



NATIONAL BANK OF RWANDA

# Annual Report 2009





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# ANNUAL REPORT 2009

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# EXECUTIVE SUMMARY

## 1. INTERNATIONAL ECONOMIC ENVIRONMENT

In 2009, Rwandan economy kept growing in unfavorable international economic and financial environment characterized by a deep recession due to the global financial crisis. According to IMF estimates, World real economic growth declined by 0.6% after an increase of 3% and 5.2 % in 2008 and 2007 respectively. Developed countries as well as emerging and developing economies have been affected as their real GDP fell to -3.2% and 2.4% respectively after 0.5% and 6.1% in 2008. In addition, world inflation pressures eased reaching 0.1% in developed countries and 5.2% in emerging and developing countries from 3.4% and 9.2% respectively in 2008. The declining inflation was driven by diminishing commodity prices and following the spare capacity of production.

## 2. NATIONAL ECONOMIC DEVELOPMENTS

### 2.1 ECONOMIC GROWTH

Like many other developing countries, Rwanda was also affected by the global economic recession and the Real Economic Growth stood at 6.0% in 2009 against 11.6% in 2008. While the primary sector performed well (+7.7%) boosted by continuing high growth in agriculture production due to favorable weather conditions and ongoing Government Crop Intensification Program, industry (+1.3%) and services (+5.7%) performed moderately compared to previous periods. This situation was due mainly to the fall in global demand and tightened banking system credit conditions, following the liquidity crunch experienced by banks at the beginning of 2009. The tertiary sector maintained its first position (44.9%) in the structure of GDP, followed by the primary sector (35.5%) and industry (13.7%).

### 2.2 INFLATION

With regard to price developments, the annual headline inflation fell to 5.7% in December 2009, from 22.3% in December 2008. The underlying inflation, which excludes fresh food and energy, dropped to 3.5% in December 2009 from 22.1% in December 2008, while the annual average inflation dropped to 10.3% from 15.4% during the same period.

This trend of inflation was due to decline in import prices, good performance of agricultural production, the stable exchange rate and the lower money supply.

## 2.3 EXTERNAL SECTOR DEVELOPMENTS

Rwanda's external sector was affected by the global economic and financial crisis which resulted in low international prices of minerals, while imports continued to increase. Thus, Rwandan trade balance deficit worsened between 2008 and 2009, from -14.0% to -16.7% of GDP. However, despite the negative effect of the global economic recession on the external sector, Rwanda managed to close the year with a positive balance of payments, representing 1.2% of GDP following 1.3% in 2008, due to the capital and financial account which recorded an excess of USD 433.5 million. In fact, overall balance of payments registered an excess of USD 57.05 million, while external trade was marked by a deficit of USD 768.08 million against USD 613.05 million in 2008, leading to a current account deficit of USD 378.56 million, corresponding to 8.2% of GDP.

Significant increase in external budget support together with the increase in private transfers led to an increase in gross official reserves which represented 6.2 months of imports against 5.1 months at end 2008. This development contributed to maintain a relatively stable nominal exchange rate of the Rwandan Franc (RWF) for the 4th consecutive year.

## 2.4 PUBLIC FINANCE

The Government revenue increased by 10.5% from RWF 660.8 billion in 2008 to 727.9 billion in 2009 as result of sustained economic growth, government sustained efforts to broaden tax base and grants increase. Tax revenue ratio to GDP was 12.2% against 12.7% the previous year. On the other hand, government expenditures increased by 13% from RWF 636.2 billion to 719.6 billion. Capital and current expenditure represented respectively 9.9% and 10.4% of GDP and 41.0% and 59.0% of total expenditure. Thus, the overall deficit before grants amounted to RWF 373.8 billion representing 12.4% of GDP against 10.4% in 2008; after grants it reduced to RWF 26.5 billion representing 0.8% of GDP against a surplus of 0.4% of GDP in 2008. This deficit is totally financed by external resources which represented 1.2% of GDP.

The total domestic outstanding debt declined by 15.7% in 2009, from Rwf 148.6 billion to 128.4 billion. Non-banking sector remained the major source of domestic debt; its share

slipped from 58.3% in 2008 to 56.4% as the banking system was facing liquidity problems early 2009.

With regard to external public debt, after the debt cancellation in 2006, the total external public debt stock increased by 28% in two years term. From USD 574.4 million in 2007 it rose to USD 743.2 million in 2009 of which more than 85% were owed to multilateral creditors. The remaining 15% of the total external public debt is owed to bilateral creditors.

## 2.5 MONETARY DEVELOPMENTS

Regarding the Monetary developments, Broad Money grew by 6.9% at end 2009 against 17% planned at the beginning of the year reaching RWF 499.0 billion against RWF 466.6 billion in 2008. This increase in money supply was generated exclusively by the increase in net foreign assets (+9%) resulting from the important external budget support disbursements, as well as private capital inflows via the banking system. Contrary to 23% planned at the beginning of the year, the outstanding credit to private sector fell by 1.8% reaching RWF 334.3 billion after RWF 340.4 billion in 2008 as a consequence of the liquidity crunch experienced by the banking system between the last quarter 2008 and the second quarter 2009.

However, following the policy measures aiming to improve liquidity conditions and banks' lending capacity, the credit to private sector has been significantly recovering from the last two months of 2009. Authorized loans to the economy by commercial banks increased by 26.4% and 47.2% during November and December respectively and reached RWF 60.5 billion in last quarter, which is the double of its level in second quarter.

On demand side, following an annual increase of 6% recorded by end 2008, Deposits with the banking system rose by 9.5% by end 2009, of which transferable and non transferable deposits in RWF increased by 7.5% and 5.8% respectively. Foreign exchange deposits recorded the highest growth rate of 17.9%, never recorded during the recent past years. During the period under review, Currency in circulation declined by 5%, mainly explained by the progressive financial deepening with fast-expanding banks' branches and microfinance institutions countrywide, as well as the administrative measures undertaken to restrict the cash withdrawal and encourage the use of banks' accounts in payments.

### 3. CENTRAL BANK CORE ACTIVITIES

#### 3.1 MONETARY AND EXCHANGE RATE POLICY

##### a. Liquidity management

To address the liquidity crunch issue that occurred between the last quarter of 2008 and second quarter of 2009, the Central Bank and the Government responded by putting in place a combination of measures to improve liquidity, including: reducing the reserve requirements from 8% to 5% in February 2009; suspending roll-over of Treasury Bills that matured during the year 2009; making available NBR and Government liquidity facilities to commercial banks in order to stimulate private sector credit; reduction of the NBR's policy rate from 9% to 7.5% in December 2009 and a Master Swap agreement between BNR and International Financial Corporation (IFC) signed in December 2009.

These measures produced progressively significant positive impact on banking system liquidity conditions as well as the capacity of banks to finance the economy. The net total borrowing by BNR from commercial banks to absorb short term excess liquidity increased from 0 at end March 2009 to RWF 60.0 billion by end 2009. At the same time, the inter-bank money market became very dynamic facilitating the distribution of available liquidity within the banking system. The volume of inter-bank transactions has reached the level never recorded in the previous years, from 169.24 billion in 2008 to RWF 537.69 billion.

##### b. Interest rates developments.

On Money Market, in January 2009, the Central Bank increased its policy rate (Key Repo Rate) from 8% to 9% to stimulate domestic saving. However, by end of the year, taking into consideration the improvement in banking liquidity condition and the downward trend of inflation, this rate was brought back to 7.5%. With this reduction, it has been decided to use effectively the Key Repo Rate (KRR) as the maximum rate at which the Central Bank mops up excess liquidity from the banking system and as the minimum rate for injecting liquidity.

It has been also decided to set the Discount rate as the KRR+4 percentage points. Therefore, the discount rate has been reduced from 12.5% to 11.5%. This reduction of the cost of funds for commercial banks is expected to be transmitted in credit markets by lowering bank's lending rates.

In the banking system, while the deposit rates significantly increased from a monthly average of 5.5% to 8.5% between January and December 2009, as commercial banks became aggressive in deposits collection, lending rates also increased from an average of 16.3% in January 2009 to reach 17.6% in October, before dropping to 15.8% in December.

The upward trend in lending rates observed in 2009 is explained by uncertainties which prevailed in credit markets, on both demand and supply sides, as the nonperforming portfolio has increased. As inflation rate in Rwanda has been significantly declining during 2009, positive real interest rates were restored in the second half of the year.

### c. Exchange rate and Forex Management

After some volatility during the first half of 2009, Rwanda Franc has recovered its stability against the USD since July. From December 2008 to December 2009, the RWF slightly depreciated by 2.8% against USD, while when compared with other strong foreign currencies, RWF depreciated against the Euro and GBP by 12.3% and 12.0% respectively. Higher depreciation against EUR and GBP mainly reflects the depreciation of the USD against these currencies on International Forex market.

The relatively stable exchange rate of Rwandan Franc against USD reflects the sufficient level of foreign assets in the banking system compared to the prevailing demand for forex. Compared to year 2008, the inflows in foreign currency received by BNR registered an increase of 3.8% in 2009, from 940.6 million USD in 2008 to 976.75 USD million in 2009 and were mainly composed by current budgetary support disbursements.

In line with the improvement of the foreign exchange operations, the forex regulations has been revised and fully liberalized. Thus, the foreign interbank market operations strongly increased from USD 2 million in 2008 to USD 27 million in 2009.

### 3.2 CURRENCY ISSUANCE

During the year 2009, the share of RWF 5000 bank note which is predominant in circulation decreased progressively from 63.4% in 2008 to 62.7% in 2009, while the share of RWF 2000 bank note's share increased from 17.9% to 21.6% during the same period. The issuance of 2000 RWF banknote played positively its role to streamline currency distribution by denominations. During the year 2009, RWF 100 banknote was replaced by a coin of the same denomination, leading to a strong increase of coins injected in



circulation (+37%) compared to 2008. The 100 FRW banknote was demonetized on 31/12/2009.

### 3.3. MANAGEMENT OF SPECIAL FUNDS AND LINES OF CREDIT

The Bank continued to manage the special funds and lines of credit, on behalf of the Government during the year 2009 such as Agricultural Guarantee Facility, Guarantee Fund and Credit Line for the retrenched civil servants of the Republic of Rwanda, Rural Investment Facility, phase II (RIF2), Preferential Refinancing Facility for medium and long-term loans for Agricultural Exports and Agro-business Activities and Women Guarantee Fund.

### 3.4. FINANCIAL SECTOR SOUNDNESS AND REGULATION

The Financial Sector continued to perform well, despite the global financial crisis. The soundness indicators of the Banking System remained strong in 2009:

- All banks are compliant with the minimum capital required of 5 billion RWF;
- All the banks are in compliance with the required new minimum capital adequacy ratio of 15%;
- The average capital adequacy ratio increased to 19.7% against 15.9% in December 2008;
- Total deposits recorded an increase of 9.5% from RWF 385.5 billion end December 2008 to RWF 422.0 billion at the end December 2009.
- However, the non-perform loans stood at 13.1% from 12.6% in 2008, while the objective was to reduce this indicator to 7%.

The improvement of the access to financial services continued to perform by a marked expansion of the current banks branches network. During 2009, 22 additional branches were opened by commercial banks and the total number of banks' branches is now 105 around the country without considering 102 sub-branches and 80 counters of Banque Populaire du Rwanda.

With regard to Microfinance Sector, total assets increased by 20% and equity by 28.8%, while gross loans and deposits increased also by 16.4% and 18.8 % respectively. The loan portfolio has deteriorated with an increasing delinquency rate moving from 5% to 8.4%. The implementing regulation of the microfinance Law was published in the Official

Gazette in July 2009. A simplified licensing for UMURENGE SACCO has been set up to accelerate the launching of this program.

Regarding Non-Bank Financial Institutions, a number of activities ranged from legal framework to financial performance monitoring were implemented to ensure the stability of the sector.

### 3.5. PAYMENT SYSTEM MODERNIZATION

Concerning the Modernization of National System of Payments, in 2009, BNR and stakeholders continued to work on the program involving introduction of new payment instruments, mechanisms (systems) and improving the legal environment. In this regard, the Payment System Law was passed by Parliament and the regulation governing the Payment Service Providers was approved by the BNR board of directors. To ensure that time critical payments are settled in real time, BNR focused on the implementation of Rwanda Integrated Payments Processing System, encompassing the Automated Clearing House, the Real Time Gross Settlement and the Central Securities Depository, all three running on the same platform. Moreover, commercial banks continued to issue payment cards and some initiatives in mobile payments and remittances were recorded. SIMTEL was busy to improving its infrastructure and systems to ensure that domestic transactions are performed electronically. Following the progress made in different aspect of payment system modernization, the clearing house operations showed an increase of non cash instruments.

### 3.6. CAPITAL MARKET DEVELOPMENTS

On Capital market, new developments were marked by legal framework improvement, including the drafting of the law establishing the Capital Market Authority, the law regulating the Capital Markets and the law regulating the Collective Investment Schemes. As regard to regional integration, the Capital Market Advisory Council (CMAC) has signed a Memorandum of Understanding with the East African Securities Regulatory Authorities (EASRA), the regional body of capital market regulators. CMAC has also joined East Africa Stock Exchange Association. At end 2009, the total deals on Government T-bonds worth RWF 457.3 million were recorded while the transactions on BCR corporate Bond totalized RWF 150 million.

#### 4. SUPPORT AND OTHER ACTIVITIES

Human Resources Management and Information and Technology developments constitute the main support activities of the Bank. During the year 2009, capacity building continued to be among the priority of the Bank as an important number of staff has been recruited and trained in various fields inside and outside the country.

Regarding IT developments, the Bank was busy to develop a medium term strategic plan through stabilizing existing application, developing new tools, network and security. New applications which facilitated BNR staff and customers in their daily job were developed and the quality of connection especially with BNR branches was improved.

#### 5. BNR FINANCIAL STATEMENT

Despite the turbulences on the international financial market, the National Bank of Rwanda's annual financial result for the year 2009 has been a net profit of RWF 3.73 billion against 4.78 billion in 2008.

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## PART I: ECONOMIC AND FINANCIAL DEVELOPMENTS

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## CHAPTER I: INTERNATIONAL ECONOMIC ENVIRONMENT

### I.1 Economic growth

The world economy in 2009 has been in deep recession, following the global financial crisis which occurred in the second half of 2007 and became acute in 2008. However, helped by concerted stimulus, encouraging policy measures and the improving financial conditions, the world economy shows signs of a slow recovery. According to the IMF projections, world real GDP declined by 0.6% on average in 2009 after respective increase of 3% and 5.2% in 2008 and 2007. In 2010, economic activity would recover by 4.2% since signs of strong recovery are shown in many emerging and developed countries.

In the United States, real GDP stood at -2.4% in 2009 against 0.4% in 2008 and 2.1% in 2007. In fact, private consumption expenditure has reduced, credit conditions tightened and residential investment reduced following the contraction in real markets. However, economic growth became positive (2.8%) in the third quarter, and thanks to the rise in consumption spending, residential investment, inventories and public expenditures. Real GDP is therefore expected to increase by 3.1% in 2010.

In the Euro Zone, due to the severe weakness of global demand and to the tightening in financial conditions, economic growth remains weak. At end 2009, real GDP growth slipped to -4.1% from 0.6% in 2008 and 2.8% in 2007 but would slightly recover by 1% in 2010, thanks to fiscal levers, expansionary monetary policy and to the possible recovery of exports.

In Japan, due to the slowdown in exports and domestic demand, economic activity worsened in 2008 and during 2009. On average, in 2009, real GDP growth declined by 5.2% after a contraction of 1.2% in 2008 and a rise of 2.4% in 2007. In fact, although real GDP contracted sharply in the first and second quarter 2009, results from the Bank of Japan survey suggested an improvement in business sentiment among major manufacturers and improving consumption spending; thus in 2010, real GDP would recover by 1.9%.



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

	2005	2006	2007	2008	2009
World	4.5	5.1	5.2	3.0	-0.6
Advanced Economies	2.7	3.0	2.8	0.5	-3.2
- United-States	3.1	2.7	2.1	0.4	-2.4
- Japan	1.9	2.0	2.4	-1.2	-5.2
- Euro Zone	1.7	3.0	2.8	0.6	-4.1
- Newly Industrialized Asian Economies	4.8	5.8	5.8	1.8	-0.9
Other Emerging and Developing Countries	7.1	7.9	8.3	6.1	2.4
- Sub-Saharan Africa	6.3	6.5	6.9	5.5	2.1
- Asia	9.0	9.8	10.6	7.9	6.6
- Western Hemisphere	4.7	5.6	5.8	4.3	-1.8

Source: IMF, World Economic Outlook, April 2010.

The economic activity in emerging and developing economies shows signs of recovery drawn by the increase in commodity prices, the stimulus policy measures and by improving global trade and financial conditions. The economic activity increased by only 2.4% in 2009 and is expected to grow by 6.3% in 2010 against 6.1% and 8.3% in 2008 and 2007. These performances are pulled by the vigor of Chinese economy, Indian and other emerging Asian economies. In China, the growth rate rose by 8.7% in 2009 and would reach 10% in 2010 against 9.6% and 13% respectively in 2008 and 2007. In Sub-Saharan Africa, the economic growth decelerated to 2.1% in 2009 and will recover by 4.7% in 2010 against 5.5% and 6.9% recorded respectively in 2008 and 2007.

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

	2005	2006	2007	2008	2009
Sub-Saharan Africa	6.3	6.5	6.9	5.5	2.1
Angola	20.6	18.6	20.3	13.2	-0.4
Burundi	0.9	5.1	3.6	4.5	3.5
Comoros	4.2	1.2	0.5	1.0	1.1
Erythrea	2.6	-1.0	1.4	-9.8	3.6
Ethiopia	12.6	11.5	11.8	11.2	9.9
Kenya	5.9	6.4	7.0	1.5	2.1
Madagascar	4.6	5.0	6.2	7.1	-5.0
Malawi	3.3	13.6	1.2	9.4	8.0
Mauritius	1.5	3.9	5.4	4.2	1.5
Namibia	2.5	7.1	5.5	3.3	-0.7
DRC	7.9	5.6	6.3	6.1	2.8
Rwanda	9.0	8.6	5.5	11.2	4.1
Seychelles	5.8	8.3	11.5	-0.9	-7.6
Swaziland	2.2	2.9	3.5	2.4	0.4
Tanzania	7.4	6.7	7.1	7.4	5.5
Uganda	6.3	10.8	8.4	8.7	7.1
Zambia	5.3	6.2	6.2	5.7	6.3
Zimbabwe	-4.0	-3.8	-3.6	-14.5	4.0

Source: IMF, World Economic Outlook, April 2010.

## I.2 Inflation and commodity prices

Concerning price developments, World inflation pressures eased in 2009, thanks to the base effect of diminishing commodity prices and following the spare capacity of production after a heavy inflationary shock in 2008 caused by high oil and food prices. In advanced economies, inflation slipped to 0.1% in 2009 from 3.4% in 2008, and stood at 5.2% in 2009 in the emerging and developing countries against 9.2% in 2008.

In the USA, inflation declined by 0.3% in 2009 after respective positive inflation of 3.8% and 2.9% in 2008 and 2007. In the euro zone, harmonized inflation stood at 0.3% in 2009, after 3.3% and 2.1% recorded in 2008 and 2007. In Japan, inflation fell by -1.4% in 2009 against 1.4% recorded in 2008 while remaining stable in 2007.

Table 3: Inflation by region (annual % change)

	2005	2006	2007	2008	2009
Advanced Economies	2.3	2.4	2.2	3.4	0.1
United States	3.4	3.2	2.9	3.8	-0.3
Euro Zone	2.2	2.2	2.1	3.3	0.3
Japan	-0.3	0.3	0.0	1.4	-1.4
Other Advanced Economies	2.1	2.1	2.1	3.8	1.5
Other emerging markets and developing countries	5.9	5.6	6.5	9.2	5.2
Sub-Saharan Africa	8.9	7.3	7.1	11.6	10.6
Asia	3.8	4.2	5.4	7.4	3.1

Source: IMF, *World Economic Outlook*, April 2010.

## I.3 World trade

In 2009, the world trade volume contracted more drastically than it has ever been since 1930's, following the global financial crisis effect which provoked a severe downturn in economic activity. Global demand reduced as all economic groups were slowing down at the same time and the trade finance was limited. World trade of goods and services fell by 10.7% in volume in 2009 after a slight increase of 2.8% in 2008 and 7.2% in 2007. However, by 2010, trade volume will recover by 7.0% as the economic growth is expected to be high and sustainable. Moreover, world prices in dollars declined for all goods in 2009, manufactures (-6.9%), oil (-36.3%) and non oil products (-18.7%).

The volume of exports dropped by 11.7% in advanced countries and by 8.2% in emerging and developing economies, while had respectively increased by 1.9% and 4.0% in 2008.

On the other side, imports fell by 12.0% in developed countries and by 8.4% in emerging and developing countries while had gone up by 0.6% and 8.5% respectively in the previous year.

Regarding terms of trade, they improved by 2.9% in developed countries and to depreciate by 5.1% in emerging and developing countries.

Table 4: World trade developments (annual % change)

	2005	2006	2007	2008	2009
Trade in goods and services					
- Volume	7.7	8.8	7.2	2.8	-10.7
- Price deflator in US dollars	5.4	5.5	8.3	11.4	-10.9
Trade in volume					
- Exports					
Advanced Economies	6.2	8.6	6.3	1.9	-11.7
Emerging markets and developing countries	11.5	10.4	9.7	4.0	-8.2
- Imports					
Advanced Economies	6.5	7.6	4.7	0.6	-12.0
Emerging markets and developing countries	11.7	10.9	12.7	8.5	-8.4
- Terms of trade					
Advanced Economies	-1.4	-1.1	0.2	-1.7	2.9
Emerging markets and developing countries	5.0	2.7	-0.2	3.7	-5.1
Trade in goods					
- volume	7.5	8.8	6.5	2.4	-11.8
- Price deflators in US dollars	6.2	6.2	8.4	12.2	-12.1
World price in dollars					
- Manufactured products	3.6	3.7	8.7	8.5	-6.9
- Oil	41.3	20.5	10.7	36.4	-36.3
- Non-petroleum products	6.1	23.2	14.1	7.5	-18.7

Source: IMF, *World Economic Outlook*, April 2010.

With regard to commodity markets, after the historical level of 147.5 dollars per barrel in July 2008 on London market, oil prices have been declining and worsened in December 2008 dropping to 47.2 dollars per barrel, following the effect of global crisis. The decline in economic activity affected the oil demand. Thus OPEC countries decided to reduce the oil production and prices rose again. In 2009, oil prices declined by 36.3% while hiked by 36.4% in 2008 and by 10.7% in 2007. In fact, in 2009, on quarterly basis, oil prices slipped by 19.5% in the first quarter but recovered since the second quarter (by 31.5%) and have been increasing throughout the year. The rise in oil prices reflects the increasing optimism in economic performance and thus in oil demand.

For non energy commodities, in low and middle income countries, prices also fell by 21.6% in 2009 after an increase of 21% in 2008. In aggregate terms, world prices of non energy commodities denominated in dollars, decreased by 18.7% in 2009 against an increase of 7.5% the previous year.

In sub-Saharan Africa, external trade in value as well as in volume was expected to deteriorate by 32% and by 16.2% respectively in 2009 after respective increase of 23.6% and 20.7% in 2008. However, in volume terms, exports and imports were projected to reduce by only 5.7% and by 4% respectively against -0.1% and 8% recorded in the previous year. As regards to terms of trade, they would deteriorate by 16.8% in 2009 according to the IMF estimates after having improved by 10.6% the year before.

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

	2005	2006	2007	2008	2009*
<i>Total value in US dollars</i>					
Exports	26.6	19.1	20.4	23.6	-32.0
Imports	21.7	13.7	23.0	20.7	-16.2
<i>Volume</i>					
Exports	4.9	3.1	8.2	-0.1	-5.7
Imports	13.0	7.2	19.7	8.0	-4.0
<i>Unit value in US dollars</i>					
Exports	21.3	15.7	11.4	24.0	-27.2
Imports	8.0	5.4	11.7	12.0	-12.5
Terms of trade	12.4	9.7	-0.3	10.6	-16.8

\* Estimates

Source: IMF, World Economic Outlook, October 2009

## I.4 Financial markets

In the financial markets, central banks in developed economies cut policy rates with the objective of improving credit provision. On average in 2009, the Federal Fund rate was maintained at 0.25% while the 3 and 10 years interest rates respectively reached 0.69% and 4.17% from respectively 2.93% and 2.70% in 2008. The European Central Bank rate stood at 1% from 2.50% in 2008 whereas the 3 months rate (EURIBOR) stood at 1.22% from 4.64% in 2009 and the 10 years government instrument rate was revised to 3.76% from 3.69% in 2008. The same trend has been observed in Japan where the policy rate was maintained at 0.1%, the 3 months interest rates stood at 0.47%, the 10 year interest rate was 1.42% while the later two were 0.93% and 1.21% respectively in 2008.

With regard to exchange market, the US dollar has been depreciating vis-à-vis the euro except in 2004 where it appreciated by 9.9%. In 2009, according to Eurostat, the euro depreciated by 5.2% while it appreciated by 7.3% in 2008. Compared with the euro, the Japanese yen continued to appreciate in 2009 more than it did in 2008, appreciating by 14.5% and 5.5% respectively.

## CHAPTER II: NATIONAL ECONOMIC DEVELOPMENTS

### 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 6% in 2009 against 11.6% in 2008. This growth emanated mainly from the recovery of agriculture and services sectors which recorded respectively an increase of 7.7% and 5.7% of the value added. Industry sector also slightly grew by 1.3%.

GDP percapita in nominal terms improved by 12.7% as it rose from Rwf 262.3 to 295.6 thousands while in terms of USD, GDP percapita registered an increase of 8.5%, from USD 479.6 in 2008 to 520.5 in 2009.

Table 6: Developments of resources and uses of GDP (in RWF billion, at 2006 constant prices)

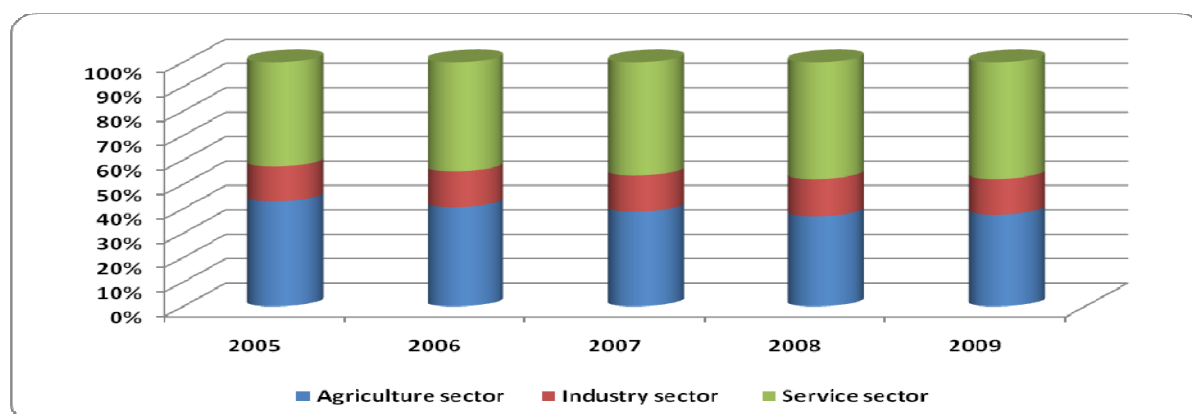
	2005	2006	2007	2008	2009
<b><u>SOURCES</u></b>					
Agriculture Sector	642.0	659.7	677.3	720.7	776.2
Industry Sector	211.4	236.2	257.8	296.7	300.6
Service Sector	635.7	720.2	808.8	928.7	981.8
Adjustments	93.0	100.3	104.9	117.5	128.4
Less: Imputed bank service charges	-21.0	-23.6	-28.6	-31.5	-29.5
Plus : VAT and other taxes on products	114.0	123.9	133.5	149.0	157.9
Real GDP	1 571.4	1 716.4	1 848.7	2 063.5	2 187.0
<b><u>USES</u></b>					
Final Consumption	1487.5	1686.0	1818.5	1927.6	2113.0
Investments	233.6	274.7	344.2	454.7	467.1
Exports (G&NFS)	184.3	189.8	194.5	266.5	240.4
Imports (G&NFS)	334.4	434.0	508.6	584.7	633.6
<b><u>Memorandum item :</u></b>					
Current GDP per capita, in RWF (000's)	160.8	185.6	214.1	262.3	295.6
in USD	288.6	332.6	391.4	479.6	520.5

Source: NSIR and MINECOFIN



In 2009, service sector maintained its first position in the structure of GDP with 44.9% of GDP at constant prices of 2006, followed by agriculture sector that account 35.5% and then the industry sector that took 13.7% of GDP.

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



Source: NISR and MINECOFIN

## A. AGRICULTURE SECTOR

In 2009, value added at constant prices of 2006 for the Agriculture sector increased by 7.7% as compared to 2008. This satisfactory increase in productivity was driven by conducive climatic conditions and Government intensification programs notably; increased supply and use of fertilizers, improved seed supply to farmers and the land consolidation program. However, despite the better performance of the agriculture sector, the production of export crops underperformed mainly due to the global economic crisis which affected international commodity prices.

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

	2005	2006	2007	2008	2009
Agriculture	642.0	659.7	677.3	720.7	776.2
of which: Food crops	537.9	545.5	567.5	602.9	659.5
Export crops	19.1	25.3	18.0	23.2	19.7
Livestock	29.6	30.9	32.3	33.4	34.2
Forestry	48.1	52.0	53.4	54.9	56.4
Fisheries	5.9	6.0	6.2	6.3	6.5

Source: NISR and MINECOFIN

## A.1 Food production

The food production significantly improved during the last two years. Their value added at constant prices of 2006 increased by 9.4% in 2009 compared to 6.2% attained in 2008.

In volume terms, the total food crop production in 2009 was 9.3 millions tons, which is an increase of 12.4% compared to the previous year.

A remarkable increase is registered in cereals (33.4%) mainly due to the high increase in the production of maize (72%) and Sorghum (20.9%). The production for roots and tubers was also good (11.8%) where Cassava and Irish potatoes increased by 20.1% and 11% respectively.

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

	2005	2006	2007	2008	2009	% change 2009/2008
Bananas	2 813.1	2 653.5	2 698.2	2 603.9	2 993.5	15.0
Roots and Tubers	3 118.1	2 930.1	2 543.5	3 815.1	4 264.9	11.8
Sweet potatoes	885.5	777	845.1	826.4	803.2	-2.8
Irish potatoes	1 314.1	1 285.1	769.9	1 161.9	1 289.6	11.0
Cassava	781.6	742.5	776.9	1 681.8	2 019.7	20.1
Cocoyam (taro)	13.9	125.4	151.5	144.9	152.3	5.1
Cereals	409.4	361.7	355.6	461.2	615.1	33.4
Sorghum	228	187.4	166.8	144.4	174.5	20.9
Maize	97.3	91.8	102.4	166.9	286.9	72.0
Paddy rice	62.2	62.9	61.7	82	81.0	-1.2
Wheat	21.9	19.5	24.6	67.9	72.4	6.8
Legumes	252.3	333.7	404.9	392.3	431.1	9.9
Beans	199.6	283.4	331.1	308.6	327.7	6.2
Garden peas	18.9	14.2	16.6	17.2	25.5	49.0
Ground nuts	10.1	9	16.2	24.5	27.7	13.4
Soya beans	23.7	27.1	41	42.1	50.1	19.0
Fruits & Vegetables	700.2	858	903.4	961.6	950.1	-1.2
<b>TOTAL FOOD PRODUCTION</b>	<b>7 293</b>	<b>7 137.1</b>	<b>6 905.6</b>	<b>8 234.2</b>	<b>9 254.8</b>	<b>12.4</b>

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

The production of bananas accounted for 32.4% of the total food production and progressed with an increase of 15% as a result of Government efforts to protect and diversify banana trees which has an effect on productivity.

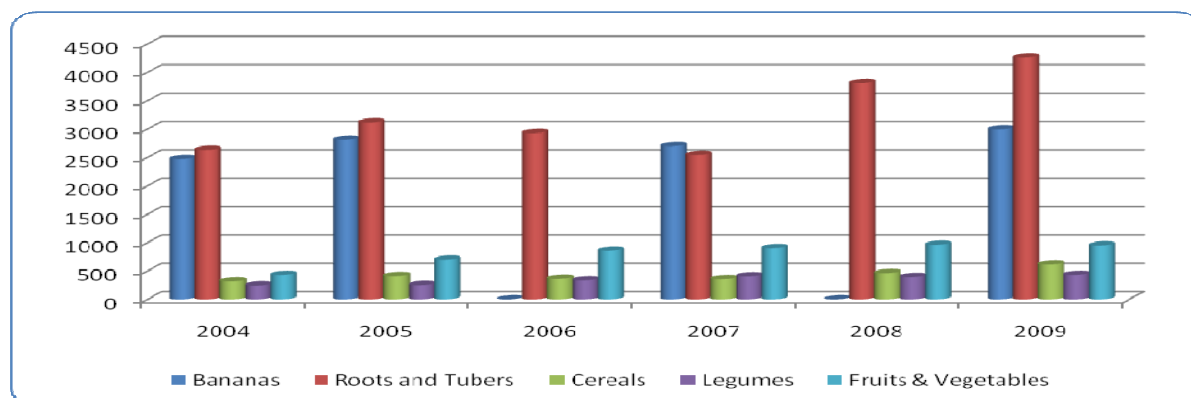
The production of roots and tubers remains predominant in the food crop production, (accounting 46.1% of the total food crop production) increasing by 11.8% in 2009 mainly due to an increase in the production of cassava (20.1%) and Irish potatoes (11.0%), despite a decline in the production of sweet potatoes by 2.8%.

Cereal production reached 615.1 thousand tons compared to 461.2 thousand tons produced in 2008, representing an increase of 33.4%. This higher performance was mainly observed in maize (72%) and Sorghum (20.9%) despite a decline in Paddy rice (-1.2%). This good yield was mainly due to the expansion of the cultivated land and the use of improved seeds and fertilizers.

With regard to legumes, the upward trend observed since 2007 continued to prevail in 2009 with an increase of 9.9%. This good performance was mainly observed in garden peas, Soya beans and ground nuts whose production increased by 49%, 19%, and 13.4% respectively. This yield increase resulted from expansion of cultivated land for legume crops.

The production of fruits and vegetables decreased by 1.2% in 2009 compared to an increase of 6.4% the previous year, mainly due to unfavourable climatic conditions.

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



Source: NISR and MINECOFIN

## A.2 Export crops

During the year 2009, value added at constant prices of 2006 for export crops was Rwf 22.9 against Rwf 23.9 billions in 2008, depicting a decrease of 4.2%.

Table 9: Production of export crops (in tons)

	2005	2006	2007	2008	2009	Annual % change
Tradable Coffee	18 597	26 598	14 850	18 596	15 055	-19.0
<i>Ordinary</i>	17 497	24 752	12 572	15 942	11 892	-25.4
<i>Full washed</i>	1 100	1 846	2 278	2 654	3 163	+19.2
Dry Tea	16 458	16 973	20 473	19 965	20 507	+2.7
Pyrethrum extract	19.5	30	15	4.6	7.3	+58.7

Source: Rwanda Coffee and Tea Authorities, SOPYRWA

Following a high increase of 25.2% in 2008, the production of tradable coffee declined by 19.0% in 2009. This decline is essentially attributed to unfavourable climatic conditions during 2009 and the maintenance and repairing of coffee factories. However, the fully washed coffee production increased significantly, passing from 2 654 to 3 163 tons, that is an increase of 19.2% between 2008 and 2009.

With regard to the dry tea, its production slightly increased by 2.7%, and this improvement is 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 highly increased by 58.7% in 2009, compared to a sensitive decline of 69.2% in 2008, as a result of fundamental change 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 2009 was RWF 34.2 compared to Rwf 33.4 billions in 2008, reflecting an increase of 2.4%.

Due to the improvement in the breeds of cattle distributed to farmers under One Cow per Household Government project, milk production increased by 38.3%, rising from 257.2 to 355.6 millions of litres in 2009. During the same period, meat production increased by 2.6% while had decreased by 1.6% in 2008. The production of eggs increased by 18.31% from an increase of 22.4% in 2008 while the production of fish rose by 8.4% compared to a decline of 9.4% in the previous year. Honey production also slightly increased by 0.6%.

Table 10: Animal production developments (in tons)

	2005	2006	2007	2008	2009	Annual % change
Meat	49 861	52 226	54 780	53 900	55309	2.6
Fish	8 180	9 267	9 655	8 746	9484	8.4
Eggs	2 452	2 236	1 620	1 983	2346	18.3
Honey	1 029	1 671	1 676	1 686	1696	0.6
Milk (in thousands of litres)	135. 141	146 .840	158. 764	257. 197	355.630	38.3

Source: MINAGRI

With the exception of poultry that reduced by 0.28% in 2009, other animal species have 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 total number of livestock (in thousands of heads)

	2005	2006	2007	2008	2009	Annual % change
Cattle	1 077	1 122	1 147	1 195	1424	19.16
Goats	2 664	2 688	2 738	2 520	2697	7.02
Sheep	690	695	704	718	732	1.95
Pigs	456	528	571	587	645	9.80
Poultry	2 109	1 776	1 868	2 218	2112	-0.28
Rabbits	427	418	423	451	464	2.81
Total	7 423	7 227	7 451	7 689	8073	6.38

Source: MINAGRI

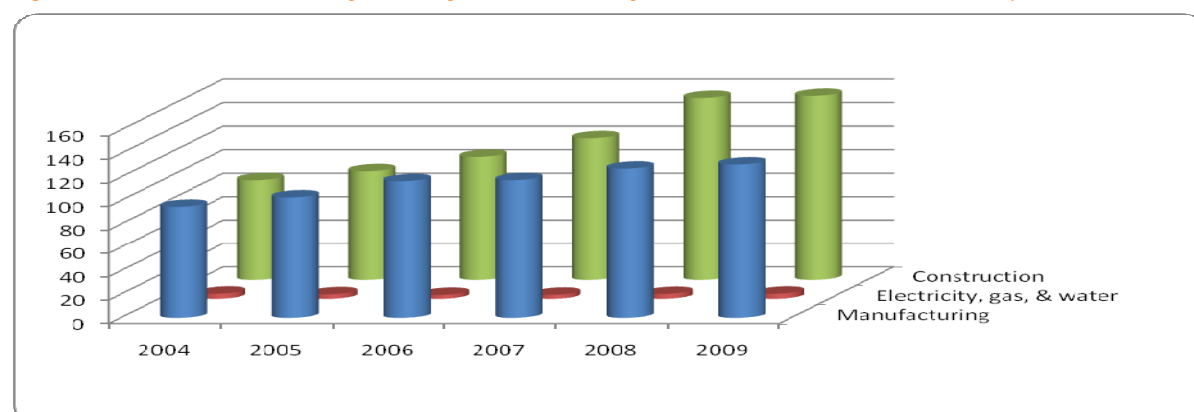
## A.4 Forestry

During 2009, the value added for forestry activities slightly increased by 2.7%, almost the same rate as that of 2008. This situation indicates low level of forest exploitation resulting from environmental protection measures put in place.

## B.INDUSTRY SECTOR

The value added of the industrial sector at constant prices of 2006 grew by 1.3% in 2009 compared to 15.1% growth the previous year. This performance was mainly driven by improvement in the production of electricity and water (5.9%), manufacturing industry (3.1%), and construction sector (1.4%).

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



Source: MINECOFIN

## B.1 Manufacturing Industry

In 2009, manufacturing activities progressed with a value added increase of 3.1% following 5.6% achieved in 2008. The growth in the manufacturing industry came from improvement in wood, paper and printing, food processing, and beverages and tobacco which recorded the value added increase of 7.9%, 6.2% and 4.3% respectively. 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)

Manufacturing Industries	2005	2006	2007	2008	2009
Food processing	42.1	48.9	46.7	50.3	53.4
Beverages & tobacco	26.3	28.2	27.8	28.6	29.9
Textiles and clothing	7.1	8.2	8.9	8.8	8.6
Wood, paper and printing	4.9	6.0	7.1	7.6	8.2
Chemicals, rubber and plastics	6.3	7.5	7.5	7.8	8.0
Non metallic minerals	9.9	10.6	10.7	11.3	10.5
Furniture & other	6.0	7.3	8.8	9.8	9.3
<b>TOTAL</b>	<b>102.6</b>	<b>116.7</b>	<b>117.5</b>	<b>124.2</b>	<b>127.9</b>

Source: NISR and MINECOFIN

In terms of volume, factories which experienced growth during this period include: manufacture of beverages mainly modern beer (+1.7%), tobacco (+27.6%), sugar production (+27.7%), paints production (+49.4%), production of metals (+132.6%), production of water (+27%), and hydro electricity production (+38.4%). However, this good performance in volume of production was not reflected in the overall value added of the sector, due to low weights of the mentioned activities.

The production of alcoholic and non alcoholic beverages increased by 3.6% in volume compared to the previous year. This slight performance is due to the reduction in the production of tobacco which is explained by the relocation of TABARWANDA to Kenya while the new tobacco factory which emerged in 2006 faced management problems, halting its operation in 2008. Cement production declined by 10.9% as the major company “CIMERWA” underwent important rehabilitation works during the third quarter of the year 2009 to the extent that the whole year production was below their annual target of 100 thousand tons.

Textile production also decreased by 31.7% as the factory was putting in place new fittings of the production unit. This coupled with the decline in the demand for clothes to bring down the textile production. Soaps and other cosmetics declined by 30.2% and 1.8% respectively due to competition from imported products. Other chemical products registered an increase of 14.5%, while cosmetic products declined by 1.8% compared to the previous year. This increase in other chemical products resulted from introduction of the new products such as Vernis, Colle, Mastic and Dry Cell (Pile). Metal products increased by 132.6% due to emerging new companies such as SAFINTRA RWANDA LIMITED that started in October 2008 and had a significant level of production during the period under review.

