



**BANQUE DE LA REPUBLIQUE
DU BURUNDI**

**MONETARY POLICY COMMITTEE
REPORT**

First Quarter 2018

July-2018

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ACRONYMS

AIN	: Net Domestic Assets
BOFI	: Banks and Other Financial Institutions
BIF	: Burundi Franc
BRARUDI	: Brasserie et Limonaderie du Burundi
BRB	: Bank of the Republic of Burundi
EAC	: East African Community
ECB	: European Central Bank
IFEM	: Interbank Foreign Exchange Market
GDP	: Gross Domestic Product
IMF	: International Monetary Fund
ISTEEBU	: Institut des Statistiques et des Etudes Economiques du Burundi
KES	: Kenyan Shilling
M2, M3	: Broad Money
MFBP	: Ministry of Finance, Budget and Privatization
MW	: Megawatt
NFA	: Net Foreign Assets
NPL	: Non-performing loans
OECD	: Organization for Economic Co-operation and Development
OPPC	: Organization of Petroleum Producing Countries
REGIDESO	: Régie de Distribution de l'Eau et d'Electricité du Burundi
ROA	: Return On Assets
ROE	: Return On Equity
RWF	: Rwandese Franc
SSA	: Sub-Saharan Africa
TZS	: Tanzanian Shilling
UGX	: Ugandan Shilling
USD	: American Dollar
WTO	: World Trade Organization

EXECUTIVE SUMMARY

In the first quarter 2018, economic growth decelerated in the main advanced countries. The economic activity may further improve in 2018; with an expected growth rate of 3.9% against 3.8% recorded in 2017, as a result of the acceleration of the growth in many advanced and emerging countries combined with the expected positive effects of the new more expansionary budget policy adopted in the United States of America.

The inflation in the first quarter 2018 increased in many advanced and emerging countries due to the price rising of major commodities.

In sub-Saharan Africa, the economic activity should accelerate in 2018, from 2.8% in 2017 to 3.4%, supported by the good performance of the commodity prices, particularly oil price.

Economic growth would improve in the EAC countries in 2018 (5.8% against 5.2% in 2017), largely above the sub-Saharan Africa average (3.4%), driven particularly by the macroeconomic stability, the investment in infrastructures as well as the foreign direct investments in telecommunication and oil extraction.

The main local production in the primary sector, especially food and tea, increased in the first quarter 2018. Consequently, the inflation significantly dropped year-on-year basis, falling from 18.1% to 0.7% on average in the first quarter 2018.

The forecast for all year 2018 indicate that the economic growth could further improve (4.0 against 2.8% in 2017), reflecting the recovery of the activity in all sectors. The inflation could also fall, reaching 4.4% against 16.1% recorded in 2017.

The balance of payments in the first quarter 2018 recorded (current account and capital account) a lower deficit than in the same quarter of 2017, dropping from –BIF 96,079.1 to –BIF 88,159.9 million. This improvement resulted from the increasing of the capital account surplus (BIF 51,848.4 against BIF 30,818.2 million) mainly in project grants. On a year-over-year basis, the official foreign reserves decreased by 31.1% and covered 1.0 against 1.7 months of imports of goods and services.

The fiscal deficit worsened in the first quarter 2018, rising from –BIF 29,419.8 to –BIF 43,934.2 million. This deficit was mainly financed by net domestic debt.

The reserves of commercial banks decreased during the first quarter of 2018. Following this decline, the commercial banks increased their refinancing towards central bank, which amounted to BIF 165,029 million, on a weekly average, against BIF 89,561 million reached in the same period of 2017. Year-on-year basis, the reserve money and the money supply increased, mainly due to the increase of net domestic assets.

During the first quarter 2018, the banking sector remained sufficiently capitalized and all the regulatory and prudential standards were respected. All the key indicators of profitability and financial soundness improved.

1. INTERNATIONAL ECONOMIC ENVIRONMENT

1.1. Global GDP growth

In the first quarter 2018, the economic activity slowed in the main advanced countries. Indeed, the economic growth in all OECD countries decelerated, dropping to 0.5 against 0.7% in the previous quarter. However, year-on-year basis, economic growth in OECD countries improved (2.6 against 2.2%), except for United Kingdom.

Table 1: Economic growth in main advanced and emerging countries (in %).

	Quarter to quarter		Year on year	
	Q4-2017	Q1-2018	Q1-2017	Q1-2018
OECD - Total	0.6	0.5	2.2	2.6
Euro zone	0.7	0.4	2.1	2.5
Group of Seven (G7)	0.6	0.4	1.8	2.2
Germany	0.6	0.3	2.1	2.3
Canada	0.4	n.d.	2.3	n.d.
USA	0.7	0.6	2.0	2.9
French	0.7	0.3	1.2	2.1
Italia	0.3	0.3	1.3	1.4
Japan	0.1	-0.2	1.3	1.0
United Kingdom	0.4	0.1	2.1	1.2

Source: *www.OECD. Stat, May 2018*

Although the GDP growth slightly slowed in the first quarter 2018 in United States (0.6 against 0.7% in the previous quarter), it improved year-on-year basis, standing at 2.9% against 2.0 % supported by the fiscal stimulus actions, the increased of private investment, the improvement of world trade and the increased domestic demand.

In the euro Zone, the economic growth stood at 0.4 % against 0.7% recorded in the fourth quarter 2017. Year-on- Year basis, the GDP grew by 2.5% compared with 2.1% in the same period of the previous year, due to the improvement in the labor market and the strengthening of the domestic demand.

In Japan, despite the slowdown of the economic growth in the first quarter 2018 (-0.2 against 0.1% in the previous quarter), it remained positive year-over-year basis, reaching 1.0 against 1.3% due to the favorable global economic conditions and the expansion of domestic demand.

In United Kingdom, GDP growth decelerated (0.1 against 0.4% in the previous quarter) due to unfavorable weather conditions in certain sectors, such as construction and retail.

According to the recent forecast made by IMF in April 2018, the global economic growth could further improve in 2018 (3.9 against 3.8% in 2017), linked to the economic growth in the most advanced countries (2.5 against 2.3%) and emerging countries, as well as the expected positive effects of the new, more expansionary fiscal policy in United States of America.

In emerging and developing countries, the economic activity should continue to strengthen in 2018. The economic growth is expected to attain 4.9 % compared to 4.8% in 2017. This is attributed to an improvement of exports of basic products and the strong economic performance of emerging Asian countries.

In China, the economic growth is expected to slightly decrease, from 6.9% to 6.6% in 2017, due to the declining of investment, consumption and industry to services.

In sub-Saharan Africa, the economic activity could accelerate in 2018 (3.4 against 2.8% in 2017), linked to the prices rising of main commodities.

1.2. World Trade

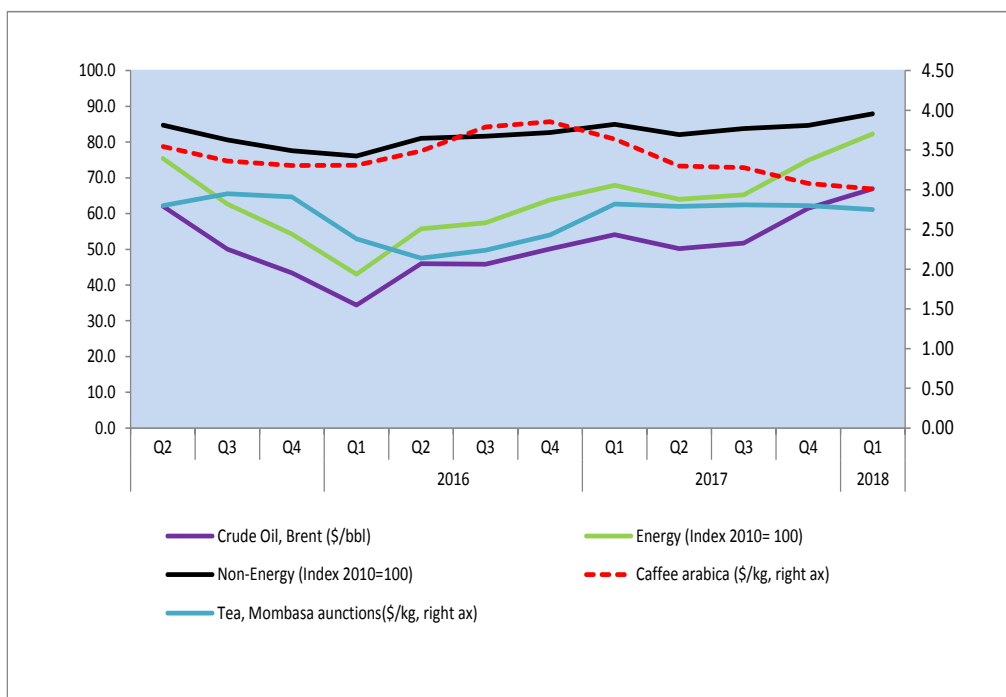
The World Trade Outlook Indicator (WTOI) in the first quarter of 2018 (102.3 against 102.2 in the previous quarter) slightly recovered. The volume of world merchandise trade is expected to grow by 4.4% in 2018, supported by stronger economic growth in all regions of the world due to the improvement of investment and the expansionary fiscal policy adopted in United States of America.

1.3. Prices evolution in the world

The commodity prices continued to rise in the first quarter of 2018 with the exception of Arabica coffee and tea, whose prices fell. Indeed, the price of crude oil (Brent) rose from 61.5 to \$ 66.95/ bbl. quarter-on-quarter basis. The price of Arabica coffee stood at 3.01 against 3.08 USD/kg and the Mombasa auction tea stood at 2.75 against 2.80 USD/kg.

The index of main groups of product increased. In fact, the energy index increased from 74.9 to 82.32 quarter-on-quarter basis, and that of non-energy products went up, from 84.7 to 87.95.

Chart 1: Commodity prices



Source: World Bank, Commodity prices, May 2018.

In the first quarter 2018, the inflation slightly fell in all OECD countries, standing at 2.21% against 2.29% recorded in the fourth quarter 2017. It increased in United States (2.21 against 2.12%) while it fell in the euro zone (1.26 against 1.42%). Inflation rose in the main emerging countries, especially in China, from 1.80 to 2.17%.

Table 2: Inflation YoY in main advanced and emerging countries (in %)

	Q1-2017	Q4-2017	Q1-2018
China	1,40	1,80	2,17
USA	2,54	2,12	2,21
Japan	0,30	0,60	1,30
Euro zone	1,76	1,42	1,26
OECD - Total	2,38	2,29	2,21

Source: *www.OECD. Stat, May 2018*

1.4. Monetary policy in developed countries

In the first quarter 2018, the central banks of advanced economies generally maintained their accommodative monetary policies as in the previous quarter, with the aim of further stimulating economic recovery.

The US Federal Reserve maintained its accommodative monetary policy while gradually pursuing the normalization of its key interest rate, which was established in the band between 1.5% and 1.75% in order to support a sustainable return to an inflation target of 2%.

The ECB maintained the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility respectively at 0.00%, 0.25% and -0.40%.

The Bank of Japan (BoJ) maintained its monetary policy, believing that the economic growth will remain moderate and the inflation target of 2% is far to be achieved. The Bank renewed its negative deposit rates (-0.1%) and its extensive assets purchase program.

