



**BANQUE DE LA REPUBLIQUE DU BURUNDI**



**Economic Indicators**  
**October 2019**

## **I. INTRODUCTION**

The following main economic indicators are related to the developments at the end of October 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 tea and coffee production. The inflation went up in October 2019 compared to the same period in 2018.

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

The monetary sector was characterized by an increase of both, reserve money and money supply. The balance sheet of the banking sector rose at the end of October 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 tea and coffee production declined in October 2019.

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

Year-on-year basis, the industrial production index rose by 3.3% in October 2019, standing at 159.4 against 154.3 mainly related to the increase of the BRARUDI beverages (+ 7.6%) and cigarettes (+ 72.0%).

Compared to the previous month, this index fell by 6.2%, mainly due to the BRARUDI beverages (-6.7%) and sugar production (-17.4%).

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

The production of parchment coffee of the 2019/2020 campaign went up by 11.2% at the end of October 2019 compared to the same period of the previous season, amounting to 29,743 against 26,756 tonnes.

### **II.3. Tea**

In October 2019, the green leaf tea production decreased by 18.2% compared to the same period of 2018, amounting to 3,039.1 against 3,713.2 tonnes. On the other hand, the cumulative production slightly rose by 1.1% at the end of October 2019, reaching 43,629 against 43,145.7 tonnes in the same period in 2018.

### III. INFLATION DEVELOPMENTS

Year-on-year basis, the consumer price index rose by 4.0% in October 2019 compared to a decline of 8.4% in the same period of the previous year. This increase resulted from the rise of food inflation (+6.4 against -20.2%) while non-food inflation decelerated (+1.8 against + 6.2%).

The food inflation was mainly explained by the increase prices of the “Breads and cereals” (+12.0 against -24.4%), “Fish and seafood” (+32.5 against -24), 6%), “Milk, cheese and eggs” (+ 3.0% against -1.5%), “Vegetables” (+ 0.2% compared to -25.9%) and “Sugar, jams, honey, chocolate and confectionery” (+ 0.6 against -1.4%).

The deceleration of non-food inflation concerned prices of the sub-headings “Clothing and footwear” (+3.8 against + 5.5%), “Housing, water, electricity, gas and other fuels” (+2.5 against + 11.3%), “Furniture, household equipment and routine household maintenance” (+2.4 against + 5.8%), “Health” (+3.6 against +10, 2%), “Hotels, restaurants and coffee” (+0.4 against + 4.5%) and “other goods and services” (+2.9 against + 6.6%).

The prices of the sub-headings “Alcoholic beverages and tobacco” (-2.3 against + 4.7%) and “Transport” (-1.9 against + 7.2%) fell after increasing in the same period in 2018.

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

	Oct-18		Oct-19	
	CPI	Inflation	CPI	inflation
<b>Headline Inflation</b>	<b>107.70</b>	<b>-8.4</b>	<b>112.0</b>	<b>4.0</b>
<b>1. Food</b>	<b>99.8</b>	<b>-20.2</b>	<b>106.2</b>	<b>6.4</b>
-Bread and cereals	99.0	-24.4	110.9	12.0
- Meat	115.1	2.9	130.6	13.5
-Fish and seafood	112.3	-24.6	148.8	32.5
- Milk, cheese and eggs	111.3	-1.5	114.6	3.0
-Oils and fats	109.4	6.9	116.3	6.3
- Fruits	126.8	3.4	114.0	-10.1
- Vegetables	93.6	-25.9	93.8	0.2
-Sugar, jam, honey, chocolate and confectionery	107.6	-1.4	108.2	0.6
-undefined food elsewhere	117.2	7.7	120.1	2.5
<b>2. Non food</b>	<b>116.2</b>	<b>6.2</b>	<b>118.3</b>	<b>1.8</b>
- Alcoholic beverages ,tobacco	115.2	4.7	112.6	-2.3
- clothing and footwear	117.3	5.5	121.8	3.8
- Housing,water,electricity,gas and other fuels	120.0	11.3	123.0	2.5
- Furnishing, household equipment and routine maintenance	117.6	5.8	120.4	2.4
- Health	114.0	10.2	118.1	3.6
- Transport	119.6	7.2	117.3	-1.9
- Communication	101.7	1.1	101.8	0.1
- leisure and culture	115.1	3.9	129.5	12.5
- Education	136.2	0.6	139.6	2.5
- Hotels, Restaurant and café	113.5	4.5	114.0	0.4
- Other goods and services	116.4	6.6	119.8	2.9
<b>Energy and fuels</b>	<b>134.3</b>	<b>20.1</b>	<b>135.7</b>	<b>1.0</b>
<b>3. Core Inflation</b>	<b>111.2</b>	<b>-1.3</b>	<b>115.9</b>	<b>4.2</b>

