stock of HQLA after haircuts have been applied as indicated in **Part Two of Schedule I**. A bank shall put in place appropriate systems and measures to monitor and control the potential risks that a bank may be exposed to in holding these assets.

10.2. Assets to be included in each category are those that a bank is holding on the first day of the stress period, irrespective of their residual maturity.

11. Total Net Cash Outflows

11.1. A bank shall compute total net cash outflows as the difference between total expected cash outflows and total expected cash inflows in the stress scenario for the subsequent 30 days. Where applicable, the calculation shall include interest that is expected to be received and paid during the 30-day time horizon.

Table 2 Computation of Total Net Cash Outflows

Total net cash outflows over the next 30 days = Total expected cash outflows – Total Expected cash inflows (Capped at 75 percent of total expected cash outflows)

- 11.2. A bank shall compute total expected cash outflows by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.
- 11.3. All deposits insured by the Zambia Deposit Insurance Scheme shall be deemed as deposits insured by an effective deposit protection scheme.
- 11.4. A bank shall calculate total expected cash inflows by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under the scenario up to an aggregate cap of 75 percent of total expected cash outflows.
- 11.5. A bank shall not be allowed to double count items when calculating the LCR. If an asset is included as part of the stock of HQLA, the asset and associated cash inflows must not also be counted as cash inflows in the denominator.
- 11.6. In calculating cash outflows and inflows with uncertain maturities, a bank shall make the most conservative assumptions for determining the maturity or transaction date for an instrument or transaction.

PART IV
GENERAL PROVISIONS

12. Commencement

- 12.1. These Directives shall come into force on 1st July, 2026.
- 12.2. The LCR shall be implemented in a phased manner. The LCR requirement shall become effective on the day that the Directives come into force, whereby the minimum requirement will be set at 20 percent and adjusted upwards by 20 percent annually as follows:

Table 3: Transition Arrangement for LCR Implementation

<i>Year</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
Minimum LCR	20.0%	40.0%	60.0%	80.0%	100.0%

- 12.3. The required LCR may be revised by the Bank through Circular.

SCHEDULE I: COMPOSITION OF HQLA - LEVEL 1 AND LEVEL 2 ASSETS AND PRESCRIBED HAIRCUTS

Part One: Stock of HQLA – Level 1 Assets

<i>Category</i> Level 1 assets in the stock of HQLA	<i>Factor</i> Percentages are factors to be multiplied by the total amount of each item
Level 1 assets can comprise an unlimited share of the pool and are not subject to a haircut under the LCR unless specified by the Bank. • Cash which includes coins and banknotes currently held by the bank; • Statutory reserves; and • Marketable securities representing claims on or guaranteed by sovereigns, central banks, Public Sector Entities (PSEs), the Bank for International Settlements, the International Monetary Fund, or multilateral development banks, and satisfying all of the following conditions: (a) assigned a 0 percent risk-weight under the Banking and Financial Services (Capital Adequacy) Rules, 2025; (b) have a proven record as a reliable source of liquidity in the markets, for repo or sale, even during stressed market conditions; and (c) is not an obligation of a bank or any of its affiliated entities.	100 percent

[illegible]