## B.2 Electricity and water

In 2009, electricity production increased by 27.8% compared to 16.9% the previous year. Main sources are hydro and thermal while other subsidiary sources include solar energy generation unit at mount JALI. During the period under review, hydro source rose by 38.4%, thermal source increased by 23.8%, solar energy rose by 17.4%. It should be noted that this improvement in domestic electricity production allowed the reduction of imported electricity by 26.5%.

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 10% in 2009 due to the establishment of NZOVE II water station in August, 2009.

Table 13: Production and supply of electricity and water

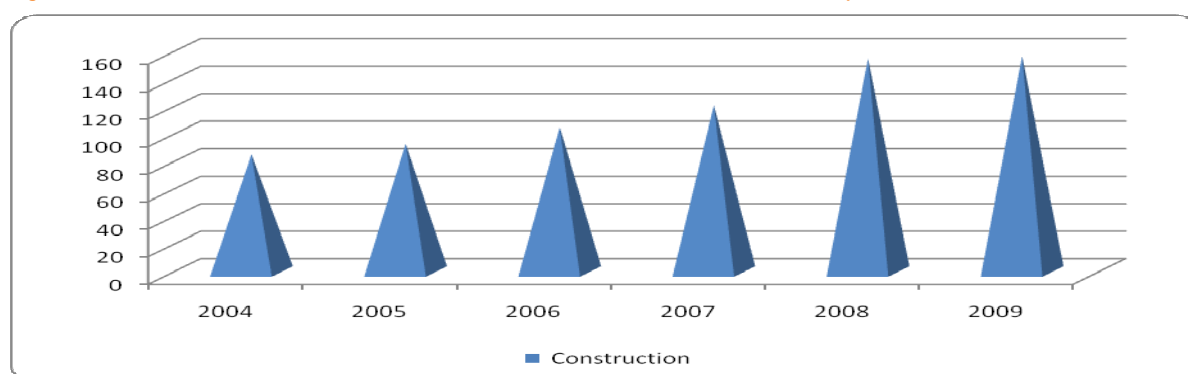
	2005	2006	2007	2008	2009
1. Electricity (in millions of Kwh)					
National Production	116	168	166	194	248
Export	2	2	2	2	2
Import	89	64	85	84	62
Available Electricity	203	230	249	276	307
2. Treated water (in million of m <sup>3</sup> )	16	16	18	20	22

SOURCE: RECO-RWASCO & METHANE GAS PRODUCTION UNIT

### B.3 Construction

Construction and public works is one of the most important branches of the industrial sector, and represents 52.3% of the sector's value added at constant prices of 2006. This sub-sector recorded a slight increase of 1.4% in 2009 from 28.2% achieved in 2008. The low performance is mainly explained by the credit squeeze observed during this period due to a liquidity crunch experienced by the banking system and the Kigali city measures of withholding temporarily on giving out construction permits not until the city master plan is finalized.

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



Source: NISR and MINECOFIN

### B.4 Mining and Quarrying

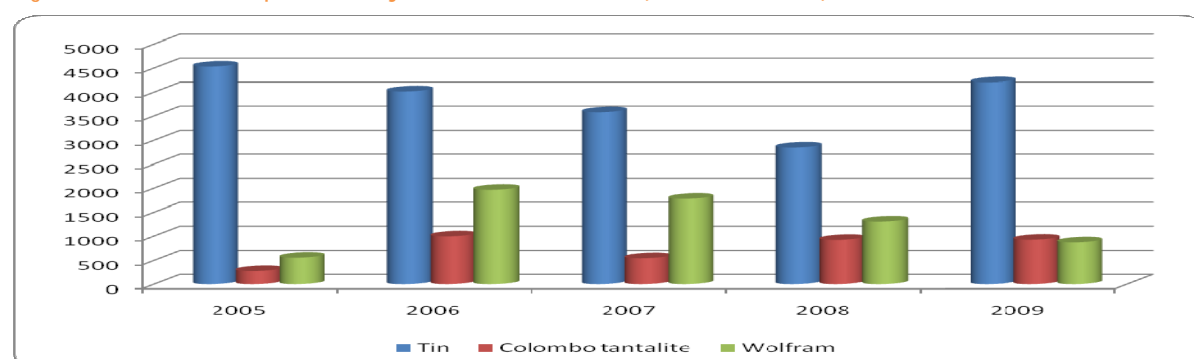
The value added of the mining and quarrying decreased by 17.9% compared to a decline of 15.7% the previous year. However, in volume terms, mining and quarrying activities have registered a better performance, with an increase of 18.2% compared to its performance in 2008. Wolfram declined by 33.6%, while the production of Tin and Colombo tantalite grew by 47.7% and 0.4% respectively. In general, the extraction of minerals which stood at 5 076 tons in 2008 increased and reached 5 999 tons in 2009. This good performance in the mining sector is attributed to a new company named Global mining and processing SARL which started operating in 2009.

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

	2005	2006	2007	2008	2009
Tin	4 532	4 017	3 580	2 847	4 205
Colombo tantalite	276	996	546	921	925
Wolfram	557	1 966	1 781	1 308	869
TOTAL	5 365	6 979	5 907	5 076	5 999

Source: BNR, Statistics Department

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



Source: NISR and MINECOFIN

## C.SERVICES SECTOR

The outstanding performance in services sector was maintained in 2009 with an increase of 5.7% of its value added at 2006 constant prices compared to 14.8% the previous year. This was mainly attributed to the increase in health services, education, and transport, storage and communication, which respectively grew by 15.2%, 10.6% and 9.1%. However, hotels and restaurants, other personal services, and finance and insurance services registered declines of 5.8%, 5.3% and 4.1% respectively.



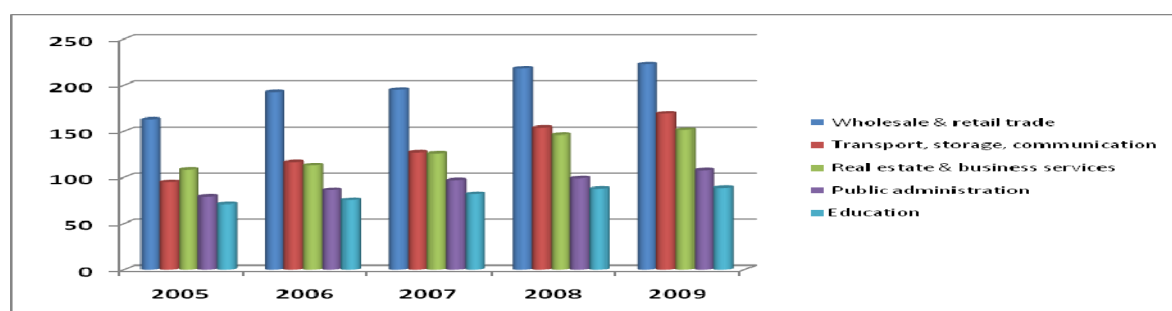
Table 15: Value added in the tertiary sector (in RWF billion, at 2006 constant prices)

	2005	2006	2007	2008	2009
Wholesale & retail trade	162.8	192.5	220.8	264.6	274.7
Hotels & Restaurants	32.8	40.3	41.6	43.9	41.4
Transport, storage, communication	95.1	116.6	134.1	166.3	181.4
Finance & insurance	44.9	49.1	54.9	55.8	53.5
Real estate & business services	108.5	113.2	126.0	146.2	158.9
Public administration	79.3	86.6	91.8	96.3	103.0
Education	71.4	76.1	87.3	99.5	110.0
Health	21.1	22.8	26.1	29.2	33.6
Other personal services	19.3	23.0	26.3	26.8	25.4
TOTAL	635.2	720.2	808.9	928.6	981.9

Source: NISR and MINECOFIN

The real estate and business services account for 16.2% of the services sector. This sub-sector registered a growth rate of 8.7% of its value added compared to 16% attained in 2008. The low performance in 2009 is explained by the slowing down in the construction sector as well as major businesses. Education services increased by 10.6% while health services grew by 15.2%, due to the increased Government spending over 2008 which lead to improvement in health care services. Value added for the services rendered collectively by public administration increased by 6.9% compared to an increase of 4.9% in 2008.

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



Source: NISR and MINECOFIN

### II.1.1.2 GDP Uses

During the period under review, the total final consumption expenditure, at current prices of 2006, rose by 19.5% compared to 21.5% registered in the previous year. This growth was due to an increase in Government spending which rose by 14.7% from RWF 378.4 to 434.1 billion between 2008 and 2009, against an increase of 12% the previous year. Private sector final consumption expenditure registered also an increase of 20.3% rising from RWF 2 021.6 to RWF 2 432.7 billion.

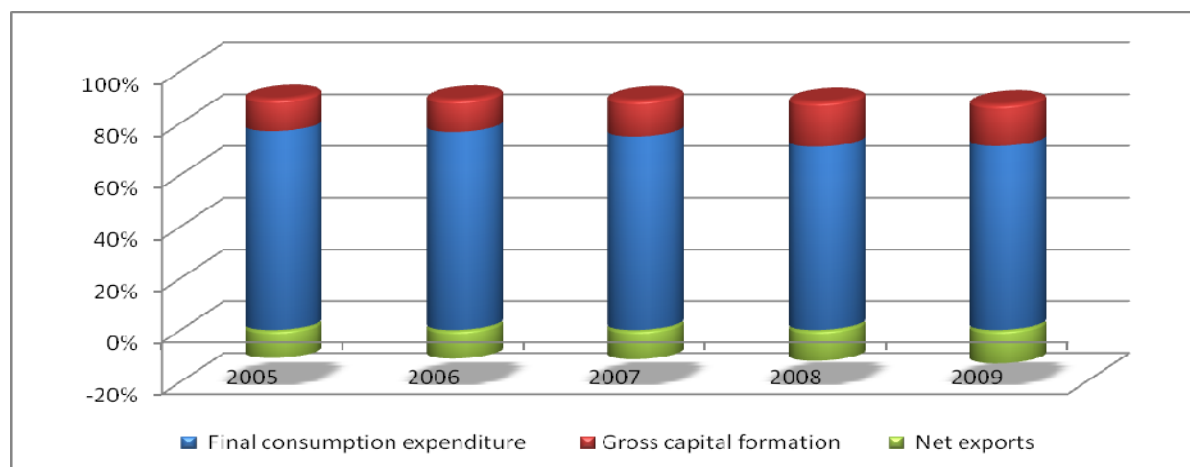
Table 16: Structure of GDP Uses (in percentages of total)

	2005	2006	2007	2008	2009
Gross Domestic Product	100.0	100.0	100.0	100.0	100.0
Final consumption expenditure	98.0	98.2	96.5	93.1	95.8
Government	18.2	18.1	16.5	14.7	14.5
Private (includes changes in stock)	79.8	80.1	80.0	78.4	81.3
Gross capital formation	15.8	16.0	18.0	22.7	21.6
Gross fixed capital formation	15.8	16.0	18.0	22.7	21.6
Construction	11.5	11.9	12.6	14.8	14.4
Durable capital goods	4.3	4.1	5.5	7.9	7.1
Net exports	-13.8	-14.2	-14.6	-15.7	-17.4
Exports of Goods and NFS	11.4	11.1	11.0	14.4	11.6
Goods (fob)	4.7	4.6	4.5	5.5	3.7
Non-factor services	6.8	6.5	6.4	8.9	7.9
Imports of goods and NFS	25.2	25.3	25.5	30.2	29.0
Goods (fob)	14.2	14.5	15.8	19.1	19.1
Non-factor Services	11.0	10.7	9.7	11.0	9.8

Source: NISR

Gross fixed capital formation also registered a moderate increase of 10.2% which emanates mostly from construction activities that increased by 12.9% from RWF 382.3 to 431.6 billion. Durable capital goods also registered an increase of 5.2% from Rwf 202.7 to Rwf 213.2 billion.

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



Source: NISR and MINECOFIN

The net exports (resource balance) remained in deficit as it was in other previous years. The deficit which was 15.7% of GDP in 2008 deteriorated to 17.4 % of GDP in 2009. This situation is a result of the slight decrease in the imports share which reduced from 30.2% to 29.0%, that is mostly imports of services. Compared to the previous year, exports share also reduced by 2.8 points decreasing from 14.4% to 11.6%.

## II.1.2 PRICES

### II.1.2.1 Consumer Price Index

#### A. Overall inflation

After high inflationary pressures, particularly in the first three quarters of 2008, Rwanda experienced low inflation in 2009, due to the better performance in food production, a decline in import prices (despite recent rise in international fuel prices), stable Rwandan Francs (RWF) against the US dollar (USD,) and limited growth of money supply. From a high inflation rate of 22.3% in December 2008, the annual headline inflation fell to 5.74% in December 2009. The underlying inflation, which excludes fresh foods and energy, dropped to 3.5% in December 2009, from 22% in December 2008. The objective of keeping inflation in a single digit number in 2009 was therefore achieved.

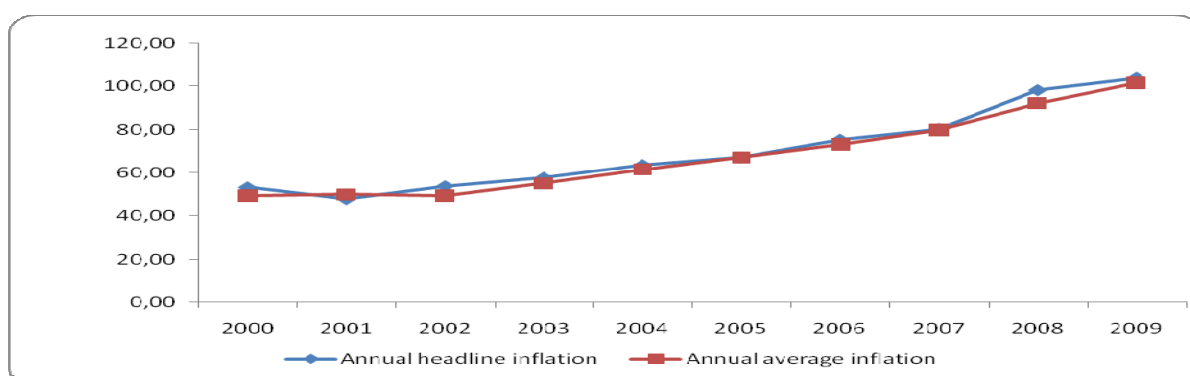
Table 17: Annual Headline Inflation (% change in CPI, base Feb. 2009:100)

	Weighted average	2005	2006	2007	2008	2009
All Products and Services	10 000	5.6	12.3	6.6	22.3	5.7
Food and non-alcoholic beverages	3 538	1.0	21.0	1.0	30.9	9.0
Bread and cereals	733	-8.4	22.0	1.1	43.7	2.8
Meat	274	3.4	3.7	3.7	51.9	-3.1
Fish	83	16.1	5.4	6.7	36.3	3.4
Vegetables	1 200	0.2	36.1	-3.0	17.8	20.7
Non-alcoholic beverages	160	5.5	1.9	6.6	20.4	-1.4
Alcoholic beverages and tobacco	240	3.6	2.8	8.9	35.5	8.6
Clothing and footwear	377	-0.3	0.4	2.7	4.9	1.9
Housing, water, electricity, gas and other fuels	2 204	22.4	10.4	19.2	21.4	0.9
Furnishing, household equipments and routine household maintenance	457	3.3	-0.2	3.4	24.4	-0.4
Health	163	1.5	3.6	13.0	12.3	-0.8
Transport	1 189	5.8	7.3	7.2	12.2	11.8
Communication	288	0.3	24.5	3.2	-14.3	-3.6
Recreation and culture	256	4.6	0.7	-4.3	2.5	1.8
Education	331	4.5	21.2	10.0	14.2	17.4
Restaurants and hotels	558	5.7	7.8	10.8	25.1	2.0
Miscellaneous goods and services	400	4.4	0.7	2.4	7.9	-2.0

Source : BNR, Statistics Department

The annual average inflation dropped to 10.3% from 15.4% in December 2008, and the underlying average inflation has come down to 8.5% from 17.8% in December 2008. The price index for locally produced goods significantly declined from 23.2% in December 2008 to 6.3% in December 2009 on annual change, and prices for imported goods fell from 21.4% in December 2008 to 1.4% in December 2009 drawn mainly by declining international fuel and food prices.

Fig. 8: Evolution of the CPI from 2000 to 2009 (base Feb. 2009=100)



Source: BNR, Research and Policy Analysis Department

## B. Underlying Inflation

The underlying inflation which excludes fresh foods and energy from the overall CPI on annual basis dropped to 3.5% in December 2009 from 22.0% in December 2008.

Due to the improvement in agriculture production for the last two years, prices for fresh foods continue to decline, prices of this category fell by 20.5% on annual basis as of December 2009. Energy prices also continued reducing from 19% in December 2008 to 1.3% in December 2009.

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

	Weighted average	2008				2009					
		Mar.	Jun.	Sep.	Dec.	Jan.	Feb.	Mar.	Jun.	Sep.	Dec.
Fresh Products Index	1 403	78.9	84.4	94.4	95.5	96.8	100.0	103.1	98.6	119.9	115.0
Monthly Changes (%)		0.6	8.7	3.0	-4.3	1.4	3.3	3.1	-1.8	11.2	-7.3
Annual change (%)		-8.3	10.6	13.5	25.2	24.6	27.5	30.8	16.8	27.0	20.5
Energy Index	767	99.7	94.3	108.2	101.5	101.5	100.0	101.6	102.2	104.3	102.8
Monthly Changes (%)		13.7	-3.0	-0.2	-2.4	0.0	-1.5	1.6	0.0	2.1	-2.8
Annual change (%)		20.2	12.2	28.3	19.0	18.2	14.1	1.9	8.3	-3.6	1.3
Underlying Index	7829	86.6	92.1	96.5	98.3	98.8	100.0	100.3	99.2	100.2	101.7
Monthly Changes (%)		2.8	1.2	1.0	0.4	0.5	1.2	0.3	-0.3	-0.1	0.4
Annual change (%)		10.8	17.4	21.5	22.0	19.9	18.7	15.9	7.7	3.8	3.5
GENERAL INDEX	10 000	86.4	90.7	97.4	98.0	98.5	100.0	100.8	99.3	103.3	103.7
Monthly Changes (%)		3.7	2.1	1.2	-0.9	0.4	1.6	0.8	-0.5	1.7	-1.1
Annual change (%)		7.5	15.4	20.5	22.3	20.4	19.9	16.7	9.5	6.1	5.7

Source: BNR, Statistics Department

## II.1.2.2 External trade indices

### A. Import indices

Since 2005, the imports volume index has been increasing, rising from 157.1 to 388.3 in 2009. The index increased by 17.1% against an increase of 10.3% and 43.8% in 2008 and 2007 respectively. On the other hand, imports index value which had registered a strong growth of 54.1% in 2008 experienced a low growth of 1.9% in 2009.

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

	2005	2006	2007	2008	2009
Volume index	157.1	208.9	300.5	331.6	388.3
Consumer goods	97.4	140.1	229.9	204.5	286.0
of which foodstuffs	104.1	160.2	292.1	224.4	341.1
Capital goods	257.5	306.0	464.1	586.3	584.7
Intermediate goods	271.7	364.1	483.3	647.7	719.6
Energy and lubricants	153.9	195.3	207.1	211.4	214.3
of which fuel	153.4	195.1	205.5	210.5	213.2
Value index	269.3	329.9	485.1	747.4	761.8
Consumer goods	162.8	204.5	279.0	346.2	433.2
of which foodstuffs	128.4	173.5	256.3	311.2	430.1
Capital goods	564.3	644.5	1020.6	1852.2	1898.3
Intermediate goods	434.2	564.8	727.2	1241.8	1246.4
Energy and lubricants	210.1	242.8	484.3	668.4	416.2
of which fuel	203.0	233.9	482.6	680.1	403.2
Average value index	171.4	157.9	161.4	225.4	196.2
Consumer goods	167.1	146.0	121.3	169.3	151.5
of which foodstuffs	123.3	108.3	87.8	138.7	126.1
Capital goods	219.1	210.6	219.9	315.9	324.7
Intermediate goods	159.8	155.1	150.5	191.7	173.2
Energy and lubricants	136.5	124.3	233.8	316.2	194.2
of which fuel	132.4	119.9	234.9	323.1	189.1

Source: BNR, Statistics Department

Contrary to the previous year where the volume index of the consumer goods had recorded a decline of 11.1%, it registered a sharp increase of 39.9% in 2009. Their value index also recorded an increase of 25.1% in 2009 against 24.1% in 2008. Among the consumer goods, foodstuffs volume index underwent an increase of 52% in 2009 after a decline of 23.2% the previous year following the world prices reduction mainly foodstuffs prices.

Regarding energy and lubricants, their volume index slightly increased by 1.4% in 2009, whereas its value index registered a decline of 37.7% contrarily to the previous year when it had increased by 38%. The decline in value index is attributed to fuel whose value index sensitively declined by 40.7%.

The index for capital and intermediate goods slightly increased in value by 2.5% and 0.4% respectively. In volume, the index of capital goods declined by 0.3% after an increase of 34% in 2008 while the index of intermediate goods registered an increase of 11.1%.

The average value index for imports registered a decline of 13% in 2009 against a sharp increase of 39.7% previous year, following a decline in the index of consumer goods (-10.5%), intermediate goods (-9.7%) as well as energy and lubricants (-38.6%). The only average index of capital goods registered an increase of 2.8%.

## B. Export indices

With regard to exports, their volume index globally declined by 11.5% in 2009 after an increase of 9.8% the previous year. This decline is mainly attributed to the wolfram index which registered a strong decline of 47.7%, followed by the coltan index (-22.3%) and coffee (-17.6%), after a sharp increase of 33% in the previous year. The volume index of tea and hides and skins also declined by 2.2% and 7.3%, respectively.

The total value index declined by 18.5%, and this decline was essentially attributed to weak exports such as wolfram, coltan, hides and skins, tin and coffee whose value index respectively fell by 53.7%, 43.5%, and 28.3%, 27.7% and 17.9%. However, the value index of tea underwent an increase of 25.6%.

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

	2005	2006	2007	2008	2009
Volume index	158.2	166.9	158.6	174.1	154.1
Coffee	119.2	171.8	88.6	117.8	97.1
Tea	115.1	123.8	136.6	142.0	138.9
Tin	1314.9	1112.9	1324.8	1194.4	1238.7
Coltan	202.8	138.3	185.1	233.5	181.4
Wolfram	386.8	996.9	1865.4	1160.6	607.3
Hides and skins	663.7	241.8	376.4	403.1	373.5
Total value index	290.7	342.8	385.4	493.5	402.4
Coffee	286.1	400.4	262.2	346.3	284.8
Tea	157.0	204.5	199.0	251.9	316.5
Tin	2843.0	2498.0	4991.0	6415.7	4638.2
Coltan	282.2	185.0	315.5	610.5	345.0
Wolfram	1364.1	5016.1	10136.1	6734.1	3123.1
Hides and skins	1544.9	642.3	1141.6	910.8	652.7
Average value index	183.8	205.5	242.9	283.4	261.1
Coffee	240.1	233.0	296.1	293.9	293.3
Tea	136.4	165.2	145.7	177.5	227.8
Tin	216.2	224.5	376.7	537.2	374.4
Coltan	139.2	133.7	170.5	261.4	190.1
Wolfram	352.7	503.2	543.4	580.2	514.3
Hides and skins	232.8	265.6	303.3	225.9	174.7

Source: BNR, Statistics Department

The average value index declined by 7.9% in 2009 after an increase of 16.8% registered in 2008. Generally, tin, coltan, and hides and skins negatively contributed to the average value index with a decline of 30.3%, 27.3% and 22.7% respectively. Tea was the only export product which contributed positively to the average value index with an increase of 28.3%.

### C. Terms of trade

During 2009, terms of trade improved by 5.9% after a deterioration of 16.4% the previous year, where their index increased from 125.7 to 133.1.

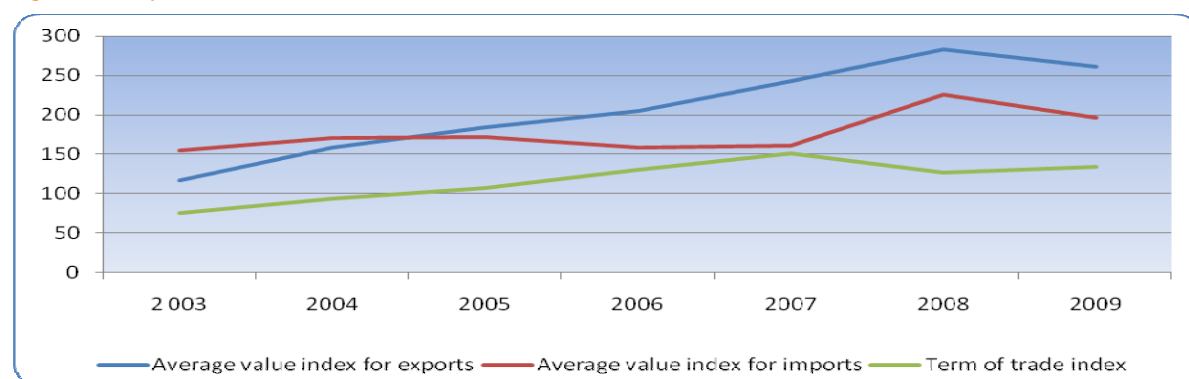
Table 21: Terms of Trade Index (Base 100 in 2000)

	2005	2006	2007	2008	2009
Average value index for exports	183.8	205.5	242.9	283.4	261.1
Average value index for imports	171.4	157.9	161.4	225.4	196.2
Term of trade index	107.2	130.1	150.5	125.7	133.1

Source: BNR, Statistics Department

While in 2008 import average value index increased more than the export average value index (39.7% compared to 16.7%), trends were completely changed in 2009. The change in export average value became bigger than the change in import average value with a decline of 7.9% against 13% respectively.

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 2009, the 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 24.2%, from Rwf 279.8 billions in 2008 to 347.4 in 2009, overall fiscal deficit including grants increased from Rwf 11 to Rwf 26.5 billions. This behavior of fiscal deficit was mainly due to the high government spending that increased from Rwf 636.2 to Rwf 719.6 billions in 2009, and to some extent a sensitive decline in non-tax revenues which declined by 68.5%.

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

	2005	2006	2007	2008	2009
Total revenue and grants	344.8	374.7	472.5	660.8	727.9
Total revenue	180.3	205.6	252.1	381.0	380.5
Tax revenue	162.5	192.6	237.8	328.7	364.0
Nontax revenue	17.7	14.6	14.2	52.3	16.5
Grants	164.5	169.1	220.4	279.8	347.4
Current grants	110.9	73.2	132.4	185.7	233.6
Capital grants	53.6	95.9	88.0	94.1	113.8
Total expenditure and net lending	340.7	383.7	491.4	649.7	754.3
Total expenditure	336.3	374.1	499.5	636.2	719.6
Current expenditure	214.9	255.4	313.2	368.5	424.4
Wages and salaries	51.2	62.2	73.8	84.2	97.4
Purchase of goods and services	64.4	80.7	78.0	80.3	104.8
Interest payment on public debt	10.3	7.1	10.9	12.6	11.4
Transfers and grants	53.6	71.9	103.6	130.4	162.5
Exceptional expenditure	35.4	33.5	46.9	60.9	48.3
Capital expenditure	121.4	118.7	186.3	267.8	295.3
Net lending	4.4	9.6	-8.1	13.5	34.7
Current deficit	-34.6	-49.8	-61.1	12.5	-43.9
Overall deficit (payment order basis)					
Excluding grants	-160.4	-178.1	-239.3	-268.8	-373.8
Including grants	4.0	-9.0	-18.9	11.0	-26.5
Change in arrears	-10.7	-7.5	-8.2	-8.0	-11.0
Overall deficit/surplus (cash basis)	-6.7	-16.6	-27.1	3.0	-37.5
Financing	1.8	23.7	14.4	-3.0	37.5
Foreign financing (net)	34.3	34.9	32.1	56.4	45.2
Domestic financing (excl. adjustments)	-32.5	-11.2	-17.7	-59.4	-7.7
Errors and omissions	0.0	0.0	0.0	0.0	7.6
			in % of GDP		
Revenue and grants	23.9	21.8	23.1	25.6	24.3
Total revenue	12.5	12.0	12.3	14.8	12.7
Tax revenue	11.3	11.1	11.6	12.7	12.2
Non tax revenues	1.2	0.8	0.7	2.0	0.6
Grants	11.4	9.8	10.8	10.8	11.6
Total expenditure and net lending	23.7	22.4	24.0	25.2	24.0
Total expenditure	23.4	21.8	24.4	24.7	24.0
Current expenditure	14.9	14.9	15.3	14.3	14.2
Capital expenditure	8.4	6.9	9.1	10.4	9.9
Current deficit	-2.4	-2.9	-3.0	0.5	-1.5
Overall deficit, including grants	0.3	-0.5	-0.9	0.4	-0.8
Overall deficit, excluding grants	-11.1	-10.4	-11.7	-10.4	-12.4
Nominal GDP	1 439.8	1 716.5	2 046.2	2 578.9	2 992.1

Source: MINECOFIN

### II.2.1.1 Government Revenues

Compared to the previous year, domestic revenues did not maintain an increase in 2009, slightly decreasing by 0.1% from Rwf 381.0 to Rwf 380.5 billions. Despite the increase in tax revenues, there was a shortfall in non-tax revenues of 68.5% compared to the previous year.

#### II.2.1.1.1 Tax revenues

Tax revenue collection performed well in 2009, in line with the trend observed during the last few years, and consistent with the growth of GDP. Thus, tax revenues amounted to Rwf 364.0 in 2009 against Rwf 328.7 billions recorded the previous year, which is an increase of 10.7%. Tax revenues have improved because Rwanda Revenue Authority (RRA) has marked tax administrative reforms and collection mechanism. The RRA recovered arrears of some large companies and other various measures were taken to broaden the tax base and improve efficiency in its operations.

A model of one stop border post was officially launched at the border with Burundi (at Nemba) and is now operational. This system is a trade facilitation concept whereby neighboring countries utilize one border post for all border clearance services to avoid duplication and time saving. However, the proportion of tax revenues to GDP slightly declined from 12.7% to 12.2% implying a more tax concentration on GDP in 2008 compared to 2009. Direct tax collection amounted to Rwf 136.5 against Rwf 123.1 billion achieved in 2008, which is an increase of 10.9%.

#### II.2.1.1.2 Non tax revenues

Non tax revenues stood at Rwf 16.5 in 2009 against Rwf 52.3 billion achieved in 2008, which is a decrease of 68.5%. It should however be noted that the over performance of non tax revenues in 2008 was mainly due to the accrual of the license fees of Rwf 33.4 billions (USD 60 million) paid by TIGO mobile company in December 2008.

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



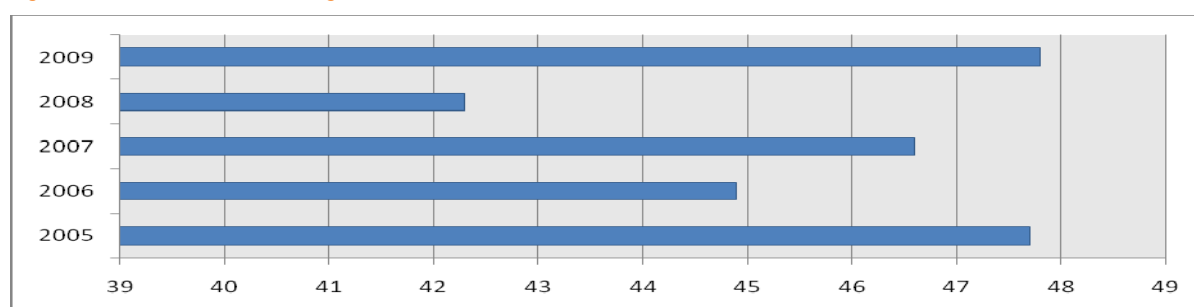
Source: MINECOFIN

### II.2.1.1.3 Grants

The total grants increased by 24.2%, from Rwf 279.8 to 347.4 billion in 2009. Current (budgetary) grants totaled Rwf 233.6 billions (67.2% of total grants) while capital grants account for the balance (Rwf 113.8 billion or 32.8% of total). Total grants have performed well and their share to GDP has also increased by 11.6% in 2009 against 10.8% the previous year.

Unlike in 2008, the share of total grants to total government resources in 2009 was substantially high, that is 47.8% while it was 42.3% in 2008, which is an indication that foreign resources are still crucial in this era for setting up necessary infrastructure and resources for a sustainable development.

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



Source: MINECOFIN

## II. 2.1.2 Government expenditure

Total government expenditure increased by 13.1%, from Rwf 636.3 to Rwf 719.6 billion in 2009. Spending outlays were dominated by capacity building and infrastructural development projects as the main spending priorities mentioned in the economic development and poverty reduction strategy paper (EDPRS).

### II.2.1.2.1 Current expenditure

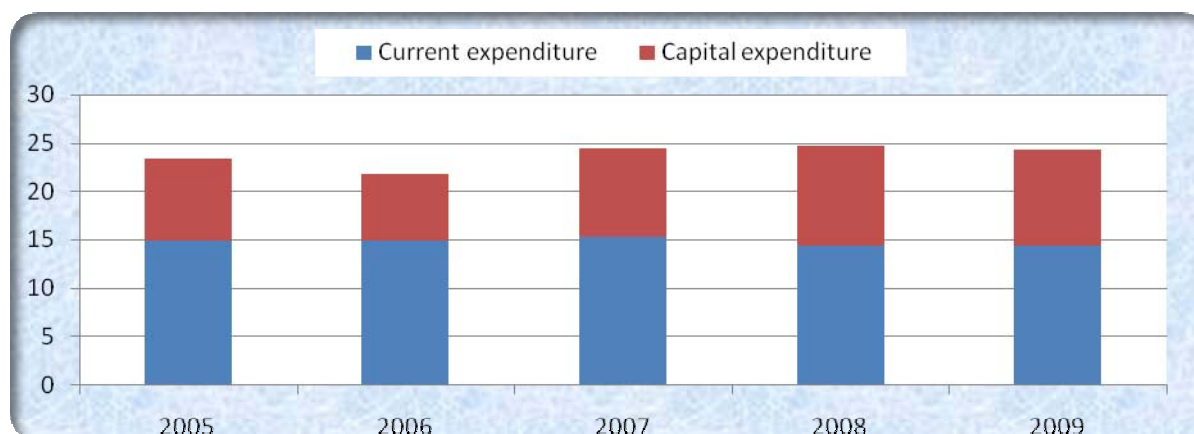
Comprising wages and salaries, purchases of goods and services, interest payments on public debt, transfers and exceptional expenditures, current expenditures amounted to Rwf 424.4 against Rwf 368.5 billion recorded in 2008, which is an increase of 15.2%. Here, more spending concentrated in education particularly training teachers, construction of classrooms and various roads.

### II.2.1.2.2 Capital expenditure

Capital expenditure amounted to Rwf 295.3 billion in 2009 as compared to Rwf 267.8 billion recorded in 2008, that is an increase of 10.3%.

The net lending expenses, which are composed of loans to public enterprises minus their reimbursements, stood at Rwf 34.7 billion in 2009 up from 13.5 billion achieved in 2009.

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



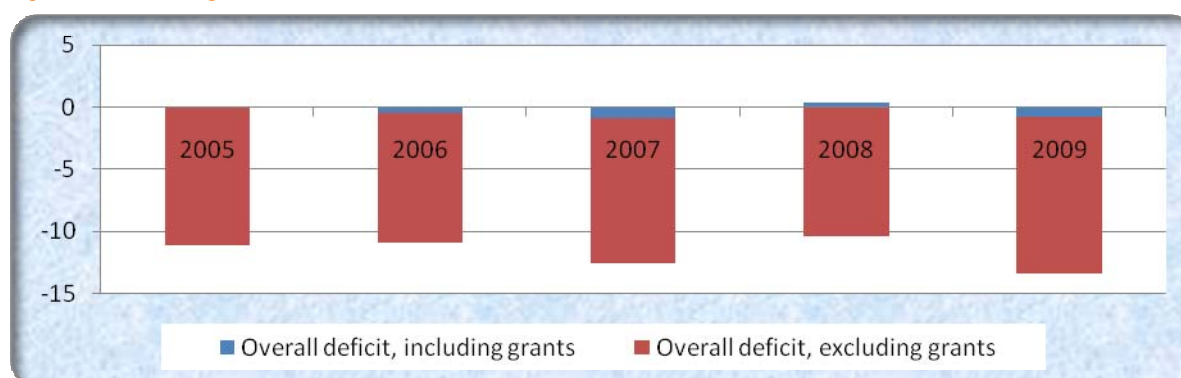
Source: MINECOFIN

### II.2.1.3. Budget Deficit

In 2009, although tax revenues increased by 10.7% rising from Rwf 328.7 in 2008 to Rwf 364.0 billion, non-tax revenues declined sensitively leading domestic revenues falling by 0.1% from Rwf 381 to 380.5 billion in 2009. As total revenues declined, total expenditure and net lending increased from Rwf 649.7 to 754.3 billion leading to an overall deficit, including grants of Rwf 26.5 billion.

The current deficit was Rwf 43.9 billion (which is 1.5% of GDP), and this trend reflects the necessary current expenditure portfolios that the government faced in 2009, for example the urgency of constructing class rooms across the country for the nine year basic education program to commence. This behavior of fiscal deficits was mainly caused by more government spending that increased from Rwf 649.7 to 754.3 billion in 2009 and to some extent a decline in non-tax revenues.

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



Source: MINECOFIN

### II.2.1.4 Deficit financing

In 2009, a total deficit of Rwf 37.5 billion was financed mainly from external resources in form of project loans that provided Rwf 49.5 billion and the banking system that financed a total of Rwf 5.1 billion.

Table 23: Financing (in Rwf billion)

	2007	2008	2009
Financing	14.4	-3.0	37.5
Foreign financing net	32.1	56.4	45.2
Drawings	46.9	60.4	49.5
Budgetary loans	4.2	5.9	0.0
Project loans	42.7	54.4	49.5
Amortization	-5.1	-4.0	-4.3
Domestic financing (net)	-17.7	-59.4	-7.7
Banking system	-5.4	-43.7	5.1
Non banking sector	-12.3	-15.7	-17.7

Source: MINECOFIN

## II.2.2 Domestic Debt Developments

The total outstanding debt of the government in 2009 declined by 15.7%, from Rwf 148.6 to Rwf 128.4 billion. Although the nonbanking sector maintained its major source of domestic debt, its share slipped from 58.3% in 2008 to 56.4%. It should be noted that due to liquidity problems that led to the credit tightening in the banking system in the last quarter of 2008, the government inclined from accumulating more credit from the banking system but instead retired a large amount of treasury bills holdings of both banks and non bank public in order to improve their cash situation and this reduced the share of the banking sector debt to overall debt from 15% to 12.9%.

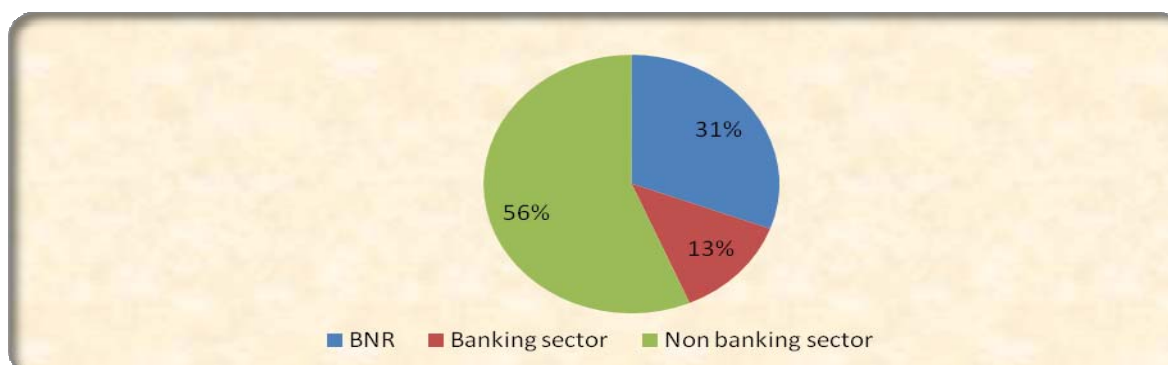
Table 24: Development of domestic public debt (in RWF billion)

	2005	2006	2007	2008	2009
Total outstanding debt	114.3	150.3	176.1	148.6	128.4
National Bank of Rwanda (BNR)	42.1	41.8	41.2	39.7	39.4
Consolidated debt	42.1	41.8	41.2	39.7	39.4
Banking sector	13.1	26.3	36.3	22.2	16.6
Treasury bills	6.4	20.1	32.1	6.6	2.5
Reconverted development bonds	2.7	2.3	3.3	3.1	2.6
New treasury bonds	0.0	0.0	0.0	11.5	11.5
Recapitalization	4.0	3.0	2.0	1.0	0.0
Non banking sector	59.2	82.2	98.6	86.7	72.4
Treasury bills	12.1	14.4	7.8	2.7	0.0
Reconverted development bonds	1.5	1.2	0.7	0.6	1.0
Dev't bonds non reconverted	0.2	0.2	0.5	0.5	0.5
New treasury bonds	0.0	0.0	0.0	2.8	2.7
Other bonds for old arrears	45.4	66.4	89.6	80.1	68.2
Arrears of interests	0.6	0.7	0.7	0.7	0.7
Total debt stock	114.9	151.0	176.8	149.3	129.1

Source: MINECOFIN

As a measure of recovering a sound banking system, in 2009 the Government issued only treasury bills worth Rwf 2.5 billions compared to Rwf 6.6 billions issued in 2008. Unlike in previous years, the government did not offer any treasury bill to the non-banking sector while the new treasury bonds to this sector slightly declined from Rwf 2.8 billions to 2.7 billions which again worked to bring down total domestic debt in 2009.

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



*Source: BNR, Research and Policy Analysis Department*

## II.3 MONETARY SECTOR

### II.3.1 MONETARY DEVELOPMENTS

Monetary developments over the year 2009 indicate an overall deceleration in monetary expansion arising from developments both in total domestic credit and in Net Foreign Assets (NFA) of the banking system. Prior 2009, the Rwandan economy has been characterized by significant increase in monetary aggregates. The proportionate contribution by different components of broad money M3 indicates that the share of currency in circulation decreased from 17.3% in December 2008 to 15.4% in December 2009, reflecting the shift away from currency to demand and time deposits. The proportionate share of time deposits in broad money M2 increased slightly from 35.3% in 2008 to 35.5% in 2009.

