

**BANQUE DE LA  
RÉPUBLIQUE DU  
BURUNDI (B.R.B.)**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED

31 DECEMBER 2013

<b>Contents</b>	<b>Pages</b>
Corporate data	2
Directors' report	3 - 4
Statement of directors' responsibilities	5
Independent auditors' report	6 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 41

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****Corporate Data**

<b>REGISTERED OFFICE</b>	:	Avenue du Gouvernement B.P. 705 Bujumbura Republic of Burundi
<b>BRANCHES</b>	:	Agence Ngozi B.P 4 Ngozi Republic of Burundi  Agence Gitega B.P 107 Gitega Republic of Burundi
<b>AUDITORS</b>	:	Grant Thornton Ebene Tower 52, Cybercity Ebène Republic of Mauritius
<b>LEGAL ADVISERS</b>	:	BANZUBAZE Sylvèstre 12 Avenue de la Révolution B.P 3031 Bujumbura Republic of Burundi  KIYUKU Salvator Immeuble Wege B.P 335 Bujumbura Republic of Burundi  SIZIMWE Sixte K. Avenue de Grâce, Immeuble NKAMICANIYE BP 6520 Bujumbura Republic of Burundi

## **BANQUE DE LA REPUBLIQUE DU BURUNDI (BRB)**

### **DIRECTORS' REPORT**

The Board of Directors are pleased to present the annual report and the audited financial statements for the financial year ended 31 December 2013, which disclose the state of affairs of the "Banque de la République du Burundi" ("the Bank" or "the Central Bank").

### **PRINCIPAL ACTIVITIES**

The Bank's main objective is to formulate, define and implement monetary policy directed to the economic objective of maintaining domestic price stability conducive to a balanced and sustainable growth of the national economy. It has the responsibility to ensure the liquidity, solvency and financial stability of the monetary market, foreign exchange market and the banking and financial system in general.

### **RESULTS**

The results for the year are as shown on page 8.

### **BOARD OF DIRECTORS**

During the year and at the date of this report, the members of the Board of Directors were as follows:

		<b>Date appointed</b>	<b>Date resigned</b>
Jean CIZA	President and Governor	09 August 2012	-
Melchior WAGARA	First Deputy Governor	06 January 2011	-
Aimee Laurentine KANYANA	Second Deputy Governor	06 January 2011	-
Léon NIMBONA	Member	13 March 2006	-
Jacques NGENDAKUMANA	Member	07 April 2011	-
Eloi RUGERINYANGE	Member	07 April 2011	-
Melchiade NZOPFABARUSHE	Member	07 April 2011	-
Gloriose DODIKO	Member	07 April 2011	27 August 2013
Florence NSHIMIRIMANA	Member	27 August 2013	-

### **MANAGEMENT COMMITTEE**

During the year and at the date of this report, the members of the management committee were as follows:

		<b>Date appointed</b>	<b>Date resigned</b>
Jean CIZA	President and Governor	09 August 2012	-
Melchior WAGARA	First Deputy Governor	06 January 2011	-
Aimee Laurentine KANYANA	Second Deputy Governor	06 January 2011	-

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****AUDIT COMMITTEE**

The members of the Audit Committee of the Bank are as follows:

	<b>Date appointed</b>	<b>Date resigned</b>
Léon NIMBONA	15 December 2006	-
Gloriose DODIKO	07 April 2011	27 August 2013
Eloi RUGERINYANGE	07 April 2011	-
Florence NSHIMIRIMANA	27 August 2013	-

**AUDITORS**

Grant Thornton, Mauritius, were re-appointed during the year 2013 as external auditors of the Bank for the years 2013, 2014 and 2015.

On behalf of the Board of Directors

**GOVERNOR**

Date: 17 APR 2014

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Bank is set up under the Act No. 1/34 of 02 December 2008 and requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Bank. It is also responsible for safeguarding the Bank's assets.

The directors are responsible for the presentation and for preparation of the annual financial statements in compliance with the Act No. 1/34 of 02 December 2008 and in accordance with International Financial Reporting Standards (IFRS) as applicable to central banks. This responsibility also includes the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.



Governor

Date: 17 APR 2014



## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BANQUE DE LA RÉPUBLIQUE DU BURUNDI

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the Banque de la République du Burundi, the "Bank", which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Act No. 1/34 of 02 December 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements on pages 8 to 41 give a true and fair view of the financial position of the Bank as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Act No.1/34 of 02 December 2008.



## INDEPENDENT AUDITORS' REPORT (CONTD) TO THE MEMBER OF BANQUE DE LA RÉPUBLIQUE DU BURUNDI

### *Emphasis of matter*

Without qualifying our opinion, we draw attention to loans and advances to Government. As described in the Note 12 of the financial statements, loans and advances as at 31 December 2013 amounted to BIF 396,574,294,000 and consisted of Government's special overdraft, special credit and consolidated advances.

During the year ended 31 December 2013, the Government of the Republic of Burundi could not repay its debts on special credit and consolidated advances and consequently, the repayment of these debts were rescheduled and new repayment schedules were signed by the BRB and the Ministry of Finance to that effect.

The repayment of the consolidated advances 2012 was rescheduled in January 2013 and January 2014 and the special credit was rescheduled in January 2014. Delay in repayment from the Government of the Republic of Burundi indicates a potential credit risk.

The financial statements for the year ended 31 December 2013 do not take into account this potential credit risk as new repayment schedules have been agreed between the Bank and the Government. However, if these repayment schedules are not met, the impact on profitability and treasury could be significant.

**Grant Thornton**  
Chartered Accountants

**K.RAMCHURUN, FCCA**  
Licensed by FRC

Date: 17 APR 2014

**EBÈNE, REPUBLIC OF MAURITIUS**

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)**

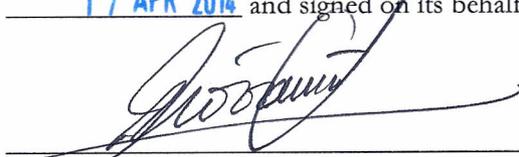
**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<u>Notes</u>	<u>31 December 2013</u> BIF'000	<u>31 December 2012</u> BIF'000
Interest income	5	17,195,126	20,786,053
Interest expense	6	(164,184)	(190,425)
<b>Net interest income</b>		<u>17,030,942</u>	<u>20,595,628</u>
Net fee and commission income	7	329,244	385,374
Net income from foreign exchange transactions		3,695,987	5,630,913
Other operating income	8	576,515	1,009,345
<b>Operating income</b>		<u>21,632,688</u>	<u>27,621,260</u>
Operating expenses	9	(22,107,455)	(19,394,014)
(Loss)/gain on foreign exchange		<u>(14,988,276)</u>	<u>2,800,151</u>
<b>(Loss)/profit for the year</b>		<u>(15,463,043)</u>	<u>11,027,397</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<u>(15,463,043)</u>	<u>11,027,397</u>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31 December 2013 BIF'000	31 December 2012 BIF'000
<b>ASSETS</b>			
Cash in hand		11,237,318	8,529,258
Placements and other balances	10	496,397,143	468,165,665
Documentary credit		4,768,469	6,324,713
Quota from International Monetary Fund (IMF)	11	183,446,355	182,966,314
Loans and advances to Government	12	396,574,294	410,025,016
Investments	13	-	9,380
Other assets	14	13,360,196	10,569,186
Property and equipment	15(a)	11,243,924	6,544,134
Intangible assets	15(b)	210,452	324,849
<b>TOTAL ASSETS</b>		<b><u>1,117,238,151</u></b>	<b><u>1,093,458,515</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		11,000,000	11,000,000
General reserve	16	36,730,799	28,503,553
Foreign exchange revaluation reserve		9,578,845	6,778,694
Special reserve	16	5,672,104	5,672,104
(Loss)/profit for the year		<u>(15,463,043)</u>	<u>11,027,397</u>
<b>TOTAL EQUITY</b>		<b><u>47,518,705</u></b>	<b><u>62,981,748</u></b>
<b>LIABILITIES</b>			
Currency in circulation	17	211,683,709	198,246,926
Deposits from Government	18	170,694,500	127,657,532
Deposits from banks and other financial institutions	19	90,520,712	72,030,090
Other deposits	20	9,568,664	17,274,153
Due to International Monetary Fund (IMF)	21	575,949,344	566,643,565
Deposits from non-residents	22	3,119,319	33,595,073
Other liabilities	23	8,183,198	15,029,428
<b>TOTAL LIABILITIES</b>		<b><u>1,069,719,446</u></b>	<b><u>1,030,476,767</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>1,117,238,151</u></b>	<b><u>1,093,458,515</u></b>

