



**BANQUE DE LA REPUBLIQUE DU BURUNDI**



**Economic Indicators**  
**June 2019**

## **I. INTRODUCTION**

The following main economic indicators are related to the developments at the end of June 2019, 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 an increase of industrial, the decrease of tea production while coffee campaign 2018/2019 closure. The inflation declined in June 2019 compared to the same period in 2018.

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

The monetary sector was characterized by an increase of the both, reserve money and money supply. The balance sheet of the banking sector rose at the end of June 2019 compared to the same period in 2018. The deposits and credit to private sector also increased. In terms of financial soundness, the banking sector remained sufficiently capitalized, solvent and profitable.

## **II. PRODUCTION**

Year-on-year basis, the industrial production increased while green tea harvest declined in June 2019.

### **II.1 Industrial Production Index**

Year-on-year basis, the industrial production index rose by 3.8% in June 2019 to 126.2 from 121.6 recorded in the previous year, mainly as a result of the increase of sugar production (+ 85.1%) and cigarettes (+ 12.6%).

Compared to the previous month, the index rose by 11.1% in June 2019, mainly due to the start of sugar campaign, the increase of BRARUDI production (+ 3.7% ) and cigarettes (+ 12.8%).

### **II.2. Coffee**

In June 2019, the coffee campaign 2018/2019 closure. According to ARFIC forecasts, the total volume of parchment coffee expected for the 2019/2020 season could reach 15,185 against 32,786 tonnes recorded in the previous season, a decrease of 53.7% linked to coffee cyclicity.

### II.3. Tea

Year-on-year basis, green tea leaf production fell by 20% in June 2019 from 5,008.1 to 4,000.7 tonnes. However, cumulative production slightly increased by 1.2% at the end of June 2019, amounting to 32,803.7 against 32,401.0 tonnes in the same period in 2018.

### III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation declined in June 2019 (-4.0 against -0.4%). This drop mainly concerned food products (-8.6 against -7.9%), while prices for non-food products rose, but at a slower pace (+ 0.9 against + 8.8%).

The fall of food prices was mainly due to lower prices for the sub-headings: "Bread and cereals" (-5.0 against -16.9%), "Fish and seafood" (-5.5 against +21.5%), "Oils and fats" (-2.5 against +21.5%) and "Vegetables" (-14.6 against -13.9%).

The deceleration growth rate of non-food inflation was mainly due to lower prices for the sub-headings "Alcoholic beverages and tobacco" (-1.0 against +5.9%), "Transport" (-0.4 against +7.8%) and "Restaurants and hotels" (- 2.0 against +5.9%) combined with a slight increase of the prices of the other sub-headings,

mainly "Housing, water, electricity, gas and other fuels" (+ 0.8 against + 16.2%), "Health" (+1.5 against + 9.2%), "Leisure and culture" (+4.6 against +8.3%) and "Education" (+2.0 against +34.3%).

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

	june-18		june-19	
	CPI	Inflation	CPI	inflation
<b>Headline Inflation</b>	<b>113.3</b>	<b>-0.4</b>	<b>108.8</b>	<b>-4.0</b>
<b>1. Food</b>	<b>111.6</b>	<b>-7.9</b>	<b>102.0</b>	<b>-8.6</b>
-Bread and cereals	103.0	-16.9	97.9	-5.0
- Meat	115.7	7.5	119.9	3.6
- Fish	152.3	19.5	143.9	-5.5
- Milk, cheese and eggs	109.5	1.1	111.8	2.1
-Oils and fats	129.8	21.5	126.5	-2.5
- Fruits	112.1	3.7	118.9	6.1
- Vegetables	107.2	-13.9	91.5	-14.6
-Sugar, jam, honey, chocolate and confectionery	107.5	-4.4	107.8	0.3
-undefined food elsewhere	109.6	3.7	112.7	2.8
<b>2. Non food</b>	<b>115.2</b>	<b>8.8</b>	<b>116.2</b>	<b>0.9</b>
- Alcoholic beverages ,tobacco	114.2	5.9	113.1	-1.0
- clothing and footwear	115.7	7.2	119.6	3.4
- Housing,water,electricity,gas and other fuels	120.7	16.2	121.7	0.8
- Furnishing, household equipment and routine maintenance	115.1	6.2	117.9	2.4
- Health	113.0	9.2	114.7	1.5
- Transport	117.6	7.8	117.1	-0.4
- Communication	101.4	0.9	101.8	0.4
- leisure and culture	114.2	8.3	119.4	4.6
- Education	136.3	34.3	139.0	2.0
- Hotels, Restorant and café	112.7	5.9	110.4	-2.0
- Other goods and services	115.1	8.9	118.1	2.6
<b>Energy and fuels</b>	<b>134.9</b>	<b>26.2</b>	<b>136.8</b>	<b>1.4</b>
<b>3. Core Inflation</b>	<b>112.3</b>	<b>2.7</b>	<b>112.1</b>	<b>-0.2</b>

**Source: BRB based on data of ISTEERU**

The headline inflation excluding food prices and energy, which is the proxy for core inflation, decelerated in June 2019 (- 0.2 against +2.7%).

