



BANQUE DE LA REPUBLIQUE DU BURUNDI



Economic indicators

October 2020

I. INTRODUCTION

The following main economic indicators concerned the developments at the end of October 2020, in the real sector and prices, the public finance, the foreign trade, the exchange rate, the broad money and its counterparts and the main financial soundness indicators.

Year on year basis, the real sector was characterized by an increase of industrial and coffee production while tea production decreased. The inflation increased compared to the same period in October 2019.

The trade balance worsened whilst the fiscal deficit (excluded grants) eased. Burundi Franc depreciated against the US Dollar.

The monetary sector was characterized by an increase of both, reserve money and money supply. The balance sheet of the banking sector improved at the end of October 2020. In terms of financial soundness, the banking sector remained sufficiently capitalized, solvent and profitable.

II. PRODUCTION

Year -on- year basis, the industrial production and tea production increased in October 2020.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index rose by 25.3% in October 2020, standing at 199.6 from 159.4. This increase was mainly driven by the rise of production of BRARUDI

beverages (+ 8.6%), sugar (+ 42.7%) and cigarettes (+ 68.5%).

However, Compared to the previous month, this index decreased by 5.2%, mainly driven by the decline production of BRARUDI beverages (-6.6%), cigarettes (-7.0%) and soaps (-14.9%). However, the production of sugar (+ 1.3%), cottonseed oil (+ 23.1%) and paints (+ 5.4%) increased.

II.2. Coffee

The production of parchment coffee for the 2020/2021 campaign rose by 25.7 percent at the end of October 2020 compared to the same period of the previous campaign, reaching to 1,413 against 1,124 tonnes. This increase was due to the cyclicity of the coffee.

II.3. Tea

In October 2020, the production of green leaf tea decreased by 17.8 percent compared to the same period in 2019, amounting to 2,496.8 against 3,039.1 tonnes. Likewise, the cumulative production fell by 3.4% at the end of October 2020, standing at 42,140.4 against 43,629.2 tonnes recorded in the same period in 2019.

III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation rose by 7.0 percent in October 2020 compared to 4.0 percent recorded in the same period of the previous year. This increase is mainly driven by

the rise of food inflation (+12.1 against + 6.4%) and, to a lesser extent, of non-food inflation (+2.0 against + 1.8%).

Headline inflation and its main components (base 2016/2017=100)

| | oct-19 | | oct-20 | |
|---|--------------|------------|--------------|-------------|
| | CPI | Inflation | CPI | inflation |
| Headline Inflation | 111,7 | 4,0 | 119,5 | 7,0 |
| 1. Food | 105,7 | 6,4 | 118,5 | 12,1 |
| -Bread and cereals | 110,9 | 12,0 | 118,5 | 6,9 |
| - Meat | 130,6 | 13,5 | 143,6 | 10,0 |
| - Fish and seafood | 148,8 | 32,5 | 155,2 | 4,3 |
| - Milk, cheese and eggs | 114,6 | 3,0 | 123,5 | 7,8 |
| -Oils and fats | 116,3 | 6,3 | 116,7 | 0,3 |
| - Fruits | 114,0 | -10,1 | 141,6 | 24,2 |
| - Vegetables | 92,8 | 0,2 | 111,0 | 19,6 |
| -Sugar, jam, honey, chocolate and confectionery | 108,2 | 0,6 | 111,6 | 3,1 |
| -undefined food elsewhere | 120,1 | 2,5 | 128,3 | 6,8 |
| 2. Non food | 118,2 | 1,8 | 120,6 | 2,0 |
| - Alcoholic beverages, tobacco | 112,6 | -2,3 | 114,5 | 1,7 |
| - clothing and footwear articles | 121,8 | 3,8 | 129,1 | 6,0 |
| - Housing, water, electricity, gas and other fuels | 123,0 | 2,5 | 128,8 | 4,7 |
| - Furnishing, household equipment and routine maintenance | 120,4 | 2,4 | 121,5 | 0,9 |
| - Health | 118,2 | 3,6 | 121,7 | 3,0 |
| - Transport | 117,0 | -1,9 | 117,0 | 0,0 |
| - Communication | 101,3 | 0,1 | 101,4 | 0,1 |
| - leisure and culture | 129,5 | 12,5 | 130,9 | 1,1 |
| - Education | 139,6 | 2,5 | 142,0 | 1,7 |
| - Restaurants and hotels | 114,0 | 0,4 | 113,3 | -0,6 |
| - Other goods and services | 119,8 | 2,9 | 121,9 | 1,8 |
| Energy and fuels | 135,4 | 1,0 | 144,7 | 6,9 |
| 3. Core Inflation | 115,9 | 4,2 | 119,1 | 2,8 |

Source: BRB, from ISTEUBU data

Food inflation is mainly explained by the rise of the prices of the sub-headings "Fruits" (+24.2 against -10.1%), "Vegetables" (+19.6 against 0.2%), "Milk, cheese and eggs" (+7.8 against 3.0%) as well as other food products (+6.8 against 2.5%).

