



BANQUE DE LA REPUBLIQUE DU BURUNDI



Economic indicators
October 2021

I. INTRODUCTION

The following main economic indicators concerned the developments at the end of October 2021, in the real sector and prices, the public finance, the foreign trade, the exchange rate, the broad money and its counterparts and the main financial soundness indicators.

On an annual basis, the real sector was characterized, in October 2021 by a decrease of industrial production, inputs of parchment coffee while production of green leaf tea increased.

Inflation increased in October 2021 compared to the same period in 2020.

The trade balance deteriorated at the end of October 2021 while the overall fiscal deficit (excluding grants) improved at the end of October 2021, compared to the same period in 2020. The Burundi Franc depreciated against the US Dollar.

The reserve money and money supply increased at the end of October 2021.

The aggregated balance sheet of the banking sector improved as well as the deposits and credit to the private sector. In terms of financial soundness, the banking sector remained sufficiently capitalized, but solvency and profitability ratios declined.

II. PRODUCTION

Year-on-year basis, the industrial production index and inputs of parchment coffee decreased while the production of green leaf tea increased in October 2021.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index fell by 20.8% in October 2021, reaching 163.6 against 206.6 recorded in the corresponding month in 2020, mainly driven by the decrease of sugar production (-66.6%) and cigarettes (-30.7%), partially offset by the increase BRARUDI's beverage production.

Compared to the previous month, this index fell by 4.8%, mainly due to the decline production of sugar (-40.4%) and cigarettes (-11.1%), partially offset by the increase of BRARUDI production (+6.4%).

II.2. Coffee

In October 2021, the production of parchment coffee decreased by 77.3% compared to the same period of the previous campaign, standing at 3,681 against 16,228 tonnes, due to the cyclicity of the coffee tree.

II.3. Tea

The production of green leaf tea increased by 45.5 percent in October 2021, amounting to 3,632.9 against 2,496.8 tonnes, due to the good rainfall. Likewise, cumulative production increased by 2.0 percent at the end of October 2021, reaching 42,966.3 from 42,140.4 tonnes.

III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation rose to 9.9% in October 2021 compared to 7.0% in the same period of the previous year. This rise of inflation is mainly explained by the increase prices of non-food products (+7.1 against + 2.0%) and food products (+ 11.7 against + 12.1%).

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

	October-20		October-21	
	CPI	Inflation	CPI	inflation
Headline Inflation	119.5	7.0	131.3	9.9
1. Food	118.4	12.1	132.2	11.7
-Bread and cereals	118.5	6.9	127.1	7.3
- Meat	143.6	10.0	160.1	11.5
- Fish and sea food	155.2	4.3	174.5	12.4
- Milk, cheese and eggs	123.5	7.8	140.0	13.4
-Oils and fats	116.7	0.3	161.1	38.0
- Fruits	141.6	24.2	176.0	24.3
- Vegetables	111	19.6	121.8	9.7
-Sugar, jam, honey, chocolate and confectionery	111.6	3.1	110.8	-0.7
-undefined food elsewhere	128.3	6.8	128.4	0.1
2. Non food	120.6	2.0	130.2	8.0
- Alcoholic beverages, tobacco	114.5	1.7	124.7	8.9
- clothing and footwear	129.1	6.0	135.6	5.0
- Housing, water, electricity, gas and other fuels	128.8	4.7	142.9	10.9
- Furnishing, household equipment and routine household	121.5	0.9	134.5	10.7
- Health	122	3.0	166.1	36.1
- Transport	116.9	0.0	118.9	1.7
- Communication	101.4	0.1	102.4	1.0
- leisure and culture	130.9	1.1	132.1	0.9
- Education	142	1.7	151.2	6.5
- Hotels, Restaurant and café	113.3	-0.6	119.1	5.1
- Other goods and services	121.5	1.8	128.7	5.9
Energy and fuels	144.7	6.9	163.6	13.1
3. Core Inflation	119.1	2.8	130.3	9.4

Source: BRB, from ISTEERU data

The subdued of food inflation compared to the same period of the previous year has mainly concerned the sub-headings "Vegetables" (9.7 against 19.6%), "Miscellaneous food products" (+ 0.1 against +6.8%) and "Sugar, jams, honey, chocolate and confectionery" (-0.7 against +3.1%). On the other hand, the

prices of the sub-headings "oils and fats" (+38.0 against +0.3%), "Fish and Seafood" (+12.4 against +4.3%) and "Milk, cheese and egg" (+13.4 against +7.8%) increased compared to the same period in 2020.

