



**BANQUE DE LA REPUBLIQUE DU BURUNDI**



**Economic indicators**

**December 2022**

## I. INTRODUCTION

The main economic indicators below relate to the developments at the end of December 2022, in the real sector and prices, public finance, foreign trade, the exchange rate, broad money and its counterparts and the main financial soundness indicators.

Year-on-year, the real sector was marked, in December 2022 by a growth in industrial production, inflows of parchment coffee and a decrease in the production of green leaf tea.

Inflation has increased in December 2022 compared to the same period in 2021.

Compared to the same period of the previous year, the trade balance deficit deteriorated at the end of December 2022. The overall fiscal deficit (excluding grants) has worsened compared to the end of December 2021. The Burundi Franc depreciated against the US Dollar.

The reserve money and the money supply grew in December 2022.

The aggregated balance sheet of the banking sector improved as well as the deposits and credit to the private sector. In terms of financial soundness, the banking sector remained sufficiently capitalized. Nevertheless, the solvency and profitability ratios have declined.

## II. PRODUCTION

Year -on- year basis, the industrial production index grew as well as the production of coffee.

On the other hand, production of green leaf tea decreased in December 2022.

### II.1 Industrial Production Index

The industrial production index rose by 9.3% in December 2022, standing at 183.7 against 168.1 in the same month of 2021, mainly in connection with the extension of the sugar production campaign and the increase in the production of cigarettes (49.0%), while the production of BRARUDI beverages decreased (-16.4%).

On the other hand, this index fell by 3.2% compared to the previous month, particularly in connection with the decrease of the production of sugar (-28.0%) and cigarettes (-10.7%), partially offset by the increase of BRARUDI beverages production (+10.7%).

### II.2. Coffee

Parchment coffee production for the 2022/2023 campaign increased sharply by 190.8 percent at the end of December 2022 compared to the same period of the previous campaign, standing at 23,125.9 tonnes against 7,951.7 tonnes, this increase is linked to the cyclicity of the coffee tree. Compared to the same period of the 2020/2021 campaign, coffee production rose by 24.5 percent.

### II.3. Tea

On annual basis, the production of green leaf tea fell by 22.5 percent in December 2022, standing at 3,776.7 tonnes against 4,875.4 tonnes in the same period of 2021, in connection with poor rainfall. Likewise, cumulative production fell slightly by 3.0% at the end of December 2022, standing at 50,539.1 tonnes against 52,124.9 tonnes in the same period of 2021.

### III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation accelerated to stand to 26.6 percent at the end of December 2022 from 10.0 percent in the same period of the previous year. This acceleration concerned both food inflation (39.5 against 9.6 percent) and non-food inflation (12.4 against 10.5 percent).

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

	Dec-21		Dec-22	
	CPI	Inflation	CPI	Inflation
<b>Headline Inflation</b>	<b>135.5</b>	<b>10.0</b>	<b>171.6</b>	<b>26.6</b>
<b>1. Food</b>	<b>137.0</b>	<b>9.6</b>	<b>191.1</b>	<b>39.5</b>
- Bread and cereals	142.6	17.2	214.2	50.2
- Meat	171.0	14.2	207.2	21.2
- Fish and sea food	137.4	-7.9	189.0	37.6
- Milk, cheese and eggs	135.3	8.8	157.3	16.3
- Oils and fats	178.5	55.5	218.6	22.5
- Fruits	148.7	-0.9	182.4	22.7
- Vegetables	125.7	2.4	182.1	44.9
- Sugar, jam, honey, chocolate and confectionery	114.2	3.7	115.0	0.7
- undefined food elsewhere	129.5	0.8	139.5	7.7
<b>2. Non food</b>	<b>133.9</b>	<b>10.5</b>	<b>150.5</b>	<b>12.4</b>
- Alcoholic beverages, tobacco	127.1	10.1	138.5	9.0
- clothing and footwear	139.7	7.9	154.5	10.6
- Housing, water, electricity, gas and other fuels	145.9	14.0	155.0	6.2
- Furnishing, household equipment and routine household	142.1	14.4	161.5	13.7
- Health	169.2	38.3	179.6	6.1
- Transport	121.7	4.0	153.4	26.0
- Communication	109.7	8.5	118.1	7.7
- leisure and culture	133.8	0.0	171.2	28.0
- Education	151.4	6.6	152.3	0.6
- Hotels, Restaurant and café	121.5	5.9	141.6	16.5
- Other goods and services	129.5	5.6	139.5	7.7
<b>Energy and fuels</b>	<b>166.0</b>	<b>14.9</b>	<b>186.3</b>	<b>12.2</b>
<b>3. Core Inflation</b>	<b>137.2</b>	<b>14.1</b>	<b>165.2</b>	<b>20.4</b>

**Source: BRB, from INSBU data**

The rise in food inflation mainly concerned the prices of the sub-headings "Bread and cereals" (50.2 against 17.2 percent), "Fish and seafood" (+37.6 against -7.9 percent), "Vegetables" (44.9 against 2.4 percent), "Fruits" (22.7 against -0.9 percent), "Oils and fats", "Meat" (+21.2 against 14.2 percent).