The moderate rise of non-food inflation is mainly explained by an increase of the prices of the sub-headings "housing, water, electricity, gas and other fuels" (+ 4.7 against + 2.5%), "clothing and footwear" (+ 6.0 against + 3.8%) and "Alcoholic beverages and tobacco"

(+1.7 against -2.3%) combined with the decline prices for the "Restaurants and hotels" sub-heading (-0.6 against 0.4%).

Year-on-year basis, the price index combining the prices of energy, fuel and other fuels increased in October 2020 compared to the same period of the previous year (+6.9 against + 1.0%).

Headline inflation excluding food and energy prices, which is the proxy of core inflation, slowed down in October 2020 compared to the same period of the previous year (+ 2.8 against + 4.2%).

IV. TRADE BALANCE

In October 2020, the trade balance deficit worsened compared to the same period of 2019, due to the increase of imports (to BIF 1,467.9 billion from 1,344.6 billion) and to the decrease of exports (to BIF 253.0 billion from 288.1 billion). Total trade (imports + exports) increased by 5.4%.

IV.1 Exports

Compared to the corresponding period in 2019, exports decreased both in value (-12.2%) and in volume (-5.2%) at the end of October 2020 compared to the corresponding period in 2019.

In value, the decrease mainly concerned exports of primary products (to BIF171,972.1 million from 229,454.6 million); on the other

hand, exports of manufactured products increased (to BIF 81,006.0 million from 58,617.9 million).

The decrease of primary products mainly concerned non-monetary gold (-25.3%) and exports of coffee (-42.8%). On the other hand, the increase of manufactured products was mainly driven by cigarettes (+ 80.2%) and products classified in “Other ” (+ 55.0%).

In terms of volume, the decrease of exports concerned manufactured products (46,447 against 51,264 tonnes) while the primary products increased (34,291 against 33,881 tonnes).

IV.2 Imports

Cumulative imports increased by 9.2% in value and 3.8% in volume at the end of October 2020 compared to the same period in 2019.

In value terms, this increase mainly concerned intermediate goods (BIF 643,999.1 million against 602,427.4 million), capital goods (BIF 307,009.0 million against 227,278.1 million) and, to a lesser extent, consumer goods (BIF 516,931.0 million against 514,938.9 million).

The rise of intermediate goods is attributed to the increase of metallurgical goods imports (+44.2%), agriculture and livestock goods (+41.0%) and chemicals goods (+32.0%). However, imports of goods for construction declined (-9.3%).

The increase of capital goods was mainly

driven by electrical equipment (+96.0%), boilers and mechanical equipment (+41.5%) and parts and tools (+70.6%).

The increase of consumer goods was mainly driven by vehicles (+21.9%) and food goods (+3.8%) whilst imports of textiles declined (-25.9%).

In terms of volume, imports of intermediate goods increased to 739,974 from 702,405 tonnes and capital goods imports increased to 46,284 from 42,043 tonnes. However, the volume consumer goods fell to 194,583 from 200,471 tonnes.

V. EXCHANGE RATE

Compared to the same period in 2019, the BIF depreciated by 3.62% against the US Dollar in October 2020; the monthly average exchange rate stood at 1,934.21 compared to BIF 1,866.69 for a unit of US Dollar.

At the end of the period, the BIF depreciated by 3.59% against the US Dollar, the exchange rate rose from 1,869.60 to 1,936.54 BIF for a unit of US Dollar from the end of October 2019 to the end of October 2020.

VI. GOVERNMENT FINANCIAL OPERATIONS

At the end of October 2020, the overall fiscal deficit (excluding grants) eased compared to the same period of the previous year, amounting to BIF 382,261.8 million from BIF 456,296.5 million, following the increase of revenue and the decrease of expenditure.

VI.1. Revenue

Cumulative revenue rose by 7.3 percent at the end of October 2020, standing at BIF 884,883.5 million against BIF 824,972.7 million recorded in the same period of the previous year, driven by the increase of tax revenue (BIF +55,525.5 million) and non-tax revenue (BIF +4.385.2 million).

On the other hand, revenue collected in October 2020 decreased by 3.8 percent compared to the same month in 2019, standing at BIF 92,487.3 million against BIF 96,140.5 million. This decrease concerned tax revenue (BIF -4.162.4 million), non-tax revenue slightly increased (BIF +509.2 million).

VI.2. Expenditure

Cumulative expenditure slightly declined by 1.1 percent at the end of October 2020, standing at BIF 1,267.1 billion against BIF 1,281.3 billion in the same period in 2019. Expenditure incurred in October 2020 decreased by 37.8 percent compared to the same month in 2019, amounting to BIF 94,368.3 million against BIF 151,672.9 million. Cumulative compensation of employees rose by 23.7 percent at the end of October 2020, amounting to BIF 453,256.5 million against BIF 366,290.1 million in the same period in 2019.

VI.3. Public debt

The outstanding public debt increased by 18.4% at the end of October 2020, standing at 3,811.7 against BIF 3.218.3 billion in the corresponding period of the previous year, driven by the increase of both domestic debt (+ 24.5%) and external debt (+ 7.8%).

Compared to the previous month, the outstanding public debt slightly picked up by 0.6%, driven by the increase of domestic debt (+ 0.6%) and external debt (+0, 4%).

