



**BANQUE DE LA REPUBLIQUE
DU BURUNDI**

**MONETARY POLICY
COMMITTEE REPORT
FIRST QUARTER 2021**

November-2021

TABLE OF CONTENTS

Acronyms	3
EXECUTIVE SUMMARY	4
I. WORLD ECONOMIC DEVELOPMENT	5
1.1. Global GDP growth.....	5
1.2. World Trade	6
1.3. Commodity prices and inflation.....	7
1.4. Monetary policy in developed countries	8
1.5. Main macroeconomic indicators in the EAC countries.....	9
II. LOCAL ECONOMIC AND FINANCIAL DEVELOPMENT	11
2.1. Production and Prices	11
2.2. External sector	13
2.2.1. External trade	13
2.2.2. Balance of payments	14
2.2.3. Foreign Assets	16
2.3. Public finance.....	16
2.4. Monetary sector	18
2.4.1. Bank reserves and interest rates	18
2.4.2.1. Reserve money	21
2.4.2.2. Broad money and counterparts	22
2.4.3. Gross foreign assets.....	23
2.5. Banking sector development and financial stability	24
2.5.1. Banking activities	24
2.5.2. Main Resources.....	24
2.5.1. Loans portfolio quality	26
2.5.2. Capital adequacy	28
2.5.3. Banking sector's profitability	29
ANNEXES	31

Acronyms

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

EXECUTIVE SUMMARY

Economic growth slowed in the first quarter 2021 in advanced OECD countries (+0.6 compared to + 1.0 percent in the previous quarter), mainly driven by upsurge of new Covid-19 infections which led these countries to resort to new confinements of the population. Economic growth also decelerated in the main emerging countries, mainly in China (+ 0.6 against + 2.6 percent) and India (+ 2.1 against + 9.3 percent).

According to World Bank forecasts, the world economy is expected to grow by 5.6 percent in 2021 against a contraction of 3.5 percent in 2020. This recovery is driven by the improvement of global demand in the major economies of OECD.

In East African Community, economic growth improved in the first quarter 2021 due to the good agricultural performance, public investments in communication and information technology infrastructures. Economic growth is expected to accelerate in 2021 in all member countries, driven by the measures taken to deal with the Covid-19 pandemic.

Concerning perspectives, economic growth is expected to recover in 2021 (3.3 against -0.5 percent in 2020), following the improvement activity in all sectors. The balance of payments for the first quarter 2021 improved, on account of reduction of current account deficit, mainly related to the reduction of the services deficit and the increase of secondary income surplus. The capital account surplus also improved compared to the same quarter in 2020.

The fiscal deficit (including grants) narrowed in the first quarter 2021 compared to the same quarter in 2020, driven by the increase of revenue than expenditure.

Year-on-year basis, the reserve money rose by 8.0 percent and the money supply by 27.6 percent, following the increase in both net domestic assets and net foreign assets. Official foreign exchange reserves increased 4.0 percent year-on-year and covered 0.9 months of imports of goods and services as in the same period in 2020, while the threshold is set at 4.5 months in the EAC convergence criteria.

The main activity and soundness indicators of the banking sector improved in the first quarter 2021. The banking sector remained capitalized and profitable and all regulatory and prudential standards were met.

I. WORLD ECONOMIC DEVELOPMENT

1.1. Global GDP growth

Quarter-on-quarter, economic growth decelerated in the first quarter 2021 in advanced OECD countries (+0.6 versus + 1.0 percent), mainly following the upsurge of new Covid-19 infections which lead these countries to resort to new confinements of the population.

Economic growth also slowed down in the main emerging countries, particularly in China (+ 0.6 against + 2.6 percent), India (+ 2.1 against + 9.3 percent) and South Africa (+ 1.1 against + 1.4 percent).

Table 1: Quarterly GDP growth of main advanced countries (in percent)

	Quarter to quarter			Year on year		
	Q1-2020	Q4-2020	Q1-2021	Q1-2020	Q4-2020	Q1-2021
USA	-1.3	1.1	1.6	0.3	-2.4	0.4
Japan	-0.5	2.8	-1.0	-2.2	-1.0	-1.5
Germany	-2.0	0.5	-1.8	-2.2	-3.3	-3.1
France	-5.9	-1.5	-0.1	-5.5	-4.6	1.2
United Kingdom	-2.8	1.3	-1.5	-2.2	-7.3	-6.1
Euro zone	-3.8	-0.6	-0.3	-3.3	-4.7	-1.3
OECD - Total	-1.9	1.0	0.6	-0.9	-2.9	-0.4
China	-9.7	2.6	0.6	-6.8	6.5	18.3
India	0.8	9.3	2.1	3.2	0.5	1.8
Russia	0.1	1.7	1.7	4.6	5.0	6.7
South Africa	-0.4	1.4	1.1	-0.2	-4.2	-2.7

Source: OECD, main economic indicators, April 2021

Year-on-year basis, economic growth further contracted in the first quarter 2021 in all advanced OECD countries (-0.4 compared to -0.9 percent). In the United States, economic growth increased (+ 0.4 against + 0.3 percent). In the Eurozone, GDP contracted as in the same period of the previous year (-1.3 against -3.3 percent). In Japan, economic activity continued to decline (-1.5 compared to -2.2 percent), mainly due to the effects of new waves of contamination from the COVID-19 pandemic.

In the main emerging countries, economic growth picked up in China (+18.3 against -6.8 percent), while it slowed down in India (+ 1.8 against + 3.2 percent).

According to forecasts made by the World Bank, the world economy is expected to grow by 5.6 percent in 2021 against a contraction of 3.5 percent in 2020.

This recovery is mainly explained mainly by the improvement of global demand, despite the negative impact of covid-19 in many emerging and developing economies.

1.2. World Trade

Table 3: World trade growth (percent)

	2019	2020	2021(p)
World GDP	2,5	-3,5	5,6
Advanced economies	1,6	-4,7	5,4
USA	2,2	-3,5	6,8
Euro zone	1,3	-6,6	4,4
Japan	0,0	-4,7	2,9
Emerging and Developing Economies	3,8	-1,7	6,0
China	6,0	2,3	8,5
India	4,0	-7,3	8,3
Subsaharan Africa	2,5	-2,4	2,8
Nigeria	2,2	-1,8	1,8
South Africa	0,2	-7,0	3,5
World trade volume	1,2	-8,3	8,3
(p): provisional			

Source: World Bank, Global economic prospects, June 2021

In advanced countries, economic growth should improve by 5.6 percent in 2021 against a decline of 4.7 percent in 2020. In the United States, economic growth is expected to pick up by 6.8 percent against a decline of 3.5 percent in 2020. In the Euro zone, economic activity will recover by 4.4 percent against a contraction of 6.6 percent in 2020. In Japan, economic activity could increase by 2.9 percent against a recession of 4.7 percent.

In emerging and developing countries, GDP growth should stand at 6.0 percent in 2021 against a decline of 1.7 percent in 2020. In China, economic activity should improve by 8.5 percent against 2.3 percent in 2020. India would record a GDP growth of 8.3 percent whereas it had recorded a contraction of 7.3 percent in 2020.

In sub-Saharan Africa, GDP growth could improve by 2.8 percent against a decline of 2.4 percent in 2020. This recovery is mainly due to the positive effects of the global economic recovery, to the rise prices of commodities prices.

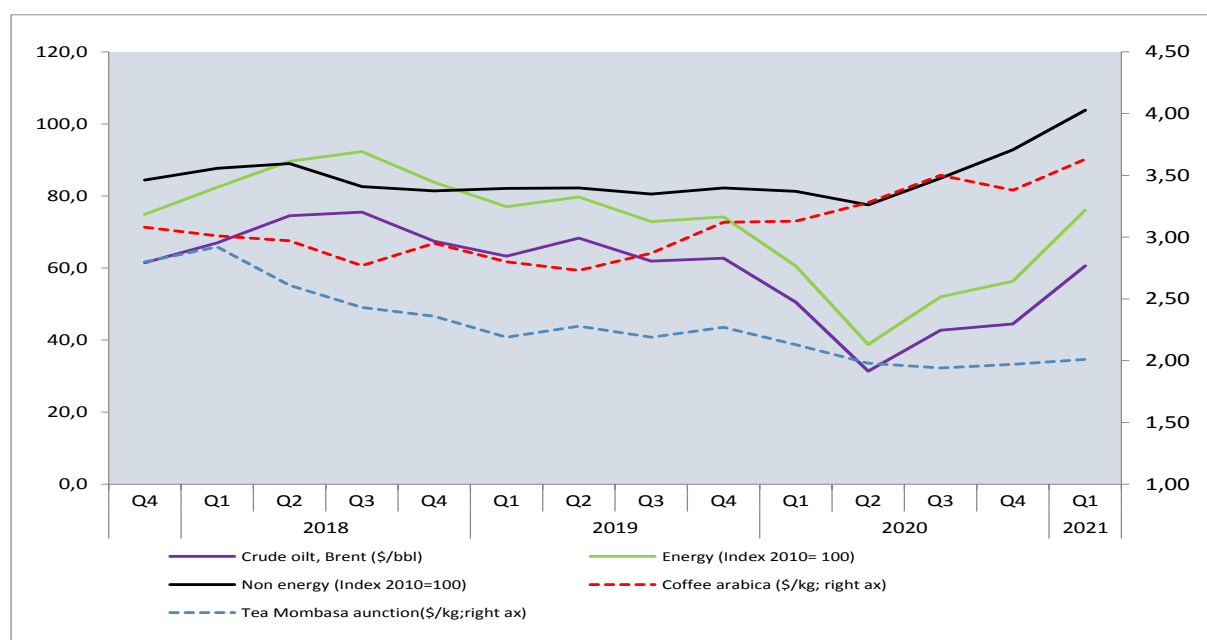
World trade could increase by 8.3 percent in 2021, driven by the increase of demand in major economies such as the United States and China. World trade improvement is also due lower procurement costs, including transport and simplified customs procedures.

1.3. Commodity prices and inflation

In the first quarter 2021, commodities prices generally continued the recovery that began in the last two quarters 2020, after the decline recorded in the first half in 2020 due to the adverse effects of COVID-19.

Compared to the previous quarter, the price of crude oil (Brent) was 60.60 against 44.50 USD per barrel. The index for energy (76.10 against 56.30) and that of non-energy products (103.80 against 92.80) rose in the first quarter. The price of tea at the Mombasa auctions edged up to 2.01 from 1.97 USD per kilogram. The price of Arabica coffee rose to 3.69 USD from 3.38 USD per kilogram.

Chart 1: Commodities prices



Source: World Bank, Commodity prices, April 2021

Quarter on quarter basis, inflation rose both in major advanced countries and emerging and developing countries. The rebound inflation is the result of the economic recovery, which led to higher prices of basic products.

In advanced economies, inflation remained below the limit or within the target range for most countries. Inflation in the United States stood at 1.9 compared to 1.2 percent recorded in the previous quarter. In the Euro zone, inflation rose to 1.4 percent from deflation of 0.3 percent in the previous quarter.

Table 4: Inflation in main advanced and emerging countries (in percent)

Year on year			
	Q1-2020	Q4-2020	Q1-2021
USA	2,1	1,2	1,9
Japan	0,5	-0,9	-0,4
Germany	1,6	-0,3	1,4
France	1,2	0,1	0,7
United Kingdom	1,7	0,8	0,9
Euro zone	1,1	-0,3	1,4
OCDE - Total	2,1	1,2	1,9
China	5,0	0,1	-0,1
India	6,6	5,0	4,4
Russia	2,4	4,4	5,6
Turkey	12,1	13,5	15,6
Brasil	3,8	4,3	5,3
South Africa	4,3	3,2	3,1

Source: OECD, OECD, Economic Outlook, April 2021

Inflation in emerging and developing countries has exceeded targets, particularly as a result of rising food and petroleum prices. In China and India, inflation rates fell to -0.1 from 0.1 percent and 4.4 from 5.0 percent, respectively. On the other hand, inflation increased in other emerging countries such as Turkey (15.6 against 13.5 percent), in Brazil (5.3 against 4.3 percent) and in Russia (5.6 against 4, 4 percent).