The financial statements on pages 8 to 41 were approved for issue by the Board of Directors on 17 APR 2014 and signed on its behalf by:

  
Governor

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital	General reserve	Special reserve	Foreign exchange revaluation reserve	(Loss)/profit for the year	Total equity
	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000
<b>Balance at 01 January 2012</b>	11,000,000	23,079,647	5,672,104	2,017,405	10,185,195	51,954,351
Transfer to General Reserve	-	5,423,906	-	-	(5,423,906)	-
Transfer of realised foreign exchange revaluation reserve	-	-	-	4,761,289	(4,761,289)	-
<b>Transactions with the shareholder</b>	<b>11,000,000</b>	<b>28,503,553</b>	<b>5,672,104</b>	<b>6,778,694</b>	<b>-</b>	<b>51,954,351</b>
Profit for the year	-	-	-	-	11,027,397	11,027,397
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,027,397</b>	<b>11,027,397</b>
<b>Balance at 31 December 2012</b>	<b>11,000,000</b>	<b>28,503,553</b>	<b>5,672,104</b>	<b>6,778,694</b>	<b>11,027,397</b>	<b>62,981,748</b>
<b>Balance at 01 January 2013</b>	<b>11,000,000</b>	<b>28,503,553</b>	<b>5,672,104</b>	<b>6,778,694</b>	<b>11,027,397</b>	<b>62,981,748</b>
Transfer to General Reserve	-	8,227,246	-	-	(8,227,246)	-
Transfer of realised foreign exchange revaluation reserve	-	-	-	2,800,151	(2,800,151)	-
<b>Transactions with the shareholder</b>	<b>11,000,000</b>	<b>36,730,799</b>	<b>5,672,104</b>	<b>9,578,845</b>	<b>-</b>	<b>62,981,748</b>
Loss for the year	-	-	-	-	(15,463,043)	(15,463,043)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,463,043)</b>	<b>(15,463,043)</b>
<b>Balance at 31 December 2013</b>	<b>11,000,000</b>	<b>36,730,799</b>	<b>5,672,104</b>	<b>9,578,845</b>	<b>(15,463,043)</b>	<b>47,518,705</b>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>31 December 2013</b>	31 December
	<u>BIF'000</u>	<u>2012</u>
		BIF'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash flows from operating activities (Note 24)	<u>37,841,408</u>	<u>46,950,138</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and equipment	<u>(5,350,376)</u>	<u>(3,156,369)</u>
Net cash used in investing activities	<u>(5,350,376)</u>	<u>(3,156,369)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Currency in circulation	<u>13,436,782</u>	<u>28,140,949</u>
Net cash flows from financing activities	<u>13,436,782</u>	<u>28,140,949</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>45,927,814</b>	<b>71,934,718</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>476,694,923</b>	<b>401,960,054</b>
Effects of exchange rate changes on cash and cash equivalents	<u>(14,988,276)</u>	<u>2,800,151</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 25)</b>	<u><b>507,634,461</b></u>	<u><b>476,694,923</b></u>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. PRINCIPAL ACTIVITIES**

The Bank was established in Burundi in 1964 and has been consecutively governed by the Acts of 21 January 1965, No. 1/1 of 03 January 1976, No. 1/36 of 07 July 1993 and No. 1/34 of 02 December 2008. The address of its registered office and principal place of business is Avenue du Gouvernement, PO Box 705, Bujumbura, Burundi. The functions of the Bank, as stated in the Act No. 1/34 focus on the following objectives:

- To define and implement the monetary policy
- To define and implement the foreign exchange rate policy
- To hold and manage foreign exchange reserves
- To regulate and supervise banks, financial institutions and microfinance institutions
- To issue bank notes and coins
- To promote the stability and solidity of the financial system
- To promote a reliable, efficient and solid national payment system
- To act as the Government's banker
- To perform any other duties pursuant to the Act No. 1/34 of 02 December 2008
- To perform any task that any other law would give to the Central Bank subject to its compatibility with its autonomy.

The stated capital of the Bank amounts to BIF 11 billion and is wholly subscribed by the Government.

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

**2.1 New and revised standards that are effective for the year beginning on 01 January 2013**

In the current year, the following new and revised standards issued by the International Accounting Standards Board ("IASB") are mandatory for the first time for the financial year beginning on 01 January 2013:

IAS 27	Separate Financial Statements (Revised 2011)
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IFRSs 10, 11 and 12	Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
IFRS 1	Government Loans (Amendments to IFRS 1)
IAS 1	Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
IAS 19	Employee Benefits (Revised 2011)
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
Various	Annual Improvements to IFRSs 2009-2011 Cycle

The directors have assessed the impact of these revised standards, interpretations and amendments and concluded that *IAS 1, Presentation of Items of Other Comprehensive Income* (Amendments to IAS 1) and *IFRS 13, Fair Value Measurement* have an impact on the disclosures of these financial statements.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (CONTD)**

**2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Bank**

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing Standards have been published by the IASB but not yet effective, and have not been adopted early by the Bank.

Management anticipates that all of the relevant pronouncements will be adopted in the Bank’s accounting policies for the first year beginning after the effective date of the pronouncements. Information on new Standards, Amendments and Interpretations is provided below.

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
IFRS 10, 12 and IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRIC 21	Levies
Various	Annual improvements to IFRSs 2010-2013 Cycle

**3. SUMMARY OF ACCOUNTING POLICIES**

**3.1 Overall considerations**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

**3.2 Basis of preparation**

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain properties and financial instruments, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements are prepared on the going concern basis and are presented in thousands of Burundi Francs (BIF'000).

**3.3 Revenue recognition**

Revenue from the ordinary course of business is measured by reference to the fair value of consideration received or receivable.

Interests on financial assets are recognised when the amount of interest can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Bank.

Interest is recognised on an accrual basis, based on the amount of principal outstanding using effective interest rate, or the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying value of the assets at initial recognition.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****3. SUMMARY OF ACCOUNTING POLICIES (CONTD)****3.4 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method over the estimated useful lives as of the assets.

Depreciation rate for the current period are as follows:

Buildings	3-5%
Computer Equipment	25%
Motor vehicles	20%
Furniture & Fittings	10%
Equipment	33%

**3.5 Intangible assets and amortisation**

Intangible assets consist of computer software and are recognised at cost less accumulated depreciation. Computer software are amortised on a straight line basis over a period of 4 years.

