



OFFICE OF THE DEPUTY GOVERNOR – OPERATIONS

BOZ/EXE/DGO/fmkts/bp

July 31, 2026

CB Circular No. : 10/2026

To : All Heads of Commercial Bank

ADJUSTMENT TO THE KWACHA STATUTORY RESERVE RATIO, STATUTORY RESERVE COMPLIANCE AND OVERNIGHT LENDING FACILITY MARGIN

Reference is made to CB Circular No. 02/2024 dated February 2, 2024, CB Circular No. 13/2019 dated November 20, 2019, and CB Circular No. 14/2019 dated December 9, 2019.

Pursuant to Gazette Notice No. 1243 of 2026, the Bank of Zambia wishes to advise all commercial banks that with effect from Monday, August 3, 2026, the minimum statutory reserve ratio on Kwacha deposits, including Government and Vostro deposits, has been reduced by 5 percentage points to 21.0 percent from 26.0 percent. The minimum statutory reserve ratio on foreign currency deposits has been maintained at 26.0 percent.

In addition, commercial banks will now be required to comply with statutory reserve requirements on both Kwacha and foreign currency deposits on a weekly basis as opposed to the daily compliance currently in place. In terms of compliance, these measures will commence with the maintenance period running from August 3, 2026, to August 9, 2029, which is based on the Weekly Return of Selected Assets and Liabilities for Wednesday, July 29, 2026.

Further, commercial banks are hereby advised that the margin of the Overnight Lending Facility (OLF) above the prevailing Bank of Zambia Monetary Policy Rate has been reduced by 5 percentage points to 11.50 percentage points from 16.50 percentage points. This means that the OLF rate will be at 24.75 percent with immediate effect.

These measures have been taken in view of the eased inflationary conditions supportive of a lower inflation path as well as the stability in the foreign exchange market. The Bank of Zambia will continue to closely monitor developments in the macroeconomic environment and stands ready to take appropriate action as and when the need arises.

PP 

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DEPUTY GOVERNOR – OPERATIONS

cc Governor