



TOWARDS BECOMING A WORLD CLASS CENTRAL BANK



ANNUAL REPORT

July 1st 2016 - June 30th 2017



NATIONAL BANK OF RWANDA
BANKI NKURU Y'U RWANDA

ANNUAL REPORT

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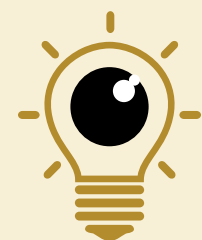
LIST OF ABBREVIATIONS

AACB:	Association of African Central Banks
AfDB:	African Development Bank
AFI:	Alliance for Financial Inclusion
AFRITAC:	Africa Technical Assistance Center (of IMF)
AMCP:	African Monetary Cooperation Programme
AML:	Anti Money Laundering
ARC-IB:	Internet Banking
ASSAR:	Association des Assureurs du Rwanda
ATM:	Automated Teller Machine
ATS:	Automated Transfer System
BADEA:	Arab Bank for Economic Development in Africa
BCM:	Business Continuity Management
BI:	Business Intelligence
BISMAT:	BNR Information System for Management with Technology
BK:	Bank of Kigali
BNR:	National Bank of Rwanda
BOP:	Balance of Payments
BPR:	Banque Populaire du Rwanda
BRD-C:	Rwanda Development Bank -Commercial
BREXIT:	Great Britain Exit from European Union
CAR:	Capital Adequacy Ratio
CFT:	Combatting Financing of Terrorism
CIEA:	Composite Index of Economic Activities
CIF:	Cost, Insurance and Freight
CIMERWA:	Rwanda Cement Manufacturing Company (Cimenterie du Rwanda)
CMA:	Capital Market Authority
CMI:	COMESA Monetary Institute
COMESA:	Common Market for Eastern and Southern Africa
CPI:	Consumer Price Index
CRB:	Credit Reference Bureau
CSD:	Central Securities Depository
CSR:	Corporate Social Responsibility
DGF:	Deposit Guarantee Fund
DRC:	Democratic Republic of Congo
EAC:	East African Community
EAMU:	Eastern Africa Monetary Union

EAPS:	East African Payment System
EBMs:	Electronic Billing Machines
ECB:	European Central Bank
EDPRS:	Economic Development and Poverty Reduction Strategy
EDWH:	Enterprise Data Warehouse
ELF:	Emergency Liquidity Facility
ERM:	Enterprise Risk Management
ERP:	Enterprise Resource Planning
EUCL:	Energy Utility Corporation Limited
EXIM:	Export-Import Bank
FB:	Forex Bureau
FDI:	Foreign Direct Investment
FOB:	Free on Board
FPAS:	Forecasting and Policy Analysis Systems
FRW:	Rwandan Franc
FSC:	Financial Stability Committee
FSDP II:	Financial Sector Development Program Phase II
FY:	Financial Year
G&NFS:	Good and Non-Factor Services
GBP:	British Pound
GDP:	Gross Domestic Product.
HHI:	Hirfindahl-Hirschman Index
IAIS:	International Association of Insurance Supervision
ICBT:	Informal Cross Border Trade
ICT:	Information and Communication Technology
IDA:	International Development Association
IFC:	International Finance Corporation
IIP:	Index of Industrial Production
IMF:	International Monetary Fund

IPO:	Initial Public Offering
ISO:	International Organization Standardization
IT:	Information Technology
JCB:	Japanese Credit Bureau
KCC:	Kigali Convention Centre
KRR:	Key Repo Rate
KSM:	Kenya Institute of Monetary Studies
MAC:	Monetary Affairs Committee
MCI:	Monetary Conditions Index
MCM:	Management Committee Meeting
MFIs:	Micro Finance Institutions
MFS:	Mobile Financial Services
MINAGRI:	Ministry of Agriculture
MINALOC:	Ministry of Local Government
MINECOFIN:	Ministry of Finance and Economic Planning
MMI:	Military Medical Insurance
MNOs:	Mobile Network Operators

VISION, MISSION AND CORE VALUES



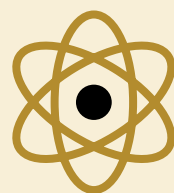
Our Vision

To become a World-Class Central Bank



Our Mission

To ensure Price Stability and a Sound Financial System



Our Core Values



Integrity

We uphold high moral, ethical and professional standards for our people, systems and data.



Accountability

We are result-focused and transparent, and we reward according to performance.



Mutual-respect and Team-work

We keep ourselves in high spirit, committed to each other for success.



Excellence

We passionately strive to deliver quality services in a timely and cost effective manner.



GOVERNOR'S FOREWORD

It is my pleasure to present the National Bank of Rwanda's Annual Report for the financial year 2016/2017. The report is mandated by the Law N° 55/2007 of 30/11/2007 governing the National Bank of Rwanda, in its article 65. The law provision requires the Governor to submit his/her annual activity and financial report to the President of the Republic not later than four months after the financial year has ended.

I am pleased to report that the Bank achieved its objectives of price and financial sector stability over the financial year 2016/2017 (July 2016-June 2017) despite challenging global and domestic economic conditions.

Global economic activities continued to improve, supported by rising consumer and investor confidence as well as favorable financial conditions. The above positive developments, coupled with the observed slight increase in international commodity prices did not result into noticeable inflationary pressures as aggregate demand and inflation remained broadly subdued.

In the above mentioned global context, the Rwandan economic growth slowed to 3.4%, on average, in 2016/2017 compared to 8.6% recorded in 2015/2016. This slowdown was noticeable in all economic sectors but mostly in the agriculture and industry sectors, following the negative impact of the prolonged dry season and the completion of some big infrastructure projects.

While some inflationary and exchange rate pressures were observed at the beginning of 2016/17, BNR foresaw that these pressures were only temporary and thus deliberately decided to implement an accommodative monetary policy to continue supporting the financing of the economy, through the banking sector, by reducing the Key Repo Rate from 6.5% to 6.25% in December 2016 and from 6.25% to 6.0% in June 2017.

As a result, the stock of credit to the private sector grew by 8.5% during this period. Headline inflation



“The Bank achieved its objectives of price and financial sector stability over the financial year 2016/2017 (July 2016-June 2017) despite challenging global and domestic economic conditions”.

eased from 6.9% in July 2016 to 4.7% in June 2017 following the improvement in weather conditions that helped to push down food prices. Other downward inflationary pressures came from the drop in the FRW depreciation against the USD, from 8.9% in 2015/16 to 6.0% in 2016/17.

Over the reporting period, the Bank put efforts in maintaining the stability of the financial sector through prudential regulation and financial market development. The size of the financial sector measured by total assets relative to GDP stood at 54.3% in June 2017 up from 33.8% in 2010. The capital adequacy ratios and liquidity ratios of the financial sector remained at high levels, well above relevant statutory minimum requirements. The asset quality deteriorated during the year with non-performing loans ratio at 8.2% in June 2017 from 7.2% recorded in June 2016. However, the banks have maintained necessary capital buffer to withstand shocks that may arise. The Bank will continue to closely monitor developments in the lending operations and take appropriate measures. As of June, 2017, the ratio of Credit to GDP for banks and MFIs was 24.3%, compared to 23.8% recorded in 2015/16.

The Bank continued to enhance electronic payment system, as a result, there was an increase in value of e-transactions ratio to GDP from 16.5% recorded in 2015/16 to 21.09% in 2016/17.

Our foreign reserves reached 4.2 months of import at the end of June 2017 above our mid-term target of 4.0 months. In addition, the Bank recorded returns from foreign reserves investment of 0.84% against benchmark return of 0.7% mainly attributed to the new adopted Strategic Asset Allocation (SSA) of 25% in short term deposits and 75% in Bonds.

The National Bank made a significant progress in modernizing ICT towards full automation of business processes, secure and stable IT systems while complying with international standards. The National Bank launched Internet banking during the financial year that facilitated the customers accessing the Bank easily. Automation of currency management was at advanced stage, affording the Bank the capacity to process total deposits from commercial banks and return fit notes back into circulation within one day.

In areas of cyber security, the Bank implemented ISMS framework (Information Security Management System) and was accredited as ISO/IEC 27001:2013 certified, following the assessment conducted by

TNV Certification UK an international conformity assessment body as per requirements of ISO 17021.

The Bank has for the past years invested in human capital as the basis for improving excellence in delivering the bank mission. In 2014, organizational restructuring including policy reforms, followed by skills audit led to improvement of standards, staff motivation and accountability. We further pursued our consistent commitment to enhance excellence through a strategic capacity development plan and robust performance management systems to tighten the alignment of individual goals to the overall corporate mission.

The result of this has been realized in form of improved staff capacity, and high analytical and forecasting competencies evident in the monetary policy and financial stability and reserves management among other Bank's functions in a complex and fragile international, regional and local context. This will be systematically blended to meet the emerging development challenges along with the world class vision journey.

While BNR does not have a profit-maximizing objective, the Bank recorded a surplus of FRW 677.3 Million during the period under review, and paid dividend worth Frw 237.1 Million to government after all legal obligations. Our Auditors KPMG Rwanda Limited issued a clean audit report for FY 2016/17.

To foster cooperation and monetary integration, as well as regulatory and supervisory convergence at the regional level, the Bank continued to participate in the Central Banks meetings in the EAC, COMESA, IMF, MEFMI, AFI and AACB communities.

The Bank designed and approved a 10 years roadmap towards a World Class Central Bank. Based on the roadmap, we reviewed our 5 year - now 7 year-strategic plan to adapt to the dynamic environment we operate in.

Finally, I wish to pay tribute to the Board of Directors, all BNR staff, financial institutions and other key stakeholders for their invaluable contribution in the attainment of this year's performance.

RWANGOMBWA John

Governor

2016/17 AT A GLANCE

Economic Growth



- Growth of agriculture sector
3.0%
- Growth of industry sector
2.0%
- Growth of service sector
5.0%

Annual Average Headline Inflation



Frw depreciation vs USD (End June 17)



BNR Key Repo Rate



Credit to the Economy (% of GDP)-Banks & MFIs



Financial sector assets/GDP



Banking sector profitability



Capital Adequacy Ratio (Banks)>15%



Capital Adequacy Ratio (MFIs) >15%



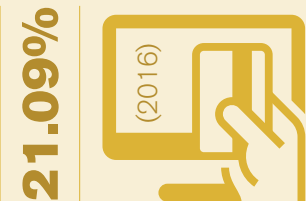
Solvency margin for
insurance sector /Private
and public (Min. 100%)



Solvency margin for insurance
sector/Private (Min. 100%)



% E-payment Transaction per GDP (calendar Year)



From 0.32% in 2011

Number of POS per 100,000 adult population



Annual Gross Reserves in Months of imports



Cumulative return on foreign exchange reserves investment



Investment share in Government securities:

- Share of institutional investors

June 2017 **58.8%** From 18.8% in 2013

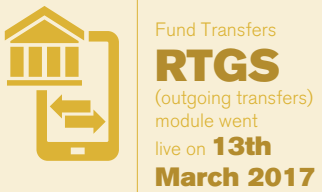
- Share of retail investors

June 2017 **4.2%** From 0.1% in 2013

- Share of banks' investments

June 2017 **37.0%** From 81.2% in 2013

Internet banking



Board Members	50%	Gender Diversity	50%
The Management	50%		50%
Director General	66.7%		33.3%
Directors	28%		72%

TOWARDS WORLD CLASS CENTRAL BANK: BNR STRATEGIC FRAMEWORK

The theme of this year's report is highlighting our journey towards BNR's vision to become a world-class central bank. This journey has started from a solid baseline. The financial year 2016/2017 saw the culmination of a transition from a five-year phase of modernisation, which the Bank had embarked on after the historical visit of His Excellency President Paul Kagame to the Bank, to a new set of transformations. At that time, the President of the Republic challenged the Bank to implement key reforms in information technology, general infrastructure, and in research and other human resource aspects of the Bank. A modernisation plan was derived accordingly, which was successfully completed, with a report produced in August 2014. It is against this background that the Bank took the initiative to define its new wave of improvements, by defining a ten-year roadmap to becoming a world class central bank.

The roadmap entails professionalism in performing the core mandates of the bank in the four strategic goals, namely price stability, sound and inclusive financial system, resilience to external shocks, and achieving cashless economy.

To achieve these, the roadmap defines six strategic enablers as follows: governance, financial sustainability, motivated and talented workforce, paperless and secure online services, big data analytics, and becoming an effective and influential player of on global scale.

The above strategic goals and enablers form the core of the business strategy of the Bank, the achievement of which is hinged on how it will be delivered. Mindful of this

fact, the roadmap defines 10 critical success factors, which are **integrity, accountability, mutual respect and team work, culture of excellence**, innovation, mindset for development, customer focus, transparency and openness, sense of urgency, and being result-oriented. The first four highlighted on the list were singled out to become corporate values of the Bank.

During the reporting period, the Bank also revised its strategic plan to align it to the world-class blue print and bring it to a 7-year horizon. Five strategic goals were defined as follows :

- Price stability
- Sound and inclusive financial system
- Safe, resilient, effective and accessible payment, settlement and currency systems
- Sufficient level of reserves, and
- Performance excellence.

The above strategic framework will enable the Bank achieve its core missions of Price Stability and a Sound Financial system, as outlined in the Law No. 55/2007 of 30/11/2007.

BELOW IS AN ILLUSTRATION OF THE BANK'S LONG TERM VISION TO BECOME A WORLD CLASS CENTRAL BANK.



Critical Success Factors

Integrity | Accountability | Mutual Respect and Team Work | Culture of Excellence | Innovation
Mind set for Development | Customer Focus | Transparency and Openness | Sense of urgency | Result Oriented

"We continuously seek improvement by encouraging new ideas and welcoming feedback that adds value to customer service."

EXECUTIVE SUMMARY

The National Bank of Rwanda's vision is to become a world-class central bank. During the financial year 2016/2017, the Bank devoted efforts to unpack this vision into measurable end-states. A ten-year roadmap was outlined for its business strategic goals, strategic enablers, and critical factors for success. In its strategic goals, the Bank aims to achieve price and financial sector stability in a cashless economy, and resilience to external shocks. Strategic enablers are governance, financial sustainability, motivated and talented workforce, paperless and secure online services, big data analytics, and becoming an effective and influential player on the global scale. The critical factors are integrity, accountability, mutual respect and team work, culture of excellence (these four form the corporate core values), innovation, mindset for development, customer focus, transparency and openness, sense of urgency, and being result-oriented.

During the reporting period, the Bank also revised its strategic plan to align it to the world-class blue print. Targets and activities were articulated geared to achieve five strategic goals that the Bank has assigned itself as follows:

- Price stability
- Sound and inclusive financial system
- Safe, resilient, effective and accessible payment, settlement and currency systems
- Sufficient level of reserves, and
- Performance excellence.

In order to achieve price stability, the Bank continued to implement a prudent monetary policy stance to support the financing of the economy through the banking sector. For this reason, BNR reduced its policy rate from 6.5% to 6.25% in December 2016 and from 6.25%

to 6.0% in June 2017 in a context of declining inflationary and exchange rate pressures. As a result, broad money expanded by 13.5% (y-o-y) in June 2017 against 10.1% in June 2016 while the stock of credit to the private sector increased by 8.5% during the same period.

Average headline inflation stood at 6.8% during the financial year 2016/17 compared to 4.1% of the previous financial year and the single-digit benchmark agreed in EAC convergence criteria. The increase in inflation was mainly due to reduced food supply following the long dry spell experienced in 2016/17. In the same period, the FRW depreciated by 6.0% compared to 8.9% recorded in the previous financial year. This was due to the easing of pressures from commercial banks and improvement in foreign currency deposits.

In regard to financial stability, during the year under review the Bank strengthened its foundation for supervision and regulation. Several regulations were reviewed to align to international best practices such as the Basel and the Insurance Core Principles. In addition, the Bank licensed Commercial Bank of Africa as a microfinance bank and Mayfair as an insurer and five forex bureau. The Bank placed three insurers (one Life and two Non-life insurers) under administrative control after these companies failed to comply with the solvency and capital requirements. These companies have subsequently been recapitalized while their Boards of Directors as well as Management have been reconstituted as a basis of their turnaround.

The BNR also operationalized the Deposit Guarantee Fund which started collecting premiums from Banks and MFIs/SACCOs for purposes of refund of depositors in the event of failure of a Bank or MFI/SACCO. The Bank also coordinated the second and last phase

of a process of refunding depositors of MFIs/ SACCOs that failed since 2006. The Bank continued to fulfil its supervisory mandate through onsite and offsite surveillance of the financial sector.

Due to above interventions, overall financial sector continued to be sound and stable. The size of the financial sector as percentage of GDP stood at 54.3%. The total assets of banks increased by 12.9% in June 2017 (year-on-year) from FRW 2.27 trillion in June 2016 to FRW 2.57 trillion in June 2017.

Credit to the economy for banks and MFIs was 24.3% of GDP compared to 23.8% of the previous financial year. The capital adequacy and liquidity ratios of the financial sector were above minimum prudential requirements. However, the asset quality deteriorated during the year with non-performing loans ratio at 8.2% in June 2017 from 7.2% recorded in June 2016. This was mainly caused by weak projects assessment by commercial banks and micro finance institutions, inadequate credit monitoring and subdued economic performance in the first half of 2017. BNR plans to continue engaging banks and MFIs on improving their loan appraisal standards and their monitoring of financed projects through off and onsite surveillance.

The total assets of the insurance sector stood at FRW 366.5 billion as at the end of June 2017, indicating a year-on-year growth of 10%. This growth of assets is mainly attributed to (1) capital injection from some insurance companies and; (2) retained profits during the period under review.

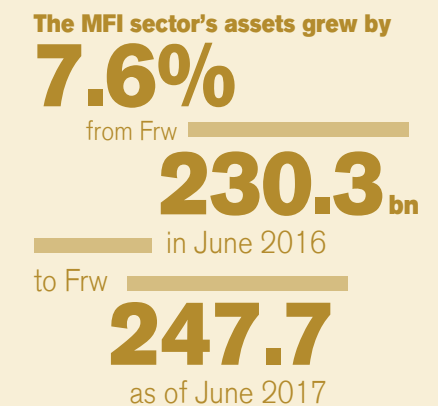
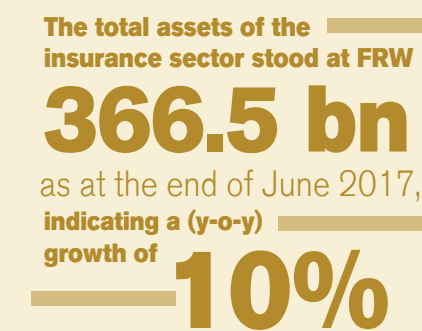
The Microfinance sector's assets grew by 7.6% from Frw 230.3 billion in June 2016 to Frw 247.7 as of June 2017 largely driven by loans and liquid assets which rose by 11.3% and 5.8% respectively. The deposits grew by 5.9% from Frw 126.0 billion in June 2016 to Frw 133.4 billion as at June 2017. The Capital Adequacy Ratio (CAR) and the liquidity ratio stood at 33.3% and 99.1% well above the minimum regulatory requirement of 15% and 30% respectively.