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

Year-on-year basis, the consumer price index combining the prices of energy, fuel and other fuels products slightly increased in October 2019 (+1.0% against + 20.1%).

Headline inflation excluding food and energy prices, which is the proxy of core inflation, increased in October 2019 (+4.2% against -1.3%) compared to the same period of the previous year.

## IV. EXTERNAL TRADE

Total external trade (exports and imports) increased by 20.3% at the end of October 2019 compared to the same period in 2018, driven by the increase both in imports (BIF 1,493.2 billion against BIF 1,204.9 billion) and exports (BIF 288,062.0 million against BIF 276,209.7 million). The trade balance deficit worsened (- BIF 1,205.1 billion against - BIF 928.7 billion).

### IV.1 Exports

The total exports increased by 4.3% in value while they slightly decreased by 0.5% at the end of October 2019 in volume compared to the same period in 2018.

In value terms, this increase of exports concerned both primary products (BIF 229,590.1 million against BIF 218,305.7 million) and manufactured products (BIF 58,471.9 million against BIF 57,904.1 million).

The increase of primary products, mainly concerned non-monetary gold (+BIF 21,844.9 million) and coffee (+BIF 6,932.2 million), which offset the decline exports of niobium ores (-BIF 7,487.3 million), tea (-BIF 5,597.8 million), raw material (- BIF 641.9 million) and rare earth metals (- BIF 1,281.1 million).

In terms of volume, the increase concerned primary products (33,395.0 against 30,081.0 tonnes) while that of manufactured products decreased (51,230.0 against 54,949.0 tonnes).

### IV.2 Imports

Year –on- year basis, cumulative imports increased by 23.9% in value and by 11.1% in volume at the end of October 2019.

In value terms, this increase of imports concerned intermediate goods (BIF 748,071.3 million against BIF 537,385.5 million) and consumer goods (BIF 517,852.1 million against BIF 437,513.9 million). On the other hand, imports of capital goods slightly fell (BIF 227,266.5 million against BIF 230,028.0 million).

The increase of production goods is attributable to goods intended for construction (+BIF 44.391.1 million), food industry (+BIF 18.966.8 million) and metallurgy (+BIF 6.224.7 million). In contrast, imports of goods for agriculture and livestock declined by BIF 16,741.2 million.

Regarding imports of consumer goods, all their components: durable and non-durable goods increased.

The increase of durable consumer goods was driven by vehicles (+BIF 19,393.2 million), textiles (+BIF 16,304.1 million) and other durable goods (+BIF 28,050.3 million). For non-durable consumer goods, their increase concerned food products (+BIF 6,873.4 million), pharmaceutical products (+BIF 2,837.1 million) and other non-durable goods (+BIF 6,880.0 million).

The decline of capital goods mainly concerned electrical equipment (-BIF 22,277.8 million) and boilers and mechanical machinery (-BIF 6,465.5 million) whilst imports of tractors, vehicles and transport equipment increased (+BIF 26.312.5 million).

In volume terms, intermediary goods (680,148.3 against 587,206.2 tonnes) and capital goods (41,920.0 against 32,958.0 tonnes) drove the increase. On the other hand, consumer goods slightly fell (199,858.0 against 209,694.0 tonnes).

## **V. EXCHANGE RATE**

Compared to the same period in 2018, the BIF depreciated in average by 4.10% against the USD in October 2019, the monthly average exchange rate stood at BIF 1,866.69 against BIF 1,793.09 for one US Dollar.

At the end of October 2019, the BIF depreciated by 4.06% against the US Dollar, the exchange rate reached BIF 1,869.60 from BIF 1,796.73 to for one unit of US dollar.