The increase in non-food inflation mainly explained by the rise of sub-headings "Leisure and culture" (28.0 against 0.0 percent), "Transport" (+26 against 4.0 percent), "Restaurants and hotels (16.5 against 5.9 percent), "Furnishing, household equipment and routine maintenance" (13.7 against 14.4 percent) and "Clothing and footwear" (10.6 against 7, 9 percent).

The year-on-year price index for energy, fuel and other fuels increased by 12.2 percent at the end of December 2022 against 14.9 percent recorded in December 2021.

Compared to the same period of the previous year, Core inflation which is measured by the price index excluding fuel, energy and fresh food prices increased in December 2022, standing to 20.4 against 14.1 percent.

### IV. TRADE BALANCE

The trade balance deficit at the end of December worsened, standing at BIF 2,049.6 billion against 1,709.0 billion compared to the same period in 2021. This deterioration in the deficit is explained by a greater increase in imports (BIF +420,300.4 million) compared to exports (BIF +79,742.9 million). However, at the end of December 2022, the coverage rate of imports by exports had almost stabilized (16.5 against 16.0%).

#### IV.1 Exports

Compared to the same period in 2021, cumulative exports at the end of December 2022 increased in value (24.4%) and volume (11.8%).

In value terms, the increase in exports mainly concerned primary products (BIF 273,354.9 million against 216,238.4 million) and manufactured products (BIF 132,635.1 million against 110,008.7 million).

The increase in exports of primary products related to exports of coffee (BIF 106,934.1 million against 54,427.9 million), non-monetary gold (BIF 105,579.3 million compared to 80,170.5 million), and those of tea (BIF 51,343.3 million against 45,394.7 million), exports of niobium ores having fallen sharply (BIF 3,614.2 million against 27,072.1 million).

With regard to exports of manufactured products, their increase is mainly due to exports of cigarettes (BIF 19,758.4 million against 12,090.3 million), beers (BIF 19,608.8 million against 14,086.7 million), wheat flour (BIF 18,584.7 million against 10,655.5 million), and re-exported kerosene (BIF 10,980.8 million against 4,565.2 million).

In volume, the increase in exports is explained by the increase in manufactured products (81,685 against 65,310 tonnes), while that of primary products decreased (30,642 against 35,194 tonnes).

Compared to that of the same period in 2021, exports for the month of December 2022 increased by 58.2%, standing at BIF 37,406.7 million. This increase concerned primary products (BIF 25,600.8 million against 14,116.4 million) and manufactured products (BIF 11,805.9 million against 9,534.2 million).

## IV.2 Imports

Year-on-year, cumulative imports at the end of December 2022 increased in value (+20.7%), while they decreased in volume (-5.0%) compared to the same period of 2021.

In value, this increase concerned all categories of imported goods, namely: intermediary goods (BIF 1,270.8 million compared to 933.3 billion), consumer goods (BIF 782,919.5 million compared to 714,574.5 million), and capital goods (BIF 401,761.0 million compared to 387,420.3 million).

The increase in imports of intermediary goods mainly concerned goods for agriculture and livestock (BIF 169,604.5 million against 77,740.1 million), food (BIF 142,677.7 million against 124,460.7 million), and mineral oils (BIF 571,261.4 million against 329,495.1 million). On the other hand, imports of metallurgical goods (BIF 154,479.8 million compared to 178,967.3 million) and construction (BIF 105,134.9 million compared to 113,733.9 million) decreased.

The increase in imports of consumer goods is attributable to imports of textiles (BIF 98,682.2 million against 78,935.5 million), vehicles (BIF 81,059.9 million against 76,694.8 million) as well as non-durable food consumer goods (BIF 201,705.3 million compared to 195,999.3 million). However, imports of pharmaceutical non-durable consumer goods decreased (BIF 117,933.0 million against 140,848.3 million).

With regard to imports of capital goods, their increase mainly concerned boilers and construction equipment (BIF 137,299.9 million

compared to 123,180.7 million) and parts and tools (BIF 44,630.3 million compared to 38,911.2 million), imports from electrical equipment (BIF 76,866.6 million compared to 83,535.8 million) and those of tractors, vehicles and machines/transport (BIF 98,363.4 million compared to 104,989.3 million) having decreased.

In volume, the drop in imports concerned all categories of goods, namely: intermediary goods (929,859 against 965,489 tonnes), capital goods (55,537 against 57,618 tonnes), and consumer goods (280,296 against 308,881 tonnes).

Compared to that of the same period in 2021, imports increased by 21.1% in December 2022, standing at BIF 228,905.9 million compared to 189,055.6 million. This increase is explained by an increase in intermediary goods of 39.6% (BIF 127,305.2 million against 91,203.0 million), capital goods of 9.7% (BIF 37,098.2 million against 33,818.4 million) and in a lesser measure of consumer goods of 0.7% (BIF 64,502.4 million against 64,034.2 million).

## **V. EXCHANGE RATE**

Compared to the same period of 2021, the BIF depreciated by 2.86 percent against the US Dollar in December 2022; the average exchange rate was BIF 2,060.91 against BIF 2,003.5 for one unit of US Dollar.

At the end of the period, the BIF depreciated annually by 2.86 percent against the US dollar. The exchange rate stood at BIF 2,063.45 in

December 2022 against BIF 2,006.10 in December 2021.

