

I. INTRODUCTION

The following main economic indicators are related to the developments at the end of July 2018, in the real sector and prices, the public finance, the foreign trade, the exchange rate, the broad money and its counterparts, the main financial soundness indicators.

Year-on-year basis, the real sector was characterized by a decrease of the industrial production whereas tea and coffee production increased. The inflation declined in July 2018 compared to the same period in 2017.

The fiscal deficit and the trade balance worsened. Burundi Franc depreciated against the US Dollar.

The monetary sector was characterized by an increase of the reserve money and the money supply. The total balance sheet of the banking sector rose at the end of July 2018 compared to the same period in 2017. The deposits and credit to private sector increased. In terms of financial soundness, the banking sector remained sufficiently capitalized, solvent and profitable.

II. PRODUCTION

Year-on-year, the industrial production decreased while the coffee production for 2018/2019 campaign and the green tea harvest production increased.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index fell by 6.7% in July 2018, from 194.6 to 181.6 due to the decline of the BRARUDI beverages production (-1.8%), sugar (-6.4%) and cigarettes (-34.2%).

On the other hand, compared to the previous month, it increased by 49.4%, from 121.5 to 181.6 linked to the intensification of sugar production as well as the increase of BRARUDI beverages production (+ 17.0%) and cigarettes (+ 4.7%).

II.2. Coffee

The coffee production for the season 2018/2019 rose by 10.4% at the end of July 2018 compared to the same period in 2017, from 10,080 to 11,129 T.

II.3. Tea

The production of green tea leaves stood at 2,374.6 T in July 2018 against 5,008.1 T recorded in the previous month, or a decrease of 52.6% due to the dry season. On the other hand, the cumulative production increased by 11.7% year-on-year, from 31,130.1 to 34,775.6 T.

III. INFLATION DEVELOPMENTS

At the end of July 2018, inflation declined by -0.8% compared to 13.6% recorded in the same period in 2017 due to the decrease of food prices (-8.5 against 18.8%) while the non-food prices slightly increased (+8.8 against + 7.5%).

The fall of food prices mainly concerned prices of the sub-headings: "Breads and cereals" (-18.6 against + 28.7%), "Vegetables" (-15.5 against + 16.4%) and "Sugar, jam, honey, chocolate and confectionery" (-4.0 against + 9.1%).

The slightly increase of non-food inflation was mainly driven by the sub-headings: "Education" (+ 34.0 against + 1.9%), "Housing, water, electricity, gas and other fuels" (+15, 9 against + 8.2%) and "Health" (+8.3 against 3.5%).

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

	juil-17		juil-18	
	CPI	Inflation	CPI	Inflation
Headline Inflation	113,1	13,6	112,2	-0,8
1. Food	119,8	18,8	109,6	-8,5
-Bread and cereals	122,9	28,7	100,1	-18,6
- Meat	109,7	10,7	116,9	6,6
- Fish	118,5	15,5	150,4	26,9
- Milk, cheese and eggs	105,6	3,2	111,3	5,4
-Oils and fats	108,4	12,7	133,9	23,5
- Fruits	113,9	9,8	119,3	4,7
- Vegetables	122,9	16,4	103,8	-15,5
-Sugar, jam, honey, chocolate and confectionery	112,1	9,1	107,6	-4,0
-undefined food elsewhere	107,5	6,3	107,5	0,0
2. Non food	105,9	7,5	115,2	8,8
- Alcoholic beverages ,tobacco	109,4	9,5	116,6	6,6
- clothing and footwear	109,3	13,1	117,1	7,1
- Housing,water,electricity,gas and other fuels	102,3	8,2	118,6	15,9
-Furnishing, household equipment and routine m	108,7	7,9	115,3	6,1
- Health	104,0	3,5	112,6	8,3
- Transport	108,4	9,1	117,4	8,3
- Communication	100,6	0,7	101,4	0,8
- leisure and culture	107,3	9,2	114,3	6,5
- Education	101,6	1,9	136,1	34,0
- Hotels, Restorant and café	106,0	5,3	113,3	6,9
- Other goods and services	107,2	5,7	114,2	6,5
Energy and fuels	105,8	10,7	132,7	25,4
3. Core Inflation	109,4	11,8	112,2	2,6

Source: BRB based on data of ISTEERU

On a year-over-year basis, inflation combining energy and fuel prices increased from 10.7 to 25.4%. Headline inflation excluding food and energy, which is the proxy for core inflation declined year –on- year basis, from 11.8 to 2.6%.