The rise of non-food inflation mainly concerned the sub-headings "Health" (36.1 against 3.0%), "Alcoholic beverages and Tobacco" (8.9 against 1.7%), "Housing, water, electricity, gas and other fuels" (10.9 against 4.7%), "Furniture, household items and routine household maintenance" (10.7 against 0.9%) and "Restaurants and hotels" (5.1 against -0.6%).

Headline inflation excluding food and energy prices, which is the proxy of core inflation, increased in October 2021 compared to the same period of the previous year (9.4 against 2.8%).

IV. TRADE BALANCE

The trade balance deficit increased at the end of October 2021, amounting to BIF 1,476.5 billion against 1,198.6 billion recorded in the corresponding period in 2020. This result is given by the significant rise of imports (BIF 1,669.8 billion against 1,454.0 billion) combined with a drop of exports (BIF 193.3 billion against 255.5 billion).

IV.1 Exports

Year-on-year basis, exports decreased by 24.3% in value while they increased by 27.3%

in volume, at the end of October 2021.

In value, this decrease concerned exports of primary products, from BIF 172,823.4 million to 104,105.3 million, following the non-export of non-monetary gold.

However, exports of other minerals (18,633.2 against BIF 8,569.4 million), tea (38,440.2 against BIF 35,309.9 million) and coffee (35,595.5 against BIF 32,576.6 million) increased during the same period.

On the other hand, exports of manufactured products increased (+7.9%), rising from 82,652.8 to BIF 89,189.5 million. This growth mainly concerned exports of beers (11,551.8 against BIF 6,680.9 million), dark glass bottles (6,265.9 against BIF 4,511.8 million) and products classified as "other" (47,031.5 against BIF 39,799.6 million). On the other hand, exports of wheat flour decreased (9,101.5 against BIF 15,421.6 million).

In volume, this increase of exports concerned manufactured products (75,146 against 46,534 tonnes), mainly the volume of beers (31,524 against 9,461 tonnes). On the other hand, the volume of primary products exported fell, standing at 27,420 against 34,047 tonnes at the end of October of the previous year.

IV.2 Imports

Imports increased both in value and in volume at the end of October 2021.

In value, the increase concerned all categories: production goods (754,904.5 against BIF

632,194.2 million), consumer goods (601,904.4 against BIF 515,262.4 million) and slightly, capital goods (313,044.9 against BIF 306,586.2 million).

This increase of imports of capital goods mainly concerned mineral oils (+15.2%), metallurgical goods (+33.1%), food industries (+25.2%), chemical products (+46.8%), and goods intended for construction (+19.1%).

The increase of consumer goods mainly concerned food goods (+22.9%), pharmaceuticals (+22.9%) and textiles (+28.7%).

Concerning capital goods, this increase mainly concerned boilers and mechanical machinery (+15.0%), parts and tools (+26.8%), and tractors, vehicles and transport machinery (+9.6%). On the other hand, imports of electrical equipment declined (-29.0%).

Likewise, in volume, the increase of imports concerned all categories of goods: capital goods (787,512 against 726,670 tonnes), mainly the volume of goods intended for construction; consumer goods (269,390 against 191,149 tonnes) and capital goods (49,329 against 46,168 tonnes).

V. EXCHANGE RATE

Year-on Year basis, the BIF depreciated by 3.07% against the US dollar in October 2021; the monthly average exchange rate stood at BIF 1,993.51 against BIF 1,934.21 per a unit of US Dollar.

At the end of the period, the BIF depreciated by 3.05% against the US Dollar, the exchange rate falling from BIF 1,936.54 to 1,995.68 for a unit of US Dollar from the end of October 2020 to the end of October 2021.

VI. GOVERNMENT FINANCIAL OPERATIONS

At the end of October 2021, the overall fiscal deficit (excluding grants) eased at the end of October 2021 compared to the same period of the previous year, amounting to BIF 406,859.5 million against BIF 604,556.2 million, following the higher increase of revenue than in expenditure.

VI.1. Revenue

In October 2021, revenue rose by 17.0 percent compared to the same month of 2020, standing at BIF 108,200.9 million against BIF 92,487.3 million. This increase was mainly related to the tax revenue (BIF +9,706.0 million) and non-tax revenue (BIF +6,007.6 million). Likewise, cumulative revenue picked up by 16.7 percent, amounting to BIF 1,032.7 billion against BIF 884, 9 billion in the same period of 2020, driven by the increase of both tax revenue (BIF +119,845.5 million) and non-tax revenue (BIF +27,931.6 million).

VI.2. Expenditure

The expenditure incurred in October 2021 rose by 3.2 percent compared to the same month of 2020, amounting to BIF 125,784.4 million against BIF 121,886.8 million. On the other hand, cumulative expenditure fell by 3.4

percent at the end of October 2021, standing at BIF 1,439.5 billion against BIF 1,489.4 billion recorded in the same period of 2020.

