



BANQUE DE LA REPUBLIQUE DU BURUNDI



Economic indicators

August 2023

## I. INTRODUCTION

The main economic indicators below, relate to the developments at the end of August of in real sectors and the sector and prices, foreign trade and the exchange rate, public finances, the money supply and its counterparts and the main financial soundness indicators.

Year-on-year, industrial production increased by 12.5 percent while that of green leaf tea (1,677.6 against 2,660.7 tonnes) and parchment coffee (1,591 against 14,193 tonnes) fell. Inflation remained high (28.8 percent compared to 19.6 percent) compared to the same period of 2022.

The trade balance deficit worsened, amounting to 1,615.5 against 1,407.0 billion BIF in the same month of 2022, following the increase in imports. The Burundi Franc depreciated sharply (38.87 percent) against the US Dollar, due to the attempt to unify the exchange rate in May 2023 as part of the monetary and exchange rate policy reforms initiated since then October 2022.

The budget deficit (excluding grants), in the 2023/2024 budget year, remained almost equal to that of the 2022/2023 financial year, amounting to 119,295.3 MBIF compared to 118,265.1 million at the end of August 2022.

Year-on-year, the monetary base decreased (-6.4 against +56.4 percent) and the money supply decelerated its growth (16.1 against 24.8 percent).

Banking sector activity has improved. Customer deposits and credits to the economy have increased. Regarding financial stability indicators, the banking sector remained sufficiently capitalized. However, the solvency and profitability ratios have decreased compared to the end of August 2022.

## II. PRODUCTION

Year-on-year, the industrial production index increased while the production of green leaf tea and parchment coffee declined in August 2023

### II.1 Industrial Production Index

The industrial production index increased by 12.5 percent in August 2023, standing at 229.9 compared to 204.4 in the corresponding month of 2022, especially in connection with the rise in production of BRARUDI beverages (+20.4 percent), sugar (+3.1 percent) and cigarettes (+1.8 percent).

Likewise, this index rose by 28.4 percent compared to the previous month, mainly linked to high sugar production linked to the effective takeoff of the sugar campaign and the increase in production of BRARUDI beverages (+11.8 percent).

### II.2. Coffee

Coffee parchment supplies for the 2023/2024 season decreased 88.79 percent at the end of August 2023 compared with the same period in the previous season, at 1,591 tonnes compared with 14,193 tonnes, as a result of the cyclical

nature of the coffee crop.

### II.3. Tea

Year-on-year, green leaf tea production fell by 36.9 percent in August 2023, to 1,677.6 tonnes compared with 2,660.7 tonnes in the same period of 2022, as a result of poor rainfall. Similarly, cumulative production fell slightly to 36,506.1 tonnes at the end of August 2023, compared with 37,430.7 tonnes for the same period in 2022.

**III. INFLATION DEVELOPMENTS** Year-on-year, headline inflation stood at 28.8 percent in August 2023, compared with 19.6 percent in the same period of the previous year. This acceleration in inflation concerned both food inflation (39.3 against 24.4 percent) and non-food inflation (16.0 against 14.2 percent).

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

	August-22		August-23	
	CPI	Inflation	CPI	inflation
<b>Headline Inflation</b>	<b>155.2</b>	<b>19.6</b>	<b>199.8</b>	<b>28.7</b>
<b>1. Food</b>	<b>163.1</b>	<b>24.4</b>	<b>227.2</b>	<b>39.3</b>
-Bread and cereals	164.8	40.7	218.8	32.8
- Meat	204.2	28.1	206.8	1.3
- Fish and seafood	214.7	34.8	290.1	35.1
- Milk, cheese and eg	154.4	13.9	174.2	12.8
-Oils and fats	226.7	22.4	277.9	22.6
- Fruits	178.2	13.1	219.1	23.0
- Vegetables	144.6	17.9	225.6	56.0
-Sugar, jam, honey, c	126.6	16.4	140.6	11.1
-undefined food else	135.9	8.0	147.2	8.3
<b>2. Non food</b>	<b>146.6</b>	<b>14.2</b>	<b>170.0</b>	<b>16.0</b>
- Alcoholic beverage	130.2	7.0	165.5	27.1
- Clothing and footw	152.0	14.0	171.5	12.8
- Housing,water,elec	154.5	11.2	182.2	17.9
- Furnishing, househ	156.2	20.4	183.8	17.7
- Health	175.8	4.6	186.3	6.0
- Transport	154.5	31.5	169.5	9.7
- Communication	118.0	15.2	115.7	-1.9
- leisure and culture	156.2	19.1	190.0	21.6
- Education	151.7	0.5	173.8	14.6
- Restaurants and hc	132.4	11.4	169.0	27.6
- Other goods and se	136.0	7.9	150.2	10.4
<b>Energy and fuels</b>	<b>186.2</b>	<b>16.7</b>	<b>233.5</b>	<b>25.4</b>
<b>3. Core Inflation</b>	<b>154.1</b>	<b>19.5</b>	<b>181.7</b>	<b>17.9</b>

Source: BRB, from INSBU data

The rise in food inflation mainly concerned prices in the sub-headings "fruit" (23.0 against 13.1 percent) and "vegetables" (56.0 against 17.9 percent).