IV. GOVERNMENT FINANCIAL OPERATIONS

At the end of July 2018, Government Financial Operations recorded a low overall deficit (excluding grants) compared to the same period in 2017, from -19,811.5 to -14,744.9 MBIF, due to the larger slowdown of expenditure than revenue.

IV.1. Revenue

Total revenue decreased by 10.6% in July 2018 compared to the same period in 2017, amounting to BIF 60,554.7 against BIF 67,742.8 million. This decrease concerned both tax revenue (BIF -2,978.2 million) and non-tax revenue (BIF -4,210.0 million).

However, the cumulative revenue rose by 14.3% year-on-year basis, from BIF 416,847.0 to BIF 476,558.4 million, linked to the increase of tax revenues (+54,111. million) and non-tax revenue (BIF +5,600.4 million).

IV.2. Expenditure

Year-on-year basis, the expenditure at the end of July in 2018 decreased by BIF 12,254.7 million, amounting to BIF 75,299.6 against BIF 87,554.3 million recorded in the same month in the previous year.

Cumulative expenditures increased by 28.3%, amounting to BIF 767,203.4 against BIF 597,884.8 million recorded in the same period in 2017. Compensation of employee stood at BIF 235,725.4 against BIF 225,345.5 million, or an increase of 4.6%.

IV.3. Public debt

Public debt increased by 17.1% at the end of July 2018, amounting to BIF 2,587.9 billion against BIF 2,210,0 billion recorded in the same period in 2017 due to the increase of the domestic debt (+ 23.8%) and external debt (+ 4.4%).

Compared to the previous month, the public debt slightly fell by 1.4% due to the decline of domestic debt (-1.9%) and external debt (-0.2%).

-Domestic Debt

Year-on-year basis, domestic debt rose by BIF 344,451.7 million at the end of July 2018, from 1,449.9 to BIF 1,794.3 billion, linked to the increase of the Government debt towards commercial bank (+BIF 314,248.4 million) and non-banking institutions (+BIF 30,203.3 million).

The increase of Government debt towards commercial banks is mainly driven by the rise of Treasury securities (+BIF 285.534.1 million).

Compared to the previous month, domestic debt fell by BIF 34,482.0 million, amounting to 1,794.3 from BIF 1,828.8 billion, due to the decline of the Government's debt towards banking sector (-BIF 37,170.7 million) that offset the increase debt towards non-banking sector (+BIF 2,688.7 million).

-External Debt

Year-on-year basis, outstanding external debt increased by 33,456.2 MBIF at the end of July 2018, from 760,152.9 to BIF 793,609.1 million. This increase is a result of new drawings (+BIF 25,296.5 million) and revaluation gains (BIF 24,747.7 million) that offset the repayment of principal (BF 16,587.7 million).

Compared to the previous month, the external debt decreased by BIF 1,811.3 million, amounting to 793,609.1 from BIF 795,420.4 million, resulting from a low disbursement of new drawings (2,0 against BIF 1,600.4 million) and the revaluation losses (-BIF 1,813.2 million).

Expressed in USD, the outstanding external debt increased by USD 7.0 million year-on-year basis, from 438.8 to USD 445.8 million.

V. EXTERNAL TRADE

Trade (exports and imports of goods) increased by 18.7 % at the end of July 2018, compared to the same period in 2017, amounting to BIF 967,259.6 million compared to BIF 815,124.5 million. This increase is driven by both imports (BIF 790,202.1 million against BIF 692,019.1 million) and exports (BIF 177,057.5 million against BIF 123,105.4 million).

The trade balance deficit worsened during the same period, standing at -BIF 613,144.6 million from -BIF 568,913.7 million due to the larger increase of imports (+BIF 98,183.0 million) than exports (+BIF 53,952.1 million).

V.1 Exports

Year-on-year basis, the cumulative exports increased in value but decreased in volume at the end of July 2018.