1.4. Monetary policy in developed countries

In order to support the economies activities which was affected by the Covid-19 pandemic, the central banks of the main advanced countries continued their accommodative monetary policies in the first quarter 2021.

In the United States, the Federal Reserve has extended the target range of rates between 0 and 0.25 percent. In addition, it continued to buy back Treasury securities and mortgage-backed securities to encourage the flow of credit to businesses and households.

In the euro Zone, the European Central Bank (ECB) kept unchanged the interest rates of the main refinancing operations (0.00 percent) as well as those of the marginal lending facility (0.25 percent) and the deposit (-0.50 percent). It also renewed the repurchase of assets and the reinvestment of repayments to maintain favorable financing conditions for real estate and households until the coronavirus crisis ends.

The Bank of Japan continued its monetary policy of quantitative and qualitative easing, by extending the negative interest rate on deposit facilities (-0.1 percent) and by maintaining its program of buy back Treasury bonds with an objective of reaching the target level of inflation close to 2.0 percent and keep it stable.

1.5. Main macroeconomic indicators in the EAC countries¹

Following the recovery of global economic activity, economic growth in the EAC countries is expected to accelerate in 2021, driven by measures taken in order to contain the adverse effects of the Covid-19 pandemic.

Table 5: GDP growth in EAC² countries (in percent)

	2018	2019	2020	2021(p)
Burundi	5,3	4,5	-0,5	3,3
Kenya	6,3	5,4	-0,3	4,5
Uganda	6,3	6,4	3,0	3,3
Rwanda	8,6	9,4	-3,3	4,9
Tanzania	5,4	5,8	2,0	4,5
SSAF	2,7	2,5	-2,4	2,8

Source: World Bank, Regional economic outlook, June 2021

For Burundi, the data provided from the macroeconomic framework of July 2021

In the first quarter of 2021, economic activity picked up in the EAC countries, mainly driven by the good agricultural performance, investments in construction and communication and information technology services.

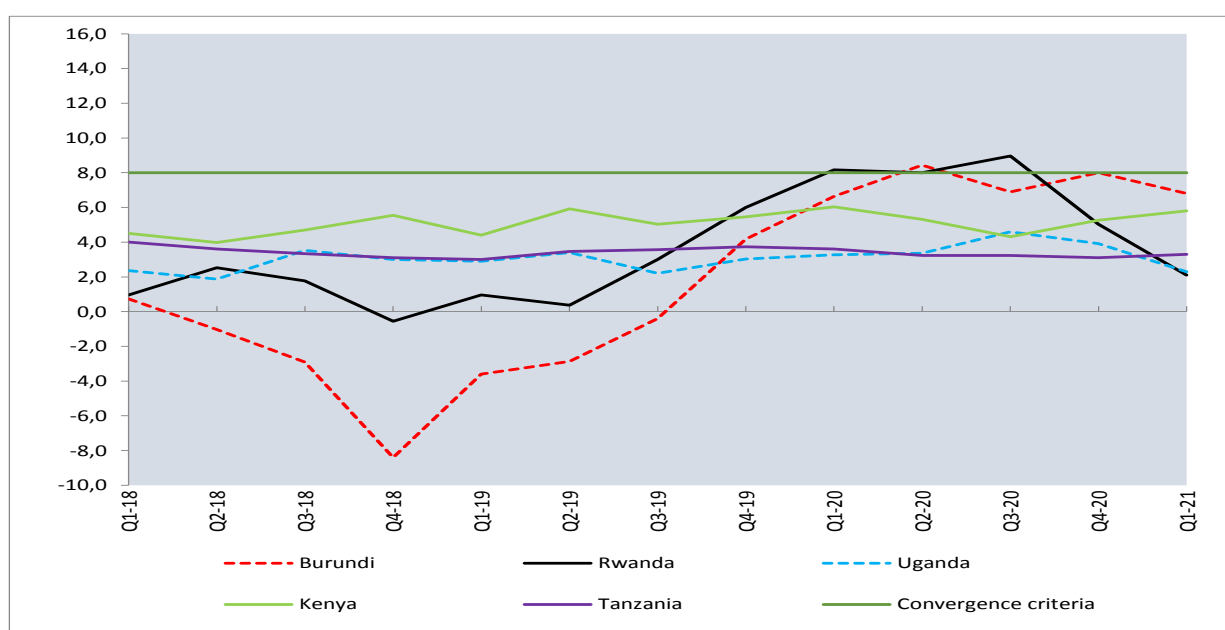
Inflation remained subdued in most of the EAC countries, due to weak increases of food inflation following good harvests, stable exchange rates as well as moderate prices for petroleum products.

Compared to the previous quarter, headline inflation decreased in Burundi (6.8 against 8.0 percent) and Rwanda (2.1 against 5.0 percent). It stabilized in Uganda at 3.9 percent and in Tanzania (3.1 against 3.3 percent), while it slightly increased in Kenya (5.8 against 5.3 percent).

¹ Southern Sudan data are not available

² Data for Burundi are taken from the Burundi Macroeconomic Framework, October 2020.

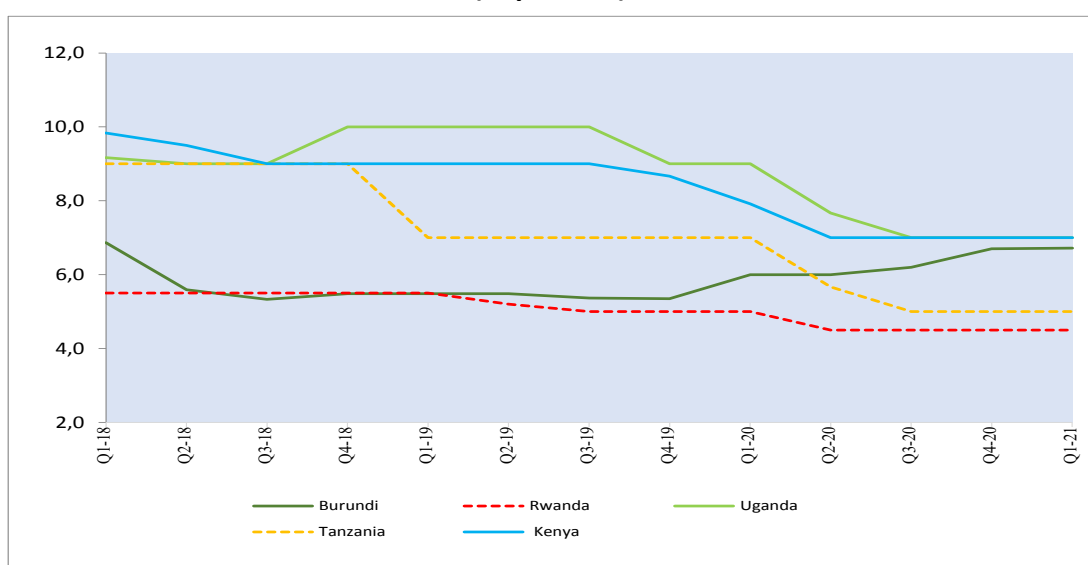
Chart 2: Inflation in EAC countries (in percent)



Source: EAC Central Banks web sites

During the first quarter 2021, the EAC central banks continued their accommodative monetary policy with a view to further stimulate credit to the private sector.

Chart 3: Central bank interest rates (in percent)



Source: EAC Central Banks web sites

Compared to the previous quarter, the key interest rates of the central banks of Rwanda (4.5 percent), Uganda (7.0 percent), Kenya (7.0 percent) and Tanzania (5.0 percent) percent)

remained unchanged. Likewise, the average rate on the marginal lending facility has stabilized at 6.7 percent in Burundi.

Year-on-year basis, most of the currencies of the EAC countries depreciated but fluctuating below the limit of 5.0 percent agreed as part of maintaining the stability of the exchange rate, with the exception of the Rwandan Franc which depreciated by 5.2 percent on annual basis. However, the Ugandan Shilling appreciated by 3.5 percent.

Table 6: USD exchange rate against EAC currencies

	End of period				
	USD/TZS	USD/RWF	USD/UGX	USD/KSH	USD/BIF
march-2020	2 289,90	930,68	3 796,43	104,70	1 898,90
dec-2020	2 298,45	972,48	3 650,07	109,07	1 946,40
march-2021	2 298,50	979,28	3 663,93	109,41	1 960,81
Annual change marc-21/marc-20(%)	0,4	5,2	-3,5	4,5	3,3
Quarterly change marc-21/dec-20 (%)	0,00	0,70	0,38	0,31	0,74

Source: EAC Countries Central Banks websites

II. LOCAL ECONOMIC AND FINANCIAL DEVELOPMENT

2.1. *Production and Prices*

The average index of industrial production rose by 5.7 percent compared to the corresponding quarter of 2020, following the increase of food production (+3.7 percent) and chemical industries (+26.1 percent), mainly the production of BRARUDI beverages (+ 7.9 percent), paints (+ 4.7 percent) and soaps (+40.6 percent). Compared to the previous quarter, this index decreased by 20.3 percent, from 161.9 to 129.0, mainly due to the end of the sugar production campaign and the decrease of cigarettes production (-32, 9 percent).

REGIDESO's electricity production fell by 10.6 percent year-on-year, from 65,888 to 58,894 megawatts. Likewise, it decreased by 6.3 percent compared to the previous quarter.

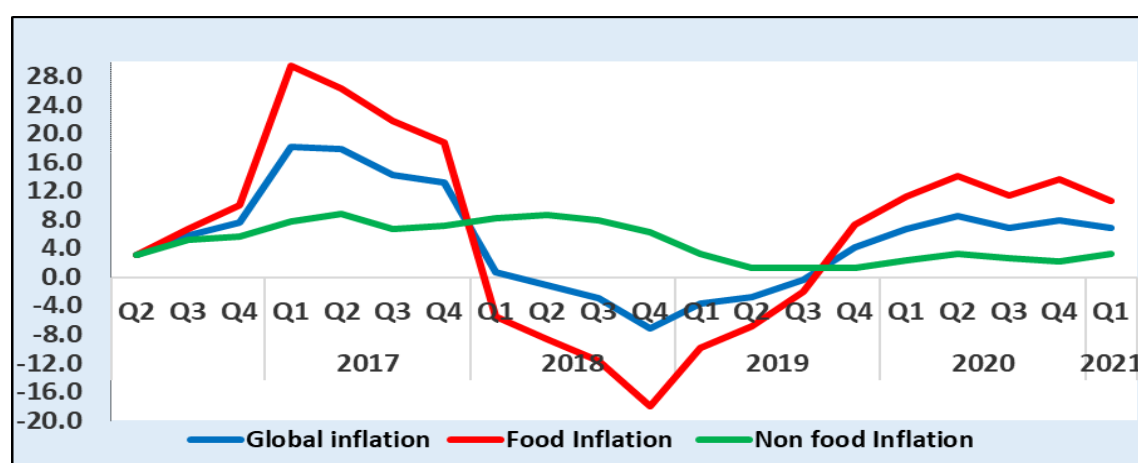
The volume of goods transiting through the Port of Bujumbura picked up by 1.7 percent compared to the corresponding quarter in 2020. Compared to the previous quarter, it rose by 13.9 percent, mainly due to the increase of cements imports.