Table 25: Monetary aggregates developments in 2009 (amounts in RWF billion)

	2005	2006	2007	2008	2009
Net foreign assets	225.5	285.1	351.6	403.8	441.8
Net domestic assets	23.3	35.6	72.9	61.6	57.1
Domestic credit	106.9	141.9	182.6	199.3	190.3
Central government (net)	-60.1	-69.5	-75.4	-142.0	-145.2
Autonomous Agencies	-0.5	-2.0	-1.3	-0.4	-1.9
Public enterprises	2.2	2.4	1.8	1.8	3.0
Private sector	165.3	211.0	257.4	340.4	334.3
Other items net (Assets: +)	-83.6	-106.4	-109.6	-137.7	-133.2
Broad money (M3)	246.2	321.0	425.7	466.6	499.0
Broad money (M2)	202.6	261.8	357.0	384.1	402.0
Narrow money (M1)	129.9	154.7	215.0	248.5	258.6
Currency in circulation	47.0	52.7	63.2	80.9	77.0
Deposits	199.2	268.2	362.4	385.5	422.0
of which: Transferable deposits in RWF	82.9	101.9	151.7	167.7	181.6
Nontransferable deposits RWF	72.7	107.1	142.0	135.5	143.4
Foreign currency deposits	43.7	59.2	68.6	82.3	97.0

Source: BNR, Statistics Department



### II.3.1.1 Money supply

While the 2009 Monetary Program projected an increase of 17.0% in Broad Money supply M3 consistent with an expected increase of 23.0% of credit to private sector, annual Broad Money supply growth reached only 6.9% in 2009, generated exclusively by the increase in net foreign assets of the banking system.

#### a. Foreign assets

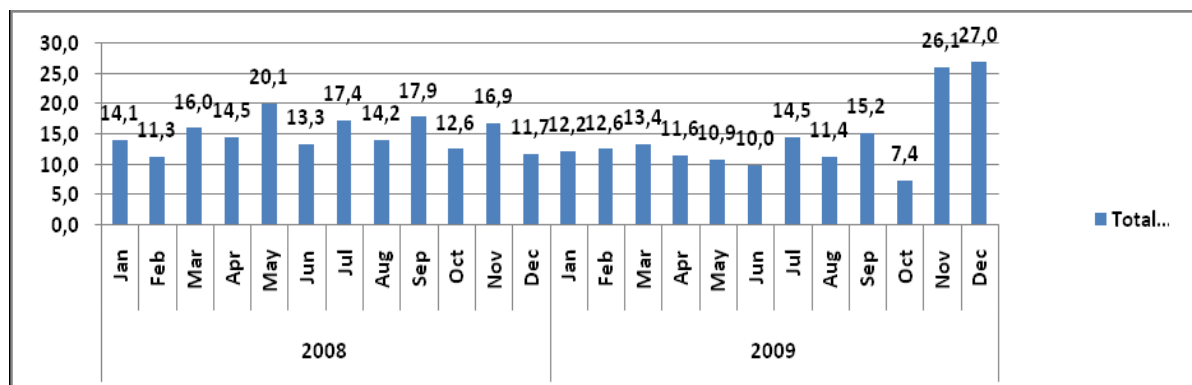
The increase of foreign assets in the banking system resulted from the important external budget support disbursements, as well as private capital inflows via the banking system. Budget support disbursed in 2009 reached USD 409.63 million against USD 370.5 million in 2008, which is an increase of 10.6%. In commercial banks, foreign assets increased by 9.8% in 2009, against 11.3% in 2008. As a result, after a decline of 13.6% in the first semester of 2009, the Net Foreign Assets strongly increased during the second and third quarters respectively by 11.7% and 8.9%, before a moderate increase of 4.1% during the last quarter.

#### b. Credit to the economy

Contrary to 23% planned at the beginning of the year, the outstanding credit to private sector fell by 1.7% as a consequence of the liquidity problem experienced by the banking system between the last quarter 2008 and the second quarter 2009. The outstanding credit to private sector was on a declining trend during the first three quarters of 2009, successively by 0.5%, 3.3% and 1.2%.

However, from the last quarter 2009, particularly in November and December, the credit to private sector has been significantly recovering. For example, between September and December of 2009, the outstanding credit to private sector increased by 2.65% following the regained confidence in the banking system, stimulated by different measures taken by BNR and the Government, which include the reduction of reserve requirement ratio from 8 to 5% earlier 2009, the introduction of BNR refinancing facility against collaterals as well as the Government long term deposit facility.

Fig. 15: New loans authorized by commercial banks in 2009 (in RWF billion)



Source: BNR, Financial Stability Directorate

This improvement in the credit market is reflected in the significant increase of new authorized loans to the economy by commercial banks since the third quarter of this year. They increased by 26.4% and 47.2% during the last two quarters of 2009 respectively and reached at RWF 60.5 billion in last quarter, which is the double of its level in second quarter. The new authorized loans to public works and building industry increased by 48.5% and 51.7% in the last two quarters of 2009 respectively, while it increased by 14.5% and 6.4% respectively for the commerce, and restaurant and hotels sector.

Table 26: Authorized new loans to the economy by commercial banks (in RWF billion)

ACTIVITY BRANCH	2007	2008	2009				Total
			Q1	Q2	Q3	Q4	
Agriculture, Animal husbandary & Fishing	3.59	1.91	0.6	0.92	0.19	0.46	2.17
Mining industries	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Manufacturing industries	13.67	9.96	4.24	3.06	2.85	5.43	15.58
Energy and Water	0.17	0.23	0.00	0.01	1.71	0.1	1.81
Public works and building industry	26.47	53.86	6.78	6.17	9.15	13.88	35.98
Commerce, Restaurant & Hotels	60.85	73.04	15.77	13.58	15.55	16.55	61.45
Transport, warehousing & communication	14.06	17.82	5.25	3.53	2.76	18.92	30.46
O.F.I, Insurances and other Non-financial services	2.56	1.99	1.02	0.13	3.62	0.24	5.02
Services provided to the community	2.92	9.37	0.86	0.98	0.44	1.27	3.56
Activities not classified elsewhere	7.99	11.99	3.67	4.14	4.81	3.65	16.26
<b>TOTAL</b>	<b>132.3</b>	<b>180.18</b>	<b>38.2</b>	<b>32.51</b>	<b>41.09</b>	<b>60.49</b>	<b>172.3</b>

Source: BNR, Statistics Department

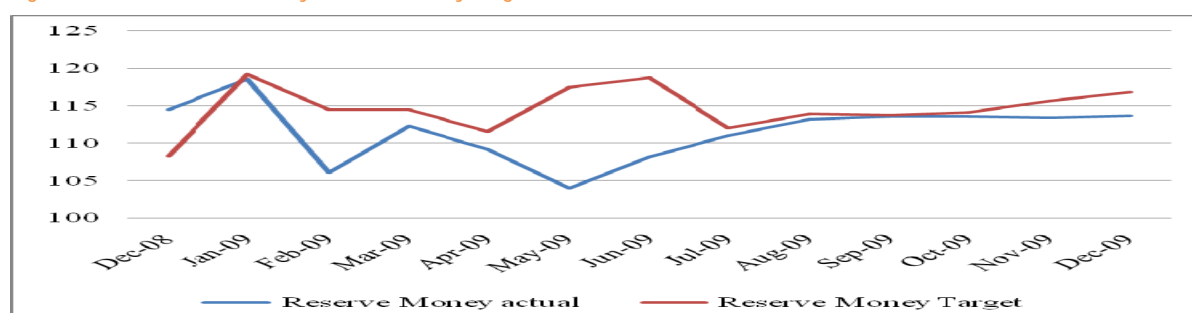
### II.3.1.2 Money demand

On demand side, Broad Money growth recorded in 2009 was driven by the increase in deposits which stood at 9.5%, while currency in circulation declined by 4.8%. Foreign exchange deposits recorded the highest growth rate of 17.9%, while transferable and non transferable deposits increased by 7.5% and 5.8% respectively. In addition to economic activity slowdown in 2009, the important decline in currency in circulation would be explained by the financial deepening with fast-expanding banks' branches and microfinance institutions countrywide, as well as the administrative measures undertaken to use more banks accounts in payments rather than using cash. 22 New commercial banks branches were opened and Deposits in microfinance institutions increased by 18.8% in 2009.

### II.3.1.3 Reserve money

Reserve Money remained the operational target and the Central Bank constantly monitors developments in this aggregate. It takes necessary actions and measures to maintain it within the targeted levels.

Fig. 16: Actual Reserve Money versus Monthly targets



Source: BNR, Research and Policy Analysis Department

The end December 2009 targets for reserve money and Net Foreign Assets (NFA) were met. Moreover, the liquidity crunch that was observed in the early beginning of 2009 has progressively absorbed following policy measures undertaken. In such a way that the net injection of liquidity that prevailed during the first quarter became again a net mop up during the second half of the year as a sign of liquidity recovery.

### III.3.4 Interest rates developments

With the consolidation of comfortable short term liquidity in the banking system since the second half of 2009, money market interest rates have been recording a declining trend. The average Repo rates fell from 7.3% in January to 4.4% in December 2009.

Regarding the commercial banks rates, banks become aggressive in deposits collection and increased deposit interest rates, between January and December 2009, from a monthly weighted average of 5.5% to 8.54%, after reaching a high level of 9.94% in July. Lending rates have been also increasing since January 2009 to reach 17.4% on average, before declining to 15.77% in December 2009. This upward trend in lending rates in 2009 is linked to the uncertainties in credit markets, on both demand and supply sides, as the nonperforming portfolio has increased. As inflation rate in Rwanda has been significantly declining in 2009, banks real lending and deposit rates remained positives.

Table 27: Interest rates developments in 2009 (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>BNR Policy Rates</b>												
Key Repo Rate	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	7.5
Discount Rate	12.80	12.00	12.00	12.00	12.00	12.00	12.50	12.50	12.50	12.50	12.50	11.50
<b>Money Market</b>												
Repo rate	7.28	6.50	5.02	2.38	4.63	5.50	4.68	4.37	4.27	4.61	4.50	4.39
Refinancing Facility	-	-	-	-	-	-	-	10.76	10.50	10.50	10.5	10.5
Treasury Bills Rate	7.62	7.66	7.57	7.68	8.85	9.13	10.34	10.59	9.90	9.39	8.15	7.75
<b>Commercial Banks</b>												
Interbank Rate	8.67	9.15	7.49	4.95	5.47	6.40	5.95	5.10	5.88	5.22	5.41	4.89
Deposit Rate	5.51	5.61	6.57	7.58	9.15	9.44	9.94	8.77	8.86	8.84	8.91	8.54
Lending Rate	16.33	16.18	15.74	16.81	16.64	16.89	17.28	17.41	17.56	17.63	16.44	15.77

Source: BNR, Financial Markets Department

### III.3.5 Exchange rate developments and Forex Market

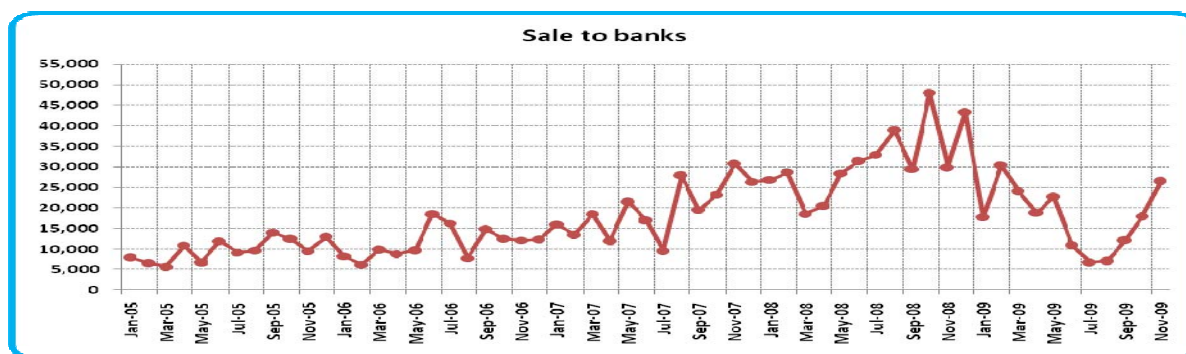
#### A. Exchange rate

After some volatility during the first half of 2009, Rwandan Franc has recovered its stability against the USD since July. From December 2008 to December 2009, the RWF slightly depreciated by 2.82% against USD, while when compared with other strong foreign currencies, RWF more significantly depreciated against the Euro and GBP by 12.31% and 11.98% respectively. The relatively stable exchange rate of Rwandan Franc against USD reflects the sufficient level of foreign assets in the banking system compared to the prevailing demand for forex. Higher depreciation against EUR and GBP mainly reflects the depreciation of the USD against these currencies on international forex markets.

## B. Forex Market

As can be observed in the figure below, since the 2<sup>nd</sup> semester of 2007 to December 2008 the volume of the BNR forex sales to banks on interbank market has exhibited an unusual increasing trend and reached the highest level of selling in October 2008 where the amount of forex sold by BNR reached 47.9 million USD. However, before observing the same increasing trend between September 2009 and December 2009, since January 2009 to August 2009 we observe a significant decreasing trend of forex sales to banks reaching the minimal levels of March, 2005. However the last semester of 2009 shows a recovering rising trend of forex sales. From an annual basis point of view, comparing 2009 with 2008 and 2007, forex sales to banks in 2009 compared to 2008 reduced by 39% and compared to 2007 it reduced by 3%. This decline was mainly due to a relatively lower demand for forex manifested by relatively lower private imports registered in 2009 compared to 2008 and to some extent the vibrant alternative sources of forex that are operational.

Fig. 17: BNR monthly forex sales to banks



Source: BNR, Research and Policy Analysis Department

## II.4. EXTERNAL SECTOR

### II.4.1. BALANCE OF PAYMENTS

#### 1. GENERAL OVERVIEW

In 2009, the Balance of Payments (BOP) globally registered an excess of USD 57.05 million. The current account registered a deficit of USD 378.56 million completely absorbed by the Capital and financial account in excess of USD 433.5 million.

The current account deficit is highly dominated by the trade balance deficit in good transactions. Due the global financial crisis, decline in exports contributed to more deteriorating the trade balance. Nevertheless the situation is a bit smoothed by significant official transfers. The level of Capital account mainly composed of project grants financing and financial account registering among others, the external debt and foreign direct investments lead to the excess in overall Balance in 2009.

#### 2. MAJOR BALANCE OF PAYMENTS COMPONENTS DEVELOPMENTS.

The current account deficit reached USD 378.56 million in 2009 corresponding to 8 % of GDP (USD 4 611.49 million).

Table 28: Major BOP components Developments (in USD million)

	2004	2005	2006	2007	2008	2009
A. Trade balance	-177.87	- 228.67	-299.02	-404.39	-613.05	-768.08
Exports of which	98.05	124.98	147.38	176.77	267.67	192.67
coffee	32.23	38.27	54.04	35.67	47.05	37.29
tea	21.55	24.38	31.86	31.52	44.95	48.71
Imports FOB	-275.93	- 353.64	- 446.40	-581.16	-880.72	-960.75
B. Services (net)	-137.06	- 166.46	-132.30	-123.16	-100.60	-177.70
C. Income (net)	-33.65	- 27.21	-28.66	-17.22	-35.06	-36.79
Balance on goods and services	-348.59	- 422.34	-459.97	- 544.76	-748.71	-982.6
D. Current transfers net	313.93	364.52	325.54	461.32	518.57	604.0
Private	35.05	46.73	77.15	98.82	72.61	79.71
Public	278.87	317.79	248.39	362.50	445.96	524.31
E. Current account	-34.66	-57.82	-134.43	-83.45	-230.15	-378.56
F. Capital and Financial account balance	127.29	165.45	250.50	196.70	316.12	433.5
Errors and Omissions	15.31	11.53	-34.59	-2.66	-27.97	2.05
G. Overall balance	107.94	119.16	81.52	110.60	58.01	57.05

Source: BNR, Statistics Department

## A. TRADE BALANCE

The external trade was marked by a high increase of imports and decrease in exports leading to a more deteriorated trade balance of USD -768.08 million against -613.05 in 2008. Compared to 2008, the increase of the imports value in 2009 came from consumption goods and Energy.

### A.1 Exports

The low level of diversification and lower volume of exports compared to imports remain a challenge to Rwanda trade balance. Since they account for a low proportion on the international market, traditional goods such as coffee, tea, and minerals remain under control of big producers influencing international market prices.

Agricultural export products (coffee and tea) which represented around 40% of Rwanda's exports in 2009 depend on climatic conditions that are beyond the country's control. Globally export sector performed very badly in 2009 declining by 28.02%. Only tea performed well.

The 2008 good performance of coffee and mineral exports disappeared in 2009. Minerals declined by 40.20% from 91.69 million of USD to 55.43 million of USD. Coffee declined by 20.5% to reach a value of only USD 37.29 million in 2009.

#### Coffee

Compared to 2008, coffee exports decreased by 20.51% in 2009 from 47.1 million of USD to 37.3 million of USD. The situation resulted from large decrease in volume by 17.6% from 18,191 tons in 2008 to 14,992 tons in 2009 due to cyclic phenomenon of good production in 2008 followed by a bad one in 2009. The international prices also recorded a decrease of 3.6% during the period under review.

The volume of fully washed coffee exported increased from 2,455 tons in 2008 to 3,209 tons in 2009. Its exports value represented 43% of the total value of coffee exported in 2009. 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

Compared to 2008, tea exports value recorded good performance with an increase of 7.3% in 2009 resulting essentially from the increase in unit price by 23.2% from 2.10 USD/kg to 2.58 USD/kg while the volume decreased by 5.7% from 19,828 tons in 2008 to 18,689 tons in 2009.

## Minerals

In 2009, the mining sector was highly affected by the global finance crisis. The export earnings of this sector fell down by 39.5% from 91.7 million USD in 2008 to 55.4 million USD in 2009. That significant decline resulted mainly from the drop in unit prices of all our exported minerals. Tin exports decreased in value by 30.7%. Its price recorded a huge decrease of 33.0% from 10.00USD/kg in 2008 to 6.69 USD/kg in 2009. Its volume slightly increases by 1.8% reaching a level of 4,269 tons in 2009 against 4,193 tons in 2008. The price of coltan decreased by 30.0%; from 30.4 USD/kg in 2008 to 21.3 USD/kg in 2009. Its exports value reached a level of 20.2 million USD in 2009 against 36.0 million in 2008 while the volume decreased from 1,190 tons in 2008 to 949.9 tons in 2009.

**Table 29: Major exports Developments (Value in USD million and volume in tons)**

		2003	2004	2005	2006	2007	2008	2009
Coffee	value	15.01	32.23	38.27	54.04	35.67	47.05	37.29
	volume	14 700.00	27 085.14	18 398.64	26 534.12	13 673.86	18 191.29	14 992.00
Tea	value	22.52	21.55	24.38	31.86	31.52	44.95	48.24
	volume	14 331.00	13 064.38	15 481.16	16 523.65	18 375.62	19 828.02	18 689.3
Cassiterite	value	4.49	15.88	17.86	15.87	31.97	41.25	28.58
	volume	1 458.00	3 553.18	4 531.83	3 835.33	4 565.91	4 193.34	4 269.17
Coltan	value	6.37	12.99	16.87	11.17	19.23	36.03	20.24
	volume	732.00	861.05	1 061.64	724.25	968.96	1 190.33	949.92
Wolfram	value	0.23	0.40	2.58	9.53	19.42	13.41	5.76
	volume	120.00	157.52	557.02	1 435.57	2 686.11	1 708.04	874.45
Hides and skins	value	3.78	3.39	4.73	1.99	3.56	2.85	1.96
	volume	2 728.00	2 150.78	3 183.46	1 159.89	1 805.60	2 043.60	1 791.68
Pyrethrum	value	1.28	0.65	0.00	1.92	3.00	0.38	0.64
	volume	20.00	10.08	0.00	44.64	38.27	3.30	3.18
Other products	value	9.37	10.80	20.22	20.91	32.32	86.81	49.26
	Total value	63.05	97.88	124.90	147.30	176.69	272.73	192.67

Source: BNR, Statistics Department



Exports value of wolfram recorded a significant decline during the period under review from 13.4 million of USD in 2008 to 5.76 million in 2009. The volume reduced by 47.7% from 1,708 tons to 874 tons. Its price decreased by 14.6%, from 7.72 USD/kg in 2008 to 6.59 USD/kg in 2009.

### Hides and Skins

In 2009, Hides and skins value and volume decreased respectively by 31.2% and 12.3%. This sector was also negatively affected by the global financial crisis.

### Pyrethrum

The volume of pyrethrum exported declined by 3.6 % in 2008, from 3.3 tons in 2008 to 3.2 tons in 2009, while the value increased by 68.1% from 0.38 Million of USD in 2008 to 0.64 Million of USD in 2009 due to the increase of the unit price by 74.4% from 116.16 USD/kg in 2008 to 202.61 USD/kg in 2009.

**Table 30: Evolution of some non traditional exports**

	Value in USD		% Change
	2009	2008	
Beans	1,581,629	4,603,755	-65.64
Skin care products	1,211,239	1,323,660	-8.49
Hand crafts	440,762	1,971,650	-77.64
Cement	2,124,021	1,349,578	57.38
Shoes	1,450,587	1,018,540	42.42
Mineral water	1,451,162	1,229,904	17.99
Beer	1,298,514	1,377,821	-5.76
Livestock	3,154,595	3,613,020	-12.69

Source: BNR, Statistics Department

## A.2 Imports

The Import products are classified in four main categories, namely consumer goods, capital goods, intermediary goods, and energy and lubricants. Compared to the year 2008, the imports CIF value in 2009, experienced a growth rate of 7.94, (from USD 1,173.98 million in 2008 to USD 1,267.25 million in 2009). Imports value of Capital goods and Intermediary goods declined by respectively 1.3% and 3.3%, while imports value of Consumption goods and Energy increased a lot, leading to an increase in total imports.

## Capital goods

The value of imported capital goods declined by 1.3%; from USD 367.3 million in 2008 to 362.7 USD million in 2009. This was due to the decline in imports of transportation material and machinery.

## Intermediary goods

The value of intermediary goods declined by 3.3% and these are classified into 4 categories, namely construction materials, industrial products, chemical fertilizers and other various intermediary goods. The import of industrial products and construction materials constitute the main part of imported intermediary goods with around 40% of total value of each category. In 2009, these two categories declined by respectively 5.9% for construction materials and 10.5% for industrial products. Nevertheless, it is important to note the increase in import of fertilizers by 61.5% in line with the government green revolution program that has positively impacted on food production.

**Table 31: Evolution of imports (value in USD million and volume in tons)**

Description		2004	2005	2006	2007	2008	2009
Capital goods	Value	79.98	109.88	126.80	202.53	367.29	362.69
	Volume	12 493	17 506	20 803	31 551	39 860	39 748
Intermediate goods	Value	79.20	111.16	146.15	189.91	323.87	313.14
	Volume	107 716	154 363	206 831	274 574	367 938	408 803
Energy products	Value	68.64	78.16	108.56	115.65	161.49	208.83
	Volume	123 282	128 819	172 818	183 252	186 722	189 632
Consumer goods	Value	102.46	131.17	166.54	229.10	284.08	342.38
	Volume	109 210	120 855	173 743	285 259	253 662	354 809
Food	Value	33.16	35.26	47.93	71.76	87.07	115.86
	Volume	75 744	79 854	122 832	223 979	172 073	261 568
Others consumer goods	Value	69.3	95.9	118.6	157.3	197.01	226.52
	Volume	33 465	41 001	50 911	61 280	81 589	93 241
Ajustment	Value	37.5	41.0	43.3	33.5	37.25	40.27
Total CIF	Value	367.8	471.4	591.4	770.6	1 173.98	1 267.25

Source: BNR, Statistics Department

## Final consumer goods

Imports value of final consumer goods increased by 20.5% from USD 284.08 million in 2008 to USD 342.38 million in 2009. Foodstuffs showed an increase of 33.1%, to USD 115.86 million against USD 87.07 million in 2008. The most imported foodstuffs were cooking oil and fats, cereals, flour and seeds, as well as sugar.

## Energy and lubricants

The imports of energy and lubricants (of which more than 90% is fuel) increased by 29.3% in value and 1.3% 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 208.77 million against USD 161.5 million in 2008.

## B. BALANCE ON SERVICES AND INCOME

The service and income balance evolution, as in goods balance, registered continuous deficits. The amount paid has always been higher than the amount received. The biggest amount of services paid is related to importation of goods. Note that currently, cost of transport is estimated to be secured at 29% by residents and 71% by non residents.

The Balance on services showed a structural deficit, particularly due to expenses related to imports transportation because the country is land locked. The value of services paid for freight and insurance reached USD 242.14 million in 2009.

Since some years back, the credit component of balance on Services, shows a good level due especially to receipts on travel captured by tourism office. Nevertheless, they declined by 6.21% in 2009 due probably to financial crisis. The Income Balance deficit remained quite stable from USD 35.06 in 2008 to USD 36.79 million in 2009.

Table 32: Evolution of Services and Incomes (in USD million)

Designation	2003	2004	2005	2006	2007	2008	2009
<b>Services (net)</b>	-127.2	-137.06	-166.46	-132.30	-123.16	-100.60	-177.70
Credit/Inflows	76.47	102.65	119.71	201.65	240.63	419.86	341.05
Freight and insurance	4.47	6.94	7.01	4.22	5.23	5.15	4.61
Other transportation	13.92	14.50	17.76	16.41	24.58	37.74	49.04
Travel	30.08	43.50	48.76	131.84	151.63	186.00	174.46
Others services	28.00	37.71	46.17	49.19	59.19	190.97	112.94
Debit/Outflows	-203.66	-239.71	-286.17	-333.95	-363.79	-520.46	-518.75
Freight and insurance	-54.08	-65.23	-83.61	-101.34	-134.53	-208.21	-242.14
Other transportation	-24.14	-26.51	-38.21	-42.63	-50.50	-75.75	-76.03
Travel	-26.06	-31.48	-36.75	-41.29	-46.66	-69.99	-71.83
Others services	-99.38	-116.49	-127.60	-148.69	-132.09	-166.51	-128.76
<b>Income (net)</b>	-30.53	-33.65	-27.21	-28.66	-17.22	-35.06	-36.79
Credit/Receipts	6.17	5.56	15.45	24.62	25.44	28.27	14.91
Investment income	5.97	5.37	15.20	20.63	21.35	23.72	10.42
Labour services income	0.19	0.19	0.24	3.99	4.09	4.49	4.49
Property income	0.02	0.00	0.00	0.00	0.00	0.05	0.00
Debit/Payments	-36.71	-39.22	-42.66	-53.27	-42.66	-63.33	-51.71
Income paid on direct investments	-5.50	-2.97	-3.61	-9.06	-9.29	-16.42	-4.66
Income paid on others investments	-16.43	-20.30	-17.89	-13.63	-7.33	-7.74	-9.41
Labour services Income	-14.49	-15.72	-20.68	-30.07	-25.50	-37.95	-36.40
Property income	-0.29	-0.23	-0.48	-0.51	-0.54	-1.23	-1.23
<b>Services and Revenues (nets)</b>	-157.72	-170.71	-193.67	-160.95	-140.38	-135.67	-214.49

Source: BNR, Statistics Department

## C. CURRENT TRANSFERS

The registered current transfers rose to USD 604.02 million in 2009 against USD 518.57 million in 2008; an increase of 16.5%. That increase resulted from high level of official current support that increased by 17.6% from USD 445.96 million in 2008 to USD 524.31 million in 2009.

Budgetary support transfers increased by 22% from USD 339.76 million in 2008 to USD 415.84 million in 2009. They represented 80% of net official current transfers.

## 3. CAPITAL AND FINANCIAL OPERATIONS ACCOUNT

The year 2009 was characterized by an increase of 34.31% of capital and financial account surplus. From USD 316.07 million in 2008, the capital account and financial account balance attained a level of USD 433.55 million in 2009. The capital account was at USD 200 million against USD 210.06 million in 2008.

The financial account is USD 233.55 million and doubled compared to its 2008 situation due to increase of private sector borrowing from outside and also due to important Foreign Direct Investments in the country.

**Table 33: Evolution of capital and financial account (in USD million)**

Designation	2003	2004	2005	2006	2007	2008	2009
Capital and Financial account balance	66.7	127.3	165.4	250.5	196.70	316.1	433.55
Capital Account	41.1	60.6	93.5	1400.1	92.0	210.1	200.0
<i>Capital transfers</i>	<i>41.1</i>	<i>60.6</i>	<i>93.5</i>	<i>1400.1</i>	<i>92.0</i>	210.1	200.0
Financial transactions account	25.6	66.7	72.0	-1149.5	104.7	106.1	233.55
<i>Long Term capital</i>	<i>11.3</i>	<i>69.3</i>	<i>49.1</i>	<i>-1079.5</i>	<i>161.8</i>	<i>194.7</i>	<i>242.04</i>
Public sector capital (LT) (net)	7.7	71.3	53.7	-1104.8	80.4	104.75	81.35
Disbursement	39.9	108.6	90.0	68.1	88.7	112.2	88.80
Amortization	-32.2	-37.3	-36.3	-1172.9	-8.3	-7.5	-7.45
Private (net)	6.2	8.9	9.7	25.3	81.4	89.9	151.5
Disbursement	5.6	1.4	0.7	0.6	3.4	9.5	42.6
Amortization	-2	-3.4	-5.3	-5.9	-4.2	-4.1	-0.7
Investments	2.6	10.9	14.2	30.6	82.3	84.6	118.7
Other capital	14,3	-2,6	22,9	-70,1	57,1	-88,6	-8,24

Source: BNR, Statistics Department

Net private capital inflows including foreign direct investment increased a lot from USD 89.94 million in 2008 to USD 160.69 million due to new investments in telecommunication and mining sectors on one hand and important drawdown on private borrowing from USD 9.5 million in 2008 to USD 42.6 million in 2009.

#### 4. OVERALL BALANCE ACCOUNT

In spite of a high level of current account deficit excluding grants registered in 2008, the net current transfers and capital combined with financial operations inflows led to an excess of overall balance account of USD 57.05 million.

## II.4.2 External Debt

### 1. Public External Debt

Since the Multilateral Debt Relief Initiative (MDRI) debt cancellation in 2006, the country's public debt has been increasing over the years, and dominated by multilateral debt constituting more than 85% of total public debt in 2007 and 2008. A study made in 2008 on Rwanda's debt strategy, aiming at avoiding falling again into the vicious circle of excessive debt, recommended some terms of sustainable debt. The document entitled "Debt management Strategy" shows an amount of USD 136 million as the annual upper limit in disbursements that Rwanda will have to take into account to stay in the standards of the sustainable debt. The report advise to pay attention to the IDA standards such as 40 years of loan maturity, 10 years of grace period, 0.75% interest rate with a grant element of above 50% and grant element not below 35% where there is any opportunity for IDA term concessional loan. It also talks about Debt Management committee which will have to be active compared to the former one, and involved in all the process of debt management.

End of 2009, over 85% of Rwanda's debt is owed to multilateral creditors of which 34% is highly concessional debt owed to the International Development Association (IDA), the World Bank arm. The remaining 15% of the total external public debt is owed to bilateral creditors.

Table 34: Stock of external public debt (in USD million)

DESCRIPTION	2004	2005	2006	2007	2008	2009
MULTILATERAL DEBT	1,426.16	1,397.98	385.93	478.25	569.06	613.07
IDA	1018.65	975.53	168.43	205.30	240.40	253.30
ADB-ADF	280.31	294.66	69.53	102.16	134.49	157.87
BADEA	18.46	18.46	21.47	25.44	25.77	26.49
OPEC	16.61	15.37	17.49	21.47	31.92	32.40
OTHERS	92.14	93.96	109.01	123.19	136.48	143.01
BILATERAL DEBT	153.67	83.99	89.52	84.19	85.20	108.34
CHINA	16.87	16.01	16.54	0.00	0.00	0.00
FRANCE	37.95	3.96	4.40	4.92	4.74	4.79
KUWAIT	32.05	32.21	32.66	34.49	34.22	34.63
SAUDI ARABIA	29.79	29.63	33.74	42.58	44.04	44.54
JAPAN	11.73	0.00	0.00	0.00	0.00	0.00
OTHERS	13.24	2.18	2.18	2.2	2.2	24.38
SUPPLIERS' CREDITS	12.04	0.00	0.00	0.00	0.00	0.00
TOTAL	1579.83	1481.97	475.40	561.70	654.23	721.41

**N.B.:** Debt to IMF and Government guaranteed debt not included

Source: BNR, Statistics Department

## A. PUBLIC EXTERNAL DEBT STOCK

Even if low after 2006 cancellation, the total external public debt stock, debt to IMF and Government guaranteed debt included, increased by 29% in two years term. From USD 569.85 million in 2007 it rose to USD 665.7 million in 2008 and to USD 736.60 million in 2009.

Regarding the borrowing currencies, Rwanda's total external debt is dominated by SDR with a share of 50.0% end 2009 against 51.7% end 2008.

**Table 35: Structure of external public debt by currency of borrowings (in USD million)**

Currency	2004		2005		2006		2007		2008		2009	
	Million	%	Million	%	Million	%	Million	%	Million	%	Million	%
	USD	total	USD	total	USD	total	USD	total	USD	total	USD	total
SDR	1099.6	65.8	973.7	65.5	246.3	65.1	299.4	52.5	344.5	51.7	368.2	50.0
EUR	189.7	11.35	150.2	10.1	77.7	16.2	106.1	18.6	124.5	18.7	126.1	17.1
USD	227.6	13.6	221.6	15.3	54.3	47.4	66.6	39.9	83.6	34.2	107.6	30.9
Others	154.9	9.3	141.3	9.5	101.4	21.1	97.8	17.2	113.2	17.0	134.7	18.3
Total	1671.9	100.0	1486.9	100.0	479.7	100.0	569.8	100.0	665.7	100.0	736.6	100.0

Source: BNR, Statistics Department

In 2009, the borrowing in US Dollar increased by 28.7% due to the new loan from India, while the Euro increased only by 1.3%.

## B. EXTERNAL PUBLIC DEBT DISBURSEMENTS

The 2009 bilateral disbursements are dominated by the new hydroelectric power project loans from Indian for USD 20 million and of which four fifths (USD 16 million) have been disbursed. The AFDB and IDA also appear with a big disbursement of USD 33.6 million on multilateral side in 2009.

**Table 36: Development of disbursements (in USD million)**

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

Source: BNR, Statistics Department

## C. PUBLIC EXTERNAL DEBT SERVICING

After the debt cancellation in 2006, the annual debt service is low. In 2009 the total service is USD 15.1 million; USD 7.5 million in principal and USD 7.6 million as interest. It had been USD14.4 million in 2008.



The part of heavily indebted Poor Countries (HIPC) relief in 2009 was USD 5.2 million with no significant change compared to 2008 (USD 5.4 million).

**Table 37: Developments of external debt service (in USD million)**

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

Source: BNR, Statistics Department

## 2. PRIVATE EXTERNAL DEBT

The Private external debt is a debt contracted with non resident private sector by private resident of Rwanda with or without Government guarantees. Compared to public external debt, the private debt remains low. Nevertheless, it begins to grow with the privatization of public enterprises, and liberalization of capital account allowing private sector to borrow from foreign creditors. These last years, Private external debt is dominated by long term borrowing.

End 2009, the total stock of the private external debt reached an amount of USD 87.47 million of which USD 13.27 million of external private debt guaranteed by the Government against USD 74.20 million USD of non-guaranteed external private debt.

Fig 18: Development of external private debt (in USD million)



Source: BNR, Statistics Department

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## PART II: ACTIVITIES OF THE BANK

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

### III.1. EXCHANGE POLICY AND OPERATIONS

#### III.1.1. Foreign exchange policy

In line with the improvement of the foreign exchange operations, the foreign exchange regulations have been revised and the capital account fully liberalized. Currently, all current and capital forex operations are no more subject to any restrictions.

In order to avoid unnecessary competition with interbank transactions, BNR decided to reform its intervention mechanism in the foreign exchange market and starting from September 21<sup>st</sup>, 2009, BNR sells foreign exchange on demand to banks only on specific days when the level of liquidity in the market justifies BNR intervention. The new policy aims at stimulating further the already growing foreign currency interbank market. Compared to the total amount of USD 2.0 million recorded in 2008, the foreign exchange interbank market operations increased significantly to a total of USD 27 million during the year of 2009.

#### III.1.2 Foreign exchange operations

The volume of foreign exchange operations carried out by the BNR in 2009 that generated resources in foreign currency 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. Compared to year 2008, the inflows in foreign currency received by BNR registered an increase of 3.8% in 2009, from 940.6 million USD in 2008 to 976.75 USD million in 2009.

Table 38: BNR Foreign Exchange Operations (in USD million)

		2008	2009
Inflows	Budget Support	365.0	409.63
	Draws on IMF credits	3.7	1.72
	SDR cumulative allocation		100.31
	Draws on NBB overdraft	40.0	0
	Interest on investments in foreign currencies	19.4	8.38
	Purchases from banks (interbank market)	16.4	14.61
	Bank deposits	125.5	175.45
	Government Projects	212.9	199.95
	Other inflows	148.8	60.48
	Adjustment	8.9	6.23
	Total	940.6	976.75
Outflows	BNR Spending	10.3	5.45
	Reimbursement NBB	61.7	0
	Government Spending	202.4	246.68
	Non Banking Clients	92.2	139.45
	External debt payments	7.6	8.46
	Sales to banks (interbank market)	376.4	228.29
	Bank withdrawals	135.4	184.54
	Adjustment	24.9	23.83
	Total	910.7	836.70

Source: BNR, Financial Market Department.

## III.2 MONETARY POLICY IMPLEMENTATION

### III.2.1 LIQUIDITY REGULATION MEASURES

#### a) Launching of new instruments and important changes in existing instruments

Within the framework of running efficiently the monetary policy, the REPOs tool has been adjusted by extending the maturity from 14 to 28 days on May-22, 2009. The decision was recommended to be implemented at the second phase when REPOs will be efficient in terms of regulating the liquidity. In the same spirit, to encourage the banks to invest liquidity up to 28 days, a premium is applied on additional day in order to take into account the time value of the money and to build a short term yield curve.

In view of the liquidity shortage since the last quarter of 2008, the reserve requirement ratio has been revised downward from 8% to 5% in order to allow banks to rebuild liquidity conditions.

The standing “Deposit facility” of 28 days introduced on December-4, 2008 at a fixed rate has been replaced by 28 days T-bills. The measure aimed to push banks to bid competitively and play the role of price makers. Addition to that, the 28 days T-bills could be used as collaterals to secure the short run interbank transactions.

The BNR 3-12 months refinancing and Long Term Government Deposit facilities have been implemented in order to restore medium and long term liquidity in banking system and improve the lending capacity.

#### b) New interest rates policy.

In the framework of fostering positive real interest rates and stimulating domestic saving, the central Bank increased the Key Repo Rate (KRR) in January 2009, from 8 % to 9 % per annum and the width of the interbank interest rates corridor was set at 1% below and above the Key Repo rate.

Based on the liquidity conditions enhancement and the downward trend of inflation, BNR reduced the Key Repo Rate at 7.5% on December 18<sup>th</sup>, 2009 and decided to use the KRR as the maximum rate at which BNR could absorb liquidity and the minimum rate for injecting liquidity in banking system. The discount rate has been set at KRR+4%.

### III.2.2 MONEY MARKET OPERATIONS

Contrary to the previous years, the banking system has experienced tight liquidity conditions since the last quarter of 2008. Different measures taken have contributed to rebuild progressively the liquidity conditions as well as the capacity of banks to finance the economy. As consequence, the net total borrowing through REPOs to sterilize short term excess liquidity increased from 0 Rwf at end March 2009 to 60 billion Rwf by end 2009. However, the total short term borrowing for the whole year 2009 was 1 600.4 billion Rwf from 3 415.56 billion Rwf in 2008.

The banking system received 27.3 billion Rwf of which 15.5 billion Rwf from BNR and Government refinancing facilities and 11.8 billion Rwf through Reverse repo and the discount window.

During the year 2009, the inter-bank market operations became very dynamic to facilitate the distribution of available liquidity within the banking system. The volume of interbank transactions has reached the level of 537.69 billion RWF never recorded in the previous years from 169.24 billion Rwf in 2008.

Table 39: Money market Transactions volume (in Rwf billion)

<i>Period</i>	<i>2008</i>	<i>2009</i>	<i>Variation</i>
<i>REPOS</i>	<i>784.95</i>	<i>1.597.40</i>	
<i>7 day mop up</i>	<i>587.45</i>	<i>0.00</i>	
<i>Overnight</i>	<i>2,038.18</i>	<i>0.00</i>	
<i>Deposit Facility)</i>	<i>5.00</i>	<i>3.00</i>	
<i>Total BNR borrowing</i>	<i>3415.58</i>	<i>1600.4</i>	<i>-53.14%</i>
<i>Treasury bills</i>	<i>117.47</i>	<i>43.21</i>	<i>-63.21</i>
<i>Budget support</i>	<i>92.02</i>	<i>0.00</i>	
<i>Monetary policy</i>	<i>25.45</i>	<i>43.21</i>	
<i>Treasury Bonds</i>	<i>14.26</i>	<i>0.00</i>	<i>-100%</i>
<i>Interbank Market</i>	<i>169.24</i>	<i>537.69</i>	<i>217.71%</i>
<i>Total BNR lending</i>	<i>0</i>	<i>27.3</i>	<i>100%</i>
<i>Reverse Repo</i>	<i>0</i>	<i>8.7</i>	
<i>Discount window</i>	<i>0</i>	<i>3.1</i>	
<i>BNR medium Refinancing Facility</i>	<i>0</i>	<i>8.7</i>	
<i>Government Deposit Facility</i>	<i>0</i>	<i>6.8</i>	

Source: BNR, Financial Market Department.

