



**BANQUE DE LA REPUBLIQUE
DU BURUNDI**

**MONETARY POLICY
REPORT
FIRST QUARTER 2022**

November-2022

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Acronyms

NDA	: Net Domestic Assets
BIF	: Burundi Franc
BoJ	: Bank of Japan
BRB	: Banque de la République du Burundi
EAC	: East African Community
ECB	: European Central Bank
GDP	: Gross Domestic Product
IMF	: International Monetary Fund
ISTEEBU	: Institut de Statistiques et d'Etudes Economiques du Burundi
M3	: Broad Money
MFBCDE	: Ministère des Finances, du Budget et de la Coopération au Développement Economique
OECD	: Organization for Economic Co-operation and Development
ROA	: Return on Assets
ROE	: Return on Equity
SSA	: Sub-Saharan Africa
UGX	: Ugandan Shilling
USD	: United States Dollar
YoY	: Year on year
QoQ	: Quarter on quarter

EXECUTIVE SUMMARY

Economic growth decelerated in the first quarter 2022 in all the main OECD economies (0.3 against 1.2%). This result reflects the decline in household consumption, due to the inflation acceleration linked to the rise prices of food and energy products following the war in Ukraine. Year-on-year basis, GDP for all OECD countries rebounded to 4.7%, after a decline of 2.7% recorded in the fourth quarter 2020. This rebound is mainly supported by the improvement activity in the United States (5.6 against -2.3%) driven by global demand recovery.

Inflation increased overall in the first quarter 2022 in the main advanced countries and in emerging countries, driven by supply chain disruptions, high energy and other commodity prices.

According to IMF's World Economic Outlook published in April 2022, world growth is expected to decline from 6.1% in 2021 to 3.6% in 2022, following the war in Ukraine, which led to supply chain disruptions.

In the East African Community countries, economic growth is expected to slow in 2022 (5.3 against 6.2% in 2021) reflecting international supply chain disruptions and soaring of fuel and food price commodities.

The domestic economy is expected to accelerate in 2022 (4.6 against 3.1% in 2021), following the improvement activity in the secondary sector (4.7 against 2.1%) and tertiary (4.8 against 2.5%). Inflation could increase in 2022, standing at 9.2 against 8.3% achieved in 2021. However, these forecasts could be revised downwards following the adverse effects of the war in Ukraine. The balance of payments recorded a higher current account deficit in the first quarter 2022 compared to the same quarter of the previous year (204,234.5 against 158,117.1 MBIF), mainly resulting from a sharp worsening of the services' deficit.

The fiscal deficit (including grants) eased in the first quarter 2022 compared to the same quarter in 2021 was 6,681.4 against 16,589.6 MBIF driven by the greater increase of public revenue than expenditure.

Year-on-year basis, the reserve money expanded by 22.6%, due to the increase of net domestic assets (+22.9%). Likewise, the money supply grew by 21.9 % reflected by the rise of claims on the economy (+62.8%) due to the refinancing of sectors driving economic growth.

Official foreign exchange reserves significantly increased on an annual basis, driven by the increase of the SDRs holdings (+412,843.4 MBIF), following the new allocation of SDRs by the

IMF (147.6 million SDRs) to its member countries.

At the end of March 2022, the aggregate balance sheet of the banking sector improved by 28.7% year-on-year basis. The banking sector's equity capital increased by 28.3% year-on-year. However, the overall capital adequacy and profitability ratios slightly fell.

I. WORLD ECONOMIC DEVELOPMENT

1.1. Global GDP growth

Quarter-on-quarter, economic growth decelerated in the first quarter of 2022 compared to the previous quarter in all major OECD economies (0.3 against 1.2 percent in the previous quarter). This deceleration is mainly explained by the decline in household consumption, due to the acceleration of inflation following the war in Ukraine. In the main emerging and developing countries, economic growth slowed, particularly in China (1.3 against 1.5 percent) and India (0.8 against 1.7 percent). However, it improved in South Africa (1.9 against 1.4 percent).

Table 1: GDP growth in main advanced and emerging countries (in percent)

	Quarter to quarter			Year on year		
	Q1-2021	Q4-2021	Q1-2022	Q1-2021	Q4-2021	Q1-2022
USA	1,5	1,7	-0,4	0,5	5,5	3,5
Japan	-0,5	0,9	-0,1	-1,7	0,4	0,7
Germany	-1,7	-0,3	0,2	-2,8	1,8	3,8
France	0,2	0,4	-0,2	1,8	4,9	4,5
United	-1,2	1,3	0,8	-5,0	6,6	8,7
Euro zone	-0,1	0,2	0,6	-0,9	4,7	5,4
OECD- Total	0,8	1,2	0,3	-0,2	4,9	4,4
China	0,5	1,5	1,3	18,3	4,0	4,8
India	1,2	1,7	0,8	1,7	4,7	4,1
Russia	0,7	-0,4
South Africa	1,0	1,4	1,9	-2,3	1,8	2,9

Source: OECD, main economic indicators, June 2022

Year-on-year basis, economic growth improved in the first quarter of 2022 in all advanced OECD countries (4.4 against -0.2 percent) due to the effects fiscal and monetary policy adopted by most advanced countries to deal with the consequences of Covid-19. In the United States, economic activity improved (3.5 against 0.5 percent). In the Euro zone, it sharply rebounded, standing to 5.4 percent whereas it had contracted by 0.9 percent in the same period of 2021. In Japan, it slightly recovered to 0.7 percent against a contraction of 0.4 percent.

In the main emerging countries, economic growth accelerated in India (4.1 against 1.7 percent) and South Africa (2.9 against a contraction of 2.3 percent in 2021) while it sharply drop in china (4.8 against 18.3 percent).

Table 2: World economic growth in 2022 (in percent)

	2019	2020	2021	2022(p)
World GDP	2,5	-3,1	6,1	3,6
Advanced Economies	1,6	-4,5	5,2	3,3
USA	2,6	-3,4	5,7	3,7
Euro zone	1,3	-6,4	5,3	2,8
Japan	0,0	-4,5	1,6	2,4
Emerging Market and Developing Economies	3,8	-2,0	6,8	3,8
China	6,0	2,2	8,1	4,4
India	4,0	-6,6	8,9	8,2
Subsaharan Africa	3,2	-1,7	4,5	3,8
<i>Nigeria</i>	2,2	-1,8	3,6	3,4
<i>south Africa</i>	0,2	-6,4	4,9	1,9
World trade Volume (G&s)	0,9	-7,9	10,1	5,0

(p): projections

Source: IMF, World economic outlook, April 2022

The IMF World Economic Outlook update of April 2022, economic growth is expected to slow from 6.1 percent in 2021 to 3.6 percent in 2022, following the war between Russia and Ukraine, which supply chain disruptions.

For all the advanced countries, economic growth is expected to stand at 3.3 percent in 2022 against 5.2 percent in 2021. In the United States as in the euro zone, a slowdown in economic growth is projected at 3.7 against 5.7 percent and 2.8 against 5.3 percent, respectively. However, economic activity could improve in Japan (2.4 against 1.6percent).

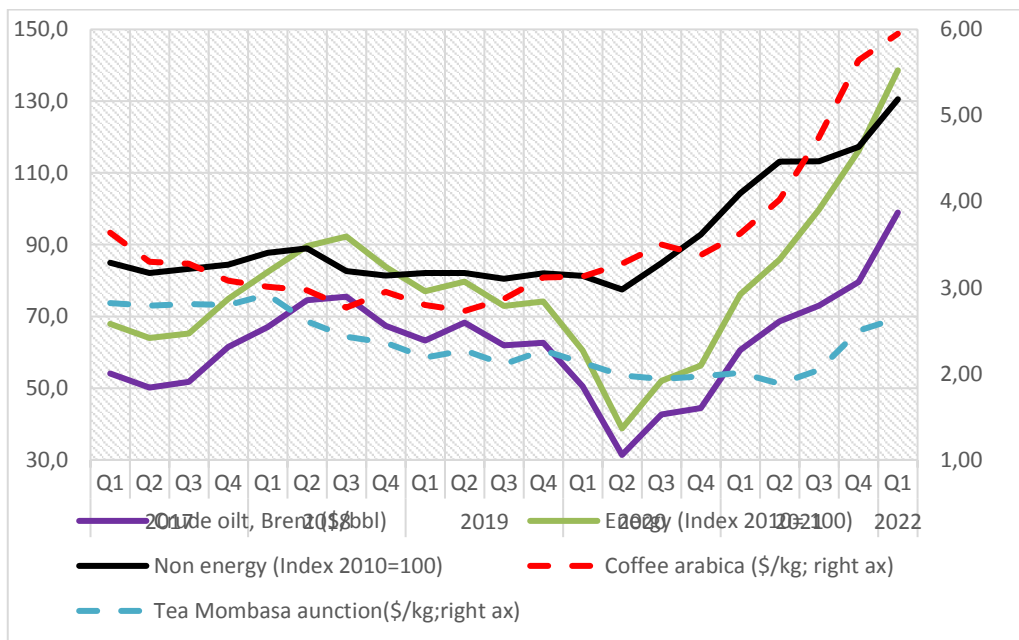
In emerging and developing countries, GDP growth should stand at 3.8 against 6.8 percent. It could decrease in China, dropping from 8.1 to 4.4 percent and slightly in India (8.2 against 8.9 percent in 2021). In sub-Saharan Africa, economic activity could also contract to 3.8 percent in 2022 against 4.5 percent recorded the previous year. Likewise, the effects of the war in Ukraine and supply disruptions would affect the volume of world trade. The world trade growth is expected to decline from 10.1 in 2021 to 5.0 percent in 2022.

1.2. Commodity prices and inflation

In the first quarter 2022, commodity prices increased, following supply chain disruptions due to the war in Ukraine. The price of crude oil (Brent) grew up to 98.96 from 79.58 USD per barrel in the previous quarter. Likewise, the energy index (138.59 against 116.17) and non-energy products index (130.53 against 117.23) increased compared to the previous quarter.

Mombasa auction tea prices (2.65 against \$2.50 per kilogram) and Arabica coffee (5.95 against \$5.64 per kilogram) increased quarter on quarter.

Chart 1: Commodity prices



Source: World Bank, Commodity prices, April 2022

In the first quarter of 2022, inflation sharply rose in the main advanced countries and in emerging and developing countries, mainly in line with soaring food and energy prices. In the United States, inflation stood at 8.0 percent in the first quarter of 2022 against 1.9 percent in the same quarter of the previous year. In the euro zone, it stood at 6.1 against 1.1 percent. Equally concerning, in emerging and developing countries, inflation increased, particularly in China (1.2 against -0.1 percent), in India (5.4 against 4.4 percent), in South Africa (5.8 against 3.1 percent) and in Turkey (54.8 against 15.6 percent).

Table 3: Inflation in main advanced and emerging countries (in percent)

	Year on year		
	Q1-2021	Q4-2021	Q1-2022
USA	1,9	6,7	8,0
Japan	-0,5	0,5	0,9
Germany	1,4	5,0	5,8
France	0,7	2,7	3,7
United Kingdom	0,9	4,4	5,5
Euro zone	1,1	4,7	6,1
OCDE - Total	1,9	5,9	7,9
China	-0,1	1,8	1,2
India	4,4	5,0	5,4
Russia	5,5	8,3	11,6
Turkey	15,6	25,8	54,8
Brasil	6,1	10,5	10,7
South Africa	3,1	5,4	5,8

Source: OECD, Main economic indicators, June 2022

1.3. Monetary policy in developed countries

In a context of uncertain macroeconomic forecasts, given the acceleration of inflation, the Federal Reserve of the United States has tightened its monetary policy. It raised its interest rate by a quarter of a point, maintaining it at 0.5 percent in the first quarter of 2022. With the sharp increase in inflation recorded in the United States since the spring of 2021, the FED envisages to consider an increase of half a percentage point.