At Melchior NDADAYE International Airport, passenger's numbers fell by 58.9 percent year-on-year, due to measures taken to reduce the spread of COVID-19. On the other hand, it increased by 10.8 percent compared to the previous quarter, from 16,755 to 18,570 passengers. Likewise, aircraft traffic decreased year-on-year (-26.9 percent), while it increased quarter-on-quarter (+ 31.0 percent) due to the reduction of restrictions on flights.

The inflation rose in the first quarter 2021, standing at 6.8 against 6.6 percent in the corresponding quarter in 2020. This slight acceleration concerned non-food inflation (3.3 against 2.2 percent), food inflation slightly decelerated (10.7 against 11.3 percent).

In the first quarter 2021, dry tea production fell by 4.4 percent compared to the same quarter in 2020, standing at 3,498.2 from 3,658.0 tonnes, due to poor rainfall. On the other hand, the production of green coffee sharply increased, reaching 1,525.7 against 673.0 tonnes recorded in the same period in 2020, mainly due to the cyclical of the coffee tree.

Chart 4: Inflation by major components (in percent)



Source: BRB based on data provided by ISTEERU

Compared to that of the previous quarter, the inflation rate fell (6.8 against 8.0 percent), following the deceleration of food inflation (10.7 against 13.6 percent), non-food inflation having increased (3.3 compared to 2.2 percent).

For the year 2021, forecasts show that economic activity could recover (3.3 against -0.5 percent), following the improvement activity in the primary sectors (3.6 against 3.0 percent), secondary (2.5 against 0.4 percent) and tertiary (3.4 against -2.7 percent).

Table 4: Real GDP growth and inflation (in percent)

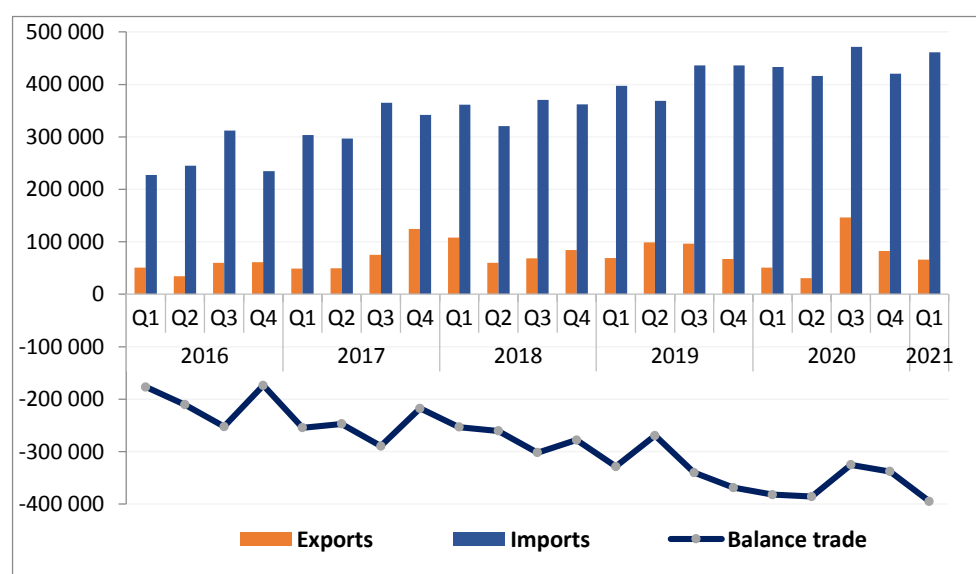
	2017	2018	2019	2020 (Prov.)	2021(prov.)
1. Real GDP Growth	3,8	5,3	4,5	-0,5	3,3
Primary sector	0,2	7,4	2,8	3,0	3,6
Secondary sector	7,6	2,5	1,1	0,4	2,5
Tertiary sector	4,0	3,2	7,2	-2,7	3,4
2. Inflation	16,1	-2,6	-0,7	7,5	4,1

Source: Macroeconomic framework of Burundi, July 2021

2.2. External sector

2.2.1. External trade

The trade deficit for the first quarter 2021 stood at BIF 394,959.4 million, more than BIF 13,001.6 million compared to deficit recorded in the first quarter 2020, on account of the largest increase of imports CIF (BIF 461,175.1 against 433,016.8 million) compared to the exports (BIF 66,215.7 against 51,059.0 million).

Chart 5: Trade balance (in BIF million)

Source: Database, tripartite committee for foreign trade statistics (BRB, OBR, ISTEEBU)

Total exports picked up by 29.7 percent, following the increase of primary products (BIF 43,971.0 against BIF 28,262.9 million). Exports of manufactured products have almost stabilized to BIF 22,244.7 million from 22,796.2 million.

The rise of primary products concerned coffee (+BIF 10,548.7 million) and niobium ore (+BIF 6,429.1 million). The main exports products, which are coffee, tea and gold, accounted 48.2 percent of total exports in the first quarter 2021.

Chart 6: Key exported products (in percent of the total exports)

	2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Coffee	36,0	14,6	12,4	27,3	16,3	6,4	9,2	41,5	28,4
Gold	9,0	48,2	60,3	16,4	0,0	0,0	60,1	0,0	0,0
Tea	14,8	11,4	10,5	13,4	23,6	34,2	6,7	9,1	19,8
Others	40,1	25,7	16,8	42,9	60,1	59,4	24,0	49,4	51,8
Total (en %)	100	100	100	100	100	100	100	100	100
Total (in million BIF)	68 789,1	99 114,2	96 740,8	67 525,9	51 059,0	30 827,7	146 557,9	84 186,9	66 215,7

Source: Database, tripartite committee for foreign trade statistics (BRB, OBR, ISTEUBU)

Year-on-year basis, imports rose by 6.5 percent in the first quarter 2021. Imports of consumption goods accounted BIF 170,840.2 million compared with BIF 145,094.3 million recorded in first quarter 2020, and capital goods amounted BIF 88,072.0 million from BIF 76,683.3 million in the corresponding quarter. However, imports of intermediate goods declined from BIF 211,239.2 million to 202,262.9 million.

Pharmaceuticals products (BIF 36,581.5 million against 19,406.9 million) and food products (BIF 53,911.5 million against 40,589.4 million) have contributed the most increase of consumption goods imports. Concerning capital goods, the parts and tools (BIF 14,058.2 million against BIF 5,233.0 million) as well as boilers and mechanical tools (BIF 26,489.2 million against BIF 24,055.2 million) mainly contributed to this increase.

This decline of intermediate goods is largely attributable to the decrease of mineral oils (BIF 66,706.9 million against 83,187.1 million) which offset the increase of metallurgical goods, to BIF 47,039.6 million from 38,476.9 million.

2.2.2. Balance of payments

In the first quarter 2021, the current account deficit improved (BIF 170,618.5 million against BIF 242,578.3 million). This improvement is explained by the combined result of the increase surplus of secondary income (BIF 212,848.1 against 163,741.8 million) and the decrease of services deficit (BIF 56,728.2 against 104,203.4 million). However, the goods deficit widened to BIF 333,339.8 million from 308,641.4 million. The capital account recorded a surplus of BIF 73,863.0 million against 64,089.5 million recorded in the corresponding period in 2020, mainly driven by the increase of project grants.

Table 5: Balance of payments (in BIF million)

	Q1-2020	Q1-2021
CURRENT ACCOUNT	-242 578,3	-170 618,5
Credit	276 806,1	379 678,9
Debit	519 384,4	550 297,4
Goods	-308 641,4	-333 339,8
Exports FOB	61 926,9	66 215,7
Imports FOB	370 568,3	399 555,5
Services	-104 203,4	-56 728,2
Credit	23 107,1	69 529,3
Debit	127 310,5	126 257,5
Primary income	6 524,7	6 601,4
Credit	14 813,3	11 411,3
Debit	8 288,6	4 809,9
Secondary income	163 741,8	212 848,1
Credit	176 958,8	232 522,6
Debit	13 217,0	19 674,5
CAPITAL ACCOUNT	64 089,5	73 863,0
Credit	64 552,6	73 911,0
Debit	463,1	48,0
<i>Net lending (+)/ Net borrowing (-) from current and capital accounts</i>	<i>-178 488,8</i>	<i>-96 755,5</i>
FINANCIAL ACCOUNT		
<i>Net lending (+)/ Net borrowing (-) from financial account</i>	<i>-170 910,1</i>	<i>-67 395,2</i>
Direct investments	-2 024,0	-2 691,5
Net acquisition of financial assets	668,5	302,6
Net incurrence of liabilities	2 692,6	2 994,1
Portfolio investments	0,0	0,0
Net acquisition of financial assets	0,0	0,0
Net incurrence of liabilities	0,0	0,0
Financial derivatives	0,0	0,0
Net acquisition of financial assets	0,0	0,0
Net incurrence of liabilities	0,0	0,0
Other investments	-92 370,4	-31 276,7
Net acquisition of financial assets	54 855,3	37 293,9
Net incurrence of liabilities	147 225,6	68 570,6
Reserve assets	-76 515,7	-33 427,0
NET ERRORS AND OMISSIONS	7 578,7	29 360,5

Source: BRB

The declining deficit of services account, owing to the increase of revenue services provided to foreign governments under the peacekeeping missions (+ BIF 37,090.9 million). The current transfers to the private sector (+ BIF 52,423.02 million) driven the rebound of the secondary income surplus other than to households.

In the first quarter 2021, the financial account recorded a moderate net borrowing (BIF 67,395.2 million against 170,910.1 million compared to the first quarter of the previous year. This improvement is attributable to the decline deficit of other investments (BIF 31,276.7 million against 92,370.4 million). The reserve assets fell by BIF 33,427.0 million compared to a decline of BIF 76,515.7 million recorded in the same period of the previous year.

2.2.3. Foreign Assets

Foreign assets decreased by 6.0% in the quarter ended in March 2021, while they increased by 21.3%, year –on- year basis.

Table 6: Foreign assets (in USD million)

	End of period, in USD million			Change in %	
	mars-20	Dec-20	mars-21	Quarterely	Annual
Foreign assets held by BRB	102,3	128,9	108,5	-15,8	6,0
O/w: official Reserves	73,0	94,3	75,9	-19,5	4,0
Foreign assets held by commercial banks	75,5	100,6	107,2	6,6	42,0
Total foreign assets	177,8	229,5	215,7	-6,0	21,3

Source: BRB

The BRB's foreign assets declined by 15.8% at the end of March 2021 relative to the end of December 2020, while they increased by 6.0% year-on-year.

Official reserves decreased by 19.5% at the end of March 2021 compared to the end of December 2020, amounted to 75.9 against 94.3 MUSD recorded at the end of December 2020. On the other hand, they increased by 4.0% yearly, and covered 0.9 months of imports of goods and services as in the same period of 2020, while the threshold is set at 4.5 months in the EAC convergence criteria.

On the other hand, the foreign assets of commercial banks grew by 6.6% quarter -on- quarter and 42.0% year –on- year basis.

2.3. Public finance

The fiscal deficit (including grants) narrowed in the first quarter of 2021, compared to the same quarter in 2020, dropping from BIF 21,473.0 million to 7,111.9 million, following the greater increase of revenue than in expenditure. This deficit was financed by a net domestic debt of BIF 7,145.2 million.