### III.2.3. CAPITAL MARKET OPERATIONS

The Rwanda over the Counter (ROTC) Market has been in existence since early 2008. As of end 2009, a number of achievements have been registered within the framework of Capital Market Development.

The 2 and 3 years Bonds were issued in 2008, for a total amount of Rwf 14.26 billion and listed on ROTC market. Since June 2009, Rwanda OTC market has recorded the Kenya Commercial Bank ordinary shares which are cross-listed for 2.2 billion Rwf.

Within the capital market legal framework, the law establishing the Capital Market Authority, the law to regulate the Capital Markets and the law to regulate the Collective Investment Schemes were drafted.

There has been an increase in the number of listed securities on the ROTC following the privatization of government shares in some enterprises. To facilitate the privatization of BRALIRWA, the Minister of Finance and Economic Planning put in place a Capital Market Privatization Committee to provide the over-all guidance and coordinate the privatization process of BRALIRWA on behalf of the Government.

A package of both none and fiscal incentives have been approved by the Cabinet. RRA and MINECOFIN are working together to amend the tax law.

As regard regional integration, the Capital Market Advisory Council (CMAC) has signed a Memorandum of Understanding with the East African Securities Regulatory Authorities (EASRA), the regional body of capital market regulators. CMAC has also joined East Africa Stock Exchange Association.

Trading operations commenced on 31st January 2008 at the launch of the Capital Market. However, the turnover on secondary market is still at a low level. At end 2009, the total deals on Government T-bonds worth 457.3 million Rwf were recorded while the transactions on BCR corporate Bond totalized 150 million Rwf.



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

The Bank continued to manage the special funds and lines of credit, on behalf of the Government during the year 2009. Put in place within the framework of economic policy development and poverty reduction strategies, these facilities serve as financial instruments to stimulate investments in priority sectors.

#### III.3.1 Agricultural Guarantee Facility

The Agricultural Guarantee Facility (AGF)'s resources come from allocations provided in the Government Development Budget and donors' subsidies. It has been put in place to help stimulating bank loans for development activities in Agriculture sub-sectors, by reducing bank risks related to agricultural loans.

Three-thousand-one-hundred and twelve (3112) projects were approved for Agriculture Guarantee Facility during the year under review, and the amount committed stood at RWF 2 641 million. In total at end 2009, 3369 projects have so far been supported to the tune of RWF 10 728 million.

Table 40: Distribution of financed projects by Sector

Sector	Amount in RWF	in %
Coffee	4 619 306 213	43.06
Tea	1 323 316 034	12.33
Horticulture	1 197 085 116	11.16
Cattle Breeding	1 763 168 140	16.43
Macadamia	61 572 615	0.57
Fertilisers	166 660 000	1.55
Seed multiplication Crops	13 345 500	0.12
Pyrethrum	210 000 000	1.96
Transformation	358 695 000	3.34
Others*	1 015 324 206	9.46
TOTAL	10 728 472 824	100

\*Others: Subsistence crops, Apiculture, Aviculture, Energy.

Source: BNR, Financial Market Department.

Table 41: Distribution of financed projects by Province

PROVINCE	Amount in RWF	in %
KIGALI CITY	982 873 245	9.16
EASTERN	2 037 750 284	18.99
NORTHERN	1 910 207 734	17.81
SOUTHERN	2 504 704 347	9.61
WESTERN	3 292 937 214	30.69
TOTAL	10 728 472 824	100

Source: BNR, Financial Market Department.

### III.3.2 Guarantee Fund and Credit Line for the retrenched civil servants

The Guarantee Fund for the retrenched civil servants' resources (for both the Guarantee & Line of Credit Fund) comes from allocations provided in the Government Budget. It 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 loans distributed to finance 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.

The Line of credit is used by PFI to finance micro-projects elaborated by these retrenched civil servants. In order to serve as many beneficiaries as possible, a maximum of RWF 5 million and RWF 10 million is fixed for an individual and for a group of retrenched civil servants respectively.

The initial allocation is RWF 200 million and 1,050 million for the Guaranty and Line of Credit respectively. The Line of Credit is a Revolving Fund.

During 2009, 16 Retrenched Civil Servants had benefited from this facility to the tune of RWF 80 million and 40 million from the credit Line & Guarantee Fund respectively.

Since the beginning of the project up to end 2009, 452 projects have so far been supported to the tune of RWF 2 005 million for the line of credit and RWF 1 034 million for the guarantee.

Table 42: Utilisation by Sector (in Rwf)

Sector	Loan (a)	Guarantee (b)	%(a)	% (b)
Livestock	66 415 600	44 377 430	3	4
Agriculture	36 969 600	15 984 800	2	2
Transformation	21 731 876	10 865 938	1	1
Transport	1 417 726 848	722 504 725	71	70
General Trade	401 335 881	207 552 942	20	20
Others	61 370 590	33 185 295	3	3
TOTAL	2 005 550 395	1 034 471 130	100	100

Source: BNR, Financial Market Department.

Table 43: Utilisation by Province (in Rwf)

PROVINCE	Loan (a)	Guarantee (b)	% (a)	% (b)
KIGALI CITY	1 277 250 064	663 254 333	64	64
EASTERN	207 059 764	101 029 882	10	10
NORTHERN	186 597 356	96 968 309	9	9
SOUTHERN	214 448 861	107 224 431	11	11
WESTERN	120 194 350	65 994 175	6	6
TOTAL	1 902 775 395	983 083 630	100	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 end December 2009, Two-hundred-eight-three (283) projects were supported for a total amount of RWF 197 million.

Table 44: Distribution of Grants by Sector (in USD)

ACTIVITIES	Amount	%
Coffee	11 962 500	6.08
Tea	23 800 00	12.10
Horticulture	14 031 500	7.13
Cattle breeding	46 077 075	23.42
Small livestock	9 937 500	5.05
Transformation	250 000	0.13
Food Crops	77 601 513	39.44
Aviculture	11 887 500	6.04
Apiculture	500 000	0.25
Others	700 000	0.36
TOTAL	196 747 588	100

Source: BNR, Financial Market Department.

Table 45: Utilisation by Province (in Rwf)

PROVINCE	Amount	%
KIGALI CITY	15 312 500	7.8
EASTERN	10 337 500	5.3
NORTHERN	95 401 575	48.5
SOUTHERN	54 346 013	27.6
WESTERN	21 350 000	10.9
TOTAL	196 747 588	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 this program 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.

During 2009, only nine (9) projects were refinanced due to the limited size of the Fund. Since the beginning of the Facility up to end 2009, 28 projects had benefited from this Facility to the tune of RWF 4 106 million.

Table 46: Distribution of Grants by Sector (in USD)

ACTIVITIES	Amount	%
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*	215 000 000	5.2
Total	4 106 393 053	100

Others\*: Silkworm breeding - Production of honey and its derivatives.

Source: BNR, Financial Market Department.

Table 47: Utilisation by Province (in Rwf)

PROVINCE	Amount	%
KIGALI CITY	2 434 429 153	59.28
EASTERN	683 836 800	16.65
NORTHERN	420 400 000	10.24
SOUTHERN	94727 100	2.31
WESTERN	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.

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.

During 2009, the Facility covered 169 women's projects for an amount of RWF 238 million.

Since the beginning of the Facility up to end 2009, 248 projects have been supported to the tune of RWF 395 million.

Table 48: Distribution of Grants by Sector (in USD)

ACTIVITIES	Amount	%
Services	61 458 927	16
Commerce	243 950 094	62
Transport	36 915 000	9
Agriculture	46 782 500	12
Others	5 500 000	1
Total	394 606 521	100

Others\*: Apiculture - Briqueterie.

Source: BNR, Financial Market Department.

Table 49: Utilisation by Province (in Rwf)

PROVINCE	Amount	%
KIGALI CITY	144 438 171	37
EASTERN	10 621 750	3
NORTHERN	55 687 900	14
SOUTHERN	111 645 700	28
WESTERN	72 213 000	18
TOTAL	394 606 521	100

Source: BNR, Financial Market Department.

### III.4. RESERVES MANAGEMENT

#### III.4.1 International environment

Following to the cut of interest rate by Federal Reserve Bank to as low as 0 - 0.25% in December 2008 and keep up in 2009, other central banks of developed economies reduced interest rates hoping to lift economic performance. UK official bank rate was kept at 0.5% since March 2009 and current interest rates in Europe are still at a level of 1% since May 2009. Since October 2009 Australia's central bank has raised its interest rate to 3.25% from the lowest level of 3% maintained for a period of April to September 2009.

#### III.4.2. Evolution of BNR Foreign exchange reserves

During the twelve months of 2009 in comparison with the same period of 2008, the BNR forex revenue increased slightly by 3.73%, from USD 940.64 million to USD 975.75 million.

At the end of 2008, the net reserves amounted to USD 584.64 million compared to USD 625.90 million as at end 2009. This increase (+7.06%) was linked essentially to the budget support increase and to the decrease of expenditures in foreign currencies. The budget support increased by 10.83% from USD 370.50 million to 410.63 million USD, while the expenditures decreased by 8.15% from USD 910.49 million to USD 836.32 million.

This trend was mainly due to the decline in sales to banks which registered a decline of 39.35% (from US\$ 376.40 million to US\$ 228.29 million).

Table 50: BNR's Forex Revenue and Expenditure (in USD million)

Item	Period		Change (%)
	End Dec. 2008	End Dec. 2009	
Gross reserves - beginning of the year	553.99	598.54	8.04
Revenue	940.64	975.75	3.73
Of which: Budget support	370.50	410.63	10.83
Govt projects	207.49	200.30	-3.47
Expenditure	910.49	836.32	-8.15
Of which: Gov't spending	202.36	247.78	22.45
Non bank clients	91.94	139.16	51.36
Sales to banks	376.40	228.29	-39.35
Gross reserves - end of month	598.54	744.29	24.35
Net reserves- end of year	584.64	625.90	7.06

Source: Financial Markets department

### III.4.3. Exchange rates development

From December 2008 to December 2009, the RWF depreciated slightly by 2.82% against USD, while when compared with other major international currencies, RWF depreciated against the Euro and GBP by 12.31% and 12.09% respectively. That is, from 554.97 on December 2008 average to 570.59 on December 2009 average for the USD; from 743.87 to 835.43 for the EUR and from 827.52 to 927.58 for the GBP.

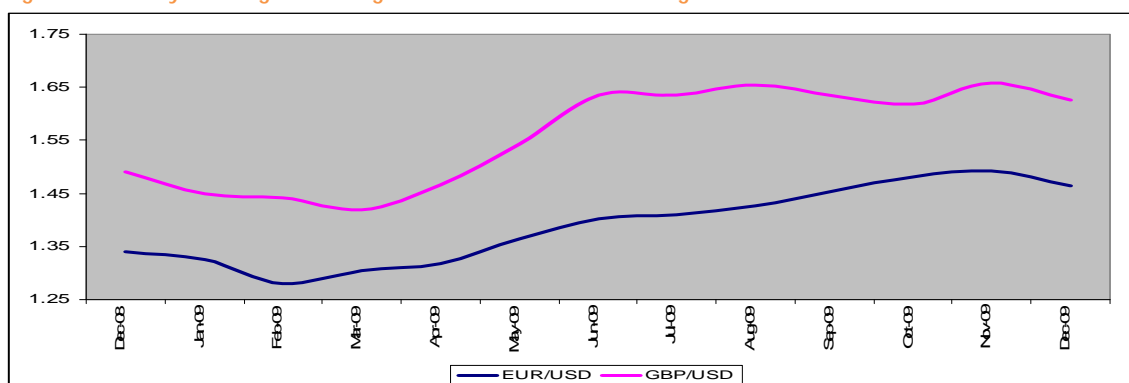
Table 51: Exchange rate of RWF against USD, EUR and GBP, Dec 2008 to December 2009

Period	USD/RWF	EUR/RWF	GBP/RWF
December 2008	554.97	743.87	827.52
January	564.28	751.33	818.25
February	567.02	726.10	817.80
March	568.38	739.78	806.09
April	568.50	749.47	833.80
May	567.21	771.82	872.06
June	567.97	796.07	928.03
July	569.28	801.88	930.39
August	568.04	809.75	940.25
September	568.80	826.78	929.48
October	569.44	843.29	920.91
November	569.87	849.38	945.36
December	570.59	835.43	927.58
Dec 08 - Dec 09 (change)	(+2.82%)	(+12.31%)	(+12.09%)

Source: Financial Markets Department

The relatively stable exchange rate of Rwandan Franc against USD reflects the sufficient level of foreign assets in the banking system compared to the prevailing demand for forex. Higher depreciation against EUR and GBP mainly reflects the depreciation of the USD against these currencies on international forex markets.

Fig 19 : Monthly average exchange rates of EUR and GBP against USD : Dec 08 - Dec 09.



Source: BNR, Financial Markets Department

In the region, Kenyan shilling and Ugandan shilling appreciated against USD by 3.50% and 3.14% respectively, while Tanzanian shilling and Burundi Franc depreciated against USD by 2.13% and 9.39% respectively.

Table 52: Appreciation (-) and depreciation (+) of national currencies of EAC vis-à-vis USD, Dec. 08 - Dec. 2009

Period	KES	UGS	TZS	BIF	RWF
Dec-08	78.07	1,955.28	1,292.31	1,132.58	554.97
Jan-09	79.02	1,977.08	1,345.80	1,134.29	564.28
Feb-09	79.62	1,966.80	1,318.16	1,139.14	567.02
Mar-09	80.26	2,058.31	1,306.79	1,217.07	568.38
Apr-09	79.67	2,170.33	1,333.11	1,224.50	568.50
May-09	77.86	2,247.02	1,320.66	1,212.07	567.21
Jun-09	77.90	2,163.29	1,303.11	1,208.44	567.97
Jul-09	76.78	2,104.87	1,311.29	1,215.43	569.28
Aug-09	76.38	2,075.25	1,305.37	1,228.68	568.04
Sep-09	75.67	1,975.61	1,288.81	1,236.52	568.80
Oct-09	75.22	1,903.90	1,294.18	1,228.20	569.44
Nov-09	74.75	1,874.59	1,317.21	1,212.39	569.87
Dec-09	75.34	1,893.83	1,319.87	1,238.90	570.59
Dec 08 - Dec 09 (change)	-3.50%	-3.14%	2.13%	9.39%	2.81%

Source: BNR, Financial Markets department



### III.5. CURRENCY ISSUING ACTIVITIES.

#### III.5.1.1: MANAGEMENT OF CURRENCY IN CIRCULATION.

Contrarily to the previous years, during 2009 the currency in circulation recorded a decrease of 2.66% compared to 2008. This is a common trend of other monetary aggregates and is explained by banking liquidity crunch and a low level of credit distribution recorded during the same period.

Table 53: CURRENCY IN CIRCULATION (in RWF billion)

Period	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2005	39,30	38,80	41,28	42,72	45,13	47,30	47,79	46,13	45,10	45,75	47,32	50,29
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

Source: Currency and Banking Operations Department

The issuance of 2000 RWF banknote played positively its role to correct currency distribution by denomination. The share of 5000 RWF which was predominant decreased progressively from 70.65% in 2007 to 62.7% end December 2009 while 2000 RWF note's share increased from 6.3% in 2007 to 21.6% end December 2009. According to the policy distribution of currency, the Bank expects to reduce share of 5000 RWF until 50% or below and increase the share of 2000 RWF to 30% of the currency in circulation. New banknotes and coins injected in circulation totalled 28.6 billion in 2009 against 68.2 billion of RWF the previous year which is a significant decrease of 58%. This performance in reducing withdrawal from strong room is due to the effort made in counting and sorting activities.

TABLE 54: SHARE OF DENOMINATIONS IN CURRENCY IN CIRCULATION

Denomin Year	1 Frw	5 Frw	10 Frw	20 Frw	50 Frw	100 Frw	500 Frw	1000 Frw	2000 Frw	5000 Frw	TOTAL
2009	2.48	64.31	170.75	323.77	578.10	1,722.43	3,266.72	7,389.72	18,574.07	86,160.03	86,160.03
	0.003 %	0.075 %	0.198 %	0.376 %	0.671 %	2.00 %	3.791 %	8.577 %	21.558 %	62.753 %	100 %
2008	2.33	58.03	159.04	288.95	536.20	2,409.67	4,220.81	8,867.97	15,880.34	56,092.10	88,515.44
	0.003 %	0.066 %	0.179 %	0.326 %	0.606 %	2.72 %	4.77 %	10.02 %	17.94 %	63.37 %	100 %
2007	1.96	48.36	116.00	216.75	420.42	2220.08	3263.76	10529.84	4535.63	51405.66	72,758.46
	0,003%	0,066%	0,17%	0,30%	0,58%	3,05%	4,49%	14,47%	6,23%	70,65%	100%
2006	1.61	41.04	99.29	187.86	345.15	2,320.92	1,951.62	10,467.61	-	43,021.55	58,436.64
	0,003 %	0,070%	0,17 %	0,321 %	0,592 %	3, 972 %	3,357 %	17,913 %	-	73,621 %	100 %
2005	1.48	33.09	90.30	156.78	298.97	2,272.43	2,108.59	9,642.11	-	35,684.79	50,288.54
	0,003%	0,07%	0,18%	0,31%	0,59%	4,52%	4,19%	19,17%	-	70,96%	100%

Source: Currency and Banking Operations Department.

As shown below through the table, the coins injected in circulation during the year 2009 are very significant compared to 2008. The total amount was 874 millions in December 2008 against 1,193.656 million of RWF in 2009, which is the increase of 37 %. This significant increase is due to the replacement of the RWF 100 banknotes demonetized on 31/12/2009 by a coin of the same denomination.

TABLE 55: ISSUANCE OF BANKNOTES (In RWF million)

Year	2005	2006	2007	2008	2009
Denomination					
Coins	396	110	147	874	1,193.656
100 Rwf	1,498	2,206	1,372	858	0
500 Rwf	2,342	3,770	4,630	6,980	2,070
1.000 Rwf	9,980	16,260	11,840	13,460	3,280
2.000 Rwf	-	-	5,640	31,260	5,920
5.000 Rwf	11,420	29,740	36,700	14,740	15,100
Total	25,636	61,988	60,329	68,172	26,370

Source: Currency and Banking Operations Department

### III.5.1.2. COUNTERFEIT BANKNOTES.

Concerning the counterfeit banknotes, the National Bank of Rwanda recorded, during financial year 2009, 1,839 counterfeit RWF banknotes of which 71 fake notes of 5 000 RWF, 1,158 notes of 2 000 RWF, 570 notes of 1 000 RWF and 40 notes of 500 RWF.

TABLE 56: COUNTERFEIT BANKNOTES BY DENOMINATION

Denominat.	5 000 Frw			2 000 Frw			1 000 Frw			500 Frw			Total		
Origin	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
BNR (CP counter)	2	7	9	-	13	7	1	1	2	2	1	0	5	22	18
B.N.R (CCT counter)	145	74	62	-	586	810	114	194	491	21	75	0	533	929	1,403
National Police	2,026	635	0	-	0	341	0	136	77	0	7	40	2,026	778	418
TOTAL	2,173	716	71	-	599	1,158	115	331	570	23	83	40	2,311	1 729	1,839

Source: Currency and Banking Operations Department.

It can be noted that the banknote of 2000 RWF was more attacked by counterfeiters than other denomination because it was at the first stage of its issuance. Also, it should be observed that the important number of forged banknotes is recorded through commercial banks deposits at the Central Bank.

Concerning counterfeiting of foreign currency banknotes, it should be noted that during the year 2009, the National Bank of Rwanda recorded 20 forged notes of 100 USD and 2 notes of 20 USD, against 91 forged banknotes in 2008 of which 3 fake note of 20 GBP, 87 notes of 100 USD and 1 fake note of 5 USD.

### III.5.2 CLEARING HOUSE OPERATIONS

The clearing house (Headquarter and branches) takes two sessions per working day within the framework of improving the national payment system. The first session start at 10:00AM for a maximum of one hour while the second session begins at 3:00 PM. In the morning session commercial banks brings the physical documents while in the second session representatives from commercial banks treat unpaid payment instruments and exchange of point of on this matter.

The clearing house operations during financial year 2009 recorded 566,775 transactions for approximately 1,764 billion RWF. These operations are divided into two categories, namely cheques and transfer orders presented by commercial banks.

## III.6 BANKING AND NON BANKING FINANCIAL INSTITUTIONS SUPERVISION

### III.6.1 BANKING SECTOR

#### 1. Banking Sector Performance

The overall financial condition of the banking sector for the year 2009 continued to be sound as the soundness of commercial banks was reinforced via increased capitalisation.

The effect of the global financial crisis on Rwandan banks was mild demonstrating the relative resilience of the sector. In 2009, the banking system showed few signs of distress as banks were not directly affected by the crisis reflecting favorable starting positions. All banks are compliant with the minimum capital required of 5 billion RWF. As at December 2009 paid up capital had reached 53,5 billion RWF and registered an annual growth of 14.4 percent. Similarly, shareholders funds reached 78.6 billion RWF recording an annual growth of 17.4 percent. The capital adequacy ratio (CAR) on a consolidated basis increased to 19.7% against 15.9% in December 2008. The increase in capital ratios was due to capital injection. Generally, the banking system is well capitalized and all banks are in compliance with the required new minimum capital adequacy ratio of 15%, this capital

level is well above the Basel minimum requirement of 8%. During 2009 stress testing showed a resilience of banks' capital to shocks in terms of increased NPLs.

Total assets of commercial banks amounted RWF 578.8 billion at the end of December 2009 against RWF 511 billion in December 2008 when total deposits recorded an increase of 9.5% from RWF 385.5 billion end December 2008 to RWF 422.0 billion at the end of December 2009.

However a declining asset quality was observed through a slight increase in Non Performing Loans (NPLs) with a ratio of NPLs to total loan portfolio (gross) of 13.1% as at December 2009 compared to 12.6% in the same period of 2008. The net NPLS ratio stood at 11% if interests in suspense (interest on NPL) are not taken into account, while the 2009 objective was to reduce this indicator to 7%.

To address this issue, the Central Bank reinforced its monitoring of banks NPLs recovery plans in order to reach the threshold of 7% by end 2010.

The consolidated net profits after tax for commercial banks registered a sharp drop from 12 billion RWF in 2008 to 4 billion RWF in 2009. This deterioration is due to the loss registered by some commercial banks following the deterioration of their assets quality. Consequently, the return on average assets decreased from 2.4% at the end of December 2008 to 0.7% as of December 2009. Similarly the return on average equity also decreased from 18.5% in December 2008 to 5.3% in December 2009.

Table 57: Consolidated indicators of commercial banks as to December 2009 (in %)

Financial soundness indicators	2008		2009		
	December	March	June	September	December
<b>1. Capital adequacy</b>					
Solvency ratio	15.9	19.1	19.3	20.5	19.7
Off balance sheet items/Total qualifying capital	210.2	182.5	160.7	164.0	177.9
Insider loans/Core capital	16.7	9.2	17.0	7.3	19.0
Large exposure/core capital	103.1	92.7	82.8	72.9	62.9
<b>2. Asset quality</b>					
NPLs / Gross Loans	12.6	13.8	13.4	13.6	13.1
NPLS net/Net loans	10.5	11.0	11.1	11.7	11.3
Provisions / NPLs	66.3	67.6	70.9	65.9	55.5
Earning Assets / Total Asset	81.3	78.4	77.3	77.1	81.7
Large Exposures / Gross Loans	17.4	18.4	17.8	16.9	13.9
<b>3. Profitability and earnings</b>					
Return on Average Assets	2.4	1.6	0.9	1.0	0.7
Return on Average Equity	18.5	11.4	6.4	7.0	5.3
Net Interest Margin	9.5	10.3	10.2	9.9	9.0
Cost of Deposits	1.8	1.7	2.1	2.3	2.4
Cost to Income	77.5	83.7	89.8	89.8	91.2
Overhead to income	48.6	52.2	53.4	55.5	55.2
<b>4. Liquidity</b>					
Short term Gap	21.3	17.2	20.1	20.0	20.6
Liquid Assets / Total Deposits	61.1	65.4	59.3	61.7	65.3
Interbank Borrowings / Total Deposits	8.1	9.3	9.1	8.2	9.8
BNR Borrowings / Total Deposits	0.2	0.1	0.1	0.4	0.8
Gross loans/Total deposits	87.8	88.6	82.8	76.1	73.9
<b>5. Market sensitivity</b>					
Forex Exposure / Core Capital	48.0	0.5	6.0	0.2	1.9
Forex Loans / Forex Deposits	0.5	0.4	0.6	0.5	2.8
Forex Assets / Forex Liabilities	102.6	93.5	107.7	102.8	103.6

Source: BNR, Banking Supervision Department

## 2. Access to financial services: development of the banks' branches network

By improving the access to financial services, BNR has registered a marked expansion of the current banks branches network. During 2009, 22 additional branches were opened by commercial banks. The total number of banks' branches is now 105 around the country. Banque Populaire du Rwanda has 102 sub- branches and 80 counters. During the same period the number of deposit accounts operated by the commercial banks (including BPR) increased by 8% from 1 176 140 at the end of December 2008 to 1 270 654 at end 2009.

## 3. Organization of Banking Supervision Activities

### 3.1. Legal and regulatory framework reforms

Following the publication of the new banking law, the process to update the prudential regulations has been ongoing during 2009. As of end august 2009, the regulations on liquidity ratio, capital adequacy requirements and regulation on accreditation and other requirements for external auditors of banks and Insurance and Insurance Brokers have been issued to all banks. Their translation into three languages for the publication in the official gazette is ongoing.

With regard to the supervision of banks, the risk based supervisory approach adopted by BNR continued to focus on identifying risky management practices in the financial sector. As this approach emphasizes on understanding and assessing the quality of risk management systems, the recommendations of offsite and onsite supervision reports requested banks' management to address the highlighted specific weaknesses.

### 3.2. Compliance with Prudential requirements

As stated earlier the ratio of core capital to risk-weighted assets as at the end of December 2009, was 19.7% which is well above the minimum capital adequacy ratio requirement of 15%.

Apart from Non Performing Loans (NPL) ratio where some banks still have a high level of NPLs; there were no major deficiencies with respect of other prudential ratios (liquidity ratio, net exchange position, risks division and exposure, participations and fixed assets limitations).

### 3.3. Offsite and On-site examination

During the period 2009, National Bank of Rwanda carried out 4 inspections and other targeted inspections to verify if banks have all necessary requirements to open branches mainly in one new commercial bank. As a result, analyses and reports were discussed by the bank's management, and subsequent suggestions were implemented by the banks.

The financial soundness indicators of the banking industry, measured in terms of earnings, portfolio quality, liquidity, and capital adequacy are generally acceptable. However, in the face of deteriorating asset quality in some banks, those banks may have to improve their credit risk management and in addition exercise caution in the expansion of credit.

The Banking Supervision Department conducts off-site supervision on banking institutions on a daily, weekly, monthly, quarterly and annual basis using several indicators to assess the financial soundness of banks. The indicators include asset quality, liquidity, capital adequacy and earnings and are derived from returns submitted by banks on a periodic basis. Where there were areas of regulatory concern, on-site examinations were planned or letters were written to the banks concerned, giving those deadlines within which to take corrective action.

In terms of overall composite CAMELS rating six banks maintained "3" Fair rating while three banks and financial institutions maintained "4" Marginal rating. The rating of two banks downgraded from 2 "satisfactory" and 3 "fair" as at September 2009 to 3 "fair" and 4 "marginal" at the end of December 2009 respectively. In the technical assistance area, in August 2009, National Bank of Rwanda received assistance from EAST AFRITAC in training new inspectors under the Financial Stability Directorate.

### III.6.2 Microfinance Sector

During the year 2009, the development of MFIs focused on overcoming financial exclusion due to various barriers as evidenced by Rwanda Finscope 2008 survey. Licensing new MFIs, off-site and on-site examinations have been performed on ongoing basis. In order to improve the efficiency of MFI's operations, during the year 2009, on-site examinations were conducted in 28 MFIs including the 5 biggest ones.

In order to professionalize the microfinance sector and to improve the Management Information System (MIS) of MFIs, the Association of Microfinance Institutions in Rwanda (AMIR) has drafted a computerization strategy for the MFIs.

This strategy has been sent to Consultative Group to Assist the poor (CGAP) for comments and CGAP agreed to finance a consultant for six months to work on the initial step before the computerization which is the building of a strong and reliable MIS for a sample constituted by 11 SACCOs. This step is a prerequisite to the computerization. After the success of the pilot phase, the MIS adopted should be extended to other SACCOs.

## 1. Legal and regulatory framework

In line with microfinance best practices compliance and the professionalization of microfinance sector, the new microfinance Law n°40/2008 of August 26th, 2008, establishing the organization of microfinance activities adopted by the Parliament in 2008 was published in the Official Gazette No 13 of March 3rd, 2009. The implementing regulation of this Law was published in the Official Gazette of the Republic of Rwanda no 28 of July 13th, 2009.

## 2. The consolidated financial position of the microfinance sector

Considering the consolidated financial position of MFIs, total assets increased by 29.6% from December 2008 to December 2009 while equity has increased by 36.6%. This situation is coupled with an increase of gross loans and deposits by 18.5% and 27.7 %, respectively. Cash and equivalent increased by 67.0% between the two periods. The increase in cash and equivalent is mainly due to the increase in deposits of 27.7% while gross loans increased only by 18.5%. The loan portfolio has deteriorated with an increasing delinquency rate moving from 5.0% at the end of December 2008 to 9.2% at the end of December 2009.



Table 58: MFIs consolidated financial situation as at 31/12/2009 (in Rwf million)

ALL MFIs (CSS Included)	31-Dec-08	CHANGE (%)	31-Dec-09
Cash and cash equivalent	10 144.17	67.0	16 936.90
Gross Loans	42 321.01	18.5	50 143.93
Non Performing Loans (Gross)	2 120.11	117.4	4 608.74
Provisions	1 065.54	98.1	2 110.65
Other Assets	7 631.61	70.3	12 993.02
Total Assets	60 134.39	29.6	77 963.20
Current Deposits	18 549.31	32.2	24 515.24
Total Deposits	38 316.95	27.7	48 929.84
Other Liabilities	5 580.46	22.8	6 853.15
Equity	16 236.98	36.6	22 180.23
Delinquency Rate	5.01%		9.19%
Liquidity	37.25%		69.09%
Solvency	27.00%		28.45%
ALL MFIs (CSS Excluded)	31-Dec-08	CHANGE (%)	31-Dec-09
Cash and cash equivalent	6 657.63	22.9	8 178.90
Gross Loans	17 781.37	39.0	24 718.24
Non Performing Loans (Gross)	1 337.99	114.7	2 872.24
Provisions	611.40	109.7	1 282.38
Other Assets	2 285.80	76.7	4 037.96
Total Assets	27 216.53	32.5	36 055.68
Current Deposits	9 385.39	31.8	12 366.66
Total Deposits	14 751.19	29.5	19 099.65
Other Liabilities	3 831.61	30.5	5 000.69
Equity	8 633.73	38.5	11 955.35
Delinquency Rate (%)	7.52		11.62
Liquidity (%)	68.87		66.14
Solvency (%)	31.72		33.16

Source: Financial stability Directorate

Table 59: Compliance with prudential norms

Prudential Norms	31-Dec-08			31-Dec-09		
			R/NR			R/NR
MFIs with NPL<10%	51	68.0%	R	52	56.5%	R
MFIs with NPL>=10%	24	32.0%	NR	40	43.5%	NR
LIQUIDITY >=30%	56	74.7%	R	77	83.7%	R
LIQUIDITY <30%	19	25.3%	NR	15	16.3%	NR
CAPITAL ADEQUACY>=15%	60	80.0%	R	69	75.0%	R
CAPITAL ADEQUACY<15%	15	20.0%	NR	23	25.0%	NR

R: Respect; NR: Non respect

Source: BNR, Financial stability Directorate

It was planned to reduce the number of MFIs which do not comply with prudential standards by 50% at the end of 2009. However, the comparison between December 2008 and December 2009 shows deterioration. In fact, the number of MFIs which comply with the capital adequacy ratio decreased from 80% to 75% of all MFIs. The deterioration has been also observed for the NPL ratio. The only improvement for the year has been observed on the liquidity ratio as shown in the table above.

This situation would be due to the combination of many factors including the negative impact of the global financial crisis as well as the bad governance which characterised many MFIs according to the BNR on-site examination reports.

### 3. Liquidation of closed MFIs

The liquidation process of the 9 closed MFIs in June 2006 is ongoing. At the end of December 2009, more than 1 billion RWF was used to compensate depositors for 50% of their deposits. End of July 2009 has been set as the final deadline for depositors to declare their deposits. The objective of the year 2010 is to close this operation.

### 4. Umurenge Sacco program

In line with the Government's strategy of domestic savings mobilization and building an inclusive financial system in Rwanda, the "UMURENGE SACCO program" was adopted. The main objective of the program is to allow unbanked but bankable people access to financial services at low transaction costs. At the end of December 2009, the implementation of UMURENGE SACCO was at the stage of sensitizing members and collecting capital shares. In an effort to mobilize people to adhere to this program, BNR jointly with FSDP/MINECOFIN and Rwanda Cooperative Agency (RCA) visited all the provinces of the country in November / December 2009. In order to accelerate the licensing process of SACCOs created in line with UMURENGE SACCO program, a simplified licensing procedure has been set up by BNR.

### III.6.3 NON-BANK FINANCIAL SECTOR

During the year 2009, a number of activities were done to ensure the stability of non bank financial institutions. The activities range from legal framework to financial performance monitoring.

The existing private pension schemes lack legal and regulatory framework for both individual and occupational pension schemes hence less assurance of effective and efficient operation due to lack of clear rules of the game. To fill the current gaps, the Bank drafted a law regulating pension funds, public and private, which was presented to the Minister of Finance for cabinet approval in June 2009. The law will enhance transparency, accountability and professionalism which are core to the development of the financial sector as a whole.

In 2009, the National Bank of Rwanda (BNR) drafted a law governing Collective Investment Schemes that is, mutual funds, unit trusts and investment companies. The draft law was presented to minister of Finance in July 2009 and a decision was taken to handover the responsibility to regulate and supervise collective investment schemes to the Capital Market Advisory Commission.

BNR's endeavours since its new NBFI supervisory and regulatory role includes also drafting a new law governing organization and supervision of the activity of insurers and insurance intermediaries. This law was adopted by the Parliament and published in the Official Gazette on 31st March 2009. Additionally, BNR drafted all Insurance Core Regulations provided within this law, and a number of them have been published on the Bank's web.

A comprehensive financial and management audit has been conducted for all insurance companies operating in the country. Major findings of the audit range from non separation of short and long term insurance businesses, capital inadequacy, improper valuation of assets and liabilities to corporate governance issues.

Key recommendations include separation of short from long term insurance businesses, increasing share capital for each insurance business, continuous capacity building at all levels, actuarial valuation of long term insurance contract liabilities and observance of good corporate governance standards and best practices.

### III.6.4 Credit Reference Bureau

#### 1. Centralization of data relates to new loans, risk exposure and bounced checks

Since June 2004, the activity relates to capturing historical loans statement by banks and financial institutions, which is centralized at BNR to give a risk report, was decentralized at banks level and data are exchanged on line.

During the year 2009 and within the conceptual framework of centralizing risks of financial institutions, efforts were focused primarily on checking the reliability and quality of data submitted by banks and financial institutions relating to loans.

With regard to loans statistics, data on new loans authorized by commercial banks, including those granting by all branches of BPR, was made available every week. From January to December 2009, banks authorized cash loans amounting to Rwf 195.9 billion.

Table 60: Evolution of new cash loans granted by banks per sector of activities (in Rwf 000)

Sector of activities	2007	2008	2009
Agriculture, animal, husbandary & fishing	5, 485,600	8, 626,393	3, 741,342
Mining Industries	12,000	38,175	60,500
Manufacturing Industries	17, 597,763	11, 849,426	20, 103,909
Energy & Water	170,332	235,923	3, 245,555
Public Works and Building Industries	32, 011,191	76, 503,071	37, 181,629
Commerce, restaurant and Hotel	68, 860,371	93, 765,131	69, 973,172
Transports, Warehousing & communications	15, 827,704	26, 246,827	32, 299,082
OFl, Insurances & Other Non Finanxcial Services	2, 602,633	2, 368,434	7, 281,707
Service provide to the community	6, 369,509	10, 579,850	4, 865,228
Activities Not Classfied elsewhere	6, 369,509	10, 579,850	4, 865,228
TOTAL	160, 804,095	252, 228,366	195, 980,783

Source: BNR, Financial stability Directorate

Data submitted by all commercial banks + BRD and BHR

Compared to 2008, the total amount of new loans granted by banks has declined. From Rwf 252.2 billion in 2008, the amount declined to Rwf 195.9 billion in 2009, which represented a decrease of 22%. This decrease is due to the liquidity problem in the banking sector during the first quarter of 2009 and also to the prudent attitude adopted by the financial sector after the 2009 global financial crisis. However, compared to the last quarter 2008, there was a significant increase of new loans granted by banks during the last quarter of the year 2009.

The main reason for the above improvement is related to the Central Bank and the Government policy to reduce liquidity constraints in banking system mainly by the reduction of the reserve requirement from 8% to 5% and the introduction of a Government long term facility.

## 2. Improvement of the existing Public Credit Registry

Electronic data submitted by banks contain many discrepancies and their correction is time consuming, which in turn causes the delay in dispatching the risks position to banks and financial institution for consultation.

After assessment of the existing Public Credit Registry named “Centrale des Risques et Impayés” (CRI) system, key problems have been identified, short term remedial actions and medium term improvements to faulty manual data upload processes at BNR and banks were designed and introduced in CRI system.

## 3. Setting up a private Credit Reference Bureau

A credit bureau is an institution that collects information from creditors and available sources on a borrower’s credit history. The bureau compiles information on individuals and/or small firms and then creates a comprehensible credit report that is sold to creditors. A credit bureau is essential to the success of credit markets. It serves as an indispensable tools used by financial institutions to support their retail lending business.

In respect of the above importance, the National Bank of Rwanda is in the process of facilitating the establishment of private credit reference bureau in Rwanda.

The year 2009 was marked by financial dynamism in terms of building a robust financial information system or credit information system.

The Government of Rwanda through National Bank of Rwanda, the lead institution on this indicator, devised two approaches to address this gap; improving the existing public credit registry and the establishment of the private credit bureau. The road map to establish a legal infrastructure was laid, including the drafting of the law and the licensing regulation on the credit information system to enable the legal environment to license and supervise credit bureaus in Rwanda. Various consultative meeting with stakeholders including banks, MFIs and insurance industry were held to validate on the draft law.

The National Bank of Rwanda looks forward to improve the existing public credit registry, its risk management systems as well as to motivate, license and supervise any private credit bureau that will be selected by the private initiative.

### III.7. PAYMENT SYSTEM

#### III.7.1. MEANS OF PAYMENT

##### 1- Cash and Non Cash Instrument

Cash in form of Currency in circulation, notes and coins, continued to be the most widely used means of payment in 2009. However, in comparison with 2008 the Currency in Circulation reduced; at the end of December of 2009 it was Rwf 77.0 billion against Rwf 88.5 billion in 2008. This decrease is mainly attributed to the measures limiting cash withdraws put in place.

In terms of number of transactions and value, cheques dominated other non cash instruments, including cheques, credit transfers, and bank cards both debit and credit. The table below depicts the general usage of the non cash payment instruments in both volumes and values.

The table below shows the usage of the non cash payment instruments during 2009. Cheques dominate in terms of value and volume. The figures combine both interbank (cleared) and intra-bank (internal) items.

Table 61: General Usage of non cash payment instruments

Instrument	Value (in Rwf million)	Number of transactions
Cheques	1,552,908	1,260,765
Cards	18,488	241,638
Credit Transfers	1,014,882	843,089
<b>TOTAL</b>	<b>2,582,278</b>	<b>2,345,492</b>

Source: BNR, Payment System Department

## 2- Clearing System

The Clearing House clears and settles three instruments; the cheques, credit transfers and debit cards operations given that the ATMs and POS are on a shared network. Due to technical problems, there were no transactions on POS at the local level during 2009.

## 3- Plastic Card Usage

The plastic cards usage, domestic and international, continues to be used. During 2009, the number of payment cards has increased considerably especially because of the introduction of ECOBANK Family cards.

Table 62: Growth of usage of plastic cards in Rwanda

Cards	Number of cards		Value (in Rwf million)			Volume of transactions		
	2008	2009	2007	2008	2009	2007	2008	2009
Local cards	11 695	30 065	17 565	7 243	11 038	121 228	177 882	221 489
International Cards	350	3 453	4 993	8 065	7 450	16 497	22 189	20 149
	12 045	33 518	22 558	15 308	18 488	137 725	200 071	241 638

Source: BNR, Payment System Department

### III.7.2.DEVELOPMENTS IN 2009

In 2009, BNR and stakeholders continued to work on the payment system modernization program to ensure that payment systems are efficient and reliable. This program involves introduction of new payment instruments, mechanisms (systems) and improving the legal environment.

#### 1- Legal Framework

To support the National Payment System modernization program, a robust legal framework is highly desirable because this raises public confidence in Payment Systems. In 2009, a lot of work was done in this regard. The Payment system Law was passed by Parliament and a regulation governing the Payment Service Providers was approved by the BNR board.

#### 2- Cards based Payment System

The Rwandan banks continued to issue payment cards and using SIMTEL as a common platform ensures that the infrastructure on which they are used is interoperable. In addition, two banks obtained the Visa international issuing and acquiring licences as principal members. The Banks are either associate members through their headquarters or opted to have local transactions only. On the other hand to enhance the domestic cards business, SIMTEL has developed and successfully tested a domestic CHIP and PIN card which will ensure that card delivery time is brought down to less than two working days.

#### 3- The Automated Clearing House (ACH), Real Time Gross Settlement (RTGS) and the Central Securities Depository (CSD)

To ensure that time critical payments are settled in real time, the BNR is working on the implementation of 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. In 2009, the tender process was finalized, selection of the vendor was done and the contract negotiated successfully.