## IV. EXTERNAL TRADE

At the end of June 2019, total trade (exports plus imports of goods) decreased by 9.8% compared to the same month in 2018. Cumulative imports increased, to BIF 765,603.0 million from BIF 681,920.2 million while cumulative exports slightly decreased, to BIF 167,903.2 million from BIF 168,274.8 million. Thus, the trade balance worsened, to -BIF 597,699.8 million from -513,645.2 million linked to the increase of imports.

### IV.1 Exports

Exports decreased by 0.2% in value while they increased by 16.6% in volume at the end of June 2019 compared to the corresponding period in 2018.

In terms of value, the decline of exports is attributable to primary products, which declined to BIF 128,792.0 million from BIF 136,612.2 million.

However, manufactured goods increased, to BIF 39,111.2 million from BIF 31,662.6 million.

All primary products exports have declined, mainly non-monetary gold exports (-BIF 11,199.6 million), tea (-BIF 5,444.3 million), and niobium ores

(-BIF 3,491.5 million); except coffee which increased by BIF 13,599.7 million.

In terms of volume, the increase of exports is driven by both primary products (21,478 against 17,820 tonnes) and manufactured products (35,215 against 30,818 tonnes).

### IV.2 Imports

Year-on-year basis, cumulative imports increased by 12.3% in value and by 9.9% in volume at the end of June 2019.

In value, the increase of imports concerned intermediate goods (BIF 332,494 million against 292,446 million) and consumer goods (BIF 293,145 against 232,385 million). Nevertheless, imports of capital goods decreased at the end of June 2019, to BIF 139,965 from BIF 157,088 million in the same period of the previous year.

The intermediate goods imports registered the strongest growth in the category of goods for construction (+BIF 15,441.0 million), goods for agriculture and livestock (+BIF 8,201 million) and goods for food (+BIF 9,916 million).

All the major increase of consumer goods imports are attributable to imports of pharmaceutical goods (+BIF 21,837 million), vehicles (+BIF 10,191 million) and others durables consumer goods (+BIF 23,067 million).

The decrease of capital goods imports was mainly on account of electrical equipment (-BIF 22,892 million) while imports of tractors, and transport machinery increased by BIF 11,505 million.

In terms of volume, the increase concerned intermediate goods imports (363,191 from 320,296 tonnes) and, to a lesser extent, consumer goods (to 122,130 from 119,228 tonnes). However, capital goods imports slightly dropped (19,555 against 19,837 tonnes).

## **V. EXCHANGE RATE**

Compared to the same period of 2018, the BIF exchange rate against USD depreciated by 3.58% in June 2019, the monthly average exchange rate stood at 1,842.42 compared to BIF 1,778.77 for a unit of US Dollar.

At the end of the period, the BIF exchange rate against USD depreciated by 3.7%, standing at BIF 1,845.14 at the end of

June 2019 against BIF 1,779.29 recorded at the end of June 2018.

## **VI. GOVERNMENT FINANCIAL OPERATIONS**

Year-on-year basis, the overall fiscal deficit (excluding grants) improved in June 2019 from BIF 282,257.1 to BIF 246,182.0 million, due to the larger increase of revenue than expenditure.

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

Year-on-year basis, Government revenue rose by 31.8% in June 2019 compared to the same month in 2018, from BIF 75,254.2 to BIF 99,216.1 million, due to the increase of tax revenue (BIF +14,972.5 million) and non-tax revenue (BIF +8,989.4 million).

Likewise, cumulative Government revenue increased by 14.5% at the end of June 2019, from BIF 416,003.7 to BIF 476,395.7 million, driven by the increase of tax revenue (BIF +52,643.9 million) and non-tax revenue (BIF +7,748.1 million).

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

On an annual basis, expenditure incurred in June 2019 decreased by 28.8% compared to the same month in 2018, standing at BIF 115,908.9 compared with BIF 162,729.2 million. Cumulative

expenditure increased by 3.5% in June 2019, amounted to BIF 722,577.7 against BIF 698,260.9 million recorded in the same period in 2018.