## **VI. GOVERNMENT FINANCIAL OPERATIONS**

In December 2022, the overall fiscal deficit (excluding grants) increased compared to the same period of the previous year, standing at BIF 787,401.6 million against BIF 472,814.3 million, following the greater increase in expenditure than in revenue.

### **VI.1. Revenue**

Revenue in December 2022 rose by 23.1 percent, standing at BIF 137,175.3 million against BIF 111,411.9 million in the same period of 2021. This improvement concerned both tax revenue (BIF+22,410.9 million) and non-tax revenue (BIF+3,352.5 million).

Similarly, cumulative revenue increased by 18.7 percent at the end of December 2022, standing at BIF 1,468.2 billion against BIF 1,237.3 billion in the same period of the previous year, in line with the increase in tax revenue (BIF +135,257.3 million) and non-tax (BIF +95,572.8 million).

### **VI.2. Expenditure**

Expenditure incurred in December 2022 rose by 7.3 percent compared to the same period of 2021, standing at BIF 156,224.8 million against BIF 145,577.5 million. Similarly, cumulative expenditure increased by 31.9 percent at the end of December 2022, settling at BIF 2,255.6 billion against BIF 1,710.1 billion in the same period of 2021.

Cumulative personnel compensation increased by 12.1 percent at the end of December 2022,

standing at BIF 542,715.4 million compared to BIF 484,297.8 million in the same period of 2021.

### **VI.3. Public debt**

Public debt increased by 22.6% at the end of December 2022, rising from BIF 4,353.3 to 5,338.8 billion from one end of the year to another, in connection with the increase of, both, domestic debt (+30.7%) and external debt (+3.4%).

Compared to the previous month, public debt increased by 2.4% in line with the increase in domestic (+2.6%) and external (+1.6%) debt.

#### **VI.3.1 Domestic Debt**

Year-on-year, domestic debt increased by BIF 941,435.0 million at the end of December 2022, rising from BIF 3,063.2 to BIF 4,004.6 billion, in connection with the increase of the Government debt to the banking sector (BIF +980,475.0 million) especially in the form of advances from the BRB (BIF 829,687.9 million), partially offset by the reduction of the Government debt to the non-financial sector (BIF -39,040.0 million).

Compared to the previous month, the domestic debt increased by BIF 102,130.9 million, mainly in connection with the increase of the Government debt to the banking sector (BIF +106,780.9 million), the Government debt to the non-financial sector having decreased (-4,650.0 million).

#### **VI.3.2. External Debt**

Year-on-year, the stock of external debt increased by BIF 44,074.2 million at the end of

December 2022, rising from 1,290.1 to BIF 1,334.2 billion, in relation to drawings (BIF +72,729.8 million) and revaluation gains (BIF 2,127.9 million), partially offset by debt amortization (30,783.4 million).

Compared to the previous month, the external debt increased by 1.6% at the end of December 2022, settling at BIF 1,334.4 billion against BIF 1,313.4 billion, in connection with new drawings (BIF 6,049.5 million) and the revaluation gains (BIF 17,160.3 million), while debt amortization increased (BIF 2,497.0 million).

Expressed in US dollars, the external debt increased at the end of December 2022, standing at USD 647.4 compared to USD 645.6 million in the corresponding period of 2021.

## **VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS**

Year-on-year basis, the money reserve, and the money supply increased owing to the net domestic assets rise.

### **VII.1. Broad Money**

On an annual basis, the money reserve grew by 44.5% in December 2022 against 1.1% the previous year. It stood at BIF 1,138.0 billion against BIF 787.6 billion in the same period of 2021. This outturn reflects an increase in commercial bank deposits at the Central Bank of 137.1% against a decrease of 27.5% over the year 2021. Similarly, currency in circulation accumulated by 18.8 against 12.7% recorded in the same period of 2021.

## VII.2. Money supply

Year-on-year basis, the money supply accelerated in 2022 compared to the previous year of 2021 (+32.8 against +20.5%). At the end of December 2022, the money supply expanded to BIF 4,372.0 billion against BIF 3,293.13 billion at the end of December 2021. This acceleration resulted from the M2 money supply growth (+34.0 vs. +20.3) while residents' foreign currency deposits slowed their growth rate (+17.9 vs. +22.9%).

The growth of the M2 money supply concerned sight deposits in BIF (+47.6%), term and savings deposits (+20.7%) and currency in circulation outside depository corporations (+16.8%).

The growth in sight deposits is driven by a rise in both household deposits (40.5 against 15.3%), other financial corporations (247.3 against a decrease of 44.4%), other non-financial corporations (59.5 against +9.5%) and deposits classified in other accounts (27.7 against 20.7%). However, sight deposits of public non-financial corporations (+46.0 against +88.0%) and local administrations (-61.0 against +392.0%) slowed their growth rate.

Regarding term and savings deposits, household deposits decelerated (+9.2 against 39.6%) the same as deposits from other non-financial corporations (35.1 against +37.4%) and deposits classified in the other accounts (+10.7 against +26.7%). Deposits from public non-financial corporations decreased (-50.1 against -19.3%).

The slowdown in residents' foreign currency deposits resulted from household deposits (+6.4 vs. 33.2%) and public non-financial corporations (-61.0 vs. -14.2%). On the other hand, deposits of other non-financial corporations (34.5 against 22.0%) and those classified in other accounts (35.3 against -3.3%) increased.