1.5. Main macroeconomic indicators of EAC countries

According to the IMF projections made in April 2018, economic growth in the EAC countries would improve by 5.8 percent in 2018 compared with 5.2 percent in 2017. The EAC growth rate is expected to be between 4.0% and 7.2%, exceeding that of Sub-Saharan Africa (3.4%), resulting mainly from a macroeconomic stability in the majority of member countries and the sustained

public and private investment, particularly foreign direct investment in oil and telecommunications sector.

Table 4: GDP growth in EAC countries (in %)

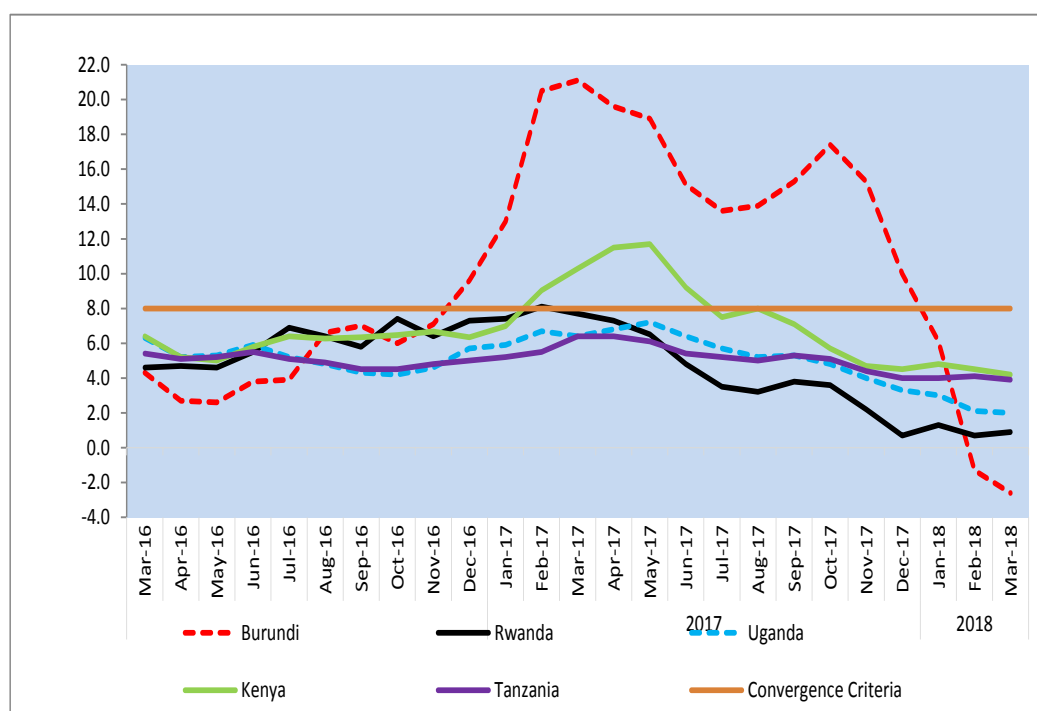
	2014	2015	2016	2017	2018 (proj.)
Burundi*	4,2	-0,4	2,8	2,8	4,0
Rwanda	7,6	8,9	6,0	6,1	7,2
Tanzania	7,0	7,0	6,6	6,0	6,4
Uganda	4,6	5,7	2,3	4,5	5,2
Kenya	5,4	5,7	5,8	4,8	5,5
EAC	5,9	6,1	5,4	5,2	5,8
SSA	5,1	3,4	1,4	2,8	3,4

Source: IMF, *Regional economic outlook: Sub-Saharan Africa, April 2018*

* For Burundi, the data provide from the *Macroeconomic Framework, March 2018*

The headline inflation continued to slowdown in the first quarter 2018 in all EAC countries. This slowdown is attributable to the decrease of food prices, driven by the performance of food production combined with the stability of exchange rates.

Chart 2: Inflation in EAC countries (in %)

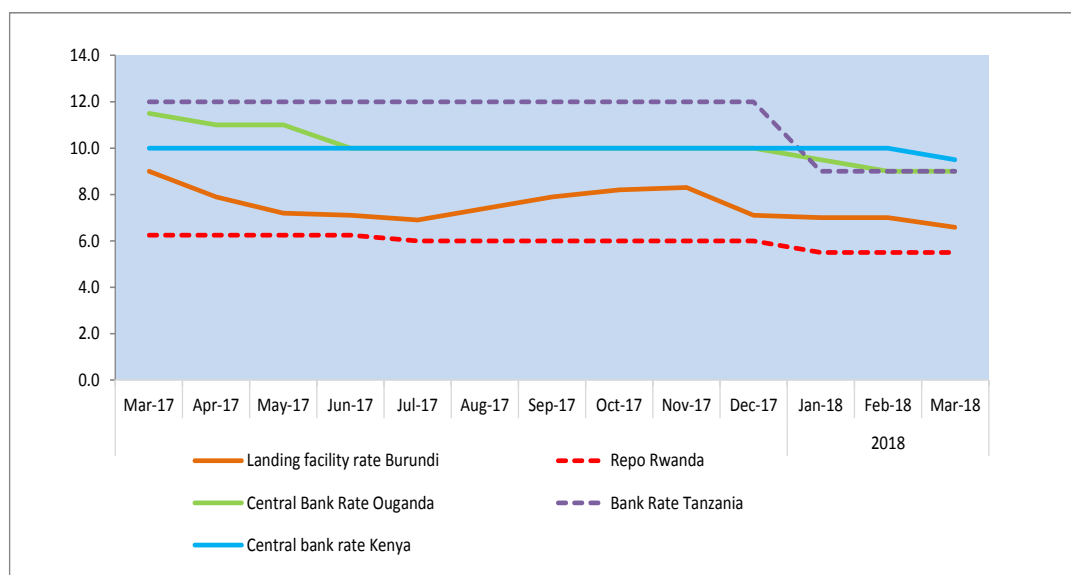


Source: EAC Central Banks web sites

The average inflation rates in the first quarter 2018 were below the convergence criterion (8%) in all countries.

All EAC central banks maintained their accommodative monetary policies in the first quarter 2018 to further stimulate the economic growth.

Chart 3: Central bank interest rates (in %)



Source: EAC Central banks websites

The central banks of Rwanda and Tanzania maintained their rates at 5.5% and 9.0% respectively in the first quarter 2018. Central Bank of Kenya and Uganda lowered their key interest rate from 10.0 to 9.0 % and 9.5 to 9.0% respectively. In Burundi, the marginal lending facility (MLF) rate averaged declined, from 7.9 to 6.9 % in the previous quarter.

Quarter-over-quarter basis, the exchange rates of the EAC countries' currencies against USD broadly stabilized, mainly as a result of the macroeconomic stability recorded in the most EAC countries.

Table 5: USD exchange rate against EAC currencies (end of period)

	USD/TZS	USD/RWF	USD/UGX	USD/KSH	USD/BIF
Dec-16	2,172.60	811.67	3,610.50	102.48	1,688.60
Mar-17	2,223.90	826.09	3,614.20	103.00	1,708.66
Jun-17	2,230.14	830.20	3,590.90	103.61	1,720.80
Sep-17	2,237.77	837.71	3,603.10	103.15	1,750.79
Dec-17	2,230.10	844.99	3,635.08	103.13	1,766.70
Mar-18	2,248.60	852.68	3,686.89	100.75	1,775.59
Var_Mar-18/Mar-17	1.11	3.22	2.01	-2.18	3.92
Var_Mar-18/Dec-17	0.83	0.91	1.43	-2.31	0.50

Source: EAC Countries Central Banks websites

Year-on-year basis, the Burundi Franc (+ 3.9%), the Rwandan Franc (+ 3.2%), the Ugandan Shilling (+ 2.0%) and the Tanzanian Shilling (+ 1.1%) depreciated against the US Dollar whereas the Kenyan Shilling (-2.2%) appreciated.

II. LOCAL ECONOMIC AND FINANCIAL DEVELOPMENT

2.1. *Production and Prices*

The average industrial production index rose by 17.0%, compared to the same quarter of 2017, due to the increase production of the food sector (+ 18.2%) and chemical (+ 7.2%). On the other hand, the index fell by 21.8% compared to the previous quarter, standing at 117.9 against 150.7, linked to the decline production of the food industries (-21.5%). %, as a result of the decrease of cigarette production (-0.6%) combined with the end of the sugar campaign (-100%). The chemical production branches (-24.2%), especially painting (- 30.8%) and soaps (-23.2%), as well as the industry of building materials (-69.8%), especially PVC pipes (-88.9%) have also declined.

REGIDESO's power production grew by 37.5 percent year-on-year, from 40,430 to 55,596 megawatts, and slightly lowered by 0.2 percent compared to the previous quarter.

The volume of goods transiting through Bujumbura Port increased by 4.8% year-on-year, as a result of the rise imports of cement, clinker and corn. Nevertheless, the volume of goods decreased by 32.2% compared to the previous quarter.

The number of passengers transiting through Bujumbura International Airport increased (+28.9%) year-on-year, while it declined (-11.7%) quarter-on-quarter. Similarly, the aircraft traffic increased (+ 19.4%) year-on-year, although it decreased (-4.6%) compared to the previous quarter.

The GDP growth rate is estimated to 4.0% against 2.8% in 2017, linked to the improvement activity in all sectors.

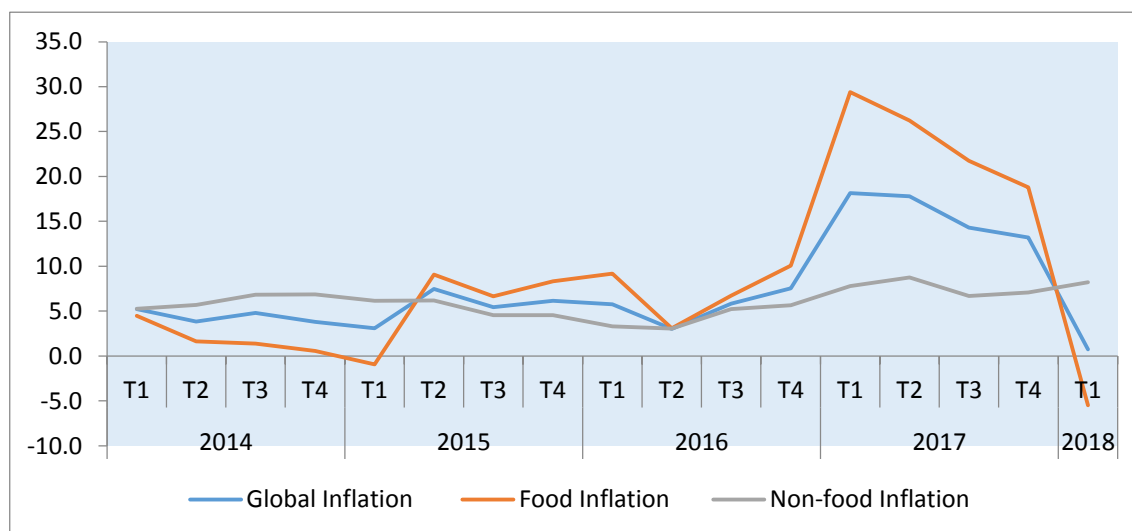
Table 6: Real GDP growth and inflation (in %)

	2014	2015	2016	2017	2018
1. Growth of real GDP	4.2	-0.4	2.8	2.8	4.0
Primary sector	-3.6	-2.0	1.5	-1.1	3.6
Secondary sector	6.2	-8.1	1.8	-1.9	3.9
Tertiary Sector	8.8	5.7	4.6	3.8	4.3
2. Inflation	4.4	5.5	5.6	16.1	4.4

Source: Macroeconomic framework of Burundi, March 2018

The inflation during the first quarter 2018 sharply fell (0.7 against 18.1%) compared to the same period in 2017. Likewise, quarter –on- quarter, it dropped (0.7 against 13.2%), following the fall of food inflation (-5.5 against 18.8%); non-food inflation slightly increased (8.2 against 7.1%).