The rise in non-food inflation was mainly due to higher prices for products under the subheadings "Alcoholic beverages and tobacco" (27.1 against 7.0 percent), "Housing, water, gas, electricity and other fuels" (17.9 against 11.2 percent), "Restaurants and hotels" (27.6 against 11.4 percent), "Education" (14.6 against 0.5 percent) and "Leisure and culture" (21.6 against 19.1 percent).

However, prices fell in the sub-headings "Transport" (9.7 against 31.5 percent), "Furniture, household goods and routine household maintenance" (17.7 against 20.4 percent) and "Communications" (0.9 against 15.2 percent).

The price index for energy, fuel and other combustibles reached a level of 25.4 percent in August 2023, compared with 16.7 percent in the corresponding month of 2022.

Overall inflation, excluding food and energy prices, reached 18.1 percent at the end of August 2023. This inflation, which is an approximation of underlying inflation, fell (19.5 percent) compared with the same period in 2022.

### IV. TRADE BALANCE

The trade balance deficit in August 2023 worsened further, standing at 1,615.5 against 1,407.0 billion of BIF in the same period of

2022, in connection with the increase in imports ( BIF 1,836. 2 against 1,620.2 billion ) and those of exports (BIF 220.7 against 213.2 billion). On the other hand, the commercial coverage rate deteriorated slightly, standing at 12.0 percent compared to 13.2 percent in August 2022.

#### IV.1 Exports

Cumulative exports in August 2023 increased both in value (+3.5 percent) and in volume (+15.0 percent) compared to the same period of 2022.

In value, the increase in exports concerned only manufactured products (BIF 116,485.1 against 88,626.0 million) while primary products fell (BIF 104,225.5 against 124,562.4 million).

For exports of primary products, their decline concerned exports of niobium ore (BIF 5,525.1 against 13,833.9 million) and the absence of exports of non-monetary gold. On the other hand, exports of coffee (BIF 58,260.4 against 27,458.6 million) and tea (BIF 37,342.0 against 31,228.6 million) increased.

Regarding exports of manufactured products, their increase concerned exports of beers (BIF 15,964.7 against 11,930.9 million), wheat flour (BIF 18,535.7 against 9,400.2 million), cigarettes (BIF 16,279.8 against 13,959. 5 million), dark glass bottle (BIF 9,103.2 against 5,568.6 million) and those of Kerosene (BIF 6,184.7 against 4,751.4 million).

In volume, the increase in exports concerned both primary products (23,635 against 16,561 tonnes) and manufactured products (58,345 against 54,750 tonnes).

#### IV.2 Imports

Cumulative imports in August 2023 increased both in value (+13.3 percent) and in volume (+3.2 percent) compared to the same period of 2022.

In value, the increase in imports concerned imports of intermediary goods (BIF 938,435.1 against 811,312.2 million), capital goods (BIF 339,438.3 against 264,991.3 million), as well as imports of consumer goods (BIF 558,306.2 against 543,851.1 million).

The increase in imports of intermediary goods is mainly explained by the increase in imports of goods intended for agriculture and livestock (BIF 170,218.5 against 102,905.2 million), food (BIF 127,949.0 against 89,580.5 million), construction (BIF 94,157.8 against 76,141.4 million) and mineral oils (BIF 372,859.6 against 346,982.4 million). On the other hand, imports of metallurgical goods (BIF 79,466.9 against 107,699.1 million) fell.

The increase in imports of capital goods concerned boilers and construction equipment (BIF 112,475.3 against 93,105.9 million), parts and tools (BIF 28,871.2 against 26,295.7 million), electrical equipment (BIF 71,031.5 against 50,501.0 million) and tractors, vehicles

and machinery/transport (BIF 80,580.0 against 70,258.0 million).

Concerning imports of consumer goods, their decline is attributable to imports of textiles (BIF 55,074.1 against 73,305.7 million) as well as non-durable pharmaceutical consumer goods (BIF 67,807.9 against 56,318.0 million) while those intended vehicles (BIF 68,964.9 against 56,318.0 million) and food (BIF 143,957.4 against 139,513.6 million) increased.

In volume, the increase in imports mainly concerned intermediary goods (657,105 against 623,910 tonnes) and capital goods (39,664 against 36,368 tonnes). On the other hand, those of consumer goods fell (175,153 against 184,653 tonnes).

## V. EXCHANGE RATE

Compared with the same period in 2022, the BIF depreciated by 38.91 percent against the US Dollar in August 2023, with an average exchange rate of BIF 2,835.07 against BIF 2,040.95 per US Dollar unit.

At the end of the period, the BIF also depreciated by 38.87 percent against the US Dollar, with the exchange rate rising from BIF 2,043.49 to BIF 2,837.79 per US Dollar unit between the end of August 2022 and the end of August 2023.

## VI. GOVERNMENT FINANCIAL OPERATIONS

In the 2023/2024 fiscal year, fiscal deficit (excluding grants) almost stabilized, compared to that of 2022/2023 fiscal year, amounting to

BIF119,295.3 against 118,265.1 million at the end of August 2022. However, for the present fiscal year, cumulative revenue and expenditure increased from BIF250,842.3 to 273,207.8 million and from BIF369,107.4 to 392,503.2 million, respectively.

In comparison to the same month of 2022, fiscal deficit rose in August 2023 and stood at BIF74,780.8 against 56,628.1 million at August 2022.

