

I. INTRODUCTION

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

Year-on-year basis, the real sector was characterized by a decrease of the industrial production and coffee whereas tea and coffee production increased. The inflation declined in June 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 June 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 basis, 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 declined by 15.4%, dropping from 143.6 to 121.5, mainly linked to the decrease of the sugar production (-90.2%) and the cigarettes

production (-26.9%). However, compared to the previous month, the industrial production index grew by 3.6%, rising from 117.3 to 121.5 due to the increase of BRARUDI's beverages (+1.6%).

II.2. Coffee

For the season 2018/2019, the coffee production stood at 8,189 T at the end of June 2018 against 2,672 T recorded in the same period of the previous season. The coffee production forecasted for the campaign 2018/2019 is estimated at 18,968 T against 21,628 T, or a decrease of 12.3%.

II.3. Tea

The green tea leaves harvest increased by 12.3% at the end of June 2018, standing at 32.401 T against 28.854.9 T, due to the good rainfall. Nevertheless, compared to the same period in 2017, the tea production dropped by 14.9%, declining to 5,008.1 T from 5,887.8 T.

III. INFLATION DEVELOPMENTS

In June 2018, the headline inflation decreased by 0.4% against a rise of 18.9% recorded in the same period of 2017.

This decrease is related to the decline of food prices (-7.9 against 27.8%) and a moderate increase of non-food inflation (+8.8 against +9.1%).

The decrease of food prices mainly resulted from a fall prices of «Breads and cereals» (-16.9%), "Vegetables" (-13.9%), and "Sugar, jam, honey, chocolate and confectionery" (-4.4%).

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

	juin-17	juin-18 Inflation	
1. Food	121,2	111,6	-7,9
-Bread and cereals	124,0	103,0	-16,9
- Meat	107,6	115,7	7,5
- Fish	127,5	152,3	19,5
- Milk, cheese and eggs	108,3	109,5	1,1
-Oils and fats	106,8	129,8	21,5
- Fruits	108,1	112,1	3,7
- Vegetables	124,5	107,2	-13,9
-Sugar, jam, honey, chocolate and con	112,4	107,5	-4,4
-undefined food elsewhere	105,7	109,6	3,7
2. Non food	105,8	115,1	8,8
- Alcoholic beverages ,tobacco	107,8	114,2	5,9
- clothing and footwear	107,9	115,7	7,2
- Housing,water,electricity,gas and ot	103,3	120,0	16,2
- Furnishing, household equipment ar	108,4	115,1	6,2
- Health	103,1	112,6	9,2
- Transport	109,1	117,6	7,8
- Communication	100,5	101,4	0,9
- leisure and culture	105,4	114,2	8,3
- Education	101,5	136,3	34,3
- Hotels, Restorant and café	106,4	112,7	5,9
- Other goods and services	105,7	115,1	8,9
Energy and fuels	106,9	134,9	26,2

Source: BRB based on data of ISTEERU

The declining of non-food inflation is a result of a moderate increase prices of most sub-divisions and particularly, the alcoholic beverages and tobacco (+5.9 against +11.8%), "Articles of clothing and footwear "(+7.2 against +16.1%)", "Furniture, household items, and household maintenance "(+6.2 against +12.0%) as well as "Transportation "(+ 7.8 against. +12.9%) despite the increase of "Education index" (+34.2 against +1.9%),"Health" (+9.2%) against +0.6%) and "Housing, water, electricity, gas and other fuels" (+16.2 against +8.5%).

The inflation combining energy and fuel prices increased from 13.2 to 26.2%, year on year basis. On the other hand, it declined by 1.7% compared to the previous month while it rose by 0.2% in the same period in 2017.

On the same basis, the headline inflation excluding food and energy, which is the

proxy of the core inflation declined (+ 2.7% against + 11.0%). Compared to the previous month, it increased by 0.3% against a decrease of 0.4% in the same period in 2017.

IV. GOVERNMENT FINANCIAL OPERATIONS

At the end of June 2018, Government financial operations recorded a high overall deficit (excluding grants) compared to the same period in 2017 (BIF- 76,182.1 against BIF - 23,398.5 million), resulting from an increase of expenditures that exceeded the rise of revenue.

