



NATIONAL BANK OF RWANDA

ANNUAL REPORT 2010





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ANNUAL REPORT

TABLE OF CONTENTS

EXECUTIVE SUMMARY	6
PART I: ECONOMIC AND FINANCIAL DEVELOPMENTS	11
CHAPTER I: INTERNATIONAL ECONOMIC OUTLOOK	12
I.1 ECONOMIC GROWTH	12
I.2 INFLATION AND COMMODITY PRICES.....	14
I.3 WORLD TRADE	14
I.4 FINANCIAL MARKETS.....	16
CHAPTER II: NATIONAL ECONOMIC PERFORMANCE.....	18
II.1 REAL SECTOR	18
II.2 PUBLIC FINANCE AND DOMESTIC DEBT	35
II.3. EXTERNAL SECTOR	43
PART II: ACTIVITIES OF THE BANK	57
CHAPTER III: ACTIVITIES RELATED TO THE MAIN MISSIONS OF THE BANK	58
III.1 MONETARY SECTOR DEVELOPMENTS	58
III.1.5 FOREIGN EXCHANGE POLICY	62
III.2. RESERVES MANAGEMENT	63
III.3. MANAGEMENT OF SPECIAL FUNDS AND LINES OF CREDIT	65
III.4 AVAILABILITY OF THE MEANS OF PAYMENT.....	71
III.5 BANKING AND NON BANKING FINANCIAL INSTITUTIONS SUPERVISION	74
III.6 PAYMENT SYSTEM MODERNIZATION	82
III.7 QUALITY OF STATISTICS IMPROVEMENT	84
III.7.1 INFORMAL CROSS BORDER TRADE (ICBT) SURVEY	84
III.8 RESEARCH	85
CHAPTER IV: SUPPORT ACTIVITIES	87
IV.1. ICT SYSTEMS MODERNISATION.....	87
IV.2 INFRASTRUCTURE MODERNISATION	88
IV.3. HUMAN RESOURCES MANAGEMENT	89
IV.4 MANAGEMENT ORGANS OF THE BANK	90
IV.5. RISK MANAGEMENT	92
IV.6 LEGAL AFFAIRS.....	93
IV.7 COMMUNICATION STRATEGY.....	93
IV.8 CORPORATE SOCIAL RESPONSIBILITY	94
PART III: FINANCIAL STATEMENTS AS AT 31-12-2010.....	95

STATISTICAL APPENDICES 96

Table 1: Major Indicators of National Economy

Table 2: Gross Domestic Product by Branch of Activity (Nominal)

Table 3: Gross Domestic Product by Branch of Activity (Real)

Table 4: Uses and Resources of GDP (Nominal)

Table 5: Monthly Evolution of Consumer Price Index

Table 6: Monthly Evolution of Producer Price Index

Table 7: Consolidated Financial Operations of the Central Government

Table 8: BNR's Balance Sheet

Table 9: Balance Sheet of Other Depository Corporations

Table 10: Monetary Survey

Table 11: Consolidated Balance Sheet of Other Financial Intermediaries

Table 12: Banking Survey

Table 13: Outstanding Credit by Sectors of Activity

Table 14: New Credits by Sector of Activity

Table 15: Interest Rates Structure

Table 16: Average Exchange Rates of the Major Currencies

Table 17: Public External Debt Stock

Table 18: Development of Guaranteed Debt Outstanding

Table 19: Development of Drawings by creditors

Table 20: Development of External Debt Service Due

Table 21: Development of Arrears by year and by donors

Table 22: Balance Of Payment

Table 23: Rwanda's Exports

Table 24: Rwanda's Imports

Table 25: Services and Income

Table 26: Transfers

Table 27: Capital and Financial Account

Table 28: Available Financing

ACRONYMS AND ABBREVIATIONS

ACCA: Association of Chartered Certified Accounts.

ACH: Automated Clearing House

AGF: Agricultural Guarantee Facility

ATM: Automated Teller Machine

BNR: Banque Nationale du Rwanda/National Bank of Rwanda

BOP: Balance of Payments

BPM: Business Process Management

CAMELS: Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk

CAN: Controller Area Network (in Automation)

CISA: Certified Information Systems Auditor

CMAC: Capital Market Advisory Council

COBIT: Control Objectives for Information and Related Technology

COGEAR: Compagnie Générale d'Assurances et Réassurances au Rwanda

CORAR : Compagnie de Réassurance et d'Assurance du Rwanda

CPI: Consumption Price Index

CPSS: Committee on Payments and Settlement Systems

CRB: Credit Reference Bureau

CSD: Central Securities Depository

EAC: East African Community

EAPS: East African Payment System

EDPRS: Economic Development and Poverty Reduction Strategy

ERP: Enterprise Resource Planning

FDI: Foreign Direct Investment

FMDP: Financial Market Development action Plan

FOB: Free On Board

G&NFS: Good and Non Factor Services

GDP: Gross Domestic Product.

IAS: International Accounting Standards

ICT: Information and Communication Technology

IFRS: International Financial Reporting Standards

IIP: Index of Industrial Production

IMF: International Monetary Fund

IOSCO: International Organization of Securities Commissions

KRR: Key Repo Rate

MFIs: Micro Finance Institutions

MIGEPROF: Ministry of Gender and Family Promotion

MINAGRI: Ministry of Agriculture and Animals Resources

MINECOFIN: Ministry of Finance and Economic Planning

MPC: Monetary Policy Committee

NCSD: National Central Securities Depository

NDA: Net Domestic Assets

NFA: Net Foreign Assets

NISR: National Institute of Statistics, Rwanda

NPLs: Non Performing Loans

NPS: National Payment System

OMO: Open Market Operations

PAT: Portfolio Analytics Tool

PFI: Participating Financial Institutions

POS: Point of sale

PPI: Producer Price Indices

PR: Public Relation

PRGF: Poverty Reduction and Growth Facility

PSI: Policy Support Instrument

REPPS: Regional Payment Processing and Settlement System

RIF: Rural Investment Facility

RIPPS: Rwanda Integrated Payment Processing System

RMP: Risk Management Program

RoA: Return on Assets

RoE: Return on Equity

RRA: Rwanda Revenue Authority

RSP: Remittance Services Providers

RTGS: Real Time Gross Settlement System

SMTEL: Société Monétique et de Télé-compensation au Rwanda

SOPYRWA: Société du Pyrethre au Rwanda

SR: Standard Report

STA: Statistics Department of IMF

TA: Technical Assistance

TMU: Technical Memorandum of Understanding

TOR: Terms of Reference

USA: United States of America

USAID: United States Agency for International Development

VAT: Value Addition Tax

EXECUTIVE SUMMARY

In the year 2010, the world economy continued to recover from the recent global crisis reaching a real GDP growth estimated at 5% from a recession of 0.5% in 2009¹ while inflation stood at 1.6% in developed countries and at 6.2% in emerging and developing countries against 0.1% and 5.2% respectively in 2009. In the financial markets, central banks' rates remained unchanged in developed countries and low enough to encourage investment financing. With regard to exchange market, after a strong depreciation in the early 2010, the euro witnessed a significant rebound against the US dollar since June to the beginning of November. The Japanese yen depreciated in the first quarter 2010 but appreciated during the following quarters.

In the wake of world economic, Rwanda recorded a real GDP growth of 7.5% in 2010 driven by global recovery in all economic activities, particularly services, agriculture production and construction sector. The country has also significantly benefited from improved terms of trade following worldwide declining import' prices, while higher export commodity prices have been sustained in 2010.

Indeed, the country recorded improved external sector performance, with a positive overall balance of payments estimated at USD 71.8 millions, resulting from a significant increase of official and private capital inflows which have been offsetting important structural current account deficit. However, the exports sector continued to perform well, sustained by traditional exports. Thus, supported by sufficient foreign exchange resources on domestic market, the real effective exchange rate remained quite stable, while a smooth depreciation in nominal terms has been recorded since June 2010. At the end of 2010, the gross reserves amounted to USD 813.00 million corresponding to 5.2 months of imports of goods and services compared to USD 744.29 million as at 2009 end, an increase of 9.23%.

An informal cross border trade (ICBT) survey conducted during the period May 2009-April 2010 revealed that a substantial proportion of informal cross border transaction involves mainly agriculture and livestock trading. The findings will improve notably data coverage of Rwanda's Balance of Payments current account and Gross Domestic Product estimation.

¹ According to the IMF estimates, made in April 2011

They are also for policy makers a good indication on where more efforts should be oriented to improve the country trade balance.

Although tax revenue collection performed well in 2010, in line with the trend observed during the last few years, the overall deficit excluding grants reached 13.7% of GDP from 12.5% in 2009, while the overall deficit including grants are respectively 0.8% and 1.6% of GDP in 2009 and 2010.

Better economic performance in 2010 has been achieved with a very low inflation estimated at 0.2% in December 2010 on annual basis, against 5.7% recorded in the same period of 2009. In addition to the global disinflationary trend, domestic price stability is attributed to a relatively stable exchange rate, modest increase in monetary aggregates, as well as good harvest that kept domestic food markets stable.

While increase in domestic credit remained moderate throughout the year, broad Money supply (M3) stood at 17.0% mainly driven by important foreign financial inflows. Net Foreign Assets of the Banking system recorded an overall strong increase of 17.2% in 2010, contributing at 14.4% in the increase of money supply, against 2.4% attributed to the Net domestic Assets. Thus, the Banking system liquidity has been significantly improving, hence giving more confidence to banks in treasury management, while continuing to invest in short term instruments. Monetary conditions remained relatively relaxed and supportive of domestic economic activity. A more moderate pace in Reserve Money expansion has been registered, keeping significant level of excess liquidity with the Banking system. On average, excess reserves have been around RWF 4.5 billion on daily basis on average. However, despite an accommodative monetary policy conducted in 2010, the credit to the private sector increased by 11.1% against 20.0% projected at the beginning of the year.

The National Bank of Rwanda has continued to enhance credit growth to private sector by laying conducive infrastructures to enable credit providing institutions make faster decisions through credit reference services. The existing public registry has been modified to meet all the criteria of the Doing Business analysis as well as providing a comprehensive credit report for use by financial institutions.

Regarding the establishment of a private credit bureau in Rwanda, the law on credit information system is already in effect and a credit bureau known as Credit Reference Bureau Africa (CRB Africa) was been established in May 2010 and launched in July 2010.

Concerning the financial sector soundness, developments in the Rwandan Banking sector in 2010 continued to be healthy. In 2010, the consolidated balance sheet expanded by 25.9%, the paid up capital of the Banking sector industry increased by 7.6 % and the capital adequacy ratio stood at 22.3% against the minimum requirement of 15%.

The access to Banking services improved significantly. Banks opened 15 additional new places of business, ZIGAMA-CSS got the status of a fully fledged commercial bank and 9 new foreign exchange bureaux were authorized to carry out foreign exchange operations. In addition, the number of deposit accounts operated by the commercial banks increased by 40.5% from 1 270 654 in 2009 to 1 785 744 in December 2010.

Licensing of new MFIs, off-site and on-site examinations were performed to improve the efficiency of MFI's operations and assess their level of compliance with the microfinance law and regulations. Among 416 SACCOs established in line with UMURENGE SACCOs Program, 412 got a provisional license in 2010 while 4 have definitive operating license.

During the year 2010, the insurance sector's performance continued to record good results with total assets of RWF 119 billion from 102 billion in 2009. Also the registered performance is depicted by the increase in total premiums that reached RWF 53 billion in 2010 from RWF 47 billion in 2009. Insurance penetration also increased to 2% from 1.78 the previous year. The legal frame work was strengthened and insurance companies' level of compliance increased. It is worth noting that at least one company has separated life from none life business in 2010.

The pension sector's assets also increased from RWF 142 billion to RWF 161 billions. The new pension law was drafted and submitted to the Ministry of Finance for legislative process and is expected to be enacted by June 2011.

In 2010, concerted effort was put into finalizing the relevant laws and regulations related to the modernization of payment systems. The Electronic Transactions law, the law on the Central Securities Depository and the Payment Systems law were passed by parliament and published in the official Gazette. Several regulations were also published, notably; regulation on Electronic Funds transfers, regulation on licensing payment systems,

regulation on oversight and the regulation on participation in the Central Securities Depository.

To ensure that time critical payments are settled in real time, the BNR has implemented a real time settlement system-the Rwanda Integrated Payments Processing System (RIPPS), encompassing the Automated Clearing House (ACH), the Real Time Gross Settlement (RTGS) and the Central Securities Depository (CSD), all three running on the same platform.

With regard to card based payment system, a new commercial agreement was signed between SIMTEL and the Banks to address the main bottlenecks in the card based payment infrastructure. The number of ATMs has drastically increased since then and now it stands at 88 ATMs. Before the new Service Level Agreement, only 99 POS existed and only accepted international cards. More POS are ordered by Banks from SIMTEL accepting both local and international cards. In addition, the mobile Banking is developing rapidly.

To sustain research activity, the National Bank of Rwanda has adopted a capacity building strategy based on gaining experience from more advanced partner Central Banks and research institutions. In addition, the Bank put in place a new training policy to clarify on the Bank strategy concerning staff development. The training and development policy has been incorporated in the bank's budget allowing staff to enrol for short and long term courses and attachments to other central Banks.

Taking into account the Rwanda vision 2020 and ICT government policy, a comprehensive IT strategic plan has been developed in line with Bank strategic plan with primary objective to implement modern technology and applications to support its core functions.

In the framework of corporate social responsibility, the Bank sets aside a special budget "Gifts and Subsidies" to financially support vulnerable people with sustainable development projects and other social government policies. Among others, the Bank pursued carrying out the permanent project to support orphans and widows of the 1994 Tutsi's genocide living in MUSAMBIRA sector, Kamonyi district and supported the government campaign to empower vulnerable people under GIRINKA Project as well as the project named "Gift from Africa-Global Fund" involved in the eradication of malaria and HIV/AIDS.

In addition to the biannual Monetary Policy and financial Stability Statement, the Bank's communication strategy was expanded towards the mobilization of Rwandans joining Umurenge SACCO program, a national strategy to bring closer financial services to citizens. Furthermore, the Bank organized notably town hall meetings and regular press conferences to allow for a wider exchange of information with all stakeholders, and created new email accounts to allow the public express alternative ways of serving them better.

The National Bank of Rwanda's annual financial result on operations for the year 2010 has been a net profit of 3,027.699 million of Rwf against 83.713 million in 2009.

PART I: ECONOMIC AND FINANCIAL DEVELOPMENTS

CHAPTER I: INTERNATIONAL ECONOMIC OUTLOOK

I.1 Economic growth

With the year 2010, the world economy continued to recover from the global crisis. Real GDP growth stood at 5% according to the IMF estimates in April 2011 after -0.5% in 2009.

In fact, the economic activity growth was around 5.25% for the first half of the year drawn by the increase of 15% in industrial production and by the take off of 40% in global trade. However, the pace of recovery decelerated to 3.75% in the second half of the year as downside risks remained elevated.

However, the economic activity remained subdued in developed countries where policy stimuli are waning and consumer confidence weak. In United States, economic activity is gradually improving and real GDP growth attained 2.8% in 2010 up from -2.6% drawn by business investment and public spending despite negative contribution from net exports. In the Euro Zone, economic growth is estimated at 1.7% after -4.1% in 2009 as exports are expected to strengthen benefiting from the world economic recovery and helped by accommodative monetary policy despite recent sovereign debt concerns and poor climate conditions. In Japan, led by temporary factors, private consumption became supportive for economic activity which has, according to the IMF estimates, increased by 3.9% end 2010 after -6.3% in 2009.

Table 1: World Economic growth developments (annual real growth rate)

	2006	2007	2008	2009	2010
World	5.2	5.4	2.9	-0.5	5.0
Advanced Economies	3.0	2.7	0.2	-3.4	3.0
- United-States	2.7	1.9	0.0	-2.6	2.8
- Japan	2.0	2.4	-1.2	-6.3	3.9
- Euro Zone	3.1	2.9	0.4	-4.1	1.7
- Newly Industrialized Asian Economies	5.8	5.9	1.8	-0.8	8.4
Other Emerging and Developing Countries	8.2	8.8	6.1	2.7	7.3
- Sub-Saharan Africa	6.4	7.2	5.6	2.8	5.0
- Asia	10.4	11.4	7.7	7.2	9.5
- Western Hemisphere	5.6	5.7	4.3	-1.7	6.1

Source: IMF, *World Economic Outlook*, April 2011

In emerging countries, the economic activity strongly recovered as fixed investment grew significantly and private consumption very supportive. Economic growth was 8% for the first semester while reached 9.5% in sole emerging Asian economies boosted by Chinese, Indian and Indonesian domestic demand. Developing economies show signs of recovery drawn by the increase in commodity prices, stimulus policy measures and improving global trade and financial conditions. Recent IMF estimates set at 7.3% the economic growth in emerging and developing economies while it was at 2.7% in 2009. In China, the growth rate stood at 10.3% in 2010 from 9.2% in 2009. In Sub-Saharan Africa, the economic growth stood at 5% in 2010 after 2.8% in 2009.

Table 2: Economic growth rates in the neighbouring countries (annual growth rate, in %)

	2006	2007	2008	2009	2010
Sub-Saharan Africa	6.4	7.0	5.5	2.8	5.0
Angola	19.5	23.9	13.8	2.4	1.6
Burundi	5.1	3.6	4.5	3.5	3.9
Comoros	1.2	0.5	1.0	1.8	2.1
Erithrea	-1.0	1.4	-9.8	3.9	2.2
Ethiopia	11.5	11.8	11.2	10.0	8.0
Kenya	6.3	7.0	1.6	2.6	5.0
Madagascar	5.0	6.2	7.1	-3.7	-2.0
Malawi	7.7	5.8	8.6	7.6	6.6
Mauritius	4.5	5.9	5.5	3.0	4.0
Namibia	7.1	5.4	4.3	-0.8	4.4
DRC	5.6	6.3	6.2	2.8	7.2
Rwanda (*)	9.2	7.7	11.5	6.1	7.5
Seychelles	6.4	9.6	-1.3	0.7	6.2
Swaziland	2.9	2.8	3.1	1.2	2.0
Tanzania	7.0	6.9	7.3	6.7	6.5
Uganda	10.8	8.4	8.7	7.2	5.2
Zambia	6.2	6.2	5.7	6.4	7.6
Zimbabwe	-3.5	-3.7	-17.7	6.0	9.0

Source: IMF, World Economic Outlook, April 2011

(*) Rwanda, MINECOFIN

In East African Community (EAC) countries, despite the effects of global financial crisis, economic growth stood at around 4.8% in 2009 and was expected at 6.1% in 2010. In Burundi, real GDP growth was established at 3.5% in 2009 and at 3.9% in 2010 drawn by food production and investment. In Tanzania, helped by investment, trade and tourism, economic growth stood at 6.5% in 2010 against 6.7% recorded in 2009. In Uganda, GDP estimates for 2010 stood at 5.2% from 7.2% in 2009, despite better rains which led to improved food production. Concerning Kenyan economy, real GDP growth is estimated at 5.0% in 2010 up from 2.6% in 2009.

I.2 Inflation and commodity prices

In developed countries, inflationary pressures remained subdued due to persisting spare capacity and high unemployment rate while they increased in emerging economies with the strong recovery. According to the IMF estimates in April 2011, inflation stood at 1.6% in developed countries and at 6.2% in emerging and developing countries against 0.1% and 5.2% respectively in 2009.

In the USA, inflation stayed low over the year but quite higher than the year before due to the increasing energy prices. Annual inflation stood at 1.6% in 2010, after -0.3% in 2009. Similarly, in the euro zone, annual harmonized inflation rate was 1.6% in 2010 while in Japan consumer prices kept on falling on substantial slack in economy. Annual inflation stayed negative at -1.4% in 2009 but increased to -0.7% in 2010.

Table 3: Inflation by region (annual % change)

	2006	2007	2008	2009	2010
Advanced Economies	2.4	2.2	3.4	0.1	1.6
United States	3.2	2.9	3.8	-0.3	1.6
Euro Zone	2.2	2.1	3.3	0.3	1.6
Japan	0.3	0.0	1.4	-1.4	-0.7
Other Advanced Economies	2.1	2.1	3.8	1.5	2.5
Newly Industrialized Asian Economies	1.6	2.2	4.5	1.3	2.3
Other emerging markets and developing countries	5.6	6.5	9.2	5.2	6.2
Sub-Saharan Africa	6.9	6.9	11.7	10.5	7.5
Asia	4.1	5.4	7.4	3.1	6.0

Source: IMF, World Economic Outlook, April 2011

I.3 World trade

World trade growth in volume recovered by 12.4% in 2010 after it collapsed by 10.9% in 2009. However, it remained below its precrisis level especially in countries particularly hit by the Banking crisis. Exports growth in volume stood 12% in advanced economies and by 14.5% in emerging and developing countries from respective decline of 12.2% and 7.5% in 2009. Similarly, imports volume shifted to 11.2% and to 13.5% respectively in developed and in emerging and developing countries from -12.6% and -8.3% in 2009.

Terms of trade slightly improved by 0.2% in emerging and developing countries while they continued to deteriorate in developed countries (-1.2%). According to the IMF estimates,

world prices in dollar increased by 3.0% for manufactures, by 27.9% for oil and by 26.3% for non petroleum commodities.

With regard to commodity markets, strong demand from emerging markets during the first phase of economic recovery has increased commodity prices. With the second quarter, some of gains were surrendered. Thus, oil prices increased by 27.9% between 2009 and 2010 according to the IMF estimates due to increasing demand particularly from China. Oil prices have mainly fluctuated between USD 70 and USD 90 and occasionally above the band during the year. In medium term, oil prices are expected to slightly increase reflecting expectations of higher global economic expectations.

For non energy commodities, world prices have recovered from their decline in the second quarter essentially for food commodities, beverages and agricultural commodities. In fact, due to unfavourable climatic conditions harvest was lesser than expected especially for wheat. In 2010, according to the IMF estimates in April 2011, prices increase for non fuel commodities averaged 26.3% after -15.8% in 2009. Metal prices continued to soar (+ 48.1%) after recovering from the June low level drawn by the rise in prices of iron ore (82.38%), tin (50.33%), silver (37.45%), Nickel (48.82%), aluminium (30.53%), copper (46.31%) and gold (25.87%) on average in 2010. Metal prices have responded strongly so far to changing expectations about prospects for the global economic recovery.

Table 4: World trade developments (annual % change)

	2006	2007	2008	2009	2010
Trade in goods and services					
- Volume	8.7	7.5	2.7	-10.9	12.4
- Price deflator in US dollars	5.8	8.1	11.3	-10.3	5.8
Trade in volume					
- Exports					
Advanced Economies	8.7	6.6	1.9	-12.2	12.0
Emerging markets and developing countries	9.4	9.6	4.0	-7.5	14.5
- Imports					
Advanced Economies	7.7	5.1	0.4	-12.6	11.2
Emerging markets and developing countries	10.3	13.3	8.8	-8.3	13.5
- Terms of trade					
Advanced Economies	-1.1	0.4	-2.0	2.7	-1.2
Emerging markets and developing countries	3.2	0.5	3.7	-5.1	0.2
Trade in goods					
- volume	8.6	7.1	2.7	-11.7	13.6
- Price deflators in US dollars	6.5	7.8	11.7	-11.9	7.2
World price in dollars					
- Manufactured products	2.6	6.2	6.6	-6.3	3.0
- Oil	20.5	10.7	36.4	-36.3	27.9
- Non-petroleum products	23.2	14.1	7.5	-15.8	26.3
• Food	10.5	15.2	23.4	-14.7	11.4
• Beverages	8.4	13.8	23.3	1.6	14.1
• Agricultural raw materials	8.8	5.0	-0.8	-17.0	33.2
• Metals	56.2	17.4	-7.8	-19.7	48.1

Source: IMF, World Economic Outlook, April 2011

According to the World Bank statistics, in low and middle income countries, energy prices rose by 26.54% in 2010 after they declined by 37.34% in the previous year. Non energy commodity prices rose by 27.64% led essentially by price increase in metals and minerals (51.96%), agricultural raw materials (40.73%) and in food commodities (9.27%). Between 2009 and 2010, prices in low and middle income countries increased by 26.54% for energy and by 27.64% for non energy (of which base metals +42.56%).

In sub-Saharan Africa, external trade in value as well as in volume has improved. According to IMF World Economic outlook of April 2011, exports increased by 26.8% in value and by 2.4% in volume after having declined by 25.4% and by 2.6% respectively in value and in volume in 2009. Similarly, imports rose by 20.2% in value and by 7.1% in volume respectively in 2010 after respective reduction of 13.7% and 2.3% in 2009. As regards to terms of trade, they appreciated by 10.1% according to the IMF estimates in April 2011 after having depreciated by 12.2% the year before.

Table 5: Sub-Saharan African World Trade (annual % change)

	2006	2007	2008	2009	2010
<i>Total value in US dollars</i>					
Exports	19.2	19.0	23.8	-25.4	26.8
Imports	14.0	21.6	23.9	-13.7	20.2
<i>Volume</i>					
Exports	2.7	7.4	1.3	-2.6	2.4
Imports	7.4	13.6	9.5	-2.3	7.1
<i>Unit value in US dollars</i>					
Exports	16.3	10.9	22.8	-22.4	23.6
Imports	6.6	7.4	14.0	-11.6	12.3
Terms of trade**	9.1	3.2	7.7	-12.2	10.1

Source: IMF, World Economic Outlook, April 2011.

I.4 Financial markets

In the financial markets, central bank rates remained unchanged in developed countries and low enough to encourage investment financing. Furthermore, due to the recent concerns on financial markets related to the sovereign debt risk in some European countries, central banks introduced further accommodative policy measures. In November, the US announced other quantitative monetary easing.

Short and long term interest rates declined in leading economies on concerns about the sustainability of the recovery in global economic activity but also because of worries regarding the sustainability of public finances in European peripheral countries. Central

Bank rate in US stayed at 0.25% and three month rate at 0.30% end 2010 while they stood respectively at 1.0% and 1.01% in Euro area and at 0.1% and 0.19% in Japan. Ten year government bond yield reduced to 3.30% from 3.84% in USA, to 2.96% from 3.39% in Euro Zone and to 1.13% from 1.30 in Japan.

With regard to exchange market, after a strong depreciation in the early part of 2010, the euro witnessed a significant rebound against the US dollar since June to the beginning of November. The appreciation of the USD versus the euro was mainly drawn by increasing market expectations and following the decision of the Federal Reserve Open Market Committee on further monetary quantitative easing. Due to the new recent financial concerns in Europe, the euro has lost some of its earlier gains. For the sole first half of 2010, the euro depreciated by about 15% in real effective terms. However, since July to September 2010, it depreciated following weaker than expected economic data in the USA. The Japanese yen has depreciated in the first quarter 2010 but appreciated during the following quarters. The Bank of Japan is intervening on exchange market to avoid disruptive movements. Between 2009 and 2010, the US dollar appreciated by 4.7% versus the Euro, by 1.2% with regard to the pound sterling while it depreciated by 6.2% against the Yen.

CHAPTER II: NATIONAL ECONOMIC PERFORMANCE

II.1 Real Sector

II.1.1 Gross Domestic Product

II.1.1.1 GDP sources

The real GDP at constant prices of 2006 grew by 7.5% in 2010, against 6.1% in 2009. This growth emanated mainly from the recovery of industry and services sectors which recorded respectively increase of 8.4% and 9.6% of the value added. Agriculture sector also grew by 4.9%.

GDP percapita in nominal terms improved by 10.4% as it rose from Rwf 295.6 to 315.2 thousands, while in terms of USD, GDP percapita registered an increase of 3.9%, from USD 520.1 in 2009 to 540.5 in 2010.

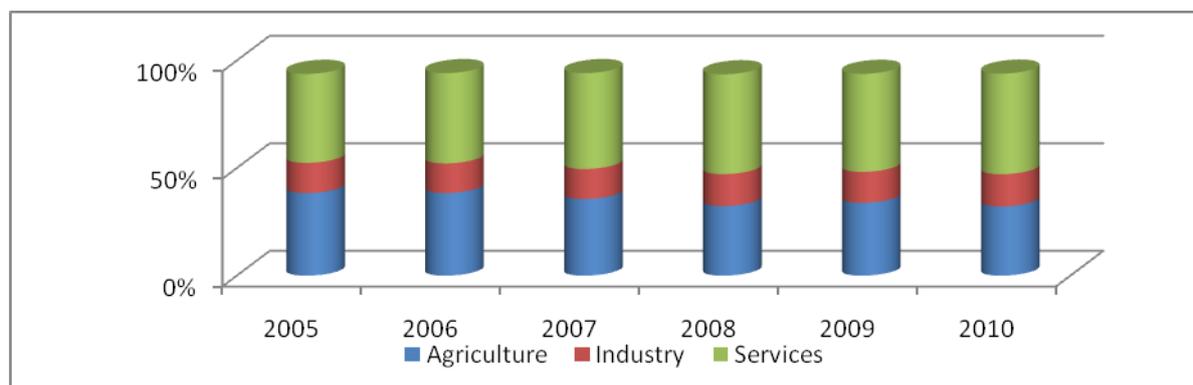
Table 6: Developments of resources and uses of GDP (in RWF billion)

	2006	2007	2008	2009	2010
SOURCES (at 2006 constant prices)					
Agriculture Sector	659.7	677.3	720.7	776.2	814.5
Industry Sector	236.2	257.8	296.7	300.8	326.0
Service Sector	720.2	808.8	928.7	982.4	1 075.6
Adjustments	100.3	104.9	117.5	128.4	135.0
Less: Imputed bank service charges	-23.6	-28.6	-31.5	-29.5	-34.8
Plus : VAT and other taxes on products	123.9	133.5	148.9	157.9	169.7
Real GDP	1 716.4	1 848.7	2 062.3	2 187.1	2 351.1
USES (at current prices)					
GDP at current prices	1 716.5	2 046.2	2 576.9	2 990.3	3 281.7
Final Consumption	1 686.0	1 971.4	2 397.4	2 922.1	3 240.9
Investments	274.7	369.1	585.0	644.8	688.8
Exports (G&NFS)	189.8	228.3	372.5	302.5	355.9
Imports (G&NFS)	434.0	522.6	778.0	879.2	1 003.8
Memorandum item :					
Current GDP per capita, in RWF (000's)	185.6	214.1	262.3	295.6	315.2
in USD	332.6	391.4	479.2	520.1	540.5

Source: NISR

In 2010, Services sector maintained its first position in the structure of GDP with 46.7% of GDP at constant prices of 2006, followed by Agriculture sector that account 32.2% and then the Industry sector that took 15.0% of GDP.

Fig. 1: Resources Structure (in percentage of GDP, at 2006 constant prices)



Source: NISR

A. AGRICULTURE SECTOR

In 2010, value added at constant prices of 2006 for the Agriculture sector increased by 4.9% slightly lower than 9.4% attained in 2009. This increase in productivity was driven by still favorable climatic conditions and Government intensification programs notably; increased supply and use of fertilizers, improved seed supply to farmers and the land consolidation program. Both food crops and export crops performed better compared to the previous year.

Table 7: Value Added for the agriculture sector (in RWF billion, at 2006 constant prices)

	2006	2007	2008	2009	2010
Agriculture	659.7	677.3	720.7	776.2	814.5
of which: Food crops	545.5	567.5	602.9	659.5	691.9
Export crops	25.3	18.0	23.2	19.7	22.5
Livestock	30.9	32.3	33.4	34.2	35.6
Forestry	52.0	53.4	54.9	56.4	57.9
Fisheries	6.0	6.2	6.3	6.5	6.7

Source: NISR

A.1 Food production

In volume, total food crop production in both 2010 season A and B recorded an increase of 8.2% compared to 2009 harvests, driven by roots and tubers and cereals production which increased by 18.8% and 18.7% respectively. This sustained good performance is attributed to the Government Crop Intensification Program and favourable climatic conditions.

The overall production of cereals was mainly attributed to high increase in the production of maize (53.7%) and wheat (19.1%), despite a fall in paddy rice and sorghum whose production respectively decreased by 24.7% and 15.3%.

Table 8: Food production development in volume terms (in thousands of tons)

	2006	2007	2008	2009	2010	% change 2010/2009
TOTAL FOOD PRODUCTION	7 137	6 906	8 234	9 269	10 028	8.2
Roots and Tubers	2 930	2 544	3 815	4 265	5 065	18.8
Irish potatoes	1 285	770	1 162	1 290	1 794	39.1
Sweet potatoes	777	845	826	803	832	3.5
Cassava	743	777	1 682	2 020	2 279	12.8
Cocoyam (taro)	125	152	145	152	160	4.9
Cereals	362	356	461	629	747	18.7
Sorghum	187	167	144	175	148	-15.3
Maize	92	102	167	287	441	53.7
Paddy rice	63	62	82	95	72	-24.7
Wheat	20	25	68	72	86	19.1
Legumes	334	405	392	431	449	4.2
Beans	283	331	309	328	342	4.5
Garden peas	14	17	22	34	37	9.6
Ground nuts	9	16	11	15	13	-12.7
Soya beans	27	41	51	54	57	4.4
Bananas	2 654	2 698	2 604	2 993	2 780	-7.1
Fruits & Vegetables	858	903	962	950	987	3.9

Source: Ministry of Agriculture and Animal Resources (MINAGRI), Agricultural Statistics Department

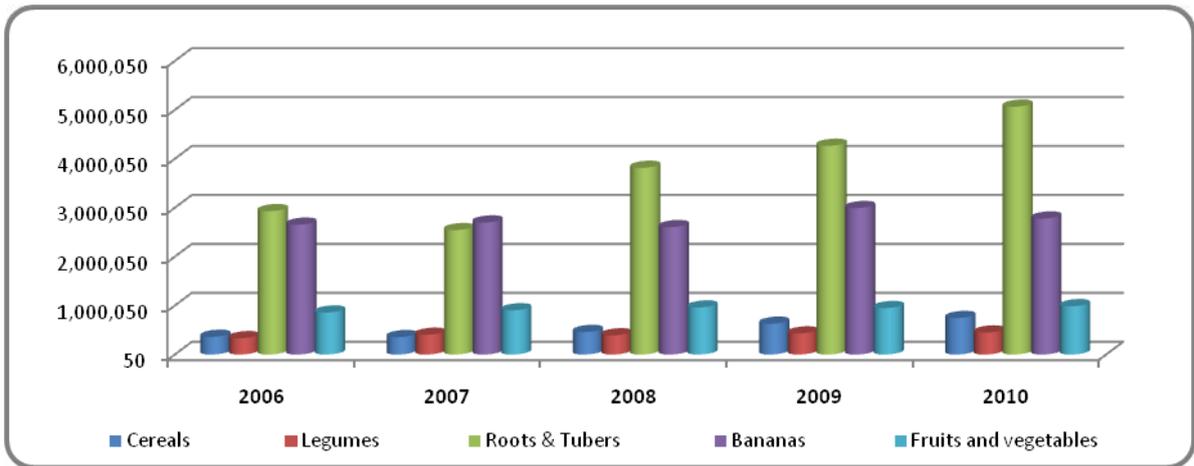
The production for legumes was favorable where most leguminous crops show a positive trend, such as peas, beans and soya whose production increased respectively by 9.6%, 4.5% and 4.4%. Since their production weight is relatively small accounting for only 4.5% of the total production for the 2010 agriculture seasons, their contribution in the overall

production was limited. This increase in production of legumes was attributed mainly to the continuous expansion in the land area under cultivation of peas and soya beans.

The total production for roots and tubers was attributed to Irish potatoes and cassava by 39.1% and 12.8% respectively. The production of cassava continues with the upward trend compared to the 2009 agriculture seasons and as result of the adoption of new cassava trees (cultivars) that are resistant to diseases. Also, the increase in production of roots and tubers was attributed to the continuous expansion in the land area under cultivation.

The bananas production decreased by 7.1% compared to the same agriculture seasons of the year 2009 as a result of some plantations that were heavily infected by bacterial wilt especially in the Western Province and in some districts of the Northern Province.

Fig.2: Food crop production structure (by category and in thousand tons)



Source: MINAGRI

A.2 Export crops

The production of export crops in 2010 also performed better compared to the previous year. Their value added at constant prices of 2006 stood at Rwf 22.5 against Rwf 19.7 billion in 2009, reflecting an increase of 14.2%.

Table 9: Production of export crops (in tons)

	2006	2007	2008	2009	2010	Annual % change
Tradable Coffee	26 598	14 850	18 596	15 055	19 319	28.3
<i>Ordinary</i>	24 752	12 572	15 942	11 892	15 063	26.7
<i>Fully washed</i>	1 846	2 278	2 654	3 163	4 255	34.5
Dry Tea	16 973	20 473	19 965	20 507	22 249	8.5
Pyrethrum extract	30	15	4.6	7.3	8.7	19.2

Source: Rwanda Coffee and Tea Authorities, SOPYRWA

Following a decline of 19.0% in 2009, the production of tradable coffee increased by 28.3% in 2010. This increase is essentially attributed to favourable coffee production cycle, as well as conducive climatic conditions and the maintenance and repairing of coffee factories. The fully washed coffee production increased significantly by 34.5%, passing from 3 163 to 4 255 tons between 2009 and 2010.

With regard to the dry tea, its production slightly increased by 8.5%, attributed to a number of factors notably; the privatization of some tea factories, favourable weather conditions and stable prices on the international market.

The production of extracted pyrethrum increased by 19.2% in 2010, following a high increase of 58.7% in 2009, as a result of fundamental changes in production process from June 2007. Gross pyrethrum extracts are no longer considered as final products by SOPYRWA Company rather it is again passing through improved production process to obtain a high value refined product, whose price is higher at the international market than the former grade.

A.3 Animal production

The value added at constant prices of 2006 for livestock in 2010 was estimated at RWF 35.6 compared to Rwf 34.2 billion in 2009, reflecting an increase of 4.0%.

Due to the improvement in the breeds of cattle distributed to farmers under One Cow per Household Government project, milk production increased by 11.3%, rising from 334.7 in 2009 to 372.6 millions of litres. During the same period, meat production increased by 9.9% while had increased by 22.2% in 2009. The production of eggs highly increased by 59.2% from an increase of 18.3% in 2009 while the production of fish rose by 6.4% compared to an increase of 8.4% in 2009. Honey production also increased by 27.5% compared to a slight increase of 0.6% in 2009.

Table 10: Animal production developments

	2006	2007	2008	2009	2010	Annual % change
Meat (in tons)	52 226	54 780	53 900	65 863	72 395	9.9
Fish (in tons)	9 267	9 655	8 746	14 104	15 007	6.4
Eggs (in tons)	2 236	1 620	1 983	3 268	5 203	59.2
Honey (in tons)	1 671	1 676	1 686	2 684	3 422	27.5
Milk (in thousands of litres)	146 .840	158. 764	257. 197	334.727	372.619	11.3

Source: MINAGRI

With the exception of sheep and cattle which slightly rose, all other animal species have significantly increased compared to the previous year. The number of cattle, goats, sheep, pigs and rabbits has increased significantly due to progressive modernising of traditional livestock and the expansion of land area that was reserved for pasture.

Table 11: Development in number of livestock (in thousands of heads)

	2006	2007	2008	2009	2010	Annual % change
Cattle	1 122	1 147	1 195	1 231	1 335	8.5
Goats	2 688	2 738	2 520	2 621	2 971	13.4
Sheep	695	704	718	754	799	6.0
Pigs	528	571	587	639	707	10.6
Poultry	1 776	1 868	2 218	2 473	4 421	78.8
Rabbits	418	423	451	716	845	18.0

Source: MINAGRI

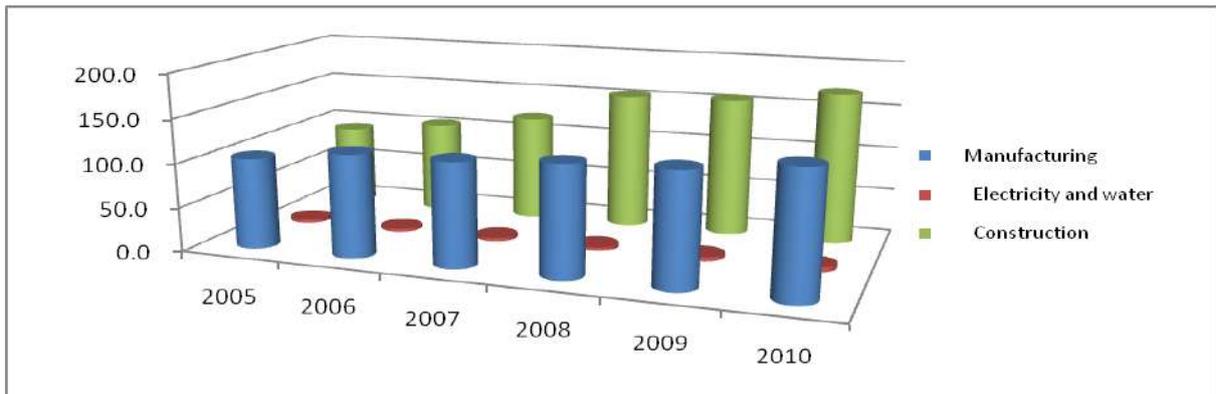
A.4 Forestry

During the year 2010, the increase of value added for forestry activities was estimated at 2.7% as in 2009, a slow change explained by low level of forest exploitation resulting from Government environmental protection measures that exist in Rwanda.

B.INDUSTRY SECTOR

The value added of the industry sector at constant prices of 2006 grew by 8.4% in 2010 compared to 1.4% the previous year. This performance was mainly driven by improvement in the production of electricity, gas and water (+15.2%), construction sector (+8.8%), and manufacturing industry (+9.2%), despite a decline in mining and quarrying industry (-10.8%).

Fig. 3: Value Added in the Industry sector by branch of activity (in billion of RWF, at 2006 constant prices)



Source: NISR

B.1 Manufacturing Industry

In the year 2010, manufacturing activities progressed with a value added increase of 9.2% following 3.0% achieved in 2009. The growth in the manufacturing industry came from improvement in furniture and other (+43.7%), non metallic minerals (+10.7%) and food processing (+9.3%). Manufacturing industry maintained the position of the second largest contributor to the industrial production, after construction, while electricity and water becomes the last.

Table 12: Manufacturing value added by branch (in RWF billion, at 2006 constant prices)

	2006	2007	2008	2009	2010
Total Manufacturing Industries	116.7	117.5	124.2	127.9	139.7
Food processing	48.9	46.7	50.3	53.4	58.4
Beverages & tobacco	28.2	27.8	28.6	29.9	30.5
Textiles and clothing	8.2	8.9	8.8	8.6	8.8
Wood, paper and printing	6.0	7.1	7.6	8.2	8.7
Chemicals, rubber and plastics	7.5	7.5	7.8	7.8	8.2
Non metallic minerals	10.6	10.7	11.3	10.7	11.8
Furniture & other	7.3	8.8	9.8	9.3	13.4

Source: NISR

In terms of volume, factories which experienced growth during this period include: manufacture of juice production (+175.8%), rice production (+164.9%), soaps (+47.5%), mineral water (+34.8%), animal feeds (+30.8%), and paints production (+27.3%). However, this good performance in volume production is not reflected in the overall value added of the sector, due to low weights of the mentioned activities.

During the year 2010, beer and soft drinks increased by 16.0% and 6.9% respectively. The increase in the modern beer resulted from the improvement of quality of PRIMUS BRAND which alone rose by 33.3%. The new establishment 'BRASSERIE DE MILLE COLLINES' which produces malt beer since April 2010, has slightly contributed to the increase of beer production. Tobacco production in the year under review increased by 10.8% compared to the previous year led by the new market secured in the DRC.

Production of cement increased by 3.3% in 2010 due to the emergence of the new cement factory in June 2010 namely GREAT LAKE CEMENT FACTORY in MUSANZE district in the Northern Province. However, CIMERWA FACTORY which is the major cement producing company has not reached its annual target of 100,000 tons per year due to maintenance activities in August- September 2010, it only reached at 95,101 tons in year 2010.

Textile production decreased by 28% as the factory was putting in place new fittings of the production unit. This was coupled with the decline in the demand for clothes which brought down textile production. However, other chemical products and cosmetic products increased by 14.4% and 7.3% respectively compared to the previous year. The increase in other chemical products resulted mainly from introduction of new products such as Vernis, Colle, Mastic and Dry Cell (Pile).

B.2 Electricity and water

The domestic production of electricity in the year 2010 increased by 13.2% compared to 14.4% the previous year, and this led to the increase of the available electricity by 16.4% from 11.2% the last year. The main sources are hydro and thermal while other subsidiary sources include solar energy generation unit at mount JALI. During this period, production by hydro source rose by 13.3%, and by thermal source increased by 13.3%. The increase of hydro power production resulted from the rehabilitation of MUKUNGWA and NTARUKA stations. Although there is a notable improvement in electricity industry, the supply is still too low to satisfy the market demand.

On the otherhand, the production of treated water also increased by 22.8% in 2010 due to the establishment of NZOVE II water station in August, 2009.