SCHEDULE II: CASH OUTFLOWS AND PRESCRIBED RUN-OFF RATES

Part One: Cash Outflows and Run-Off Rates

Category	Run Off Rate
1. Retail Deposits Retail deposits subject to the LCR include demand deposits and term deposits placed with a bank by a natural person, unless otherwise excluded under the criteria set out in Part One of Schedule II. Deposits from legal entities, sole proprietorships or partnerships are captured in deposit categories. Retail deposits are divided into “stable” and wholesale “less stable” deposits. (i) Stable deposit Stable deposits, for the purposes of the LCR, are the amount of retail deposits that are fully insured by the Zambia Deposit Insurance Scheme up to the maximum coverage limit or by a public guarantee that provides equivalent protection, and where: (a) the depositors have other established relationships with a bank that make deposit withdrawal highly unlikely; or (b) the deposits are in transactional accounts, such as accounts where salaries are automatically deposited. An established relationship shall refer to any banking relationships, excluding deposit and credit card relationships, whereby: (a) the relationship has existed for at least 12 months; or (b) the depositor is contractually bound to the relationship with the banking institution for at least the next 12 months. Deposit balances up to the deposit insurance limit may be treated as fully insured even if a depositor has a balance in excess of the deposit insurance limit. However, any amount in excess of the deposit protection scheme limit must be treated as less stable. (ii) Less Stable deposit A bank shall categorize retail deposits which do not meet the criteria set in (i) above as less stable deposits. If a bank is not able to readily identify which retail deposit would qualify as ‘stable’ as set in (i) above, it should place the full amount in the ‘less stable’ buckets. The Bank might decide to classify and develop additional buckets with higher run-off rates than 10 percent, as deemed necessary. In that case, the Bank will inform a bank on these specific categories, the rationale for including them, and the corresponding run-off rates. Examples of specific categories could be high-value deposits, internet deposits and foreign currency deposits. Retail term deposit Cash outflows related to retail term deposits with a residual maturity or withdrawal notice period of greater than 30 days shall be excluded from LCR calculations if: (a) the depositor has no legal right to withdraw deposits within the 30-day horizon of the LCR; or (b) early withdrawal results in a significant penalty that is materially greater than the loss of interest. If a bank allows a depositor to withdraw such deposits without applying the corresponding penalty or despite a clause that says the depositor has no legal right to withdraw, the entire category of these funds shall be treated as demand deposits. 2. Unsecured Wholesale Funding For the purpose of LCR, unsecured wholesale funding is defined as those liabilities and general obligations that are raised from non-natural persons such as legal entities, including sole proprietorships and partnerships, and are not collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution. Obligations related to derivative contracts are explicitly excluded from this definition. The wholesale funding included in the LCR is defined as all funding that is callable within the LCR’s horizon of 30 days or that has its earliest possible contractual maturity date situated within this horizon such as maturing term deposits and unsecured debt securities, as well as funding with an undetermined maturity.	3 percent 10 percent 0 percent

Category	Run Off Rate
This shall include all funding with options that are exercisable at the fund provider's discretion within the 30-day horizon. For the purposes of the LCR, unsecured wholesale funding is to be categorised as detailed below. a. Unsecured wholesale funding provided by small business customers: 5 percent, 10 percent and higher. Unsecured wholesale funding provided by small business customers (small business customers are classified based on the Bank's MSME definition in the Banking and Financial Services (Capital Adequacy) Rules, 2025) is treated in a similar manner as retail deposits under these Directives, effectively distinguishing between a stable portion of funding provided by small business customers and different buckets of less stable funding defined in these Directives. (a) Stable Deposits (b) Less Stable Deposits Term deposits from small business customers must be treated in accordance with the treatment for term retail deposits as outlined in 1 (Retail Deposits) above.	5 percent 10 percent
b. Operational deposits generated by clearing, custody, and cash management activities: 25 percent. Operational deposits are those where financial and non-financial customers place, or leave, deposits with a bank to facilitate their access and ability to use payment and settlement systems and otherwise make payments. These funds may receive a 25 percent run-off factor only if the customer has a substantive dependency on the bank and the deposit is required for such activities. Qualifying activities in these Directives refer to clearing, custody or cash management activities that meet the following criteria: (a) the customer is reliant on the bank to perform these services as an independent third-party intermediary in order to fulfil its normal banking activities over the next 30 days; (b) these services must be provided under a legally binding agreement to institutional customers; (c) the termination of such agreements must be subject either to a notice period of at least 30 days or significant switching costs to be borne by the customer if the operational deposits are moved before 30 days. The operational deposits generated by such an activity are ones where: (a) the deposits are by-products of the underlying services provided by the bank and not sought out in the wholesale market in the sole interest of offering interest income; and (b) the deposits are held in specifically designated accounts and priced without giving an economic incentive to the customer to leave excess funds on these accounts. Any excess balances that could be withdrawn and would still leave enough funds to fulfil these clearing, custody or cash management activities do not qualify for the 25 percent factor. In other words, only that part of the deposit balance with the service provider that is proven to serve a customer's operational needs can qualify as stable. Excess balances must be treated in the appropriate category for non-operational deposits. If a bank is unable to determine the amount of the excess balance, then the entire deposit must be assumed to be excess requirements and, therefore, considered non-operational. A bank must determine the methodology for identifying excess deposits that are excluded from this treatment. The assessment should be conducted at a sufficiently granular level to adequately assess the risk of withdrawal in an idiosyncratic stress scenario. Operational deposits must receive a 0 percent inflow assumption for the depositing bank given that these deposits are required for operational reasons and are therefore not available to the depositing bank to repay other outflows. Notwithstanding the operational categories, if the deposit under consideration arises out of correspondent banking or from the provision of prime brokerage services, it must be treated as if there were no operational activity for the purpose of determining the run-off-factors.	25 percent