In Euro area, the European Central Bank (ECB) maintained an accommodative monetary policy in the first quarter of 2022 but announced the tightening of this monetary policy. It kept the interest rate on the main refinancing operations as well as those on the marginal lending and deposit facility unchanged, at 0.00 percent, 0.25 percent and -0.50 percent respectively. It has further extended the reinvestment of repayments to maintain favorable funding conditions for an extended period as long as necessary to maintain favorable liquidity conditions to the economy. The Central Bank of Japan continued its accommodating policy, it renewed the interest rate on deposit facilities at -0.1 percent and maintained its Treasury bond buyback program with a view to reaching the inflation target level close to 2.0 percent and keep it stable. This accommodating monetary policy is limited, due to the significant depreciation of the yen, which complicates this policy of controlling the key rate curve.

1.4. Main macroeconomic indicators of EAC countries

According to the IMF outlook for April 2022, economic growth in the EAC countries is expected to slow down in 2022 (5.3 against 6.2 percent), mainly due to the soaring food and energy prices and supply chains disruptions. However, it would remain higher than that of all of sub-Saharan Africa (3.8 percent), mainly supported by major investments in infrastructure and good agricultural production in most of these countries.

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

	2019	2020	2021	2022(P)
Burundi*	4,5	0,3	3,1	4,6
Kenya	5,0	-0,3	7,2	5,7
Ouganda	7,7	-1,4	5,1	4,9
Rwanda	9,5	-3,4	10,2	6,4
Tanzanie	7,0	4,8	4,9	4,8
EAC	6,3	0,9	6,2	5,3
SSA	3,1	-1,7	4,5	3,8

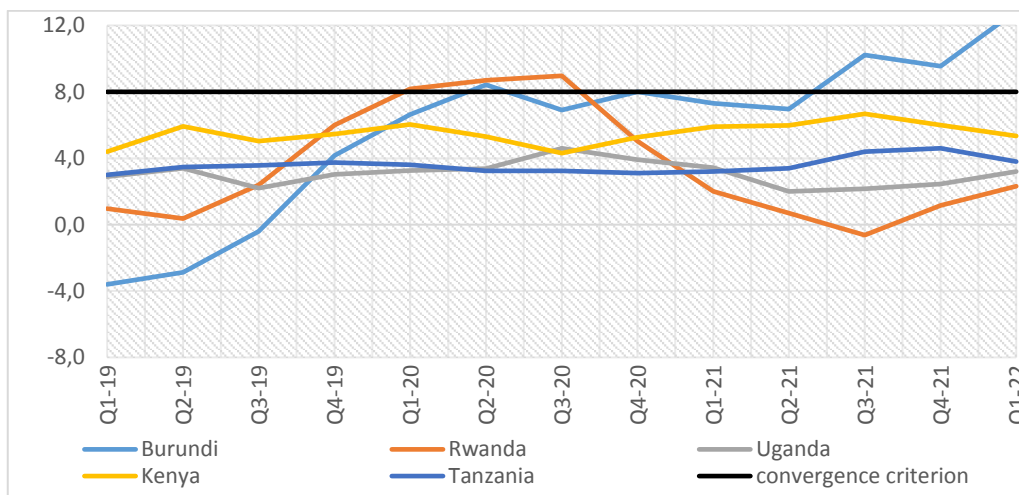
Source: IMF, WB, Regional economic outlook, April 2021

* For Burundi, data are provided in macroeconomic framework, March 2022

Inflation remained within the macroeconomic convergence criterion (8.0 percent) in most EAC member countries except in Burundi. Underlying this outturn was a low level of food prices and stable foreign exchange rates. Quarter-on-quarter basis, inflation rate increased in the first quarter of 2022 in Burundi (12.8 against 9.5 percent), Rwanda (2.3 against 1.2 percent) and Uganda (3.8 against 2.5 percent). However, it decelerated in Kenya (5.3 against 6.0 percent) and in Tanzania (3.0 against 4.6 percent).

On an annual basis, inflation increased in Burundi (12.8 against 6.8 percent), Uganda (3.8 against 3.4 percent) and Rwanda (2.3 against 2.0 percent), while it decelerated in Tanzania (3.0 against 3.2 percent) and Kenya (5.3 against 5.9 percent).

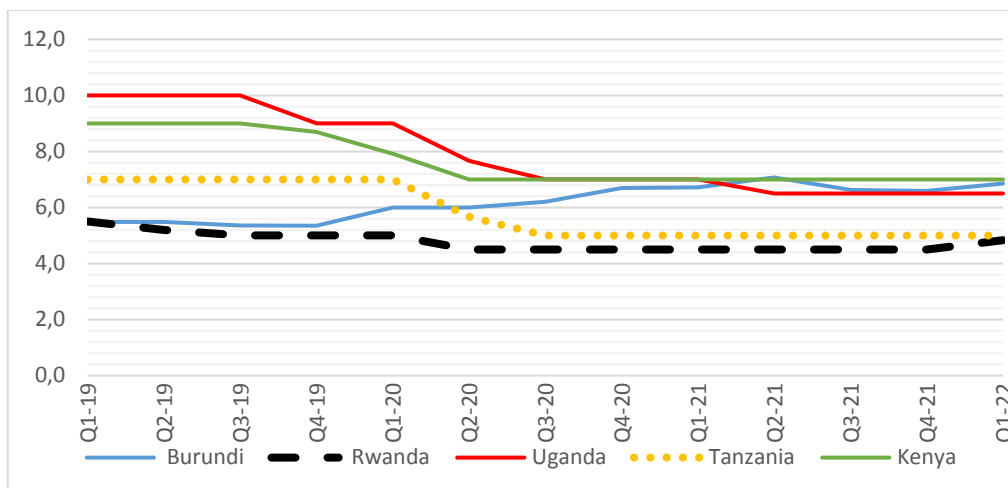
Chart 2: Inflation in EAC countries (in percent)



Source: EAC Central Banks web sites

In the fourth quarter 2021, EAC central banks pursued accommodative monetary policies by easing refinancing conditions in order to stimulate economic growth, which was disrupted by Covid-19 effects.

Chart 3: Central bank interest rates (in percent)



Source: EAC Central Banks web sites

Compared to the previous quarter, policy rates stabilized in Rwanda (4.5 percent), Kenya (7.0 percent), Tanzania (5.0 percent), and Uganda (6.5 percent) and the lending facility rate remained at 6.6 percent in Burundi. All EAC exchanges rates of their local currencies against USD fluctuated within the macroeconomic convergence criteria agreed to insure exchange rate stability (+/-5 percent).

Table 5: USD exchange rate against EAC currencies

	Fin de période				
	USD/TZS	USD/RWF	USD/UGX	USD/KSH	USD/BIF
mars-21	2 298,50	979,28	3 663,93	109,41	1 960,81
déc-21	2 295,30	1 009,61	3 544,40	112,39	2 006,10
mars-22	2 298,50	1 018,59	3 588,16	114,85	2 020,35
Annual change mars-22/mars-21 (%)	0,00	4,01	-2,07	4,97	3,04
Quarterly change march-22/dec-21 (%)	0,14	0,89	1,23	2,19	0,71

Source: EAC Countries Central Banks websites

II. LOCAL ECONOMIC AND FINANCIAL DEVELOPMENT

2.1. Production and Prices

Dry tea production fell by 2.8 percent in the first quarter 2022 compared to the same period of the previous year, standing at 3,399.5 tonnes against 3,498.2 tonnes, following the poor rainfall. Green coffee production decreased by 51.1 percent in the first quarter of 2022, standing at 746.6 against 1,525.7 tonnes in the same period of 2021, mainly driven by the cyclicity of the coffee tree.

The average index of industrial production grew by 11.2 percent year-on-year basis, following the expand in the food industry production (+9.2 percent) as well as the rise production of chemical industries (+27.2 percent) and building materials (16.1 percent). On the other hand,

compared to the previous quarter, this index fell by 10.1 percent, from 159.4 to 143.4, mainly due to the drop in BRARUDI beverage production (-16.0%), counterbalanced by the rise in the production of cigarettes (+34.6 percent).

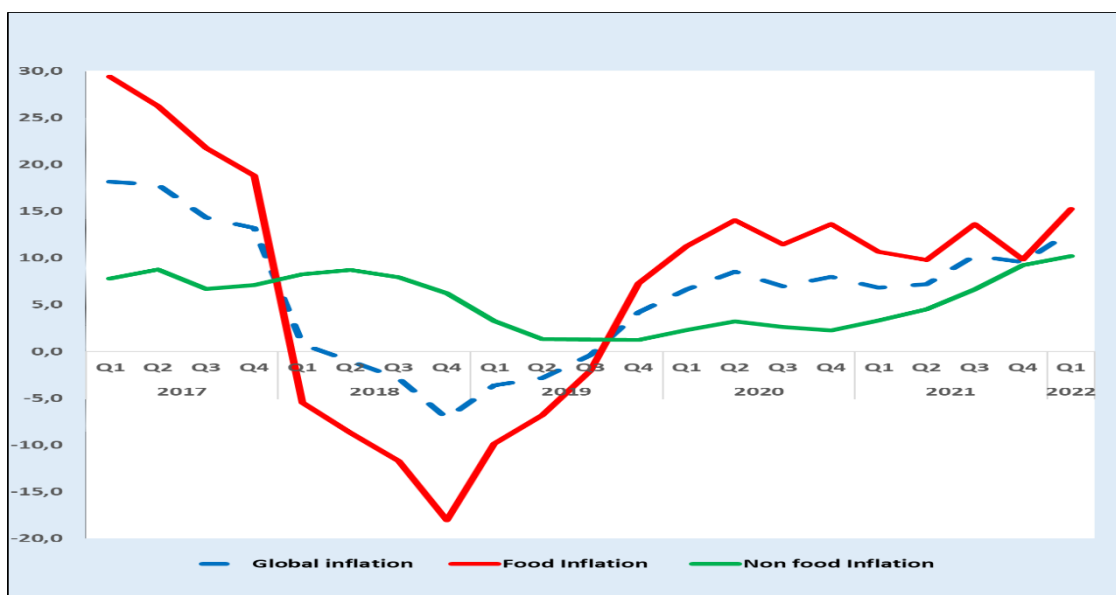
REGIDESO's electricity power production rose by 15.8 percent on an annual basis, rising from 60,414 to 69,928 megawatts reflecting the improvement production of thermal power stations. Likewise, it increased by 9.7 percent in comparison with the previous quarter.

The volume of goods transiting through the Port of Bujumbura fell by 21.8 percent year-on-year basis and 18.9 percent quarter-on-quarter, particularly due to the decrease in imports of cement and sugar.

At Melchior NDADAYE International Airport, the number of passengers sharply picked up year-on-year basis, from 18,570 to 42,771 passengers, linked to the resumption of flights. Compared to the previous quarter, the number of passengers decreased by 17.0 percent. Aircraft traffic went up by 41.9 percent year-on-year basis while it fell by 1.8 percent quarter-on-quarter basis.

Inflation accelerated in the first quarter of 2022, standing at 12.8 against 6.8 percent in the same corresponding quarter of 2021, driven by the increase of food (15.2 against 10.0 percent) and non-food inflation (10.2 against 3.3 percent).

Chart 4: Inflation by major components (in percent)



Source: BRB based on data provided by ISTEERU

Compared to previous quarter (December 2021), inflation also increased (12.8 against 9.5%), driven by both the rise in food (15.2 against 9.8 percent) and non-food inflation (10.2 against 9.2 percent).

For the year 2022, GDP growth could accelerate (4.6 against 3.1 percent in 2021), following the improvement activity in the secondary sector (4.7 against 2.1 percent) and tertiary sector (4.8 against 2.5 percent). However, these forecasts do not take into account the effects of the war in Ukraine.