#### 4- Remittances

In order to satisfy the demands of the Rwandan Diaspora and increase competition between the Remittance Service Providers (RSP), in 2009, there were several initiatives in mobile payments and remittances being licensed. MTN was given the authorisation to operate the “MTN Mobile Money” as a mobile payment service using mobile phones and other stand alone Remittance Services Providers (RSP) were licensed.

## CHAPTER IV: SUPPORT SERVICES

### IV.1 MANAGEMENT ORGANS OF THE BANK

#### 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 and three extraordinary meetings during the year 2009. On the agenda were technical subjects related to the Bank missions and those concerning the financial and management subjects.

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. Contrary to previous years, the banking sector experienced tight liquidity conditions since the last quarter of 2008. To deal with this situation, starting from the first quarter of 2009, the Board through BNR Management and Government, implemented different measures allowing banks to significantly rebuild their liquidity conditions and lending capacity. These measures produced progressively significant positive impact on banking system liquidity conditions as well as the capacity of banks to finance the economy.

Reforms in the banking sector were also on the agenda of the Board of Directors. Board members have been consulted during the examination and approval process of laws and regulations. It is in this context that, following the publication of the new banking law, the regulations on liquidity ratio, capital adequacy requirements and regulation on accreditation and other requirements for external auditors of banks and Insurance and

Insurance Brokers have been issued to all banks. In line with microfinance best practices compliance and the professionalization of microfinance sector, the new microfinance Law establishing the organization of microfinance activities was published in the Official Gazette as well as its implementing regulation.

During the year 2009, the Board worked on the payment system modernization program to ensure that payment systems are efficient and reliable. This program involves introduction of new payment instruments, mechanisms (systems) and improving the legal environment.

Regarding the financial and management subjects, the Board followed up the implementation status of UMURENGE SACCO Program which is a national strategy, 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 Governor of the Central Bank, accompanied by other Government officials involved in implantation of Umurenge SACCO program, visited all provinces of the country, with the objectives to explain the legal framework governing Umurenge SACCO strategy; to assess the level of progress so far in establishing the SACCO per Umurenge and have a common understanding by all citizens of the operation of Umurenge SACCO. This visit aimed also to establish challenges encountered with the already operational COOPECS and similar financial associations and how they could be supported to become stronger.

The Board also handled the administrative and financial problems of the Bank. Among other activities, the Board of Directors focused its particular attention to the monitoring of the implementation of recommendations from His Excellence the President of the Republic of Rwanda during its visit to the National Bank of Rwanda.

In addition, the Board of Directors followed up closely the consultancy work on restructuring and human resources management as conducted by the Bank with the help of the consultant PriceWaterHouseCoopers. The consultancy covered the following topics, notably: (1) Organizational structure; (2) Salary and grading structure and (3) Performance and career management.

As it is done every year, in April 2009, the Board approved the Annual report and financial statements of the Bank related to the fiscal year 2008 whereas in June and December 2008, it respectively examined and approved the revised budget for the period July 2009 - June 2010 as well as those relating to the first half of the year 2009.

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.

The rehabilitation/extension of the building of the BNR headquarters project was also one of activities of the Board.

## 2. Day to day Management of the Bank

The Management which is composed of the Governor and the Vice Governor is the coordinating organ of the Bank, charged of notably 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.

As in the previous years, the Management committee focused on a number of other issues related to the banking system oversight, the microfinance management, the insurance industry reform, the Payment System Modernization, among others.

## 3. 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 support financially vulnerable people with sustainable development projects and other social government policies.

Effective last year, the Bank embarked on a permanent project to support orphans and widows of the 1994 Tutsi's genocide living in MUSAMBIRA sector. Technical and vocation training, small livestock breeding, sustainable development projects and rehabilitation of houses are among other corporate social responsibilities that BNR committed to support.

Through the Ministry of Local Government, the Bank also supported the government campaign to empower vulnerable people to own houses. Several associations and individuals with viable development projects benefited from this fund.

This budget intervenes also in motivating students from high learning institutions in the country to undertake research proposals in the areas of economics. The best final project proposals in economics are rewarded. This Governor's award is no doubt a motivating factor for students and researchers to carry out comprehensive and economically relevant proposals to Rwandan's situation.

## IV.2. HUMAN RESOURCES MANAGEMENT

### IV. 2.1. Staff movements

#### IV.2.1.1. Recruitments

The Bank, by December 31, 2009 had staff establishment of 522 employees in which 489 permanent and 33 temporary against 496 employees, the previous year.

Table 63: BNR staff (2007-2009)

	2007	2008	2009
Employees	478	496	522
New recruitments	39	18	26

Source: Human Resources Department

#### IV.2.1.2. Staff Departures

Table 64: Staff Departures

Reasons	Number of Departures
RESIGNATION	05
DETENTION	01
END OF CONTRACT	10
DISMISSAL	03
LEAVE OF ABSENCE	10
RETIREMENT	04
Total	33

Source: Human Resources Department

#### IV.2.2. Capacity Building

Throughout 2009, members of 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. These were funded by BNR training Budget or sponsored by Partner institutions.

A number of 224 employees were trained with a cost amounted to 138.2 RWF million.

#### IV.2.3. Salary, benefits and Welfare

##### IV.2.3.1. Salary and Benefits

At the end of the fiscal year 2009, Human Resources Department made adjustments on salaries in order to reduce the distortions which were in the salaries of the employees. The salaries of 190 employees were adjusted upward, resulting in an increase of 3.06 % in the payroll.

In terms of figures, the main payments which were made during the fiscal year 2009 amounted to 5,147.1 Rwf million. These include staff monthly salaries, bonuses, allowances, overtime, contribution to CSR and Board Members allowances.

##### IV.2.3.2. Social Policy

As part of its social policy, the Bank granted various benefits to its staff including loans (housing, car, furniture) and salary advances.

During 2009, the Bank granted 19 new housing loans, 7 additional credits for housing, 19 car loans, 1 furniture loan and 290 officers received salary advances.

Regarding the constitution of the mortgage security, procedures for transfer of houses ownership, mortgage registration and acquisition of property titles were made.

Table 65: Loan recovery from staff in place (Rwf million)

	Housing loan	Car loan	Salary advance	Furniture loan
Principal	343.6	93.6	298.7	604.1
Interests	54.5	4.9	-	47.7
Total	398.1	98.5	298.7	651.8

Source: Human Resources Department

Table 66: Loan recovery from former staff (Rwf million)

	Housing loan	Car loan	Salary advance
Principal	47.2	8.5	1.3
Interests	10.5	758.3	-
Total	57.7	9.3	1.3

Source: Human Resources Department

#### IV.2.3.3 BNR Clinic

In 2009 BNR clinic received 7 792 patients for consultation and treatment. Respiratory diseases are the most common cause for medical consultation. Eleven (11) patients were transferred abroad by the Bank. Gynecological and obstetrical problems are the number one reason for the transfers to other health institutions.

BNR clinic generated average revenue of 5.9 million Rwf per month. The total expenditure of the clinic has increased by 43 % in 2009 as compared to 2008. This increase is due mainly to the cost of transfers abroad, which increased by 95% as compared to 2008.

### IV.3. ORGANIZATION AND INFORMATION SYSTEMS

The main objective of the year 2009 was to strengthen the Information Technology (IT) governance by developing an IT strategic plan, to stabilize existing application, develop new tools and stabilize the network and IT security.

During the year 2009, BNR ICT focused on IT governance especially by developing an IT strategic plan aligned to BNR business objectives and strategy. New applications which facilitated BNR staff and customers in their daily job were developed and the quality of

connection especially with BNR branches was improved. The IT audit recommendations made by KPMG also were implemented.

#### IV.3.1 IT Audit

Information Technology audit by an external company (KPMG) was done during the first quarter of the year. The audit report showed some major weaknesses in BNR IT systems and suggested recommendations to mitigate these weaknesses. Most of the recommendations were implemented and contributed to stabilize BNR IT systems and to improve its security.

#### IV.3.2 IT GOVERNANCE

According to the recommendations of EAC IT governance workshop which took place in Kigali, 15 COBIT processes were chosen to be implemented in BNR, in order to correct its weaknesses in IT governance.

In addition, an IT strategic plan was developed, in which a business case for the implementation of IT Governance, as well as a number of process based on COBIT.

#### IV.3.3 IT STRATEGIC PLAN

As a starting point for any development of IT in any organization like BNR, an IT strategic plan for 5 years was elaborated, based on BNR business and strategic plan, the Vision 2020, the National Information and Communication Infrastructure (NICI) plan, and the regional development and evolution of technologies.

The main proposed projects are mainly related to (1) Reduce used papers by using new technologies (Dematerialization); (2) Have one system which can cover all central bank functionalities, notably the core banking systems, the financial system, the Human resource management, the public credit reference bureau, the business intelligence, the data warehouse and statistics (Urbanization); (3) Optimize BNR business processes and automate most of them using workflow technologies (Business process management); (4) Develop IT capacity building for staff and users in order to adjust to the changes brought about by the introduction and use of new information technology (Building Staff Capacity); (5) Prepare BNR overall IT environment to effectively support and manage the new environment (Building the IT Foundation).

Furthermore, substantial improvements have been noted in (a) developing new software; (b) creating the commercial banks reporting system, through Fina System; (c) developing statistic database and promoting Network and Communication.

With regards Network and Communication, a big project of BNR cabling started in 2009. The current BNR cable network was installed in 1990 while the number of computer was less than 100 against 400 computers now and the number is still growing. A new network cable network was designed, and implementation is ongoing.

With the help and support of Rwanda development Board, BNR was connected to KIGALI METROPOLITAIN NETWORK.

#### IV.4. INTERNAL AUDIT OF BNR'S OPERATIONS

Internal Auditing activities in BNR are performed in accordance with the Charter of internal audit approved by the Management, the professional standards and code of ethics of the Institute of Internal Auditors (IIA). In addition, the audit activities for the year 2009 were done under the supervision of the Audit & Risks Committee (a sub-committee of the Board of Directors) which plays a role of overseeing risks management processes of the Bank and reviewing the performance of the Internal Audit Department.

The audit activities scheduled in 2009 were based on the high risky activities identified in the Matrix of Risks updated at the beginning of the year. The main audits carried out are the following: (1) Banking services to financial institutions and central banks, with objective to provide the reasonable assurance of the efficiency and effectiveness of the BNR's services rendered to the financial institutions and foreign partners; (2) Procurement process and Investment policy, with objectives to ensure that all procuring activities are supported by authorised and documented policies/procedures and to ensure that procurement process appropriately supports the Bank's objectives; (3) Distribution and protection of banknotes and coins; and (4) Human Resources planning and development, with objective to assess the efficiency of human resources planning activities in the Bank, to ensure that the Bank is provided with adequate human resources and that staff are adequately provided with trainings.



For these audits, the risks were identified and relevant recommendations were formulated.

The team of auditors also carried out a monthly verification of statistical data to be transmitted to the IMF and cash counting verification at head office and in branches.

Moreover, Internal Audit Department has conducted unscheduled audits (investigations) upon request of the Management as a matter of urgency and has given relevant opinion and efficient recommendations.

To allow IAD to cover IT activities, internal auditors have been trained in IT auditing, and SWIFT processes have been audited at the end of the year.

## IV.5 LEGAL AFFAIRS

During the year 2009, the main legal activities of the National Bank of Rwanda consisted in putting in place a legal framework concerning the Payment System, the Book Entry Securities, the Credit Information System and the Pension Scheme.

The bill on Payment Systems has been initiated with the purpose of the modernization of the national payment system, by passing from the economy dominated by cash to a modern payment system. This bill, whose opportunity was voted by the Chamber of Deputies in October 2008, has been defended before the Economic and Financial Commission of the Chamber of Deputies and finally adopted by the Parliament in 2009.

Within the framework of facilitating the circulation of securities in Rwanda, the National Bank of Rwanda has drafted the bill governing the holding and circulation of Book Entry Securities.

Finally, with a view of promoting the culture of saving in Rwanda, the National Bank of Rwanda has drafted the bill on Pension Scheme which has been submitted to the Cabinet for approval.

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## PART III: FINANCIAL STATEMENTS AS AT 31-12-2009

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NATIONAL BANK OF RWANDA  
ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
31 DECEMBER 2009

ERNST & YOUNG (RWANDA) SARL

NATIONAL BANK OF RWANDA  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2009

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NATIONAL BANK OF RWANDA  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2009

## DIRECTORS

The directors who served during the year and to the date of this report were:

François KANIMBA	Governor and Chairman	- Appointed on 06 April 2002
Ephraim TURAHIRWA	Vice-Governor and member	- Appointed on 12 March 2008
		- Retired on 11 September 2009
Claver GATETE	Vice-Governor and member	- Appointed on 11 September 2009
Prosper MUSAFIRI	Member	- Appointed on 16 February 2005
Uzziel NDAGIJIMANA	Member	- Appointed on 23 January 2004
Victor SHINGIRO	Member	- Appointed on 23 January 2004
		- Retired on 4 March 2009
Cyrille NDENGEYINGOMA	Member	- Appointed on 16 February 2005
		- Retired on 4 March 2009
Odette UWAMARIA	Member	- Appointed on 4 March 2009
Lilian KYATENGWA	Member	- Appointed on 4 March 2009

## SENIOR MANAGEMENT TEAM

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
Vianney KAGABO	Director - Finance and General Services
Viviane MWITIREHE	Director - Statistics
Bosco MUNYURA RUTAYISIRE	Director - Information and Communication Technology
Jean Paul RUTABINGWA	Acting Director - Legal Services
Marguerite MURORUNKWERE	Director - Bank Supervision
Pierre Canisius KAGABO	Director - Micro Finance Supervision
Joy NTARE	Director - Supervision of Non-Banking Supervision.
Védaste HIMILI	Director - Internal Audit and Risk Management
Antoinette NYIRAHUKU	Director - Human Resources
Célestin SEKAGILIMANA	Director - Financial Markets
Alexis HABIAMBERE	Director - Corporate Services
Gaspard NTAZINDA	Head of Medical Services
Bosco SEBABI	Director - Payment System

## REGISTERED OFFICE

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

NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009

Kigali  
Rwanda

BRANCHES

Southern Branch  
P.O. Box 622  
Huye  
Rwanda

Eastern Branch  
P.O. Box 14  
Rwamagana  
Rwanda

Nothern Branch  
P.O. Box 127  
Musanze  
Rwanda

Western Branch  
P.O. Box 462  
Rusizi  
Rwanda

AUDITORS

Ernst & Young (Rwanda) SARL  
Banque de Kigali Building  
Avenue de la Paix  
P.O. Box 3638  
Kigali  
Rwanda

LAWYER

Jean Paul RUTABINGWA  
Avenue Paul VI  
P.O. Box 531  
Kigali  
Rwanda

BANK SECRETARY

Alexis HABİYAMBERE  
Avenue Paul VI  
P.O. Box 531

NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009

Kigali  
Rwanda

The directors submit their report together with the audited financial statements for the year ended 31 December 2009, which disclose the state of affairs of the Bank.

PRINCIPAL ACTIVITIES

The mission of the Bank is to formulate and implement monetary policy with a view to preserving the value of the Rwandan currency and to ensure its stability. To this end, the Bank exercises control of money supply and credit and ensures the good functioning of the money market, the foreign exchange market and, in general, that of the banking and financial system.

RESULTS

The results for the year are set out on page 112.

DIVIDEND

The board of directors recommends the payment of a dividend of Rfw 56,925,000 (2008: Rfw 1,248,885,000) to the Government of Rwanda.

DIRECTORS

The directors who served during the year are listed on page 105.

MANAGEMENT COMMITTEE

The members of the Management Committee who served during the year and to the date of this report were:

François KANIMBA	Governor and Chairman	- Appointed on 06 April 2002
Ephrem TURAHIRWA	Vice - Governor	- Appointed on 12 March 2008
		- Retired on 11 September 2009
Claver GATETE	Vice - Governor	- Appointed on 11 September 2009

NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009

AUDIT COMMITTEE

The Bank's Audit Committee consists of:-

Manassé TWAHIRWA	Chairman	- Appointed on 03 August 2001
Madeleine NIRERE	Member	- Appointed on 16 February 2005

AUDITORS

Ernst & Young (Rwanda) SARL have expressed their willingness to continue in office.

By order of the Board

Board Secretary

.....2010



Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the Bank keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity 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. 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.

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

Signed on behalf of the Board of Directors by: -

.....  
Governor

.....  
Vice Governor

.....2010

REPORT OF THE INDEPENDENT AUDITORS  
TO THE MINISTER OF FINANCE AND ECONOMIC PLANNING  
ON THE FINANCIAL STATEMENTS OF NATIONAL BANK OF RWANDA

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of National Bank of Rwanda as set out on pages 6 to 46, which comprise the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional 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 considered the internal controls relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In our opinion, the accompanying financial statements give a true and fair view of the state of financial position of the Bank as at 31 December 2009, and of its 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.

GURMIT S. SANTOKH  
FOR ERNST & YOUNG (RWANDA) SARL  
KIGALI

.....2010

NATIONAL BANK OF RWANDA  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED YEAR ENDED 31 DECEMBER 2009

	Note	2009 Rfw'000	2008 Rfw'000
Interest and similar income	3	4,788,351	10,421,207
Interest and similar expenses	4	<u>(2,293,445)</u>	<u>(2,325,525)</u>
Net interest income		2,494,906	8,095,682
Commission and fees income	5	69,982	109,861
Gain on foreign currency trading	6	4,934,902	3,207,812
Other non interest income	7(a)	<u>2,760,353</u>	<u>2,654,185</u>
Net income before non interest expenses and foreign exchange revaluation gain/(loss)		10,260,143	14,067,540
Non- interest expenses	8(a)	(10,176,430)	(12,662,843)
Foreign exchange revaluation gain		<u>3,653,202</u>	<u>3,381,286</u>
Profit for the year		3,736,915	4,785,983
Other comprehensive income:			
Fair value for available-for-sale financial assets		(162,798)	1,802,915
Land revaluation		<u>-</u>	<u>1,475,545</u>
Total comprehensive income		<u>3,574,117</u>	<u>8,064,443</u>

NATIONAL BANK OF RWANDA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009

ASSETS	Note	2009 Rfw '000	2008 Rfw '000
Cash balances		1,156,033	662,091
Foreign assets	9	423,581,976	333,892,454
International Monetary Fund Quota	10	71,470,465	69,291,925
Due from Government of Rwanda	11	50,159,887	39,737,444
Loans and advances to Banks and other financial institutions	12	12,140,913	2,863,804
Staff loans	13	4,059,673	3,687,280
Investment in associate	14	219,374	219,374
Investment property	15	134,966	166,315
Other assets	16	1,790,838	890,414
Property and equipment	17	3,326,576	3,548,441
Intangible assets	18	<u>6,963</u>	<u>10,885</u>
<b>TOTAL ASSETS</b>		<b><u>568,047,664</u></b>	<b><u>454,970,427</u></b>
<b>LIABILITIES</b>			
Currency in circulation	19	86,160,035	88,515,442
Government deposits	20	198,212,766	201,983,950
Due to banks and other financial institutions	21	99,030,161	43,158,184
Amounts due to the International Monetary Fund	22	148,729,509	87,587,507
Foreign liabilities	23	858,190	1,340,292
Other liabilities	24	<u>6,873,907</u>	<u>6,527,188</u>
<b>TOTAL LIABILITIES</b>		<b><u>539,864,568</u></b>	<b><u>429,112,563</u></b>
<b>EQUITY</b>			
Share capital	25	7,000,000	7,000,000
General reserve fund	26	8,203,797	8,187,055
Other reserves	27	12,922,374	9,421,924
Proposed dividends	28	<u>56,925</u>	<u>1,248,885</u>
<b>TOTAL EQUITY</b>		<b><u>28,183,096</u></b>	<b><u>25,857,864</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>568,047,664</u></b>	<b><u>454,970,427</u></b>

NATIONAL BANK OF RWANDA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009

The financial statements were approved by the Board of Directors on .....2010 and signed on its behalf by:

.....) Governor

)

)

)

.....) Vice Governor

NATIONAL BANK OF RWANDA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital Rfw '000	General reserves fund Rfw '000 (Note 26)	Other reserves Rfw '000 (Note 27)	Proposed dividends Rfw '000	Total Rfw '000
At 01 January 2008	2,000,000	12,819,735	2,973,686	4,864,415	22,657,836
Reclassification to share capital	5,000,000	(5,000,000)	-	-	-
Total comprehensive income	-	4,785,983	3,278,460	-	8,064,443
Dividends:					
-Final proposed for 2008		(1,248,885)		1,248,885	-
-Dividends for 2007 paid	-		-	(4,864,415)	(4,864,415)
Transfer to foreign exchange fluctuation reserve	<u>-</u>	<u>(3,381,286)</u>	<u>3,381,286</u>	<u>-</u>	<u>-</u>
At 31 December 2008	<u>7,000,000</u>	<u>7,755,157</u>	<u>9,853,822</u>	<u>1,248,885</u>	<u>25,857,864</u>
At 01 January 2009	7,000,000	7,755,157	9,853,822	1,248,885	25,857,864
Total comprehensive income	-	3,736,915	(162,798)	-	3,574,117
Dividends:					

NATIONAL BANK OF RWANDA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2009

-Final proposed for 2009	-	(56,925)	-	56,925	-
-Dividends for 2008 paid	-	-	-	(1,248,885)	(1,248,885)
Transfer to other reserve	-	(10,046)	10,046	-	-
Transfer to foreign exchange fluctuation reserve	<u>-</u>	<u>(3,653,202)</u>	<u>3,653,202</u>	<u>-</u>	<u>-</u>
At 31 December 2009	<u>7,000,000</u>	<u>7,771,899</u>	<u>13,354,272</u>	<u>56,925</u>	<u>28,183,096</u>



NATIONAL BANK OF RWANDA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 Rfw '000	2008 Rfw '000
<b>OPERATING ACTIVITIES</b>			
Net cash from operating activities	29	<u>90,512,284</u>	<u>17,277,594</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(220,501)	(598,487)
Purchase of intangible assets		-	(10,898)
Proceeds from sale of property and equipment		<u>5,569</u>	<u>316,915</u>
Net cash used in investing activities		<u>(214,932)</u>	<u>(292,470)</u>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(1,248,885)	(4,864,415)
Currency in circulation		<u>(2,355,407)</u>	<u>15,756,960</u>
Net cash from financing activities		<u>(3,604,292)</u>	<u>10,892,545</u>
Net increase in cash and cash equivalents		86,693,060	27,877,669
Cash and cash equivalents at the beginning of the year		332,751,630	301,492,675
Foreign exchange revaluation gain/(losses)		<u>3,653,202</u>	<u>3,381,286</u>
Cash and cash equivalents at the end of the year	30	<u>423,097,892</u>	<u>332,751,630</u>

## 1. CORPORATE INFORMATION

**The National Bank of Rwanda (BNR) is governed under Law No. 55/2007 of 30 November 2007. The Bank's responsibilities are focused towards achieving the following objectives:**

- Formulate and implement monetary policy with an aim to maintain the value and stability of the Rwandan currency.
- Regulate the foreign exchange market and implement appropriate policies to ensure external stability of the currency.
- Supervise the banking sector with an aim to maintaining stability and confidence in the financial sector.
- Carry out on behalf of the government, the exclusive role of issuing currency.
- Banker to government.

**The Bank's share capital of Rfw 7 billion is fully subscribed by the Rwandan Government. It may be increased by either incorporating the reserves on the decision of the Board of Directors ratified by the presidential decree or by new allocation of the Government of Rwanda. On 28 June 2008, the board of directors increased share capital from Rfw 2 billion to Rfw 7 billion. The increment of Rfw 5 billion was transferred from general reserves.**

**In accordance with Law No. 55/2007 of 30 November 2007, National Bank of Rwanda's net profit is appropriated as follows:**

- 20% to the General Reserve Fund.
- After all appropriations earmarked to other reserves deemed necessary by the Board of Directors mainly to special reserves the balance is paid to the Public Treasury as dividend.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

### a) Basis of preparation

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

The financial statements have been prepared under the historical cost basis, except for measurement at fair value and impairment of certain financial assets. The financial statements are presented in Rwanda Francs (Rfw), and all values are rounded to the nearest thousand (Rfw '000) except where otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

b) New accounting standards, amendments and interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Bank has adopted the following new and amended IFRS and IFRIC interpretations where applicable as of 1 January 2009:

- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations effective 1 January 2009
- IFRS 2 Share-based Payment: Cash-settled Share-based Payment Transactions effective 1 January 2010 (early adopted)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements(Amended) effective 1 July 2009(early adopted) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IFRS 7 Financial Instruments: Disclosures effective 1 January 2009
- IFRS 8 Operating Segments effective 1 January 2009
- IAS 1 Presentation of Financial Statements effective 1 January 2009
- IAS 23 Borrowing Costs (Revised) effective 1 January 2009
- AS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation effective 1 January 2009
- IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items effective 1 July 2009 (early adopted).
- IFRIC 9 Re-measurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement effective for periods ending on or after 30 June 2009(early adopted)
- IFRIC 13 Customer Loyalty Programmes effective 1 July 2008
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective 1 October 2008
- IFRIC 18 Transfers of Assets from Customers effective 1 July 2009(early adopted)
- Improvements to IFRSs (May 2008)
- Improvements to IFRSs (April 2009) (early adopted)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

b) New accounting standards, amendments and interpretations (continued)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Bank, its impact is described below:

IFRS 3 (Revised 2008) Business Combinations and IAS 27 (Revised 2008) Consolidated and Separate Financial Statements.

The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3 (Revised 2008) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, for future business combinations, the reported results in the period that an acquisition occurs and future reported results. IAS 27 (Revised 2008) requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction.

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 33 (a).

IFRS 8 Operating Segments

IFRS 8 replaced IAS 14 Segment Reporting upon its effective date. The Bank's Chief operating decision maker does not review segment assets and liabilities; the Bank has not disclosed this information.

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Bank has elected to present one statement of comprehensive income.

IAS 23 Borrowing Costs

The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Bank's previous policy was to expense borrowing costs as they were incurred. In accordance with the transitional provisions of the amended IAS 23, the Bank has adopted the standard on a prospective basis. Therefore, borrowing costs are capitalised on qualifying assets with a commencement date on or after 1 January 2009. During the 12 months to 31 December 2009, there were no borrowing costs capitalised on qualifying assets included in capital work in progress (Note 17).

IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or the performance of the Bank.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

b) New accounting standards, amendments and interpretations (continued)

IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Bank has concluded that the amendment will have no impact on the financial position or performance of the Bank, as the Bank has not entered into any such hedges.

Improvements to IFRSs

In May 2008 and April 2009 the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Bank:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.
- IFRS 8 Operating Segment Information: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Bank's chief operating decision maker do not review segment assets and liabilities, the Bank has not disclosed this information.
- IAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Bank analysed whether the expected period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.
- IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will not impact the presentation in the statement of cash flows.
- IAS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Bank amended its accounting policy accordingly, which did not result in any change in the financial position.
- IAS 18 Revenue: The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:
  - Has primary responsibility for providing the goods or services
  - Has inventory risk
  - Has discretion in establishing prices
  - Bears the credit risk

The Bank has assessed its revenue arrangements against these criteria and concluded that it is acting as principal in all arrangements. The revenue recognition accounting policy has been updated accordingly.

- IAS 20 Accounting for Government Grants and Disclosures of Government Assistance: Loans granted with no or low interest will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates.
- IAS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Bank has amended its accounting policy accordingly, which did not result in any change in its financial position.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

b) New accounting standards, amendments and interpretations (continued)

- IAS 36 Impairment of Assets: When discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. This amendment had no immediate impact on the financial statements of the Bank because the recoverable amount of its cash generating units is currently estimated using 'value in use'.

The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Bank as it does not have goodwill in its financial statements.

- IAS 38 Intangible Assets: Expenditure on advertising and promotional activities is recognized as an expense when the Bank either has the right to access the goods or has received the service. This amendment has no impact on the Bank because it does not enter into such promotional activities.

The reference to there being rarely, if ever, persuasive evidence to support an amortization method of intangible assets other than a straight-line method has been removed. The Bank reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Bank:

- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- IFRS 7 Financial Instruments: Disclosures
- IAS 8 Accounting Policies, Change in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 19 Employee Benefits
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 31 Interest in Joint Ventures
- IAS 34 Interim Financial Reporting
- IAS 38 Intangible Assets
- IAS 40 Investment Properties
- IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

The bank has chosen not to early adopt the following standards, amendments and interpretations to existing standards that were issued, but not yet effective, for accounting periods beginning on 1 January 2009. The Directors have assessed the relevance of the new standards, interpretations and amendments to existing standards with respect to the Bank's operations and concluded that, except for IFRS 9, they will not have any significant impact on the Bank's financial statements in the period of initial application but additional disclosures will be required. The Directors are still evaluating the impact of IFRS 9 on the company's financial statements

- IFRS 9 Financial Instruments
- IAS 24 Related Party Disclosures (Revised)
- IAS 32 Classification of Rights Issues (Amendment)
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)
- IFRIC 17 Distribution of Non-Cash Assets to Owners

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### c) Significant accounting judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies, reported values of assets, liabilities, disclosures, income and expenses during the reporting period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making judgements while acknowledging that actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods. The most significant use of judgements and estimates are as follows:-

#### Fair value of financial instruments

Where the fair value of financial assets and financial liabilities of the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques which are based on some assumptions.

#### Impairment of losses on loans and advances

The Bank reviews its loans and advances at each reporting date to assess whether an allowance for impairment should be recorded in the profit or loss. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required.

#### Impairment of equity investment

The Bank's investment in equity investment is reviewed for significant or prolonged decline in the fair value below cost or where objective evidence of impairment exists.

### d) Revenue and expenses recognition

**Revenue is recognized to the extent that 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:-**

#### Interest and similar income and expense

**For all financial instruments measured at amortised cost and interest bearing financial instruments classified as available-for-sale financial investments, interest income and expense is recorded at the effective interest rate (EIR) based on actual purchase price.**

**EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.**

**Fee and commission income**

The Bank earns fee and commission income from a range of services it provides to its customers. Fee and commission income for the provision of services is recognized on accrual basis.

**Dividend income and expense**

Revenue is recognised when the Bank's right to receive the payment is established. Dividend payable is recognised as an appropriation of profit at the end of the year.



2. PRINCIPAL ACCOUNTING POLICIES (Continued)

e) Property and equipment

Recognition and initial measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost includes expenditures that are directly attributable to the acquisition cost of the asset. The cost of self constructed assets includes the cost of materials, direct labour and any costs that are directly attributable to bringing an asset to its working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the profit or loss.

Subsequent expenditure

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is possible that the future economic benefits embodied in the component of the item of property, plant and equipment will flow to the Bank. All other expenditures are recognised in the profit or loss as expenses as incurred.

Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of a property, plant and equipment. Assets are depreciated from the date of acquisition, or in respect of self constructed assets, from the time an asset is completed and ready for service. Freehold land, projects in progress and inventories held for capital projects are not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Building	5-10%
Computer equipment	33.3%
Machines	20%
Motor vehicles	25%
Furniture, fittings and office equipment	10%
Security equipment	10%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in income statement 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 at each financial year end, and adjusted prospectively if appropriate.

f) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at costs. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. 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%
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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

g) Consumable stores inventory

Consumable stores inventory are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Provisions are made for all anticipated inventory losses, impairment and obsolescence.

h) Currency printing costs

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

i) Provisions

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

j) 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 in changes in value. The short-term highly liquid investments include balances with maturities of three months or less from the date of acquisition.

k) Foreign currency transactions and balances

Transactions in foreign currencies during the year are converted into Rwandan Francs at the rate ruling at the transaction date. Foreign currency holdings, placements and liabilities are adjusted for the daily exchange variations. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the exchange rate ruling at the reporting date and all differences are taken to profit or loss.

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 exchange rates at the date when the fair value is determined.

l) Financial instruments

Financial instruments are initially recognized when the Bank becomes a party to contractual provisions of the instrument. Financial instruments are initially measured at cost, which includes direct attributable transaction costs if not at fair value through profit or loss. The five different types of financial instruments held by the Bank are:-

Financial instruments held -to- maturity

Financial instruments with fixed or determinable payments and fixed maturity where the Bank has a positive intent and ability to hold to maturity other than loans and receivables which are subsequently measured at amortized cost.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial assets at fair value through profit or loss

A financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

i. it is classified as held-for-trading, if:

- Acquired or incurred principally for purpose of selling or repurchasing in the near term;
- Part of a portfolio of identified financial instrument that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

ii. upon initial recognition, it is designated by the Bank at fair value through profit or loss

Financial instruments which are classified as held –for- trading are held principally for purposes of generating a profit from short-term fluctuations in price or dealers margin, and are subsequently measured at fair value. Gains and losses resulting from changes in fair values are recognized in the profit or loss in the year which they relate.

#### Available-for-sale financial instruments

These are equity financial instruments which are not loans and receivables originated by the Bank; or those held-to-maturity; or financial assets held –for- trading, and are measured at their fair value or cost less provision for impairment losses where fair value is not easily determinable. Gains are recognised in other comprehensive income as available for sales reserve (and included in other reserves as per Bank Statute). Losses that offset previous increases are charged to the available for sale reserve and any excess thereafter if it is prolonged or significant is charged to the profit or loss.

#### Loans and receivables

Loans and receivables are advances made by the Bank, including staff loans and advances. Loans and receivables are initially measured at the fair value and subsequently at amortized cost using the effective interest (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in profit or loss.

The Bank provides loans facilities to staff to help them acquire or improve and equip their houses and purchase motor vehicles.

#### Derivatives

Currency swap that requires initial exchange of different currencies of equal fair value is accounted for as a derivative. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### m) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

n) Impairment of financial assets

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

For financial assets carried at amortised cost the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

o) Impairment of non financial-assets

The Bank assesses at each reporting date or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. If any of such indications exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When

the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

p) Investment properties

The Bank holds certain properties as investments to earn rental income or awaiting disposal or any future use. Investment properties are carried at cost less accumulated depreciation. Depreciation is calculated at a rate of 5% or 10% using the straight-line method, depending on the construction materials used or the method of purchase.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

q) Employee benefits

**The Bank contributes to a statutory defined contribution pension scheme, the Social Security Fund of Rwanda (CSR).**

**Contributions are determined by local statutes and are currently limited to 5% of the employees' gross salaries. The**

**Bank's CSR contributions are charged to profit or loss in the period to which they relate.**

**The Bank in addition has an in-house managed pension scheme. The contribution to this scheme represents 6.5% of the total annual salary. A third of the amount is contributed by the employees and the remaining two thirds is contributed by the Bank. The Banks' contribution is charged to the profit or loss in the year in which it relates.**

**The Bank also provides medical facilities for the employees and their families. Related costs are charged to profit or loss.**

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

r) Loans and provisions for loans impairment

**Loans are stated at outstanding amounts less provision for impairment.**

In its capacity as the fiscal agent and banker to 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 49 of the law No. 55/2007, the total amount of advances to the Government outstanding shall not exceed eleven percent of the gross ordinary revenue of the Government collected during the preceding fiscal year.

In accordance with the Agreement No. 1/96 between National Bank Of Rwanda and the Government of Rwanda dated 07 February 1996 and Article 79 of law No. 11/97, all the loans granted to the state before 31 December 1994, in addition to the balance in the revaluation account as of 06 March 1995 were consolidated and are charged interest at a rate of Two percent (2%) per year. The recovery of the amount is through a reduction of 30% of the annual dividends payable to the Government commencing 2002.

As the lender of last resort, the Bank may grant loans or advances for fixed periods 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 also operates a staff loans scheme for its employees for the provision of facilities such as house and car loans.

The Bank determines the terms and conditions for granting the loans and fixes applicable interest rates that are generally below market rates.

Specific provisions for loan impairment are made in respect of advances. The provisions are made in accordance with instruction No. 03/2000 of 29 March 2000 relating to classification of assets and monitoring of liabilities of banks and other financial institutions. When a loan is deemed uncollectible, it is written off against the related provision for impairment. Subsequent recoveries are credited to the profit or loss if previously written off.

r) Employee leave entitlement

The estimated monetary liability for employees' leave entitlement at the reporting date is recognised as an expense accrual. This amount is written back in the profit or loss when employees utilise their leave days in subsequent periods.

s) Taxation

According to Article 74 of the Law No. 55/2007 of 30 November 2007 governing the National Bank of Rwanda, the Bank is exempt from payment of income tax in respect of its functions as defined by the law.

t) Dividends payable

**Dividends are recognised upon payment. Dividends declared after the reporting date but before financial statements are authorised for issue are disclosed in the notes to the financial statements.**

u) Government grants and government assistance

The Bank, being a wholly owned government financial institution, may receive grants in both monetary and non monetary basis. Government grants are recognised as income over the periods 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 grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Government assistance

The Bank in addition 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 may not be misleading.



NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 DECEMBER 2009

3.	INTEREST AND SIMILAR INCOME	2009 Rfw'000	2008 Rfw'000
	Local interest earnings	1,631,267	1,082,229
	Foreign interest earnings	<u>3,157,084</u>	<u>9,338,978</u>
		<u>4,788,351</u>	<u>10,421,207</u>
4.	INTEREST AND SIMILAR EXPENSES		
	Interest on monetary policy issues	2,126,363	1,594,398
	Interest on foreign currency deposits	31,224	457,665
	Interest paid to IMF	<u>135,858</u>	<u>273,462</u>
		<u>2,293,445</u>	<u>2,325,525</u>
5.	COMMISSION AND FEES INCOME		
	Commission and fees income	319,015	261,572
	Commission and fees paid	<u>(249,033)</u>	<u>(151,711)</u>
		<u>69,982</u>	<u>109,861</u>
6.	GAIN ON FOREIGN CURRENCY TRADING		
	Gains on sale of foreign currencies	4,895,769	3,690,530
	Foreign exchange losses	(2,091)	(50,819)
	Realised gain on foreign financial instruments	1,921,708	2,030,083
	Realised loss on foreign financial instruments	(1,859,228)	(1,860,716)
	Unrealised loss on foreign financial instruments	<u>(21,256)</u>	<u>(601,266)</u>
		<u>4,934,902</u>	<u>3,207,812</u>

NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 DECEMBER 2009

7(a) OTHER NON INTEREST INCOME

Fines, penalties and other administrative income	156,417	203,859
Write back of accruals and provisions(see note 7 (b))	136,769	313,801
Gain on sale of property and equipment	4,518	315,166
Revenue grant from the Government of Rwanda	2,139,317	1,601,527
Other income (see note 7 (c))	<u>323,332</u>	<u>219,832</u>
	<u>2,760,353</u>	<u>2,654,185</u>

7 (b) WRITE BACK OF ACCRUALS AND PROVISIONS

Write back on provisions for impairment from former employees	7,280	2,546
Write back on provision for impairment of investment	-	219,374
Write back of other provision for impairment	<u>129,489</u>	<u>91,881</u>
	<u>136,769</u>	<u>313,801</u>

7 (c) OTHER INCOME

	2009	2008
	Rfw'000	Rfw'000
Sales of demonetised coins	10,822	17,385
Other non banking income	255,372	138,566
Income from other items	<u>57,138</u>	<u>63,881</u>
	<u>323,332</u>	<u>219,832</u>

8 (a) NON INTEREST EXPENSES

Notes printing and coins minting	2,122,137	4,097,338
Staff costs (see note 8(b))	5,888,552	5,255,059
Depreciation charge	441,315	569,635
Amortisation of intangible assets	3,922	12,835
Depreciation of investment property	31,349	31,349
Amortisation of deferred costs	-	992,804

NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 DECEMBER 2009

	Provisions for liabilities and charges (see note 8(c) )	49,948	88,086
	Other expenses	<u>1,639,207</u>	<u>1,615,737</u>
		<u>10,176,430</u>	<u>12,662,843</u>
8 (b)	STAFF COSTS		
	Salaries and other allowances	4,741,684	4,196,204
	Pensions	352,367	313,363
	Medical expenses	425,863	363,559
	Training and development	315,260	355,246
	Other staff costs	<u>53,378</u>	<u>26,687</u>
		<u>5,888,552</u>	<u>5,255,059</u>
8 (c)	Impairments and provisions for liabilities and charges		
	Impairments for doubtful staff loans	5,780	19,626
	Provision for liabilities and charges	9,500	53,545
	Provision for cash shortfall	9,000	-
	Provisions for staff leaves accrual	224,222	196,108
	Write back on provision for staff annual leave	<u>(198,554)</u>	<u>(181,193)</u>
		<u>49,948</u>	<u>88,086</u>
9.	FOREIGN ASSETS		
	Current accounts	30,252,332	73,315,230
	Placements with foreign correspondent banks	213,331,006	179,548,056
	Foreign investments	89,120,236	59,193,356
	Special Drawing Rights	74,514,922	17,664,166
	Other foreign investments	16,224,081	4,005,669
	Interest receivables	<u>139,399</u>	<u>165,977</u>
		<u>423,581,976</u>	<u>333,892,454</u>

10. INTERNATIONAL MONETARY FUND QUOTA

The International Monetary Fund Quota refers to the Government of Rwanda total capital subscription to the International Monetary Fund (IMF). It is equal to Special Drawing Right (SDR) 80,100,000 and was converted to Rwandan Francs based on the mean rate to the Special Drawing Rights (SDR) as at 31 December 2009.

	2009	2008
	Rfw '000	Rfw '000
Special drawing rate (SDR) 80,100,000:		
Balance at the beginning of year	69,291,925	68,809,170
Foreign currency adjustment	<u>2,178,540</u>	<u>482,755</u>
	<u>71,470,465</u>	<u>69,291,925</u>

11. DUE FROM GOVERNMENT OF RWANDA

Government consolidated loan:		
Balance at the beginning of year	39,737,444	41,266,354
Recovery in the year	(374,666)	(1,528,910)
Overdraft allowed to the Government	<u>10,797,109</u>	<u>-</u>
	<u>50,159,887</u>	<u>39,737,444</u>

The Bank signed an Agreement with the Government on 6 February 1996 to consolidate the entire Government debt amounting to Frw 34.457 billion at a rate of 2% per annum. The amount increased to Frw 43.469 billion effective 01 August 1997 subsequent to the passing of law No. 11/97 regarding the statutes of the Bank which stipulated under Article 79 that the balance on the revaluation account as at 06 March 1995 be consolidated with the amount of the initial debt. The recovery of the amount is through a reduction of 30% of the annual dividends payable to the Government commencing 2002 and interest on the debt is charged at 2% per annum on the outstanding balance. As at 31 December 2009, an amount of Frw 4.1 billion had been repaid.