## VII.3. Counterparts

At the end of December 2022, domestic credit grew at a faster pace compared to the same period of 2021 (+36.7 against 24.5%) while net foreign assets deteriorated (-74.2 against -57.3%).

Domestic credit totaled BIF 5,891.6 billion at the end of December 2022 against BIF 4,311.4 billion at the end of December 2021. This outturn reflects the acceleration in net claims on central government (BIF +603.9 billion) and claims on the Economy of (BIF +976.1 billion). The increase in net claims on central government is driven by that of net claims on the Central Bank (BIF +537.3 billion) coupled to that of net claims of commercial banks on the State (BIF 60.9 billion)

At the end of December 2022, net foreign assets deteriorated by 74.2%, standing at BIF -561,569.0 against BIF -322,390.5 million over a similar period in 2021. This deterioration in net foreign exchange reserves is driven by the drop in gross foreign assets (BIF -162.3 billion) combined with the increase in external liabilities (BIF +76.9 billion). Similarly, official foreign exchange reserves decreased by 32.0%, settling at BIF 363,481.2 against BIF 534,875.8

million. In terms of months of imports, these reserves covered 1.8 months of imports of goods and services compared to 3.2 months at the end of December 2021.

## VIII. MAIN INDICATORS OF BANKING SECTOR

Banking sector activity improved at the end of December 2022, in line with the increase in loans to the economy on the asset side and the increase in customer deposits and the refinancing on the liabilities side.

### VIII.1. Assets

Year-on-year, banking sector assets grew by 30.7%, standing at BIF 6,447.8 billion at the end-December 2022 from BIF 4,933.6 billion at the end-December 2021. This was due to the 42.8% increase in loans to the economy (BIF 2,850.1 billion against BIF 1,995.9 billion). Loans to the Government grew by 9.8%, standing at BIF 1,996.5 billion from BIF 1,818.7 billion

The proportion of loans to the economy in total assets increased by 3.7 percentage points, reaching 44.2% in December 2022 from 40.5% in December 2021. The proportion of State debt stood at 31.0% against 36.9%.

### VIII.2. Liabilities

The customer deposits increased by 37.5% year-on-year, standing at BIF 3,874.8 billion in December 2022 from BIF 2,817.7 billion in December 2021. Central Bank refinancing

decreased significantly by 5.0%, standing at BIF 557.3 billion from BIF 530.8 billion, following the rise in financing favoring growth-leading sectors, settling at BIF 2,850.1 billion at the end-December 2022 from BIF 1,995.9 billion at the end-December 2021.

The proportion of deposits in the main liabilities increased by 3.0 percentage points, standing at 60.1% at the end-December 2022 from 57.1% at the end-December 2021. Moreover, the proportion of Central bank refinancing decreased by 2.1 percentage points, from 10.8% to 8.6%. On the other hand, the share of inter-banks loans and similar increased by 0.2 percentage point, from 8.7% at the end-December 2021 to 8.9% at the end-December 2022.

## IX. KEY FINANCIAL SOUNDNESS INDICATORS

At the end-December 2022, the equity capital of the banking sector increased compared to the corresponding period of 2021. Nevertheless, the solvency and profitability ratios deteriorated slightly.

### IX.1. Capital Adequacy

The banking sector's equity capital rose significantly by 27.4% at the end-December 2022, settling at BIF 757.6 billion from BIF 594.6 billion at the end-December 2021. The basic solvency ratio<sup>1</sup> stood at 19, 0% from 21.5% and the overall solvency ratio stood at 20.7% from 23.0%. In addition, the leverage ratio<sup>2</sup> decreased to 10.8% from 11.3%.

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<sup>1</sup> The minimum regulatory threshold is 12.5% for the base solvency ratio and 14.5% for the overall solvency ratio).

<sup>2</sup> The minimum threshold is 5% for the leverage ratio



## IX.2. Quality of loans portfolio

The amount of non-performing loans increased by 13.8% at the end-December 2022, standing at BIF 77,704.2 million from BIF 68,296.2 million in the corresponding period of 2021. Furthermore, the overall loan default rate improved, standing at 2.7% from 3.4%.

The loan default rates fell in the various sectors of activities, in particular, in industry from 1.0 to 0.3%, from 2.7% to 2.6% in trade, from 9.6% to 7.7% in hotels and tourism and from 4.5% to 2.3% in equipment. On the other hand, the loan default rates increased from 3.7% to 0.6% in agriculture, from 3.4% to 4% in construction.

## IX.3. Concentration of loans portfolio

The exposure of the banking sector to large loan risks<sup>3</sup> grew by 59.1% at the end-December 2022, standing at BIF 1,207.4 billion from BIF 759.1 billion. The proportion of main risks in total loans represents 42.4% of the overall loan portfolio at the end of December 2022 compared to 38.0% at the end of December 2021. Trade is the most financed sector, at a rate of 32.5% of the overall portfolio from 30.8% at the end-December 2021. The outstanding credit allocated to this sector

stood at BIF 926.8 billion against BIF 614.5 billion.

