



BANQUE DE LA REPUBLIQUE DU BURUNDI



Economic indicators
May 2021

I. INTRODUCTION

The following main economic indicators concerned the developments at the end of May 2021, 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.

On an annual basis, the real sector was characterized, in May 2021, by an increase of industrial production, a fall of cumulative parchment coffee production and the end of the 2020/2021 coffee campaign.

Inflation decelerated in May 2021 compared to the same period of the previous year.

The trade balance deteriorated at the end of May 2021 while the overall fiscal deficit (excluding grants) deteriorated at the end of May 2021, compared to the same period in 2020. The Burundi Franc depreciated against the US Dollar.

The reserve money and money supply increased at the end of May 2021. 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, solvent and profitable.

II. PRODUCTION

Year -on- year basis, industrial production index and the production of green leaf tea increased.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index rose by 11.0 percent in May 2021, standing at 137.6 from 123.9 recorded in the previous year, mainly driven by the increase of BRARUDI beverages (+ 1.7%) and cigarettes (+ 39.5%).

On the other hand, compared to the previous month, this index picked up by 3.1%, mainly driven by the increase of BRARUDI beverages (+9.4%) which offset the decrease production of cigarettes (-15.1%).

II.2. Coffee

In May 2021, there was not production of parchment coffee, following the closure of the 2020/2021 coffee campaign. The total volume of parchment coffee produced during this season stood at 18,867.8 tonnes against a forecast of 27,320 tonnes, such an achievement rate of 69.1 percent.

II.3. Tea

The production of green leaf tea picked up by 3.3 percent in May 2021, reaching 5,332.9 tonnes against 5,164.0 tonnes recorded in the same month in 2020. Likewise, cumulative production fell by 3.9 percent at the end of May 2021, standing at 27,810.4 tonnes against 28,936.5 tonnes in the same period of the previous year, mainly due to poor rainfall.

III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation decelerated to 5.1% in May 2021 from 9.2% in the same period of the previous year. The slowdown of inflation focused on the deceleration of food inflation (+5.2 against + 15.3%), while non-food inflation slightly increased (+5.0 against + 3.3%).

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

	may-20		may-21	
	CPI	Inflation	CPI	inflation
Headline Inflation	121.8	9.2	128	5.1
1. Food	123.1	15.3	129.5	5.2
-Bread and cereals	114.9	13.8	114.8	-0.1
- Meat	145.2	20.5	154.7	6.5
- Fish and sea food	166.4	12.7	161.1	-3.2
- Milk, cheese and eggs	119.3	6.0	131.7	10.4
-Oils and fats	123.6	1.7	144.6	17.0
- Fruits	104.5	-10.1	139.8	33.8
- Vegetables	119.4	19.4	127.7	7.0
-Sugar, jam, honey, chocolate and confectionery	117.5	8.5	111.6	-5.0
-undefined food elsewhere	130.0	16.8	126.5	-2.7
2. Non food	120.3	3.3	126.3	5.0
- Alcoholic beverages, tobacco	117	3.6	119.1	1.8
- clothing and footwear	124.8	4.8	132.1	5.8
- Housing, water, electricity, gas and other fuels	128.7	5.4	136.7	6.2
- Furnishing, household equipment and routine household	122.7	3.5	124.5	1.5
- Health	118.3	2.9	156.5	32.3
- Transport	116.6	-1.0	117.5	0.8
- Communication	101.5	-0.5	102.4	0.9
- leisure and culture	129.9	9.6	132.6	2.1
- Education	141.8	1.9	152.5	7.5
- Hotels, Restaurant and café	114.9	3.5	117.9	2.6
- Other goods and services	122.9	4.0	124.1	1.0
Energy and fuels	145.7	6.1	157	7.8
3. Core Inflation	118.9	5.8	124.3	4.5

Source: BRB, from ISTEEBU data

The deceleration of food inflation is mainly attributable to a drop prices of the sub-headings “Bread and cereals” (-0.1 against + 13.8%), “Milk,cheese and eggs” (-3.2 against +12.7%), “Sugar, jams, honey, chocolates and confectionery” (- 5.0 against + 8.5%) and

“Miscellaneous food products” (-2.7 against +16.8%) combined with the slowdown inflation in sub-headings “Meat” (+ 6.5 against + 20.8%), “Milk, cheese and eggs” (+4.0 against + 6.9%) and “Vegetables” (+7.0 against + 19.4%).

On the other hand, the rise of non-food inflation mainly concerned the sub-headings “Housing, water, electricity, gas and other fuels” (+ 6.2 against + 5.4%), “Health” (+32.3 against + 2.9%) and “Education” (+ 7.5 against 1.9%).