Table 7: Government Financial Operations (in BIF Million)

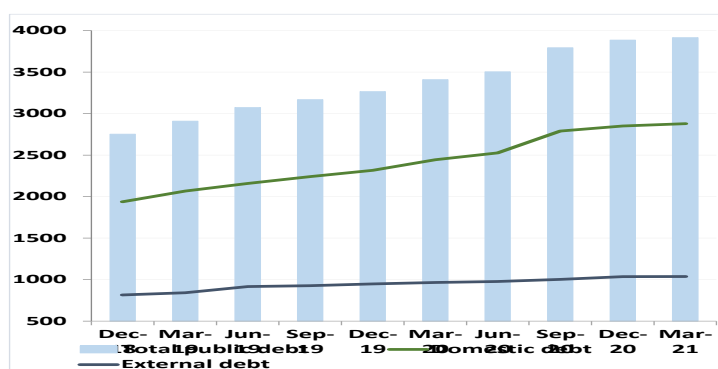
	Q1-2020	Q4-2020	Q1-2021
A. REVENUE AND GRANT	323,952.8	335,961.3	349,882.5
a. Revenue	259,401.3	280,871.2	284,274.9
Current revenue	259,401.3	280,871.2	284,274.9
Exceptional revenue	-	-	-
b. Grant	64,551.5	55,090.2	65,607.5
current	-	-	-
capital	64,551.5	55,090.2	65,607.5
B. Expenditure	345,425.9	353,901.3	356,994.4
a. Current Expenditure	251,480.8	253,239.7	234,603.5
Salaries	117,166.4	119,115.7	120,355.6
b. Investment expenditure	93,945.1	100,661.6	122,390.8
On internal resources	13,823.7	29,863.0	52,265.6
On foreign borrowing and grants	80,121.4	70,798.5	70,125.1
OVERALL BALANCE including grants(basis d)	-21,473.0	-17,939.9	-7,111.9
C. NET FINANCING	76,889.9	-480.0	3,638.0
External	10,994.7	12,686.7	-3,507.3
Domestic	65,895.2	-13,166.7	7,145.2
ERRORS AND OMISSIONS	-55,416.8	18,419.9	3,473.9

Source: MFBPE

Year-on-year basis, current revenue grew by 9.6 percent, amounting to BIF 284,274.9 million against BIF 259,401.3 million in the first quarter 2020. Compared to the previous quarter, it increased by 1.2 percent. Likewise, grants picked up by 1.6 percent in the first quarter 2021 standing to BIF 65,607.6 million against BIF 64,551.5 million recorded in the same quarter of the previous year. Compared to the previous quarter, they increased by 19.1 percent.

Expenditure increased by 3.3 percent, year-on-year, standing at BIF356,994.4 million against BIF345,425.9 million, following the increase in capital expenditure (+30.3 percent); current expenditure having fallen (-6.7 percent). Compared to the previous quarter, expenditure slightly increased by 0.9 percent.

Chart 8: Public debt (in BIF million)



Source: BRB based on data provided by MFBPE

The outstanding domestic debt grew by 17.8 percent year-on-year, from 2,443.9 to BIF 2,878.9 billion and by 1.0 percent quarter –on- quarter. By component, Treasury securities and advances from the Central Bank represented 73.5 percent of total domestic debt.

Year-on-year basis, the outstanding of external debt picked up by 7.5 percent, from 965.1 to BIF 1,037.1 billion. This increase is linked to drawings (BIF 35,329.3 million) and revaluation gains (BIF 59,083.1 MBIF) which exceeded the repayment of the principal (22,355.4 MBIF).

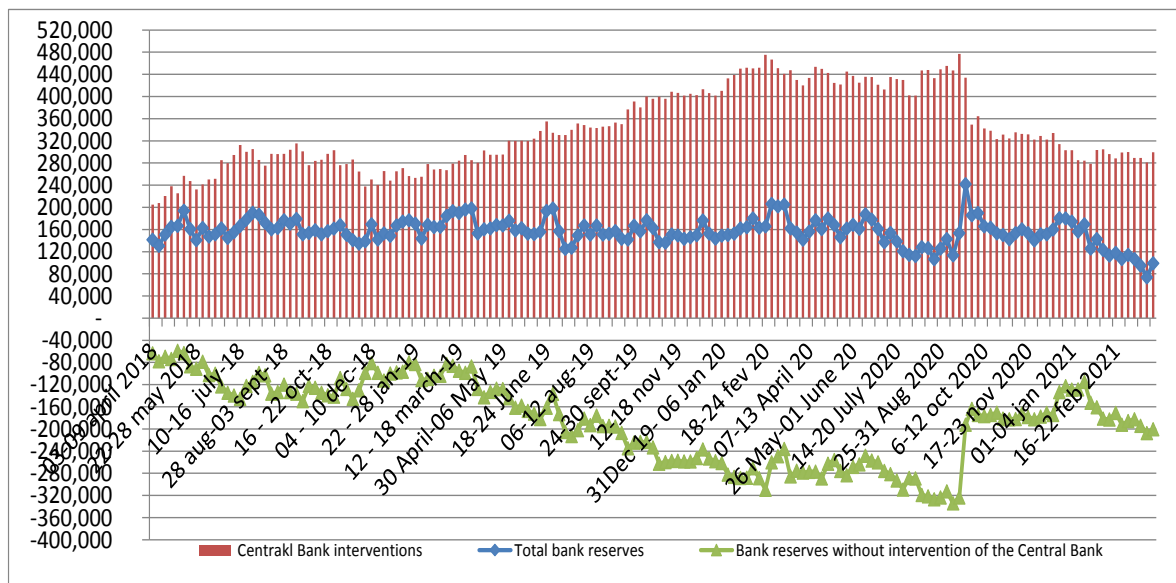
2.4. Monetary sector

2.4.1. Bank reserves and interest rates

Bank reserves slightly improved in the first quarter 2021 compared to the previous quarter and the same period in 2020. Without Central Bank interventions, they stood at -169,739 against BIF -170,268 million, on weekly average, and at BIF -275,114 million in the same quarter in 2020.

Following the overall improvement in bank reserves, the Central Bank reduced the volume of its interventions to the money market. In fact, the outstanding of refinancing operations amounted to BIF 293,753 million, on weekly average, against BIF 330,040 million in the fourth quarter 2020 and BIF 443,542 million in the same period in 2020.

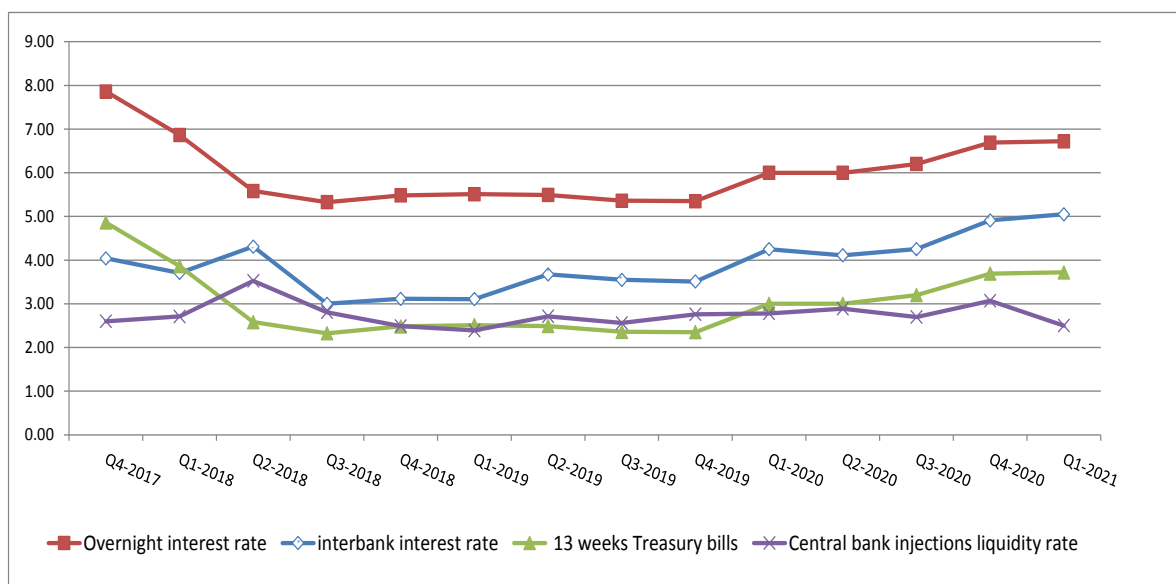
Chart 8: Commercial bank's reserves and BRB's interventions



Source: BRB

Overall interest rates on the money market rose except the average rate on tender liquidity operations, which stood at 2.50 against 3.07 percent in the previous quarter. The average interbank market rate picked up, from 4.91 to 5.05 percent while the rate on the overnight lending facility rose from 6.69 to 6.72 percent, following the increase rate on 91-days Treasury bills to which it is indexed (3.72 against 3.69 percent).

Chart 9: Money market interest rates (percent)

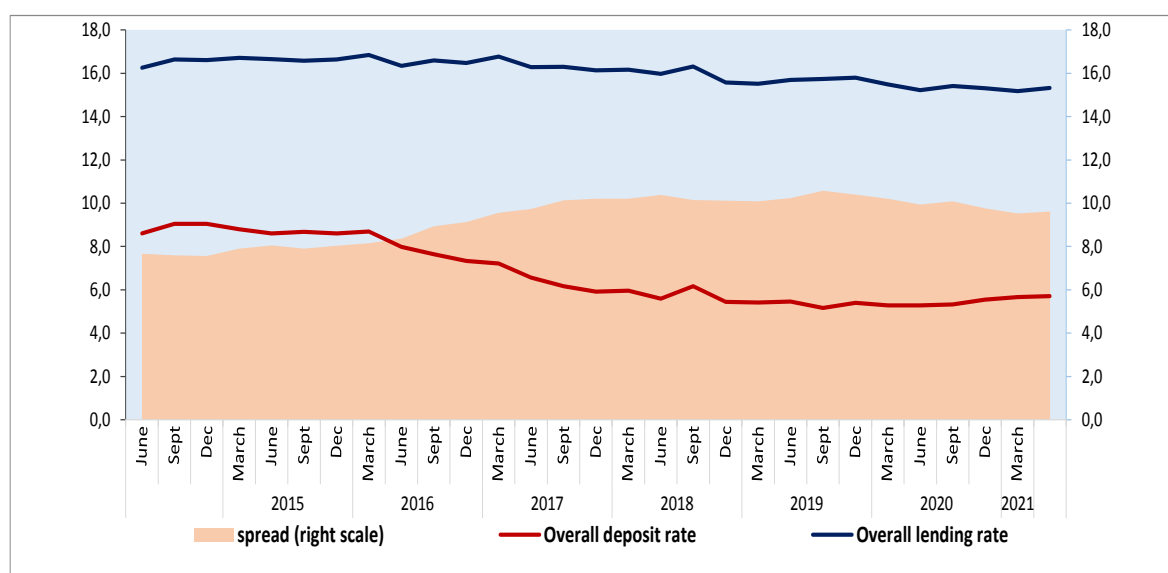


Source: BRB

The average interest rate on outstanding loans slightly increased to 15.32% at the end of March 2021 from 15.18% at the end December 2020 and 15.22% in the same period in 2020. Year-on-year basis, this increase mainly concerned interest rates on long-term loans (13.36 against 12.44%), that on the medium loans fallen (14.85 against 15.34%).

Likewise, the average interest rate on loans authorized in the first quarter 2021 increased to an average of 14.46% from 13.94% recorded in the previous quarter and 14.13% over the same period in 2020.

Chart 10: Average deposit, lending interest rates and spread (in %)



Source: BRB

The deposit interest rate slightly increased over the quarter ending March 2021, averaged to 5.71 from 5.66% recorded at the end of the previous quarter and 5.28% over the same period in 2020. This increase is attributed to the interest rate on term deposits and savings while that on demand deposits interest rate slightly fell.

2.4.2. Monetary sector

2.4.2.1. Reserve money

The reserve money decreased by 10.7 percent in the first quarter 2021, amounting to BIF 695,388.5 million against BIF 778,976.7 million recorded at ending December 2020 , driven by both the fall of net foreign assets (-27.9 percent) and net domestic assets (-6.6 percent).