This increase is due to primary products, amounting to BIF 143,020.7 million from BIF 85,250.4 million. However, the manufactured products decreased to BIF 34,036.8 million from BIF 37,855.0 million. The increase of primary products mainly concerned non-monetary gold (+ BIF 35,119.4 million), coffee (+BIF 13,907.5 million) and niobium ores (+BIF 8,619.2 million).

In volume, the exports (48,341 against 51,453 tones) declined following the underperformance of primary products (19,426 against 21,328 tones) and manufactured products (28,915 against tones 30,125).

V.2 Imports

Year-on-year basis, the cumulative imports increased in value and volume in July 2018.

The increase in value resulted from the rise of intermediate goods (BIF 335,868.7 million against BIF 252,680.3 million), and capital goods (BIF 176,515.4 million against BIF 134,915.5 million). On the other hand, imports of consumer goods decreased, amounting to BIF 277,818.1 million against BIF 304,423.2 million recorded in the same period in 2017.

The increase of intermediate goods mainly concerned mineral oils (+BIF 62,431.3 million) and goods for metallurgy (+ BIF 18,864.5 million). The higher imports of capital goods included electrical equipment (+ BIF 31,275.6 million) and boilers and mechanical equipment (+BIF 23,338.5 million). On the other hand, imports of tractors, vehicles dropped by BIF 18,572.2 million.

The decline of consumer goods, was mainly due to pharmaceutical products (- BIF 11,928.3 million) and textiles (-19,638.5 MBIF). However, imports of food goods increased (+BIF 13.8910 million).

The increase in volume concerned intermediate goods (358,976 from 256,359 tones), capital goods (122,291 from 16,053 tones) and consumer goods (136,787 from 119,387 tones).

VI. EXCHANGE RATE

Compared to the same period in 2017, the BIF average exchange rate against USD depreciated by 2.77% in July 2018, standing at 1,780.37 compared to BIF 1,732.44.

Compared to the previous month, the BIF depreciated by 0.09% against the US dollar.

At the end of the period, the BIF exchange rate against the US dollar depreciated by 2.61%, standing at BIF 1,781.45 at the end of July 2018 compared to BIF 1,736.10 at the end of July 2017.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

Year-on-year basis, reserve money and broad money rose at the end of July 2018, due to the increase in net domestic assets.

VII.1. Reserve Money

The reserve money rose by 23.4% in July 2018, amounting to BIF 577,438.7 million against BIF 467,852.7 million recorded in the corresponding month in 2017. This increase was mainly due to the rise of deposits of commercial banks (+BIF 91,481.1 million) and currency outside banks (+BIF 29,403.0 million).

VII.2. Broad money

The money supply (M3) recorded a year-on-year growth of 17.3% in July 2018, from BIF 1,420.4 billion to BIF 1,665.7 billion. This growth resulted from the increase of money supply M2 (+17.1%) and deposits of residents denominated in foreign currencies (+ 18.5%).

The increase of money supply M2 was driven by time and savings deposits (+21.9%), demand deposits (+18.6%) and currency outside banks (+7.3%).

The rise of demand deposits denominated in BIF was mainly due to the improvement of the deposits of other non-financial corporations (+BIF 106,163.3 million) and households (+BIF 33,369.0 million).

On the other hand, deposits of public non-financial corporations (- BIF 2,969.4 million), other financial corporations (- BIF 3,215.1 million) and those classified in other deposits (-BIF 4,922.4 million) decreased.

The increase of time and savings deposits is linked to the progress of deposits of other non-financial corporations (+BIF 36,980.6 million), households (+ BIF 15,732.2 million), public non-financial corporations (+ BIF 1,674.4 million), other financial corporations (+ BIF 1,152.4 million) and those classified in “other deposits” (+BIF 14,774.4 million).

The rise of deposits of resident in foreign currency was driven by those of households (+BIF 22,783.2 million), other non-financial corporations (+BIF 3,535.8 million) and those classified in other deposits (+BIF 3,629.5 million), whilst deposits of public non-financial corporations denominated in foreign currency decreased by BIF 2,584.3 million.

VII.3. Counterparts

Year-on-year basis, domestic credit rose by 16.5% in July 2018, from BIF 1,888.3 billion to BIF 2,200.0 billion due to the increase in net claims on government (+21.2%) and claims on the economy (+11.2%).