Year-on-year basis, the price index combining the prices of energy and fuels rose by 7.8% in May 2021, compared with 6.1% recorded in the same period of the previous year.

Headline inflation excluding food and energy prices, which is the proxy for core inflation decelerated in May 2021 compared to the same period the previous year (+4.5 against +5.8%).

IV. TRADE BALANCE

The trade balance deficit deteriorated at the end of May 2021, standing at BIF 700,567.5 million against BIF 601,878.3 million recorded in the corresponding period in 2020. This result is linked to the significant rise of imports (BIF 799,081.3 million against 671,121.4 million) than exports (BIF 98,513.8 million against 69,243.1 MBIF).

IV.1 Exports

Year-on-year basis, exports increased by 42.3% in value and by 93.8% in volume, at the

end of May 2021.

In value, this increase concerned both exports of primary products, mainly coffee and niobium ores which stood at BIF 54,966.7 against 38,108.5 million and manufactured products amounted to BIF 43,547.1 against 31,108.5 million.

In volume terms, this increase was mainly related to the exports of manufactured products (46,653 against 18,096 tonnes), the primary products almost stabilized (12,798 against 12,577 tonnes).

IV.2 Imports

Imports picked up both in value (+19.1%) and in volume (+24.1%) in May 2021 compared to the same period of the previous year.

In value, this increase of imports covered all categories: intermediate goods (to BIF 361,559.7 million from BIF 312,126.7 million), capital goods (to BIF 153,675.7 million from BIF 133,479.6 million) and consumer goods (to BIF 283,845.8 from BIF 225,497.2 million).

The increase of capital good concerned imports of metallurgical goods (+23.0%), goods intended to the food products (+64.6%) and goods for agriculture and livestock (+34.0%). However, imports of mineral oils fell (-8.5%).

The rise in imports of capital goods focused on the parts and tools (+53.5%), boilers and mechanical devices (+16.5%) and tractors, vehicles and transport equipment (+ 9.5%).

Concerning imports of consumer goods, this

increase is mainly driven by pharmaceutical goods (+71.9%), food goods (+ 21.4%) and textiles (+ 64.4%).

In terms of volume, imports of intermediate goods rose, amounting to tonnes 387,734 from 346,205 tonnes. Likewise, capital goods picked up to tonnes 25,418 from 23,324 as well as consumer goods, amounting to tonnes 150,104 from 84,283 tonnes recorded at the end of May 2020.

V. EXCHANGE RATE

Compared to the same period of the previous year, the BIF depreciated by 3.21% against the US Dollar in May 2021; the average monthly exchange rate stood at BIF 1,968.32 against BIF 1,907.14 recorded in May 2021 for one unit of US Dollar.

At the end of the period, the BIF depreciated by 3.19% against the US Dollar, the exchange rate falling from BIF 1.909.35 to BIF 1.970.55 for a unit of US Dollar from the end of May 2020 to the end of May 2021.

VI. GOVERNMENT FINANCIAL OPERATIONS

At the end of May 2021, the overall fiscal deficit (excluding grants) worsened compared to the same period of the previous year, amounting to BIF 156,716.4 million against BIF 136,232.5 million, following the higher increase of expenditure than revenue.

VI.1. Revenue

In May 2021, revenue increased by 34.8 percent compared to the same month in 2020, standing at BIF 86,541.1 million against BIF 64,197.0 million. This increase was mainly related to the tax revenue (BIF +19,068.0 million) and non-tax revenue (BIF +3,276.0). Likewise, cumulative revenue rose by 16.5 percent, amounting to BIF 471,495.0 million against BIF 404,686.6 million recorded in the same period in 2020, driven by an increase of both tax revenue (BIF +55,946.9 million) and non-tax revenue (BIF +10,861.5 million).

VI.2. Expenditure

The total expenditure incurred in May 2021 picked up by 51.0 percent compared to the same month in 2020, standing to BIF 140,028.0 million against BIF 92,772.6 million. Likewise, cumulative expenditure rose by 15.5 percent at the end of May 2021, amounting to BIF 628,211.4 million against BIF 543,919.1 million in the same period in 2020.

Cumulative compensation of employee slightly increased by 2.1 percent, reaching BIF 201,615.5 million against BIF 197,471.7 million recorded in the same period of the previous year.

VI.3. Public debt

On an annual basis, public debt picked up by 16.0% at the end of May 2021 compared to the same period of the previous year, standing at BIF 3,991.4 against BIF 3,440.1 billion, driven

by the increase of both domestic debt (+ 19.1%) and external debt (+ 8.3%).