Table 13: Production and supply of electricity and water

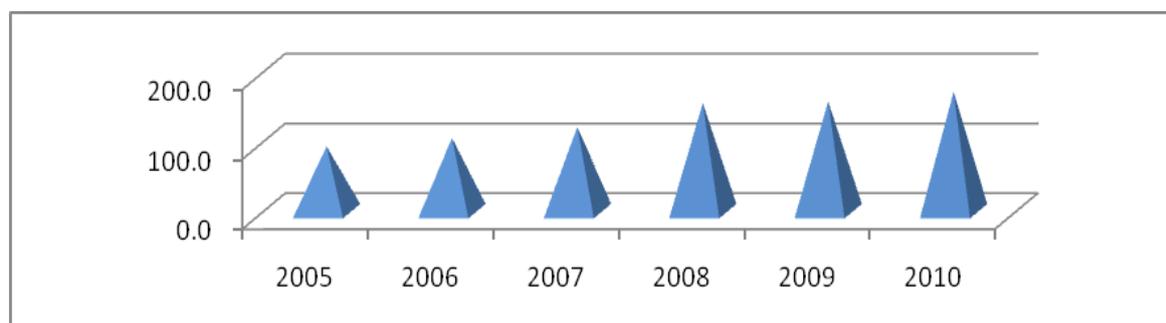
	2006	2007	2008	2009	2010
1. Electricity (in millions of kWh)					
Domestic Production	168	166	194	248	281
Export	2	2	2	2	2
Import	64	85	84	62	79
Available Electricity	230	249	276	307	357
2. Treated water (in millions of m ³)	16	18	20	22	28

SOURCE: EWASA & METHANE GAS PRODUCTION UNIT

B.3 Construction

Construction and public works is one of the most important branches of the industry sector, and represents 52.5% of the sector's value added at constant prices of 2006. This sub-sector recorded an increase of 8.8% in 2010 from 1.4% achieved in 2009. This performance is explained by important roads rehabilitation programmes across the country and a significant improvement in credit conditions to mortgage industry.

Fig.4: Value added of the construction sub-sector (in RWF billion, at 2006 constant prices)



Source: NISR

B.4. Mining and Quarrying

The value added of the mining and quarrying decreased by 10.8% in 2010 compared to a decline of 17.9% the previous year. Also, in volume terms, mining and quarrying activities have registered poor performance, with a decline of 10.3% compared to its performance in 2009. Colombo tantalite declined by 21.2%, while the production of tin and wolfram falls by 9.3% and 3.5% respectively. In general, the extraction of minerals which stood at 6 093 tons in 2009 declined and came down to 5 466 tons in 2010.

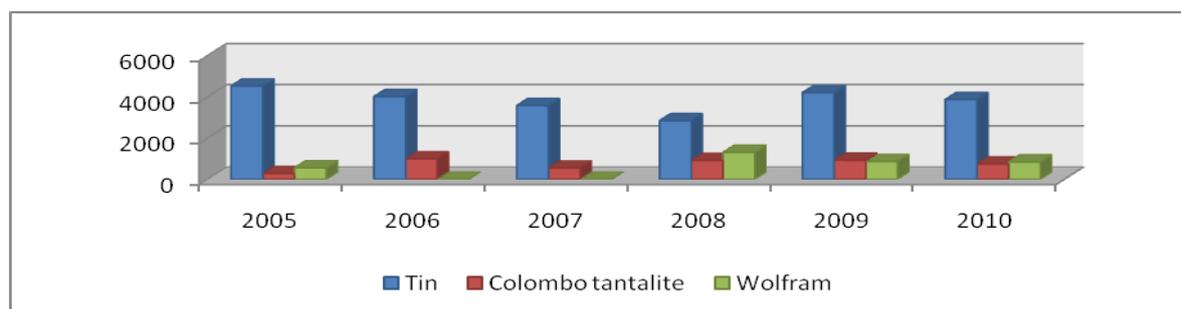
Table 14: The production of major minerals development (in tons)

	2006	2007	2008	2009	2010
Tin	4 017	3 580	2 847	4 269	3 874
Colombo tantalite	996	546	921	950	749
Wolfram	1 966	1 781	1 308	874	843
TOTAL	6 979	5 907	5 076	6 093	5 466

Source: BNR, Statistics Department

This poor performance is explained by some restructuring in the sector and companies' rehabilitation going on since 2010.

Fig. 5: Production development of major minerals, 2005-2009 (in volume of tons)



Source: NISR

C. SERVICES SECTOR

The outstanding performance in services sector was maintained in 2010 with an increase of 9.6% of its value added at 2006 constant prices compared to 5.8% the previous year. This was mainly attributed to the increase in finance and insurance, health services, education, public administration, and transport, storage and communication, which respectively grew by 23.6%, 15.8%, 14.9%, 13.1% and 8.7%. The sector has been benefiting from improved credit conditions in 2010 compared to 2009.

Table 15: Value added in the tertiary sector (in RWF billion, at 2006 constant prices)

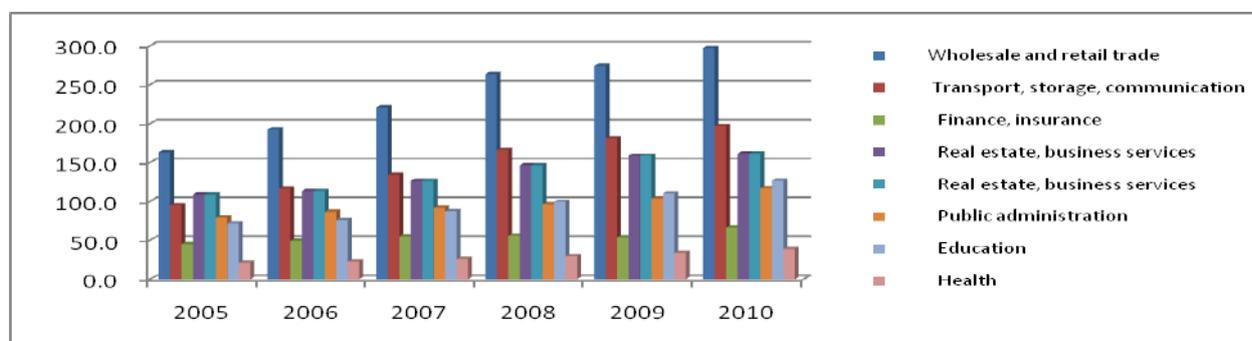
	2006	2007	2008	2009	2010
Wholesale & retail trade	192.5	220.9	263.7	274.3	297.2
Hotels & Restaurants	40.3	41.6	43.9	41.4	44.7
Transport, storage, communication	116.6	134.1	166.0	181.3	197.0
Finance & insurance	49.1	54.9	55.8	53.5	66.1
Real estate & business services	113.2	126.0	146.2	158.9	161.2
Public administration	86.6	91.8	96.3	103.3	116.9
Education	76.1	87.3	99.5	110.0	126.3
Health	22.8	26.1	29.2	33.6	38.9
Other personal services	23.0	26.3	26.8	25.4	27.2
Total Services	720.2	808.9	927.5	981.7	1 075.6

Source: NISR

The real estate and business services accounting for 15.0% of the services sector registered a growth rate of 1.5% of its value added after 8.7% attained in 2009. Finance and insurance service increased by 23.6% in 2010 after decrease of 4.1% the previous year; education services increased by 14.9% while health services grew by 15.8%, due to the increased Government spending over 2010 which lead to improvement in health care

services. Value added for the services rendered collectively by public administration increased by 13.1% compared to an increase of 7.3% in 2009.

Fig. 6: Value added of the major tertiary sector activities (in billion of RWF, at 2006 constant prices)



Source: NISR

II.1.1.2 GDP Uses

During the year 2010, the total final consumption expenditure, at constant prices of 2006, rose by 8.4% compared to 13.1% registered in the previous year. This growth was due to an increase in Government spending which rose by 8.7% from RWF 361.7 to 393.1 billion between 2009 and 2010, against an increase of 9.7% the previous year. Private sector final consumption expenditure registered an increase of 8.4%.

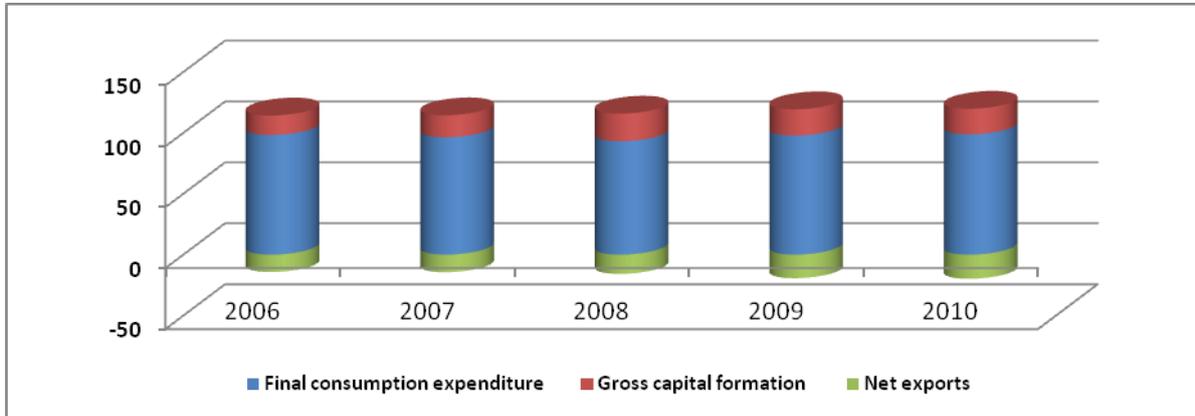
Table 16: Structure of GDP Uses (in percentages of total)

	2006	2007	2008	2009	2010
Gross Domestic Product	100.0	100.0	100.0	100.0	100.0
Final consumption expenditure	98.2	96.3	93.0	97.7	98.8
Government	18.1	16.5	14.7	15.2	15.4
Private (includes changes in stock)	80.1	79.8	78.4	82.5	83.3
Gross capital formation	16.0	18.0	22.7	21.6	21.0
Gross fixed capital formation	16.0	18.0	22.7	21.6	21.0
Construction	11.9	12.6	14.8	14.4	14.8
Durable capital goods	4.1	5.5	7.9	7.1	6.2
Net exports	-14.2	-14.4	-15.7	-19.3	-19.7
Exports of Goods and NFS	11.1	11.2	14.5	10.1	10.8
Goods (fob)	4.6	4.7	5.5	3.6	4.5
Non-factor services	6.5	6.4	8.9	6.5	6.3
Imports of goods and NFS	25.3	25.5	30.2	29.4	30.6
Goods (fob)	14.5	15.8	19.1	19.5	20.7
Non-factor Services	10.7	9.7	11.0	9.9	9.9

Source: NISR

Gross fixed capital formation registered an increase of 7.3% which emanates mostly from construction activities that increased by 9.1% from RWF 310.3 to 338.4 billion. Durable capital goods also registered an increase of 3.8% from Rwf 156.8 to Rwf 162.8 billion.

Fig. 7: Structure of GDP Uses (in percentages)



Source: NISR

The net exports (resource balance) remained in structural deficit deteriorating from 19.3% of GDP in 2009 to 19.7% in 2010. This situation is a result of the higher increase of 29.4% in imports share compared to the increase of 10.1% in exports share.

II.1.2 PRICES

II.1.2.1 Consumer Price Index

A. Overall inflation

Due to the better performance in food production, a decline in import prices, and stable Rwandan Francs (RWF) against the US dollar (USD), Rwanda has continued to experience significantly low inflation, a sustained trend observed since the third quarter 2009. Annual headline inflation slightly rose by 0.2% in December from 5.7% in December 2009.

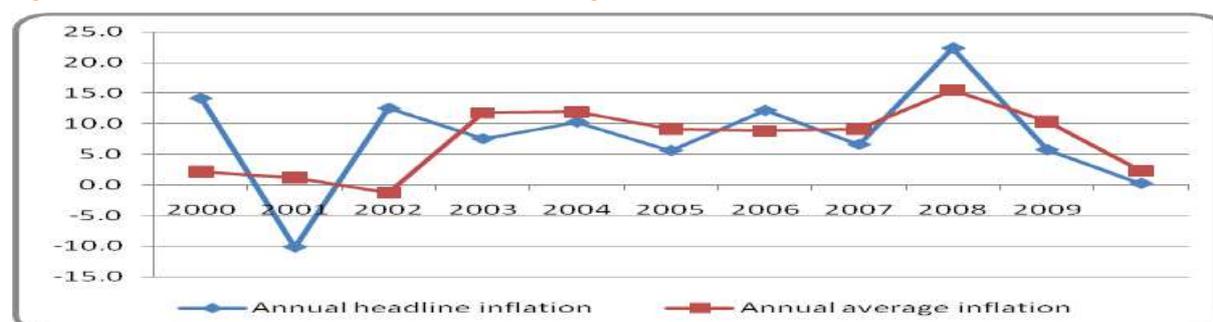
Table 17: Annual Headline Inflation (% change in CPI, base Feb. 2009:100)

	Weights	2006	2007	2008	2009	2010
All Products and Services	10 000	12.1	6.6	22.3	5.7	0.2
Food and non-alcoholic beverages	3 538	21.0	1.0	30.9	9.0	-2.7
Bread and cereals	733	22.0	1.1	43.7	2.8	-10.6
Meat	274	3.7	3.7	51.9	-3.1	5.0
Fish	83	5.4	6.7	36.3	3.4	9.4
Vegetables	1 200	36.1	-3.0	17.8	20.7	-5.2
Non-alcoholic beverages	160	1.9	6.6	20.4	-1.4	0.6
Alcoholic beverages and tobacco	240	2.8	8.9	35.5	8.6	4.1
Clothing and footwear	377	0.4	2.7	4.9	1.9	1.6
Housing, water, electricity, gas and other fuels	2 204	10.4	19.2	21.4	1.0	1.6
Furnishing, household equipments and routine household maintenance	457	-0.2	3.4	24.4	-0.4	-2.4
Health	163	3.6	13.0	12.3	-0.8	-1.1
Transport	1 189	7.3	7.2	12.2	11.7	4.1
Communication	288	24.5	3.2	-14.3	-3.0	-0.4
Recreation and culture	256	0.7	-4.3	2.5	1.8	1.4
Education	331	21.2	10.0	14.2	17.4	6.5
Restaurants and hotels	558	7.8	10.8	25.1	2.0	-0.4
Miscellaneous goods and services	400		0.7	2.4	-2.0	2.4

Source : BNR, Statistics Department

The annual average inflation dropped to 2.3% in December 2010 after 10.3% in December 2009, and the underlying inflation which excludes fresh foods and energy from the overall CPI, on annual average has come down to 1.5% from 8.5% in December 2009.

Fig. 8: Evolution of the annual headline and annual average inflation since 2000 (base Feb. 2009=100)



Source: BNR, Research and Policy Analysis Department

B. Underlying Inflation

The underlying inflation on annual change dropped to 1.2% from 8.5% in December 2009. On monthly basis, it was almost stable rising by 0.08% in December 2010 from 3.46% in December 2009.

Due to the continued improvement in agriculture production, prices for fresh foods continue to decline significantly falling by 1.1% in December 2010 from a rise of 20.5% in December 2009. Energy prices rose by 3.6% in December 2010 from 1.3% in December 2009.

Table 18: Overall and Underlying price developments (CPI Change, base Feb. 2009 = 100, in %)

	Weights	2009				2010			
		Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sept.	Dec.
Fresh Products Index	1 403	103.1	98.6	119.9	115.0	107.9	113.1	123.2	113.8
Monthly Changes (%)		3.1	-1.8	11.2	-7.3	3.01	-0.02	7.37	-5.77
Annual change (%)		30.8	16.8	27.0	20.5	4.6	14.8	2.8	-1.1
Energy Index	767	101.6	102.2	104.3	102.8	103.3	109.2	109.0	106.5
Monthly Changes (%)		1.6	0.0	2.1	-2.8	0.91	0.80	2.19	-2.66
Annual change (%)		1.9	8.3	-3.6	1.3	1.6	6.8	4.5	3.6
Underlying Index	7829	100.3	99.2	100.2	101.7	101.9	102.3	101.1	101.9
Monthly Changes (%)		0.3	-0.3	-0.1	0.4	-0.14	0.44	-0.12	0.08
Annual change (%)		15.9	7.7	3.8	3.5	1.6	3.1	0.9	0.2
GENERAL INDEX	10 000	100.8	99.3	103.3	103.7	102.9	104.3	104.8	103.9
Monthly Changes (%)		0.8	-0.5	1.7	-1.1	0.39	0.32	1.23	-1.08
Annual change (%)		16.7	9.5	6.1	5.7	2.1	5.0	1.5	0.2

Source: BNR, Statistics Department

II.1.2.2 External trade indices

A. Import indices

Imports index slightly increased in terms of volume with sharp increase in value in 2010. The volume index which was 388.3 at the end of 2009 reached 467.4 in 2010, which is an increase of 20.4% against 17.1% in the previous year. On the other side, the value index registered also an increase of 30.4% against 1.9% in 2009.

The volume index of the consumer goods registered a sharp increase of 32% in 2010. Their value index also recorded an increase of 33.7% in 2010 against 25.1% in the previous year. Among the consumer goods, foodstuffs volume index underwent an increase of 42.4% in 2010 after 52% the previous year following the increase in the world prices mainly foodstuffs prices.

In 2010 the volume index of capital goods increased by 8.4% after a decline of 0.3% in 2009. While in volume, the index of capital goods increased by 3.5% against an increase of 2.5% the previous year.

The volume index of intermediate goods increased from 719.6 to 847.8 which is an increase of 17.8% while their value index registered an increase of 27.9% after a slight increase of 0.4% the previous year.

Table 19: Development of import value indices (Base 100 in 2000)

	2006	2007	2008	2009	2010
Volume index	208.9	300.5	331.6	388.3	467.4
Consumer goods	140.1	229.9	204.5	286.0	377.6
of which foodstuffs	160.2	292.1	224.4	341.1	485.7
Capital goods	306.0	464.1	586.3	584.7	633.6
Intermediate goods	364.1	483.3	647.7	719.6	847.8
Energy and lubricants	195.3	207.1	211.4	214.3	221.3
of which fuel	195.1	205.5	210.5	213.2	220.9
Value index	329.9	485.1	747.4	761.8	993.2
Consumer goods	204.5	279.0	346.2	433.2	579.3
of which foodstuffs	173.5	256.3	311.2	430.1	590.7
Capital goods	644.5	1020.6	1852.2	1898.3	1 965.6
Intermediate goods	564.8	727.2	1241.8	1246.4	1 593.9
Energy and lubricants	242.8	484.3	668.4	416.2	951.8
of which fuel	233.9	482.6	680.1	403.2	978.1
Average value index	157.9	161.4	225.4	196.2	212.5
Consumer goods	146.0	121.3	169.3	151.5	153.4
of which foodstuffs	108.3	87.8	138.7	126.1	121.6
Capital goods	210.6	219.9	315.9	324.7	310.2
Intermediate goods	155.1	150.5	191.7	173.2	188.0
Energy and lubricants	124.3	233.8	316.2	194.2	430.2
of which fuel	119.9	234.9	323.1	189.1	442.7

Source: BNR, Statistics Department

Regarding energy and lubricants, their volume index slightly increased by 3.2% in 2010, whereas its value index registered high increase of 128.7% contrarily to the previous year when it had decreased by 37.7%. The increase in volume and value index is attributed to other fuel which sensitively increased by 8819.0% and 256.5% respectively in volume and value.

The average value index for imports registered an increase of 8.3% in 2010 against a decrease of 13% the previous year, mainly due to the increase in index of energy and lubricants (+121.5%), index of consumer goods (1.3%) and index of intermediate goods (8.5%). The only average index of capital goods registered a decrease of 4.5%.

B. Export indices

As regards export indices, their volume index globally increased by 7.7% in 2010 after a decrease of 11.5% the previous year. This increase is mainly attributed to the hides and skins index which has significantly increased by 108.2% while had decreased by 7.3% in 2009. Also the volume index of coffee and tea registered respectively increase of 21.6% and 15.2% against a decrease of 17.6% and 2.1% the previous year. Other minerals such as tin coltan and wolfram declined respectively by 9.3%, 21.2% and 3.5% in volume index.

Parallel to the volume index, the total value index improved by 32.9%, essentially attributed to exports of hides and skins, coffee, tin, wolfram and tea whose value index respectively increased by 96.7%, 55.7%, 52.2%, 27% and 18.2%. However, the value index of coltan underwent a decrease of 6.1% after a high decrease of 43.5% in 2009.

Table 20: Development of export indices (Base 100 in 2000)

	2006	2007	2008	2009	2010
Volume index	166.9	158.6	174.1	154.1	166.0
Coffee	171.8	88.6	117.8	97.1	118.1
Tea	123.8	136.6	142.0	138.9	160.0
Tin	1112.9	1324.8	1194.4	1238.7	1 124.1
Coltan	138.3	185.1	233.5	181.4	143.0
Wolfram	996.9	1865.4	1160.6	607.3	585.7
Hides and skins	241.8	376.4	403.1	373.5	777.8
Total value index	342.8	385.4	493.5	402.4	534.7
Coffee	400.4	262.2	346.3	284.8	443.4
Tea	204.5	199.0	251.9	316.5	374.2
Tin	2498.0	4991.0	6415.7	4638.2	7 060.4
Coltan	185.0	315.5	610.5	345.0	323.8
Wolfram	5016.1	10136.1	6734.1	3123.1	3 967.1
Hides and skins	642.3	1141.6	910.8	652.7	1 284.1
Average value index	205.5	242.9	283.4	261.1	322.2
Coffee	233.0	296.1	293.9	293.3	375.4
Tea	165.2	145.7	177.5	227.8	233.8
Tin	224.5	376.7	537.2	374.4	628.1
Coltan	133.7	170.5	261.4	190.1	226.4
Wolfram	503.2	543.4	580.2	514.3	677.3
Hides and skins	265.6	303.3	225.9	174.7	165.1

Source: BNR, Statistics Department

The average value index has been increasing by 23.4% in 2010 after a decrease of 7.9% registered in 2009. Generally, tin, coltan, and wolfram positively contributed to the average value index with respectively high increase of 67.7%, 19.1% and 31.7%. The average value index of coffee and tea also fluctuated positively in the period under review due mainly to the change in climate conditions for agricultural seasons. Only the average value index for exports of hides and skins decreased by 5.5% after a decrease of 22.7% the previous year.

C. Terms of trade

Compared to the year 2009, terms of trade improved by 13.9% in 2010, their index increased from 133.1 in 2009 to 151.6 in 2010.

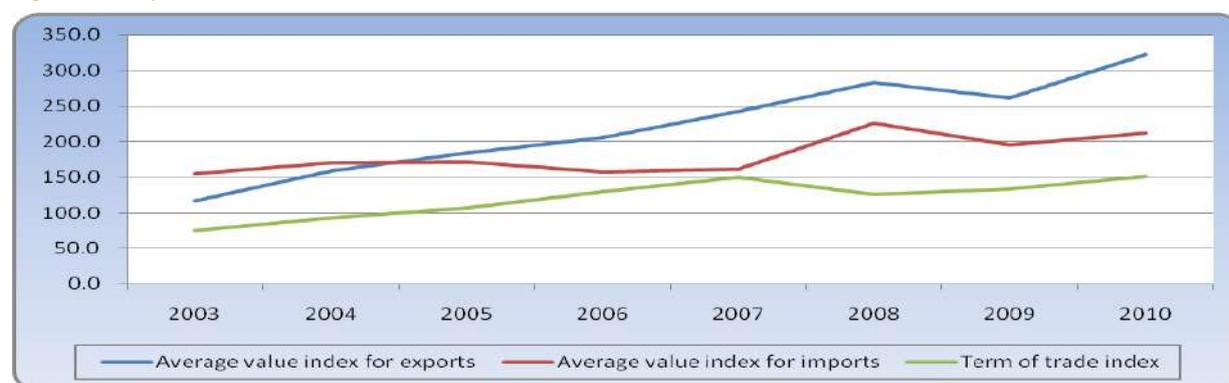
Table 21: Terms of Trade Index (Base 100 in 2000)

	2006	2007	2008	2009	2010
Average value index for exports	205.5	242.9	283.4	261.1	322.2
Average value index for imports	157.9	161.4	225.4	196.2	212.5
Term of trade index	130.1	150.5	125.7	133.1	151.6

Source: BNR, Statistics Department

The change in export average value index was 23.4%, much higher than 8.3% for import average value index.

Fig. 9: Development of terms of trade index (Base 100 in 2000)



Source: BNR, Statistics Department

II.2 PUBLIC FINANCE AND DOMESTIC DEBT

II.2.1 Public Finance Developments

In the year 2010, Government was faced with a duo objective of maintaining a prudent fiscal policy and at the same time financing capacity building and infrastructure for economic development. In this respect, although total grants increased by 14.4%, from Rwf 347.4 to 397.4 billion in 2010, overall fiscal deficit including grants increased from Rwf 24.1 to Rwf 51.1 billion. This behavior of fiscal deficit was mainly due to the high government spending that increased from Rwf 750.8 in 2009 to Rwf 879.4 billion in 2010.

Table 22: Government Financial Operations (in RWF billion, unless otherwise indicated)

	2006	2007	2008	2009	2010
Total revenue and grants	374.7	472.5	660.8	726.7	828.3
Total revenue	205.6	252.1	381.0	379.3	430.9
Tax revenues	192.6	237.8	328.7	362.8	412.8
Nontax revenues	14.6	14.2	52.3	16.5	18.1
Grants	169.1	220.4	279.8	347.4	397.4
Current grants	73.2	132.4	185.7	233.6	275.9
Capital grants	95.9	88.0	94.1	113.8	121.5
Total expenditure and net lending	383.7	491.4	649.7	750.8	879.4
Total expenditure	374.1	499.5	636.2	716.3	851.1
Current expenditure	255.4	313.2	368.5	424.4	501.0
Wages and salaries	62.2	73.8	84.2	97.4	116.4
Purchase of goods and services	80.7	78.0	80.3	104.8	118.7
Interest payment on public debt	7.1	10.9	12.6	11.4	14.7
Transfers and grants	71.9	103.6	130.4	162.5	189.5
Exceptional expenditure	33.5	46.9	60.9	48.3	61.7
Capital expenditure	118.7	186.3	267.8	291.9	350.1
Net lending	9.6	-8.1	13.5	34.7	28.3
Current deficit	-49.8	-61.1	12.5	-45.04	-70.1
Overall deficit (payment order basis)					
Excluding grants	-178.1	-239.3	-268.8	-371.6	-448.5
Including grants	-9.0	-18.9	11.0	-24.1	-51.1
Change in arrears	-7.5	-8.2	-8.0	-10.6	-13.3
Overall deficit/surplus (cash basis)	-16.6	-27.1	3.0	-34.7	-64.4
Financing	23.7	14.4	-3.0	34.7	64.4
Foreign financing (net)	34.9	32.1	56.4	34.4	29.1
Domestic financing (excl. adjustments)	-11.2	-17.7	-59.4	0.3	35.3
Errors and omissions	0.0	0.0	0.0	7.7	0
			in % of GDP		
Revenues and grants	21.8	23.1	25.6	24.3	25.3
Total revenues	12.0	12.3	14.8	12.7	13.1
Tax revenues	11.1	11.6	12.7	12.2	12.6
Non tax revenues	0.8	0.7	2.0	0.6	0.6
Grants	9.8	10.8	10.8	11.6	12.1
Total expenditure and net lending	22.4	24.0	25.2	25.1	26.8
Total expenditure	21.8	24.4	24.7	24.0	25.9
Current expenditure	14.9	15.3	14.3	15.3	15.3
Capital expenditure	6.9	9.1	10.4	9.8	10.7
Current deficit	-2.9	-3.0	0.5	-1.5	-2.1
Overall deficit, including grants	-0.5	-0.9	0.4	-0.8	-1.6
Overall deficit, excluding grants	-10.4	-11.7	-10.4	-12.5	-13.7
Nominal GDP	1 716.5	2 046.2	2 577.0	2 990.0	3 282.0

Source: Ministry of Finance and Economic planning

II.2.1.1 Government Revenues

Compared to the previous year, domestic revenues did maintain an increase in 2010, increasing by 13.6% from Rwf 379.3 to Rwf 430.9 billion. Non tax revenues increased by 9.8%.

The Government's overall macroeconomic strategy continued to concentrate on reinforcing economic growth by stimulating domestic sources of growth, promoting higher productivity and helping to stabilize the economy.

Rwanda full implemented the EAC Customs Union Protocols. Thought this was a positive move for the country, it has direct impact on the side of revenue collections in the short term. This is due to the implementation of a harmonized tax rate structure at customs that is lower than the one administered before (30% to 25%). It has got other additional restrictions such as removal of surcharge on sugar that impacted revenue mobilization function negatively though in general they facilitate trade. In addition, regarding pay as you earn; the performance is due to salary adjustment in both private and public sectors as well as increase in the number of taxpayers.

A. Tax revenues

Tax revenue collection performed well in 2010, in line with the trend observed during the last few years, and consistent with the growth of GDP. Thus, tax revenues amounted to Rwf 412.8 in 2010 against Rwf 362.8 billions recorded the previous year, which is an increase of 13.8%. Tax revenues have improved because Rwanda Revenue Authority (RRA) has marked tax administrative reforms and collection mechanism. The RRA took various measures to broaden the tax base and improve efficiency in its operations. Indeed, RRA established a number of measures for fighting tax evasion and avoidance.

The proportion of tax revenues to GDP slightly increased from 12.2% to 12.6% implying a more tax concentration on GDP in 2010 compared to 2009. Direct tax collection amounted to Rwf 162.0 billion against Rwf 136.5 billion achieved in 2009, which is an increase of 18.7%.

B. Non tax revenues

Non tax revenues stood at Rwf 18.1 in 2010 against Rwf 16.5 billion achieved in 2009, which is an increase of 9.8%. The performance of non-tax revenue comes mainly from good performance of registration fees paid by privately registered candidates for national examination, fees from sale of maps, school books fees, fees from issuance of passports and examination fees on driving licence, National Bank of Rwanda dividends, ID cards receipts and driving, strategic stock for petroleum products and other dividends.

In addition, RRA focused efforts in fighting forged invoices and monitoring international transit. Special attention was given to operations aimed at fighting smugglers of some sensitive products such as liquors and wines, VAT evaders and users of forged documents.

Fig. 10: Evolution of tax and non tax revenues (in percent of GDP)



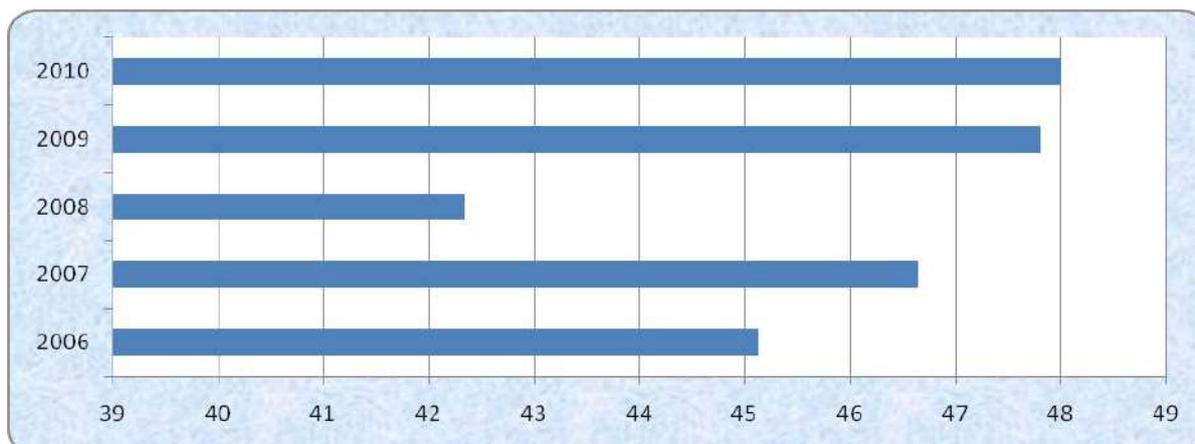
Source: Ministry of Finance and Economic planning

C. Grants

The total grants increased by 14.4%, from Rwf 347.4 to 397.4 billion in 2010. Current (budgetary) grants totaled Rwf 275.9 billions (69.4 % of total grants) while capital grants account for the balance (Rwf 121.5 billion or 30.6% of total). Total grants have performed well and their share to GDP has also increased by 12.1% in 2010 from 11.6% the previous year.

Unlike in 2009, the share of grants to total Government resources in 2010 was substantially high, representing 48% against 47.8% in 2009, which is an indication that foreign budget support is still important for a sustainable development program.

Fig.11: Grants (% share of total government resources)



Source: Ministry of Finance and Economic Planning

II.2.1.2 Government expenditure

The overall thrust of the Government’s expenditure was to strengthen the fundamentals of the economy and to increase the private sector’s resilience and make it the engine of growth. In managing expenditure, emphasis was placed on enhancing efficiency and cost effectiveness. In the year 2010, total Government expenditure and net lending increased by 17.1%, from Rwf 750.8 to Rwf 879.4 billion. Spending outlays were dominated by capacity building and infrastructural development projects as the main spending priorities for the Government.

A. Current expenditure

Comprising wages and salaries, purchases of goods and services, interest payments on public debt, transfers and exceptional expenditures, current expenditures amounted to Rwf 501.0 against Rwf 424.3 billion recorded in 2009, which is an increase of 18.1%. The transfers from the Central Government to Districts and public entities with the largest component of current expenditure (37.8%), rose by 16.7%. Likewise, wages and salaries and purchase of goods and services increased respectively by 19.4% and 13.1%. Here, more spending concentrated in education particularly training teachers, construction of classrooms and various roads.

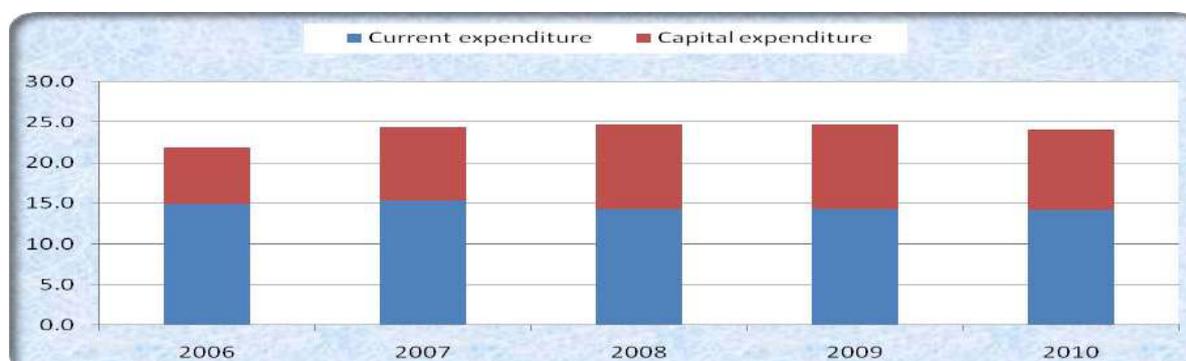
B. Capital expenditure

Capital expenditure amounted to Rwf 350.1 billion in 2010 as compared to Rwf 291.9 billion recorded in 2009, that is an increase of 19.9%. The focus of development expenditure was to enhance longer-term productivity and competitiveness, while supportive further economic activity.

They Key Government projects financed were mainly infrastructure (transport, communication, energy, community development, water and sanitation), social sector (health, education reintegration...) and production capacities (environment, agriculture, industry, commerce, and tourism) which represented respectively 35.96%, 24.72%, and 20.83% of capital expenditure.

The net lending expenses, which are composed of loans to public enterprises minus their reimbursements, stood at Rwf 28.3 billion in 2010 down from 34.7 billion achieved in 2009.

Fig. 12: Current and capital expenditure (in percent of GDP)

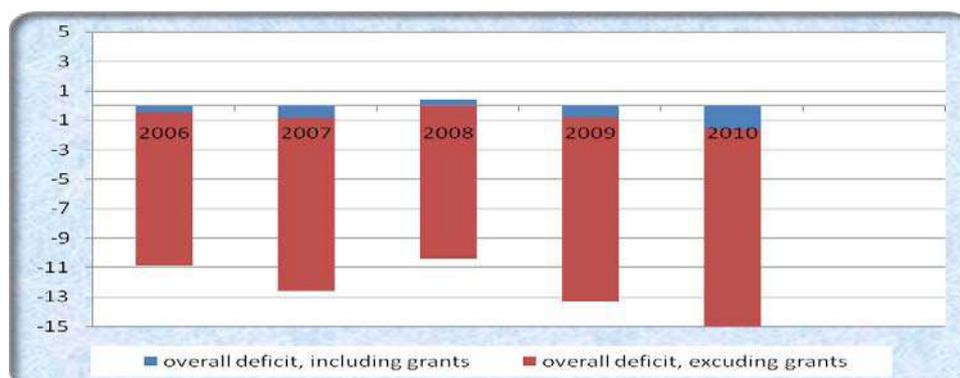


Source: Ministry of Finance and Economic Planning

II.2.1.3. Budget Deficit

In line with tax collection efforts and external assistance, the Government financial transactions achieved an overall deficit (payment order basis) including grants of Rwf 51.1 billion in 2010 against a deficit of Rwf 24.2 billion in 2009. The overall deficit excluding grants reached Rwf 448.5 from 373.8 billion, which is 13.7% of GDP from 12.4% in 2009. The current deficit was Rwf 70.1 billion (2.1% of GDP), and this trend reflects the necessary current expenditure portfolios that the government faced in 2010.

Fig. 13: Overall budget deficit (% of GDP)



Source: Ministry of Finance and Economic planning

II.2.1.4 Deficit financing

On cash basis, a total deficit of Rwf 64.4 billion was financed from external resources in form of project loans that provided Rwf 29.1 billion and Rwf 35.3 billion from the financial system.

Table 23: Financing (in Rwf billion)

	2007	2008	2009	2010
Financing	14.4	-3.0	34.7	64.4
Foreign financing net	32.1	56.4	34.4	29.1
Drawings	46.9	60.4	38.7	36.2
Budgetary loans	4.2	5.9	0.0	0.0
Project loans	42.7	54.4	38.7	36.2
Amortization	-5.1	-4.0	-4.3	-7.1
Domestic financing (net)	-17.7	-59.4	0.3	35.3
Banking system	-5.4	-43.7	19.3	10.0
Non banking sector	-12.3	-15.7	-19.0	25.3

Source: Ministry of Finance and Economic planning

II.2.2 Domestic Debt Developments

The total outstanding debt of the government in 2010 increased by 27.9%, from Rwf 173.1 billion in 2009 to Rwf 221.4 billion. The domestic debt of banking sector highly increased by 126.3% in 2010 from 78.7% in 2009. The banking sector remained the major source of domestic debt, and its share rose from 22.8% in 2009 to 40.4% in 2010. It should however be noted that due to Government budget constraint, a crowding out effect of the Private Sector owing to the increase in the credit to the government was observed.

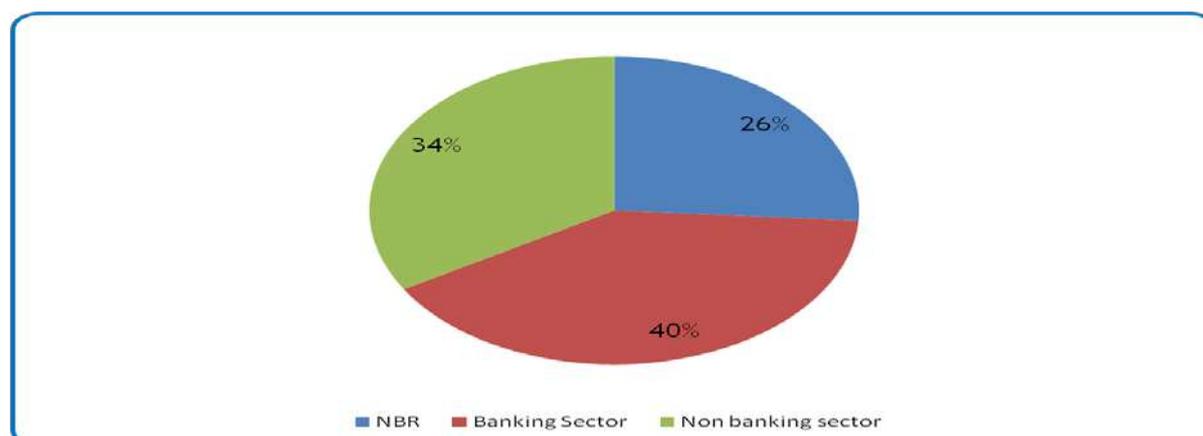
Table 24: Development of domestic public debt (in RWF billion)

	2006	2007	2008	2009	2010
Total outstanding debt	150.3	176.1	148.6	173.1	221.4
National Bank of Rwanda (BNR)	41.8	41.2	39.7	50.2	57.9
Consolidated debt	41.8	41.2	39.7	39.4	39.3
Overdraft	0	0	0	10.8	18.6
Banking sector	26.3	36.3	22.2	39.7	89.7
Treasury bills	20.1	32.1	6.6	0.0	54.1
Reconverted development bonds	2.3	3.3	3.1	0.4	0.6
New treasury bonds	0.0	0.0	11.5	18.5	19.3
Recapitalization	3.0	2.0	1.0	0.0	0.0
Bonds issued at MINECOFIN				14.4	8.5
Other accounts receivable				6.4	7.3
Non banking sector	82.2	98.6	86.7	83.9	74.5
Treasury bills	14.4	7.8	2.7	0.0	0.3
Reconverted development bonds	1.2	0.7	0.6	0.9	1.0
Dev't bonds non reconverted	0.2	0.5	0.5	0.5	0.0
Bonds issued at MINECOFIN				2.8	0.5
New treasury bonds	0.0	0.0	2.8	3.1	1.7
Other bonds for old arrears	66.4	89.6	80.1	76.0	69.8
Arrears of interests	0.7	0.7	0.7	0.7	0.7
Total debt stock	151.0	176.8	149.3	173.8	222.1

Source: Ministry of Finance and Economic Planning

In 2010, the Government borrowed worth RWF 54.1 to from the banking system by issuing treasury bills while in the same period in 2009 there were no treasury bills. In addition, the Government offered treasury bills to the non-banking sector and the new treasury bonds to this sector declined from Rwf 3.1 billion in 2009 to 1.7 billion in 2010.

Fig. 14: Composition of domestic debt (% share)



Source: BNR, Research and Policy Analysis Department

II.3. EXTERNAL SECTOR

II.3.1. BALANCE OF PAYMENTS

II.3.1.1 GENERAL OVERVIEW

In the continuity of the trend observed during the past years, Rwanda ended the Year 2010 with a positive balance of payments leading to a buildup of official reserves of USD 72.1 millions at the Central Bank. As during the previous years, this positive balance of payments resulted from a significant increase of official and private capital inflows which have been offsetting important structural current account deficit.

Table 25 Estimate BOP 2010 summary (in USD million)

	2007	2008	2009	2010
Trade balance	-404.4	-613.05	-762.06	-786.70
Services and income (net)	-140.38	-135.67	-214.49	-292.06
Current account balance	-83.45	-230.15	-372.53	-421.40
Capital and Financial account	196.7	316.1	433.55	491.47
Errors et Omissions	-2.66	-27.97	-3.97	2.00
Overall balance	110.60	58.01	57.05	72.07

Source: BNR, Statistics Department

The current account structural deficit significantly worsened from USD 372.53 to 421.4 million, due especially to trade balance and Services & income deficits. Nevertheless, net current transfers reached USD 657.36 million from 604.02 million in 2009, driven especially by official transfers and remittances.

The Capital and Financial account balance increased by only 13% in 2010 compared to 2009 due mainly to a decline in financial account but offset by the increase of Capital transfers. Capital account balance increased by 43% while financial transactions account balance declined by 12% due especially to very low public external debt disbursement and low FDI flows in 2010 compared to 2009; despite the high level of long term private debt disbursements the same year. End December, Official reserves are estimated at 5.2 months of goods and services imports from 5.5 months in 2009.

II.3.1.2. MAJOR BALANCE OF PAYMENTS COMPONENTS DEVELOPMENTS.

Table 26: Major BOP components Developments (in USD million)

	2006	2007	2008	2009	2010
A. Trade balance	-299.02	-404.39	-613.05	-768.08	-786.70
Exports of which	147.38	176.77	267.67	192.67	297.28
coffee	54.04	35.67	47.05	37.29	56.08
tea	31.86	31.52	44.95	48.71	55.71
Imports FOB	- 446.40	-581.16	-880.72	-960.75	-1083.97
B. Services (net)	-132.30	-123.16	-100.60	-177.70	-246.22
C. Income (net)	-28.66	-17.22	-35.06	-36.79	-45.85
Balance on goods and services	-459.97	- 544.76	-748.71	-982.6	-1078.76
D. Current transfers net	325.54	461.32	518.57	604.0	657.36
Private	77.15	98.82	72.61	79.71	90.68
Public	248.39	362.50	445.96	524.31	566.68
E. Current account	-134.43	-83.45	-230.15	-378.56	-421.40
F. Capital and Financial account balance	250.50	196.70	316.12	433.5	491.47
Errors and Omissions	-34.59	-2.66	-27.97	2.05	2.00
G. Overall balance	81.52	110.60	58.01	57.05	72.07

Source: BNR, Statistics Department

A. TRADE BALANCE

With regard to the External Trade in 2010, exports value increased by 27% compared to 2009 coming mainly from traditional export products while imports increased by 9%. Compared to 2009, the increase of the imports value in 2010 came from consumption goods, intermediary goods and Energy.