By components, this decrease of reserve concerned currency in circulation (-5.7 percent) and deposits of other depository institutions (-28.7 percent), while those of other financial corporations (+ 46.3 percent) and those classified in other deposits (+ 17.7 percent) increased

Table 9: Base money and its counterparts at the end of March 2021 (in million of BIF)

	Mar.2020	Dec.2020	Mar.2021	change (in %)	
				Quarterly	Annual
Currency in circulation	386 208,7	503 703,5	474 986,0	-5,7	23,0
Other depository institutions deposits	199 229,7	225 594,1	160 803,5	-28,7	-19,3
Other financial corporation deposits	5 434,3	4 005,2	5 859,7	46,3	7,8
Other deposits	53 097,7	45 673,9	53 739,3	17,7	1,2
Base money = Counterparts	643 970,4	778 976,7	695 388,5	-10,7	8,0
Net foreign assets	-167 019,5	-93 105,3	-119 123,9	-27,9	28,7
Net domestic assets	810 989,9	872 082,0	814 512,4	-6,6	0,4
Net claims on the Government	290 112,4	438 033,6	372 644,3	-14,9	28,4
Other items , net	520 877,5	434 048,4	441 868,1	1,8	-15,2

Source: BRB

Year-on-year basis, the reserve money rose by 8.0 percent, mainly due to the increase of net foreign assets (+ 28.7 percent) and, to a lesser extent, of net domestic assets (+ 0.4 percent).

By components, this increase mainly concerned currency outside the Central bank and the deposits of other financial corporations which increased by 23.0 and 7.8 percent, respectively. In contrast, deposits of other depository institutions fell by 19.3 percent.

Table 10: Source of the change of reserve money at the end of March 2021

	Change from Dec. 2020	Change from March 2021
Net foreign assets (NFA)	-3.3	7.5
Net domestic assets (NDA)	-7.4	0.5
Net claims on the Government	-8.4	12.8
Other items , net	1.0	-12.3
Base money	-10.7	8.0

Source: BRB

In terms of the contribution to the change of the reserve money, the quarterly decrease was driven by both net domestic assets (-7.4 percentage points) and net external assets (-3.3 percentage points). In contrast, the annual increase was mainly driven by foreign assets (7.5 percentage points) and, to a lesser extent, of domestic (0.5 percentage point).

2.4.2.2. Broad money and counterparts

The money supply (M3) increased by 3.4 percent in the quarter ending March 2021, standing at BIF 2,820.5 billion from BIF 2,728.3 billion. This increase concerned demand deposits (+ 4.9 percent), time and savings deposits (+ 5.1 percent) and residents foreign currency deposits (+ 8.1 percent). In contrast, currency in circulation outside depository institutions fell by 6.5 percent.

The quarterly increase of money supply was driven by net domestic assets which progressed by 3.9 percent, while net foreign assets fell by 11.1 percent.

The increase of net domestic assets concerned claims on the economy (+ 9.3 percent), while other net items decreased (-3.3 percent). In contrast, net claims on the government hardly picked up.

Table 11: Broad money and counterparts at the end of March 2021 (in BIF million)

	Mar.2020	Dec.2020	Mar.2021	change (in %)	
				Quarterly	Annual
Currency outside depository institutions	330 762,6	434 046,6	405 719,1	-6,5	22,7
Demand deposits	1 080 232,9	1 366 422,5	1 433 409,6	4,9	32,7
Time and savings deposits	609 190,7	720 529,2	757 341,4	5,1	24,3
Foreign currencies deposits of residents	190 685,1	207 328,5	224 018,7	8,1	17,5
M3= counterparts	2 210 871,3	2 728 326,8	2 820 488,8	3,4	27,6
NFA	-284 837,5	-205 016,1	-227 717,3	-11,1	20,1
NDA	2 495 708,8	2 933 342,9	3 048 206,1	3,9	22,1
Domestic credit	2 906 544,4	3 503 279,1	3 637 046,6	3,8	25,1
Net claims on the Government	1 661 258,7	2 053 736,1	2 053 088,8	0,0	23,6
Claims on the economy	1 245 285,7	1 449 543,0	1 583 957,8	9,3	27,2
Net other items	-410 835,6	-569 936,2	-588 840,5	-3,3	-43,3

Source: BRB

Year -on- year, the money supply (M3) rose by 27.6 percent. This increase concerned all its components: demand deposits (+ 32.7 percent), term and savings deposits (+ 24.3 percent),

resident's foreign currency deposits (+ 17.5 percent) and currency outside depository institutions (+ 22.7 percent).

The growth of M3 counterparts affected, both, domestic assets (+ 22.1 percent) and net foreign assets (+ 20.1 percent).

This increase of net domestic assets was driven by the rose of net claims on the Government (+ 23.6 percent) and claims on the economy (+ 27.2 percent), while other net items decreased (-43.3 percent).

Table 12: Source of the change in broad money at the end of March 2021

	Change from Dec. 2020	Change from Mar 2021
Net foreign assets (NFA)	-0.8	2.6
Net domestic assets (NDA)	4.2	25.0
o/w: - Domestic credit	4.9	33.0
- Other Items net	-0.7	-8.0
Broad money (M3)	3.4	27.6

Source: BRB

On a quarterly basis, the increase of money supply has internal origin at 4.2 percentage points, while the decline of net foreign assets had a restrictive impact of 0.8 percent point. Year-on-year basis, money supply growth has mainly internal (25.0 percentage points) and, to a lesser extent, external origin (2.6 percentage points).

2.4.3. Gross foreign assets

Foreign assets decreased by 6.0 percent in the quarter ending in March 2021, while they increased by 21.3 percent, on year –on- year basis.

Table 13: Gross foreign assets (in millions USD)

	End of period, in USD million			Change in %	
	mars-20	Dec-20	mars-21	Quarterly	Annual
Foreign assets held by BRB	102,3	128,9	108,5	-15,8	6,0
O/w: official Reserves	73,0	94,3	75,9	-19,5	4,0
Foreign assets held by commercial banks	75,5	100,6	107,2	6,6	42,0
Total foreign assets	177,8	229,5	215,7	-6,0	21,3

Source: BRB

The BRB's foreign assets fell by 15.8% at the end of March 2021 compared to the previous quarter, while they increased by 6.0% year-on-year.

Official reserves decreased by 19.5% at the end of March 2021 compared to the end of December 2020, amounting to 75.9 against 94.3 MUS\$ recorded at the end of December 2020.

On the other hand, they picked up by 4.0% yearly and covered 0.9 months of imports of goods and services as in the same period of 2020, while the threshold is set at 4.5 months in the EAC convergence criteria.

2.5. Banking sector development and financial stability

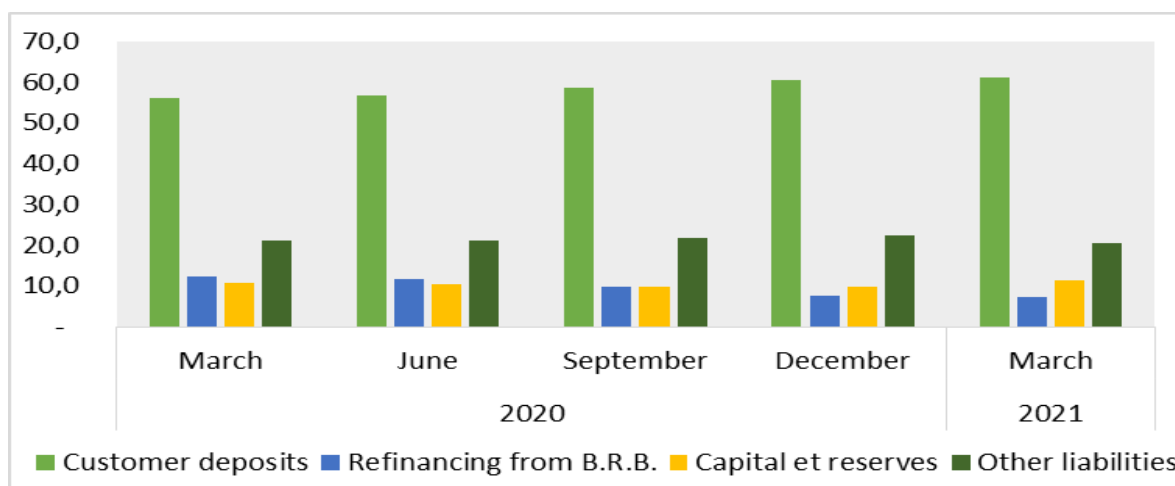
The banking sector balance sheet improved in the first quarter 2021. The sector's balance sheet rose by 20.3% year-on-year and 4.3% on a quarterly basis. In assets, this improvement was related to the increase of treasury securities and loans to the economy. In the liabilities side, this increase concerned customer's deposits. Nevertheless, the solvency and profitability ratios slightly deteriorated.

2.5.1. Banking activities

2.5.2. Main Resources

Year-on-year basis, the customer deposits rose by 31.1%, amounting to BIF 2,476.4 billion in the first quarter 2021 from BIF 1,888.9 billion in the first quarter 2020. They increased by 5.3 % on a quarterly basis. The Central Bank refinancing towards credit institutions fell by 30.0% yearly, standing to BIF 293.8 billion in the first quarter 2021 from BIF 420.0 billion in the corresponding quarter in 2020. They declined by 1.8% from a quarterly.

Chart 11: Liabilities structure (in percent)

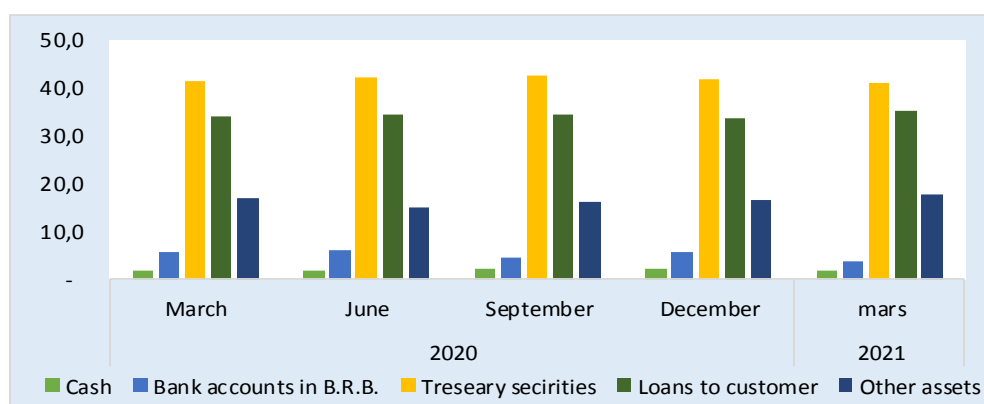


Source: BRB

2.5.1.2. Main Assets

The loans to the economy increased by 24.4% year-on-year and 9.5% quarterly, standing to BIF 1.435.2 billion by the end of March 2021 from BIF 1.153.3 billion in the corresponding quarter in 2020 and BIF 1,310.9 billion recorded in the previous quarter. The Treasury securities grew by 19.0% yearly and by 2.0% quarterly, rising from BIF 1.399.1 billion at the end-March 2021 and BIF 1.631.8 billion by the end-December 2020 to BIF 1,665.1 billion at the end of March 2021.