VI.3.1 Domestic Debt

Year-on-year basis, domestic debt increased by BIF 526.922,0 million at the end of October 2020, from 2,280.8 to BIF 2,807.8 billion. This increase mainly concerned Government's debt towards the banking sector, in the form of Treasury securities (BIF +281,976.3 million) and overdraft from the Central Bank to the Government (BIF +150,000 million).

Compared to the previous month, the domestic debt rose by BIF 17,104.0 million, driven by the increase of Government's debt towards the banking sector (BIF +21,904.0 million), partially offset by the decrease of Government's debt to the non-financial sector (BIF -4,800.0 million).

VI.3.2. External Debt

Year-on-year basis, the external debt increased by BIF 66,440.9 million at the end of October 2020, amounting to 1,003.9 from BIF 937.5 billion. This increase resulted from drawings (BIF 35,856.6 million) and revaluation gains (BIF 52,083.9 million) which exceeded the amortization of the principal debt (BIF 21,499.5 million).

Compared to the previous month, the outstanding external debt slightly increased (+BIF3,924.1 million), driven by new drawings (BIF 2,949.3 million) and revaluation gains (BIF 3,681.4 million) which offset depreciation (BIF 2,706.6 million).

Expressed in US Dollar, external debt increased by USD 16.8 million year-on-year basis, amounting to USD 519.0 million at the end of October 2020 from USD 502.2 million.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

The reserve money and the money supply increased at the end of October 2020, resulting from the increase of net domestic assets.

VII.1. Reserve Money

At the end of October 2020, the reserve money increased by 14.6 against 7.6% in the same period in 2019, from BIF 613,077.1 million to BIF 702,346.1 million, mainly due to the

increase of currency outside the Central Bank (+18.7 against +17.0%) and deposits from commercial banks (+15.3 against -15.2%).

VII.2. Broad money

Extended broad money supply (M3) increased by 22.8% at the end of October 2020 compared to an increase of 19.7% recorded in the corresponding period in 2019, standing at BIF 2,555.7 billion against BIF 2,080.4 billion. This increase of extended broad money supply (M3) is driven by the rise of M2 money supply (+23.5 against +20.9%) and resident's deposits denominated in foreign currencies (+16.1 against +8.0%).

The growth of M2 money supply focused on demand deposits (+15.1% against +33.8%), term and savings deposits (+43.8 against +14.9%) as well as the currency outside banks (+19.1 versus +21.5%).

The increase of demand deposits denominated in BIF was mainly driven by household deposits (+27.4 against +27.8%), those of public non-financial corporations (+16.6 compared to +1.9%) and those classified in other accounts (+72.2 versus -17.3%).

The rise of term deposits and savings denominated in BIF concerned the deposits of other non-financial corporations (+80.0 against +47.8%), households (+35.1 against +20.0%) and those classified as other accounts (+18.5 against +5.2%). In contrast, term and savings

deposits of public non-financial corporations continued to decline (-37.7 vs. -67.0%).

The progress of foreign currency deposits held by residents concerned those of households (+28.1 against +6.4%), other non-financial corporations (+7.6 compared -3.3%) and those classified in other accounts (+4.6 against +43.6%). On the other hand, the deposits of public non-financial corporations continued to decline (-17.2 against -54.3%).

VII.3. Counterparts

Year-on-year basis, domestic credit (BIF 3,380.2 billion against BIF 2,714.3 billion) rose by 24.5% at the end of October 2020 against 16.2% recorded in the same period in 2019, on account of the rise in both net claims on the Government (+33.7 against +19.2%) and claims on the economy (+12.9 against +12.6%).

This increase of net claims on the Government concerned those of commercial banks (+27.8 against +44.9%) and those of Central Bank (+65.0 against -36.5%).

Net foreign assets declined by 29.2% at the end of October 2020. This decrease was the result from the increase of foreign liabilities (+31.1 against -5.1%) which offset the rise of gross foreign assets (+32.8 against -1.0%).

The Official foreign exchange reserves rose by 14.0% at the end of October 2020. These

reserves covered 0.8 month of imports of goods and services, the same level as in the same period in 2019.

VIII. MAIN INDICATORS OF BANKING SECTOR

Year-on-year basis, the total balance sheet of the banking sector improved in October 2020. In assets, this increase was driven by investments in Treasury securities and loans to the economy. In liabilities, it was driven by the rise of customer deposits. The quality of the loans portfolio improved slightly and the banking sector remained adequately capitalized.

VIII.1. Assets

The banking sector's assets increased by 19.2% at the end of October 2020, standing at BIF 3,722.4 billion against BIF 3,123.2 billion in the corresponding period in 2019. This increase was mainly due to the rise of investments in Treasury securities (+ 22.0%) and loans to the economy (+ 17.8%).

The share of Treasury securities in total assets remained preponderant. It reached 42.5% of total assets at the end of October 2020 from 41.5% in the corresponding period in 2019. The share of credit to the private sector slightly declined from 34.6 to 34.2%.

VIII.2. Liabilities

The customer deposits increased by 25.6% year-on-year, amounting to BIF 2.186.9 billion

at the end of October 2020 against BIF 1.740.5 billion.

The Central Bank's refinancing to commercial bank fell by 21.0%, standing at BIF 325.3 billion at the end of October 2020 against BIF 411.9 billion in the corresponding period in 2019.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

At the end of October 2020, the total equity of the banking sector increased compared to the same period in 2019. As a result, the capital adequacy and profitability ratios slightly improved.