IV.1. Revenue

The revenue rose by BIF 10,060 million in June 2018 compared to the same period in 2017, from BIF 65,194.3 to BIF 75,254.2 million. This improvement resulted from a good performance of both tax revenue (BIF 6.660.7 million) and non-tax revenue (BIF 3.399.3 million).

Compared to the previous month, the revenue rose by 19.2%, amounting to BIF 416,003.7 million against BIF 349,104.2 million due to the increase of tax revenues (BIF 57,089.2 million) and non-tax revenue (BIF 9,810.3 million).

IV.2. Expenditure

At the end of June 2018, the expenditures increased by 62,843.5 million compared to the corresponding month in 2017, amounting to BIF 151,436.3 against BIF 88,592.8 million.

The cumulative expenditures stood at BIF 680,610.9 against 510,330.4 million recorded at the end of June 2017, or an increase of 33.4 %.

IV.3. Public debt

Year-on-year basis, the outstanding public debt rose by 16.8%, amounting to BIF 2,593.6 billion at the end of June 2018 compared to BIF 2,221.3 billion recorded in the same period in 2017, linked to the increase in both domestic debt (+22.6%) and external debt (+5.4%).

Compared to the previous month, the public debt increased by 4.3%, mainly driven by the domestic debt (+ 6.4%), with a slight rise of external debt (+ 0.1%).

-Domestic Debt

The outstanding domestic debt rose by BIF 331,500.6 million year on year basis, from BIF 1,466.6 to BIF 1,798.1 billion, linked to the increase of the Government's debt towards the banking sector (BIF +300,093.7 million) and non-banking sector (BIF +14,841.5 million).

The increase of the domestic debt mainly concerned the rise of the outstanding Treasury bills and bonds held by commercial banks (+BIF 269,902.3 million), which offset the declining of the Government's debt towards the Central Bank (-BIF 31.644.5 million).

On a monthly basis, the domestic debt grew by BIF 107,378.3 million, rising from BIF 1,690.8 billion to BIF 1,798.1 billion, reflecting the increase of Government's debt towards the banking sector (+BIF 92.536,8 million) and non-banking sector (+BIF 14,841.5 million).

-External Debt

Year-on-year basis, the external debt rose by BIF 40,992.0 million at the end of June 2018, from BIF 754,428.4 million to BIF 795,420.4 million. This increase is linked

to the new drawings (BIF 25,294.3 million) and revaluation gains (BIF 33,653.4 million) which exceeded the repayment of principal (BIF 17,955.6 million).

Compared to the previous month, the external debt increased by BIF 698.8 million, from BIF 794,721.6 million to BIF 795,420.4 million, due to the new drawings (BIF 1,600.4 million) and revaluation gains (BIF 42.6 million) which exceeded the repayment of principal (BIF 944.2 million).

Expressed in USD, the outstanding external debt increased by USD 9.8 million year-on-year basis, amounting to USD 447.2 million against USD 437.4 million.

V. EXTERNAL TRADE

The total external trade (exports plus imports of goods) increased by 21.1% at the end of June 2018 compared to the same period in 2017, reaching BIF 846,135.7 million against BIF 698,807.8 million. This increase is driven by the growth of both imports (BIF 679,535.1 against BIF 600,213.2 million) and exports (BIF 166,600.6 against BIF 98,594.6 million).

The trade balance worsened for the same period (-BIF 512,934.5 million against -BIF 501,618.6 million), as a result of a significant increase of imports (+BIF 79,321.9 million) that exceeded the rise of exports (+BIF 68,006.0 million).

V.1 Exports

At the end of June 2018, the cumulative exports increased in both value and volume compared to the corresponding period in 2017.

The increase of exports expressed in value concerned the primary commodities which stood at BIF 134,592.3 million at the end of June 2016 against BIF 67,644.2 million recorded in the previous year. In contrast, the exports of manufactured goods marginally slowdown, from BIF 30,950.4 million to BIF 32,008.3 million. The increase of primary commodities is linked to the improvement of exports of the non-monetary gold (+ BIF 37,730.0 million), coffee (+ BIF 19,457.0 million), and niobium ores (+ BIF 9,157.9 million).