In respect to compliance with prudential norms, as of June, 2017 USACCOs were well capitalized at 31.4% above 15% required and sufficiently liquid at 112.8% above 30% required.

In line with our Country's vision to become a cashless economy, there was significant progress in the value of e-transactions ratio to GDP that stood at 21.09% in June 2017 from 16.5% in the previous financial year. This was due to increased number of merchants' acceptance of payments done through point of sales (POSS) and adoption of internet banking by different institutions to pay different services.

As far as reserves management is concerned, the level of our official reserves was kept at 4.2 months of imports in 2016/2017 compared to 4.0 months in the previous financial year which is also the benchmark recommended by the IMF.

With respect to modernization process to become a World Class Central, we continued to deepen the culture of excellence from all angles. As a result of the policy reforms, improved working environment and welfare standards, modern working tools and systems, staff capacity development, BNR is proud to be an employer of choice.



CHAPTER - I

PRICE STABILITY

The main mandate of the BNR is to maintain price stability, achieved through the formulation and implementation of a prudent monetary policy. In 2016/17, BNR conducted its monetary policy amid domestic and global economic challenges as highlighted in the next sections.

1.1 GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

Global economic growth slowed from 3.4% in 2015 to 3.2% in 2016, though it is expected to reach 3.5% in 2017, supported by rising consumer confidence, investments, and global demand, complemented by favorable financial conditions. Despite this expected improvement, global aggregate demand generally remains subdued. These positive global economic prospects are expected in all economic blocks, though growth will remain uneven. Growth is expected to improve to: 2.0% in 2017 from 1.7% in 2016 for advanced economies, 4.6% from 4.3% for emerging and developing economies and 2.7% from 1.3% for Sub-Saharan Africa, during the same period.

Global inflation is projected to 3.0% in 2017 from 2.8% in 2016, mostly led by recovering energy prices. However, inflation in advanced economies is expected to remain below central banks' targets in line with subdued aggregate demand, pointing to continuous accommodative monetary policy.

On commodity markets, the overall price index which includes energy and non-energy commodities, rebounded in 2017, above the 2016 level, from a sharp decline observed in 2015. Prices for almost all commodities are expected to continue rising.

1.2 DOMESTIC ECONOMIC PERFORMANCE

The Rwandan economy grew by 3.4% in 2016/2017 after 8.6% recorded in 2015/2016. This low performance mainly resulted from the bad weather that affected agricultural production, and the completion of big infrastructure projects that constrained the performance of the industry sector.

Growth of the agriculture sector slowed to 3.0% in 2016/17 from 5.0% in 2015/16, reflected in the poor performance of export crops (-5.0%) and low performance of food crops (+3.0%). The industry sector registered the lowest growth,

standing at 2.0% in 2016/17 from 10.0% in the previous fiscal year, mainly due to the poor performance of the construction sub-sector (-3.0%). During the same period, the service sector

1.3. EXCHANGE RATE AND FOREX MARKET DEVELOPMENTS

1.3.1. OVERVIEW

The high pressure on the exchange rate observed at the beginning of the 2016/2017 fiscal year resulting from the decline in international commodity prices and high demand for forex by some big projects under the Public-Private Partnership (PPP) was eased in the second half of the fiscal year. The reversed trend was led by significant increase in exports earnings thanks to the recovery in international commodity prices and the decline in the import bill, and the completion of the big PPP projects.

Therefore, the 2016/2017 fiscal year ended with less pressures on the exchange rate compared to the previous fiscal year and consequently, BNR reduced the FX sales to banks.

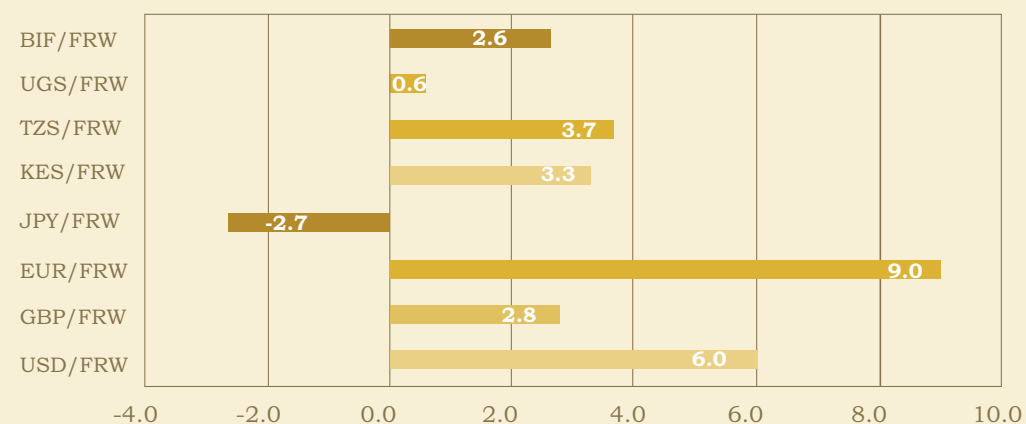
1.3.2. LOCAL CURRENCY DEVELOPMENT VIS-À-VIS OTHER CURRENCIES

The FRW depreciated by 6.0% in the fiscal year 2016/2017 against a depreciation of 8.9% recorded in the previous fiscal year.

During the same period, the FRW depreciated by 9.0% and 2.8% versus the EURO and GBP respectively, while it appreciated by 2.7 against the Japanese Yen. In Comparison with regional currencies, the FRW depreciated by 3.3%, 0.6%, 3.7% and 2.6% against the Kenyan shilling, Ugandan shilling, Tanzanian shilling and Burundian franc, respectively.

FIGURE 1: DEPRECIATION/APPRECIATION OF FRW AGAINST MAJOR AND REGIONAL CURRENCIES (2016/2017)

FRW per unit currency (in % compared to June 2016)

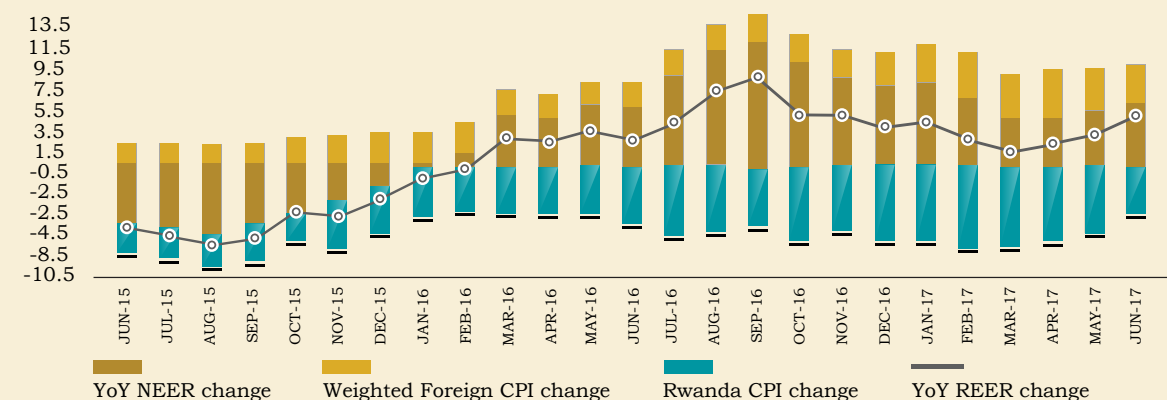


Source: BNR

1.3.3. REAL EXCHANGE RATE WITH MAJOR TRADING PARTNER COUNTRIES

The FRW real effective exchange rate (REER) is the weighted average of the value of FRW relative to an index of currencies of major trading partners, adjusted for the effects of inflation. Looking at the basket of currencies for these main trading partners, it is worth mentioning that by end June 2017, the FRW real effective exchange rate depreciated by 4.7%, compared

to a depreciation of 2.2% end June 2016, mainly attributed to the depreciation of the nominal value of the FRW against currencies of some of the major trading partners and the increase in the inflation differential. In nominal effective terms, the FRW depreciated by 5.8% compared to a depreciation of 5.3% in June 2016.

FIGURE 2: DRIVERS OF REER MOVEMENT

Source: BNR

1.3.4. COMMERCIAL BANKS FOREX RESOURCES AND EXPENDITURES

In 2016/2017, forex resources in the banking sector stood at USD 3,352.4 million against USD 2,981.80 million recorded in the previous fiscal year, while forex expenditure amounted to USD 2,916.8 million after USD 2,739.90 million in 2015/2016.

The forex resources in commercial banks significantly increased by 12.4% in 2016/2017 after declining by 22.6 % in the previous fiscal year. This recovery was mainly attributed to the forex purchases from the public and receipts on services that rose by 38.7% and 21.5% respectively. The forex deposits and transfer transactions were also the main contributors, after increasing by 19.5% and 10.6% respectively.

On the other side, forex expenditures of commercial banks slightly increased by 5.6% in 2016/2017 compared to a decline by 29.1% in the previous fiscal year.

This primarily resulted from a slow increase in sales to forex bureaus by 15.2% compared to the increase by 65.3% observed in the previous fiscal year, and expenditures on imported services whose increase narrowed to 18.4 % compared to 44.8% observed in 2015/2016 fiscal year.

Given the higher increment in forex resources than expenditures in commercial banks, excess of forex in banks broadened by 80.1%, from 241.89 USD million to 435.6 USD million, hence contributing to easing pressure on exchange rate of FRW.

The forex resources in commercial banks significantly increased by

12.4%

in 2016/2017 after declining by

22.6%

in the previous fiscal year.

forex expenditure amounted to

USD 2,916.8 million

after USD 2,739.90 million

in 2015/2016.

TABLE 1: COMMERCIAL BANKS FOREX RESOURCES AND EXPENDITURES (USD MILLION)

	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	% CHANGE
Resources	2,599.45	3,086.89	3,217.58	3,841.27	3,851.10	2,981.80	3352.4	12.4
Transfer transactions	-	-	-	1,349.93	1,723.94	1,602.47	1772.8	10.6
Exports receipts	293.17	352.91	469.05	545.65	493.14	271.1	283.8GF	4.7
Receipts on services	255.9	329.06	338.05	412.19	165.37	162.43	197.3	21.5
Private transfers received	1,785.73	1,982.71	2,064.69	2,197.84	1,065.43	1,168.95	1291.7	10.5
Enterprises	1,009.32	1,109.63	1,209.38	1,427.64	660.06	683.92	801.5	17.2
NGOs	278.65	274.21	263.1	230.46	169.89	190.62	196.6	3.1
Individuals	380.92	480.59	487.92	438.41	132.58	200.38	188.6	-5.9
Government projects	23.92	29.62	20.84	21.2	18.1	12.71	14.6	14.8
Church's	55.5	58.52	56.74	59.48	54.04	56.17	60.9	8.4
Associations	20.69	16.94	14.62	14.51	12.24	17.31	17.0	-1.7
Banks	16.72	13.18	12.1	6.13	17.48	3.49	0.1	-97.4
International organisations							12.4	
Purchases forex from NBR	264.65	422.22	345.79	329.75	247.15	321.3	306.1	-4.7
Transaction in Cash	-	-	-	355.83	1,880.01	1,058.02	1273.5	20.4
Deposit	-	-	-	309.59	1,692.02	1,009.67	1206.5	19.5
Purchases forex from public	-	-	-	46.25	187.99	48.35	67.1	38.7
Expenditure	2,664.94	2,948.03	3,149.08	3,737.56	3,866.63	2,739.90	2916.8	6.5
Transfer transactions	-	-	-	1,457.14	2,209.25	1,860.84	1888.5	1.5
Imports of goods	1,520.51	1,834.82	2,112.35	2,400.58	1,735.91	1,479.46	1492.6	0.9
Imports of services	421.21	453.75	430.4	419.32	158.8	229.92	272.1	18.4
Private transfers paid	552.18	490.01	545.84	577.67	314.55	151.46	123.8	-18.2
Sales to Forex Bureaus	171.03	169.45	60.49	53.91	31.28	51.71	59.6	15.2
Transaction in Cash	-	-	-	286.08	1,626.09	827.36	968.6	17.1
Withdrawal	-	-	-	228.17	1,349.75	708.46	823.8	16.3
Sales to public	-	-	-	57.9	276.34	118.89	144.8	21.8
Excess (- : deficit)	-65.49	138.86	68.5	103.72	-15.53	241.89	435.6	80.1

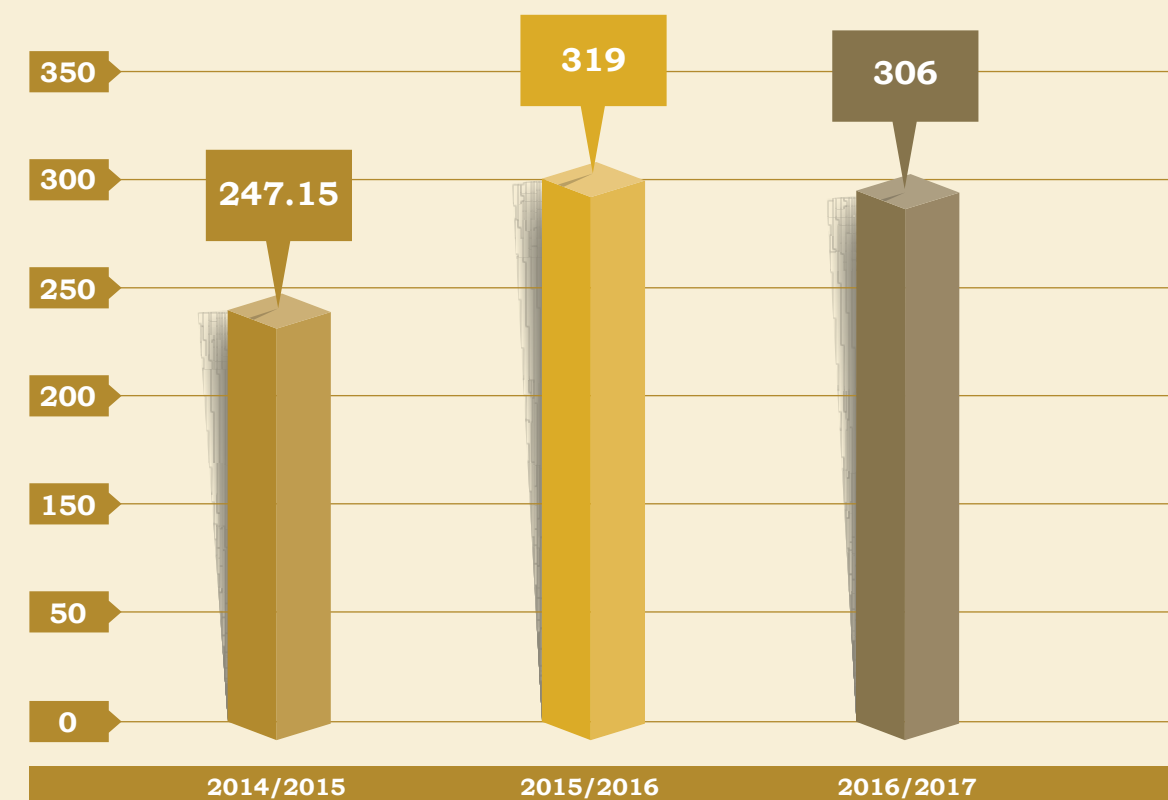
Source: BNR

1.3.5. BNR SALES TO BANKS

Due to sufficient forex resources within commercial banks, BNR sales to commercial banks slightly reduced by 4.07%, to USD

306.0 million in 2016/2017 compared to USD 319.0 million sold in 2015/2016 fiscal year.

FIGURE 3: BNR SALES TO BANKS IN MILLIONS OF USD



Source: BNR

1.4 INFLATION DEVELOPMENTS

During the financial year 2016/17, Rwanda experienced inflationary pressures mainly emanating from a reduction in domestic food supply following a prolonged dry season that hit EAC countries.

Despite starting at a high level, the FRW depreciation eased since January 2017, helping to tame imported inflation. Other inflationary pressures in 2016/17 came from the increase

in tariffs for some products such as rice, sugar and second hand clothing and foot wear as well as from the upward revision in drinks produced by Bralirwa.

Despite rising from 6.9% in July 2016 to 8.2% in February 2017, headline inflation eased to 4.8% in June 2017. Core inflation has remained anchored around 5%, settling at 4.0% in June 2017.

1.4.1 INFLATION TRENDS AND INTERPRETATION

In 2016/17, headline inflation remained above 5%, except in June 2017. The increase in inflation was mainly due to reduced food supply following the long spell of the dry season experienced in 2016/17.

On average, headline inflation stood at 6.8% during the financial year 2016/17, though it declined to 4.8% in June 2017, mainly due to the deceleration in vegetables inflation. In the last quarter of the financial year 2016/17 headline inflation slowed to 6.2% from 7.7% of the previous quarter as food prices started to fall. Following the trend of food prices, domestic inflation rose to 6.8%, on average during the 2016/17 financial year, but declined to 5.9 % in the last quarter of 2016/17 from 7.4% in the previous quarter.

Core inflation remained broadly stable, fluctuating around 5.0% in 2016/17. It however edged up to 5.5% in 2017Q1 before easing to 4.5% the following quarter, consistent with the prevailing level of aggregate demand, the marginal increase in prices of some products classified as core, the effect of tariffs, the second round effect of energy and food prices as well as the ease in the depreciation of the FRW against the USD.

Imported inflation stood at 7.1% on average in 2016/17, after rising to 6.4% in June 2017 from 3.9% June 2016 mainly due the effect of the increased tariffs on some imported items such as second hand clothes.