Compared to the previous month, the outstanding public debt increased by 0.7%, due to the rise of domestic debt (+ 0.7%) and external debt (+ 0.6%).

VI.3.1 Domestic Debt

Year-on-year basis, domestic debt rose by BIF 471,459.5 million at the end of May 2021, from 2,473.2 to BIF 2,944.6 billion, mainly due to the increase of Government debt in the form of Treasury securities held by commercial banks (+BIF 280,755.4 million) and overdraft from the Central Bank to the Government (+BIF 155,350.2 million).

Compared to the previous month, the outstanding of domestic debt increased by BIF 21,163.9 million, on account of Government debt to the banking sector (+BIF 13,253.9 million) and the non-financial sector (BIF 7,910.0 million).

VI.3.2. External Debt

Year-on-year basis, the external debt grew by BIF 79,826.7 million at the end of May 2021, amounting to BIF 1,046.7 billion from BIF 966.9 billion. This rise is linked to drawings (BIF 30,816.4 million) and revaluation gains (BIF 69,661.0 million) which exceeded the amortization of the debt (BIF 20,650.6 million).

Compared to the previous month, the external debt rose by 0.6% at the end of May 2021, standing at 1,046.7 against BIF 1,040.2 billion,

driven by the drawings (BIF 183.4 million) and the revaluation gains (BIF 8,405.7), partially offset by the amortization of the debt (BIF 3,013.8 million).

Expressed in US Dollars, the external debt increased by USD 24.8 million at the end of May 2021, standing to 531.8 against USD 507.0 million at the end of May 2020.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

Year-on-year basis, the reserve money and the money supply rose at the end of May 2021, driven by the increase of net domestic assets.

VII.1. Broad Money

Year-on-year basis, the reserve money increased by 13.9% at the end of May 2021, compared to 13.4% recorded in the same period in 2020, standing at BIF 767,579.7 million from BIF 673,899.2 million. This growth was attributable to the currency outside the central bank (+22.9 against + 11.4%). Commercial bank deposits in the Central Bank decreased whereas they slightly increased in the same period of the previous year (- 9.6% against + 22.5%).

VII.2. Money supply

Year-on-year basis, the money supply (M3) picked up at the end of May 2021 (+ 26.5% against + 16.0%), standing at BIF 2,867.9 billion from BIF 2,266.9 billion. This increase of M3 growth concerned both M2 monetary aggregate (+27.9 against + 16.2%) and the

resident foreign currency deposits (+11.8 against + 13.3%).

The rise of M2 money supply concerned demand deposits (+28.0 against + 8.5%), currency outside deposits institutions (+19.9 against + 20.0%) and term and savings deposits (+ 24.6 against + 45.6%).

The demand deposits growth resulted from a the rise of deposits classified in other accounts (+16.9 against + 6.1%) as well as from the recovery growth of other non-financial corporations deposits (+48.2 against -24.6%) and public non-financial corporations (+48.8 against -24.6%). On the other hand, the growth rate of household demand deposits fell to 21.8 from 25.4%.

The slowdown growth rate of term deposits and savings denominated in BIF concerned deposits from other non-financial corporations (+42.8 against + 82.6%), households (+10.0 against +32.7 %) and those classified in other accounts (+5.3 against + 18.4%). However, time deposits and savings of public non-financial corporations fell as in the same period of the previous year (-43.0 compared to -20.9%).

The increase of foreign currency deposits of residents concerned those of households (+23.8 against + 6.1%), while those of other non-financial corporations less increased (+ 10.2 against + 23.9%). The foreign currency deposits classified in other accounts decreased

whereas they had increased at the end of May 2020 (-4.0 against + 14.0%). Those of public non-financial corporations significantly decreased (-66.4 against +68.4%).

VII.3. Counterparts

Year-on-year basis, domestic credit (BIF 3,762.5 billion against BIF 3,001.7 billion) grew than in the same period of the previous year (+ 25.3% against + 20.3%).

This increase mainly concerned claims on the economy (+31.0 against + 22.6%) and net claims on the Government (+20.9 against + 18.6%).

The central bank's net claims on the Government recovered after declining in the same period in 2020 (+18.1 against -12.0%), while those of commercial banks decelerated (+21.4 against + 28.2%).

Year-on-year basis, net foreign assets increased by 20.1% at the end of May 2021, against a decrease of 79.0% in the year ending May 2020. This increase resulted from the growth of gross foreign assets (+20.8 against - 8.4%) and the decline of external liabilities (-0.9 against + 23.5%).