1. Exports

The Rwandan exports remained dominated by traditional export products (coffee, tea and minerals) representing 60.2% of the total export earnings in 2010. Tea exports have continued to perform better in both value and volume increasing by 15.2% and 15.5% respectively, resulting mainly from stable international prices. Coffee exports also performed better than 2009 increasing highly by 50.4% in value and by 21.6% in volume as a result of improvement in domestic production and high international prices. Driven by overall upward trend of prices on international markets for minerals, the Rwanda mining exports value increased by 22.4% despite a decline in volume by 10.3% in 2010 compared to 2009. The increase in prices is mostly attributed to tin whose prices rose by 62.3% from an average of USD 6.69/kg in 2009 to 10.86/kg in 2010.

Table 27: Export developments (Value in million of USD, Volume in Tons)

	2009		2010		Change	
	Volume (tons)	Value (mios \$)	Volume (tons)	Value (mios)	Volume	Value
Coffee	14992.36	37.29	18235.85	56.08	22%	50%
Tea	18689.30	48.24	21528.48	55.71	15%	15%
Minerals	6093.54	55.43	5466.35	67.85	-10%	22%
Other		93.98		117.63		25%
Total exports		234.94		297.28		27%

Source: BNR, Statistics Department

The value of other exports including re-exports representing 38% of the total export earnings in 2010 has increased by 18.6%, when taking into consideration cross border survey data. Other export products are dominated by a set of products such as bovine and cattle, wheat flour, beans, hides and skins, pyrethrum etc... Re-exports are dominated by Tin with a share of 69% of total re-exports.

Coffee

Compared to 2009, coffee exports increased by 50% in 2010 from 37.3 million USD to 56 million of USD. The situation resulted from large increase in volume by 22% from 14,992 tons in 2009 to 18,235.8 tons in 2010. The international prices also recorded an increase of 23.7% during the period under review.

The volume of fully washed coffee exported increased from 3,209 tons in 2009 to 3,957 tons in 2010. Its exports value represented 28% of the total value of coffee exported in 2010. Despite the progressive increase, the proportion of the fully washed coffee exported remains low compared to the objective of transforming 85% of the production into fully washed coffee in 2012.

Tea

Compare to 2009, tea exports value recorded good performance with an increase of 15% in 2010 resulting essentially from the increase of volume by 15% from 18,689 tons to 21,528 tons while the unit price was quite stable from 2.58 USD/KG to 2.59 USD/kg in 2010.

Minerals

Mining sector benefited from overall upward trend of prices minerals on international markets. Rwanda mining exports value increased by 22% despite a decline in volume by 10.3% in 2010 compared to 2009. The increase in prices is mostly attributed to tin whose prices rose by 62.3% from an average of USD 6.69/kg in 2009 to 10.86/kg in 2010. Nevertheless, in 2010, the overall mineral production increased by 9.3%; especially due to

Tin with a share of 80.2% and which increased by 25.6% while Colombo tantalite and Wolfram declined by 43.0% and 12.2% respectively. The rise in the volume of tin was prompted by the increase in price compared to 2009. But mineral exports volume declined by 10% due to the time lag between the production-processing and exports periods as well as the required time of building enough quantity to export.

Table 28: Major exports Developments (Value in USD million and volume in tons)

	2005	2006	2007	2008	2009	2010	
Coffee	value	38.27	54.04	35.67	47.05	37.29	56.08
	volume	18,398.64	26,534.12	13,673.86	18,191.29	14,992.00	18,235.85
Tea	value	24.38	31.86	31.52	44.95	48.24	55.71
	volume	15,481.16	16,523.65	18,375.62	19,828.02	18,689.30	21,528.48
Cassiterite	value	17.86	15.87	31.97	41.25	28.58	42.21
	volume	4,531.83	3,835.33	4,565.91	4,193.34	4,269.17	3,874.20
Coltan	value	16.87	11.17	19.23	36.03	20.24	18.48
	volume	1,061.64	724.25	968.96	1,190.33	949.92	748.72
Wolfram	value	2.58	9.53	19.42	13.41	5.76	7.10
	volume	557.02	1,435.57	2,686.11	1,708.04	874.45	843.42
Hides and skins	value	4.73	1.99	3.56	2.85	1.96	3.74
	volume	3,183.46	1,159.89	1,805.60	2,043.60	1,791.68	3,730.87
Pyrethrum	value	0.00	1.92	3.00	0.38	0.64	1.41
	volume	0.00	44.64	38.27	3.30	3.18	6.33
Other products	value	20.22	20.91	32.32	86.81	49.26	69.66
	Total value	124.91	147.29	176.69	272.73	234.08	298.19

Source: BNR, Statistics Department

Hides and Skins

Compare to 2009, hides and skins exports value recorded good performance with an increase of 90.8% in value in 2010 resulting essentially from the increase of volume by 108% from 1,792 tons to 3,731 tons while the unit price recorded a decrease of 8.4% from 1.09 USD/KG to 1.02 USD/kg in 2010.

Pyrethrum

The exported pyrethrum increased both in volume and unit price. The volume increased by 99.3 % in 2010, from 3.2 tons in 2009 to 6.3 tons in 2010 and the value increased by 119% from 0.64 Million of USD in 2009 to 1.41 Million of USD in 2010 as consequence of increase of volume and the unit price which recorded an increase of 10% from 202.6 USD/kg in 2009 to 222.3 USD/kg in 2010.

Table 29: Evolution of some nontraditional exports

	Value in USD		
	2010	2009	% Change
Livestock	4,023,808	3,154,595	27.55%
Beer	1,861,808	1,298,514	43.38%
Mineral Water	1,614,875	1,451,162	11.28%
Footwear	1,496,216	1,450,587	3.15%
Skin care products	1,480,890	1,211,239	22.26%
Beans	1,367,738	1,581,629	-13.52%
Cement	1,176,688	2,124,021	-44.60%
Hand crafts	453,628	440,762	2.92%

Source: BNR, Statistics Department

The exports side was also boosted by collected data on cross border which amounted to USD 48.93 millions from USD 46.58 millions in 2009 and represented around 25% of formal exports. During the same period, the informal imports declined by 6.5% from USD 23.51 to 21.98 million between 2009 and 2010, leading to improvement in Rwanda's positive trade balance with neighboring countries. This informal cross border exports and imports are dominated by crop products and live animals. The main trade partners are DRC and Uganda.

2. Imports

In 2010 imports increased by 8.7% in value FOB. This trend is mainly due to the increase in imports quantities of consumer goods (30%), energy products (3%), and intermediate goods 18%. Nevertheless prices of consumer goods and intermediate goods declined by respectively 7% and 2.51% while the prices of Capital goods and energy products increased by respectively 18% and 15%.

Capital goods

The imports value of capital goods declined by 4% from USD 372.4 million in 2009 to 357.56 USD million in 2010. Imports volume of capital good declined (-18.9%) compared to 2009 after increasing by 51.7%, 26.3% and 33.3% in 2007, 2008 and 2009. They are dominated by machines, devices and tools with a share of 60%.

Intermediary goods

The value of intermediary goods increased by 15%. They are mainly composed by construction material (42%), industrial products (41%) of which food industry is dominating. Fertilizers are 6%. The increase in Imports of intermediary and energy products has contributed to good performance of the country's industrial production in 2010 of which the index show an increase of 7.1% compared to 2009.

While the unit price of energy products and capital goods increased, the prices of consumer goods and intermediary good imports declined by respectively 7% and 2.51%.

Final consumer goods

Imports value of final consumer goods increased by 21% from USD 363.1 million in 2009 to USD 439.0 million in 2010. They are dominated by food products with a share of around 35%. Imports of food products are 81% made of sugar & sweets, cereals and fats & oils. Nevertheless, it is important to note that the local production volume of rice increased by respectively 164.9% and 5.6%. Note also that Health care products are 21% of consumer goods imports.

Energy and lubricants

The imports of energy and lubricants (of which more than 90% is fuel) increased by 19% in value and 3% in volume due to high cost especially from Kenya to Rwanda. Kenya Pipeline has charged oil marketers 38% more for petroleum products transported through its system beginning April 1, 2009. The value of energy imports totaled USD 210.8 million against USD 178 million in 2010.

Table 30: Evolution of imports (value in USD million and volume in tons)

Import category	2006	2007	2008	2009	2010
Capital goods	126.8	202.5	367.29	372.4	357.56
Intermediates	146.15	189.91	323.87	332.46	381.97
Energy	108.56	115.65	161.49	177.97	210.84
Consumer	166.54	229.1	284.08	363.99	439.01
Other	43.32	33.46	37.24	61.64	41.66
Total	591.37	770.62	1173.97	1308.46	1431.04

Source: BNR, Statistics Department

When comparing the average exchange rate for 2009 and 2010, the Rwanda franc depreciated by 3% against the USD which is the main foreign currency used in Rwanda international transactions. It depreciated also against the GBP (2%), the JPY 9%, the DTS (2%) and the ZAR (17%). The currency remained quite stable compared to Kenya shilling, and Burundi Franc but it appreciated by 3% against the Tanzanian Shilling and by 5% against the Uganda Shilling. In terms of exchange rate policy, BNR remained committed to keep the RWF exchange rate fundamentally market driven, depending on the demand and supply of foreign exchanges on the domestic market.

Looking at the terms of trade 2010, the country benefited from exports prices rise relative to import prices. The terms of trade have thus been favourable, after deteriorations registered during 2001-2004. From the base year of 2000, the terms of trade index has been developing as follow:

Table 31: Evolution of Rwanda's terms of trade (2000-2010)

Ind. Of terms of trade	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	100	94	72	75	93	107	130	150	126	133	152

Source: BNR, Statistics Department

3. Trade with EAC countries

Rwanda's total trade with EAC partner states recorded a significant expansion in both imports and exports. From 2006 to 2010 the total trade volume with EAC recorded a high increase more than double from USD 278 to 600 million, driven mainly by imports clearly indicating that Rwanda is a net importer in the EAC region.

Table 32: Evolution of Rwanda's trade with EAC (2006-2010)

	2006	2007	2008	2009	2010
TOTAL EXPORTS TO EAC	36.51	45.03	46.25	47.34	54.16
TOTAL IMPORTS FROM EAC	241.73	316.17	461.1	449.65	513.35
TRADE BALANCE	-205.22	-271.14	-414.85	-402.31	-459.19
TOTAL TRADE WITH EAC	278.24	361.2	507.35	496.99	567.51

Source: BNR, Statistics Department

B. BALANCE ON SERVICES AND INCOME

Trade on services deteriorated by 36% compared to 2009 level from a deficit of USD 181.6 million in 2009 to a deficit of USD 246.2 million in 2010. The credit side is dominated by tourism receipts that increased by 16% to reach a level of USD 201million in 2010. Receipts from Holidays and Business trips were the most important with a share of 87%. Receipts related to visiting friends, transit and others remain low. The debit side is as usual dominated by cost related to imports services of which transportation is the most important. Freight has a share of 53% of total services expenses excluding the Rwandans' share of 38%.

End of 2010, the income net recorded a deficit increase of 25%. Globally, the income side remains low compared to services. The receipt side is mainly influenced by income on investments which are generally low but so far higher than other components such as the labor income, dividends and property income. On debit side the item is dominated by labor income services given the high number of foreigner working in Rwanda and the integration of the country to EAC. It includes also the interests paid on public debt which has been very low especially since the country's huge debt cancellation in 2006. Interest on private debt is quickly increasing after the liberalization of capital account which allowed operators to borrow from abroad.

Table 33: Evolution of Services and Incomes (in USD million)

Designation	2006	2007	2008	2009	2010
Services (net)	-132.30	-123.16	-100.60	-177.70	-246.22
Credit/Inflows	201.65	240.63	419.86	341.05	310.36
Freight and insurance	4.22	5.23	5.15	4.61	4.77
Other transportation	16.41	24.58	37.74	49.04	21.68
Travel	131.84	151.63	186.00	174.46	201.65
Others services	49.19	59.19	190.97	112.94	82.26
Debit/Outflows	-333.95	-363.79	-520.46	-518.75	-556.57
Freight and insurance	-101.34	-134.53	-208.21	-242.14	-293.68
Other transportation	-42.63	-50.50	-75.75	-76.03	-43.19
Travel	-41.29	-46.66	-69.99	-71.83	-77.01
Others services	-148.69	-132.09	-166.51	-128.76	-142.70
Income (net)	-28.66	-17.22	-35.06	-36.79	-45.85
Credit/Receipts	24.62	25.44	28.27	14.91	12.81
Investment income	20.63	21.35	23.72	10.42	7.86
Labour services income	3.99	4.09	4.49	4.49	4.94
Property income	0.00	0.00	0.05	0.00	0.01
Debit/Payments	-53.27	-42.66	-63.33	-51.71	-58.65
Income on direct investments	-9.06	-9.29	-16.42	-4.66	-3.74
Income on others investments	-13.63	-7.33	-7.74	-9.41	-11.97
Labour services Income	-30.07	-25.50	-37.95	-36.40	-42.92
Property income	-0.51	-0.54	-1.23	-1.23	-0.02
Services and Revenues (nets)	-160.95	-140.38	-135.67	-214.49	-292.06

Source: BNR, Statistics Department

C. CURRENT TRANSFERS

Compared to 2009, current transfers net increased by 8.5% from USD 604.0 million to USD 657.4million. Official transfers were the most important with a share of 86%. They increased by 8.1% and are USD 566.68 million in 2010.

Table 34: Net Current Transfers (in USD million)

	2007	2008	2009	2010 estim.
Current transfers (net)	461.32	518.57	604.02	657.36
Current private transfers (net)	98.82	72.61	79.71	90.68
Remittances from Diaspora (inflows)	98.50	63.31	88.13	98.21
churches and associations	29.34	41.54	26.62	35.59
Current officials transfers (net)	362.50	445.96	524.31	566.68
Current support net	259.27	339.76	415.84	479.52
Humanitarian aid	107.11	110.32	115.84	100.52

Source: BNR, Statistics Department

Current transfers are dominated by budget grants cash that totaled USD 470.04 million in 2010. The main providers were respectively, World Bank (USD 117.68 million), DFID (USD 77.55 million, EU (USD 85.18 millions) and AU PK (USD 76.6 million). NGO transfers declined by 13% from USD 115.84 million to USD 100.52 million. Diaspora transfers net increased by 23% while transfers of churches and associations reduced by 3.8%.

D. CAPITAL AND FINANCIAL OPERATIONS ACCOUNT

The Capital and Financial account balance increased by 15% in 2010. Capital account balance increased by 43% while financial transactions account balance declined by 9.2% due especially to very low public external debt disbursement and low FDI flows in 2010 compared to 2009. Nevertheless, a high level of foreign private borrowing was recorded in 2010, with a total amount of USD 138.88 million of which USD 129 million are long term. The main foreign private borrower in 2010 is TIGO with a share of 73% of the total long term private borrowing. For projects financing an amount of USD 260.9 million was received in cash and USD 24.7 million in kind. Many sectors of which infrastructure, health, reforestation, agriculture, educations etc.. benefited from these funds. Commercial banks closed the year with net foreign assets increase of USD 28.49 million. The most important increase was registered with BCR and Access Bank. Foreign reserves at BNR increased by USD 72.1 million.

Table 35: Evolution of capital and financial account (in USD million)

Designation	2005	2006	2007	2008	2009	2010
Capital and Financial account balance	165.4	250.5	196.70	316.1	433.55	491.47
Capital Account	93.5	1400.1	92.0	210.1	200.0	285.64
Capital transfers	93.5	1400.1	92.0	210.1	200.0	285.64
Financial transactions account	72.0	-1149.5	104.7	106.1	233.55	205.83
Long Term capital	49.1	-1079.5	161.8	194.7	242.04	224.46
Public sector capital (LT) (net)	53.7	-1104.8	80.4	104.75	81.35	51.90
Disbursement	90.0	68.1	88.7	112.2	88.80	61.71
Amortization	-36.3	-1172.9	-8.3	-7.5	-7.45	-9.81
Private (net)	9.7	25.3	81.4	89.9	151.5	172.56
Disbursement	0.7	0.6	3.4	9.5	42.6	129.02
Amortization	-5.3	-5.9	-4.2	-4.1	-0.7	-12.29
Investments	14.2	30.6	82.3	84.6	118.7	55.82
Other capital	22,9	-70,1	57,1	-88,6	-8,24	-18.63

Source: BNR, Statistics Department

II.3.2 EXTERNAL DEBT

II.3.2.1. Public External Debt

The debt situation in 2010 was still dominated by the multilateral debt with four new loans from IDA, BADEA and OPEC. In the bilateral side, only two new loans were granted to Rwanda by the Kuwait and the Exim Bank of India for the second part of the Nyabarongo Hydro Power Plant Construction Project.

Table 36: stock of External Public debt (in USD million)

CREDITOR	2005	2006	2007	2008	2009	2010
1. MULTILATERAL	1 402.82	390.02	485.66	580.53	628.26	651.14
ADB	3.13	2.49	2.25	3.59	4.21	6.99
BADEA	18.46	21.47	25.44	25.77	26.49	29.33
EIB	16.56	15.30	14.48	11.39	8.90	6.39
EU	18.54	19.54	20.67	18.78	17.82	15.25
ADF	291.47	66.84	99.91	131.9	153.67	165.6
IFAD	58.86	73.61	85.96	92.61	99.74	103.05
IMF	4.90	4.29	8.10	11.47	15.19	14.82
IDA	975.53	168.43	205.3	240.38	253.3	258.25
NDF	0.00	0.56	2.08	12.71	16.54	16.40
OPEC	15.37	17.49	21.47	31.92	32.4	35.08
2. BILATERAL	83.99	89.52	84.19	85.2	108.34	115.45
AFD	3.96	4.40	4.92	4.74	4.79	3.66
CHINA	16.01	16.54	0,00	0,00	0,00	0,00
EXIMCHINA	0.00	0.00	0.00	0.00	6.17	10.36
EXIMINDIA	0.00	0.00	0.00	0.00	16,00	18.50
Abu Dhabi	1.84	1.85	1.85	1.85	1.85	1.85
Kuwait Fund	32.21	32.66	34.49	34.22	34.63	35.52
Saudi Fund	29.63	33.74	42.58	44.04	44.54	45.22
LIBYA	0.33	0.34	0.36	0.35	0.36	0.35
TOTAL¹	1 486.80	479.55	569.85	665.73	736.60	766.60

N.B.: Government guaranteed debt not included

Source: BNR, Statistics Department

A. PUBLIC EXTERNAL DEBT STOCK

The total external public stock rose by 4.1% which is very low comparing to previous years. From USD 736.60 million in 2009, it climbed up to USD 766.60 million in 2010.

Regarding the stock by currencies, the SDR dominates with a share of 49.1% end 2010 against 50.0% end 2009, followed by the US dollar with 16.3% at end of 2010 against 14.6 at the end of 2009. The share of Euro decreased from 17.1% in 2009 to 14.8 end of 2010.

Table 37: Structure of external public debt by currency of borrowings (in USD million)

Currency	2005		2006		2007		2008		2009		2010	
	Million USD	% total										
SDR	973.7	65.5	246.3	65.1	299.4	52.5	344.5	52.5	354.6	48.1	376.1	49.1
EUR	150.2	10.1	77.7	16.2	106.1	18.6	124.5	18.6	126.1	17.1	113.8	14.8
USD	221.6	15.3	54.3	47.4	66.6	39.9	83.6	39.9	107.6	14.6	125.0	16.3
Others	141.3	9.5	101.4	21.1	97.8	17.2	113.1	17.0	148.3	20.1	151.7	19.8
Total	1486.9	100.0	479.7	100.0	569.8	100.0	665.7	100.0	736.6	100.0	766.6	100.0

Source: BNR, Statistics Department

B. EXTERNAL PUBLIC DEBT DISBURSEMENTS

The total disbursements for 2010 decreased by 41.6% compared to the year 2009. Even if the number of new loans has increased in 2010 like the one of Exim India with USD 60 million, their disbursements were planned to be done the following years. The figures show that the big difference between 2009 and 2010 in terms of disbursements is due to the big amount disbursed by Exim China and Exim India in 2009.

The disbursements from the multilateral creditors like ADB, IDA and others decreased also by 18% from 2009 to 2010.

Table 38: Development of disbursements (in USD million)

DESCRIPTION	2005	2006	2007	2008	2009	2010
MULTILATERAL CREDITORS	101.5	105.2	79.4	110.6	51.2	43.3
Of which : IDA	46.3	36.7	27.6	40.5	10.49	10.1
FAD-FSN	36.9	27.6	26.2	32.08	22.6	16.0
BILATERAL CREDITORS	0.0	4.4	9.1	1.7	24.7	7.3
TOTAL	101.5	109.5	88.5	112.3	75.9	50.7
Of Which :						
Drawings for projects	93.3	100.1	84.1	106.5	71.8	50.7
Drawings for budget support	8.2	6.9	1.0	2.07	0.5	0.0
Drawings for BOP support (IMF)	0.0	2.5	3.4	3.72	3.6	0.0

Source: BNR, Statistics Department

C. PUBLIC EXTERNAL DEBT SERVICING

The total annual debt service increased by 17.9% from US\$ 15.1 million in 2009 to US\$ 17.8 million in 2010, with US\$ 10 million as principal and US\$ 7.8 million of interest in 2010. The HIPC debt relief in 2010 decreased by 15.6% to USD 4.5 million compared to USD 5.2 million in 2009 and USD 5.4 million in 2008.

Table 39: Developments of external debt service (in USD million)

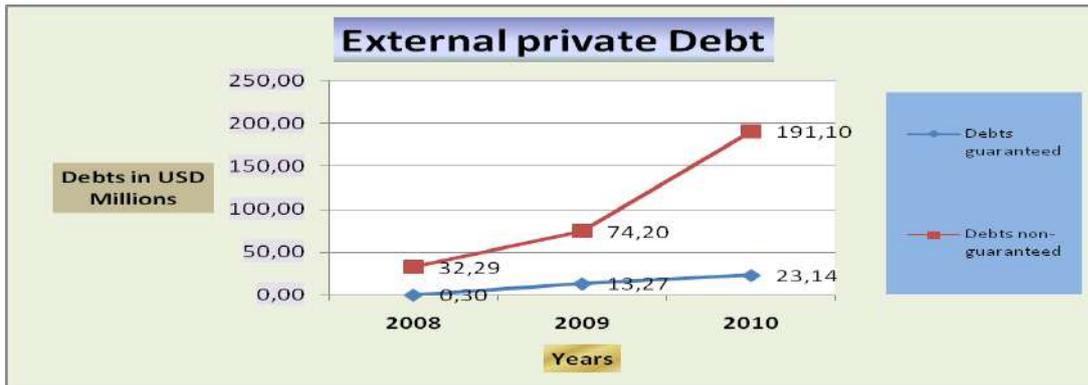
DESCRIPTION	2005	2006	2007	2008	2009	2010
MULTILATERAL DONORS	40.6	31.4	11.3	12.9	13.3	14.9
Principal	30.1	21.2	6.2	7.2	7.3	8.8
Of which : IDA	15.2	9.3	0.0	0.0	0.0	0.5
FAD-FSN	7.2	5.6	0.8	0.7	1.1	1.2
BADEA	3.5	0.0	0.0	0.0	0.0	0.0
Interests	10.5	10.2	5.0	5.7	6.0	6.1
Of which : IDA	8.0	5.0	1.5	1.7	1.8	1.9
FAD-FSN	0.8	3.1	1.3	1.6	1.3	1.6
BADEA	0.6	1.0	0.9	0.9	0.9	0.9
BILATERAL DONORS	9.1	2.7	1.3	1.4	1.8	2.9
Principal	6.2	1.7	0.3	0.3	0.3	1.2
Interests	2.9	1.0	1.1	1.2	1.6	1.7
SUPPLIERS' CREDITS	0.7	0.0	0.0	0.0	0.0	0.0
Principal	0.0	0.0	0.0	0.0	0.0	0.0
Interests	0.7	0.0	0.0	0.0	0.0	0.0
TOTAL	50.5	34.1	12.6	14.4	15.1	17.8
Principal	36.3	22.9	6.5	7.5	7.5	10.0
Interests	14.2	11.2	6.1	6.9	7.6	7.8

Source: BNR, Statistics Department

II.3.2.2. PRIVATE EXTERNAL DEBT

Dominated by long term borrowing, the total stock of the private external debt at end of December 2010 reached an amount of USD 214.24 million of which USD 23.14 million of external private debt guaranteed by the Government against USD 191.10 millions USD of non-guaranteed external private debt.

Fig 15: Development of external private debt (in million USD)



Source: BNR, Statistics Department

PART II: ACTIVITIES OF THE BANK

CHAPTER III: ACTIVITIES RELATED TO THE MAIN MISSIONS OF THE BANK

III.1 MONETARY SECTOR DEVELOPMENTS

III.1.1 MONETARY AND EXCHANGE RATE POLICY

In 2010, following a successful structural reforms and macroeconomic stabilization process, Rwanda has upgraded from Poverty Reduction and Growth Facility (PRGF) program to Policy Support Instrument (PSI) program, both supported by the IMF. Under the PSI which gives more ownership in economic and financial program designing and monitoring, the BNR was committed to making monetary and exchange rate policies more proactive to support the gradual recovery in 2010 by stimulating the lending to the economy.

In 2010, the Monetary Policy Committee (MPC) decided to maintain low the central bank policy rate with the objective of releasing more liquidity in the system by keeping at a low level the cost of funds for banks. Thus, the policy rate has been reduced progressively from 9% to 7.5% in March 2010, to 7% in June and to 6% in November 2010.

Easing the monetary policy has been done as far as underlying inflationary pressures were remained low and real interest rates kept positive to continue to stimulate domestic savings mobilization and support the financial deepening required for boosting the economic growth.

In addition to the above mentioned gradual policy rate downward reviews, the BNR liquidity facility and the Government Deposit facility introduced in 2009 to address the liquidity crunch issue have been maintained with the objective to further improving the capacity of banks to support medium and long term lending to the economy.

Regarding the exchange rate policy, the RWF exchange rate remains fundamentally market driven, depending on the demand and supply of foreign exchanges on the domestic market.

III.1.2 MONEY SUPPLY AND DEMAND

Despite a decline during the first quarter of the year, overall trend in Broad Money supply (M3) has been in line with the 2010 annual program up to end November, increasing by 11.1% against 12.9% programmed for the whole year. M3 annual growth stood at 17.0% by end 2010, of which 5.2% is attributed to the sole month of December.

Table 40: Monetary aggregates developments (in RWF billion, by end period)

	2005	2006	2007	2008	2009	2010
Net foreign assets	225.5	285.1	351.6	403.8	442.9	518.9
Net domestic assets	23.3	35.6	72.9	85.6	84.3	97.0
Domestic credit	106.9	141.9	182.6	220.9	217.0	268.2
Central government (net)	-60.1	-69.5	-75.4	-144.6	-141.3	-131.3
Public enterprises	2.2	2.4	1.8	2.8	3.0	3.2
Private sector	165.3	211.0	257.4	363.1	357.3	397.1
Other items net (Assets: +)	-83.6	-106.4	-109.6	-135.3	-132.8	-171.2
Broad money M3	246.2	321.0	425.7	486.5	526.6	615.9
Currency in circulation	47.0	52.7	63.2	80.8	77.0	90.5
Deposits	199.2	268.2	362.4	405.7	447.5	525.4
of which: Transferable deposits	82.9	101.9	151.7	167.7	190.1	240.1
Nontransferable deposits	72.7	107.1	142.0	135.5	162.4	186.1
Foreign currency deposits	43.7	59.2	68.6	82.3	97.0	99.2

Source: BNR, Statistics Department

*currency in circulation, outside the Banking system

The expansion in M3 was attributed to both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the Banking System. The NDA expansion reflects the changes in net credit to Government (+7.0%), in credit to private sector (+11.2%) as well as other items net which declined by 28.5%. Contrary to 2009, the NFA recorded an overall strong increase of 17.2% in 2010, contributing by 14.4% in the increase of M3, against 2.4% for NDA.

The Domestic credit increase has been mainly driven by the credit to the private sector as well as the Net Credit to the Government reflecting important decline in Government deposits within the banking system, following increase in public spending. Credit to other public entities increased by 7.1%.

After a decline of 1.6% in 2009 due to liquidity crunch, the increase of 11.2% in outstanding credit to the private sector in 2010 which is low compared with 20.0%

projected at the beginning of the year is explained by the strengthening of the recovery process and writing off of bad loans by most of banks.

Indeed, the new authorized loans by the banking system have been significantly increasing since the last quarter 2009, showing the consolidation of recovery from the liquidity crunch. New authorized loans of commercial banks and BRD stood at RWF 262.0 billion in 2010 from RWF 198.4 billion authorized during the year 2009, that is an increase of 32.0% against 6.9% a year ago.

In terms of distribution by sector of activities, Commerce, Restaurants and Hotels account to 43.3%, followed by public works and mortgage industry with 17.0%. While the new authorized loans to the agriculture sector remained low with only 2.1% of total, when considering total loans authorized to activities related to agriculture sector (coffee and tea, agri-business...), the new authorized loans are estimated to 18.3% of the total.

Table 41: New loans authorized by commercial banks and BRD (in RWF billion)

ACTIVITY BRANCH	2008	2009					2010				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Commerce, Restaurant & Hotels	74.8	18.7	17.7	18.2	18.6	73.0	19.9	37.1	28.4	26.4	111.8
Public works and Building industry	53.8	7.1	6.6	9	14	36.7	7.5	8.6	14.7	14.3	45.1
Manufacturing industries	11.4	5.0	4.7	4.5	5.9	20.1	7.0	5.6	7.2	7.0	26.8
Transport, Warehousing & Communications	16.9	5.5	3.7	2.5	20.2	31.9	9.0	3.8	3.5	6.4	22.7
O.F.I, insurances and other Non-Financial services	2.4	1.9	0.2	3.6	1.8	7.5	1.5	1.5	4.2	1.3	8.5
Services provided to the community	10.3	1.1	1.1	0.5	2.0	4.7	1.3	3.4	2.3	2.8	9.8
Agriculture, animal husbandry & fishing	3.9	0.8	1.2	0.7	1.1	3.7	0.9	1.6	1.3	1.6	5.4
Energy and Water	0.2	0.0	0.0	1.7	1.6	3.2	0.0	0.4	0.5	0.5	1.4
Mining industries	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1
Activities non classified elsewhere	11.9	4.0	4.6	4.7	4.3	17.6	5.5	7.4	9.0	9.1	31
TOTAL	185.6	44.1	39.8	45.3	69.3	198.4	52.6	69.3	71.1	69.4	262.4

Source: BNR, Financial Stability Directorate

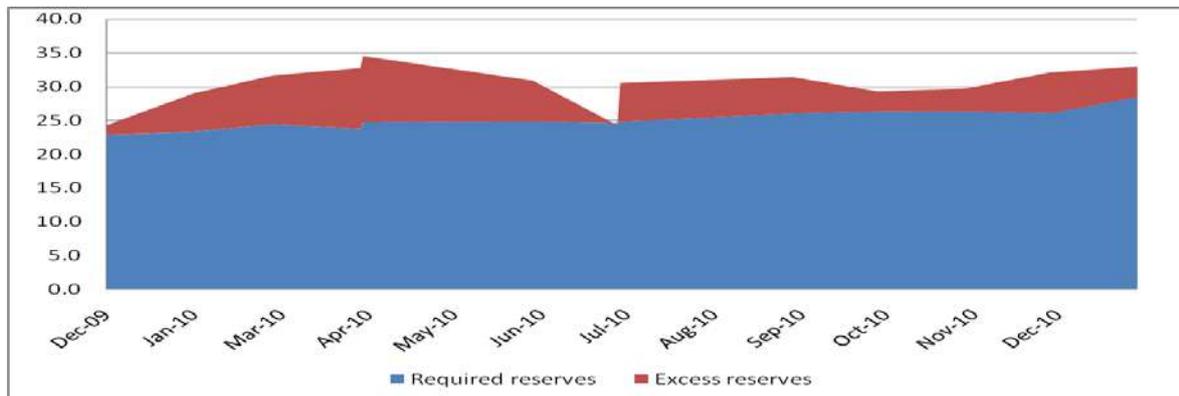
On money demand side, the broad money increase in 2010 was attributed to both currency in circulation and banks' deposits. Currency in circulation is increased by 17.6% on annual basis by end 2010 against a decline of 4.7% in 2009, while total deposits increased by 17.4% from 10.3% in 2009. This upward trend in money demand was backed by the

recovering process in economic activities, supported by Government spending and improvement in the credit to the private sector.

III.1.3 BANKING SYSTEM LIQUIDITY CONDITIONS

During the year 2010, monetary conditions remained relatively released and supportive of domestic economic activity. A more moderate pace in Reserve Money expansion has been registered, keeping significant level of excess liquidity within the banking system. On average, excess reserves have been around RWF 5.2 billion on daily basis. Further, the liquidity of the banking system has been building up and the BNR has been intervening to absorb excess liquidity in order to keep Reserve Money consistent with quantitative targets defined in the BNR's 2010 Monetary Program.

Figure 16: Reserves Requirement and Excess Reserves (RWF billion)



Source: Research and Policy Analysis Department

With regard to the BNR 3-12 months liquidity facility and the Government long term deposit facility, they continued to significantly improving the banking system liquidity conditions in 2010 with a respective amount of RWF 8.0 and 12.21 billion of injection, against RWF 7.74 and 6.77 billion in 2009 when both facilities were introduced to contribute in addressing the banking system liquidity problem. In 2010, for the Government deposit facility, it has been mainly used for financing mortgage and equipments, amounting RWF 12.15 billion.

III.1.4 INTEREST RATES DEVELOPMENTS

The money market interest rates have been fluctuating during the year 2010 driven by short term liquidity development in the banking sector. The repo rates have fluctuated between 3.46% and 5.47%. Both t-bills and interbank rates fluctuated respectively

between 7.65 and 9.065 and between 6.13% and 7.38%. Commercial banks deposit interest rates slightly declined to 7.1% in December 2010 from 8.5% in December 2009 and lending rates, so far, remained high and have been fluctuating between 16.7% and 17.6%.

Table 42: Interest rates (in percentage)

	2010											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
BNR Policy Rates												
Key Repo Rate	7.5	7.5	7.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0
Discount Rate	11.5	11.5	11.5	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0
Money Market												
Repo rate	5.3	4.6	4.4	3.5	3.9	5.2	5.4	5.4	5.5	5.2	5.1	5.5
Refinancing Facility	-	-	9.0	9.2	-	9.1	-	9.5	8.8	-	-	-
Treasury Bills Rate	9.1	8.8	8.4	7.9	7.6	7.3	7.2	7.1	7.6	7.5	7.3	7.3
Commercial Banks												
Interbank Rate	7.1	7.3	6.8	6.3	6.1	6.6	7.0	6.8	7.4	7.3	7.2	6.8
Deposit Rate	7.6	7.1	7.2	6.9	6.9	6.3	6.1	6.2	6.2	6.5	7.1	7.1
Lending Rate	17.3	16.1	16.9	17.0	16.7	17.4	16.9	17.2	16.8	17.3	17.5	16.9

Source: BNR, Statistics Department

III.1.5 FOREIGN EXCHANGE POLICY

BNR remained committed to keep the RWF exchange rate fundamentally market driven, depending on the demand and supply of foreign exchanges on the domestic market. Thus, BNR continued to intervene on the domestic foreign exchange market by selling foreign exchange to banks to smoothen the RWF exchange rate volatility depending on the volume of foreign exchange reserves available.

As part of an ongoing program to improve the operation of the foreign exchange market, the BNR set up a corridor used as the framework for intervention from July 1st, 2010. This was a step towards enhancing liberalization of the exchange rate and is designed to ease some of the unpredictability characterizing the timing of the prevailing intervention mechanism. The new intervention mechanism aimed at helping stimulating interbank development and improving market efficiency.

III.1.6 FOREIGN EXCHANGE OPERATIONS

The inflows in foreign currency received by BNR in 2010 registered an increase of about 8%, from USD 975.69 million in 2009 to USD 1,054.32 million in 2010.

The inflows in foreign currency captured in the Forex BNR cash flow were mainly composed of current budgetary support disbursements, Government's projects accounts funding, bank deposits and other customers accounts in foreign currency located in BNR,

while the outflows were mainly composed by Government spending, sales of USD to banks and banks withdrawals in foreign currency.

Table 43: BNR Foreign Exchange Operations (in million USD)

		2009	2010
Year 2010	Budget Support	410.63	470.04
	Draws on IMF credits	1.72	0
Inflows	SDR cumulative allocation	100.31	0
	Interest on investments in foreign currencies	8.61	6.38
	Purchases from banks (interbank market)	14.61	0.97
	Bank deposits	173.95	228.12
	Government Projects	200.30	290.69
	Other inflows	59.35	44.29
	Adjustment	6.23	13.84
	Total	975.69	1,054.32
Outflows	BNR Spending	5.45	2.92
	Reimbursement NBB	0.0	0
	Government Spending	247.78	354.04
	Non Banking Clients	139.16	114.48
	External debt payments	8.46	11.71
	Sales to banks (interbank market)	228.29	232.90
	Bank withdrawals	184.73	232.96
	Adjustment	22.44	38.67
	Total	836.32	987.76

Source: BNR, Financial Market Department.

III.2. RESERVES MANAGEMENT

III.2.1 EVOLUTION OF BNR'S GROSS FOREIGN EXCHANGE RESERVES

At the end of 2010, the gross reserves amounted to USD 813.00 million compared to USD 744.29 million as at 2009 end; i.e. an increase of 9.23%. This remarkable increase is linked essentially to that of the budget support and Government projects disbursements. The budget support increased by 14% from USD 411 million to 470 million USD. Disbursements of funds for Government projects increased by 46 %, from USD 200 million to 291 million USD. The remarkable increase is linked to increased donor disbursement both for general budget support and for specific project funding.

Table 44: Evolution of BNR's Foreign Exchange Reserves in millions of USD (2002-2010)

Period	2 002	2 003	2 004	2 005	2 006	2 007	2 008	2009	2010
Level of Reserves	243	213	262	408	440	554	598	744	813

Source: BNR, Financial Market Department.

In 2010, BNR recorded foreign exchange expenditures totalling USD 987.76 million, of which 233 USD million were sold to banks, 354 USD million covered government's current expenditure and 233 USD million constituted banks withdrawals on their respective accounts at the BNR. During the same calendar year, the recorded receipts were USD 1,054 million. These receipts were mainly from budget support (USD 470 million), government projects (USD 291 million), and Bank deposits (USD 228 million).

III.2.2 FOREIGN EXCHANGE MARKET

The Rwandan franc on average depicted mixed performance against the major international currencies during the year 2010. It depreciated in average by 2.64% and 1.46% against US dollar and Sterling Pound respectively, and it appreciated by 2.27% in average against Euro.

Against the US dollar and Sterling Pound, the Rwandan franc exchanged in average at Rwf 583.13 in 2010 compared with Rwf 568.28 per US dollar exchanged in last year 2009; and one Sterling Pound was exchanged to 889.17 Rwf compared with Rwf 902.21 per GBP exchanged in 2010. For the Euro, in 2009 one Euro exchanged to Rwf 791.76 compared with Rwf 774.25 exchanged in 2010.

Indeed, this depreciation of Rwandan franc against US dollar is mainly linked with the appreciation of the USD on international market, particularly against the Euro, where the USD appreciated against the Euro by 4.32% in average; that from Euro 1.39 per one US dollar in 2009 to Euro 1.33 per one US dollar in 2010. In framework to promote the competitiveness of Rwandan export sector, the Central bank has deliberately accommodated the slight depreciation of Rwandan franc to offset the effect of appreciation of US dollar on international markets.

Domestic Foreign Exchange market during the year of 2010 is marked by a slight increase in private sector demand for forex compared to 2009; evidencing the recovery of imports activities, from the crisis experienced in last year 2009. In 2010 BNR's forex sales to commercial banks amounted USD 233 million, representing an increase of USD 5 million comparatively to the same period of 2009 (USD 228 million).

The new intervention mechanism on forex market introduced in 2010 has improved the transaction on interbank market where USD 45 million has been recorded in 2010 against USD 27 million recorded in 2009.

III.3. MANAGEMENT OF SPECIAL FUNDS AND LINES OF CREDIT

During the year 2010, the Bank continued to manage, on behalf of the Government, the special funds and lines of credit. These facilities were put in place within the framework of economic policy development and poverty reduction strategies. They serve as financial instruments to stimulate investments in priority sectors.

In mid-2010, the Government promulgated the SMEs Policy under which a SME Development Fund was adopted. In this line, the decision to consolidate all Government SMEs scattered Funds in BDF, a subsidiary agency of BRD set up for this purpose, was taken. In the first days of November, BNR managed to transfer three out of four Government Funds. These are the Agricultural Guarantee Fund, the Women Guarantee Fund and the Retrenched Civil Servant Guarantee Fund.

The following is the detail on the utilisation status of all Special Funds and Lines of credit during 2010.

III.3.1. The Agricultural Guarantee Facility

The Agricultural Guarantee Facility (AGF) helps to stimulate bank loans for development activities in Agriculture sub-sectors. The aim is to reduce bank risks related to agricultural loans and overcome insufficiency of guarantees for promoters of economically cost-effective and financially viable projects that do not have a negative impact on the environment. The Facility covers either 30% of short term loans or 40% to 50% for long term loans.

The resources come from allocations provided in the Government Development Budget and donors' subsidies. The Facility started with two billion eight hundred and sixty million of Rwanda Francs (RWF 2 860 million) of which 38.45% was from the Government Budget and 61.55% from the Netherlands Cooperation, through its Embassy in Kigali.

One hundred nineteen (119) projects were approved for Agriculture Guarantee Facility during the year under review, and the amount committed stood at Two thousand six hundred fifty million Rwandan Francs (RWF 2650 million).

Before transferring the Fund to BDF in November 2010, 3625 projects have so far been supported to the tune of RWF 13 411 million.

Table 45: Distribution of financed projects by Sector

Sector	Amount in RWF	%
Coffee	6 233 051 048	46.48
Tea	1 365 801 034	10.18
Horticulture	1 293 275 116	9.64
Cattle Breeding	2 175 753 960	16.22
Macadamia	61 572 615	0.46
Fertilisers	166 660 000	1.24
Seed multiplication Crops	13 345 500	0.10
Pyrethrum	210 000 000	1.57
Transformation	568 695 000	4.24
Others ²	1 323 249 206	9.87
TOTAL	13 411 403 479	100

Source: BNR, Financial Market Department.

Table 46: Distribution of financed projects by Province

Province	Amount in RWF	%
EASTERN	2 738 073 989	20.42
WESTERN	3 836 382 214	28.61
NORTHERN	2 194 844 734	16.37
SOUTHERN	2 820 464 297	21.03
Kigali City	1 821 638 245	13.58
TOTAL	13 411 403 479	100

Source: BNR, Financial Market Department.

III.3.2. Guarantee Fund for the retrenched civil servants of the Republic of Rwanda.

The Guarantee Fund for the retrenched civil servants is meant to cover partially the financial risks of the different Participating Financial Institutions (PFI) which give loans to the beneficiaries of this scheme. For all income generating activities, the Fund covers 50% of the loan issued to an individual and 70% of the loan issued to a group (association) of two or more retrenched civil servants. It is important to note that exceptions can be accorded in terms of guarantee coverage in case the PFI accepts to issue loans beyond

² Subsistence crops, Apiculture, Aviculture and Energy.

these limits. Nonetheless, the total guarantee that a project can benefit is limited to RWF 20 million.

The resources come from allocations provided in the Government Budget. The initial allocation was RWF 200 million. Throughout the year 2010, there were no applications. In total before transferring the Fund to BDF in November 2010, 452 projects have so far been supported to the tune of RWF 1 034 million for the guarantee.

Table 47: Utilisation by Sector

Sector	Guarantee in RWF	%
Livestock	44 377 430	4
Agriculture	15 984 800	2
Transformation	10 865 938	1
Transport	722 504 725	70
General Trade	207 552 942	20
Others	33 185 295	3
TOTAL	1 034 471 130	100

Source: BNR, Financial Market Department.

Table 48: Utilisation by Province

Province	Guarantee in RWF	%
KIGALI City	663 254 333	64
NORTHERN	96 968 309	9
WESTERN	65 994 175	6
EAST	101 029 882	10
SOUTHERN	107 224 431	11
TOTAL	1 034 471 130	100

Source: BNR, Financial Market Department.

III.3.3. Rural Investment Facility, phase II (RIF2)

The second phase of RIF started in June 2009. The Facility is a Grant facility which support partially long-term loans granted by Participating Financial Institutions (PFI) in favour of Agriculture Development Projects. At the end of 2010, One thousand seven hundred forty three (1743) projects were supported for a total amount of Rwf 1 306 million.