TABLE 2: INFLATION DEVELOPMENTS FOR KEY ITEMS, IN ANNUAL % CHANGE

	2016							2017					
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Headline	5.5	6.9	6.4	5.8	7.4	6.4	7.3	7.4	8.1	7.7	7.3	6.5	4.8
Domestic	6.1	7.5	6.8	5.9	7.8	6.0	7.1	7.1	7.9	7.3	7.2	6.4	4.3
FOOD:	9.4	13.8	12.0	11.2	16.3	13.5	16.4	16.2	17.6	16.1	15.8	14.3	9.8
Vegetables	20.2	30.8	24.6	18.8	26.7	18.2	22.2	21.7	23.1	18.4	18.3	16.2	5.3
Alcoholic	8.7	5.1	0.1	0.2	-0.4	0.5	2.0	2.8	6.6	7.5	8.4	8.6	8.6
Education	1.7	1.7	1.7	2.3	2.3	2.3	2.3	0.9	-0.8	-0.8	-0.8	-0.8	-0.8
Housing	2.9	2.8	3.0	0.9	1.3	1.0	1.4	1.4	2.1	2.5	2.2	1.8	1.5
Transport	7.0	8.7	8.6	8.7	7.9	7.5	7.7	8.3	8.3	8.9	6.1	5.4	4.6
Imported	3.9	5.2	5.5	5.6	6.3	7.7	7.9	8.4	8.8	9.1	7.4	6.8	6.4
Core	4.2	4.2	4.5	4.8	5.3	5.0	5.3	5.5	5.6	5.4	4.8	4.9	4.0
Energy	4.1	6.0	6.0	-0.3	0.7	1.7	2.6	1.2	4.6	6.9	6.1	4.0	5.6

Source: BNR

1.5 MONETARY POLICY STANCE IN FY 2016/17

During the fiscal year 2016/2017, BNR maintained an accommodative monetary policy stance to continue supporting the financing of the economy by the banking sector, given that the observed inflationary and exchange pressures were foreseen to decline. BNR reduced twice its policy rate (KRR) between December 2016 and June 2017 to 6.25% from 6.50% and to 6.0% respectively.

1.5.1. DEVELOPMENTS IN MONETARY AGGREGATES

As a result of the BNR accommodative monetary policy stance, broad money (M3) expanded by 13.5% in 2016/2017, standing at FRW 1,784.0 billion, against a growth of 10.1% realized in

2015/2016. The growth in monetary aggregates was driven by an expansion in both Central bank and commercial banks' Net Foreign Assets (NFA) that grew by 7.3% and 3703.4% respectively in 2016/2017 from a growth of 6.7% and a decline of 105.1 percent respectively recorded in 2015/2016. This improvement in NFA resulted from increased foreign inflows and good performance of external sector in 2016/2017 compared to 2015/2016.

The Net Domestic Assets slightly increased by 4.7% in 2016/2017 from 20.0% in 2015/2016. The low growth in Net Domestic Assets (NDA) followed lower growth in credit to private sector by 8.5% in 2016/2017 from a growth of 22% in 2015/2016 which resulted from a slowdown in economic activities.

**TABLE 3: MONETARY AGGREGATES DEVELOPMENTS
(END PERIOD, IN FRW BILLION, UNLESS OTHERWISE INDICATED)**

	JUN-15	JUN-16	DEC-16	MAR-17	JUN-17	JUN16/JUN15	JUN17/JUN16
Net foreign assets	599.5	567.5	739.2	686.0	731.9	-5.3	29.0
o/w BNR	535.0	570.8	659.6	596.3	612.6	6.7	7.3
Commercial banks	64.5	-3.3	79.6	89.7	119.3	-105.1	3703.4
Net domestic assets	837.5	1004.9	855.5	938.5	1052.0	20.0	4.7
Domestic credit	1181.4	1436.3	1325.6	1434.3	1573.3	21.6	9.5
Central government (net)	125.0	124.4	12.2	54.3	149.8	-0.5	20.4
Credit	287.0	318.3	284.5	319.7	352.7	10.9	10.8
Deposits	162.0	193.9	272.3	265.4	203.0	19.7	4.7
Public enterprises	14.3	40.3	43.7	45.4	44.3	182.6	9.9
Private sector	1042.1	1271.6	1269.6	1334.6	1379.2	22.0	8.5
o/w foreign currency	85.4	196.5	163.0	185.1	215.9	130.0	9.9
Other items net (Assets: + Liab: -)	-343.8	-431.4	-470.0	-495.8	-521.2	-25.5	-20.8
Broad money M3	1427.8	1572.4	1594.7	1624.5	1784.0	10.1	13.5
Currency in circulation	134.9	150.8	145.9	143.0	159.5	11.7	5.8
Deposits	1292.9	1421.6	1448.8	1481.5	1624.5	10.0	14.3
o/w Demand deposits	616.2	640.0	587.9	570.6	676.6	3.9	5.7
Time and saving deposits	441.1	512.4	532.4	572.2	547.1	16.2	6.8
Foreign currency deposits	235.6	269.2	328.5	338.7	400.8	14.3	48.9

Source: BNR, Statistics Department

The new authorized loans by the banking sector reduced by 3.7% in 2016/2017 from 17.4% recorded in 2015/2016. This reduction is mainly explained, on one hand, by the contraction in new loans to commerce, restaurants and hotels

by 14.1% and, on the other hand, by a decrease in loans to manufacturing activities by 24.4%, consistent with the deceleration in the sector's activities.

TABLE 4: NEW AUTHORIZED LOANS BY ECONOMIC SECTORS (FRW BILLION)

ECONOMIC SECTOR	2011/ 2012	2012/ 2013	2013 /2014	2014/ 2015	2015/ 2016	2016/ 2017
Activities not classified elsewhere	77	65.8	64	59.4	74.3	84.4
Agricultural, fisheries and livestock	11.1	9.6	8.1	12.2	13.5	10.1
Mining activities	0	0	0.2	0.6	1.7	0.7
Manufacturing activities	20.5	40	73.6	39.6	74.7	56.5
Water & energy activities	0.6	4.1	21.3	10.7	8	25.5
Public works and buildings	113.9	95.1	118.4	189.2	207.6	210.3
Commerce, restaurant and hotel	184.9	202.3	240.8	285.5	351.5	301.9
Transport & Warehousing & Communication	28.1	29.8	30.1	50.9	48.2	57.2
OFI & Insurances and ONFS	11.5	7.9	2.6	6	5.8	8.8
Services provided to the community	10	13	18.8	34.4	22.5	23.1
Total	457.5	467.6	577.7	688.3	808	778.4
% change	53.7	2.2	23.5	19.1	17.4	-3.7

Source: BNR, 2017

Concerning the distribution of new authorized loans by sectors of economic activity, commerce, restaurant and hotels remained dominant compared to other sectors (38.8%), however its share has reduced from 43.5% in 2015/2016 to 38.8% in 2016/2017.

Public works and buildings registered the second highest share (27.0%) followed by non-classified activities (10.8%) and manufacturing activities (7.3%).

TABLE 5: DISTRIBUTION OF NEW AUTHORIZED LOANS (% SHARE)

ECONOMIC SECTOR	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Activities not classified elsewhere	16.8	14.1	11.1	8.6	9.2	10.8
Agricultural, fisheries and livestock	2.4	2.1	1.4	1.8	1.7	1.3
Mining activities	0	0	0	0.1	0.2	0.1
Manufacturing activities	4.5	8.6	12.7	5.8	9.3	7.3
Water & energy activities	0.1	0.9	3.7	1.6	1	3.3
Public works and buildings	24.9	20.3	20.5	27.5	25.7	27.0
Commerce, restaurant and hotel	40.4	43.3	41.7	41.5	43.5	38.8
Transport & Warehousing & Communication	6.1	6.4	5.2	7.4	6	7.3
OFI & Insurances and ONFS	2.5	1.7	0.5	0.9	0.7	1.1
Services provided to the community	2.2	2.8	3.3	5	2.8	3.0
Total	100	100	100	100	100	100.0

Source: BNR, 2017

On money demand side, the currency in circulation growth stood at 5.8% in 2016/2017, lower than 11.7% recorded in 2015/2016.

The growth of total deposits in the banking system expanded to 14.3% in 2016/2017 from 10.0% recorded in 2015/2016 as demand and foreign currency deposits increased by 5.7% and 48.9% against 3.9% and 14.3% recorded in 2015/2016, respectively. However, term deposits growth slowed down to 6.8% from 16.2%.

The high growth of foreign currency deposits in 2016/2017 was mainly a result of the good external sector performance.

Exports receipts increased by 27.7% whereas the import bill declined 9% in 2016/2017 against -4.4% and -1.8% respectively recorded in 2015/2016.

The deceleration of Term deposits in 2016/2017 was due to the continuing increase in investments of non-bank investors in government securities. T- Bills and T-Bonds outstanding increased y-o-y in June 2017 by 70.5% and 45.5% respectively from 327.9% and 74.4% in June 2016.

1.5.2 BANKING LIQUIDITY CONDITIONS AND INTERESTS RATES DEVELOPMENTS

Total commercial banks' most liquid assets decelerated slightly by 0.9% between June 2017 and June 2016 standing at FRW 309.0 billion in June 2017 from FRW 311.7 billion in June 2016, while they recorded a sharp decline of 7.4% between June 2016 and June 2015.

The moderate contraction of liquidity conditions was explained by a decline of demand for foreign exchange in the 2017H1, recording a total of sales of USD 130.6 million equivalent of FRW 112.0 billion, while they summed to USD 157.0 million, equivalent to FRW 120.8 billion during the same period of the previous fiscal year. This allowed commercial banks to build up their liquidity and increase their investments in short-term instruments such as repurchase agreements operations of which the stock increased by 77.6 percent standing at FRW 60.4 billion in June 2017 from FRW 34.0 billion in June 2016.

Furthermore, the same improvement was more supported by the net fiscal injection which amounted to FRW 206.4 billion compared to FRW 181.9 billion injected in the previous fiscal year.

TABLE 6: OUTSTANDING OF LIQUID ASSETS OF COMMERCIAL BANKS (IN FRW BILLION)

	2015	2016				2017				% CHANGE	
	JUN	MAR	JUN	SEP	DEC	MAR	APR	MAY	JUNE	JUN-16/ JUN-15	JUN-17/ JUN-16
T-bills	206.5	232.7	214.0	180.3	177.7	192.3	190.3	192.9	207.8	3.7	-2.9
Repo	78.5	15.0	34.0	0.0	30.5	21.0	10.0	22.0	60.4	-56.7	77.6
Excess Reserves	20.8	20.7	31.7	20.5	24.5	14.8	18.0	19.8	9.9	52.3	-68.8
Cash in Vault	30.9	30.5	32.0	28.3	30.8	31.4	28.3	29.7	30.9	3.7	3.4
Total	336.7	298.8	311.7	229.2	263.6	259.5	246.6	264.4	309.0	-7.4	-0.9

Source: BNR

Throughout the fiscal year under review, increasing pressures in money market interests have been gradually easing due to prevailing banking system liquidity conditions and the accommodative BNR monetary policy. T-bills, repo and interbank interest rates increased

respectively by 149, 80, and 47 basis points between June 2017 and June 2016, while they increased by 324, 161 and 190 basis points between June 2016 and June 2015.

TABLE 7: INTEREST RATES (PERCENT)

	2015	2016				2017					
	Jun	Mar	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	Jun
Key Repo Rate	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.00
Discount Rate	10.50	10.50	10.50	10.50	10.25	10.25	10.25	10.25	10.25	10.25	10.00
Repo Rate	2.01	3.09	3.62	4.73	5.02	5.50	5.18	4.99	4.75	4.24	4.42
T-Bills Rate	4.05	6.35	7.29	8.22	9.02	9.38	9.58	9.42	9.14	9.01	8.78
Interbank Rate	4.03	5.18	5.93	6.67	6.61	6.82	6.33	6.10	6.22	6.34	6.40
Deposit Rate	8.80	7.32	7.94	8.24	8.01	7.39	7.22	7.84	7.85	8.57	7.92
Lending Rate	17.26	17.09	16.95	17.36	17.21	17.45	16.78	16.85	17.33	17.24	16.76
Spread	8.46	9.77	9.01	9.12	9.20	10.06	9.56	9.01	9.48	8.67	8.84
Real Deposit Rate	6.05	2.72	2.40	2.41	0.73	-0.01	-0.88	0.11	0.59	2.03	3.15
Real Lending Rate	14.51	12.48	11.41	11.53	9.93	10.05	8.68	9.12	10.07	10.70	11.99

Source: BNR

Regarding commercial banks interest rates, average weighted lending rate increased to 17.25% on during the fiscal year under review from 17.18% during the previous fiscal year, while the average weighted deposit rate reduced to 7.83% from 8.0% during the same period.

This led the interest rate spread to increase, averaging around 9.42% compared to 9.18% observed in the previous fiscal year.

1.6 GOVERNMENT BOND MARKET DEVELOPMENTS

Capital market development and macroeconomic policies are mutually reinforcing. The capital market is enabler of growth and provide long-term finance for real sector.

As the Government Treasury Bonds are the backbone for other securities, the Government of Rwanda through the National Bank of Rwanda has been issuing Treasury Bonds on quarterly basis to access to domestic resources as well as to avail more products on the market and moving forward the development of the capital

market. In the end, corporations are expected to issue the private Bonds in order to get long term financing.

During the year under review, BNR issued four bonds amounting to Frw 50 billion for the maturity of 3.5 and 7 years. In the context of the regular issuance plan, the Central Bank continued to establish the benchmark yields for the long term investment products including 10 and 15 years maturity.

TABLE 8 : T-BONDS OUTSTANDING 2014- JUNE, 2017 (IN FW BILLION AND %)

YEAR	BANKS		INSTITUTIONAL INVESTORS		RETAIL INVESTORS		TOTAL
	VALUE	IN PERCENT	VALUE	IN PERCENT	VALUE	IN PERCENT	
2013	6.9	81.2	1.6	18.8	0.0	0.1	8.5
2014	24.3	50.1	23.4	48.3	0.8	1.6	48.5
2015	46.2	46.2	51.5	51.5	2.3	2.3	100.0
2016	60.9	39.9	86.5	56.7	5.1	3.3	152.5
JUNE 2017	59.0	37.0	94.3	58.9	6.8	4.2	160.0

Source: BNR

In all these issuances, there is an increasing participation of institutional and retail investors. The share of institutional investors increased from 18.8 percent by December 2013 to 58.9 percent end June 2017 and the share of retail investors increased to 4.2 percent end December 2016 from 0.1 percent in the same period.

On other hand, the share of banks' investments in government bonds declined from 81.2 percent end December 2013 to 37.0 percent end June 2017. This shows the increase in savings thanks to the opportunity offered by the introduction of capital markets and the growing public awareness for the investment in T-Bonds market.

Further expectations from the issuance of Government Bonds are related to the enhancement of monetary policy transmission mechanisms and therefore through the development of the secondly market trading activities which are performed by the RSE.

During the fiscal year 2016-17, stock exchange performed well compared to the same period of 2015-6. Total turnovers on secondly market for Government Bonds increased by 244.8% from Rwf 1.377 billion in FY 2015-16 to Rwf 4.747 billion in FY2016-17.

1.7 RESEARCH TO SUPPORT MONETARY POLICY MANAGEMENT

In the 2016/17 fiscal year and before, the Rwandan economy faced different shocks, such as inflationary and exchange rate pressures, deceleration of monetary aggregates and a slowdown in economic activities mainly resulting from global economic shocks and natural factors.

In response to the above mentioned environment, a number of studies were conducted in 2016/2017 and published in the BNR Economic Review to provide concrete evidence-based analysis and policy recommendations that helped to improve the effectiveness of monetary policy in Rwanda.

To improve its liquidity management and ensure that commercial banks have adequate liquidity to induce the effectiveness of monetary policy and interbank market development, a study on excess liquidity and the effectiveness of monetary policy in Rwanda was conducted by BNR to determine the optimal level above or below which the excess liquidity becomes a constraint to monetary policy transmission. Findings of this study are now used to guide the BNR's daily money market interventions to influence banking system liquidity.

Cognizant of the possible impact of external shocks to Rwandan economy, especially on effectiveness of monetary Policy, BNR investigated how the propagating effects of external shocks can often induce unpredictable variations in domestic macroeconomic variables. The findings of the paper revealed that such external shocks have destabilizing effects on the Rwandan economy and proposes some policy measures to manage turbulent forces from the rest of the world.



All EAC Central committed to adopt an interest rate based monetary policy framework by December 2018. Being a forward looking framework, it requires other tools that can help to anchor the expectations of economic agents. In this regard, BNR conducted a research on the effect of central bank communication on the volatility of short-term interest rates and exchange rate in Rwanda and findings indicate that increased BNR communication of its policy stance helped to reduce the volatility in interest rates as well as in exchange rate. The paper gives some recommendations on how to track the views of economic agents regarding the

effectiveness of monetary policy, among others.

In line with its advisory role, BNR conducted papers assessing the impact of government policies and/or predicting changes in key macroeconomic variables and indicators like inflation, output gap and balance of payments. Notably, a paper on determinants of non-monetary poverty reduction, estimation of the Monetary Conditions Index (MCI) as well as one that analysed the balance of payment in Rwanda were published in the BNR Economic review.

1.8 MONETARY POLICY COMMUNICATION

Communication has become an essential tool to achieving price stability mandate of any Central Bank. It supports the effectiveness of monetary policy through easing the transmission mechanism of any monetary policy decision. Without pre-empting what will be detailed under the section on Corporate Communication Strategy covered in Chapter 5, the Bank has done the following with regards to Monetary Policy communication.

The Bank announces its decision on the setting of its key policy interest rate in quarterly Monetary Policy Committee and Financial Stability Committee Meetings.

To provide context for the policy decisions, the announcements explain the Bank's analysis of the significant forces at play in the economy and the risks to the inflation outlook. This is done at a press conference where different media outlets convene to listen to the Governor's press statement.

During the year under review, the Bank held four Monetary Policy Committee and Financial Stability Committee Meetings of which the decisions taken were later communicated to

the public through a press conference that was held each time the meeting was held. The press conferences attracted both local and international media like Reuters, CNBC and Bloomberg. Despite the press release issued at the press conference, news stories were generated from the Q&A session conducted after the Governor's press statement.

The well attended press conferences attracted media coverage which included news stories from online news outlets that were not represented in the Press conference but rather got the information from the Bank's social media outlets.

In addition to the MPC&FSC Press Conferences, the Governor presented to the Public the Monetary Policy and Financial Stability Statement which was done twice in February and August. The presentations attracted stakeholders from different disciplines, policy makers, academia, students, private sector, media, and the general public. Two press conferences were held after each Governor's presentation. This also attracted huge media coverage from different media houses.

1.9 LOOKING FORWARD

Over the past years monetary policy has been weakening due to the breakdown of the link between monetary aggregates and the real economy. One of the highlighted causes of this is the issue of structural excess liquidity in the banking system, which has made commercial banks less responsive to the signals from the Central Bank. Effectiveness of monetary policy especially implies that the interest rate channel is working, such that all interest rates in the economy follow movements in the policy rate. To address the issue, the Bank will focus on the following during financial year 2017/18:

- The Bank will transition from monetary targeting regime to interest-rate based monetary framework to maintain inflation rate within the target band of 5%+/-3%.
- Success of the interest-rate based framework will depend on the degree of financial deepening such that monetary policy instruments can actually be useful in terms of sterilizing structural excess liquidity. Key areas of intervention will be the activation of the interbank market and stimulation of increased investment in government securities.
- The Bank will continue to establish a strong analytical and forecasting framework to forecast macroeconomic variables and liquidity in the banking system.
- The bank will continue to undertake economic analysis and research to inform policy makers and support monetary policy design and implementation;
- Efforts to enhance statistical data in line with the Country's strategy to implement Special Data Dissemination Strategy (SDDS) will continue to be a priority.