Expressed in volume, the increase of exports (45,041.0 tonnes against 44,086.0 tonnes) concerned both primary commodities and manufactured goods (+239.0 tonnes).

V.2 Imports

At the end of June 2018, the cumulative imports increased in value and volume compared to the same period of the previous year.

Expressed in value, the imports' increase concerned the intermediate goods (BIF 291,492.3 million against BIF 217,105.0 million) and the equipment goods (BIF 156,611.3 million against BIF 122,632.8 million). On the other hand, the imports of consumption goods decreased, from BIF 231,431.5 million to BIF 260,475.4 million.

The increase of intermediate goods concerned the mineral oils (+BIF 49,897.0

million) and metallurgical goods (+BIF 20,320.6 million).

The increase of imports of capital goods was mainly due to the electrical equipment (+ BIF 30,883.5 million), boilers, mechanical appliances (+ BIF 18,252.4 million), whereas the imports of tractors, vehicles and transport equipment decreased (- BIF 21,668.5 million).

The decrease of consumption goods' imports mainly concerned the pharmaceutical products (-17,851.0 MBIF) and textiles products (-11,036.0 MBIF).

Expressed in volume, the increase of imports concerned intermediate goods (214,949.0 tonnes against 317,986.0 tonnes), capital goods (18,681.0 tonnes against 14,127.0 tonnes) and consumption goods (116,918.0 tonnes against 100,497.0 tonnes).

VI. EXCHANGE RATE

The average exchange rate of BIF against USD depreciated by 3.12% in June 2018, standing at BIF 1,778.77 compared to BIF 1,724.93 recorded in the same period in 2017. Compared to the previous month, the BIF depreciated by 0.06% against USD. At the end of June 2018, the BIF depreciated by 2.94% against USD, standing at BIF 1,779.29 2018 compared to BIF 1,728.52 recorded at the end of June 2017.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

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

VII.1. Reserve Money

The reserve money rose by 16.5% in June 2018, amounting to BIF 553,180.1 million in June 2018 against BIF 467,625.5 million recorded in the same period in 2017. This increase was mainly driven by the growth of deposits of commercial banks (+BIF 59,919.2 million) and currency in circulation outside banks (+BIF 32,507.2 million).

VII.2. Broad money

Year-on-year basis, the money supply M3 increased by 15.5%, standing at BIF 1,637.0 billion in June 2018 compared to BIF 1,417.1 billion in June 2017. This rise resulted from the growth of the money supply M2 (15.6%) and the deposits of residents denominated in foreign currencies (+15.2%).

The increase of M2 was attributable to the growth of time and savings deposits (+23.5%), demand deposits (+14.9%) and currency in circulation outside banks (+8.0%).

The rise of demand deposits denominated in BIF mainly resulted from the improvement of deposits of other non-financial corporations (+BIF 66,582.2 million), households (+ BIF 20,096.3 million), public non-financial corporations (+ BIF 11,782.0 million) and those classified in other deposits (+BIF 9,378.5 million).

The increase of time and savings deposits is linked to the progress of deposits of other non-financial corporations (+BIF 33,086.6 million), households (+BIF 18,177.5 million), public non-financial corporations (+BIF 4,781.3 million and those classified in other deposits (+BIF 14,417.6 million).

The increase of the deposits of residents in foreign currency was driven by the improvement of those of households (+BIF 18,686.0 million), other non-financial

corporations (+BIF 3,184.7 million, other deposits (+BIF 5,321.2 million). On the other hand, the deposits in foreign currency of public non-financial corporations decreased by BIF 5,808.0 million.

VII.3. Counterparts

Domestic credit grew by 14.4%, year on year basis, amounting to BIF 2,153.3 billion in June 2018 from BIF 1,881.5 billion recorded in June 2017 due to the increase of net claims on government (+18.1%) and claims on the economy (+10.3%).

The increase of net claims on government was mainly driven by the rise of Treasury bills and bonds held by the commercial banks (+53.4%).

On a year-on- year basis, the net foreign assets decreased by 31.1% at the end of June 2018. Likewise, the official reserves expressed in USD dropped by 31.1% and covered 1.2 month of imports against 1.7 months recorded in the same period in 2017.