## **VI. GOVERNMENT FINANCIAL OPERATIONS**

At the end of October 2019, the overall fiscal deficit (excluding grants) worsened compared to the same period of the previous year, amounting to BIF 471,025.8 million from BIF 402,352.9 million, following the large increase of

expenditure compared to revenue.

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

Cumulative revenue rose by 18.3% at the end of October 2019, amounting to BIF 824,972.7 million against BIF 697,115.29 million recorded in the same period of the previous year, due to the increase of tax revenue (BIF 99,036.5 million) and non-tax (BIF 28,820.9 million).

Likewise, revenue collected in October 2019 increased by 35.5% compared to the same month in 2018, standing at BIF 96,140.5 million against BIF 70,957.3 million. This rise was the result of an increase in both tax (BIF 16,583.8 million) and non-tax (BIF 8,599.4 million) revenue.

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

Cumulative expenditure increased by 17.9% in October 2019, standing at BIF 1,296.0 million against BIF 1,099.5 billion recorded in the same period in 2018. Likewise, expenditure incurred in October 2019 rose by 24.5% compared to the same month in 2018, amounting to BIF 151,672.9 million against BIF 121,865.5 million.

Compensation of employers increased by 8.1% at the end of October 2019, reaching BIF 366,290.1 million against BIF 338,798.2 million in the same period in

2018.

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

Public debt rose by 19.3% at the end of October 2019, amounting to 3,212.8 against BIF 2,693.3 billion in the same period of the previous year, mainly driven by the increase of both domestic debt (+ 20.6%) and external debt (+ 16.1%).

Compared to the previous month, public debt slightly increased by 1.5% driven by the increase of domestic debt (+ 1.8%) and external debt (+ 0.9%).

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

Year-on-year basis, the stock of domestic debt picked up by BIF 389,428.7 million at the end of October 2019, amounting to BIF 2,278.4 billion from BIF 1,888.9 million, mainly linked to the increase of the Government's debt towards the banking sector, mainly the Treasury Securities (+BIF 391,727.8 million).

Compared to the previous month, the domestic debt increased by BIF 39,857.4 million, mainly driven by the increase of the Government's debt towards the banking sector (+BIF 46,197.4 million) which offset the decrease of the Government's debt vis-à-vis the non-financial sector (- BIF 7,840.0 million).

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

Year-on-year basis, the external debt increased by BIF 129,622.1 million at the end of October 2019, amounting to BIF 934,430.4 million from BIF 804.808,3 million. This increase is linked to drawings (BIF 117,207.5 million) and revaluation gains (BIF 26,773.1 million) which exceeded the repayment of the principal debt (BIF 14,358.5 million).

Compared to the previous month, the outstanding external debt increased by 0.9%, standing at BIF 934,430.4 against BIF 926,129.3 million, driven by the new drawings (BIF 3,884.0 million) and revaluation gains (BIF 5,755.6 million) which exceeded the repayment of the principal debt (BIF 1,338.5 million).

Expressed in US Dollar, the external debt increased by USD 51.8 million year-on-year basis, amounting to USD 500.6 million at the end of October 2019 against USD 448.8 million recorded in the same month in 2018.

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

Year-on-year, reserve money and the broad money rose at end of October 2019, mainly driven by the increase of net domestic assets.

## VII.1. Reserve Money

Year-on-year basis, the reserve money increased by 7.6% at the end of October 2019, from BIF 569,708.7 million to BIF 613,077.1 million. This rise concerned the currency out of the Central Bank (+BIF 55,215.4 million) as well as the deposits of microfinances (+ BIF 7,729.3 million) and those of NGOs (+ BIF 13,047.7 million). On the other hand, the deposits of commercial banks (-BIF 27,580.4 million) and those of public non-financial corporations (- BIF 2,005.7 million) declined.

## VII.2. Broad money

Year-on-year, the broad money (M3) went up by 19.2% at the end of October 2019, to BIF 2,071.7 billion from BIF 1,738.9 billion. This growth was mainly on account of the increase of M2 money supply (+20.4%) and the deposits of residents denominated in foreign currencies (+8%).