CHAPTER - II

FINANCIAL SYSTEM STABILITY AND INCLUSION

The mission of the National Bank of Rwanda with regard to the Financial Sector is stipulated in the Law No. 55/2007 Governing the Central Bank of Rwanda Article 5 which is “to enhance and maintain a stable and competitive financial system without any exclusion”.

FINANCIAL
SYSTEM STABILITY
AND INCLUSIONARTICLE 6 OF THE SAME LAW ENLISTS THE FOLLOWING
DUTIES OF THE CENTRAL BANK, AMONG OTHERS,

To organise, supervise and regulate the foreign exchange market

To supervise and regulate the activities of financial institutions notably banks, micro-finance institutions, insurance companies, social security institutions and pension funds institutions;

To supervise and regulate payment systems

ARTICLE 6 OF THE SAME LAW ENLISTS
THE FOLLOWING DUTIES OF THE CENTRAL
BANK, AMONG OTHERS,

2.1 ACTIVITIES PERFORMED IN LINE WITH BNR MANDATE

During the year 2016/2017, in line with the mandate of the Central Bank, the following activities were performed:

2.1.1 REVIEW OF THE LEGAL AND REGULATORY FRAMEWORK IN LINE WITH MARKET DEVELOPMENTS.

A new Law on Financial Consumer Protection (FCP Law) was drafted aimed at building consumer trust in financial services providers and in the use of financial products and services generally by giving them strong protections, as well as by helping them to understand their rights. The Law provides for disclosure requirements for contracts for bank services, requirements for the disclosure of the total cost of credit or the effective interest rate, as well as a clear power for the Office of the Ombudsman to handle disputes between a financial consumer and a financial service provider. The Law is therefore expected to promote competition and efficiency in the financial sector and support the Government's policy of improving financial inclusion.

In addition, the BNR reviewed the 2010 Law Governing Credit Reporting Systems in Rwanda mainly for compliance with the general principles for credit reporting.

The BNR also reviewed the 2009 Law establishing the organization of Microfinance activities primarily to ensure that the Law caters for deposit taking microfinance institutions while a new regulatory framework will be put in place for credit only institutions. Some new provisions included to enhance performance of deposit taking MFIs include – extension of activities to allow MFIs to perform digital financial services, Corporate Governance of Cooperatives, prohibition of the withdrawal of shares in deposit taking microfinance cooperatives, as well as the establishment the Emergency Liquidity Funding that will assist Deposit Taking MFIs in times of stress.

Several regulations were also reviewed during the year:

BANKING SUB-SECTOR REGULATIONS

Regulation N° 01/2017 of 22/02/2017 governing foreign exchange bureaus. The new regulation increases the capital requirement for forex bureaus from Frw 20 million to Frw 50 million as well as sets requirements for IT software as well as management standards required for the forex bureau sub-sector to operate professionally, efficiently and in compliance with Know-Your-Customer (KYC) and Anti-Money Laundering (AML) standards.

Regulation n° 06/2017 of 19/05/2017 on capital requirements for banks. This regulation reviews the measures of quality and level of capital of Banks consistent with international standards (Basel II/III). For the quality of capital, additional Tier 1 and Tier 2 capital instruments capable of absorbing losses on a going concern basis were included. The level of core capital was increased by introducing a conservation buffer to act as a cushion for losses during periods of financial and economic stress. Conversely, the level of Tier 2 capital was reduced to maintain the same level of total capital. The regulation also increases the risk coverage of the capital framework in line with Pillar 1 of Basel II Standards - beside the predominant credit risk, Market and operational risk were also included. A leverage ratio to serve as a backstop to the risk - based capital measure was also introduced. A buffer was also introduced to address too big to fail problem of systematically important banks, and raised the standards for the supervisory review process (Pillar 2 of Basel II Standards) by requiring the bank to prepare and assess its Internal Capital (ICAAP)

Regulation no 07/2017 of 19/05/ 2017 on liquidity requirements for banks. This regulation introduces a Liquidity Coverage Ratio (LCR) to ensure that a bank maintains an

adequate level of unencumbered, high quality assets (HQLA) that can be converted into cash to cover their expected outflows over the assumed 30-day crisis period and a Net Stable Funding Ratio (NSFR) which tries to ensure that a bank's assets would be adequately supported by stable funding sources, over the 1 year horizon.

Regulation n° 07/2016 of 01/12/2016 determining modalities for management of inactive and dormant accounts. The regulation was reviewed to guide financial institutions and e-money issuers on identification and management of inactive and dormant accounts as well as to harmonize the practices of management of inactive and dormant accounts in accordance with various regulatory requirements including the law relating to the management of abandoned property.

Draft regulation on accreditation requirements and other conditions for external auditors for financial institutions. The regulation was reviewed to improve supervisory requirements in line with international standards such as IFRS requirements, Insurance Core Principles (ICP 7. 7.8) and Banking Core Principles(BCP 27) , harmonize the process and procedures of accreditation of auditors for banks, insurers, insurance brokers and pension schemes, expand external auditors' responsibilities on performing audit in important areas of the banking and insurance business, require external auditors to report to the Central Bank any violation to laws and regulations, and revise accreditation criteria to increase number of staff members on field who are qualified to perform audit duties.

Draft regulation on credit classification and provisioning; The revised regulation introduces a limit on interest that can be recovered on non-performing loans (in duplum rule), as well as the requirement for banks to compute general provisions for both normal (1%) and watch (3%) category loans.

Draft regulation on transactions with

bank related parties and management of credit concentration risk. This regulation was largely reviewed to improve supervisory requirements in accordance with Basel Core Principle 20 – Transactions with related parties, and Basel Core Principles 19 - Concentration risk and large exposure limits.

Draft regulation on corporate governance for banks. The regulation was reviewed to ensure compliance with the Basel guidelines on “Corporate governance principles for banks”

Draft regulation on business continuity management. The regulation was reviewed to enhance Banks Governance, BCP Policy & Frameworks, recovery arrangements as well as BCP testing all aimed at strengthening Banks' operational risk management.

Draft regulation on cybersecurity. This is a new regulation necessitated by the increasing cyber threats aimed at banks. The regulation requires banks operating in Rwanda to have independent local ICT Infrastructure able to handle all required operations to serve local customers. It also sets annual penetration testing done externally to assess adequacy against external attack resilience and internal bi-annual vulnerability assessments mandatory

Draft regulation on outsourcing. The regulation sets minimum standards for banks that outsource one or more of their business activities to a service provider. It emphasizes risk management as well as the Board's role in managing outsourced services

INSURANCE AND PENSION SUB-SECTOR, REGULATIONS

Regulation of the National Bank of Rwanda NO 03/2017 of 22/02/2017 on administrative and pecuniary sanctions applicable to insurers. This is a new regulation that sets the administrative sanctions to be applied by the BNR as regulator of the insurance industry to ensure compliance

Regulation of the National Bank of Rwanda no 03/2017 of 22/02/2017 on administrative

¹ICPs are available on <https://www.iaisweb.org/file/58067/insurance-core-principles-updated-november-2015>. External audit requirements are available on page 62

²BCPs are available on <http://www.bis.org/publ/bcbs213.pdf> . For external auditors requirements go on page 61.

and pecuniary sanctions applicable to pension schemes. This is a new regulation that sets the administrative sanctions in accordance with Paragraph 2 of Article 88 (1) of Law No 05/2015 of 30/03/2015 Governing organization of pension schemes which mandates BNR as the regulator to determine further faults and their respective sanctions covered by the regulation on administrative and pecuniary sanctions for pension schemes and pension scheme service providers.

Draft Regulation on Corporate Governance and Enterprise Risk Management for Insurance Business. This regulation was reviewed for compliance with the Insurance Core Principles and international best practice. It sets requirements for corporate governance, risk management and internal controls to ensure effective oversight of the insurance business based on the nature, scale and complexity of the business. It also seeks to hold the board accountable and responsible for corporate governance which was not the case before.

Directive no. 06/2016 of 28/08/2016 on Conduct of Insurance Business. The Directive sets minimum standards of operating the insurance business such as the requirement to have an underwriting policy and ensuring that prices are set in accordance with the policy, forbidding selling insurance on credit to mention but a few

PAYMENTS SUB-SECTOR, REGULATIONS

Regulation N° 04/2017 of 02/03/2017 on the operations of the Central Securities Depository: This is a new regulation operationalizing Law No.26 of 2010 Governing the holding and circulation of securities and aimed at ensuring the integrity of securities issues and minimize and manage the risks associated with the safekeeping and transfer of securities; as well as promoting the investor protection and confidence in financial markets of effective mechanisms to protect client assets from the risk of loss and the insolvency of investment firms.

Regulation No 05/2017 of 02/03/2017 on Administrative and pecuniary sanctions applicable to CSD participants. This is a new regulation establishing sanctions applicable to CSD participants who breach the Law No.26 of 2010 Governing the holding and circulation of securities

Regulation N° 02/2017 of 22/02/2017 Governing Agents. This regulation was reviewed to harmonize the Central Banks supervisory approach towards agents of banking and of non-banking financial institutions (particularly agents of payment system providers). This is in a bid to enhance the convenience and outreach of quality and affordable financial services, particularly to the underserved, in a more cost-efficient manner.

Regulation N° 08/2016 Of 01/12/2016 Governing the Electronic Money Issuers. This regulation was reviewed to address some challenges and risks including Anti Money Laundering (AML), consumer protection issues (keep 100% of the e-money float in liquid assets, held in bank accounts or T-Bills and, in order to mitigate concentration risk, requirement to diversify the e-float holdings once the limit is reached), and misappropriation of customer funds (requirement to establish trust corporations which will manage the trust funds). The regulation also permits financial institutions holding the trust funds or the assets invested in securities to pay accrued interests on those assets. In this regard, the e-money issuers shall pass-through the interest accrued (not less than 80%) on the pooled e-money float to the e-money account holders.

Draft Regulation on Remittance Service. Money remittance services were previously regulated under the PSP regulation with broad requirements which were not tailored to every specific service. Noting the need for prudential/operational requirements to guide the market in term of standards and markets conduct, the BNR decided to establish a specific regulation applicable to remittance services with general prudential requirements related to operations

in general, AML, consumer protection and reporting requirements.

Draft Regulation on Payment Initiation Services. Like the remittance services, payment initiation services were previously regulated under the PSP regulation but given the dynamics and risks of these services, a separate regulation has been established. The regulation sets the security requirements for the initiation and processing of electronic payments, clarifies the liability issues between institution servicing the account of the payer and the payment initiation service on one hand and payment aggregator on another hand as well as protects merchants through the management requirements of the nodal account

Draft Regulation Governing Payment Services Providers. In an effort to create a more calibrated, flexible and forward-looking regulatory framework, the new regulation considers an activity, risk based approach. In order to promote effective competition in regulated payment services, the regulation aims to remove unnecessary regulatory barriers to innovation through a sandbox regulatory approach. A regulatory sandbox is a 'safe space' in which businesses can test innovative products, services, business models and delivery mechanisms in a live environment without immediately incurring all the normal regulatory consequences of engaging in the activity in question.

FINANCIAL CONSUMER PROTECTION

The following regulations were established to enable consumers make informed decisions before entering into contracts with financial institutions;

Regulation No 09/2017 of 19/05/2017 determining key facts statements and disclosure for accounts. This is a new regulation that is applicable to all savings and transaction accounts offered by banks, microfinance institutions, SACCOs and e-money issuers to consumers (individuals and any legal entities with an annual turnover

of up to 50 million Rwandan Francs) aimed at furnishing them with product information, charges and fees before entering into a contract with the institution

Regulation No. 10/2017 of 19/05/2017 determining Key Facts Statements and information disclosures for insurance. This is a new regulation that targets retail consumers (individuals and SMEs) of insurance companies aimed at providing them with product information, premiums, risk and exclusions before entering into a contract with an institution.

With regard to the Deposit Guarantee Fund, the BNR put in place an Investment Policy which determines how the premiums into the fund will be invested to grow it.

2.1.2 LICENSING OF FINANCIAL INSTITUTIONS

Commercial Bank of Africa (CBA Rwanda Ltd) was licenced in December 2016 as a new microfinance bank and is currently in the process of merging with Crane Bank Rwanda to operate as a commercial bank. As at end of Financial Year 2016/17, the Rwandan banking sector was comprised of eleven (11) commercial banks, four (4) microfinance banks, one (1) development bank and one (1) cooperative bank. The banking sub-sector had 265 bank branches country-wide, 75 sub-branches, and 213 outlets and operated 3,547 banking agents as at June 2017.

During the year, the Central Bank issued 5 new forex bureau licenses and revoked 2 to bring the total number of forex bureaus operating in the country as at end June 2017 to 91. In order to streamline the Rwandan Forex Bureau Sub-Sector in line with the new forex bureau regulation mentioned earlier as well as ensure professionalism, the Bank issued a moratorium to new forex bureaus applications for licenses until further notice.

In the Microfinance sub-sector, the total number of microfinance institutions were decreased

to 473 in June 2017 from 494 in June 2016 following the restructuring of 2 unions (made up of a network of 14 SACCOs) that changed their legal status to 2 limited liability companies and the self-liquidation of 10 SACCOs due to poor performance. Out of the 473 microfinance institutions operating in Rwanda, 18 are microfinance institutions with limited liability company status; 455 are Savings and Credits Cooperatives (SACCOs), including 416 U-SACCOs and 39 non U-SACCOs.

A new insurance company, Mayfair Insurance Rwanda Ltd, was licensed in May 2017 increasing the total number of insurance companies from fifteen (15) in June 2016 to sixteen (16) in June 2017 of which ten are non-life insurers, four life insurers, and two public medical insurers. One insurance broker was stopped from carrying out insurance brokerage in Rwanda due to its persistent failure to comply with the regulatory requirements in place. The insurance sub-sector operated a network of 185 branches countrywide, 557 agents, 16 brokers and 15 loss adjusters as end June 2017.

With regard to the Credit Information System, the Bank oversees one Credit Reference Bureau (Transunion).

2.1.3 ONSITE SUPERVISION

During the year, the Bank conducted onsite inspections for different Financial and Non Financial Institutions. Findings from these inspections are communicated to the supervised institutions for implementation. The Boards of Directors and Management teams are required to closely monitor implementation of these recommendations, among other things.

2.1.4 OFFSITE SURVEILLANCE OF SUPERVISED INSTITUTIONS

The Bank periodically receives prudential returns which are analysed to assess the soundness of the supervised entities. On the basis of these analyses, the Bank holds prudential meetings with the financial institutions to discuss key issues noted as well

as agree on recommendations to rectify these. During the year the Bank continued to conduct prudential meetings with various Banks, insurers (including meetings with shareholders of distressed insurers and MFIs). The Boards of Directors are required to be represented in order to ensure close follow up of regulatory concerns raised by the specific supervised institutions. The Bank also processed approvals for supervised institutions in regard to opening and closing of places of business, appointment of directors and senior managers, appointment of external auditors, introduction of new products/services, and review of annual license renewal applications in accordance with statutory and prudential requirements.

During the year, the Bank started to use an Electronic Data Warehouse (EDWH). The Data Warehouse project will allow BNR to “pull” data from systems of supervised institutions thereby reducing errors and inconsistencies while improving data quality, frequency and ability of analyse large amounts of data in a short span of time.

2.1.5 ADMINISTRATION OF DISTRESSED FINANCIAL INSTITUTIONS

a. BNR on the basis of chapter VIII of the insurance law in its section 2 on adjustment measures placed three insurers (One Life and two Non-life insurers) under administrative control after these companies failed to comply with the solvency and capital requirements. Shareholders, Boards and management of the respective entities were engaged to address the concern. Subsequently, by the end of June and early July 2017, additional capital were injected in the two companies and plans are underway to resolve the recapitalization of the remaining insurer;

2.1.6 OPERATIONALIZATION OF THE DEPOSIT GUARANTEE FUND (DGF)

b. The DGF was established by Law N° 31/2015 of 05/06/2015 determining the organization and functioning of a Deposit guarantee Fund for Banks and Microfinance Institutions (MFIs)

while Regulation N° 001/2016 of 18th May 2016, concerning operations of the Deposit Guarantee Fund for Banks and Micro Finance Institutions set the ground with regard to how the Fund should operate. It is against this background that the DGF was effectively staffed during this year and started to collect quarterly premiums from Banks and MFIs in April 2017. The DGF offers cover for only insured deposits for the amount not exceeding Frw 500,000 per depositor, per bank and MFI from the risk of loss arising from failure of the bank or MFI.

Given the fact that the fund was established to protect small depositors, the DGF Law indicates that the following deposits are excluded from protection by DGF:

Banks and MFI (Interbank) deposits

Government or public agency deposits

Insurance companies, pension funds and collective investment schemes

Persons holding shares of more than five percent (5%) of voting rights in a contributing bank or microfinance.

Since its establishment in November 2016, policies, manuals and guidelines were developed to enable smooth operation and achievement of its long term objectives in an appropriate manner. The following were specifically approved:

Investment policy and Guideline: This provides guidance on how funds collected will be managed and invested in accordance with DGF Law;

Reporting Guideline: This provides guidance to contributing members on how premiums will be declared;

Funding and Accounting Guideline: which provides guidance on how funds collected will

be accounted for in BNR Accounting system and how to deal with other sources of funding.

With regard to collection of the premiums, DGF received the first quarterly reports and payments from contributing members in April 2017 and as of end June 2017, the Fund has collected Rwf 268 million from 15 banks and Rwf 24 million from 462 MFIs. Premiums collected have been invested in T-Bills for 6 Months and this will help the Fund to build reserves for reimbursing depositors in the event of failure of a member bank or MFI.

As of June 2017, the level of compliance with the provisions of the DGF law and regulation was approximately 96% on a combined basis for both banks and MFIs and is expected to increase to 100% in the following quarters as areas for improvement were identified and communicated to the contributing members. The Fund will also continue to conduct trainings for Bank and MFI staff to further enhance compliance.

DGF will have the following contributions to the stability of the Financial Sector of Rwanda:

Increase public confidence in the banking and MFI system by compensating depositors in the event of collapse of a deposit-taking institution;

Minimizing bank runs by assuring depositors in other banks of the integrity of the system as a whole;

Enhancing competition in the banking system and lead to business development of Banks & MFIs.