Table 49: Distribution of Grants by Sector

Activities	Amount in RWF	%
Coffee	54 950 000	4.21
Tea	23 800 000	1.82
Horticulture	91128 322	6.98
Cattle breeding	375 871 510	28.78
Small livestock	148953 000	11.40
Transformation	5 250 000	0.40
Food Crops	461 328 405	35.32
Aviculture	119 594 997	9.16
Apiculture	750 000	0.06
Others	24 455 000	1.87
TOTAL	1 306 081 234	100

Source: BNR, Financial Market Department.

Table 50: Utilisation by Province

Province	Amount in RWF	%
KIGALI City	160 672 532	12.3
NORTHERN	91 612 360	7
WESTERN	314 737 375	24.1
EAST	537 243 595	41.1
SOUTHERN	201 815 372	15.5
TOTAL	1 306 081 234	100

Source: BNR, Financial Market Department.

III.3.4. Preferential Refinancing Facility for medium and long-term loans for Agricultural Exports and Agro-business Activities

The fund resources of the Facility come from the repayment of the Government consolidated debt with the National Bank of Rwanda. Eligible for financing from this Fund are medium and long-term projects operating in agriculture and agro-business (including livestock) that participating banks consider bankable. The projects must show an easily measurable net foreign exchange saving, including import substitution activities that are financially viable. However, in case funds are not sufficient to cover potential demands, priority is given to export oriented projects.

In order to extend this facility to many entrepreneurs, the maximum is fixed at RWF 200 million for any eligible project. Nevertheless, the BNR may give exceptions depending on the resources available and the nature of the project. The Fund refinance 100% of the loans granted to projects.

During 2010, there were no projects refinanced due to the lack of the Fund. Up to December 2010, 28 projects had benefited from this Facility to the tune of RWF 4 106 million.

Table 51: Distribution by Sector

Activities	Amount in RWF	%
Coffee	20 400 000	0.5
Tea	600 000 000	14.6
Pyrethrum	613 836 800	14.9
Transformation	1 736 009 153	42.3
Production and Export	788 000 000	19.2
Macademia	133 147 100	3.2
Others ³	215 000 000	5.2
Total	4 106 393 053	100

Source: BNR, Financial Market Department.

Table 52: Utilisation by Province

Province	Amount RWF	%
KIGALI City	2 434 429 153	59.28
NORTHERN	683 836 800	16.65
WESTERN	420 400 000	10.24
EAST	94727 100	2.31
SOUTHERN	473 000 000	11.52
TOTAL	4 106 393 053	100

Source: BNR, Financial Market Department.

III.3.5. Women Guarantee Fund

The Guarantee Fund for Women was set up within the framework of the national strategy for the fight against poverty. The Fund was designed to become an investment instrument for the Government in the implementation of development goals by focusing on income generating activities undertaken by women who are often excluded from the banking system due to lack of guarantees.

The resources are derived from the development budget allocated to the Ministry of Gender and Family Promotion (MIGEPROF). The initial provision was RWF 255 million (two hundred fifty five million of Rwanda francs). The Guarantee Fund covers all income generating micro-projects by women (individual, association and cooperatives) whose loan is \leq RWF 5 million for individuals and \leq RWF 10 million for women's associations. The Fund covers up to 50% of the bank risk which is the principal plus 3 years interests.

³ Silkworm breeding, Production of honey and derivatives.

During 2010, the Facility covered 67 women`s projects for an amount of RWF 77, 9 million. Before transferring the Fund to BDF in November 2010, the Facility supported 315 projects to the tune of RWF 472 million.

Table 53: Distribution of Grants by Sector

Activities	Amount in RWF	%
Services	69 374 146	15
Commerce	294 745 026	62
Transport	41 795 000	9
Agriculture	60 582 500	13
Others ⁴	6 000 000	1
Total	472 496 672	100

Source: BNR, Financial Market Department.

Table 54: Utilisation by Province

Province	Amount in RWF	%
KIGALI City	185 088 921	39
NORTHERN	13 523 500	3
WESTERN	67 335 700	14
EAST	110 743 551	23
SOUTHERN	95 805 000	20
TOTAL	472 496 672	100

Source: BNR, Financial Market Department.

⁴ Apiculture and Briquetery.

III.4 AVAILABILITY OF THE MEANS OF PAYMENT

III.4.1 CURRENCY ISSUING ACTIVITIES

In 2010, the National Bank of Rwanda put in circulation new notes and coins amounting to 67.4 billion Rwf of which 66.9 billion Rwf of banknotes and 0.52 billion Rwf of coins, against 27.6 billion Rwf the previous year.

Table 55: ISSUANCE OF BANKNOTES (in Rwf billion)

Year \ Denomination	2007	2008	2009	2010
500 Frw	4.6	6.9	2.1	4.5
1 000 Frw	11.8	13.5	3.3	9.2
2 000 Frw	5.7	31.3	5.9	26.8
5 000 Frw	36.7	14.7	15.1	26.4
Total	58.8	66.4	26.4	66.9

Source: BNR, C\$BO Department

During 2010, the National Bank of Rwanda injected in circulation 66.9 Rwf billion of banknotes against 26.4 Rwf billion in 2009, which is a significant increase of 154 %. The significant decrease in 2009 is explained by the intensive sorting activity of accumulated untreated funds from which an important amount of fit notes has been put in circulation.

Table 56: ISSUANCE OF COINS (in Rwf thousand)

Year \ Denomination	2007	2008	2009	2010
1 Frw	530	440	120	260
5 Frw	7,650	10,450	6,330	5,400
10 Frw	17,480	42,318	11,926	28,550
20 Frw	28,528	76,854	34,380	51,616
50 Frw	93,198	104,220	42,700	5,250
100 Frw	-	640,200	1,098,200	428,200
Total	147,386	874,482	1,193,656	519,276

Source: BNR, Currency and Banking operations Department

Compared to 2009, the significant decrease of 56 % results from the full replacement of the banknotes of 100 Rwf demonetized during the same year by coins.

III.4.2 MANAGEMENT OF CURRENCY IN CIRCULATION

The currency in circulation follows seasonal pattern whereby it peaks during the coffee campaign period (March-July) and the Christmas season when it rises to its highest peak.

Table 57: CURRENCY IN CIRCULATION (in Rwf billion)

Period	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
2006	49.34	48.73	50.01	52.09	53.43	55.43	57.02	55.67	53.90	54.49	54.79	58.44
2007	55.16	55.12	55.51	56.38	56.97	59.28	63.17	61.54	61.34	63.02	65.51	72.76
2008	70.44	69.59	72.58	76.09	76.03	81.59	85.32	85.04	86.01	83.87	83.58	88.52
2009	81.06	77.47	76.84	77.61	77.00	81.69	82.73	81.28	80.15	80.40	81.54	86.16
2010	84.33	81.71	81.25	83.36	87.90	94.05	97.74	95.59	94.06	94.88	97.16	104.14

Source: BNR, Currency and Banking operations Department

As seen through the table above, the currency in circulation out of BNR in 2010 experienced a significant growth of 21 %, from 86.16 Rwf billion at the end of 2009 to 104.14 Rwf billion. Compared to previous years, the evolution of the currency in circulation for the 2010 shows the same trend for the period of March to July and the end of the year due to the coffee campaign and the festive needs of the end of the year respectively. Meanwhile, it should be noted that during the last 4 years, the currency in circulation out of BNR grew significantly except in 2009 that we observed a slight decrease of 27 % due to the factors related to the liquidity crunch in the banking system.

Table 58: SHARE DENOMINATION OF THE CURRENCY IN CIRCULATION OUTSIDE THE BNR (in percentage)

Denomin	1 Frw	5 Frw	10 Frw	20 Frw	50 Frw	100 Frw	500 Frw	1 000 Frw	2 000 Frw	5 000 Frw	TOTAL
Year											
2010	0.003	0.066	0.187	0.354	0.563	2.045	4.050	9.846	31.648	51.239	100
2009	0.003	0.075	0.198	0.376	0.671	2.00	3.791	8.577	21.558	62.753	100
2008	0.003	0.066	0.179	0.326	0.606	2.72	4.77	10.02	17.94	63.37	100
2007	0.003	0.066	0.17	0.30	0.58	3.05	4.49	14.47	6.23	70.65	100
2006	0.003	0.070	0.17	0.321	0.592	3.972	3.357	17.913	-	73.621	100

Source: BNR, Currency and Banking operations Department.

Concerning the composition of the currency in circulation out of BNR at the end of the 2010, the 5 000 Rwf denomination has the predominant share in the stock of currency in circulation. It has been reduced from 62.8 % at the end of 2009 to 51.2 % at the end of 2010. This is due to the Bank policy to streamline the composition of the currency in circulation by setting an appropriate share by denomination.

The 2 000 Rwf denomination which had been launched in December 2007 continued to play a positive role to reduce the predominance of the share of the 5 000 Rwf denomination in the currency in circulation. Accordingly, the 2 000 Rwf denomination share increased from 21.6 % in 2009 to 31.6 % at the end of 2010 while the 5 000 Rwf denomination knew a decrease of 11.5 %. It should be noted that at the end of 2007 when the 2 000 Rwf denomination had been introduced, the share of the 5 000 Rwf denomination in the currency in circulation was 70.7 %. This had allowed the Bank to minimize costs relating to the printing of banknotes. In the coming years, *the currency in circulation out of BNR for each denomination should serve as a benchmarks in the currency distribution policy, by distributing 50 %, 30 %, 10 % and 5 % for the 5 000 Rwf, 2 000 Rwf, 1000 Rwf and 500 Rwf respectively. The remaining share of 5 % will be covered by coins.*

III.4.3 AUTOMATIZATION OF CASH PROCESSING

The project of automatization of cash processing started before the end of 2009 by acquisition of the counters and sorters machines. As planed in 2010, a consultant conducted a study aiming at highlighting advantages and disadvantages of existing operations of the processing of funds and proposed a new implementation of the automation according to the international standards in Central Banks cash management by implementing separation of activities approaches related to quantitative banknote's recognition (Front office) and qualitative banknote's recognition (Back office).

The implementation of the related action plan is ongoing with a full implementation planned in 2012.

III.5 BANKING AND NON BANKING FINANCIAL INSTITUTIONS SUPERVISION

III.5.1 BANKING SECTOR

III.5.1.1. BANKING SECTOR PERFORMANCE

A. Financial soundness indicator

Developments in the banking sector through December 2010 continued to be healthy as shown by the financial soundness indicators of the Rwandan banking industry, measured in terms of capital adequacy, earnings, asset quality and liquidity.

In 2010, the commercial banks' balance sheet expanded to 728.5 billion RWF from 578.6 billion RWF achieved in 2009, which is an increase of 25.9% against 13.2% realized last year. This increase was mainly due to deposits which increased by 27.4% from 425.4 billion RWF in 2009 to 542 billion in 2010. Net loans and advances amounted to 325.9 billion RWF, showing an annual growth of 12.9% against a decrease of 5.2% recorded last year.

The paid up capital of commercial banks increased to 57.3 billion RWF in 2010 from RWF 53.5 billion in 2009, which is an increase of 7.1 % in 2010. The banking system continued to be well capitalized. Additionally, taking into account the figures for ZIGAMA-CSS, the total paid up capital for the banking sector increased to 73.7 billion RWF in 2010 from 68.5 billion RWF in 2009 which represents an increase of 7.6 % in 2010. The capital adequacy ratio for the industry including ZIGAMA CSS was 22.3% against 21% in 2009 compared to the minimum requirement of 15%.

The banking sector in Rwanda has exhibited high profitability in 2010. The commercial banks' profit after tax increased from 3.8 billion in 2009 to 13.1 billion RWF in 2010.

This net profit yielded an annualized Return on Assets (RoA) of 1.9% from 0.7% in December 2009 while Return on Equity (RoE) increased to 13.7% in December 2010 against 5% in December 2009. The major source of income was interest income from loans, which amounted to 45% of total income. Liquidity of the commercial banks continued to be satisfactory. The ratio of liquid assets to total assets improved significantly and stood at 55.6% above the required ratio of 20%.

The level of non-performing loans improved with a ratio of 13.1% in December 2009 to 11.3% in December 2010.

The net non-performing loans ratio without taking into account interest rates in suspense slightly decreased to 9.7% in 2010 from 11.4% in 2009. In addition, the aggregate credit still concentrated in mortgage industries as well as in trading (restaurants and hotels). The two sectors account for an average of 60.4% of the total loans to private sector during the period 2007-2010 and their shares are 29.3% and 31.1% respectively during the same period. The large concentration of aggregate credit in a specific economic sector of activities makes banks vulnerable to adverse developments in that sector.

The banking sector in Rwanda remains highly dominated by 4 commercial banks representing 69.1% of the total deposits of the industry and 46.7% of loans. This may reduce the likelihood of banking sector problems, but it can also limit the possibility of resolving any possible systemic problem in case it arises.

However, this concentration in the banking sector is continuously decreasing since 2007, showing an improvement in the banking sector competition. The Herfindahl index, generally used to assess structure change in an industry has been reduced by 27.7% and 11.9% respectively in deposit and loan markets between 2007 and 2010 although still high. The share of four biggest banks in loans market has also significantly decreased during the same period, from 64.5% to 46.7%. This positive development results from significant improvement in the banking regulatory framework through improving banks' risk incentives and entry of new banks in the sector.

The tables below show the evolution of the consolidated financial soundness indicators for 8 commercial banks and for the consolidated banking industry (including ZIGAMA-CSS):

Table 59: Consolidated financial soundness indicators of commercial banks (in %)

Indicators	2009	2010			
	December	March	June	September	December
Solvency ratio (core and total)	19.0	18.1	17.6	20.3	19.4
NPLs / Gross Loans	13.1	12.5	12.2	12.4	11.3
NPLS net/Net loans	11.4	11.0	10.4	10.7	9.7
Provisions / NPLs	55.2	57.2	56.8	57.0	53.1
Earning Assets / Total Assets	81.7	78.2	81.1	77.6	78.1
Large Exposures / Gross Loans	13.9	18.5	20.4	17.4	15.1
Return on Average Assets	0.7	-0.2	1.3	1.6	1.9
Return on Average Equity	5.0	-1.4	10.3	12.2	13.7
Cost of deposits	2.4	2.8	2.7	2.6	2.4
Liquid assets/total deposits	65.3	51.7 ⁵	58.4	47.9	55.6
Forex exposure/core capital	1.9	4.9	1.5	2.4	6.8

Source: BNR, Banking Supervision Department

Table 60: Consolidated financial soundness indicators of banking sector including CSS (in %)

Indicators	2009	2010			
	December	March	June	September	December
Solvency ratio (core and total)	21.0	20.3	19.8	22.0	22.3
NPLs / Gross Loans	11.9	11.5	12.0	12.4	10.8
NPLS net/Net loans	10.0	9.9	10.2	10.6	9.3
Provisions / NPLs	58.7	61.5	55.2	56.7	50.6
Earning Assets / Total Assets	76.3	78.9	81.9	78.8	79.5
Large Exposures / Gross Loans	12.0	15.9	17.4	14.9	13.1
Return on Average Assets	1.0	-0.2	1.2	1.0	1.8
Return on Average Equity	5.5	-1.2	6.8	5.6	10.2
Cost of deposits	2.3	2.8	2.7	2.6	2.6
Liquid assets/total deposits	68.1	55.2	62.7	51.2	56.2
Forex exposure/core capital	0.9	4.0	1.2	2.0	5.0

Source: BNR, Banking Supervision Department

B. Supervision actions

The activity of conducting off and on-site inspections was one of the key priorities of the Bank to ensure financial soundness of the banking industry. The frequency of on-site inspections increased to 7 on-site examinations conducted in 2010 against 4 conducted in 2009 and recommendations to address identified weaknesses were made.

⁵ Decrease due to a new definition of liquid assets introduced end 2009.

C. Development in access to financial services

During the year 2010, actions to facilitate access to banking services were performed through authorization of bank branches network expansion. Banks opened 15 additional new places of business many of them being located up country. By end December 2010, banking system recorded 99 branches and 204 counters throughout the country.

Furthermore, the process of supervising ZIGAMA-CSS under Banking law and its implementing regulations was finalized in 2010 and a relevant Instruction was put in place. In addition, 9 new foreign exchange bureaux were authorized to carry out foreign exchange operations and the licenses for the 69 existing foreign exchange bureaux were renewed. Moreover, the number of deposit account operated by the commercial banks increased by 40.5% from 1 270 654 in 2009 to 1 785 744 in December 2010.

D. Legal and regulatory framework reforms

In order to strengthen and improve the functioning of the banking system, the prudential regulations to implement the banking law are being updated. During the year 2010, 6 regulations out of 7 approved in 2009 have been translated and published in the official Gazette and the remaining is under process for publication in the first quarter of 2011. In addition, 8 regulations were approved by BNR Board in 2010 and are in the process of being published in the Official Gazette.

III.5.2 MICROFINANCE SUPERVISION

III.5.2.1 MFIS CONSOLIDATED FINANCIAL SITUATION

The financial situation of MFIs in Rwanda, ZIGAMA CSS excluded, shows a growth in the sector. The Total assets of the sector increased by 25.6% from December 2009 to December 2010 moving from RWF 36,055.68 million to RWF 45,275.09 million. The Gross Loans and the Deposits increased by 36% and 25.1%, moving from 24,718.24 million to 33,607.79 million and from 19,099.64 million to 23,898.61 million, respectively for the same period.

As shown in the table below, the financial soundness indicators of the microfinance sector, SACCOs established in line with UMURENGE SACCO Program excluded, measured in terms of capital adequacy, liquidity and delinquency ratios show an improvement. The capital adequacy ratio knew a slight increase from December 2009 to December 2010. Compared to the minimum prudential norm of 15%, the capital adequacy ratio increased from 33.2% to 34.6% and the liquidity ratio decreased from 68.8% to 59.3% compared to the minimum liquidity ratio required of 30%. On a consolidated basis, the NPL rate decreased slightly from 11.6% at the end of December 2009 to 11.2% at the end of December 2010. The delinquency rate is very high compared to the delinquency rate of 5% tolerable in the microfinance best practices.

Table 61: MFIs Consolidated financial situation (in RWF billion)

Million RWF	2009	2010	% Change
Total Assets	36.06	45.28	25.6
Cash and Cash Equivalent	8.58	9.40	9.5
Gross Loans (Before Provisions)	24.72	33.61	36.0
Non Performing Loans (Before Provisions)	2.87	3.76	30.9
Provisions	1.28	1.89	47.3
Loans (Net of Provisions)	23.44	31.72	35.3
Deposits	19.10	23.90	25.1
Equity	11.96	15.67	31.1
Non Performing Loans Rate	11.6	11.2	
Liquidity Rate	68.8	59.3	
Capital adequacy (Solvency)	33.2	34.6	

Source: BNR, Microfinance Supervision Department

Considering the income of the microfinance sector, the level of the MFI's net income is higher than the level achieved in the previous year. This is due to high performance in bigger MFIs such as COOPEDU and some limited Companies (MFIs, SA).

Table 62: Income statement of MFIs (in RWF billion)

ALL MFIs	2009	2010	% Change
Financial Revenue	7.06	9.01	27.62
Financial Expenses	0.60	0.73	21.69
Net Financial Income before Provisions	6.46	8.28	28.17
Net Provision Expenses/Gains	0.69	0.93	34.07
Financial Revenue (After Net Provisions)	5.77	7.35	27.47
Operating Expenses	5.90	6.61	12.03
Personnel Expenses	3.00	3.39	13.10
Net Operating Income	-0.14	0.74	-636.11
Net Non-Operating Income/Expense	0.17	0.26	57.97
Net Income (Before Taxes & Donations) ⁶	0.03	1.00	3472.92
Net Income (After Taxes & Before Donations)	0.03	0.99	3463.50
Donations	0.85	0.25	-70.91
Net Income after Taxes and after Donations	0.87	1.24	41.87

Source: Microfinance Supervision Department

III.5.2.2 SUPERVISION ACTIVITY

Licensing of new MFIs, off-site and on-site examinations were performed on ongoing basis. The number of licensed MFIs, December 31st, 2010, has increased to 103 from 98 in December 2009. In order to improve the efficiency of MFI's operations, full scope inspections were conducted in 21 MFIs and targeted inspections were completed in 21 MFIs by 31st December 2010. In addition, the analysis of the financial situation of MFIs is regularly performed to assess their level of compliance with the microfinance law and regulations.

Among 416 SACCOs established in line with UMURENGE SACCOs Program, 412 are provisionally licensed while 4 have definitive operating license. The effort of licensing all SACCOs was hindered by the management of those institutions failure to produce on time some management tools such as business plans and procedures manual. Meanwhile, BNR has set an intermediate step whereby any SACCO accomplishing the requirements is allowed to grant loans. These include reaching a threshold of RWF 10 million of deposits: having a manager, an accountant, a loan officer, a credit committee and a savings and credit policy. Four SACCOs obtained definitive operating license while 56 SACCOs out 412, representing 13.4%, have provisional license allowing them to grant loans.

⁶ Net Operating Income + Net Non-Operating Income

According to the report from Rwanda Cooperative Agency, below are figures in term of deposits, members, loans and paid up capital as at 31st December 2010.

Table 63: Indicators of the implementation of UMURENGE SACCO programme

	Population >=16 years old	Membership Subscription	Nbr of members who paid Shares	Nbr of Account Opened	Share Subscription in RWF	Shares Paid up in RWF	Deposits Collected in RWF
Countrywide Dec. 31 st , 2010	5,028,577	1,069,675	695,095	471,036	4,116,690,400	2,111,831,641	6,322,267,782

Source: Rwanda Cooperative Agency (RCA)

Following recommendations of the National Dialogue conference of 20-21 December 2010, 23,476 cases of defaulters in loan repayment for a total amount of RWF 7, 2 billion (capital and interest) have been identified. Among them 1,895 cases are in Courts (Pending or Non Executed) for an amount of RWF 1.2 Billion. Embezzlements are listed in 868 cases for an amount of RWF 1.1 Billion.

III.5.2.3 LIQUIDATION PROCESS OF CLOSED MFIS

The liquidation process of those MFIs is still ongoing and by December 2010, out of RWF 1.5 billion released by GoR to refund 50% of the deposits, RWF 1.08 billion has been reimbursed to depositors and only RWF 236.4 million were recovered from closed MFIs liquidation out of RWF 1.8 billion.

III.5.3 NON-BANK FINANCIAL SECTOR

Insurance companies and pension schemes are commonly referred to as non-bank financial institutions in Rwanda and BNR has the mandate to supervising these institutions to ensure that they are financially sound in order to meet their present and future financial obligations.

Like banks they play an intermediary role of savings mobilizations, allocation of resources by investing in different financial and non financial assets. BNR set up a dedicated department with the core mission of supervising these institutions.

III.5.3.1 INSURANCE SECTOR

The Rwandan insurance sector is comprised of seven private insurers and two public insurers, making a total of nine insurance companies, four licensed insurance brokers and

120 insurance agents. The insurance industry size has grown over the past years as demonstrated by the industry asset, premiums and the insurance penetration measured by the ratio of gross premiums to GDP even if it is still far below that of middle income economies. The Bank’s target is to achieve 10% insurance penetration ratio by 2020 and with the current reforms going on and minimization of the existing challenges, it is hoped the target will be attained.

It is in this perspective that in 2010, the Bank accomplished a number of activities ranging from strengthening NBFi sector legal infrastructure and supervisory framework. These include finalizing insurance core regulations published in the 3rd quarter, drafting the insurance contract law; drafting two regulations relating to liquidation and dissolution and the regulations on mergers and closure of insurers, licensing of insurance intermediaries, conducting off-site analysis for all insurers and on-site inspection for three insurers were carried out.

Table 64: Insurance: Premiums/GDP and Assets/GDP (in RWF billions)

	2005	2006	2007	2008	2009	2010
Gross Premium (G.P)	13.7	19.8	27.6	35.9	47.9	53
G.P/GDP	1.0%	1.2%	1.3%	1.4%	1.4%	2.6%
Assets	31.8	44.3	61.7	80.1	102.9	119
Assets/GDP	2.2%	2.6%	3%	3.1%	3.1%	3.6%
GDP nominal	1,440	1,716	2049	2,565	2,565	3,302

Source: BNR, Non Bank Financial Supervision Department

III.5.3.2 PENSION SECTOR

Rwanda’s pension sector is in the nascent state as its coverage ratio still stands at approximately 5.7% of the active population far low compared to coverage ratio within middle income economies like with about 25%. The reason behind the low coverage is the lack of proper legal framework for private pensions and limited sensitization of the public.

To overcome this challenge, BNR developed the legal framework for the regulation and supervision of the pension sector by drafting the pension law and its implementing core regulations; regulations governing establishment of pension schemes and licensing service providers and regulations governing pension fund management.

Additionally, off-site surveillance was carried out and analysis report produced. The pension sector performance indicators such as Asset/GDP and Contribution/GDP show a sustained positive trend since 2007 as illustrated by the following table.

Table 65: Pension Assets/GDP and Contributions/GDP (in RWF billion)

	2007	2008	2009	2010 (Estimation)
Assets	100.6	129.0	142.4	161.0
Assets/GDP	4.9%	5.0%	4.8%	4.9%
Contributions	15.8	20.7	23.9	25.0
Contribution/GDP	0.8%	0.1%	0.8%	0.8%
GDP (nominal)	2,049	2,565	2,991	3,302

Source: BNR, Non Bank Financial Supervision Department

III.5.3.3 CREDIT REFERENCE BUREAU

The National Bank of Rwanda has continued to enhance credit growth to private sector by laying conducive infrastructures to enable credit providing institutions make faster decisions through credit reference services. The existing public registry has been modified to meet all the criteria of the Doing Business analysis as well as providing a comprehensive credit report for use by financial institutions.

Regarding the establishment of a private credit bureau in Rwanda, the law on credit information system is already in effect and a credit bureau known as Credit Reference Bureau Africa (CRB Africa) was been established in May 2010 and launched in July 2010.

By 31st December 2010, the licensed Credit Reference Bureau (CRB Africa) had received and accepted more than 203,000 records, representing 84% level of acceptable records, updated from 11 commercial banks and 9 MFIs. The Bank in its mandate oversees the operations of the duly licensed credit bureau and continues to sensitize the public on the importance of credit reference agencies, and legal right of the consumers.

III.6 Payment System Modernization

The BNR, banks and other stakeholders continued to work on the payment system modernization program to ensure that payment systems are safe, efficient and reliable. This program involves introduction of new payment instruments, mechanisms (systems) and improving the legal environment.

To this end a robust legal framework is highly desirable because this raises public confidence in Payment Systems. In 2010, concerted effort was put into finalising the relevant laws and regulations. The Electronic Transactions law, the law on the Central Securities Depository and the Payment Systems law were passed by parliament and

published in the official Gazette. Several regulations were also published, notably; regulation on Electronic Funds transfers, regulation on licensing payment systems, regulation on oversight and the regulation on participation in the Central Securities Depository. Concerning the legal framework for modern payment systems, at the moment Rwanda has attained an admirable level that is up to international standards.

SIMTEL and Banks signed a new agreement and this has enabled the banks to issue more cards with the confidence that SIMTEL can deliver the required level of services. Since the Government has subsidized the cards issued by SIMTEL, the number of ATMs has drastically increased to reach 88 ATMs. Before the new Service Level Agreement (SLA), only 99 POS existed accepting only international cards. In addition, more banks are also moving towards issuing VISA cards that will be accepted both locally and outside Rwanda.

Table 66: Transactions on ATMs (Value in RWF millions)

	2007		2008		2009		2010	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Debit Cards	121 228	17 565	177 882	7 243	221 489	11 038	393,088	26 983

Source: Payment System Department

Throughout 2010, there were several initiatives in mobile payments and remittances services. TIGO applied to operate a mobile money service and Rwandatel as well. The Bank continued to receive applications from stand alone Remittance Services Providers (RSP) and licences were issued to four new companies. This will ensure that the Rwandan Diaspora can easily remit funds back home and will also enhance the compilation of remittances statistics. A telecommunication company was licensed to carry out Mobile Money payment services within the country and currently has slightly over 200 000 subscribers and about 300 agents' country wide.

III.7 QUALITY OF STATISTICS IMPROVEMENT

III.7.1 Informal Cross Border Trade (ICBT) survey

In line with the harmonization of trade statistics, the East African Community (EAC) Secretariat requested member countries to conduct ICBT surveys to improve on their External Trade Statistics. It is in this context that Rwanda as a member of EAC decided to conduct for the first time the ICBT census before conducting ICBT survey every year.

During the period May 2009-April 2010, the National Bank of Rwanda (BNR) in collaboration with the National Institute of Statistics of Rwanda (NISR), the Ministry of Trade and Industry (MINICOM) and Rwanda Revenue Authority (RRA) launched an informal cross border trade survey. This survey captured unrecorded trade transactions in goods along Rwanda's borders with neighboring countries that are not otherwise recorded in official customs data. This one year survey collected data of exports and imports through 53 posts, identified with the assistance of "Imirenge" Executive Secretaries of the border areas taking into consideration the level of transactions through the identified posts where full time workers were posted during the period.

From May 2009 to April 2010, Rwanda's total informal cross border trade was 40,058,147,666Rwf. Total exports and total imports were 27,680,139,149Rwf and 12,378,008,517Rwf respectively resulting in a trade surplus of 15,302,130,632Rwf. This surplus contributes to an improvement of the country's current account of balance of payments and overall balance.

Agricultural products and livestock are the major commodities traded in informal cross border trade. The major export product is live bovine cattle valued at 3,383,656,115Rwf (12% of total exports) which are mainly exported to the Democratic Republic of Congo, whereas, the main import product is coffee "parche" with a value of 1,945,265,431Rwf (16% of total imports) which is largely imported from the Democratic Republic of Congo (DRC), the Rwanda's important trading partner in informal cross border trade.

The survey findings reveal that a substantial proportion of informal cross border transaction involves mainly agriculture and livestock trading. Beside the official data on trade captured by customs that show an important deficit of Rwanda's trade balance, due

to low exports levels compared to imports, the results of informal cross border data collection are in excess and contribute to improving the country's trade balance.

The captured information is very useful and shall contribute to formulation of appropriate trade policies that will impact on external trade development. Indeed, the findings from this survey are for policy makers a good indication on where more efforts should be oriented to improve the country trade balance. They are also an indication of the existing capacity of the country that can also be improved by putting only some efforts of adding value to improve the quality and the quantity of required commodities especially aiming at improving our exports. In addition, the findings will improve data coverage of Rwanda's Balance of Payments current account and Gross Domestic Product estimation.

III.7.2 Other surveys

Using a questionnaire prepared for the purpose, companies involved in air transport, insurance, telecommunication, courier transport and road transport of goods sub sectors have been surveyed and information on services trade gathered on annual basis for BOP compilation. In addition, the Diaspora data collecting methodology has been improved notably by conducting a general study to banks operators of Express transfers. Furthermore, new companies are contacted for FDI inflows registered using company register from RDB so far.

III.8 RESEARCH

Since the Bank's restructuring in January 2009, research activities at BNR are making significant progress by conducting policy oriented studies which facilitate the implementation of the current Policy Support Instrument (PSI) programme supported by IMF and the Bank proactive monetary policy. Thus, based on in-house developed models, forecasting frameworks and indicators approved by IMF, regular economic and financial developments assessments and forecasts are made to guide the Monetary Policy Committee in its decision making process. Different research papers are published on BNR web site and in BNR economic review.

To sustain this important activity, the National Bank of Rwanda has adopted a capacity building strategy based on gaining experience from more advanced partner Central Banks and research institutions. Thus, partnership agreements for training BNR staff have been signed with South African Reserve Bank and Bank of England, while a programme of joint

research has been agreed with the International Growth Center. Furthermore, the Bank is restricting the Monetary Policy and Research Directorate by introducing a separate research department to sustain in-house research for the institution. The Bank Board of Directors will approve the new structure soon.

CHAPTER IV: SUPPORT ACTIVITIES

Particular attention was put to the recommendations from the visit of H.E The President of the Republic of Rwanda, which focused mainly on IT system and infrastructure modernization as well as on staff motivation.

IV.1. ICT SYSTEMS MODERNISATION

The National Bank of Rwanda has initiated an Information and Communication Technology (ICT) Modernization Project whose primary objective is to implement modern technology and applications to support the core functions of the BNR. The business objectives to be met by the new system includes: enhancing reserve management, improving currency issuance, improving customer service, provision of special funds and lines of credit including credit facilities for BNR staff, increasing exchange rate stability, enhancing monitoring of banking system liquidity, development of the capital market and stronger internal audit controls.

With regard to this subject, the Bank developed a comprehensive IT strategic plan in line with BNR strategic plan, Rwanda vision 2020 and ICT government policy. Some systems are already operational while others are under development.

IV.1.1 Operational systems

IV.1.1.1 Rwanda integrated Payment Processing System (RIPPS)

RIPPS is a new electronic method of making payments between banks, which will revolutionize the way interbank payments are carried out and will save banks money, improve the speed of transactions and increase safety. The system is composed of 3 integrated systems: (1) Real Time Gross Settlements (RTGS); (2) Automated Clearing House (ACH) and (3) Central Securities Depository (CSD). Both the Real Time Gross Settlements (RTGS) and Automated Clearing House (ACH) are operational while the Central Securities Depository (CSD) will be operational very soon.

IV.1.1.2 The Credit Reference Bureau (CRB) application.

The system centralizes credit information on borrowers from financial institutions and supplies the information back to them. It constitutes one of the sources of information used by financial institutions to help them establish a view of the credit histories of potential or current borrowers. Indeed, the system help commercial banks in credit risk mitigation and reduce the number of non performing loan. This system has reduced the number of days of acquiring a loan relative to the past days when a client had to move across all Banks to prove credit worthiness.

IV.1.1.3 FINA system

The system is a prudential reporting one which helps the National Bank of Rwanda to collect prudential data from financial institution for supervision purpose. While the system is operational for Banks, it is in process to be extended to Microfinance institutions and other non Bank financial institution. This application creates efficiency in terms of time and resource saving for day to day supervision of the Banking sector.

IV.1.1.4 Modern network cabling

The development of the modern cabling infrastructure aims to support data, Video and Voice.

IV.1.1.5 Tender Bids management system

The new software allows Banks to bids online and help financial market to have automatically all the reports they need.

The systems under development include (1) The Core Banking System to handle day to day Currency, Banking and financial market operations; (2) The Enterprise Resource Planning to manage, internal Finances, Human resources and assets management; (3) The Data Warehouse to host Statistics data series for supporting Research and Policy analysis and; (4) The Data center to host all BNR servers and other IT equipment in a safe environment.

IV.2 INFRASTRUCTURE MODERNISATION

The planned activities had 3 components which are (1) The rehabilitation & transformation of BNR Headquarter; (2) The construction of new four BNR branches and; (3) Improvement of staff working environment.

Major rehabilitation componets of the Bank Headquarter has been completed while interior design aspect (acoustic ceiling and floor tiles) is still in process.

Regarding the construction of the Bank branches, the design of a building-type is already done while the commencement of construction works is expected to be launched early 2011.

Concerning the improvement of staff working environment, new and modern furniture has been procured. Staff working condition has been significantly improved with more office space created.

IV.3. HUMAN RESOURCES MANAGEMENT

In 2010, the Bank put in place a new training policy to clarify on the Bank strategy concerning staff development. The training and development policy has been incorporated in the Bank's budget allowing staff to enrol for short and long term courses and attachments to other central Banks.

Throughout 2010, 348 BNR staff attended a range of training inside and outside the country including short courses, visits and attachments to Central Banks and other foreign institutions, professional courses and Master's Program. The trainings were funded by BNR training Budget or sponsored by Partner institutions. The table below shows a summary of completed courses.

Table 67: Summary report on training 2010

SN	COURSE	Planned courses	Ongoing	Completed courses	Number of beneficiaries
1.	Short courses inside the country	50		17	226
2.	Short courses outside the country	100		49	84
3.	Visits and Attachments to Central Banks and other foreign institutions	12		4	11
4.	Master's, PHD and program Professional courses	5	5	-	27
5.	Leadership training courses	3		-	
TOTAL		170	5	70	348

Source: BNR, Human Resource Department

Furthermore, the Bank has hired the services of Kigali Institute of Sciences and Technologies (KIST) through its Language Centre to polish English communication skills of the Bank staff. The training is ongoing. The adoption of the English as the only medium of communication has supported remarkable improvement in English usage.

Concerning Staff welfare, the Bank introduced a new loan policy and directives on loans and on the Staff Savings Scheme. It granted various loans to its staff including housing loans, car loans and salary advances and introduced a savings scheme to complement housing loans granted by the Bank. In addition, the Bank contracted a consulting firm to review the Bank compensation policy with regards to the national market as well as other Human Resources strategies (career progression, performance evaluation, workload analysis). Furthermore, Check-up program has been introduced and started officially in September 2010. Up end of the year, 235 staffs were checked. The Bank's clinic also continued with its preventive activities against AIDS and started a family planning programme. Regarding regularly work, the clinic made 7 780 consultations during 2010, with a reduction of 0.1% comparing with the year 2009. The daily average remains at 22 patients for the doctor and 6 for the nurses.

IV.4 MANAGEMENT ORGANS OF THE BANK

IV.4.1 General Management Policies and Supervision of BNR's activities

Within the framework of defining the general management policies and supervise the activities of the Bank, the Board of Directors has had four ordinary meetings during the year 2010. On the agenda were technical subjects related to the Bank missions and those concerning the financial and administrative management.

On technical subjects, the Board examined monetary developments on quarterly basis and each time, recommendations were put forward. The Board's main attention was particularly on proactive Monetary Policy. In this framework, the Board continued dealing with tight liquidity conditions in Banking system and through BNR Management and Government, it implemented different measures allowing Banks to significantly rebuild their liquidity conditions and lending capacity. Thus, the Banking system liquidity has been significantly improving, hence giving more confidence to Banks in treasury management, while continuing to invest in short term instruments.

In this regards, the policy rate has been reduced progressively from 9% to 6% between March 2010 and November 2010, with the objective of releasing more liquidity in the system by keeping at a low level the cost of funds for Banks.

On domestic foreign exchange market, the Bank has introduced the interbank rates corridor in July 2010 in order to improve efficiency in foreign exchange market and the volume of interbank transactions has increased.

Reforms in the Banking sector were also on the agenda of the Board of Directors. In this chapter, Board members have been consulted during the examination and approval process of laws and regulations. It is in this context that, many laws and regulation have been issued. Five regulations for Banks: regulation on Banking penalties, on Banking placements; on credit classification and provisioning; regulation relating to mergers and acquisition of Banks. The Board approved two regulations relating to the insurance sector: one relating to special procedures applicable to winding up and dissolution of insurance companies and another on mergers and acquisitions for insurers.

Regarding the payment systems modernization, the Board approved three regulations: regulation governing the oversight of payment systems, security settlement systems and payment service providers; regulation on electronic fund transfers and electronic money transactions and regulation implementing law N° 26/2010 of 28/05/2010 governing holding and circulation of securities. The Board has worked implementing a new system, the Rwanda Integrated Payments Processing System (RIPPS), geared towards making payment systems in the country efficient and reliable.

In addition, the regulation on foreign Exchange Market has been approved in July 2010 as well as the loan policy for BNR staff.

On the financial and management subjects, the Board followed up the implementation status of UMURENGE SACCO Program which is a national strategy, established by the Cabinet approval in 2009, aimed at bringing closer financial services to citizens. The Board agreed that to ensure that Umurenge SACCO becomes a success, BNR's involvement is crucial for a close follow up. It is in that spirit that the National Bank of Rwanda, together with concerned public institutions, MINECOFIN and RCA, organized a tour in all Districts aiming to assess the implementation of UMURENGE SACCO Program. After the tour, quick actions to be taken from the Government and other stakeholders have been identified.

As it is done every year, in March 2010, the Board approved the 2009 Annual report and financial statements of the Bank related to the fiscal year 2009 whereas in July and

December 2010, it respectively examined and approved the budget for the period July 2010 - June 2011.

The Board reviewed, on a regular basis, the status of implementation of recommendations from the BNR Risk and Audit Committee and the Committee of Censors' Reports.

During the year 2010, the Board also handled the administrative and financial problems of the Bank.

The rehabilitation/extension of the building of the BNR headquarters project as well as the construction of new four BNR branches premises was also one of activities of the Board.

IV.4.2 Day to day Management of the Bank

The Bank Management which is composed of the Governor and the Vice Governor is the coordinating organ of the Bank and it is charged with the day to day management of the Bank. Through its daily activities, the Management ensures good functioning of the various organs of the Bank and the implementation of the resolutions of the Board of Directors. In May 2010, the Bank Management has launched BNR counter in RUBAVU District which is operating as sub branch of the MUSANZE Branch.

Regarding the year 2010, the Management of the Bank focused on a number of other issues related to the management on a daily basis of the monetary policy and financial market, the Banking system oversight, the insurance industry reform, the Payment System Modernization, the microfinance supervision putting an emphasis on UMURENGE SACCO program, in addition to the existing MFIs, among others. The Bank Management has also continued to implement recommendations from the visit of H.E. The President of the Republic of Rwanda to the National Bank of Rwanda in 2009.

IV.5. RISK MANAGEMENT

Based on the National Bank of Rwanda (BNR) audit universe and BNR Risk Matrix 2010, as it has been updated in November 2009, reflecting the 2010 risks' score faced by BNR; Internal Audit and Risk Committee has sorted out audit assignments to be performed during 2010 according to the high most risks identified.

Thus, Information and Communication Technology being the highly identified risky area, referred to the risk matrix 2010, audit assignments focused on it, especially on Database Management, Information Technology (IT) Network Security Management, IT IBIS Application, Budget Module and General Ledger Module. Moreover, other audit assignments performed concern customer care, exit of money from BNR Books of Account, and spot cash checking in Currency and Banking Operations Department, Accounts reconciliation in Finance and General Services Department and Communication of Management's decisions in Corporate Services Department.

As prescribed by best practices, through audit chart and procedures, a quarterly follow up of the implementation of audit recommendations has been performed.

IV.6 LEGAL AFFAIRS

In the course of the year 2010, the National Bank of Rwanda participated in the establishment of laws relating notably to (1) The Credit Reference Bureau; (2) Book Entry Securities; (3) Electronic Transactions; (4) Insurance Contracts and; (5) Supervision and organization of the pension funds.

In addition, the Bank elaborated notably the regulations implementing (1) the new Banking Law; (2) The insurance law (Supplementary regulations on supervising insurers and insurance intermediaries); Participation in the CSD; and (3) Regulations for the implementation of the Payment System Law.

IV.7 COMMUNICATION STRATEGY

In addition to the biannual Monetary Policy and financial Stability Statement, the Bank's communication strategy was expanded towards the mobilization of Rwandans joining Umurenge SACCO program, a national strategy to bring closer financial services to citizens. The Bank held meetings in each province with Umurenge SACCO Managers, meetings attended by district Mayors, Rwanda National Police district commanders and Civil society representatives with a view to establish a common strategy related to the financial sector development and the recovery of bad loans of closed micro-finances.

Furthermore, the Bank organized notably town hall meetings and regular press conferences to create a solid interactive platform of exchanging information with all

stakeholders, with a particular focus on financial institutions and business community. In the framework of customer care service improvement, the Bank created new email accounts to allow the public express alternative ways of serving them better.

IV.8 CORPORATE SOCIAL RESPONSIBILITY

Apart from its main mission highlighted in this document earlier, the National Bank is involved in Corporate Social Responsibility. In its annual budget, the Bank sets aside a special budget “Gifts and Subsidies” to financially support vulnerable people with sustainable development projects and other government policies in the social sector.

In 2010, the Bank pursued carrying out the permanent project to support orphans and widows of the 1994 Tutsi’s genocide living in MUSAMBIRA sector, Kamonyi district. Technical and vocation training, sustainable development projects and rehabilitation of houses are among other corporate social responsibilities that BNR is engaged in.

Through the Ministry of Agriculture and Animal Resources, the Bank also supported the government campaign to empower vulnerable people with a donation of 5 million Rwandan Francs under GIRINKA Project. Ten families benefited from this fund. In addition, the Bank provided a seed-fund of 30,000 USD to the office of the First Lady to support the project named: Gift from Africa-Global Fund. This fund will go a long way to support the eradication of malaria and HIV/AIDS.

The Bank has also set aside a budget under the title “Governor’s Award” worth 2 million francs which is meant to reward three students from the University with the best final project proposals in economics. The best first project proposal is rewarded 1 million francs, the second is rewarded 600,000frws and the third is rewarded 400,000frws. It is planned to extend this reward to anyone with exceptional project proposal.

The Governor’s award has become a motivating factor for university students not only to be creative but also to carry out research in the areas of economics and Banking that are economically relevant to Rwanda’s economy.

Besides the specific donations highlighted above, in 2010 the Bank donated 14,603,550 Frws to segmented requests from individuals and associations.