### VI.1. Revenue

Public revenue edged up by 14.4 percent, year-over-year basis, standing at BIF148,496.0 million. This growth is driven by that of tax revenue (+BIF23,642.9 million) while non-tax revenue decreased (-BIF4,898.3 million).

Likewise, in comparison with the previous fiscal year, cumulative revenue for the 2023/2024 fiscal year rose by 8.9 percent in connection with the increase in cumulative tax revenue (+BIF31,386.6 MBIF). Nevertheless, cumulative non-tax revenue fell (-BIF9,021.3 MBIF)

### VI.2. Expenditure

Public expenditure grew by 19.8 percent year on-year-basis. It stood at BIF223,276.8 against 186,380.5 million. On a fiscal year comparison, cumulative expenditure increased by 6.3 percent, totalling BIF392,503.2 against 369,107.4 million at the same month of the 2022/2023 fiscal year.

Personnel expenses stood at BIF69,110.4 million against to BIF41,531.6 million at August 2022. Consequently, cumulative personnel

expenses, in the 2023/2024 fiscal year went up by 70.5 percent, amounting to BIF141,466 against 82,966.3 million following the lifting of the annals freeze

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

Public debt increased by 19.6 percent at the end of August 2023, going from 5,080.0 to BIF 6,076.9 billion, in connection with the increase, at the same time, in domestic debt (+13.5 percent) and external debt (+37.3 percent).

Compared to the previous month, the outstanding public debt increased slightly (+0.7 percent) in connection with the slight increase in domestic debt (+1.4 percent) while external debt decreased slightly by 0.8 percent.

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

Year-on-year, domestic debt increased by BIF 507,403.7 billion at the end of August 2023, going from BIF 3,767.6 to 4,275.0 billion, in relation to the increase in State indebtedness to the banking sector. (BIF+490,223.7 million) especially in the form of advances from the BRB (BIF+221,879.9million) and Treasury securities (BIF+215,918.0 million).

Compared to the previous month, the domestic debt increased by BIF59,385.9 million, in connection with the increase in Government debt to the banking sector, especially BRB (BIF +63,070.7 million) while that towards commercial banks fell by BIF19,385 .3 million.

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

Year-on-year, external debt increased by BIF 489,474.8 billion at the end of August 2023, going from BIF 1,312.4 to 1,801.8 billion, in relation to drawings (+BIF 33,412.5 million) and revaluation gains (511,388.4 MBIF), partially offset by the amortization of the debt (BIF 55,325.9 million).

Compared to the previous month, the stock of external debt fell slightly by 0.8 percent at the end of August 2023, standing at 1,801.8 against 1,817.1 billion BIF, in relation to the new drawings (2,238.2 MBIF) the revaluation losses (-2,989.3 MBIF) offset by the amortization of the debt (14,539.6 MBIF).

Expressed in US dollars, external debt fell by 1.2 MUSD at the end of August 2023, to stand at 635.6 compared to 643.0 MUSD at the corresponding period of 2022.

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

Year-on-year basis, reserve money decreased while money supply growth decelerated at August 2023

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

Year-on-year basis, reserve money decreased by 6.4 against 56.4 percent increase at the same period of the previous year, down from BIF 1,321.8 to 1,237.5 billion. This drop affected deposits of other depository corporations (-28.1 against +1.6 percent) and currency in circulation (-0.5 against 17.8 percent).

On a monthly basis, reserve money increased by 1.3 percent in August 2023 compared to the decrease of 2.4 percent a month before.

## VII.2. Money supply

On a year-to-date basis, money supply (M3) grew by 16.1 percent in August 2023 against 24.8 percent at the corresponding period of 2022 and stood at BIF4,706.6 billion. This growth was driven by M2 monetary aggregate (12.8 against 24.5 percent) and residents' foreign currency deposits (59.3 against 29.0 percent).

The increase in M2 aggregate resulted from demand deposits (10.9 percent), term and savings deposits (20.0 percent) and currency outside depository corporations (+6.7 percent).

Demand deposit growth reflected the increase in households' deposits (+BIF138,064.1 million), public non-financial corporations (+BIF113,388.7 million), financial institutions (+BIF8,354.9 million) and deposits classified in other accounts (+BIF3,774.7 million). Deposits of local administrations (-3,970.4 MBIF) and other non-financial corporations' deposits (-BIF21,416.1 MBIF) decreased.

The increase in term and savings deposits was driven by that of households (+BIF83,783.6 million), other non-financial corporations (+BIF113,571.6 million), and

other accounts deposits (+BIF12,036.4 million). However, public non-financial corporations and local administrations deposits decreased by BIF4,397.1 million and BIF2,074.6 million respectively.

The increase in residents' foreign currency assets is attributable to households' deposits (+BIF108,775.1 million), other non-financial corporations' deposits (+BIF33,844.3 million), public non-financial corporations (+BIF2,371.0 million) and those classified in the other accounts (+BIF24,476.8 million).

On a monthly comparison, M3 monetary aggregate almost stabilized in August 2023 compared to 1.0 percent increase a month before.

## VII.3. Counterparts

Domestic credit decelerated to 18.0 percent, year-on-year basis, compared to 40.0 percent at the corresponding period of the previous year. It stood at BIF6,683.9 billion at the end of August 2023. This deceleration concerned net claims on the central Government (6.7 against 20.4 percent) and claims on the economy (27.5 against 62.1 percent).