The slight increase of net claims on government was mainly driven by the rising of Treasury bills and bonds held by commercial banks (+55.2%).

At the end of July 2018, the net foreign assets decreased by 28.8% and official reserves expressed in USD declined by 19.7%. These reserves covered 1.0 month of imports compared with 1.4 month

recorded in the corresponding period in 2017.

VIII. MAIN INDICATORS OF THE BANKING SECTOR

At the end of July 2018, the banking sector’s balance sheet rose. Compared to the same period of the previous year, deposits and credit increased. In terms of soundness, the banking sector remained well capitalized, solvent and profitable.

VIII.1 Assets

On a year-on-year basis, total banking sector assets rose by 24.7%, from BIF 1,985.9 billion to BIF 2,477.2 billion in July 2018, mainly driven by the increase of Treasury securities (808,223.5 against 517,157.4 MBIF). Likewise, total loans rose by 12.0%, from BIF 824,424.5 million to BIF 922,974.0 million at the end of July 2018.

The share of Treasury Securities in the total assets increased, from 26.0 to 32.6% at the end of July 2018. However, the share of loans to the private sector in the total assets decreased, from 51.0% to 44.6% at the end of July 2018.

VIII.2 Liabilities

Compared to the same period of the previous year; total deposits increased by 14.2%, from BIF 1,172.4 billion to BIF 1,338.4 billion at the end of July 2018. During the same period, the Central Bank refinancing rose on weekly average, from BIF 83,670 to 271,288 million recorded in July 2018.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

In July 2018, the indicators of the banking sector were sound and complied with all prudential standards.

The banking sector remained well-capitalized and the profitability indicators have increased.

IX.1 Capital Adequacy

At the end of July 2018, the banking sector was adequately capitalized and had enough capital buffers to absorb inherent risks. The total capital Tier 2 and the core capital Tier 1 adequacy ratios remained above the regulatory requirement that encompasses the capital buffers requirement of 12.5 and 14.5% respectively. The core capital adequacy ratio and the global capital adequacy improved, from 18.7 to 21.2% and from 21.5 to 23.8% respectively from July 2017 to July 2018.

Over the same period, the leverage ratio was 12.0% against 12.9% at the end of July 2017 with a minimum standard of 7%.

IX.2 Quality of loans portfolio

Compared to July 2017, the quality of the loans portfolio worsened; the impairment rate increased from 17.3% to 18.0% at the end of July 2018. Over the same period, overdue loans increased by 9.8%, from BIF 151,305.1 million to BIF 166,137.4 million in July 2018.

An analysis of loans by class shows that the watch loans and loss increased respectively by 5.6% and 56.9%. The doubtful loans decreased by 46.6% on year-to-year basis, from BIF 33,845.2 million to BIF 18,060.9 million at the end of July 2018.

The rate of impairment of loans in "Tourism and hotel" sector was 44.2%. "Agriculture" and "trade" sectors had impairment's rates of 4.2% and 11.6% respectively whereas "construction" and

"manufacturing" sectors had impairment rates of 10.4% et 30.3% respectively.

Given the risks that may arise from the growth of loans impairment, the banking sector has been more cautious and made more provisions in order to face potential losses. The provisioning rate stood at 84.7% at the end of July 2018 against 76.8% in the same period in 2017.

The risk concentration towards the large exposure was minimized. Loans to large exposures represented 18.8% of total loans in July 2018 against 18.4% at the end of July 2017. However, the banking sector faced a concentration risk towards "trade" sector which represented 30.6% of total loans.

IX.3 Profitability

Compared to the same period of the previous year, the banking sector's profitability increased by 37.1% and established at 36,119.5 against BIF 26,336.1 million recorded in the same period in 2017. The net banking product rose by 25.7%, from BIF 96,295.0 to BIF 121,031.1 million.

The return-on-assets (ROA) and the return-on-equity (ROE) established at 1.5% and 11.8% respectively at the end of May 2018 against 1.3% and 9.7% at the end of July 2017.