The increase of M2 money supply was driven by demand deposits (+22.8%), time and savings deposits (+14.5%) as well as by the currency outside banks (+21.3%).

The rise of demand deposits denominated in BIF was mainly due to the increase of deposits of other non-financial corporations (+BIF 143,419.3 million),

households (+BIF 82,707.2 million) and those of other financial corporations (+BIF 4,057.2 million). On the other hand, the deposits of public non-financial corporations (- BIF 8,952.7 million), local administrations (- BIF 2,293.9 million) and those classified in other accounts (- BIF 16,819.3 million) went down.

The increase of time and savings deposits was driven by the progress of deposits of other non-financial corporations (+ BIF 49,627.9 million), of households (+ BIF 37,947.8 million) and those classified in "other deposits" (+BIF 3,276.4 million). By contrast, the deposits of public non-financial corporations (- BIF 29,217 million), other financial corporations (-BIF 780.9 million) and those of local administrations (-BIF 751.9 million) decreased.

The progress of residents' deposits denominated in foreign currencies was driven by those of households (+BIF 5,120.5 million) and those classified in other deposits (+ BIF 13,161.7 million). On the other hand, the deposits denominated in foreign currencies of public nonfinancial corporations (- BIF 2,931.9 million) and those of other non-financial corporations (-BIF 1,790.8 million) declined.

### VII.3. Counterparts

Year-on-year basis, domestic credit grew by 16.1% at end of October 2019, from BIF 2,335.3 billion to BIF 2,711.0 billion, resulting from the increase of net claims on government (+19.0%) and claims on the economy (+12.6%).

The rising of Treasury bills and bonds held by commercial banks (+ BIF 359,052.8 million) mainly drove the increase of net claims on government.

Year-on-year, net foreign assets decreased by 11.7% at the end of October 2019, resulting from the large increase of foreign liabilities (+24,775.3 MBIF) and a slight decline of holdings in foreign assets (-7.9 MBIF).

Expressed in the US Dollar, official foreign exchange reserves rose by 7.9%. These reserves covered 0.8 month of imports of goods and services compared to 0.9 months recorded in the same period of the previous year.

## VIII. MAIN INDICATORS OF BANKING SECTOR

Year –on- year basis, the banking sector’s balance sheet improved following an increase of deposits and Treasury

securities. Likewise, the quality of the credit portfolio improved.

### VIII.1. Assets

The total assets increased by 19.6% at the end of October 2019, amounting to BIF 3,123.2 billion from BIF 2,611.6 billion in the corresponding month in 2018 driven by a sharp increase of Treasury securities (41.4%) and credit to the private sector.

The share of government securities within the banking sector assets remained important, standing to 40.4% in October 2019 from 34.2% in October 2018. However, over the same period, the share the credit to the private sector fell to 34.6% from 38.5%.

### VIII.2. Liabilities

The banking sector’s liabilities grew by 21.6% in October 2019, reaching BIF 1,740.5 billion from BIF 1,430.2 billion in October 2018 mainly driven by the rising of refinancing towards the Central Bank, from BIF 292,086.0 in October 2018 to BIF 411,868.7 million at the end of October 2019.



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

The banking sector remained sufficiently capitalized in October 2019, with capital adequacy and profitability ratios well above the regulatory thresholds.

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

The banking sector strengthened its capital buffers. The capital adequacy and leverage ratios set above the regulatory thresholds. However, capital adequacy ratios declined year –on- year basis. The Tier 1 capital ratio decline, from 23.6% in October 2018 to 21.1% in October 2019 while the overall capital ratio fell from 30.1% to 27.8% over the same period. Likewise, the leverage ratio slightly deteriorated during the same period, from 10.6% in October 2018 to 10.9% in October 2019.

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

The quality of the loans portfolio continued to improve. The deterioration rate decreased to 13.4% in October 2019 from 16.5% in October 2018. Over the same period, the overdue loans fell significantly to 12.8%, amounting to BIF 145,087.5 million from BIF 166,433.5 million in the same period in 2018 following a decline of loss loans by 46.6%.

On a yearly basis, the credit portfolio allocated to the "Agriculture" sector deteriorated at the end of October 2019, standing at 5.8% from 3.1% in the same period in 2018.