Similarly, cumulative compensation of employees increased by 7.9% at the end of June 2019, from BIF 202, 227.2 to BIF 218, 146.8 million.

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

The public debt rose by 15.0% at the end of June 2019, amounted to 3,033.2 against BIF 2,637.3 billion recorded in the same period of the previous year, mainly driven by the increase of domestic debt (+ 17.6%) and external debt (+ 9.1%).

Compared to the previous month, the public debt slightly rose by 1.9%, due to the increase of domestic debt (+ 2.3%) and external debt (+ 0.8%).

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

Year-on-year basis, outstanding domestic debt increased by BIF 323,130.3 million at the end of June 2019, from BIF 1,835.5 to 2,158.6 billion, mainly as a result of the increase of Government's debt towards the banking sector, especially Treasury securities (+BIF 344,540.3 million).

Compared to the previous month, the domestic debt rose by BIF 48,135.7

million, from 2.110.5 to BIF 2,158.6 billion, mainly driven by the increase of Government's debt towards the banking sector (+BIF 43,495.7 million) and non-bank sector (+BIF 4,640.0 million).

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

Year-on-year basis, the stock of external debt increased by BIF 72,729.3 million at the end of June 2019, from BIF 801,839.6 to 874,568.9 million. This increase is related to drawings (BIF 65,511.1 million) and revaluation gains (BIF 18,871.5 million) which exceeded the amortization of the principal debt (BIF 11,653.3 million).

Compared to the previous month, outstanding external debt rose by 0.8%, amounted to BIF 874,568.9 against 867,433.4 million, linked to new drawings (BIF 4,075.3 million) and revaluation gains from revaluation (BIF 3.060.2 million).

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

Year-on-year basis, reserve money and broad money increased at the end of June 2019 due to the expansion of net domestic assets.

### VII.1. Reserve Money

The reserve money increased by 19.9% at the end of June 2019, amounted to BIF 657,960.5 million from BIF 548,546.9 million at the end of June 2018. On one hand, this rise concerned the currency in circulation (+BIF 48,720.7 million) as well as the deposits of commercial banks (+BIF 55,245.5 million), microfinance institutions (+BIF 8,090.3 million) and those of NGOs (+BIF 7,690.8 million). On the other hand, deposits of public non-financial corporations decreased by BIF 9,603.9 million.

### VII.2. Broad money

Year-on-year basis, the broad money (M3) rose by 23.9% at the end June 2019, amounted to BIF 2,007.1 billion from BIF 1,620.5 billion. This growth was on account of the increase of M2 money supply (+25.0%) and deposits of residents denominated in foreign currencies (+13.1%).

The increase of money supply (M2) was driven by demand deposits (+33.2%), time and savings deposits (+16.9%) as well as currency outside banks (+12.9%).

The rise of demand deposits denominated in BIF was mainly due to the increase of deposits of other non-financial

corporations (+BIF 208,289.6 million), households (+BIF 35,936.1 million), public non-financial corporations (+ BIF 4,817.4 million) and those classified in other deposits (+ BIF 16,259.1 million).

The increase of time and savings deposits is driven by those of other non-financial corporations (+ BIF 49,745.6 million), households (+ BIF 16,534.3 million) and those classified in “other deposits” (+BIF 6,128.2 million). By contrast, the deposits of public non-financial corporations and those of other financial corporations declined by BIF 3,969.2 million and BIF 4,201.0 million, respectively.

The progress of deposits denominated in foreign currencies was driven by those of households (+BIF 9,460.6 million), other non-financial corporations (+ BIF 5,801.2 million) and those classified in other deposits (+ BIF 7,709.9 million). By contrast, non-financial corporation deposits declined by BIF 2,386.2 million.

### VII.3. Counterparts

Year-on-year basis, domestic credit grew by 18.4% at the end of June 2019, from BIF 2,159.9 billion in June 2018 to BIF 2,557.0 billion at the end June 2019, resulting to the increase of net claims on

government (+23.7%) and claims to the economy (+11.9%).

The progress of net claims on government was mainly driven by the rising of Treasury bills and bonds held by commercial banks (+ BIF 344,540.3 million).

Year-on-year basis, net foreign assets and the official reserves increased by 3.5% and 2.9%, respectively at the end of June 2019. These official reserves covered 1.0 month of imports of goods at the end of June 2019, compared with 1.1 month recorded in the month in 2018.