Category	Run Off Rate
The following paragraphs describe the types of activities that may generate operational deposits. A bank should assess whether the presence of such an activity does indeed generate an operational deposit as not all such activities qualify due to differences in customer dependency, activity and practices. A clearing relationship refers to a service arrangement that enables customers to transfer funds (or securities) indirectly through direct participants in domestic settlement systems to final recipients. Such services are limited to the following activities: (a) transmission, reconciliation, and confirmation of payment orders; (b) intra-day overdraft, overnight financing, and maintenance of post-settlement balances; and (c) determination of intra-day and final settlement positions. A custody relationship refers to the provision of safekeeping, reporting, processing of assets or the facilitation of the operational and administrative elements of related activities on behalf of customers in the process of transacting and retaining financial assets. Such services are limited to the settlement of securities transactions, the transfer of contractual payments, the processing of collateral, and the provision of custody related cash management services. Also included are the receipt of dividends and other income, client subscriptions and redemptions. A cash management relationship refers to the provision of cash management and related services to customers. Cash management services refer to those products and services provided to a customer to manage its cash flows, assets, and liabilities, and conduct financial transactions necessary to the customer's ongoing operations. Such services are limited to payment remittance, collection and aggregation of funds, payroll administration, and control over the disbursement of funds. The portion of the operational deposits generated by clearing, custody and cash management activities that are fully covered by the Zambia Deposit Insurance Scheme may receive the same treatment as stable retail deposits, thus receiving a 3 percent run-off rate.	3 percent
c. Unsecured wholesale funding provided by non-financial corporates and sovereigns, central banks, multilateral development banks, and PSEs: 20 percent or 40 percent This category includes all deposits and other extensions of unsecured funding from non-financial corporate customers, that are not categorised as small business customers, and both domestic and foreign sovereign, central bank, multilateral development bank, and PSE customers that are not specifically held for operational purposes, as defined above. The run-off factor for these funds is 40 percent, unless the criteria above are met.	40 percent
Unsecured wholesale funding provided by non-financial corporate customers, sovereigns, central banks, multilateral development banks, and PSEs without operational relationships should receive a 20 percent run-off factor, only if the entire amount of the deposit is fully covered by an effective deposit protection scheme or by a public guarantee that provides equivalent protection.	20 percent
d. Unsecured wholesale funding provided by other legal entity customers: 100 percent This category consists of all deposits and other funding from other institutions including banks, securities firms, insurance companies, fiduciaries, beneficiaries, conduits and special purpose vehicles, affiliated entities of a bank and other entities that are not specifically held for operational purposes and not included in the prior categories. The run-off factor for these funds is 100 percent. All notes, bonds and other debt securities issued by a bank must be included in this category regardless of the holder, unless the bond is sold exclusively in the retail market and held in retail accounts including small business customer accounts in which case the instruments may be treated in the appropriate retail or small business customer deposit category.	100 percent