PART III: FINANCIAL STATEMENTS AS AT 31-12-2010

NATIONAL BANK OF RWANDA
REPORT AND FINANCIAL STATEMENTS
AT
31 DECEMBER 2010

NATIONAL BANK OF RWANDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

TABLE OF CONTENTS	PAGE
Directors, officers and administration	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Report of the Independent Auditors	4
Statement of Comprehensive income	5
Statement of financial position	6
Statement of Changes in Equity	7
Statement of Cash flows	8
Notes to the Financial Statements	9 - 44

NATIONAL BANK OF RWANDA

DIRECTORS, OFFICERS AND ADMINISTRATION FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS

François KANIMBA	Governor and Chairman
Claver GATETE	Vice-Governor and member
Uzziel NDAGIJIMANA	Member
Odette UWAMARIA	Member
Lilian KYATENGWA	Member
Prosper MUSAFIRI	Member (Resigned in April 2010)

BOARD OF CENSOR

Manasseh TWAHIRWA	Chairman
Madeleine NIRERE	Member

SENIOR MANAGEMENT

François KANIMBA	Governor
Claver GATETE	Vice-Governor
Thomas KIGABO	Senior Director - Monetary policy and Research
Angélique KANTENGWA	Senior Director - Financial Stability
Appollinaire MURASIRA	Director - Currency and Banking Operations
Viviane MWITIREHE	Director - Statistics
Bosco MUNYURA RUTAYISIRE	Director – Information and Communication Technology
Joseph NZABONIKUZA	Director – Research and Policy Analysis
Françoise KAGOYIRE	Director – Bank Supervision
Kevin KAVUGIZO SHYAMBA	Director – Microfinance Supervision
Jean Paul RUTABINGWA	Director – Legal Services
Joy NTARE	Director – Non Bank Financial Supervision
Vedaste HIMILI	Director – Internal Audit and Risk Management
Antoinette NYIRAHUKU	Director – Human Resources
Célestin SEKAGLIMANA	Director – Financial Markets
Alexis HABIYAMBERE	Director – Corporate Services
Bosco SEBABI	Director – Payment System
Cyril NTAGANDA	Director – Risk Management
Vianney KAGABO	Director – Finance and General Services (Resigned on 3 February 2011)

REGISTERED OFFICE

National Bank of Rwanda
Avenue Paul VI
P.O Box 531
Kigali, Rwanda

BRANCHES

Southern Branch

P.O. Box 622
Huye, Rwanda

Eastern Branch

P.O. Box 14
Rwamagana, Rwanda

Northern Branch

P.O. Box 127
Musanze, Rwanda

Western Branch

P.O. Box 462
Rusizi, Rwanda

AUDITORS

KPMG Rwanda Limited
Omega Building
Boulevard de l'OUA
P.O Box 6755
Kigali, Rwanda

MAIN LAWYERS

Jean Paul Rutabingwa
Avenue Paul VI
P.O. Box 531
Kigali, Rwanda

NATIONAL BANK OF RWANDA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors submit their report together with the audited financial statements for the year ended 31 December 2010, which shows the state of affairs of the Bank.

1. Incorporation

The Bank is incorporated under the Law No 55/2007 of 30/11/2007.

2. Principal activities

The Bank is established and administered under the law with the principal object of formulating and implementing monetary policy directed to achieving and maintaining stability in the general level of prices. It is also the responsibility of the Bank to foster liquidity, solvency and proper functioning of a stable and competitive market-based financial system.

3. Results

The results for the year are set out on page 5

4. Dividend

The board of directors recommends the payment of a dividend of Frw 2 058 835 811 (2009: Frw 56 924 780)

5. Directors

The directors who served during the year and up to the date of this report are listed on page 1.

6. Auditors

The auditors, KPMG Rwanda, were appointed during the year and have indicated their willingness to continue in office.

BY ORDER OF THE BOARD


BOARD SECRETARY

04/05/2011

NATIONAL BANK OF RWANDA

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the financial statements of National Bank of Rwanda set out on pages 5 to 44 which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors responsibility includes: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; preparation and presentation of the financial statements in accordance with International Financial Reporting Standards and Law No 55/2007 Of 30 November 2007 relating to statutes of National Bank of Rwanda and for such international control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatements whether due to fraud or error.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the Bank will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 29/03/2011 and were signed on its behalf by:



Governor
Date: 04/05/2011





Director
Date: 04/05/2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL BANK OF RWANDA**

We have audited the financial statements of National Bank of Rwanda set out on pages 5 to 44 which comprise the statements of financial position of the Bank at 31 December 2010, and the Bank's statement of comprehensive income, statement of changes in equity of the Bank and cash flow statement of the Bank for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As stated on page 3, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank at 31 December 2010, and the Bank's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda.


John Ndunyu
KPMG Rwanda Limited
Certified Public Accountants
P. O. Box 6755
Kigali
Rwanda



Date: 04/05/2011

NATIONAL BANK OF RWANDA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 Frw '000	2009 Frw '000
Interest income	3	5 061 718	4 788 351
Interest expense	4	(4 311 526)	(2 293 445)
Net interest income		<u>750 192</u>	<u>2 494 906</u>
Net fee and commission income	5	17 623	69 982
Foreign exchange gain	6	6 068 576	4 934 902
Other operating income	7	5 254 416	2 760 353
Operating income		<u>12 091 203</u>	<u>10 260 143</u>
Operating expenses	8	(9 063 504)	(10 176 430)
Profit for the year		<u>3 027 699</u>	<u>83 713</u>
Other comprehensive income			
Foreign asset revaluation gain		10 370 745	3 653 202
Fair value movement available for sale financial assets		(77 231)	(162 798)
Total comprehensive income for the year		<u>13 321 213</u>	<u>3 574 117</u>

The notes set out on pages 9 to 44 form an integral part of these financial statements.

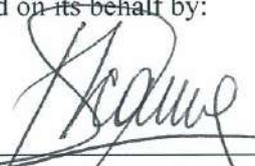
NATIONAL BANK OF RWANDA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	2010 Frw '000	2009 Frw '000
ASSETS			
Cash and cash equivalents		1 530 077	1 156 033
Foreign assets	9	481 329 713	423 581 976
International Monetary Fund Quota	10	73 003 334	71 470 465
Due from the Government of Rwanda	11	57 850 366	50 159 887
Loans and advances	12	10 899 747	12 140 913
Due from foreign financial institutions	13	1 479 511	-
Loans and advances to staff	14	4 098 589	4 059 673
Investment in associate	15	219 374	219 374
Investment property	16	103 617	134 966
Property and equipment	17	4 718 231	3 326 576
Intangible assets	18	3 330	6 963
Other assets	19	1 269 511	1 790 838
TOTAL ASSETS		636 505 400	568 047 664
LIABILITIES			
Currency in circulation	20	104 140 320	86 160 035
Government deposits	21	236 722 357	198 212 766
Due to local financial institutions	22	94 374 197	99 030 161
Due to International Monetary Fund	23	151 884 907	148 729 509
Foreign liabilities	24	2 086 447	858 190
Other liabilities	25	5 849 788	6 873 907
TOTAL LIABILITIES		595 058 016	539 864 568
EQUITY AND RESERVES			
Share capital	26	7 000 000	7 000 000
General Reserve Fund	27	10 436 274	7 828 824
Other reserves	28	24 011 110	13 354 272
TOTAL EQUITY AND RESERVES		41 447 384	28 183 096
TOTAL LIABILITIES AND EQUITY		636 505 400	568 047 664

The financial statements were approved by the Board of Directors for issue on and signed on its behalf by:

29/03/2011



Governor
Date: 04/05/2011





Director
Date: 04/05/2011

The notes set out on pages 9 to 44 form an integral part of these financial statements.

NATIONAL BANK OF RWANDA

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Share capital Frw '000	General reserve fund Frw '000	Other reserves Frw '000	Total Frw '000
At 1 January 2009	7 000 000	9 004 042	9 853 822	25 857 864
Comprehensive income for the year				
Profit for the year	-	83 713	-	83 713
Other comprehensive income				
Fair value movement on available for sale financial assets	-	-	(162 798)	(162 798)
Foreign revaluation gain	-	-	3 653 202	3 653 202
Total comprehensive income for the year	-	83 713	3 490 404	3 574 117
Transactions with owners, recorded directly in equity				
Dividend for 2008 paid	-	(1 248 885)	-	(1 248 885)
Transfer to other reserves	-	(10 046)	10 046	-
Total transaction with owners recorded directly in equity	-	(1 258 931)	10 046	(1 248 885)
As at 31 December 2009	7 000 000	7 828 824	13 354 272	28 183 096
Comprehensive income for the year				
Profit for the year	-	3 027 699	-	3 027 699
Other comprehensive income				
Fair value movement on available for sale financial assets	-	-	(77 231)	(77 231)
Foreign revaluation gain	-	-	10 370 745	10 370 745
Total comprehensive income for the year	-	3 027 699	10 293 514	13 321 213
Transactions with owners, recorded directly in equity				
Dividend for 2009 paid	-	(56 925)	-	(56 925)
Transfer to other reserves	-	(363 324)	363 324	-
Total transaction with owners recorded directly in equity	-	(420 249)	363 324	(56 925)
As at 31 December 2010	7 000 000	10 436 274	24 011 110	41 447 384

The notes set out on pages 9 to 44 form an integral part of these financial statements.

NATIONAL BANK OF RWANDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 Frw '000	2009 Frw '000
Net cash from operating activities	30	31 662 020	90 512 284
Investing activities			
Purchase of property and equipment		(2 021 222)	(220 501)
Proceeds from sale of property and equipment		<u>264 109</u>	<u>5 569</u>
Net cash used in investing activities		<u>(1 757 113)</u>	<u>(214 932)</u>
Financing activities			
Dividend paid	29	(56 925)	(1 248 885)
Variations of currency in circulation	20	<u>17 980 285</u>	<u>(2 355 407)</u>
Net cash from financing activities		<u>17 923 360</u>	<u>(3 604 292)</u>
Net increase in cash and cash equivalents		47 828 267	86 693 060
Cash and cash equivalents at the beginning of the year		423 097 892	332 751 630
Foreign exchange revaluation gain		<u>10 370 745</u>	<u>3 653 202</u>
Cash and cash equivalents at the end of the year	31	<u>481 296 904</u>	<u>423 097 892</u>

The notes set out on pages 9 to 44 form an integral part of these financial statements

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. REPORTING ENTITY

The National Bank of Rwanda (the "Bank") is wholly owned by the Government of Rwanda. The Bank is established by and derives its authority and accountability from Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda and is domiciled in Rwanda. The Bank also acts as banker, advisor and fiscal agent of the Government of Rwanda.

Article 6 of that Law specifies that the Bank shall perform the following duties:

- To formulate and implement the monetary policy;
- To organize, supervise and regulate the local foreign exchange market;
- To supervise and regulate the activities of the local financial institutions notably banks, micro finance institutions; insurance companies, social institutions, collective placement companies and pension fund institutions;
- To supervise and regulate the payment systems;
- To print, mint and manage money;
- To hold and manage official foreign exchange reserves;
- To act as State Cashier,
- To carry out any other task that this Law or any another law may assign to it.

Article 2 of the same Law, fixes the Bank's share capital to seven (7) billion Rwanda Francs (Frw). In order to comply with it, during its meeting of 28 June 2008, the Board of Directors decided to increase the share capital from 2 billion Frw to 7 billion Frw by incorporating an amount of 5 billion Frw from the general reserve fund account.

In accordance with article 66 of the Law No 55/2007 of 30 November 2007, the Bank's net profit is appropriated as follows:

- A part of 20 % of the net profit is incorporated in the General Reserve Account.
- After all other appropriations to reserves deemed necessary by the Board of Directors, the remaining balance is paid to the Public Treasury.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

(i) *Basis of preparation*

The financial statements have been prepared in accordance, and comply with International Financial Reporting Standards (IFRS) and Law No 55/2007 relating to the statutes of the National Bank of Rwanda.

The financial statements are presented in thousands of Rwanda Francs (Frw '000) and are prepared under the historical cost convention except for measurement at fair value of certain investments.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) Significant accounting judgement and estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant use of judgments and estimates are made for the following items:

Fair value of financial instruments

When the fair value of the financial assets or financial liabilities cannot be derived from active market, they are determined using many varieties of valuation techniques which are based on some assumptions.

Impairment of loans and advances

The Bank reviews its loans and advances at each reporting date to assess whether an allowance for impairment should be recognized in profit or loss. In particular, judgment by the directors is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the allowance.

In addition to specific allowances against individual significant loans and advances, the Bank makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration such factors as any deterioration in industry, technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

Impairment of equity investment

The Bank's investment in equity is reviewed every time there is a significant and prolonged decline in its fair value compared to its cost or where objective evidence of impairment exists.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

(iii) *Significant accounting judgement and estimates (continued)*

Property, equipment and intangible assets

Critical estimates are made by management in determining depreciation and amortisation rates for property, equipment, and intangible assets. The rates used are set out in the accounting policies (d) and (e) below.

(iii) *Functional and presentation currency*

These financial statements are presented in Rwanda Francs (Frw) which is the Bank's functional currency.

Except as otherwise indicated, financial information presented in Rwanda Francs has been rounded to the nearest thousands.

(b) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) *Interest income and expenses*

Interest income and expense are recognised in the profit or loss for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills and other discounted instruments.

(ii) *Fees and commission income*

Fees and commission income, which arise from financial services provided by the Bank, are recognised when the corresponding services are provided.

(iii) *Other income and expenses*

The non interest income and expenses are recognized in the period in which they are earned or incurred. They are not accrued if their recoverability is considered doubtful.

(c) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Rwanda Francs at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated to Rwanda Francs at the spot exchange rate ruling at that date. The resulting differences from conversion and translation are recognised in profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Changes in expected useful life are accounted for by changing the depreciation period or method. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The annual depreciation rates in use for each category are:

Building	5 - 10 %
New lift for headquarter	10%
Computer equipment	33.3 %
Machines	20 %
Motor vehicles	25 %
Furniture, fitting and office equipment	10 %
Security equipment	10 %

Property that is being constructed or developed for future use to support operations is classified as capital Work-in-Progress (WIP) and stated at cost until construction or development is complete, at which time it is reclassified as property and equipment in use.

Subsequent expenditure is capitalized only when they increase future economic benefits and meet the recognition criteria. Expenditure incurred to replace a major component of an item of property and equipment is accounted for separately and capitalized while the replaced component is derecognised.

All other expenditure items which do not meet the recognition criteria are recognised in profit or loss as they are incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss as other income or other expense in the year the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and value in use.

(e) Intangible asset

Intangible assets acquired separately are measured on initial recognition at costs. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets that are being developed for future use to support operations are classified as Work -in - Progress (WIP) and stated at cost until development is complete, at which time they are reclassified as Intangible assets.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Intangible asset (continued)

The useful lives of intangible assets are assessed to be finite and these assets are amortised over their useful economic life. The amortisation period of assets with a finite useful life are reviewed at least at each financial year end and adjusted if appropriate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software	33.3 % (annual amortization rate)
-------------------	-----------------------------------

(f) Stock of consumable

Stocks of consumables are valued at the lower of cost and net realizable value. Cost is estimated using the weighted average method. Provisions are made for all anticipated stock losses, impairment and obsolescence.

(g) Currency printing costs

Currency note printing and coin minting are expensed in profit or loss in the period they are incurred.

(h) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Date of recognition*

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Bank commits to purchase or sell the asset.

(ii) *Recognition and initial measurement*

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

(iii) *Classification and measurement*

The Bank determines the classification of its investments at initial recognition. The main categories include:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(h) **Financial Instruments (continued)**

(iii) *Classification and measurement - continued*

Loans, receivables, and provisions for loans impairment

Loans and receivables are advances made by the bank including loans and advances to staff. They are initially measured at the fair value and subsequently at the amortized cost. Amortized cost represents the amounts at which the financial instruments were measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount and minus any write down for impairment or un-collectability.

In its capacity as cashier and banker of the Government, the Bank may make direct advances to the Government for the purpose of offsetting fluctuations between Government receipts and expenditure. In accordance with article No 49 of the Law No 55/2007, the total amount of the advances to Government shall not exceed eleven per cent of the gross ordinary revenue of the Government collected during the preceding fiscal year. Interest is charged at the average daily inter-bank money market rate and is paid quarterly by the Government.

In accordance with the agreement No 5/96 between BNR and the Government of Rwanda dated 6 February 1996, all the other unpaid loans granted to the Government before 31 December 1994, in addition to the balance of the revaluation account as at 6 March 1995 were consolidated and are charged at an interest rate of 2 % per year. From January 2002, the recovery of the principal of that consolidated debt is made through a reduction of 30 % of the annual dividend payable to the Government.

As the lender of last resort, the Bank may grant loans or advances for fixed period not exceeding seven days to commercial banks that pledge securities specified by the Bank. Interest rates charged to these banks are determined by the Bank based on the inter-bank money market rates.

The Bank manages certain lines of credit granted to the Government of Rwanda created in order to facilitate specific economic activities, and it can also create its own funds with the aim of encouraging that sector.

Specific provisions for loan impairment are made each time they are considered as irrecoverable in accordance with instruction No 03/2000 of March 2000 relating to classification of assets and monitoring of liabilities of banks and other financial institutions. When a loan is deemed uncollectable, it is written off against the related provision for impairment. Subsequent recoveries are credited to profit or loss, if previously written off.

Held to maturity

Investments classified as held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'Interest income' in profit or loss.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

(iii) *Classification and measurement - continued*

The losses arising from impairment of such investments are recognised in the profit or loss line 'Impairment losses on financial investments'. Were the Bank to sell other than an insignificant amount of such assets, the entire category would be reclassified as available for sale. The Bank currently classifies term deposits, Government securities, repurchase, and reverse purchase instruments as held to maturity.

Financial liabilities

Financial liabilities are measured at amortised cost except for financial liabilities designated at fair value through profit and loss. Financial liabilities are initially recognised at fair value less, in the case of liabilities carried at amortised cost (including due to banks, due to International Monetary Fund other deposits and other funds borrowed), transaction costs incurred and any difference between the proceeds net of transaction costs and the redemption amount is recognised in the profit or loss as interest expense over the period to maturity using the effective interest rate method. Financial liabilities which are repayable on demand are recorded at nominal value. Deposits represent reserve deposits of depository institutions' participants and current accounts of the Bank. The Bank has classified the following financial instruments as financial liabilities: currency in circulation, deposits, IMF related liabilities and other liabilities.

Financial assets at fair value through profit or loss: Held for Trading

A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are classified as held at fair value through profit or loss.

(iv) *Derecognition*

Financial assets are de-recognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all of the risks and rewards of ownership.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

The gains and losses on investments held to maturity and loans and receivables are recognized in profit or loss when the investments are derecognized.

(v) *Gains and losses on subsequent measurement*

Gains and losses on amortisation of premiums or discounts of financial instruments carried at amortised cost are recognised in profit or loss of the period in which they arise. Gains and losses due to impairment are recognised as stated in the paragraph dealing with impairment.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

(vi) *Offsetting*

Financial assets and financial liabilities are offset and the net amount reported on the reporting date only where there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vii) *Impairment of financial assets*

At each reporting date, the Bank assesses whether there is objective evidence that a financial asset not carried at fair value through profit or loss is impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows on the assets that can be estimated reliably.

The Bank considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

(vii) *Impairment of financial assets - continued*

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss. Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value out of other comprehensive income to profit or loss as a reclassification adjustment. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in other comprehensive income. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

(i) *Impairment of non financial assets*

The carrying amounts of the Bank's non-financial assets other than stock of consumables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets or group of assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

(j) *Investment in associate*

This investment relates to a share participation in SIMTEL SA which represents a part of 7.98 % of its whole share capital. It is an unquoted and non-trading investment. Its fair value results to an agreement between the old shareholders and the new ones of April 25, 2008.

(k) *Investment property*

The Bank holds certain properties as investments to earn rental income or capital appreciation or any currently undetermined future use. Investment properties are carried at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated at a rate of 10 % using the straight-line method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(l) ***Provisions***

Provisions are recognized when the bank has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

(m) ***Cash and cash equivalents***

Cash comprises of foreign currency held in the Bank and demand deposits held with foreign banks. Cash equivalents comprise of short term highly liquid investments and term deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk changes in value. The short-term highly liquid investments include balances with maturities of three months or less from the date of acquisition.

(n) ***Employee benefits***

In accordance with the existing law relating to social security, the Bank makes contributions to Caisse Sociale du Rwanda (CSR) on behalf of its employees. The Bank's contribution is charged to profit or loss in the year to which it relates.

The bank also has an in-house managed pension scheme. The employees' contribution amounts to a third of the total monthly salary and the remaining two thirds is contributed by the Bank, and is charged to profit or loss in the year to which it relates.

The estimated monetary liability for employees leave entitlement at the reporting date is recognized as an accrual expense. This amount is written back to profit or loss when employees utilize their leave days in subsequent periods. The Bank also provides medical facilities for the employees and their families. Related costs are charged to profit or loss.

(o) ***Currency in circulation***

Currency issued by the Bank represents a claim on the Bank in favour of the holder. The liability for currency in circulation is recorded at face value in these financial statements. Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vault, and cashier at the end of the financial year are netted off against the liability for notes and coins in circulation because they do not represent currency in circulation.

(p) ***Deposits***

Deposits are non-derivative financial liabilities with fixed or determinable receipts that are not quoted in an active market. They arise when the Bank receives money or services directly from counterparty with no intention of trading the payable. Deposits held are carried at cost with interest income accruing on an effective interest rate basis.

Cash Ratio Deposits are taken from commercial banks for liquidity management (monetary policy purposes) of the Bank in accordance with the Banking Act and are interest free. Cash Ratio Reserves is a monetary policy instrument used to manage liquidity. The deposits earn no interest to commercial banks and the Bank does not trade on these deposits in any way. The deposits are currently computed at 4.5% of each commercial bank's deposits taken from the public. Each commercial bank is required to deposit the applicable amount at the Bank and the computation is done on a monthly basis.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Other liabilities

Other liabilities are stated at their nominal value/cost, which approximates fair value due to the short term nature thereof.

(r) Commitments on behalf of the Government of Rwanda

Commitments on behalf of Government of Rwanda arising from the issue of Treasury bills and Treasury bonds are not included in these financial statements as the Bank is involved in such transactions only as an agent.

(s) Comparatives

Where necessary, comparative figures have been adjusted or excluded to conform to changes in presentation in the current year.

(t) Taxation

Accordingly to Article No 74 of the Law No 55/2007 of 30 November 2007, the Bank is considered as the State with regard to the rules of tax liability and tax payment pertaining to all taxes levied for the benefit of the State and its administrative entities.

(u) Dividends payable

Dividends are accounted for when payment is made. Dividends declared after the reporting date, but before financial statements are authorized for issue, are disclosed in the notes to the financial statements.

(v) Government grant and government assistance

The bank, being a wholly owned governmental financial institution, may receive grants in both monetary and non monetary basis. Government grants are recognized as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants related to assets, including non-monetary grant at fair value, are presented in the statement of financial position by setting up the grant as deferred income. In addition, the Bank may receive certain forms of government assistance which cannot reasonably have a value placed upon them, and transactions with Government which cannot be distinguished from the normal trading transactions of the entity. The Bank's policy on government assistance that cannot be reliably measured is to disclose the nature, extent and duration of the assistance in order that the financial statements are misleading.

(w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these financial statements as follows:

- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendments which become mandatory for the Bank's 2011 financial statements, with retrospective application required, is not expected to have a significant impact on the financial statements.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New standards and interpretations not yet adopted (continued)

- IAS 24 *Related Party Disclosures* amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The amendment to IAS 24 will become mandatory for the Bank's 2011 financial statements and are expected to have an impact on the presentation of related party information in the Bank's financial statements.
- IFRS 9 *Financial Instruments*, published on 12 November 2009 as part of phase 1 of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets; amortised cost and fair value.

A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value.

The standard eliminates the existing IAS 39 categories of *held-to-maturity*, *available-for-sale* and *loans and receivables*. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to the statement of comprehensive income at a later date. However, dividends on such investments are recognised in the statement of comprehensive income, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment.

Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in the statement of comprehensive income.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

The standard is effective for annual periods beginning on or after 1 January 2013. Management is in the process of assessing the impact of the revised standard to the Bank

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

3. INTEREST INCOME	2010	2009
	Frw '000	Frw '000
Local interest earning	2 808 806	1 631 267
Foreign interest earning	2 252 912	3 157 084
	<u>5 061 718</u>	<u>4 788 351</u>
4. INTEREST EXPENSE		
Interest paid on monetary policy issues	4 103 310	2 126 363
Interest paid to International Monetary Fund	206 062	135 858
Other interest and similar expenses paid	2 154	31 224
	<u>4 311 526</u>	<u>2 293 445</u>
5. NET FEE AND COMMISSION INCOME		
Commission and fees income	302 138	319 015
Commission and fees paid	(284 515)	(249 033)
	<u>17 623</u>	<u>69 982</u>
6. FOREIGN EXCHANGE GAIN		
Net gain on foreign currency market intervention	735 888	548 046
Foreign exchange dealing profit on commercial banks	796 425	804 713
Transactions with foreign correspondent banks	2 216 891	1 753 370
Transaction with local clients	1 867 157	1 787 549
Realized gain on foreign financial instruments	1 692 486	1 921 708
Realized loss on foreign financial instruments	(1 240 271)	(1 859 228)
Unrealized loss on foreign financial instruments	-	(21 256)
	<u>6 068 576</u>	<u>4 934 902</u>
7. OTHER OPERATING INCOME		
Fines, penalties and other administrative income	245 501	156 417
Write back of accruals and provisions	287 805	136 769
Gain on sale of property and equipment	198 981	4 518
Revenue grant from Government of Rwanda	4 118 900	2 139 317
Other income	403 229	323 332
	<u>5 254 416</u>	<u>2 760 353</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

8. OPERATING EXPENSES	2010	2009
	Frw '000	Frw '000
Bank notes printing and coins minting	-	2 122 137
Staff cost (Note 8(a))	6 009 272	5 888 552
Other expenses	2 202 000	1 639 207
Depreciation of property and equipment	564 439	441 315
Amortization of intangible assets	3 330	3 922
Depreciation investment property	31 349	31 349
Impairment and provisions for liabilities and charges	253 114	49 948
	<u>9 063 504</u>	<u>10 176 430</u>
(a) Staff cost		
Salaries and related other allowances	4 820 922	4 741 684
Pensions	348 639	352 367
Medical expenses	366 254	425 863
Training and development	419 693	315 260
Other expenses	53 764	53 378
	<u>6 009 272</u>	<u>5 888 552</u>
9. FOREIGN ASSETS		
Currents accounts	49 305 715	30 252 332
Fixed term placements with foreign correspondents	212 242 715	213 331 006
Foreign investments	141 076 485	89 120 236
Special Drawing Rights	76 075 977	74 514 922
Other foreign assets	2 520 177	16 224 081
Interest receivable	108 644	139 399
	<u>481 329 713</u>	<u>423 581 976</u>
10. INTERNATIONAL MONETARY FUND		
<p>The International Monetary Fund Quota refers to the Rwanda Government's total subscription to the International Monetary Fund (IMF). It is equal to Special Drawing Rights (SDR) 80,100,000 and was converted to Rwanda Francs based on the exchange rate of the Special Drawing Rights (SDR) applicable at 31 December 2010.</p>		
Balance at the beginning of the year	71 470 465	69 291 925
Foreign currency adjustment	1 532 869	2 178 540
Balance at end of year	<u>73 003 334</u>	<u>71 470 465</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

	2010	2009
	Frw '000	Frw '000
11. DUE FROM GOVERNMENT OF RWANDA		
Consolidated debt at the beginning of the year	39 362 778	39 737 444
Recovery in the year	<u>(17 076)</u>	<u>(374 666)</u>
Consolidated debt at the end of the year	39 345 702	39 362 778
Overdraft allowed to the Government	<u>18 504 664</u>	<u>10 797 109</u>
Balance at the end of the year	<u>57 850 366</u>	<u>50 159 887</u>

The Bank signed an Agreement with the Government on 7 February 1996 to consolidate the entire Government debts amounting to Frw 34 457 billion at a rate of 2 % per annum. The amount increased to Frw 43 469 billion effective 1 August 1997 subsequent to the passing of Law No 11/97 regarding the statutes of the Bank which stipulated under its article 79, that the balance of the revaluation account as at 6 March 1995 would be consolidated with the amount of that initial debt. The recovery of the amount is done through a reduction of 30 % of the annual dividend payable to the Government commencing 2002 and interest on the debt is charged at 2% per annum on the outstanding balance.

Article No 49 of the Law No 55/2007 sets the limit of the Government of Rwanda's overdraft facility at 11 % of the ordinary Government revenues collected during the preceding fiscal year. The limit of the year 2010 was Frw 39 billion. This limit was not attained during the year. The Banks levies on the debit balance interest at a daily average inter-bank market rate.

12. ADVANCES TO BANKS

Current accounts with commercials banks	431 772	445 179
Advances to financial institutions	-	14 250
Loans to the agricultural and agro business sectors	2 444 133	2 967 970
Other short loans to local financial institutions	8 000 000	8 678 149
Accrued interest on loans to banks	<u>23 842</u>	<u>35 365</u>
	<u>10 899 747</u>	<u>12 140 913</u>

13. DUE FROM FOREIGN FINANCIAL INSTITUTIONS

Balance as at 31 December	<u>1 479 511</u>	<u>-</u>
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On 9 November 2010, the bank entered into a currency swap transaction with International Finance Corporation. The notional amount rendered by the bank was Frw 1.479 billion in exchange of USD 2.5 million.

14. LOANS AND ADVANCES TO STAFF

Loans to staff	4 156 498	4 165 223
Provision for impairment	<u>(57 909)</u>	<u>(105 550)</u>
	<u>4 098 589</u>	<u>4 059 673</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

15. INVESTMENT IN ASSOCIATE	2010	2009
	Frw '000	Frw '000
Carrying amount as at 31 December	<u>219 374</u>	<u>219 374</u>

The investment relates to capital subscribed in *Société Interbancaire de Monétique et Telecompensation au Rwanda S.A (SIMTEL)* which amounts to a shareholding of 7.98%. The shares in SIMTEL are not listed and are not available for sale.

SIMTEL is registered and domiciled in Rwanda and it offers an inter-bank network for financial communication that supports cards based payment systems, electronic funds transfers, simple bills payment system and capital market operations to banks and other financial institutions in Rwanda.

At the end of year 2006, owing to accumulated losses, National Bank of Rwanda decided to provide for the total cost of its investment in SIMTEL as impairment. In 2008, SIMTEL was restructured and National Bank of Rwanda share capital was revised from Frw 450 million to Frw 219 million which is 51.25% reduction. The shareholding changed from 26% to 7.98%.

The directors are of the opinion that from a provision of Frw 450 million on its investment in SIMTEL, the Bank will recover Frw 219 million being the new shareholding of the Bank in SIMTEL.

16. INVESTMENT PROPERTY

Cost		
At January 01 and December 31	<u>313 490</u>	<u>313 490</u>
Depreciation		
At January 01	178 524	147 175
Depreciation of the year	<u>31 349</u>	<u>31 349</u>
At December 31	<u>209 873</u>	<u>178 524</u>
Net book value at 31 December	<u>103 617</u>	<u>134 966</u>

Investment property is stated at depreciated cost. The property rental income earned by the Bank from this property is nominal on account of a preferential lease rental charged to its related company, SIMTEL. The direct operating expenses including repairs and maintenance are minimal and there are no significant contractual obligations to incur costs on repairs, maintenance or improvement thereto. The property is situated on plot number 1200 (R.C J number: 2141 KIG) and the directors are of the opinion that the net book value is a fair presentation of its market value.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

17. PROPERTY AND EQUIPMENT

2010	Land	Buildings	Motor Vehicles	Furniture and equipment	Capital work in progress	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cost/valuation						
At 1 January 2010	1 604 751	1 911 444	69 924	4 461 825	580 856	8 628 800
Additions	12 191	208 035	26 200	1 249 058	525 738	2 021 222
Transferred	-	1 106 594	-	-	(1 106 594)	-
Disposals	(63 125)	(24 702)	-	(451 326)	-	(539 153)
At 31 December 2010	1 553 817	3 201 371	96 124	5 259 557	-	10 110 869
Depreciation						
At 1 January 2010	-	1 787 957	36 655	3 477 612	-	5 302 224
Charge for the year	-	97 032	13 551	453 856	-	564 439
Disposals	-	(22 699)	-	(451 326)	-	(474 025)
At 31 December 2010	-	1 862 290	50 206	3 480 142	-	5 392 638
Net book value						
At 31 December 2010	1 553 817	1 339 081	45 918	1 779 415	-	4 718 231
2009						
2009	Land	Buildings	Motor Vehicles	Furniture and equipment	Capital work in progress	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cost/valuation						
At 1 January 2009	1 596 406	1 911 444	91 539	4 494 878	392 217	8 486 484
Additions	8 345	-	-	23 517	188 639	220 501
Disposals	-	-	(21 615)	(56 570)	-	(78 185)
At 31 December 2009	1 604 751	1 911 444	69 924	4 461 825	580 856	8 628 800
Depreciation						
At 1 January 2009	-	1 772 541	42 703	3 122 799	-	4 938 043
Charge for the year	-	15 416	15 567	410 332	-	441 315
Disposals	-	-	(21 615)	(55 519)	-	(77 134)
At 31 December 2009	-	1 787 957	36 655	3 477 612	-	5 302 224
Net book value						
At 31 December 2009	1 604 751	123 487	33 269	984 213	580 856	3 326 576

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

18. INTANGIBLE ASSETS	2010	2009
	Frw '000	Frw '000
Cost		
At 1 January and 31 December	<u>686 376</u>	<u>686 376</u>
Amortization		
At 1 January	679 413	675 491
Amortization of the year	<u>3 633</u>	<u>3 922</u>
At 31 December	<u>683 046</u>	<u>679 413</u>
Net book value at 31 December	<u>3 330</u>	<u>6 963</u>
19. OTHER ASSETS		
Charges prepaid and deferred income	609 174	880 834
Stock of consumables	161 176	195 322
Other debtors	<u>684 968</u>	<u>858 545</u>
	1 455 318	1 934 701
Provisions for bad debts	<u>(185 807)</u>	<u>(143 863)</u>
	<u>1 269 511</u>	<u>1 790 838</u>
20. CURRENCY IN CIRCULATION	2010	2009
	Frw '000	Frw '000
Currency printed and minted	201 333 060	235 986 060
Money in reserve	(48 296 700)	(115 705 976)
Cash held at the bank	<u>(48 896 040)</u>	<u>(34 120 049)</u>
	<u>104 140 320</u>	<u>86 160 035</u>

Money in reserve represents currency printed but not issued into circulation. Cash held at the Bank represents notes and coins held by the Bank's principal cashier. These two elements have been netted off against the liability for notes and coins in circulation because they do not represent currency in circulation. The cash shown at the reporting date relates only to foreign currency cash balances held by the Bank at the end of the year.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

21. GOVERNMENT DEPOSITS	2010	2009
	Frw '000	Frw '000
Government's special deposits	4 950 604	9 658 626
Deposits for letters of credit and other commitments	1 541 137	884 892
Projects and ministries' accounts	74 280 389	68 855 527
Local Government	27 807 286	16 871 363
Public institutions	5 321 242	4 011 233
Public service enterprises	5 803 400	3 165 498
Foreign currency accounts	117 018 299	94 765 627
	<u>236 722 357</u>	<u>198 212 766</u>

22. DUE TO LOCAL FINANCIAL INSTITUTIONS

Local currency deposits	17 980 669	17 469 025
Foreign currency deposits	7 004 047	7 582 594
Money market interventions	69 330 582	73 537 803
Interest payable	58 899	440 739
	<u>94 374 197</u>	<u>99 030 161</u>

The Bank, in fulfilling its principal objectives, engages in issuing and buying Treasury bills for monetary policy purposes. The amount owed to third parties in relation to mop up operations (issue of Treasury bills) is disclosed as money market interventions.

23. DUE TO THE INTERNATIONAL MONETARY FUND

International Monetary Fund Deposits	73 015 336	71 482 215
IMF Poverty Reduction and Growth Facility loans	8 809 525	8 675 497
Special Drawing Rights allocation	70 015 582	68 545 449
Interest payable	44 464	26 348
	<u>151 884 907</u>	<u>148 729 509</u>

IMF balances are maintained in special drawing rights (SDRs) which are revalued daily with other foreign currency accounts. At the close of the year, they are shown in Rwandan Francs based on the average SDR rate applicable at the statement of financial position date.

24. FOREIGN LIABILITIES

Deposits in local currency	157 371	121 067
Deposits in foreign currency	442 951	737 123
Loan from International Finance Corporation	1 486 125	-
	<u>2 086 447</u>	<u>858 190</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

25. OTHER LIABILITIES	2010	2009
	Frw '000	Frw '000
Staff deposits	927 711	760 671
Non statutory accounts in Rwandan Francs	1 566 884	2 354 360
Non statutory accounts in foreign currencies	518 722	486 963
Other payables	2 602 080	2 988 389
Provisions for contingencies	54 799	20 616
Staff leave payable	159 128	224 222
Deferred income	20 464	38 686
	<u>5 849 788</u>	<u>6 873 907</u>

26. SHARE CAPITAL

Authorized, issued and fully paid share capital	<u>7 000 000</u>	<u>7 000 000</u>
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Article 2 of Law n° 55/2007 of 30 November 2007 governing the National Bank of Rwanda fixed the share capital of the bank at 7 billion of Rwandan Francs. That share capital is entirely subscribed by the Government of Rwanda and the shares do not have a par value.

27. GENERAL RESERVE FUND

The general reserve fund is a fund into which at least 20% of the net annual profits of the Bank is transferred at the end of each financial year. This is after allowing for expenses for operation and after deducting all charges, including depreciation and estimated liabilities

28. OTHER RESERVES

Land revaluation reserves	1 412 420	1 475 545
Staff welfare fund	3 549 561	3 186 237
Fair value reserve	1 643 896	1 658 002
Translation reserve	17 405 233	7 034 488
	<u>24 011 110</u>	<u>13 354 272</u>

a) Land revaluation reserves

The Bank revalued all its land within Kigali city on 17 March 2008. The land was revalued using Kigali City Council tariff.

b) Staff Welfare Funds

The bank policy requires that 15 % of the remaining profit after constituting the General reserves should be allocated to the staff welfare fund.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

28 OTHER RESERVES - continued

c) Fair value reserves

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired. The assets are externally managed by Crown Agent Management Limited and Federal Reserve Bank

d) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the foreign financial assets and liabilities. The Bank statute stipulates that fluctuation in assets due to foreign exchange rate will be transferred to other reserves

29. DIVIDEND	2010	2009
	Frw '000	Frw '000
After the respective reporting dates, the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.		
Ordinary dividend	<u>2 058 836</u>	<u>56 925</u>

30. CASH FLOW FROM OPERATING ACTIVITIES

Net profit of the year	13 398 444	3 736 915
<i>Adjustment for:</i>		
Depreciation of property and equipment	564 439	441 315
Amortization of software	3 633	3 922
Depreciation of investment property	31 349	31 349
Gain on sale of property equipment	(198 981)	(4 518)
Revaluation gain on IMF quota	(1 532 869)	(2 178 540)
Foreign exchange revaluation gain	(10 370 745)	(3 653 202)
Cash from operating profit before working capital change	1 895 270	(1 622 759)
Change in amount due from Government of Rwanda	(7 690 479)	(10 422 443)
Change in advances to banks	1 241 166	(9 277 109)
Change in due from foreign financial institutions	(1 479 511)	-
Change in loans and advances to staff	(38 916)	(372 393)
Change in other assets	521 327	(900 424)
Change in Government Deposits	38 509 591	(3 771 184)
Change in due to local financial institutions	(4 655 964)	55 871 977
Change in due to International Monetary Fund	3 155 398	61 142 002
Change in foreign liabilities	1 228 257	(482 102)
Change in other liabilities	(1 024 119)	346 719
Net cash from operating activities	31 662 020	90 512 284

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

31. CASH AND CASH EQUIVALENTS	2010	2009
	Frw '000	Frw '000
Cash balances	1 530 077	1 156 033
Foreign assets	481 329 713	423 581 976
Adjustment for changes in fair value	<u>(1 562 886)</u>	<u>(1 640 117)</u>
	<u>481 296 904</u>	<u>423 097 892</u>

32. RELATED PARTY TRANSACTIONS

In the course of its operations, the Bank enters into transactions with related parties. Those include the Government of Rwanda as its sole shareholder. Unless otherwise stated, all transactions between these entities take place at arm's length and with reference to market rates.

a) Transactions with the Government of Rwanda

Transactions entered into with the Government include:

- Banking services;
- Management of issues and redemption of securities;
- Settlements and remittances in foreign currencies by order and/or in favor of the Government of Rwanda.

The Bank charges a fee of Frw 1,000 for maintaining the Government accounts. Further, Government accounts do not generate interest income. However, the Bank earns commissions on all foreign currency transactions carried out on behalf of the Government. As at the close of business on 31 December, the following balances, which are included in various statements of financial position categories, were outstanding:

	2 010	2 009
	Frw '000	Frw '000
Due from Government of Rwanda (Note 11)	57 850 366	50 159 887
Government of Rwanda deposits (Note 21)	<u>236 722 357</u>	<u>198 212 766</u>

b) Staff loans

The Bank extends loans facilities to members of staff including the senior management. At 31 December 2010, loans and advances to employees amounted to Frw 4 098 589 352. (2009: Frw 4 059 673 195). The advances are at a preferential interest rate determined by the Bank.

c) Loans to Directors

At 1 January	142 372	72 148
New loans during the period	8 500	88 825
Loans repayments	<u>(27 124)</u>	<u>(18 601)</u>
At 31 December	<u>123 748</u>	<u>142 372</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

32. RELATED PARTY TRANSACTIONS-(continued)

	Frw '000	Frw '000
	2010	2009
d) Director's emoluments		
Fee to non executive directors	12 880	12 857
Other remuneration to executive directors	<u>82 500</u>	<u>62 316</u>
e) Other related party transaction		
Rental income from SIMTEL	<u>7 587</u>	<u>6 135</u>

33. GOVERNMENT AND OTHER DONORS GRANTS AND ASSISTANCE

Equipment grants	Machinery	Computer equipment	Furniture and fittings	Total
	Frw '000	Frw '000	Frw '000	Frw '000
At 1 January 2010	23 826	12 321	2 538	38 685
Recognized during the year	<u>(6 808)</u>	<u>(8 867)</u>	<u>(2 538)</u>	<u>(18 213)</u>
As at 31 December 2010	<u>17 018</u>	<u>3 454</u>	<u>-</u>	<u>20 472</u>

Government grant relates to assets that belonged to the National Insurance Commission which were given to the Bank when activities of the Commission were transferred to the National Bank of Rwanda.

Revenue Grant from the Government of Rwanda

The Government refunds interest on money market intervention paid by the Bank as part of its principal mission of stabilizing the value of the Rwandan currency. Revenue grant also includes contribution of the Government of Rwanda through the Ministry of Commerce for inter-border business. These revenue grants from the Government of Rwanda amounted to Frw 4 095 million as at 31 December 2010 (2009: Frw 2 139 million)

Other form of Government assistance

The Bank receives other different forms of assistance from the Government. The assistance is in form of land where the head office is built and others that cannot reasonably have a value placed upon them while other transactions with government which cannot be distinguished from the normal trading transactions of the entity, such as procurement through the National Tender Board, protection of its assets by National Police, refunds for money market intervention and monetary policy measures among others.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT POLICIES

The Bank's risk management policies and practices have been developed and cover all its business activities. They are supported by a very strict management culture and a strong commitment to active risk management by senior management and the departmental directors.

The Bank holds foreign exchange reserves for the purposes of servicing official foreign debt, paying non-government debt and National Bank of Rwanda expenditures abroad, and occasional intervention in the foreign exchange market to smoothen exchange rate movements.

The Bank can only intervene in the foreign exchange market when there are sharp exchange rate movements which are likely to destabilize the financial market.

In view of the Bank's reserve management policy of safe investment, liquidity, and return, respectively, the Bank, with a prudent approach, subjects its foreign exchange reserves to investments in international markets.

In this framework, almost all the financial risks to which the Bank is exposed arise while fulfilling its duties of managing foreign exchange reserves and rendering certain banking services to the banking sector and the Government of Rwanda

The Bank is exposed to credit, market, and liquidity risks due to the aforementioned operations. The financial risks that arise during the management of foreign exchange reserves are the outcome of an investment choice. Nevertheless, the Bank endeavours to minimize such risks by managing them with a conservative approach.

The bank risk management policies and practices are driven by the following principles which are applied to all these different types.

- Board oversight: The investment and operational policies and guide lines have to be approved by the Board of Directors and are subject to review from time to time.
- Review by senior management: All activities, including those involving any risk and management of investment of external reserves, are subject to review and approval by the senior management.
- Diversification: Investment policies and limits are set with a view to ensuring that risks are well diversified.
- Assessment: Policies and processes have been established to ensure that risks are properly assessed.
- Review and reporting: Risk profiles of counterparties and portfolios are subject to ongoing review and reporting to the senior management and to the Board of Director.

Individual risks, portfolio and operational risks are subject to comprehensive Internal Audit Department review, with independent reporting to senior management.

The following are the main types of risks that the Bank is exposed to in the course of executing its operations:

- Credit risk
- Liquidity risk
- Market risk:
 - Interest risk
 - Foreign currency exchange risk
- Operational risk

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT POLICIES (Continued)

Credit risk

During its financial operations, the Bank is exposed to credit risk, defined as the probability of a complete or partial failure of counterparty to fulfil its obligations arising from a financial transaction. The credit risk basically originates from the investments made of deposit placements, if on their maturity the depository bank is unable to pay.