IX.4 Liquidity

At the end of July 2018, the liquidity ratios both in local and in foreign currency remained above the regulatory threshold of 20% (Liquid Assets/Total deposits) with respectively 61.4% and 119.8% against 47.4 and 130.3% at the end of July 2017.

However, the banking sector undergoes relatively high concentration risks on deposits, since only the share of ten

deposits represented 45.5% of total deposits in July 2018 against 29.9% in the same period in 2017.

APPENDIX 1: SELECTED MONTHLY INDICATORS

	2,017			2,018		
	may	june	july	may	june	july
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	118.3	143.6	194.6	117.3	121.5	181.6
2. Production of Arabica parchment Coffee (cumulation in T)	17,906.0	17,906.0	17,906.0	21,628.0	8,189.0	11,129.0
3. Production of Tea (cumulation in T of tea leaves)	24,604.6	28,854.9	31,130.0	27,392.9	32,401.0	34,775.6
4. Consumer price index (1991 = 100)	116.0	113.8	113.1	114.4	113.3	112.2
5. Inflation rate	18.9	15.1	13.6	-1.0	-0.4	-0.8
II. FINANCE PUBLIC						
1. Total Budget revenue (in BIF million)	283,909.9	349,104.2	416,847.0	340,749.5	416,003.7	476,558.5
1.1. Tax revenue	261,682.7	323,867.0	384,255.0	312,111.3	380,956.3	438,366.0
1.2. Non-tax revenue	22,227.2	25,237.1	32,592.1	28,638.3	35,047.5	38,192.4
1.3. Exceptional receipts	0.0	0.0	0.0	0.0	0.0	0.0
2. Expenditure	421,737.7	510,330.4	597,884.8	529,174.6	691,903.8	767,203.4
2.1. Compensation of employees (in BIF million)	161,167.3	193,281.7	225,345.5	168,988.9	202,227.2	235,725.4
3. Public debt (in BIFmillion)	2,202,227.2	2,221,307.8	2,210,006.9	2,485,483.2	2,593,560.3	2,587,947.6
3.1. Domestic debt outstanding	1,454,777.5	1,466,639.3	1,449,886.8	1,690,761.6	1,798,139.9	1,794,338.5
Including: Treasury bills and bonds	660,063.7	676,889.0	676,920.9	944,719.0	986,452.3	992,658.3
BRB ordinary advance	139,502.5	141,652.8	126,976.7	134,896.7	201,181.6	162,239.0
3.2. External debt outstanding	747,209.9	754,428.4	760,152.9	794,721.6	795,420.4	793,609.1
3.3. External debt outstanding (in BIF million)	435.2	437.4	438.8	447.1	447.2	445.8
3.3. External debt service (in BIF million)	767.0	545.1	2,220.2	457.9	1,282.4	0.0
including amortization	44.1	228.6	1,367.9	235.5	944.2	0.0
3.4. Drawings on external loans	0.0	2,679.7	0.0	46.9	1,600.4	2.0
III. MONEY						
1. Reserve Money (in BIF million)	491,780.4	467,625.5	467,852.7	538,782.6	548,546.9	577,438.7
2. Broad money M3 (in BIF million)	1,372,733.5	1,417,053.1	1,420,411.4	1,594,835.2	1,632,452.0	1 665 725,2 (p)
2.1. Broad money M2 (in BIF million)	1,233,978.3	1,276,237.3	1,272,117.3	1,436,364.9	1,474,811.9	1 490 063,9(p)
3. Domestic credit (in BIF million)	1,802,660.8	1,881,479.3	1,888,341.8	2,068,524.9	2,149,228.1	2 200 006,6(p)
4. Net foreign to government (in BIF million)	977,808.2	1,010,411.0	995,615.0	1,165,765.9	1,188,728.1	1 206 874,3(p)
5. Net foreign assets (in BIF million)	-113,413.7	-153,117.4	-155,023.1	-175,109.1	-201,255.7	-199,654.9
6. Tenders operations						
6.1. Normal liquidity providing	95,430.0	54,580.0	108,410.0	240,220.0	255,500.0	290,770.0
6.2. Injecting liquidity	0.0	0.0	0.0	0.0		
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	5.3	4.5	4.1	3.1	2.5	2.2
7.2. Treasury bill to 26 weeks	5.8	5.9	5.7	4.3	3.6	3.3
7.3. Treasury bill to 52 weeks	7.1	6.7	6.4	5.5	5.3	5.2
7.4. Recovery of liquidity	0.0	0.0	0.0	0.0	0.0	0.0
7.5. Injecting liquidity	3.9	2.9	3.3	3.6	3.8	3.2
7.6. Marginal lending facility	7.2	7.1	7.0	5.5	5.1	5.1
7.7. Interbank market	5.5	4.2	4.8	4.5	4.2	0.0
7.8. Deposit interest rates	6.3	6.2	6.0	5.4	6.2	5.5
7.9. Lending interest rates	16.3	16.3	16.3	16.2	16.3	15.6
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	81,045.7	98,594.6	123,105.4	146,745.9	166,600.5	177,057.5
including Arabica coffee	5,869.5	6,255.3	12,054.9	24,717.1	25,712.3	25,962.4
1.1. Volume of exports (in T)	35,549.0	44,085.6	51,453.0	38,502.8	45,041.0	48,340.8
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	67.6	143.2	147.7	22.6	42.5	133.9
- BIF/Kg	2,545.8	5,443.8	5,646.3	890.4	1,651.2	5,209.3
1.3. Coffee sold d(in BIF million)	74.5	76.0	510.6	1,023.6	3,703.6	1,445.0
2. Import CIF (in BIF million)	489,168.8	600,213.1	692,019.1	580,744.3	679,535.1	790,202.1
including petroleum products	66,495.3	87,466.5	97,096.2	119,214.4	137,363.5	159,527.5
2.1. Volum of imports (in T)	271,867.0	329,573.4	391,798.6	393,872.0	453,584.9	518,054.3
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	97.6	96.0	94.0	92.3	nd	nd
3.1.2. Real	110.5	107.0	103.9	100.5	nd	nd
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,720.8	1,728.5	1,736.1	1,778.3	1,781.5	1,781.5
3.2.2. Exchange rate BIF/USD (monthly average)	1,717.6	1,724.9	1,732.4	1,777.7	1,778.8	1,780.4
(p) : Provisional						
n.a. : not available						
- : Nonexistent data..						

