



Tel. 228888 / 228903 - 20

BANK OF ZAMBIA
P.O. Box 30080,
LUSAKA 10101

12 January 2001

CB Circular No. 04/2001

To: All Commercial Banks

Dear Sirs/Madam

STATUTORY RESERVE RATIO

Kindly refer to circular No. SCH/CB/10/2000 dated 11th December 2000.

Commercial banks are hereby advised that the minimum statutory reserve ratio has been revised upwards by 4 percentage points to 15%. As before, this adjustment also applies to the foreign currency deposits.

In keeping with the standard ten days transition period, the new statutory reserve ratio of 15% will become effective on Monday, January 22, 2001.

This adjustment has been necessitated by the need for the Bank of Zambia to further address the continued instability in the macroeconomic environment, particularly with respect to growth in money supply and rapid depreciation of the Kwacha.

As usual, further adjustments to the reserve ratio requirements will depend on the situation regarding macroeconomic stability.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Mwenda".

Dr. Abraham Mwenda
DEPUTY GOVERNOR - OPERATIONS