Chart 4: Inflation by major components (in %)



Source: BRB based on data provided by ISTEERU

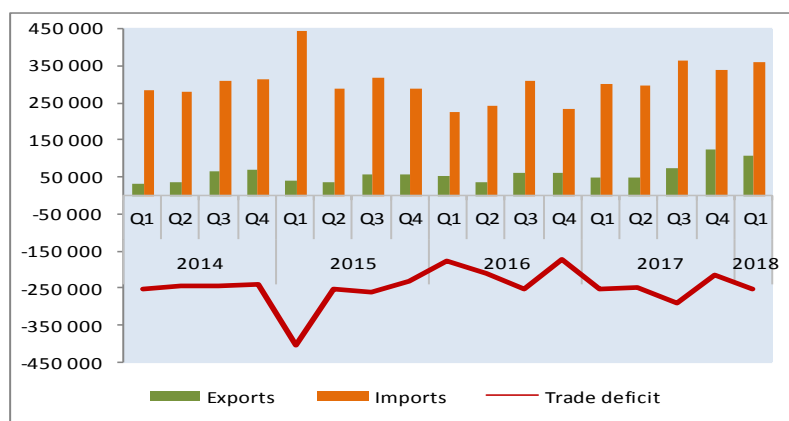
On an annual average, the inflation could fall to 4.4% in 2018 against 16.1% recorded the previous year, mainly driven by the fall of food prices.

2.2. External sector

2.2.1. External trade

The trade balance slightly decreased in the first quarter 2018 compared to the same period in 2017, standing at – BIF 251,711.5 against -254,403.7 million, following a higher increase of exports (+BIF 59,032.9 millions) than imports (+BIF 56,342.0 million).

Chart 5: Trade balance (in BIF million)



Source: BRB

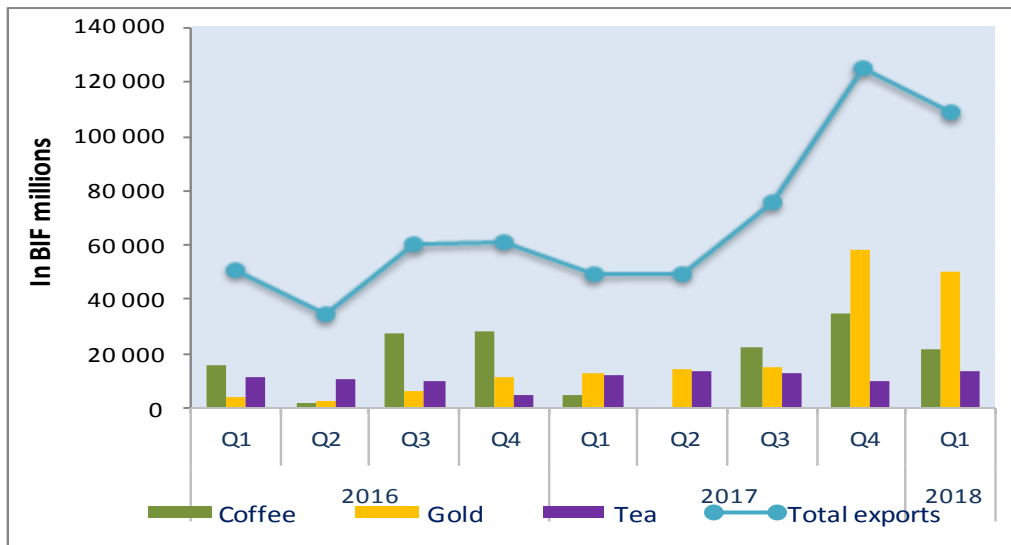
Imports in the first quarter 2018 increased by 18.6% compared to the same quarter of 2017, amounting BIF 359,902.0 against 303,561.0 million, in connection with the imports of intermediate goods (BIF 153,715 against 109,978 million) and the capital goods (BIF 91,248 against 78,657 million). The consumption goods remained almost stable (BIF 114,939 against 114,925.0 million).

The increase in imports of intermediate goods is mainly driven by the mineral oils (+BIF28, 067 million), the goods for metallurgy (+BIF 11,039 million), the good for agriculture and livestock (+BIF 3, 790 million), and the foodstuffs (+BIF 3,188 million).

The improvement in imports of capital goods concerned electrical equipment (+BIF 30, 029.0 million), boilers and mechanical equipment (+BIF 8,573.0 million). On the other hand, the imports of tractors, vehicles and transport units decreased (-BIF 28,323.0 million).

The exports of the first quarter of 2018 reached BIF 108,190.2 against 49,157.2 million, driven by the increase in primary products (BIF 92,422.2 against 33,518.6 million). The manufactured goods have almost stabilized at BIF 15,768.0 million against BIF 15,638.7 million at the same period of 2017. The increase in primary exports involved mainly the non-monetary gold (+BIF 37,451.6 million), the merchant coffee (+ BIF 16,074.8 millions) and the niobium ores (+ BIF 4,148.7 million).

Chart 6: Major export products (In BIF million)



Source: BRB

2.2.2. Balance of payments

The balance of payments in the first quarter 2018 recorded a net lending borrowing (current plus capital account) lower than what recorded in the corresponding period in 2017 (-BIF 88,159.9 against -96,079.1 million). This improvement is linked to the increase of capital account surplus (BIF 51,848.4 against 30,818.2 million), mainly driven by the project grants (BIF 51,913.7 against 31,089 million). On the other hand, the current account deficit deteriorated (-BIF 140,008.3 against -126,897.4 million).

Table 7: Balance of Payments of the first quarter 2017 (in BIF million)

	Q1-2017	Q1-2018
1. CURRENT ACCOUNT	-126 897.4	-140 008.3
Credit	213 487.8	269 243.3
Debit	340 385.2	409 251.7
Goods	-180 195.5	-181 969.9
Credit	49 157.2	108 190.2
Debit	229 352.7	290 160.1
Services	-67 075.4	-39 726.5
Credit	28 998.2	65 060.3
Debit	96 073.6	104 786.8
Primary incomes	-840.0	-452.3
Credit	6 501.9	4 082.4
Debit	7 341.9	4 534.8
Primary incomes	121 213.6	82 140.5
Credit	128 830.5	91 910.4
Debit	7 617.0	9 769.9
2. CAPITAL ACCOUNT	30 818.2	51 848.4
Credit	31 814.2	52 049.2
Debit	995.9	200.8
Net lending (+)/Net borrowing (-) (current and capital accounts)	-96 079.1	-88 159.9
3. FINANCIAL ACCOUNT		
Net lending (+)/Net borrowing (-) (balance of financial account)	-76 803.7	-108 982.7
Direct investments	-512.4	-530.2
Assets	0.0	0.0
Liabilities	512.4	530.2
Portfolio investments	0.0	0.0
Assets	0.0	0.0
Liabilities	0.0	0.0
Financial derivatives and stock options (net)	0.0	0.0
Net acquisition of financial assets	0.0	0.0
Net incurrence of liabilities	0.0	0.0
Others investments	-89 998.9	-50 969.1
Net acquisition of financial assets	21 215.3	52 939.9
Net incurrence of liabilities	111 214.2	103 909.0
<i>Special Drawing Rights (DTS)</i>	3 657.8	5 255.6
Reserve assets	13 707.6	-57 483.4
4. NET ERRORS AND OMISSIONS	19 275.5	-20 822.8

Source: BRB

The current account deficit worsened mainly due to a significant decrease of secondary incomes, amounted to BIF 121,213.6 million to BIF 82,140.5 million. In contrast, the balance of services

decreased (-BIF 39,726.5 million against -BIF 67,075.4 million) while the balance of goods remained almost unchanged (-BIF 181,969.9 against - BIF 180,195.5 million).

The decrease of secondary income concerned both public sector transfers (-BIF 20,925.1 million) and private sector (-BIF 18,148.0 million). The reduction of the balance of services is related to those provided by the public administration (+ BIF 31,446.5 million).

The financial account deficit worsened, reaching -BIF 108,982.7 million against -BIF 76.803,7 million, particularly the decline of foreign exchange reserves (BIF -57,483.4 against BIF 13,707.6 million). However, the balance of other investments account rose, from -BIF 89,998.9 million to - BIF 50,969.1 million, mainly due to the increase of banking deposits (BIF 20,729.6 million against -BIF 17,077.7 million).

2.2.3. Foreign assets evolution

At the end of the first quarter 2018, the foreign assets decreased by 7.0% compared to the previous quarter (USD 182.0 against 195.71 million), and by 0.8% year-on-year basis.

Table 8: Foreign assets evolution (in USD million)

	End of period in USD million			Change in %	
	March-17	Dec-17	March-18	Quarter	Annual
Foreign assets held by BRB	114.00	112.95	86.52	-23.4	-24.1
O/w: official Reserves	102.30	105.80	72.90	-31.1	-28.7
Foreign assets held by commercial banks	69.39	82.76	95.48	15.4	37.6
Total foreign assets	183.39	195.71	182.00	-7.0	-0.8

Source: BRB

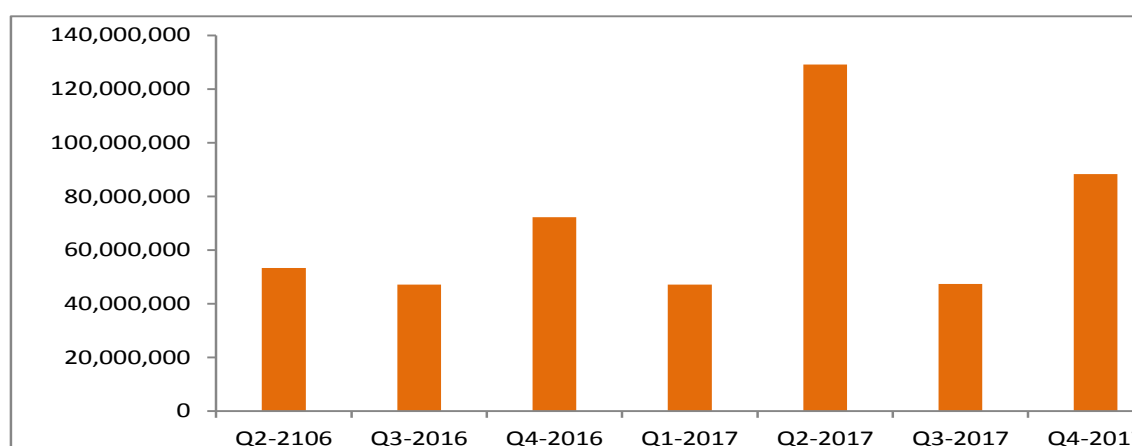
The BRB's foreign assets declined by 23.4% at the end of March 2018 compared to the previous quarter 2018 and by 24.1% on year-on-year basis. In contrast, the foreign assets held by the commercial banks progressed by 15.4% quarter -on- quarter, amounted to USD 95.48 million from USD 82.76 million. Likewise, it rose by 37.6% compared to the same month in 2017.