**3.6 Investments in gold**

Gold is held by the Bank for reserve management purposes. Gold is initially recognised based on the acquisition cost, including transaction costs. Gold held by the Bank is subsequently measured based on the Reuters world price of gold (in U.S. Dollar per ounce). Foreign currency amounts are then translated into local currency using the exchange rate at the reporting date. All gains and losses realised by the Bank are recognised on the statement of comprehensive income.

**3.7 Foreign currency**

When preparing the financial statements of the Bank, foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the dates of the transactions. At the reporting date, monetary items denominated in foreign currency are re-measured at year-end exchange rates. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Exchange differences, arising on the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of comprehensive income.

Foreign currency transactions are recorded in Burundi Francs based on the average exchange rate on the date of transaction. Assets, investments and liabilities denominated in foreign currencies are adjusted daily to changes in exchange rates. The assets and liabilities denominated in foreign currencies and in the financial statements at the reporting date are translated into Burundi Francs based on the average exchange rate at the reporting date. Positive and negative differences from the fluctuation of exchange rates are assigned to a revaluation account which cannot in any case be disposed of.

**3.8 Financial instruments**

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****3. SUMMARY OF ACCOUNTING POLICIES (CONTD)****3.8 Financial instruments (Contd)**

The Bank recognises financial assets and liabilities and their related income and expenses by distinguishing operations denominated in Burundi Francs to those denominated in foreign currencies.

Financial assets and liabilities in local currency relate to transactions from the implementation of monetary policy, the issue of notes and coins as well as banking operations. Financial assets and liabilities in foreign currencies are from the management of foreign assets and foreign liabilities.

The separate presentation of these transactions is seen as a better presentation of the financial position, financial performance and risk profile.

**Financial assets**

Regular way of purchases and sales of financial assets are recognised or derecognised on the trade date. Such purchases and sales require the delivery of assets within the period defined by laws and regulations or by agreement on the market.

***Classification of financial assets***

For the purpose of subsequent measurement, financial assets are classified into loans and receivables and available-for-sale financial assets. The classification is determined at initial recognition of financial assets, depending on the nature and purpose thereof.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Bank's loans and receivables comprise of foreign assets (excluding gold holdings), loans and advances to Government, loans to commercial banks and loans and advances to employees.

The Bank, acting as the Government's banker may grant overdrafts as 'working capital' for its daily operations in case of cash flow shortages.

In its role a 'lender of last resort', the Bank also provides loans to commercial banks which are as specified by the Bank's Treasury Bills and promissory notes drawn on the recipients of loans granted to Class A companies eligible for refinancing with the exception of the coffee sector companies that are defacto eligible given economic and strategic importance of this product.

The Bank grants loans to its employees for the purchase, maintenance, improvement or construction of houses, for the acquisition of motor vehicles and equipments. The Bank also provides salary advances to staff. The terms and conditions of these loans are determined by the Bank's internal human resource procedures.

Specific allowances are made for doubtful accounts whenever they are considered doubtful. The provisions are based on periodic evaluations of loans and reflect historical pattern of loss, economic conditions and the estimated value of the collateral in place, and are recognised in the statement of comprehensive income. When a receivable is considered irrecoverable, it is recognised in the statement of comprehensive income. Any recoveries are credited to the statement of comprehensive income if they had been initially taken as an expense.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****3. SUMMARY OF ACCOUNTING POLICIES (CONTD)****3.8 Financial instruments (Contd)****Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories.

The Bank's available-for-sale financial assets include unquoted investments and provisions for documentary credits and are measured at fair value or at cost if their fair values cannot be estimated reliably.

Dividend income is recognised when the right to receive payment is established.

**Impairment of financial assets**

The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

**Derecognition of financial assets**

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and related liabilities that it is required to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and recognises the consideration received as a secured borrowing.

Upon derecognition of a financial asset measured at amortised cost, the difference between the carrying value of the asset and the sum of the consideration received or receivable is recognised in the statement of comprehensive income.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****3. SUMMARY OF ACCOUNTING POLICIES (CONTD)****3.8 Financial instruments (Contd)****Financial liabilities**

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss.

The effective interest rate is a method of calculating the amortised cost of a financial liability instrument and of interest expense over the reporting period. The effective interest rate is the rate that discounts the future cash flows (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument or to the net carrying amount on initial recognition.

The Bank recognises currency in circulation, deposits from the Government, deposits from banks and other financial institutions, other deposits, dues to the IMF, deposits from non-residents and other liabilities.

**Currency in Circulation**

Notes and coins issued represent an unserviced liability of the Bank and are recorded at face value.

**Derecognition of financial liabilities**

The Bank derecognises a financial liability when it is extinguished, discharged, cancelled or expires. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-monetary assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

**3.9 Investment property**

Investment properties are held to earn rental and/or for capital appreciation, and are accounted for at cost when the fair value cannot be determined.

Investment properties are derecognised upon disposal or when they are withdrawn from use and no future economic benefits are expected upon disposal. The gain or loss arising thereon (difference between the disposal proceeds and the carrying amount) is recognised in the statement of comprehensive income during the period it arises.

**3.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash balances, current accounts held, term deposits and other deposits held with other financial institutions.

**3.11 Taxation**

According to Article 74, Act No. 1/34 of 02 December 2008 governing the BRB, the operations of the Central Bank and the profits thereon are exempt from all taxes, fees (direct or indirect taxes) paid to Government. However, the Central Bank remains subject to taxes levied by the local government.

Stamp duty, registration and tax paid on delivering services, all contracts, all effects and all documents issued by the Central Bank and all transactions processed in the course of business are all exempt from taxation.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****3. SUMMARY OF ACCOUNTING POLICIES (CONTD)****3.12 Dividend payable**

Dividends are recognised upon payment.

**3.13 Staff costs**

Staff costs include all costs related to staff comprising of performance bonus and contribution to pension plans.

**3.14 Provisions**

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If a provision is measured based on estimates of cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows (the effect of the time value of money is significant value).

If it is anticipated that part or all of the economic benefits required to settle a provision are expected to be recovered by one third, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

**3.15 Government grants**

Government grants are not recognised until there is reasonable assurance that the Bank will comply with the conditions attached to the grants and these will be received.

Government grants shall be recognised in the statement of comprehensive income on a systematic basis over the periods in which the Bank recognises as expenses the related costs. Specifically, government grants whose primary condition is that the Bank should purchase, construct or acquire by any other means non-current assets, are recognised as deferred income in the statement of financial position and are released to the statement of comprehensive income on a straight line basis over the expected lives of the related assets. The grant is recognised as income over the useful life of the depreciable asset by reducing depreciation.

**3.16 Comparatives**

The comparative figures have been, if necessary, adjusted to comply with IFRS and ensure consistency with the amendments made to the current financial statements.