Chart 12: Banking sector assets (in percent of the total)



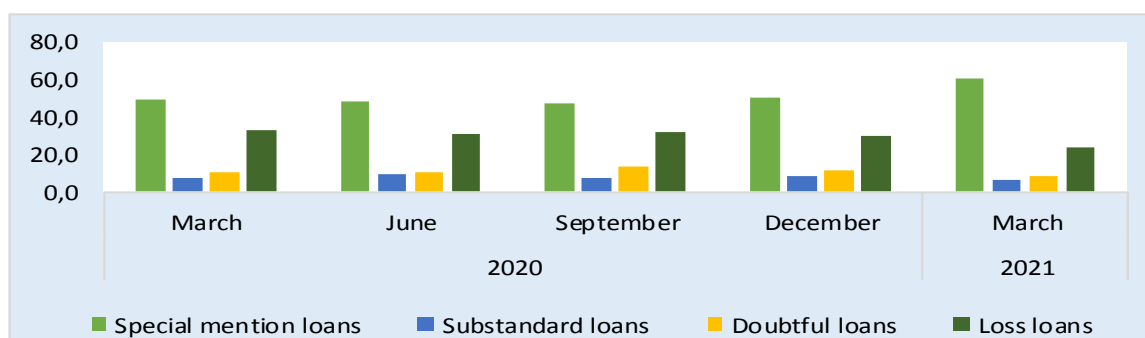
Source: BRB

2.5.1. Loans portfolio quality

The amount of overdue loans increased by 14.7% yearly and by 23.6% quarterly. They stood at BIF 172,589.8 million at the end of March 2021 from BIF 150,502.9 million at the end of March 2020 and BIF 139,654.4 million at the end of December 2020.

The proportion of non-performing loans fell by 39.6% of total overdue loans in the first quarter 2021 from 53.1% in the first quarter in 2020 and 49.7% in the previous quarter. Nonetheless, the share of watch loans rose to 60.4% of total overdue loans at the end of March 2021 from 46.9% at the end of March 2020 and 50.3% at the end of December 2020.

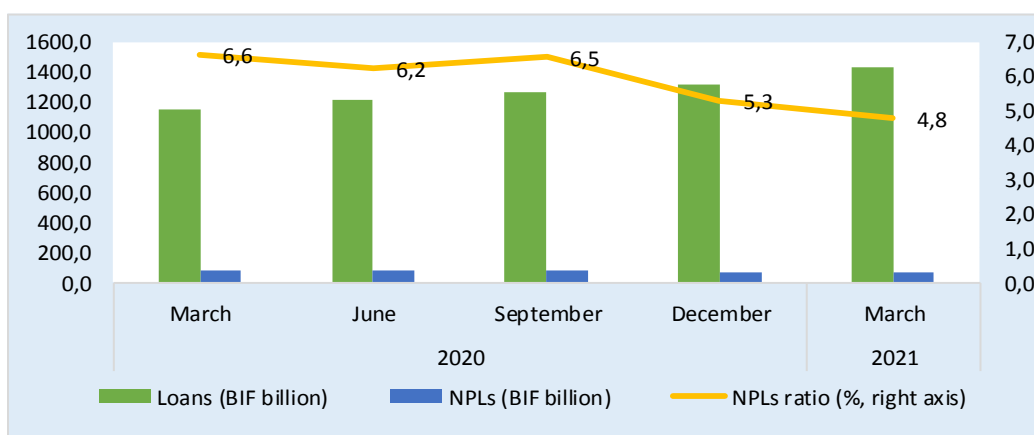
Chart 13: Overdue loans per class (in percent)



Source: BRB

Year-on-year, the quality of loans portfolio slightly improved. The deterioration rate of the loans portfolio declined to 4.8% from 6.6% at the end of March 2020.

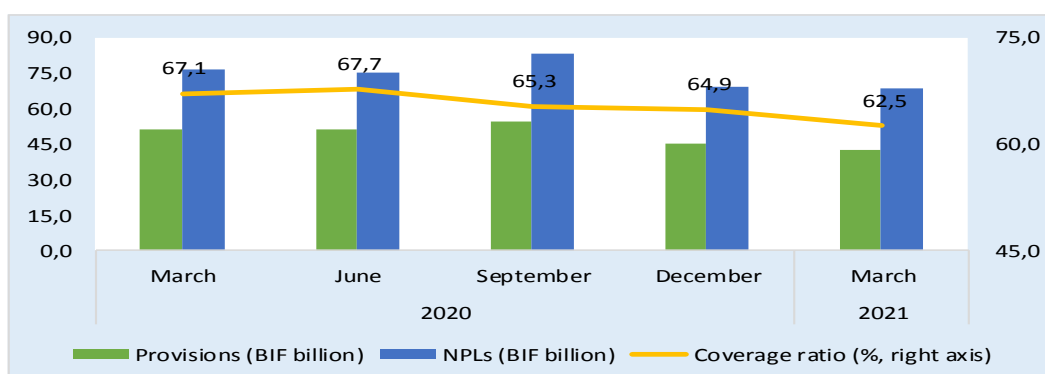
Chart 14: Non-performing loans ratio (in percent)



Source: BRB

The coverage ratio for non-performing loans declined year-on-year to 62.5% in the first quarter 2021 from 67.1% in the first quarter 2020 and 64.9% recorded in the previous quarter.

Chart 15: Provisions and coverage rate

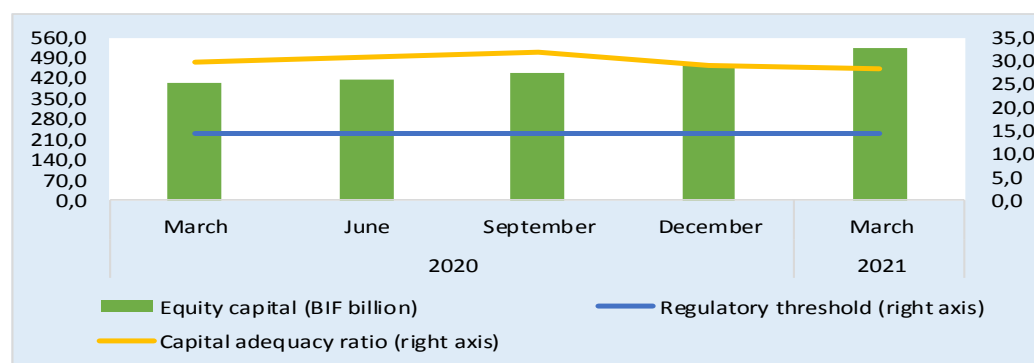


Source: BRB

2.5.2. Capital adequacy

The banking sector's capital picked up by 29.4% year-on-year and by 11.7% quarter-on-quarter, amounting to BIF 522.1 billion in the first quarter 2021 from BIF 403.4 billion in the first quarter 2020 and BIF 467.6 billion in the previous quarter. The overall capital adequacy ratio fell from 29.6% in the first quarter 2020 to 28.3% in the first quarter 2021.

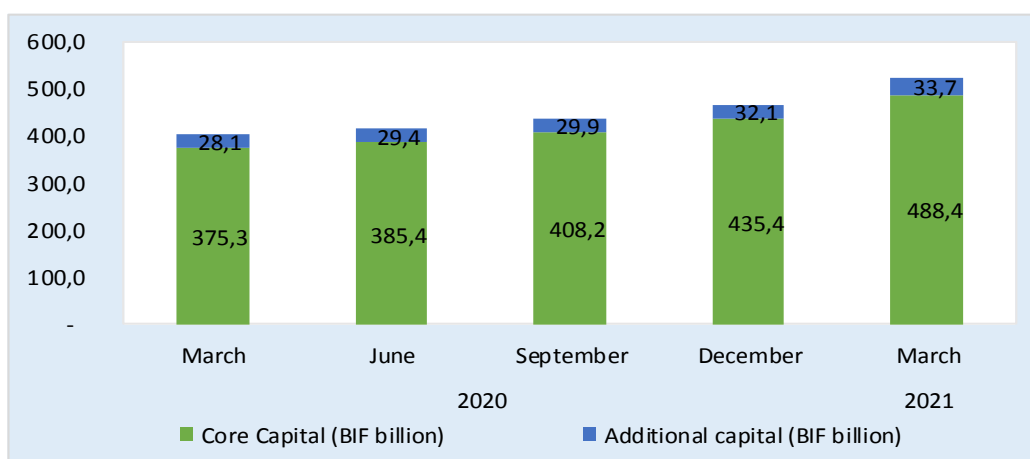
Chart 16: The Banking sector's Equity



Source: BRB

Core capital rose by 30.2% year-on-year and 12.2% quarter-on-quarter, amounting to BIF 488.4 billion compared to BIF 375.3 billion recorded in the corresponding quarter 2020 and BIF 435.4 billion in the previous quarter, following the incorporation of a part of the profits for the fiscal year 2020 in the reserves.

Chart 17: Composition of equity (in BIF billion)



Source: BRB

2.5.3. Banking sector's profitability

The banking sector's gross income grew 6.5% year-on-year, amounting to BIF 73,362.5 million in the first quarter 2021 from BIF 68,866.1 million in the corresponding quarter 2020. The net profit also increased by 8.5%, from BIF 33,072.0 million at the end of March 2020 to BIF 35,880.5 million at the end of March 2021. However, the average returns on assets (ROA) and equity (ROE) slightly declined, from 0.98% and 8.20% in the first quarter 2020 to 0.88 % and 6.87% in the first quarter 2021.

CONCLUSION AND MONETARY POLICY MEASURES

Compared to the previous quarter, economic growth decelerated in the first quarter 2021 in the advanced countries of the OECD (+0.6 against + 1.0%), mainly following the upsurge in new Covid-19 infections which led these countries to resort to new population confinements. Economic growth also slowed in the main emerging countries, mainly in China and India. Inflation picked up both in major advanced countries, emerging and developing countries, following the economic recovery and rising of commodity prices.

According to forecasts made by World Bank in April 2021, the world economic growth could attain 5.6% against a decline of 3.5% recorded in 2020. This recovery is largely linked to the improvement of the major economies, despite the adverse effect of the Covid-19 pandemic. World trade could grow by 8.3% in 2021 driven by the increase of global demand in major economies such as the United States and China.

In the East African Community, economic growth is expected to accelerate in 2021, driven by the recovery of global economy and measures taken by the public authorities to deal with the Covid-19 pandemic.

Concerning the national economy development, the forecasts of the macroeconomic framework of July 2021 show that economic growth could recover (3.3 against -0.5%), following the improvement activity in the primary (3.6 against 3.0%) and secondary (2.5 against 0.4%) and tertiary sector (3.4 against -2.7%).

The Bank of the Republic of Burundi will continue to refinance the sectors identified as priorities of economic growth under more flexible conditions in the perspective of increasing the level of investments in these sectors. Likewise, the Bank will continue the accommodative monetary policy by providing the necessary liquidity at lower cost to stimulate commercial bank to finance the private sector.