VIII. MAIN INDICATORS OF THE BANKING SECTOR

At the end of June 2018, the banking sector's balance sheet rose. Compared to the same period in the previous year, the deposits and credits increased. During the same period, the banking sector remained well capitalized, solvent and profitable.

VIII.1 Assets

On a year-on-year basis, total banking sector assets rose by 21.4%, from BIF 2,000.5 billion in June 2017 to BIF 2,428.2 billion in June 2018, as a result of the increase of Treasury securities (BIF 802,706.2 against 520,165.4 million).

Likewise, the total loans grew by 10.5%, amounting to BIF 892,120.2 million from BIF 807,125.6 million recorded at the end of June 2018.

The share of Treasury Securities in the total assets increased from 28.1 to 35.3% at the end of June 2018. However, the share of loans to the private sector in the total assets decreased from 40.3% to 36.4% at the end of June 2018.

VIII.2 Liabilities

Compared to the same period in 2017, the total deposits increased by 8.9%, amounting to BIF 1,294.05 billion against BIF 1,187.8 billion recorded at the end in June 2017. During the same period, the central bank's refinancing rose, amounting to BIF 251,044.0 million on weekly average against BIF 60,096.0 million.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

At the end of June 2018, the banking sector's indicators were sound and complied with all prudential standards. The banking sector remained well-capitalized and profitable.

IX.1 Capital Adequacy

At the end of June 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 and the global capital adequacy ratio improved, from 19.7 to 21.6% and from

22.7 to 24.4% respectively from June 2017 to June 2018.

During the same period, the leverage ratio was 12.0% against 12.8% at the end of June 2017 with a minimum standard of 7%.

IX.2 Quality of loans portfolio

Compared to June 2017, the quality of the loans portfolio deteriorated; the impairment rate increased from 17.3% to 17.8% at the end of June 2018. Likewise, the overdue loans increased by 14.1%, amounting to BIF 159,092.2 million in June 2018 against BIF 139,489.6 million recorded in the same period in 2017.

An analysis of loans by category shows that the watch loans and loss rose respectively by 26.0% and 25.7%. The doubtful loans decreased by 15.0% on year-on year basis, amounting to BIF 29,880.1 million from BIF 35,140.9 million recorded at the end of June 2017.

The rate of impairment loans in "Tourism and hotel" sector was 45.3%. "Agriculture" and "trade" sectors have respectively impairment's rates of 5.2% and 11.4% whereas "construction" and "manufacturing" sectors have impairment rates of 10.7% et 25.8% respectively.

To prevent the risk associated with that growth of the impairment loans, the banking sector made more provisions.

The hedge rate reached 81.3% at the end of June 2018 against 74.6% in the same period in 2017.

The exposure towards the largest risks was minimized. The loans exposed to high risks were 18.2% of total loans in June 2018 against 17.4% at the end of June 2017.

However, the banking sector faced a concentration risk towards the “trade” sector which represented 30.3% of total loans.

IX.3 Profitability

Compared to the same period of the previous year, the banking sector’s profitability increased by 45% at the end of June 2018 and the sectoral net profit amounted to BIF 31,416.9 million against BIF 21,663.0 million in the same period in 2017.

The net banking product rose by 24.9%, from BIF 81,264.3 to 101,489.0 million. The return-on-assets (ROA) and the return-on-equity (ROE) stood at 1.3% and 10.4% respectively at the end of June

2018 against 1.1% and 8.0% in the same period in 2017.

IX.4 Liquidity

At the end of June 2018, the liquidity ratios both in local and in foreign currency remained above the regulatory threshold of 20% (Liquid Assets/Total deposits) with respectively 60.2% and 124.7% against 52.7 and 112.8% at the end of June 2017.

However, the banking sector undergoes relatively high concentration risks on deposits, since only the share of ten major depositors represented 40.5% of total deposits at the end of June 2018 against 28.6% in the same period in 2017.