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

	2018	2019	2020	2021	2022 (Prov.)
1. Real GDP growth	5,3	4,5	0,3	3,1	4,6
Primary sector	7,4	2,8	0,4	4,7	4,3
Secondary sector	2,5	1,1	11,3	2,1	4,7
Tertiary sector	3,2	7,2	-3,4	2,5	4,8
2. Inflation	-2,6	-0,7	7,5	8,4	9,2

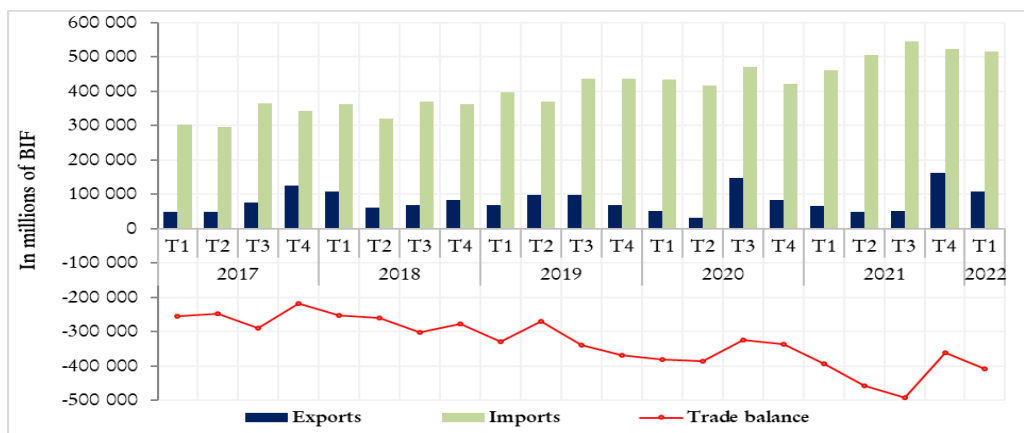
Source: Macroeconomic framework of Burundi, June 2022

2.2. External sector

2.2.1. External trade

The trade balance deficit worsened in the first quarter of 2022 compared to the same quarter of the previous year, amounting to BIF 408,153.2 million from 394,959.4 million. This deterioration resulted from a significant increase in CIF imports in value (BIF 515,900.8 against 461,175.1 million) compared to that of CIF exports (BIF 107,747.6 against 66,215.7 million).

Chart 5: Trade balance (in BIF million)



Source: BRB, based on data from the Tripartite Committee for Foreign Trade Statistics

Exports rose by 62.7 percent in the first quarter of 2022, year-on-year basis, following the increase in primary products and manufactured goods. The rise in exports of primary products is mainly due to the export of non-monetary gold worth BIF 50,466.6 million during the first quarter of 2022. However, some exported products fell, notably coffee (-22.8 percent) and Niobium ores (-89.6 percent). Regarding export of manufactured products, the increase mainly concerned cigarettes (+52.6 percent) and beers (+50.6 percent).

Table 7: Key exported products (in millions of BIF)

	Q1-2021	Q4-2021	Q1-2022
1. Primary products	43 971,0	133 159,6	79 494,3
of which: Coffee	18 861,2	26 374,6	14 557,1
Tea	13 078,1	11 623,7	12 990,2
Niobium ores	11 052,2	11 838,9	1 150,7
Gold	0,0	80 170,5	50 466,6
2.Manufactured products	22 244,7	28 569,1	28 253,3
Of which: Cigarettes	2 818,9	3 090,4	4 301,8
Beers	2 523,7	4 164,4	3 801,3
Wheat flour	2 881,0	2 284,4	2 758,0
TOTAL EXPORTS	66 215,7	161 728,6	107 747,6

Source: BRB, based on data from the Tripartite Committee for Foreign Trade Statistics

Imports expanded by 11.9 percent in the first quarter of 2022 compared to the same period of 2021. This increase concerned all categories of goods, namely imports of intermediate goods (+9.1 percent), imports of capital goods (+4.1 percent) and imports of consumer goods (+19.1 percent)

Table 8: Main imported products (in millions of BIF)

	Q1-2021	Q4-2021	Q1-2022
1. Intermediate goods	202 262,9	242 991,3	220 768,7
of which: Mineral oils	66 706,9	95 898,3	86 679,2
Metallurgy	47 039,6	46 801,3	36 814,2
Foods industry	22 980,3	21 487,4	35 091,4
Construction	23 268,5	32 834,9	25 096,8
Agriculture and livestock	21 302,0	17 544,5	14 135,4
2. Capital goods	88 072,0	103 159,8	91 718,6
of which: Boilers,construction equipment	26 489,2	35 479,7	32 312,9
Tractors,vehicules and transport equipment	24 588,4	27 176,8	21 593,7
Electrical materials	14 301,8	24 814,5	16 932,1
3.Consumer goods	170 840,2	177 238,1	203 413,5
of which: Foods	53 911,5	40 231,4	41 404,2
Pharmaceuticals	36 581,5	38 519,6	37 767,5
Vehicules	15 066,5	21 726,7	17 645,3
Textiles	14 975,4	18 958,6	40 164,6
TOTAL	461 175,1	523 389,2	515 900,8

Source: BRB, based on data from the Tripartite Committee for Foreign Trade Statistics

The improvement of intermediate goods resulted from the rise of mineral oils (+29.9 percent) and foods industry (+52.7 percent), which outweighed the drop in imports of metallurgy goods (-21.7 percent) and those intended for agriculture and livestock (-33.6 percent).

The rise of capital goods was concerned boilers, construction equipment (+22.0 percent) and electrical materials (+18.4 percent). As for the increase in imports of consumer goods, it is largely

attributable to imports of textiles (+168.2 percent) and those of vehicles (+17.1 percent). On the other hand, food consumer goods fell (-23.2 percent).

2.2.2. Balance of payments

The current account recorded a large deficit (BIF 204,234.5 against 158,117.1 million) than in the corresponding period of the previous year. This widening is largely the result of a sharp deterioration in the services deficit (BIF 124,138.4 from 56,907.2million) and, to a lesser extent, the goods deficit (BIF 336,820.3 from 331,769.5 million). On the other hand, the secondary and primary incomes improved, rising respectively to 246,738.1 million from BIF 223,682.5 and 9,986.1 million from BIF 6,877.1.

The capital account surplus slightly edged up in the first quarter of 2022, standing at BIF 78,291.5 million after a surplus of BIF 73,833.7 million recorded in the same quarter of the previous year, mainly in the form of project grants.

Table 9: Balance of payments (in BIF million)

	Q1-2021	Q1-2022
CURRENT ACCOUNT	-158 117,1	-204 234,5
Credit	391 127,6	401 280,4
Debit	549 244,7	605 514,9
Goods	-331 769,5	-336 820,3
Exports FOB	66 215,7	107 747,6
Imports FOB	397 985,2	444 567,9
Services	-56 907,2	-124 138,4
Credit	69 862,6	17 606,1
Debit	126 769,8	141 744,5
Primary income	6 877,1	9 986,1
Credit	11 448,6	14 352,9
Debit	4 571,5	4 366,8
Secondary income	223 682,5	246 738,1
Credit	243 600,6	261 573,8
Debit	19 918,1	14 835,7
CAPITAL ACCOUNT	73 833,7	78 291,5
Credit	73 881,7	78 692,6
Debit	48,0	401,2
<i>Net lending (+)/ Net borrowing (-) from current and capital accounts</i>	<i>-84 283,5</i>	<i>-125 943,1</i>
FINANCIAL ACCOUNT		
<i>Net lending (+)/ Net borrowing(-) from financial account</i>	<i>-70 799,5</i>	<i>-205 845,6</i>
Direct investments	-1 273,6	-3 557,2
Net acquisition of financial assets	9,8	109,5
Net incurrence of liabilities	1 283,4	3 666,7
Portfolio investments	0,0	0,0
Net acquisition of financial assets	0,0	0,0
Net incurrence of liabilities	0,0	0,0
Financial derivatives	0,0	0,0
Net acquisition of financial assets	0,0	0,0
Net incurrence of liabilities	0,0	0,0
Other investments	-35 967,9	-108 794,1
Net acquisition of financial assets	35 952,7	-14 804,5
Net incurrence of liabilities	71 920,6	93 989,6
Reserve assets	-33 558,0	-93 494,4
NET ERRORS AND OMISSIONS	13 483,9	-79 902,5

Source: BRB

The widening in services deficit resulted from the reduction of revenue provided to foreign public administrations (BIF 1,763.31 against 47,551.80 million) as well as the payments made for transport (BIF 93,018.76 against 81,221.48 million). The higher surplus of secondary income is attributable to 67.2% increase in current transfers to the benefit of the public administration that stood at BIF 53,123.42 million compared to 31,773.60 million. Private current transfers,

representing 78.5 percent of total secondary income in the first quarter of 2022, almost stabilized at BIF 193,614.7million compared to 191,908.9 million.

The financial account recorded net capital inflows of BIF 205,845.6 million exceeding that of the same period of the previous year (70,799.5 million of BIF) mainly of other investments (BIF108,794.1 against 35,967.9 million), notably in the form of commercial loans. Reserve assets continued to decline by 93,494.4 million compared to a decrease of BIF 33,558.0 million recorded in the same period of the previous year.

2.3. Public finance

In the first quarter of 2022, the fiscal deficit (including grants) eased compared to that of the same quarter of 2021, standing at BIF 6,681.4 million against BIF 16,589.6 million, reflecting the greater increase of revenue than expenditure. This deficit was mainly financed by net domestic debt.

Table 9: Government Financial Operations (in BIF Million)

	2021		2022
	Q1-2021	Q4-2021	Q1-2022
A. REVENUE AND GRANTS	357,663.5	371,602.8	415,052.1
a. Revenue	284,274.9	312,862.4	341,315.9
Current revenue	284,274.9	312,862.4	341,315.9
Exceptional revenue	-	-	-
b. Grants	73,388.6	58,740.5	73,736.2
Current gants	-	-	-
Investment grants	73,388.6	58,740.5	73,736.2
B. EXPENDITURE	374,253.1	381,202.6	421,733.5
a. Current expenditure	234,603.6	269,714.1	244,658.1
Salaries	120,355.6	120,891.9	121,326.5
b. Investment expenditure	139,649.5	111,488.5	177,075.4
On internal resources	52,265.6	33,197.7	66,854.4
On external and grants resources	87,383.8	78,290.8	110,221.0
OVERALL BALANCEincluding grants (commitment basis)	-16,589.6	-9,599.8	-6,681.4
C. NET FINANCING	15,142.4	-39,507.9	156,497.0
1. EXTERNAL	5,970.4	169,807.1	29,847.6
2. INTERNAL	9,171.9	-209,315.0	126,649.4
D. ERRORS AND OMISSIONS	1,447.2	49,107.7	-149,815.6

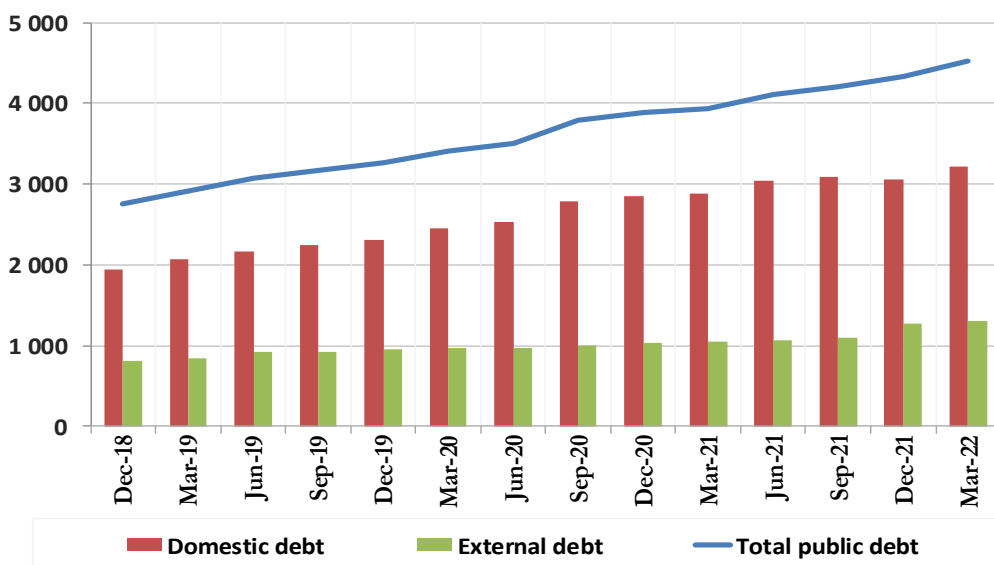
Source: MFBPE

Current revenue went up by 20.1 percent in the first quarter of 2022 in comparison with the same period of 2021, rising from BIF 284,274.9 million to BIF 341,315.9 million, and by 9.1 percent compared to the previous quarter. Capital grants slightly rose by 0.5 percent year-on-year basis, standing at BIF 73,736.2 against BIF 73,388.6 million while it rose by 25.5 percent on a quarterly basis.