The official reserves fell by 31.1% compared to the previous quarter (USD 72.98 from 105.8 million) and by 28.7% compared to the same quarter of 2017, covering 1.0 month of imports of goods and services against 1.7 month recorded in the same period in 2017.

2.2.4. Operations on the Interbank Foreign Exchange Market (IFEM)

The Central Bank's interventions on the interbank foreign exchange market stood at USD 106.4 million in the first quarter of 2018 compared to USD 88.5 million in the previous quarter. During the same period in 2017, the BRB's interventions amounted USD 47.2 million.

Chart 7: Transactions on the IFEMM (in USD)



Source: BRB

2.3. Public finance

Compared to the same quarter in 2017, the fiscal deficit worsened in the first quarter 2018, as a result of an increase of expenditure than revenue. This budget deficit was mainly financed by domestic debt.

Tab 9: Government Financial Operations (BIF Million)

	2017		2018
	Q-1	Q-4	Q-1
A. REVENUE AND GRANT	209,642.9	233,102.1	264,499.1
a. Revenue	178,349.4	195,533.9	212,518.0
current revenue	178,349.4	195,533.9	212,518.0
Exptional revenue	-	-	-
b. Grant	31,293.5	37,568.2	51,981.0
Current	-	-	-
Capital	31,293.5	37,568.2	51,981.0
B. EXPENDITURES	239,062.7	334,644.0	308,433.3
a. Current expenditures	192,136.3	232,914.8	230,798.1
Salaries	97,090.4	96,262.3	102,164.1
b. Investment expenditure	46,926.5	101,729.2	77,635.2
On internal ressources	11,832.3	64,161.0	25156.1
On foreign borrowing and grants	32,537.1	37,568.2	52479.0
OVERALL BALANCE including grants(basis commitment)	-29,419.8	-101,541.9	-43,934.2
C. FINANCING	26,952.9	101,542.0	43,934.2
1.Net external borrowing	45.5	-7,612.0	-2,066.4
2.Net domestic borrowing	70,741.2	100,233.4	5,822.9
D. ERRORS AND OMISSIONS	-43,833.7	8,920.6	40,177.7

Source: MFBCDE

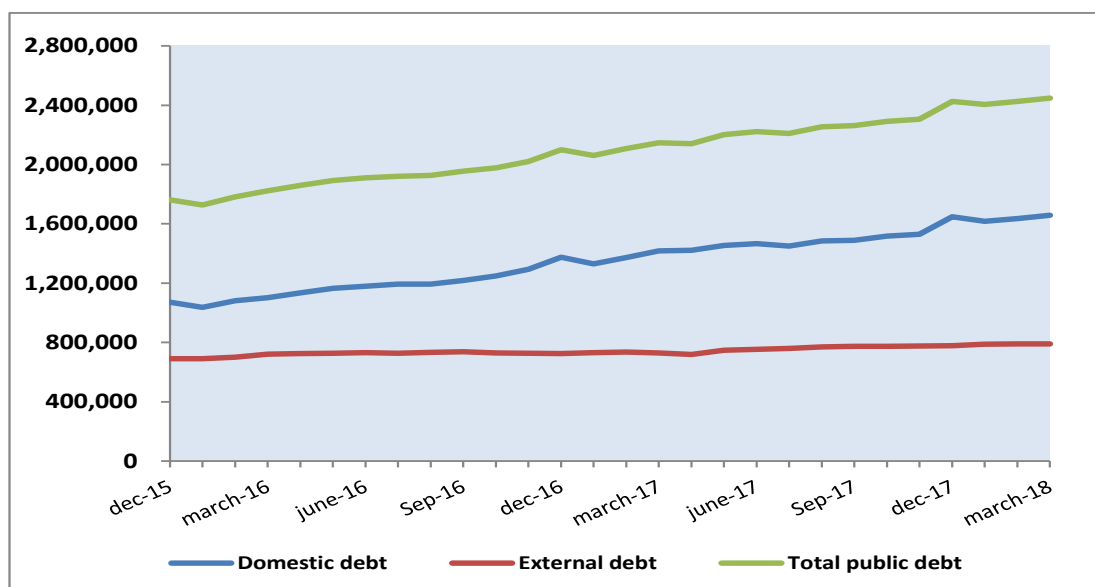
In the first quarter of 2018, the revenue increased by 26.2% compared to the same period of 2017, amounted to BIF 212,518 million from 178,349.4. Compared to the previous quarter, the revenues increased by 8.7%, amounted to BIF 195,533.9 million. Year -on- year basis, the capital grants rose, amounted to BIF 51,981.0 against 31,293.5 million.

Year-on-year basis, the expenditure increased by 29%, reaching BIF 308,433.3 against BIF 239,062.7 million in the first quarter of 2017. This increase resulted from the rise of both current expenditures (BIF 38,661.8 million) and investment expenditures (BIF 30,708.7 million). Nevertheless, compared to the previous quarter, they decreased by 7.8%.

The budget deficit deteriorated in the first quarter 2018 compared to the same quarter 2017, from BIF -29,419.8 to BIF -43,934.2 million. This deficit was mainly financed by a net domestic financing of BIF 5,822.9 million.

The public debt increased by 14.0 percent year-on-year, from BIF 2.146.7 to 2.447.6 billion, and increased by 0.9 percent compared to the previous quarter. The outstanding domestic debt grew by 16.9 percent year-on-year, amounted to BIF 1,657.2 against BIF 1,417.6 billion, and increased by 0.6 percent compared to the previous quarter. It represented 67.7 percent of the total public debt and the main component is the Treasury securities and overdraft of the Central Bank.

Chart 8: Public debt evolution (in BIF million)



Source : BRB

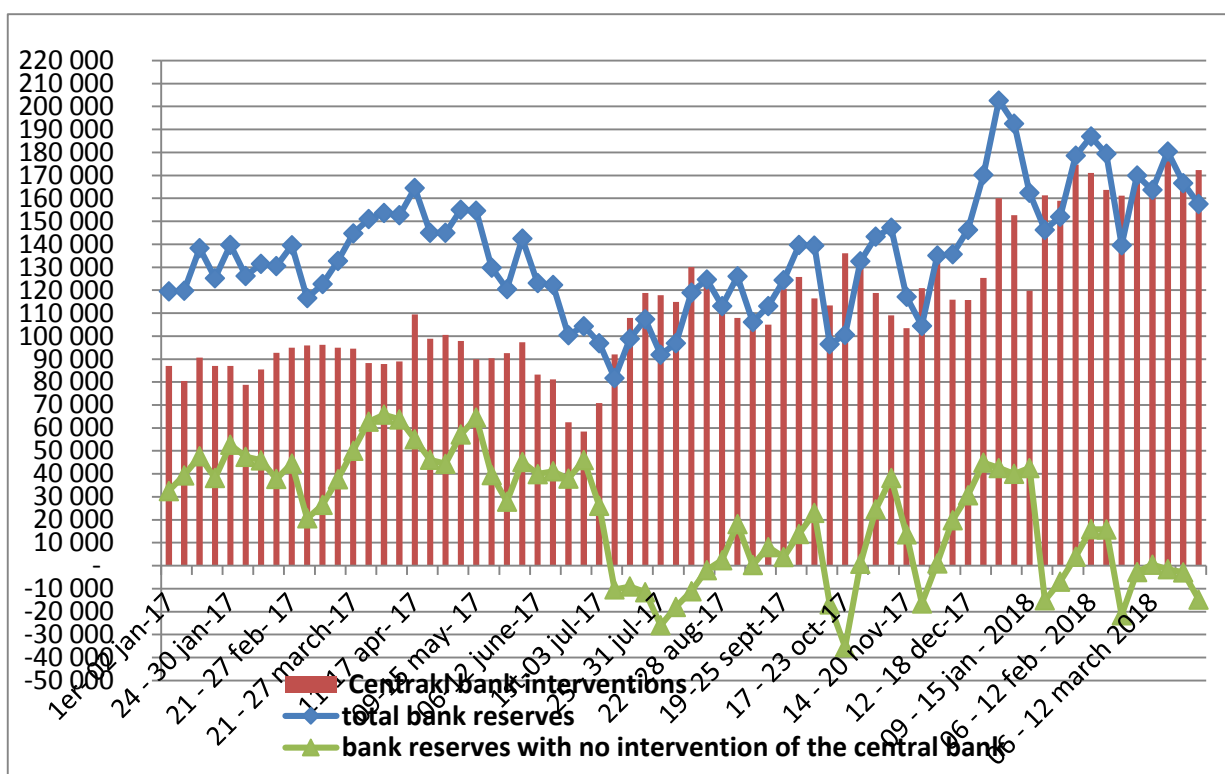
The external debt also increased year-on-year basis (+ 8.4%), from BIF 729.1 to 790.4 billion. It main represented by the multilateral debt (77.5%), the bilateral debt (13.2%) and other creditors (9.3%).

2.4. Monetary sector

2.4.1. Bank reserves and interest rates

The bank’s reserves rose in the first quarter 2018 compared to the fourth quarter 2017. Excluded the Central Bank’s interventions, they decreased from BIF 14,033 million to BIF 5,226 million in weekly average and amounted to BIF 40,585 million in the same quarter 2017.