On an annual basis, the growth of official foreign exchange reserves increased by 16.9% at the end of May 2021, against a decrease of 24.6% recorded at the end of May 2020. These reserves covered 0.8 months of imports of goods and services, against 0.7 month

recorded in the same period of the previous year.

VIII. MAIN INDICATORS OF BANKING SECTOR

The banking sector activity improved in May 2021, following a rise of Treasury securities and loans to the private sector. On another hand, customer deposits increased in liability side. The quality of credit portfolio slightly improved and the banking sector remained sufficiently capitalized.

VIII.1. Assets

The banking sector's assets increased by 22.4% year-on-year, standing at BIF 4,216.4 billion in May 2021 from BIF 3,445.5 billion in May 2020. This increase resulted from the rise of Government debt in terms of Treasury securities (19.6%) and loans to private sector (25.5%).

The share of Treasury securities in the total assets remained predominant compared to other assets. It stood at 40.8% of total assets by the end May 2021 from 41.3% at the end of May 2020. The share of loans to the private sector reached 35.3% of the sector's assets from 34.3% in the same period of the previous year.

VIII.2. Liabilities

The customer deposits picked by 30.6% on a yearly basis, standing to BIF 2,522.6 billion at the end of May 2021 from BIF 1,932.1 billion at the end of May 2020. The Central Bank refinancing to credit institutions declined by

20.4%, amounting to BIF 346.4 billion at the end of May 2021 against BIF 435.2 billion recorded at the end of May 2020.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

The banking sector's equity improved in May 2021 and solvency ratios slightly increased. The return on equity stabilized while the return on assets declined.

IX.1. Capital Adequacy

The banking sector's equity increased by 30.4% year-on-year basis, standing to BIF 538,781.3 million at the end-May 2021 from BIF 413,219.1 million in the same period of the previous year. The core and overall solvency ratios slightly increased from 27.4% to 29.2% and from 29.5% to 31.2%, respectively. The leverage ratio rose from 11.1% to 12.0% while the threshold is fixed to 5.0%.

IX.2. Quality of loans portfolio

The quality of loans portfolio slightly improved at the end of May 2021. The overall deterioration rate fell from 6.2% in May 2020 to 4.5% in May 2021.

The deterioration rate fell year-on-year basis in the branches of agriculture (17.1 from 21.7%), industry (0.6 from 0.8%), trade (4.1 from 5.0%), construction (3.6 from 6.7%) and tourism (12.2 from 39.5%).

The loans default rate in the equipment sector slightly rose, from 4.5% at the end of May 2020 to 5.1% at the end of May 2021.

The non-performing loans fell by 8.7% at the end of May 2021, standing to BIF 68,157.7 million from BIF 74,613.0 million in the corresponding month in 2020, due to the write-off of the 24 months and more of the non-performing loans in balance sheet of banking sector.

IX.3. Concentration of loans portfolio

The banking sector's large exposures¹ picked up by 7.3% in May 2021, amounting to BIF 355,732.5 million from BIF 383,844.8 million in the corresponding month in 2020. The large exposures concentration fell to 23.5% of the overall loans portfolio in May 2021 from 34.8%.

The sector's exposure to retail trade slightly decreased but remained high. The share of retail trade loans in the overall loans portfolio stood at 33.2% against 33.4% in the corresponding period of the previous year.

IX.4. Profitability

The sector's Gross Income rose by 15.0% year-on-year, amounting to BIF 128,647.9 million in May 2021 from BIF 111,843.9 million in May 2020. The Net profit grew by 15.5%, standing to BIF 61,521.8 million from BIF 53,265.2 million. The return on assets (ROA) stabilized at

¹ According to Circular n°06/2018 relating to the credit risk structure a large exposure is a loan amount that is greater than 10% of core capital

1.5% while the return on equity (ROE) decreased from 12.9% to 11.4%.

IX.5. Liquidity

The Leverage Core Ratio (LCR)² in local currency declined at the end of May 2021, standing to 202.6% from 226.7% recorded at the end of May 2020. However, the LCR in foreign currencies increased, from 150.6% in May 2020 to 159.2% in May 2021.

The amount of large deposits grew³ by 30.1% at the end of May 2021, settling to BIF 1,149.6 billion from BIF 883.7 billion in the corresponding period in 2020. Likewise, the share of large deposits compared to the total deposits slightly grew, to 45.7% from 45.6% recorded in the same period of the previous year.

² Circular n°04/2018 on Liquidity Coverage Ratio defines the LCR as a ratio between the outstanding high-quality liquid assets (i.e. assets that can be easily and immediately convertible into liquidity without or with a slight loss in value

during periods of high liquidity stress) and the total net cash outflows in the following 30 calendar days.