IX.1. Capital Adequacy

Year-on-year basis, the banking sector's equity slightly increased, amounting to BIF 442,967.3 million at the end of October 2020 against BIF 358,250.0 million in the corresponding period in 2019.

The Tier 1 and overall capital adequacy ratios slightly improved, standing respectively from 27.8% and 30.1% at the end of October 2020 to 28.6% and 30.7% in the corresponding period of 2019. Likewise, the leverage ratio slightly increased from 10.6 to 11.1%.

IX.2. Quality of loans portfolio

Year-on-year basis, the quality of loans portfolio improved. The deterioration rate fell from 7.7% at the end of October 2019 to 6.2% at the end of October 2020, mainly due to write-off of loss loans with maturity exceeding

twenty-four months in the balance sheet of credit institutions.

Year-on-year basis, the deterioration rates fell in the sectors of industry (from 14.6 to 0.6%); trade (5.4 against 6.6%), construction (from 6.9 to 5.0 %) and tourism (39.5 against 48.0%). On the other hand, the credit portfolios deteriorated in agriculture (5.8 to 10.6) and tourism (40.1% to 43.5%) sectors compared to the corresponding period in 2019.

Non-performing loans decreased by 27.7% at the end of October 2020, standing at BIF 49,401.3 million against BIF 68,293.6 million in the corresponding period in 2019.

The risk of concentration on large exposure remained significant, standing at 31.8% of the overall credit portfolio at the end of October 2020 against 27.1% recorded in the corresponding period in 2019.

However, the concentration risk in the commerce sector remains high, standing at 28.9% at the end of October 2020 against 31.8% in the corresponding period in 2019.

IX.3. Profitability

The Banking Sector's Gross Income grew by 14.1% year-on-year basis, amounting to BIF 241,960.3 million at the end of October 2020 against BIF 211,969.4 million at the end of October 2019.

Likewise, the Net Profit rose by 20.6%, standing at BIF 125,960.3 million against BIF 103,692.7 million.

The Return on Assets (ROA) slightly increased from 3.3 to 3.4% while Return on Equity (ROE) slightly declined from 28.9% to 28.2%.

IX.4. Liquidity

At the end of October 2020, the Liquidity Coverage Ratio (LCR) in BIF decreased, standing at 225.3 against 231.8% in the corresponding period in 2019.

On the other hand, the Liquidity Coverage Ratio in foreign currencies rose year-on-year basis, from 126.1 to 193.5%.

Likewise, the concentration risk on deposits increased. The share of the ten large depositors in total deposits stood at 52.1% at the end of October 2020 from 45.7% in the corresponding period in 2019.

APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF OCTOBER 2020

| | Aug-19 | Sep-19 | oct-2019 | Aug-20 | Sep-20 | oct-2020 |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|
| I. PRODUCTION AND PRICE | | | | | | |
| 1. Industrial Production Index (monthly average, 1989 = 100) | 194,5 | 169,9 | 159,4 | 213,8 | 210,6 | 199,6 |
| 2. Production of Arabica parchment Coffee (cumulation in T) | 7 483,4 | 8 327,0 | 8 423,1 | 13 690,8 | 14 815,2 | 16 228,4 |
| 3. Production of Tea (cumulation in T of tea leaves) | 38 611,2 | 40 590,2 | 43 629,2 | 38 008,4 | 33 643,5 | 42 140,4 |
| 4. Consumer price index (1991 = 100) | 110,1 | 111,1 | 111,7 | 117,5 | 118,1 | 119,5 |
| 5. Inflation rate | -0,6 | 2,0 | 4,0 | 6,7 | 6,3 | 7,0 |
| II. Public Finances | | | | | | |
| 1. Total Budget revenue (in BIF million) | 639 140,6 | 728 832,2 | 824 972,7 | 689 016,9 | 792 396,2 | 884 883,5 |
| 1.1. Tax revenue | 575 936,4 | 659 854,9 | 739 612,5 | 621 792,3 | 719 542,8 | 795 138,0 |
| 1.2. Non-tax revenue | 63 204,1 | 68 977,3 | 85 360,2 | 67 224,6 | 72 853,4 | 89 745,4 |
| 1.3. Exceptionnal receipts | - | - | - | - | - | - |
| 2. Expenditure | 984 670,9 | 1 129 596,2 | 1 281 269,2 | 916 589,2 | 1 172 776,9 | 1 267 145,2 |
| 2.1. Compensation of employees (in BIF million) | 292 015,7 | 328 771,2 | 366 290,1 | 320 115,3 | 413 007,2 | 453 256,5 |
| 3. Public debt (in BIFmillion) | 3 145 202,7 | 3 168 700,5 | 3 218 342,6 | 3 593 671,6 | 3 790 677,4 | 3 811 705,5 |
| 3.1. Domestic debt outstanding | 2 212 506,9 | 2 240 984,0 | 2 280 841,4 | 2 595 829,4 | 2 790 659,4 | 2 807 763,4 |
| Including: Treasury bills and bonds | 1 393 116,1 | 1 417 542,6 | 1 450 627,6 | 1 727 319,1 | 1 745 687,9 | 1 763 803,9 |
| BRB ordinary advance | - | - | - | - | - | - |
| 3.2. External debt outstanding | 932 695,8 | 927 716,5 | 937 501,2 | 997 842,2 | 1 000 018,0 | 1 003 942,1 |
| 3.3. External debt outstanding (in BIF million) | 503,0 | 498,7 | 502,2 | 518,8 | 518,4 | 519,0 |
| 3.3. External debt service (in BIF million) | 203,6 | 5 459,7 | 1 726,5 | 1 348,4 | 6 054,6 | 3 449,5 |
| including amortization | 138,8 | 3 671,7 | 1 338,5 | 1 018,1 | 4 905,1 | 2 706,6 |
| 3.4. Drawings on external loans | 1 749,1 | 399,0 | 3 884,0 | 245,7 | 2 729,8 | 2 949,3 |
| III. MONEY | | | | | | |
| 1. Reserve Money (in BIF million) | 624 568,8 | 644 436,4 | 613 077,1 | 702 111,5 | 765 530,6 | 702 346,1 |
| 2. Broad money M3 (in BIF million) | 2 076 361,8 | 2 076 038,7 | 2 080 439,5 | 2 494 710,6 | 2 562 927,4 | 2 555 737,6 (p) |
| 2.1. Broad money M2 (in BIF million) | 1 897 243,3 | 1 890 926,3 | 1 897 518,3 | 2 283 115,8 | 2 348 779,0 | 2 343 402,7 (p) |
| 3. Domestic credit (in BIF million) | 2 641 464,0 | 2 683 638,7 | 2 714 331,8 | 3 152 917,0 | 3 388 597,4 | 3 380 161,9 (p) |
| 4. Net foreign to government (in BIF million) | 1 487 528,5 | 1 503 930,6 | 1 518 637,4 | 1 763 290,7 | 2 037 544,9 | 2 029 811,5 (p) |
| 5. Net foreign assets (in BIF million) | -242 519,7 | -227 582,3 | -236 232,9 | -273 527,0 | -294 063,3 | -305 287,1 |
| 6. Tenders operations | | | | | | |
| 6.1. Normal liquidity providing | 344 080,0 | 389 190,0 | 395 850,0 | 449 070,0 | 349 400,0 | 301 850,0 |
| 6.2. Injecting liquidity | | | | | | |
| 7. Weighted average interest rates | | | | | | |
| 7.1. Treasury bill to 13 weeks | 2,44 | 2,36 | 2,26 | - | 3,74 | 3,44 |
| 7.2. Treasury bill to 26 weeks | 2,62 | 2,54 | 2,61 | 3,25 | 3,45 | 4,64 |
| 7.3. Treasury bill to 52 weeks | 3,08 | 3,02 | 3,02 | 3,36 | 3,60 | 4,20 |
| 7.4. Recovery of liquidity | - | - | - | - | - | - |
| 7.5. Injecting liquidity | 2,55 | 2,59 | 2,65 | 2,77 | 2,58 | 2,36 |
| 7.6. Marginal lending facility | 5,35 | 5,29 | 5,22 | 6,00 | 6,60 | 6,60 |
| 7.7. Interbank market | 3,58 | 3,40 | 3,34 | 4,27 | 4,42 | 4,73 |
| 7.8. Deposit interest rates | 5,26 | 5,40 | 4,93 | 5,55 | 5,55 | 5,62 |
| 7.9. Lending interest rates | 15,74 | 15,80 | 15,48 | 15,26 | 15,39 | 15,29 |
| IV. EXTERNAL SECTOR | | | | | | |
| 1. Export (in BIF million, fob DSL & Buja FOT) | 202 635,7 | 264 644,0 | 288 072,5 | 202 229,0 | 228 444,6 | 252 978,1 |
| including Arabica coffee | 45 676,5 | 51 335,7 | 58 059,6 | 15 556,2 | 23 772,7 | 33 191,3 |
| 1.1. Volume of exports (in T) | 68 816,0 | 76 215,0 | 85 145,0 | 56 378,0 | 68 606,0 | 80 739,0 |
| 1.2. Average price sales contracts | | | | | | |
| Arabica coffee fob DSL-us cts/lb | 28,8 | 47,7 | 137,7 | 69,3 | 32,4 | 116,6 |
| - BIF/Kg | 1 164,3 | 1 954,9 | 5 623,0 | 2 909,6 | 1 335,6 | 4 940,7 |
| 1.3. Coffee sold d(in BIF million) | 60 402,2 | 62 944,1 | 66 246,0 | 21 055,2 | 25 813,8 | 35 309,4 |
| 2. Import CIF (in BIF million) | 1 072 084,9 | 1 202 221,8 | 1 344 644,5 | 1 146 197,0 | 1 321 421,0 | 1 467 939,0 |
| including petroleum products | 186 453,8 | 210 314,9 | 242 183,9 | 192 437,7 | 212 899,8 | 236 223,2 |
| 2.1. Volum of imports (in T) | 735 073,0 | 839 651,0 | 944 918,0 | 760 416,0 | 864 993,0 | 980 841,0 |
| V. EXCHANGE RATE | | | | | | |
| 3.1. Effective exchange rate index of BIF (2016/2017=100) | | | | | | |
| 3.1.1. Nominal | 93,0 | 93,4 | 92,8 | 88,1 | 88,0 | 88,0 |
| 3.1.2. Real | 92,2 | 93,5 | 93,0 | 91,4 | 91,8 | 92,8 |
| 3.2. Exchange rate | | | | | | |
| 3.2.1. Exchange rate BIF/USD (end of period) | 1 857,2 | 1 863,4 | 1 869,6 | 1 926,1 | 1 931,6 | 1 936,5 |
| 3.2.2. Exchange rate BIF/USD (monthly average) | 1 854,4 | 1 860,4 | 1 866,7 | 1 923,5 | 1 929,1 | 1 934,5 |
| (p) : Provisional | | | | | | |
| n.a. : not available | | | | | | |
| - : Nonexistent data.. | | | | | | |