Cumulative compensation of employee slightly decreased by 10.9 percent, amounting to BIF 403,770.8 million against BIF 453,256.5 million in the same period in 2020.

VI.3. Public debt

On an annual basis, public debt increased by 9.7% at the end of October 2021 compared to the same period of the previous year, standing at BIF 4,190.0 against 3,819.7 billion, on account to the increase of both domestic debt (+ 10.1%) and external debt (+8.5%).

Compared to the previous month, the outstanding public debt rose by 0.1%, driven by the increase of external debt (+0.1%), while internal debt stabilized.

VI.3.1 Domestic Debt

Year-on-year basis, domestic debt increased by BIF 284,663.4 million at the end of October 2021, from 2,806.6 to BIF 3,091.3 billion, mainly on account to the increase of Government debt to the banking sector, especially Treasury securities (BIF +267,956.4 million).

Compared to the previous month, the outstanding of domestic debt picked up by BIF 255.9 billion, on account of the increase of Government debt to the non-financial sector (BIF +5,400 million) which exceeded

the deleveraging of the Government debt to the banking sector (BIF -5,144.1 million).

VI.3.2. External Debt

Year-on-year basis, the external debt grew by BIF 85.7 billion at the end of October 2021, from BIF 1,013.1 to 1,098.7 billion. This rise is driven by the drawings (BIF 70,955.2 million) and revaluation gains (BIF 34,923.8 million) which exceeded the amortization of the debt (BIF 20,218.4 million).

Compared to the previous month, the external debt increased by 0.5 percent at the end of October 2021, amounting to 1,098.7 against BIF 1,093.6 billion, due to the new drawings (BIF 8,106.8 million) partially offset by revaluation losses (BIF -82.2 million) and amortization of the debt in the principal (BIF 2,858.7 million).

Expressed in US Dollars, the external debt picked up by USD 31.6 million at the end of October 2021, reaching USD 552.5 million against USD 523.8 million recorded in the same period of the previous year.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

Year-on-year basis, the reserve money and the money supply rose at the end of October 2021, driven by the increase of net domestic assets.

VII.1. Broad Money

Year-on-year basis, the reserve money picked up by 19.7% at the end of October 2021, compared to 14.7% in the same period in 2020,

amounting to BIF 840,891.7 million from BIF 702,346.1 million. This growth of reserve money was driven by deposits of commercial banks in the Central Bank (+26.0 against +15.3%), while currency in circulation have been stable (+18.6 against +18.7%).

VII.2. Money supply

Year-on-year basis, the money supply (M3) rose at the end of October 2021 at a faster pace than in the same period in 2020 (+29.1% against +24.2%), standing at BIF 3,334.4 billion against BIF 2,582.4 billion.

This increase of the M3 growth rate concerned both the M2 money supply (+29.8 against +25.0%) and residents' foreign currency deposits (+21.0 against +16.1%).

The increase of the M2 money supply concerned demand deposits (+29.6 against +17.9%), while money in circulation outside depository corporations (+16.5 against +18.6%) and term deposits and savings (+37.8 against +45.8%) slowed their growth rate.

The higher growth of demand deposits denominated in BIF was driven by the increase of deposits of other non-financial corporations (+25.2 against +0.03%), households (+39.8 against +32.2%) and those of public non-financial corporations (+76.7 against +40.9%).

On the other hand, deposits classified in other accounts decreased (-7.4%), whereas they increased in the same period in 2020 (+72.2%).

The slowdown growth rate of term deposits and savings in BIF concerned those of households (+19.3 against +39.7%) and other non-financial corporations (+58.6 against +79.4%). On the other hand, those classified in the other accounts accelerated their growth rate (+37.5 against +18.5%), and the term and savings assets of public non-financial corporations increased by 78.5%, while they had decreased by 37.7% in the same period in 2020.

The increase of residents' foreign currency deposits concerned those of households (+33.5 against +28.1%) and other non-financial corporations (+13.0 against +7.6%). On the other hand, foreign currencies deposits classified in the other accounts decelerated (+3.4 against +3.6%) and those of public non-financial corporations fell as in the same period in 2020 (-27.5 against -17.2%).

VII.3. Counterparts

Year-on-year basis, domestic credit (4,163.2 against BIF 3,387.6 billion) increased at a moderate pace at the end of October 2021 than in the same period in 2020 (+ 22.9 against + 24.9%).