Total expenditure expanded by 12.7 percent in the first quarter of 2022, settling at BIF 421,733.5 against BIF 374,253.1 million in the same period of the previous year, due to the increase in capital expenditure (BIF +37,425.9 million) and current expenditure (BIF +10,054.5 million). On a quarterly comparison, they rose by 10.6 percent, reflecting the expansion of capital expenditure of 58.8 percent, current expenditure having decreased by 9.3 percent.

In the year to march 2022, public debt increased by 15.1 percent, standing at 4,529.8 against BIF 3,935.9 billion at the end of March 2021. This increase reflects both the domestic debt (11.5 percent) and external debt (25.0 percent). Compared to the end of the previous quarter, public debt increased by 4.4 percent. The ratio of public debt to GDP represents 60.3 against 59.1 percent in the same period of the previous year.

Chart 6: Public debt (in BIF million)



Source: BRB based on data provided by MFBPE

The domestic debt grew by 11.5 percent from BIF 2,889.3 to 3,222.1 billion year-on-year basis and rose by 5.2 percent on a quarterly basis. Treasury securities and advances from the Central Bank represent 71.1 percent of the total public debt.

The external debt rose by 25.0 percent in the 12-months to march 2022 from 1,036.0 to BIF 1,264.3 billion in line with the increase of drawings (264,439.6 MBIF) and revaluation gains (17,588, 2 MBIF) which exceeded the amortization of the debt (20,894.0 MBIF).

2.4. Monetary sector

Year-on-year basis, the reserve money rose by 22.6 percent and the broad money by 21.9 percent, following the increase in net domestic assets.

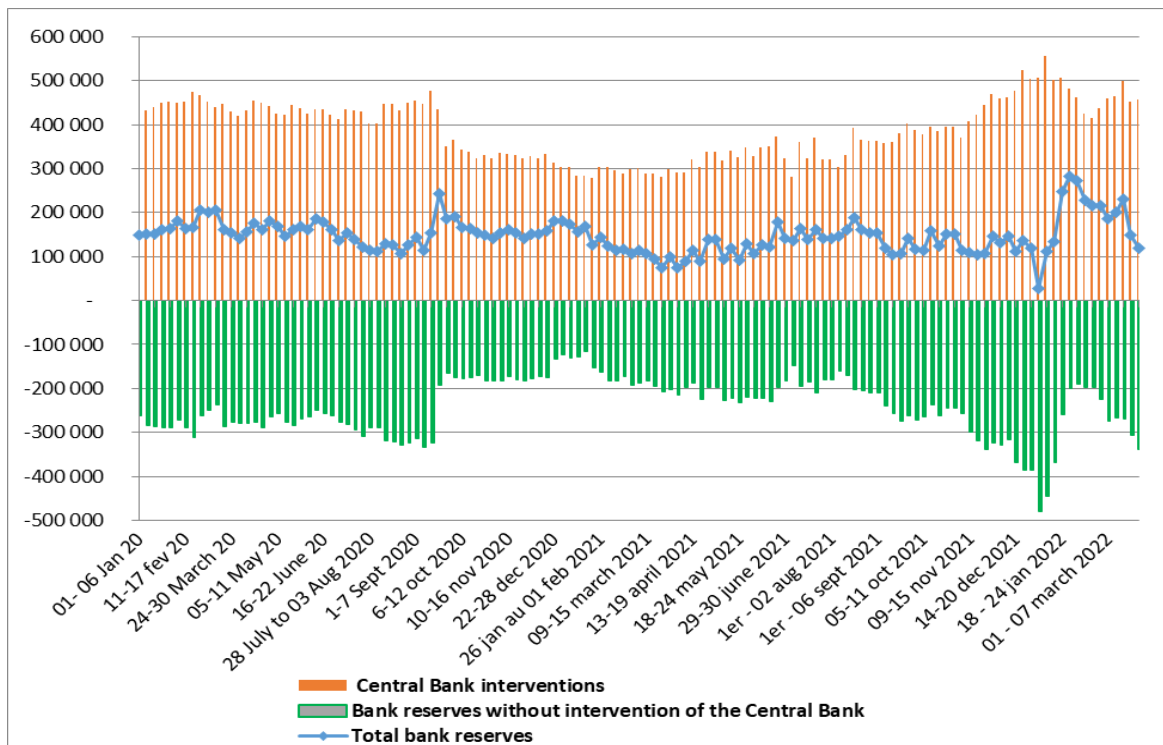
2.4.1. Bank reserves and interest rates

In the first quarter of 2022, banks' reserves improved compared to the previous quarter. Without Central Bank interventions, they would have stood at BIF -280,530 against BIF -302,695 million in the previous quarter, on a weekly average, and at BIF -169,739 million in the same quarter of 2021.

The total outstanding amount of refinancing from the Central Bank to commercial banks rose, reaching BIF 470,620 million, on a weekly average, in the first quarter of 2022 compared to BIF 430,566 million in the previous quarter and BIF 293,753 million in the same period of 2021.

As part of the refinancing of priority sectors, the volume of refinancing increased to 410,307 against BIF 354,716 million in the previous quarter and BIF 62,821 million in the same quarter of the previous year.

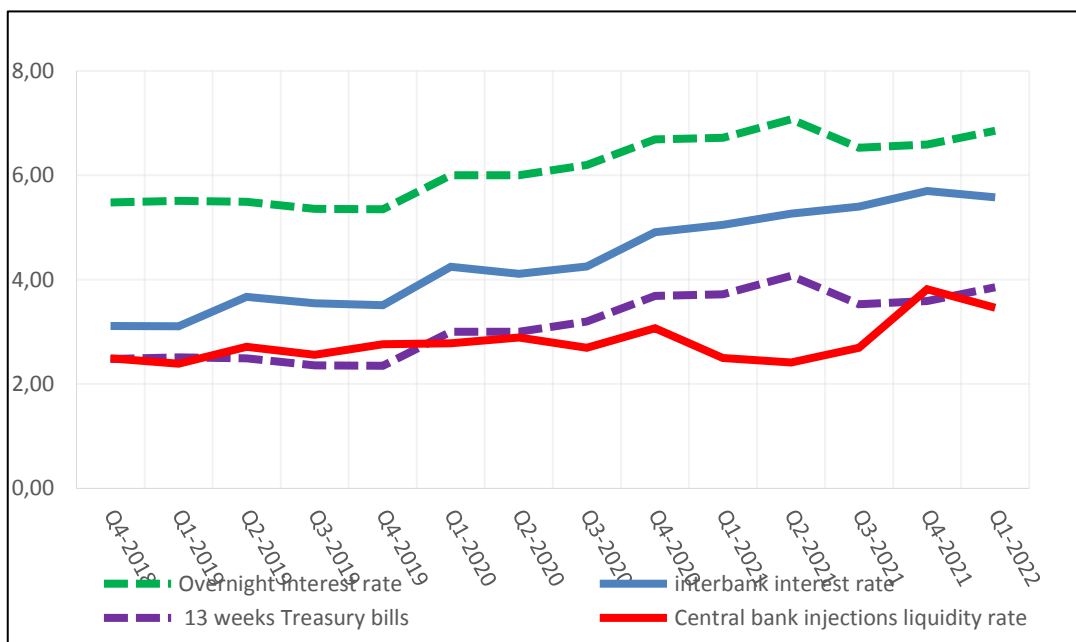
Chart 7: Commercial bank's reserves and BRB's interventions



Source: BRB

Following the improvement in bank reserves, the money market interest rates decreased slightly except the average rate of the overnight lending facility. Indeed, the average interbank market rate decreased from 5.70 to 5.58 percent while the rate on the liquidity injection went down from 3.82 to 3.46 percent. However, the average rate of the overnight lending facility stood at 6.86 against 6.59 percent, following the rise in that on 13-week Treasury bills to which it is indexed, 3.86 against 3.59 percent.

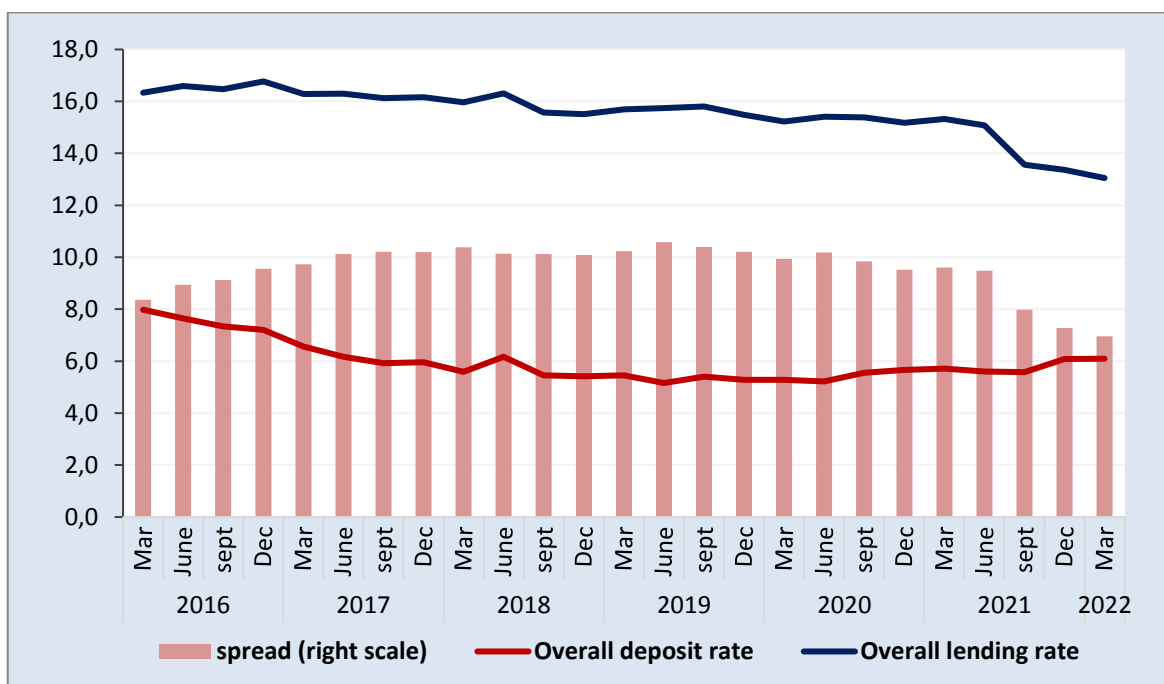
Chart 8: Money market interest rates (percent)



Source: BRB

The lending interest rate on outstanding loans slightly fell at the end of March 2022 averaging 13.05 from 13.36 percent at end of December 2021 and 15.32 percent at end of March 2021. Year-on-year basis, this decrease concerned rates on short-term (14.13 against 15.87 percent), medium-term (12.22 against 15.85 percent) and long-term loans (11.04 against 13.36 percent). Interest rate on loans authorized during the first quarter of 2022 decelerated to 12.23 percent from 12.42 percent at the previous quarter and 14.46 percent recorded in the corresponding quarter of 2021. This downward trend is mainly resulting from the refinancing of foster economic growth sectors at a low-interest rate of 2,0 percent.

Chart 9: Average deposit, lending interest rates and spread (in percent)



Source: BRB

The commercial banks deposit rate slightly increased at the end of March 2022 both quarterly and yearly basis. It averaged 6.09 against 6.08 percent and 5.71 percent, respectively.

Year-on-year basis, the growth concerned interest on interest-bearing demand deposits (3.25 against 2.67 percent), passbook accounts (4.89 against 4.83 percent) and on time deposits and savings (6.33 against 6.16 percent).