The deterioration rate in the "Hotel and tourism" sector fell to 40.1% from 42.8% while the allocation in "industry" stood at 14.6% against 31.8% in the corresponding month. Likewise, the portfolio allocated to the "commerce" and "construction" sectors were respectively set at 6.6 and 6.9% at the end of October 2019 against 11.3 and 10.1% in October 2018.

Despite this slight improvement in the overall banking sector portfolio, provisions on non-performing loans decreased in October 2019, covering 81.7% of non-performing loans from 87.7% in the same period in 2018 driven by a decline of loss loans.

However, the concentration risk on large exposures increase year -on- year basis, representing 27.1% of the credit portfolio in October 2019 against 21.6% in the corresponding month in 2018. The concentration in the commercial sector remained significant and increased on a yearly basis, it represented 31.8% of the

overall portfolio against 27.1% in October 2018.

### **IX.3. Profitability**

The banking sector's Gross Income increased by 5.3% at the end of October 2019, amounting to BIF 211,969.5 million against BIF 201,373.2 million.

Consequently, the Net Income significantly increased, from BIF 61,452.1 million to BIF 103,692.7 million. The return on assets (ROA) and equity (ROE) ratios stood respectively to 3.3 and 28.9% in October 2019 from 2.4 and 19.2% in the same period of the previous year.

### **IX.4. Liquidity**

The Leverage Core Ratio (LCR) in BIF and in foreign currencies stood respectively at 252.0% and 146.4% given a regulatory threshold of 100%. However, the risk of concentration of deposits remained significant and the share of the ten large depositors represented 45.7% of deposits compared to 45.2% in the corresponding period in 2018.