ANNEXES

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

	2016	2017	2018	2019	2020 (prév.)	2021 (prév.)
Primary Sector	497.1	498.2	535.2	550.3	566.7	587.3
- Subsistence agriculture	431.8	431.5	462.8	486.2	498.3	515.8
- Export Agriculture	17.6	20.4	21.9	17.9	19.9	20.2
- Coffee	4.2	6.5	7.1	2.8	5.0	4.9
- The	12.3	12.1	12.5	13.6	13.7	14.0
-Other export agriculture	1.1	1.8	2.4	1.5	1.2	1.3
- Forest	12.2	13.7	14.3	14.0	14.7	15.5
- Livestock	31.6	28.5	31.9	28.1	29.5	31.3
- Fishing	3.8	4.1	4.2	4.1	4.3	4.5
Secondary sector	322.6	347.2	355.9	360.0	361.3	370.3
-Mining	7.7	10.7	11.0	11.3	10.5	11.0
- Industries	220.8	238.6	242.4	243.7	244.8	248.9
- Food Industries	168.4	186.7	191.4	192.5	193.4	196.3
- Manufacturing	52.4	51.9	51.1	51.3	51.3	52.6
- Textile Industries	9.5	9.2	8.8	8.0	7.7	7.9
- Other monifaturing industries	42.9	42.7	42.3	43.2	43.7	44.7
- Water, gas and electricity	7.7	9.1	9.5	9.2	9.5	10.0
- Construction	86.3	88.8	93.0	95.8	96.6	100.4
Tertiary sector	821.4	853.9	881.4	945.1	919.7	951.1
- Trade	62.0	65.5	71.3	74.2	69.7	71.1
- Transport and communication	66.7	70.2	73.4	80.8	80.0	82.2
- Transport	17.6	18.5	19.2	21.0	19.6	20.0
- Postes, Telecommunication and internet	49.2	51.7	54.2	59.8	60.4	62.2
- Banks and insurance	102.8	111.6	122.7	156.6	170.7	191.2
- Accommodation, Food and other Merchant Services	108.7	111.9	114.1	119.3	71.6	74.4
- Public Administration	316.7	334.0	344.0	353.7	367.8	383.7
- Education	211.7	219.7	226.3	233.7	241.9	251.1
- Health and social services	14.4	15.1	15.5	16.0	18.0	18.7
- Activities of a collective or personal nature	45.6	45.9	59.4	61.6	57.0	59.9
- Domestic services	4.6	4.6	4.6	4.8	4.8	4.9
- SIFIM	- 111.8	- 124.7	- 149.9	- 155.6	- 161.7	- 185.9
GDP at cost of factors(1+2+3)	1,641.1	1,699.3	1,772.5	1,855.4	1,847.7	1,908.8
Indirect taxes minus subsidies	200.6	213.1	240.6	247.9	244.2	252.3
GDP at market price	1,841.7	1,912.4	2,013.1	2,103.3	2,091.9	2,161.0

Source: MFBP

ANNEX 2: INFLATION BY MAIN COMPONENTS (in percent)

Period	Headline Inflation	Food inflation	Non-food inflation
Mar-18	-2.6	-11.0	8.3
Apr-18	-1.7	-9.6	8.5
May-18	-1.0	-8.7	8.8
Jun-18	-0.4	-7.9	8.8
Jul-18	-0.8	-8.5	8.8
Aug-18	-2.3	-10.9	8.2
Sep-18	-5.6	-15.8	6.8
Oct-18	-8.4	-20.2	6.2
Nov-18	-7.3	-18.7	6.6
Dec-18	-5.6	-15.2	5.9
Jan-19	-3.8	-10.9	4.4
Feb-19	-4.1	-10.9	3.1
Mar-19	-2.9	-7.8	2.3
Apr-19	-2.2	-6.1	1.9
May-19	-2.4	-5.7	1.2
Jun-19	-4.0	-8.6	0.9
Jul-19	-2.6	-6.2	1.1
Aug-19	-0.6	-2.9	1.6
Sep-19	2.0	2.9	1.1
Oct-19	4.0	6.4	1.8
Nov-19	3.6	6.5	0.8
Dec-19	4.9	8.9	1.1
Dec-19	4.9	8.9	1.1
Jan-20	5.1	8.6	1.8
Feb-20	7.6	13.0	2.6
Mar-20	7.1	12.0	2.4
Apr-20	7.6	12.5	2.8
May-20	9.0	14.7	3.3
Jun-20	8.5	13.9	3.4
Jul-20	7.7	12.7	3.0
Aug-20	6.7	11.0	2.6
Sep-20	6.4	10.6	2.2
Oct-20	7.0	12.1	1.9
Nov-20	8.9	15.6	2.3
Dec-20	8.0	13.2	2.5
Jan-21	6.5	10.4	2.4
Feb-21	6.1	9.0	3.0
Mar-21	7.8	10.9	4.5

Source: ISTEEBU

Annex 3: Government Financial Operations (in BIF million)

	Revenue			Expenditures	Overall Balance
	Fiscal Revenue	Grant	Total		
Jun-17	65,194.30	22,169.00	87,363.30	88,592.80	-1,229.50
Jul-17	67,742.90	11,005.50	78,748.40	87,554.40	-8,806.00
Aug-17	72,246.70	9,317.20	81,563.90	113,343.30	-31,779.40
Sep-17	69,515.00	8,503.20	78,018.20	82,670.90	-4,652.70
Oct-17	60,683.30	16,279.20	76,962.50	124,142.80	-47,180.30
Nov-17	65,298.00	8,264.80	73,562.80	79,101.30	-5,538.40
Dec-17	69,552.50	13,024.20	82,576.70	131,400.00	-48,823.20
Jan-18	62,945.10	9,475.40	72,420.50	72,255.80	164.8
Feb-18	58,578.40	24,358.30	82,936.70	128,496.30	-45,559.60
Mar-18	90,994.60	18,147.30	109,141.90	112,356.80	-3,215.00
Apr-18	65,134.60	17,173.80	82,308.40	102,753.10	-20,444.70
May-18	63,096.80	19,297.10	82,393.90	119,669.80	-37,275.80
Jun-18	75,254.20	31,153.20	106,407.40	162,729.20	-56,321.80
Jul-18	60,554.70	11,601.30	72,156.00	79,153.40	-6,997.30
Aug-18	75,622.20	12,063.40	87,685.60	102,781.40	-15,095.90
Sep-18	73,977.30	17,554.90	91,532.20	97,407.00	-5,874.80
Oct-18	70,957.30	13,169.40	84,126.70	121,865.50	-37,738.80
Nov-18	61,412.20	8,713.80	70,126.00	85,930.70	-15,804.70
Dec-18	78,361.60	28,541.40	106,903.00	126,953.20	-20,050.20
Jan-19	66,765.74	14,412.40	81,178.14	137,426.66	-56,248.52
Feb-19	67,427.71	24,367.44	91,795.16	116,918.33	-25,123.17
Mar-19	97,566.21	19,018.00	116,584.21	95,854.24	20,729.97
Apr-19	76,198.11	19,259.45	95,457.56	152,308.27	-56,850.71
May-19	69,221.83	20,060.20	89,282.03	129,765.03	-40,483.01
Jun-19	99,216.12	32,212.40	131,428.52	116,694.17	14,734.34
Jul-19	70,893.23	18,882.46	89,775.68	130,004.84	-40,229.15
Aug-19	91,851.64	11,589.11	103,440.75	105,699.38	-2,258.63
Sep-19	89,691.65	23,581.07	113,272.72	144,925.37	-31,652.65
Oct-19	96,140.47	23,253.33	119,393.80	151,672.93	-32,279.13
Nov-19	78,123.50	25,896.32	104,019.82	133,114.44	-29,094.62
Dec-19	86,974.57	21,300.56	108,275.13	100,145.51	8,129.62
Jan-20	84,602.42	17,625.88	102,228.30	114,845.05	-12,616.75
Feb-20	70,437.11	22,283.66	92,720.77	107,936.47	-15,215.70
Mar-20	104,361.79	20,401.87	124,763.67	119,668.18	5,095.49
Apr-20	81,088.28	13,690.36	94,778.64	102,481.09	-7,702.44
May-20	64,196.98	20,930.27	85,127.25	92,377.28	-7,250.03
Jun-20	105,149.52	22,288.15	127,437.67	129,560.90	-2,123.23
Jul-20	80,468.49	16,635.14	97,103.63	109,975.69	-12,872.06
Aug-20	98,712.28	13,393.16	112,105.43	140,189.53	-28,084.09
Sep-20	103,379.33	20,839.74	124,219.07	405,742.74	-281,523.67
Oct-20	92,487.26	8,295.69	100,782.95	108,727.01	-7,944.05
Nov-20	84,106.39	21,295.88	105,402.28	133,059.26	-27,656.98
Dec-20	104,277.50	24,492.11	128,769.61	111,108.51	17,661.10
Jan-21	91,493.07	21,040.31	112,533.39	109,105.84	3,427.54
Feb-21	77,932.34	16,991.16	94,923.49	112,170.13	-17,246.64
Mar-21	114,849.48	27,576.09	142,425.58	135,731.67	6,693.91

Source: MFBP

ANNEX 4: Government debt (in BIF million)

Period	BRB	Tresury securities	Total domestic debt	External debt	Total Government debt
Dec-17	787,208.1	829,763.9	1,647,833.5	778,292.4	2,426,125.9
Jan-18	745,506.8	839,987.2	1,616,355.3	787,987.1	2,404,342.4
Feb-18	745,661.6	860,401.8	1,635,451.4	789,859.3	2,425,310.7
Mar-18	737,539.1	890,327.3	1,657,190.3	795,087.8	2,452,278.1
Apr-18	715,697.6	916,907.0	1,662,527.3	809,971.8	2,472,499.1
May-18	714,813.1	944,719.0	1,690,761.6	800,922.3	2,491,683.9
Jun-18	780,458.1	986,452.3	1,798,139.9	801,839.6	2,599,979.6
Jul-18	739,553.0	992,658.3	1,794,338.5	803,941.0	2,598,279.5
Aug-18	722,760.6	1,030,022.1	1,815,208.1	802,130.7	2,617,338.8
Sep-18	723,876.1	1,053,468.6	1,840,988.4	804,250.5	2,645,238.9
Oct-18	750,952.9	1,074,283.1	1,888,931.0	804,808.3	2,693,739.3
Nov-18	749,761.5	1,099,486.2	1,912,869.3	810,165.1	2,723,034.4
Dec-18	772,108.5	1,106,829.2	1,937,821.9	815,659.1	2,753,481.0
Jan-19	735,898.0	1,170,456.8	1,965,632.6	839,143.1	2,787,450.6
Feb-19	754,785.4	1,203,007.7	2,017,332.5	839,115.7	2,838,728.6
Mar-19	776,260.3	1,230,561.3	2,066,815.1	841,910.7	2,890,839.0
Apr-19	749,554.5	1,264,065.9	2,073,957.4	867,316.3	2,941,273.7
May-19	741,946.8	1,309,285.8	2,110,469.8	907,214.9	3,017,684.7
Jun-19	762,094.0	1,339,778.2	2,158,605.5	913,648.7	3,072,254.2
Jul-19	702,399.9	1,357,433.8	2,116,921.2	927,530.4	3,044,451.6
Aug-19	759,491.5	1,393,116.1	2,210,025.2	929,375.3	3,139,400.5
Sep-19	756,889.1	1,417,542.6	2,238,502.3	924,353.6	3,162,855.9
Oct-19	751,684.2	1,450,627.6	2,278,359.7	934,482.8	3,212,842.5
Nov-19	749,081.8	1,485,146.4	2,307,188.9	936,300.8	3,243,489.7
Dec-19	746,479.4	1,497,630.9	2,314,985.5	948,429.4	3,263,414.9
Jan-20	746,479.3	1,570,926.4	2,435,719.4	958,521.7	3,394,241.1
Feb-20	743,876.9	1,549,530.0	2,412,313.3	960,861.3	3,373,174.6
Mar-20	738,672.0	1,583,438.6	2,441,696.6	966,321.6	3,408,018.2
Apr-20	736,069.6	1,569,510.9	2,428,316.5	961,727.1	3,390,043.6
May-20	737,921.8	1,622,178.8	2,476,317.6	965,285.1	3,441,602.7
Jun-20	736,222.2	1,673,670.1	2,526,886.1	976,111.1	3,502,997.2
Jul-20	737,624.5	1,709,574.6	2,563,371.4	986,378.9	3,549,750.3
Aug-20	751,455.5	1,727,319.1	2,595,829.4	997,842.2	3,593,671.6
Sep-20	901,482.7	1,745,687.9	2,790,659.4	1,000,018.0	3,790,677.4
Oct-20	901,974.9	1,763,803.9	2,809,763.4	1,013,063.4	3,822,826.8
Nov-20	899,449.4	1,779,769.7	2,817,062.6	1,023,272.7	3,840,335.3
Dec-20	894,667.8	1,817,282.4	2,851,240.2	1,035,965.0	3,887,205.2
Jan-21	894,667.8	1,832,306.3	2,864,126.5	1,041,202.8	3,905,329.3
Feb-21	894,117.9	1,864,441.1	2,923,322.7	1,038,627.0	3,961,949.7
Mar-21	864,066.4	1,853,171.3	2,878,869.3	1,037,111.1	3,915,980.4