³ Large deposits are the sum of the Top 10 deposits in each credit institution.

APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF MAY 2021

	March-2020	April-2020	May-2020	March-2021	April-2021	May-2021
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	125.5	112.8	123.9	137.9	133.4	137.6
2. Production of Arabica parchment Coffee (cumulation in T) (1)	10,885.4	10,885.4	10,885.4	18,867.8	18,867.8	18,867.8
3. Production of Tea (cumulation in T of tea leaves)	17,338.6	23,772.5	28,936.5	16,784.6	22,477.6	27,810.4
4. Consumer price index (1991 = 100)	117.2	119.7	121.8	126.4	127.4	128.0
5. Inflation rate	7.1	7.6	9.2	7.8	6.4	5.1
II. Public Finances						
1. Total Budget revenue (in BIF million)	259401.3	340,489.6	404,686.6	284274.9	384,953.9	471,495.0
1.1. Tax revenue	241950.4	313,902.6	374,625.3	260921.5	350,781.6	430,572.2
1.2. Non-tax revenue	17450.9	26,587.0	30,061.3	23353.4	34,172.3	40,922.8
1.3. Exceptional receipts	0.0	-	-	0.0	-	-
2. Expenditure	345425.9	451,196.5	543,919.1	356994.4	488,183.4	628,211.4
2.1. Compensation of employees (in BIF million)	117166.4	157,721.5	197,471.7	120355.6	160,161.4	201,615.5
3. Public debt (in BIF million)	3,410,837.6	3,389,200.2	3,440,071.2	3,926,427.6	3,963,618.3	3,991,357.4
3.1. Domestic debt outstanding	2,445,783.6	2,426,121.5	2,473,170.1	2,889,316.5	2,923,465.7	2,944,629.6
Including: Treasury bills and bonds	1,583,158.2	1,569,310.4	1,621,691.9	1,853,171.3	1,866,450.8	1,899,966.9
BRB ordinary advance	0.0	-	-	0.0	-	-
3.2. External debt outstanding	965,054.0	963,078.7	966,901.1	1,037,111.1	1,040,152.6	1,046,727.8
3.3. External debt outstanding (in BIF million)	509.0	506.4	507.0	529.6	529.8	531.8
3.3. External debt service (in BIF million)	4,073.7	3,345.5	2,123.0	4,702.7	533.5	3,647.1
including amortization	1,630.1	2,871.9	1,238.9	2,922.9	392.2	2,013.8
3.4. Drawings on external loans	2,865.6	2,864.5	2,556.8	3,415.5	725.0	183.4
III. MONEY						
1. Reserve Money (in BIF million)	643,970.4	672,233.9	673,899.2	695,388.5	750,542.5	767,579.7
2. Broad money M3 (in BIF million)	2,212,757.0	2,256,936.6	2,266,854.8	2,833,204.1	2,805,306.1	2,867,864.8
2.1. Broad money M2 (in BIF million)	2,022,071.9	2,063,466.2	2,074,187.8	2,609,185.4	2,592,352.2	2,652,448.2
3. Domestic credit (in BIF million)	2,908,430.1	2,953,031.1	3,001,731.8	3,644,929.8	3,668,420.3	3,762,507.1
4. Net foreign to government (in BIF million)	1,663,144.4	1,704,074.0	1,687,634.0	2,034,935.6	2,015,687.8	2,040,386.9
5. Net foreign assets (in BIF million)	-284,837.5	-306,201.1	-340,584.4	-227,799.0	-248,826.1	-272,173.8
6. Tenders operations						
6.1. Normal liquidity providing	420,000.0	432,880.0	435,000.0	200,000.0	180,000.0	190,000.0
6.2. Injecting liquidity						
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	3.00	3.00	3.00	3.78	3.98	4.08
7.2. Treasury bill to 26 weeks	2.98	3.15	3.21	4.68	4.62	4.54
7.3. Treasury bill to 52 weeks	3.16	3.25	3.28	4.75	4.96	5.05
7.4. Recovery of liquidity	0.00	0.00	0.00	0.00	0.00	0.00
7.5. Injecting liquidity	2.58	2.87	2.85	2.23	2.24	2.46
7.6. Marginal lending facility	6.00	6.00	6.00	6.79	7.12	7.04
7.7. Interbank market	3.97	4.07	4.16	4.85	5.16	5.25
7.8. Deposit interest rates	5.28	5.47	5.24	5.71	5.54	5.56
7.9. Lending interest rates	15.22	15.23	15.27	15.32	15.29	15.15
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	51,059.0	61,165.6	69,243.1	66,215.7	81,828.1	98,513.8
including Arabica coffee	8,312.5	9,860.5	9,860.5	18,861.2	20,596.5	22,264.4
1.1. Volume of exports (in T)	23,128.6	26,660.9	30,672.9	44,120.3	52,217.1	59,450.3
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	81.5	86.7	-	101.7	-	-
- BIF/Kg	3354.8	2,975.7	-	4353.5	-	-
1.3. Coffee sold d(in BIF million)	13,158.2	14,054.2	15,240.1	19,543.6	22,616.2	24,205.6
2. Import CIF (in BIF million)	433,016.8	556,471.3	670,786.3	461,175.1	629,478.7	799,081.3
including petroleum products	83,187.1	102,428.1	122,474.9	66,706.9	93,731.3	112,033.4
2.1. Volum of imports (in T)	301,282.4	380,715.8	453,659.0	350,728.0	455,192.4	563,256.5
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	92.55	93.94	93.66	86.48	85.90	84.76
3.1.2. Real	96.22	99.45	100.97	94.89	94.66	93.65
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,898.85	1,904.60	1,909.35	1,960.81	1,965.85	1,970.55
3.2.2. Exchange rate BIF/USD (monthly average)	1,896.06	1,901.90	1,907.14	1,958.31	1,963.39	1,968.32
(1): the coffee campaign starts in April and ends in March of the following year						
(p) : Provisional						
n.a. : not available						