Article 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 for the year 2009 was Rfw 36 billion. This limit was not exceeded during the year. The Bank levies on the debit balance interest at a daily average rate of the inter-bank market.

12.	LOANS AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS	2009 Rfw '000	2008 Rfw '000
	Receivable from the National Post Office	-	1,146
	Advances to Commercial Banks	14,250	308,685
	Advances to agricultural and agro technical sectors	2,967,970	1,888,612
	Current accounts with Commercial Banks	445,179	665,361
	Other short term loans to Banks and Financial Institutions	8,678,149	-
	Accrued interest on loans to banks	<u>35,365</u>	<u>-</u>
		<u>12,140,913</u>	<u>2,863,804</u>
13.	STAFF LOANS	2009 Rfw'000	2008 Rfw'000
	Loans to staff	4,165,223	3,794,330
	Provisions for impairment	<u>(105,550)</u>	<u>(107,050)</u>
		<u>4,059,673</u>	<u>3,687,280</u>
14.	INVESTMENT		
	Carring amount		
	At 1 January	219,374	-
	Reversal of provisions for impairment	<u>-</u>	<u>219,374</u>
	At 31 December	<u>219,374</u>	<u>219,374</u>

The investment relates to capital subscribed in Société Interbancaire de Monétique et Télécompensation 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.

15. INVESTMENT PROPERTY	2009	2008
	Rfw '000	Rfw '000
Cost		
At 1 January and 31 December	<u>313,490</u>	<u>313,490</u>
Depreciation		
At 1 January	147,175	115,826
Charge for the year	<u>31,349</u>	<u>31,349</u>
At 31 December	<u>178,524</u>	<u>147,175</u>
Net Book Value at 31 December	<u>134,966</u>	<u>166,315</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 on 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 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 (continued)  
YEAR ENDED 31 DECEMBER 2009

16. OTHER ASSETS	2009	2008
	Rfw	Rfw
Prepayments and deferred charges	880,834	264,822
Consumables	195,322	135,141
Other debtors	<u>858,545</u>	<u>627,020</u>
	1,934,701	1,026,983
Provisions for impairment	<u>(143,863)</u>	<u>(136,569)</u>
	<u>1,790,838</u>	<u>890,414</u>

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

17. PROPERTY AND EQUIPMENT

i) YEAR ENDED 31 DECEMBER 2009

	Land	Buildings	Machines	Motor vehicles	Capital work in progress	Furniture, Fitting and office Equipment	Computer equipment	Security equipment	Total
	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000
<b>Cost</b>									
At 1 January 2009	1,596,406	1,911,444	1,311,058	91,539	392,217	657,872	1,464,503	1,061,445	8,486,484
Additions	8,345	-	18,037	-	188,639	-	5,481	-	220,501
Disposal	-	-	(24,248)	(21,615)	-	(15,875)	(16,447)	-	(78,185)
<b>At 31 December 2009</b>	<b><u>1,604,751</u></b>	<b><u>1,911,444</u></b>	<b><u>1,304,847</u></b>	<b><u>69,924</u></b>	<b><u>580,556</u></b>	<b><u>641,997</u></b>	<b><u>1,453,536</u></b>	<b><u>1,061,445</u></b>	<b><u>8,628,800</u></b>
<b>Depreciation</b>									
At 1 January 2009	-	1,772,541	955,230	42,703	-	546,288	1,217,342	403,940	4,938,043
Charge for the year	-	15,416	89,171	15,567	-	29,110	186,150	105,901	441,315
Reversal on disposal	-	-	(23,218)	(21,615)	-	(15,875)	(16,426)	-	(77,134)
<b>At 31 December 2009</b>	<b><u>-</u></b>	<b><u>1,787,957</u></b>	<b><u>1,021,182</u></b>	<b><u>36,655</u></b>	<b><u>-</u></b>	<b><u>559,523</u></b>	<b><u>1,387,067</u></b>	<b><u>509,840</u></b>	<b><u>5,302,224</u></b>
<b>Net Book Value</b>									
At 31 December 2009	<b><u>1,604,751</u></b>	<b><u>123,487</u></b>	<b><u>283,665</u></b>	<b><u>33,269</u></b>	<b><u>580,556</u></b>	<b><u>82,474</u></b>	<b><u>66,470</u></b>	<b><u>551,605</u></b>	<b><u>3,326,576</u></b>



NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

17. PROPERTY AND EQUIPMENT

ii) YEAR ENDED 31 DECEMBER 2008

	Land Rfw '000	Buildings Rfw '000	Machinery Rfw '000	Motor Vehicles Rfw '000	Capital work in progress Rfw '000	Office furniture Rfw '000	Computer equipment Rfw '000	Security equipment Rfw '000	Total Rfw '000
Cost									
At 1 January 2008	54,277	1,916,537	1,260,675	43,770	264,248	648,368	1,332,198	961,187	6,481,260
Additions	66,584	-	51,098	47,769	127,969	22,350	182,458	100,258	598,486
Revaluation	1,475,545	-	-	-	-	-	-	-	1,475,545
Disposal	<u>-</u>	<u>(5,093)</u>	<u>(715)</u>	<u>-</u>	<u>-</u>	<u>(12,846)</u>	<u>(50,153)</u>	<u>-</u>	<u>(68,807)</u>
At 31 December 2008	<u>1,596,406</u>	<u>1,911,444</u>	<u>1,311,058</u>	<u>91,539</u>	<u>392,217</u>	<u>657,872</u>	<u>1,464,503</u>	<u>1,061,445</u>	<u>8,486,484</u>
Depreciation									
At 1 January 2008	-	1,760,984	831,155	23,799	-	520,750	996,504	302,275	4,435,466
Charge for the year	-	15,903	124,790	18,904	-	37,382	270,991	101,665	569,635
Reversal on disposal	<u>-</u>	<u>(4,346)</u>	<u>(715)</u>	<u>-</u>	<u>-</u>	<u>(11,844)</u>	<u>(50,153)</u>	<u>-</u>	<u>(67,058)</u>
At 31 December 2008	<u>-</u>	<u>1,772,541</u>	<u>955,230</u>	<u>42,703</u>	<u>-</u>	<u>546,288</u>	<u>1,217,342</u>	<u>403,940</u>	<u>4,938,043</u>
Net Book Value									
At 31 December 2008	<u>1,596,406</u>	<u>138,903</u>	<u>355,828</u>	<u>48,836</u>	<u>392,217</u>	<u>111,584</u>	<u>247,161</u>	<u>657,505</u>	<u>3,548,441</u>
At 31 December 2007	<u>54,277</u>	<u>155,553</u>	<u>429,520</u>	<u>19,971</u>	<u>264,248</u>	<u>127,618</u>	<u>335,694</u>	<u>658,912</u>	<u>2,045,793</u>

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

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

18. INTANGIBLE ASSETS	2009 Rfw '000	2008 Rfw '000
Cost		
At 1 January 2009	686,376	709,664
Additions	-	10,898
Disposal, transfer or write off	-	(34,186)
At 31 December	<u>686,376</u>	<u>686,376</u>
Amortisation		
At 1 January 2009	675,491	696,842
Reversal on disposal, transfer or write off	-	(34,186)
Charge for the year	<u>3,922</u>	<u>12,835</u>
At 31 December 2009	<u>679,413</u>	<u>675,491</u>
Net book value		
At 31 December	<u>6,963</u>	<u>10,885</u>

The intangible assets represent computer software in use at the Bank.

19. CURRENCY IN CIRCULATION

Currency printed	235,986,060	177,980,255
Money in reserve	(115,705,976)	(45,946,632)
Cash held at the Bank	<u>(34,120,049)</u>	<u>(43,518,181)</u>
	<u>86,160,035</u>	<u>88,515,442</u>

Money in reserve represents currency printed but not yet issued into circulation. Cash held at the Bank represents notes and coins held by the Bank's principal cashier at the end of the financial year. 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 balance in the statement of financial position relates to foreign currency cash balances held by the Bank at year-end.

20. GOVERNMENT DEPOSITS	2009 Rfw '000	2008 Rfw '000
Government account with the Bank	-	11,297,373

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

Special deposits	9,658,626	5,625,105
Letters of credit	884,892	2,729,955
Project and ministries' accounts	68,855,527	46,670,754
Local government	16,871,363	15,007,861
Public service enterprises	4,011,233	4,954,475
Public institutions	3,165,498	4,862,375
Foreign currency accounts	<u>94,765,627</u>	<u>110,836,052</u>
	<u>198,212,766</u>	<u>201,983,950</u>

21. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	2009	2008
	Rfw '000	Rfw '000
Local currency deposits	17,469,025	17,779,006
Foreign currency deposits	7,582,594	8,773,191
Money market interventions	73,537,803	16,600,000
Interest payable	<u>440,739</u>	<u>5,987</u>
	<u>99,030,161</u>	<u>43,158,184</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.

22. AMOUNTS DUE TO THE INTERNATIONAL MONETARY FUND (IMF)	2009	2008
	Rfw '000	Rfw '000
International Monetary Fund deposits	71,482,215	69,303,317
IMF Poverty Reduction Growth Facility loans	8,675,497	6,412,747
Special Drawing Rights allocation	68,545,449	11,848,833
Interest payable	<u>26,348</u>	<u>22,610</u>
	<u>148,729,509</u>	<u>87,587,507</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.

23. FOREIGN LIABILITIES	2009	2008
	Rfw '000	Rfw '000

NATIONAL BANK OF RWANDA

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

National Bank of Belgium current account	-	93,648
Public deposits in local currency	121,067	133,418
Public deposits in foreign currencies	<u>737,123</u>	<u>1,113,226</u>
	<u>858,190</u>	<u>1,340,292</u>
24(a) OTHER LIABILITIES		
Staff deposits and other payable	760,671	214,490
Non statutory accounts in Rwandan Francs	2,354,360	2,067,790
Non statutory accounts in foreign currencies	486,963	740,281
Other payables (see note 24(b))	2,988,389	3,194,563
Provisions for contingencies	20,616	58,479
Staff leaves payable	224,222	196,109
Deferred income	<u>38,686</u>	<u>55,476</u>
	<u>6,873,907</u>	<u>6,527,188</u>

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

24(b) OTHER PAYABLES	2009 Rfw '000	2008 Rfw '000
Supplier's accounts	449,244	170,950
Accruals accounts	813,071	778,376
Other payments	<u>1,726,074</u>	<u>2,245,237</u>
	<u>2,988,389</u>	<u>3,194,563</u>
 25. SHARE CAPITAL		
 Authorised, issued and fully paid	 <u>7,000,000</u>	 <u>7,000,000</u>

The Bank's share capital is fixed by Article 2 of Law No. 55/2007 of 30 November 2007 governing the National Bank of Rwanda at seven billion Rwandan Francs. It is entirely subscribed by the Rwandan Government and the shares do not have a par value.

On 28th June 2008, in order to conform to Law 55/2007, the board of directors approved an increase in share capital to Rfw 7 billion. This was transferred from the general reserves.

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

26. GENERAL RESERVE FUND

In accordance with Article 66 of Law No. 55/2007 of 30 November 2007, National Bank of Rwanda's annual net profit is appropriated at 20% to the General Reserve Fund.

27. OTHER RESERVES	Land revaluation reserves	Staff welfare fund	Fair value reserves on Foreign Asset	Foreign currency revaluation reserves	Total
	Rfw'000	Rfw '000	Rfw '000	Rfw '000	Rfw '000
At 1 January 2008	-	2,955,801	17,885	-	2,973,686
Revaluation	1,475,545	-	-	-	1,475,545
Reserve allocation	-	220,390	-	2,949,388	3,169,778
Gain on revaluation of foreign assets	-	-	1,802,915	-	1,802,915
At 31 December 2008	<u>1,475,545</u>	<u>3,176,191</u>	<u>1,820,800</u>	<u>2,949,388</u>	<u>9,421,924</u>
At 1 January 2009	1,475,545	3,176,191	1,820,800	2,949,388	9,421,924
Reserve allocation	-	10,046	(162,798)	3,653,202	3,500,450
At 31 December 2009	<u>1,475,545</u>	<u>3,186,237</u>	<u>1,658,002</u>	<u>6,602,590</u>	<u>12,922,374</u>

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

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.

Staff Welfare Funds

The Bank policy requires that 15% of the remaining profit after constituting the General reserves should be allocated to staff Welfare Funds.

Unrealised Gain on Foreign Asset

This gain is unrealised from externally managed foreign assets by Crown Agent Management Limited and Federal Reserves Bank

Foreign currency revaluation reserves

There are reserves due to foreign currency fluctuations. The Bank status stipulates that fluctuation in assets due to foreign exchange rate will be transferred to other reserves

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2009

28. PROPOSED DIVIDEND	2009 Rfw '000	2008 Rfw '000
Balance at beginning of the year	1,248,885	4,864,415
Dividends proposed for the year	56,925	1,248,885
Dividends paid in the year	<u>(1,248,885)</u>	<u>(4,864,415)</u>
	<u>56,925</u>	<u>1,248,885</u>
 29. CASHFLOWS FROM OPERATING ACTIVITIES		
Profit for the year	3,736,915	4,785,983
Adjustments for:-		
Depreciation	441,315	569,635
Amortisation of software	3,922	12,835
Depreciation of investment property	31,349	31,349
Amortisation of deferred costs	-	992,804
Profit on local investment	-	(219,374)
Revaluation gain on IMF quota	(2,178,540)	(482,755)
Gain on sale of property and equipment	(4,518)	(315,166)
Foreign exchange revaluation	<u>(3,653,202)</u>	<u>(3,381,286)</u>
 Operating profit before working capital changes	(1,622,759)	(1,994,025)
Amounts due from Government of Rwanda	(10,422,443)	1,528,910
Loans and advances to banks and other financial institutions	(9,277,109)	(303,281)
Staff loans	(372,393)	(228,729)
Other assets	(900,424)	562,619
Government deposits	(3,771,184)	60,219,544
Amounts due to banks and other financial institutions	55,871,977	(37,742,405)
Foreign liabilities	(482,102)	(12,998,103)
Due to International Monetary Fund	61,142,002	2,522,461
Other liabilities	<u>346,719</u>	<u>1,722,553</u>
 Net cash from operating activities	<u>90,512,284</u>	<u>17,277,594</u>

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position balances:

	2009 Rfw '000	2008 Rfw '000
Cash balances	1,156,033	662,091



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Foreign assets	423,581,976	333,892,454
Adjustment for change in fair value	<u>(1,640,117)</u>	<u>(1,802,915)</u>
	<u>423,097,892</u>	<u>332,751,630</u>

### 31. RELATED PARTY TRANSACTIONS

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

#### a) Transaction with the Government of Rwanda

Transactions entered into with the Government include:

- (a) Banking services;
- (b) Management of issue and redemption of securities at no commission; and
- (c) Foreign currency denominated debt settlement and other remittances at a fee.

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:

	2009 Rfw '000	2008 Rfw '000
Due from Government of Rwanda (Note 11)	50,159,887	39,737,444
International Monetary Fund deposits (Note 22)	71,482,215	69,303,317
IMF Structural loans (Note 22)	8,675,497	6,412,747
Government of Rwanda deposits (Note 20)	<u>198,212,766</u>	<u>201,983,950</u>

#### b) Staff loans

The Bank extends loan facilities to members of staff including the senior management. Staff loan assets (Note 13) include advances to employees, which as at 31 December 2009 amounted to Frw 4,060 million (2008: Frw 3,687 million). The advances are at preferential rates of interest determined by the Bank.

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		2009	2008		
		Rfw '000	Rfw '000		
c)	Loans to directors				
	At 1 January	72,149	89,755		
	Loan during the period	88,824	10,500		
	Loan repayments	<u>(18,601)</u>	<u>(28,106)</u>		
	At 31 December	<u>142,372</u>	<u>72,149</u>		
d)	Directors emoluments				
	Fees	<u>12,857</u>	<u>11,250</u>		
e)	Other related party transaction				
	Rental income from SIMTEL	<u>6,135</u>	<u>3,486</u>		
32.	GOVERNMENT GRANTS AND GOVERNMENT ASSISTANCE				
(a)	GOVERNMENT GRANT				
		Machinery	Computer equipment	Furniture and fittings	Total
		Rfw '000	Rfw '000	Rfw '000	Rfw'000
	At 01 January 2008	-	1,506	3,263	4,769
	Received during the year	34,038	26,600	-	60,638
	Recognised during the year	<u>(3,404)</u>	<u>(6,165)</u>	<u>(362)</u>	<u>(9,931)</u>
	At 31 December 2008	<u>30,634</u>	<u>21,941</u>	<u>2,901</u>	<u>55,476</u>
	At 01 January 2009	30,634	21,941	2,901	55,476
	Recognised during the year	<u>(6,808)</u>	<u>(9,620)</u>	<u>(363)</u>	<u>(16,791)</u>
	At 31 December 2009	<u>23,826</u>	<u>12,321</u>	<u>2,538</u>	<u>38,685</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.

(b) 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. In addition, It relates to the contribution of the Government of Rwanda through the Ministry of Commerce for inter-border business These revenue grant from the Government of Rwanda amounted to Frw 2,139 million as at 31 December 2009 (2008: Frw 1,594 million).

(c) OTHER FORMS 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.

33. RISK MANAGEMENT POLICIES

Like other similar banks, National Bank of Rwanda is exposed to various risks relating to its activities: credit risks, operational risks, and liquidity, currency and interest rate risks. The Bank's primary risk management objective is to ensure the safeguard of its assets.

The Bank has put in place the following measures to mitigate on different risks that it faces:

Operational Risk

- Preparation and adherence to procedure manuals for all activities of the Bank;
- Timely posting of transactions and preparation of performance indicators, bank reconciliations (daily closure of books of account, weekly/monthly);
- Presence of Accounting Technical Committee and other committees;
- Strong internal audit department and internal control policies.

33. RISK MANAGEMENT POLICIES (continued)

Currency risk

- Diversification of correspondent banks concerning current accounts and term placements in foreign currency. In this regard, a half of foreign assets are held in central banks of Organization for Economic Cooperation and Development (OECD) countries, with another half maintained in European reputable private banks with good standing. The Bank also limits its placements to any single private bank at 10% of its total reserves etc
- The Bank requires a deposit of 100% of the total amount of letters of credit opened and/or confirmed,
- The Bank also requires guarantees (material or personal) in case of issue of loans and off balance sheet items.

Interest rate risk

- Nonpayment of interest on deposits (Government deposits and deposits from banks)
- The Bank does not have to borrow in local currency for its operating needs
- The Bank has a level of internal borrowings
- The Bank invests in short term instruments

Interest rates risk on currencies lies from 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.

Liquidity risk

- There is no need of liquidity in local currency
- Long position in case of foreign currency
- The Bank invests in short term financial instruments.

The Bank is exposed to liquidity risks when assets with a given maturity cannot cover liabilities.

Foreign exchange risk

- Actual position: 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 has put in place a foreign reserve management committee

Generally, the Bank manages risks through prudent management of its assets and liabilities.

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.

### 33. RISK MANAGEMENT POLICIES (Continued)

Concerning risks on assets and liabilities in Rwandan Francs, the existing legal provisions covers 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.

Regarding risks on property and equipment, the Bank protects itself by obtaining insurance policies from insurance companies.

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NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2009

33. RISK MANAGEMENT POLICIES (Continued)

i. LIQUIDITY RISK

The table below analyses assets and liabilities as at 31 December 2009 into relevant maturity groupings based on the remaining period to their contractual maturity dates.

	On demand	Due within 3 months	Due between 4-12 months	Due between 1 to five years	Due after 5 years	Total
	Rfw'000	Rfw'000	Rfw'000	Rfw'000	Rfw'000	Rfw'000
<b>ASSETS</b>						
Cash balance	1,156,033	-	-	-	-	1,156,033
Foreign assets	104,787,269	229,162,962	511,509	89,120,236	-	423,581,976
International Monetary Fund Quota	-	-	-	-	71,470,465	71,470,465
Due from Government of Rwanda	-	10,797,108	16,997	67,987	39,277,795	50,159,886
Due from banks /financial institutions	445,179	605,594	8,451,139	2,110,973	528,028	12,140,913
Loans and advances to staff	-	170,966	411,937	1,595,022	1,881,748	4,059,673
Investment in associate	-	-	-	-	219,374	219,374
Investment property	-	-	31,349	103,617	-	134,966
Other assets	27,214	880,834	882,128	662	-	1,790,838
Property and equipment	-	-	679,802	1,050,368	1,596,406	3,326,576
Intangible assets	-	-	6,963	-	-	6,963
<b>TOTAL ASSETS</b>	<b><u>106,415,695</u></b>	<b><u>241,617,464</u></b>	<b><u>10,991,824</u></b>	<b><u>94,048,864</u></b>	<b><u>114,973,817</u></b>	<b><u>568,047,664</u></b>
<b>LIABILITIES</b>						
Currency in circulation	86,160,035	-	-	-	-	86,160,035
Government deposits	190,837,905	7,374,861	-	-	-	198,212,766
Due to banks / 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
Other liabilities	3,205,064	1,401,167	2,228,990	38,686	-	6,873,907
Equity	-	56,655	-	-	28,126,441	28,183,096
<b>TOTAL LIABILITIES</b>	<b><u>306,112,814</u></b>	<b><u>79,460,495</u></b>	<b><u>5,659,603</u></b>	<b><u>2,019,525</u></b>	<b><u>174,795,227</u></b>	<b><u>568,047,664</u></b>
<b>LIQUIDITY GAP 2009</b>	<b><u>(199,697,119)</u></b>	<b><u>162,156,969</u></b>	<b><u>5,332,221</u></b>	<b><u>92,029,339</u></b>	<b><u>(59,821,410)</u></b>	<b><u>-</u></b>

NATIONAL BANK OF RWANDA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2009

33. RISK MANAGEMENT POLICIES (Continued)

(a) LIQUIDITY RISK (continued)

The table below analyses assets and liabilities as at 31 December 2008 into relevant maturity groupings based on the remaining period to their contractual maturity dates.

	On demand	Due within 3 months	Due between 4-12 months	Due between 1-5yrs	Due after 5 years	Total
	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000
<b>ASSETS</b>						
Cash balances	662,091	-	-	-	-	662,091
Foreign assets	90,979,395	182,768,974	950,729	59,193,356	-	333,892,454
International Monetary Fund Quota	-	-	-	-	69,291,925	69,291,925
Due from Government of Rwanda	-	385,834	-	1,543,338	37,808,272	39,737,444
Loans to commercial banks and other financial institutions	919,364	97,360	269,755	1,497,193	80,132	2,863,804
Staff loans	-	152,220	313,441	1,204,222	2,017,397	3,687,280
Other assets	-	338,018	330,639	221,758	-	890,415
Investment property	-	-	31,349	125,396	9,570	166,315
Property and equipment	-	-	445,105	2,978,486	124,849	3,548,440
Intangible assets	-	-	3,778	7,108	-	10,886
Investment in associate	-	-	-	-	219,374	219,374
<b>Total assets</b>	<b>92,560,850</b>	<b>183,742,406</b>	<b>2,344,796</b>	<b>66,770,857</b>	<b>109,551,519</b>	<b>454,970,428</b>
<b>LIABILITIES</b>						
Currency in circulation	88,515,442	-	-	-	-	88,515,442
Government deposits	197,869,870	4,114,080	-	-	-	201,983,950
Due to banks and other financial institutions	26,552,197	16,605,987	-	-	-	43,158,184
Amounts due to the International Monetary Fund	-	22,610	-	1,972,360	85,592,538	87,587,508
Foreign liabilities	1,246,644	-	-	-	93,648	1,340,292
Other liabilities	3,022,562	949,326	2,499,824	55,476	-	6,527,188
Equity	-	-	-	-	25,857,864	25,857,864
<b>Total liabilities and equity</b>	<b>317,206,715</b>	<b>21,692,003</b>	<b>2,499,824</b>	<b>2,027,836</b>	<b>111,544,050</b>	<b>454,970,428</b>
<b>LIQUIDITY GAP 2008</b>	<b>(224,645,865)</b>	<b>162,050,403</b>	<b>(155,028)</b>	<b>64,743,021</b>	<b>(1,992,531)</b>	<b>-</b>

NATIONAL BANK OF RWANDA  
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33. RISK MANAGEMENT POLICIES (Continued)

(b) CURRENCY RISK

The various currencies to which the Bank was exposed as at 31 December 2009 are summarised in the table below:-

ASSETS	US\$ Rfw'000	EURO Rfw'000	GBP Rfw'000	SDR Rfw'000	OTHERS Rfw'000	TOTAL Rfw' 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	<u>1,005,127</u>	<u>121,650</u>	<u>16,580</u>	<u>-</u>	<u>12,676</u>	<u>1,156,033</u>
<b>TOTAL ASSETS</b>	<b><u>314,057,921</u></b>	<b><u>32,679,856</u></b>	<b><u>2,815,686</u></b>	<b><u>146,014,038</u></b>	<b><u>640,972</u></b>	<b><u>496,208,473</u></b>
<b>LIABILITIES</b>						
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	<u>514,487</u>	<u>558,452</u>	<u>-</u>	<u>102</u>	<u>121,067</u>	<u>1,194,108</u>
<b>TOTAL LIABILITIES</b>	<b><u>70,368,815</u></b>	<b><u>31,473,599</u></b>	<b><u>2,047,243</u></b>	<b><u>148,755,959</u></b>	<b><u>140,553</u></b>	<b><u>252,786,169</u></b>
Net Statement of Financial Position						
At 31 December 2009	<u>243,689,106</u>	<u>1,206,257</u>	<u>768,443</u>	<u>(2,741,921)</u>	<u>500,419</u>	<u>243,422,304</u>



NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 DECEMBER 2009

33. RISK MANAGEMENT POLICIES (Continued)

(b) CURRENCY RISK (continued)

The various currencies to which the Bank was exposed as at 31 December 2008 are summarised in the table below:-

	US\$	GBP	EURO	SDR	OTHERS	Total
ASSETS	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000	Rfw '000
Foreign assets	300,053,403	2,878,098	12,942,583	<u>17,678,019</u>	340,352	333,892,455
International Monetary Fund Quota	-	-	-	<u>69,291,925</u>	-	69,291,925
Cash balances	<u>410,492</u>	<u>2,197</u>	<u>244,304</u>	<u>-</u>	<u>5,096</u>	<u>662,089</u>
Total	<u>300,463,895</u>	<u>2,880,295</u>	<u>13,186,887</u>	<u>86,969,944</u>	<u>345,448</u>	<u>403,846,469</u>
LIABILITIES						
Due to International Monetary Fund	-	-	-	87,587,508	-	87,587,508
Liabilities to residents	110,662,017	771,122	8,898,871	-	17,516	120,349,526
Liabilities to non residents	407,853	-	798,922	99	133,417	1,340,291
Other foreign liabilities	<u>22,459</u>	<u>73</u>	<u>25,372</u>	<u>-</u>	<u>-</u>	<u>47,904</u>

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
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Total	<u>111,092,329</u>	<u>771,195</u>	<u>9,723,165</u>	<u>87,587,607</u>	<u>150,933</u>	<u>209,325,229</u>
Net statement of financial position 2008	<u>189,371,566</u>	<u>2,109,100</u>	<u>3,463,722</u>	<u>(617,663)</u>	<u>194,515</u>	<u>194,521,240</u>

(c) INTEREST RATE RISK

The following table shows the extent to which the Bank's interest rate exposures on assets and liabilities as at 31 December 2009 are matched. Items are allocated to time bands by reference to the earlier of the next contractual interest rate reprising date and maturity date.

	3 months or less Rfw'000	3 months to 12 months Rfw'000	Over one year Rfw'000	Non interest bearing Rfw'000	Total Rfw'000
Cash balance	-	-	-	1,156,033	1,156,033
Foreign assets	417,210,741	6,351,220	-	20,015	423,581,976
International Monetary Fund quota	-	-	-	71,470,465	71,470,465
Due from Government of Rwanda	10,797,108	16,997	39,345,782	-	50,159,887
Due from commercial banks and other financial institutions	570,229	8,451,139	2,639,001	480,544	12,140,913
Loans and advances to staff	102,991	304,510	3,476,770	175,403	4,059,674
Investment in associate	-	-	-	219,374	219,374
Investment property	-	-	-	134,966	134,966
Property and equipment	-	-	-	3,326,180	3,326,180
Intangible assets	-	-	-	6,963	6,963
Other asset	-	-	-	<u>1,790,838</u>	<u>1,790,838</u>
TOTAL ASSETS	<u>428,681,069</u>	<u>15,123,866</u>	<u>45,461,553</u>	<u>78,780,781</u>	<u>568,047,269</u>
LIABILITIES					

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NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2009

Currency in circulation	-	-	-	86,160,035	86,160,035
Government deposits	-	-	-	198,212,766	198,212,766
Due to commercial banks and other financial institutions	70,601,464	3,377,078	-	25,051,620	99,030,162
Due to International Monetary Fund	-	53,536	77,193,757	71,482,216	148,729,509
Foreign liabilities	-	-	-	858,190	858,190
Other liabilities	-	-	-	6,873,908	6,873,908
Equity	-	-	-	28,182,700	28,182,700
<b>TOTAL LIABILITIES</b>	<b>70,601,464</b>	<b>3,430,614</b>	<b>77,193,757</b>	<b>416,821,435</b>	<b>568,047,270</b>
Interest sensibility gap 2009	<u>358,079,605</u>	<u>11,693,252</u>	<u>(31,732,204)</u>	<u>(338,040,654)</u>	<u>-</u>

33. RISK MANAGEMENT POLICIES (Continued)

(c) INTEREST RATE RISK (continued)

The following table shows the extent to which the Bank's interest rate exposures on assets and liabilities as at 31 December 2008 are matched. Items are allocated to time bands by reference to the earlier of the next contractual interest rate reprising date and maturity date.

	3 months or less Rfw '000	4 to 12 months Rfw '000	Over 1 year Rfw '000	Non-interest bearing Rfw '000	Total Rfw '000
<b>ASSETS</b>					
Cash balances	-	-	-	662,091	662,091
Foreign assets	273,735,349	60,142,180	-	14,925	333,892,454
International Monetary Fund Quota	-	-	-	69,291,925	69,291,925
Due from Government of Rwanda	-	385,834	39,351,610	-	39,737,444
Loans to commercial banks and other financial institutions	97,360	269,755	1,577,325	919,364	2,863,804
Staff loans	82,833	210,084	3,221,620	172,743	3,687,280
Other assets	-	-	-	890,415	890,415
Investment property	-	-	-	166,315	166,315
Property and equipment	-	-	-	3,548,441	3,548,441

NATIONAL BANK OF RWANDA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2009

Intangible assets	-	-	-	10,885	10,885
Investment in associate	-	-	-	219,374	219,374
<b>TOTAL ASSETS</b>	<b><u>273,915,542</u></b>	<b><u>61,007,853</u></b>	<b><u>44,150,555</u></b>	<b><u>75,896,478</u></b>	<b><u>454,970,428</u></b>
<b>LIABILITIES</b>					
Currency in circulation	-	-	-	88,515,442	88,515,442
Government deposits	-	-	-	201,983,950	201,983,950
Due to banks and other financial institutions	16,605,987	-	-	26,552,197	43,158,184
Amounts due to International Monetary Fund	22,610	-	18,261,581	69,303,317	87,587,508
Foreign liabilities	-	-	93,648	1,246,644	1,340,292
Other liabilities	-	-	-	6,527,188	6,527,188
Equity	-	-	-	25,857,864	25,857,864
<b>Total liabilities</b>	<b><u>16,628,597</u></b>	<b><u>-</u></b>	<b><u>18,355,229</u></b>	<b><u>419,986,602</u></b>	<b><u>454,970,428</u></b>
<b>INTEREST SENSITIVITY GAP 2008</b>	<b><u>257,286,945</u></b>	<b><u>61,007,853</u></b>	<b><u>25,795,326</u></b>	<b><u>(344,090,124)</u></b>	<b><u>-</u></b>

33. RISK MANAGEMENT POLICIES (Continued)

SENSITIVITY ANALYSIS TO THE VARIATIONS OF THE FOREIGN CURRENCY EXCHANGE RATE FOR YEAR ENDED 31 DECEMBER 2009

NATIONAL BANK OF RWANDA  
NOTES TO FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 DECEMBER 2009

The table below shows the sensitivity of the net balance sheet position to the increase or decrease of 5% in exchange rates

	USD	EURO	GBP	SDR	Others	Total
Net statement of financial position						
at 31 December 2009	243,689,105,533	1,206,257,459	768,443,880	2,741,921,085	500,419,373	243,422,305,160
Exchange rate at 31/12/2009	571.237458	818.411906	905.525618	892.265483		
The equivalent of net position of the balance sheet	426,598,610	1,473,900	848,616	3,072,988		
Consider an increase of exchange rate by 5%, the net						
Statement of financial position will then be	255,873,560,810	1,266,570,332	806,866,074	2,879,017,139	525,440,342	255,593,420,418
Net effect on the statement of financial position and Profit and Loss account	12,184,455,277	60,312,873	38,422,194	137,096,054		
Consider a decrease of exchange rate by 5%, the net						
Statement of financial position will then be	231,504,650,256	1,145,944,586	730,021,686	2,604,825,031	475,398,404	231,251,189,902
Net effect on the Financial statements	12,184,455,277	60,312,873	38,422,194	137,096,054	25,020,969	12,171,115,258

NATIONAL BANK OF RWANDA  
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YEAR ENDED 31 DECEMBER 2009

33. RISK MANAGEMENT POLICIES (Continued)

SENSITIVITY ANALYSIS TO THE VARIATIONS OF THE FOREIGN CURRENCY EXCHANGE RATE FOR THE YEAR ENDED 31 DECEMBER 2008

	USD	EURO	GBP	SDR	Others	Total
Net Statement of financial position position						
at 31 December 2008	189,371,565,735	3,463,722,329	2,109,099,599	-617,662,648	194,515,444	194,521,240,459
Exchange rate at 31/12/2008	558.897520	792.013676	810.177845	865.067729		
The equivalent of net position of the Statement of financial position	338,830,571	4,373,311	2,603,255	714,005		
Consider an increase of exchange rate by 5%, the						
net Statement of financial position position will then be	198,840,144,022	3,636,908,445	2,214,554,579	648,545,780	204,241,216	204,247,302,482
Net effect on the Statement of financial position and Profit and Loss					9,725,772	9,726,062,023
account	9,468,578,287	173,186,116	105,454,980	30,883,132		
Consider a decrease of exchange rate by 5%, the net						
Statement of financial position position will then be	179,902,987,448	3,290,536,213	2,003,644,619	586,779,516	184,789,672	184,795,178,436
Net effect on the Statement of financial position and Profit and Loss					9,725,772	-9,726,062,023
account	9,468,578,287	173,186,116	105,454,980	30,883,132		

#### 34. CONTINGENT LIABILITIES AND COMMITMENTS

##### Contingencies:

The Bank is a party to legal proceedings with former employees. Having regards 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.

Commitments:	2009 Rfw '000	2008 Rfw '000
Contracted for	<u>61,459,634</u>	<u>35,814,838</u>
Authorised but not contracted for	<u>59,281</u>	<u>123,258</u>

#### 35. ITEMS NOT RECOGNISED IN STATEMENT OF FINANCIAL POSITION

Currency printed and minted	235,986,061	177,980,254
Rwandan Government debts	58,567,604	67,840,363
Letters of credit opened	61,384,907	35,814,837
Other accounts not recognised in the statement of financial position.	<u>583,153</u>	<u>652,006</u>
Balance as at 31 December	<u>356,521,725</u>	<u>282,287,460</u>

The items not recognised in the statement of financial position mainly relate to currency printing and minting, Government internal debts follow-up and letters of credit for foreign payments generally opened by order of the Rwandan Government.

#### 36. COMPARATIVES

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

#### 37. INCORPORATION

The Bank was incorporated in Rwanda in 1964 and is regulated by the Law No. 55/2007 of 30 November 2007.

#### 38. CURRENCY

These financial statements are presented in Rwandan Francs (Rfw) and are rounded to the nearest thousand (Frw'000).

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## STATISTICAL APPENDICES

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# MAJOR INDICATORS OF NATIONAL ECONOMY

Table 1

Description	2004	2005	2006	2007	2008	2009
Current GDP ( in Rwf billion)	1 206.2	1 439.8	1 716.5	2 046.2	2 578.9	2 992.1
of which : primary sector, in % of GDP	36.6	38.4	38.4	35.6	32.4	33.8
Secondary sector, in % of GDP	13.9	14.1	13.8	13.9	14.8	14.4
Tertiary sector, in % of GDP	41.2	41.4	42.0	44.6	46.5	45.6
Constant GDP (in Rwf billion ,2006)	1 436.8	1 571.4	1 716.4	1 848.7	2 063.5	2 187.0
Growth rate (in %)	7.4	9.4	9.2	7.7	11.6	6.0
of which : primary sector	1.8	6.5	2.8	2.7	6.4	7.7
Secondary sector	15.5	9.3	11.7	9.1	15.1	1.3
Tertiary sector	10.2	11.9	13.3	12.3	14.8	5.7
Inflation rate	12.0	9.1	8.9	9.1	15.4	10.3
Current GDP per capita (In USD)	242.2	288.6	332.6	391.4	479.6	520.5
Growth rate (in %)	10.1	19.2	15.2	17.7	22.5	8.5
	45.6					
USES OF GDP(constant), in %	100.0	100.0	100.0	100.0	100.0	100.0
Private Consumption	80	80	80.0	80	79	81
Public Consumption	18	18	18.0	17.0	14.00	15
Gross Domestic Investment	15	16	16.0	18.0	23.00	22
Resource Balance	-14	-14	-14	-15	-16	-17
Balance of current payments (+net transfers), in % of GDP	-1.9	-2.2	-4.3	-2.2	-5.2	-8.2
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
Tax revenues, in % of GDP	11	11	11	12.00	13	12
Budget deficit (cash basis ) , in % of GDP	-1.6	-0.5	-1.0	-1.3	0.1	-1.3
External debt stock(USD million )	1 588.2	1 496.0	481.7	566.7	665.55	727.8
External debt Service in % of export earnings	42.3	40.4	23.9	7.1	5.6	7.5

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

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

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

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	2008												2009											
		Jan.08	Febr.08	Mar.08	Apr.08	May.08	June.08	July08	Aug.08	sept-08	oct-08	nov-08	Dec.08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
01. Food and non-alcoholic beverages	3 538	76.0	77.6	79.1	81.3	82.2	86.5	90.2	93.0	95.2	97.9	99.0	97.4	97.4	100.0	102.0	101.5	99.4	98.1	98.9	101.2	105.4	107.4	109.1	106.2
- Bread and cereals	733	71.3	72.5	72.2	75.2	76.9	82.3	84.6	87.0	89.1	94.4	96.6	98.1	99.3	100.0	101.7	99.0	98.1	97.6	98.3	96.6	95.3	95.9	98.6	100.9
- Meat	274	66.5	68.2	69.8	73.5	77.5	79.7	81.5	84.2	88.7	92.8	95.3	98.5	98.7	100.0	99.2	99.9	99.7	95.6	96.4	92.8	93.6	94.5	95.3	95.4
- Fish	83	72.9	75.9	81.8	89.8	90.2	93.8	106.1	103.3	98.8	102.4	101.1	100.8	98.8	100.0	101.0	100.4	101.4	101.1	99.7	97.5	102.4	105.6	102.3	104.2
- Vegetables	1 200	80.7	81.6	82.2	79.6	79.5	87.0	91.1	94.9	96.5	99.6	101.0	94.3	95.3	100.0	104.4	104.8	100.9	99.5	102.0	111.3	123.3	124.9	126.5	113.7
- Non-alcoholic beverages	160	84.3	84.6	83.9	84.1	86.1	86.1	89.4	94.3	97.5	97.4	97.8	98.3	98.3	100.0	99.4	98.6	98.4	98.7	97.8	98.7	98.0	98.6	98.5	96.9
02. Alcoholic beverages and tobacco	240	74.3	77.3	81.8	82.7	83.0	83.3	83.8	95.1	96.7	98.5	99.4	99.6	99.8	100.0	103.7	103.4	103.8	103.6	103.6	103.4	103.8	106.5	106.3	108.1
03. Clothing and footwear	377	94.6	96.4	96.7	96.0	95.8	97.6	97.7	97.0	98.3	98.6	98.1	99.1	99.3	100.0	100.2	100.3	99.6	98.1	99.2	100.2	100.7	100.4	99.6	101.0
04. Housing, water, electricity, gas and other fuels	2 204	82.0	82.9	92.0	98.1	93.5	91.2	94.6	98.9	98.8	99.1	100.7	99.3	99.8	100.0	100.4	100.7	100.8	100.7	100.2	100.5	100.7	101.5	101.6	100.2
05. Furnishing, household equipment and routine household maintenance	457	80.1	82.1	88.3	92.4	93.4	93.7	94.3	96.1	97.4	98.8	98.7	99.4	99.6	100.0	100.2	100.2	100.2	99.9	100.0	99.9	100.1	99.1	99.3	99.0
06. Health	163	91.2	91.9	91.4	92.3	94.3	97.4	99.8	101.2	101.2	102.6	101.6	102.0	98.8	100.0	100.3	100.6	99.6	99.5	100.3	100.3	100.6	100.8	101.5	101.2
07. Transport	1 189	93.0	97.2	97.8	98.4	99.7	101.7	108.1	108.5	108.8	104.0	100.7	99.7	100.1	100.0	100.1	99.5	99.1	99.4	107.0	108.6	109.7	110.3	111.0	111.5
08. Communication	288	119.3	102.4	102.3	102.3	101.5	101.4	101.5	101.5	101.5	101.5	100.7	101.2	101.2	100.0	99.5	100.1	96.9	97.5	99.7	99.9	99.7	99.4	99.0	98.1
09. Recreation and culture	256	94.8	94.8	94.8	94.9	95.1	95.2	95.4	95.8	96.8	97.9	97.7	97.8	98.5	100.0	100.6	102.5	102.6	100.9	99.7	99.6	98.7	98.5	99.8	99.6
10. Education	331	85.2	85.5	85.5	85.8	85.4	85.3	85.2	85.2	85.2	85.2	85.2	85.2	93.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
11. Restaurants and hotels	558	79.7	83.0	83.2	84.9	88.1	90.8	94.0	94.5	95.7	96.6	99.1	99.2	100.0	100.0	100.2	99.5	99.7	100.3	100.2	100.0	100.2	100.4	100.3	101.2
12. Miscellaneous goods and services	400	91.8	92.8	94.2	94.2	95.4	95.9	96.9	96.2	97.2	99.7	98.3	98.3	98.1	100.0	97.7	97.7	97.6	98.4	97.3	98.0	98.7	96.5	96.3	96.3
GENERAL INDEX	10 000	81.8	83.4	86.4	89.0	88.8	90.7	93.7	96.2	97.4	98.5	99.0	98.0	98.5	100.0	100.8	100.7	99.8	99.3	100.4	101.5	103.3	104.1	104.8	103.7
Monthly changes		2.1	1.9	3.7	3.0	-0.2	2.1	3.3	2.6	1.2	1.2	0.5	-0.9	0.4	1.6	0.8	-0.2	-0.9	-0.5	1.1	1.1	1.7	0.8	0.7	-1.1
Changes over 12 months		6.5	6.3	7.5	11.1	12.4	15.4	18.3	20.0	20.5	21.9	22.3	22.3	20.4	19.9	16.7	13.1	12.3	9.5	7.2	5.6	6.1	5.7	5.9	5.7

Source : BNR, Statistics Department

# Monthly Evolution of Producer Price Index

Table 5(Cont.)