**2.1.7 REFUND OF DEPOSITORS
OF FAILED MFIs AND SACCOs**

The process of refunding depositors of MFIs/SACCOs that collapsed in 2006 and thereafter resumed in December 2016. The Government of Rwanda, through the Ministry of Finance and Economic Planning agreed to refund 75 percent of the deposits lost in the collapsed MFIs/SACCOs. This implied that depositors of the MFIs/SACCOs that failed in 2006 who initially received 50 percent refund would receive an additional payment of 25 percent. Depositors for MFIs/SACCOs that failed after 2006 were to receive the full payment of 75 percent. The BNR reimbursed a total of FRW 1.120 billion to 8,919 depositors (86 percent of the registered depositors).

2.1.8 FINANCIAL STABILITY MATTERS

The Bank prepared and presented 4 quarterly Financial Stability Reports to the Financial Stability Committee (FSC). These reports facilitated the FSC to take appropriate recommendations aimed at further strengthening the soundness and stability of the financial sector.

**2.1.9 COLLABORATION WITH OTHER
STAKE HOLDERS**

Given the prevailing illegal practices related to black market forex operators, traders transacting in foreign currencies and individuals or companies concluding contracts and pricing goods and services in FX, the Bank in collaboration with other key stakeholders (Local Government, Rwanda National Police and the National Prosecutors' Office) established a monitoring framework to address malpractices in the forex bureaus sector.

In collaboration with the Rwanda Forex Bureau Association (RFBA), the Bank started a process of establishing a software to be used by all Forex Bureaus (those not able to develop, and/or identify one on their own) to improve day to day monitoring of bureaus activities as well as their reporting requirements.

The Bank signed an MOU with the Central Bank of Morocco, Bank Al-Maghrib, for cooperation between the two parties, sharing knowledge, exchanging experiences and strengthening consolidated supervision of banks for whom the Bank Al-Maghrib is the Home Supervisor (Bank of Africa). This MOU is in addition to existing MOUs with other EAC Central Banks particularly Kenya (Home regulator for KCB, Equity Bank, I&M, and CBA) and Uganda (Home regulator of Crane Bank) as well as on-going initiatives to establish an MOU with BCEAO as the Home regulator of the Ecobank Group.

**2.2 STRUCTURE AND PERFORMANCE
OF THE FINANCIAL SECTOR**

The above BNR intervention highlight led to the stability and development of the financial sector. During the financial year 2016/17, the Rwandan financial sector continued to deepen, indicating its growing role in the economic performance. The size of the financial sector, as measured by total assets relative to GDP stood at 54.3 percent in June 2017 up from 33.8 percent in June 2010 and the total combined

banks and MFIs' lending to the economy rose from 13 percent of the GDP in June 2010 to 24.3 percent of the GDP in June 2017 against the Government targets to achieve 30 percent credit to GDP by 2020.

The following section provides details regarding the development and contribution of each financial subsector in Rwanda.

TABLE 9 : THE STRUCTURE OF FINANCIAL SECTOR IN RWANDA (NUMBER AND ASSETS)

FINANCIAL SECTOR	NUMBER			SIZE(% OF TOTAL ASSETS)			ASSETS/GDP (%)		
	2010	2016	17-JUN	2010	2016	17-JUN	2010	2016	17-JUN
Banking sector	14	16	17	71.3	66.9	66.8	21.6	35.9	36.3
Insurance	8	15	16	10.2	9.7	9.5	3.2	5.5	5.2
Pension	1	1	1	14.8	17.1	17.2	6.4	9.4	9.3
MFIs	524	472	473	3.7	6.3	6.4	2.6	3.5	3.5
Total	547	505	507	100	100	100	33.8	54.4	54.3

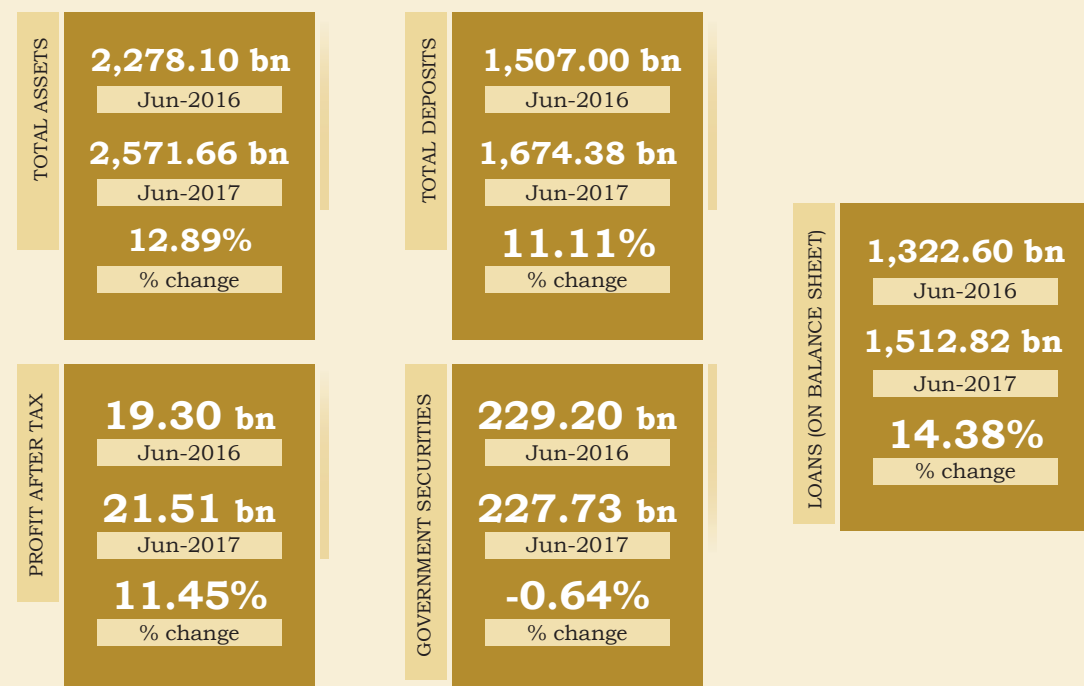
Source: BNR

2.2.1 BANKING SUB-SECTOR

As at 30th June 2017, the banking sector total assets increased by 12.9% (year-on-year) from FRW 2.27 trillion in June 2016 to FRW 2.57 trillion. Loans account for 14.38% of total assets of banks. On the other hand, total liabilities of

banks grew by 13.9% from FRW 1.9 trillion in June 2016 to FRW 2.1 trillion by end of June 2017. Customer deposits account for 11.1% of total liabilities of banks.

TABLE 10 : BANKING SECTOR PERFORMANCE INDICATORS AS AT END JUNE 2017 COMPARED TO JUNE 2016 (AMOUNT IN BILLIONS OF FRW)



Source: BNR

The banking sector also continued to be characterized by enhanced competition, with the reduction of the level of concentration in the sector over the last 5 years. This level of competitiveness was due to generic growth of new banks entering the market and favorable legal environment on financial services which is coping with international and regional dynamism in the banking area. BNR will continue to ensure that Rwandans enjoy the benefits of increased competition through support of innovative financial products and services, which in turn will increase access to finance.

During the FY 2016/17 all operating banks were adequately capitalized, with the Capital Adequacy and Core Capital Ratios surpassing the minimum prudential of 15%. The banking sector's capitalization levels continued to remain high with capital adequacy ratio (CAR) recording 20.7% by the end of June 2017 compared to 23.3% recorded in June 2016. The change was largely due to increased appetite for loans and advances by banks.

The banking sector's average liquidity ratio was at 39.03 % as at June 2017 from 42.8 % in June

2016 and this slight decrease was mainly due to the financing of the economy. This liquidity level was significantly above the minimum prudential liquidity ratio of 20%.

In respect of profitability, the banking sector remained profitable during the financial year ended 30th June 2017. Banks' net profit was FRW 21.5 billion in June 2017 with an increase of 11.5% compared to FRW 19.3 billion reported for the same period in 2016. Consequently, the return on assets (ROA) and return on equity (ROE) slightly increased from 1.7% and 9.2% respectively as at June 2016 to 1.72% and 9.6% in June 2017.

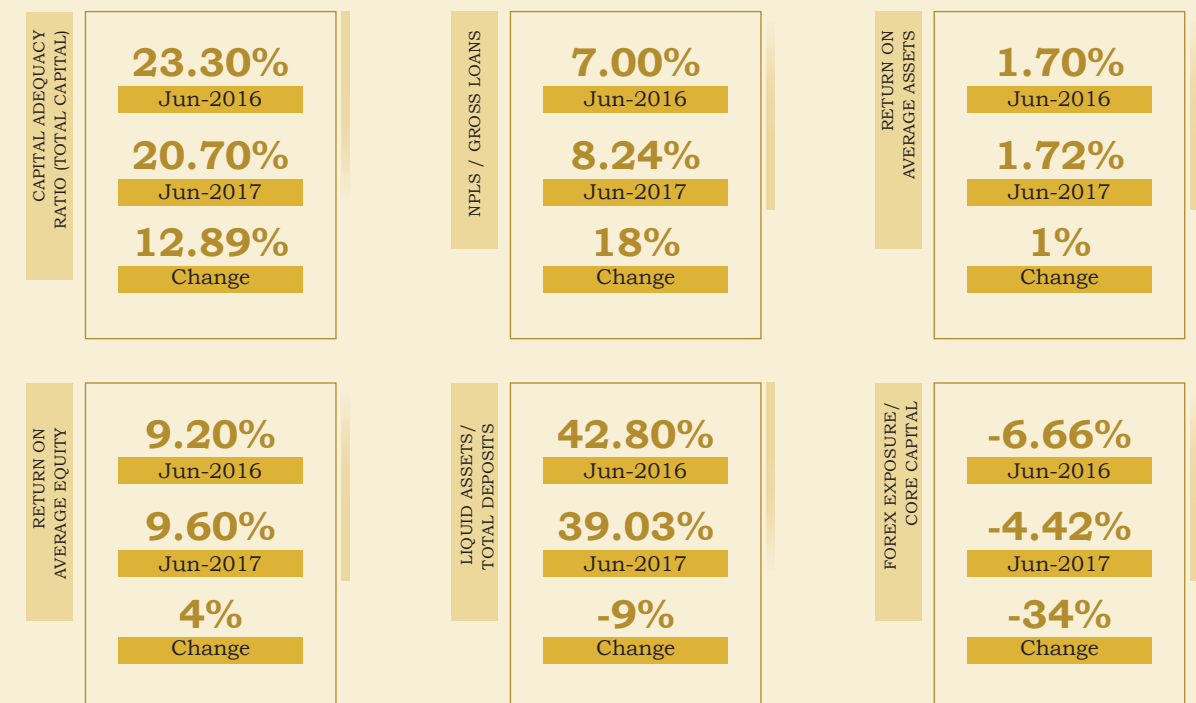
However, the asset quality of the industry deteriorated with non-performing loan ratio (NPLs ratio) increasing from 7.0% end June 2016 compared to 8.2% recorded as at 30th June 2017.

The increase of the NPLs ratio was mainly caused weak projects assessment by banks, inadequate credit monitoring, and to a lesser extent by subdued economic performance in the first half of 2017. The slowdown in growth of loans in the first half of 2017 also compounded the growth of the NPLs ratio.

Despite of deterioration of NPLs ratio, the banks are able to absorb related risks due to strong capital buffers which re-assures safety on depositors' funds and stability of the banking system.

In order to address the issue of NPLs, BNR will continue engaging banks on improving their loan appraisal standards and their monitoring of financed projects through off and onsite surveillance.

TABLE 11 : KEY SOUNDNESS INDICATORS FOR BANKS, IN PERCENT



Source: BNR

2.2.2 FOREIGN EXCHANGE BUREAUS

The total capital and reserves held by the sector stood at Frw 3.3 billion and Frw 602.9 million respectively as at end June, 2017 and the total Assets held was Frw 4.7 billion. The sector was profitable with profit after tax (PAT) of Frw 131.8 million. Total sales of FX was Frw 133.35 billion while total purchases of FX for the 2 quarters of the year 2017 amounted to Frw 132.6 billion.

2.2.3 MICROFINANCE SUB-SECTOR

The Microfinance sector's assets grew by 7.6% from Frw 230.3 billion in June 2016 to Frw 247.7 as of June 2017 largely driven by loans and liquid assets which rose by 11.3% and 5.8% respectively. The deposits grew by

5.9% from Frw 126.0 billion in June 2016 to Frw 133.4 billion as at June 2017. The Capital Adequacy Ratio (CAR) and the liquidity ratio stood at 33.3% and 99.1% well above the minimum regulatory requirement of 15% and 30% respectively.

The asset quality, measured by NPLs ratio deteriorated from 7.5% end June 2016 to 12.3% as at end June 2017. The downgrade on the quality of the assets, was mainly due to inefficient management of loan portfolio by MFIs and other external factors such as poor economic performance. The deterioration of NPLs was further stimulated by poor performance of the loan portfolio of some big MFIs. This equally affected the overall Return on Assets which fell to negative 0.1% as of June, 2017.

TABLE 12 : MFIs PERFORMANCE INDICATORS (UMURENGE SACCOS INCLUDED, IN MILLIONS OF FRW, UNLESS OTHERWISE INDICATED)

DENOMINATION	30-JUN-16	30-SEP-16	31-DEC-16	30-JUN-17	% CHANGE JUNE 2017/16
Total Assets	230,262.16	221,453.69	222,736.28	247,735.75	7.60%
Liquid Assets	90,299.33	74,457.43	71,225.18	95,522.85	5.80%
Cash in Vaults	4,479.33	4,029.57	2,769.20	5,278.36	17.80%
Cash in Banks	84,974.14	69,485.78	67,437.77	88,671.20	4.40%
Treasury Bills& Placements	845.86	942.08	1,018.21	1,573.29	86.00%
Loan Portfolio (Net of Provisions)	119,454.25	125,304.58	128,394.53	127,426.78	6.70%
Gross Loans	124,545.72	131,057.05	134,054.23	138,672.83	11.30%
Non-Performing Loans	9,299.95	10,811.95	12,010.25	17,080W.69	83.70%
Provisions	5,091.46	5,752.47	5,659.69	11,246.05	120.90%
Other Assets	20,508.58	21,691.68	23,116.56	24,786.13	20.90%
Liabilities	160,518.60	147,981.82	144,234.42	165,233.31	2.90%
Total Deposits	126,025.67	116,106.02	114,459.67	133,424.31	5.90%
Current Accounts	94,996.91	82,402.05	80,228.25	96,373.33	1.40%
Saving Accounts	24,740.46	25,902.28	26,145.09	28,479.22	15.10%
Short Term Deposits	5,733.78	7,171.55	7,420.79	6,365.75	11.00%
Long Term Deposits	554.52	630.14	665.55	2,206.02	297.80%
Borrowings& Short Term Liabilities	18,696.46	19,758.99	17,703.50	13,755.34	-26.40%
Other Liabilities	15,796.47	12,116.81	12,071.24	18,053.66	14.30%
Equity	69,743.57	73,471.86	78,501.86	82,502.44	18.30%
Earnings	18,039.63	20,693.14	23,252.69	17,536.08	-2.80%
Retained Earnings/Accumulated Losses	13,715.88	13,581.65	13,438.85	17,654.44	28.70%
Net Profit/Loss of Period	4,323.75	7,111.49	9,813.84	-118.36	-102.70%
Paid up Capital	26,598.13	27,643.79	28,928.80	33,513.55	26.00%
Other Equity	25,105.81	25,134.93	26,320.36	31,452.81	25.30%
Total Liabilities& Equity	230,262.16	221,453.69	222,736.28	247,735.75	7.60%
NPL Ratio	7.50%	8.20%	9.00%	12.30%	64%
CAR	30.30%	33.20%	35.20%	33.30%	10%
Quick-Liquidity Ratio	95.10%	90.40%	88.80%	99.10%	4%
Return on Average Assets	4.00%	4.20%	4.40%	-0.10%	-103%
Return on Average Equity	13.30%	14.00%	13.70%	-0.30%	-102%

Source: BNR

UMURENGE SACCOs recorded a growth of 2.4% in deposits up to Frw 70.0 billion as of end June 2017 from Frw 68.4 billion end June 2016 and outstanding loans increased by 8.9% to Frw 35.2 billion in June 2017 from Frw 32.4 billion in June 2016.

As result, total assets increased from Frw 110.4 billion to Frw 121.4 billion, recording an increase of 10.0% for the period under review. U-SACCOs represent 49% and 53% of the total MFIs' assets and deposits respectively.

In respect of compliance with prudential norms, as of June, 2017 USACCOs were well capitalized at 31.4% above 15% required and sufficiently liquid at 112.8% above 30% required. The NPLs ratio for UMURENGE SACCOs however deteriorated to 13.1% in June 2017 from 12.5% end June 2016 mainly due to inefficient loan portfolio management and a challenging recovery of the poor loan portfolios as detected by on-site inspections.

**TABLE 13 : UMURENGE SACCO PERFORMANCE INDICATORS
(IN FRW MILLIONS UNLESS OTHERWISE STATED)**

UMURENGE SACCOS (MILLION FRW)	30-JUN-16	30-SEP-16	31-DEC-16	30-JUN-17	% CHANGE JUNE 2017/16
Total Assets	110,355.11	102,741.99	100,198.59	121,406.78	10.0%
Cash in Vaults	2,522.91	2,045.71	539.60	2,665.78	5.7%
Cash in Banks	62,120.63	52,809.33	49,486.17	66,392.91	6.9%
Treasury Bills& Placements	615.86	709.49	776.94	877.63	42.5%
Loan Portfolio (Net of Provisions)	32,365.43	33,340.42	34,427.01	35,234.27	8.9%
Gross Loans	34,447.00	35,388.71	36,680.69	37,654.56	9.3%
Non-Performing Loans	4,296.00	4,215.11	4,916.04	4,947.53	15.2%
Provisions	2,081.57	2,048.29	2,253.69	2,420.29	16.3%
Other Assets	12,730.27	13,837.03	14,968.88	16,236.19	27.5%
Liabilities	78,258.28	68,823.67	64,627.34	83,312.37	6.5%
Total Deposits	68,445.66	60,292.01	56,100.04	70,091.08	2.4%
Current Accounts	60,952.30	52,391.43	48,158.59	61,995.16	1.7%
Saving Accounts	5,356.24	5,333.07	5,378.77	5,274.29	-1.5%
Short Term Deposits	2,137.12	2,567.51	2,562.68	2,821.63	32.0%
Long Term Deposits	-	-	-	-	-
Borrowings& Short Term Liabilities	1,027.86	2,434.88	2,851.34	4,062.95	295.3%
Other Liabilities	8,784.76	6,096.78	5,675.95	9,158.33	4.3%
Equity	32,096.83	33,918.32	35,571.26	38,094.42	18.7%
Earnings	19,936.95	21,537.70	22,670.06	24,300.23	21.9%
Retained Earnings/Accumulated Losses	17,334.95	17,374.46	17,495.36	22,329.10	28.8%
Net Profit/Loss of Period +/- (From January)	2,602.01	4,163.24	5,174.70	1,971.13	-24.2%

UMURENGE SACCOS (MILLION FRW)	30-JUN-16	30-SEP-16	31-DEC-16	30-JUN-17	% CHANGE JUNE 2017/16
Paid up Capital	9,507.15	9,771.08	10,250.21	11,018.50	15.9%
Other Equity	2,652.73	2,609.55	2,650.99	2,775.70	
Total Liabilities& Equity	110,355.11	102,741.99	100,198.59	121,406.78	
NPL Ratio	12.5%	11.9%	13.4%	13.1%	4.8%
CAR	29.1%	33.0%	35.5%	31.4%	7.9%
Quick-Liquidity Ratio	107.1%	106.1%	105.5%	112.8%	5.3%
Return on Average Assets	4.9%	5.3%	5.1%	3.5%	-28.6%
Return on Average Equity	16.4%	16.5%	14.9%	10.6%	35.4%

Source: BNR

In terms of loan distribution by sectors of economic activities for the microfinance industry, the largest share of 36.2% of the total outstanding credit was granted to commerce, restaurants & hotels followed by public works

and construction (28.4%) and other sectors (16.7%). Agriculture was financed by 15% of the entire loan portfolio of MFIs. Interestingly, given their rural base, UMURENGE SACCOs financed agriculture at 28.3% of their loan portfolio.