Source: BRB

APPENDIX 2: MAIN INDICATORS OF THE BANKING SECTOR IN JULY 2018 (in BIF Million)

	Commercial Banks			Other Banking Institutions			Total banking sector		
	7/31/2017	7/31/2018	Variation en %	7/31/2017	7/31/2018	Variation en %	7/31/2017	7/31/2018	Variation en %
I. ASSETS	1 836 083,3	2 310 545,5	25,8	149 879,3	166 701,8	11,2	1 985 962,6	2 477 247,3	24,7
Main ASSETS	1 502 571,9	1 942 494,6	29,3	115 120,6	126 462,4	9,9	1 617 692,5	2 068 957,0	27,9
A. Liquid Assets	787 225,7	1 137 265,1	44,5	6 042,3	8 717,9	44,3	793 268,0	1 145 983,0	44,5
. Cash	55 124,8	64 741,4	17,4	27,4	21,7	(20,8)	55 152,2	64 763,1	17,4
. B.R.B.	101 337,8	190 803,1	88,3	1 287,3	545,3	(57,6)	102 625,1	191 348,4	86,5
. Banking sector	113 605,7	78 997,1	-30,5	4 727,6	2 650,9	(43,9)	118 333,3	81 648,0	-31,0
<i>Treasury securities</i>	517 157,4	802 723,5	55,2	-	5 500,0	-	517 157,4	808 223,5	56,3
B. Loans	715 346,2	805 229,5	12,6	109 078,3	117 744,5	7,9	824 424,5	922 974,0	12,0
. Short term	435 601,6	496 447,4	14,0	4 847,9	1 953,3	-59,7	440 449,5	498 400,7	13,2
. Medium term	190 750,3	204 268,7	7,1	52 968,5	53 734,9	1,4	243 718,8	258 003,6	5,9
. Long term	88 994,3	104 513,4	17,4	51 261,9	62 056,3	21,1	140 256,2	166 569,7	18,8
. Leasing	-	-	-	-	-	-	-	-	-
. Other loans	-	-	-	-	-	-	-	-	-
Fixed assets	122 709,0	122 913,9	0,2	7 392,5	7 643,0	3,4	130 101,5	130 556,9	0,4
C. Others	210 802,4	245 137,0	16,3	27 366,2	32 596,4	19,1	238 168,6	277 733,4	16,6
II. LIABILITIES	1 836 083,3	2 310 545,5	25,8	149 879,3	166 701,8	11,2	1 985 962,6	2 477 247,3	24,7
Main liabilities	1 389 725,8	1 748 728,6	25,8	61 283,5	77 361,0	26,2	1 451 009,3	1 826 089,6	25,8
. Deposits	1 118 592,4	1 268 175,9	13,4	53 863,9	70 263,4	30,4	1 172 456,3	1 338 439,3	14,2
<i>among which ten large deposits</i>	344 566,9	601 309,8	74,5	6 366,8	8 018,2	25,9	350 933,7	609 328,0	73,6
. Refinancing from BRB	109 556,3	290 876,6	165,5	-	-	-	109 556,3	290 876,6	165,5
. Others	-	-	-	-	-	-	-	-	-
Banking sector	161 577,1	189 676,1	17,4	7 419,6	7 097,6	-4,3	168 996,7	196 773,7	16,4
<i>among which residents</i>	102 721,0	95 767,5	-6,8	7 419,6	3 689,9	-50,3	110 140,6	99 457,4	-9,7
Capital and reserves	205 727,0	222 027,1	7,9	30 296,3	31 879,3	5,2	236 023,3	253 906,4	7,6
Others	240 630,5	339 789,8	41,2	58 299,5	57 461,5	(1,4)	298 930,0	397 251,3	32,9
