

I. INTRODUCTION

The following main economic indicators related to developments at the end of May 2018 in the real sector and prices, public finance, foreign trade, exchange rate, broad money and its counterparts, main indicators of the financial soundness.

Year-on-year basis, the real sector was characterized by a decrease of industrial production and coffee whereas Tea production increased. Inflation rose in May 2018 compared to the same period in 2017. The fiscal deficit slowed down while the trade balance worsened. Burundi Franc depreciated against the US Dollar.

The monetary sector was characterized by an increase of the reserve money and the money supply. The total balance sheet of the banking sector rose at the end of May 2018 compared to the same period in 2017. Deposits and credit to private sector increased. In terms of financial soundness, the banking sector remained sufficiently capitalized, solvent and profitable.

II. PRODUCTION

Year-on-year basis, industrial production and coffee production decreased while green tea harvest production increased.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index declined by 0.8% %, from 118.3 to 117.3, mainly due to the decrease of cigarettes production (-17.2%) and soaps (-5.3%).

However, compared to the previous month, the industrial production index rose by 0.5% in April 2018, from 116.8 to 117.3 linked to the increase of BRARUDI's beverages (+ 6.1%).

II.2. Coffee

Compared to the previous season, the coffee production for the season 2018/2019 is estimated at 20,000 against 21,628 T, or decrease of 7.5%. This declining of coffee production is linked to cyclicity of coffee.

II.3. Tea

The green tea leaves harvest increased by 7.7% at the end of May 2018, amounted to 21,505.1 T from 19,620.2T, due to the good rainfall. Likewise, compared to the same period in 2017, the tea production increased by 5.3% from 5,589.4 to 5,887.8T.

III. INFLATION DEVELOPMENTS

The consumer price index in May 2018 stood at 114.4 against 115.6 in the same month of the previous year, or a decrease of 1.0% against the rise of 18.9 % in the same period 2017.

This decrease concerned both food prices (-8.7 against +27.8%), and non-food inflation ((+4.8 against +9.1%).

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

	May-17	May-18	Inflation
1. Food	124.8	114.0	-8.7
- Bread and cereals	126.7	107.0	-15.5
- Meat	107.2	114.8	7.1
- Fish	116.7	157.4	34.9
- Milk, cheese and eggs	108	110.3	2.1
- Oils and fats	106	118.8	12.1
- Fruits	106.9	110.2	3.1
- Vegetables	131.5	111.4	-15.3
- Sugar, jam, honey, chocolate and confectionery	123.1	107.5	-12.7
- undefined food elsewhere	107	108.2	1.1
2. Non food	109.7	115.0	4.8
- Alcoholic beverages, tobacco	107.1	114.7	7.1
- clothing and footwear	108.2	116.0	7.2
- Housing, water, electricity, gas and other fuels	102.9	121.3	17.9
- Furnishing, household equipment and routine household maintenance	108	114.1	5.6
- Health	101.9	111.0	8.9
- Transport	109.8	116.6	6.2
- Communication	100.6	101.4	0.8
- leisure and culture	104.9	113.8	8.5
- Education	101.5	136.2	34.2
- Hotels, Restaurant and café	106.2	112.7	6.1
- Other goods and services	105.5	114.4	8.4
Overall index	115.6	114.4	-1.0

Source: BRB based on data of ISTEUBU

The decrease of food prices concerned particular those items "Breads and cereals" (-15.5%), "Vegetables" (-15.3%) and "Sugar, jam, honey, chocolate and confectionery" (-12.7%).

Non-food inflation also decreased in most components, mainly Alcoholic beverages and tobacco (+7.1 against 11.8%), Articles of Clothing and footwear" (+7.2 against + 16.1%), Furniture, household items and household maintenance" (+5.6 against + 12.0%), " Transport" (+6.2 against 12.9%) despite the increase of the "Education" index (+34.2 against. 1.9%), "Health" (+8.9 against 0.6%) and "Housing, water, electricity, gas and other fuels" (+17.9 against 8.5%).