Graph 9: Bank Reserves and BRB interventions (in MBIF)



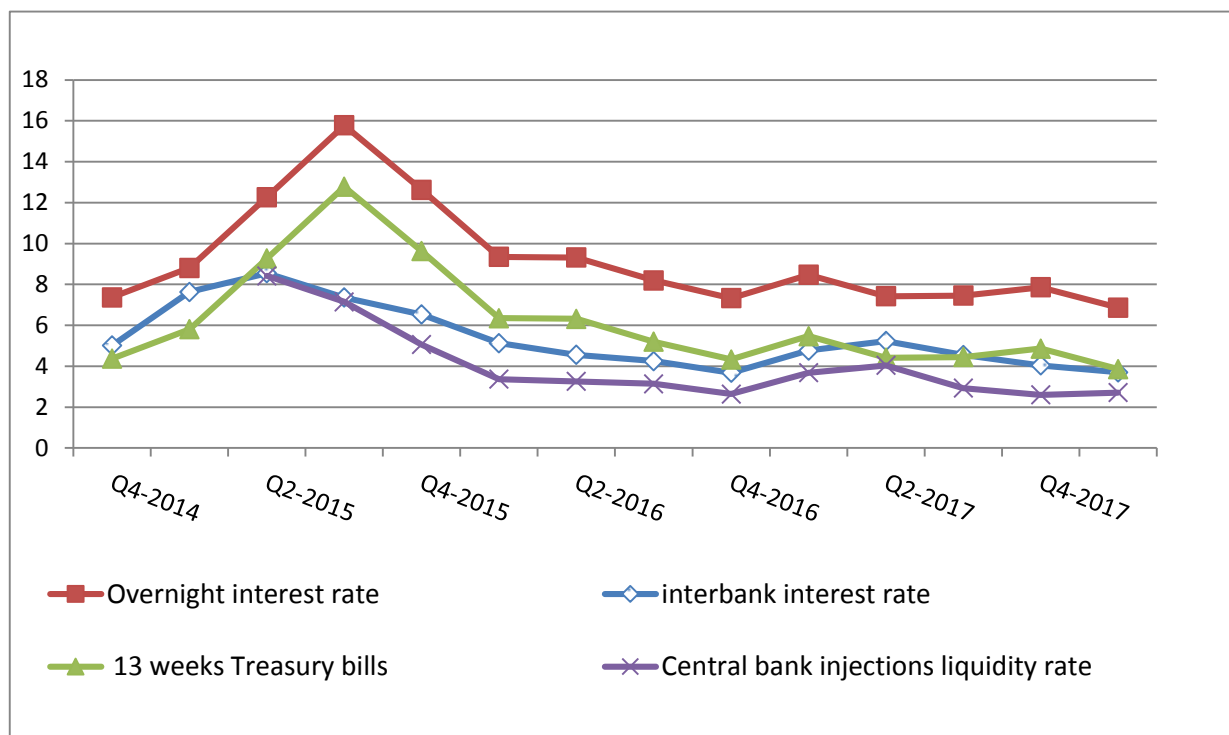
Source: BRB

Following the decrease on their reserves, the commercial banks increased their refinancing from the central bank, amounted to BIF 165,029 million in weekly average, against BIF 123,628 million in the previous quarter and BIF 89,561 million in the same period of 2017 respectively.

In the first quarter 2018, the money market interest rates slowdown. The average interest rate on the overnight lending facility dropped from 7.86 to 6.86%, following a decrease on 13 weeks Treasury Bill on which it is indexed (4.86% to 3.86%).

The average interbank interest rate decreased from 4.04 to 3.71% whereas the average interest rate on liquidity injections was 2.71 % against 2.60 % recorded in the previous quarter.

Chart 10: Money market interest rate (in %)

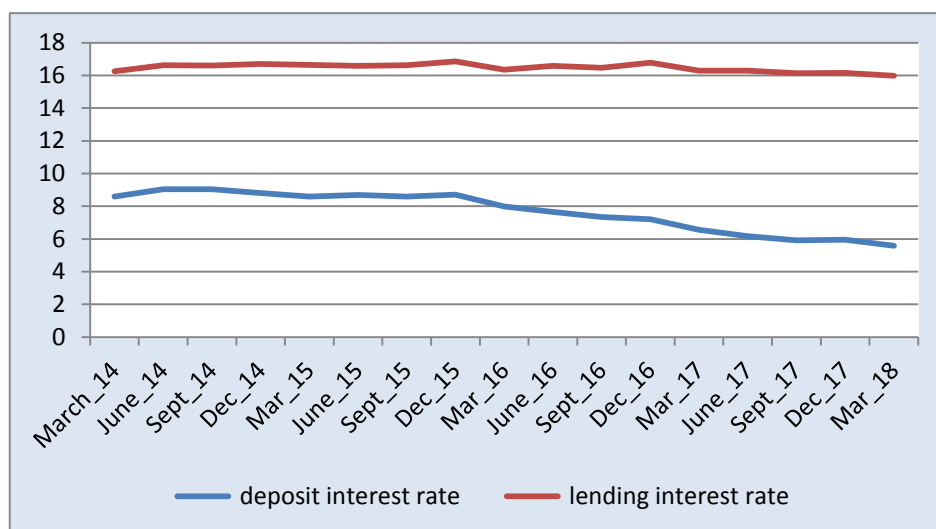


Source: BRB

In the first quarter 2018, the average lending rate on outstanding loans slightly decreased, falling to 15.97% in March 2018 compared to 16.16% in the previous quarter and 16.29% in the same quarter in 2017.

On the other hand, the average interest rate on the loans provided during the first quarter of 2018 slightly increased to 17.32% from 16.34% recorded in the previous quarter, while it was 16.93% in the corresponding quarter in 2017.

Chart 11: Average lending and deposit interest rate (in %)



Source: BRB

Quarter-on-quarter basis, the average deposit rate slightly decreased (5.59 against 5.96%). This decline is linked to the slowdown of interest rates on time deposits (6.51 against 7.12%), demand deposits (3.11 against 4.08%), passbook saving accounts (5.62 against 5.49%) and on saving cash notes (4.34 against 7.81%). The average deposit interest rate stood at 6.56% in March 2018.

2.4.2. The reserve money

The reserve money decreased by 11.0% quarter on quarter basis, amounted BIF 518,671.2 million from BIF 582,685,1 million, as a result of the declining of the net domestic assets (-BIF 22,675 million), and the net foreign assets (-BIF 41,338.8 million).

Regarding the components of the reserve money, the decline concerned the deposits of banks and microfinances institutions (-26.6%), the deposits of other financial institutions (- 43.7%) and the currency in circulation outside banks (-2%). On the other hand, other deposits increased by 5.2%.

Table 10: Reserve money and its counterparts (in BIF million)

	March_17	Dec_17	March_18	change (in %)	
				Quarter	Annual
Currency in circulation	267,512.5	308,146.5	302,042.8	-2.0	12.9
Bank and microfinance deposits	181,994.7	223,845.5	164,348.2	-26.6	-9.7
Other financial corporation deposits	2,634.1	2,169.6	1,222.4	-43.7	-53.6
Othr deposits	34,136.6	48,523.5	51,057.8	5.2	49.6
Total	486,277.9	582,685.1	518,671.2	-11.0	6.7
Net foreign assets	-162,073.8	-139,165.8	-180,504.6	-29.7	-11.4
Net domestic assets	581,297.8	721,850.9	699,175.8	-3.1	20.3
Net claims on the Government	509,226.2	530,450.4	484,199.4	-8.7	-4.9
Other items , net	72,071.6	191,400.5	214,976.4	12.3	198.3

Source: BRB

On a year-over-year basis, the reserve money rose by 6.7%, following the increase of net domestic assets (+ 20.3%) which offset the decrease of net foreign assets (-11.4%).

The analysis in terms of contribution to the growth of reserve money in quarter –on- quarter basis, the decline was attributed to net domestic (-3.9 percentage points) and net foreign assets (-7.1 percentage points). On a year-over-year basis, the growth was attributed to net domestic assets (+16.4 percentage points).

Table 11: Source of the change in the base money as of end September 2017

	Par rapport à mars 2017	Par rapport à déc. 2017
Avoirs Extérieurs Nets (AEN)	-9.7	-7.1
Avoirs Intérieurs Nets (AIN)	16.4	-3.9
dont: -Créances nettes sur l'Etat	-12.3	-7.9
-Autres postes nets	28.7	4.0
Base monétaire	6.7	-11.0

Source : BRB

2.4.3. Broad money and its counterparts

Compared to the previous quarter, the money supply (M3) slightly rose by 2.7% at the end of March 2018, amounted to BIF 1,533.2 billion against BIF 1,492.2 billion. This increase is driven by the demand deposits (+3.7%), the time and savings deposits (+4.8%), those of residents in foreign currency (+6.7%), whilst the currency in circulation outside banks decreased (-4.9%).

The increase of M3 resulted from the progress of net domestic assets (+ BIF 61,630 million, or 4.1%) which exceeded the decrease of foreign assets (-BIF 20,604.7 million, or 1.4%). The growth of net domestic assets was driven by the net claims on the government (+1.5%), the claims on the economy (+0.9%) and other net items (+1.7%).

Table 12: Quarterly development of broad money and its counterparts (in BIF millions).

	March_17	Dec_17	March_18	change (in %)	
				Quarter	Annual
M3	1,292,013.2	1,492,224.0	1,533,249.8	2.7	18.7
NFA	-164,630.2	-149,085.4	-169,690.1	-1.4	-3.1
NDA	1,456,643.4	1,641,309.4	1,702,939.9	4.1	16.9
Domestic credit	1,803,204.5	2,020,236.6	2,056,074.5	2.4	14.0
Net claims on the Government	986,447.7	1,114,891.2	1,137,771.2	1.5	15.3
Claims on the economy	816,756.8	905,345.4	918,303.3	0.9	12.4
Other items , net	-346,561.2	-378,927.2	-353,134.6	1.7	-1.9

Source: BRB

Year-on-year basis, the money supply increased by 18.7%, amounted to BIF 1,292.0 against 1,492.2 million reflecting the progress of the currency outside the banking system (+ 12.9%), the demand deposits (+18.2%), the term and savings deposits (+17.7%) and those of residents in foreign currency (+41.2%). Regarding the counterparts of the broad money, the domestic credit increased (+14.0%) while the net foreign assets slightly declined (-3.1%).

Table 13: Source of the change in broad money as of end September 2017

	change from Dec. 2017	Change from March 2017
Net foreign assets (NFA)	-1.4	-0.4
Net domestic assets (NDA)	4.1	19.1
o/w: - Domestic credit	2.4	19.6
- Other Items net	1.7	-0.5
Broad money (M3)	2.7	18.7

Source: BRB

The increase of the money supply was attributed to domestic credit both in quarter-on- quarter basis (+4.1 percentage points) and a year-on-year basis (+19.1 percentage points).

2.5. Main Indicators of banking sector and financial stability soundness

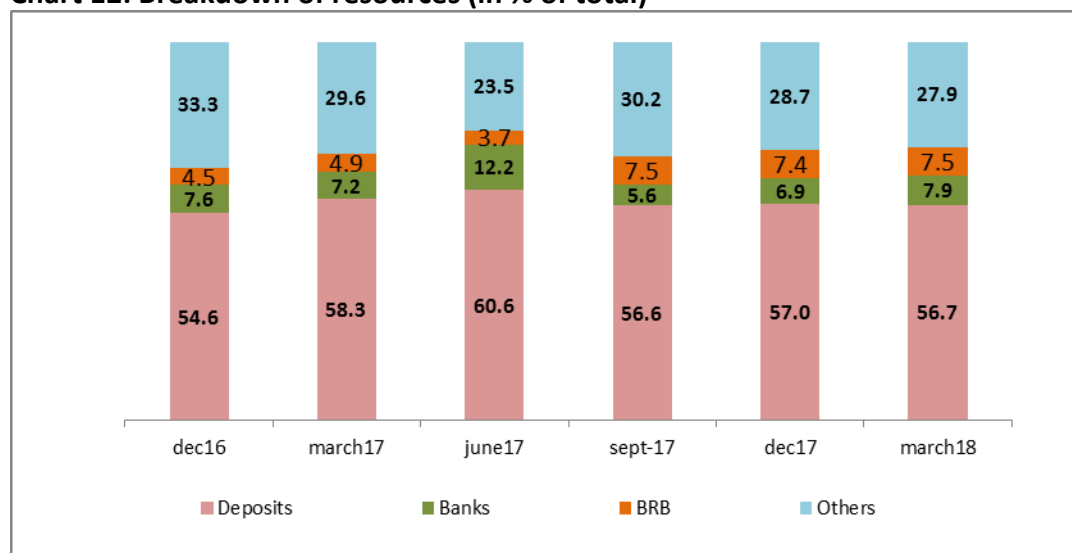
2.5.1. Banking activity

At the end of March 2018, the total balance sheet rose by 4.6% compared to the previous quarter. Compared to the same period in 2017, the balance sheet increased by 22.1%. During the same period in 2017, total deposits and credit portfolio increased. The banking sector remained adequately capitalized and complied with all regulatory and prudential requirements. Likewise, the banking sector profitability indicators improved.