Net claims on the Government decreased (-2.1%) whereas they had increased in the same period in 2020 (+31.9%), while claims on

the economy picked up at a faster pace than at the end of October 2020 (+58.9 against +16.0%).

The decrease of net claims on the Government concerned those of the Central Bank, following the increase of Government deposits (+46.2 against +2.7%), as the counterpart funds from the IMF's Rapid Credit Facility. On the other hand, the net claims of commercial banks to the Government increased, but at a slower pace than in the same period in 2020 (+11.8 against +27.7%).

Year-on-year basis, net foreign assets slightly increased by 0.8% at the end of October 2021, while they decreased by 18.2% in the same period in 2020. This increase resulted from the rise of gross external assets (+545,899.0 MBIF) which slightly exceeded that of external liabilities (+543,592.7 MBIF).

Official foreign exchange reserves significantly increased (+466.2 against +14.0%), driven by the new allocation of SDRs and the Rapid Credit Facility granted by the IMF. These reserves covered 4.3 months of imports of goods and services at the end of October 2021 compared to 0.8 month recorded at the end of October 2020.

VIII. MAIN INDICATORS OF BANKING SECTOR

The banking sector balance sheet improved at the end October 2021. On the assets side, this improvement mainly concerned customer deposits, and refinancing to the Central Bank and loans to the economy, in liabilities side.

VIII.1. Assets

The banking sector's assets grew by 30.4% year-on-year basis, amounting to BIF 4,855.1 billion from BIF 3,722.5 billion at the end of October 2020. This increase was mainly driven by the rise of loans to customers (BIF 1,890.0 billion from BIF 1,273.9 billion) and Treasury securities (BIF 1,837.4 billion from BIF 1,580.3 billion).

The share of Treasury securities in the total assets of the banking sector fell by 4.7 percentage points, settling to 37.8% from 42.5% at the end of October 2020. However, the share of loans increased by 4.7 percentage points, reaching 38.9% from 34.2%.

VIII.2. Liabilities

The customer deposits rose by 30.0% year-on-year, amounting to BIF 2,843.1 billion at the end of October 2021 from BIF 2,186.9 billion. The BRB refinancing picked up by 30.8%, amounting to BIF 425.5 billion from BIF 325.3 billion.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

The banking sector's level of capitalization as well as the quality of loans portfolio improved at the end of October 2021 compared to the corresponding period in 2020. However, capital adequacy and profitability ratios declined.

IX.1. Capital Adequacy

At end-October 2021, the equity capital increased by 30.6%, to BIF 578.3 billion from BIF 443.0 billion. The core and overall capital adequacy ratios¹ declined respectively from 28.6% and 30.7% to 20.9% and 22.3%. The leverage ratio² changed slightly from 11.1% to 11.2%.

IX.2. Quality of loans portfolio

The loans portfolio's default rate stood at 3.6% at the end of October 2021 from 6.2% at the end of October 2020. The amount of non-performing loans fell by 11.2%, from BIF 78,783.5 million to BIF 69,924.0 million.

The default rate declined in retail trade (3.4% from 5.4%), tourism (8.1% from 43.5%), construction (4.2% from 5.0%) and equipment (3.1% from 5.8%) sectors. On the other hand, it increased from 10.6% to 13.5% in agriculture.

¹ The minimum regulatory threshold is 12.5% for the core capital adequacy ratio while 14.5% for the overall capital adequacy ratio.

² The minimum regulatory threshold is 5% for the leverage ratio.

IX.3. Concentration of loans portfolio

The banking sector's large exposures³ increased by 61.5% at the end of October 2021, amounting to BIF 653.4 billion from BIF 404.6 billion in the corresponding month in 2020. The share of loans in this category represented 34.6% of the overall loans portfolio against 31.8% in the same period in 2020.

The banking sector's exposure to retail trade remained predominant. The loans portfolio in the retail trade stood at 30.6% of the overall loans portfolio at the end of October 2021 from 28.9% at the end of October 2020. The outstanding loans in the retail trade increased from BIF 368.271,5 million to BIF 587.372,3 million.

IX.4. Profitability

The Gross Income grew by 12.9% year-on-year basis, amounting to BIF 273,263.5 million at the end of October 2021 from BIF 241,960.3

million. Likewise, the Net Profit rose by 13.1%, reaching to BIF 141,477.1 million from BIF 125,085.1 million. On the other hand, the Returns on Assets (ROA) and Equity (ROE) decreased, respectively from 3.4% and 28.2% at the end of October 2020 to 2.9% and 24.5% at the end of October 2021.

IX.5. Liquidity

The Liquidity Coverage (LCR)⁴ ratio in BIF declined from 225.3% at the end of October 2020 to 185.6% at the end of October 2021. The LCR in foreign currency stood at 153.4% from 193.5% recorded in the corresponding month in 2020.