## IX.4. Profitability

The Banking sector's Gross Income increased by 22.9% year-on-year, standing at BIF 406.8 billion at the end-December 2022 from BIF 331.1 billion at the end-December 2021. On the contrary, the net result fell slightly by 1.6% from BIF 166.6 billion to BIF 163.9 billion. Nevertheless, the return on assets (ROA) and equity (ROE) fell, settling respectively at 2.5 and 21.6% at the end of December 2022 from 3.4 and 28.0% at the end of December 2021.

## IX.5. Liquidity

The Liquidity coverage ratio (LCR)<sup>4</sup> in BIF stood at 169.2% at the end-December 2022 from 192.8% at the end-December 2021. On the other hand, LCR in foreign currencies stood at 161.5 from 135.5%. The large deposits increased by 46.1% at the end of December 2022, settling at BIF 1,765.1 billion from BIF 1,208.5 billion at the end of December 2021. Similarly, the proportion of large deposits<sup>5</sup> in total deposits increased by 2.9 percentage points, settling at 27.4% from 24.5%.

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<sup>3</sup> Circular n°06/2018 defines a large risk as a loan exceeding 10% of its core equity capital.

<sup>4</sup> Circular n°04/2018 defines LCR as the ratio between high-quality liquid assets (i.e. assets that can be easily and immediately converted into cash without or with a

slight loss of value in periods of high liquidity stress) and the total net cash outflows within the following 30 days.

<sup>5</sup> Large deposits is the sum of the deposits of the first 10 depositors in each credit institution

## APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF DECEMBER 2022

	Oct-2021	Nov-2021	Dec-2021	Oct-2022	Nov-2022	Dec-2022
<b>I. PRODUCTION AND PRICE</b>						
1. Industrial Production Index (monthly average, 1989 = 100)	163.6	146.5	168.1	194.0	189.7	183.7
2. Production of Arabica parchment Coffee (cumulation in T) (1)	3,368.1	7,393.0	7,951.7	22,668.3	23,096.7	23,125.9
3. Production of Tea (cumulation in T of tea leaves)	42,966.3	47,249.5	52,124.9	43,202.4	46,762.4	50,539.1
4. Consumer price index (1991 = 100)	131.3	133.2	135.4	160.3	168.9	171.6
5. Inflation rate	9.9	8.6	10.0	22.1	26.8	26.6
<b>II. Public Finances</b>						
1. Total Budget revenue (in BIF million)	1032660.5	1,125,910.1	1,237,322.0	1231546.8	1,330,976.9	1,468,152.1
1.1. Tax revenue	914983.5	997,259.1	1,098,871.5	1025856.5	1,110,105.5	1,234,128.8
1.2. Non-tax revenue	117677.0	128,651.1	138,450.5	205690.3	220,871.4	234,023.3
1.3. Exceptional receipts	0.0	-	-	0.0	-	-
2. Expenditure	1454112.1	1,564,558.8	1,710,136.3	1924878.0	2,099,328.9	2,255,553.7
2.1. Compensation of employees (in BIF million)	403770.8	443,946.0	484,297.8	449269.5	496,008.1	542,715.4
3. Public debt (in BIFmillion)	4,376,974.4	4,375,000.7	4,353,279.5	5,146,297.8	5,215,945.0	5,338,788.7
3.1. Domestic debt outstanding	3,097,565.3	3,091,259.7	3,063,201.0	3,844,617.7	3,902,505.1	4,004,636.0
Including: Treasury bills and bonds	2,052,646.6	2,043,143.0	2,046,058	2,042,557.0	2,086,731.7	2,185,496.9
BRB ordinary advance	0.0	61,719.1	36,124.9	25854.9	52,799.4	3,346.5
3.2. External debt outstanding	1,279,409.1	1,283,741.0	1,290,078.5	1,301,680.1	1,313,439.9	1,334,152.7
3.3. External debt outstanding (in BIF million)	641.8	642.4	645.6	634.6	638.9	647.4
3.3. External debt service (in BIF million)	3,481.1	4,130.8	300.0	4,075.1	3,475.5	2,983.7
including amortization	2,858.7	2,112.9	265.5	3,419.5	2,565.3	2,497.0
3.4. Drawings on external loans	163,462.5	6,817.6	5,232.0	2,515.0	2,595.3	6,049.5
<b>III. MONEY</b>						
1. Reserve Money (in BIF million)	840,891.7	838,968.6	787,639.5	1 386 776,7(P)	1 241 148,3(p)	1 138 018,4(P)
2. Broad money M3 (in BIF million)	3,336,442.5	3,296,137.4	3,293,170.2	4 162 018,7(P)	4 205 143,8(p)	4 372 089,1(P)
2.1. Broad money M2 (in BIF million)	3,079,465.4	3,037,918.7	3,038,459.5	3 872 404(P)	3 906 791,8(p)	4 071 877,6(P)
3. Domestic credit (in BIF million)	4,208,824.0	4,288,576.4	4,311,478.2	5 833 424,4(P)	5 790 643,2(p)	5 891 637,4(P)
4. Net foreign to government (in BIF million)	1,962,973.0	1,957,508.5	1,930,722.3	2 611 767,3(P)	2 490 560,3(p)	2 534 710,9(P)
5. Net foreign assets (in BIF million)	-276,837.5	-321,353.8	-322,390.5	-573 796,3(P)	-552 373,4(P)	-561 569(P)
6. Tenders operations						
6.1. Normal liquidity providing	70,000.0	80,000.0	150,000.0	-	0.0	0.0
6.2. Injecting liquidity				0.0	0.0	0.0
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	3.31	3.48	3.81	3.63	3.07	2.23
7.2. Treasury bill to 26 weeks	4.27	4.23	4.22	4.54	4.26	3.43
7.3. Treasury bill to 52 weeks	4.73	4.63	4.60	4.85	4.75	4.31
7.4. Recovery of liquidity	0.00	0.00	0.00	0.00	0.00	0.00
7.5. Injecting liquidity	4.16	4.36	2.93	2.00	2.00	2.00
7.6. Marginal lending facility	6.46	6.43	6.88	5.93	5.61	5.00
7.7. Interbank market	5.45	5.87	5.78	3.50	3.18	2.52
7.8. Deposit interest rates	5.88	6.02	6.08	6.14	6.19	6.15
7.9. Lending interest rates	13.76	13.61	13.40	12.90	12.84	12.95
<b>IV. EXTERNAL SECTOR</b>						
1. Export (in BIF million, fob DSL & Buja FOT)	193,706.9	302,596.6	326,247.1	268,257.4	366,554.8	405,990.0
including Arabica coffee	35,940.0	46,352.1	54,427.9	59,628.9	85,797.6	106,934.1
1.1. Volume of exports (in T)	85,402.0	102,500.0	100,505.0	93,780.0	106,508.0	112,326.0
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	180.3	192.2	191.4	221.7	196.9	169.6
- BIF/Kg	7890.2	8,443.5	8,422.1	8169.5	8,979.3	8,222.4
1.3. Coffee sold d(in BIF million)	40,436.1	51,557.7	59,087.5	63,154.7	90,704.5	106,390.8
2. Import CIF (in BIF million)	1,669,998.9	1,846,208.1	2,035,263.8	1,942,932.7	2,226,307.7	2,455,564.2
including petroleum products	260,673.1	288,516.9	329,495.1	421,006.4	502,848.5	571,261.4
2.1. Volum of imports (in T)	1,106,487.0	1,228,476.0	1,331,987.0	987,877.0	1,144,078.0	1,265,692.0
<b>V. EXCHANGE RATE</b>						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	86.00	86.80	87.20	95.08	92.80	90.10
3.1.2. Real	92.80	97.90	99.60	113.26	115.90	113.90
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,995.68	2,000.80	2,006.10	2,053.13	2,058.18	2,063.45
3.2.2. Exchange rate BIF/USD (monthly average)	1,993.51	1,998.40	2,003.55	2,051.03	2,055.76	2,060.91
(1): the coffee campaign starts in April and ends in March of the following year						
(p) : Provisional						
n.a. : not available						