2.4.2. Reserve money

The reserve money grew by 21.3 percent from December 2021 to March 2022, it rose to BIF 955,156.9 million from BIF 787,639.5 million. This rise concerned deposits from other depository institutions (+121.0 percent). On the other hand, deposits from other financial institutions (-25.4 percent), those classified as other deposits (-11.8 percent) and currency outside the Central Bank (-4.9 percent) decreased.

Regarding counterparts, both net domestic assets (+15.4 percent) and net foreign assets (+17.2 percent) increased from December 2021 to the end of March 2022. The increase in net domestic assets was supported by the rise in net claims of the Central Bank on the Central Administration (103,4 percent), while the other net items slightly decreased by 1.8 percent. Net domestic assets contributed to reserve money growth by 18.2 percentage points.

Table 10: Reserve money and its counterparts at the end of March 2022 (in BIF million)

	Mar. 2021	Dec. 2021	Mar. 2022	change (in %)	
				Quarterly	Annual
Currency in circulation	503 703,5	567 563,8	539 682,3	-4,9	7,1
Other depository institutions deposits	225 594,1	166 819,3	368 747,2	121,0	63,5
Other financial corporation deposits	4 005,2	1 729,1	1 289,6	-25,4	-67,8
Other deposits	45 673,9	51 527,3	45 437,8	-11,8	-0,5
Base money = Counterparts	778 976,7	787 639,5	955 156,9	21,3	22,6
Net foreign assets	-93 105,3	-141 348,1	-117 059,8	17,2	-25,7
Net domestic assets	872 082,0	928 987,6	1 072 216,7	15,4	22,9
Net claims on the Government	438 033,6	152 245,7	309 626,9	103,4	-29,3
Other items , net	434 048,4	776 741,9	762 589,8	-1,8	75,7

Source: BRB

In the year ending to March 2022, the reserve money increased by 22.6 percent. This growth was attributable to the increase of deposits of other depository institutions (+63.5 percent) and currency outside the central Bank (+7.1 percent) which largely exceeded the decrease of other financial corporations (-67.8 percent) and other deposits (-0.5 percent).

Table 11: Source of the change of reserve money at the end of March 2022

	Change from Mar 2021	Change from Dec 2021
Net foreign assets (NFA)	3,1	-3,1
Net domestic assets (NDA)	18,2	25,7
Net claims on the Government	20,0	-16,5
Other items , net	-1,8	42,2
Base money	21,3	22,6

Source: BRB

Concerning counterparts of the reserve money, the increase was driven by net domestic assets, which increased by 22.9 percent over the year ending March 2022, and contributed 25.7 percentage points to annual base money growth. On the other hand, net foreign assets declined by 25.7 percent and influenced negatively by 3.1 percentage points on the base money growth.

2.4.3. Broad money and counterparts

Quarter-on-quarter basis, the money supply (M3) grew by 5.1 percent at the end of March 2022 and amounted to BIF 3,461.1 billion against BIF 3,293.3 billion. Demand deposits (8.2 percent), time deposits and savings (+ 4.2 percent) and residents' foreign currency deposits (+ 13.8 percent) drove this growth. On the other hand, currency outside depository institutions declined by 7.9 percent.

Regarding M3 counterparts, net domestic assets increased by 4.3 percent and net foreign assets by 3.3 percent. They contributed to the growth of the money supply by 4.8 and 0.3 percentage points, respectively.

The rise of net domestic assets concerned net claims on government (+6.7 percent) and claims on the economy (+6.1 percent), while other net items decreased (-16.8 percent).

Table 12: Broad money and counterparts at the end of March 2022 (in BIF million)

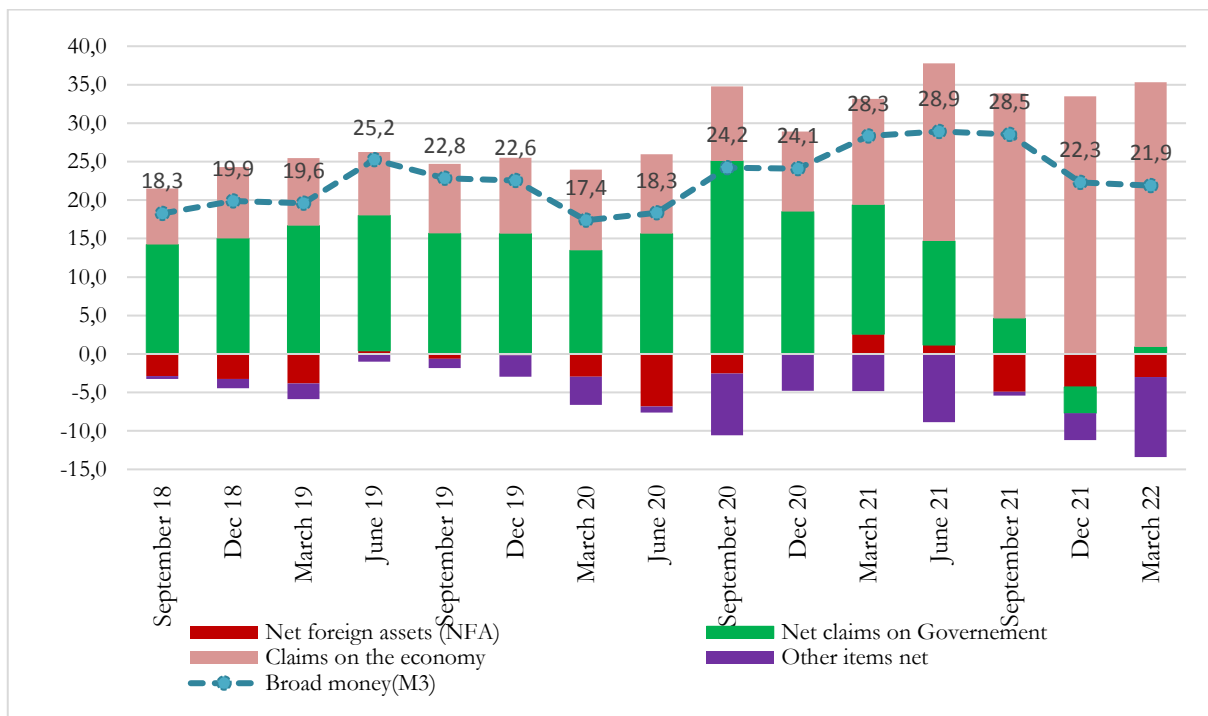
	Mar.2021	Dec.2021	Mar.2022	change (in %)	
Currency outside depository institutions	396 465,3	478 573,7	440 785,8	-7,9	11,2
Demand deposits	1 445 542,9	1 572 501,5	1 701 101,4	8,2	17,7
Time and savings deposits	773 663,3	987 474,7	1 029 218,9	4,2	33,0
Foreign currencies deposits of residents	224 018,7	254 710,7	289 958,9	13,8	29,4
M3= counterparts	2 839 690,2	3 293 260,6	3 461 065,0	5,1	21,9
NFA	-227 799,0	-322 390,5	-311 740,7	3,3	-36,8
NDA	3 067 489,2	3 615 651,1	3 772 805,7	4,3	23,0
Domestic credit	3 585 135,6	4 311 232,2	4 585 380,0	6,4	27,9
Net claims on the Government	2 034 905,8	1 930 746,0	2 059 605,6	6,7	1,2
Claims on the economy	1 550 229,8	2 380 486,2	2 525 774,4	6,1	62,9
Net other items	-517 646,4	-695 581,1	-812 574,3	-16,8	-57,0

Source: BRB

The money supply (M3) edged up by 21.9 percent in the year ending March 2022. This increase concerned all its components, namely: demand deposits (+17.7 percent), term and savings deposits (+33.0 percent), residents' foreign currency deposits (+29.4 percent) and currency in circulation outside depository institutions (+11.2 percent)

The annual growth of M3 resulted from the increase in net domestic assets (+23.0 percent) which contributed positively by 24.8 percentage points. On the other hand, net foreign assets, which decreased by 36.8 percent, affected negatively the M3 annual growth by 3.0 points percentage.

Chart 10: Contribution to money supply growth by its counterparts



Source: BRB

The rise in net domestic assets was mainly driven by the growth of claims on the economy (+62.8 percent), following the refinancing of economic leading growth sectors. On the other hand, net claims on the Central government increased slightly by 1.2 percent, while other net items declined by 57.0 percent.

2.4.4. Gross foreign assets

At the end of March 2022, the external assets of the banking sector declined by 3.5 percent quarter to quarter, while they expanded by 73.6 percent compared to the same period of 2021.

Table 13: External assets (in millions USD)

	End of period, in USD million			Change in %	
	Mar.2021	Dec.2021	Mar.2022	Quarterly	Annual
Foreign assets held by BRB	108,5	295,7	301,0	1,8	177,4
O/w: official Reserves	75,9	266,6	273,1	2,4	259,7
Foreign assets held by commercial banks	107,2	92,4	73,3	-20,6	-31,6
Total foreign assets	215,7	388,1	374,4	-3,5	73,6

Source: BRB

On a quarterly comparison, the BRB's foreign assets slightly increased by 1.8 percent at the end of March 2022 and sharply rose by 177.4 percent year-on-year basis, standing at 301.0 MUSD against 295.7 MUSD recorded at the end December 2021 and 108.5 MUSD at the end of March 2021. Similarly, official foreign exchange reserves slightly increased by 2.4 percent quarter-on-quarter.

They significantly increased by 259.7 percent, year-on-year basis, owing the increase in holdings of SDRs (+412,843.4 MBIF), resulting from the new allocation of 147.6 million SDRs from the IMF.

Foreign assets of commercial banks decreased, both quarterly (-20.6 percent) and yearly basis (-31.6 percent), standing at 73.4 MUSD at the end of March 2022, compared to 92.4 MUSD at the end of December 2021 and 107.2 MUSD at the end of March 2021.

2.5. Banking sector developments and financial stability

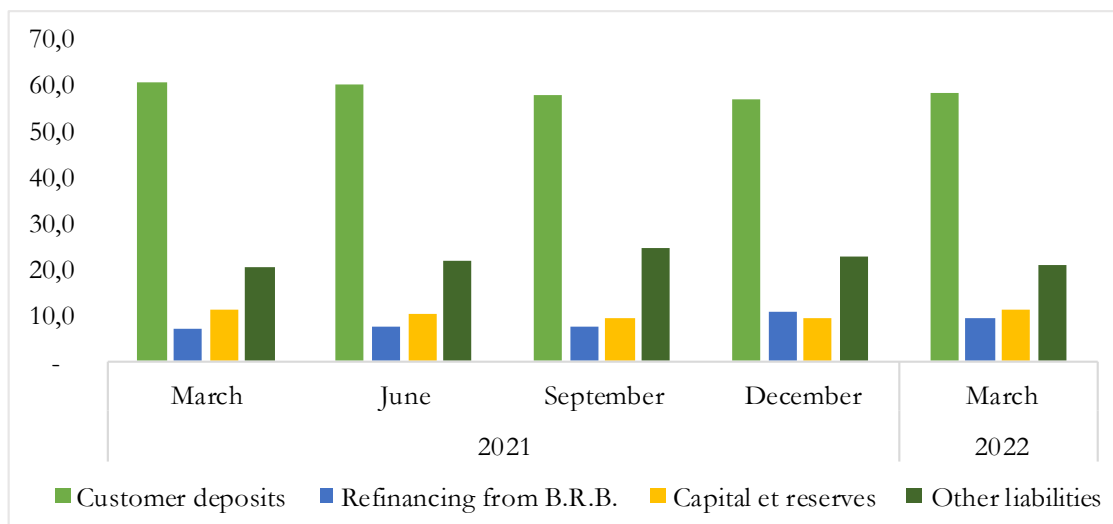
At the end of March 2022, the aggregate balance sheet of the banking sector grew by 28.7 percent year-on-year basis and 6.0 percent quarter-on-quarter. On the asset side, the improvement reflects the rise in loans to the economy and the government’s debt securities. On the liabilities side, it relied on an increase in customer deposits and Central Bank refinancing. The capital adequacy ratios as well as profitability ratios slightly fell.