**4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES  
AND ESTIMATION UNCERTAINTY (CONTD)***Useful lives and residual values of intangible asset and property, plant and equipment*

Management reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Bank. The carrying amounts are analysed in Notes 15. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

*Impairment of available-for-sale financial assets*

The Bank follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Bank evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**5. INTEREST INCOME**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Interest on placements in BIF	<b>14,925,335</b>	16,745,193
Interest on placements in foreign currency	<b>2,269,791</b>	4,040,860
	<b><u>17,195,126</u></b>	<u>20,786,053</u>

**6. INTEREST EXPENSE**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Monetary policy expenses	<b>4,165</b>	15,662
Interest on foreign currency liabilities	<b>160,019</b>	174,763
	<b><u>164,184</u></b>	<u>190,425</u>

**7. NET FEE AND COMMISSION INCOME**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Fees and commissions	<b><u>329,244</u></b>	<u>385,374</u>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****8. OTHER OPERATING INCOME**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Other income	495,988	916,225
Reversals of provisions	80,527	93,120
	<u>576,515</u>	<u>1,009,345</u>

**9. OPERATING EXPENSES**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Staff costs	12,670,204	13,355,373
Key management remuneration	53,904	100,675
Overseas travelling and related costs	800,935	670,883
General maintenance expenses	636,729	550,921
General operating overheads	764,270	952,826
Insurance	64,216	55,999
Printing and stationery	342,553	223,929
Rates and taxes	7,741	2,375
Professional fees	172,073	200,756
Banking supervision costs	112,512	310,512
Depreciation and amortisation	2,061,263	1,288,031
Printing and manufacturing of notes and coins	3,153,333	1,398,104
Meetings, conferences and seminars	178,601	56,383
Others	1,089,121	227,247
	<u>22,107,455</u>	<u>19,394,014</u>

**10. PLACEMENTS AND OTHER BALANCES**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Current accounts	241,446,505	58,032,506
Placements	57,053,630	207,952,627
Special Drawing Rights (SDRs) (Note (i))	196,111,749	199,698,486
Gold	1,785,259	2,482,046
	<u>496,397,143</u>	<u>468,165,665</u>

## Note (i)

Special drawing rights (SDRs) are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund. SDRs represent a claim to currency held by IMF member countries for which they may be exchanged for certain convertible foreign currencies.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****11. QUOTA FROM INTERNATIONAL MONETARY FUND (IMF)**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
IMF Quota	<b><u>183,446,355</u></b>	<u>182,966,314</u>

Each IMF member country is assigned a quota, or contribution, that reflects the country's relative size in the global economy. Each member's quota also determines its voting rights at the IMF.

**12. LOANS AND ADVANCES TO GOVERNMENT**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
<i>Government's Special Advances</i>		
Opening balance	<b>137,735,732</b>	141,433,336
Repayment during the year	<b>(3,697,604)</b>	(3,697,604)
Closing balance	<b><u>134,038,128</u></b>	<u>137,735,732</u>
<i>Special credit</i>	<b>107,284,306</b>	117,037,424
<i>Overdraft on current account</i>	-	155,251,860
<i>Consolidated loan 2012</i>	<b><u>155,251,860</u></b>	-
	<b><u>396,574,294</u></b>	<u>410,025,016</u>

Pursuant to the agreement between the Government and the Central Bank and in compliance with Section 7, paragraph 8 of the Act No. 1/34 02 December 2008, the Central Bank acts as the Government's Banker. Section 18 of the Act provides that the Central Bank should not grant either direct or indirect advances to the Treasury. However, the same article states that the Treasury's current account may have an overdraft balance for a period of seven years, with effect from 2009.

The Government's Special Advances is a rescheduling facility agreement dated 07 April 2012. The repayment period for the principal and interest has been rescheduled over a 40 year period as from the date of signature of the Facility and carries an interest rate of 6.04% per annum.

Following the general SDR allocation made to IMF members in 2009 to ensure liquidity of the global economy, the IMF approved an agreement between the Central Bank and the Government on a special loan granted to the Republic of Burundi (60.20 million SDRs). This facility was fully utilised to achieve a balance BIF'000 117,037,424 at 31 December 2012. Repayment began on 31 January 2013 for a period of 120 months at an interest rate of 3.0% per annum.

As from 31 August 2013, the Government ceased repayment on the special credit. A new agreement has been signed between the Government and the Central Bank on 21 January 2014. The agreement stipulates that the reschedulement will not carry penalty interest for late payment. The repayment of the principal and interest will resume on 31 January 2015 as per the repayment schedule agreed.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****12. LOANS AND ADVANCES TO GOVERNMENT (CONTD)**

For the financial year 2011, the current account was set at BIF 36.4 billion which corresponds to 7.7% of fiscal revenues for 2011. The current account balance rose from BIF 86.2 billion in 2012 to BIF 155.2 billion in 2013 due to insufficient budgetary support. On 04 January 2013, the Central Bank and the Government of the Republic of Burundi signed a rescheduling agreement whereby the repayment period shall be forty (40) years with one year moratorium on capital as from 31 January 2014. Interest will be paid monthly at an interest rate of 4.52% per annum. Unpaid instalments carry interest rates at 4.52% per annum as from the 30<sup>th</sup> day.

The Government has also ceased the principal and interest payment of the agreement date 4 January 2013 for a period of 5 months for the interest and 12 months for the principal balance. Interest payment will resume on 31 January 2014 and that of principal balance on 31 January 2015. The interest and capital payments will be done as per the repayment schedule. The last interest payment will be on 30 November 2053 and the last principal payment on 31 December 2053.

The current account overdraft is nil at 31 December 2013 because it has been converted into a loan.

**13. INVESTMENTS**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Société Concessionnaire de l'Exploitation du Port de Bujumbura (EPB)	<b>9,380</b>	9,380
Société Immobilière Publique (SIP)	<b>20,000</b>	20,000
Impairment losses	<b>(29,380)</b>	(20,000)
	<u>-</u>	<u>9,380</u>

The Bank holds 3% of the share capital of EPB and 5% of the share capital of SIP. These companies are incorporated in the Republic of Burundi and their principal activities are in the transport and real estate sector respectively.

The shares are unquoted and currently presented at cost in the absence of an observable market. Following the adverse performance of these investee companies, the directors have made an impairment assessment and, as a consequence, decided to fully impair these investments.

**14. OTHER ASSETS**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Staff loans and advances	<b>10,109,303</b>	8,022,491
Deposits	<b>1,633,225</b>	810,534
Suspense account	<b>112,793</b>	163,100
Other receivables	<b>2,744,803</b>	2,864,710
Provision for doubtful debts	<b>(1,239,928)</b>	(1,291,649)
	<u><b>13,360,196</b></u>	<u>10,569,186</u>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

15(a). PROPERTY AND EQUIPMENT

	Land and buildings	Motor vehicles	Furniture and fittings	Computer equipment	Assets in the course of construction	Total
COST/VALUATION	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000
At 01 January 2013	2,910,583	1,539,364	3,988,096	2,419,475	1,750,675	12,608,193
Additions	416,520	-	4,549,528	123,201	322,344	5,411,593
Disposals	-	(151,560)	-	-	-	(151,560)
Adjustments	(988)	(224,471)	(157,519)	(898,804)	-	(1,281,782)
At 31 December 2013	<u>3,326,115</u>	<u>1,163,333</u>	<u>8,380,105</u>	<u>1,643,872</u>	<u>2,073,019</u>	<u>16,586,444</u>
<b>DEPRECIATION</b>						
At 01 January 2013	1,028,316	1,254,674	1,924,725	1,856,344	-	6,064,059
Charge for the year	88,216	86,224	201,308	276,550	-	652,298
Amortisation of grants	-	-	509	6,095	-	6,604
Disposal	-	(376,030)	(105,117)	(899,294)	-	(1,380,441)
At 31 December 2013	<u>1,116,532</u>	<u>964,868</u>	<u>2,021,425</u>	<u>1,239,695</u>	<u>-</u>	<u>5,342,520</u>
<b>NET BOOK VALUES</b>						
At 31 December 2013	<u>2,209,583</u>	<u>198,465</u>	<u>6,358,680</u>	<u>404,177</u>	<u>2,073,019</u>	<u>11,243,924</u>
At 31 December 2012	<u>1,882,267</u>	<u>284,690</u>	<u>2,063,371</u>	<u>563,131</u>	<u>1,750,675</u>	<u>6,544,134</u>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 15(a). PROPERTY AND EQUIPMENT (CONTD)