Source: BRB

APPENDIX 2: MAIN INDICATORS OF BANKING SECTOR IN OCTOBER 2020 (in BIF million).

| | Commercial banks | | | Specialized credit institutions | | | Total banking sector | | |
|--|--------------------|--------------------|----------------|---------------------------------|------------------|----------------|----------------------|--------------------|----------------|
| | 30/10/2019 | 30/10/2020 | Variation en % | 30/10/2019 | 30/10/2020 | Variation en % | 30/10/2019 | 30/10/2020 | Variation en % |
| I. ASSETS | 2 922 881,6 | 3 469 229,4 | 18,7 | 200 355,2 | 253 222,6 | 26,4 | 3 123 236,8 | 3 722 452,0 | 19,2 |
| I.1. MAIN ASSETS | 2 522 015,2 | 2 983 549,2 | 18,3 | 165 787,1 | 218 882,5 | 32,0 | 2 687 802,3 | 3 202 431,7 | 19,1 |
| A. Liquid Assets | 1 587 734,0 | 1 904 864,6 | 20,0 | 19 097,0 | 23 690,4 | 24,1 | 1 606 830,9 | 1 928 555,0 | 20,0 |
| Cash | 63 977,6 | 85 538,9 | 33,7 | 18,1 | 18,6 | 2,8 | 63 995,7 | 85 557,4 | 33,7 |
| Balance in BRB | 159 293,3 | 175 348,2 | 10,1 | 3 367,8 | 2 655,4 | - 21,2 | 162 661,1 | 178 003,6 | 9,4 |
| Interbank balance | 77 676,8 | 81 183,6 | 4,5 | 6 403,8 | 2 707,7 | - 57,7 | 84 080,7 | 83 891,3 | - 0,2 |
| Treasury securities | 1 286 786,2 | 1 562 793,9 | 21,4 | 9 307,2 | 18 308,8 | 96,7 | 1 296 093,5 | 1 581 102,7 | 22,0 |
| B. Loans | 934 281,2 | 1 078 684,6 | 15,5 | 146 690,1 | 195 192,1 | 33,1 | 1 080 971,4 | 1 273 876,7 | 17,8 |
| Short Term | 512 712,5 | 592 460,8 | 15,6 | 2 382,3 | 3 301,3 | 38,6 | 515 094,9 | 595 762,1 | 15,7 |
| Medium Term | 316 106,7 | 320 856,6 | 1,5 | 45 405,1 | 36 385,1 | - 19,9 | 361 511,8 | 357 241,7 | - 1,2 |
| Long Term | 105 462,0 | 165 367,2 | 56,8 | 98 902,7 | 155 505,7 | 57,2 | 204 364,7 | 320 872,9 | 57,0 |
| Leasing | - | - | - | - | - | - | - | - | - |
| I.2. Fixed Assets | 136 629,38 | 161 589,6 | 18,3 | 7 910,3 | 8 167,0 | 3,2 | 144 539,7 | 169 756,6 | 17,4 |
| I.3. Other Assets | 264 237,02 | 324 090,6 | 22,7 | 26 657,8 | 26 173,1 | - 1,8 | 290 894,8 | 350 263,7 | 20,4 |
| II. Liabilities | 2 922 881,6 | 3 469 229,4 | 18,7 | 200 355,2 | 253 222,6 | 26,4 | 3 123 236,8 | 3 722 452,0 | 19,2 |
| II.1. Main Liabilities | 2 502 723,1 | 2 955 823,1 | 18,1 | 138 864,4 | 184 839,8 | 33,1 | 2 641 587,5 | 3 140 662,9 | 18,9 |
| Customer deposits | 1 643 018,5 | 2 048 364,3 | 24,7 | 97 504,5 | 138 557,8 | 42,1 | 1 740 523,0 | 2 186 922,1 | 25,6 |
| <i>including Term large deposits</i> | 779 930,5 | 1 113 252,2 | 42,7 | 15 247,8 | 26 971,2 | 76,9 | 795 178,3 | 1 140 223,4 | 43,4 |
| Refinancing from BRB | 411 868,7 | 325 327,8 | - 21,0 | - | - | - | 411 868,7 | 325 327,8 | - 21,0 |
| Interbank Liabilities | 193 193,2 | 260 704,8 | 34,9 | 6 727,1 | 6 689,1 | - 0,6 | 199 920,3 | 267 393,9 | 33,8 |
| II.2. Other Liabilities | 420 158,5 | 513 406,3 | 22,2 | 61 490,8 | 68 382,8 | 11,2 | 481 649,3 | 581 789,1 | 20,8 |
| III. MAIN INDICATORS OF THE BANKING SECTOR | | | | | | | | | |
| Capital Adequacy | | | | | | | | | |
| Tier 1 Capital | 297 409,4 | 377 323,0 | 26,9 | 33 539,4 | 35 488,9 | 5,8 | 330 948,8 | 412 811,9 | 24,7 |