Net foreign assets declined by 682,918.5 million, year-on-year basis, compared to a reduction of 137,818.9 million at the end of August 2022. This decrease affected gross foreign assets (-BIF194,618.3 million) and



the increase in external commitments (+BIF488,300.2 million). Consequently, official foreign exchange reserves fell by BIF194,237.2 million. In terms of months of import, these reserves covered 0.4 months of compared to 1.7 months in August 2022

## VIII. MAIN INDICATORS OF BANKING SECTOR

Banking sector activity improved at the end of August 2023, in line with the increase in credit to the economy on the asset side and interbank operations on the liabilities side.

### VIII.1. Assets

Banking sector assets grew by 18.4 percent year-on-year. It stood at BIF 7,207.7 billion at the end of August 2023 against BIF 5,670.8 billion at the end of August 2022. This increase results from the fact that loans allocated to the economy increased by 29.7 percent (3,363.8 against BIF 2,593.7 billion). Similarly, loans granted to Government grew by 12.3 percent, settling at BIF 1,992.4 billion against BIF 1,774.6 billion.

The share of credit to the economy increased by 4.0 percentage points, reaching 46.6 percent of banking sector assets in August 2023 against 42.6 percent in August 2022. The share of Government commitments stood at 29.2 percent against 27.6 percent, translating into a decline of 1.5 percentage points.

### VIII.2. Liabilities

The customer deposits increased by 16.8 percent year-on-year, rising to BIF 4,165.6

billion in August 2023 from BIF 3,565.7 billion in the same month of 2022. On contrary, Central Bank refinancing decreased by 4.9 percent, standing at BIF 572.9 billion against 602.7 billion at the end of August 2022. In addition, interbank operations increased by 18.3 percent reaching BIF 920.3 billion at the end of August 2023 from BIF 777.9 billion at the end of August 2022.

Deposits as a share in sector liabilities fell by 0.8 percentage point to reach 57.8 percent for August 2023 from 58.6 percent at the end of August 2022.

Likewise, the share of Central bank refinancing decreased by 2.0 percentage points reaching 7.9 percent at the end of August 2023 from 9.9 percent for August 2022.

Moreover, the share of inter-banks loans slightly decreased by 0.02 percent, reaching 12.76 percent at the end of August 2023 against 12.78 percent at the end of August 2022.

## IX. KEY FINANCIAL SOUNDNESS INDICATORS

At the end of August 2023, the equity of the banking sector increased in relation to the corresponding period of 2022. However, the solvency and profitability ratios deteriorated.

### IX.1. Capital Adequacy

The equity of the banking sector rose of 30.8 percent at the end of August 2023 reaching 860.5 from BIF 658.1 billion at the end of August 2022. On the contrary, the core solvency reached 18.6 percent against 22.0



percent and the overall solvency ratio settled at 20.4 percent against 23.4 percent. Nevertheless, the leverage ratio<sup>1</sup> slightly increased to reach 10.9 against 10.2 percent.

### **IX.2. Quality of loans portfolio**

At the end of August 2023, non-performing loans increased by 38.7 percent totaling BIF 93,252.7 Million against BIF 67,243.8 Million at the corresponding period of 2022.

Thus, the overall default rate of credit portfolio increased by 0.2 to reach 2.8 percent against 2.6 percent at the end of August 2022.

Regarding year-on-year basis, the loan portfolio which is allocated in some sectors of activities improved at the end of August 2023. The loan default rates decreased to stand at 2.3 percent at the end of August 2023 against 3.2 percent the same period in construction, at 5.4 percent against 7.6 percent in tourism and at 2.6 against 3.2 percent in equipment. On the other hand, the loan portfolio allocated respectively to agriculture, industry and trade sectors deteriorated at the end of August 2023. The overall default rates of credit portfolio therefor increased to reach 2.4 against 1.5 percent in agriculture, 3.6 against 1.0 percent in industry and 3.0 against 2.5 percent in trade at the corresponding period of 2022.

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<sup>1</sup> The minimum threshold is 5% for the leverage ratio

### **IX.3. Concentration of loans portfolio**

The banking sector exposure to large loan risks<sup>2</sup> grew up to 53.4 percent at the end of August 2023, standing at BIF 1,364.3 billion against BIF 755.1 billion for the month of August 2022. The main risks amount as a share in overall loan portfolio rose to 40.6 percent at the end of August 2023 against 29.1 percent at the end of August 2022.

Furthermore, equipment, trade and slightly the construction are the only most financed sectors for the compared period. Thus the loan portfolio of the equipment, trade and construction sectors has increased to reach respectively 34.8 against 25.8 percent, 31.1 against 29.7 percent and 16.1 against 18.8 percent at the end of August 2022.

The outstanding loan allocated to the equipment and trade sectors increased and reached respectively BIF 1,171.3 billion and BIF 1,046.1 billion at the end of August 2023 against BIF 670.1 billion and BIF 771.6 billion at the end of August 2022.