Category	Run Off Rate
3. Secured funding run-off For the purpose of these Directives, “secured funding” is defined as those liabilities and general obligations that are collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation, or resolution. Unless the counterparty is a central bank, secured funding does not include transactions collateralised by assets that are not tradable in financial markets such as property, plant and equipment. Due to the high-quality of Level 1 assets, no reduction in funding availability against these assets is assumed to occur. Moreover, no reduction in funding availability is expected for any maturing secured funding transactions with the Bank. A reduction in funding availability will be assigned to maturing transactions backed by Level 2A assets equivalent to the required haircuts. A 25 percent factor may be applied for maturing secured funding transactions with the bank’s domestic sovereign, multilateral development banks, or domestic PSEs that have a 20 percent or lower risk weight, when the transactions are backed by assets other than Level 1 or Level 2A assets, in recognition that these entities are likely to withdraw secured funding from a bank in time of market-wide stress. This treatment may be applied only to outstanding secured funding transactions. Unused collateral or merely the capacity to borrow, as determined at the end of the day for the reporting date, must not be given any credit in this treatment. All other secured funding transactions for all other maturing transactions, the run-off factor is 100 percent, including transactions where a bank has satisfied customers’ short positions with its own long inventory.	0 percent 0 percent 15 percent 25 percent 100 percent
4. Additional Required Cash Outflows The sum of all derivatives (net) cash outflows must receive a 100 percent factor. A bank should calculate expected contractual derivative cash inflows and outflows using their existing valuation methodologies. Cash flows may be calculated on a net basis, inflows can offset outflows by counterparty only where a valid master netting agreement exists. A bank should exclude from such calculations those liquidity requirements that would result from increased collateral needs due to market value movements or declines in value of collateral posted. Where derivative payments are collateralised by HQLA, cash outflows shall be calculated net of any corresponding cash or collateral inflows that would result, all other things being equal, from contractual obligations for cash or collateral to be provided to the bank, if it is legally entitled and operationally capable to re-use the collateral in new cash-raising transactions once the collateral is received. This is in line with the principle that a bank should not double-count liquidity inflows and outflows.	100 percent
Increased liquidity needs related to downgrade triggers embedded in financing transactions, derivatives and other contracts: A bank shall include 100 percent of additional collateral or cash that would be posted for, or contractual cash outflows associated with, any downgrade up to and including a 3-notch downgrade of the banking institution’s long-term credit rating, where downgrade triggers are embedded in derivatives, financing transactions and other contracts. Triggers linked to the bank’s short-term rating shall be assumed to be triggered at the corresponding long-term rating in accordance with published rating criteria. The bank shall assess the impact of its rating downgrade on all types of margin collateral requirements and contractual triggers that may change rehypothecation rights for non-segregated collateral.	100 percent - of the amount of collateral that would be posted for, or contractual cash outflows associated with, any downgrade up to and including a 3-notch downgrade.
Increased liquidity needs related to the potential for valuation changes on posted collateral securing derivative and other transactions: A bank posting non-Level 1 HQLA collateral to reflect potential valuation changes on collateral posted to secure against the mark-to-market valuation of derivatives positions and other transactions, shall include 20 percent of the notional amount required to be posted, after applying the relevant haircuts, and net of collateral received, so long as that such collateral received can be re-used or rehypothecated without limitations, in the calculation of total expected cash outflows.	20 percent

Category	Run Off Rate
Loss of funding on asset-backed securities and other structured financing instruments: A bank shall assume that a re-financing market for funding instruments issued by the entity itself and which are maturing within 30 calendar days will not exist. A bank shall assign a 100 percent outflow rate to the total outstanding amount of these instruments maturing within 30 calendar days. Loss of funding on asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities: Where a bank has structured financing facilities which remain outstanding, such as the issuance of short-term asset-backed commercial paper, a bank shall assume that it is potentially unable to refinance the maturing debt, and shall include 100 percent of the amount of the structured finance instrument maturing within the next 30 calendar days in its expected cash outflows. In cases where derivatives or derivative-like components which may allow the “return” of assets to a bank or require the bank (“asset originator”) to provide liquidity are contractually written into the documentation associated with the structured financing facility, the bank shall include 100 percent of the amount of assets that could potentially be returned, or the liquidity required, in its expected cash outflows. Drawdown on committed credit and liquidity facilities: For the purpose of these Directives, credit and liquidity facilities are defined as explicit contractual agreements or obligations to extend funds at a future date to retail or wholesale counterparties. For the purpose of these Directives, these facilities only include contractually irrevocable (“committed”) or conditionally revocable agreements to extend funds in the future. Unconditionally revocable facilities that are unconditionally cancellable by a bank, in particular, those without a precondition of a material change in the credit condition of the borrower are excluded from this section and included in “Other Contingent Funding Liabilities”. These off-balance sheet facilities or funding commitments can have long or short-term maturities, with short-term facilities frequently renewing or automatically rolling-over. In a stressed environment, it may be difficult for customers drawing on facilities of any maturity, even short-term maturities, to be able to quickly pay back the borrowings. Therefore, for purposes of these Directives, all facilities that are assumed to be drawn, as outlined in the paragraphs below, will remain outstanding at the amounts assigned throughout the duration of the test, regardless of maturity. For the purposes of these Directives, the currently undrawn portion of these facilities is calculated net of any HQLA eligible for the stock of HQLA, if the HQLA have already been posted as collateral by the counterparty to secure the facilities or that are contractually obliged to be posted when the counterparty will draw down the facility such as a liquidity facility structured as a repo facility, if a bank is legally entitled and operationally capable to re-use the collateral in new cash raising transactions once the facility is drawn, and there is no undue correlation between the probability of drawing the facility and the market value of the collateral. The collateral can be netted against the outstanding amount of the facility to the extent that this collateral is not already counted in the stock of HQLA, in line with the principle that items cannot be double counted in these Directives. A liquidity facility is defined as any committed, undrawn back-up facility that would be utilised to refinance the debt obligations of a customer in situations where such a customer is unable to roll over that debt in financial markets such as, pursuant to a commercial paper arrangement, secured financing transactions, obligations to redeem units. For the purpose of these Directives, the amount of the commitment to be treated as a liquidity facility is the amount of the currently outstanding debt issued by the customer or proportionate share, if a syndicated facility maturing within a 30-day period that is backstopped by the facility. The portion of a liquidity facility that is backing debt that does not mature within the 30-day window is excluded from the scope of the definition of a facility. Any additional capacity of the facility, such as the remaining commitment, would be treated as a committed credit facility with its associated drawdown rate as specified in Directive above.	100 percent 100 percent 100 percent