IV. BANKING SECTOR INDICATORS									
Capital adequacy									
. Core capital (in MBIF)	208 876,8	245 157,3	17,4	26 472,8	28 180,0	6,4	235 349,6	273 337,3	16,1
. Total capital (in MBIF)	233 129,4	267 260,5	14,6	37 125,1	39 508,7	6,4	270 254,5	306 769,2	13,5
. Risk Wweighted assets	1 127 814,6	1 142 523,8	1,3	130 052,5	145 314,5	11,7	1 257 867,1	1 287 838,3	2,4
. Core capital adequacy ratio (threshold 12,5%)	18,5	21,5		20,4	19,4		18,7	21,2	
. Total capital adequacy ratio (threshold 14,5%)	20,7	23,4		28,5	27,2		21,5	23,8	
. Leverage ratio (threshold 7%)	12,4	11,5		19,1	18,5		12,9	12,0	
Quality and concentration of loan portfolio									
. Large exposure	141 286,3	161 011,5	14,0	10 717,7	12 748,8	19,0	152 004,0	173 760,3	14,3
. Watch loans	29 958,9	32 995,4	10,1	15 261,3	14 070,2	-7,8	45 220,2	47 065,6	4,1
. Non Performing loans	90 135,7	103 879,2	15,2	15 949,2	15 192,6	-4,7	106 084,9	119 071,8	12,2
. Overdue loans	120 094,6	136 874,6	14,0	31 210,5	29 262,8	-6,2	151 305,1	166 137,4	9,8
. Provisions	73 765,2	90 048,5	22,1	7 749,9	10 853,4	40,0	81 515,1	100 901,9	23,8
. Total gross loans/Total gross assets (in %)	39,0	34,9		72,8	70,6		41,5	37,3	
. Loans to the Government/Total gross assets (*)	28,2	34,7	-	-	3,3		28,2	34,7	
. Loans to the Government/Core capital (*)	247,6	327,4	-	-	19,5		247,6	327,4	
. Non Performing loans rate	12,6	12,9		14,6	12,9		12,9	12,9	
. Overdue loans rate	16,8	17,0		28,6	24,9		18,4	18,0	
. Rate of provisioning (in %)	81,8	86,7		48,6	71,4		76,8	84,7	
. Large exposure/Total gross loans (in %)	19,8	20,0		9,8	10,8		18,4	18,8	
Liquidity									
. Liquidity ratio in local currency (*)	47,4	61,4		-	-		47,4	61,4	
. Liquidity ratio in foreign currency (*)	130,3	119,8		-	-		130,3	119,8	
. Total loans/total deposits (*)	64,0	63,5		202,5	167,6		70,3	69,0	
. Stable resources/immobilized assets	123,4	133,5		236,8	279,5		143,0	157,2	
. Ten large deposits/Total deposits (*)	30,8	47,4		11,8	11,4		29,9	45,5	
Profitability and performance									
. Profit before tax	28 166,1	36 497,7	29,6	1 265,2	3 306,4	161,3	29 431,3	39 804,1	35,2
. Net profit	25 202,6	33 343,4	32,3	1 133,5	2 776,1	144,9	26 336,1	36 119,5	37,1
. Banking net product	89 194,1	113 411,3	27,2	7 100,9	7 619,8	7,3	96 295,0	121 031,1	25,7
. ROA							1,3%	1,5%	
. ROE							9,7%	11,8%	