Source: BRB

* Liquidity Coverage ratio

** Foreign currencies

APPENDIX 02: MAIN INDICATORS OF BANKING SECTOR AT THE END OF MAY 2021(IN BIF MILLION)

Source: BRB

	Commercial Banks			Financial corporations			Total banking sector		
	May 2020	May 2021	change in %	May 2020	May 2021	change in %	May 2020	May 2021	change in %
I. ASSETS	3,240,550.2	3,920,921.4	21.0	204,977.9	295,494.5	44.2	3,445,528.1	4,216,415.9	22.4
I.1. Main assets	2,818,639.6	3,370,422.0	19.6	181,078.1	253,960.3	40.2	2,999,717.7	3,624,382.4	20.8
A. Liquid assets	1,767,811.9	2,086,903.6	18.1	24,974.7	22,345.6	(10.5)	1,792,786.6	2,109,249.3	17.7
. Cash	62,107.2	74,911.4	20.6	18.5	29.0	56.5	62,125.7	74,940.4	20.6
. Balance in B.R.B.	219,855.7	184,272.9	(16.2)	4,796.6	525.0	(89.1)	224,652.3	184,798.0	(17.7)
. Interbank claims	74,082.2	135,952.4	83.5	2,456.4	4,616.9	88.0	76,538.6	140,569.3	83.7
. Government claims	1,411,766.7	1,691,766.9	19.8	17,703.2	17,174.7	(3.0)	1,429,469.9	1,708,941.6	19.6
<i>Treasury securities</i>	<i>1,361,893.2</i>	<i>1,580,576.5</i>	<i>16.1</i>	<i>17,703.2</i>	<i>17,174.7</i>	<i>(3.0)</i>	<i>1,379,596.4</i>	<i>1,597,751.2</i>	<i>15.8</i>
<i>Other securities</i>	<i>49,873.5</i>	<i>111,190.4</i>	<i>122.9</i>	-	-	-	<i>49,873.5</i>	<i>111,190.4</i>	<i>122.9</i>
B. Loans	1,050,827.7	1,283,518.4	22.1	156,103.4	231,614.7	48.4	1,206,931.1	1,515,133.1	25.5
. Short term	592,577.5	685,110.5	15.6	2,944.2	1,740.1	(40.9)	595,521.7	686,850.6	15.3
. Medium term	289,793.6	409,684.2	41.4	40,827.1	26,945.3	(34.0)	330,620.7	436,629.6	32.1
. Long term	168,456.6	188,723.7	12.0	112,332.1	202,929.3	80.7	280,788.7	391,652.9	39.5
. Leasing	-	-	-	-	-	-	-	-	-
I.2. Fixed assets	156,953.3	187,241.1	19.3	8,052.7	10,753.7	33.5	165,006.0	197,994.8	20.0
I.3. Others assets	264,957.3	363,258.2	37.1	15,847.1	30,780.5	94.2	280,804.4	394,038.7	40.3
II. LIABILITIES	3,240,550.2	3,920,921.4	21.0	204,977.9	295,494.5	44.2	3,445,528.1	4,216,415.9	22.4
II.1. Main liabilities	2,841,927.3	3,457,610.9	21.7	159,890.2	229,337.4	43.4	3,001,817.5	3,686,948.2	22.8
. Customer deposits	1,818,587.3	2,354,483.2	29.5	113,470.2	168,159.9	48.2	1,932,057.5	2,522,643.1	30.6
<i>amongst: Ten large deposits</i>	<i>866,109.3</i>	<i>1,113,031.0</i>	<i>28.5</i>	<i>17,554.7</i>	<i>36,603.7</i>	-	<i>883,664.0</i>	<i>1,149,634.8</i>	<i>30.1</i>
. Borrowing from B.R.B. (Refinancing)	435,227.5	337,369.5	(22.5)	-	9,038.3	-	435,227.5	346,407.8	(20.4)
. Interbank liabilities	267,749.7	347,933.7	29.9	6,827.1	6,280.6	(8.0)	274,576.8	354,214.4	29.0
II.2. Capital and reserves	320,362.8	417,824.4	30.4	39,592.9	45,858.5	15.8	359,955.7	463,682.9	28.8
II.3. Other liabilities	398,622.9	463,310.5	16.2	45,087.7	66,157.2	46.7	443,710.6	529,467.7	19.3
III. FINANCIAL SOUNDNESS INDICATORS									
Capital adequacy									