The large deposits⁵ rose by 10.5% year-on-year, amounting to BIF 1,259.4 billion at the end of October 2021 from BIF 1,140.2 billion at end of October 2020. However, their share in the total deposits declined to 44.3% from 52.1%.

³ Circular No. 06/2018 related to the division of credit risks defines a large exposure as a loan whose amount exceeds 10% of Core Capital.

⁴ Circular No. 04/2018 on banks' short-term liquidity ratio defines the LCR as the ratio between the outstanding amount of high-quality liquid assets (i.e.

assets that can be easily and immediately converted into liquidity with little or without loss in value in times of high liquidity stress) and the total net cash outflows within the next 30 calendar days.

⁵ Large deposits are defined as the sum of the deposits of the top 10 depositors at each credit institution.

APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF OCTOBER 2021

	Aug-2020	Sept-2020	Oct-2020	Aug-2021	Sept-2021	Oct-2021
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	213.8	210.6	206.6	196.0	171.9	163.6
2. Production of Arabica parchment Coffee (cumulation in T) (1)	13,690.8	14,815.2	16,228.4	3,189.8	3,648.4	3,680.9
3. Production of Tea (cumulation in T of tea leaves)	38,008.4	39,643.5	42,140.4	37,215.9	39,333.4	42,966.3
4. Consumer price index (1991 = 100)	117.5	118.2	119.3	129.8	130.6	131.3
5. Inflation rate	6.7	2.7	7.0	10.5	10.1	9.9
II. Public Finances						
1. Total Budget revenue (in BIF million)	689016.9	792,396.2	884,883.5	808643.4	924,459.6	1,032,660.5
1.1. Tax revenue	621792.3	719,542.8	795,138.0	725510.2	829,682.4	914,983.5
1.2. Non-tax revenue	67224.6	72,853.4	89,745.4	83133.2	94,777.3	117,677.0
1.3. Exceptional receipts	0.0	-	-	0.0	-	-
2. Expenditure	957671.3	1,367,552.9	1,489,439.7	1188728.9	1,313,735.6	1,439,520.0
2.1. Compensation of employees (in BIF million)	320115.3	413,007.2	453,256.5	322229.0	363,405.9	403,770.8
3. Public debt (in BIFmillion)	3,591,698.8	3,794,147.0	3,819,683.0	4,188,716.4	4,184,585.3	4,190,007.0
3.1. Domestic debt outstanding	2,590,779.0	2,791,043.0	2,806,619.6	3,104,546.6	3,091,027.1	3,091,283.0
Including: Treasury bills and bonds	1,727,229.2	1,744,967.4	1,763,000.2	2,023,132.4	2,048,624.1	2,052,646.6
BRB ordinary advance	0.0	-	-	33670.8	-	-
3.2. External debt outstanding	1,000,919.8	1,003,104.0	1,013,063.4	1,084,169.8	1,093,558.2	1,098,724.0
3.3. External debt outstanding (in BIF million)	520.4	520.0	523.8	546.6	549.9	552.5
3.3. External debt service (in BIF million)	1,348.4	6,054.6	3,449.5	409.2	5,340.9	3,481.1
including amortization	1,018.1	4,905.1	2,706.6	259.1	3,531.5	2,858.7
3.4. Drawings on external loans	1,693.4	2,729.8	8,976.4	29,184.4	10,335.6	8,106.8
III. MONEY						
1. Reserve Money (in BIF million)	702,111.5	765,530.6	702,346.1	845,153.2	840,987.5	840,891.7
2. Broad money M3 (in BIF million)	2,498,725.4	2,577,494.4	2,582,417.3	3,239,303.1	3,312,891.3	3,334,428.3
2.1. Broad money M2 (in BIF million)	2,287,130.6	2,363,346.0	2,370,082.4	3,017,751.7	3,078,723.6	3,077,451.2
3. Domestic credit (in BIF million)	3,151,327.8	3,404,019.3	3,387,596.1	4,021,694.4	4,277,265.4	4,163,163.6
4. Net foreign to government (in BIF million)	1,743,469.0	2,023,332.5	2,000,056.6	2,139,390.1	2,141,995.7	1,957,810.4
5. Net foreign assets (in BIF million)	-258,555.5	-279,912.6	-279,121.8	-364,378.4	-405,071.9	-276,815.5
6. Tenders operations						
6.1. Normal liquidity providing	449,070.0	349,400.0	301,850.0	80,000.0	70,000.0	70,000.0
6.2. Injecting liquidity						
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	0.00	3.74	3.44	3.20	3.40	3.31
7.2. Treasury bill to 26 weeks	3.25	3.45	4.64	4.22	4.29	4.27
7.3. Treasury bill to 52 weeks	3.36	3.60	4.20	4.88	4.82	4.73
7.4. Recovery of liquidity	0.00	0.00	0.00	0.00	0.00	0.00
7.5. Injecting liquidity	2.77	2.58	2.36	2.60	2.99	4.16
7.6. Marginal lending facility	6.00	6.60	6.60	6.60	6.33	6.46
7.7. Interbank market	4.27	4.42	4.73	5.48	5.56	5.45
7.8. Deposit interest rates	5.55	5.55	5.62	5.66	5.58	5.88
7.9. Lending interest rates	15.26	15.39	15.36	13.79	13.59	13.74
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	202,229.0	228,444.6	255,476.2	148,947.9	164,518.5	193,294.8
including Arabica coffee	15,556.2	23,772.7	32,576.6	25,010.1	28,053.3	35,595.5
1.1. Volume of exports (in T)	56,378.2	68,605.6	80,581.2	83,383.7	93,870.0	102,565.4
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	69.3	32.4	116.6	187.1	197.3	180.3
- BIF/Kg	2909.6	1,335.6	4,940.7	8160.9	8,518.7	7,890.2
1.3. Coffee sold d(in BIF million)	21,095.5	25,854.1	35,349.7	27,467.7	30,758.1	40,320.1
2. Import CIF (in BIF million)	1,146,197.6	1,321,420.9	1,454,042.8	1,337,496.0	1,511,874.6	1,669,853.9
including petroleum products	192,437.7	212,899.8	226,186.1	203,146.7	233,596.8	260,673.1
2.1. Volum of imports (in T)	760,416.1	864,993.5	963,987.4	855,788.4	1,003,731.0	1,106,231.2
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	88.10	88.00	88.00	85.50	85.10	86.00
3.1.2. Real	91.40	91.80	92.80	94.90	95.00	95.90
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,926.14	1,931.60	1,936.54	1,985.95	1,991.16	1,995.68
3.2.2. Exchange rate BIF/USD (monthly average)	1,923.50	1,929.07	1,934.21	1,983.50	1,988.67	1,993.51
(1): the coffee campaign starts in April and ends in March of the following year						
(p) : Provisional						
n.a. : not available						