	Land and buildings	Motor vehicles	Furniture and fittings	Computer equipment	Assets in the course of construction	Total
COST/VALUATION	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000	BIF'000
At 01 January 2012	2,643,114	1,204,964	2,654,325	2,233,127	790,562	9,526,092
Additions	267,469	334,400	1,333,771	186,348	960,113	3,082,101
At 31 December 2012	<u>2,910,583</u>	<u>1,539,364</u>	<u>3,988,096</u>	<u>2,419,475</u>	<u>1,750,675</u>	<u>12,608,193</u>
<b>DEPRECIATION</b>						
At 01 January 2012	951,920	1,160,041	1,735,774	1,644,987	-	5,492,722
Charge for the year	76,396	94,633	188,442	205,262	-	564,733
Amortisation of grants	-	-	509	6,095	-	6,604
At 31 December 2012	<u>1,028,316</u>	<u>1,254,674</u>	<u>1,924,725</u>	<u>1,856,344</u>	<u>-</u>	<u>6,064,059</u>
<b>NET BOOK VALUES</b>						
At 31 December 2012	<u>1,882,267</u>	<u>284,690</u>	<u>2,063,371</u>	<u>563,131</u>	<u>1,750,675</u>	<u>6,544,134</u>
At 31 December 2011	<u>1,691,194</u>	<u>44,923</u>	<u>918,551</u>	<u>588,140</u>	<u>790,562</u>	<u>4,033,370</u>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**15(b). **INTANGIBLE ASSETS**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
<b>COST</b>		
At 01 January	404,989	330,720
Additions	-	74,269
At 31 December	<u>404,989</u>	<u>404,989</u>
<b>AMORTISATION</b>		
At 01 January	80,140	70,861
Charge for the year	114,397	9,279
At 31 December	<u>194,537</u>	<u>80,140</u>
<b>NET BOOK VALUES</b>		
At 31 December	<u>210,452</u>	<u>324,849</u>

16. **RESERVES***General Reserve Fund*

The General Reserve Fund is a reserve fund created in accordance with section 71 of the Act 1/34 of 02 December 2008 governing the Central Bank of Burundi. This section states that whenever the Bank is profitable and so long as the share capital plus the General Reserve Fund is less than 10% of the total assets, the profits are appropriated to the General Reserve Fund. Once the ratio is 10%, 20% of profit for the year is appropriated to the General Reserve Fund.

*Special Reserve Fund*

The Board of Directors may decide, after appropriation being made to the General Reserve Fund, to appropriate specific amounts to the Special Reserve Fund. The balance is paid to the Treasury. At present, the Special Reserve Fund comprises of provision for foreign exchange reserve made on the purchase of gold.

*Foreign Exchange Reserve*

Under Section 71 of the Act 1/34 of 02 December 2008 governing the Central Bank of Burundi, unrealised profits are appropriated to a Foreign Exchange Reserve which is not distributable.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****17. CURRENCY IN CIRCULATION**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Total notes and coins purchased	667,325,000	659,025,000
Total notes and coins destroyed	(419,714,293)	(389,953,456)
Cash in vault	(10,692,650)	(48,754,060)
Cash in till	(25,234,348)	(22,070,558)
Currency in circulation	<u>211,683,709</u>	<u>198,246,926</u>

**18. DEPOSITS FROM GOVERNMENT**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Deposits of the Central Government in BIF	69,923,850	86,136,395
Deposits of the Central Government in foreign currency	82,442,838	29,636,843
Deposits of the local government, government agencies and public organisations in BIF	17,158,141	11,536,905
Deposits of the local government, government agencies and public organisations in foreign currency	1,169,671	347,389
	<u>170,694,500</u>	<u>127,657,532</u>

**19. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Deposits from commercial banks in BIF	68,580,740	27,982,713
Short term deposits (Overnight borrowings)	-	6,800,000
Deposits in foreign currencies from commercial banks	14,130,120	11,897,208
Deposits from financial institutions and microfinance in BIF	5,726,045	3,579,569
Deposits from financial institutions and microfinance in foreign currency	2,083,807	21,770,600
	<u>90,520,712</u>	<u>72,030,090</u>

**20. OTHER DEPOSITS**

	<b>31 December 2013</b>	31 December 2012
	<u>BIF'000</u>	<u>BIF'000</u>
Deposits on import	7,533,009	15,658,225
Other current accounts	2,035,655	1,615,928
	<u>9,568,664</u>	<u>17,274,153</u>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**21. DUE TO INTERNATIONAL MONETARY FUND**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
<i>Borrowings :</i>		
Loan for Poverty Reduction and Growth	91,040,528	90,802,294
Other borrowings	126,380,242	118,250,891
Allocation of SDRs	175,940,507	175,480,107
Current account Number 1	7,903,242	7,903,242
Securities account	171,770,702	167,633,611
<i>Fair value adjustment:</i>		
Current account Number 1	128,183	295,956
Securities account	2,785,940	6,277,464
	<b>575,949,344</b>	<b>566,643,565</b>

The loans and deposits accounts with IMF are denominated in SDR and are revalued on a daily basis. At the reporting date, they are revalued in BIF based on the average exchange rate of SDR to BIF.

Since 2010, the IMF accounts are subject to the following conditions:

- The IMF revalues its accounts on an annual basis on the 30<sup>th</sup> April. Consequently, the Bank revalues its IMF accounts from SDR to BIF on 30<sup>th</sup> April when IMF closes its financial year
- The Bank opened two “fair value adjustment” accounts to account for fair value adjustments in Current Account Number 1 and Securities Account. Hence, on 30<sup>th</sup> April 2014, the Bank would update the fair value based on IMF figures.

**22. DEPOSITS FROM NON-RESIDENTS**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Deposit from non-residents in BIF	2,393,090	2,413,023
Current account in foreign currency	168,380	516,674
Deposit from non-residents in foreign currency	557,850	30,665,376
	<b>3,119,319</b>	<b>33,595,073</b>

**23. OTHER LIABILITIES**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Provisions	4,247,560	5,466,328
Other payables in BIF	2,959,914	8,510,245
Grants (Note 23 (i))	13,606	21,924
Other creditors	962,118	1,030,931
	<b>8,183,198</b>	<b>15,029,428</b>

**BANQUE DE LA REPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****23. OTHER LIABILITIES (CONTD)**

- 23.(i) During the year, the Bank received a donation of equipment and computer software from the "Projet de Développement des Secteurs Financiers et Privé du Burundi" amounting to BIF 960,113,000 which was recorded in tangible and intangible assets. The consideration was recorded as government subsidies and other liabilities in accordance with the accounting policy described in section 3.15.