IV. GOVERNMENT FINANCIAL OPERATIONS

At the end of May 2018, Government financial operations recorded a high overall deficit, from BIF -32,711.8 to BIF - 56,406.8 million (excluding grants), compared to the same period in 2017, due to the increase of expenditures than revenue.

IV.1. Revenue

Revenue rose by BIF 8,681.1 million in May 2018 compared to the same period in 2017, from BIF 54,415.8 million to BIF 63,096.8 million. This improvement concerned both tax revenue (BIF 9,771.2 million) and non-tax revenue (BIF 1,090.1 million).

Compared to the previous month, revenue rose by 20%, amounted to 340,749.5 million from BIF 283,909.9 million due to the increase of tax revenues (BIF 50,428.6 million) and non-tax revenue (BIF 6,411.1 million).

IV.2. Expenditure

At the end of May 2018, the expenditures increased by 37.1% compared to the corresponding month in 2017, standing to BIF 119,503.6 against 87,127.5 million.

The cumulative expenses set at BIF 529,174.6 against 424,609.0 million recorded at the end of May 2017, or an increase of 4.9%.

IV.3. Public debt

Year-on-year basis, outstanding public debt rose by 12.9%, amounted to BIF 2,485.0 billion at the end of May 2018 against BIF 2,202.2 billion recorded in the same period in 2017, due to the increase both in domestic debt (+16.2%) and external debt (+ 6.4%).

Compared to the previous month, the public debt increased by 0.8%, mainly concerned by domestic debt (+ 1.7%).

-Domestic Debt

Year-on-year basis, outstanding domestic debt rose by BIF 235,984.4 million, from BIF 1,454.8 to 1,690.8 billion, linked to the increase of Government's debt towards banking sector (BIF +211,859.1 million) and non-banking sector (BIF +24,125.1 million).

The increase of domestic debt mainly concerned the outstanding Treasury bills and bonds towards banking sector (+BIF 248,364.8 million), partially offset by the Government's debt towards Central Bank (-BIF 33,883.3 million).

On a monthly basis, domestic debt rose by BIF 28,234.3 million, amounted to BIF 1,690.8 billion from BIF 1,662.5 billion due to the increase of Government's debt towards banking sector (+BIF 27,895.3 million) and non-banking sector (+BIF 339.0 million).

-External Debt

Year-on-year basis, the external debt rose by BIF 47,511.7 million at the end of May 2018, amounted to BIF 794,721.6 against 747,209.9 million. This increasing is linked to new drawings (BIF 26,373.6 million) and revaluation gains (BIF 38,378.1 million) which exceeded the repayment of principal (BIF 17,240.0 million).

Compared to the previous month, the external debt decreased by 1.1% from BIF 803,786.0 to BIF 794,721.6 million, linked to the revaluation losses (-BIF 8,875.8 million) and repayment of principal (BIF 235.5 million).

Expressed in the USD, outstanding external debt increased by USD 11.9 million compared to the same period in 2017, amounted to USD 447.1 from USD 435.2 million.

V. EXTERNAL TRADE

Total trade (exports plus imports of goods) increased by 27.6% at the end of May 2018 compared to the same period in 2017, amounted to BIF 727,490.1 million against BIF 570,214.5 million. This increase is driven by both imports (BIF 580,744.3 against 489,168.8 million) and exports (BIF 146,745.8 against BIF 81,045.7 million).

The trade balance worsened in the same period (-BIF 433,998.5 million against -BIF 408,123.1 million), supported by a significant increase of imports (+BIF 91,575.5 million) than exports (+BIF 65,700.1 million).

V.1 Exports

Cumulative exports increased both in value and volume at the end of May 2018 compared to the corresponding period in 2017.

In terms of value, the increase of exports concerned primary commodities which stood at BIF 121,900.4 million against BIF 55,253.3 million recorded in the previous year. In contrast, exports of manufactured goods marginally slowdown, from BIF 25,792.4 million to BIF 24,845.4 million.

The increase of primary commodities concerned non-monetary gold (+ BIF 40,017.0 million), exports of coffee (+ BIF 18,847.0 million) and niobium ores (+ BIF 6,926.5 million).