| Total capital | 317 018,2 | 399 209,8 | 25,9 | 41 231,8 | 43 757,5 | 6,1 | 358 250,0 | 442 967,3 | 23,6 |
| Risk Weighted Assets | 1 047 845,3 | 1 345 767,6 | 28,4 | 143 539,4 | 96 137,8 | - 33,0 | 1 191 384,7 | 1 441 905,4 | 21,0 |
| Tier 1 Capital Adequacy Ratio (minimum threshold of 12.5%) | 28,4 | 28,0 | - | 23,4 | 36,9 | - | 27,8 | 28,6 | - |
| Total Capital Adequacy Ratio (minimum threshold of 14.5%) | 30,3 | 29,7 | - | 28,7 | 45,5 | - | 30,1 | 30,7 | - |
| Leverage Ratio (Minimum threshold of 5%) | 10,2 | 10,9 | - | 16,7 | 14,0 | - | 10,6 | 11,1 | - |
| Loan quality and concentration risk | | | | | | | | | |
| Overdue loans | 116 794,4 | 123 947,0 | 6,1 | 28 293,0 | 31 064,3 | 9,8 | 145 087,4 | 155 011,3 | 6,8 |
| Special mention loans | 44 217,5 | 54 791,1 | 23,9 | 17 254,8 | 21 436,8 | 24,2 | 61 472,3 | 76 227,8 | 24,0 |
| Non Performant Loans | 72 576,8 | 69 155,9 | - 4,7 | 11 039,0 | 9 627,5 | - 12,8 | 83 615,8 | 78 783,5 | - 5,8 |
| Substandard loans | 12 182,4 | 7 492,1 | - 38,5 | 5 024,0 | 4 452,0 | - 11,4 | 17 206,4 | 11 944,2 | - 30,6 |
| Doubtfull loans | 6 223,7 | 20 002,2 | 221,4 | 3 366,0 | 2 634,6 | - 21,7 | 9 589,7 | 22 636,8 | 136,1 |
| Loss loans | 54 170,7 | 41 661,6 | - 23,1 | 2 649,0 | 2 540,9 | - 4,1 | 56 819,7 | 44 202,4 | - 22,2 |
| Depreciation | 63 359,6 | 45 562,6 | - 28,1 | 4 934,0 | 3 838,7 | - 22,2 | 68 293,6 | 49 401,3 | - 27,7 |
| Non performant Loans rate | 7,8 | 6,4 | - | 7,5 | 4,9 | - | 7,7 | 6,2 | - |
| Overdue loans ratio | 12,5 | 11,5 | - | 19,3 | 15,9 | - | 13,4 | 12,2 | - |
| Coverage ratio | 87,3 | 65,9 | - | 44,7 | 39,9 | - | 81,7 | 62,7 | - |
| Loan concentration | | | | | | | | | |
| Large exposure | 288 982,0 | 400 821,4 | 38,7 | 3 954,0 | 3 754,1 | - 5,1 | 292 936,0 | 404 575,5 | 38,1 |
| Total loans/total assets(in %) | 32,0 | 31,1 | - | 73,2 | 77,1 | - | 34,6 | 34,2 | - |
| Government loans/ Total assets | 44,0 | 45,0 | - | 4,6 | 7,2 | - | 41,5 | 42,5 | - |
| Government loans/ Tier 1 capital | 43,7 | 41,2 | - | 27,8 | 51,6 | - | 39,1 | 38,0 | - |
| Large exposure/ Total assets (in %) | 30,9 | 37,2 | - | 2,7 | 1,9 | - | 27,1 | 31,8 | - |
| Liquidity | | | | | | | | | |
| Liquidity Coverage Ratio IN bif | 231,8 | 225,3 | - | - | - | - | 231,8 | 225,3 | - |
| Liquidity Coverage Ratio in foreign currency | 126,1 | 193,5 | - | - | - | - | 126,1 | 193,5 | - |
| Total loans/Total deposits | 56,9 | 52,7 | - | 150,4 | 140,9 | - | 62,1 | 58,2 | - |
| Stable funds/Fixed Assets | 89,8 | 93,7 | - | 250,2 | 198,3 | - | 105,2 | 106,4 | - |
| Exposure to ten large deposits/ Total deposits | 47,5 | 54,3 | - | 15,6 | 19,5 | - | 45,7 | 52,1 | - |
| Profitability | | | | | | | | | |
| Net income before tax | 104 041,4 | 122 748,8 | 18,0 | 7 021,5 | 9 232,4 | 31,5 | 111 062,9 | 131 981,2 | 18,8 |
| Net income after tax | 97 859,8 | 117 011,5 | 19,6 | 5 832,9 | 8 073,6 | 38,4 | 103 692,7 | 125 085,1 | 20,6 |
| Gross Income | 196 949,3 | 224 391,3 | 13,9 | 15 020,1 | 17 569,0 | 17,0 | 211 969,4 | 241 960,3 | 14,1 |
| ROA | 3,35 | 3,37 | - | 2,91 | 3,19 | - | 3,32 | 3,36 | - |
| ROE | 30,87 | 29,31 | - | 14,15 | 18,45 | - | 28,94 | 28,24 | - |