2.5.1.1. Liabilities

At the end of March 2018, total deposits increased by 4.1%, from BIF 1,234.1 to BIF 1,284.1 billion recorded in the previous quarter. Compared to the same period of the previous year, the total deposit rose by 18.8%. Despite this increasing, the Central Bank refinancing rose by 6.5% on a quarter –on- quarter basis, from BIF 160,080.4 to BIF 170,466.8 million at the end of March 2018. At the end of March 2017, the Central Bank refinancing amounted to BIF 91,465.2 million.

Chart 12: Breakdown of resources (in % of total)



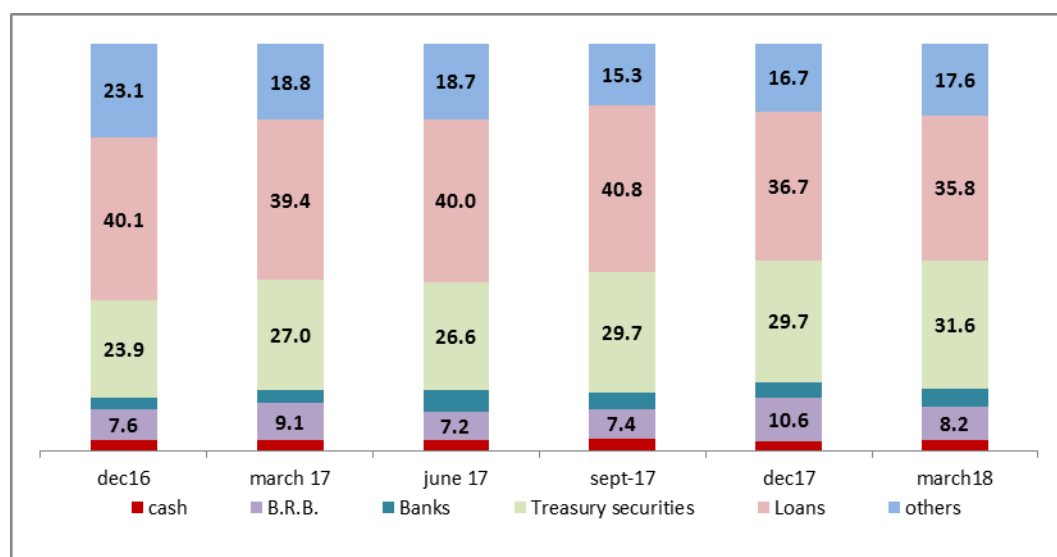
Source : BRB

2.5.1.2. Assets

At the end of March 2018, the main components of the banking sector assets comprised the loans to the economy and Treasury securities, which represented 35.8 and 31.6% of total assets respectively. The Treasury securities held by the commercial banks increased by 11.3% quarter on quarter and by 55.2% year –on- year basis.

In the same time, the credit to private sector increased by 1.9% quarter –on- quarter basis while they increased by 10.9% compared to the same period in 2017.

Chart 13: Breakdown of Assets (in % of total)

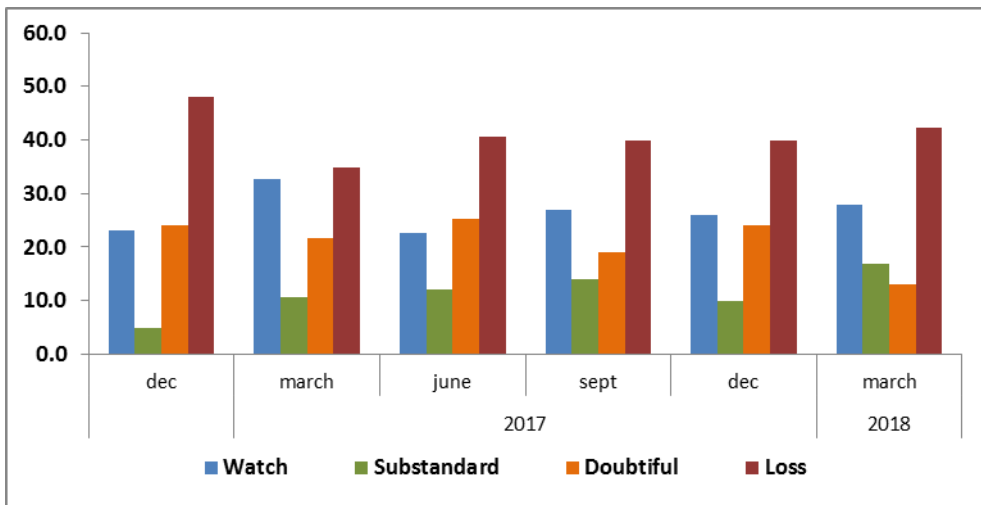


Source : BRB

2.5.2. Loans portfolio quality

The rate of overdue loans increased in the first quarter of 2018, reaching 20.8% against 22.0% recorded in the first quarter 2018 while it was 19.8% at the end of the previous quarter. The increase of the overdue loans in first quarter 2018 is mainly due to the rise of substandard loans.

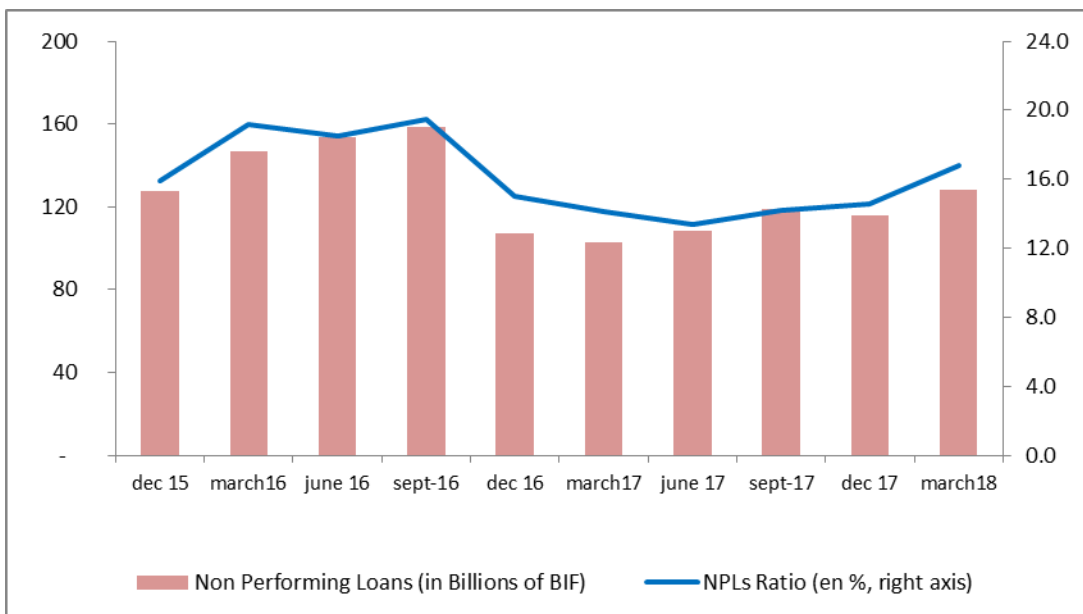
Chart 14: Non-performing loans by classes (in %)



Source: BRB

The analysis of loans by category at the end of March 2018 indicated that the loans classified in watch category and the loss loans represented respectively 27.8% and 42.3% of total overdue loans against 32.6% and 34.9% respectively in the same period in 2017, while at the end of December 2017, they represented respectively 26.4% and 40.0% of overdue loans. The banks continued to white-off the loss loans in the banking assets as stipulated in the budget law 2018. Consequently, the Non-Performing Loans ratio stood at 16.8 % against 14.1 % in the same period in 2017, resulting from the increase on substandard loans.

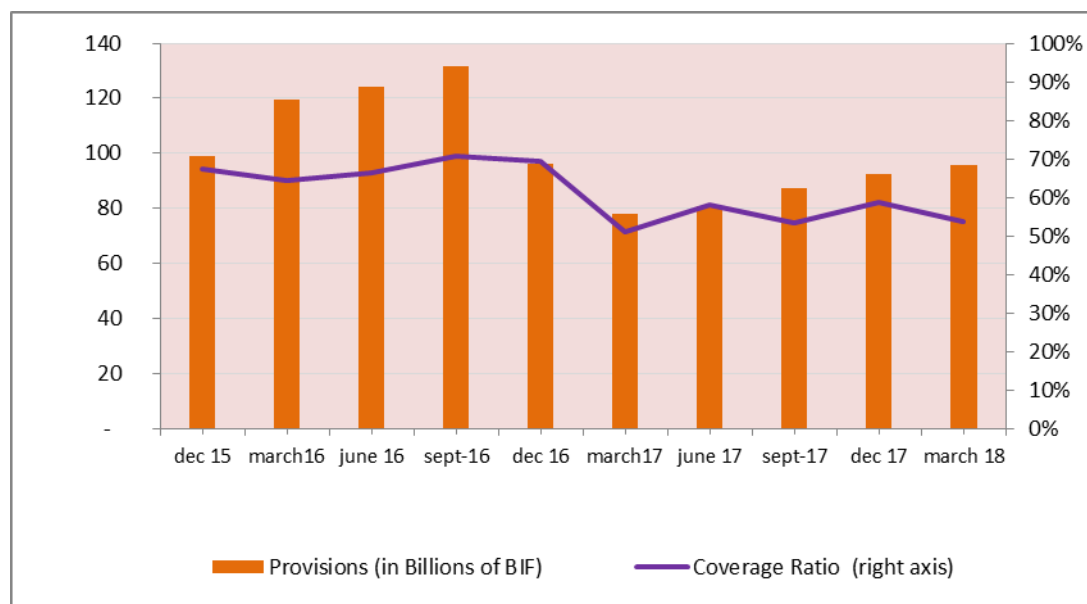
Chart 15: Evolution of non-performing loans



Source: BRB

On year -on- year basis, the provisions for loans depreciation increased by 22.3%; from BIF 78,091.8 to BIF 95,476.0 million and rose by 3.1% compared to the previous quarter. The rising of provisions is linked to the increase of the overdue loans and different measures taken by Central Bank related to the provisions of non-performing loans.