In volume, the increase of exports concerned primary commodities (15,828.0 tonnes against 5,345.0 tonnes) and manufactured goods (22,675.0 tonnes against 22,365.0 tonnes).

V.2 Imports

At the end of May 2018, cumulated imports increased in value and volume compared to the same period of the previous year.

In terms of value, the increase of imports concerned intermediate goods (BIF 253,392.6 million against BIF 180,735.2 million) and capital goods (BIF 135,120.6 million against BIF 101,528.7 million).

On the other hand, imports of consumer goods decreased, from BIF 206,904.9 million to BIF 192,231.1 million.

The increase of intermediate goods concerned mineral oils (+BIF 52,719.1 million) and goods intended for metallurgy (+BIF 16,432.2 million).

The increased of capital goods was mainly due to the electrical equipment (+ BIF 33,081,0 million), boilers, mechanical appliances (+ BIF 16,400.6 million) whilst imports of tractors, vehicles and transport equipment decreased (- BIF 21,811.2 million).

In terms of volume, the increase of exports concerned both intermediate goods (279,127.0 tonnes against tonnes 175,921.0), capital goods (15,288.0 tonnes against 11,748.0 tonnes) and consumer goods (99,457.0 tonnes against 84,198.0 tonnes).

VI. EXCHANGE RATE

The average exchange rate of BIF against USD depreciated by 3.5% in May 2018, standing at BIF 1,777.69 compared to BIF 1,717.64 recorded in the same period of the previous year. Compared to the previous month, the BIF depreciated by 0.08% against USD. At the end of the period, the BIF depreciated by 3.3% against USD, standing at BIF 1,778.26 at the end of May 2018 compared to BIF 1,720.80 in the same period in 2017.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

Year-on-year basis, reserve money and broad money rose in May 2018, due to the increase of net domestic assets.

VII.1. Reserve Money

The reserve money rose by 9.7% in May 2018, amounted to BIF 539,615.0 million in May 2018 against BIF 491,780.4 million in May 2017. This increase was mainly driven by the rising of currency in circulation outside banks (+BIF 28,629.6 million), deposits of commercial banks (+BIF 33,246.9 million) and public non-financial corporations (+BIF 3,729.1 million whilst microfinances 'deposits decreased (-BIF 6.962,6 million).

VII.2. Broad money

Year-on-year basis, the money supply M3 increased by 14.5%, amounted to BIF 1.562,8 billion in May 2018 from BIF 1,365.0 billion. This rising was resulted from the growth of money supply M2 which increased by 14.5% and deposits of residents denominated in foreign currencies (+14.8%).

The increase of M2 was attributed to time and savings deposits (+25.9%), demand deposits (+12.0%) and currency in circulation outside banks (+7.2%).

The rise of demand deposits denominated in BIF was mainly due to the improvement occurred in deposits of other non-financial corporations (+BIF 83,890.2 million), and those classified in other deposits (+BIF 10,494.8 million).

The increase of time and savings deposits is linked to the progress of deposits of other non-financial corporations (+BIF 57,583.8 million), households (+ BIF 7,346.6 million and those classified in “other deposits” (+BIF 12,489.2 million). The rising of residents’ deposits in foreign currency was driven by those of households (+BIF 19,691.3 million) and other non-financial corporations (+BIF 6,969.4 million).

VII.3. Counterparts

Year on year basis, domestic credit rose by 15.4%, from BIF 1,807.8 billion in May 2017 to BIF 2,085.5 billion due to the increase of net claims on government (+19.3%) and claims on the economy (+10.8%).

The increase of net claims on government was mainly driven by the rising of Treasury bills and bonds held by commercial banks (+50.9%).

On year-on- year basis, the net foreign assets and official reserves decreased by 54.8% and 37.8% respectively at the end of May 2018. These reserves covered 1.0 month of imports compared to 2.0 months recorded in the same period in 2017.

VIII. MAIN INDICATORS OF THE BANKING SECTOR

At the end of May 2018, the banking sector’s balance sheet rose. Compared to the same period of the previous year, deposits and credit increased. In terms of soundness, the banking sector remained well capitalized, solvent and profitable.