2.5.1. Banking activities

2.5.1.1. Main Resources

Year-on-year basis, customer deposits increased by 23.8 percent at the end-March 2022, settling to BIF 3,064.7 billion from BIF 2,476.4 billion. It grew by 8.8 percent quarter-on-quarter basis. The Central Bank refinancing rose by 63.2 percent, reaching BIF 479.3 billion from BIF 284.6 billion. However, they fell down 9.7 percent on a quarterly basis.

Chart 10: Liabilities structure (in percent of the total)

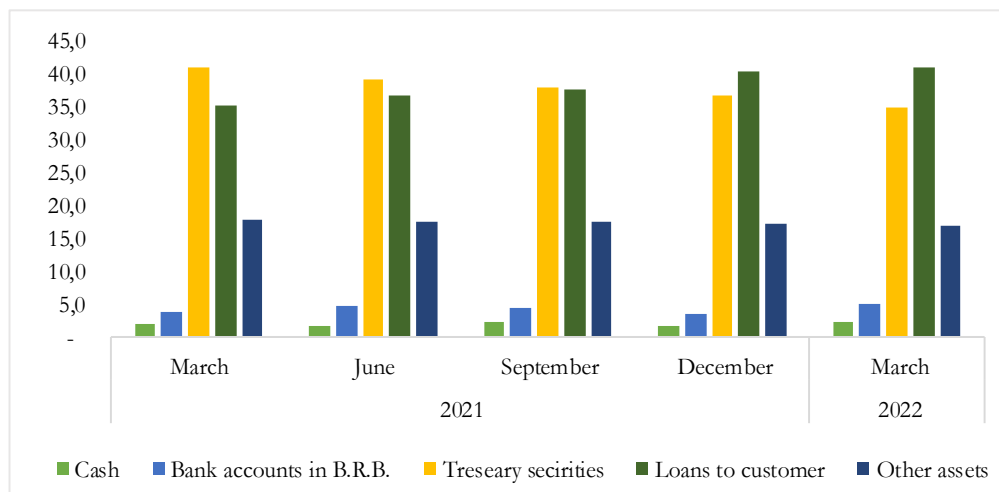


Source: BRB

2.5.1.2. Main Assets

Loans to customer expanded by 49.1 percent year-on-year basis, standing at 2,140.3 at the end-March 2022 from BIF 1,435.2 billion and by 7.2 percent from the previous quarter. The government's debt securities grew by 9.5 percent at the end-March 2022, rising from BIF 1,665.1 to BIF 1,823.6 billion. They slightly increased by 0.3 percent from the previous quarter.

Chart 11: Banking sector assets (in percent of the total)

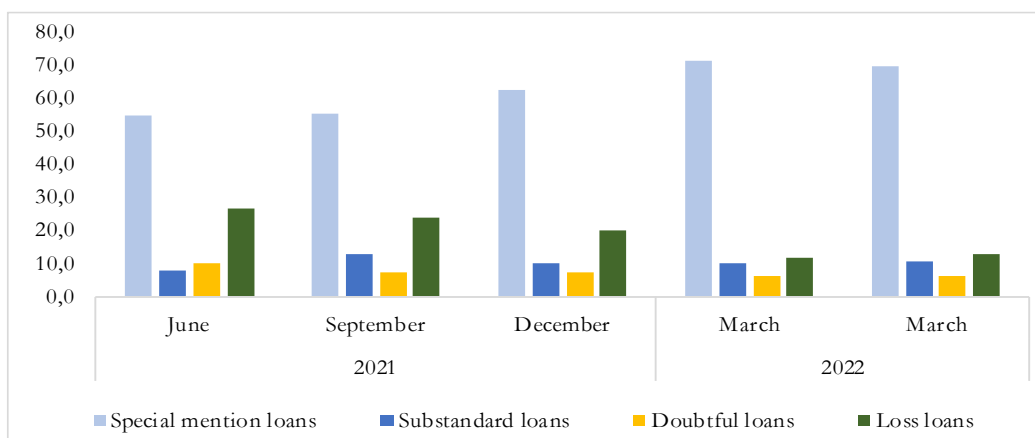


Source: BRB

2.5.2. Loans portfolio quality

Year-on-year basis, past-due loans increased by 26.9 percent, amounting from BIF 172,589.8 million to BIF 218,975.0 million and by 20.2 percent in the quarter ending March 2022. The proportion of non-performing loans in the total past-due loans fell by 10.9 percentage points year-on-year, settling to 28.7 percent at the end of March 2022 from 39.6 percent. However, the share of special mention loans increased from 60.4 to 71.3 percent.

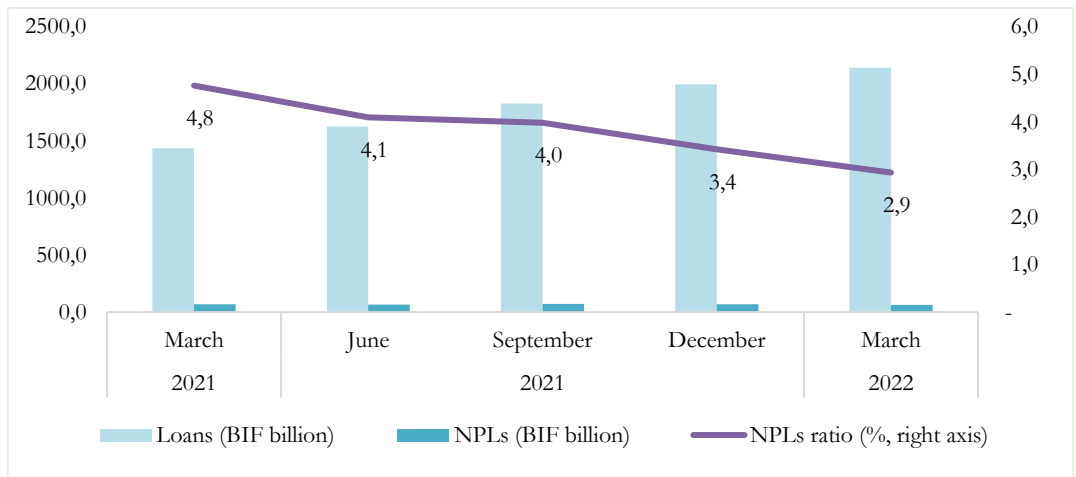
Chart 12: Overdue loans per class (in percent)



Source: BRB

The quality of loan portfolio slightly improved at the end of March 2022. The loan portfolio’s default rate stood at 2.9 percent from 4.8 percent in the corresponding month in 2021 and 3.4 percent at the end-December 2021.

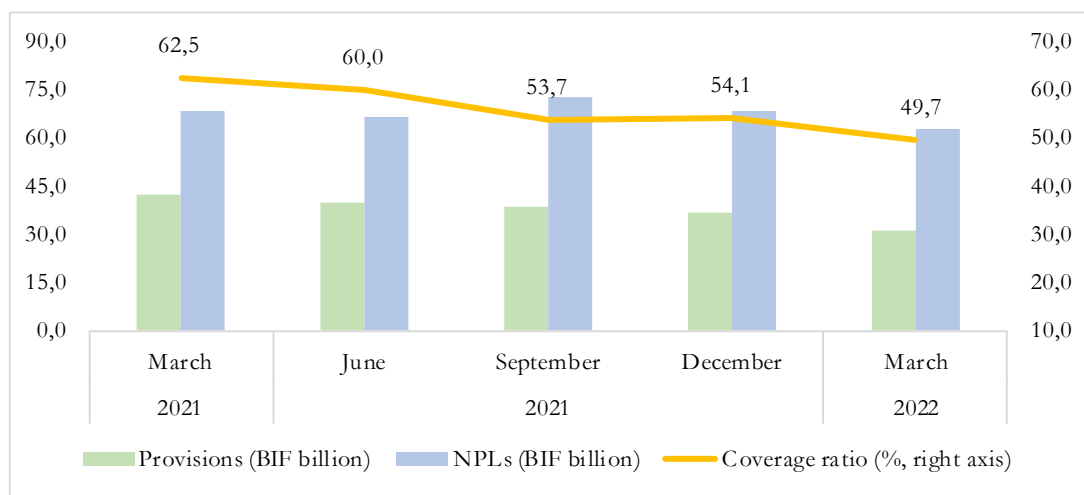
Chart 13: Non-performing loans ratio (in percent)



Source: BRB

The coverage ratio of non-performing loans by provisions decreased, standing at 49.7 percent at the end-March 2022 from 54.1 percent in the previous quarter and 62.5 percent in the corresponding quarter in 2021. Such a decrease was linked with the write-off of compromised loans which lasted 24 months or greater.

Chart 14: Provisions and coverage rate

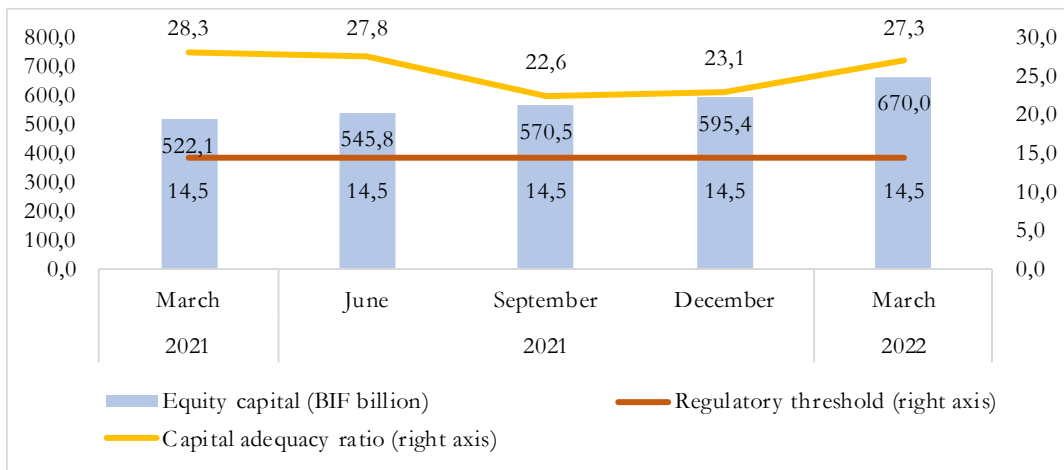


Source: BRB

2.5.3. Capital adequacy

At the end of March 2022, the banking sector’s total capital increased by 28.3 percent year-on-year basis, standing to BIF 670.0 billion from BIF 522.1 billion and grew by 12.5 percent quarter-on-quarter. The overall capital adequacy ratio fell slightly from 28.3 percent at the end-March 2021 to 27.3 percent at the end-March 2022.

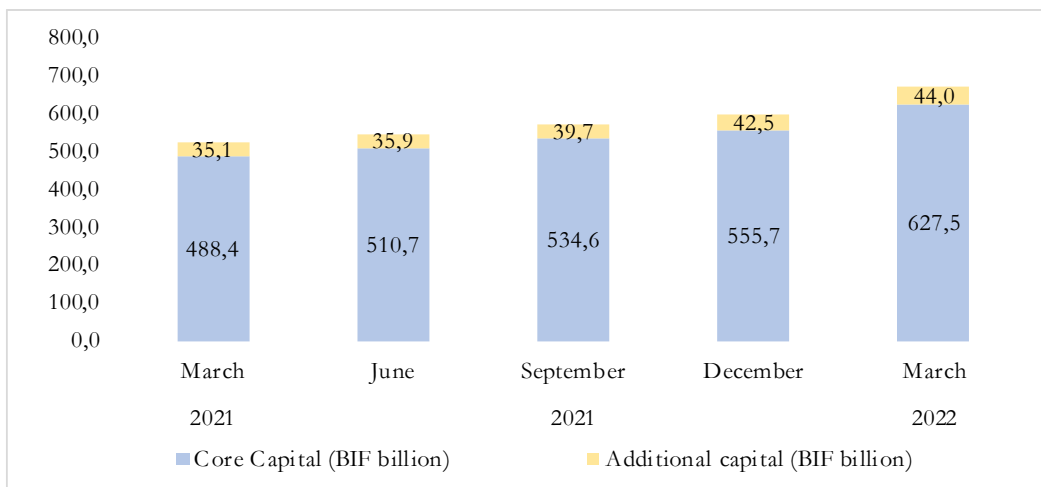
Chart 15: The Banking sector's Equity



Source: BRB

Compared at the end of December 2020, the core capital adequacy ratio grew by 28.5 percent at the end-March 2022, settling to BIF 627.5 billion from BIF 488.4 billion, in line with the improvement of capital buffers. They increased by 12.9 percent from the end-December 2021.