APPENDIX 1: SELECTED MONTHLY INDICATORS

	2 017			2 018		
	April	May	June	April	May	June
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	112,1	118,3	143,6	116,8	117,3	121,5
2. Production of Arabica parchment Coffee (cumulation in T)	17 906,0	17 906,0	17 906,0	21 628,0	21 628,0	11 129,0
3. Production of Tea (cumulation in T of tea leaves)	19 620,2	24 604,6	28 854,9	21 505,1	27 392,9	32 401,0
4. Consumer price index (1991 = 100)	115,7	116,0	113,8	113,6	114,4	113,3
5. Inflation rate	19,4	18,9	15,1	-1,7	-1,0	-0,4
II. FINANCE PUBLIC						
1. Total Budget revenue (in BIF million)	229 494,2	283 909,9	349 104,2	277 652,7	340 749,5	416 003,7
1.1. Tax revenue	213 692,8	261 682,7	323 867,0	254 350,2	312 111,3	380 956,3
1.2. Non-tax revenue	15 801,4	22 227,2	25 237,1	23 302,5	28 638,3	35 047,5
1.3. Exceptional receipts	0,0	0,0	0,0	0,0	0,0	0,0
2. Expenditure	334 612,4	421 737,7	510 330,4	409 671,0	529 174,6	680 610,9
2.1. Compensation of employees (in BIF million)	129 074,3	161 167,3	193 281,7	135 713,7	168 988,9	202 227,2
3. Public debt (in BIFmillion)	2 140 355,1	2 202 227,2	2 221 307,8	2 466 313,3	2 485 483,2	2 593 560,3
3.1. Domestic debt outstanding	1 421 358,6	1 454 777,5	1 466 639,3	1 662 527,3	1 690 761,6	1 798 139,9
Including: Treasury bills and bonds	643 307,1	660 063,7	676 889,0	916 907,0	944 719,0	986 452,3
BRB ordinary advance	122 074,2	139 502,5	141 652,8	130 576,4	134 896,7	201 181,6
3.2. External debt outstanding	718 755,2	747 209,9	754 428,4	803 786,0	794 721,6	795 420,4
3.3. External debt outstanding (in BIF million)	420,1	435,2	437,4	452,5	447,1	447,2
3.3. External debt service (in BIF million)	2 661,5	767,0	545,1	3 596,2	457,9	1 282,4
including amortization	1 744,2	44,1	228,6	2 766,3	235,5	944,2
3.4. Drawings on external loans	171,1	0,0	2 679,7	10 448,4	46,9	1 600,4
III. MONEY						
1. Reserve Money (in BIF million)	482 272,8	491 780,4	467 625,5	562 023,4	539 615,0	553 180,1
2. Broad money M3 (in BIF million)	1 334 499,8	1 372 733,5	1 417 053,1	1 575 797,8	1 595 667,6	1 637 010,8 (P)
2.1. Broad money M2 (in BIF million)	1 207 523,0	1 233 978,3	1 276 237,3	1 406 192,1	1 436 364,9	1 474 812 (P)
3. Domestic credit (in BIF million)	1 807 963,8	1 802 660,8	1 881 479,3	2 050 746,6	2 069 921,0	2 153 298,1 (P)
4. Net foreign to government (in BIF million)	998 766,3	977 808,2	1 010 411,0	1 140 161,3	1 167 162,0	1 192 798,1 (P)
5. Net foreign assets (in BIF million)	-163 087,5	-113 413,7	-153 117,4	-157 125,6	-175 314,1	-200 692,5
6. Tenders operations						
6.1. Normal liquidity providing	100 000,0	95 430,0	54 580,0	218 600,0	240 220,0	255 500,0
6.2. Injecting liquidity	0,0	0,0	0,0	0,0	0,0	
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	5,6	5,3	4,5	3,6	3,1	2,5
7.2. Treasury bill to 26 weeks	5,7	5,8	5,9	4,7	4,3	3,6
7.3. Treasury bill to 52 weeks	7,3	7,1	6,7	5,5	5,5	5,3
7.4. Recovery of liquidity	0,0	0,0	0,0	0,0	0,0	0,0
7.5. Injecting liquidity	5,4	3,9	2,9	3,2	3,6	3,8
7.6. Marginal lending facility	8,0	7,2	7,1	6,2	5,5	5,1
7.7. Interbank market	6,0	5,5	4,2	0,0	4,5	4,2
7.8. Deposit interest rates	6,3	6,3	6,2	5,5	5,4	6,2
7.9. Lending interest rates	16,1	16,3	16,3	16,2	16,2	16,3
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	62 950,7	81 045,7	98 594,6	130 412,2	146 745,9	166 600,5
including Arabica coffee	5 461,1	5 869,5	6 255,3	23 912,7	24 717,1	25 712,3
1.1. Volume of exports (in T)	28 379,5	35 549,0	44 085,6	32 149,9	38 502,8	45 041,0
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	99,4	67,6	143,2	80,3	22,6	42,5
- BIF/Kg	3 706,2	2 545,8	5 443,8	3 118,0	890,4	1 651,2
1.3. Coffee sold d(in BIF million)	292,5	74,5	76,0	5 388,1	1 023,6	3 703,6
2. Import CIF (in BIF million)	390 008,9	489 168,8	600 213,1	463 168,3	580 744,3	679 535,1
including petroleum products	54 266,4	66 495,3	87 466,5	92 676,1	119 214,4	137 363,5
2.1. Volum of imports (in T)	211 254,9	271 867,0	329 573,4	318 745,6	393 872,0	453 584,9
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	99,1	97,6	96,0	88,9	92,3	na
3.1.2. Real	111,9	110,5	107,0	96,3	100,5	na
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1 714,5	1 720,8	1 728,5	1 776,9	1 778,3	1 779,3
3.2.2. Exchange rate BIF/USD (monthly average)	1 711,5	1 717,6	1 724,9	1 776,3	1 777,7	1 778,8
(p) : Provisional						
n.a. : not available						
- : Nonexistent data..						