Source: BRB

APPENDIX 2: MAIN INDICATORS OF BANKING SECTOR IN OCTOBER 2021 (in BIF million)

	Commercial banks			Other financial corporations			Financial sector		
	October 2020	October 2021	Changes in %	October 2020	October 2021	Changes in %	October 2020	October 2021	Changes in %
I. ASSETS	3,469,229.4	4,759,887.6	37.2	253,222.6	95,227.2	- 62.4	3,722,452.0	4,855,114.8	30.4
I.1. Main assets	2,982,745.5	4,052,132.6	35.9	218,882.5	79,841.6	- 63.5	3,201,628.0	4,131,974.2	29.1
A. Liquid assets	1,904,060.9	2,238,138.2	17.5	23,690.4	3,843.8	- 83.8	1,927,751.3	2,241,982.1	16.3
. Cash	85,538.9	89,510.8	4.6	18.6	14.9	- 19.5	85,557.4	89,525.7	4.6
. Balance in B.R.B.	175,348.2	206,103.0	17.5	2,655.4	98.6	- 96.3	178,003.6	206,201.6	15.8
. Interbank claims	81,183.6	107,834.1	32.8	2,707.7	1,010.7	- 62.7	83,891.3	108,844.7	29.7
. Loan to government	1,561,990.2	1,834,690.4	17.5	18,308.8	2,719.6	- 85.1	1,580,299.0	1,837,410.0	16.3
Treasury securities	1,504,927.8	1,729,489.2	14.9	18,308.8	2,719.6	- 85.1	1,523,236.6	1,732,208.8	13.7
Other securities	57,062.4	105,201.2	84.4	-	-	-	57,062.4	105,201.2	84.4
B. Loans	1,078,684.6	1,813,994.4	68.2	195,192.1	75,997.7	- 61.1	1,273,876.7	1,889,992.1	48.4
. Short term	592,460.8	814,014.2	37.4	3,301.3	238.4	- 92.8	595,762.1	814,252.7	36.7
. Medium term	320,856.6	537,367.4	67.5	36,385.1	8,917.4	- 75.5	357,241.7	546,284.8	52.9
. Long term	165,367.2	462,612.8	179.7	155,505.7	66,841.9	- 57.0	320,872.9	529,454.6	65.0
. Leasing	-	-	-	-	-	-	-	-	-
I.2. Fixed assets	161,589.6	200,809.1	24.3	8,167.0	3,209.6	- 60.7	169,756.6	204,018.7	20.2
I.3. Others assets	324,894.3	506,945.9	56.0	26,173.1	12,176.0	- 53.5	351,067.4	519,121.9	47.9
II. LIABILITIES	3,469,229.4	4,759,887.7	37.2	253,222.6	95,227.2	- 62.4	3,722,452.0	4,855,114.9	30.4
II.1. Main liabilities	2,955,823.1	4,116,452.9	39.3	184,839.8	66,565.9	- 64.0	3,140,662.9	4,183,018.8	33.2
. Customer deposits	2,048,364.3	2,816,085.7	37.5	138,557.8	27,020.0	- 80.5	2,186,922.1	2,843,105.7	30.0
amongst: Ten large deposits	1,113,252.2	1,259,421.4	13.1	26,971.2	-	-	1,140,223.4	1,259,421.4	10.5
. Borrowing from B.R.B. (Refinancing)	325,327.8	409,154.8	25.8	-	16,372.2	-	325,327.8	425,527.0	30.8
. Interbank liabilities	260,704.8	445,401.0	70.8	6,689.1	3,859.1	- 42.3	267,393.9	449,260.1	68.0
. Capital and reserves	321,426.2	445,811.3	38.7	39,592.9	19,314.7	- 51.2	361,019.0	465,126.0	28.8
II.2. Other liabilities	513,406.3	643,434.8	25.3	68,382.8	28,661.3	- 58.1	581,789.1	672,096.1	15.5
MAIN INDICATORS OF THE BANKING SECTOR									
Capital adequacy									