TABLE 14 : MFIs' OUTSTANDING LOANS BY ECONOMIC SECTOR (IN FRW BILLION)

DENOMINATION	JUN-16	SEPT-16	DEC-16	MAR-17	JUN-17	%CHANGE JUNE 2017/16	% SECTOR FINANCING
Agriculture, Livestock, Fishing	20.6	21.2	20.0	20.4	20.8	1.1%	15%
Public Works (Construction), Buildings, Residences/Homes	37.5	39.9	40.8	39.8	39.4	5.2%	28.4%
Commerce, Restaurants, Hotels	42.2	45.2	45.5	47.4	50.2	19.0%	36.2%
Transport, Warehouses, Communications	5.1	5.5	5.6	5.6	5.0	-2.6%	3.6%
Others	19.1	19.3	22.1	22.9	23.2	21.6%	16.7%
TOTAL	124.5	131.1	134.0	136.1	138.7	11.3%	

Source: BNR

The Bank supported the process of SACCOs consolidation as well as their automation to enhance efficiency in their operations. This will assist to address the issue of financing capacity, weak governance and internal controls, enhance proper management of liquidity and loan portfolio.

Looking forward, the Bank will focus on reducing high NPLs in MFIs and these include

strengthening on-site inspection and off-site surveillance for regular monitoring of sound management of their loan portfolios and the recovery process of NPLs. Furthermore, BNR will engage discussion with concerned government agencies with regard to collateral registration by MFIs and judicial process related to recovery of their NPLs cited among determinants of NPLs in the microfinance sector.

2.2.4 INSURANCE SUB-SECTOR

The total assets of the insurance sector stood at FRW 366.5 billion as at the end of June 2017, indicating a year-on-year growth of 10 percent. This growth of assets is mainly attributable to capital injection from some insurance companies and retained profits during the period under review. Between June 2016 and June 2017, new capital injected in the insurance sub-sector amounted to FRW 18 billion. Retained profits of the sub-sector amounted to FRW 17.9 billion.

The growth written premiums of the sub-sector increased by 13 percent to FRW 59.7 billion.

Private insurers' assets increased by 9 percent to FRW 136.4 billion between June 2016 and June 2017 against 7 percent registered in the corresponding period of 2016 due to FRW 7.3 billion of the additional capital injected by private insurers during the year under review. On the other hand, public insurers (RSSB and MMI) assets grew by 11 percent to FRW 230 billion in June 2017 from FRW 207.9 billion in June 2016. The increase is mainly due to the net profit of FRW 17.9 billion.

As at June 2017, assets of the insurance sector were distributed as follows: Term deposits in banks accounted for 47.7 percent of total assets; investment in securities and equities (25.7 percent); investment in property (10.7 percent); property and equipment (5.8 percent) and other assets (9.8 percent).

The consolidated profits after tax of the insurance sector witnessed robust annual growth of 86 percent, amounting to FRW 18.6 billion in June 2017 compared to FRW 10 billion in June 2016. This growth resulted from good performance of public insurers (MMI and RAMA) whose profit after tax increased from FRW 14.1 billion in June 2016 to FRW 17.9 billion in June 2017, thanks to increased growth of medical premiums. The performance of private insurers also made a significant improvement as their profits after taxes reached FRW 0.6 billion from

a net loss of FRW 4.1 billion that was registered by end of June 2016.

The rebound in private insurers' profits in the first half of 2017 was underpinned mainly by improvement in the claims ratio, as claims grew less compared to net premiums earned and a reduction of management expenses. Between June 2016 and June 2017, total claims of private insurers declined by 0.4 percent to FRW 18.4 billion, while net premiums earned increased by 12 percent to FRW 26.5 billion. Consequently, the net underwriting returns of private insurers improved from a loss of FRW 1.4 billion registered in June 2016 to a profit of FRW 6.3 billion in June 2017. Management expenses of private insurers also declined by 7 percent to 12.3 billion which also contributed to the improved profits of these companies. The return on assets (ROA) of private insurers improved to 5 percent in June 2017 versus 3 percent in June 2016. Also, the return on equity has increased sharply to 7 percent compared to 4 percent in the previous year.

The solvency margin of the insurance sub-sector (both public and private) remain adequately high and improved in the period under review. As at end June 2017, the solvency ratio of the sub-sector stood at 1034 percent against 991 percent in 2016, above the BNR regulatory minimum requirement of 100 percent.

The solvency margin of private insurers significantly improved from -53 percent in June 2016 to 61 percent in June 2017. The improvement resulted from the recapitalization of some private insurers. Total new capital injection in private insurers amounted to FRW 18 billion during the period under review.

The assets of the insurance sector grew by 10% and are well diversified mainly in cash and term deposits (48%). Investments in equity and government securities (25 %.), investment property (11%) property and equipment (6%) and receivables (7%).

Private insurers continue to manage their risks by dealing with well rated reinsurers both on the African continent (Africa Re, PTA -RE) and Europe (SWISS-Re and MUNICH -RE).

The insurance sub-sector recorded a significant increase of 9% in the technical reserves from Frw 73.4 billion in June 2016 to Frw 79.8 billion as at June 2017. Actuarial valuation were done in all life insurers and in some non-Life insurance companies in order to ascertain the adequacy of the technical provisions.

As indicated earlier, the earnings of the insurance sector improved especially in Private insurers which made profit (Frw 628 million) in June 2017 from a loss of Frw 4.2 bn in June

2016. This improvement is attributable to the company's efforts to become more cost efficient as evidenced by the management expense ratio that went down from 50% to 42%; claims ratio also declined by 78% to 70% in June, 2017. This improvement in profitability positively affected the Return on Assets (ROA) and Return on Equity (ROE) as indicated in the table on key performance indicators.

The insurance sector remains liquid as the current ratio stands at 331% well above the prudential benchmark of 150%. This means that insurers are able to meet short terms obligations as and when they fall due.

The total assets of the insurance sector stood at FRW

366.5 bn

as at the end of June 2017,

indicating a (y-o-y)

growth of

10%



**TABLE 15 : KEY FINANCIAL SOUNDNESS INDICATORS ACHIEVEMENT
FOR THE INSURANCE SECTOR**

DESCRIPTION (IN FRW BILLION)	JUN-13	JUN-14	JUN-15	JUN-16	JUN-17
FSIS					
INSURANCE SECTOR (PRIVATE + PUBLIC INSURERS)					
Solvency margin (Min. 100%)	811	1722	1162	991	1034
Claims ratio (max.60%)	44	49	54	66	59
Expenses ratio (max. 30%)	33	35	32	35	28
Combined ratio (max.90%)	77	84	85	101	87
ROA (min. 4%)	8	11.8	9.9	6	10
ROE (min. 16%)	10	16.2	13	8	14
Liquidity ratio (min. 120%)	308	319	382	345	331
Private Insurers	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17
Solvency margin (Min. 100%)	157	131	131	-53	61
Claims ratio (max.60%)	51	64	63	78	70
Expenses ratio (max. 30%)	49	56	47	50	42
Combined ratio (max.90%)	100	120	110	128	112
ROA (min. 4%)	5	0.2	0.5	-7	1
ROE (min. 16%)	12	0.5	1.4	-24	3
Liquidity ratio (min. 120%)	125	121	128	106	109
Public Insurers	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17
Solvency margin (Min. 100%)	3090	3314	2467	2394	2160
Claims ratio (max.60%)	37	34	43	53	48
Expenses ratio (max. 30%)	15	15	13	18	11
Combined ratio (max.90%)	52	49	56	70	59
Return on Assets (min. 4%)	10	20	16	14	16
Return on Equity (min. 16%)	10	21	16	14	16
Liquidity ratio (min. 120%)	1871	2551	5899	3215	4699

Source : BNR

TABLE 16 : KEY FINANCIAL HIGHLIGHTS FOR THE INSURANCE SECTOR

DESCRIPTION (IN FRW BILLION)	JUN-13	JUN-14	JUN-15	JUN-16	JUN-17	CHANGE 17/16
INSURANCE INDUSTRY						
Gross written premiums	39.4	44.9	47.5	52.9	59.7	13%
Net written premiums	35.8	38.2	41.1	46.1	52.3	14%
Total Claims	(3.0)	18.7	22.0	30.2	30.9	2%
Management expenses	(6.4)	13.2	13.6	17.2	15.2	-12%
Net underwriting profit (loss)	8.4	6.3	5.4	(1.4)	6.3	540%
Investment Income	9.0	8.9	9.8	11.6	12.7	9%
Net profit after taxes	16.5	14.6	14.7	10.0	18.6	85%
Assets	219.4	247.2	295.3	332.6	366.5	10%
Technical provisions	46.4	51.1	59.0	74.2	80.5	9%
Liabilities	15.4	15.6	18.0	20.3	19.8	-2%
Capital and reserves	157.6	180.5	218.4	238.1	266.0	12%
Private Insurers	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Gross written premiums	22.0	25.4	27.9	30.6	33.8	11%
Net premiums written	18.4	18.7	21.5	23.7	26.5	12%
Total Claims	(9.4)	12.0	13.6	18.5	18.4	-0.4%
Management expenses	(9.0)	10.4	11.0	13.2	12.3	-7%
Net underwriting profit (loss)	(0.0)	(3.7)	(3.1)	(8.0)	(4.2)	48%
Investment Income	5.2	4.3	4.0	4.1	5.2	27%
Net profit after taxes	4.3	0.1	0.3	(4.1)	0.6	115%
Assets	93.3	102.9	116.7	124.7	136.4	9%
Technical provisions	45.7	51.0	58.5	73.4	79.8	9%
Liabilities	11.8	11.8	15.9	17.5	17.3	-1%
Capital and reserves	35.8	40.0	42.2	33.8	39.2	16%
Public Insurers	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Gross written premiums	17.4	19.5	19.6	22.4	25.8	16%
Net premiums written	17.4	19.5	19.6	22.4	25.8	16%
Total Claims	6.4	6.7	8.4	11.8	12.5	6%
Management expenses	2.7	2.8	2.6	4.0	2.9	-28%
Net underwriting profit (loss)	8.4	10.0	8.6	6.6	10.5	58%
Investment Income	3.8	4.6	5.8	7.5	7.5	-1%
Net profit after taxes	12.2	14.5	14.4	14.1	17.9	27%
Assets	126.1	144.4	178.6	207.9	230.1	11%
Technical provisions	0.7	0.1	0.4	0.7	0.7	1%
Liabilities	3.6	3.8	2.0	2.8	2.5	-10%

Source : BNR

2.2.5 PENSION SUB-SECTOR

The pension sector in Rwanda, is comprised of the mandatory public pension scheme Rwanda Social Security Board (RSSB) and the voluntary pension schemes which are still in the nascent stage of development.

The pension sector is dominated by the Rwanda Social Security Board (RSSB), the public pension fund. The RSSB provides pension coverage on a mandatory basis to all workers formally employed in the public and private sector. As at end June 2017, the pension scheme had around 446,409 contributors and pays pensions to around 17,378 retirees.

The pension sector continues to grow, and remains the second largest contributor to financial sector assets after the banking sector. Assets of the pension fund accounted for 17.1 percent of the financial sector assets in June 2017. Total pension sector assets increased to FRW 661.3 billion in June 2017 from FRW 584 billion in June 2016.

Growth of the pension sector assets in the period under review was engineered by increased contributions and investment returns. Between June 2016 and June 2017, total contribution to the pension fund increased by 4 percent from FRW 74.5 billion to FRW 77.5 billion. The increase in contributions is related to the number of contributing employees, which increased from 396,632 in June 2016 to 446,409 in June 2017.

In the same period, the pension fund's investment income also increased by 14 percent from FRW 23.1 billion to FRW 26.3 billion mainly due to income earned from investments in fixed term deposits and government securities.

In the period under review, the total benefits paid increased by 12 percent from FRW 15.8 billion to FRW 17.7 billion mainly due to the increased number of the pension beneficiaries from 32,363 to 33,532. On the other hand, the total operating expenses reduced by 4 percent from FRW 4.7 billion to FRW 4.5 billion.

TABLE 17 : KEY FINANCIAL HIGHLIGHTS FOR PENSION SUBSECTOR

DESCRIPTION (IN FRW BILLION)	JUN-13	JUN-14	JUN-15	JUN-16	JUN-17	% CHANGE JUN-17/ JUN-16
Total assets	383.6	455.9	512.1	584.5	661.3	13
Total contributions	55.3	55.5	59.7	74.5	77.6	4
Total benefits paid	10	11.9	14.9	15.8	17.7	12
Total operating expenses	5.8	5.7	5.4	4.7	4.5	-4
Total investment income	15.9	20.2	21	23.1	26.4	14

Source: BNR

2.3 ACCESS TO FINANCE

Financial inclusion remains a critical enabler for Rwanda to achieve its medium-term and long-term development goals. Through access to financial services individuals, household or firms are able to borrow and invest; smoothen their consumption and investments overtime through saving and borrowing from financial institutions and ensure against risks. Through these channels financial inclusion supports economic growth and poverty reduction efforts. There was significant progress as highlighted in the last financial inclusion survey (FinScope 2016) indicating financial inclusion at 89 percent, from 72 percent in 2012 and 47 percent in 2008. Access to formal financial services was at 68% in 2016 with gender gap of 11% (i.e 63% for Women against 74% for Men) reflecting considerable preference on informal channels such as group savings. The usage of formal financial services has improved but still at 15% on credit and 49% on savings.

Rwanda's financial inclusion progress is mainly measured through FinScope surveys, done after every 3 years. In addition to FinScope surveys, the BNR monitors financial inclusion progress using high frequent data from financial institutions. The BNR monitors trends in key indicators of access and usage of formal financial services.

Banking sector access points increased last year offering more formal access opportunities to many Rwandans. As at end June 2017, Rwanda has a total bank branch network of 553 from 547 in June 2016, composed of 265 bank branches, 75 sub-branches and 213 counters/outlets. The number of sub-branches decreased due to the conversion of some BPR sub branches into branches.

Other access points like ATMs and POSs also increased during the previous year. The number of ATMs and Point of Sales (POS) machines increased from 398 to 405 and from 1,707 to 2,019 respectively. The increasing number of bank branches and various payment outlets (ATMs, POS and mobile money agents), as well as UMURENGE SACCO presence in each of the 416 sectors of country, provides a tremendous opportunity for the suppliers of financial services to increase provision of diverse financial services and provide a foundation for further financial inclusion progress.

Kigali City has the highest percentage share of bank branches (30 percent) followed by Northern Province (23 percent) and Western Province holds the least (14 percent).

TABLE 18 : BANKING FINANCIAL SERVICES ACCESS

BRANCHES	JUN-15	JUN-16	JUN-17	CHANGE (JUN- 2017/16)
Number of Branches	161	177	265	49.7%
Number of Sub Branches	196	187	75	-59.8%
Number of Counters/Outlets	164	183	213	16.3%
Total Networks of Banks	521	547	553	1.1%
ATMs	371	398	405	1.7%
POS	1,718	1,707	2,019	19%
Mobile Money Agents	35,863	52,081	83,550	60.4%

Source: BNR

In line with increased access points, the number of deposit accounts in the banking sector increased from 1,736,203 in June 2016 to 1,871,858 in June 2017 and this means that 135,655 new bank accounts were opened in this period.

One caveat to using this statistic though is that the number of account holders don't necessarily match the number of deposit accounts, as one individual can have several bank accounts in several banks. Nevertheless, the increase of deposit accounts reflects increased usage of formal financial services. On the mobile money platform, accounts increased from 8.3 to 8.6

Million reflecting the increasing adoption of mobile money services.

The last financial year was marked by a slowdown of borrowing, reflecting the general slowdown of economic activities. The number of borrowers in the banking sector decreased from 299,498 in June 2016 to 261,871 in 2017 (14 percent decrease) on account of weak demand for credit.

This decline reflects the overall slowdown of economic sectors that triggered the reduction in both number of borrowers and amount borrowed in 2006 and in the first half of 2017.

TABLE 19 : NUMBER OF DEPOSITORS AND BORROWERS IN BANKS BY PROVINCE

SECTOR	KIGALI	NORTH	EAST	WEST	SOUTH	TOTAL (JUN-16)	TOTAL (JUN-17)
Number of deposit accounts	905,475	189,544	283,130	243,198	250,511	1,736,203	1,871,858
Number of ¹ borrowers	150,171	23,762	37,372	22,736	27,830	299,498	261,871

Source: BNR

The banking network development has significantly contributed to increase access to financial services, particularly bank credit to different categories of economic agents such as women, youth and SMEs as well as different sectors of the economy.

The Microfinance sector continues to be at the forefront of institutions that offers proximity to the Rwandan population who live in remote areas.

The number of deposit accounts in microfinance institutions increased by 11.6% from 3.0 million in June 2016 to 3.4 million as of June 2017 (39.7% owned by females and 74% representing UMURENGE SACCO accounts).

The loans increased by 17.5% from 189.7 thousand in June 2016 to 222.9 thousand by June 2017 (35% being loans granted to females).