Category	Run Off Rate
General working capital facilities for corporate entities such as revolving credit facilities in place for general corporate or working capital purposes, will not be classified as liquidity facilities, but as credit facilities. Notwithstanding the above, any facility provided to money market funds and special purpose funding vehicles, or other vehicles used to finance an entity's own assets, must be captured in their entirety as a liquidity facility to a financial institution. Any contractual loan drawdowns from committed facilities and estimated drawdowns from revocable facilities within the 30-day period should be fully reflected as outflows: (a) Committed credit and liquidity facilities to retail and small business customers: reporting entities should assume a 5 percent drawdown of the undrawn portion of these facilities; (b) Committed credit facilities to non-financial corporates, sovereigns and central banks, PSEs, and multilateral development banks: reporting entities should assume a 10 percent drawdown of the undrawn portion of these credit facilities; (c) Committed liquidity facilities to non-financial corporates, sovereigns and central banks, PSEs, and multilateral development banks: reporting entities should assume a 30 percent drawdown of the undrawn portion of these liquidity facilities; (d) Committed credit and liquidity facilities extended to supervised financial service providers: reporting entities should assume a 40 percent drawdown of the undrawn portion; (e) Committed credit facilities to other financial institutions including securities firms, insurance companies, fiduciaries, and beneficiaries: reporting entities should assume a 40 percent drawdown of the undrawn portion of these credit facilities; (f) Committed liquidity facilities to other financial institutions including securities firms, insurance companies, fiduciaries, and beneficiaries: reporting entities should assume a 100 percent drawdown of the undrawn portion of these liquidity facilities; and (g) Committed credit and liquidity facilities to other legal entities including Special Purpose Entities (SPE), conduits, special purpose vehicles, and other entities not included in the prior categories: reporting entities should assume a 100 percent drawdown of the undrawn portion of these facilities.	5 percent 10 percent 30 percent 40 percent 40 percent 100 percent 100 percent
Contractual obligations to extend funds within a 30-day period. Any contractual lending obligations to financial institutions not captured elsewhere in these Directives should be captured here at a 100 percent outflow rate. If the total of all contractual obligations to extend funds to retail and non-financial corporate clients within the next 30 days, not captured in the prior categories, exceeds 50 percent of the total contractual inflows due in the next 30 days from these clients, the difference should be reported as a 100 percent outflow.	100 percent 100 percent
Other contingent funding obligations: these contingent funding obligations may be either contractual or non-contractual and are not lending commitments. Non-contractual contingent funding obligations include associations with, or sponsorship of, products sold or services provided that may require the support or extension of funds in the future under stressed conditions. Non-contractual obligations may be embedded in financial products and instruments sold, sponsored, or originated by the institution that can give rise to unplanned balance sheet growth arising from support given for reputational risk considerations. These include products and instruments for which the customer or holder has specific expectations regarding the liquidity and marketability of the product or instrument and for which failure to satisfy customer expectations in a commercially reasonable manner would likely cause material reputational damage to the institution or otherwise impair ongoing viability.	

Category	Run Off Rate
Some of these contingent funding obligations are explicitly contingent upon a credit or other event that is not always related to the liquidity events simulated in the stress scenario but may nevertheless have the potential to cause significant liquidity drains in times of stress. A bank shall consider which of these “other contingent funding obligations” may materialize under the assumed stress events. A bank shall calculate the expected cash outflows for liquidity calls arising from contingent funding obligations according to the following outflow rates: Other Contractual Cash Outflows: A bank shall apply a 100 percent run-off factor for any other contractual cash outflows maturing within the next 30 days such as outflows to cover unsecured collateral borrowing, uncovered short positions, dividends, or contractual interest payment. The bank shall provide an explanation as to what comprises each bucket. However, outflows related to operating cost are excluded in these Directives.	100 percent

Part Two: Outflow rates for contingent funding obligations:

Category	Run Off Rate
Unconditionally revocable (uncommitted) credit and liquidity facilities Contingent funding obligations related to trade finance such as documentary trade letters of credit, documentary, and clean collection, import bills and export bills, guarantees directly related to trade finance obligations. Non-contractual contingent funding obligations related to potential liquidity draws by consolidated joint ventures or minority investments in entities. Guarantees and letters of credit unrelated to trade finance obligations. Potential request for debt repurchases of the bank’s own debt or that of related conduits, Structured investment vehicle (SIV) and other such financing facilities. Structured products where customers anticipate ready marketability, such as adjustable-rate notes and variable-rate demand notes. Managed funds that are marketed with the objective of maintaining a stable value (e.g. money market mutual funds, other types of stable collective investment funds, etc.) Outstanding debt securities having maturities greater than 30 days whereby the bank or its affiliate is a dealer or market maker. Contingent funding obligations related to trade finance such as documentary trade letters of credit, documentary, and clean collection, import bills and export bills, guarantees directly related to trade finance obligations. Non-contractual obligations where customers’ short positions are covered by other customers’ collateral, where the collateral does not qualify as Level 1 or Level 2A assets. Any other contingent funding obligation not covered above.	0 percent 5 percent of trade finance obligations 50 percent of the collateral amount used to cover customers’ short position. 100 percent of the total outstanding amount.

SCHEDULE III: COMPOSITION OF CASH INFLOWS AND APPLICABLE INFLOW RATE

Part One: Cash Inflows and Applicable Inflow Rates

Category	Inflow Rate
When considering its available cash inflows, the bank must only include contractual inflows (including interest payments) from outstanding exposures that are fully performing and for which the entity has no reason to expect a default within the 30-day time horizon. Contingent inflows, including facilities obtained from the Bank or other party, must not be included in total net cash inflows. In order to prevent a bank from relying solely on anticipated inflows to meet its liquidity requirement, and also to ensure a minimum level of HQLA holdings, the amount of inflows that can offset outflows is capped at 75 percent of total expected cash outflows as calculated in these Directives. This requires that a bank must maintain a minimum amount of stock of HQLA equal to 25 percent of its total cash outflows. 1. Secured lending, including reverse repos and securities borrowing. (a) A bank shall assume that maturing reverse repurchase or securities borrowing agreements secured by Level 1 assets will be rolled over and will not give rise to any cash inflows. (b) Maturing reverse repurchase or securities lending agreements secured by Level 2A assets must lead to cash inflows equivalent to the relevant haircut for the specific assets. (c) A bank is assumed not to roll over maturing reverse repurchase or securities borrowing agreements secured by non-HQLA assets and may assume to receive back 100 percent of the cash related to those agreements. (d) As an exception to (a) if the collateral obtained through reverse repo, securities borrowing, or collateral swaps, which matures within the 30-day horizon, is re-used or rehypothecated and is used to cover short positions that could be extended beyond 30-days, a bank must assume that such reverse repo or securities borrowing arrangements will be rolled-over and not give rise to any cash inflows, reflecting its need to continue to cover the short position or to repurchase the relevant securities. (e) If the collateral obtained from secured lending transactions is not used to cover a bank's short position, the bank shall apply the inflow rates in Part Two of Schedule III from maturing reverse repurchase or securities borrowing agreements based on the type of asset securing the transaction.	0 percent 15 percent 100 percent 100 percent 0 percent
2. Committed facilities No credit facilities, liquidity facilities or other contingent funding facilities that the bank holds at other institutions for its own purposes are assumed to be able to be drawn. Such facilities shall receive a 0 percent inflow rate, meaning that this scenario does not consider inflows from committed credit or liquidity facilities.	0 percent
3. Other inflows by counterparty For all other types of transactions, either secured or unsecured, the inflow rate will be determined by counterparty. In order to reflect the need for a bank to conduct ongoing loan origination/roll-over with different types of counterparties, even during a time of stress, a set of limits on contractual inflows by counterparty type is applied. When considering loan payments, a bank should only include inflows from fully performing loans. Further, inflows should only be taken at the latest possible date, based on the contractual rights available to counterparties. For revolving credit facilities, this assumes that the existing loan is rolled over and that any remaining balances are treated in the same way as a committed facility according to Part One of Schedule III under Committed Facilities. Inflows from loans that have no specific maturity such as those with non-defined or open maturity, should not be included; therefore, no assumptions should be applied as to when maturity of such loans would occur. An exception to this would be minimum payments of principal, fee or interest associated with an open maturity loan, provided that such payments are contractually due within 30 days. These minimum payment amounts should be captured as inflows at the rates prescribed in Part One of Schedule III under Retail and small business customer inflows and Other wholesale Inflows.	