**24. CASH FLOWS FROM OPERATING ACTIVITIES**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
<b>Profit for the year</b>	<b>(15,463,043)</b>	11,027,397
Depreciation/amortisation	764,982	572,296
Effects of exchange rate changes on cash and cash equivalents	<b>14,988,276</b>	(2,800,151)
<b>Profit before working capital changes</b>	<b>290,215</b>	8,799,542
Changes in documentary credit	<b>1,556,244</b>	2,590,794
Changes in Quota from IMF	<b>(480,041)</b>	(22,526,065)
Changes in loans and advances to Government	<b>13,450,722</b>	(88,006,081)
Changes in loans and advances to banks and financial institutions	-	25,301,341
Changes in investments	<b>9,380</b>	-
Changes in other assets	<b>(2,791,009)</b>	(4,298,372)
Changes in deposits from government	<b>43,036,969</b>	12,145,751
Changes in deposits from banks and financial institution	<b>18,490,622</b>	36,447,293
Changes in other deposits	<b>(7,705,489)</b>	(2,352,833)
Changes in due to IMF	<b>9,305,779</b>	80,217,786
Changes in deposits from non-residents	<b>(30,475,754)</b>	29,834,562
Changes in other liabilities	<b>(6,846,230)</b>	(31,203,580)
<b>Net cash from operating activities</b>	<b>37,841,408</b>	46,950,138

**25. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the year comprise of:

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Cash in hand in BIF	<b>11,237,318</b>	8,529,258
Placements and other balances	<b>496,397,143</b>	468,165,665
	<b>507,634,461</b>	476,694,923

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****26. FINANCIAL INSTRUMENT RISK**

As other Central Banks, the Central Bank of Burundi is exposed to various financial risks: credit risk, liquidity risk, exchange rate risk and interest rate risk. The management of such risks has not yet been allocated to a specific department. However, the internal audit and the audit committee collaborate to strengthen and enhance the risk management process.

The Bank manages its risks through a sound management of its financial assets and financial liabilities. The major risks relate to exchange rate risk and credit risk.

In line with the requirements of IFRS 7 “Financial instruments: Disclosures”, disclosure has been made to reflect the risk management by the Bank.

The risk management process of the Bank includes the following:

**Credit risk:** risk of loss resulting from the inability of customers of the Bank to meet their financial commitments.

**Liquidity risk:** risk that the Bank is unable to meet its obligations as they fall due.

**Interest risk and foreign exchange risk:** risk of loss or impairment of assets due to changes in interest rates or exchange rates; interest rate risk and exchange rate risk are related to the Bank’s operations.

**CREDIT RISK MANAGEMENT**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Bank.

***Credit risk exposure***

The table below shows the maximum credit risk exposure on financial assets of the Bank, net of impairment.

	<b>31 December 2013</b>	31 December 2012
	<b>BIF’000</b>	BIF’000
<b>Financial assets</b>		
Placements and other balances	<b>496,397,143</b>	468,165,665
Documentary credit	<b>4,768,469</b>	6,324,713
Due from Government	<b>396,574,294</b>	410,025,016
Other assets	<b>10,109,303</b>	8,022,491
<i>Loans and receivables</i>	<b>907,849,209</b>	892,537,885
Investments in equity securities	-	9,380
<i>Available-for-sale financial assets</i>	-	9,380
<b>Total financial assets</b>	<b>907,849,209</b>	892,547,265

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****26. FINANCIAL INSTRUMENT RISK (CONTD)****CREDIT RISK MANAGEMENT (CONTD)**

The Bank's policy is to deal with counterparties with high credit ratings from internationally recognised agencies.

The credit risk for cash and cash equivalents is limited since the counterparties are banks with high credit ratings assigned by internationally recognised agencies.

The Bank grants loans to its employees on request. The repayment of principal and interest is guaranteed since deducted from salaries. The staff also pledges its personal pension plan, life insurance and lumpsum. The staff's spouse also provides personal guarantee.

For housing loans, in addition to the above, the Bank takes a fixed charge on the property until final repayment. The Bank also insures the property against possible risks.

Also, the borrower also ensures that his or her spouse signs a separate document, as a surety to guarantee his commitments.

For mortgage loans, the Bank retains all the pledged documents mentioned above, the title deed of the mortgage property until the extinction of the obligations of the borrower. The Bank further protects itself by taking insurance from insurance companies to cover for such credit risks.

Loans and advances to Government amounted to BIF 396,574,294,000 and consisted of Government's special advances, special credit and consolidated loan.

During the year ended 31 December 2013, the Government of the Republic of Burundi could not repay its debts on special credit and consolidated advances 2012 and, as a consequence, the repayment of these debts was rescheduled and new repayment schedules were signed by the BRB and the Ministry of Finance to that effect.

The repayment of the consolidated advances 2012 was rescheduled in January 2013 and January 2014 and the special credit was rescheduled in January 2014. Delay in repayment from the Government of the Republic of Burundi indicates a potential credit risk.

The financial statements for the year ended 31 December 2013 do not include this potential credit risk as new repayment schedules have been agreed between the Bank and the Ministry of Finance. However, if these repayment schedules are not met, the impact on profitability and treasury could be significant.

**MARKET RISK**

The Bank's activities also expose it to financial risks associated with fluctuations in exchange rates and interest rates. Exposure to market risk is measured using sensitivity analysis.

The Bank manages the foreign exchange reserves of the country which is placed with several correspondent banks to minimize risks. In terms of foreign exchange reserves, the Bank's assets are presented in the following table.

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 26. FINANCIAL INSTRUMENT RISK (CONTD)

## MARKET RISK (CONTD)

*Foreign exchange risk*

The table below summarises the Bank's foreign currency exposures on financial assets and financial liabilities as at 31 December:

2013 (BIF 000)	USD	EUR	GBP	AUD	Other currencies	SDR	Total
<b><u>Financial assets</u></b>							
Cash and cash equivalents	4,135,932	5,122,736	13,303	-	1,965,347	-	11,237,318
Placements and other balances	215,564,627	44,801,178	3,392,216	34,416,238	268,998	196,111,749	494,555,006
Documentary credits	850,003	3,918,466	-	-	-	-	4,768,469
<b>Loans and receivables</b>	<b>220,550,562</b>	<b>53,842,380</b>	<b>3,405,519</b>	<b>34,416,238</b>	<b>2,234,345</b>	<b>196,111,749</b>	<b>510,560,793</b>
Special Drawing Rights (SDR)	-	-	-	-	-	183,446,355	183,446,355
<b>Available-for-sale financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,446,355</b>	<b>183,446,355</b>
<b>Total financial assets</b>	<b>220,550,562</b>	<b>53,842,380</b>	<b>3,405,519</b>	<b>34,416,238</b>	<b>2,234,345</b>	<b>379,558,104</b>	<b>694,007,148</b>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 26. FINANCIAL INSTRUMENT RISK (CONTD)

## MARKET RISK (CONTD)

*Foreign exchange risk (Contd)*

2013 (BIF 000)	USD	EUR	GBP	Other currencies	SDR	Total
<b><u>Financial liabilities</u></b>						
Deposits from Government	13,904,980	70,546,684	-	-	-	84,451,664
Deposits from Banks and financial institutions	12,519,907	3,665,429	26,085	2,506	-	16,213,927
Due to IMF	-	-	-	-	575,949,344	575,949,344
Deposits from non-residents	348,266	357,908	-	-	50,616	756,790
<b>Total financial liabilities</b>	<b><u>26,773,153</u></b>	<b><u>74,570,021</u></b>	<b><u>26,085</u></b>	<b><u>2,506</u></b>	<b><u>575,999,960</u></b>	<b><u>677,371,725</u></b>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 26. FINANCIAL INSTRUMENT RISK (CONTD)

## MARKET RISK (CONTD)

*Foreign exchange risk*

The table below summarises the Bank's foreign currency exposures on financial assets and financial liabilities as at 31 December:

2012 (BIF 000)	USD	EUR	GBP	AUD	Other currencies	SDR	Total
<b><u>Financial assets</u></b>							
Cash and cash equivalents	3,902,270	3,579,551	146,670	-	900,767	-	8,529,258
Placements and other balances	156,448,629	5,224,883	3,634,383	97,957,673	2,696,813	199,721,238	465,683,619
Documentary credits	1,160,831	5,163,882	-	-	-	-	6,324,713
<b>Loans and receivables</b>	<b>161,511,730</b>	<b>13,968,316</b>	<b>3,781,053</b>	<b>97,957,673</b>	<b>3,597,580</b>	<b>199,721,238</b>	<b>480,537,590</b>
Special Drawing Rights (SDR)	-	-	-	-	-	182,966,314	182,966,314
<b>Available-for-sale financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,966,314</b>	<b>182,966,314</b>
<b>Total financial assets</b>	<b>161,511,730</b>	<b>13,968,316</b>	<b>3,781,053</b>	<b>97,957,673</b>	<b>3,597,580</b>	<b>382,687,552</b>	<b>663,503,904</b>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 26. FINANCIAL INSTRUMENT RISK (CONTD)

## MARKET RISK (CONTD)

*Foreign exchange risk (Contd)*

2012 (BIF 000)	USD	EUR	GBP	Other currencies	SDR	Total
<b><u>Financial liabilities</u></b>						
Deposits from Government	15,600,188	14,492,795	-	-	-	30,092,983
Deposits from Banks and financial institutions	28,575,501	4,955,636	25,644	2,276	-	33,559,057
Due to IMF	-	-	-	-	566,643,565	566,643,565
Deposits from non-residents	30,962,037	200,017	-	-	19,996	31,182,050
<b>Total financial liabilities</b>	<b><u>75,137,726</u></b>	<b><u>19,648,448</u></b>	<b><u>25,644</u></b>	<b><u>2,276</u></b>	<b><u>566,663,561</u></b>	<b><u>661,477,655</u></b>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**26. **FINANCIAL INSTRUMENT RISK (CONTD)****MARKET RISK (CONTD)***Foreign exchange risk (Contd)*

The Bank performs a sensitivity analysis to estimate the potential impact of a change in exchange rates on an annual basis. The following table shows the sensitivity analysis of a change in exchange rates on the profit and equity of the Bank.

	2013 Positive variation	2012 Positive variation	Positive impact of exchange rate on profit and equity	
			2013 (BIF 000)	2012 (BIF 000)
USD	1%	14%	1,937,774	12,092,361
EUR	3%	16%	(621,829)	(902,166)
GBP	1%	19%	33,794	715,087
AUD	15%	16%	5,162,436	15,782,748
SDR	1%	14%	(1,964,419)	(25,831,490)
Other currencies	3%	5%	66,955	179,765

Similarly, a negative movement in the exchange rate will have an opposite effect on the profit and equity of the Bank. For example, a negative movement of 1% in USD will have a negative impact of BIF 1,937,774,000 on profit and equity for the financial year 2013.

**INTEREST RATE RISK**

Interest rate risk arises when interest rates on financial assets decrease, and on the other hand, the interest rate increase on financial liabilities. With respect to marginal lending and borrowing facility, there is no interest rate risk. This is due to the fundamental objective of the monetary policy of the Bank to stabilize inflation in the country, and hence the Bank has to bear the cost on this facility.

However, the Bank incurs a cost on the monetary policy as it pays interest on marginal lending facility to achieve its objective of monitoring inflation.

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

26. FINANCIAL INSTRUMENT RISK (CONTD)

INTEREST RATE RISK (CONTD)

ASSETS	2013 (BIF 000)				Total
	0 to 3 months	3 to 12 months	More than 1 year	Interest free	
Cash and cash equivalents	-	-	-	11,237,318	11,237,318
Placements and other balances	253,225,574	-	-	243,171,569	496,397,143
Documentary credits	-	-	-	4,768,469	4,768,469
Special Drawing Rights (SDR)	-	-	-	183,446,355	183,446,355
Due from Government	909,400	2,728,203	392,936,691	-	396,574,294
Other assets	418,514	776,976	8,913,813	-	10,109,303
<b>TOTAL ASSETS</b>	<b>254,553,488</b>	<b>3,505,179</b>	<b>401,850,504</b>	<b>442,623,711</b>	<b>1,102,532,882</b>
<b>LIABILITIES</b>					
Currency in circulation	-	-	-	211,683,709	211,683,709
Deposits from the Government	-	-	-	170,694,500	170,694,500
Banks and other financial institutions	-	-	-	90,520,712	90,520,712
Other deposits	-	-	-	9,568,664	9,568,664
Due to IMF	186,814,089	13,749,297	192,797,891	182,588,067	575,949,344
Deposits from non-residents	-	-	-	3,119,319	3,119,319
Other liabilities	-	-	-	8,183,198	8,183,198
<b>TOTAL LIABILITIES</b>	<b>186,814,089</b>	<b>13,749,297</b>	<b>192,797,891</b>	<b>676,358,169</b>	<b>1,069,719,446</b>
<b>Net on-balance sheet interest sensitivity gap</b>	<b>67,739,399</b>	<b>(10,244,118)</b>	<b>209,052,613</b>	<b>(233,734,458)</b>	<b>32,813,436</b>
At 31 December 2012					
TOTAL ASSETS	481,292,465	15,312,927	389,607,780	197,829,665	1,084,042,837
TOTAL LIABILITIES	182,280,107	16,435,125	192,618,061	639,143,474	1,030,476,767
<b>Net on-balance sheet interest sensitivity gap</b>	<b>299,012,358</b>	<b>(1,122,198)</b>	<b>196,989,719</b>	<b>(441,313,809)</b>	<b>53,566,070</b>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****26. FINANCIAL INSTRUMENT RISK (CONTD)****LIQUIDITY RISK**

The ultimate responsibility for liquidity risk management rests with the Management Committee, which establishes a framework for liquidity risk management to manage its short and long term liabilities. The Bank is exposed to liquidity risk when it fails to meet expenses on a given maturity. The Bank has always taken a conservative approach by limiting external borrowings except for the balance of payments requirements; the Bank manages liquidity risk by investing in a period not exceeding one month and monitoring the daily position of each currency. The Bank manages liquidity of its foreign currency assets in order to settle commitments of the Bank and Government as and when they fall due. The Bank has set limits with regard to currency and counterparty exposures to contain the risk. The following table details the contractual term to maturity of financial assets and liabilities of the Bank and the agreed repayment periods.

<b>ASSETS</b>	<b>On demand</b>	<b>Less than 3 months</b>	<b>Between 4 – 12 months</b>	<b>Between 13 - 60 months</b>	<b>Above 60 months</b>	<b>TOTAL</b>
Cash and cash equivalents	11,237,318	-	-	-	-	11,237,318
Placements and other balances	496,397,143	-	-	-	-	496,397,143
Documentary credits	4,768,469	-	-	-	-	4,768,469
Special Drawing Rights (SDR)	183,446,355	-	-	-	-	183,446,355
Loans and advances to Government	-	909,400	2,728,203	36,387,448	356,549,243	396,574,294
Other assets	97,152	321,362	776,976	4,135,643	4,778,170	10,109,303
<b>TOTAL ASSETS</b>	<b>695,946,437</b>	<b>1,230,762</b>	<b>3,505,179</b>	<b>40,523,091</b>	<b>361,327,413</b>	<b>1,102,532,882</b>
<b>LIABILITIES</b>						
Currency in circulation	211,683,709	-	-	-	-	211,683,709
Deposits from the Government	170,694,500	-	-	-	-	170,694,500
Deposits from Bank and other financial institutions	90,520,712	-	-	-	-	90,520,712
Other deposits	9,568,664	-	-	-	-	9,568,664
Due to IMF	357,580,697	11,821,459	13,749,297	192,797,891	-	575,949,344
Deposits from non-residents	3,119,319	-	-	-	-	3,119,319
Other liabilities	8,183,198	-	-	-	-	8,183,198
<b>TOTAL LIABILITIES</b>	<b>851,350,799</b>	<b>11,821,459</b>	<b>13,749,297</b>	<b>192,797,891</b>	<b>-</b>	<b>1,069,719,448</b>
<b>Net liquidity gap</b>	<b>(155,404,362)</b>	<b>(10,590,697)</b>	<b>(10,244,118)</b>	<b>(152,274,800)</b>	<b>361,327,413</b>	<b>32,813,434</b>
At 31 December 2012						
TOTAL ASSETS	666,349,929	5,204,037	16,178,231	100,640,594	295,670,046	1,084,042,837
TOTAL LIABILITIES	645,943,474	6,795,892	9,639,233	368,098,168	-	1,030,476,767
<b>Net liquidity gap</b>	<b>20,406,455</b>	<b>(1,591,855)</b>	<b>6,538,998</b>	<b>(267,457,574)</b>	<b>295,670,046</b>	<b>53,566,070</b>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****26. FINANCIAL INSTRUMENT RISK (CONTD)****CAPITAL RISK MANAGEMENT**