³This includes the outstanding number of loan beneficiaries in banks

TABLE 20 : DEPOSIT AND LOAN ACCOUNTS IN MICROFINANCE INSTITUTIONS (Million)

DENOMINATION	30-JUN-16	31-DEC-16	30-JUN-17	CHANGE (IN %) JUNE 2017/16
No. of Accounts Owned (Million)	3,008.3	3,180.3	3,356.5	11.6%
Females	1,153.2	1,249.4	1,333.0	15.6%
Males	1,580.1	1,663.1	1,739.5	10.1%
Groups/entities	275.0	267.7	284.0	3.2%
No. of loans outstanding (1000)	189.7	190.8	222.9	17.5%
Females	59.8	62.2	77.5	29.6%
Males	123.7	121.3	137.5	11.1%
Groups/entities	6.2	7.3	7.9	26.6%

Source : BNR

2.4 CREDIT INFORMATION SYSTEM

The ability to access affordable credit is a critical element of private sector- Led growth and poverty reduction. While factors such as interest rates and collateral requirements play an important role in access to finance for firms and individuals, information asymmetry increases the cost and risk of lending to both borrowers, especially first time borrowers. Therefore, the BNR underscores the importance of establishing an effective credit reporting system that is capable of facilitating the sharing of credit information among financial institution and controlling the extent of serial defaulters.

The BNR regulates and supervises the credit reporting system, and as of June 2017, Rwanda has once private credit reference bureau (TransUnion) which collects information from mandatory participants (Banks, Microfinance Institutions, and Insurance companies) and voluntary participants (3 telecommunication

companies; Water and Sanitation Authority Corporation and; Rwanda Revenue Authority). Consumers of credit reference bureau data include financial institutions; retail and whole sale business and; the general public.

During this reporting period the credit reference bureau coverage ratio increased from 21.1 percent in June 2016 to 24.4 percent in June 2017, thanks to new data on student loans and more data from Rwandan Revenue Authority.

Between June 2016 and June 2017 a total of 30,577 student loan accounts were shared with the credit reference bureau. The move to include student loans on CRB aimed at building a credit history of young graduates and encouraging the spirit or culture of paying back these student loans. Beneficiaries of student loans aren't classified as defaulters until it's evident that they got employment and deliberately refused to pay.

2.5. FINANCIAL CONSUMER PROTECTION

Essential products like financial services are now being actively compared online and people can make informed decisions. BNR has initiated and launched the price comparator portal where client may easily access bank charges on a single portal. The portal will help clients to longer have to struggle with information gathering from various sources.

2.6 LOOKING FORWARD

- The Bank will review Laws such as Insurance Law, Pension Law and develop new regulations and update existing ones to respond to dynamic market requirements. This will not only enhance stability and a sound financial system but also support the Government program to become a financial services Hub in the region.
- The Bank will enhance its effort on macro prudential activities that focus on the stability of the entire financial system. This will include developing and monitor early warning indicators for systemic risks.
- The Bank will increase its emphasis on enforcing Anti-Money Laundering and Terrorism laws. We will develop and apply a robust framework for AML&CFT and strengthen cooperation with national and international agencies in this area.
- We will strengthen the collaboration with other financial inclusion stakeholders (public; private and; development partners) at achieve 100% of the population accessing finance through financial education, financial consumer protection and supporting the ongoing consolidation and automation of U-SACCOs.
- The Bank will continue to monitor IT systems and controls to ensure compliance with the issued guidelines.

⁴This means the percentage of adult population with credit records in CRB database.



CHAPTER - III

**FOREIGN RESERVES
MANAGEMENT**

The Law n° 55/2007 of 30/11/2007 governing the National Bank of Rwanda (BNR), in its Chapter II Article 42, entitles the Bank to manage official foreign exchange reserves of the country. BNR in managing foreign reserves seeks to ensure capital preservation, the liquidity to allow the country to meet external obligations and support the monetary and exchange rate policy; and the income generation aiming at building up the country foreign reserves and contributing to the financing needs of the Central Bank.

ARTICLE 42 OF THE SAME LAW ENLISTS THE FOLLOWING
DUTIES OF THE CENTRAL BANK, AMONG OTHERS,To ensure capital
preservationTo maintain sufficient
level of reserves to meet
external obligationsTo effectively invest foreign
reserves to generate
reasonable returns

3.1. RESERVES MANAGEMENT OBJECTIVES, POLICY AND GUIDELINES

The Bank reserves management policy and guidelines determine the rationale and objectives for holding reserves, roles and responsibilities of the organs in charge of reserves management, the risk tolerance and other constraints on the management of the reserves. The Guidelines specifies risk and return parameters as well as their limits. It includes the portfolio tranche sizes; the currency composition, the eligible asset classes and the style of reserves management taking into account the risk appetite of the Bank.

Following the Strategic Asset Allocation review in the onset of 2016-2017 financial year, revised reserves tranches were adopted; where liquidity and investment tranches changed, respectively, from 45% to 25% and 55% to 75% given the lower needs of liquidity in the projected cash flow compared to previous financial years. These changes opened more opportunities for investing the reserves within the existing risk framework, justifying the increase of the investment tranche to 75%.

TABLE 21 : THE PARAMETERS AND RISKS EXPOSURE

PORTFOLIO TRANCHES SIZES	<p>Liquidity composed of cash and money market instruments of less than one-year maturity: 45% of total reserves</p> <p>Investment composed of Money market instruments and Bonds : 55%</p>
ELIGIBLE INSTRUMENTS	<p>Money Market Instruments</p> <p>Government and Government agencies debt securities</p> <p>Multilateral organization debt securities</p>
CURRENCY COMPOSITION AND EXPOSURE	<p>Assets and liabilities should be matched at 100%</p> <p>In case of deviation, an overall maximum deviation of +/-4 % out of the dollar is accepted</p>
CREDIT EXPOSURE	<p>The maximum amount to be deposited with any single private bank should not exceed 10% of BNR's total reserves</p> <p>A minimum of 50% of the fund must be invested in AAA rated instruments. The remaining 50% of the Fund can be diversified into securities rated between AA+ and A-</p> <p>The maximum to be invested in any single Central Bank or Supranational should not exceed one-third (1/3) of BNR's total reserves.</p> <p>A single external manager mandate must not exceed 20% of the total reserves. However, a margin of 5% above the maximum 20% can be tolerated</p>

Source : BNR

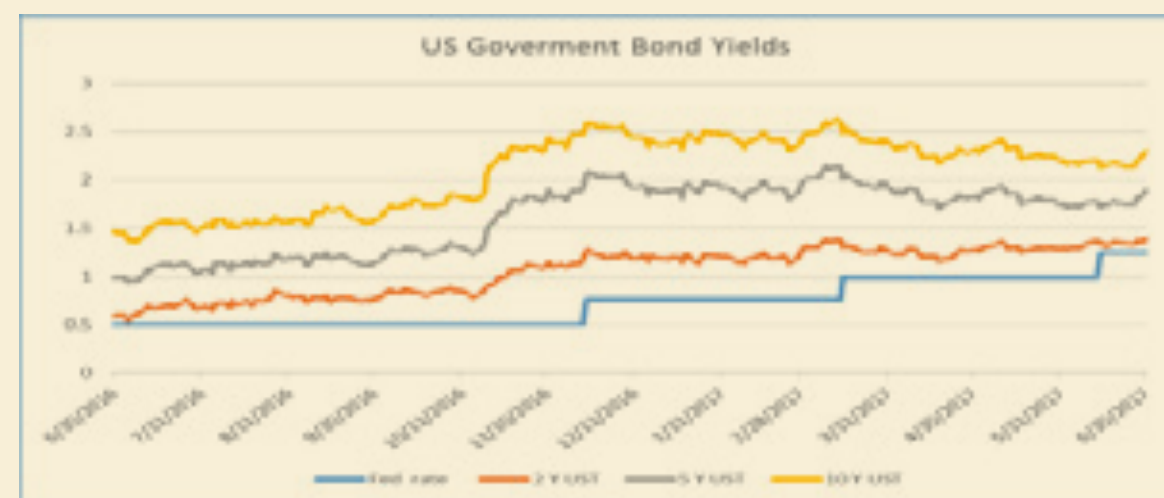
3.2 GLOBAL MARKETS CONDITIONS FOR THE FY 2016/17

The global economy picked up in the second half of 2016, and continued on the same momentum in the first half of 2017, with both emerging and developed economies also expanding together. At 3.1% in 2016, the global growth was higher than 2015 and expected to reach 3.5% in 2017.

The US economy grew by 1.6% in 2016, and forecast to expand by 2.1% in 2017. Euro area

GDP increased by 1.7% in 2016, and Japan's by 1.0%. Despite Brexit-related uncertainties, the UK economy rolled ahead by 1.8%. This upswing has continued to push down unemployment rates and to push up inflation rates, although underlying inflationary pressures remained well contained.

FIGURE 4 : US GOVERNMENT BONDS YIELDS



Source: Bloomberg

The expansion of the economy induced pickup in bonds yields, especially in US. US elections and results and three-time monetary policy tightening, added on the upside pressures on interest rates.

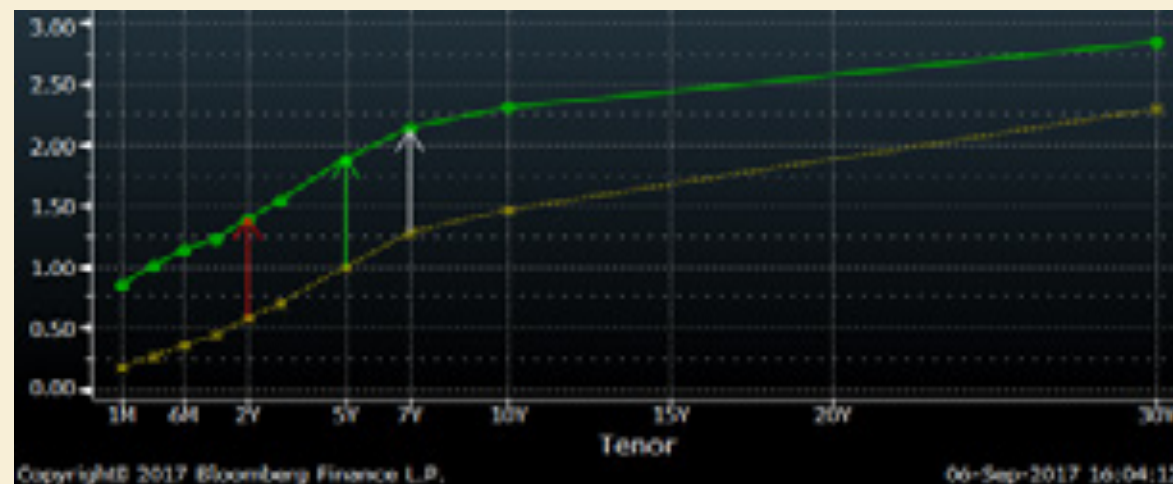
However, downside pressures stemming from mounting doubt on the capacity of the US administration to deliver on important electoral reforms as well as subdued inflation readings, contained the upward trend in yields that could have been worse.

3.3 BNR FOREIGN EXCHANGE RESERVE PERFORMANCE

During the financial year 2016/17; the foreign exchange reserves were managed efficiently, despite the increase of US yields by more than 80 basis points,

consecutive to USA elections results in November 2016 and three policy rate increase by the US Federal Reserve.

FIGURE 5 : US YIELD CURVE (END JUNE 2017 VS END JUNE 2016)



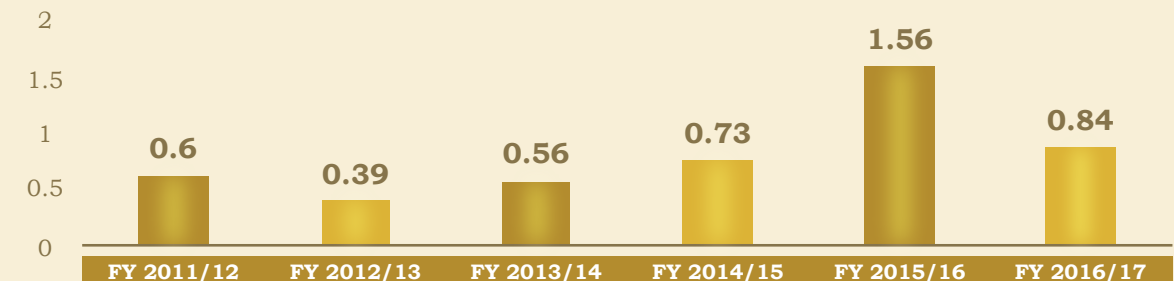
Source: Bloomberg

The BNR financial year performance from the reserves stood at 0.84% against a benchmark return of 0.70% above the benchmark.

The performance of the financial year 2016-2017 was mainly attributed to the new adopted Strategic Asset Allocation (SSA) of 25% in short term deposits and 75% in Bonds and also to higher average level of foreign reserves over the year 2016/17 which amounted to USD 940.61 million compared to USD 817.56 million in the previous financial year and the efficient management of the interest rate risk which limited the adverse effects of the increasing yields environment on bonds returns.

However, the increasing yields trend benefited positively to the short money market part of the reserves. The cumulative return on foreign exchange reserves investment realized in 2016-2017 was however lower than 1.56% realized in 2015/16.

FIGURE 6 : CUMULATIVE RETURNS 2011-2017 (IN PERCENT)

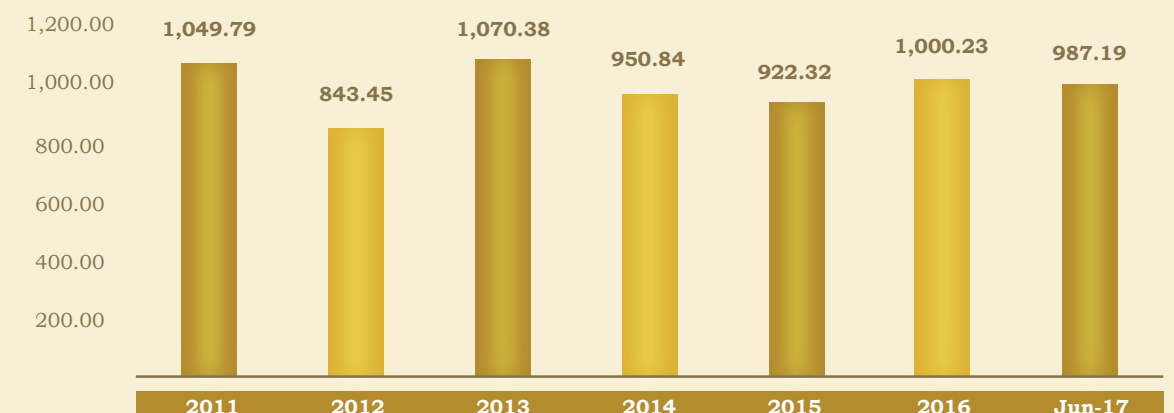


Source: BNR

As of end June 2017, the bank maintained 4.2 months of import and as a strategy to increase the level of foreign reserves to cover at least 4 months of imports, the Bank continued to offer SWAP facility to enhance the FOREX liquidity conditions and to hedge against the currency exposure.

The total outstanding amount of swap transactions was USD 46.7 million as of end June 2017 compared to USD 39, 3 million registered as of end June 2016.

FIGURE 7 : GROSS RESERVES TRENDS 2011 – 2017 (IN USD MILLIONS)



Source: BNR

3.4 LOOKING FORWARD

- The Bank will focus on enhancing internal reserves management structure and capabilities;
- Perform regular review of Strategic Asset Allocation Policy responding to the market environment and available resources;
- Increase FX SWAP with Banks
- Embrace new products on the market

CHAPTER - IV

PAYMENT SYSTEMS MODERNIZATION AND CURRENCY MANAGEMENT

Following Rwanda’s Vision 2020 and the Smart Rwanda Master Plan, Rwanda envisions becoming a cashless economy by 2020; with all government financial transactions done electronically.

PAYMENT SYSTEMS
MODERNIZATION
AND CURRENCY
MANAGEMENT

4.1 NATIONAL PAYMENT SYSTEM

During the year, the Bank continued to exercise oversight role of the Rwanda Integrated Payment Processing System (RIPPS) which comprises of the Automated Transfer System (ATS) and Central Securities Depository (CSD) in one platform operated by the Bank. The Bank also exercises oversight over the East African Payment System (EAPS) and one payments switch (Rswitch).

Our objective was to enhance Rwanda electronic payment system in order to increase

the value of e-payment transactions as a ratio to GDP. The value of e-transactions ratio to GDP stands at 21.09% % in 2016 compared to 16.5% in year 2015. This increase was due to increased number of merchants’ acceptance of payments done through point of sales (POSs) and adoption of internet banking by different corporates to pay different services. Below are key developments in the payment system:

4.1.1 RWANDA INTEGRATED PAYMENTS PROCESSING SYSTEM (RIPPS)

RIPPS is an integrated system comprising of Automated Transfer System (ATS) and Central Securities Depository (CSD). ATS continued to smoothly process credit transfers, cheques and interbank transfers. In terms of volume of instructions, transfers have increased by 15%.

Regarding cheques, the volume remained almost the same with a slight decrease of 1% and an increase of 11% in terms of value. This is due to adoption of other channels like internet banking. The following table shows transactions which went through ATS over the last four years.

TABLE 22 : AUTOMATED TRANSFER SYSTEM –ATS

	TRANSFERS (BANKS AND CUSTOMERS)				%	CHEQUES				%
	2013/14	2014/15	2015/16	2016/17		2013/14	2014/15	2015/16	2016/17	
Volume / No. of instructions	1,957,841	2,100,153	2,513,420	2,891,629	15%	300,676	286,134	289,593	286,442	-1%
Transactions values (Million Frw)	4,818,716	5,299,806	5,826,729	6,360,973	9%	677,655	679,686	690,788	765,982	11%

Source: BNR

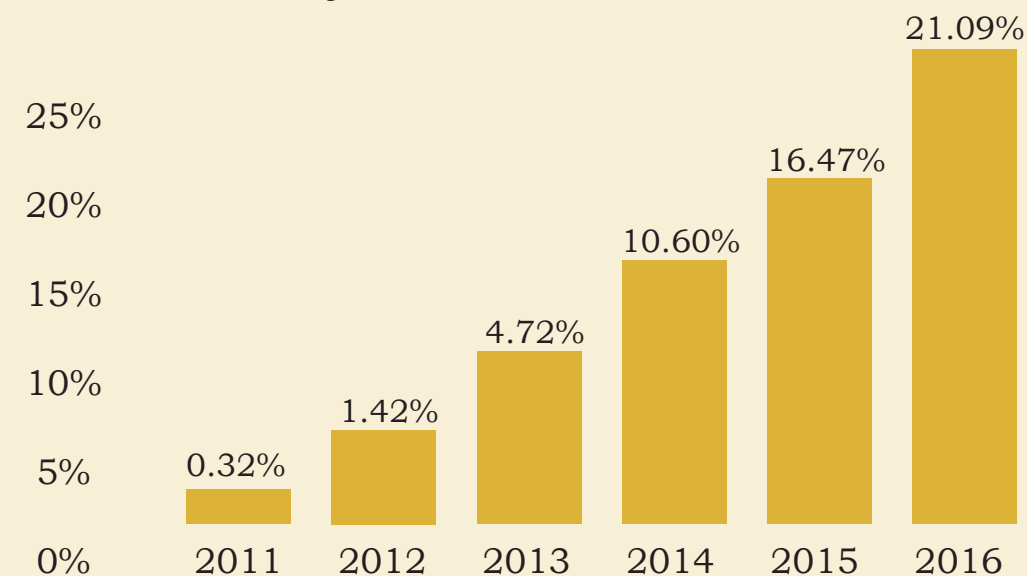
4.1.2 TREND IN RETAIL PAYMENT SYSTEM

Retail payment services have been developing over recent years, based on customer needs and technology developments.