Source: BRB

APPENDIX 3: SELECTED ANNUAL INDICATORS

	2013	2014	2015	2016	2017
GROSS DOMESTIC PRODUCT AND PRICE					
Real Growth of GDP (in %)	4.9	4.2	-0.4	2.8	2.8
Inflation rate (annual)	7.9	4.4	5.5	5.6	16.1
FOREIGN SECTOR					
Exports, f.o.b. (USD million)	94.0	131.8	120.8	109.4	147.5
Imports, CIF (USD million)	811.0	768.7	721.4	619.6	743.8
Volume of exports (in tons)	57,207.0	79,580.0	85,498.9	84,613.0	93,124
Volume of imports (in tons)	809,077.0	798,246.0	632,337.0	708,203.0	822,520
Current account balance (USD million)	-250.2	-393.2	-373.3	-356.8	351.7
Exchange rate BIF/USD (period average)	1,555.1	1,546.7	1,571.9	1,654.6	1,765.1
Exchange rate BIF/USD (end of period)	1,542.0	1,553.1	1,617.1	1,688.6	1,766.7
International reserves (USD million, end of période)	321.2	317.3	136.4	95.4	112.9
International reserves (Month of imports)	4.2	4.2	2.3	1.5	1.7
MONEY AND CREDIT					
Net foreign assets (BIF million)	229,756.1	180,476.7	-75,870.1	-176,523.1	-149,085.4
Domestic credit (BIF million)	1,050,252.1	1,236,271.6	1,516,320.8	1,773,610.2	2,007,213.7
Net credits to the Government	273,347.7	383,432.0	687,166.2	906,486.1	1,115,726.9
Credits to the economy	776,904.4	852,839.6	829,154.6	867,124.1	891,486.8
Broad money (M3)	983,168.8	1,102,468.5	1,101,095.8	1,180,019.4	1,482,130.5
Money and quasi money (M2)	847,072.6	937,841.8	965,844.0	1,086,049.4	1,321,620.8
Velocity of the money (GDP/M2, end of period)	4.9	5.1	4.8	4.6	3.6
Monetary base (growth rate)	23.6	15.8	-8.6	29.2	39.0
Liquidity providing rate (in %)	-	-	3.4	3.1	2.8
Marginal lending rate (in %)	12.5	8.0	9.8	8.6	7.1
Commercial banks average deposit rates (end of period)	9.0	8.8	8.7	7.7	6.0
Commercial banks average lending rates (end of period)	16.2	16.7	16.9	16.5	16.2
FINANCE AND PUBLIC DEBT					
Revenues and grants (as % of GDP)	22.1	21.0	16.6	15.9	16.5
Expenses (as % of GDP)	25.0	25.3	24.7	22.0	21.1
primary balance (as % of GDP , accrual basis)	-2.4	-0.5	-6.0	-2.3	-1.5
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-10.1	-9.5	-11.2	-8.5	-7.1
- included grants	-2.9	-4.4	-8.0	-6.0	-4.6
Domestic debt (BIF million)	597,961.8	727,264.4	1,069,551.8	1,376,307.8	1,649,286.6
External debt (in USD million , at the end of period)	413.0	429.6	420.5	429.6	440.0
External debt service ratio (as % of exports)	3.5	4.1	5.8	6.6	9.1

Source: BRB