## **VIII. MAIN INDICATORS OF BANKING SECTOR'S**

Year-on-year basis, the total balance sheet of the banking sector improved in June 2019, mainly driven by the increase of deposits and Treasury securities. The quality of the credit portfolio slightly improved. Likewise, the banking sector remained solvent, profitable and well-capitalized.

### **VIII.1. Assets**

The banking sector's assets rose by 21.1% in June 2019, from BIF 2,428.2 billion in June 2018 to BIF 2,940.9 billion, following the increase of Treasury securities

(+43.3%) and loans to the economy (+11.3%).

The share of Treasury securities in the assets grew from 33.1% June 2018 to 39.1%. Nevertheless, the loans to the private sector stood at 33.8% from 36.7%.

### **VIII.2. Liabilities**

In June 2019, the deposits and borrowing from the Central Bank remained dominated in the banking sector's liabilities. The deposits increased by 30.9%, year –on- year basis, from BIF 1,294.0 billion in June 2018 to BIF 1,694.5 billion in June 2019 while the borrowing from Central Bank rose by 29.5%, from BIF 258,387.0 million to BIF 334,675.3 million.

## **IX. KEY FINANCIAL SOUNDNESS INDICATORS**

In June 2019, the banking sector remained well-capitalized and the profitability ratios improved compared to the same period in 2018.

### **IX.1. Capital Adequacy**

At the end of June 2019, the banking sector was well capitalized. The global and core capital adequacy ratios and the leverage ratio were above the respective regulatory thresholds of 12.5; 14.5 and 5%.



The global capital adequacy ratio stood at 27.4% in June 2019 from 24.4% in June 2018 while the core capital adequacy ratio grew to 25.2% from 21.6%. Nevertheless, even if the leverage ratio stood above the minimum standard, it slightly decreased from 11.1% to 10.4%.

## IX.2. Quality of loans portfolio

Year-on-year basis, the quality of the loans portfolio improved in June 2019. The deterioration rate fell from 17.8% in June 2018 to 16.1%. Over the same period, the overdue loans slightly increased by 0.4%, from BIF 159,092.2 million to BIF 159,678.5 million, due to the rise of watch loans (+63.8%) while substandard (-27.3%), doubtful (-37.1%) and compromised loans (-13.6%) declined.

The Agriculture sector loans portfolio deteriorated in June 2019, with a deterioration rate of 6.7% from 5.2% in June 2018. On the other hand, the Hotel and tourism portfolio slightly improved, from 45.3% to 37.4%.

The credit to the Construction sector also improved, with a deterioration rate of 9.1% in June 2019 from 10.7% in the corresponding month of 2018. Likewise, the Trade and Industry loans portfolio

deteriorated by 11.3% and 19.1% from 11.4% and 25.8%, respectively.

Despite this slight improvement in the overall banking sector loans portfolio, the provisioning rate for non-performing loans declined to 79.4% from 81.3%.

However, the concentration risk on large exposures<sup>1</sup> worsened in June 2019. It represented 28.0% of the total loans portfolio from 17.4% in June 2018. The loans concentration on Trade remained dominant and increased year-on-year, and represented 31.9% of the overall portfolio compared to 30.3% recorded in June 2018.

## IX.3. Profitability

The banking sector's gross Income rose by 17.5% in June 2019, standing at BIF 119,261.8 million from BIF 101,489.0 million in June 2018. Thus, the net income also increased from BIF 31,416 million to BIF 57,243.2 million. This improvement affected the Returns on Assets (+1.9% from 1.3%) and Returns on Equity (17.3% from 10.4%).

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<sup>1</sup> Circular No. 06/2018 on the credit risk division, a large exposure is a loan of more than 10% of the core capital

#### IX.4. Liquidity

The Leverage Core Ratios<sup>2</sup> (LCR) in BIF and foreign currencies stood respectively at 235.8% and 114.1% for a minimum threshold of 100%. However, the concentration risk on large deposits increased and the share of ten gross depositors in various banks represented 44.3% of the overall deposits in June 2019 from 40.5% in June 2018.

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<sup>2</sup> Circular No. 04/2018 on short-term liquidity ratio.