VIII.1 Assets

Year-on-year basis, total banking sector assets rose by 19.3%, from BIF 1,944.7 billion to BIF 2,319.6 billion in May 2018, following the increase of Treasury securities (772,314.4 against 528,091.5 MBIF). However, the total loans rose by 6.5%, from BIF 759,811.0 million to BIF 809,267.3 million at the end of May 2018.

The share of Treasury Securities in the total assets increased, from 27.2 to 33.3% at the end of May 2018. However, the share of loans to the private sector in the total assets decreased, from 39.1% to 34.9% at the end of May 2018.

VIII.2 Liabilities

Compared to the same period of the previous year, total deposits increased by 12.5%, amounted to BIF 1,290.2 billion against BIF 1,146.9 billion recorded at the end of May 2017.

During the same period, the Central Bank refinancing rose, amounted to BIF 235,492.5 million against BIF 76,100.0 million on weekly average, recorded in the same period of the previous year.

IX. KEY FINANCIAL SOUNDNESS INDICATORS

In May 2018, the banking sector has sound indicators and complied with all prudential standards. The banking sector remained well-capitalized and profitable.

IX.1 Capital Adequacy

At the end of May 2018, the banking sector was adequately capitalized and has enough capital buffers to absorb inherent risks. The total capital Tier 2 and the core capital Tier 1 adequacy ratios remained above the regulatory requirement that encompasses the capital buffers requirement of 12.5 and 14.5% respectively. The core capital adequacy ratio and the global capital adequacy improved, from 20.6 to 24.4% and from 22.5 to 27.6% respectively from May 2017 to May 2018. Over the same period, the leverage ratio was 12.5% against 13.0% at the end of May 2017 with a minimum standard of 7%.

IX.2 Quality of loans portfolio

Compared to May 2017, the quality of the loans portfolio deteriorated; the impairment rate increased from 20.8% to 21.9% at the end of May 2018. Likewise, overdue loans increased by 15.5%, from BIF 157,730.1 million to BIF 177,091.6 million in May 2018.

An analysis of loans by category shows that the watch loans and loss rose respectively by 2.6% and 26.2%. The doubtful loans increased by 3.0% on year-on year basis, amounted to BIF 36,781.3 million from BIF 35,710.9 million recorded at the end of May 2017.

The rate of impairment loans in “Tourism and hotel” sector was 42.5%.

“Agriculture” and “trade” sectors have impairment’s rates of 7.6% and 13.9% respectively whereas “construction” and “manufacturing” sectors have impairment rates of 11.6% et 32.7% respectively.

Given that high impairment of loans, the banking sector was more cautious and made a lot of provisions in order to face potential losses.

The provisioning rate was 76.6% at the end of May 2018 against 74.1% in the same period in 2017.

The concentration risk towards the large exposure is minimized. Loans to large exposures were 16.8% of total loans in May 2018 against 15.0% at the end of May 2017. However, the banking sector faces a concentration risk towards “trade” sector which represented 27.8% of total loans.

IX.3 Profitability

Compared to the same period of the previous year, the banking sector’s profitability increased and the sectoral net profit amounted to BIF 28,905.2 million at the end of May 2018.

The net banking product rose by 53.2%, from BIF 54,786.8 to 83,911.6 million. The return-on-assets (ROA) and the return-on-equity (ROE) stood at 1.2% and 9.6% respectively at the end of May 2018.

IX.4 Liquidity

At the end of May 2018, the liquidity ratios both in local and in foreign currency remained above the regulatory threshold of 20% (Liquid Assets/Total deposits) with respectively 64.4% and 114.1% against 53.2 and 137.8% at the end of May 2017.

However, the banking sector undergoes relatively high concentration risks on deposits, since only the share of ten deposits represented 41.0% of total deposits at the end of May 2018 against 29.5% in the same period in 2017.