. Tier 1 capital (in BIF billion)	347,007.3	459,343.8	32.4	36,837.5	45,201.6	22.7	383,844.8	504,545.5	31.4
. Total regulatory capital (in BIF billion)	368,411.8	484,413.8	31.5	44,807.3	54,367.5	21.3	413,219.1	538,781.3	30.4
. Risk weighted assets	1,247,859.3	1,490,965.9	19.5	155,031.8	235,735.2	52.1	1,402,891.1	1,726,701.1	23.1
. Tier 1 capital adequacy ratio (threshold 12,5%)	27.8	30.8		23.8	19.2		27.4	29.2	
. Total capital adequacy ratio (threshold 14,5%)	29.5	32.5		28.9	23.1		29.5	31.2	
. Leverage Ratio (threshold 7%)	10.7	11.7		18.0	15.3		11.1	12.0	
Concentration of loan portfolio									
. Large exposures	415,623.1	351,043.2	(15.5)	3,813.1	4,689.3	23.0	419,436.2	355,732.5	(15.2)
. Large exposures to Loans ratio (%)	39.6	27.4	-	2.4	2.0	-	34.8	23.5	-
. Loans to Assets ratio (%)	32.4	32.7	-	76.2	78.4	-	35.0	35.9	-
. Government claims to assets ratio (%)	43.6	43.1	-	8.6	5.8	-	41.5	40.5	-
. Government Loans/Tier 1 capital ratio (%)	406.8	368.3	-	48.1	38.0	-	372.4	338.7	-
Quality of loan portfolio									
. Past due loans	120,568.8	117,776.2	(2.3)	26,462.6	38,992.1	47.3	147,031.4	156,768.3	6.6
Special mention loans	56,243.1	59,687.3	6.1	16,175.3	28,923.3	78.8	72,418.4	88,610.6	22.4
Non performing loans	64,325.7	58,088.8	(9.7)	10,287.3	10,068.9	(2.1)	74,613.0	68,157.7	(8.7)
<i>Substandard loans</i>	<i>8,419.8</i>	<i>6,662.3</i>	<i>(20.9)</i>	<i>4,604.1</i>	<i>5,266.9</i>	<i>14.4</i>	<i>13,023.9</i>	<i>11,929.3</i>	<i>(8.4)</i>
<i>Doubtful loans</i>	<i>12,776.5</i>	<i>12,532.3</i>	<i>(1.9)</i>	<i>2,792.7</i>	<i>3,109.3</i>	<i>11.3</i>	<i>15,569.2</i>	<i>15,641.6</i>	<i>0.5</i>
<i>Loss loans</i>	<i>43,129.5</i>	<i>38,894.2</i>	<i>(9.8)</i>	<i>2,890.5</i>	<i>1,692.7</i>	<i>(41.4)</i>	<i>46,020.0</i>	<i>40,586.8</i>	<i>(11.8)</i>
. Loan loss provisions	46,471.9	38,635.5	(16.9)	4,277.3	2,446.1	(42.8)	50,749.2	41,081.6	(19.0)
. Non performing loan rate	6.1	4.5	-	6.6	4.3	-	6.2	4.5	-
. Impairment rate	11.5	9.2	-	17.0	16.8	-	12.2	10.3	-
. Provisioning rate	72.2	66.5	-	41.6	24.3	-	68.0	60.3	-
Liquidity									
. LCR* in BIF (threshold 100%)	226.7	202.6	-	-	-	-	226.7	202.6	-
. LCR in f.c.** (threshold 100%)	150.6	159.2	-	-	-	-	150.6	159.2	-
. Loans/Customer deposits	57.8	54.5	-	137.6	137.7	-	62.5	60.1	-
. Stable funds /Fixed Assets (threshold 60%)	102.4	107.9	-	236.7	187.9	-	118.6	119.5	-
. Ten large deposits/Customer deposits	47.6	47.3	-	15.5	21.8	-	45.7	45.6	-
Profitability									
. Income before tax	54,529.2	60,332.4	10.6	239.1	5,404.0	2,160.1	54,768.3	65,736.3	20.0
. Net income after tax	52,005.6	56,655.7	8.9	1,259.6	4,866.0	286.3	53,265.2	61,521.8	15.5
. Gross Income	107,617.6	118,817.6	10.4	4,226.3	9,830.3	132.6	111,843.9	128,647.9	15.0
. ROA	1.6	1.4		0.6	1.6		1.5	1.5	
. ROE	14.1	11.7		2.8	9.0		12.9	11.4	