## APPENDIX 1: SELECTED MONTHLY INDICATORS

	April-18	May-18	June-18	Apr-19	May-19	Jun-19
<b>I. PRODUCTION AND PRICE</b>						
1. Industrial Production Index (monthly average, 1989 = 100)	116.7594228	117.5	121.6	102.2	113.6	126.2
2. Production of Arabica parchment Coffee (cumulation in T )	21628	21628	21,628.0	32,786.0	32,786.0	32,786.0
3. Production of Tea (cumulation in T of tea leaves)	21505.1	27,392.9	32,401.0	23,560.6	28,803.0	32,803.7
4. Consumer price index (1991 = 100)	113.4	112.9	113.7	108.8	109.6	111.2
5. Inflation rate	-1.7	-1.0	-0.4	-2.2	-2.4	-4.0
<b>II. Public Finances</b>						
1. Total Budget revenue (in BIF million)	277652.6923	340,749.5	416,003.7	307957.7685	377,179.6	476,395.7
1.1. Tax revenue	254350.1818	312,111.3	380,956.3	285083.1246	349,782.6	433,600.1
1.2. Non-tax revenue	23302.51043	28,638.3	35,047.5	22874.64397	27,397.0	42,795.6
1.3. Exceptional receipts	0	0.0	0.0	0	0.0	0.0
2. Expenditure	415861.9218	535,531.7	698,260.9	477407.0497	606,668.8	722,577.7
2.1. Compensation of employees (in BIF million)	135713.7143	168,988.9	202,227.2	146387.5281	182,106.2	218,146.8
3. Public debt (in BIFmillion)	2482990.15	2,500,588.4	2,637,314.8	2901709.486	2,977,903.2	3,033,174.4
3.1. Domestic debt outstanding	1673018.367	1,699,666.1	1,835,475.2	2073957.4	2,110,469.8	2,158,605.5
Including: Treasury bills and bonds	925946.4	953,009.4	993,081.2	1264065.9	1,309,285.8	1,339,778.2
BRB ordinary advance	130576.4	134,896.7	201,181.6	195994.1	191,866.3	216,009.2
3.2. External debt outstanding	809971.7833	800,922.3	801,839.6	827752.0858	867,433.4	874,568.9
3.3. External debt outstanding (in BIF million)	455.9920189	450.5	450.8	452.0513499	472.2	474.7
3.3. External debt service (in BIF million)	3596.165647	457.9	1,282.4	1733.354606	2,981.0	181.7
including amortization	2766.327112	235.5	944.2	131.9843176	2,289.9	0.0
3.4. Drawings on external loans	17149.93015	213.1	1,600.4	1056.216326	41,106.0	4,075.3
<b>III. MONEY</b>						
1. Reserve Money (in BIF million )	562023.5	538,782.6	548,546.9	595,763.0	594,139.2	657,960.5
2. Broad money M3 (in BIF million)	1573190.667	1,587,382.6	1,620,461.3	1,888,259.4	1,941,340.3	2,007,139.3
2.1. Broad money M2 (in BIF million)	1403584.967	1,428,912.3	1,462,821.2	1,712,204.1	1,771,346.7	1,828,882.7
3. Domestic credit (in BIF million)	2055735.967	2,075,339.1	2,159,954.3	2,476,666.7	2,482,866.1	2,557,013.3
4. Net foreign to government (in BIF million)	1141859.967	1,165,998.7	1,189,574.3	1,438,436.6	1,422,699.5	1,471,114.1
5. Net foreign assets (in BIF million)	-157,125.3	-174,182.1	-201,255.7	-236,973.7	-190,248.0	-194,252.9
6. Tenders operations						
6.1. Normal liquidity providing	172670	163,700.0	218,600.0	240,220.0	320,000.0	334,540.0
6.2. Injecting liquidity	0	0.0	0.0	0.0		
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	4.12	3.92	3.63	3.11	2.47	2.48
7.2. Treasury bill to 26 weeks	5.43	5.15	4.69	4.29	2.66	2.66
7.3. Treasury bill to 52 weeks	5.93	5.57	5.48	5.45	2.98	3.06
7.4. Recovery of liquidity	0.00	0.00	0.00	0.00	0.00	0.00
7.5. Injecting liquidity	2.54	2.84	3.19	3.57	2.69	
7.6. Marginal lending facility	6.98	6.59	6.16	5.51	5.50	5.50
7.7. Interbank market	3.64	0.00	0.00	4.45	3.67	3.69
7.8. Deposit interest rates	5.81	5.59	5.48	5.42	5.25	5.16
7.9. Lending interest rates	16.08	15.97	16.21	16.21	15.71	15.74
<b>IV. EXTERNAL SECTOR</b>						
1. Export (in BIF million, fob DSL & Buja FOT)	130874.5118	147,720.4	168,274.8	91,386.4	150,286.6	167,903.2
including Arabica coffee	23912.68646	24,717.1	25,712.3	30,118.8	36,086.5	39,312.0
1.1. Volume of exports (in T)	34380.71665	41,379.9	48,637.6	37,819.4	47,153.3	56,692.9
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	80.3	22.6	42.5	59	48.3	61.8
- BIF/Kg	3118	890.4	1,651.2	2337.5	1,926.2	2,493.3
1.3. Coffee sold d(in BIF million)	24561.5	25,585.1	29,288.7	32100.2	44,966.4	48,449.5
2. Import CIF (in BIF million)	464751	582,677.0	681,920.2	524,119.9	635,833.4	765,603.3
including petroleum products	92676.1	119,214.4	137,363.5	96,178.2	116,612.0	139,776.0
2.1. Volum of imports (in T)	322985	398,662.0	459,361.0	343,449.0	415,581.0	504,876.0
<b>V. EXCHANGE RATE</b>						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	88.9	92.3	93.2	93.2	nd	nd
3.1.2. Real	93.6	100.3	99.8	94.7	nd	nd
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1776.9	1,778.3	1,779.3	1,834.0	1,839.6	1,845.1
3.2.2. Exchange rate BIF/USD (monthly average )	1776.2845	1777.694	1778.768	1831.101905	1837.03619	1842.417895
(p) : Provisional n.a. : not available - : Nonexistent data..						