Source: BRB

## APPENDIX 2: MAIN INDICATORS OF BANKING SECTOR IN DECEMBER 2022 (in BIF million)

	Commercial banks			Other financial corporations			Banking sector		
	Dec_2021	Dec_2022	Change in %	Dec_2021	Dec_2022	Change in %	Dec_2021	Dec_2022	Change in %
<b>I. ASSETS</b>	<b>4,834,229.3</b>	<b>6,299,258.0</b>	<b>30.3</b>	<b>99,416.2</b>	<b>148,500.9</b>	<b>49.4</b>	<b>4,933,645.5</b>	<b>6,447,758.9</b>	<b>30.7</b>
<b>I.1. MAIN ASSETS</b>	<b>4,131,729.8</b>	<b>5,393,484.0</b>	<b>30.5</b>	<b>84,417.5</b>	<b>124,553.1</b>	<b>47.5</b>	<b>4,216,147.3</b>	<b>5,518,037.1</b>	<b>30.9</b>
<b>A. Liquid assets</b>	<b>2,215,381.2</b>	<b>2,652,746.0</b>	<b>19.7</b>	<b>4,871.8</b>	<b>15,172.2</b>	<b>211.4</b>	<b>2,220,253.0</b>	<b>2,667,918.2</b>	<b>20.2</b>
. Cash	88,822.4	114,954.0	29.4	10.7	12.0	11.7	88,833.1	114,966.0	29.4
. Balance in B.R.B.	175,945.1	429,307.4	144.0	406.2	10,000.2	2,362.2	176,351.2	439,307.6	149.1
. Interbank claims	134,556.0	114,578.8	- 14.8	1,815.8	2,520.9	38.8	136,371.8	117,099.7	- 14.1
. Loan to government	1,816,057.7	1,993,905.8	9.8	2,639.1	2,639.1	- 0.0	1,818,696.8	1,996,544.9	9.8
Treasury securities	1,710,128.5	1,882,886.9	10.1	2,639.1	2,639.1	- 0.0	1,712,767.6	1,885,525.9	10.1
Other securities	105,929.2	111,019.0	4.8	-	-	-	105,929.2	111,019.0	4.8
<b>B. Loans</b>	<b>1,916,348.7</b>	<b>2,740,738.0</b>	<b>43.0</b>	<b>79,545.7</b>	<b>109,380.9</b>	<b>37.5</b>	<b>1,995,894.4</b>	<b>2,850,118.9</b>	<b>42.8</b>
. Short term	875,215.9	1,199,136.7	37.0	323.6	1,318.6	307.4	875,539.6	1,200,455.3	37.1
. Medium term	530,651.0	620,839.4	17.0	9,200.5	50,077.4	444.3	539,851.5	670,916.8	24.3
. Long term	510,481.7	920,761.8	80.4	70,021.6	57,984.9	- 17.2	580,503.3	978,746.7	68.6
. Leasing	-	-	-	-	-	-	-	-	-
<b>I.2. Fixed assets</b>	<b>206,472.18</b>	<b>306,640.1</b>	<b>48.5</b>	<b>3,153.9</b>	<b>12,481.5</b>	<b>295.7</b>	<b>209,626.1</b>	<b>319,121.6</b>	<b>52.2</b>
<b>I.3. Others assets</b>	<b>496,027.28</b>	<b>599,133.9</b>	<b>20.8</b>	<b>11,844.9</b>	<b>11,466.3</b>	<b>- 3.2</b>	<b>507,872.1</b>	<b>610,600.2</b>	<b>20.2</b>
<b>II. LIABILITIES</b>	<b>4,834,229.3</b>	<b>6,299,258.0</b>	<b>30.3</b>	<b>99,416.2</b>	<b>148,500.9</b>	<b>49.4</b>	<b>4,933,645.5</b>	<b>6,447,758.9</b>	<b>30.7</b>
<b>II.1. Main liabilities</b>	<b>3,725,329.9</b>	<b>4,917,384.4</b>	<b>32.0</b>	<b>52,053.9</b>	<b>85,799.4</b>	<b>64.8</b>	<b>3,777,383.8</b>	<b>5,003,183.8</b>	<b>32.5</b>
. Customer deposits	2,787,408.9	3,823,919.0	37.2	30,284.3	50,839.6	67.9	2,817,693.1	3,874,758.6	37.5
amongst: Ten large deposits	1,208,518.6	1,765,094.0	46.1	-	-	-	1,208,518.6	1,765,094.0	46.1
. Borrowing from B.R.B. (Refinancing)	512,988.4	525,579.8	2.5	17,844.8	31,736.9	77.8	530,833.2	557,316.7	5.0
. Interbank liabilities	424,932.5	567,885.7	33.6	3,924.9	3,222.9	- 17.9	428,857.4	571,108.5	33.2
. Capital and reserves	444,617.4	572,106.6	28.7	24,743.8	24,743.8	-	469,361.2	596,850.4	27.2