Source: BRB

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

	Commercial Banks			Other Banking Institutions			Total banking sector		
	6/30/2017	6/30/2018	Variation en %	5/30/2017	6/30/2017	6/30/2018	6/30/2017	6/30/2018	Variation en %
I. ASSETS	1 852 362,5	2 264 299,0	22,2	148 117,7	163 934,5	10,7	2 000 480,2	2 428 233,5	21,4
Main ASSETS	1 513 762,3	1 885 945,3	24,6	110 475,6	124 483,5	12,7	1 624 237,9	2 010 428,8	23,8
A. Liquid Assets	812 370,0	1 109 950,0	36,6	4 742,3	8 358,6	76,3	817 112,3	1 118 308,6	36,9
. Cash	49 174,5	57 493,5	16,9	13,0	6,6	(49,2)	49 187,5	57 500,1	16,9
. B.R.B.	144 370,4	166 300,5	15,2	450,3	503,7	11,9	144 820,7	166 804,2	15,2
. Banking sector	98 659,7	86 949,8	-11,9	4 279,0	4 348,3	1,6	102 938,7	91 298,1	-11,3
<i>Treasury securities</i>	520 165,4	799 206,2	53,6	-	3 500,0	0,0	520 165,4	802 706,2	54,3
B. Loans	701 392,3	775 995,3	10,6	105 733,3	116 124,9	9,8	807 125,6	892 120,2	10,5
. Short term	427 137,4	459 147,3	7,5	17 799,7	1 994,7	-88,8	444 937,1	461 142,0	3,6
. Medium term	183 839,3	213 997,3	16,4	44 941,7	52 803,7	17,5	228 781,0	266 801,0	16,6
. Long term	90 415,6	102 850,7	13,8	42 991,9	61 326,5	42,6	133 407,5	164 177,2	23,1
. Leasing	-	-	-	-	-	-	-	-	-
. Other loans	-	-	-	-	-	-	-	-	-
Fixed assets	133 238,2	122 122,7	(8,3)	7 430,0	7 635,6	2,8	140 668,2	129 758,3	-7,8
C. Others	205 362,0	256 231,0	24,8	30 212,1	31 815,4	5,3	235 574,1	288 046,4	22,3
II. LIABILITIES	1 852 362,5	2 264 299,0	22,2	148 117,7	163 934,5	10,7	2 000 480,2	2 428 233,5	21,4
Main liabilities	1 435 428,2	1 692 119,4	17,9	60 294,8	76 648,5	27,1	1 495 723,0	1 768 767,9	18,3
. Deposits	1 134 802,6	1 224 457,6	7,9	52 999,7	69 591,6	31,3	1 187 802,3	1 294 049,2	8,9
<i>among which ten large deposits</i>	332 950,9	516 542,3	55,1	6 366,8	8 017,8	25,9	339 317,7	524 560,1	54,6
. Refinancing from BRB	75 531,6	258 387,0	242,1	-	-	-	75 531,6	258 387,0	242,1
. Others	-	-	-	-	-	-	-	-	-
Banking sector	225 094,0	209 274,8	-7,0	7 295,1	7 056,9	-3,3	232 389,1	216 331,7	-6,9
<i>among which residents</i>	164 198,7	109 645,6	-33,2	7 295,1	3 649,2	-50,0	171 493,8	113 294,8	-33,9
Capital and reserves	220 184,1	220 382,0	0,1	30 296,3	31 879,3	5,2	250 480,4	252 261,3	0,7
Others	196 750,2	351 797,6	78,8	57 526,6	55 406,7	(3,7)	254 276,8	407 204,3	60,1