### **IX.4. Profitability**

The Banking Sector's Gross Income increased by 16.7 percent on a basis of year-on-year to reach BIF 301,501.8 million at the end of August 2023 against BIF 258,268.2 million at the end of August 2022. On the contrary, the Banking Sector Net Income fell by 8.7 percent,

<sup>2</sup> Circular n°06/2018 defines a large risk as a loan exceeding 10% of its core equity capital.

from BIF 112,342.6 million at the end of August 2022 to BIF 102,621.6 million at the end of August 2023. Likewise, return on assets (ROA) and return on equity (ROE) also fell in settling respectively at 1.3 and 11.9 percent at the end of August 2023 against 1.8 and 17.1 percent at the end of August 2022.

### IX.5. Liquidity

The Liquidity coverage ratio for short-term (LCR)<sup>3</sup> in BIF reached 167.2 percent at the end of August 2023 against 197.0 percent at the end of August 2022. Likewise, the short-term liquidity ratio in foreign currencies settled at

128.9 percent compared to 195.7 percent at the end of August 2022.

The large deposits amount increased by 12.0 percent to reach BIF 1,901.2 billion at the end of August 2023 against BIF 1,697.6 billion at the end of August 2022.

The 10 large deposits<sup>4</sup> as a proportion in total sector deposits fell by 2.0 percentage point standing at 47.6 percent at the end of August 2023 against 47.6 percent at the end of August 2022.

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<sup>3</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>4</sup> Large deposits are the sum of the deposits of the first 10 depositors in each credit institution

## APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF AUGUST 2023

	June-22	July-22	August-22	June-23	July-23	August-23
<b>I. PRODUCTION AND PRICE</b>						
1. Industrial Production Index (monthly average, 1989 = 100)	171.1	198.5	204.4	156.3	179.0	229.9
2. Production of Arabica parchment Coffee (cumulation in T ) (1)	-	5,859.6	20,052.7	-	6,190.0	7,781.0
3. Production of Tea (cumulation in T of tea leaves)	32,308.6	34,770.0	37,430.7	32,495.2	34,828.5	36,506.1
4. Consumer price index (1991 = 100)	151.2	153.7	155.2	192.0	193.5	199.8
5. Inflation rate	17.6	19.0	19.6	27.1	26.1	28.8
<b>II. Public Finances</b>						
1. Total Budget revenue (in BIF million)	708,116.8	829,206.8	958,959.2	872,428.8	997,140.6	1,145,636.6
1.1. Tax revenue	608,036.6	710,301.2	806,909.8	708,111.3	818,120.8	938,371.3
1.2. Non-tax revenue	100,080.3	118,905.5	152,049.4	164,317.5	179,019.8	207,265.3
1.3. Exceptional receipts	-	-	-	-	-	-
2. Expenditure	1,266,300.4	1,449,027.4	1,634,786.7	1,368,261.4	1,537,487.8	1,760,764.6
2.1. Compensation of employees (in BIF million)	268,757.0	310,191.7	351,723.4	301,554.0	373,910.0	443,020.4
3. Public debt (in BIFmillion)	4,779,386.2	5,087,231.0	5,083,718.4	6,028,856.9	6,032,855.5	6,076,949.7
3.1. Domestic debt outstanding	3,461,788.8	3,778,705.6	3,768,600.5	4,222,542.8	4,215,670.3	4,275,055.3
Including: Treasury bills and bonds	1,977,691.7	1,964,617.7	1,970,857.1	2,207,955.5	2,200,478.2	2,203,955.1
BRB ordinary advance	266,435.9	28,468.2	17,695.5	314,986.5	-	102,414.2
3.2. External debt outstanding	1,317,597.4	1,308,525.4	1,315,117.9	1,806,314.1	1,817,185.2	1,801,894.4
3.3. External debt outstanding (in BIF million)	648.6	642.7	644.4	639.4	642.2	635.6
3.3. External debt service (in BIF million)	1,350.8	3,785.2	1,256.2	2,053.8	411.0	17,408.3
including amortization	1,215.1	2,945.7	1,049.3	1,639.4	373.5	14,539.6
3.4. Drawings on external loans	8,313.1	691.0	3,396.3	7,920.9	2,268.2	2,238.2
<b>III. MONEY</b>						
1. Reserve Money (in BIF million )	1,048,669.8	1,332,872.0	1,321,862.2	1,152,742.40	1,222,198.70	1,237,556.300
2. Broad money M3 (in BIF million)	3,735,114.5	4,064,806.2	4,055,303.2	4,665,079.50	4,709,490.30	4,706,630.400
2.1. Broad money M2 (in BIF million)	3,462,520.1	3,766,955.9	3,769,446.8	4,212,836.40	4,248,290.50	4,251,306.100
3. Domestic credit (in BIF million)	5,142,852.2	5,519,880.2	5,662,738.6	6,525,808.90	6,494,312.50	6,683,963.900
4. Net foreign to government (in BIF million)	2,228,992.3	2,492,728.2	2,577,398.0	2,740,282.80	2,653,642.90	2,750,812.600
5. Net foreign assets (in BIF million)	- 422,641.9	- 553,107.3	- 538,258.5	- 991,962.50	- 998,675.20	-1,221,177.000
6. Tenders operations						
6.1. Normal liquidity providing				-	-	-
6.2. Injecting liquidity				-	-	-
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	3.95	3.95	4.0	4.6	4.6	4.5
7.2. Treasury bill to 26 weeks	4.6	4.6	4.6	4.5	4.9	5.1
7.3. Treasury bill to 52 weeks	4.6	4.7	4.9	4.4	4.4	4.4
7.4. Recovery of liquidity	-	-	-	-	-	-
7.5. Injecting liquidity	4.5	2.0	2.0	2.0	2.0	2.0
7.6. Marginal lending facility	7.0	7.0	7.0	7.5	10.8	12.0
7.7. Interbank market	6.2	6.2	5.6	3.5	5.0	5.8
7.8. Deposit interest rates	6.1	6.1	6.1	6.1	5.6	5.8
7.9. Lending interest rates	12.7	13.3	13.4	12.9	12.9	13.0
<b>IV. EXTERNAL SECTOR</b>						
1. Export (in BIF million, fob DSL & Buja FOT)	168,643.5	185,763.7	213,188.3	168,127.8	193,327.9	220,710.6
including petroleum products	17,899.2	19,824.6	27,458.6	53,318.4	55,458.9	58,260.4
1.1. Volume of exports (in T)	54,744.0	61,906.0	71,311.0	63,358.0	72,155.0	81,980.0
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	-	210.3	223.6	133.2	132.1	
- BIF/Kg	-	8,934.8	10,030.2	6,792.3	8,243.6	
1.3. Coffee sold d(in BIF million)	20,566.1	22,943.3	32,528.5	47,130.5	48,798.7	51,245.1
2. Import CIF (in BIF million)	1,186,819.0	1,386,850.8	1,620,154.6	1,298,889.7	1,552,063.3	1,836,179.7
including petroleum products	254,955.9	293,114.5	346,982.4	234,149.4	296,626.8	372,859.6
2.1. Volum of imports (in T)	617,687.0	721,851.0	844,931.0	644,155.0	759,798.0	871,922.0
<b>V. EXCHANGE RATE</b>						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	90.8	93.2	92.9	65.0	64.0	64.6
3.1.2. Real	104.0	107.8	108.1	90.3	89.3	93.0
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	2,033.6	2,038.3	2,043.5	2,827.2	2,832.1	2,835.1
3.2.2. Exchange rate BIF/USD (monthly average )	2,031.35	2,036.0	2,041.0	2,824.86	2,829.66	2,837.79
(1): the coffee campaign starts in April and ends in March of the following year						
(p) : Provisional						
n.a. : not available						
-:data not available						