## APPENDIX 1: SELECTED MONTHLY INDICATORS

	Aug-18	Sep-18	Oct-18	Aug-19	Sep-19	Oct-19
<b>I. PRODUCTION AND PRICE</b>						
1. Industrial Production Index (monthly average, 1989 = 100)	189.4	166.8	154.3	194.6	169.9	159.4
2. Production of Arabica parchment Coffee (cumulation in T)	18,854.0	25,796.0	26,755.7	12,993.0	21,320.0	29743
3. Production of Tea (cumulation in T of tea leaves)	36,847.7	39,432.4	43,145.7	38,611.0	40,590.0	43629
4. Consumer price index (1991 = 100)	111.1	109.1	107.6	110.4	111.4	112.0
5. Inflation rate	-2.3	-5.6	-8.4	-0.6	2.0	4.0
<b>II. Public Finances</b>						
1. Total Budget revenue (in BIF million)	552,180.6	626,158.0	697,115.3	639,140.6	728,832.2	824,972.7
1.1. Tax revenue	507,355.1	577,402.2	640,576.0	575,936.4	659,854.9	739,612.5
1.2. Non-tax revenue	44,825.6	48,755.8	56,539.3	63,204.1	68,977.3	85,360.2
1.3. Exceptional receipts	0.0	0.0	0.0	0.0	0.0	0.0
2. Expenditure	880,195.7	977,602.7	1,099,468.2	999,400.2	1,144,325.5	1,295,998.5
2.1. Compensation of employees (in BIF million)	269,905.5	304,148.1	338,798.2	292,015.7	328,771.2	366,290.1
3. Public debt (in BIFmillion)	2,621,126.0	2,651,105.6	2,693,739.3	3,141,138.5	3,164,631.6	3,212,790.1
3.1. Domestic debt outstanding	1,818,995.3	1,846,855.1	1,888,931.0	2,210,025.2	2,238,502.3	2,278,359.7
Including: Treasury bills and bonds	1,034,907.2	1,057,501.6	1,074,283.1	1,393,116.1	1,417,542.6	1,450,627.6
BRB ordinary advance	148,049.1	151,767.0	182,655.4	0.0	0.0	0.0
3.2. External debt outstanding	802,130.7	804,250.5	804,808.3	931,113.3	926,129.3	934,430.4
3.3. External debt outstanding (in BIF million)	449.9	450.1	448.8	502.1	497.8	500.6
3.3. External debt service (in BIF million)	1,540.9	4,119.5	1,034.2	203.6	5,459.7	1,726.5
including amortization	1,086.8	2,827.4	674.5	138.8	3,671.7	1,338.5
3.4. Drawings on external loans	3,808.9	853.4	3,407.3	1,432.6	399.0	3,884.0
<b>III. MONEY</b>						
1. Reserve Money (in BIF million)	597,356.4	551,715.3	569,708.7	624,568.8	644,436.4	613,077.1
2. Broad money M3 (in BIF million)	1,696,857.6	1,688,923.1	1,738,754.3	2,073,880.1	2,073,557.0	2 071 728,3(p)
2.1. Broad money M2 (in BIF million)	1,518,131.8	1,512,068.9	1,569,392.6	1,894,761.6	1,888,444.6	1 888 807,1(p)
3. Domestic credit (in BIF million)	2,245,451.1	2,265,248.8	2,335,297.4	2,638,982.3	2,681,157.0	2 711 045,8(p)
4. Net foreign to government (in BIF million)	1,226,849.8	1,237,688.0	1,273,711.0	1,485,046.8	1,501,448.9	1 515 997(p)
5. Net foreign assets (in BIF million)	-208,757.9	-217,284.7	-211,418.7	-242,519.7	-227,582.3	-236,232.9
6. Tenders operations						
6.1. Normal liquidity providing	310,580.0	282,430.0	292,050.0	344,080.0	389,190.0	395,850.0
6.2. Injecting liquidity						
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	2.17	2.35	2.5	2.44	2.36	2.3
7.2. Treasury bill to 26 weeks	2.85	2.63	2.4	2.62	2.54	2.6
7.3. Treasury bill to 52 weeks	5.05	4.77	4.5	3.08	3.02	3.0
7.4. Recovery of liquidity	0.00	0.00	0.0	0.00	0.00	
7.5. Injecting liquidity	2.60	2.65	2.8	2.55	2.59	2.7
7.6. Marginal lending facility	5.29	5.57	5.5	5.35	5.29	5.2
7.7. Interbank market	3.00	0.00	3.0	3.58	3.40	3.3
7.8. Deposit interest rates	5.36	5.45	5.5	5.26	5.40	4.9
7.9. Lending interest rates	15.69	15.57	15.6	15.74	15.80	15.5
<b>IV. EXTERNAL SECTOR</b>						
1. Export (in BIF million, fob DSL & Buja FOT)	217,416.3	237,017.0	276,209.7	200,197.8	264,644.0	288,062.0
including Arabica coffee	33,592.9	40,221.8	51,127.4	45,633.8	51,335.7	58,059.6
1.1. Volume of exports (in T)	68,116.5	75,992.0	85,029.7	83,228.0	76,214.0	84,625.1
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	123.7	128.7	115.5	28.8	47.7	137.8
- BIF/Kg	4,818.1	5,014.8	4,507.0	1,164.3	1,954.9	5623
1.3. Coffee sold d (in BIF million)	34,433.0	37,809.8	45,044.9	60,402.2	62,944.1	66,197.5
2. Import CIF (in BIF million)	922,574.5	1,052,550.8	1,204,927.4	1,090,545.0	1,202,221.5	1,493,189.9
including petroleum products	180,163.1	211,750.9	240,477.5	205,312.5	210,314.9	387,908.6
2.1. Volum of imports (in T)	643,610.4	736,227.0	829,859.1	744,756.3	839,651.0	921,926.0
<b>V. EXCHANGE RATE</b>						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	94.1	93.5	105.0	93.0	93.4	92.8
3.1.2. Real	97.8	94.8	93.2	93.4	94.1	96.0
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,781.5	1,784.7	1769.6	1,857.2	1,863.4	1,869.6
3.2.2. Exchange rate BIF/USD (monthly average)	1780.4	1,783.0	1768.2	1,854.4	1,860.4	1,866.7
(p) : Provisional n.a. : not available - : Nonexistent data..						