Source: BRB

**APPENDIX 2: MAIN INDICATORS OF THE BANKING SECTOR IN JUNE 2019 (in BIF million).**

	Commercial banks			Other financial institutions			Banking sector		
	6/30/2018	6/30/2019	Change in %	6/30/2018	6/30/2019	Change in %	6/30/2018	6/30/2019	Change in %
<b>I. ASSETS</b>	<b>2 264 299,0</b>	<b>2 753 549,7</b>	<b>21,6</b>	<b>163 934,5</b>	<b>187 397,6</b>	<b>14,3</b>	<b>2 428 233,5</b>	<b>2 940 947,3</b>	<b>21,1</b>
<b>I.1. MAIN ASSETS</b>	<b>1 885 945,3</b>	<b>2 346 885,1</b>	<b>24,4</b>	<b>124 483,5</b>	<b>155 441,6</b>	<b>24,9</b>	<b>2 010 428,8</b>	<b>2 502 326,7</b>	<b>24,5</b>
<b>A. Liquid assets</b>	<b>1 109 950,0</b>	<b>1 495 313,9</b>	<b>34,7</b>	<b>8 358,6</b>	<b>13 966,2</b>	<b>67,1</b>	<b>1 118 308,6</b>	<b>1 509 280,1</b>	<b>35,0</b>
. Cash	57 493,5	71 013,0	23,5	6,6	12,2	85,5	57 500,1	71 025,3	23,5
. Balance in B.R.B.	166 300,5	224 668,9	35,1	503,7	2 578,9	412,0	166 804,2	227 247,8	36,2
. Interbank deposits	86 949,8	55 973,9	-35,6	4 348,3	4 988,0	14,7	91 298,1	60 961,9	-33,2
. Treasury securities	799 206,2	1 126 693,1	41,0	3 500,0	6 387,1	0,0	802 706,2	1 133 080,2	41,2
. Other securities	-	16 965,0	-	-	-	-	-	16 965,0	-
<b>B. Loans</b>	<b>775 995,3</b>	<b>851 571,2</b>	<b>9,7</b>	<b>116 124,9</b>	<b>141 475,4</b>	<b>21,8</b>	<b>892 120,2</b>	<b>993 046,5</b>	<b>11,3</b>
. Short term	459 147,3	449 787,9	-2,0	1 994,7	2 063,5	3,5	461 142,0	451 851,5	-2,0
. Medium term	213 997,3	299 628,4	40,0	52 803,7	46 179,6	-12,5	266 801,0	345 808,0	29,6
. Long term	102 850,7	102 154,9	-0,7	61 326,5	93 232,2	52,0	164 177,2	195 387,1	19,0
. Leasing	-	-	-	-	-	-	-	-	-
<b>I.2. Fixed assets</b>	<b>122 122,7</b>	<b>134 615,6</b>	<b>10,2</b>	<b>7 635,6</b>	<b>8 069,6</b>	<b>5,7</b>	<b>129 758,3</b>	<b>142 685,1</b>	<b>10,0</b>
<b>I.3. Others assets</b>	<b>256 231,0</b>	<b>272 049,0</b>	<b>6,2</b>	<b>31 815,4</b>	<b>23 886,5</b>	<b>-24,9</b>	<b>288 046,4</b>	<b>295 935,5</b>	<b>2,7</b>
<b>II. LIABILITIES</b>	<b>2 264 299,0</b>	<b>2 753 549,7</b>	<b>21,6</b>	<b>163 934,5</b>	<b>187 397,6</b>	<b>14,3</b>	<b>2 428 233,5</b>	<b>2 940 947,3</b>	<b>21,1</b>
<b>II.1. Main liabilities</b>	<b>1 912 501,4</b>	<b>2 376 239,8</b>	<b>24,2</b>	<b>108 527,8</b>	<b>131 418,8</b>	<b>21,1</b>	<b>1 768 767,9</b>	<b>2 218 575,4</b>	<b>25,4</b>
. Customer deposits	1 224 457,6	1 605 041,7	31,1	69 591,6	89 472,8	28,6	1 294 049,2	1 694 514,5	30,9
<i>amongst: Ten large deposits</i>	516 542,3	750 040,5	45,2	8 017,8	11 173,0	0,0	524 560,1	761 213,5	45,1
. Borrowing from B.R.B. (Refinancing)	258 387,0	334 675,3	29,5	-	-	0,0	258 387,0	334 675,3	29,5
. Interbank deposits	209 274,8	182 072,3	-13,0	7 056,9	7 313,2	3,6	216 331,7	189 385,5	-12,5