Source: BRB

Appendix 03: Main Annual Indicators

GROSS DOMESTIC PRODUCT AND PRICE	2016	2017	2018	2019	2020 (p)
Real Growth of GDP (in %)	3.2	3.8	5.3	4.5	-0.5
Inflation rate (annual)	5.6	16.1	-2.6	-0.8	7.5
FOREIGN SECTOR					
Exports, f.o.b. (USD million)	117.7	172.3	180.0	179.7	162.2
Imports, CIF (USD million)	615.2	756.0	793.5	887.7	909.6
Volume of exports (in tons)	84,614.0	93,125.0	103,218.0	102,721.0	105,858.0
Volume of imports (in tons)	708,203.0	822,514.0	976 694	1,143,866.0	1,175,731.0
Current account balance (USD million)	-326.8	-370.9	-345.9	-348.4	-315.8
Exchange rate BIF/USD (period average)	1,657.4	1,732.2	1,784.8	1,848.6	1,915.1
Exchange rate BIF/USD (end of period)	1,688.6	1,766.7	1,808.3	1,881.6	1,946.4
International reserves (USD million, end of période)	95.4	102.2	70.3	113.4	109.7
International reserves (Month of imports)	1.5	1.7	1.0	1.5	1.1
MONEY AND CREDIT					
Net foreign assets (BIF million)	-176,523.1	-154,400.0	-203,201.0	-206,340.3	-205,016.1
Domestic credit (BIF million)	1,767.1	2,005.0	2,369.5	2,827.6	3,475.3
Net credits to the Government	905.9	1,112.2	1,337.5	1,618.9	2,025.8
Credits to the economy	861.3	892.9	1,038.6	1,208.6	1,449.5
Broad money (M3)	1,187.1	1,499.5	1,797.5	2,202.8	2,728.0
Money and quasi money (M2)	1,093.1	1,340.9	1,326.0	2,014.7	2,520.7
Velocity of the money (GDP/M2, end of period)	4.4	4.3	4.4	3.1	2.6
Reserve money (growth rate)	29.2	39.0	-3.3	23.6	11.6
Liquidity providing rate (in %)	3.10	2.79	2.90	2.65	2.86
Marginal lending rate (in %)	8.60	7.13	5.80	5.43	6.22
Commercial banks average deposit rates (end of period)	7.70	5.96	5.60	5.25	5.45
Treasury securities	-	14.03	13.23	12.45	12.46
Commercial banks average lending rates (end of period)	16.50	16.16	15.90	15.65	15.24
FINANCE AND PUBLIC DEBT					
Revenues and grants (as % of GDP)	15.6	15.8	18.0	20.0	19.5
Expenses (as % of GDP)	21.5	20.1	22.6	24.4	25.6
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-8.2	-6.9	-8.2	-8.4	-9.5
- included grants	-5.9	-4.3	-4.5	-4.4	-6.1
Domestic debt (BIF million)	1,374.1	1,647.8	1,937.8	2,317.5	2,851.2
External debt (in USD million , at the end of period)	429.1	440.5	451.1	504.1	532.2
External debt service ratio (as % of exports)	4.2	5.1	3.2	5.0	5.4
Public external debt (as % of GDP)	14.9	13.6	14.0	15.3	15.6
GDP at market prices (BIF billion)	4,938.2	5,702.1	5,914.1	6,216.9	6,655.6

Source: BRB