Chart 16: Composition of equity (in BIF billion)



Source: BRB

2.5.4. Banking sector's profitability

The Gross income increased by 24.8 percent at the end-March 2022, reaching BIF 91,553.0 million from BIF 73,362.5 million at the end-March 2021. Similarly, net income increased by 18.4 percent, standing to BIF 42,491.0 million from BIF 35,880.5 million at the end-March 2021. Nonetheless, the average return on assets (ROA) and equity (ROE) decreased respectively from 0.9 and 6.9 percent to 0.8 and 6.3 percent.

CONCLUSION AND MONETARY POLICY MEASURES

In the first quarter 2022, economic growth decelerated in all the main OECD economies (0.3 against 1.2 percent). This economic slowdown resulted from the drop in household consumption, due to the rise in the prices of food and energy products following the war in Ukraine.

According to IMF forecasts made in April 2022, world economic growth is expected to edge down, from 6.1 percent in 2021 to 3.6 percent in 2022, reflecting supply chain disruptions and acceleration of inflation.

In the East African Community countries, economic growth is expected to decelerate in 2022 (5.3 against 6.2 percent in 2021), following supply chain disruptions and soaring of fuel and food price commodities. However, this growth would be higher than that of all of sub-Saharan Africa (3.8 percent), due to the major investments in infrastructures and good agricultural production in most EAC countries.

Regarding local economic development, the macroeconomic forecasts framework indicate that economic activity could accelerate (4.6 against 3.1 percent in 2021), in connection with the improvement in the secondary (4.7 against 2.1 percent) and tertiary sectors (4.8 against 2.5 percent). Headline inflation could rise due to the increase in food and energy prices.

In the perspective, the Bank of the Republic of Burundi will continue the accommodative monetary policy in 2022 through the refinancing of the identified priority namely agro-pastoral and industrial sectors, infrastructure, social housing, hotels and tourism and ensure that inflationary pressures are contained.

ANNEXES

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

	2018	2019	2020	2021	2022(p)
Primary Sector	535 187,4	550 279,3	552 326,3	578 500,0	603 239,4
- Subsistence agriculture	462 804,2	486 173,3	490 062,7	515 800,0	535 400,4
- Export Agriculture	21 939,7	17 912,6	21 185,5	18 200,0	19 914,0
- Coffee	7 062,7	2 825,1	5 506,1	2 100,0	2 940,0
- The	12 465,0	13 587,5	13 579,4	13 800,0	14 352,0
-Other export agriculture	2 412,0	1 500,0	2 100,0	2 300,0	2 622,0
- Forest	14 315,0	13 956,1	14 933,0	15 000,0	16 200,0
- Livestock	31 895,5	28 110,4	21 729,3	25 000,0	27 000,0
- Fishing	4 233,0	4 126,9	4 415,8	4 500,0	4 725,0
Secondary sector	355 945,4	359 994,8	400 590,9	408 900,0	428 268,2
-Mining	11 041,0	11 271,6	11 170,2	11 300,0	12 204,0
- Industries	242 429,2	243 711,2	255 823,6	255 500,0	266 639,0
- Food Industries	191 359,0	192 457,7	200 733,4	201 800,0	210 881,0
- Manufacturing	51 070,2	51 253,5	55 090,2	53 700,0	55 758,0
- Textile Industries	8 768,1	8 034,7	8 950,0	9 000,0	9 270,0
- Other monufacturing industries	42 302,1	43 218,8	46 140,2	44 700,0	46 488,0
- Water, gas and electricity	9 454,5	9 222,1	8 687,2	9 700,0	10 670,0
- Construction	93 020,7	95 789,8	124 909,9	132 400,0	138 755,2
Tertiary sector	881 405,1	945 133,7	913 318,0	935 750,0	980 989,8
- Trade	71 345,2	74 155,9	70 077,3	71 600,0	74 464,0
- Transport and communication	73 380,0	80 835,5	61 761,3	72 200,0	74 987,0
- Transport	19 214,0	21 047,4	16 081,0	20 700,0	21 942,0
- Postes, Telecommunication and internet	54 166,0	59 788,0	45 680,3	51 500,0	53 045,0
- Banks and insurance	122 670,0	156 605,5	155 979,1	187 700,0	208 347,0
- Accommodation, Food and other Merchant S	114 061,5	119 269,4	69 653,3	74 400,0	78 864,0
- Public Administration	344 033,0	353 697,8	370 675,3	382 500,0	401 625,0
- Education	226 317,0	233 716,0	244 934,4	246 100,0	254 713,5
- Health and social services	15 519,0	16 041,5	17 645,6	18 800,0	19 740,0
- Activities of a collective or personal nature	59 368,0	61 640,1	61 886,7	56 900,0	60 314,0
- Domestic services	4 589,4	4 765,0	4 784,1	4 850,0	5 165,3
- SIFIM	- 149 878,0	- 155 593,0	- 144 079,1	- 179 300,0	- 197 230,0
GDP at cost of factors(1+2+3)	1 772 537,9	1 855 407,7	1 866 235,2	1 923 150,0	2 012 497,4
Indirect taxes minus subsidies	240 603,8	247 869,8	243 687,0	252 120,0	263 833,2
GDP at market price	2 013 141,7	2 103 277,5	2 109 922,3	2 175 270,0	2 276 330,6

Source: MBGP

ANNEX 2: INFLATION BY MAIN COMPONENTS (in percent)

Period	Headline Inflation	Food inflation	Non-food inflation
mar-19	2.9	-7.8	2.3
apr-19	-2.2	-6.1	1.9
may-19	-2.4	-5.8	1.2
june-19	-4.0	-8.6	0.9
july-19	-2.6	-6.2	1.1
aug-19	-0.6	-2.9	1.6
sept-19	2.0	2.9	1.1
oct-19	4.0	6.4	1.8
nov-19	3.6	6.5	0.8
dec-19	5.0	8.9	1.1
jan-20	5.2	8.6	1.8
feb-20	7.6	13.1	2.6
mar-20	7.1	12.1	2.4
apr-20	7.9	12.9	2.9
may-20	9.2	15.3	3.3
june-20	8.5	13.9	3.5
july-20	7.7	12.7	3,0
aug-20	6.7	11,0	2.6
sept-20	6.4	10.6	2.2
oct-20	7.0	12.1	1.9
nov-20	8.9	15.6	2.3
dec-20	8.0	13.2	2.5
jan-21	6.5	10.4	2.4
feb-21	6.1	9.0	3.0
mar-21	7,8	10,9	4,5
apr-21	7,4	11,9	2,8
may-21	5,1	5,2	5,0
june-21	9,1	12,2	5,7
july-21	9,7	13,0	6,2
aug-21	10,5	14,2	6,6
sept-21	10,5	13,7	7,1
oct-21	9,9	11,6	8,0
nov-21	9	8,3	9
dec-21	10	10	10
jan-22	12,3	14,4	9,9
feb-22	13,4	16,2	10,3
mar-22	12,8	15,1	10,4

Source: ISTEERU

Annex 3: Government Financial Operations (in BIF million)

Period	Revenue			Expenditures	Overall Balance
	Fiscal Revenue	Grant	Total		
mar-19	97 566,21	19 018,00	116 584,21	95 854,20	20 730,01
apr-19	76 198,11	19 259,45	95 457,56	152 308,27	-56 850,71
may-19	69 221,83	20 060,20	89 282,03	129 765,02	-40 483,00
june-19	99 216,12	32 212,40	131 428,52	116 694,18	14 734,34
july-19	70 893,23	18 882,46	89 775,68	130 004,84	-40 229,15
aug-19	91 851,64	11 589,11	103 440,75	105 699,38	-2 258,63
sept-19	89 691,65	23 581,07	113 272,72	144 925,37	-31 652,65
oct-19	96 140,47	23 253,33	119 393,80	151 672,93	-32 279,13
nov-19	78 123,50	26 000,51	104 124,00	133 114,44	-28 990,44
dec-19	86 974,57	21 300,56	108 275,13	100 145,51	8 129,61
jan-20	84 602,42	17 563,17	102 165,58	114 803,17	-12 637,59
feb-20	70 437,11	24 819,09	95 256,20	109 187,15	-13 930,94
mar-20	104 361,79	22 169,26	126 531,06	121 435,57	5 095,49
apr-20	81 088,28	14 356,77	95 445,05	105 770,61	-10 325,56
may-20	64 196,98	21 014,92	85 211,91	92 722,58	-7 510,68
june-20	105 149,52	23 282,14	128 431,66	130 554,89	-2 123,23
july-20	80 468,49	31 237,30	111 705,79	131 731,09	-20 025,30
aug-20	98 712,28	13 544,26	112 256,54	151 466,22	-39 209,69
sept-20	103 379,33	20 839,74	124 219,07	409 881,61	-285 662,54
oct-20	92 487,26	21 455,51	113 942,76	121 886,82	-7 944,05
nov-20	84 106,39	22 249,15	106 355,54	134 012,52	-27 656,98
dec-20	104 277,50	24 492,11	128 769,61	111 108,51	17 661,10
jan-21	91 493,07	22 202,28	113 695,36	110 744,02	2 951,34
feb-21	77 932,34	22 328,56	100 260,89	117 578,08	-17 317,18
mar-21	114 849,48	28 857,73	143 707,21	139 326,45	4 380,76
apr-21	100 678,98	27 187,14	127 866,12	143 533,14	-15 667,02
may-21	86 584,95	22 222,28	108 807,23	142 178,14	-33 370,91
june-21	121 489,14	29 071,92	150 561,05	233 398,40	-82 837,35
july-21	98 153,03	4 181,79	102 334,82	146 824,50	-44 489,68
aug-21	117 462,41	24 745,57	142 207,97	155 146,12	-12 938,14
sept-21	115 816,26	15 387,64	131 203,90	125 504,07	5 699,83
oct-21	108 200,87	21 133,48	129 334,35	125 784,40	3 549,95
nov-21	93 249,62	16 607,35	109 856,97	109 208,56	648,41
dec-21	111 411,91	12 226,81	123 638,72	137 574,91	-13 936,19
jan-22	101 804,74	21 712,92	123 517,65	136 776,23	-13 258,58
feb-22	86 721,35	18 989,39	105 710,73	146 142,45	-40 431,72
mar-22	152 789,79	33 033,91	185 823,70	138 814,82	47 008,88

Source: MFBP

ANNEX 4: Government debt (in BIF million)