<b>II.2. Capital and reserves</b>	<b>220 382,0</b>	<b>254 450,4</b>	<b>15,5</b>	<b>31 879,3</b>	<b>34 632,8</b>	<b>8,6</b>	<b>252 261,3</b>	<b>289 083,2</b>	<b>14,6</b>
<b>II.3. Other liabilities</b>	<b>351 797,6</b>	<b>377 309,9</b>	<b>7,3</b>	<b>55 406,7</b>	<b>55 978,8</b>	<b>1,0</b>	<b>659 465,6</b>	<b>722 371,9</b>	<b>9,5</b>
<b>MAIN INDICATORS OF THE BANKING SECTOR</b>									
<b>Capital adequacy</b>									
. Tier 1 capital (in MBIF)	240 935,4	272 539,2	13,1	27 443,5	32 669,2	19,0	268 378,9	305 208,4	13,7
. Total regulatory capital (in MBIF)	264 750,8	291 045,4	9,9	38 650,6	40 262,4	4,2	303 401,4	331 307,8	9,2
. Risk weighted assets	1 102 429,7	1 049 157,2	-4,8	142 436,5	159 860,0	12,2	1 244 866,2	1 209 017,2	-2,9
. Core capital adequacy ratio (threshold 12,5%)	21,9	26,0		19,3	20,4		21,6	25,2	
. Total regulatory capital adequacy ratio (threshold 14,5%)	24,0	27,7		27,1	25,2		24,4	27,4	
. Leverage Ratio (threshold 7%)	10,6	9,9		16,7	17,4		11,1	10,4	
<b>Loans quality and concentration</b>									
. Large exposures	142 184,8	272 517,8	91,7	12 906,2	5 181,4	-59,9	155 091,0	277 699,3	79,1
. Watch loans	27 189,7	50 263,0	84,9	13 651,7	16 624,8	21,8	40 841,4	66 887,8	63,8
. Non-performing loans	102 945,3	82 850,3	-19,5	15 305,5	9 940,4	-35,1	118 250,8	92 790,7	-21,5
. Overdue loans	130 135,0	133 113,3	2,3	28 957,2	26 565,2	-8,3	159 092,2	159 678,5	0,4
. Provisions on loans	85 198,5	69 258,7	-18,7	10 910,5	4 412,4	-59,6	96 109,0	73 671,1	-23,3
. Loans/Assets (in %)	24,3	30,9		70,8	75,5		36,7	33,8	
. Government Loans/Assets ratio	41,1	40,9		2,1	3,4		41,1	40,9	
. Government Loans/Tier 1 capital	322,1	413,4		12,8	19,6		332,4	371,2	
. Non-performing loans ratio	22,4	9,7		13,2	7,0		13,3	9,3	
. Overdue loans ratio	28,3	15,6		24,9	18,8		17,8	16,1	
. Coverage ratio (in %)	82,8	83,6		71,3	44,4		81,3	79,4	
. Large exposures to Loans ratio (in %)	31,0	32,0		11,1	3,7		17,4	28,0	
<b>Liquidity</b>									
. LCR* in BIF (threshold 100%)	60,2	235,8		-	-		60,2	235,8	
. LCR in f.c.** (threshold 100%)	124,7	114,1		-	-		124,7	114,1	
. Loans/Customer deposits	63,4	53,1		166,9	158,1		68,9	58,6	
. Stable funds /Fixed Assets (threshold 60%)	128,3	91,3		272,4	240,2		142,4	125,5	
. Ten large deposits/Customer deposits	42,2	46,7		11,5	12,5		40,5	44,9	
<b>Profitability and performance</b>									
. Income before tax	31 720,5	56 586,5	78,4	2 818,3	3 988,1	41,5	34 538,8	60 574,6	75,4
. Net income after tax	29 049,4	53 934,2	85,7	2 367,5	3 309,1	39,8	31 416,9	57 243,2	82,2
. Gross Income	94 966,6	110 653,0	16,5	6 522,4	8 608,8	32,0	101 489,0	119 261,8	17,5
. ROA	1,3	2,0		1,4	1,8		1,3	1,9	
. ROE	11,0	18,5		6,1	8,2		10,4	17,3	