<b>II.2. Other liabilities</b>	<b>664,282.1</b>	<b>809,766.9</b>	<b>21.9</b>	<b>22,618.5</b>	<b>37,957.7</b>	<b>67.8</b>	<b>686,900.5</b>	<b>847,724.6</b>	<b>23.4</b>
<b>MAIN INDICATORS OF THE BANKING SECTOR</b>									
<b>Capital adequacy</b>									
. Tier 1 capital (in BIF billion)	536,753.7	671,373.6	25.1	18,986.9	23,859.3	25.7	555,740.7	695,232.9	25.1
. Total regulatory capital (in BIF billion)	570,998.7	727,360.6	27.4	23,580.0	30,296.6	28.5	594,578.7	757,657.1	27.4
. Risk weighted assets	2,480,088.3	3,504,073.3	41.3	104,288.7	154,959.1	48.6	2,584,377.1	3,659,032.4	41.6
. Tier 1 capital adequacy ratio (threshold 100%)	21.6	19.2	-	18.2	15.4	-	21.5	19.0	-
. Total regulatory capital adequacy ratio (threshold 100%)	23.0	20.8	-	22.6	19.6	-	23.0	20.7	-
. Leverage Ratio (threshold 7%)	11.1	10.7	-	19.1	16.1	-	11.3	10.8	-
<b>Loan concentration</b>									
. Large exposures	754,754.5	1,200,704.3	59.1	4,345.2	6,725.5	54.8	759,099.7	1,207,429.7	59.1
. Large exposures to Loans ratio (%)	39.4	43.8	-	5.5	6.1	-	38.0	42.4	-
. Loans to Assets ratio (%)	39.6	43.5	-	80.0	73.7	-	40.5	44.2	-
. Government claims to assets ratio (%)	37.6	31.7	-	2.7	1.8	-	36.9	31.0	-
. Government Loans/Tier 1 capital ratio	338.3	297.0	-	13.9	11.1	-	327.3	287.2	-
<b>Quality of loan portfolio</b>									
. Past due loans	181,055.9	207,471.1	14.6	969.3	1,697.2	75.1	182,025.1	209,168.3	14.9
. Special mention loans	113,418.9	131,323.9	15.8	310.1	140.2	- 54.8	113,729.0	131,464.1	15.6
. Non performing loans	67,636.9	76,147.2	12.6	659.2	1,557.0	136.2	68,296.2	77,704.2	13.8
Substandard loans	18,626.8	25,518.6	37.0	383.7	568.6	48.2	19,010.5	26,087.2	37.2
Doubtful loans	12,864.7	22,247.2	72.9	170.6	802.1	370.0	13,035.4	23,049.3	76.8
Loss loans	36,145.5	28,381.3	- 21.5	104.9	186.3	77.6	36,250.3	28,567.6	- 21.2
. Loan loss provisions	36,721.5	35,077.6	- 4.5	267.0	701.1	162.6	36,988.5	35,778.7	- 3.3
. Non performing loan rate	3.5	2.8	-	0.8	1.4	-	3.4	2.7	-
. Impairment rate	9.4	7.6	-	1.2	1.6	-	9.1	7.3	-
. Provisioning rate	54.3	46.1	-	40.5	45.0	-	54.2	46.0	-
<b>Liquidity</b>									
. LCR* in BIF (threshold 100%)	192.8	169.2	-	-	-	-	192.8	169.2	-
. LCR in f.c.** (threshold 100%)	135.5	161.5	-	-	-	-	135.5	161.5	-
. Loans/Customer deposits	68.8	71.7	-	262.7	215.1	-	70.8	73.6	-
. Stable funds /Fixed Assets (threshold 100%)	98.8	93.2	-	265.6	158.3	-	101.0	94.3	-
. Ten large deposits/Customer deposits	43.4	46.2	-	-	-	-	42.9	45.6	-
<b>Profitability and performance</b>									
. Income before tax	167,533.6	184,125.0	9.9	8,813.5	7,616.3	- 13.6	176,347.1	191,741.3	8.7
. Net income	160,537.5	158,872.1	- 1.0	6,077.8	5,081.3	- 16.4	166,615.3	163,953.4	- 1.6
. Gross Income	321,961.7	395,091.7	22.7	9,144.6	11,716.7	28.1	331,106.3	406,808.4	22.9
. ROA	3.32	2.52	-	6.11	3.42	-	3.4	2.5	-
. ROE	28.12	21.84	-	25.78	16.77	-	28.0	21.6	-