IV. BANKING SECTOR INDICATORS									
Capital adequacy									
.Core capital (in MBIF)	208 731,2	240 935,4	15,4	26 151,1	27 443,5	4,9	234 882,3	268 378,9	14,3
.Total capital (in MBIF)	232 964,6	264 750,8	13,6	36 736,9	38 650,6	5,2	269 701,5	303 401,4	12,5
.Risk Weighted assets	1 061 571,7	1 102 429,7	3,8	128 340,3	142 436,5	11,0	1 189 912,0	1 244 866,2	4,6
.Core capital adequacy ratio (threshold)	19,7	21,9		20,4	19,3		19,7	21,6	
.Total capital adequacy ratio (threshold)	21,9	24,0		28,6	27,1		22,7	24,4	
.Leverage ratio (threshold 7%)	12,3	11,5		19,1	18,4		12,8	12,0	
Quality and concentration of loan portfolio									
Large exposure	136 204,0	142 184,8	4,4	10 930,7	12 906,2	18,1	147 134,7	155 091,0	5,4
Watch loans	17 780,0	27 189,7	52,9	13 239,3	13 651,7	3,1	31 019,3	40 841,4	31,7
Non Performing loans	92 199,7	102 945,3	11,7	16 270,6	15 305,5	-5,9	108 470,3	118 250,8	9,0
Overdue loans	109 979,7	130 135,0	18,3	29 509,9	28 957,2	-1,9	139 489,6	159 092,2	14,1
Provisions	73 108,6	85 198,5	16,5	7 765,7	10 910,5	40,5	80 874,3	96 109,0	18,8
Total gross loans/Total gross assets (%)	37,9	34,3		71,4	70,8		40,3	36,7	
Loans to the Government/Total gross loans	28,1	35,3	-	-	2,1		28,1	35,3	
Loans to the Government/Core capital	249,2	331,7	-	-	12,8		249,2	331,7	
Non Performing loans rate	13,1	13,3		15,4	13,2		13,4	13,3	
Overdue loans rate	15,7	16,8		27,9	24,9		17,3	17,8	
Rate of provisionning (in %)	79,3	82,8		47,7	71,3		74,6	81,3	
.Large exposure/Total gross loans (in %)	19,4	18,3		10,3	11,1		18,2	17,4	
Liquidity									
.Liquidity ratio in local currency (*)	52,7	60,2		-	-		52,7	60,2	
.Liquidity ratio in foreign currency (*)	112,8	124,7		-	-		112,8	124,7	
Total loans/total deposits (*)	61,8	63,4		199,5	166,9		68,0	68,9	
Stable resources/immobilized assets	124,1	128,3		232,1	272,4		166,1	149,1	
Ten large deposits/Total deposits (*)	29,3	42,2		12,0	11,5		28,6	40,5	
Profitability and performance									
Profit before tax	23 684,0	31 720,5	33,9	838,2	2 818,3	236,2	24 522,2	34 538,8	40,8
Net profit	20 870,0	29 049,4	39,2	793,0	2 367,5	198,5	21 663,0	31 416,9	45,0
Banking net product	75 264,5	94 966,6	26,2	5 999,8	6 522,4	8,7	81 264,3	101 489,0	24,9
ROA							1,1	1,3	
ROE							8,0	10,4	

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