Source: BRB

## APPENDIX 3: SELECTED ANNUAL INDICATORS

	2014	2015	2016	2017	2018
<b>GROSS DOMESTIC PRODUCT AND PRICE</b>					
Real Growth of GDP ( in %)	4.2	-0.4	3.2	3.6	3.8
Inflation rate (annual)	4.4	5.5	5.6	16.0	-2.6
<b>FOREIGN SECTOR</b>					
Exports, f.o.b. (USD million )	131.8	120.8	124.7	172.6	180.2
Imports, CIF (USD million)	768.7	721.4	616.2	756.0	793.5
Volume of exports (in tons)	82,825.0	85,758.0	84,614.0	93,125.0	103,218.0
Volume of imports (in tons)	798,239.0	632,337.0	708,203.0	822,514.0	976,694.0
Current account balance (USD million )	-395.1	-373.2	-339.7	-360.0	-361.8
Exchange rate BIF/USD (period average)	1,546.7	1,571.9	1,654.6	1,729.1	1,782.9
Exchange rate BIF/USD (end of period)	1,553.1	1,617.1	1,688.6	1,766.7	1,808.3
International reserves (USD million, end of période)	317.3	121.2	98.6	109.8	80.5
International reserves (Month of imports)	4.2	2.0	1.4	1.7	1.0
<b>MONEY AND CREDIT</b>					
Net foreign assets (BIF million )	180,525.3	-75,870.1	-176,523.1	-154,400.0	-238,326.4
Domestic credit (BIF million)	1,135,873.8	1,410,604.3	1,767,122.4	2,004,966.2	2,366,101.4
Net credits to the Government	384,697.0	687,259.5	905,857.4	1,112,214.4	1,350,011.6
Credits to the economy	751,176.8	723,344.8	861,265.0	892,941.6	10,160,898.0
Broad money (M3)	1,045,336.7	1,060,791.0	1,187,101.8	1,499,512.9	1,836,993.3
Money and quasi money (M2)	880,206.6	923,271.7	1,093,131.8	1,340,926.6	1,664,218.9
Velocity of the money (GDP/M2, end of period)	4.8	4.8	4.4	4.1	3.4
Reserve money (growth rate)	15.8	-8.6	29.2	39.0	-3.3
Liquidity providing rate (in %)	-	3.4	3.1	2.8	2.9
Marginal lending rate (in %)	8.0	9.8	8.6	7.1	5.8
Commercial banks average deposit rates (end of period)	8.8	8.7	7.7	6.0	5.6
Commercial banks average lending rates (end of period)	16.7	16.9	16.5	16.2	15.9
<b>FINANCE AND PUBLIC DEBT</b>					
Revenues and grants (as % of GDP)	21.0	16.7	15.7	16.5	17.4
Expenses (as % of GDP)	25.3	24.7	21.6	21.1	21.5
primary balance (as % of GDP , accrual basis)	-0.5	-6.0	-2.3	-1.5	-1.3
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-9.5	-11.2	-8.4	-6.9	-7.9
- included grants	-4.4	-8.0	-5.9	-4.4	-4.1
Domestic debt (BIF million)	727,264.4	1,069,551.8	1,374,144.6	1 647 833,5	1,911,446.0
External debt (in USD million , at the end of period)	429.6	420.5	429.6	440.5	441.0
External debt service ratio (as % of exports)	4.1	5.8	6.6	9.1	11.9
Public external debt (as % of GDP)	15.7	15.6	15.2	14.4	13.2
As a reminder					
<b>GDP at market prices ( BIF billion)</b>	<b>4,185.0</b>	<b>4,417.9</b>	<b>4,824.2</b>	<b>5,397.2</b>	<b>6,010.3</b>

Source: BRB.