Source: BRB

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

MAIN SECTIONS OF THE BANKING SECTOR'S BALANCE SHEET									
	Commercial Banks			Financial Institutions			Banking Sector		
	10/31/2018	10/31/2019	Change in %	10/31/2018	10/31/2019	Change in %	10/31/2018	10/31/2019	Change in %
<b>I. Assets</b>	<b>2,438,520.8</b>	<b>2,922,881.6</b>	<b>19.9</b>	<b>173,097.8</b>	<b>200,355.2</b>	<b>15.7</b>	<b>2,611,618.6</b>	<b>3,123,236.8</b>	<b>19.6</b>
<b>I.1. Main assets</b>	<b>2,019,208.8</b>	<b>2,444,338.4</b>	<b>21.1</b>	<b>134,667.8</b>	<b>159,383.3</b>	<b>18.4</b>	<b>2,153,876.6</b>	<b>2,603,721.6</b>	<b>20.9</b>
<b>A. Liquid assets</b>	<b>1,140,149.3</b>	<b>1,510,057.1</b>	<b>32.4</b>	<b>7,938.8</b>	<b>12,693.1</b>	<b>59.9</b>	<b>1,148,088.1</b>	<b>1,522,750.3</b>	<b>32.6</b>
. Cash	65,780.6	63,977.6	-2.7	7.0	18.1	157.9	65,787.6	63,995.7	-2.7
. Interbank loans	185,190.5	159,293.3	-14.0	3,431.8	3,367.8	-1.9	188,622.3	162,661.1	-13.8
. Treasury securities	889,178.2	1,254,111.2	41.0	4,500.0	9,307.2	0.0	893,678.2	1,263,418.5	41.4
. Other securities	-	32,675.0	-	-	-	-	-	32,675.0	-
<b>B. Loans</b>	<b>879,059.5</b>	<b>934,281.2</b>	<b>6.3</b>	<b>126,729.0</b>	<b>146,690.1</b>	<b>15.8</b>	<b>1,005,788.5</b>	<b>1,080,971.4</b>	<b>7.5</b>
. Short term loans	565,589.7	512,712.5	-9.3	1,806.8	2,382.3	31.9	567,396.5	515,094.9	-9.2
. Medium term loans	214,050.7	316,106.7	47.7	52,781.5	45,405.1	-14.0	266,832.2	361,511.8	35.5
. Long term loans	99,419.1	105,462.0	6.1	72,140.7	98,902.7	37.1	171,559.8	204,364.7	19.1
. Leasing	-	-	-	-	-	-	-	-	-
<b>I.2. Fixed Assets</b>	<b>124,563.9</b>	<b>136,629.4</b>	<b>9.7</b>	<b>7,623.9</b>	<b>7,910.3</b>	<b>3.8</b>	<b>132,187.8</b>	<b>144,539.7</b>	<b>9.3</b>
	<b>294,748.1</b>	<b>341,913.8</b>	<b>16.0</b>	<b>30,806.1</b>	<b>33,061.6</b>	<b>7.3</b>	<b>325,554.2</b>	<b>374,975.5</b>	<b>15.2</b>
<b>II. Liabilities</b>									
<b>II.1. Main liabilities</b>	<b>2,438,520.8</b>	<b>2,922,881.6</b>	<b>19.9</b>	<b>173,097.8</b>	<b>200,355.2</b>	<b>15.7</b>	<b>2,611,618.6</b>	<b>3,123,236.8</b>	<b>19.6</b>
. Customer deposits	<b>1,650,551.2</b>	<b>2,054,887.2</b>	<b>24.5</b>	<b>72,414.0</b>	<b>97,504.5</b>	<b>34.6</b>	<b>1,722,965.2</b>	<b>2,152,391.7</b>	<b>24.9</b>
. <i>including large deposits</i>	1,358,465.2	1,643,018.5	20.9	72,414.0	97,504.5	34.6	1,430,879.2	1,740,523.0	21.6
. Borrowing from B.R.B.	638,090.1	779,930.5	22.2	8,025.9	15,247.8	-	646,116.0	795,178.3	23.1
. Other liabilities	292,086.0	411,868.7	41.0	-	-	-	292,086.0	411,868.7	41.0
. Intebank claims	-	-	-	-	-	-	-	-	-
<b>II.2. Capital, reserves</b>	<b>220,447.1</b>	<b>254,642.7</b>	<b>15.5</b>	<b>31,879.3</b>	<b>34,632.8</b>	<b>8.6</b>	<b>252,326.4</b>	<b>289,275.5</b>	<b>14.6</b>