Source: BRB and MFBP

ANNEX 5: Bank reserves (in BIF million)

Period	Total banking sector reserves	Central Bank Interventions
Dec-17	157,967.0	130,194.0
Jan-18	172,260.0	154,539.0
Feb-18	170,882.0	168,632.0
Mar-18	167,621.0	171,915.0
Apr-18	143,711.0	211,263.0
May-18	164,888.0	240,642.0
Jun-18	153,401.0	261,700.0
Jul-18	170,178.0	296,208.0
Aug-18	171,713.0	290,076.0
Sep-18	166,234.0	298,588.0
Oct-18	158,419.7	286,968.9
Nov-18	146,545.8	268,534.4
Dec-18	150,236.7	248,369.8
Jan-19	163,427.1	258,199.2
Feb-19	165,113.6	267,533.8
Mar-19	192,194.0	281,986.0
Apr-19	167,995.0	292,282.0
May-19	163,240.0	315,130.0
Jun-19	170,302.0	334,215.0
Jul-19	153,993.0	339,205.0
Aug-19	157,630.0	345,488.0
Sep-19	152,207.0	363,439.0
Oct-19	156,012.0	394,511.0
Nov-19	146,124.0	403,814.0
Dec-19	155,224.0	406,075.0
Jan-20	154,268.0	436,181.0
Feb-20	174,541.0	459,837.0
Mar-20	182,136.0	442,928.0
Apr-20	161,386.0	439,302.0
May-20	162,923.0	434,219.0
Jun-20	171,658.0	429,154.0
Jul-20	134,709.0	424,606.0
Aug-20	120,569.0	440,119.0
Sep-20	164,248.0	446,366.0
Oct-20	156,187.0	394,511.0
Nov-20	146,124.0	403,814.0
Dec-20	162,574.3	322,720.1
Jan-21	151,966.7	289,339.4
Feb-21	114,954.5	295,982.5
Mar-21	98,995.6	291,564.6

Source: BRB

ANNEX 6: Money market interest rate (in percent)

Quarter	Interbank market	Overnight interest rate	Liquidity providing	Tresury Bill at 13 weeks
Q1-2016	5.13	9.35	6.35	3.37
Q2-2016	4.56	9.32	6.32	3.25
Q3-2016	4.25	8.20	5.20	3.14
Q4-2016	3.68	7.33	4.33	2.64
Q1-2017	4.77	8.47	5.47	3.68
Q2-2017	5.23	7.42	4.42	4.04
Q3-2017	4.55	7.45	4.45	2.93
Q4-2017	4.04	7.86	4.86	2.60
Q1-2018	3.71	6.86	3.86	2.71
Q2-2018	4.31	5.58	2.58	3.53
Q3-2018	3.00	5.33	2.33	2.81
Q4-2018	3.11	5.48	2.48	2.49
Q1-2019	3.11	5.10	2.41	2.50
Q2-2019	3.69	5.50	2.82	2.50
Q3-2019	3.40	5.29	2.59	2.29
Q4-2019	3.56	5.63	2.99	2.63
Q1-2020	3.97	6.00	2.58	3.00
Q2-2020	4.11	6.00	2.96	3.00
Q3-2020	4.42	6.60	2.58	3.60
Q4-2020	5.06	6.87	3.93	3.86
Q4-2021	4.85	6.79	2.23	3.78

Source: BRB

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

	Commercial Banks			Financial corporations			Total banking sector		
	3/31/2020	3/31/2021	change in %	3/31/2020	3/31/2021	change in %	3/31/2020	3/31/2021	change in %
I. ASSETS	3,160,828.8	3,779,015.0	19.6	215,885.4	281,995.4	30.6	3,376,714.2	4,061,010.4	20.3
I.1. Main assets	2,724,692.9	3,238,955.5	18.9	180,757.1	240,251.8	32.9	2,905,450.0	3,479,207.3	19.7
A. Liquid assets	1,727,475.9	2,021,881.3	17.0	24,653.7	22,146.5	- 10.2	1,752,129.6	2,044,027.8	16.7
. Cash	62,915.0	76,128.6	21.0	18.5	24.1	30.2	62,933.5	76,152.7	21.0
. Balance in B.R.B.	184,172.7	153,305.2	- 16.8	4,796.6	3,351.6	- 30.1	188,969.3	156,656.8	- 17.1
. Interbank claims	98,699.5	143,666.2	45.6	2,456.4	2,408.6	- 1.9	101,155.9	146,074.8	44.4
. Government claims	1,381,688.7	1,648,781.3	19.3	17,382.2	16,362.2	- 5.9	1,399,070.9	1,665,143.5	19.0
<i>Treasury securities</i>	1,321,847.2	1,569,944.7	18.8	17,382.2	16,362.2	- 5.9	1,339,229.4	1,586,306.9	18.4
<i>Other securities</i>	59,841.5	78,836.6	31.7	-	-	-	59,841.5	78,836.6	31.7
B. Loans	997,217.0	1,217,074.3	22.0	156,103.4	218,105.2	39.7	1,153,320.4	1,435,179.5	24.4
. Short term	520,104.5	657,316.5	26.4	2,944.2	3,312.6	12.5	523,048.7	660,629.2	26.3
. Medium term	305,382.3	397,441.9	30.1	40,827.1	38,930.2	- 4.6	346,209.4	436,372.1	26.0
. Long term	171,730.2	162,315.8	- 5.5	112,332.1	175,862.4	56.6	284,062.3	338,178.2	19.1
. Leasing	-	-	-	-	-	-	-	-	-
I.2. Fixed assets	154,403.1	186,473.4	20.8	8,052.7	9,763.6	21.2	162,455.8	196,237.0	20.8
I.3. Others assets	281,732.8	353,586.0	25.5	27,075.6	31,980.1	18.1	308,808.4	385,566.1	24.9
II. LIABILITIES	3,160,828.8	3,779,015.0	19.6	215,885.4	281,995.4	30.6	3,376,714.2	4,061,010.4	20.3
II.1. Main liabilities	2,798,526.3	3,292,165.0	17.6	159,890.2	221,102.6	38.3	2,958,416.5	3,513,267.6	18.8
. Customer deposits	1,775,480.3	2,314,632.9	30.4	113,470.2	161,800.8	42.6	1,888,950.5	2,476,433.8	31.1
<i>amongst: Ten large deposits</i>	846,142.7	1,086,161.0	28.4	17,554.7	32,940.2	-	863,697.4	1,119,101.2	29.6
. Borrowing from B.R.B. (Refinancing)	420,000.1	286,862.4	- 31.7	-	6,928.3	-	420,000.1	293,790.7	- 30.0
. Interbank liabilities	284,008.1	278,073.9	- 2.1	6,827.1	6,549.5	- 4.1	290,835.2	284,623.4	- 2.1
<i>Financial corporations</i>	78,239.0	3,166.0	- 96.0	2,275.7	-	- 100.0	80,514.7	3,166.0	- 96.1
<i>Microfinance</i>	109,323.6	73,944.8	- 32.4	2,275.7	-	- 100.0	111,599.3	73,944.8	- 33.7
<i>Foreign correspondents</i>	96,445.5	15,013.5	- 84.4	2,275.7	-	- 100.0	98,721.2	15,013.5	- 84.8
<i>Other financial corporations</i>	-	185,949.5	-	-	6,549.5	-	-	192,499.0	-
II.2. Capital and reserves	319,037.8	412,595.8	29.3	39,592.9	45,824.0	15.7	358,630.7	458,419.7	27.8
II.3. Other liabilities	362,302.5	486,850.0	34.4	55,995.2	60,892.8	8.7	418,297.7	547,742.8	30.9
MAIN INDICATORS OF THE BANKING SECTOR									
Capital adequacy									
. Tier 1 capital (in BIF billion)	338,432.6	445,226.5	31.6	36,837.5	43,215.3	17.3	375,270.1	488,441.8	30.2
. Total regulatory capital (in BIF billion)	358,583.9	470,485.3	31.2	44,807.3	51,620.7	15.2	403,391.2	522,106.0	29.4
. Risk weighted assets	1,208,366.0	1,621,958.3	34.2	155,031.8	219,928.7	41.9	1,363,397.8	1,841,886.9	35.1
. Tier 1 capital adequacy ratio (threshold 12.5%)	28.0	27.4	-	23.8	19.6	-	27.5	26.5	-
. Total capital adequacy ratio (threshold 14.5%)	29.7	29.0	-	28.9	23.5	-	29.6	28.3	-
. Leverage Ratio (threshold 7%)	10.7	11.8	-	17.1	15.3	-	11.1	12.0	-
Credit concentration									
. Large exposures	361,068.9	263,682.8	- 27.0	3,813.1	6,787.7	78.0	364,882.0	270,470.5	- 25.9
. Large exposures to Loans ratio (%)	36.2	21.7	-	2.4	3.1	-	31.6	18.8	-
. Loans to Assets ratio (%)	31.5	32.2	-	72.3	77.3	-	34.2	35.3	-
. Government claims to assets ratio (%)	43.7	43.6	-	8.1	5.8	-	41.4	41.0	-
. Government Loans/Tier 1 capital ratio (%)	408.3	370.3	-	47.2	37.9	-	372.8	340.9	-
Quality of loan portfolio									
. Past due loans	124,040.3	126,407.9	1.9	26,462.6	46,181.9	74.5	150,502.9	172,589.8	14.7
Special mention loans	57,977.1	67,574.0	16.6	16,175.3	36,663.3	126.7	74,152.4	104,237.3	40.6
Non performing loans	66,063.2	58,833.9	- 10.9	10,287.3	9,518.6	- 7.5	76,350.5	68,352.4	- 10.5
<i>Substandard loans</i>	6,089.4	6,455.5	6.0	4,604.1	4,640.7	0.8	10,693.5	11,096.2	3.8
<i>Doubtful loans</i>	13,439.5	12,534.0	- 6.7	2,792.7	2,795.7	0.1	16,232.2	15,329.7	- 5.6
Loss loans	46,534.3	39,844.4	- 14.4	2,890.5	2,082.1	- 28.0	49,424.8	41,926.5	- 15.2
. Loan loss provisions	46,931.4	39,831.4	- 15.1	4,277.3	2,895.1	- 32.3	51,208.7	42,726.4	- 16.6
. Non performing loan rate	6.6	4.8	-	6.6	4.4	-	6.6	4.8	-
. Impairment rate	12.4	10.4	-	17.0	21.2	-	13.0	12.0	-
. Provisioning rate	71.0	67.7	-	41.6	30.4	-	67.1	62.5	-
Liquidity									
. LCR* in BIF (threshold 100%)	232.0	200.9	-	-	-	-	232.0	200.9	-
. LCR in f.c.** (threshold 100%)	171.1	127.3	-	-	-	-	171.1	127.3	-
. Loans/Customer deposits	56.2	52.6	-	137.6	134.8	-	61.1	58.0	-
. Stable funds /Fixed Assets (threshold 60%)	102.1	109.3	-	263.7	196.2	-	102.1	106.7	-
. Ten large deposits/Customer deposits	47.7	46.9	-	15.5	20.4	-	45.7	45.2	-
Profitability and performance									
. Income before tax	33,442.1	34,650.2	3.6	1,498.6	2,841.1	89.6	34,940.7	37,491.3	7.3
. Net income after tax	31,812.4	33,252.6	4.5	1,259.6	2,627.8	108.6	33,072.0	35,880.5	8.5
. Gross Income	64,639.8	67,907.2	5.1	4,226.3	5,455.3	29.1	68,866.1	73,362.5	6.5
. ROA	1.0	0.9	-	0.6	0.9	-	0.98	0.88	-
. ROE	8.9	7.1	-	2.8	5.1	-	8.20	6.87	-

* Liquidity Coverage ratio

** foreign currencies

Source : BRB