The management of the credit risk that the Bank is exposed to during the foreign exchange reserve management is based on the principle of minimizing default probabilities of the counterparties and the financial loss in case of default.

The bank lends only to the Rwandan Government, the local banks and financial institutions. Credits to banks and other financial institutions are for a very short term and are covered by guaranties. NBR requires deposits totalizing 100 % of the total amounts of letters of credit opened and/or confirmed. It requires guaranties in case of issuing off balance sheet liabilities.

	2010	2009
	Frw' 000	Frw' 000
Cash and cash equivalents	1 530 077	1 156 033
Foreign assets	481 329 713	423 581 976
International Monetary Fund	73 003 334	71 470 465
Due from the Government of Rwanda	57 850 366	50 159 887
Advances to banks	10 899 747	12 140 913
Due from foreign financial institutions	1 479 511	-
Loans and advances to staff	4 098 589	4 059 673
	<u>630 191 337</u>	<u>562 568 947</u>

Analysis of staff loans and advances, and Government overdraft

Individually impaired:

Staff loans	15 898	11 892
Allowance for impairment	<u>(8 006)</u>	<u>(5 374)</u>
	<u>7 892</u>	<u>6 518</u>

Loans past due but not impaired

Past due upto 30 days	12 716	69 680
Past due 31 – 60 days	126 255	8 492
Past due 61 – 90 days	<u>17 162</u>	<u>13 399</u>
	<u>156 133</u>	<u>91 571</u>

Loans neither past due nor impaired

Staff loans and advances	3 984 467	4 061 760
Government Overdraft	<u>18 504 664</u>	<u>10 797 108</u>
	<u>22 489 131</u>	<u>14 858 868</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. **RISK MANAGEMENT POLICIES (Continued)**

Liquidity risk

Liquidity risk is defined as having difficulty in finding sufficient cash to meet the commitments that are due or being compelled to convert assets into cash at a price lower than their fair value. The choice of the types of instruments to invest the reserves in is part of liquidity risk management.

In order to manage liquidity risk, the Bank invests its surplus reserves in time deposits with maturities concentrated in short-term maturity span of one to three months. The portfolio is structured in such a manner that a mix of deposits matures every week to ensure availability of funds to meet scheduled government and the Bank's obligations.

NATIONAL BANK OF RWANDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

34. RISK MANAGEMENT (Continued)

Liquidity risk – continued

The table below analyses liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date

As at 31 December 2010	On demand Frw'000	Due within 3 months Frw'000	Due between 4 - 12 months Frw'000	Due between 1 to five years Frw'000	Due after 5 years Frw'000	Total Frw'000
Liabilities						
Currency in circulation	-	-	-	-	104 140 320	104 140 320
Government deposits	231 252 228	5 470 129	-	-	-	236 722 357
Due to local financial institutions	24 984 716	67 958 899	1 430 582	-	-	94 374 197
Due to International Monetary Fund	-	96 505	312 064	4 838 909	146 637 429	151 884 907
Foreign liabilities	600 322	-	-	1 013 267	472 858	2 086 447
Total exposure	256 837 266	73 525 533	1 742 646	5 852 176	251 250 607	589 208 228
As at 31 December 2009						
Currency in circulation	-	-	-	-	86 160 035	86 160 035
Government deposits	190 837 905	7 374 861	-	-	-	198 212 766
Due to local financial institutions	25 051 620	70 601 464	3 377 077	-	-	99 030 161
Due to International Monetary Fund	-	26 348	53 536	1 980 839	146 668 786	148 729 509
Foreign liabilities	858 190	-	-	-	-	858 190
Total exposure	216 747 715	78 002 673	3 430 613	1 980 839	232 828 821	532 990 661

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT (Continued)

Foreign currency exchange rate risk

Foreign currency exchange rate risk signifies the probability of incurring a loss stemming from adverse market movements, usually in interest rates, currency exchange rates, and asset prices

The Bank has put in place a foreign reserve management committee. Generally, the Bank manages risks through prudent management of its assets and liabilities by ensuring long foreign exchange position especially for the United States of America dollars (US\$) for which the exchange rate is relatively stable in comparison to other foreign currencies and hence limiting exchange positions for other currencies.

The Bank's assets are maintained in US\$ given that most transactions with correspondent banks are carried out in this currency. The Bank manages country exchange reserves and places deposits in AAA sovereign assets and supranational organisations.

Structurally, the Bank's exchange positions by currency are long except for transferable positions in Special Drawing Right and in Rwandan Francs that are short. Thus, when exchange rates vary upward, the Bank makes a gain. On the other hand, if there is variation of exchange rates downward, the Bank makes a loss.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT (Continued)

Foreign currency exchange rate risk - continued

The various foreign currencies to which the Bank was exposed at 31 December 2010 are summarized below all expressed in thousand Francs:

	USD Frw '000	EURO Frw '000	GBP Frw '000	SDR Frw '000	Others Frw '000	TOTAL Frw '000
Foreign assets	371 744 416	29 818 499	3 076 724	76 124 288	565 786	481 329 713
International Monetary Fund Quota	-	-	-	73 003 334	-	73 003 334
Cash balance	848 381	480 107	189 231	-	12 358	1 530 077
Total assets	372 592 797	30 298 606	3 265 955	149 127 622	578 144	555 863 124
Liabilities						
Due to International Monetary Fund	-	-	-	151 884 907	-	151 884 907
Liabilities with residents	98 659 967	24 281 322	1 065 222	-	18 579	124 025 090
Liabilities with non residents	1 958 497	487 271	862 471	105	159 438	3 467 782
Total liabilities	100 618 464	24 768 593	1 927 693	151 885 012	178 017	279 377 779
Net exposure	271 974 333	5 530 013	1 338 262	(2 757 390)	400 127	276 485 345

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT (Continued)

Foreign currency exchange rate risk - continued

The various foreign currencies to which the Bank was exposed at 31 December 2009 are summarized below all expressed in thousand Francs:

	USD Frw '000	EURO Frw '000	GBP Frw '000	SDR Frw '000	Others Frw '000	TOTAL Frw '000
Foreign assets	313 052 794	32 558 206	2 799 106	74 543 573	628 296	423 581 975
International Monetary Fund Quota	-	-	-	71 470 465	-	71 470 465
Cash balance	1 005 127	121 650	16 580	-	12 676	1 156 033
Total assets	314 057 921	32 679 856	2 815 686	146 014 038	640 972	496 208 473
Liabilities						
Due to International Monetary Fund	-	-	-	148 755 857	-	148 755 857
Liabilities with residents	69 854 328	30 915 147	2 047 243	-	19 486	102 836 204
Liabilities with non residents	514 487	558 452	-	102	121 067	1 194 108
Total liabilities	70 368 815	31 473 599	2 047 243	148 755 959	140 553	252 786 169
Net exposure	243 689 106	1 206 257	768 443	(2 741 921)	500 419	243 422 304

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34. RISK MANAGEMENT (Continued)

Currency risk - continued

Sensitivity analysis on currency risk

Currency risk is the risk of loss resulting from changes in exchange rates. The Bank has assets and liabilities in various currencies; however, the most significant exposure arises from assets denominated in the US dollar, GBP and Euro currencies. The following table demonstrates the sensitivity to reasonably possible change in the Frw/ US dollar exchange rate, with all other variables held constant, of the Bank's profit earned.

The following significant exchange rates applied during the year:

Currency	Closing rate		Average rate	
	2010	2009	2010	2009
USD	594.45	571.24	583.26	568.29
EURO	780.10	818.41	774.17	792.65
GBP	915.22	905.53	901.58	889.97
SDR	911.40	892.27	889.99	876.52

A 5% percent strengthening of the Rwanda Francs against the following currencies would have increased/(decreased) equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009:

Currency	2010	2009
	Frw'000	Frw'000
USD	(13 598 717)	(12 184 455)
EURO	(276 501)	(60 313)
GBP	(66 913)	(38 422)
SDR	137 870	137 096

Interest risk

Interest rates risk on currencies lies in the fact that, on one hand interest rates on short-term placements (generally for 1 to 3 months) can diminish and create a loss and on the other hand, interest on liabilities can increase.

The existing legal provisions cover the Bank against all risks relating to interest rates. Article 50 of the Bank's charter provides that "credit balances in the accounts opened at the National Bank do not generate interest". However, Article 49 of the Bank's charter provides that the Bank shall levy on debit balances interest computed at the daily average of inter-bank interest rate.

When commercial banks have excess liquidity, the Bank continues its market intervention policy of short term interest earning deposits (mop up deposits) to encourage the commercial banks to invest/deposit the excess funds at the Bank. This is aimed at bringing monetary stability in the economy.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34 RISK MANAGEMENT (Continued)

Interest risk

This table shows the extent to which the Bank's interest rate exposures on assets and liabilities are matched. Items are allocated to time bands by reference to the earlier of the next contractual interest rate reprising date and maturity date.

As at 31 December 2010	Note	3 months or less Frw'000	3 months to 12 months Frw'000	Over one year Frw'000	Non interest bearing Frw'000	Total Frw'000
ASSETS						
Cash balance		-	-	-	1 530 077	1 530 077
Foreign assets	9	479 736 868	1 531 199	-	61 646	481 329 713
International Monetary Fund quota	10	-	-	-	73 003 334	73 003 334
Due from Government of Rwanda	11	18 504 664	617 651	38 728 051	-	57 850 366
Advances to banks	12	4 564 022	4 008 485	1 895 468	431 772	10 899 747
Due from foreign financial institutions	13	-	-	1 479 511	-	1 479 511
Loans and advances to staff	14	105 543	236 440	3 587 190	169 416	4 098 589
TOTAL ASSETS		502 911 097	6 393 775	45 690 220	75 196 245	630 191 337

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34 RISK MANAGEMENT (Continued)

Interest risk - continued

As at 31 December 2010	Note	3 months or less Frw '000	3 months to 12 months Frw '000	Over one year Frw '000	Non interest bearing Frw '000	Total Frw '000
LIABILITIES						
Currency in circulation	20	-	-	-	104 140 320	104 140 320
Government deposits	21	-	-	-	236 722 357	236 722 357
Due to local financial institutions	22	67 958 899	1 430 582	-	24 984 716	94 374 197
Due to International Monetary Fund	23	44 464	408 569	78 416 538	73 015 336	151 884 907
Foreign liabilities	24	-	-	1 486 125	600 322	2 086 447
Total liabilities and equity		68 003 363	1 839 151	79 902 663	439 463 051	589 208 228
Interest sensitivity gap 2010		434 907 734	4 554 624	(34 212 443)	(364 266 806)	40 983 109

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

34 RISK MANAGEMENT (Continued)

Interest risk - continued

As at 31 December 2009	Note	3 months or less Frw '000	3 months to 12 months Frw '000	Over one year Frw '000	Non interest bearing Frw '000	Total Frw '000
ASSETS						
Cash balance		-	-	-	1 156 033	1 156 033
Foreign assets	9	417 210 741	6 351 220	-	20 015	423 581 976
International Monetary Fund quota	10	-	-	-	71 470 465	71 470 465
Due from Government of Rwanda	11	10 797 108	16 997	39 345 782	-	50 159 887
Advances to banks	12	570 229	8 451 139	2 639 001	480 544	12 140 913
Loans and advances to staff	14	102 991	304 510	3 476 770	175 403	4 059 674
TOTAL ASSETS		428 681 069	15 123 866	45 461 553	73 302 460	562 568 948
LIABILITIES						
Currency in circulation	20	-	-	-	86 160 035	86 160 035
Government deposits	21	-	-	-	198 212 766	198 212 766
Due to local financial institutions	22	70 601 464	3 377 077	-	25 051 620	99 030 161
Due to International Monetary Fund	23	-	53 536	77 193 757	71 482 216	148 729 509
Foreign liabilities	24	-	-	-	858 190	858 190
TOTAL LIABILITIES		70 601 464	3 430 613	77 193 757	381 764 827	532 990 661
Interest sensitivity gap		358 079 605	11 693 253	(31 732 204)	(308 462 367)	29 578 287

34 RISK MANAGEMENT (Continued)

Interest risk - continued

Sensitivity analysis on interest rate risk

Interest rate risk is the risk of loss resulting from changes in interest rates, including changes in the shape of yield curves. The Bank bases its analysis on the interest sensitivity gap above. The sensitivity computations assume that financial assets maintain a constant rate of return from one year to the next. The effect on profit due to reasonable possible changes in interest rates, with all other variables held constant, is as follows:

Operational risk

Operational risk is the risk of loss due to human or system errors, incompatibility or failure of internal business processes, or external events. The Bank seeks to minimize losses from operational risk by establishing effective internal control systems which prevent or detect all errors and situations which might cause loss through failure of people or processes in such a way that losses are avoided or reduced to the minimum possible extent. The Bank has assigned the responsibility for managing operational risks to the management of the departments.

Human Resource risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas. The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes workshops, seminars, conferences and job attachments to its staff as an effort to improve its human resource requirements.

Legal risk

Legal risks arise from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counter parties. These are the risks that the Bank may not be complying fully with the relevant laws and legislations. The Bank aims at minimizing such uncertainties through continuous consultations with all relevant parties. In mitigating these types of the risks, the Bank ensures that all business agreements are subjected to extensive legal reviews before contracting.

Reputation risk

The concern about reputation flows from the fact that the Bank is a public institution with important responsibilities for stability in the value of money, the soundness and efficiency of the financial system and the issue of currency (notes and coins). All of these matters have direct impact on all citizens and the credibility and the reputation of the Bank is an important factor in the successful fulfilment of these responsibilities.

In managing this risk, the Bank adheres to the best practices and applies principles of sound corporate governance. It also ensures that all key staff has a clear understanding of the appropriate processes in respect of the best practice and principles of good corporate governance.

The Bank therefore, sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines are periodically reported to different levels of the Bank's Management for Control and Compliance Monitoring.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

35. FAIR VALUE

In the opinion of the directors, the fair values of the Bank's financial assets and liabilities approximate their respective carrying amounts. Fair values are based on discounted cash flows using a discount rate based on the borrowing rate that directors expect would be available to the Bank at the reporting date.

36. COMMITMENTS AND CONTINGENT LIABILITIES

Contingencies:

The Bank is a party to legal proceedings with former employees. Having regard to the legal advice received, and in all circumstances, the management is of the opinion that these legal proceedings will not give rise to liabilities, which in aggregate, would otherwise have material effect on these financial statements.

	2010 Frw '000	2009 Frw '000
Commitments		
Contracted for	<u>27 355 748</u>	<u>61 459 634</u>
Authorized and not contracted for	<u>152 197</u>	<u>59 281</u>

37. OFF BALANCE SHEET ITEMS

Currency printed and minted	201 333 061	235 986 061
Rwanda Government debts	126 954 285	58 567 604
Letters of credits opened	23 295 614	61 384 907
Other off balance sheet accounts	<u>652 180</u>	<u>583 153</u>
	<u>352 235 140</u>	<u>356 521 725</u>

STATISTICAL APPENDICES

MAJOR INDICATORS OF NATIONAL ECONOMY

Table 1

Description	2 004	2 005	2 006	2 007	2 008	2 009	2010est.
Current GDP (in Rwf billion)	1 206.2	1 439.8	1 716.5	2 046.2	2 578.9	2 992.1	3 281.7
of which : primary sector, in % of GDP	36.6	38.4	38.4	35.6	32.4	33.8	32.2
Secondary sector, in % of GDP	13.9	14.1	13.8	13.9	14.8	14.4	14.9
Tertiary sector, in % of GDP	41.2	41.4	42.0	44.6	46.5	45.6	46.7
Constant GDP (in Rwf billion ,2006)	1 436.8	1 571.4	1 716.4	1 848.7	2 063.5	2 187.0	2 351.1
Growth rate (in %)	7.4	9.4	9.2	7.7	11.6	6.0	7.5
of which : primary sector	1.8	6.5	2.8	2.7	6.4	7.7	4.9
Secondary sector	15.5	9.3	11.7	9.1	15.1	1.3	8.3
Tertiary sector	10.2	11.9	13.3	12.3	14.8	5.7	9.5
Inflation rate	12.0	9.1	8.9	9.1	15.4	10.3	2.4
Current GDP per capita (In USD)	242.2	288.6	332.6	391.4	479.6	520.5	540.5
Growth rate (in %)	10.1	19.2	15.2	17.7	22.5	8.5	3.8
	45.6						
USES OF GDP(constant), in %	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Private Consumption	80	80	80.0	80	79	81	83
Public Consumption	18	18	18.0	17.0	14.00	15	15
Gross Domestic Investment	15	16	16.0	18.0	23.00	22	21
Resource Balance	-14	-14	-14	-15	-16	-17	-20
Balance of current payments (+net transfers), in % of GDP	-1.9	-2.2	-4.3	-2.2	-5.2	-8.2	-7.0
Gross reserves, in number of months of imports of goods and non factor services(GNFS)	7.3	7.6	6.8	7.0	5.1	6.2	6.0
Tax revenues, in % of GDP	11	11	11	12.00	13	12	13
Budget deficit (cash basis), in % of GDP	-1.6	-0.5	-1.0	-1.3	0.1	-1.3	-2.0
External debt stock(USD million)	1 588.2	1 496.0	481.7	566.7	665.55	736.6	766.59
External debt Service in % of export earnings	42.3	40.4	23.9	7.1	5.6	7.5	6.0

Source: BNR, Statistics Department

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Nominal)
(In Rwf billion , at current prices)

Table 2

DESCRIPTION	2004	2005	2006	2007	2008	2009	2010est.
Agriculture	465.1	552.8	659.7	729.2	834.4	1 012.3	1 056.8
Food crop	396.0	466.9	545.5	618.9	692.3	857.7	891.2
Export crops	12.9	18.0	25.3	18.0	23.9	22.9	27.7
Livestock	25.6	27.5	30.9	32.9	41.8	49.2	50.8
Forestry	26.1	35.2	52.0	52.8	67.8	72.5	75.8
Fisheries	4.5	5.2	6.0	6.7	8.6	10.0	11.2
Industry	167.4	202.5	236.2	285.2	382.4	430.4	491.3
Mining and Quarrying	8.2	10.0	11.0	20.7	24.6	15.7	21.5
Manufactured goods	83.7	101.2	116.7	124.7	158.7	190.2	217.7
of which: Foodstuffs,beverages and tobacco	53.5	66.7	77.1	80.3	105.9	136.1	152.4
Others	30.2	34.6	39.6	44.4	52.8	54.1	65.3
Electricity, Gas, and Water	1.4	2.9	3.4	7.9	5.3	5.7	7.1
Construction	74.2	88.3	105.1	131.8	193.7	218.8	245.0
Services	496.6	595.7	720.3	912.4	1 198.2	1 364.7	1 534.2
Wholesale and retail trade,Restaurants and hotels	146.7	187.4	232.8	288.6	415.4	448.7	500.0
Transport, storage and communication	73.6	90.2	116.6	144.7	196.6	223.4	256.5
Finance, Insurance,Real Estate,Business services	131.2	145.6	162.4	230.6	300.6	350.6	379.5
Public Administration	68.5	74.6	86.6	97.3	111.7	128.0	149.1
Education	42.7	58.7	76.1	94.6	107.7	139.8	164.8
health	21.2	20.9	22.8	29.7	36.3	43.9	51.5
Others services	12.8	18.3	23.1	27.0	30.0	30.3	32.8
Less: Bank service charges	-17.1	-19.3	-23.6	-31.3	-40.0	-41.0	-49.6
Plus: VAT and Other taxes on products	94.2	108.3	123.9	150.7	203.9	225.7	249.1
GROSS DOMESTIC PRODUCT	1 206.2	1 439.8	1 716.5	2 046.2	2 578.9	2 992.1	3 281.7

Source: National Institute of Statistics of Rwanda (INSR)

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real)
(In Rwf billion , at 2006 constant prices)

Table 3

DESCRIPTION	2004	2005	2006	2007	2008	2009	2010est.
Agriculture	602.89	641.99	659.73	677.29	720.69	776.23	814.48
Food crop	498.54	537.87	545.52	567.46	602.87	659.48	691.87
Export crops	24.61	19.08	25.34	17.95	23.21	19.66	22.45
Livestock	28.34	29.58	30.87	32.30	33.41	34.20	35.56
Forestry	44.42	48.12	51.99	53.41	54.87	56.37	57.91
Fisheries	5.70	5.85	6.00	6.17	6.34	6.51	6.69
Industry	193.46	211.37	236.16	257.77	296.66	300.56	326.01
Mining and Quarrying	9.75	12.71	10.96	15.65	13.19	10.83	9.66
Manufactured goods	94.91	102.94	116.71	117.63	124.19	128.01	139.68
of which: Foodstuffs,beverages and tobacco	61.11	68.37	77.15	74.52	78.92	83.28	88.85
Others	33.13	34.21	39.56	43.11	45.28	44.73	50.83
Electricity, Gas, and Water	4.37	3.88	3.38	3.55	4.19	4.43	5.52
Construction	85.20	92.93	105.12	120.94	155.09	157.29	171.15
Services	568.17	635.70	720.20	808.84	928.65	981.84	1 075.62
Wholesale and Retail trade,Restaurants and Hotels	167.76	195.61	232.78	262.45	308.58	316.09	341.92
Transport, Storage and Communication	81.44	95.12	116.56	134.06	166.26	181.38	197.02
Finance, Insurance,Real estate and Business services	144.67	153.43	162.36	180.87	202.01	212.40	227.40
Public Administration	77.30	79.26	86.57	91.79	96.29	102.97	116.87
Education	60.41	71.44	76.06	87.29	99.45	109.96	126.33
health	21.86	21.13	22.83	26.09	29.21	33.63	38.90
Others services	14.37	19.30	23.04	26.28	26.84	25.41	27.19
Less: Bank Service Charges	-20.35	-21.05	-23.59	-28.62	-31.47	-29.51	-34.79
Plus: VAT and Other taxes on products	107.20	113.96	123.92	133.48	148.98	157.90	169.74
GROSS DOMESTIC PRODUCT	1 436.8	1 571.4	1 716.4	1 848.7	2 063.5	2 187.0	2 351.1

Source: National Institute of Statistics of Rwanda (INSR)

Table 4

USES AND RESOURCES OF GDP (nominal)
(In Rwf billion)

	2004	2005	2006	2007	2008	2009	2010
Gross Domestic Product	1 206.2	1 439.8	1 716.5	2 046.2	2 578.9	2 992.1	3 281.7
Final Consumption Expenditure	1 189.6	1 410.9	1 686.0	1 975.3	2 399.9	2 866.9	3 240.9
Public Administration	221.4	261.7	311.5	337.9	378.4	434.1	506.8
Private (including change of stocks)	968.3	1 149.2	1 374.5	1 637.4	2 021.6	2 432.7	2 734.1
Gross Domestic Investment	181.1	227.4	274.7	369.1	585.0	644.8	688.8
Gross Fixed capital formation	181.1	227.4	274.7	369.1	585.0	644.8	688.8
Construction	135.0	165.8	204.1	257.4	382.3	431.6	484.5
Equipment (durable goods)	46.3	61.4	70.5	111.7	202.7	213.2	204.3
Resource Balance	-164.5	-198.5	-244.2	-298.2	-406.0	-519.6	-648.0
Exports (gnfs)	134.2	164.5	189.8	224.4	372.0	346.7	355.9
Goods (fob)	54.8	67.1	78.5	92.8	142.3	109.4	148.5
Non factor Services	79.4	97.4	111.3	131.6	229.6	237.3	207.3
Imports (gnfs)	298.7	363.0	434.0	522.6	778.0	866.3	1 003.8
goods (fob)	161.8	205.0	249.7	323.6	493.3	572.1	678.7
Non factor Services	136.9	158.1	184.3	199.0	284.7	294.2	325.2
USES AND RESOURCES OF GDP (real) (In billions of Rwf constant prices, 2006)							
	2004	2005	2006	2007	2008	2009	2010
Gross Domestic Product	1 440.7	1 574.5	1 716.5	1 848.8	2 063.6	2 187.1	2 351.1
Final Consumption Expenditure	1 365.1	1 487.5	1 686.0	1 818.5	1 927.6	2 113.0	2 322.6
Public Administration	260.0	284.7	311.5	333.1	365.4	399.0	393.1
Private (including change of stocks)	1 103.5	1 201.0	1 374.5	1 485.5	1 561.9	1 713.8	1 929.7
Gross Domestic Investment	202.5	233.6	274.7	344.2	454.7	467.1	501.2
Gross Fixed capital formation	202.5	233.6	274.7	344.2	454.7	467.1	501.2
Construction	155.1	174.5	204.1	236.1	306.1	310.3	338.4
Equipment (durable goods)	46.9	59.0	70.5	108.0	148.6	156.9	162.8
Resource Balance	-135.9	-155.9	-244.2	-313.5	-318.4	-392.4	-476.5
Exports (gnfs)	165.8	184.3	189.8	194.5	266.5	240.4	245.3
Goods (fob)	72.1	78.6	78.5	73.6	82.6	69.2	100.1
Non factor Services	94.3	106.1	111.3	120.7	183.0	170.4	145.3
Imports (gnfs)	296.2	334.4	434.0	508.6	584.7	633.6	717.6
goods (fob)	160.4	188.8	249.7	313.3	369.2	418.0	485.3
Non factor Services	135.7	145.6	184.3	195.2	215.4	215.5	232.1

Source : National Institute of Statistics of Rwanda

MONTHLY EVOLUTION OF CONSUMER PRICE INDEX
(For the general index and the divisions index)

Table. 5

Base 100 : February 2009

Divisions	Weights	2 010											
		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
01. Food and non-alcoholic beverages	3 538	103.8	102.1	103.1	104.0	104.5	104.6	102.5	102.7	106.1	104.4	105.8	103.3
- Bread and cereals	733	102.5	100.4	99.8	97.6	96.4	94.6	90.8	87.5	87.4	85.8	89.0	90.2
- Meat	274	94.5	95.2	93.8	94.8	94.7	94.8	95.1	95.5	96.4	99.0	99.2	100.2
- Fish	83	102.5	103.8	102.9	105.8	108.3	111.8	115.4	111.6	113.5	112.7	114.9	114.0
- Vegetables	1 200	105.1	103.5	108.4	112.0	114.7	115.5	116.7	117.8	127.2	120.3	118.8	107.8
- Non-alcoholic beverages	160	98.1	99.0	98.2	99.3	98.2	98.3	97.7	99.7	97.8	97.0	98.9	97.5
02. Alcoholic beverages and tobacco	240	109.1	108.5	112.2	112.4	112.7	111.1	110.2	111.8	111.4	111.9	112.8	112.5
03. Clothing and footwear	377	100.9	100.8	100.9	101.0	100.7	100.7	101.3	101.3	101.3	101.7	102.1	102.6
04. Housing, water, electricity, gas and other fuels	2 204	100.4	99.3	99.2	100.2	101.2	102.9	102.2	102.3	103.1	103.5	103.0	101.9
05. Furnishing, household equipment and routine household maintenance	457	98.6	99.1	98.2	98.9	98.8	98.7	97.8	97.4	97.1	96.4	97.2	96.7
06. Health	163	102.0	102.2	102.3	102.7	102.1	102.3	101.0	100.5	100.4	100.6	100.4	100.0
07. Transport	1 189	111.4	112.0	112.2	112.4	112.8	112.7	112.8	112.6	113.0	113.3	115.2	116.0
08. Communication	288	98.5	99.5	99.4	99.7	99.4	99.9	100.1	99.9	100.5	99.2	97.4	97.7
09. Recreation and culture	256	101.2	101.0	100.7	101.7	101.9	101.1	100.5	100.4	99.9	101.4	101.7	100.9
10. Education	331	100.0	106.9	106.4	106.4	106.4	106.4	106.4	106.5	106.5	106.5	106.5	106.5
11. Restaurants and hotels	558	101.5	102.4	103.2	101.9	103.7	103.5	103.9	103.5	102.1	102.1	101.8	100.8
12. Miscellaneous goods and services	400	96.4	96.0	95.6	95.7	95.8	96.2	97.4	97.7	97.1	96.8	98.6	98.6
GENERAL INDEX	10 000	102.9	102.5	102.9	103.4	104.0	104.3	103.5	103.5	104.8	104.3	105.0	103.9
Monthly changes		-0.7	-0.5	0.4	0.5	0.5	0.3	-0.8	0.1	1.2	-0.5	0.7	-1.1
Changes over 12 months		4.5	2.5	2.1	2.7	4.2	5.0	3.0	2.0	1.5	0.2	0.2	0.2

Source : BNR, Statistics Department

Monthly Evolution of Producer Price Index

Table 6

Fourth quarter 2003 = 100

ISIC. Rev.3	Group of Activity	Weights	YEAR 2010											
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
1511-1600	Food Products, Beverages and Tobacco	456	153.9	153.7	155.3	162.1	163.3	163.3	163.2	162.8	162.9	163.2	163.7	164.3
1511-1542	Food Products	129	153.5	153.5	156.9	163.6	163.5	163.3	163.4	162.7	162.7	161.8	162.3	162.4
1511	Production, processing and preserving of meat and meat products	3	189.6	189.6	189.5	182.1	181.6	180.9	181.3	178.8	178.9	175.6	177.4	178.0
1513	Processing and preserving of fruits and vegetables	8	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9
1520	Manufacture of dairy products	32	151.4	151.4	151.4	168.5	168.5	168.5	168.5	168.5	168.5	168.5	168.5	168.5
1531-1533	Manufacture of grain mill and animal feeds products	27	196.2	196.2	196.2	196.9	196.9	196.9	212.1	212.1	212.1	212.1	212.1	212.1
1541	Manufacture of bakery products, pastry, biscuits	13	184.9	184.9	184.7	152.1	151.8	148.3	150.6	150.9	151.4	149.7	152.4	153.4
1542	Manufacture of sugar	45	205.4	205.4	205.4	172.9	172.9	172.9	172.9	172.9	172.9	172.9	172.9	172.9
1552-1600	Beverages and Tobacco	327	187.9	187.9	187.9	192.2	191.0	191.0	180.2	172.9	172.8	164.3	167.8	169.0
1552-1600	Manufacture of beer, soft drinks and tobacco	327	139.2	139.2	144.0	156.3	156.3	156.3	156.3	156.3	156.3	156.3	156.3	156.3
1711-3610	Others than Food, Beverages and Tobacco	544	139.2	139.2	144.0	156.3	156.3	156.3	156.3	156.3	156.3	156.3	156.3	156.3
1711-1920	Manufacture of textiles, wearing apparel, tanning and dressing of leather	47	154.3	153.9	154.0	160.8	163.1	163.3	163.0	162.9	163.1	164.5	164.9	165.9
2029-2221	Manufacture of paper and paper products, publishing of books, newspapers	40	146.2	146.2	146.2	146.3	146.5	146.7	147.2	146.8	146.4	161.2	165.4	175.2
2422-2429	Manufacture of chemical products	172	124.3	120.1	121.6	123.9	143.0	145.0	144.2	143.0	145.0	145.0	145.0	145.0
2511-2520	Manufacture of plastic products, tubes, retreading and rebuilding of rubber tyres	45	136.5	136.5	136.5	145.7	148.6	148.6	148.6	148.6	148.8	148.4	148.5	149.1
2693-2695	Manufacture of ceramic products, cement, lime and artiles of concrete	126	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3
2811-2899	Manufacture of fabricated metal products	70	182.5	182.5	182.5	196.0	196.0	196.0	196.0	196.1	196.1	196.1	196.1	196.1
3610	Manufacture of furniture	43	168.5	168.2	168.2	174.7	174.7	174.6	172.7	172.7	172.7	174.6	174.4	174.4
			159.4	159.4	159.4	155.9	155.9	155.9	155.9	155.9	155.9	155.9	155.9	155.9
1511 - 3610	PPI for Mainly Local Sold products	1000	157.5	158.1	158.1	153.5	153.2	153.4	153.4	151.7	151.7	154.4	155.7	156.0
	Monthly Change		-1.4	-0.1	1.0	4.3	0.8	0.0	-0.1	-0.2	0.1	0.2	0.3	0.4
	Change over 12 Months		-2.28	-2.75	-1.74	5.57	6.57	6.41	6.35	7.32	7.42	5.70	5.10	5.30
		Weights	Jan.10	Feb.10	Mar.10	Apr.10	May.10	Jun.10	Jul.10	Aug.10	Sept.10	Oct.10	Nov.10	Dec.10
1549	Manufacture of other food products n.c.e	978	190.3	197.7	196.5	190.7	186.6	186.9	187.7	198.5	192.1	206.6	210.8	224.1
1549	Production of tea	585	157.2	169.1	168.2	159.2	150.9	149.5	148.6	162.9	160.8	161.7	171.6	185.1
1549	Production of coffee	392	239.6	240.3	238.6	237.7	239.8	242.5	246.1	251.6	238.9	273.6	269.2	282.2
2421	Manufacture of pesticides and other agro-chemical products	22	396.9	548.7	396.9	401.4	401.4	401.4	401.4	423.6	423.6	423.6	423.6	410.5
2421	Production of pyrethrum	22	396.9	548.7	396.9	401.4	401.4	401.4	401.4	423.6	423.6	423.6	423.6	410.5
1549 - 2421	PPI for Mainly Export Products	1000	194.9	205.5	200.9	195.4	191.4	191.6	192.5	203.5	197.3	211.4	215.5	228.2
	Monthly Change		-7.69	5.43	-2.22	-2.75	-2.06	0.14	0.45	5.74	-3.07	7.17	1.93	5.89
	Change over 12 Months		19.24	22.98	21.16	15.17	9.40	6.77	3.05	5.02	-0.36	6.92	6.93	8.09

Source : BNR, Statistics Department

Table 6: CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT
(In Rwf billion)

Table 7

Description	2005	2006	2007	2008	2009	2010*
TOTAL REVENUES AND GRANTS	344.8	374.7	472.5	660.8	726.8	828.3
Total Revenue	180.3	205.6	252.1	381.0	379.4	430.9
Current Revenue	180.3	205.6	252.1	381.0	379.4	430.9
Tax Revenue	162.6	191.1	237.8	328.7	362.8	412.8
Direct Taxes	50.8	65.2	85.8	123.1	136.4569	162.0
Income Tax	50.1	64.5	85.8	123.1	136.4569	162.0
Property Tax	0.7	0.7	0.0	0.0	0	0.0
Indirect Taxes	111.8	125.8	152.0	205.6	226.3601	250.8
Taxes on Goods and Services	82.8	95.5	121.0	161.7	183.6977	216.8
Taxes on international trade	29.0	30.3	31.0	43.9	42.6624	34.0
Non tax revenues	17.7	14.6	14.3	52.3	16.54447	18.1
Capital revenues						
Grants	164.5	169.1	220.4	279.8	347.4	397.4
Current Grants	110.9	73.2	132.4	185.7	233.6046	275.9
Capital Grants	53.6	95.9	88.0	94.1	113.7925	121.5
TOTAL EXPENDITURE	340.7	383.7	491.4	649.7	751.0	879.4
Current expenditure	214.9	255.4	313.2	368.5	424.4	501.0
Wages and Salaries	51.2	62.2	73.8	84.2	97.4	116.4
Civilians	34.7	41.2	52.5	61.0	69.9	85.4
Military	16.5	21.0	21.3	23.2	27.5	30.9
Purchase of goods and services	64.4	80.7	78.0	80.3	104.8	118.7
Civilians	55.8	71.6	67.5	66.9	86.5	105.7
Military	8.6	9.1	10.5	13.4	18.3	13.0
Interests payment on public debt	10.3	7.1	10.9	12.6	11.4	14.7
On domestic debt	4.2	4.2	8.7	8.9	7.3	10.1
On external debt	6.1	2.9	2.2	3.8	4.1	4.6
Transfers & Grants	53.6	71.9	103.6	130.4	162.4	189.5
Exceptional expenditure	35.4	33.5	46.9	60.9	48.4	61.7
Capital Expenditure	121.4	118.7	186.3	267.8	291.9	350.1
Financed by domestic resources	34.7	35.7	63.8	119.2	139.4	192.4
Financed by foreign resources	86.7	83.0	122.5	148.5	152.5	157.7
Net Lending	4.4	9.6	-8.1	13.5	34.7	28.3
Current Deficit(payment order basis)	-34.6	-49.8	-61.1	12.5	-45.0	-70.1
OVERALL DEFICIT (payment order basis)						
Excluding Grants	-160.4	-178.1	-239.3	-268.8	-371.6	-448.5
Including Grants	4.0	-9.0	-18.9	11.0	-24.2	-51.1
Change in arrears	-10.7	-7.5	-8.2	-8.0	-10.6	-13.3
Domestic arrears	-7.0	-7.5	-8.2	-8.0	-10.6	-13.3
Foreign arrears	-3.7	0.0	0.0	0.0	0.0	0.0
DEFICIT/SURPLUS (Cash basis)	-6.7	-16.6	-27.1	3.0	-34.8	-64.4
FINANCING	1.8	23.7	14.4	-3.0	34.8	64.4
External Financing	34.3	34.9	32.1	56.4	34.4	29.1
Net loans	34.3	34.9	32.1	56.4	34.4	29.1
Domestic Financing (excluding Adjustments)	-32.5	-11.2	-17.7	-59.4	0.4	35.3
Banks	-32.5	-11.2	-5.4	-43.7	5.1	10.0
Non banks	0.0	0.0	-12.3	-15.7	-4.7331	-14.0
Adjustment-Deposit buildup					6.5	
Error and omission					7.7	39.3

* : Provisional
Source: MINECOFIN

BNR's BALANCE SHEET

(In Rwf million)

Table 8

ASSETS																		
DESCRIPTION	FOREIGN ASSETS										CLAIMS ON GVMT	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR	CLAIMS ON BANKS DEPOSITS	MONEY MARKET LENDING	CLAIMS ON OTHER INSTITUTIONS	FINANC. ASSETS NON CLASSIFIED ELSEWHERE	TOTAL ASSETS
	CORRESPONDENTS BANKS	FOREIGN BANKNOTES	SDRs HOLDINGS	RESERVE POSITION WITH THE FUND	INVESTMENTS	COVER ITEMS RECEIVABLE	FOREIGN BANKS OVERDRAFT	TOTAL FORG ASSETS										
2005	101 822.59	720.5	14 345.6	0.0	108 178.02	0.3	439.8	225 506.7	46 374.7	61.2	2 943.6	1 379.8	0.0	424.0	75 495.2	352 185.1		
2006	74 041.52	1 381.2	12 525.9	0.0	153 216.89	49.3	0.0	241 214.7	41 792.9	24.4	3 231.9	1 189.3	0.0	278.0	79 988.8	367 720.0		
2007	26 325.21	533.6	13 081.5	0.0	260 884.88	0.4	0.0	300 825.5	41 196.8	13.2	3 665.4	1 298.9	0.0	1 167.4	83 768.5	431 935.6		
2008	77 875.44	644.7	17 650.9	0.0	238 050.0	0.22	0.0	334 221.2	39 737.4	1.15	4 312.3	1 495.6	0.0	1 460.7	83 545.8	464 774.27		
2009	47 053.58	1 121.89	74 514.92	0.00	301 452.57	0.23	4.46	424 147.65	50 159.89	0.00	5 372.29	881.68	8 678.15	2 471.03	82 672.28	574 382.97		
2010	51 488.51	1 530.08	76 075.98	0.00	354 355.16	0.02	4.25	483 454.00	57 850.37	0.00	4 752.91	745.61	8 000.00	1 712.82	87 460.92	643 976.63		
2008																		
January	33 174.3	1 071.8	13 159.2	0.0	247 390.9	0.3	0.0	294 796.6	49 537.3	12.2	3 699.8	1 646.7	0.0	1 009.0	85 477.6	436 179.1		
February	18 765.4	638.5	13 293.2	0.0	241 865.9	88.4	0.0	274 651.4	41 196.8	11.2	3 680.8	1 543.2	0.0	1 002.6	86 484.3	408 570.3		
March	87 118.0	659.3	18 128.0	0.0	212 691.6	8.4	0.0	318 605.3	41 197.8	10.2	3 669.2	1 258.3	0.0	1 000.0	89 047.4	454 788.1		
April	20 272.0	870.9	17 886.4	0.0	265 358.0	0.2	0.0	304 387.5	41 197.8	9.2	3 730.2	1 626.8	0.0	997.3	90 092.5	442 041.2		
May	25 374.8	683.9	17 921.1	0.0	281 685.8	0.2	0.0	325 665.8	41 196.8	8.2	4 024.7	1 592.1	0.0	997.3	91 937.0	465 421.9		
June	77 137.5	809.96	18 005.17	0.0	250 903.0	13 590.25	0.0	360 445.84	39 740.3	7.2	4 068.9	1 546.4	0.0	1 523.5	90 958.3	498 290.3		
July	58 285.1	727.9	17 968.5	0.0	267 110.5	0.2	0.0	344 092.2	39 740.3	6.2	4 181.1	1 425.1	0.0	1 070.8	93 730.3	484 245.9		
August	61 345.2	711.1	17 572.9	0.0	242 764.5	373.7	0.0	322 767.4	39 737.4	5.2	4 177.8	1 633.4	0.0	1 070.8	93 467.7	462 859.6		
September	52 655.0	684.0	17 627.0	0.0	272 324.2	2.1	0.0	343 292.4	39 737.4	4.2	4 195.9	1 437.5	0.0	1 059.6	95 039.0	484 765.8		
October	69 503.2	421.1	16 911.3	0.0	240 491.6	552.4	0.0	327 879.6	39 737.4	3.2	4 232.7	1 626.2	0.0	1 037.1	91 993.4	466 509.6		
November	47 850.7	316.0	16 884.4	0.0	246 069.7	0.20	0.0	311 120.9	46 762.1	2.2	4 296.4	1 316.4	0.0	1 037.1	92 044.2	456 579.2		
December	77 875.4	644.7	17 650.9	0.0	238 050.0	0.22	0.0	334 221.2	39 737.4	1.15	4 312.3	1 495.6	0.0	1 460.7	83 545.8	464 774.27		
2009																		
January	50 862.9	1 424.21	17 391.86	0.0	253 519.37	0.21	0.00	323 198.57	39 738.59	0.15	4 306.15	1 504.2	3 000.0	1 460.7	83 855.81	457 064.22		
February	72 213.0	1 011.84	17 076.21	0.0	215 319.07	0.20	0.00	305 620.30	39 737.44	0.15	4 327.50	1 037.2	0.00	1 448.5	82 969.92	435 141.01		
March	64 440.3	522.45	17 311.44	0.0	199 142.79	0.21	0.00	281 417.19	45 238.83	0.00	4 616.61	891.66	0.00	1 424.02	81 061.82	414 650.13		
April	82 411.3	1 190.70	17 375.23	0.0	216 575.46	0.21	0.00	317 552.86	39 739.77	0.00	4 937.46	1 114.09	2 000.00	2 599.29	82 141.23	450 084.70		
May	32 645.7	561.66	17 778.35	0.0	249 759.54	0.22	4.62	300 750.10	39 363.01	0.00	5 015.92	1 187.89	2 000.00	2 599.29	83 942.64	434 858.85		
June	46 273.1	1 153.81	18 002.82	0.0	259 239.56	0.22	4.69	324 674.23	39 363.02	0.00	5 001.89	953.25	2 087.00	2 570.79	85 715.69	460 365.87		
July	38 666.5	1 315.39	18 006.23	0.0	275 922.12	0.22	4.36	333 914.85	39 363.02	0.00	5 042.49	878.32	2 574.77	2 558.31	86 498.93	470 830.69		
August	44 049.28	866.13	70 887.37	0.00	264 727.36	0.22	4.44	380 534.80	56 028.23	0.00	5 054.50	888.28	4 674.77	2 545.78	87 770.36	537 496.72		
September	58 965.17	1 050.05	74 936.49	0.00	277 934.91	0.23	4.51	412 891.36	40 899.39	0.00	5 179.44	871.08	2 533.20	2 533.20	90 219.94	557 598.18		
October	47 784.94	504.95	75 392.47	0.00	315 749.11	517.91	4.55	439 953.93	39 366.48	0.00	5 236.04	827.21	5 702.57	2 533.20	95 201.00	588 820.43		
November	35 543.86	1 614.70	76 497.01	0.00	321 943.05	526.86	4.63	436 130.11	39 366.48	0.00	5 269.36	676.27	7 751.37	2 496.03	94 516.87	586 206.49		
December	47 053.58	1 121.89	74 514.92	0.00	301 452.57	0.23	4.46	424 147.65	50 159.89	0.00	5 372.29	881.68	8 678.15	2 471.03	82 672.28	574 382.97		
2010																		
January	59 887.93	761.28	74 483.10	0.00	284 618.58	0.23	4.37	419 755.49	39 362.90	0.00	5 340.99	916.26	8 189.16	2 021.03	83 753.94	559 339.77		
February	50 682.13	451.75	73 109.39	0.00	275 155.57	1 376.74	4.21	400 779.79	48 792.22	0.00	5 337.16	1 019.04	1 995.92	82 879.72	82 879.72	548 991.77		
March	50 996.09	833.23	72 789.11	0.00	262 252.62	0.02	4.21	386 875.28	60 876.27	0.00	5 294.70	841.38	1 186.68	1 945.38	83 706.74	550 726.43		
April	36 854.29	1 192.85	72 607.53	0.00	281 450.67	0.02	4.16	392 109.52	61 707.09	0.00	5 411.67	996.92	1 919.97	1 186.68	84 015.39	557 845.98		
May	52 774.65	328.87	71 512.86	0.00	265 335.69	0.02	3.92	389 956.01	68 408.94	0.00	5 424.67	2 901.84	8 684.16	1 894.45	84 931.24	562 201.31		
June	101 708.17	1 073.61	72 513.93	0.00	285 527.78	0.02	3.91	460 827.42	39 345.70	0.00	5 454.10	2 948.90	1 868.82	1 868.82	86 549.47	607 677.30		
July	87 079.86	522.37	74 832.49	0.00	268 226.84	0.02	4.20	430 665.78	44 384.02	0.00	5 498.87	1 020.62	1 868.82	1 868.82	90 018.31	586 139.31		
August	70 789.48	1 266.00	74 013.47	0.00	252 059.41	0.02	4.06	398 132.44	67 718.62	0.00	5 623.04	770.84	11 682.89	1 817.25	90 281.14	576 026.42		
September	94 495.51	679.78	76 487.53	0.00	286 679.12	0.02	4.37	458 346.33	39 347.02	0.00	5 708.01	835.15	11 753.89	1 791.30	94 162.90	611 944.60		
October	29 384.63	1 548.98	77 517.73	0.00	348 118.71	0.02	4.46	456 574.53	39 347.32	0.00	5 711.37	1 128.67	8 003.89	1 791.30	95 752.66	608 309.74		
November	21 174.74	1 875.75	75 802.47	0.00	330 269.91	0.02	4.25	429 127.14	61 757.46	0.00	5 754.56	817.36	7 739.09	1 012.65	101 201.65	608 398.13		
December	51 488.51	1 530.08	76 075.98	0.00	354 355.16	0.02	4.25	483 454.00	57 850.37	0.00	4 752.91	745.61	8 000.00	1 712.82	87 460.92	643 976.63		