Chart 16: Evolution of provisions (in BIF billion) and coverage rate (in %)

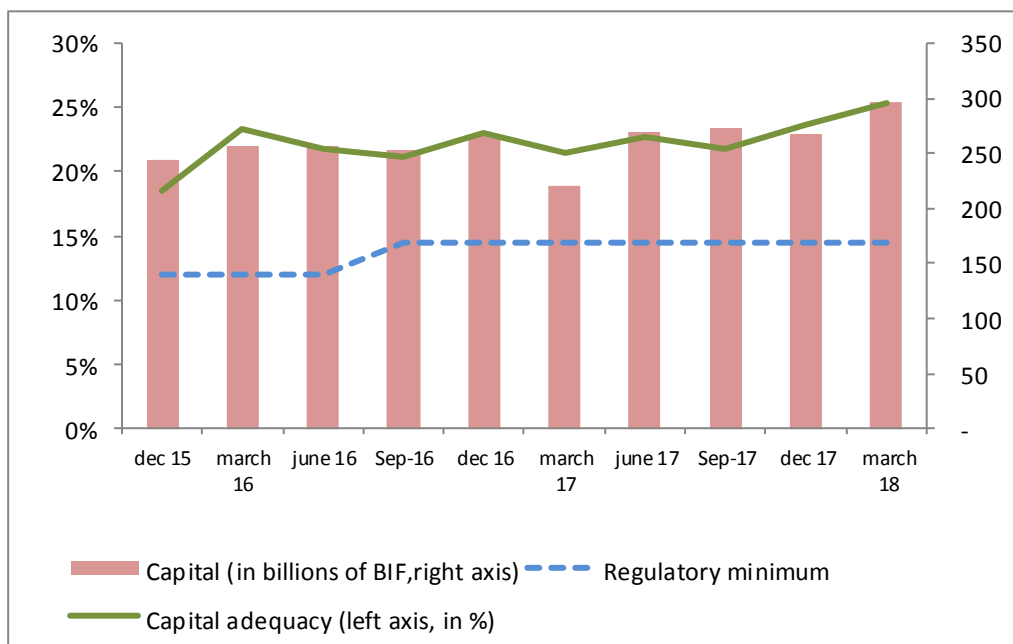


Source: BRB

2.5.3. Capital adequacy

At the end of March 2018, the banking sector remained well capitalized and the capital stood above the regulatory requirement. The total capital adequacy ratio increased, standing at 25.4% at the end March 2018 against 23.7% at the end of December 2017, and was largely above the minimum regulatory requirement of 14.5%.

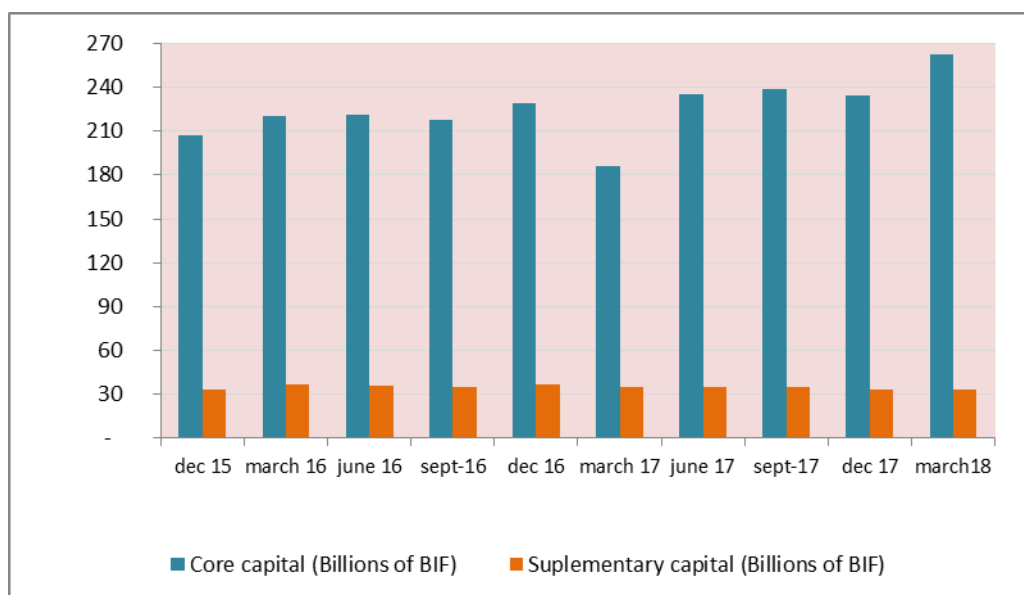
Chart 17: Evolution of capital (BIF billion and in %)



Source: BRB

Year –on- year basis, the capital rose by 19.1%, amounted to BIF 248.4 from 295.4 billion as a result of the affectation banks’ profits related to the previous fiscal year. Compared to the previous quarter, the capital increased by 10.8%.

Chart 18: Composition of capital (in BIF billion)



Source: BRB

Quarter- on- quarter basis, the capital adequacy ratio increased by 1.8 percentage points, standing at 22.5 % at the end of March 2018 against 20.8% in the previous quarter. The ratio remained above the regulatory standard of 12.5%.

2.5.4. Profitability of the banking sector

Year-on- year basis, the net banking income rose by 41%; amounted to BIF 34,945.3 million, following the increase of banking commissions and interest income. At the same time, the net benefit stood at BIF 16,950.5 million. At the end of March 2018, the return on assets (ROA) ratio and the return on equity (ROE) ratio stood at 0.7 and 5.7% respectively.

CONCLUSION AND MONETARY POLICY MEASURES

The economic growth in major advanced economies decelerated in the first quarter 2018. The world trade could increase in 2018, following the stronger economic growth expected in all regions, driven by the improvement of investment and the more expansionary fiscal policy adopted in United States of America.

In the East African Community, the economic growth is expected to be improve as a result of good harvest, investment in infrastructures and foreign direct investment in telecommunications and oil exploration and extraction. This good macroeconomic performance could help to control inflation in most countries and lead to stabilize exchange rate.

In local economic and financial environment, the major productions of the real sector improved in the first quarter 2018, especially food and tea production. This improvement of food production led to subdue inflation and exchange rate depreciation. In the banking sector, the total balance sheet increased. The deposits and credits to private sector increased. According to the main indicators of financial stability, this sector remained sufficiently capitalized, solvent and profitable.

In the first quarter 2018, the BRB pursued the accommodative monetary policy by easing the conditions of refinancing commercial banks in order to stimulate them to further finance the economic activity.

The measures taken by the Central Bank consisted to:

1. Continue to provide liquidity necessary to finance the economy;
2. Maintain maturities of 7, 14 and 28 days for liquidity injection;
3. Finance the coffee campaign at a fixed rate of 2% for a maturity of 28 days;
4. Pursue interventions on the foreign exchange market to facilitate imports of essential products.

ANNEXES

ANNEX 1: GDP BY BRANCH (At price of 2005) in BIF billion

	2014	2015	2016	2017	2018
Primary Sector	497.9	488.0	495.5	489.8	507.3
- Subsistence agriculture	442.2	427.4	435.0	424.1	436.8
- Export Agriculture	18.4	21.3	18.0	17.7	19.6
- Coffee	3.2	4.9	4.0	5.5	6.4
- The	14.2	15.4	13.2	11.4	12.3
-Other export agriculture	1.0	1.0	0.8	0.8	0.9
- Forest	11.9	13.4	15.1	16.7	18.5
- Livestock	22.4	22.5	23.4	26.9	27.5
- Fishing	3.0	3.4	3.9	4.3	4.9
Secondary sector	315.7	290.2	295.5	290.0	301.3
-Mining	8.4	7.9	7.8	8.5	10.2
- Industries	211.9	192.3	191.6	188.1	194.5
- Food Industries	155.7	143.1	141.4	142.8	144.9
- Manufacturing	56.2	49.2	50.2	45.3	49.6
- Textile Industries	4.3	3.9	3.7	3.5	3.6
- Other monifaturing industries	51.9	45.3	46.5	41.8	46.0
- Water, gas and electricity	7.9	7.5	7.3	7.1	8.5
- Construction	87.5	82.5	88.9	86.3	88.0
Tertiary sector	784.4	829.2	867.1	899.8	938.2
- Trade	79.4	68.5	67.8	69.2	71.3
- Transport and communication	67.6	73.4	62.3	66.0	70.3
- Transport	15.6	16.8	13.1	13.4	13.8
- Postes, Telecommunication and inti	52.0	56.6	49.2	52.6	56.5
- Banks and insurance	98.2	100.0	104.0	111.2	123.5
- Accommodation, Food and other M	124.9	114.0	117.5	118.3	120.6
- Public Administration	272.9	298.9	346.2	372.2	400.1
- Education	195.6	209.1	219.5	230.4	242.7
- Health and social services	13.4	14.0	17.8	21.0	23.4
- Activities of a collective or personal	47.1	54.4	56.4	58.4	61.3
- Domestic services	4.7	5.4	6.2	7.1	8.3
- SIFIM	-119.4	-108.7	-130.5	-154.0	-183.3
GDP at cost of factors(1+2+3)	1 598.0	1 607.4	1 658.1	1 679.6	1 746.8
Indirect taxes minus subsidies	194.0	177.5	176.4	205.4	213.6
GDP at market price	1 792.0	1 784.9	1 834.5	1 885.0	1 960.3

Source : MBGP

ANNEX 2: INFLATION BY MAIN COMPONENTS (in %)

Period	Headline Inflation	Food inflation	Non-food inflation
Mar-16	4.3	6.5	2.7
Apr-16	2.7	2.4	2.8
May-16	2.6	2.8	2.6
Jun-16	3.8	4.0	3.7
Jul-16	4.0	4.5	3.5
Aug-16	6.6	7.7	5.8
Sep-16	7.0	8.1	6.3
Oct-16	6.0	7.0	5.3
Nov-16	7.1	9.1	5.6
Dec-16	9.5	13.9	6.0
Jan-17	12.9	20.4	7.4
Feb-17	20.5	33.3	7.4
Mar-17	21.1	34.4	8.5
Apr-17	19.6	30.2	9.0
May-17	18.9	27.8	9.0
Jun-17	15.1	20.8	8.4
Jul-17	13.6	18.8	7.1
Aug-17	13.9	22.6	5.6
Sep-17	15.4	23.9	7.4
Oct-17	17.6	28.1	9.0
Nov-17	15.4	22.2	7.8
Dec-17	10.0	9.5	8.4
Jan-18	6.1	3.2	7.9
Feb-18	-1.3	-8.7	8.5
Mar-18	-2.6	-11.0	8.3

Source: BRB based on data provided by ISTEERU

ANNEXE 3: Government Financial Operations (in BIF million)