APPENDIX 1: SELECTED MONTHLY INDICATORS

	2017			2018		
	March	April	May	March	April	May
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	102.0	112.1	118.3	114.3	116.8	117.3
2. Production of Arabica parchment Coffee (cumulation in T)	17,906.0	17,906.0	17,906.0	21,628.0	21,628.0	21,628.0
3. Production of Tea (cumulation in T of tea leaves)	13,965.0	19,620.2	24,604.6	15,915.7	21,505.1	27,392.9
4. Consumer price index (1991 = 100)	115.9	115.7	116.0	112.9	113.6	114.4
5. Inflation rate	21.1	19.4	18.9	-2.6	-1.7	-1.0
II. FINANCE PUBLIC						
1. Total Budget revenue (in BIF million)	178,349.4	229,494.2	283,909.9	212,518.0	277,652.7	340,749.5
1.1. Tax revenue	167,379.2	213,692.8	261,682.7	195,966.9	254,350.2	312,111.3
1.2. Non-tax revenue	10,970.3	15,801.4	22,227.2	16,551.1	23,302.5	28,638.3
1.3. Exceptionnal receipts	0.0	0.0	0.0	0.0	0.0	0.0
2. Expenditure	239,062.7	337,481.4	424,609.0	308,433.3	409,671.0	529,174.6
2.1. Compensation of employees (in BIF million)	97,090.4	129,074.3	161,167.3	102,164.1	135,713.7	168,988.9
3. Public debt (in BIFmillion)	2,146,927.0	2,140,355.1	2,202,227.2	2,452,788.9	2,466,313.3	2,485,483.2
3.1. Domestic debt outstanding	1,417,624.4	1,421,358.6	1,454,777.5	1,657,190.3	1,662,527.3	1,690,761.6
Including: Treasury bills and bonds	627,821.5	643,307.1	660,063.7	890,327.3	916,907.0	944,719.0
BRB ordinary advance	130,042.5	122,074.2	139,502.5	151,279.3	130,576.4	134,896.7
3.2. External debt outstanding	729,097.9	718,755.2	747,209.9	795,598.6	803,786.0	794,721.6
3.3. External debt outstanding (in BIF million)	427.8	420.1	435.2	448.5	452.5	447.1
3.3. External debt service (in BIF million)	1,785.0	2,661.5	767.0	1,491.0	3,596.2	457.9
including amortization	1,167.8	1,744.2	44.1	1,136.2	2,766.3	235.5
3.4. Drawings on external loans	0.0	171.1	0.0	5,617.3	10,448.4	46.9
III. MONEY						
1. Reserve Money (in BIF million)	486,327.8	482,272.8	491,780.4	518,671.2	562,023.4	539,615.0
2. Broad money M3 (in BIF million)	1,292,013.2	1,326,905.3	1,365,011.1	1,533,249.8	1,542,889.6	1,562,759.4
2.1. Broad money M2 (in BIF million)	1,170,765.8	1,199,928.5	1,226,255.9	1,362,009.2	1,373,283.9	1,403,456.7
3. Domestic credit (in BIF million)	1,803,204.5	1,811,737.4	1,807,795.3	2,056,074.5	2,061,598.9	2,085,517.3
4. Net foreign to government (in BIF million)	986,447.7	1,000,284.7	979,549.5	1,137,771.2	1,141,234.2	1,168,234.9
5. Net foreign assets (in BIF million)	-164,630.2	-163,087.5	-113,413.7	-169,690.1	-157,125.6	-175,314.1
6. Tenders operations						
6.1. Normal liquidity providing	87,840.0	100,000.0	95,430.0	163,700.0	218,600.0	240,220.0
6.2. Injecting liquidity	0.0	0.0	0.0	0.0	0.0	0.0
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	5.5	5.6	5.3	3.9	3.6	3.1
7.2. Treasury bill to 26 weeks	5.7	5.7	5.8	5.2	4.7	4.3
7.3. Treasury bill to 52 weeks	7.5	7.3	7.1	5.6	5.5	5.5
7.4. Recovery of liquidity	0.0	0.0	0.0	0.0	0.0	0.0
7.5. Injecting liquidity	4.9	5.4	3.9	2.8	3.2	3.6
7.6. Marginal lending facility	9.0	8.0	7.2	6.6	6.2	5.5
7.7. Interbank market	6.0	6.0	5.5	0.0	0.0	4.5
7.8. Deposit interest rates	6.6	6.3	6.3	5.6	5.4	5.4
7.9. Lending interest rates	16.3	16.1	16.3	16.0	16.2	16.2
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	49,157.2	62,950.7	81,045.7	108,190.2	130,412.2	146,745.9
including Arabica coffee	5,460.7	5,461.1	5,869.5	21,535.5	23,912.7	24,717.1
1.1. Volume of exports (in T)	21,733.2	28,379.5	35,549.0	24,627.6	32,149.9	38,502.8
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	70.5	99.4	67.6	94.8	80.3	50.7
- BIF/Kg	2,638.7	3,706.2	2,545.8	3,518.9	3,118.0	1,965.2
1.3. Coffee sold d(in BIF million)	1,663.5	292.5	10,099.1	5,357.5	5,388.1	1,023.6
2. Import CIF (in BIF million)	303,561.0	390,008.9	489,168.8	359,901.7	463,168.3	580,744.3
including petroleum products	40,400.8	54,266.4	66,495.3	68,467.9	92,676.1	119,214.4
2.1. Volum of imports (in T)	164,334.8	211,254.9	271,867.0	254,023.5	318,745.6	393,872.0
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	100.2	99.1	97.6	88.4	88.9	92.3
3.1.2. Real	113.6	111.9	110.5	95.4	96.3	100.5
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,775.6	1,714.5	1,720.8	1,775.6	1,776.9	1,778.3
3.2.2. Exchange rate BIF/USD (monthly average)	1,704.9	1,711.5	1,717.6	1,774.0	1,776.3	1,777.7
(p) : Provisional n.a. : not available - : Nonexistent data..						