	<b>567,522.5</b>	<b>613,351.7</b>	<b>8.1</b>	<b>76,038.1</b>	<b>68,217.9</b>	<b>-10.3</b>	<b>888,653.4</b>	<b>681,569.6</b>	<b>-23.3</b>
<b>BANKING SECTOR'S INDICATORS</b>									
<b>Capital adequacy</b>									
. Core capital (in BIF million)	256,166.0	297,409.4	16.1	28,465.4	33,539.4	17.8	284,631.4	330,948.9	16.3
. Equity capital (in BIF million)	279,044.8	317,018.2	13.6	40,425.6	41,231.8	2.0	319,470.4	358,250.0	12.1
. Risk weighted assets	1,192,905.4	1,047,845.3	-12.2	159,089.2	143,539.4	-9.8	1,351,994.6	1,191,384.7	-11.9
. Tier 1 capital adequacy ratio (threshold 12.5%)	21.5	28.4		17.9	23.4		21.1	27.8	
. Total capital adequacy Ratio (threshold 14.5%)	23.4	30.3		25.4	28.7		23.6	30.1	
. Leverage Ratio (threshold 7%)	10.5	10.2		16.4	16.7		10.9	10.60	
<b>Loans quality and concentration</b>									
. Large exposures	206,171.2	288,982.0	40.2	10,668.7	3,954.0	-62.9	216,839.9	292,936.0	35.1
. Watch loans	34,350.8	44,217.5	28.7	16,592.3	17,254.8	4.0	50,943.1	61,472.3	20.7
. Non-performing loans	100,619.4	72,576.8	-27.9	14,871.1	11,038.4	-25.8	115,490.5	83,615.2	-27.6
. Overdue loans	134,970.2	116,794.4	-13.5	31,463.3	28,293.1	-10.1	166,433.5	145,087.5	-12.8
. Provisions	91,480.2	63,359.6	-30.7	9,788.9	4,933.6	-49.6	101,269.1	68,293.2	-32.6
. Gross total loans/Gross total assets (in %)	28.0	32.0	-	73.2	73.2	-	38.5	34.6	-
. Loans to the Government/Gross total assets (*)	43.5	42.9	-	2.6	4.6	-	43.5	42.9	-
. Loans to the Government/Core capital (*)	343.2	421.7	-	15.8	27.8	-	353.4	381.8	-
. Non-performing loans ratio	17.8	7.8	-	11.7	7.5	-	11.5	7.7	-
. Overdue loans ratio	23.9	12.5	-	24.8	19.3	-	16.5	13.4	-
. Provisioning ratio (in %)	90.9	87.3	-	65.8	44.7	-	87.7	81.7	-
. Total Large exposures/Gross total loans (in %)	36.5	30.9	-	8.4	2.7	-	21.6	27.1	-
<b>Liquidity</b>									
. Liquidity ratio in BIF (threshold 100%)	-	252.0	-	-	-	-	-	252.0	-
. Liquidity ratio in foreign currency (threshold 100%)	-	146.4	-	-	-	-	-	146.4	-
. Total loans/total deposits	64.7	56.9	-	175.0	150.4	-	70.3	62.1	-
. Ratio of stable funds to fixed assets	142.7	86.1	-	261.1	250.2	-	158.5	108.4	-
. Ten large deposits/Total deposits	47.0	45.6	-	11.1	14.4	-	45.2	45.7	-
<b>Profitability and performance</b>									
. Before tax profit	85,034.6	104,041.4	22.4	5,270.2	7,021.5	33.2	90,304.8	111,062.9	23.0
. Net profit	57,040.8	97,859.8	71.6	4,411.3	5,832.9	32.2	61,452.1	103,692.7	68.7
. Net Gross Income	189,757.2	196,949.3	3.8	11,616.0	15,020.1	29.3	201,373.2	211,969.5	5.3
. ROA	2.3	3.3		2.5	2.9		2.4	3.3	
. ROE	20.4	30.9		10.9	14.1		19.2	28.9	

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.