Source: BRB

APPENDIX 3: SELECTED ANNUAL INDICATORS

| GROSS DOMESTIC PRODUCT AND PRICE | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------|----------------|----------------|----------------|----------------|
| Real Growth of GDP (in %) | -0.4 | 3.2 | 3.8 | 4.2 | 4.1 |
| Inflation rate (annual) | 5.5 | 5.6 | 16.1 | -2.6 | -0.8 |
| FOREIGN SECTOR | | | | | |
| Exports, f.o.b. (USD million) | 120.8 | 124.7 | 172.6 | 180.2 | 179.5 |
| Imports, CIF (USD million) | 721.4 | 616.2 | 756.0 | 793.5 | 871.0 |
| Volume of exports (in tons) | 85,758.0 | 84,614.0 | 93,125.0 | 103,218.0 | 102,721.0 |
| Volume of imports (in tons) | 632,337.0 | 708,203.0 | 822,514.0 | 976 694 | 1,143,866.0 |
| Current account balance (USD million) | -373.2 | -339.7 | -360.0 | -361.8 | -349.0 |
| Exchange rate BIF/USD (period average) | 1,571.9 | 1,654.6 | 1,729.1 | 1,782.9 | 1,845.6 |
| Exchange rate BIF/USD (end of period) | 1,617.1 | 1,688.6 | 1,766.7 | 1,808.3 | 1,881.6 |
| International reserves (USD million, end of période) | 136.4 | 95.4 | 102.2 | 70.3 | 113.4 |
| International reserves (Month of imports) | 2.0 | 1.5 | 1.7 | 1.0 | 1.5 |
| MONEY AND CREDIT | | | | | |
| Net foreign assets (BIF million) | -75,870.1 | -176,523.1 | -154,400.0 | -203,201.0 | -206,340.3 |
| Domestic credit (BIF million) | 1,410,604.3 | 1,767,122.4 | 2,004,966.2 | 2,369,485.6 | 2,830,022.4 |
| Net credits to the Government | 687,259.5 | 905,857.4 | 1,112,214.4 | 1,337,534.0 | 1,621,458.5 |
| Credits to the economy | 723,344.8 | 861,265.0 | 892,941.6 | 1,038,614.2 | 1,208,563.9 |
| Broad money (M3) | 1,060,791.0 | 1,187,101.8 | 1,499,512.9 | 1,797,468.9 | 2,205,255.2 |
| Money and quasi money (M2) | 923,271.7 | 1,093,131.8 | 1,340,926.6 | 1,325,958.7 | 2,017,166.9 |
| Velocity of the money (GDP/M2, end of period) | 4.8 | 4.4 | 4.3 | 4.4 | 3.1 |
| Reserve money (growth rate) | -8.6 | 29.2 | 39.0 | -3.3 | 23.6 |
| Liquidity providing rate (in %) | 3.4 | 3.1 | 2.8 | 2.9 | 2.7 |
| Marginal lending rate (in %) | 9.8 | 8.6 | 7.1 | 5.8 | 5.4 |
| Commercial banks average deposit rates (end of period) | 8.7 | 7.7 | 6.0 | 5.6 | 5.3 |
| Treasury securities | - | - | 14.3 | 12.3 | 12.3 |
| Commercial banks average lending rates (end of period) | 16.85 | 16.5 | 16.2 | 15.9 | 15.7 |
| FINANCE AND PUBLIC DEBT | | | | | |
| Revenues and grants (as % of GDP) | 16.7 | 15.6 | 15.7 | 18.0 | 19.7 |
| Expenses (as % of GDP) | 24.7 | 21.5 | 20.0 | 22.6 | 24.0 |
| primary balance (as % of GDP , accrual basis) | -6.0 | -2.3 | -1.4 | -0.9 | 1.4 |
| Overall fiscal balance (as % of GDP , accrual basis) | | | | | |
| - excluded grants | -11.8 | -8.4 | -6.8 | -8.2 | -8.2 |
| - included grants | -8.0 | -5.9 | -4.3 | -4.5 | -4.3 |
| Domestic debt (BIF million) | 1,070,572.8 | 1,376,307.8 | 1,647,896.9 | 1,937,821.9 | 2,314,985.5 |
| External debt (in USD million , at the end of period) | 427.4 | 429.1 | 440.5 | 451.1 | 502.3 |
| External debt service ratio (as % of exports) | 3.9 | 4.2 | 5.1 | 3.4 | 5.7 |
| Public external debt (as % of GDP) | 15.6 | 14.9 | 13.6 | 14.0 | 15.2 |
| GDP at market prices (BIF billion) | 4,417.9 | 4,848.2 | 5,702.1 | 5,816.7 | 6,254.8 |

Source: BRB.