Source: BRB

APPENDIX 2: MAIN INDICATORS OF THE BANKING SECTOR IN MAY 2018 (in BIF Million)

	Commercial Banks			Other Banking Institutions			Total banking sector		
	5/30/2017	5/30/2018	Variation en %	5/30/2017	5/30/2018	Variation en %	5/30/2017	5/30/2018	Variation en %
I. EMPLOIS	1 798 084.4	2 157 321.1	20.0	146 626.4	162 305.8	10.7	1 944 710.8	2 319 626.9	19.3
Main ASSETS	1 468 069.1	1 807 373.1	23.1	111 837.6	120 325.0	7.6	1 579 906.7	1 927 698.1	22.0
A. Liquid Assets	812 925.9	1 113 661.2	37.0	7 169.8	4 769.6	(33.5)	820 095.7	1 118 430.8	36.4
. Cash	52 515.3	61 657.8	17.4	15.5	7.2	-53.5	52 530.8	61 665.0	17.4
. B.R.B.	146 518.1	201 382.4	37.4	1 226.5	1 317.6	7.4	147 744.6	202 700.0	37.2
. Banking sector	85 801.0	78 306.6	-8.7	5 927.8	3 444.8	-41.9	91 728.8	81 751.4	-10.9
. Treasury securities	528 091.5	772 314.4	46.2	-	-	-	528 091.5	772 314.4	46.2
B. Loans	655 143.2	693 711.9	5.9	104 667.8	115 555.4	10.4	759 811.0	809 267.3	6.5
. Short term	392 759.1	428 274.8	9.0	18 057.4	2 034.5	-88.7	410 816.5	430 309.3	4.7
. Medium term	168 880.0	163 450.5	-3.2	43 988.0	53 448.3	21.5	212 868.0	216 898.8	1.9
. Long term	93 504.1	101 986.6	9.1	42 622.4	60 072.6	40.9	136 126.5	162 059.2	19.1
. Leasing	-	-	-	-	-	-	-	-	-
. Other loans	-	-	-	-	-	-	-	-	-
Fixed assets	118 587.5	119 769.4	1.0	7 441.5	7 680.4	3.2	126 029.0	127 449.8	1.1
C. Others	211 427.8	230 178.6	8.9	27 347.3	34 300.4	25.4	238 775.1	264 479.0	10.8
II. LIABILITIES	1 798 084.4	2 157 321.1	20.0	146 626.4	162 305.8	10.7	1 944 710.8	2 319 626.9	19.3
Main liabilities	1 373 396.0	1 613 396.0	17.5	59 967.4	75 919.9	26.6	1 433 363.4	1 689 315.9	17.9
. Deposits	1 093 023.5	1 221 299.6	11.7	53 900.4	68 914.1	27.9	1 146 923.9	1 290 213.7	12.5
among which ten large deposits	331 390.4	520 934.6	57.2	7 521.1	8 016.6	6.6	338 911.5	528 951.2	56.1
. Refinancing from BRB	97 953.6	239 184.1	144.2	-	-	-	97 953.6	239 184.1	144.2
. Others	-	-	-	-	-	-	-	-	-
Banking sector	182 418.9	152 912.3	-16.2	6 067.0	7 005.8	15.5	188 485.9	159 918.1	-15.2
among which residents	117 475.6	84 147.5	-28.4	6 067.0	3 609.9	-40.5	123 542.6	87 757.4	(29.0)
Capital and reserves	204 240.5	220 195.7	7.8	30 296.3	31 879.3	5.2	234 536.8	252 075.0	7.5
Others	220 447.9	323 729.4	46.9	56 362.7	54 506.6	(3.3)	276 810.6	378 236.0	36.6