Source : BRB

## APPENDIX 2: MAIN INDICATORS OF BANKING SECTOR IN AUGUST 2023 (in BIF million)

	Commercial banks			Other financial corporations			Banking sector		
	August-22	August-23	change in %	August-22	August-23	change %	August-22	August-23	Change in %
<b>I. ASSETS</b>	<b>5,972,951.6</b>	<b>7,031,262.8</b>	<b>17.7</b>	<b>112,797.4</b>	<b>176,445.9</b>	<b>56.4</b>	<b>6,085,749.1</b>	<b>7,207,708.7</b>	<b>18.4</b>
<b>I.1. MAIN ASSETS</b>	<b>5,112,739.2</b>	<b>5,811,071.4</b>	<b>13.7</b>	<b>96,996.0</b>	<b>145,657.2</b>	<b>50.2</b>	<b>5,209,735.2</b>	<b>5,956,728.6</b>	<b>14.3</b>
<b>A. Liquid assets</b>	<b>2,611,298.1</b>	<b>2,577,928.3</b>	<b>- 1.3</b>	<b>4,753.5</b>	<b>15,019.2</b>	<b>216.0</b>	<b>2,616,051.7</b>	<b>2,592,947.5</b>	<b>- 0.9</b>
. Cash	131,686.8	81,747.8	- 37.9	22.5	20.0	- 11.0	131,709.3	81,767.8	- 37.9
. Balance in B.R.B.	571,308.5	335,873.6	- 41.2	1,069.2	10,670.3	898.0	572,377.6	346,543.9	- 39.5
. Interbank claims	136,384.1	170,510.8	25.0	987.1	1,654.1	67.6	137,371.1	172,164.8	25.3
. Loan to government	1,771,918.8	1,989,796.2	12.3	2,674.8	2,674.8	-	1,774,593.6	1,992,471.0	12.3
Treasury securities	1,667,592.7	1,750,602.4	5.0	2,674.8	2,674.8	-	1,670,267.5	1,753,277.2	5.0
Other securities	104,326.2	239,193.8	129.3	-	-	-	104,326.2	239,193.8	129.3
<b>B. Loans</b>	<b>2,501,441.0</b>	<b>3,233,143.1</b>	<b>29.3</b>	<b>92,242.5</b>	<b>130,638.0</b>	<b>41.6</b>	<b>2,593,683.5</b>	<b>3,363,781.2</b>	<b>29.7</b>
. Short term	1,158,886.8	1,534,190.2	32.4	950.9	2,230.9	134.6	1,159,837.7	1,536,421.1	32.5
. Medium term	719,185.4	570,043.7	- 20.7	43,761.9	45,522.2	4.0	762,947.3	615,565.9	- 19.3
. Long term	623,368.8	1,128,909.2	81.1	47,529.7	82,884.9	74.4	670,898.5	1,211,794.2	80.6
. Leasing	-	-	-	-	-	-	-	-	-
<b>I.2. Fixed assets</b>	<b>232,447.1</b>	<b>364,093.5</b>	<b>56.6</b>	<b>2,972.5</b>	<b>12,623.4</b>	<b>324.7</b>	<b>235,419.6</b>	<b>376,716.9</b>	<b>60.0</b>
<b>I.3. Others assets</b>	<b>627,765.3</b>	<b>856,097.8</b>	<b>36.4</b>	<b>12,828.9</b>	<b>18,165.3</b>	<b>41.6</b>	<b>640,594.2</b>	<b>874,263.1</b>	<b>36.5</b>
<b>II. LIABILITIES</b>	<b>5,972,951.6</b>	<b>7,031,262.8</b>	<b>17.7</b>	<b>112,797.4</b>	<b>176,445.9</b>	<b>56.4</b>	<b>6,085,749.1</b>	<b>7,207,708.7</b>	<b>18.4</b>
<b>II.1. Main liabilities</b>	<b>4,885,197.4</b>	<b>5,553,174.3</b>	<b>13.7</b>	<b>61,123.7</b>	<b>105,721.3</b>	<b>73.0</b>	<b>4,946,321.2</b>	<b>5,658,895.6</b>	<b>14.4</b>
. Customer deposits	3,533,336.2	4,099,029.9	16.0	32,388.4	66,570.1	105.5	3,565,724.6	4,165,600.1	16.8
amongst: Ten large deposits	1,697,566.4	1,901,244.3	12.0	-	-	-	1,697,566.4	1,901,244.3	12.0
. Borrowing from B.R.B. (Refinancing)	577,445.4	538,125.8	- 6.8	25,241.5	34,849.1	38.1	602,686.9	572,975.0	- 4.9
. Interbank liabilities	774,415.8	916,018.6	18.3	3,493.8	4,302.0	23.1	777,909.6	920,320.6	18.3
<b>II.2. Capital and reserves</b>	<b>572,382.3</b>	<b>669,995.7</b>	<b>17.1</b>	<b>24,743.8</b>	<b>29,379.6</b>	<b>18.7</b>	<b>597,126.1</b>	<b>699,375.3</b>	<b>17.1</b>