Category	Inflow Rate
4. Retail and small business customer inflows A bank is assumed to receive all payments, including interest payments and instalments, from retail and small business customers that are fully performing and contractually due within a 30-day horizon. At the same time, however, reporting entities are assumed to continue to extend loans to retail and small business customers, at a rate of 50 percent of contractual inflows. This results in a net inflow of 50 percent of the contractual amount.	50 percent of the contractual amount
5. Other Wholesale inflows A bank is assumed to receive all payments, including interest payments and instalments, from wholesale customers that are fully performing and contractually due within the 30-day horizon. In addition, a bank shall assume to continue to extend loans to wholesale clients, at a rate of 0 percent of inflows for financial institutions and central banks, and 50 percent for all others, including non-financial corporates, sovereigns, multilateral development banks, and PSEs. This will result in an inflow percentage of: (a) 100 percent for financial institutions and central bank counterparties; and (b) 50 percent for non-financial wholesale counterparties. Inflows from securities maturing within 30 days not included in the stock of HQLA should be treated in the same category as inflows from financial institutions at 100 percent inflow.	100 percent 50 percent 100 percent
6. Operational deposits A bank will apply 0 percent inflow rate for all deposits held at other financial institutions for operational purposes. It is assumed that operational deposits for activities such as clearing, custody and cash management purpose stay at those institutions and no inflow can be counted for these funds.	0 percent
7. Other cash inflows Derivatives cash inflows: the sum of all net cash inflows should receive a 100 percent inflow factor. The amounts of derivatives cash inflows and outflows should be calculated in accordance with the methodology described in Part One of Schedule II under Additional Required Cash Outflows. Where derivative payments are collateralised by HQLA, cash outflows should be calculated net of any corresponding cash or collateral inflows that would result, all other things being equal, from contractual obligations for cash or collateral to be provided to the bank, if the bank is legally entitled and operationally capable to re-use the collateral in new cash raising transactions once the collateral is received. This is in line with the principle that a bank should not double-count liquidity inflows and outflows. Other Contractual Cash Inflows: A bank shall explain all other contractual cash flows included in this bucket to the Bank. These items receive an inflow rate of 100 per cent. Cash inflows related to non-financial revenues are not considered in the calculation of the net cash outflows for the purposes of the LCR.	100 percent 100 percent

Part Two: Inflow rates from maturing reverse repurchase or securities borrowing agreements.

<i>Maturing secured lending transactions backed by the following Asset Category:</i>	<i>Inflow Rate (if Collateral is not used to cover short positions)</i>	<i>Inflow Rate (If collateral is used to cover short positions)</i>
Level 1 HQLA	0 percent	0 percent
Level 2A HQLA	15 percent	0 percent
Margin lending secured by all other collateral	50 percent	0 percent
All other collateral	100 percent	0 percent

ADVT—510—2685529

Notice of Change of Name by Deed Poll

BY THIS DEED POLL, which is intended to be registered in the Miscellaneous Register at the District Registry of the High Court of Zambia, I, the undersigned Mulenga Kalindo Brighton of House No. 322, Mindolo Township, Kitwe, in the Copperbelt Province of the Republic of Zambia, by birth and descent do hereby for myself absolutely and entirely renounce, relinquish and abandon the use of my former names of Mulenga Brighton.

And I hereby declare that I shall in all records of deeds, certificates and all other records and transactions, dealings and upon all occasions whatsoever use and subscribe my full names as Mulenga Kalindo Brighton in lieu of my renounced names aforesaid.

And further hereby authorise and request all persons to designate and address me by such assumed names of Mulenga Kalindo Brighton.

In witness whereof, I hereunto sign my assumed names of Mulenga Kalindo Brighton.

Dated at Kitwe this 23rd day of February, 2026.

Signed, sealed and delivered by the above named Mulenga Kalindo Brighton formerly known as Mulenga Brighton, in the presence of:

A. SIKALUMBI,
Machine Operator

HOUSE NO. 322, MINDOLO TOWNSHIP
KITWE

ADVT—511—2685466

Notice of Change of Name by Deed Poll

TAKE NOTICE THAT BY THIS DEED POLL, dated this 16th February, 2026 and registered in the District Registry of the High Court for Zambia, I, the undersigned Constance Nankamba of the Senga Hill District in the Northern Province of the Republic of Zambia, a citizen of the Republic of Zambia and holder of National registraion card No. 370092/64/1, now lately called Temwa Constance Nankamba do hereby for myself absolutely and entirely renounce, relinquish and abandon my former name Temwa Constance Nankamba.