IV. BANKING SECTOR INDICATORS									
Capital adequacy									
. Core capital (in MBIF)	210 983.2	239 981.0	13.7	25 690.5	27 169.5	5.8	236 673.7	267 150.5	12.9
. Total capital (in MBIF)	222 888.9	263 051.4	18.0	36 318.6	38 355.3	5.6	259 207.5	301 406.7	16.3
. Risk Weighted assets	1 024 703.3	1 021 819.2	-0.3	125 494.6	72 128.0	-42.5	1 150 197.9	1 093 947.2	-4.9
. Core capital adequacy ratio (threshold 12,5%)	20.6	23.5		20.5	37.7		20.6	24.4	
. Total capital adequacy ratio (threshold 14,5%)	21.8	25.7		28.9	53.2		22.5	27.6	
. Leverage ratio (threshold 7%)	12.5	12.1		19.0	18.4		13.0	12.5	
Quality and concentration of loan portfolio									
Large exposure	105 280.9	123 156.0	17.0	9 063.7	13 042.5	43.9	114 344.6	136 198.5	19.1
Watch loans	34 800.3	37 864.2	8.8	15 035.2	18 700.0	24.4	49 835.5	56 564.2	13.5
Non Performing loans	91 355.6	104 906.3	14.8	16 539.0	15 621.1	-5.5	107 894.6	120 527.4	11.7
Overdue loans	126 155.9	142 770.5	13.2	31 574.2	34 321.1	8.7	157 730.1	177 091.6	12.3
Provisions	72 165.8	81 293.0	12.6	7 732.6	10 994.5	42.2	79 898.4	92 287.5	15.5
Total gross loans/Total gross assets (in %)	36.4	32.2		71.4	71.2		39.1	34.9	
Loans to the Government/Total gross assets (*)	29.4	35.8	-	-	-		29.4	35.8	
Loans to the Government/Core capital (*)	250.3	321.8	-	-	-		250.3	321.8	
Non Performing loans rate	13.9	15.1		15.8	13.5		14.2	14.9	
Overdue loans rate	19.3	20.6		30.2	29.7		20.8	21.9	
Rate of provisioning (in %)	79.0	77.5		46.8	70.4		74.1	76.6	
. Large exposure/Total gross loans (in %)	16.1	17.8		8.7	11.3		15.0	16.8	
Liquidity									
Liquidity ratio in local currency (*)	53.2	64.4		-	-		53.2	64.4	
Liquidity ratio in foreign currency (*)	137.8	114.1		-	-		137.8	114.1	
Total loans/total deposits (*)	59.9	56.8		194.2	167.7		66.2	62.7	
Stable resources/immobilized assets	122.0	126.0		229.5	272.1		166.1	149.1	
Ten large deposits/Total deposits (*)	30.3	42.7		14.0	11.6		29.5	41.0	
Profitability and performance									
Profit before tax	8 957.4	33 258.3	271.3	432.2	2 184.5	405.4	9 389.6	35 442.8	277.5
Net profit	7 020.3	27 085.5	285.8	432.2	1 819.7	321.0	7 452.5	28 905.2	287.9
Banking net product	49 838.3	78 457.3	57.4	4 948.5	5 454.3	10.2	54 786.8	83 911.6	53.2
ROA									1.2
ROE									9.6