Section 78, Act No. 1/34 governing BRB states that the ratio of net assets to total assets should be at least 5% on 31 December 2008, the date on which the Act came into force. This ratio is increased by 1% annually until the target of 10% is reached as provided in Sections 4 and 73.

When the total capital and general reserve is less than the minimum ratio, as defined in the Act, the Central Bank's capital is covered by the Government, by transfer in favor of the latter.

When the cash flow of the government does not allow it, it shall, notwithstanding Section 33, issue additional bonds subscribed by the Central Bank to market conditions.

Pursuant to Article 78, the minimum capital adequacy ratio of the Central Bank is expected to reach 9% at 31 December 2013 (8% at 31 December 2012). However, at 31 December 2013, the actual ratio amounted to 4.3% (5.8% at 31 December 2012).

**RISK MANAGEMENT OF OFF BALANCE SHEET ACCOUNTS**

These accounts are primarily government and other governmental institutions accounts which are maintained by the Bank whereby foreign governments and other international institutions grant advances to the Government of Burundi. The other off-balance sheet accounts relate to the documents received from commercial banks as collateral for refinancing credits and guarantees of the Bank for issuing certificates to the Treasury.

***Documents received from commercial banks as collateral funding***

The credit risk on the documents received from commercial banks is minimised by the fact that these documents comprise of marketable treasury securities (bills and bonds), which are less risky than promissory notes drawn on private companies.

***Guarantees of the Central Bank to issue treasury securities***

There is a risk that the Treasury may not meet the maturity requirements of treasury bills which lead to advances from the Central Bank to the Government. However, this risk is low because these advances are limited to a percentage of revenue of the prior year.

**27. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS**

The Bank has several cases in litigations in Burundi Courts. However, based on all the opinions received, the Bank is of the opinion that any of the court cases will not materialise into liabilities having a material impact on its financial statements.

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**28. RELATED PARTY TRANSACTIONS**

The following relates to transactions with related parties:

**(a) GOVERNMENT**

Refer to note 12 of the financial statements "Government loans".

**(b) EMPLOYEES**

Refer to note 14 of the financial statements "Other assets-loans and advances to staffs".

**(c) Key management personnel remuneration**

	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Annual salary	<u>288,371</u>	<u>276,306</u>
<i>Salary advances</i>		
	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Opening balance	628	928
Additions during the year	-	11,977
Repayment	<u>(628)</u>	<u>(12,277)</u>
Closing balance	<u>-</u>	<u>628</u>
<i>Housing loans</i>		
	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Opening balance	1,223,383	842,136
Additions during the year	-	480,400
Repayment	<u>(121,034)</u>	<u>(99,153)</u>
Closing balance	<u>1,102,349</u>	<u>1,223,383</u>
<i>Vehicle loans</i>		
	<b>31 December 2013</b>	31 December 2012
	<b>BIF'000</b>	BIF'000
Opening balance	14,700	26,495
Additions during the year	-	63,000
Repayment	<u>(4,668)</u>	<u>(74,795)</u>
Closing balance	<u>10,032</u>	<u>14,700</u>

*BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 29. OFF-BALANCE SHEET ITEMS

<b>OFF-BALANCE SHEET ITEMS 2013</b>			
<b>BIF 000.000</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Collection bills	3	Collection bills payable	3
AID advances	113	Commitment Regideso/AID	113
Deposit on securities	1,216	Deposit securities BIRD	302
		Deposit securities AID	76
		Deposit securities OTBU former-Tutelle	15
		Deposit securities CADEBU	465
		Deposit securities BAD	325
		Deposit securities MIGA	33
Chinese loan to the State of Burundi	41,005	Burundi commitments to China	41,005
URSS loan to the State of Burundi	2,125	Commitment of Burundi to the USSR	2,125
Equipment loan	4,753	Equipment loan	4,753
Government bills	1,268	Government bills	1,268
Korean loan to the State of Burundi	28	Commitment of Burundi to Korea	28
Belgium loan to the State of Burundi	929	Commitment of Burundi to Belgium	929
Deposit on goods	232	Deposit surety bonds	232
Government deposits	2,638	Government deposits	2,638
Import guarantees	23	Deposits paid by importers	23
Depot vehicles	5	Credit guarantee vehicles	5
Treasury	148,750	Treasury accounts	148,750
Treasury bonds	37,100	Treasury accounts	37,100
Pledge B/T	30,365	B/T registered pledge	30,365
Claim on B.E.R.B	1,003	Claim on B.E.R.B	1,003
<b>TOTAL</b>	<b><u>271,556</u></b>	<b>TOTAL</b>	<b><u>271,556</u></b>

**BANQUE DE LA RÉPUBLIQUE DU BURUNDI (BRB)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****29. OFF-BALANCE SHEET IETMS (CONTD)**

<b>OFF-BALANCE SHEET ITEMS 2012</b>			
<b>BIF 000.000</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Collection bills	3	Collection bills payable	3
AID advances	113	Commitment Regideso/AID	113
Deposit on securities	1,216	Deposit securities BIRD	1,216
		Deposit securities AID	
		Deposit securities OTBU former-Tutelle	
		Deposit securities CADEBU	
		Deposit securities BAD	
		Deposit securities MIGA	
Chinese loan to the State of Burundi	40,952	Burundi commitments to China	40,952
URSS loan to the State of Burundi	2,125	Commitment of Burundi to the USSR	2,125
Equipment loan	12,303	Equipment loan	12,303
Government bills	14,640	Government bills	14,640
Korean loan to the State of Burundi	28	Commitment of Burundi to Korea	28
Belgium loan to the State of Burundi	929	Commitment of Burundi to Belgium	929
Deposit on goods	232	Deposit surety bonds	232
Government deposits	2,638	Government deposits	2,638
Import guarantees	23	Deposits paid by importers	23
Depot vehicles	5	Credit guarantee vehicles	5
Treasury	96,210	Treasury accounts	96,210
Treasury bonds	15,406	Treasury accounts	15,406
Pledge B/T	18,500	B/T registered pledge	18,500
Pledge O/T	7,175	O/T registered pledge	7,175
Claim on B.E.R.B	1,003	Claim on B.E.R.B	1,003
<b>TOTAL</b>	<b><u>213,501</u></b>	<b>TOTAL</b>	<b><u>213,501</u></b>

**30. COMPARATIVES**

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year.