And in pursuance of such change of name as aforesaid, I do hereby declare that I shall at all times hereafter in all records, documents and all dealings and transactions and upon all occasions whatsoever sign and subscribe the said name Constance Nankamba in lieu of the name Temwa Constance Nankamba renounced as aforesaid.

And I hereby authorise and request all persons to designate and address me by such assumed name of Constance Nankamba.

In witness whereof, I have hereunto signed my assumed names of Constance Nankamba and relinquished name of Temwa Constance Nankamba and have hereunder set my hande and seal the day and year first before written.

Signed, sealed and delivered by the above named Constance Nankamba, in the presence of:

W. KASONGO,
Assistant Registrar

P. O. Box 410051
KASAMA

ADVT—512—2587670

Notice of Change of Name by Deed Poll

BY THIS DEED POLL, made on the 19th day of February, 2026 intended to be registered at Principal Registry of the High Court of Zambia, I, the undersigned Winpegy Muleya Hang'andu, Pembe, Southern Province in the Republic of Zambia, a Zambian National and holder of national Registraion card No. 353628/73/1, do hereby absolutely and entirely relinquish and abandon the use of the names of Winpegy Muleya Hang'andu so that I may be called, known, associated, distinguished not by my former names but by the following names Winpegy Hang'andu.

And I expressly authorise and request all persons at all times to designate and address me by such names of Winpegy Muleya Hang'andu as aforesaid.

In witness hereof, I hereby unsubscribe my former names of Winpegy Muleya Hang'andu and adopt and assume the names of Winpegy Hang'andu.

Signed, sealed and delivered by the said Winpegy Hang'andu at Lusaka this 19th day of February, 2026, in the presence of:

S. KAPYANGA,
Court Marshall

P. O. Box 50067
LUSAKA

ADVT—513—2587658

Notice of Change of Name by Deed Poll

BY THIS DEED POLL, dated this 19th February, 2026 and intended to be registered at the Principal Registry of the High Court for Zambia at Lusaka, I, Mwale Mirriam Chalewa of Chelstone, 2104, Mutovu Street, Lusaka, in the Lusaka Province of the Republic of Zambia, holder of National Registraion Card No. 127857/56/1 do hereby absolutely, entirely, relinquish and abandon the use of my former names of Mwale Mirriam Chalewa and I hereby adopt the names of Mwale Mirriam be my names from the date thereof.

And in pursuance of such change of name as aforesaid, I declare that I shall at all times hereafter in all accords, deeds, actions, dealings, transactions and in all proceedings and upon all occasions whatsoever use and subscribe my names to the intent that my names shall be Mwale Mirriam.

And I hereby request and authorise all persons to address and designate me by such assumed adopted and original names of Mwale Mirriam.

In witness whereof, I have hereunto signed my assumed names of Mwale Mirriam and have set my hand and seal this 19th day of February, 2026.

Signed, sealed and delivered by the said Mwale Mirriam Chalewa at Lusaka this 19th day of February, 2026, in the presence of:

C. KAPUTO,
Registry Clerk

P. O. Box 50067
LUSAKA

ADVT—514—2587612

Notice of Change of Name by Deed Poll

BY THIS DEED POLL, made on the 16th day of February, 2026 by me the undersigned Namwate Love malik Kauya of Plot No. 10, Kiwi Street, Salama Park, in the Lusaka District of the Lusaka Province of the Republic of Zambia now formerly called Loveness Malik Kauya do hereby for myself absolutely and entirely renounce, relinquish and abandon the use of my former name of Loveness Malik Kauya and in lieu thereof to assume as from the date hereof the name of Namwate Love Malik Kauya.

And in pursuance of such change of name as aforesaid, I hereby declare that I shall at all times hereafter in all records, deeds and instruments in writing and in all dealings and transactions and upon all occasions whatsoever to assign and use and subscribe the name of birth of Loveness Malik Kauya as my name in lieu of the aforesaid renounced name.

And hereby authorise and request all persons to designate, describe and address me by such assumed names to the intent that my full name shall be Namwate Love Malik Kauya.

In witness whereof, I have signed my assumed names of Namwate Love Malik Kauya and hereunto affixed my hand and seal the day and year first before written.

Signed, sealed and delivered by the said Namwate Love Malik Kauya formerly Loveness Malik Kauya, in the presence of:

R. MULYATA,
Library Officer

HOUSE NO. 31196, CHALALA
LUSAKA