Source: BRB

APPENDIX 3: SELECTED ANNUAL INDICATORS

	2013	2014	2015	2016	2017
GROSS DOMESTIC PRODUCT AND PRICE					
Real Growth of GDP (in %)	4.9	4.2	-0.4	2.8	2.8
Inflation rate (annual)	7.9	4.4	5.5	5.6	16.1
FOREIGN SECTOR					
Exports, f.o.b. (USD million)	94.0	131.8	120.8	109.4	147.5
Imports, CIF (USD million)	811.0	768.7	721.4	619.6	743.8
Volume of exports (in tons)	57,207.0	79,580.0	85,498.9	84,613.0	93,124
Volume of imports (in tons)	809,077.0	798,246.0	632,337.0	708,203.0	822,520
Current account balance (USD million)	-250.2	-393.2	-373.3	-356.8	351.7
Exchange rate BIF/USD (period average)	1,555.1	1,546.7	1,571.9	1,654.6	1,765.1
Exchange rate BIF/USD (end of period)	1,542.0	1,553.1	1,617.1	1,688.6	1,766.7
International reserves (USD million, end of période)	321.2	317.3	136.4	95.4	112.9
International reserves (Month of imports)	4.2	4.2	2.3	1.5	1.7
MONEY AND CREDIT					
Net foreign assets (BIF million)	229,756.1	180,476.7	-75,870.1	-176,523.1	-149,085.4
Domestic credit (BIF million)	1,050,252.1	1,236,271.6	1,516,320.8	1,773,610.2	2,007,213.7
Net credits to the Government	273,347.7	383,432.0	687,166.2	906,486.1	1,115,726.9
Credits to the economy	776,904.4	852,839.6	829,154.6	867,124.1	891,486.8
Broad money (M3)	983,168.8	1,102,468.5	1,101,095.8	1,180,019.4	1,482,130.5
Money and quasi money (M2)	847,072.6	937,841.8	965,844.0	1,086,049.4	1,321,620.8
Velocity of the money (GDP/M2, end of period)	4.9	5.1	4.8	4.6	3.6
Monetary base (growth rate)	23.6	15.8	-8.6	29.2	39.0
Liquidity providing rate (in %)	-	-	3.4	3.1	2.8
Marginal lending rate (in %)	12.5	8.0	9.8	8.6	7.1
Commercial banks average deposit rates (end of period)	9.0	8.8	8.7	7.7	6.0
Commercial banks average lending rates (end of period)	16.2	16.7	16.9	16.5	16.2
FINANCE AND PUBLIC DEBT					
Revenues and grants (as % of GDP)	22.1	21.0	16.6	15.9	16.5
Expenses (as % of GDP)	25.0	25.3	24.7	22.0	21.1
primary balance (as % of GDP , accrual basis)	-2.4	-0.5	-6.0	-2.3	-1.5
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-10.1	-9.5	-11.2	-8.5	-7.1
- included grants	-2.9	-4.4	-8.0	-6.0	-4.6
Domestic debt (BIF million)	597,961.8	727,264.4	1,069,551.8	1,376,307.8	1,649,286.6
External debt (in USD million , at the end of period)	413.0	429.6	420.5	429.6	440.0
External debt service ratio (as % of exports)	3.5	4.1	5.8	6.6	9.1

Source: BRB