



## BANK OF MAURITIUS

website: <http://bom.intnet.mu>

### PUBLIC NOTICE

#### **EQUIVALENCE BETWEEN THE LOMBARD RATE AND THE REPO RATE**

On 18 December 2006, the Bank of Mauritius abolished the Lombard Rate and introduced the Repo Rate as the policy interest rate of the Bank. The introduction of the Repo Rate at 8.50 per cent did not indicate a reduction in the policy interest rate of the Bank.

As some licensed financial institutions had linked their lending interest rates to the Lombard Rate, there has been some confusion in the public about the Lombard Rate and its equivalence in terms of the Repo Rate.

It is hereby mentioned for public information that interest rates that were, on 18 December 2006, linked to the Lombard Rate of 13.00 per cent should be deemed to have been linked to the Repo Rate of 8.50 per cent plus 4.50 percentage points; that is, there would not have been any change in the level of the interest rates.

The Repo Rate today being 8.00 per cent, its equivalent in terms of the then Lombard Rate would be 8.00 per cent plus 4.50 percentage points, i.e. 12.50 per cent.

*Bank of Mauritius*  
*21 May 2008*