Source: BRB

Source: BRB

\* Liquidity Coverage ratio

\*\* Foreign currencies

### APPENDIX 3: SELECTED ANNUAL INDICATORS

<b>GROSS DOMESTIC PRODUCT AND PRICE</b>	2017	2018	2019	2020	2021 (p)
Real Growth of GDP ( in %)	3,8	5,3	4,5	-0,5	3,1
Inflation rate (annual)	16,1	-2,6	-0,8	7,5	8,3
<b>FOREIGN SECTOR</b>					
Exports, f.o.b. (USD million )	172,3	180,0	179,7	162,4	165,1
Imports, CIF (USD million)	756,0	793,5	887,7	909,6	1 030,0
Volume of exports (in tons)	93 125,0	103 218,0	103 030,0	105 858,0	102 500,0
Volume of imports (in tons)	822 514,0	976 694	1 143 866,0	1 175 731,0	1 331 987,4
Current account balance (USD million )	-370,9	-345,9	-348,4	-315,8	-421,9
Exchange rate BIF/USD (period average)	1 732,2	1 784,8	1 848,6	1 915,1	1 976,0
Exchange rate BIF/USD (end of period)	1 766,7	1 808,3	1 881,6	1 946,4	2 006,1
International reserves (USD million, end of période)	102,2	70,3	113,4	94,3	266,6
International reserves (Month of imports)	1,7	1,0	1,5	1,1	3,2
<b>MONEY AND CREDIT</b>					
Net foreign assets (BIF million )	-154 400,0	-203 201,0	-206 340,3	-205 016,1	-322 600,5
Domestic credit (BIF million)	2 005,0	2 369,5	2 827,6	3 475,3	4 285,7
Net credits to the Government	1 112,2	1 337,5	1 618,9	2 025,8	1 932,4
Credits to the economy	892,9	1 038,6	1 208,6	1 449,5	2 352,3
Broad money (M3)	1 499,5	1 797,5	2 202,8	2 728,0	3 344,1
Money and quasi money (M2)	1 340,9	1 326,0	2 014,7	2 520,7	3 089,4
Velocity of the money (GDP/M2, end of period)	4,3	4,5	3,1	2,6	2,4
Reserve money (growth rate)	39,0	-3,3	23,6	11,6	1,1
Liquidity providing rate (in %)	2,79	2,90	2,65	2,86	3,00
Marginal lending rate (in %)	7,13	5,80	5,43	6,22	6,80
Commercial banks average deposit rates (end of period)	5,96	5,60	5,25	5,45	5,75
Treasury securities	14,03	13,23	12,45	12,46	11,66
Commercial banks average lending rates (end of period)	16,16	15,65	15,49	15,24	14,54
<b>FINANCE AND PUBLIC DEBT</b>					
Revenues and grants (as % of GDP)	15,8	17,7	20,0	20,0	19,9
Expenses (as % of GDP)	20,1	22,2	24,4	26,1	22,7
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-6,9	-8,0	-8,4	-9,9	-6,2
- included grants	-4,3	-4,5	-4,4	-6,1	-2,9
Domestic debt (BIF million)	1 647,8	1 937,8	2 317,5	2 851,2	3 063,2
External debt (in USD million , at the end of period)	440,5	451,1	504,1	532,2	638,1
External debt service ratio (as % of exports)	5,1	3,2	5,0	5,4	5,3
Public external debt (as % of GDP)	13,6	13,8	15,3	15,6	17,0
<b>GDP at market prices ( BIF billion)</b>	<b>5 702,1</b>	<b>5 914,4</b>	<b>6 216,9</b>	<b>6 655,6</b>	<b>7 506,4</b>
P:provisional					

Source: BRB