



Tel. 228888 / 228903 - 20

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

27 February 2001

CB Circular No. 10/2001

To: ALL COMMERCIAL BANKS

Dear Sir/Madam

CORE LIQUID ASSETS RATIO

Kindly refer to circular No. SCH/CB/1/98 dated January 14, 1998.

Commercial banks are hereby advised that the Core Liquid Assets Ratio (CLAR) has been revised upwards by 10 percentage points to 35%.

In keeping with the statutory requirement of ten days grace period, the new CLAR of 35% will become effective on Thursday, March 8, 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 the loose liquidity conditions in the market and re-emergence of massive pressure in the foreign exchange market.

As usual, further adjustments to the CLAR will depend on the situation regarding macroeconomic stability.

Yours faithfully

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

Dr A Mwenda
DEPUTY GOVERNOR - OPERATIONS