Period	BRB	Tresury securities	others	Total domestic debt	External debt	Total Government debt
mar-19	776 260,3	1 230 561,3	66 134,8	2 066 815,1	842 605,3	2 909 420,4
apr-19	749 554,5	1 264 065,9	66 482,8	2 073 957,4	867 778,9	2 941 736,3
may-19	741 946,8	1 309 285,8	59 356,4	2 110 469,8	908 183,5	3 018 653,3
june-19	762 094,0	1 339 778,2	59 215,0	2 158 605,5	916 027,0	3 074 632,5
july-19	702 399,9	1 357 433,8	55 134,4	2 114 968,1	929 050,5	3 044 018,6
aug-19	759 491,5	1 393 116,1	59 369,6	2 211 977,2	932 695,8	3 144 673,0
sept-19	756 889,1	1 417 542,6	65 322,7	2 239 754,4	927 716,5	3 167 470,9
oct-19	751 684,2	1 450 627,6	76 553,5	2 278 865,3	937 501,2	3 216 366,5
nov-19	749 081,8	1 485 104,1	74 319,9	2 308 505,8	940 872,9	3 249 378,7
dec-19	746 479,4	1 497 527,9	70 919,8	2 314 927,1	948 429,4	3 263 356,5
jan-20	746 479,3	1 570 840,3	120 847,6	2 438 167,2	958 542,6	3 396 709,8
feb-20	743 876,9	1 549 397,3	121 652,4	2 414 926,6	959 597,4	3 374 524,0
mar-20	738 672,0	1 583 158,2	123 953,4	2 445 783,6	965 054,0	3 410 837,6
apr-20	736 069,6	1 569 310,4	120 741,5	2 426 121,5	963 078,7	3 389 200,2
may-20	737 921,8	1 621 691,9	113 556,4	2 473 170,1	966 901,1	3 440 071,2
june-20	736 222,2	1 673 338,5	114 730,7	2 524 291,4	977 731,5	3 502 022,9
july-20	737 624,5	1 709 342,7	119 194,8	2 566 162,0	988 004,0	3 554 166,0
aug-20	751 455,5	1 727 229,2	112 094,3	2 590 779,0	1 000 919,8	3 591 698,8
sept-20	901 482,7	1 744 967,4	144 592,9	2 791 043,0	1 003 104,0	3 794 147,0
oct-20	901 974,9	1 763 000,2	141 644,5	2 806 619,6	1 013 063,4	3 819 683,0
nov-20	899 449,4	1 779 700,1	144 982,9	2 824 132,4	1 023 272,7	3 847 405,1
dec-20	894 667,8	1 816 692,6	138 993,1	2 850 353,5	1 035 965,0	3 886 318,5
jan-21	894 667,8	1 832 306,3	143 346,2	2 870 320,3	1 041 679,1	3 911 999,4
feb-21	894 117,9	1 864 441,1	169 560,6	2 928 119,6	1 039 174,9	3 967 294,5
mar-21	864 066,4	1 853 171,3	172 078,8	2 889 316,5	1 057 321,9	3 946 638,4
apr-21	893 573,6	1 866 450,8	163 441,3	2 923 465,7	1 061 414,4	3 984 880,1
may-21	893 272,0	1 899 966,9	151 390,7	2 944 629,6	1 072 236,6	4 016 866,2
june-21	957 639,8	1 935 027,6	147 690,7	3 040 358,1	1 079 747,9	4 120 106,1
july-21	964 779,1	1 988 324,3	133 698,8	3 086 802,2	1 074 426,0	4 161 228,2
aug-21	937 750,1	2 023 132,4	145 318,3	3 106 200,8	1 105 089,2	4 211 290,0
sept-21	903 396,7	2 048 624,1	141 114,8	3 093 135,6	1 118 819,8	4 211 955,4
oct-21	902 793,7	2 052 646,6	142 125,0	3 097 565,3	1 279 409,1	4 376 974,4
nov-21	923 914,9	2 043 143,0	124 201,8	3 091 259,7	1 283 741,0	4 375 000,7
dec-21	901 529,1	2 046 057,7	115 614,2	3 063 201,0	1 290 078,5	4 353 279,5
jan-22	1 075 694,8	2 033 444,3	108 954,3	3 218 093,4	1 299 858,8	4 517 952,2
feb-22	1 075 694,8	2 046 154,0	109 791,1	3 231 639,9	1 330 021,4	4 561 661,3
mar-22	1 075 694,8	2 040 766,5	105 602,1	3 222 063,4	1 326 940,6	4 549 004,0

Source: BRB and MFBP

ANNEX 5: Bank reserves (in BIF million)

Period	Total banking sector reserves	Central Bank Interventions
mar-19	192 194	281 986
apr-19	167 995	292 282
may-19	163 240	315 130
june-19	170 302	334 215
july-19	153 993	339 205
aug-19	157 630	345 488
sept-19	152 207	363 439
oct-19	156 012	394 511
nov-19	146 124	403 814
dec-19	155 224	406 075
janv-20	154 268	436 181
feb-20	174 541	459 837
mar-20	182 136	442 928
apr-20	161 386	439 302
may-20	162 923	434 219
june-20	171 658	429 154
july-20	134 709	424 606
aug-20	120 569	440 119
sept-20	164 248	446 366
oct-20	164 054	339 258
nov-20	151 140	330 083
dec-20	162 574	322 720
jan-21	151 967	289 339
feb-21	114 955	295 983
mar-21	98 996	291 565
apr-21	100 840	309 092
may-21	114 239	333 837
june-21	134 515	344 713
july-21	148 433	331 211
aug-21	158 500	345 544
sept-21	124 443	372 132
oct-21	132 806	388 070
nov-21	121 764	418 070
dec-21	129 044	485 559
jan-22	160 574	510 364
feb-22	232 936	434 483
mar-22	176 759	467 012

Source: BRB

ANNEX 6: Money market interest rate (in percent)

	Interbank market	Overnight interest rate	liquidity providing	Tresury Bill at 13 weeks
mar-19	-	5,50	2,41	2,50
apr-19	3,66	5,48	2,63	2,48
may-19	3,67	5,50	2,69	2,50
june-19	3,69	5,50	2,82	2,50
july-19	3,68	5,45	2,55	2,45
aug-19	3,58	5,35	2,55	2,35
sept-19	3,40	5,29	2,59	2,29
oct-19	3,34	5,22	2,65	2,22
nov-19	3,62	5,20	2,63	2,20
dec-19	3,56	5,63	2,99	2,63
janv-20	3,99	5,68	3,21	2,68
feb-20	4,78	5,88	2,54	2,88
mar-20	3,97	6,00	2,58	3,00
apr-20	4,07	6,00	2,87	3,00
may-20	4,16	6,00	2,85	3,00
june-20	4,11	6,00	2,96	3,00
july-20	4,07	6,00	2,74	3,00
aug-20	4,27	6,00	2,77	3,00
sept-20	4,42	6,60	2,58	3,60
oct-20	4,73	6,60	2,36	3,44
nov-20	4,93	6,60	2,91	3,74
dec-20	5,06	6,87	3,93	3,86
jan-21	5,13	6,77	2,87	3,81
feb-21	5,17	6,59	2,40	3,78
mar-21	4,85	6,79	2,23	3,78
apr-21	5,16	7,12	2,24	4,12
may-21	5,32	7,04	2,46	4,04
june-21	5,31	7,06	2,53	4,06
july-21	5,16	6,96	2,50	3,96
aug-21	5,48	6,30	2,60	3,30
sept-21	5,56	6,33	2,99	3,33
oct-21	5,45	6,46	4,16	3,46
nov-21	5,87	6,43	4,36	3,43
dec-21	5,78	6,88	2,93	3,88
jan-22	5,30	6,95	3,20	3,95
feb-22	5,73	6,92	3,28	3,92
mar-22	5,71	6,85	3,91	3,85

Source: BRB

ANNEX 7: Main activity indicators of the banking sector in December 2021 (in BIF Million)

	31/03/2021	31/12/2021	31/03/2022	Quarterly change in %	Annual change in %
I. ASSETS	4 061 010,4	4 929 212,8	5 224 581,0	2,0	26,6
I.1. Main assets	3 479 207,3	4 211 658,2	4 460 634,7	1,1	26,0
A. Liquid assets	2 044 027,8	2 215 616,2	2 320 315,5	- 5,2	9,1
. Cash	76 152,7	88 833,1	121 163,7	- 19,3	1,6
. Balance in B.R.B.	156 656,8	176 563,8	256 960,6	- 16,9	- 20,8
. Interbank claims	146 074,8	131 522,5	118 602,1	- 26,4	48,3
. Loan to government	1 665 143,5	1 818 696,8	1 823 589,1	- 1,0	11,5
Treasury securities	1 586 306,9	1 712 767,6	1 718 094,9	- 1,4	9,4
Other securities	78 836,6	105 929,2	105 494,2	5,6	58,5
B. Loans	1 435 179,5	1 996 042,1	2 140 319,2	9,2	52,3
. Short term	660 629,2	875 542,8	942 295,9	7,6	46,3
. Medium term	436 372,1	539 851,5	538 332,2	7,2	52,1
. Long term	338 178,2	580 647,7	659 691,0	13,8	62,4
. Leasing	-	-	-	-	-
I.2. Fixed assets	196 237,0	209 153,2	219 383,8	3,1	11,3
I.3. Others assets	385 566,1	508 401,4	544 562,5	9,6	39,4
II. LIABILITIES	4 061 010,4	4 929 212,8	5 224 581,0	2,0	26,6
II.1. Main liabilities	3 513 267,6	4 232 924,2	4 599 075,6	2,5	28,2
. Customer deposits	2 476 433,8	2 816 086,9	3 064 686,6	0,1	19,8
amongst: Ten large deposits	1 119 101,2	1 208 518,6	1 323 232,6	- 4,6	11,5
. Borrowing from B.R.B. (Refinancing)	293 790,7	530 833,2	479 349,0	41,5	77,5
. Interbank liabilities	284 623,4	423 115,4	473 865,7	- 14,3	54,7
II.2. Capital and reserves	458 419,7	462 888,6	581 174,2	3,8	22,8
II.3. Other liabilities	547 742,8	696 288,6	625 505,4	- 1,1	17,3
MAIN INDICATORS OF THE BANKING SECTOR					
Capital adequacy					
. Tier 1 capital (in BIF billion)	488 441,8	555 695,0	627 468,0	3,9	29,6
. Total regulatory capital (in BIF billion)	522 106,0	595 436,5	669 962,4	4,4	29,3
. Risk weighted assets	1 841 886,9	2 576 434,6	2 455 024,1	2,2	25,2
. Tier 1 capital adequacy ratio (threshold 12,5%)	26,5	21,6	25,6	-	-
. Total regulatory capital adequacy ratio (threshold 14,5%)	28,3	23,1	27,3	-	-
. Leverage Ratio (threshold 7%)	12,0	11,3	12,0	-	-
Loan concentration					
. Large exposures	270 470,5	759 099,7	734 308,9	139,6	92,0
. Large exposures to Loans ratio (%)	18,8	38,0	34,3	-	-
. Loans to Assets ratio (%)	35,3	40,5	41,0	-	-
. Government claims to assets ratio (%)	41,0	36,9	34,9	-	-
. Government Loans/Tier 1 capital ratio (%)	340,9	327,3	290,6	-	-
Quality of loan portfolio					
. Past due loans	172 589,8	182 104,0	218 975,0	10,7	30,4
Special mention loans	104 237,3	113 759,2	156 182,2	24,0	61,9
Non performing loans	68 352,4	68 344,8	62 792,7	- 6,0	- 1,5
Substandard loans	11 096,2	19 027,6	22 828,8	- 10,0	60,7
Doubtful loans	15 329,7	13 035,2	13 464,3	4,8	- 16,1
Loss loans	41 926,5	36 282,0	26 499,6	- 7,3	- 13,6
. Loan loss provisions	42 726,4	36 988,5	31 214,2	- 5,3	- 17,8
. Non performing loan rate	4,8	3,4	2,9	-	-
. Impairment rate	12,0	9,1	10,2	-	-
. Provisioning rate	62,5	54,1	49,7	-	-
Liquidity					
. LCR* in BIF (threshold 100%)	203,9	192,8	174,9	- 3,7	- 9,7
. LCR in f.c.** (threshold 100%)	154,8	135,5	172,3	- 15,2	- 21,4
. Loans/Customer deposits	58,0	70,9	69,8	-	-
. Stable funds /Fixed Assets (threshold 60%)	106,7	101,2	90,2	-	-
. Ten large deposits/Customer deposits	45,2	42,9	43,2	-	-
Profitability and performance					
. Income before tax	37 491,3	176 347,1	45 446,0	27,9	19,9
. Net income	35 880,5	166 615,3	42 491,0	29,5	18,1
. Gross Income	73 362,5	331 106,3	91 553,0	34,6	12,8
. ROA	0,9	3,4	0,8	-	-
. ROE	6,9	28,0	6,3	-	-

* Liquidity Coverage ratio

** Foreign currencies

Source: BRB