Source: BNR, Statistics Department

BNR's BALANCE SHEET

(In Rwf million)

Table 8 (cont)

LIABILITIES													
DESCRIPTION	RESERVE MONEY												
	CURRENCY IN CIRCULATION (out of BNR)	BANKS' DEPOSITS	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERPRISES DEPOSITS	OTHER FIN. INSTITUTIONS' DEPOSITS	MONETARY BASE	MONEY MARKET BORROWING	OTHER AMOUNTS DUE	GOVERNMENT DEPOSITS	FOREIGN LIABILITIES	SHARES AND OTHER EQUITY	LIABILITIES NON CLASSIFIED ELSEWHERE	TOTAL LIABILITIES
2005	50 288.6	10 895.8	66.0	246.6	213.1	61 710.0	40 273.0	1 542.0	104 489.9	43 364.4	23 526.4	73 049.4	347 955.2
2006	58 425.08	11 322.90	36.92	180.81	310.40	70 276.1	50 538.23	1 594.37	116 151.70	16 258.29	30 385.18	82 516.11	367 720.0
2007	72 736.86	18 581.93	73.79	356.38	675.68	92 424.6	58 611.49	1 454.78	142 168.64	18 770.09	35 506.47	82 999.67	431 935.8
2008	88 498.07	25 141.45	69.35	319.26	418.01	114 446.1	16 600.00	1 523.21	198 704.30	7 770.86	35 745.23	89 984.77	464 774.5
2009	86 125.89	24 130.56	129.27	1 508.03	548.22	112 442.0	73 537.80	3 935.73	195 613.51	65 977.33	38 167.07	84 709.55	574 383.0
2010	104 140.32	24 681.09	108.77	485.78	619.94	130 035.9	69 330.58	3 074.72	234 526.68	68 532.58	51 793.57	86 682.58	643 976.6
2008													
January	70 413.71	23 962.25	85.18	347.12	735.38	95 543.6	54 730.43	2 548.67	143 707.67	19 260.66	35 531.84	84 856.56	436 179.5
February	69 563.66	31 574.64	61.24	372.34	83.87	101 655.8	37 172.80	2 600.88	125 374.34	19 121.50	35 645.58	86 999.45	408 570.3
March	72 551.22	29 810.72	68.91	276.35	184.60	102 891.8	39 236.15	2 073.79	162 146.40	22 143.63	35 981.28	90 315.09	454 788.1
April	76 062.19	30 365.86	82.49	1 073.54	223.52	107 807.6	34 764.52	2 026.71	146 438.93	21 688.10	35 809.91	93 505.47	442 041.2
May	75 995.69	25 974.37	75.17	240.17	211.30	102 496.7	44 552.02	1 675.17	162 197.88	27 360.80	35 775.36	91 364.28	465 422.2
June	82 346.67	25 684.64	69.49	182.76	196.92	108 480.5	36 220.55	1 655.73	200 015.12	27 706.90	30 738.52	93 473.45	498 290.8
July	85 288.50	25 983.23	70.75	197.47	490.27	112 030.2	32 192.23	1 647.78	185 179.28	28 354.79	30 712.34	94 129.28	484 245.9
August	85 009.71	27 473.43	55.95	225.39	409.78	113 174.3	27 063.39	1 629.26	178 674.49	8 255.92	30 402.62	103 659.63	462 859.6
September	85 954.87	24 372.84	76.23	183.79	315.93	110 903.7	36 000.58	1 495.66	175 642.03	24 092.19	30 501.31	106 130.40	484 765.8
October	83 814.63	28 820.58	67.56	276.08	353.22	113 332.1	18 223.92	2 127.88	171 389.69	23 505.80	29 996.90	107 933.32	466 509.6
November	83 570.14	29 161.34	62.57	337.51	343.44	113 475.0	18 800.00	1 513.57	162 832.23	23 011.52	29 952.10	106 994.74	456 579.2
December	88 498.07	25 141.45	69.35	319.26	418.01	114 446.1	16 600.00	1 523.21	198 704.30	7 770.86	35 745.23	89 984.77	464 774.5
2009													
January	81 040.77	36 850.46	55.86	2 589.90	376.55	120 913.5	6 000.00	2 612.20	193 343.51	8 609.34	35 199.42	90 386.18	457 064.2
February	77 448.76	27 862.88	64.42	2 581.04	404.89	108 362.0	0.00	2 659.91	190 976.86	7 951.03	34 967.27	90 223.93	435 141.0
March	76 817.30	33 034.99	179.09	397.40	949.09	111 377.9	0.00	3 423.18	168 265.21	8 503.56	35 145.97	87 934.33	414 650.1
April	77 585.43	29 310.60	125.95	687.97	616.64	108 326.6	8 961.68	3 509.35	192 595.40	10 950.00	35 136.03	90 607.85	450 086.9
May	76 972.70	25 108.55	100.76	390.25	445.18	103 017.4	16 885.58	3 537.17	172 572.03	11 171.95	34 165.47	93 508.99	434 858.6
June	81 664.66	24 309.06	77.76	699.25	680.37	107 431.1	33 489.09	3 550.27	170 971.39	11 277.58	34 323.27	99 323.17	460 365.9
July	82 705.80	25 748.12	89.20	869.70	497.92	109 910.7	32 718.71	3 808.39	183 389.80	10 494.88	34 338.66	96 169.54	470 830.7
August	81 253.19	29 461.90	78.96	1 193.17	492.22	112 479.4	48 474.02	3 542.88	176 940.01	63 890.98	34 421.86	97 747.53	537 496.7
September	80 109.43	30 200.87	93.53	1 045.02	1 121.53	112 570.4	53 917.74	3 605.73	188 244.74	67 575.46	34 544.61	97 139.30	557 598.0
October	80 366.43	30 059.07	81.84	1 189.86	566.71	112 263.9	58 330.97	3 904.65	210 989.09	67 841.65	34 622.83	100 867.07	588 820.2
November	81 506.61	28 600.57	65.44	1 515.01	399.76	112 087.4	62 454.59	3 912.61	201 950.54	68 641.07	34 811.33	102 348.92	586 206.5
December	86 125.89	24 130.56	129.27	1 508.03	548.22	112 442.0	73 537.80	3 935.73	195 613.51	65 977.33	38 167.07	84 709.55	574 383.0
2010													
January	84 290.51	28 988.17	88.69	1 143.49	408.83	114 919.7	54 744.66	3 931.48	194 973.03	65 899.88	38 161.59	86 709.43	559 339.8
February	81 670.18	31 652.39	78.04	834.70	555.23	114 790.5	53 626.46	2 831.75	183 595.08	64 620.41	37 924.42	91 603.11	548 991.8
March	81 204.44	32 761.21	62.39	627.38	627.49	115 282.9	64 882.02	2 847.39	173 068.96	64 203.05	37 869.34	92 572.76	550 726.4
April	83 359.45	34 553.63	70.46	399.18	431.1	118 813.8	57 186.84	3 220.42	186 717.28	64 023.64	37 858.16	90 025.86	557 846.0
May	87 881.75	30 908.28	61.46	569.77	419.5	119 840.8	53 201.15	2 894.31	192 612.52	63 369.33	37 612.25	92 671.05	562 201.4
June	94 035.86	24 225.16	64.26	865.35	444.59	119 635.2	85 314.18	2 464.13	186 572.36	64 377.28	37 783.97	111 530.16	607 677.3
July	97 742.19	30 519.21	56.51	1 182.55	468.00	129 968.5	59 898.00	2 485.35	185 385.55	66 077.92	38 179.01	104 145.06	586 139.4
August	95 586.67	31 427.05	51.39	1 724.36	431.52	129 221.0	62 742.71	2 960.72	171 937.29	68 719.95	38 037.51	102 407.26	576 026.4
September	94 057.05	29 281.89	51.49	1 744.58	438.46	125 573.5	69 446.02	2 542.21	200 986.94	67 812.54	38 462.67	107 120.79	611 944.6
October	94 880.90	29 688.80	54.22	1 959.99	428.01	127 011.9	73 862.87	2 578.94	186 701.84	68 425.99	38 639.63	111 088.60	608 309.8
November	97 157.93	32 159.95	66.97	1 977.51	489.35	130 071.7	70 169.36	2 584.56	186 436.50	68 456.28	38 351.82	112 327.92	608 398.2
December	104 140.32	24 681.09	108.77	485.78	619.94	130 035.9	69 330.58	3 074.72	234 526.68	68 532.58	51 793.57	86 682.58	643 976.6

Source: BNR, Statistics Department

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS (BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, BHR, UOB, BPR SA, KCB RWANDA, CCP and CSS*)

Table 9

(In Rwf million)

ASSETS											
DESCRIPTION	CLAIMS ON BNR		FOREIGN	CREDIT TO ECONOMY				CLAIMS ON OTHER F I	TOTAL CLAIMS ON THE ECONOMY	ASSETS NON CLASSIFIED ELSEWHERE	TOTAL ASSETS
	RESERVES	OTHER CLAIMS	ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBL. ENTERPRISES	CLAIMS ON PRIVATE SECTOR					
2005	15 136.5		52 617.6	24 760.0	2 119.0	182 550.4	0.0	184 669.4	27 665.9	304 849.4	
2006	17 017.1		70 998.1	26 367.9	2 381.6	234 103.5	0.0	236 485.1	34 490.2	385 358.4	
2007	28 094.8		86 893.7	46 977.2	1 749.4	252 641.9	0.00	254 391.2	43 150.2	459 507.0	
2008	30 651.0	13 368.3	96 751.9	29 541.2	1 636.9	335 470.6	2 338.67	337 107.6	62 015.4	569 435.4	
2009	34 443.44	73 220.90	107 466.2	20 070.6	2 949.6	317 857.1	7 260.81	328 067.6	87 179.9	694 333.9	
2010	38 222.72	68 786.80	146 776.8	84 804.0	3 213.6	390 577.6	3 342.24	481 937.4	124 222.4	859 946.2	
2008											
January	34 205.7	41 300.4	92 895.4	36 063.7	1 535.8	255 239.5	0.00	256 775.3	58 123.4	519 363.8	
February	40 325.3	37 867.5	86 340.0	39 841.9	1 409.7	257 462.2	0.00	258 872.0	51 966.6	515 213.2	
March	47 588.4	31 654.5	86 815.7	40 935.0	1 399.5	264 425.2	0.00	265 824.7	53 203.6	526 021.9	
April	40 025.5	35 343.8	90 066.0	40 978.1	1 439.3	273 557.7	0.00	274 997.0	57 131.3	538 541.7	
May	33 450.8	45 495.9	91 551.1	34 828.1	1 357.8	287 632.6	0.00	288 990.4	54 050.3	548 366.6	
June	37 325.7	31 984.3	91 875.6	31 489.3	1 301.5	290 914.0	1.10	292 215.5	64 467.5	549 357.9	
July	36 212.0	28 789.7	106 715.9	34 196.7	1 314.1	305 863.0	1 864.41	307 177.1	54 869.1	567 960.4	
August	40 392.2	24 691.3	92 345.5	34 406.1	1 421.1	316 381.8	2 858.43	317 802.9	54 080.2	563 718.2	
September	34 683.5	41 143.0	92 614.3	26 355.9	1 431.2	322 957.6	2 490.62	324 388.8	58 294.7	577 480.1	
October	36 624.1	21 651.1	85 849.3	35 030.7	1 447.3	334 211.4	4 633.41	335 658.8	57 162.2	571 976.0	
November	44 786.0	22 660.0	91 034.5	35 654.1	1 780.1	335 855.3	2 332.45	337 635.4	54 607.1	586 377.0	
December	30 651.0	13 368.3	96 751.9	29 541.2	1 636.9	335 470.6	2 338.67	337 107.6	62 015.4	569 435.4	
2009											
January	44 008.7	6 270.9	86 537.8	20 404.2	3 022.0	326 817.8	2 908.33	332 748.1	82 484.3	572 453.9	
February	36 121.4	249.9	93 544.4	20 016.9	2 953.4	329 846.2	1 763.23	334 562.9	83 321.5	567 816.8	
March	45 357.7	1 169.9	97 207.9	17 496.2	3 231.6	326 665.2	4 947.45	334 844.3	84 563.1	580 639.2	
April	42 338.6	8 850.7	96 412.7	19 710.8	2 964.6	327 154.6	4 222.55	334 341.7	84 503.6	586 158.3	
May	35 831.4	15 537.4	99 824.0	19 721.0	2 744.4	325 386.1	5 375.77	333 506.2	89 483.7	593 903.8	
June	34 765.7	38 709.3	99 689.7	19 461.6	1 872.7	318 587.4	2 414.49	322 874.6	87 067.2	602 568.1	
July	37 051.3	32 945.9	117 718.4	20 313.0	2 088.0	319 981.4	1 733.32	323 802.7	83 672.3	615 503.7	
August	46 885.1	46 321.4	107 590.0	20 475.5	1 730.1	317 155.9	2 030.63	320 916.6	82 641.1	624 829.8	
September	43 692.1	47 122.8	101 280.5	22 809.8	1 939.8	309 834.2	6 894.04	318 668.1	86 575.0	620 148.2	
October	41 165.8	56 081.9	102 793.6	22 470.0	1 815.7	310 228.9	4 754.46	316 799.0	84 942.7	624 253.0	
November	40 863.48	59 246.92	106 470.6	22 378.2	2 730.2	320 169.2	5 884.66	328 784.0	80 642.4	638 385.6	
December	34 443.44	73 220.90	107 466.2	20 070.6	2 949.6	317 857.1	7 260.81	328 067.6	87 179.9	694 333.9	
2010											
January	41 031.8	54 068.1	105 375.8	31 569.8	2 791.2	357 515.5	6 986.00	398 862.5	87 961.1	687 299.2	
February	44 964.1	50 856.9	112 201.4	32 545.9	2 791.2	352 131.1	8 049.70	395 517.9	92 386.5	695 926.8	
March	45 171.0	62 856.9	107 777.8	31 198.3	2 785.8	358 227.1	9 147.30	401 358.5	94 251.2	711 415.5	
April	46 244.2	55 664.5	99 363.9	41 041.2	2 902.9	361 379.8	9 147.30	414 471.2	92 403.6	708 147.3	
May	41 159.5	57 217.7	94 973.4	55 084.8	2 813.8	361 171.4	9 147.00	428 217.0	91 833.6	713 401.2	
June	33 636.6	85 987.3	98 937.0	56 495.2	2 912.2	363 887.1	10 512.40	433 806.9	102 007.7	754 375.5	
July	44 431.7	61 569.7	118 004.0	53 632.1	3 083.7	369 123.2	11 644.00	437 483.0	98 260.4	759 748.8	
August	50 402.1	65 212.8	117 072.2	53 751.0	2 999.1	371 109.6	11 975.00	439 834.7	90 193.5	762 715.4	
September	41 396.8	77 546.5	114 132.5	54 437.8	2 807.7	370 451.5	12 200.00	439 897.0	100 200.4	773 173.2	
October	41 670.5	82 795.3	118 844.4	45 635.3	2 934.2	375 915.2	12 355.10	436 839.8	99 072.4	779 222.4	
November	50 511.73	65 894.27	115 431.7	66 249.2	2 025.0	385 211.1	13 032.00	466 517.3	100 572.5	798 927.4	
December	38 222.72	68 786.80	146 776.8	84 804.0	3 213.6	390 577.6	3 342.24	481 937.4	124 222.4	859 946.2	

Source: BNR, Statistics Department

CSS included since December 2009

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS

Table 9 (Cont.)

(In RWF million)

LIABILITIES										
DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY				GVT DEPOSITS	FOREIGN LIABILITIES	BNR CREDITS	SHARES AND OTHER EQUITY	LIABILITY NON CLASSIFIED ELSEWHERE	TOTAL LIABILITIES
	TRANSFERABLE DEPOSITS	NONTRANSFERABLE DEPOSITS	FOREIGN CURRENCY DEPOSITS	SUB-TOTAL						
2005	84 621.3	70 754.2	43 672.7	199 048.2	24 269.0	11 403.5	1 379.8	20 125.6	48 623.3	304 849.3
2006	97 770.5	108 988.6	59 178.4	265 937.5	23 520.8	10 794.7	1 189.3	27 515.6	56 400.6	385 358.4
2007	154 690.3	138 663.2	68 634.0	361 987.5	22 695.5	17 171.7	1 298.9	43 950.3	56 081.3	503 185.3
2008	133 485.2	158 407.9	82 338.2	374 231.3	17 851.3	18 564.2	1 404.5	76 176.4	81 207.6	569 435.4
2009	182 180.3	136 106.3	97 036.9	408 628.6	27 720.8	22 830.4	7 993.4	88 375.2	94 900.2	650 448.5
2010	187 934.5	238 255.9	99 229.6	525 419.9	24 930.2	42 741.7	7 561.35	125 584.9	133 708.2	859 946.2
2008										
January	136 761.2	140 718.4	68 928.7	346 408.2	19 906.5	17 860.6	1 404.8	61 305.8	72 478.1	519 363.9
February	136 254.0	145 061.7	70 276.3	351 592.0	19 687.4	15 426.4	1 546.2	62 931.4	64 030.0	515 213.2
March	141 856.5	146 187.2	69 628.0	357 671.7	21 881.6	16 040.6	1 536.9	61 864.2	67 026.9	526 021.9
April	135 831.2	155 823.2	75 736.5	367 391.0	20 547.5	14 531.5	1 622.0	66 626.1	67 823.7	538 541.7
May	141 763.2	152 323.4	79 144.1	373 230.8	20 346.2	19 495.0	1 529.6	66 974.7	66 790.4	548 366.6
June	140 895.2	143 151.2	79 761.3	363 807.8	22 489.3	17 900.7	1 376.3	70 957.9	72 826.0	549 357.9
July	145 648.0	148 810.8	89 303.9	383 762.7	19 438.3	19 597.3	2 297.1	73 915.5	68 949.7	567 960.4
August	137 974.7	158 632.0	80 853.5	377 460.2	20 664.0	18 470.8	1 475.7	75 338.9	70 308.5	563 718.1
September	139 184.8	158 983.8	84 302.5	382 471.1	21 911.4	20 450.1	1 268.7	74 320.1	77 058.7	577 480.1
October	135 249.8	162 236.8	82 421.3	379 907.9	19 173.9	18 756.6	1 382.4	75 993.5	76 761.8	571 976.0
November	152 577.9	152 889.8	85 381.2	390 848.9	18 571.1	22 433.2	1 449.2	75 162.6	77 912.0	586 377.0
December	133 485.2	158 407.9	82 338.2	374 231.3	17 851.3	18 564.2	1 404.5	76 176.4	81 207.6	569 435.4
2009										
January	157 418.2	121 010.9	77 264.1	355 693.2	17 467.8	18 862.5	3 805.47	83 837.6	92 786.3	572 452.8
February	144 564.3	121 063.0	79 779.9	345 407.1	17 983.9	18 956.6	699.21	84 003.2	100 764.4	567 814.5
March	143 254.7	125 831.3	81 952.3	351 038.4	23 611.2	20 982.9	711.12	82 544.9	101 749.9	580 638.2
April	154 022.4	123 903.4	83 262.1	361 187.9	19 971.8	19 294.4	2 674.69	83 113.4	99 915.3	586 157.4
May	148 819.0	121 973.5	85 460.6	356 253.1	20 218.7	24 162.2	2 666.79	83 970.7	106 635.3	593 907.0
June	156 222.9	119 459.1	85 519.7	361 201.6	24 884.9	22 844.2	2 660.53	84 164.1	106 816.4	602 571.7
July	165 756.6	120 552.9	101 696.2	388 005.7	17 187.6	20 808.2	2 287.44	84 958.5	102 255.4	615 502.9
August	176 397.8	116 703.7	92 138.1	385 239.7	20 020.8	23 283.0	2 269.26	84 296.4	109 719.1	624 828.3
September	172 690.6	120 830.0	90 370.9	383 891.6	24 216.9	21 792.9	4 401.17	87 121.4	98 724.2	620 148.2
October	172 172.4	127 405.4	91 530.1	391 107.9	19 930.8	21 518.3	4 370.95	87 510.3	99 802.3	624 240.6
November	170 079.2	136 153.6	96 853.9	403 086.7	21 222.2	21 495.0	7 525.33	88 210.2	96 845.0	638 384.4
December	182 180.3	246 373.3	97 036.9	428 553.6	20 782.3	23 831.8	7 993.38	98 600.1	94 900.2	694 333.9
2010										
January	173 811.3	253 190.5	94 814.7	427 001.9	21 787.5	24 149.7	7 806.88	99 100.4	107 452.9	687 299.2
February	175 200.0	258 537.4	100 173.5	433 737.4	22 447.4	21 748.4	7 847.77	100 601.6	109 544.2	695 926.8
March	178 085.1	251 845.2	94 799.1	429 930.3	26 322.7	22 695.2	8 697.17	98 252.3	125 517.9	711 415.5
April	190 423.9	250 458.6	91 796.3	440 882.6	23 417.6	20 976.4	12 411.85	100 461.8	109 997.1	708 147.3
May	188 932.6	257 753.5	91 348.2	446 686.1	24 016.1	19 919.0	9 434.39	102 404.1	110 941.6	713 401.2
June	201 887.0	264 323.9	92 881.6	466 210.9	27 575.5	20 871.1	11 370.10	102 561.4	125 786.5	754 375.5
July	202 809.3	274 092.5	101 763.9	476 901.8	26 883.7	19 944.5	12 008.56	103 560.0	120 450.3	759 748.8
August	200 421.7	282 179.1	105 955.7	482 600.8	26 860.3	18 660.7	11 832.09	105 156.6	117 604.9	762 715.4
September	205 047.7	274 855.0	104 258.9	479 902.7	30 819.6	19 781.5	11 472.79	110 704.8	120 491.7	773 173.2
October	220 747.8	270 873.0	104 299.3	491 620.7	27 594.8	21 756.9	8 149.41	114 386.2	115 714.3	779 222.4
November	210 008.0	284 454.2	103 820.2	494 462.1	26 391.9	25 748.0	7 185.66	115 508.9	129 630.9	798 927.4
December	238 255.9	280 456.5	99 229.6	518 712.3	24 930.2	42 741.7	7 561.35	125 584.9	140 415.8	859 946.2

Source: BNR, Statistics Department

MONETARY SURVEY
(In Rwf million)

Table 10

ASSETS	MONEY (M1)			QUASI MONEY			MONEY SUPPLY (M2)	TOTAL RESSOURCES
	CURRENCY IN CIRCULATION	TRANSFERABLE DEPOSITS	TOTAL MONEY (M1)	NONTRANSFERABLE DEPOSITS	FOREIGN EXCHANGE DEPOSITS	TOTAL QUASI MONEY		
PERIOD	OUTSIDE BANKS							
2005	47 028.1	84 771.5	131 799.6	70 754.2	43 672.7	114 426.9	246 226.5	246 226.5
2006	52 730.9	103 274.6	156 005.5	105 788.6	59 178.4	164 967.0	320 972.5	320 972.5
2007	63 224.0	154 690.3	217 914.3	138 663.2	68 634.0	207 297.2	425 211.5	425 211.5
2008	80 913.4	144 486.9	225 400.3	158 407.9	82 338.2	225 400.3	466 146.4	466 146.4
2009	76 992.37	190 105.3	267 097.7	162 437.7	97 037.0	259 474.68	429 535.43	526 572.4
2010	90 478.21	187 934.51	278 412.72	238 255.87	99 229.55	337 485.42	516 668.59	615 898.14
2008								
January	61 089.9	144 606.2	205 696.1	142 988.8	68 928.7	205 696.1	348 684.88	417 613.6
February	59 667.3	145 590.6	205 257.9	145 449.8	70 276.3	205 257.9	350 707.75	420 984.0
March	61 297.5	151 068.4	212 365.9	146 024.8	69 614.2	212 365.9	358 390.66	428 004.9
April	65 357.1	145 118.5	210 475.6	155 823.2	75 736.3	210 475.6	366 298.88	442 035.4
May	67 499.4	150 134.9	217 634.4	152 323.5	79 144.1	217 634.4	369 957.81	449 101.9
June	72 433.2	149 702.6	222 135.8	143 151.2	79 761.3	222 135.8	365 287.03	445 048.4
July	75 260.4	154 918.3	230 178.7	146 727.6	89 303.6	230 178.7	376 906.26	466 209.8
August	75 147.9	147 784.7	222 932.7	158 632.0	80 853.5	222 932.7	381 564.69	462 418.2
September	74 168.7	149 115.3	223 284.0	158 983.8	84 302.5	223 284.0	382 267.76	466 570.3
October	74 247.6	145 408.3	219 655.9	162 236.8	82 421.3	219 655.9	381 892.65	464 314.0
November	73 231.2	162 426.2	235 657.5	152 889.8	85 167.4	235 657.5	388 547.30	473 714.7
December	80 913.4	144 486.9	225 400.3	158 407.9	82 338.2	225 400.3	383 808.14	466 146.4
2009								
January	71 957.6	162 827.5	234 785.2	126 673.5	77 264.1	234 785.2	361 458.63	438 722.8
February	69 029.6	150 719.8	219 749.3	128 386.4	79 779.9	219 749.3	348 135.78	427 915.7
March	66 251.9	149 695.1	215 947.0	134 958.6	81 952.3	215 947.0	350 905.62	432 858.0
April	68 058.9	159 941.3	228 000.1	131 439.3	83 262.1	228 000.1	359 439.44	442 701.6
May	67 677.6	151 652.6	219 330.2	131 081.2	95 460.6	219 330.2	350 411.34	445 872.0
June	72 081.2	150 466.1	222 547.3	128 745.0	85 519.7	222 547.3	351 292.35	436 812.1
July	73 173.2	163 020.2	236 193.4	128 098.3	101 696.2	236 193.4	364 291.74	465 987.9
August	70 392.9	181 289.9	251 682.8	124 059.4	92 138.1	251 682.8	375 742.24	467 880.4
September	69 433.5	171 654.9	241 088.4	128 854.8	90 370.9	241 088.4	369 943.13	460 314.0
October	70 456.1	171 059.6	241 515.7	135 696.3	91 530.1	241 515.7	377 211.92	468 742.0
November	70 701.08	175 075.0	245 776.1	144 165.0	96 853.9	245 776.1	389 941.07	486 795.0
December	76 992.37	190 105.3	267 097.7	162 437.7	97 037.0	259 474.68	429 535.43	528 000.6
2010								
January	72 895.24	177 712.21	250 607.45	165 888.33	94 814.67	260 703.00	416 495.78	515 836.79
February	68 526.34	180 104.29	248 630.63	161 546.71	100 173.50	261 720.21	410 177.34	513 845.36
March	68 389.82	179 405.97	247 795.79	160 175.27	94 799.09	254 974.36	407 971.06	506 312.29
April	72 456.70	197 124.43	269 581.13	158 662.31	91 796.33	250 458.64	428 243.44	523 625.09
May	75 001.26	195 629.02	270 630.28	166 405.22	91 348.23	257 753.45	437 035.50	531 880.31
June	83 465.41	207 146.08	290 611.49	171 442.22	92 881.64	264 323.86	462 053.71	560 878.22
July	84 215.45	208 765.72	292 981.17	174 173.06	101 763.90	275 936.96	467 154.23	576 455.71
August	81 214.54	207 080.65	288 295.19	177 983.39	105 955.65	283 939.04	466 278.58	578 015.88
September	81 772.89	211 968.84	293 741.73	173 026.24	104 258.88	277 285.12	466 767.97	576 836.55
October	81 489.38	228 379.88	309 869.26	170 783.27	104 299.25	275 082.52	480 652.53	587 184.87
November	80 920.06	217 241.69	298 161.75	183 223.55	103 820.17	287 043.72	481 385.30	586 513.80
December	90 478.21	240 052.92	330 531.13	186 137.46	99 229.55	285 367.01	516 668.59	618 399.27

Source: BNR, Statistics Department

MONETARY SURVEY

(In Rwf million)

Table 10 (Cont.)

DESCRIPTION	DOMESTIC CREDIT								TOTAL ASSETS		
	NET FOREIGN ASSETS		NETS CLAIMS ON GOVERNMENT				CREDIT TO ECON		TOTAL	OTHER	
	GROSS ASSETS	GROSS LIABILITIES	NET FOREIGN ASSETS	CLAIMS	DEPOSITS	NET CLAIMS	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR	DOMESTIC CRED	ITEMS NETS	
2005	277 290.6	54 767.9	222 522.70	67 147.8	127 753.3	-60 605.5	2 180.1	165 734.8	107 309.5	-83 605.0	246 227.2
2006	312 193.99	27 053.0	285 141.04	68 160.8	139 652.4	-71 491.6	2 406.0	211 307.3	142 221.7	-106 390.2	320 972.5
2007	387 495.6	35 941.8	351 553.73	88 173.9	164 806.6	-76 632.7	1 762.5	257 475.0	182 604.8	-108 949.0	425 209.6
2008	430 104.2	26 335.1	403 769.15	69 049.0	211 749.2	-142 700.2	1 638.1	340 365.3	199 303.2	-136 926.0	466 146.4
2009	531 454.8	89 831.8	441 623.00	76 290.9	223 389.4	-147 098.5	3 021.4	331 830.8	187 753.7	-127 974.3	501 402.4
2010	630 230.80	111 273.54	518 957.26	143 901.98	275 226.91	-131 324.93	3 213.6	390 577.6	262 466.27	-169 514.35	611 909.2
2008											
January	387 617.7	37 121.2	350 496.51	85 640.0	160 269.6	-74 629.6	1 548.0	259 877.6	186 795.9	-119 679.2	417 613.2
February	360 896.9	34 547.9	326 349.08	81 080.6	142 036.7	-60 956.2	1 420.9	262 079.5	202 544.2	-107 909.2	420 984.0
March	405 328.8	38 184.3	367 144.55	82 173.3	181 048.7	-98 875.5	1 409.7	268 986.4	171 520.6	-110 660.8	428 004.4
April	394 351.9	36 219.6	358 132.30	82 211.0	168 429.4	-86 218.4	1 448.5	278 198.8	193 428.9	-109 526.4	442 034.8
May	417 133.7	46 855.8	370 277.89	76 060.2	178 269.1	-102 209.0	5 619.3	286 697.4	190 107.8	-111 283.4	449 102.3
June	450 596.1	45 607.6	404 988.56	71 260.9	218 553.9	-147 293.0	1 308.6	294 317.6	148 333.3	-108 274.0	445 047.9
July	450 815.9	47 997.3	402 818.59	73 896.7	206 030.3	-132 133.6	1 321.3	309 148.8	178 336.5	-114 945.3	466 209.8
August	415 112.9	26 726.8	388 386.09	74 172.7	194 592.3	-120 419.5	1 426.3	321 193.9	202 200.6	-128 168.5	462 418.2
September	435 906.6	42 274.6	393 632.06	66 123.0	192 998.7	-126 875.7	1 435.4	328 108.3	202 667.9	-129 729.7	466 570.3
October	413 728.9	42 262.4	371 466.51	74 798.4	186 472.8	-111 674.5	1 450.5	337 150.9	226 927.0	-134 079.5	464 314.0
November	404 558.4	45 444.7	359 113.63	82 445.4	177 060.3	-94 614.9	1 782.2	341 001.5	248 168.8	-133 567.8	473 714.7
December	430 104.2	26 335.1	403 769.15	69 049.0	211 749.2	-142 700.2	1 638.1	340 365.3	199 303.2	-136 926.0	466 146.4
2009											
January	408 985.6	27 471.8	381 513.77	65 553.9	209 755.8	-144 201.9	1 896.9	335 437.3	193 132.4	-135923.4	438 722.7
February	398 500.8	26 926.8	371 573.91	65 239.5	207 381.8	-142 142.3	1 776.0	338 386.7	198 020.4	-141678.63	427 915.7
March	377 899.8	29 219.9	348 679.87	68 617.7	188 087.2	-119 469.5	2 261.3	338 419.5	221 211.3	-137033.14	432 858.0
April	413 250.2	30 245.4	383 004.81	65 329.8	209 730.5	-144 400.7	2 012.0	338 466.0	196 077.3	-136380.59	442 701.5
May	399 596.5	35 334.2	364 262.36	65 132.2	192 322.2	-127 190.0	2 816.2	339 224.6	214 850.7	-133241.06	445 872.0
June	423 589.7	34 121.7	389 467.93	63 127.1	202 382.1	-139 255.0	1 944.4	327 146.1	189 835.5	-142491.39	436 812.1
July	450 835.3	31 302.2	419 533.13	63 836.7	206 233.1	-142 396.4	1 947.1	327 915.6	187 466.3	-141011.48	465 988.0
August	487 318.7	86 983.0	400 335.74	80 678.0	193 774.9	-113 096.9	1 801.8	325 364.2	214 069.1	-146524.53	467 880.4
September	513 426.7	89 392.9	424 033.78	68 892.2	216 871.7	-147 979.6	2 011.6	323 266.1	177 298.1	-141017.88	460 314.0
October	542 092.8	89 360.0	452 732.85	67 012.0	234 905.2	-167 893.2	1 887.5	321 367.3	155 361.5	-139352.35	468 742.0
November	541 990.19	90 173.00	451 817.19	67082.14	220 768.4	-153 686.2	2 801.9	332 598.8	181 714.5	-146736.72	486 795.0
December	532 623.04	89 831.84	442 791.20	84347.03	223 389.4	-139 042.4	3 021.4	357 260.8	221 239.8	-127974.31	536 056.7
2010											
January	525 130.79	90 102.21	435 028.58	71 148.63	220 545.51	-149 396.88	2 791.2	365 327.6	218 721.89	-137 913.68	515 836.8
February	512 981.18	86 368.82	426 612.36	81 855.83	209 305.46	-127 449.63	2 791.2	359 917.1	235 258.71	-148 025.71	513 845.4
March	494 653.11	86 898.20	407 754.91	92 481.82	212 418.27	-119 936.45	2 785.8	365 917.2	248 766.54	-150 209.16	506 312.3
April	490 895.71	85 000.00	405 895.71	102 077.95	215 056.41	-112 978.46	2 902.9	369 161.5	259 085.92	-141 356.54	523 625.1
May	484 929.40	83 288.32	401 641.08	125 999.13	222 734.19	-96 735.06	2 813.8	368 490.5	274 569.24	-144 330.01	531 880.3
June	559 737.00	85 271.08	474 465.92	97 811.31	223 594.32	-125 783.01	2 912.2	371 187.1	248 316.31	-161 904.01	560 878.2
July	548 649.96	86 044.52	462 605.44	100 609.79	211 934.61	-111 324.82	3 083.7	376 490.0	268 248.89	-154 398.62	576 455.7
August	515 172.16	87 360.65	427 811.51	122 510.20	199 860.31	-77 350.11	2 999.1	378 549.8	304 198.83	-153 994.46	578 015.9
September	572 432.46	87 581.49	484 850.97	100 871.93	233 348.63	-132 476.70	2 807.7	377 950.5	248 281.48	-156 295.90	576 836.6
October	575 444.36	90 156.92	485 287.44	92 695.39	216 559.41	-123 864.02	2 934.2	383 417.8	262 488.01	-160 590.58	587 184.9
November	544 558.57	94 248.03	450 310.54	128 264.29	217 377.41	-89 113.12	2 025.0	392 704.2	305 616.07	-169 412.81	586 513.8
December	630 230.80	111 273.54	518 957.26	143 901.98	275 226.91	-131 324.93	3 213.6	397 067.7	268 956.36	-169 514.35	618 399.3

Source: BNR, Statistics Department

CONSOLIDATED BALANCE SHEET OF OTHER FINANCIAL INTERMEDIARIES*

Table 11

(In RWF million)

DESCRIPTION	2005	2006	2007	2008	2009	2010.0
ASSETS	21 640.79	26 858.88	31 741.65	44 111.72	52 374.27	63 080.73
Reserves	24.20	17.45	44.40	63.38	415.04	181.61
Foreign Assets	0.00	0.00	0.00	0.00	0.00	1 595.35
Claims on Government	5 064.91	157.89	0.13	0.13	0.13	0.00
Claims on the economy	10 079.25	18 319.69	25 744.25	31 340.00	42 571.41	52 945.26
Claims on publ enterprises	0.00	0.00	0.00	0.00	215.70	280.98
Claims on private sector	10 079.25	18 319.69	25 744.25	31 340.00	42 355.72	52 664.28
Claims on banks	4 063.03	5 925.68	3 835.27	10 227.10	6 537.80	4 348.08
Other Assets	2 409.40	2 438.17	2 117.60	2 481.11	2 849.89	4 010.43
LIABILITIES	21 640.83	26 858.84	31 741.65	44 111.71	52 374.27	63 080.85
Government liabilities	0.00	0.00	5 472.40	5 545.21	9 627.91	10 738.34
BNR credits	1 431.82	1 171.45	1 541.54	1 407.73	2 726.10	4 599.50
Long term loans	4 906.25	3 187.82	2 162.47	2 125.70	5 050.17	6 255.17
Savings Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Equity capital	4 744.34	5 070.44	5 618.26	13 097.35	14 100.07	16 823.85
Other amounts due	4 541.61	7 732.33	3 287.07	8 465.51	4 112.78	4 520.57
Other liabilities	6 016.81	9 696.80	13 659.91	13 470.21	16 757.24	20 143.42

Source : BNR, Statistics Department

* For the moment this statement includes only BRD

BANKING SURVEY*

Table 12

(BNR, BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, BHR, UOB, BPR SA, KCB RWANDA, CSS and BRD)

(In RWF million)

DESCRIPTION	2005	2006	2007	2008	2009	2010.0
I. NET FOREIGN ASSETS	222 522.7	285 141.0	351 553.7	403 731.5	442 806.1	518 956.5
Assets: BNR	224 673.0	241 195.9	300 601.9	333 352.3	424 147.7	483 454.0
BANKS	52 617.6	70 998.1	86 893.7	96 751.9	107 466.2	146 776.8
Less liabilities: BNR	43 364.4	16 258.3	18 770.1	7 808.5	65 977.3	68 532.6
BANKS	11 403.5	10 794.7	17 171.7	18 564.2	22 830.4	42 741.7
II. NET DOMESTIC CREDIT	122 471.3	162 667.3	209 616.9	231 344.1	215 646.8	295 526.8
Net Claims on Government	-56 059.8	-69 365.6	-75 365.0	-141 998.2	-153 103.7	-156 581.9
Claims: BNR	42 125.7	41 792.9	41 196.8	39 737.4	50 159.9	57 850.4
BANKS	24 760.0	26 367.9	46 977.2	29 570.2	20 070.6	45 024.6
OFIs	5 064.9	157.9	0.1	0.1	0.13	0.00
Less deposits: BNR	103 741.4	114 163.6	140 843.5	198 251.1	195 613.5	234 526.7
BANKS	24 269.0	23 520.8	22 695.5	13 054.9	27 720.8	24 930.2
O.F.I	0.0	0.0	0.0	0.0	0.0	0.0
Claims on public enterprises	2 180.2	2 406.0	1 762.5	1 636.9	3 165.3	3 494.6
BNR	61.2	24.4	13.2	0.0	0.0	0.0
BANKS	2 119.0	2 381.6	1 749.4	1 636.9	2 949.6	3 213.6
O.F.I	0.0	0.0	0.0	0.0	215.7	281.0
Claims on private sector	176 350.8	229 627.0	283 219.3	371 705.3	365 585.1	448 614.2
BNR	3 367.6	3 509.9	4 833.2	5 353.0	5 372.3	5 372.3
BANKS	162 367.2	207 797.4	252 641.9	335 012.3	317 857.1	390 577.6
O.F.I	10 616.0	18 319.7	25 744.3	31 340.0	42 355.7	52 664.3
ASSETS = LIABILITIES	344 994.0	447 808.4	561 170.6	635 075.6	658 452.9	814 483.4
MONEY SUPPLY	247 865.0	316 246.4	424 478.3	466 104.8	491 194.0	507 348.1
I. MONEY	133 438.1	152 313.4	217 181.1	225 358.7	258 050.7	221 981.1
Currency in circulation	47 028.1	52 730.9	63 224.0	80 892.3	76 992.4	90 478.2
Transferable deposits with BNR	1 788.7	1 812.1	1 885.0	1 911.8	5 573.0	594.6
Publ Enterprises	246.6	180.8	356.4	319.3	1 508.0	108.8
Private Sector	1 542.0	1 631.3	1 528.6	1 592.6	4 065.0	485.8
Nontransferable deposits with ODCs	84 621.3	97 770.5	152 072.1	142 554.5	175 485.3	130 908.3
II. QUASI MONEY	114 426.9	163 933.0	207 297.2	240 746.1	233 143.3	285 367.0
Non transferable deposits	70 754.2	104 754.6	138 663.2	158 407.9	136 106.3	186 137.5
BNR	0.0	0.0	0.0	0.0	0.0	0.0
BANKS	70 754.2	104 754.6	138 663.2	158 407.9	136 106.3	186 137.5
Foreign currency deposits	43 672.7	59 178.4	68 634.0	82 338.2	97 036.9	99 229.6
OTHER ITEMS NET	97 128.9	131 561.9	165 315.2	139 566.7	197 936.6	245 327.7
I. BNR	68 416.5	99 110.8	119 654.2	88 124.1	135 552.2	144 350.6
Cash in Banks	2 832.1	5 694.2	9 512.9	7 605.7	9 161.9	9 161.9
Cash in OFIs	6.0	2.3	0.9	0.3	0.2	0.3
Deposits in Banks	10 895.8	11 322.9	18 581.9	25 141.5	24 130.6	24 681.1
Deposits in OFIs	213.1	173.6	675.7	418.0	548.2	619.9
Money market borrowings	40 273.0	50 538.2	58 611.5	16 600.0	73 537.8	69 330.6
Shares and other equity	23 526.4	30 262.9	35 506.5	35 745.2	38 167.1	51 793.6
Unclassified liabilities	73 049.4	82 518.6	82 999.7	89 984.8	84 709.6	86 682.6
Loans money market	0.0	0.0	0.0	0.0	-8 678.2	-8 000.0
Claims on banks	-1 379.8	-1 189.3	-1 298.9	-1 495.6	-881.7	-745.6
Claims on OFIs	-424.0	-278.0	-1 167.4	-1 010.7	-2 471.0	-1 712.8
Unclassified Assets	-80 575.4	-79 934.6	-83 768.5	-84 865.0	-82 672.3	-87 460.9
II. BANKS	25 946.5	32 574.2	52 285.9	56 091.3	61 368.2	96 847.9
BNR loan	1 379.8	1 189.3	1 298.9	1 495.6	9 559.88	8 745.61
Shares and other equity	20 125.6	27 533.6	55 050.7	76 176.4	88 375.2	125 584.9
Banks Deposits	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	-15 136.5	-17 017.1	-18 956.9	-25 141.5	-34 443.4	-38 222.7
Claims on Banks	-1 379.8	-1 189.3	-1 298.9	-11 487.4	-9 843.8	-8 745.6
Claims on OFIs	0.0	0.0	0.0	0.0	0.0	0.0
Other item net	20 957.4	22 057.7	16 192.1	15 048.2	7 720.3	9 485.7
III. OFIs	2 766.0	-123.0	-6 625.0	-4 648.8	1 016.1	4 129.2
Reserves	-24.2	-17.5	-39.7	-63.4	-415.0	-181.6
Claims on banks	-4 063.0	-5 925.7	-3 835.3	-10 227.1	-6 537.8	-4 348.1
Claims on OFIs	0.0	0.0	0.0	0.0	0.0	0.0
Long term loan	4 906.3	7 732.3	2 162.5	2 125.7	5 050.2	6 255.2
Other amounts due	0.0	0.0	0.0	0.0	0.0	0.0
BNR Credit	1 431.8	1 171.5	1 011.6	1 407.7	2 726.1	1 712.8
Shares and other equity	4 744.3	5 070.4	5 618.3	13 097.4	14 100.1	16 823.9
Other items net	-4 229.2	-8 154.1	-11 542.3	-10 989.1	-13 907.4	-16 133.0

*This statement consolidates the balance sheets of BNR, ODCs and other financial intermediaries.