Fourth quarter 2003 = 100

ISIC. Rev.3	Group of Activity	Weights	YEAR 2009											
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
1511-1600	Food Products, Beverages and Tobacco	456	152.6	153.6	153.7	158.1	158.0	159.4	153.4	149.5	149.4	149.7	151.7	152.6
1511-1542	Food Products	129	186.1	189.5	190.2	205.4	205.2	210.2	189.1	175.5	175.3	176.0	183.4	186.3
1511	Production, processing and preserving of meat and meat products	3	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9
1513	Processing and preserving of fruits and vegetables	8	151.4	151.4	151.4	151.4	151.4	151.4	151.4	151.4	151.4	151.4	151.4	151.4
1520	Manufacture of dairy products	32	198.0	198.0	198.0	284.6	284.6	284.6	195.9	195.9	195.9	196.2	196.2	196.2
1531-1533	Manufacture of grain mill and animal feeds products	27	185.9	186.2	186.1	184.2	183.9	184.3	182.8	181.9	181.9	184.0	184.8	184.9
1541	Manufacture of bakery products, pastry, biscuits	13	203.9	203.9	203.9	202.9	204.0	205.2	204.8	204.6	204.3	203.5	203.6	205.1
1542	Manufacture of sugar	45	176.5	186.3	188.2	172.3	171.4	185.0	188.2	150.0	149.3	150.3	170.8	178.8
1552-1600	Beverages and Tobacco	327	139.3	139.3	139.3	139.3	139.3	139.3	139.2	139.2	139.2	139.2	139.2	139.2
1552-1600	Manufacture of beer, soft drinks and tobacco	327	139.3	139.3	139.3	139.3	139.3	139.3	139.2	139.2	139.2	139.2	139.2	139.2
1711-3610	Others than Food, Beverages and Tobacco	544	161.6	161.8	161.7	149.7	149.2	148.4	153.5	153.5	153.5	158.4	159.1	158.9
1711-1920	Manufacture of textiles, wearing apparel, tanning and dressing of leather	47	156.5	156.6	156.6	146.4	149.2	138.9	179.0	179.0	178.9	179.1	179.2	179.1
2029-2221	Manufacture of paper and paper products, publishing of books, newspapers	40	123.8	123.7	122.1	122.4	149.2	119.6	120.5	123.4	123.5	118.4	120.3	119.4
2422-2429	Manufacture of chemical products	172	137.6	137.6	137.7	116.3	149.2	116.3	117.1	117.1	117.1	137.2	137.2	137.2
2511-2520	Manufacture of plastic products, tubes, retreading and rebuilding of rubber tyres	45	169.5	169.5	169.5	176.2	149.2	176.2	173.8	173.8	173.8	173.8	173.8	173.8
2693-2695	Manufacture of ceramic products, cement, lime and articles of concrete	126	182.4	182.4	182.4	182.4	149.2	182.4	182.5	182.5	182.5	182.5	182.5	182.5
2811-2899	Manufacture of fabricated metal products	70	208.1	209.7	209.7	171.0	149.2	167.9	176.2	174.9	174.9	166.2	170.0	169.4
3610	Manufacture of furniture	43	154.5	154.5	154.5	154.4	149.2	154.4	159.4	159.4	159.4	159.4	159.4	159.4
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		-0.6	0.4	0.0	-2.9	-0.2	0.2	0.0	-1.1	0.0	1.8	0.8	0.2
	Change over 12 Months		17.1%	16.3%	15.9%	9.9%	8.7%	4.6%	-2.1%	-3.9%	-4.0%	-8.1%	-1.9%	-1.5%
		Weights	Jan.09	Feb.09	Mar.09	Apr.09	May.09	Jun.09	Jul.09	Aug.09	Sept.09	Oct.09	Nov.09	Dec.09
1549	Manufacture of other food products n.c.e	978	160.0	163.7	162.5	166.3	169.9	174.6	183.9	189.3	193.5	193.3	197.2	207.0
1549	Production of tea	585	121.4	127.6	126.8	132.5	138.4	142.8	156.1	165.5	167.9	168.1	177.0	186.1
1549	Production of coffee	392	217.6	217.6	215.6	216.8	217.0	221.9	225.3	224.7	231.7	230.8	227.2	238.1
2421	Manufacture of pesticides and other agro-chemical products	22	314.2	314.2	314.2	315.3	394.1	394.1	315.3	394.1	394.3	394.3	394.3	395.1
2421	Production of pyrethrum	22	314.2	314.2	314.2	315.3	394.1	394.1	315.3	394.1	394.3	394.3	394.3	395.1
1549 - 2421	PPI for Mainly Export Products	1000	163.4	167.1	165.8	169.6	174.9	179.5	186.8	193.8	198.0	197.7	201.5	211.1
	Monthly Change		-1.5%	2.2%	-0.8%	2.3%	3.1%	2.6%	4.1%	3.8%	2.2%	-0.1%	1.9%	4.8%
	Change over 12 Months		0.8%	1.0%	-0.4%	0.4%	0.7%	3.7%	6.9%	8.2%	7.5%	12.9%	26.9%	27.3%

Source : BNR, Statistics Department

CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT

Table 6

(In Rwf billion)

Description	2004	2005	2006	2007	2008	2009*
<b>TOTAL REVENUES AND GRANTS</b>	<b>272.5</b>	<b>344.8</b>	<b>374.7</b>	<b>472.5</b>	<b>660.8</b>	<b>727.9</b>
<b>Total Revenue</b>	<b>147.0</b>	<b>180.3</b>	<b>205.6</b>	<b>252.1</b>	<b>381.0</b>	<b>380.5</b>
Current Revenue	147.0	180.3	205.6	252.1	381.0	380.5
Tax Revenue	134.6	162.6	191.1	237.8	328.7	364.0
Direct Taxes	37.5	50.8	65.2	85.8	123.1	136.5
Income Tax	36.8	50.1	64.5	85.8	123.1	136.5
Property Tax	0.7	0.7	0.7	0.0	0.0	0.0
Indirect Taxes	97.1	111.8	125.8	152.0	205.6	226.4
Taxes on Goods and Services	71.5	82.8	95.5	121.0	161.7	184.7
Taxes on international trade	25.6	29.0	30.3	31.0	43.9	42.7
Non tax revenues	12.4	17.7	14.6	14.3	52.3	16.5
Capital revenues	0.0	0.0	0.0	0.0	0.0	0.0
<b>Grants</b>	<b>125.5</b>	<b>164.5</b>	<b>169.1</b>	<b>220.4</b>	<b>279.8</b>	<b>347.4</b>
Current Grants	90.7	110.9	73.2	132.4	185.7	233.6
Capital Grants	34.8	53.6	95.9	88.0	94.1	113.8
<b>TOTAL EXPENDITURE</b>	<b>274.9</b>	<b>340.7</b>	<b>383.7</b>	<b>491.4</b>	<b>649.7</b>	<b>754.3</b>
<b>Current expenditure</b>	<b>163.8</b>	<b>214.9</b>	<b>255.4</b>	<b>313.2</b>	<b>368.5</b>	<b>424.4</b>
Wages and Salaries	48.6	51.2	62.2	73.8	84.2	97.4
Civilians	33.2	34.7	41.2	52.5	61.0	69.9
Military	15.4	16.5	21.0	21.3	23.2	27.5
Purchase of goods and services	47.6	64.4	80.7	78.0	80.3	104.8
Civilians	39.2	55.8	71.6	67.5	66.9	86.4
Military	8.4	8.6	9.1	10.5	13.4	18.4
Interests payment on public debt	11.9	10.3	7.1	10.9	12.6	11.4
On domestic debt	4.4	4.2	4.2	8.7	8.9	7.3
On external debt	7.5	6.1	2.9	2.2	3.8	4.1
Transfers & Grants	37.5	53.6	71.9	103.6	130.4	162.5
Exceptional expenditure	18.3	35.4	33.5	46.9	60.9	48.3
<b>Capital Expenditure</b>	<b>89.5</b>	<b>121.4</b>	<b>118.7</b>	<b>186.3</b>	<b>267.8</b>	<b>295.3</b>
Financed by domestic resources	27.2	34.7	35.7	63.8	119.2	139.4
Financed by foreign resources	62.3	86.7	83.0	122.5	148.5	155.9
<b>Net Lending</b>	<b>21.6</b>	<b>4.4</b>	<b>9.6</b>	<b>-8.1</b>	<b>13.5</b>	<b>34.7</b>
<b>Current Deficit(payment order basis)</b>	<b>-16.8</b>	<b>-34.6</b>	<b>-49.8</b>	<b>-61.1</b>	<b>12.5</b>	<b>-45.0</b>
<b>OVERALL DEFICIT (payment order basis)</b>						
Excluding Grants	-127.9	-160.4	-178.1	-239.3	-268.8	-373.8
Including Grants	-2.4	4.0	-9.0	-18.9	11.0	-26.5
Change in arrears	-17.1	-10.7	-7.5	-8.2	-8.0	-10.6
Domestic arrears	-17.1	-7.0	-7.5	-8.2	-8.0	-10.6
Foreign arrears	0.0	-3.7	0.0	0.0	0.0	0.0
<b>DEFICIT/SURPLUS (Cash basis)</b>	<b>-19.5</b>	<b>-6.7</b>	<b>-16.6</b>	<b>-27.1</b>	<b>3.0</b>	<b>-37.5</b>
<b>FINANCING</b>	<b>23.9</b>	<b>1.8</b>	<b>23.7</b>	<b>14.4</b>	<b>-3.0</b>	<b>37.5</b>
External Financing	48.1	34.3	34.9	32.1	56.4	37.8
Net loans	48.1	34.3	34.9	32.1	56.4	37.8
Domestic Financing	-24.2	-32.5	-11.2	-17.7	-59.4	-0.3
Banks	-30.1	-32.5	-11.2	-5.4	-43.7	5.1
Non banks	5.9	0.0	0.0	-12.3	-15.7	-17.7
Adjustment-Deposit buildup						6.5
Error and omission						7.7

\* : Provisional

Source: MINECOFIN

## BNR's BALANCE SHEET

(In Rwf million)

Table 7

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 FINANC. INSTITUTIONS	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	
2007	January	69 536.3	1 006.0	12 446.8	0.0	153 641.2	49.5	0.0	236 679.9	41 792.9	23.4	3 224.3	1 167.0	0.0	267.4	79 800.0	362 954.9
	February	75 636.7	804.0	12 536.4	0.0	144 361.7	1.2	0.0	233 340.0	44 056.1	23.4	3 325.0	1 150.8	0.0	253.0	81 109.0	363 257.3
	March	73 958.4	892.8	12 572.5	0.0	136 307.2	81.1	0.0	223 812.0	43 115.0	23.3	3 320.5	1 520.8	0.0	373.0	82 905.3	355 069.9
	April	60 061.0	340.4	12 667.7	0.0	145 443.3	1.6	0.0	218 514.0	47 853.2	21.3	3 327.5	1 563.0	0.0	422.6	84 300.6	356 002.2
	May	65 541.8	737.6	12 586.8	0.0	164 675.6	0.8	0.0	243 542.5	41 207.7	20.3	3 368.1	1 421.5	0.0	859.5	85 002.1	375 421.6
	June	62 521.8	826.2	12 618.4	0.0	229 743.4	1.9	0.0	305 711.6	41 207.7	19.2	3 386.0	1 721.4	0.0	498.9	85 585.4	438 130.2
	July	45 544.0	419.8	12 783.2	0.0	240 990.8	1.0	0.7	299 739.5	41 207.7	18.2	3 489.2	1 697.0	0.0	321.1	87 217.0	433 689.6
	August	26 920.6	1 567.0	12 768.1	0.0	250 461.6	58.4	0.0	291 775.7	41 208.8	17.2	3 557.0	1 639.0	0.0	1 509.5	87 792.3	427 499.4
	September	30 782.9	1 063.9	12 939.2	0.0	234 455.1	1.0	0.0	279 242.1	41 208.8	16.2	3 621.0	1 442.0	0.0	1 261.8	89 725.0	416 516.8
	October	34 713.2	605.2	13 038.7	0.0	219 968.1	39.3	0.0	268 364.5	41 208.8	15.2	3 662.1	1 357.3	0.0	1 200.9	97 175.1	412 983.9
	November	22 625.2	523.9	13 211.8	0.0	243 127.6	288.1	0.0	279 776.6	47 496.6	14.2	3 682.2	1 269.8	0.0	1 324.9	94 965.7	428 530.0
	December	26 325.2	533.6	13 081.5	0.0	260 884.9	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	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	5 003.77	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

Source: BNR, Statistics Department



# BNR's BALANCE SHEET

(In Rwf million)

Table 7 (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
2007													
January	55 144.99	17 351.96	22.1	993.77	916.70	74 429.5	34 988.37	1 479.74	120 113.23	17 282.32	29 742.37	84 919.47	362 955.0
February	55 105.50	20 372.72	30.64	802.81	1 329.51	77 641.2	37 231.07	1 715.80	113 474.41	18 862.28	29 814.88	84 517.70	363 257.3
March	55 497.15	19 606.65	23.2	1 226.69	1 623.11	77 976.8	40 535.55	1 725.31	100 882.63	16 721.74	29 854.02	87 373.88	355 069.9
April	56 364.64	15 721.01	30.2	1 464.62	2 010.21	75 590.7	46 120.08	1 451.50	96 945.79	16 636.21	29 943.91	89 313.99	356 002.2
May	56 958.32	21 426.94	27.84	1 912.85	1 110.53	81 436.5	46 138.54	1 459.64	114 122.59	16 917.08	27 868.80	87 478.48	375 421.6
June	59 264.09	26 347.43	58.3	548.14	1 457.52	87 675.5	34 465.48	1 858.36	168 017.34	17 116.15	27 917.14	101 080.27	438 130.2
July	63 152.04	21 913.09	50.65	568.49	1 384.18	87 068.5	43 486.28	1 481.33	159 821.19	18 091.74	28 072.40	95 668.16	433 689.6
August	61 519.45	22 830.96	74.14	775.75	1 057.08	86 257.4	51 378.55	1 476.54	147 035.17	18 090.09	28 045.09	95 216.57	427 499.4
September	61 323.68	26 049.21	45.82	569.05	729.98	88 717.7	48 791.90	1 468.86	127 305.95	18 387.69	28 287.18	103 557.45	416 516.8
October	62 997.10	20 697.46	35.18	607.69	372.60	84 710.0	57 731.08	1 642.10	120 208.07	18 600.84	28 412.97	101 678.82	412 983.9
November	65 485.83	18 340.70	54.84	408.77	355.28	84 645.4	61 064.41	1 504.20	129 536.19	20 788.29	28 287.95	102 703.66	428 530.1
December	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													
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	1121.53	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

Source: BNR, Statistics Department

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS

Table 8

(In Rwf million)

ASSETS										
DESCRIPTION	CLAIMS ON BNR		FOREIGN	CREDIT TO ECONOMY					ASSETS NON CLASSIFIED ELSEWHERE ELSEWHERE	TOTAL ASSETS
	RESERVES	OTHER CLAIMS	ASSETS	CLAIMS ON	CLAIMS ON	CLAIMS ON PRIVATE	CLAIMS ON	TOTAL CLAIMS		
				GOVERNMENT	PUBL. ENTERPRISES	SECTOR	OTHER F I	ON THE ECONOMY		
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	650 448.6
2007										
January	23 457.0	33 176.2	67 047.8	19 136.9	2 392.6	201 294.9	0.00	203 687.5	39 798.8	386 304.1
February	28 676.0	31 359.9	69 080.1	18 530.2	1 986.9	210 753.3	2.29	212 740.2	39 953.8	400 340.1
March	30 674.5	33 301.5	66 469.1	17 073.5	2 001.2	218 856.8	12.02	220 858.1	42 210.2	410 586.9
April	22 976.9	45 053.1	66 436.9	17 487.5	1 854.5	219 950.5	2.29	221 805.0	44 883.7	418 643.0
May	31 855.6	39 207.9	71 891.7	19 744.7	1 813.8	222 916.5	1.82	224 730.3	47 031.2	434 461.3
June	35 371.0	30 357.6	72 467.6	23 605.3	1 722.7	226 585.0	1.82	228 307.7	46 154.7	436 263.9
July	34 025.7	34 621.5	73 478.0	27 101.9	1 663.3	233 526.5	11.69	235 189.8	45 424.3	449 841.2
August	31 752.1	45 973.8	70 385.1	26 768.8	1 623.2	241 618.6	11.53	243 241.8	46 848.5	464 970.1
September	35 344.5	43 551.6	71 190.7	32 273.7	1 854.1	245 132.6	11.53	246 986.7	46 994.9	476 342.1
October	29 673.6	53 528.0	79 566.4	31 917.7	2 073.7	246 674.0	0.00	248 747.7	47 573.3	491 006.6
November	32 974.4	56 452.7	83 677.1	43 189.7	3 373.5	244 484.8	0.00	247 858.3	47 190.2	511 342.4
December	30 637.9	53 113.8	87 017.3	45 814.0	1 749.4	253 962.2	0.00	255 711.6	53 329.8	525 624.3
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	650 448.6
Source: BNR, Statistics Department										

## BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS

Table 8 (Cont.)

(In RWF million)

LIABILITIES										
DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY				GVT		FOREIGN	BNR	SHARES AND	LIABILITY NON
	TRANSFERABLE	NONTRANSFERABLE	FOREIGN CURRENCY	SUB-TOTAL	DEPOSITS	LIABILITIES	CREDITS	OTHER	CLASSIFIED	TOTAL
	DEPOSITS	DEPOSITS	DEPOSITS							
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	175 485.3	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
2007										
January	92 658.1	92 678.2	58 625.8	243 962.0	23 811.7	12 051.4	1 167.0	38 047.5	67 264.5	386 304.2
February	99 197.9	95 967.6	57 697.3	252 862.7	23 207.2	13 731.7	1 150.8	38 759.2	70 628.5	400 340.1
March	98 846.7	104 652.2	56 606.4	260 105.2	21 855.2	12 386.5	1 520.8	39 436.5	75 282.7	410 586.9
April	106 505.4	106 681.0	57 534.1	270 720.5	21 868.7	12 420.9	1 563.0	38 754.2	73 315.9	418 643.0
May	115 250.3	110 895.2	58 099.3	284 244.8	21 569.9	14 012.6	1 421.5	39 484.7	73 727.9	434 461.4
June	105 161.2	118 287.0	58 455.6	281 903.8	25 678.4	13 364.5	1 721.4	40 024.7	73 571.1	436 263.9
July	107 972.2	121 443.7	61 236.0	290 651.9	21 239.1	14 912.0	1 697.0	44 100.8	77 240.5	449 841.3
August	108 814.5	133 308.8	62 027.7	304 151.0	22 924.3	11 184.7	1 639.0	47 219.9	77 851.2	464 970.1
September	117 537.2	133 777.4	61 717.2	313 031.9	25 151.7	12 646.1	1 442.0	48 184.5	75 886.0	476 342.1
October	127 455.1	132 569.7	67 197.6	327 222.5	22 288.4	12 596.0	1 357.3	49 259.5	78 283.0	491 006.6
November	137 324.3	137 831.3	66 171.0	341 326.6	23 299.3	19 598.4	1 269.9	50 127.1	75 721.1	511 342.3
December	144 857.3	139 094.0	68 634.0	352 585.3	26 682.2	17 171.7	1 425.3	54 798.5	72 961.3	525 624.3
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	175 485.3	136 106.3	97 036.9	408 628.6	27 720.8	22 830.4	7 993.38	88 375.2	94 900.2	650 448.5

Source: BNR, Statistics Department

**MONETARY SURVEY**  
(In Rwf million)

Table 9

ASSETS		MONEY (M1)			QUASI MONEY			MONEY SUPPLY(M2)	TOTAL
		CURRENCY IN	TRANSFERABLE	TOTAL MONEY (M1)	NONTRANSFERABLE	FOREIGN EXCHANGE	TOTAL QUASI MONEY		
PERIOD	OUTSIDE BANKS				DEPOSITS	DEPOSITS			
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		76 992.4	183 999.3	260 991.7	143 373.7	97 037.0	260 991.7	404 365.4	501 402.4
2005	January	35 547.9	65 062.3	100 610.2	52 447.8	49 651.8	102 099.6	202 709.8	202 709.8
	February	35 222.4	70 275.0	105 497.5	50 710.6	48 458.0	99 168.6	204 666.1	204 666.1
	March	35 493.5	72 251.7	107 745.2	52 847.3	47 328.3	100 175.6	207 920.8	207 920.8
	April	36 979.9	72 396.5	109 376.5	53 963.6	48 111.0	102 074.6	211 451.1	211 451.1
	May	39 272.1	77 403.7	116 675.8	56 628.6	47 935.2	104 563.8	221 239.6	221 239.6
	June	42 956.5	76 637.8	119 594.3	58 390.2	46 677.6	105 067.8	224 662.1	224 662.1
	July	42 562.5	82 913.7	125 476.2	63 826.5	46 118.3	109 944.8	235 421.0	235 421.0
	August	40 555.8	79 822.9	120 378.7	62 695.2	46 984.6	109 679.8	230 058.5	230 058.5
	September	40 068.4	77 288.2	117 356.5	62 076.3	45 074.0	107 150.3	224 506.8	224 506.8
	October	40 650.5	77 606.5	118 257.0	65 557.5	46 291.6	111 849.1	230 106.1	230 106.1
	November	41 555.5	83 558.6	125 114.0	69 096.1	45 690.1	114 786.2	239 900.2	239 900.2
	December	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	January	42 081.1	79 262.4	121 343.5	69 095.5	44 902.8	113 998.4	235 341.8	235 341.8
	February	41 734.7	83 741.4	125 476.0	70 519.6	46 760.3	117 279.9	242 755.9	242 755.9
	March	43 144.3	86 706.2	129 850.5	71 220.5	43 830.0	115 050.5	244 901.0	244 901.0
	April	44 739.0	92 369.2	137 108.2	76 231.9	45 970.5	122 202.4	259 310.6	259 310.6
	May	45 904.5	95 327.5	141 232.0	82 717.9	47 990.0	130 708.0	271 939.9	271 939.9
	June	49 071.5	91 368.8	140 440.3	83 302.8	46 089.0	129 391.8	269 832.1	269 832.1
	July	48 409.6	91 460.2	139 869.9	90 523.8	56 673.7	147 197.5	287 067.4	287 067.4
	August	46 458.7	92 740.5	139 199.2	93 208.7	55 594.1	148 802.7	288 001.9	288 001.9
	September	45 389.1	90 077.5	135 466.6	95 643.8	56 287.7	151 931.5	287 398.1	287 398.1
	October	45 524.4	95 818.2	141 342.5	99 149.5	56 219.1	155 368.7	296 711.2	296 711.2
	November	45 970.8	102 639.5	148 610.3	99 646.0	60 865.6	160 511.5	309 121.8	309 121.8
	December	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	January	46 573.1	98 519.7	145 092.7	92 678.2	58 625.8	151 303.9	296 396.7	296 396.7
	February	45 820.0	106 542.3	152 362.3	95 967.6	57 697.3	153 664.8	306 027.1	306 027.1
	March	47 241.5	104 676.0	151 917.5	104 652.2	56 606.4	161 258.5	313 176.0	313 176.0
	April	47 899.3	114 562.1	162 461.4	106 681.0	57 534.1	164 215.1	326 676.5	326 676.5
	May	49 625.6	125 085.0	174 710.6	110 895.2	58 099.3	168 994.6	343 705.2	343 705.2
	June	51 732.9	113 361.9	165 094.8	118 287.0	58 455.6	176 742.6	341 837.3	341 837.3
	July	54 572.6	115 369.1	169 941.8	121 443.7	61 236.0	182 679.7	352 621.5	352 621.5
	August	52 841.6	117 511.7	170 353.3	132 989.9	62 027.7	195 017.6	365 370.9	365 370.9
	September	52 842.2	125 856.6	178 698.8	133 459.2	61 717.2	195 176.4	373 875.2	373 875.2
	October	53 918.6	135 345.9	189 264.4	132 228.9	67 197.6	199 426.5	388 690.9	388 690.9
	November	54 791.0	146 691.7	201 482.7	137 416.6	66 171.0	203 587.6	405 070.3	405 070.3
	December	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	January	61 089.9	144 606.2	205 696.1	142 988.8	68 928.7	205 696.1	417 613.6	417 613.6
	February	59 667.3	145 590.6	205 257.9	145 449.8	70 276.3	205 257.9	420 984.0	420 984.0
	March	61 297.5	151 068.4	212 365.9	146 024.8	69 614.2	212 365.9	428 004.9	428 004.9
	April	65 357.1	145 118.5	210 475.6	155 823.2	75 736.3	210 475.6	442 035.4	442 035.4
	May	67 499.4	150 134.9	217 634.4	152 323.5	79 144.1	217 634.4	449 101.9	449 101.9
	June	72 433.2	149 702.6	222 135.8	143 151.2	79 761.3	222 135.8	445 048.4	445 048.4
	July	75 260.4	154 918.3	230 178.7	146 727.6	89 303.6	230 178.7	466 209.8	466 209.8
	August	75 147.9	147 784.7	222 932.7	158 632.0	80 853.5	222 932.7	462 418.2	462 418.2
	September	74 168.7	149 115.3	223 284.0	158 983.8	84 302.5	223 284.0	466 570.3	466 570.3
	October	74 247.6	145 408.3	219 655.9	162 236.8	82 421.3	219 655.9	464 314.0	464 314.0
	November	73 231.2	162 426.2	235 657.5	152 889.8	85 167.4	235 657.5	473 714.7	473 714.7
	December	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	January	71 957.6	162 827.5	234 785.2	126 673.5	77 264.1	234 785.2	361 458.6	438 722.8
	February	69 029.6	150 719.8	219 749.3	128 386.4	79 779.9	219 749.3	348 135.8	427 915.7
	March	66 251.9	149 695.1	215 947.0	134 958.6	81 952.3	215 947.0	350 905.6	432 858.0
	April	68 058.9	159 941.3	228 000.1	131 439.3	83 262.1	228 000.1	359 439.4	442 701.6
	May	67 677.6	151 652.6	219 330.2	131 081.2	95 460.6	219 330.2	350 411.3	445 872.0
	June	72 081.2	150 466.1	222 547.3	128 745.0	85 519.7	222 547.3	351 292.4	436 812.1
	July	73 173.2	163 020.2	236 193.4	128 098.3	101 696.2	236 193.4	364 291.7	465 987.9
	August	70 392.9	181 289.9	251 682.8	124 059.4	92 138.1	251 682.8	375 742.2	467 880.4
	September	69 433.5	171 654.9	241 088.4	128 854.8	90 370.9	241 088.4	369 943.1	460 314.0
	October	70 456.1	171 059.6	241 515.7	135 696.3	91 530.1	241 515.7	377 211.9	468 742.0
	November	70 701.08	175 075.0	245 776.1	144 165.0	96 853.9	245 776.1	389 941.1	486 795.0
	December	76 992.37	183 999.3	260 991.7	143 373.7	97 037.0	260 991.7	404 365.4	501 402.4

Source : BNR, Statistics Department

MONETARY SURVEY

Table 9 (Cont.)

(In Rwf million)											
DESCRIPTION	NET FOREIGN ASSETS			DOMESTIC CREDIT						OTHER ITEMS NETS	TOTAL ASSETS
	GROSS ASSETS	GROSS LIABILITIES	NET FOREIGN ASSETS	CLAIMS	NETS CLAIMS ON GOVERNMENT DEPOSITS	NET CLAIMS	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR	TOTAL DOMESTIC CREDIT		
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
2005											
January	233 030.2	64 546.0	168 484.20	66 737.5	89 316.0	-22 578.5	4 617.0	129 992.3	112 030.8	-77 805.1	202 709.8
February	232 500.8	63 720.0	168 780.83	62 237.2	91 100.0	-28 862.7	4 266.5	130 308.7	105 712.5	-69 827.2	204 666.1
March	236 905.9	62 849.6	174 056.35	68 502.9	98 918.4	-30 415.5	3 404.4	133 132.6	106 121.5	-72 257.2	207 920.7
April	240 178.9	61 231.0	178 947.92	68 683.5	108 356.7	-39 673.2	2 169.4	140 046.8	102 543.0	-70 039.9	211 451.0
May	233 816.8	61 211.7	172 605.10	68 450.9	95 414.9	-26 964.0	2 806.0	144 579.1	120 421.1	-71 786.7	221 239.5
June	239 249.2	58 713.2	180 536.00	73 388.6	110 472.1	-37 083.5	2 935.2	151 918.1	117 769.8	-73 644.3	224 661.4
July	240 111.8	58 010.1	182 101.70	69 297.1	102 496.5	-33 199.4	2 554.6	157 050.4	126 405.6	-73 085.7	235 421.6
August	242 313.8	67 559.9	174 753.90	66 967.4	94 917.7	-27 950.3	2 046.9	158 325.2	132 421.8	-77 117.2	230 058.5
September	237 029.0	58 824.9	178 204.10	60 572.2	97 124.0	-36 551.8	2 141.9	159 132.0	124 722.0	-78 419.4	224 506.8
October	249 002.8	56 950.3	192 052.50	60 714.9	104 782.0	-44 067.1	1 819.3	161 036.2	118 788.5	-80 735.1	230 105.9
November	250 825.1	55 365.3	195 459.80	61 487.1	99 326.7	-37 839.7	1 841.7	162 248.9	126 250.9	-81 810.5	239 900.2
December	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											
January	273 746.1	17 939.6	255 806.52	65 737.7	165 383.5	-99 645.8	1 462.9	166 642.7	68 459.8	-88 924.5	235 341.8
February	275 571.4	13 820.8	261 750.69	61 190.3	164 794.2	-103 603.9	3 362.9	169 842.4	69 601.4	-88 596.1	242 755.9
March	278 720.9	14 289.4	264 431.49	59 424.5	168 481.5	-109 057.1	2 785.8	175 972.8	69 701.5	-89 232.1	244 901.0
April	301 276.7	16 163.2	285 113.47	58 846.0	176 109.0	-117 263.0	2 123.9	179 680.8	64 541.6	-90 344.5	259 310.6
May	294 757.5	12 762.1	281 995.41	55 626.4	162 472.3	-106 845.9	2 342.8	184 894.0	80 390.9	-90 446.4	271 939.9
June	294 449.5	15 590.7	278 858.83	57 403.4	163 672.9	-106 269.5	2 308.8	189 646.7	85 686.0	-94 712.7	269 832.2
July	298 254.0	15 783.7	282 470.26	56 386.6	157 347.7	-100 961.1	1 537.1	195 953.1	96 529.1	-91 932.0	287 067.4
August	300 883.6	18 497.1	282 386.48	55 620.3	150 993.1	-95 372.8	1 523.1	199 377.9	105 528.2	-99 912.8	288 001.9
September	295 760.2	15 663.9	280 096.26	55 581.3	143 923.4	-88 342.1	1 408.5	202 767.9	115 834.3	-108 532.5	287 398.1
October	290 998.9	13 315.0	277 683.88	55 727.7	136 421.7	-80 694.0	1 446.7	205 407.5	126 160.2	-107 133.2	296 710.9
November	293 445.0	15 858.9	277 586.09	56 883.9	126 061.0	-69 177.1	1 402.5	208 860.5	141 086.0	-109 550.6	309 121.5
December	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											
January	303 727.8	29 333.7	274 394.15	60 929.8	140 727.0	-79 797.2	2 416.0	204 785.0	127 403.8	-105 401.7	296 396.2
February	302 420.1	32 594.0	269 826.14	62 586.2	133 133.2	-70 546.9	2 010.3	214 278.9	145 742.2	-109 541.3	306 027.0
March	290 281.1	29 108.2	261 172.83	60 195.2	120 588.0	-60 392.8	2 024.5	222 453.0	164 084.8	-112 081.5	313 176.0
April	284 950.8	29 057.1	255 893.74	65 349.0	116 389.8	-51 040.8	1 875.8	223 631.9	174 466.9	-103 684.2	326 676.4
May	315 434.1	30 929.7	284 504.47	60 962.5	132 670.4	-71 707.9	1 834.1	227 134.0	157 260.2	-98 059.4	343 705.2
June	378 179.3	30 480.6	347 698.62	64 819.1	190 859.1	-126 039.9	1 741.9	230 463.6	106 165.6	-112 026.9	341 837.3
July	373 217.5	33 003.8	340 213.71	68 317.4	177 879.3	-109 561.9	1 681.5	237 044.9	129 164.5	-116 756.7	352 621.5
August	362 160.8	29 274.8	332 886.02	67 985.5	166 565.9	-98 580.4	1 640.3	245 451.4	148 511.3	-116 026.4	365 371.0
September	350 432.8	31 033.8	319 398.94	73 493.6	149 067.8	-75 574.2	1 870.3	248 825.8	175 121.9	-120 645.6	373 875.2
October	347 930.8	31 196.8	316 734.03	73 137.6	139 234.5	-66 096.9	2 088.8	250 396.4	186 388.3	-114 431.4	388 690.9
November	363 453.7	40 386.7	323 066.98	90 738.8	148 549.6	-57 810.8	3 387.7	248 267.8	193 844.7	-111 841.5	405 070.2
December	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

MONETARY SURVEY

Table 9 (Cont.)

(In Rwf million)											
DESCRIPTION	NET FOREIGN ASSETS			DOMESTIC CREDIT						OTHER ITEMS NETS	TOTAL ASSETS
	GROSS ASSETS	GROSS LIABILITIES	NET FOREIGN ASSETS	CLAIMS	NETS CLAIMS ON GOVERNMENT DEPOSITS	NET CLAIMS	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR	TOTAL DOMESTIC CREDIT		
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
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	531 454.84	89 831.84	441 623.00	76290.92	223 389.4	-147 098.5	3 021.4	331 830.8	187 753.7	-127974.31	501 402.4

Source : BNR Statistics Department

# CONSOLIDATED BALANCE SHEET OF OTHER FINANCIAL INTERMEDIARIES

Table 10

(In RWF million)

DESCRIPTION	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b><u>ASSETS</u></b>	<b>13 136.39</b>	<b>13 596.80</b>	<b>22 660.40</b>	<b>31 952.10</b>	<b>21 640.79</b>	<b>26 858.88</b>	<b>31 741.65</b>	<b>44 111.72</b>	<b>52 374.27</b>
Reserves	146.04	71.80	155.09	37.20	24.20	17.45	44.40	63.38	415.04
Foreign Assets	0.00	0.00	20.28	10.00	0.00	0.00	0.00	0.00	0.00
Claims on Government	209.88	198.00	1 869.54	8 264.30	5 064.91	157.89	0.13	0.13	0.13
Claims on the economy	6 595.75	7 324.30	12 053.31	12 888.30	10 079.25	18 319.69	25 744.25	31 340.00	42 571.41
Claims on publ enterprises	0.00	217.20	156.41	0.00	0.00	0.00	0.00	0.00	215.70
Claims on private sector	6 620.75	7 082.10	11 896.90	12 888.30	10 079.25	18 319.69	25 744.25	31 340.00	42 355.72
Claims on banks	1 700.07	1 327.60	912.50	4 810.60	4 063.03	5 925.68	3 835.27	10 227.10	6 537.80
Other Assets	4 459.65	4 675.00	7 669.96	5 951.70	2 409.40	2 438.17	2 117.60	2 481.11	2 849.89
<b><u>LIABILITIES</u></b>	<b>13 136.40</b>	<b>13 596.50</b>	<b>22 660.36</b>	<b>31 952.11</b>	<b>21 640.83</b>	<b>26 858.84</b>	<b>31 741.65</b>	<b>44 111.71</b>	<b>52 374.27</b>
Government liabilities	13.22	17.60	58.07	0.00	0.00	0.00	5 472.40	5 545.21	9 627.91
BNR credits	229.64	121.20	768.00	1 639.80	1 431.82	1 171.45	1 541.54	1 407.73	2 726.10
Long term loans	1 449.46	4 562.20	8 056.60	12 058.96	4 906.25	3 187.82	2 162.47	2 125.70	5 050.17
Savings Deposits	0.00	0.00	562.92	0.00	0.00	0.00	0.00	0.00	0.00
Equity capital	6 204.76	5 847.10	10 602.59	5 211.03	4 744.34	5 070.44	5 618.26	13 097.35	14 100.07
Other amounts due	0.00	0.00	0.00	5 943.25	4 541.61	7 732.33	3 287.07	8 465.51	4 112.78
Other liabilities	5 239.32	3 048.40	2 612.18	7 099.07	6 016.81	9 696.80	13 659.91	13 470.21	16 757.24

Source : BNR, Statistics Department

\* For the moment this statement includes only BRD

## BANKING SURVEY\*

Table 11

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

(In RWF million)