. Tier 1 capital (in BIF billion)	377,323.0	523,888.9	38.8	35,488.9	18,650.2	- 47.4	412,811.9	542,539.1	31.4
. Total regulatory capital (in BIF billion)	399,209.8	555,093.3	39.0	43,757.5	23,205.4	- 47.0	442,967.3	578,298.7	30.6
. Risk weighted assets	1,345,767.6	2,491,862.0	85.2	96,137.8	98,595.4	2.6	1,441,905.4	2,590,457.4	79.7
. Tier 1 capital adequacy ratio (threshold 12.5%)	28.0	21.0	-	36.9	18.9	-	28.6	20.9	-
. Total regulatory capital adequacy ratio (threshold 12.5%)	29.7	22.3	-	45.5	23.5	-	30.7	22.3	-
. Leverage Ratio (threshold 7%)	10.9	11.0	-	14.0	19.6	-	11.1	11.2	-
Loan concentration									
. Large exposures	400,821.4	647,303.2	61.5	3,754.1	6,146.0	63.7	404,575.5	653,449.3	61.5
. Large exposures to Loans ratio (%)	37.2	35.7	-	1.9	8.1	-	31.8	34.6	-
. Loans to Assets ratio (%)	31.1	38.1	-	77.1	79.8	-	34.2	38.9	-
. Government claims to assets ratio (%)	45.0	38.5	-	7.2	2.9	-	42.5	37.8	-
. Government Loans/Tier 1 capital ratio (%)	414.0	350.2	-	51.6	14.6	-	382.8	338.7	-
Quality of loan portfolio									
. Past due loans	123,947.0	190,550.7	53.7	31,064.3	1,210.5	- 96.1	155,011.3	191,761.2	23.7
Special mention loans	54,791.1	121,167.5	121.1	21,436.8	669.7	- 96.9	76,227.8	121,837.2	59.8
Non performing loans	69,155.9	69,383.2	0.3	9,627.5	540.8	- 94.4	78,783.5	69,924.0	- 11.2
Substandard loans	7,492.1	16,964.3	126.4	4,452.0	260.5	- 94.1	11,944.2	17,224.9	44.2
Doubtful loans	20,002.2	13,477.5	- 32.6	2,634.6	137.3	- 94.8	22,636.8	13,614.8	- 39.9
Loss loans	41,661.6	38,941.4	- 6.5	2,540.9	143.0	- 94.4	44,202.4	39,084.4	- 11.6
. Loan loss provisions	45,562.6	40,892.3	- 10.3	3,838.7	257.0	- 93.3	49,401.3	41,149.2	- 16.7
. Non performing loan rate	6.4	3.8	-	4.9	0.7	-	6.2	3.7	-
. Impairment rate	11.5	10.5	-	15.9	1.6	-	12.2	10.1	-
. Provisioning rate	65.9	58.9	-	39.9	47.5	-	62.7	58.8	-
Liquidity									
. LCR* in BIF (threshold 100%)	225.3	185.6	-	-	-	-	225.3	185.6	-
. LCR in f.c.** (threshold 100%)	193.5	153.4	-	-	-	-	193.5	153.4	-
. Loans/Customer deposits	52.7	64.4	-	140.9	281.3	-	58.2	66.5	-
. Stable funds /Fixed Assets (threshold 60%)	93.7	92.4	-	198.3	251.2	-	105.1	104.6	-
. Ten large deposits/Customer deposits	54.3	44.7	-	19.5	-	-	52.1	44.3	-
Profitability and performance									
. Income before tax	122,748.8	142,207.4	15.9	9,232.4	8,240.9	- 10.7	131,981.2	150,448.3	14.0
. Net income	117,011.5	136,072.7	16.3	8,073.6	5,404.4	- 33.1	125,085.1	141,477.1	13.1
. Gross Income	224,391.3	265,899.2	18.5	17,569.0	7,364.3	- 58.1	241,960.3	273,263.5	12.9
. ROA	3.37	2.86	-	3.19	5.68	-	3.4	2.9	-
. ROE	29.31	24.51	-	18.45	23.29	-	28.2	24.5	-