<b>II.3. Other liabilities</b>	<b>712,959.4</b>	<b>808,092.8</b>	<b>13.3</b>	<b>26,929.9</b>	<b>41,345.0</b>	<b>53.5</b>	<b>739,889.3</b>	<b>849,437.8</b>	<b>14.8</b>
<b>III. MAIN INDICATORS OF THE BANKING SECTOR</b>									
<b>Capital adequacy</b>									
. Tier 1 capital (in BIF billion)	595,766.4	756,831.4	27.0	22,959.3	27,461.0	19.6	618,725.7	784,292.4	26.8
. Total regulatory capital (in BIF billion)	630,392.6	826,402.4	31.1	27,673.4	34,104.2	23.2	658,066.0	860,506.5	30.8
. Risk weighted assets	2,695,242.7	4,039,037.5	49.9	118,353.5	170,106.4	43.7	2,813,596.2	4,209,143.9	49.6
. Tier 1 capital adequacy ratio (threshold 12.5%)	22.1	18.7	-	19.4	16.1	-	22.0	18.6	-
. Total regulatory capital adequacy ratio (threshold 15%)	23.4	20.5	-	23.4	20.0	-	23.4	20.4	-
. Leverage Ratio (threshold 7%)	10.0	10.8	8.0	20.4	15.6	-28.9	10.2	10.9	8.8
<b>Loan concentration</b>									
. Large exposures	752,398.7	1,358,579.4	80.6	2,739.9	5,703.7	108.2	755,138.7	1,364,283.1	80.7
. Large exposures to Loans ratio (%)	30.1	42.0	36.9	3.0	4.4	46.7	29.1	40.6	39.5
. Loans to Assets ratio (%)	41.9	46.0	10.9	81.8	74.0	-8.8	42.6	46.7	10.5
. Government claims to assets ratio (%)	29.7	28.3	-4.7	2.4	1.5	-37.5	29.2	27.6	-5.8
. Government Loans/Tier 1 capital ratio (%)	297.4	262.9	-11.8	11.7	9.7	-16.2	286.8	254.0	-4.5
<b>Quality of loan portfolio</b>									
. Past due loans	191,216.4	553,757.0	189.6	1,899.0	5,591.5	194.4	193,115.4	559,348.5	189.6
Special mention loans	125,337.4	465,349.7	271.3	534.3	746.1	39.6	125,871.6	466,095.8	270.3
Non performing loans	65,879.0	88,407.2	34.2	1,364.7	4,845.5	255.1	67,243.8	93,252.7	38.7
Substandard loans	23,799.7	27,866.8	17.1	300.5	2,578.0	757.9	24,100.1	30,444.8	26.3
Doubtful loans	13,470.0	20,905.4	55.2	932.4	1,469.7	57.6	14,402.4	22,375.1	55.4
Loss loans	28,609.4	39,635.0	38.5	131.8	797.7	505.1	28,741.2	40,432.7	40.7
. Loan loss provisions	31,564.7	46,545.0	47.5	658.1	2,048.2	211.2	32,222.8	48,593.2	50.8
. Non performing loan rate	2.6	2.7	3.8	1.5	3.7	146.7	2.6	2.8	7.7
. Impairment rate	7.6	17.1	124.3	2.1	4.3	104.8	7.4	16.6	124.3
. Provisioning rate	47.9	52.6	10.0	48.2	42.3	-13.3	47.9	52.1	7.3
<b>Liquidity</b>									
. LCR* in BIF (threshold 100%)	197.0	167.2	-15.1	-	-	-	197.0	167.2	-15.1
. LCR in f.c.** (threshold 100%)	195.7	128.9	-34.7	-	-	-	195.7	128.9	-34.7
. Loans/Customer deposits	70.8	78.9	11.1	284.8	196.2	-31.3	72.7	80.8	10.9
. Stable funds /Fixed Assets (threshold 60%)	86.8	97.7	12.3	263.3	269.2	2.3	90.1	101.1	12.3
. Ten large deposits/Customer deposits	48.0	46.4	-3.3	-	-	-	47.6	45.6	-4.4
<b>Profitability and performance</b>									
. Income before tax	117,581.7	131,841.2	12.1	5,134.7	4,829.5	-5.9	122,716.4	136,670.7	11.4
. Net income	108,974.0	99,610.0	-8.6	3,368.6	3,011.7	-10.6	112,342.6	102,621.6	-8.7
. Gross Income	250,921.6	291,669.2	16.2	7,346.6	9,832.6	33.8	258,268.2	301,501.8	16.7
. ROA	1.82	1.42	-21.9	2.99	1.71	-42.1	1.85	1.42	-23.8
. ROE	17.29	12.05	-30.3	12.17	8.83	-27.0	17.07	11.93	-30.3