DESCRIPTION	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>I. NET FOREIGN ASSETS</b>	<b>80 431.4</b>	<b>103 641.6</b>	<b>104 157.9</b>	<b>172 804.5</b>	<b>222 522.7</b>	<b>285 141.0</b>	<b>351 553.7</b>	<b>403 731.5</b>	<b>442 806.1</b>
Assets: BNR	97 099.2	124 700.0	124 320.8	178 272.6	224 673.0	241 195.9	300 601.9	333 352.3	424 147.7
BANKS	33 763.9	39 106.0	49 800.0	60 758.7	52 617.6	70 998.1	86 893.7	96 751.9	107 466.2
Less liabilities: BNR	45 787.9	52 209.1	58 839.6	55 743.5	43 364.4	16 258.3	18 770.1	7 808.5	65 977.3
BANKS	4 643.9	7 955.3	11 123.3	10 483.3	11 403.5	10 794.7	17 171.7	18 564.2	22 830.4
<b>II. NET DOMESTIC CREDIT</b>	<b>93 762.2</b>	<b>99 280.5</b>	<b>151 681.4</b>	<b>127 619.8</b>	<b>122 471.3</b>	<b>162 667.3</b>	<b>209 616.9</b>	<b>231 344.1</b>	<b>215 646.8</b>
Net Claims on Government	8 848.8	2 759.2	26 168.6	-21 539.9	-56 059.8	-69 365.6	-75 365.0	-141 998.2	-153 103.7
Claims: BNR	43 469.2	42 911.9	43 916.8	42 125.7	42 125.7	41 792.9	41 196.8	39 737.4	50 159.9
BANKS	7 605.8	14 409.8	14 861.8	21 015.0	24 760.0	26 367.9	46 977.2	29 570.2	20 070.6
OFIs	195.4	198.0	5 891.9	8 264.3	5 064.9	157.9	0.1	0.1	0.13
Less deposits: BNR	29 885.1	47 949.3	30 486.2	76 071.3	103 741.4	114 163.6	140 843.5	198 251.1	195 613.5
BANKS	12 525.2	6 794.1	7 949.0	16 873.6	24 269.0	23 520.8	22 695.5	13 054.9	27 720.8
O.F.I	11.2	17.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0
Claims on public enterprises	960.8	3 847.9	5 056.7	4 747.9	2 180.2	2 406.0	1 762.5	1 636.9	3 165.3
BNR	129.4	267.9	128.2	116.2	61.2	24.4	13.2	0.0	0.0
BANKS	831.4	3 362.8	4 772.2	4 631.7	2 119.0	2 381.6	1 749.4	1 636.9	2 949.6
O.F.I	0.0	217.2	156.4	0.0	0.0	0.0	0.0	0.0	215.7
Claims on private sector	83 952.6	92 039.1	119 959.5	144 411.8	176 350.8	229 627.0	283 219.3	371 705.3	365 585.1
BNR	1 682.4	2 090.8	2 305.5	3 307.1	3 367.6	3 509.9	4 833.2	5 353.0	5 372.3
BANKS	75 691.4	82 866.2	94 535.7	128 216.4	162 367.2	207 797.4	252 641.9	335 012.3	317 857.1
O.F.I	6 578.9	7 082.1	23 118.3	12 888.3	10 616.0	18 319.7	25 744.3	31 340.0	42 355.7
<b>ASSETS = LIABILITIES</b>	<b>174 193.6</b>	<b>202 922.1</b>	<b>255 839.3</b>	<b>300 424.3</b>	<b>344 994.0</b>	<b>447 808.4</b>	<b>561 170.6</b>	<b>635 075.6</b>	<b>658 452.9</b>
<b>MONEY SUPPLY</b>	<b>121 110.8</b>	<b>136 283.7</b>	<b>186 292.5</b>	<b>206 247.8</b>	<b>247 865.0</b>	<b>316 246.4</b>	<b>424 478.3</b>	<b>466 104.8</b>	<b>491 194.0</b>
<b>I. MONEY</b>	<b>64 742.0</b>	<b>72 406.0</b>	<b>85 000.5</b>	<b>101 502.0</b>	<b>133 438.1</b>	<b>152 313.4</b>	<b>217 181.1</b>	<b>225 358.7</b>	<b>258 050.7</b>
Currency in circulation	25 810.1	28 044.4	33 507.1	37 897.9	47 028.1	52 730.9	63 224.0	80 892.3	76 992.4
Transferable deposits with BNR	510.9	1 490.3	1 706.4	2 231.2	1 788.7	1 812.1	1 885.0	1 911.8	5 573.0
Publ Enterprises	318.3	387.3	363.4	636.0	246.6	180.8	356.4	319.3	1 508.0
Private Sector	192.6	1 103.0	1 343.0	1 595.2	1 542.0	1 631.3	1 528.6	1 592.6	4 065.0
Nontransferable deposits with ODCs	38 421.1	42 871.3	49 786.9	61 372.9	84 621.3	97 770.5	152 072.1	142 554.5	175 485.3
<b>II. QUASI MONEY</b>	<b>56 368.8</b>	<b>63 877.7</b>	<b>101 292.0</b>	<b>104 745.8</b>	<b>114 426.9</b>	<b>163 933.0</b>	<b>207 297.2</b>	<b>240 746.1</b>	<b>233 143.3</b>
Non transferable deposits	28 518.0	33 935.8	30 699.3	53 732.0	70 754.2	104 754.6	138 663.2	158 407.9	136 106.3
BNR	1 629.5	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BANKS	26 888.6	29 941.9	30 699.3	53 732.0	70 754.2	104 754.6	138 663.2	158 407.9	136 106.3
Foreign currency deposits	27 850.7	29 043.3	41 496.0	51 013.8	43 672.7	59 178.4	68 634.0	82 338.2	97 036.9
<b>OTHER ITEMS NET</b>	<b>53 082.9</b>	<b>63 781.3</b>	<b>65 633.8</b>	<b>94 176.5</b>	<b>97 128.9</b>	<b>131 561.9</b>	<b>165 315.2</b>	<b>139 566.7</b>	<b>197 936.6</b>
<b>I. BNR</b>	<b>38 756.9</b>	<b>37 094.4</b>	<b>43 332.7</b>	<b>50 797.7</b>	<b>68 416.5</b>	<b>99 110.8</b>	<b>119 654.2</b>	<b>88 124.1</b>	<b>135 552.2</b>
Cash in Banks	2 772.0	2 673.3	2 364.1	2 406.7	2 832.1	5 694.2	9 512.9	7 605.7	9 161.9
Cash in OFIs	1.7	1.7	596.0	5.2	6.0	2.3	0.9	0.3	0.2
Deposits in Banks	7 894.9	10 507.8	11 014.6	12 414.3	10 895.8	11 322.9	18 581.9	25 141.5	24 130.6
Deposits in OFIs	305.7	81.0	252.8	132.1	213.1	173.6	675.7	418.0	548.2
Money market borrowings	6 472.3	1 058.3	0.0	11 339.9	40 273.0	50 538.2	58 611.5	16 600.0	73 537.8
Shares and other equity	18 080.3	20 416.1	29 060.4	27 483.5	23 526.4	30 262.9	35 506.5	35 745.2	38 167.1
Unclassified liabilities	61 313.6	64 807.8	78 139.5	82 107.4	73 049.4	82 518.6	82 999.7	89 984.8	84 709.6
Loans money market	0.0	-1 000.0	0.0	0.0	0.0	0.0	0.0	0.0	-8 678.2
Claims on banks	-1 521.8	-2 235.8	-1 368.6	-1 577.7	-1 379.8	-1 189.3	-1 298.9	-1 495.6	-881.7
Claims on OFIs	-207.0	-121.1	-72.1	-551.4	-424.0	-278.0	-1 167.4	-1 010.7	-2 471.0
Unclassified Assets	-56 355.1	-60 551.2	-76 764.5	-82 962.3	-80 575.4	-79 934.6	-83 768.5	-84 865.0	-82 672.3
<b>II. BANKS</b>	<b>7 562.9</b>	<b>24 097.0</b>	<b>22 175.3</b>	<b>24 520.9</b>	<b>25 946.5</b>	<b>32 574.2</b>	<b>52 285.9</b>	<b>56 091.3</b>	<b>61 368.2</b>
BNR loan	1 352.3	2 079.7	1 216.3	1 577.7	1 379.8	1 189.3	1 298.9	1 495.6	9 559.88
Stares and other equity	26 182.5	23 830.1	27 936.8	17 119.1	20 125.6	27 533.6	55 050.7	76 176.4	88 375.2
Banks Deposits	810.5	990.8	732.1	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	-15 235.2	-12 536.7	-13 054.7	-16 221.7	-15 136.5	-17 017.1	-18 956.9	-25 141.5	-34 443.4
Claims on Banks	-991.7	-1 177.5	-1 368.6	-1 577.7	-1 379.8	-1 189.3	-1 298.9	-11 487.4	-9 843.8
Claims on OFIs	-175.7	-139.1	-193.1	0.0	0.0	0.0	0.0	0.0	0.0
Other item net	-4 379.9	-1 774.6	-3 098.5	23 623.5	20 957.4	22 057.7	16 192.1	15 048.2	7 720.3
<b>III. OFIs</b>	<b>6 763.1</b>	<b>2 590.0</b>	<b>125.7</b>	<b>18 857.9</b>	<b>2 766.0</b>	<b>-123.0</b>	<b>-6 625.0</b>	<b>-4 648.8</b>	<b>1 016.1</b>
Reserves	-146.1	-71.8	-817.0	-37.2	-24.2	-17.5	-39.7	-63.4	-415.0
Claims on banks	-1 700.1	-1 327.6	-9 390.1	-4 810.6	-4 063.0	-5 925.7	-3 835.3	-10 227.1	-6 537.8
Claims on OFIs	-25.0	0.0	-2 034.7	0.0	0.0	0.0	0.0	0.0	0.0
Long term loan	1 449.5	325.6	0.0	12 059.0	4 906.3	7 732.3	2 162.5	2 125.7	5 050.2
Other amounts due	0.0	0.0	0.0	5 943.3	0.0	0.0	0.0	0.0	0.0
BNR Credit	229.6	121.2	768.0	1 639.8	1 431.8	1 171.5	1 011.6	1 407.7	2 726.1
Shares and other equity	6 204.8	5 847.1	18 573.6	5 211.0	4 744.3	5 070.4	5 618.3	13 097.4	14 100.1
Other items net	750.4	-2 304.4	-6 974.1	-1 147.4	-4 229.2	-8 154.1	-11 542.3	-10 989.1	-13 907.4

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

Source: BNR, Statistics Department



# **OUTSTANDING CREDIT BY SECTORS OF ACTIVITY ON 31/03/2009**

**Table 12**

(In thousands of RWF)

ACTIVITY	Cash credits			
	short-term*	medium-term**	long-term***	Total
<b>AGRICULTURE, LIVESTOCK, FORESTRY AND FISHING</b>	<b>2 426 130</b>	<b>3 088 440</b>	<b>5 529 343</b>	<b>11 043 913</b>
Agriculture	2 152 074	1 652 546	2 875 528	6 680 148
Livestock and related activities	169 056	1 043 924	2 603 815	3 816 795
Fishing and Pisciculture		15 000		15 000
Others	105 000	376 970	50 000	531 970
<b>EXTRACTION INDUSTRIES</b>	<b>102 000</b>		<b>10 000</b>	<b>112 000</b>
<b>MANUFACTURING INDUSTRIES</b>	<b>11 583 078</b>	<b>9 687 630</b>	<b>16 089 695</b>	<b>37 360 403</b>
Manufacturing of food products	3 265 284	2 765 877	12 645 308	18 676 469
Manufacturing of beverages and Tobacco	1 500 000	2 610 787	1 317 286	5 428 073
Textile industries, clothing and leather	620 000	382 552	600 000	1 602 552
Wood Industries	110 000	438 030	90 199	638 229
Paper, Editing and Printing	444 600	243 612	109 834	798 046
Chemical industries related items	1 399 806	300 075	482 656	2 182 537
Non-metal products industries	730 000	165 520	0	895 520
Metal industries	2 130 660	280 903	747	2 412 310
Others	1 382 728	2 500 274	843 665	4 726 667
<b>ENERGY AND WATER</b>	<b>162 000</b>	<b>251 346</b>	<b>26 900</b>	<b>440 246</b>
<b>PUBLIC WORKS AND CONSTRUCTION</b>	<b>15 464 992</b>	<b>32 846 108</b>	<b>47 973 100</b>	<b>96 284 200</b>
Public works enterprises	14 152 631	2 969 524	1 065 000	18 187 155
Construction	231 023	8 930 458	27 309 155	36 470 636
Others	1 081 338	20 946 126	19 598 945	41 626 409
<b>TRADE, RESTAURANTS AND HOTELS</b>	<b>58 774 586</b>	<b>23 431 904</b>	<b>18 068 405</b>	<b>100 274 895</b>
Domestic trade	46 012 711	13 832 500	997 042	60 842 253
Import trade	8 150 944	4 477 762	1 924 332	14 553 038
Export trade	3 291 625	583 145	353 642	4 228 412
Restaurants and hotels	1 172 690	4 519 698	14 514 037	20 206 425
Other Trade Activities	146 616	18 799	279 352	444 767
<b>TRANSPORT, WAREHOUSING AND COMMUNICATIONS.</b>	<b>2 972 164</b>	<b>26 930 887</b>	<b>796 531</b>	<b>30 699 582</b>
Land transport (passengers)	1 126 486	6 713 082	272 181	8 111 749
Land transport (Merchandise)	99 685	9 423 098	521 000	10 043 783
Transport by Air	551 249			551 249
Transport by water				0
Subsidiary transport	613 232	7 331 742	3 350	7 948 324
Storage and warehouse		150 000		150 000
Communications	368 562	1 096 000		1 464 562
Other transport sector activities	212 950	2 216 965		2 429 915
<b>OFIs, INSURANCE AND REAL ESTATE</b>	<b>1 053 894</b>	<b>1 585 307</b>	<b>1 363 050</b>	<b>4 002 251</b>
Non monetary financial institutions				0
Insurance companies				0
Real estate			1 087 050	1 087 050
Service enterprises	961 894	306 791	276 000	1 544 685
Others activities of the sector	92 000	1 278 516		1 370 516
<b>SERVICES PROVIDED TO THE COMMUNITY</b>	<b>3 706 218</b>	<b>4 522 548</b>	<b>11 393 569</b>	<b>19 622 335</b>
Public administration and Defense	125 711	800		126 511
Health services and similar activities	135 500	87 496	1 934 733	2 157 729
Education	553 495	965 302	5 893 556	7 412 353
Religious organizations	1 155 960	345 134	50 000	1 551 094
Recreative and cultural services	51 408	970 639		1 022 047
Others services supplied to the community	1 682 756	2 153 177	3 515 280	7 351 213
Microfinance institutions	1 388			1 388
<b>ACTIVITIES NOT CLASSIFIED ELSEWHERE</b>	<b>2 317 535</b>	<b>14 525 508</b>	<b>81 550</b>	<b>16 924 593</b>
<b>GENERAL TOTAL</b>	<b>98 562 597</b>	<b>116 869 678</b>	<b>101 332 143</b>	<b>316 764 418</b>

ü: The last valid data are in March 2009.

Source: BNR, Financial Stability Directorate

This situation embodies the banks and institutions below:

000 : BNR  
010 : BCR  
040 : BK  
070 : FINA BANK  
100 : ECOBANK  
115 : ACCESS BANK  
130 : COGEBANQUE  
160 : KCB

295 : CFE-AGASEKE  
400 : BP SIEGE  
410 : BP KORA  
700 : BRD  
750 : BHR

\*: Stands for the short-term viz period maturity of less or equal to 1 year

\*\*: Stands for the medium-term viz period maturity between 1 and 5 years

\*\*\*: Stands for the long-term, namely period maturity beyond 5 years.

# NEW CREDITS BY SECTOR OF ACTIVITY IN 2009

Table 13

(In thousands of RWF)

ACTIVITY	Cash credits			Cash credits Total
	Short-term *	Medium-term **	Long-term ***	
Agriculture, livestock, forestry and fisheries	405 517	1 919 925	1 420 400	3 745 842
Mining		45 000	15 500	60 500
Manufacturing	9 040 415	3 401 559	7 661 935	20 103 909
Energy and water	1 268 355	11 900	1 965 300	3 245 555
Public works and construction	11 414 344	16 112 252	10 220 920	37 747 516
Trade, restaurants and hotels	49 988 156	15 187 803	8 397 543	73 573 502
Transport, warehousing and communications	14 302 984	15 237 796	2 873 000	32 413 780
OFIs, Insurance and real estate	5 183 511	135 000	1 963 196	7 281 707
Services provided to the community	2 621 726	1 112 002	1 141 500	4 875 228
Activities not elsewhere classified	3 771 650	14 274 627	19 124	18 065 401
<b>Grand Total</b>	<b>97 996 658</b>	<b>67 437 864</b>	<b>35 678 418</b>	<b>201 112 940</b>

Source: BNR, Financial Stability Directorate

This situation embodies the banks and institutions below:

000 : BNR

010 : BCR

040 : BK

070 : FINA BANK

100 : ECOBANK

115 : ACCESS BANK

130 : COGEBANQUE

160 : KCB

295 : CFE-AGASEKE

296 : RMF

297 : VFC

299 : RIM

400 : BP SIEGE

410 : BP KORA

412 : BP TAMBWE

414 : BP REMERA

416 : BP NYAMIRAMBO

423 : BP KIGALI

424 : BP FEMME

444 : BP NYAGATARE

448 : BP NDERA

460 : BP KIGOMBE

462 : BP NYAMATA

464 : BP KIBUNGO

466 : BP NYANZA

472 : BP NYAMAGABE

488 : BP KACYIRU

495 : BP NGOMA

504 : BP KIBARI

516 : BP NYAMABUYE

519 : BP MUHIMA

524 : BP KICUKIRO

526 : BP RWAMAGANA

530 : BP RUBAVU

532 : BP KAMEMBE

540 : BP GIKONDO

545 : BP GITESI

700 : BRD

750 : BHR

**Interest rates Structure (in %)**

Table 14

DESCRIPTION	2005				2006				2007				2008				2009			
PERIOD	March	June	September	December	March	June	September	December	March	June	September	December	March	June	September	December	March	June	September	December
Deposit rate	9.08	8.65	8.55	8.01	8.13	8.27	8.36	8.29	7.86	7.65	7.35	6.77	5.69	6.05	6.40	6.72	6.57	9.44	8.64	8.54
Lending rate	16.41	15.29	15.33	16.08	15.70	16.26	16.35	16.07	15.98	16.03	15.84	16.19	15.63	16.20	16.55	16.51	15.74	16.89	17.56	15.77
Money market rate																				
* -Mop-up	0.72	9.41	9.00	9.00	9.00	9.00	8.93	7.39	8.71	5.59	5.52	5.26	5.24	6.59	-	-	-	-	-	-
-Injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repo Rate									-	-	-	-	-	-	6.55	6.56	5.29	5.50	6.06	6.27
Discount rate	13.50	13.5	12.5	12.5	12.50	12.50	12.50	12.5	12.5	12.5	12.5	12.5	12.5	12.5	11.25	11.25	12.00	12.00	12.50	11.50
Interbank rate	2.28	10.41	9.58	9.64	8.92	8.41	7.43	7.43	7.98	6.33	5.20	6.00	8.00	6.62	6.97	7.69	8.98	9.03	8.98	7.49
Weight average rate on T-bill market :	5.30	9.69	10.77	10.24	10.15	10.26	9.91	8.08	9.57	7.03	6.62	5.89	6.22	6.5	7.02	7.72	7.57	9.13	9.9	7.88

Source : Statistics Department

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

# AVERAGE EXCHANGE RATES OF THE MAJOR CURRENCIES

Table 15

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
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

# PUBLIC EXTERNAL DEBT STOCK

Table 16

(In USD million by donor, end period)

DESCRIPTION	2004	2005	2006	2007	2008	2009
<b>MULTILATERAL DEBT</b>	<b>1 409.89</b>	<b>1 408.09</b>	<b>390.55</b>	<b>482.00</b>	<b>581.37</b>	<b>625.20</b>
IDA	1024.30	1001.20	168.40	205.30	248.80	259.10
AfDB-ADF	260.40	277.10	69.50	102.20	132.70	154.10
BADEA	19.79	20.80	21.50	25.40	26.70	28.30
OPEC	17.50	16.50	17.50	21.50	32.30	33.00
OTHERS	87.90	92.49	113.65	127.60	140.87	150.70
<b>BILATERAL DEBT</b>	<b>164.40</b>	<b>87.95</b>	<b>91.00</b>	<b>84.70</b>	<b>84.18</b>	<b>102.60</b>
CHINA	19.60	18.20	17.20	0.00	0.00	0.00
FRANCE	52.90	4.10	4.40	4.90	4.92	4.90
KUWAIT	32.10	32.40	32.70	34.50	34.50	34.60
SAUDI ARABIA	30.30	30.10	33.70	42.60	42.59	44.90
JAPAN	15.40	0.00	0.00	0.00	0.00	0.00
OTHERS	14.10	3.15	3.00	2.70	2.17	18.20
<b>SUPPLIERS' CREDITS</b>	<b>13.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>1588.16</b>	<b>1496.04</b>	<b>481.55</b>	<b>566.70</b>	<b>665.55</b>	<b>727.80</b>

N.B. : Debt to IMF and Government guaranteed debt not included

Source: BNR, Statistics Department

Table 17

## Development of debt stock by creditors

(In Rwf million)

DESCRIPTION	2004	2005	2006	2007	2008	2009
<b>MULTILATERAL DEBT</b>	<b>808 440.43</b>	<b>746 129.14</b>	<b>211 743.05</b>	<b>259 900.55</b>	<b>318 048.46</b>	<b>350 211.40</b>
IDA	577 431.94	534 359.16	92 393.06	111 728.42	139 053.70	144 694.45
AfDB-ADF	158 897.66	147 893.45	38 131.34	55 619.31	74 165.70	90 186.97
BADEA	10 465.37	11 101.35	11 796.03	13 823.19	14 922.56	15 132.08
OPEC	9 414.98	8 204.32	9 597.58	11 681.69	17 842.24	18 505.24
OTHERS	52 230.48	44 570.85	59 825.05	67 047.94	72 064.25	81 692.67
<b>BILATERAL DEBT</b>	<b>80 282.11</b>	<b>44 827.03</b>	<b>49 115.36</b>	<b>45 817.90</b>	<b>47 618.07</b>	<b>61 887.87</b>
CHINA	9 560.66	8 546.97	9 074.16	0.00	0.00	0.00
FRANCE	21 511.77	2 114.06	2 412.97	2 675.93	2 648.06	2 736.80
KUWAIT	18 168.43	17 192.15	17 917.34	18 767.98	19 124.36	19 780.81
SAUDI ARABIA	16 887.33	15 816.22	18 510.43	23 172.90	23 797.86	25 442.92
JAPAN	6 648.70	0.00	0.00	0.00	0.00	0.00
OTHERS	7 505.23	1 157.64	1 200.45	1 201.09	2 047.80	13 927.34
<b>SUPPLIERS' CREDITS</b>	<b>6 824.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>895 547.54</b>	<b>790 956.17</b>	<b>260 858.41</b>	<b>305 718.46</b>	<b>365 666.53</b>	<b>412 099.26</b>

N.B. : Debt to IMF and Government guaranteed debt not included

Source: BNR, Statistics Department

Taux de change Rwf/USD	566.86	533.72	548.65	544.22	558.90	571.24
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(In million of USD by donor, by end period)

DESCRIPTION	2004	2005	2006	2007	2008	2009
<b>MULTILATERAL DEBT</b>	<b>1 426.17</b>	<b>1 397.98</b>	<b>385.93</b>	<b>477.57</b>	<b>569.06</b>	<b>613.08</b>
IDA	1018.65	1001.20	168.40	205.30	248.80	253.30
AfDB-ADF	280.31	277.10	69.50	102.20	132.70	157.88
BADEA	18.46	20.80	21.50	25.40	26.70	26.49
OPEC	16.61	15.37	17.49	21.47	31.92	32.40
OTHERS	92.14	83.51	109.04	123.20	128.94	143.01
<b>BILATERAL DEBT</b>	<b>141.63</b>	<b>83.99</b>	<b>89.52</b>	<b>84.19</b>	<b>85.20</b>	<b>108.34</b>
CHINA	16.87	16.01	16.54	0.00	0.00	0.00
FRANCE	37.95	3.96	4.40	4.92	4.74	4.79
KUWAIT	32.05	32.21	32.66	34.49	34.22	34.63
SAUDI ARABIA	29.79	29.63	33.74	42.58	42.58	44.54
JAPAN	11.73	0.00	0.00	0.00	0.00	0.00
OTHERS	13.24	2.17	2.19	2.21	3.66	24.38
<b>SUPPLIERS' CREDITS</b>	<b>12.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>1579.84</b>	<b>1481.97</b>	<b>475.45</b>	<b>561.76</b>	<b>654.26</b>	<b>721.42</b>

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

Source: BNR, Statistics Department

## Development of drawings by creditors

Table 19

(In USD million)

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

Source: BNR, Statistics Department



# Development of External Debt Service Due

Table. 20

(In USD million by donors)

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

Source: BNR, Statistics Department

## Development of arrears by year and by donors

Table 21

(In RWF million )

DESCRIPTION	2005		2006		2007		2008		2009	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERAL DONORS	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	759.59	226.74	1 015.01	71.32	0.00	0.00	0.00	0.00	0.00	0.00
CHINA	566.86	0.00	822.98	0.00	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	0.00	0.00	0.00	0.00
KUWAIT	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	192.73	226.74	192.03	71.32	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	0.00	0.00	0.00	0.00
GRAND TOTAL	759.59	226.74	1015.01	71.32	0.00	0.00	0.00	0.00	0.00	0.00

(In millions of USD)

DESCRIPTION	2005		2006		2007		2008		2009	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERAL DONORS	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	1.34	0.40	1.85	0.13	0.00	0.00	0.00	0.00	0.00	0.00
CHINA	1.00	0.00	1.50	0.00	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	0.00	0.00	0.00	0.00
KUWAIT	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.34	0.40	0.35	0.13	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	0.00	0.00	0.00	0.00
GRAND TOTAL	1.34	0.40	1.85	0.13	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	EST 2009
<b>Trade Balance</b>	<b>-228.7</b>	<b>-299.02</b>	<b>-404.39</b>	<b>-613.05</b>	<b>-768.08</b>
Exports, f.o.b.	125.0	147.38	176.77	267.67	192.67
Of which: coffee	38.3	54.04	35.67	47.05	37.29
tea	24.4	31.86	31.52	44.95	48.71
Imports, f.o.b.	-353.6	-446.40	-581.16	-880.72	-960.75
<b>Services and income (net)</b>	<b>-193.7</b>	<b>-160.95</b>	<b>-140.38</b>	<b>-135.67</b>	<b>-214.49</b>
Services (net)	-166.5	-132.30	-123.16	-100.60	-177.70
Income (net)	-27.2	-28.66	-17.22	-35.06	-36.79
Trade and Services and income balance	-422.3	-459.97	-544.76	-748.71	-982.6
<b>Current transfers (net)</b>	<b>364.5</b>	<b>325.54</b>	<b>461.32</b>	<b>518.57</b>	<b>604.0</b>
Private	46.7	77.15	98.82	72.61	79.71
Public	317.8	248.39	362.50	445.96	524.31
Current account balance (including official transfers)	-57.82	-134.43	-83.45	-230.15	-378.56
<b>Capital and Financial account balance</b>	<b>165.4</b>	<b>216.0</b>	<b>196.7</b>	<b>316.12</b>	<b>433.5</b>
<b>Capital Account</b>	<b>93.5</b>	<b>1400.08</b>	<b>92.04</b>	<b>210.06</b>	<b>200.00</b>
<b>Capital transfers</b>	<b>93.5</b>	<b>1400.08</b>	<b>92.04</b>	<b>210.06</b>	<b>200.00</b>
Debt Forgiveness	0.0	1226.60	0.00	0.00	0.00
Migrants transfers	0.0	0.00	0.00	0.00	0.00
Other capital transfers	93.5	173.48	92.04	210.06	200.00
<b>Financial transactions account</b>	<b>71.98</b>	<b>-1184.09</b>	<b>104.67</b>	<b>106.06</b>	<b>233.55</b>
Public sector capital (LT) (net)	53.7	-1104.83	80.36	104.75	81.35
Private sector capital (LT) (net)	-4.6	25.34	81.43	89.94	160.7
Lt. Debt			3.39	9.48	42.72
Amortization			-4.24	-4.10	-0.7
Direct investment	10.5	30.6	82.28	84.56	118.7
Other Capital	22.9	-104.60	-57.13	-88.63	-8.49
Short term capital	22.9	-104.60	-57.13	-88.63	-8.49
Errors & Omissions	11.53	-0.03	-2.66	-27.97	2.05
Overall balance	119.2	81.52	110.60	58.01	57.05
Financing (- increase)	-119.2	-81.52	-110.60	-58.01	-57.05
Change in net foreign assets of NBR (increase -)	-120.2	-81.52	-110.60	-58.01	-57.05
a. Net use of IMF credit (increase +)	-6.7	2.52	3.40	3.70	3.56
b. Change in gross reserves (increase -)	-93.5	-35.01	-114.37	-58.68	-159.51
c. Change in other foreign liabilities (increase +)	-20.0	-49.03	0.37	0.67	102.47
Change in arrears (decrease -)	1.1	0.00	0.00	0.00	0.00
Exceptional financing	0.0	0.00	0.00	0.00	0.00
Rescheduling	0.0	0.0	0.0		
Cancellation	0.0	0.0	0.0		
<b>GAP (+ financing needed)</b>	<b>0.0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
For the record					
Gross official reserves (Mios USD)	405.7	439.62	552.40	598.5	742.42
Foreign liabilities(Mios USD)	78.3	29.63	30.00	13.90	115.54
Gross reserves in month of imports G&S	7.6	6.8	7.0	5.1	6.2
Gross reserves in months of CAF imports of goods	10.3	8.92	8.60	6.12	7.08
Gross reserves in months of FOB imports of goods	13.8	11.82	11.41	8.16	9.34
Trade balance (in percent of GDP)	-8.9	-9.6	-10.8	-14.0	-16.7
Current account balance in percent of GDP (including official transfers)	-2.2%	-4.3%	-2.2%	-5.2%	-8.2%
Current account balance in percent of GDP (excluding official transfers)	-14.6%	-12.3%	-11.9%	-15.2%	-19.6%
Overall balance (in percent of GDP)	4.62	2.62	2.96	1.30	1.24
GDP (millions \$US, Current)	2 581.21	3 110.92	3 740.71	4 455.84	4 611.49
GDP (billions de RFW, current)	1 440	1 716	2 046	2 437 200	2 948 000
Exchange rate of 1 USD (RFW/1 USD), end period	553.83	548.65	545.45	558.900	571.24
Imports of goods and services	-639.81	-780.35	-944.95	-1401.18	-1450.26
Exchange rate average ( RFW/1 USD)	557.81	551.76	547.01	546.97	568.28

Source : BNR, Statistics Department

## RWANDA's EXPORTS

Table 23

(FOB value in USD million)

	2005	2006	2007	2008	2009
<b>I. Coffee</b>					
Value	38.3	54.04	35.67	47.05	37.29
in % of Total exports, f.o.b.	30.6	36.7	20.18	18.28	19.75
% change of value	18.7	41.2	-33.99	31.51	-20.51
Volume (1,000 tons)	18 398.6	26 534.1	13 673.86	18 191.29	14 992.36
% change of volume	32.1	44.2	-48.47	33.04	-0.18
Unit value (US\$/kg)	2.08	2.04	2.61	2.58	2.49
% change of unit value	74.8	2.08	28.08	-1.15	-0.04
<b>II. Tea</b>					
Value	24.38	31.86	31.52	44.95	48.24
in % of Total exports, f.o.b.	19.51	21.62	17.83	15.61	25.80
% change of value	13.13	30.68	-1.09	27.08	21.63
Volume (1,000 tons)	15 481	16 523.7	18 375.62	19 828.02	18 689.30
% change of volume	18.5	6.7	11.21	3.93	-0.01
Unit value (US\$/kg)	1.57	1.93	1.72	2.10	2.58
% change of unit value	4.8	22.44	-11.06	22.28	0.23
<b>III. Minerals</b>					
<b>Value</b>	<b>37.30</b>	<b>36.57</b>	<b>70.62</b>	<b>91.69</b>	<b>55.43</b>
in % of Total exports, f.o.b.	29.85	24.81	39.95	35.57	28.90
% change of value	27.4	1.9	93.09	29.23	-40.20
Volume (1,000 tons)	6 150.49	5 995.15	8 220.98	7 009.98	6 093.54
% change of volume	34.5	2.5	37.13	-14.73	-0.13
<b>Cassiterite</b>					
Value	17.86	15.87	31.97	41.25	28.58
in % of Total exports, f.o.b.	14.29	10.76	18.09	16.04	15.14
% change of value	12.46	11.14	101.52	28.70	-30.55
Volume (1,000 tons)	4 531.8	3 835.3	4 565.91	4 193.29	4 269.17
% change of volume	27.54	15.37	19.05	-9.85	0.04
Unit value (US\$/kg)	3.94	4.14	7.00	10.00	6.69
% change of unit value	11.85	4.99	69.28	42.76	-33.04
<b>Coltan</b>					
Value	16.87	11.17	19.23	36.03	20.24
in % of Total exports, f.o.b.	13.50	7.58	10.88	14.50	10.72
% change of value	29.84	33.76	72.10	93.51	-45.62
Volume (1,000 tons)	1 061.64	724.25	968.96	1 190.33	949.92
% change of volume	23.30	31.78	33.79	26.16	-22.29
Unit value (US\$/kg)	15.89	15.43	19.85	30.44	21.30
% change of unit value	5.30	2.90	28.63	53.38	-30.02
<b>Wolfram</b>					
Value	2.58	9.53	19.42	13.41	5.76
in % of Total exports, f.o.b.	2.06	6.47	10.98	5.03	3.05
% change of value	536.01	270.11	103.67	-33.58	-55.34
Volume (1,000 tons)	557.02	1 435.57	2 686.11	1 708.04	874.45
% change of volume	253.63	157.72	87.11	-37.78	-0.48
Unit value (US\$/kg)	4.62	6.64	7.23	7.72	6.59
% change of unit value	79.93	43.61	8.85	6.76	-14.64
<b>Or</b>					
Valeur				1.01	0.86
in % of Total exports, f.o.b.					
var en % de la valeur					
Volume exporté(Tonnes)				0.04	0.03
var en % du volume					
Prix Unit(USD/kg)					
% change of unit value					
<b>IV. Hides and skins</b>					
Value	4.73	1.99	3.56	2.85	1.96
in % of Total exports, f.o.b.	3.79	1.35	2.02	1.11	1.04
% change of value	39.82	58.00	79.31	-20.06	-31.16
Volume (1,000 tons)	3 183	1 160	1 805.60	2 043.60	1 791.68
% change of volume	48.01	63.57	55.67	13.18	-0.12
Unit value (US\$/kg)	1.49	1.71	1.97	1.39	1.09
% change of unit value	5.30	15.29	15.18	-29.37	-21.48
<b>V. Pyrethrum</b>					
Value		1.92	3.00	0.38	0.64
in % of Total exports, f.o.b.	0.00	1.31	1.70	0.15	0.34
% change of value	100.00		56.05	-87.25	68.08
Volume (1,000 tons)		44.64	38.27	3.30	3.18
% change of volume	100.00		-14.25	-91.39	-0.04
Unit value (US\$/kg)		43.10	78.44	116.16	202.61
% change of unit value	100.00		81.98	48.09	74.43
<b>VI. Other products</b>					
Value	20.22	20.91	32.32	85.80	49.26
in % of Total exports, f.o.b.	16.18	14.19	18.28	31.25	26.54
% change of value	87.25	3.45	54.55	148.03	-37.48
Other ordinary products	3.19	4.41	14.37	33.00	26.88
Reexports	17.03	16.50	17.95	52.81	22.38
<b>Sub-Total</b>	<b>124.90</b>	<b>147.30</b>	<b>176.69</b>	<b>272.73</b>	<b>192.82</b>
<b>VII. Adjustments</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>-5.06</b>	<b>-0.16</b>
Electricity	0.08	0.08	0.08	0.09	0.12
Postal colls					
Carnets 126					
Goods purchased in the ports or airports					
Reexports of minerals					11.12
Ajustment in transport and insurance					
Ajustments on exports/ surveys					4.33
Ajustment on transport & Tea assurance				-5.15	-4.61
<b>Total fob</b>	<b>124.98</b>	<b>147.38</b>	<b>176.77</b>	<b>267.67</b>	<b>192.67</b>
% change	27.46	17.93	19.94	45.14	-28.02%

Source : BNR, Statistics Department

## RWANDA'S IMPORTS

Table 24

(Value in USD million)

	2005	2006	2007	2008	Est 2009
<b>I. Capital goods</b>					
Value	109.9	126.8	202.5	367.29	362.69
in % of Total M CIF	23.31	21.44	26.28	31.29	28.62
% change of value	37.39	15.40	59.72	81.35	-1.25
Volume (tons)	17 506	20 803	31 551	39 860	39 748
% change of volume	40.13	18.83	51.67	26.33	-0.28
Unit value (US\$/kg)	6.28	6.10	6.42	9.21	9.12
% change of unit value	-1.96	-2.89	5.31	43.55	-0.98
<b>II. Intermediate goods</b>					
Value	111.16	146.15	189.91	323.87	313.14
in % of Total M CIF	23.58	24.71	24.64	27.59	24.71
% change of value	40.35	31.48	29.94	70.54	-3.31
Volume (tons)	154 363	206 831	274 574	367 938	408 803
% change of volume	43.31	33.99	32.75	34.00	124.87
Unit value (US\$/kg)	0.72	0.71	0.69	0.88	0.77
% change of unit value	-2.06	-1.88	-2.12	27.26	-16.66
<b>III. Energy products</b>					
Value	78.16	108.56	115.65	161.49	208.77
in % of Total M CIF	16.58	18.36	15.01	13.76	16.50
% change of value	13.88	38.90	6.53	39.63	29.28
Volume (tons)	128 819	172 818	183 252	186 722	189 237
% change of volume	4.49	34.16	6.04	1.89	99.39
Unit value (US\$/kg)	0.61	0.63	0.63	0.86	1.10
% change of unit value	8.99	3.53	0.46	37.04	68.67
<b>IV. Consumer goods</b>					
Value	131.17	166.54	229.10	284.08	342.38
in % of Total M CIF	27.83	28.16	29.73	24.20	27.06
% change of value	28.02	26.97	37.56	24.00	20.52
Volume (tons)	120 855	173 743	285 259	253 662	354 809
% change of volume	10.66	43.76	64.18	-11.08	117.46
Unit value (US\$/kg)	1.09	0.96	0.80	1.12	0.96
% change of unit value	15.68	-11.68	-16.22	39.45	-10.42
<b>1. Food</b>					
Value	35.26	47.93	71.76	87.07	115.86
in % of Total M CIF	7.48	8.10	9.31	7.42	9.16
% change of value	6.33	35.91	49.74	21.33	33.07
Volume (tons)	79 854	122 832	223 979	172 073	261 568
% change of volume	5.43	53.82	82.35	-23.17	111.84
Unit value (US\$/kg)	0.44	0.39	0.32	0.51	0.44
% change of unit value	0.86	-11.65	-17.88	57.93	-9.53
<b>2. Others consumer goods</b>					
Value	95.91	118.62	157.34	197.01	226.51
in % of Total M CIF	20.34	20.06	20.42	16.78	17.90
% change of value	38.40	23.68	32.64	25.22	14.98
Volume (tons)	41 001	50 911	61 280	81 589	93 241
% change of volume	22.52	24.17	20.37	33.14	134.97
Unit value (US\$/kg)	2.34	2.33	2.57	2.41	2.91
% change of unit value	12.96	-0.39	10.20	-5.95	0.00
<b>S/TOTAL</b>	<b>430.37</b>	<b>548.06</b>	<b>737.19</b>	<b>1136.73</b>	<b>1226.98</b>
Var en %	30.31	27.35	34.51	54.20	8.93
<b>V. Adjustment</b>					
Valeur	41.03	43.32	33.46	37.24	40.27
in % of Total M CIF	8.70	7.32	4.34	3.17	3.18
electricity	5.57	11.00	12.10	2.29	2.28
En % de val cif totale	1.18	1.86	1.57	0.19	0.00
Parcel post	1.36	1.36	1.36	0.06	
Autres (dont)	34.1	31.0	20.0	34.89	37.98
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	0.01
Oil purchased in the airport		3.62	3.50	0.94	
Reexport non included	--	12.7	11.00	43.82	27.10
Embassies' imports		-7.75	-5.50	-21.36	-18.97
ICBT					2.15
Imports of TIGO 55					14.20
in % of Total M CIF					
<b>VI. Import cif</b>	<b>471.40</b>	<b>591.38</b>	<b>770.65</b>	<b>1173.98</b>	<b>1267.25</b>
% change	28.17	25.45	30.31	52.34	7.94
<b>VII. Freight and insurance</b>	<b>117.76</b>	<b>144.98</b>	<b>189.49</b>	<b>293.26</b>	<b>306.50</b>
In % du CIF	24.98	24.98	24.98	24.98	24.98
% change of ratio	0.00	0.00	0.00	0.00	
<b>VIII. Total fob</b>	<b>353.64</b>	<b>446.40</b>	<b>581.16</b>	<b>880.72</b>	<b>960.75</b>
% change	28.17	26.23	30.19	51.54	9.09

Source : BNR, Statistics Department

# SERVICES AND INCOME

Table 25

(In USD million)

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

Source : BNR, Statistics Department

# Transfers

Table 26

(In USD million)

	2005	2006	2007	2008	Estim. 2009
<b>Current transfers (net)</b>	<b>364.52</b>	<b>325.54</b>	<b>461.32</b>	<b>518.57</b>	<b>604.02</b>
Current private transfers(net)	46.73	77.15	98.82	72.61	79.71
<i>Credit</i>	61.78	97.88	131.17	108.51	122.93
<i>Debit</i>	15.06	20.72	32.35	35.90	43.22
Remittances from Diaspora	-5.20	8.22	69.48	31.07	53.09
<i>Credit</i>	8.63	25.01	98.50	63.31	88.13
<i>Debit</i>	13.83	16.78	29.02	32.24	35.04
Private transfers for churchs and associations	51.93	68.93	29.34	41.54	26.62
<i>Credit</i>	53.15	72.87	32.67	45.20	34.80
<i>Debit</i>	1.22	3.94	3.33	3.67	8.18
Current official transfers (net)	317.79	248.39	362.50	445.96	524.31
<i>Credit</i>	320.28	251.13	366.38	450.08	531.67
1. current support net	200.12	128.35	259.27	339.76	415.84
of which HIPC Initiative	31.99	21.97	4.50	5.60	5.21
décaissements du trust Fund	2.5350547				
2. humanitarian aid	120.16	122.77	107.11	110.32	115.84
a. technical assistance	50.32	51.61	26.78	27.58	27.62
b. other humanitarian aid	71.41	71.16	80.33	82.74	82.85
<i>Debit</i> (of which contribution to internat. Organ.)	-2.49	-2.74	-3.88	-4.12	-7.36

Source : BNR, Statistics Department

# Capital and Financial account

Table 27

(In USD million)

	2005	2007	2008	Estim 2009
Capital and Financial account balance	#####	196.70	316.12	433.55
Capital Account	93.47	92.04	210.06	200.00
Capital transfers	93.47	92.04	210.06	200.00
Debt Forgiveness	0.00	0.00	0.00	
a. Arrears (principal+interest)				
b. Current service (principal + interest)	0.00			
c. Principal not yet due forgiven (principal)				
Transferts des migrants				
Other capital transfers (dons d'appui au PIP)	93.47	92.04	210.06	200.00
a. Capital (projects)	70.10	69.03	157.55	150.00
b. technical Assistance	23.37	23.01	52.52	50.00
Acquisitions et assignments of non financial assets				
Financial transactions account	71.98	104.67	106.06	233.55
Long Term capital	49.12	161.80	194.69	242.04
I. Public sector capital (LT) (net)	53.68	80.36	104.75	81.35
Credit	89.98	88.66	112.20	88.80
Current	30.88	0.00	5.80	0.00
Projects (PIP)	59.10	88.66	106.40	88.80
- capital	44.33	66.50	79.80	66.60
- technical assistance	14.78	22.17	26.60	22.20
Drawings on new loans	0.00			
a. Rescheduling of existing debt	0.00			
b. Rescheduling of arrears				
c. Rescheduling of non due debt				
Debit	-36.30	-8.30	-7.45	-7.45
Scheduled amortization	-36.30	-8.30	-7.45	-7.45
Dont a. Principal due cancelled				
b. Principal due rescheduled				
Pcpl non due rescheduled				
Pcpl non due cancelled				
Souscript. au cap. des org.inter. non monétaires	0.00			
MDRI relief from IDA and AfDF				
II. Private (net)	-4.56	81.43	89.94	160.69
Lt. Debt	0.69	3.4	9.5	42.72
Amortization	-5.25	-4.2	-4.1	-0.702
Investments	10.50	82.28	84.56	118.67
a. direct investment	10.50	82.28	103.35	118.67
b. portfolio investment		0.00	-18.79	0
III. Other capital	22.86	-57.13	-88.63	-8.49
Short term capital	22.86	-57.13	-88.63	-8.49
a. Commercial Credits	8.50	37.5	-0.6	1.02
b. Commercial banks (Change in NFA of comm banks)(-aug)	14.36	-9.43	-15.62	-9.51
c. Other capital		-85.20	-72.41	

Source : BNR, Statistics Department



# AVAILABLE FINANCING

Table 28

(In USD million)

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

Source : BNR, Statistics Department