Period	Revenue	Grants	Revenue and grants	Expenditure	Averall balance
Mar-16	58 603.8	10 580.4	69 184.2	97 762.6	-28 578.4
Apr-16	50 478.8	5 930.5	56 409.3	94 594.0	-38 184.8
May-16	45 205.0	12 366.3	57 571.3	86 441.6	-28 870.3
Jun-16	60 148.7	11 341.8	71 490.5	76 846.7	-5 356.2
Jul-16	50 971.9	3 203.4	54 175.2	71 991.2	-17 815.9
Aug-16	55 808.9	4 202.5	60 011.4	73 289.7	-13 278.4
Sep-16	63 489.3	10 797.4	74 286.7	101 298.7	-27 012.0
Oct-16	47 249.9	12 755.9	60 005.8	102 470.2	-42 464.4
Nov-16	55 678.3	15 941.6	71 619.8	101 647.3	-30 027.5
Dec-16	59 232.6	21 314.8	80 547.4	110 352.1	-29 804.7
Jan-17	53 627.7	7 058.3	60 686.0	64 415.6	-3 729.6
Feb-17	51 656.9	10 991.7	62 648.5	84 274.1	-21 625.6
Mar-17	73 064.8	13 243.6	86 308.4	87 906.1	-1 597.8
Apr-17	51 144.7	9 769.6	60 914.3	98 016.5	-37 102.2
May-17	54 415.7	8 886.7	63 302.4	87 125.3	-23 822.9
Jun-17	65 194.3	22 169.0	87 363.3	88 592.8	-1 229.5
Jul-17	67 742.9	11 005.5	78 748.4	87 554.4	-8 806.0
Aug-17	72 246.7	9 317.2	81 563.9	113 343.3	-31 779.4
Sep-17	69 515.0	8 503.2	78 018.2	82 670.9	-4 652.7
Oct-17	60 683.3	16 279.2	76 962.5	124 142.8	-47 180.3
Nov-17	65 298.0	8 264.8	73 562.8	79 101.3	-5 538.4
Dec-17	69 552.5	13 024.2	82 576.7	131 400.0	-48 823.2
Jan-18	62 945.1	9 475.4	72 420.5	72 322.6	98.0
Feb-18	58 578.4	24 358.3	82 936.7	128 496.3	-45 559.6
Mar-18	90 994.6	18 147.3	109 141.9	107 614.4	1 527.4

Source: MFBP

ANNEXE 4: Public debt (in BIF million)

Period	BRB	Tresury securities	Total domestic debt	External debt	Total Government debt
Dec-15	641 724.6	378 907.0	1 070 572.8	691 234.5	1 761 807.3
Jan-16	598 712.1	388 365.1	1 036 632.1	689 902.5	1 726 534.6
Feb-16	626 840.4	402 426.2	1 082 134.6	700 034.1	1 782 168.7
Mar-16	635 625.1	417 680.2	1 102 579.7	720 621.3	1 823 201.0
Apr-16	640 405.2	438 638.3	1 133 874.3	725 571.4	1 859 445.7
May-16	655 244.3	455 349.6	1 164 818.5	728 163.5	1 892 982.0
Jun-16	650 423.6	475 292.9	1 178 665.3	730 813.1	1 909 478.4
Jul-16	646 289.0	493 502.0	1 193 872.2	727 209.5	1 921 081.7
Aug-16	636 965.6	508 501.5	1 193 198.6	732 683.7	1 925 882.3
Sep-16	644 432.0	527 286.3	1 218 538.7	736 607.0	1 955 145.7
Oct-16	660 707.0	536 420.8	1 248 380.0	729 004.8	1 977 384.8
Nov-16	689 148.0	551 790.1	1 294 023.7	727 220.8	2 021 244.5
Dec-16	752 299.8	584 745.3	1 374 144.6	724 630.8	2 098 775.4
Jan-17	708 968.9	583 970.9	1 329 880.3	730 756.4	2 060 636.7
Feb-17	720 858.9	613 931.0	1 373 318.0	734 769.9	2 108 087.9
Mar-17	741 269.6	627 821.5	1 417 624.4	729 097.9	2 146 722.2
Apr-17	733 398.9	643 307.1	1 421 358.6	718 755.2	2 140 113.7
May-17	748 696.4	660 063.7	1 454 777.5	747 209.9	2 201 987.3
Jun-17	748 813.6	676 889.0	1 466 639.3	754 428.4	2 221 067.7
Jul-17	732 104.3	676 920.9	1 449 886.8	760 152.9	2 210 039.7
Aug-17	730 342.1	709 627.0	1 484 285.3	770 343.8	2 254 629.1
Sep-17	713 443.5	731 279.5	1 488 664.1	774 953.0	2 263 617.1
Oct-17	741 876.6	735 555.4	1 517 163.4	773 687.4	2 290 850.8
Nov-17	747 014.0	750 243.2	1 529 783.7	775 221.7	2 305 005.3
Dec-17	787 208.1	829 763.9	1 647 833.5	778 292.4	2 426 125.9
Jan-18	745 506.8	839 987.2	1 616 355.3	788 053.9	2 404 409.3
Feb-18	745 661.6	860 401.8	1 635 451.4	789 926.2	2 425 377.6
Mar-18	737 539.1	890 327.3	1 657 190.3	790 412.4	2 447 602.7

Source: BRB and MFBCDE

ANNEXE 5: Bank reserves (in BIF million)

Period	Total banking sector reserves	Central Bank Interventions
Jan-16	77 387	26 612
Feb-16	78 306	42 674
Mar-16	82 764	54 697
Apr-16	87 956	68 814
May-16	87 670	74 277
Jun-16	93 246	92 597
Jul-16	86 858	108 222
Aug-16	91 507	107 836
Sep-16	87 838	113 433
Oct-16	109 621	105 762
Nov-16	107 734	98 571
Dec-16	128 013	100 523
Jan-17	128 121	85 131
Feb-17	128 819	89 580
Mar-17	133 497	93 972
Apr-17	152 138	97 130
May-17	141 233	94 778
Jun-17	118 532	76 501
Jul-17	95 342	101 518
Aug-17	115 927	118 005
Sep-17	121 733	113 145
Oct-17	125 576	123 451
Nov-17	129 441	117 240
Dec-17	157 967	130 194
Jan-18	172 260	154 539
Feb-18	170 882	168 632
Mar-18	167 621	171 915

Source: BRB

ANNEXE 6: Money market interest rate (in %)

Month	Interbank market	Marginal lending facility	Liquidity providing	Tresury Bill at 13 weeks
Jan-16	5.00	9.44	3.46	6.44
Feb-16	5.00	9.41	3.38	6.41
Mar-16	5.40	9.21	3.27	6.21
Apr-16	-	9.58	3.32	6.58
May-16	4.56	9.45	3.30	6.45
Jun-16	-	8.92	3.14	5.92
Jul-16	5.00	8.84	3.18	5.84
Aug-16	-	7.98	3.14	4.98
Sep-16	3.50	7.79	3.09	4.79
Oct-16	3.50	7.55	2.98	4.55
Nov-16	3.85	6.80	2.55	3.80
Dec-16	-	7.64	2.38	4.64
Jan-17	3.12	7.91	2.40	4.91
Feb-17	5.18	8.50	3.72	5.50
Mar-17	6.00	9.01	4.92	6.01
Apr-17	6.00	7.96	5.36	4.96
May-17	5.50	7.17	3.85	4.165
Jun-17	4.20	7.14	2.92	4.135
Jul-17	5.14	6.98	3.34	3.98
Aug-17	4.32	7.45	2.70	4.45
Sep-17	4.21	7.92	2.73	4.92
Oct-17	-	8.19	2.52	5.19
Nov-17	4.08	8.25	2.50	5.25
Dec-17	4.00	7.13	2.79	4.13
Jan-18	3.77	7.02	2.75	4.02
Feb-18	3.64	6.98	2.54	3.98
Mar-18	-	6.59	2.84	3.59

Source: BRB

ANNEXE 7: Main activity indicators of the banking sector in September 2017 (in BIF Million)

	Total banking sector			Annually variation in %	Quarterly variation in %
	30/03/2017	31/12/2017	30/03/2018		
I. ASSETS					
Main ASSETS	1 854 974,5	2 164 695,6	2 265 051,8	22,1	4,6
A. Liquid Assets	1 487 029,4	1 802 971,9	1 865 762,7	25,5	3,5
. Cash	755 929,8	1 007 491,3	1 055 013,2	39,6	4,7
. B.R.B.	46 142,4	49 771,7	59 275,3	28,5	19,1
. Banking sector	167 955,5	229 296,6	186 613,1	11,1	(18,6)
Treasury securities	60 631,3	84 932,4	94 587,5	56,0	11,4
B. Loans	461 571,3	643 490,6	716 145,6	55,2	11,3
. Short term	731 099,6	795 480,6	810 749,5	10,9	1,9
. Medium term	409 108,3	426 272,4	435 751,7	6,5	2,2
. Long term	191 151,6	216 175,2	211 188,5	10,5	(2,3)
. Leasing	130 839,7	153 033,0	163 809,3	25,2	7,0
. Other loans	367 945,1	361 723,7	399 289,1	8,5	10,4
C. Others	1 854 974,5	2 164 695,6	2 265 051,8	22,1	4,6
II. LIABILITIES	1 306 612,8	1 543 660,1	1 634 156,8	25,1	5,9
Main liabilities	1 081 298,8	1 234 101,1	1 284 518,8	18,8	4,1
. Deposits	331 353,1	431 484,1	533 274,0	60,9	23,6
among which ten large deposits	91 465,2	160 080,4	170 466,8	86,4	6,5
. Refinancing from BRB	-	-	-		
Banking sector	133 848,8	149 478,6	179 171,2	33,9	19,9
among which residents	71 643,4	90 900,4	143 095,7	99,7	57,4
Others	548 361,7	621 035,5	630 895,0	15,1	1,6
BANKING SECTOR INDICATORS	213 766,5	234 104,6	262 462,7	22,8	12,1
Capital adequacy	248 404,6	267 074,4	295 862,9	19,1	10,8
. Core capital (in MBIF)	1 035 351,1	1 126 022,3	1 164 385,0	12,5	3,4
. Total capital (in MBIF)	20,6	20,8	22,5		
. Risk Weighted assets	24,0	23,7	25,4		
capital adequacy ratio (threshold 14,5%)	12,9	12,3	12,3		
capital adequacy ratio (threshold 14,5%)					
. Leverage ratio (threshold 7%)	144 676,8	150 936,9	141 112,4	(2,5)	(6,5)
Liquidity and concentration of loan portfolio	49 778,1	41 649,6	49 674,4	(0,2)	19,3
Large exposure	102 787,5	115 782,5	128 478,9	25,0	11,0
Watch loans	152 027,7	157 432,1	178 153,3	17,2	13,2
Non Performing loans	78 091,8	92 574,3	95 476,0	22,3	3,1
Overdue loans	39,4	36,7	35,8		
Provisions	26,9	32,0	34,0		
Total gross loans/Total gross assets (in %)	245,0	311,9	303,8		
to the Government/Total gross assets (in %)	14,1	14,6	16,8		
to the Government/Core capital (in %)	20,8	19,8	22,0		
Non Performing loans rate	76,0	80,0	70,2		
Overdue loans rate	19,8	19,0	17,4		
Rate of provisionning (in %)					
Large exposure/Total gross loans (in %)	57,2	59,4	59,8		
Liquidity	118,4	113,2	91,3		
Liquidity ratio in local currency (*)	67,6	64,5	63,1		
Liquidity ratio in foreign currency (*)	136,4	137,5	140,0		
Total loans/total deposits (*)	30,6	35,0	41,5		
Available resources/immobilized assets					
Ten large deposits/Total deposits (*)	3 445,6	44 380,1	18 704,4	442,8	
Profitability and performance	407,6	39 461,7	16 950,7	4 058,7	
Profit before tax	34 945,3	179 672,5	49 277,5	41,0	
Net profit		16,62	5,7		
Banking net product			0,7		
(*) Commercial banks only					

Source : BRB