Source: BRB

## APPENDIX 3 : SELECTED ANNUAL INDICATORS

	2017	2018	2019	2020	2021	2022 (p)
<b>GROSS DOMESTIC PRODUCT AND PRICE</b>						
Real Growth of GDP ( in %)	3.8	5.3	4.5	-0.5	3.1	1.8
Inflation rate (annual)	16.1	-2.583900907	-0.675540863	7.5	8.3	18.9
<b>FOREIGN SECTOR</b>						
Exports, f.o.b. (USD million )	172.6	180.2	180.0	162.4	163.7	207.9
Imports, CIF (USD million)	756.0	793.5	887.7	909.6	1,025.0	1,260.5
Volume of exports (in tons)	93,125.0	103,218.0	103,030.0	105,857.8	110,208.4	124,293
Volume of imports (in tons)	822,514.0	976,694.0	1,143,866.4	1,175,731.2	1,270,832.6	1,338,119.5
Current account balance (USD million )	-373.6	-389.2	-392.7	-346.9	-397.4	-622.2
Exchange rate BIF/USD (period average)	1,729.1	1,782.9	1,845.6	1,915.1	1,976.0	2,034.3
Exchange rate BIF/USD (end of period)	1,766.7	1,808.3	1,881.6	1,946.4	2,006.1	2,063.5
International reserves (USD million, end of period)	102.2	70.3	113.4	94.3	266.6	176.2
International reserves (Month of imports)	1.7	1.0	1.5	1.1	3.2	1.8
<b>MONEY AND CREDIT</b>						
Net foreign assets (BIF million )	-154.4	-203.2	-206.3	-205.0	-322.4	-561.9
Domestic credit (BIF million)	2,005.0	2,369.5	2,827.6	3,463.0	4,307.7	5,944.9
Net credits to the Government	1,112.2	1,337.5	1,618.9	2,025.8	1,930.7	2,532.7
Credits to the economy	892.8	1,032.0	1,208.7	1,437.3	2,377.0	3,412.2
Broad money (M3)	1,499.5	1,797.5	2,202.8	2,733.8	3,289.9	4,512.5
Money and quasi money (M2)	1,340.9	1,326.0	2,014.7	2,526.5	3,035.2	4,212.3
Velocity of the money (GDP/M2, end of period)	4.3	4.5	3.1	2.6	2.5	2.2
Reserve money (growth rate)	38.6	-2.8	23.6	11.6	1.1	44.5
Liquidity providing rate (in %)	2.8	2.4	3.0	3.9	2.9	2.0
Marginal lending rate (in %)	7.1	5.5	5.6	6.9	6.9	5.0
Commercial banks average deposit rates (end of pe	5.96	5.43	5.28	5.66	6.08	6.15
Treasury securities	14.26	12.57	12.57	12.23	11.15	10.45
Commercial banks average lending rates (end of pe	16.16	15.47	15.49	15.18	13.40	12.95
<b>FINANCE AND PUBLIC DEBT</b>						
Revenues and grants (as % of GDP)	15.8	17.7	20.0	19.1	19.3	19.5
Expenses (as % of GDP)	20.1	22.2	24.4	25.2	22.1	24.5
Overall fiscal balance (as % of GDP , accrual basis)						
- excluded grants	-6.9	-8.0	-8.4	-9.5	-6.0	-8.5
- included grants	-4.3	-4.5	-4.4	-6.1	-2.8	-5.0
Domestic debt (BIF million)	1,647.9	1,937.8	2,314.9	2,850.4	3,063.2	4,005.3
External debt (in USD million , at the end of period)	440.9	451.8	504.9	538.3	645.6	647.4
External debt service ratio (as % of exports)	5.1	3.2	5.0	5.3	5.5	5.9
Public external debt (as % of GDP)	13.6	13.8	15.3	15.4	16.8	14.5
GDP at market prices ( BIF billion)	5,702.1	5,914.4	6,216.9	6,805.6	7,676.4	9,213.9
P:provisional						
n.a: not available						