Source: BNR, Statistics Department

OUTSTANDING CREDIT BY SECTOR OF ACTIVITY ON 31/12/2010

(In thousands of Rwanda Franc)

Table 13

ACTIVITY	Cash credits			
	Long-term	Medium-term	Short-term	Total
AGRICULTURE, LIVESTOCK, FORESTRY AND FISHING	4 078 554	8 657 300	791 490	13 527 344
Agriculture	2 066 491	5 132 584	538 028	7 737 103
Livestock and related activities	2 012 063	2 993 114	246 999	5 252 176
Forestry (sylviculture)		508		508
Fishing and Pisciculture		4 329		4 329
Others		526 765	6 463	533 228
Mining activities	10 368	38 645		49 013
Manufacturing industries	17 230 944	8 826 083	7 619 264	33 676 291
Manufacturing of food products	12 371 514	4 584 981	1 412 630	18 369 125
Manufacturing of beverages and tobacco	783 537	1 109 053	1 280 351	3 172 941
Textile industries, clothing and leather	707 836	214 393	236 105	1 158 334
Wood industries	23 414	231 202	269 731	524 347
Manufacturing of paper, editing and printing	69 628	379 929	376 444	826 001
Chemical industries and related activities	15 342	245 183	799 014	1 059 539
Non-metal products industries		4 494	660 318	664 812
Metal industries	114 745	184 839	2 106 059	2 405 643
Other manufacturing industries	3 144 928	1 872 009	478 612	5 495 549
Energy and water	427 236	12 673	398 786	838 695
Public works and construction	41 152 721	43 694 692	8 572 602	93 420 015
Public works enterprises	24167	5849037	7417352	13 290 556
Construction	41128554	37845655	1155250	80 129 459
Trade, restaurant an hotels	21 487 754	28 993 722	57 912 017	108 393 493
Domestic trade	1 246 599	21 484 875	46 932 827	69 664 301
Import trade	2 716 559	2 398 391	5 538 204	10 653 154
Export trade	13 500	91 126	1 235 728	1 340 354
Restaurant and hotels	17 356 093	4 642 498	3 927 698	25 926 289
Other trade, restaurant and hotel activities	155 003	376 832	277 560	809 395
Transport, warehousing and communications	1 072 069	27 827 146	14 168 690	43 067 905
Land transport (passengers)	193 344	8 996 270	1 675 891	10 865 505
Land transport (merchandises)		7 615 369	777 445	8 392 814
Tranport by Air			312 217	312 217
Transport by water		475		475
Subsidiary tansport	26 725	4 214 653	160 561	4 401 939
Storage and warehouse			244 295	244 295
Communications	852 000	4 848 289	10 879 111	16 579 400
other transport, warehousing and communications	0	2 152 090	119 170	2 271 260
Insurance, real estate, and OFIs	1 684 383	1 063 856	835 511	3 583 750
Insurance companies			2 869	2 869
Real estate	1 328 623			1 328 623
Service enterprises	355 760	328 378	588 234	1 272 372
Other		735 478	244 408	979 886
Service provided to the community	10 149 828	2 245 520	2 408 748	14 804 096
Public administration and national defense		1 814	205 350	207 164
Health services and related activities	1 633 096	173 751	711 844	2 518 691
Education	5 067 296	850 902	416 281	6 334 479
Religious organizations		198 686	544 441	743 127
Recreative and cultural services		52 465	80 833	133 298
other services supplied to the community	3 449 436	967 902	384 766	4 802 104
Microfinance institutions			65 233	65 233
Not elsewhere classified activities	101 409	26 239 244	18 972 269	45 312 922
Total	97 395 266	147 598 881	111 679 377	356 673 524

Source: BNR, Financial Stability Directorate

This situation embodies the banks and institutions below:

BCR, BK, ECOBANK RWANDA, FINA BANK, ACCESS BANK, COGEBANQUE, KCB, BRD,BHR and BPR (only head quarter)

NEW CREDITS BY SECTOR OF ACTIVITY IN 2010

(In thousands of Rwanda Franc)

Table 14

ACTIVITY	Cash credits			Total
	Long-term	Medium-term	Short-term	
Agricultural, livestock, forestry and fisheries	1 390 426	3 454 682	663 229	5508337
Mining activities		180		180
Manufacturing activities	11 344 403	2 794 033	12 050 887	26189323
Water & energy activities	30 000	455 300	938 983	1424283
Public works and construction	18 207 848	23 290 148	10 280 297	51778293
Trade, restaurants & hotel	4 862 935	25 349 166	99 054 114	129266215
Transport, warehousing and communications	404 093	7 272 306	17 891 585	25567984
OFls, Insurance and real estate	1 270 000	1 254 183	5 951 302	8475485
Services provided to the community	2 255 487	1 581 348	3 031 250	6868085
Activities not elsewhere classified	115 706	27 482 018	4 679 323	32277047
Total	39880898	92933364	154540970	287355232

Source: BNR, Financial Stability Directorate

This situation embodies the banks and institutions below:

BCR, BK, ECOBANK RWANDA, FINA BANK, ACCESS BANK, COGEBANQUE, KCB, BRD, BHR and BPR (only head quarter)

Interest rates Structure (in %)

Table 15

DESCRIPTION	PERIOD	2010															
		March	June	September	December	January	February	March	April	May	June	July	August	September	October	November	December
Deposit rate		6.57	9.44	8.64	8.54	7.59	7.12	7.17	6.93	6.86	6.30	6.14	6.17	6.22	6.51	7.07	7.10
Lending rate		15.74	16.89	17.56	15.77	17.28	16.08	16.94	16.96	16.65	17.38	16.91	17.20	16.82	17.34	17.51	16.94
Money market rate																	
* -Mop-up		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Injection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repo Rate		5.29	5.50	6.06	6.27	5.25	4.71	4.42	3.46	3.92	5.19	5.42	5.42	5.47	5.23	5.07	5.47
Discount rate		12.00	12.00	12.50	11.50	11.50	11.50	11.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00
Interbank rate		8.98	9.03	8.98	7.49	7.07	7.28	6.81	6.30	6.13	6.58	7.03	6.76	7.38	7.32	7.16	6.84
Weight average rate on T-bill market :		7.57	9.13	9.9	7.88	9.06	8.81	8.42	7.94	7.60	7.30	7.15	7.14	7.62	7.51	7.28	7.32
28 days					7.28	7.50	7.72	-	7.16	7.03	7.14	7.08	6.98	6.96	6.93	6.79	6.29
91 days		-	9.13	9.44	8.58	9.38	8.55	7.72	7.36	7.11	7.20	7.20	7.02	7.03	7.00	6.97	6.76
182 days		-	-	11.41	8.00	-	9.30	9.11	8.83	8.16	8.00	-	7.59	7.88	7.69	7.07	7.22
364 days		7.57	-	-	-	-	-	-	-	9.00	-	-	8.85	8.85	8.00	7.69	7.68
T-Bonds market																	
Tbond 2 yrs													9.46				
Tbond 3 yrs									10.54								
Tbond 5 yrs																11.12	
3 to 12 months BNR liquidity facility				10.5	10.5	-	-	9.04	9.24	-	9.13	-	9.50	8.83	-	-	-
Key Repo Rate			9.00	9.00	7.50	7.50	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Reverse Repo		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source : Statistics Department

* The Mop-up operations were replaced by those of Repo since september 2008

AVERAGE EXCHANGE RATES OF THE MAJOR CURRENCIES

Table 16

Description	1USD	1Estg	1YEN	1DTS	1EURO
2002	475.32	715.28	3.81	613.76	450.15
2003	537.91	880.07	4.65	746.42	608.28
2004	577.52	1057.83	5.35	850.76	717.53
2005	557.81	1016.30	5.09	825.11	695.52
2006	548.00	1015.97	4.74	811.64	692.40
2007	547.01	1093.09	4.65	836.71	748.93
2008	546.85	1013.83	5.30	864.46	804.23
2009	568.27	887.92	6.09	872.50	791.79
2010	583.13	901.56	6.65	889.72	774.01
2007					
January	549.21	1075.84	4.57	821.27	714.59
February	548.18	1073.46	4.54	820.63	716.16
March	546.93	1065.50	4.66	824.53	724.15
April	546.50	1085.57	4.60	830.39	737.46
May	546.04	1083.32	4.53	828.92	738.05
June	546.03	1083.27	4.46	825.14	732.25
July	548.87	1115.75	4.51	839.05	752.39
August	548.43	1102.57	4.70	838.86	747.01
September	547.28	1103.40	4.75	844.20	759.03
October	546.21	1115.49	4.71	851.04	776.61
November	545.57	1116.97	4.96	862.74	800.02
December	544.81	1095.92	4.83	853.72	789.46
Annual average	547.01	1093.09	4.65	836.71	748.93
2008					
January	543.84	1071.68	5.03	861.20	800.29
February	543.59	1066.91	5.07	861.53	800.81
March	544.25	1089.83	5.39	887.52	843.66
April	543.92	1077.74	5.32	890.66	857.98
May	543.08	1067.36	5.21	881.94	845.05
June	543.06	1066.08	5.08	878.93	843.87
July	544.37	1083.04	5.10	888.18	859.64
August	547.50	1038.83	5.01	869.30	822.49
September	549.54	988.71	5.14	855.52	790.90
October	551.35	937.42	5.50	836.82	737.90
November	552.73	850.86	5.70	819.75	704.27
December	554.97	827.52	6.07	842.20	743.87
Annual average	546.85	1013.83	5.30	864.46	804.23
2009					
January	564.19	818.69	6.24	811.25	751.34
February	566.80	819.40	6.16	843.40	726.52
March	568.53	806.32	5.82	842.58	739.97
April	568.50	833.80	5.76	847.85	749.48
May	567.21	872.06	5.86	861.30	771.60
June	567.97	911.11	5.88	877.37	796.07
July	569.28	930.39	6.03	883.50	801.88
August	568.04	940.25	5.98	885.99	809.75
September	568.80	929.48	6.21	896.70	826.78
October	569.44	920.91	6.32	905.09	843.29
November	569.87	945.36	6.38	911.17	849.38
December	570.59	927.33	6.38	903.76	835.43
Annual average	568.27	887.92	6.09	872.50	791.79
2010					
January	572.14	925.31	6.26	895.74	818.10
February	572.78	894.64	6.35	880.64	783.17
March	572.62	861.87	6.33	874.94	777.53
April	574.00	879.63	6.13	870.93	770.38
May	578.63	850.49	6.27	857.15	729.81
June	584.38	861.02	6.42	857.80	713.67
July	589.39	900.23	6.73	886.12	752.66
August	588.97	920.83	6.88	893.13	759.07
September	588.35	915.29	6.97	897.49	767.91
October	590.17	935.82	7.20	925.91	819.28
November	592.37	947.54	7.20	925.46	812.37
December	593.78	926.05	7.12	911.33	784.12
Annual average	583.13	901.56	6.65	889.72	774.01

Source : BNR, Statistics Department

PUBLIC EXTERNAL DEBT STOCK

Table 17

(In USD million by donor, end period)

DESCRIPTION	2005	2006	2007	2008	2009	2010
MULTILATERAL DEBT	1 402.82	390.02	485.66	580.53	628.26	651.14
IDA	975.53	168.43	205.30	240.38	253.30	258.25
AfDB-ADF	294.60	69.33	102.16	135.49	157.88	172.59
BADEA	18.46	21.47	25.44	25.77	26.49	29.33
OPEC	16.50	17.49	21.47	12.71	32.40	35.08
OTHERS	97.73	113.30	131.29	166.18	158.19	155.89
BILATERAL DEBT	83.99	89.52	84.19	85.20	108.34	115.45
CHINA	16.01	16.54	0.00	0.00	0.00	0.00
FRANCE	3.96	4.40	4.92	4.74	4.79	3.66
KUWAIT	32.21	32.66	34.49	34.22	34.63	35.52
SAUDI ARABIA	29.63	33.74	42.58	44.04	44.54	45.22
JAPAN	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	2.18	2.18	2.20	2.20	24.38	31.05
TOTAL	1486.81	479.54	569.85	665.73	736.60	766.59

N.B. : Government guaranteed debt not included

Source: BNR, Statistics Department

Table 18

Development of guaranteed debt outstanding

(In USD million , by donors)

DESCRIPTION	2005	2006	2007	2008	2009	2010
EIB 1	0.32	0.24	0.27	0.26	0.00	0.00
EIB 2	0.01	0.01	0.01	0.01	0.00	0.00
EDF/ EEC	0.51	0.57	0.65	0.62	0.00	0.00
ADF I	0.39	0.42	0.43	0.43	0.00	0.00
ADF II	1.93	1.43	1.50	1.47	0.00	0.00
AfDB	0.00	0.00	0.00	0.00	0.00	0.00
SHELTER Afrique(Goboka)	1.40	1.35	0.54	0.30	0.22	0.15
SOUTHERN SUN	1.00	0.00	0.00	0.00	0.00	0.00
PTA BANK (RWANDAIR N°1)	0.00	0.00	0.00	0.00	13.05	11.53
PTA BANK (RWANDAIR N°2)	0.00	0.00	0.00	0.00	0.00	11.47
TOTAL	5.56	4.02	3.40	2.97	13.27	23.14
(In RWF million , by donors)						
DESCRIPTION	2005	2006	2007	2008	2009	2010
EIB 1	177.19	131.68	146.94	145.31	0.00	0.00
EIB 2	5.54	5.49	5.44	5.59	0.00	0.00
EDF/ EEC	282.40	312.73	353.74	346.52	0.00	0.00
ADF I	215.95	230.43	234.01	240.33	0.00	0.00
ADF II	1 068.68	784.57	816.33	821.58	0.00	0.00
AfDB	0.00	0.00	0.00	0.00	0.00	0.00
SHELTER Afrique(Goboka)	775.21	740.68	293.88	100.60	124.43	86.26
SOUTHERN SUN	553.72	0.00	0.00	0.00	0.00	0.00
PTA BANK (RWANDAIR N°1)	0.00	0.00	0.00	0.00	7 454.68	6 852.41
PTA BANK (RWANDAIR N°2)	0.00	0.00	0.00	0.00	0.00	6 815.85
TOTAL	3 078.68	2 205.58	1 850.35	1 659.93	7 579.11	13 754.52

Source: BNR, Statistics Department

Development of drawings by creditors

Table 19

(In USD million)

DESCRIPTION	2005	2006	2007	2008	2009	2010
MULTILATERAL CREDITORS	100.9	83.4	78.9	110.42	50.7	43.3
Of which : IDA	47.7	38.3	27.5	40.41	11.1	10.1
FAD-FSN	36.8	27.6	25.8	32.08	22.5	16.0
BILATERAL CREDITORS	0.0	4.4	7.5	1.72	18.9	7.3
TOTAL	100.9	87.8	86.4	112.14	69.6	50.7
Of Which :						
Drawings for projects	92.7	78.3	82.0	106.36	65.5	50.7
Drawings for budget support	8.2	6.9	1.0	2.07	0.5	0.0
Drawings for BOP support (IMF)	0.0	2.5	3.4	3.72	3.6	0.0

Source: BNR, Statistics Department

Development of External Debt Service Due

Table. 20

(In USD million by donors)

DESCRIPTION	2005	2006	2007	2008	2009	2010
MULTILATERAL DONORS	40.6	31.4	11.3	12.9	12.7	14.9
Principal	30.1	21.2	6.2	7.2	7.3	8.8
Of which : IDA	15.2	9.3	0.0	0.0	0.0	0.5
FAD-FSN	7.2	5.6	0.8	0.7	1.1	1.2
BADEA	3.5	0.0	0.0	0.0	0.0	0.0
Interests	10.5	10.2	5.0	5.7	5.4	6.2
Of which : IDA	8.0	5.0	1.5	1.7	1.6	1.9
FAD-FSN	0.8	3.1	1.3	1.6	1.5	1.6
BADEA	0.6	1.0	0.9	0.9	0.4	0.9
BILATERAL DONORS	9.1	2.7	1.3	1.4	1.8	2.9
Principal	6.2	1.7	0.3	0.3	0.3	1.2
Interests	2.9	1.0	1.1	1.2	1.6	1.7
SUPPLIERS' CREDITS	0.7	0.0	0.0	0.0	0.0	0.0
Principal	0.0	0.0	0.0	0.0	0.0	0.0
Interests	0.7	0.0	0.0	0.0	0.0	0.0
TOTAL	50.5	34.1	12.6	14.3	14.5	17.8
Principal	36.3	22.9	6.5	7.5	7.5	10.0
Interests	14.2	11.2	6.1	6.9	7.0	7.9

Source: BNR, Statistics Department

Development of arrears by year and by donors

Table 21

(In RWF million)

DESCRIPTION	2008		2009		2010	
	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERAL DONORS	0.00	0.00	0.00	0.00	0.00	0.00
IDA	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	0.00	0.00
IFAD	0.00	0.00	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	0.00	0.00	0.00	0.00
OPEC	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	0.00	0.00	0.00	0.00	0.00	0.00
CHINA	0.00	0.00	0.00	0.00	0.00	0.00
FRANCE	0.00	0.00	0.00	0.00	0.00	0.00
KUWAIT	0.00	0.00	0.00	0.00	0.00	0.00
SAUDI ARABIA	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	0.00	0.00	0.00	0.00	0.00	0.00
(In millions of USD)						
DESCRIPTION	2008		2009		2010	
	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERAL DONORS	0.00	0.00	0.00	0.00	0.00	0.00
IDA	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	0.00	0.00
IFAD	0.00	0.00	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	0.00	0.00	0.00	0.00
OPEC	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	0.00	0.00	0.00	0.00	0.00	0.00
CHINA	0.00	0.00	0.00	0.00	0.00	0.00
FRANCE	0.00	0.00	0.00	0.00	0.00	0.00
KUWAIT	0.00	0.00	0.00	0.00	0.00	0.00
SAUDI ARABIA	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

N.B. : Guaranteed debt not included

Source: BNR, Statistics Department

BALANCE OF PAYMENTS

Table 22

(In USD million)

	2005	2006	2007	2008	2009	EST 2010
Trade Balance	-228.7	-299.02	-404.39	-613.05	-768.08	-786.70
Exports, f.o.b.	125.0	147.38	176.77	267.67	192.67	297.28
Of which: coffee	38.3	54.04	35.67	47.05	37.29	56.08
tea	24.4	31.86	31.52	44.95	48.71	55.71
Imports, f.o.b.	-353.6	-446.40	-581.16	-880.72	-960.75	-1083.97
Services and income (net)	-193.7	-160.95	-140.38	-135.67	-214.49	-292.06
Services (net)	-166.5	-132.30	-123.16	-100.60	-177.70	-246.22
Income (net)	-27.2	-28.66	-17.22	-35.06	-36.79	-45.85
Trade and Services and income balance	-422.3	-459.97	-544.76	-748.71	-982.6	-1078.76
Current transfers (net)	364.5	325.54	461.32	518.57	604.0	657.36
Private	46.7	77.15	98.82	72.61	79.71	90.68
Public	317.8	248.39	362.50	445.96	524.31	566.68
Current account balance (including official transfers)	-57.82	-134.43	-83.45	-230.15	-378.56	-421.40
Capital and Financial account balance	165.4	216.0	196.7	316.12	433.5	491.47
Capital Account	93.5	1400.08	92.04	210.06	200.00	285.64
<i>Capital transfers</i>	93.5	1400.08	92.04	210.06	200.00	285.64
Debt Forgiveness	0.0	1226.60	0.00	0.00	0.00	0.00
Migrants transfers	0.0	0.00	0.00	0.00	0.00	0.00
Other capital transfers	93.5	173.48	92.04	210.06	200.00	285.64
Financial transactions account	71.98	-1184.09	104.67	106.06	233.55	205.83
Public sector capital (LT) (net)	53.7	-1104.83	80.36	104.75	81.35	51.90
Private sector capital (LT) (net)	-4.6	25.34	81.43	89.94	160.7	180.45
Lt. Debt			3.39	9.48	42.72	129.02
Amortization			-4.24	-4.10	-0.7	-12.29
Direct investment	10.5	30.6	82.28	84.56	118.7	63.71
Other Capital	22.9	-104.60	-57.13	-88.63	-8.49	-18.63
Short term capital	22.9	-104.60	-57.13	-88.63	-8.49	-18.63
Errors & Omissions	11.53	-0.03	-2.66	-27.97	2.05	-5.88
Overall balance	119.2	81.52	110.60	58.01	57.05	72.07
Financing (- increase)	-119.2	-81.52	-110.60	-58.01	-57.05	-72.07
Change in net foreign assets of NBR (increase -)	-120.2	-81.52	-110.60	-58.01	-57.05	-72.07
a. Net use of IMF credit (increase +)	-6.7	2.52	3.40	3.70	3.56	0.00
b. Change in gross reserves (increase -)	-93.5	-35.01	-114.37	-58.68	-159.51	-69.08
c. Change in other foreign liabilities (increase +)	-20.0	-49.03	0.37	0.67	102.47	-2.99
Change in arrears (decrease -)	1.1	0.00	0.00	0.00	0.00	0.00
Exceptional financing	0.0	0.00	0.00	0.00	0.00	0.00
Rescheduling	0.0	0.0	0.0			
Cancellation	0.0	0.0	0.0			
GAP (+ Financing needed)	0.0	0.00	0.00	0.00	0.00	0.00
For the record						
Gross official reserves (Mios USD)	405.7	439.62	552.40	598.5	742.42	813.4
Foreign liabilities (Mios USD)	78.3	29.63	30.00	13.90	115.54	115.40
Gross reserves in month of imports G&S	7.6	6.8	7.0	5.1	6.2	6
Gross reserves in months of CAF imports of goods	10.3	8.92	8.60	6.12	7.08	7
Gross reserves in months of FOB imports of goods	13.8	11.82	11.41	8.16	9.34	9
Trade balance (in percent of GDP)	-8.9	-9.6	-10.8	-14.0	-16.7	-14%
Current account balance in percent of GDP (including official transfers)	-2.2%	-4.3%	-2.2%	-5.2%	-8.2%	-7%
Current account balance in percent of GDP (excluding official transfers)	-14.6%	-12.3%	-11.9%	-15.2%	-19.6%	-18%
Overall balance (in percent of GDP)	4.62	2.62	2.96	1.30	1.24	1.3%
GDP (millions \$US, Current)	2 581.21	3 110.92	3 740.71	4 455.84	4 611.49	5 628.34
GDP (billions de RFW, current)	1 440	1 716	2 046	2 437	2 948	3 282
Exchange rate of 1 USD (RFW/1 USD), end period	553.83	548.65	545.45	558.900	571.24	594.45
Imports of goods and services	-639.81	-780.35	-944.95	-1401.18	-1450.26	-1640.55
Exchange rate average (RFW/1 USD)	557.81	551.76	547.01	546.97	568.28	583.12

Source : BNR, Statistics Department

RWANDA's EXPORTS

Table 23

(FOB value in USD million)

	2005	2006	2007	2008	2009	2010
I. Coffee						
Value	38.3	54.04	35.67	47.05	37.29	56.08
in % of Total exports, f.o.b.	30.6	36.7	20.18	18.28	19.75	19.00
% change of value	18.7	41.2	-33.99	31.51	-20.51	50.00
Volume (1,000 tons)	18 398.6	26 534.1	13 673.86	18 191.29	14 992.36	18 235.85
% change of volume	32.1	44.2	-48.47	33.04	-18.00	22.00
Unit value (US\$/kg)	2.08	2.04	2.61	2.58	2.49	3.08
% change of unit value	74.8	2.08	28.08	-1.15	-0.04	23.70
II. Tea						
Value	24.38	31.86	31.52	44.95	48.24	55.71
in % of Total exports, f.o.b.	19.51	21.62	17.83	15.61	25.80	19.00
% change of value	13.13	30.68	-1.09	27.08	21.63	15.00
Volume (1,000 tons)	15 481	16 523.7	18 375.62	19 828.02	18 689.30	21 528.48
% change of volume	18.5	6.7	11.21	3.93	-0.01	15.20
Unit value (US\$/kg)	1.57	1.93	1.72	2.10	2.58	2.59
% change of unit value	4.8	22.44	-11.06	22.28	0.23	0.20
III. Minerals						
Value	37.30	36.57	70.62	91.69	55.43	67.85
in % of Total exports, f.o.b.	29.85	24.81	39.95	35.57	28.90	23.00
% change of value	27.4	1.9	93.09	29.23	-40.20	22.00
Volume (1,000 tons)	6 150.49	5 995.15	8 220.98	7 009.98	6 093.54	5 466.35
% change of volume	34.5	2.5	37.13	-14.73	-0.13	-10.29
Cassiterite						
Value	17.86	15.87	31.97	41.25	28.58	42.21
in % of Total exports, f.o.b.	14.29	10.76	18.09	16.04	15.14	14.00
% change of value	12.46	11.14	101.52	28.70	-30.55	48.00
Volume (1,000 tons)	4 531.8	3 835.3	4 565.91	4 193.29	4 269.17	3 874.20
% change of volume	27.54	15.37	19.05	-9.85	0.04	-0.09
Unit value (US\$/kg)	3.94	4.14	7.00	10.00	6.69	10.89
% change of unit value	11.85	4.99	69.28	42.76	-33.04	0.63
Coltan						
Value	16.87	11.17	19.23	36.03	20.24	18.48
in % of Total exports, f.o.b.	13.50	7.58	10.88	14.50	10.72	6.22
% change of value	29.84	33.76	72.10	93.51	-45.62	-8.67
Volume (1,000 tons)	1 061.64	724.25	968.96	1 190.33	949.92	748.72
% change of volume	23.30	31.78	33.79	26.16	-22.29	-21.18
Unit value (US\$/kg)	15.89	15.43	19.85	30.44	21.30	24.69
% change of unit value	5.30	2.90	28.63	53.38	-30.02	16.00
Wolfram						
Value	2.58	9.53	19.42	13.41	5.76	7.10
in % of Total exports, f.o.b.	2.06	6.47	10.98	5.03	3.05	2.39
% change of value	536.01	270.11	103.67	-33.58	-55.34	23.25
Volume (1,000 tons)	557.02	1 435.57	2 686.11	1 708.04	874.45	843.42
% change of volume	253.63	157.72	87.11	-37.78	-0.48	-3.55
Unit value (US\$/kg)	4.62	6.64	7.23	7.72	6.59	8.42
% change of unit value	79.93	43.61	8.85	6.76	-14.64	27.79
Or						
Valeur				1.01	0.86	0.06
in % of Total exports, f.o.b.						0.00
var en % de la valeur						-0.93
Volume exporté(Tonnes)				0.04	0.03	0.00
var en % du volume						
Prix Unit(USD/kg)						20 810.52
% change of unit value						
IV. Hides and skins						
Value	4.73	1.99	3.56	2.85	1.96	3.74
in % of Total exports, f.o.b.	3.79	1.35	2.02	1.11	1.04	1.26
% change of value	39.82	58.00	79.31	-20.06	-31.16	90.84
Volume (1,000 tons)	3 183	1 160	1 805.60	2 043.60	1 791.68	3 730.87
% change of volume	48.01	63.57	55.67	13.18	-12.33	108.23
Unit value (US\$/kg)	1.49	1.71	1.97	1.39	1.09	1.00
% change of unit value	5.30	15.29	15.18	-29.37	-21.48	-8.35
V. Pyrethrum						
Value		1.92	3.00	0.38	0.64	1.41
in % of Total exports, f.o.b.	0.00	1.31	1.70	0.15	0.34	0.47
% change of value	100.00		56.05	-87.25	68.08	118.58
Volume (1,000 tons)		44.64	38.27	3.30	3.18	6.33
% change of volume	100.00		-14.25	-91.39	-0.04	99.24
Unit value (US\$/kg)		43.10	78.44	116.16	202.61	222.27
% change of unit value	100.00		81.98	48.09	74.43	9.70
VI. Other products						
Value	20.22	20.91	32.32	85.80	49.26	69.66
in % of Total exports, f.o.b.	16.18	14.19	18.28	31.25	26.54	23.43
% change of value	87.25	3.45	54.55	148.03	-37.48	41.42
Other ordinary products	3.19	4.41	14.37	33.00	26.88	33.76
Reexports	17.03	16.50	17.95	52.81	22.38	35.90
Sub- Total	124.90	147.30	176.69	272.73	192.82	254.46
VII. Adjustments	0.08	0.08	0.08	-5.06	-0.16	42.82
Electricity	0.08	0.08	0.08	0.09	0.12	0.11
Postal colis						
Carnets 126						
Goods purchased in the ports or airports						0.56
Reexports of minerals					11.12	25.17
Ajustment in transport and insurance						
Ajustments on exports/ surveys					4.33	46.91
Ajustment on transport & Tea assurance				-5.15	-4.61	-4.77
Total fob	124.98	147.38	176.77	267.67	192.67	297.28
% change	27.46	17.93	19.94	45.14	-28.02%	26.53%

Source : BNR, Statistics Department

RWANDA'S IMPORTS

Table 24

(Value in USD million)

	2005	2006	2007	2008	2009	Est 2010
I. Capital goods						
Value	109.9	126.8	202.5	367.29	372.40	357.56
in % of Total M CIF	23.31	21.44	26.28	31.29	28.67	0.25
% change of value	37.39	15.40	59.72	81.35	-1.25	-0.04
Volume (tons)	17 506	20 803	31 551	39 860	53 136	43 076
% change of volume	40.13	18.83	51.67	26.33	0.33	-0.19
Unit value (US\$/kg)	6.28	6.10	6.42	9.21	7.01	8.30
% change of unit value	-1.96	-2.89	5.31	43.55	-5.89	0.18
II. Intermediate goods						
Value	111.16	146.15	189.91	323.87	332.46	381.97
in % of Total M CIF	23.58	24.71	24.64	27.59	24.75	0.27
% change of value	40.35	31.48	29.94	70.54	-3.31	0.15
Volume (tons)	154 363	206 831	274 574	367 938	408 677	481 644
% change of volume	43.31	33.99	32.75	34.00	124.87	0.18
Unit value (US\$/kg)	0.72	0.71	0.69	0.88	0.81	0.79
% change of unit value	-2.06	-1.88	-2.12	27.26	-16.66	-0.03
III. Energy products						
Value	78.16	108.56	115.65	161.49	177.97	210.84
in % of Total M CIF	16.58	18.36	15.01	13.76	16.50	0.15
% change of value	13.88	38.90	6.53	39.63	29.28	0.18
Volume (tons)	128 819	172 818	183 252	186 722	189 347	195 785
% change of volume	4.49	34.16	6.04	1.89	0.01	0.03
Unit value (US\$/kg)	0.61	0.63	0.63	0.86	0.94	1.08
% change of unit value	8.99	3.53	0.46	37.04	68.67	0.15
IV. Consumer goods						
Value	131.17	166.54	229.10	284.08	363.99	439.01
in % of Total M CIF	27.83	28.16	29.73	24.20	27.06	0.32
% change of value	28.02	26.97	37.56	24.00	20.52	0.21
Volume (tons)	120 855	173 743	285 259	253 662	359 314	468 472
% change of volume	10.66	43.76	64.18	-11.08	117.46	0.30
Unit value (US\$/kg)	1.09	0.96	0.80	1.12	1.01	0.94
% change of unit value	15.68	-11.68	-16.22	39.45	-10.42	-0.07
1. Food						
Value	35.26	47.93	71.76	87.07	122.72	154.18
in % of Total M CIF	7.48	8.10	9.31	7.42	9.16	0.11
% change of value	6.33	35.91	49.74	21.33	33.07	0.26
Volume (tons)	79 854	122 832	223 979	172 073	265 599	372 488
% change of volume	5.43	53.82	82.35	-23.17	111.84	0.40
Unit value (US\$/kg)	0.44	0.39	0.32	0.51	0.46	0.41
% change of unit value	0.86	-11.65	-17.88	57.93	-9.53	-0.10
2. Others consumer goods						
Value	95.91	118.62	157.34	197.01	241.27	284.83
in % of Total M CIF	20.34	20.06	20.42	16.78	17.90	0.21
% change of value	38.40	23.68	32.64	25.22	14.98	0.18
Volume (tons)	41 001	50 911	61 280	81 589	93 715	95 985
% change of volume	22.52	24.17	20.37	33.14	134.97	0.02
Unit value (US\$/kg)	2.34	2.33	2.57	2.41	2.57	2.97
% change of unit value	12.96	-0.39	10.20	-5.95	0.07	0.15
S/TOTAL	430.37	548.06	737.19	1136.73	1246.81	1389.38
Var en %	30.31	27.35	34.51	54.20	10%	11%
V. Adjustment						
Valeur	41.03	43.32	33.46	37.24	61.64	41.66
in % of Total M CIF	8.70	7.32	4.34	3.17	0.05	0.03
electricity	5.57	11.00	12.10	2.29	2.28	2.85
En % de val cif totale	1.18	1.86	1.57	0.19	0.00	0.00
Parcel post	1.36	1.36	1.36	0.06		
Autres (dont)	34.1	31.0	20.0	34.89	59.35	38.81
126 BIS	34.1	22.4	11.0	11.49	13.50	
in % of Total M CIF	7.23	3.79	2.58	3.18		
Oil purchased in the airport		3.62	3.50	0.94	2.22	3.72
Reexport non included	--	12.7	11.00	43.82	27.10	35.90
Embassies' imports		-7.75	-5.50	-21.36	-18.97	-22.04
ICBT					23.52	21.22889712
Imports of TIGO 55					14.20	
in % of Total M CIF						
VI. Import cif	471.40	591.38	770.65	1173.98	1308.45	1431.04
% change	28.17	25.45	30.31	52.34	0.11	
VII. Freight and insurance	117.76	144.98	189.49	293.26	311.45	347.07
In % du Cif	24.98	24.98	24.98	24.98	24.98	24.98
% change of ratio	0.00	0.00	0.00	0.00	0	
VIII. Total fob	353.64	446.40	581.16	880.72	997.00	1083.97
% change	28.17	26.23	30.19	51.54	13%	9%

Source : BNR, Statistics Department

SERVICES AND INCOME

Table 25

(In USD million)

SERVICES	2005	2006	2007	2008	2009	Estim. 2010
Services and income (net)	-193.67	-160.95	-140.38	-135.67	-214.49	-292.06
Services (net)	-166.46	-132.30	-123.16	-100.60	-177.70	-246.22
Credit	119.71	201.65	240.63	419.86	341.05	310.36
Freight and insurance	7.01	4.22	5.23	5.15	4.61	4.77
Other transportation	17.76	16.41	24.58	37.74	49.04	21.68
Travel	48.76	131.84	151.63	186.00	174.46	201.65
Others services	46.17	49.19	59.19	190.97	112.94	82.26
- Operating cost of embassies	37.64	37.19	39.99	81.87	92.14	65.97
- privates (incl: post, communicat, ICT...)	8.53	12.00	19.19	109.10	20.81	16.30
Debit	-286.17	-333.95	-363.79	-520.46	-518.75	-556.57
Freight and insurance	-83.61	-101.34	-134.53	-208.21	-242.14	-293.68
Other transportation	-38.21	-42.63	-50.50	-75.75	-76.03	-43.19
Travel	-36.75	-41.29	-46.66	-69.99	-71.83	-77.01
Operating cost of embassies	-22.20	-28.93	-29.59	-17.90	-15.45	-17.80
Technical assistance	-88.47	-94.98	-71.95	-106.69	-78.96	-96.54
technical assistance (PIP)	-38.14	-43.37	-45.17	-79.12	-50.00	-71.41
technical assistance (humanitarian aids)	-50.32	-51.61	-26.78	-27.58	-28.96	-25.13
Other private services (incl: post, ICT, Communicat.)	-16.94	-24.79	-30.55	-41.91	-34.35	-28.36
Income (net)	-27.21	-28.66	-17.22	-35.06	-36.79	-45.85
Credit	15.45	24.62	25.44	28.27	14.91	12.81
Investment income	15.20	20.63	21.35	23.72	10.42	7.86
- Official investment(BNR)	11.67	18.79	19.90	20.00	8.45	6.12
- Banks investment	1.57	1.05	1.46	1.78	1.89	1.73
- Dividends	1.96	0.79	0.00	1.94	0.08	0.01
Labor services income	0.24	3.99	4.09	4.49	4.49	4.94
Property income	0.00	0.00	0.00	0.05	0.00	0.01
Debit	-42.7	-53.27	-42.66	-63.33	-51.71	-58.65
Income paid on directs investments	-3.61	-9.06	-9.29	-16.42	-4.66	-3.74
1. Dividendes	-3.61	-9.06	-9.29	-15.36	-4.66	-3.74
2. Interest paid or reinvested on private invstments	0.00	0.00	0.00	-1.06	0.00	0.00
Income paid on others investments	-17.89	-13.63	-7.33	-7.74	-9.41	-11.97
Public sectorl	-17.02	-12.14	-6.18	-6.93	-7.27	-7.83
- Interest due on public external debt	-14.20	-11.45	-6.15	-6.88	-7.06	-7.83
- Interest due on rescheduling. (consolidated amount: 7/98-5/2001)					0.00	0.00
- Interest due on new public external debt					0.00	0.00
- Interest on IMF debt by BNR	-0.90	-0.69	-0.03	-0.05	0.00	0.00
- Interest on others debt (BNB)	-1.92	0.00	0.00	0.00	-0.21	0.00
Private sector	-0.88	-1.49	-1.15	-0.81	-2.15	-4.14
Labor services Income	-20.68	-30.07	-25.50	-37.95	-36.40	-42.92
Property income	-0.48	-0.51	-0.54	-1.23	-1.23	-0.02

Source : BNR, Statistics Department

Transfers

Table 26

(In USD million)

	2005	2006	2007	2008	2009	Estim. 2010
Current transfers (net)	364.52	325.54	461.32	518.57	604.02	657.36
Current private transfers(net)	46.73	77.15	98.82	72.61	79.71	90.68
<i>Credit</i>	61.78	97.88	131.17	108.51	122.93	133.80
<i>Debit</i>	15.06	20.72	32.35	35.90	43.22	43.12
Remittances from Diaspora	-5.20	8.22	69.48	31.07	53.09	65.07
<i>Credit</i>	8.63	25.01	98.50	63.31	88.13	98.21
<i>Debit</i>	13.83	16.78	29.02	32.24	35.04	33.14
Private transfers for churches and associations	51.93	68.93	29.34	41.54	26.62	25.61
<i>Credit</i>	53.15	72.87	32.67	45.20	34.80	35.59
<i>Debit</i>	1.22	3.94	3.33	3.67	8.18	9.98
Current officials transfers (net)	317.79	248.39	362.50	445.96	524.31	566.68
<i>Credit</i>	320.28	251.13	366.38	450.08	531.67	580.04
1. current support net	200.12	128.35	259.27	339.76	415.84	479.52
of which HIPC Initiative	31.99	21.97	4.50	5.60	5.21	4.53
décaissements du trust Fund	2.54					
2. humanitarian aid	120.16	122.77	107.11	110.32	115.84	100.52
a. technical assistance	50.32	51.61	26.78	27.58	27.62	25.13
b. other humanitarian aid	71.41	71.16	80.33	82.74	82.85	75.39
<i>Debit</i> (of which contribution to internat. Organ.)	-2.49	-2.74	-3.88	-4.12	-7.36	-13.36

Source : BNR, Statistics Department

Capital and Financial account

Table 27

(In USD million)

	2005	2006	2007	2008	2009	Estim 2010
Capital and Financial account balance	165.45	215.98	196.70	316.12	433.55	491.47
Capital Account	93.47	1400.08	92.04	210.06	200.00	285.64
Capital transfers	93.47	1400.08	92.04	210.06	200.00	285.64
Debt Forgiveness	0.00	0.00	0.00	0.00	0.00	0.00
a. Arrears (principal+interest)	0.00	0.00	0.00	0.00	0.00	0.00
b. Current service (principal + interest)	0.00	0.00	0.00	0.00	0.00	0.00
c. Principal not yet due forgiven (principal)	0.00	0.00	0.00	0.00	0.00	0.00
Transferts des migrants	0.00	0.00	0.00	0.00	0.00	0.00
Other capital transfers (projects grants)	93.47	173.48	92.04	210.06	200.00	285.64
a. Capital (projects)	70.10	130.11	69.03	157.55	150.00	214.23
b. technical Assistance	23.37	43.37	23.01	52.52	50.00	71.41
<i>Acquisitions et assignments of non financial assets</i>						
Financial transactions account	71.98	-1184.1	104.67	106.06	233.55	205.83
Long Term capital	49.12	-1079.49	161.80	194.69	242.04	224.46
I. Public sector capital (LT) (net)	53.68	-1104.83	80.36	104.75	81.35	51.90
Credit	89.98	68.07	88.66	112.20	88.80	61.71
Current	30.88	14.83	0.00	5.80	0.00	0.00
Projects (PIP)	59.10	53.24	88.66	106.40	88.80	61.71
- capital	44.33	39.93	66.50	79.80	66.60	46.29
- technical assistance	14.78	13.31	22.17	26.60	22.20	15.43
Drawings on new loans	0.00	0.00	0.00	0.00	0.00	0.00
a. Rescheduling of existing debt	0.00	0.00	0.00	0.00	0.00	0.00
b. Rescheduling of arrears	0.00	0.00	0.00	0.00	0.00	0.00
c. Rescheduling of non due debt	0.00	0.00	0.00	0.00	0.00	0.00
Debit	-36.30	-1172.90	-8.30	-7.45	-7.45	-9.81
Scheduled amortization	-36.30	-22.90	-8.30	-7.45	-7.45	-9.81
o/w a. Principal due cancelled	0.00	0.00	0.00	0.00	0.00	0.00
b. Principal due rescheduled	0.00	0.00	0.00	0.00	0.00	0.00
Pcpl non due rescheduled	0.00	0.00	0.00	0.00	0.00	0.00
Pcpl non due cancelled	0.00	0.00	0.00	0.00	0.00	0.00
Souscript. To international non monetary institutions	0.00	0.00	0.00	0.00	0.00	0.00
MDRI relief from IDA and AfDF		-1150.0				
II. Private (net)	-4.56	25.34	81.43	89.94	160.69	180.45
Lt. Debt	0.69	0.6	3.4	9.5	42.72	129.02
Amortization	-5.25	-5.9	-4.2	-4.1	-0.702	-12.289
Investments	10.50	30.64	82.28	84.56	118.67	55.82
a. direct investment	10.50	30.6	82.28	103.35	118.67	42.33
b. portfolio investment	0.00		0.00	-18.79	0.00	21.38
III. Other capital	22.86	-104.60	-57.13	-88.63	-8.49	-18.63
Short term capital	22.86	-104.60	-57.13	-88.63	-8.49	-18.63
a. Commercial Credits	8.50	4.1	37.5	-0.6	1.02	9.86
b. Commercial banks (Change in NFA of comm banks)(-aug)	14.36	-34.55	-9.43	-15.62	-9.51	-28.49
c. Other capital	0.00	-74.10	-85.20	-72.41	0.00	0.00

Source : BNR, Statistics Department

AVAILABLE FINANCING

Table 28

(In USD million)

	2005	2006	2007	2008	2009	Estim. 2010
Financing (- increase)	-119.2	-81.5	-110.7	-54.3	-57.0	-72.1
Change in net foreign assets of NBR (increase -)	-120.2	-81.5	-110.7	-54.3	-57.0	-72.1
a. Net use of IMF credit (increase +)	-6.7	2.5	3.3	3.7	3.56	0.00
1. disbursements/purchases	1.7	2.5	3.3	3.7	3.56	0.00
2. repayments/repurchases	-8.4	0.00	0.0	0.0	0.0	0.0
b. Change in gross reserves (increase -)	-93.5	-35.01	-114.4	-58.7	-159.5	-69.1
c. Change in other foreign liabilities (increase +)	-20.0	-49.03	0.4	0.67	102.47	-2.99
Change in arrears (decrease -)	1.1	0.0	0.0	0.0	0.0	0.0
Accumulation	1.1	0.0	0.0	0.0	0.0	0.0
Cancellation (Kow Funds)	0.0	0.0	0.0	0.0	0.0	0.0
: other bilateral	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0	0.0
Stock of Arrears (Fonds Kow)	0.0	0.0	0.0	0.0	0	0
Current debt service (bilatéraux:Paris club et Fonds Kow):	0.0	0.0	0.0	0.0	0.0	0.0
Current debt service (OPEC)	0.0	0.0	0.0	0.0	0.0	0.0
Cancellation	0.0	0.0	0.0	0.0	0.0	0.0
Stock of Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Current Debt service	0.0	0.0	0.0	0.0	0.0	0.0

Source : BNR, Statistics Department