Source: BRB

APPENDIX 3: SELECTED ANNUAL INDICATORS

GROSS DOMESTIC PRODUCT AND PRICE	2016	2017	2018	2019	2020 (p)
Real Growth of GDP (in %)	3.2	3.8	5.3	4.5	-0.5
Inflation rate (annual)	5.6	16.1	-2.6	-0.8	7.5
FOREIGN SECTOR					
Exports, f.o.b. (USD million)	117.7	172.3	180.0	179.7	162.2
Imports, CIF (USD million)	615.2	756.0	793.5	887.7	909.6
Volume of exports (in tons)	84,614.0	93,125.0	103,218.0	102,721.0	105,858.0
Volume of imports (in tons)	708,203.0	822,514.0	976 694	1,143,866.0	1,175,731.0
Current account balance (USD million)	-326.8	-370.9	-345.9	-348.4	-315.8
Exchange rate BIF/USD (period average)	1,657.4	1,732.2	1,784.8	1,848.6	1,915.1
Exchange rate BIF/USD (end of period)	1,688.6	1,766.7	1,808.3	1,881.6	1,946.4
International reserves (USD million, end of période)	95.4	102.2	70.3	113.4	109.7
International reserves (Month of imports)	1.5	1.7	1.0	1.5	1.1
MONEY AND CREDIT					
Net foreign assets (BIF million)	-176,523.1	-154,400.0	-203,201.0	-206,340.3	-205,016.1
Domestic credit (BIF million)	1,767.1	2,005.0	2,369.5	2,827.6	3,475.3
Net credits to the Government	905.9	1,112.2	1,337.5	1,618.9	2,025.8
Credits to the economy	861.3	892.9	1,038.6	1,208.6	1,449.5
Broad money (M3)	1,187.1	1,499.5	1,797.5	2,202.8	2,728.0
Money and quasi money (M2)	1,093.1	1,340.9	1,326.0	2,014.7	2,520.7
Velocity of the money (GDP/M2, end of period)	4.4	4.3	4.4	3.1	2.6
Reserve money (growth rate)	29.2	39.0	-3.3	23.6	11.6
Liquidity providing rate (in %)	3.10	2.79	2.90	2.65	2.86
Marginal lending rate (in %)	8.60	7.13	5.80	5.43	6.22
Commercial banks average deposit rates (end of period)	7.70	5.96	5.60	5.25	5.45
Treasury securities	-	14.03	13.23	12.45	12.46
Commercial banks average lending rates (end of period)	16.50	16.16	15.90	15.65	15.24
FINANCE AND PUBLIC DEBT					
Revenues and grants (as % of GDP)	15.6	15.8	18.0	20.0	19.5
Expenses (as % of GDP)	21.5	20.1	22.6	24.4	25.6
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-8.2	-6.9	-8.2	-8.4	-9.5
- included grants	-5.9	-4.3	-4.5	-4.4	-6.1
Domestic debt (BIF million)	1,374.1	1,647.8	1,937.8	2,317.5	2,851.2
External debt (in USD million , at the end of period)	429.1	440.5	451.1	504.1	532.2
External debt service ratio (as % of exports)	4.2	5.1	3.2	5.0	5.4
Public external debt (as % of GDP)	14.9	13.6	14.0	15.3	15.6
GDP at market prices (BIF billion)	4,938.2	5,702.1	5,914.1	6,216.9	6,655.6
P:provisional					

Source: BRB