The latest developments have been the introduction of electronic and mobile payments. The graph shows the trend over the last six years.

FIGURE 8 : VALUE OF E-PAYMENT TO GDP

Value of E-Payment to GDP



Source: BNR

» Card Based Payment System

Card based payment adoption continued to increase due to merchants acceptance. Currently in Rwanda we are able to use Visa, Rswitch SmartCash and MasterCard. RSwitch and Atlantis cards are accepted for domestic transactions while Visa and MasterCard

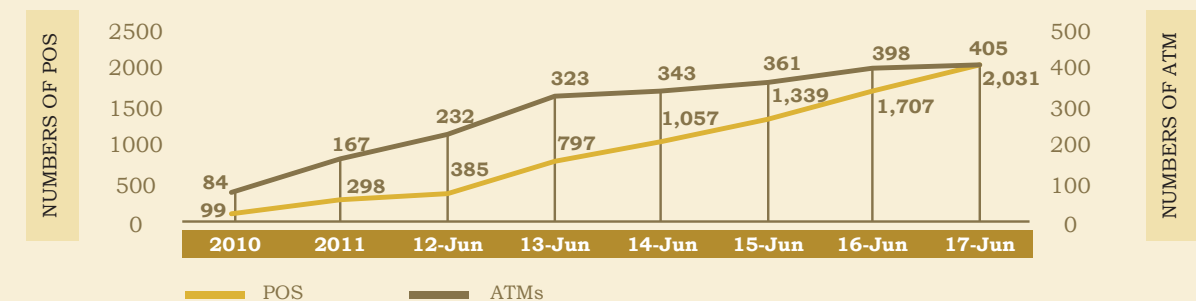
are accepted for domestic and international transactions. ATMs and POSs are interoperable, therefore with any of the above mentioned card a person can transact on any ATM or make a payment using any POS.

» Infrastructure Trend

The number of ATMs and POS increased by 2% from 398 to 405 and by 19% 1,707 to 2,031 respectively during the reporting period. Particularly the number of POS increased due to increased adoption of e-payment by merchants

especially in the hospitality industry. Figure below highlights the progress achieved over the last seven years.

FIGURE 9 : ATM & POS INFRASTRUCTURE TREND

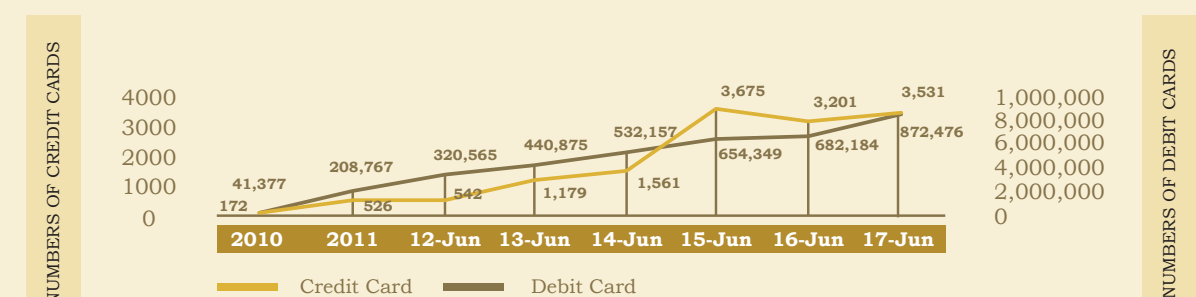


Source: BNR

The number of debit cards increased by 28% from 682,184 in June 2016 to 872,476 in June 2017 while the credit cards increased by 10%

from 3,201 in June 2016 to 3,531 in June 2017. The below figure highlights the increase of cards during the last eight years.

FIGURE 10 : NUMBER OF PAYMENT CARDS

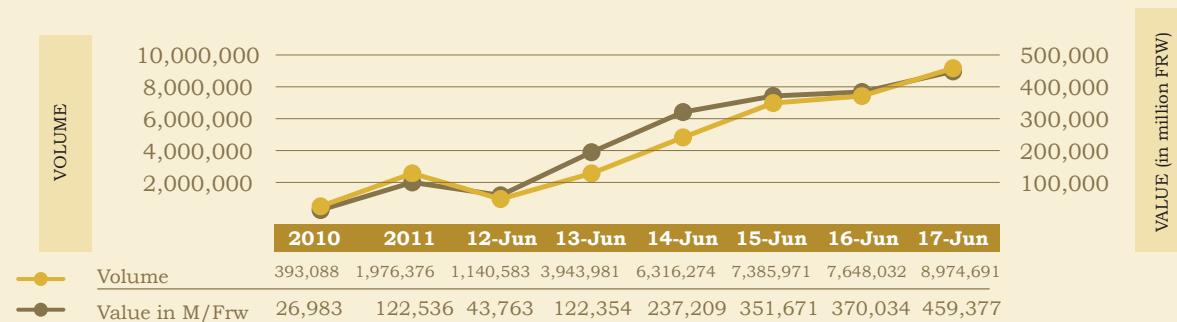


Source: BNR

» **ATMs Transactions**

Regarding ATMs, there have been an increase of 17% in terms of volume and 24% in value of transactions.

The graph below highlights the evolution of ATMs transaction over the last eight years.

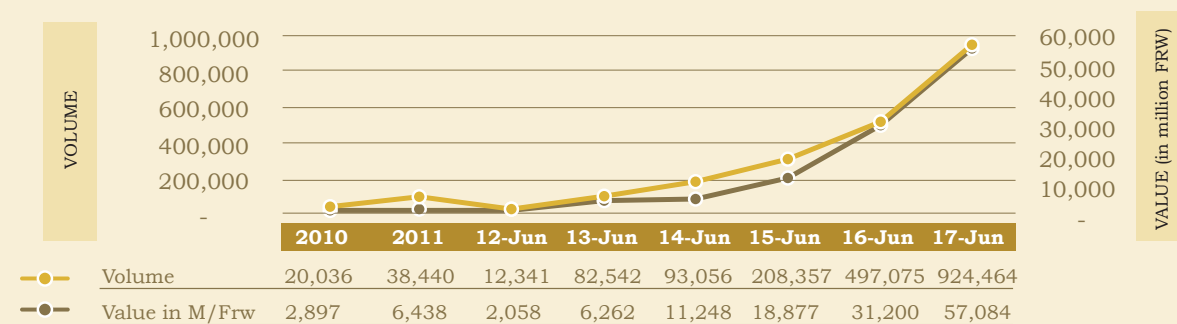
FIGURE 11 : VOLUME AND VALUE OF ATMS TRANSACTIONS

Source: BNR

» **Pos Transactions**

POS terminals are very important in driving the Country towards cash less economy. The volume and value of transactions increased by 86% and by 83% respectively during the year

under review due to increased usage of cards and adoption of POS by merchants. The graphs indicate POS transactions over the last eight years.

FIGURE 12 : POS TRANSACTIONS

Source: BNR

» **Touch Points Penetration per Adult Population**

In addition to development of card payments, the penetrations of touch points increased over the last five years as indicated in below table.

TABLE 23: PENETRATION OF TOUCH POINTS PER 100,000 ADULT POPULATION AND PAYMENT USAGE PER CAPITA 2013-2017 (Unless otherwise specified)

	JUN-13	JUN-14	JUN-15	JUN-16	JUN-17
Rate of penetration of ATMs per 100,000 adult pop.	5.3	5.4	5.6	5.9	5.9
Rate of penetration of POS per 100,000 adult pop.	13.0	16.8	20.6	25.5	29.4
Rate of penetration of Cards per bank accounts	17.2%	26.8%	28.9%	29.6%	35%
Average usage of card on ATM	8.9	11.8	11.2	11.2	10.24
Average usage of card on POS	0.2	0.2	0.3	0.7	1.06

Source: BNR

Despite the above progressive trend, the penetration of payment touch points is still limited compared to other countries in the region or in middle income economies like South Africa as per below table.

The penetration is limited due to lack of awareness but there is a plan to conduct e-payment awareness campaign before end of 2017.

TABLE 24 : COMPARISON OF ATMs AND POS TERMINALS PENETRATION RATE IN 2016/2017

COUNTRIES	NO. OF ATMS (PER 100 000 ADULTS)	POINT-OF-SALE TERMINALS (PER 100,000 ADULTS)
Kenya	9.99	49
Uganda	4.77	N/A
Tanzania	5.79	16
South Africa	61.88	712
Rwanda	5.9	29.4

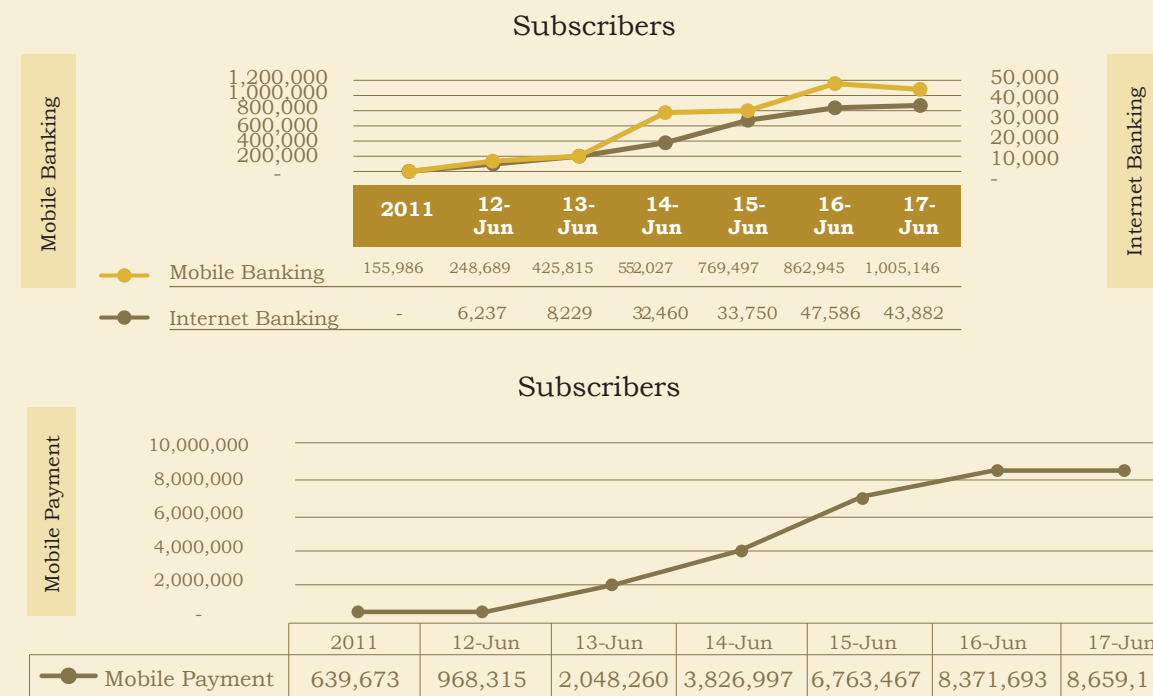
Source: BNR

» **Mobile Financial Services**

Mobile Financial Services continued to increase over the last five years. Between June 2016 and June 2017, the registered mobile money accounts and mobile banking subscribers increased by 3% from 8.4 million to 8.7 million and by 21% from 862,945 to 1,005,146 respectively. However, the subscribers in internet banking have decreased by 8% due to technical reform of the system made by some banks. The rate of active mobile money holders

increased from 36% to 39% reaching 3,377,111 active mobile money accounts.

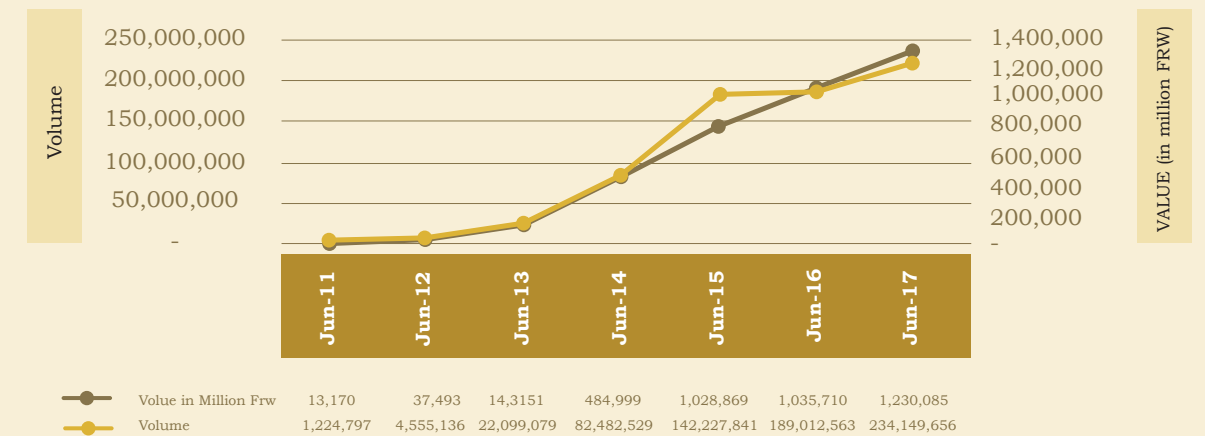
With regard to agents, the penetration rate of agents per 100,000 adult population increased by 110%, from 577 to 1,210 agents between June 2016 and June 2017. The continuous increase of agents' penetration was attributed to easy access to financial services. The graphs below highlight the growth in Mobile Financial Services from 2011.

FIGURE 13 : MOBILE AND INTERNET FINANCIAL SERVICE

Source: BNR

Mobile financial transactions recorded an increase of 24% in terms of volume and 19% in value from the year 2015/2016 to 2016/2017 as indicated in below figure, as mobile payment

is easily accessed and payments are instant, in addition to this, these channels are also used for government payments, utility bills payments, for money transfer locally and internationally.

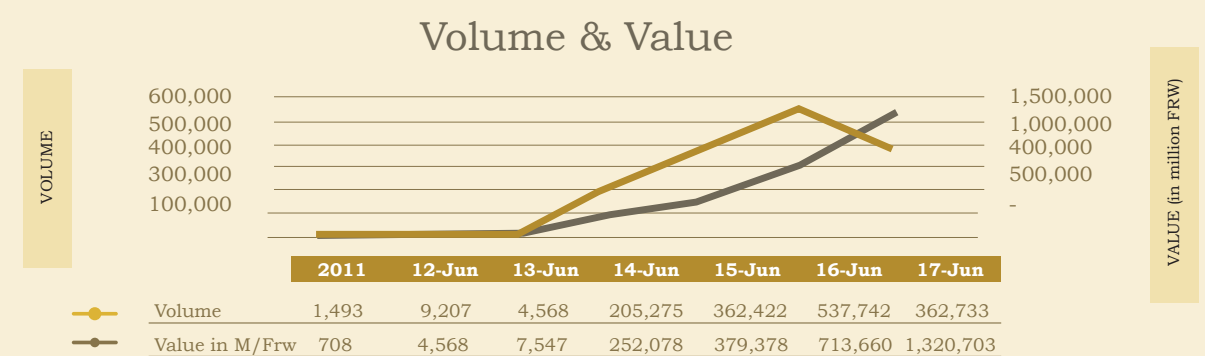
FIGURE 14 : MOBILE FINANCIAL SERVICE SUBSCRIBERS

Source: BNR

4.1.3 INTERNET BANKING SERVICE

The bank continuously improved banking operations to ensure customer satisfaction due to Internet Banking. Since the official launch of internet banking in March 2017, Payment Orders, Checks and other payment instructions from BNR's customers are executed not later than T+1).

Online Banking self-services completion has significantly reduced the queue of customers who used to line at BNR premises striving to get their budget executed before the close of the financial year.

FIGURE 15 : TREND OF INTERNET BANKING SERVICE

Source: BNR

4.1.4 GEOGRAPHICAL DISTRIBUTION OF PAYMENT ACCESS POINTS

As of end June 2017, the biggest number of payment access points (ATMs & POS terminals and mobile money agents) is located in Kigali City while the lowest number of ATMs and mobile money agents is located in Northern Province. Besides, the Eastern Province registered the lowest number of POS terminals.

The difference in geographical distribution of payment access points is largely attributed to differences in concentration of levels of economic activities.

TABLE 25 : PAYMENT ACCESS POINTS

ACCESS POINTS	PROVINCE	KIGALI CITY	NORTH	EAST	SOUTH	WEST	TOTAL
ATMs	Number	211	35	54	47	58	405
	% change (Jun-17/ Jun-16)	52	9	13	12	14	100
POS	Number	1,747	76	46	57	105	2,031
	% change (Jun-17/ Jun-16)	86	4	2	3	5	100
Mobile money Agents	Number	27,573	11,887	19,594	11,947	12,549	83,550
	% change (Jun-17/ Jun-16)	34	14	23	14	15	100

Source: BNR

4.1.5 REGULATORY DEVELOPMENT IN FINANCIAL MARKET INFRASTRUCTURES

During the period under review, the Bank continued to work on issues relevant to the regulation of Financial Market Infrastructure. It is in this context that the regulation governing e-money issuer has been published into the official Gazette. This regulation sets the rules governing the activities of the electronic money issuers and the safeguarding measures of money that belong to e-money holders. Further, in order to improve efficiency in payment and securities operations, during December 2016, a new regulation governing the operations of Central Securities Depository (CSD) has been published. The regulation ensures the integrity of securities issues and manages the risks associated with the safekeeping and transfer of securities. Moreover, the regulation on administrative sanctions applicable to CSD participants was published. This empowers

BNR to impose pecuniary sanctions in lieu of disciplinary sanctions or concurrently to CSD participants.

In addition, a new regulation governing the agents of both deposit taking institutions and non-financial institutions was published. The regulation will facilitate the outreach of the financial services to unbanked and underserved population as it allows the financial service providers to appoint agents and be wholly responsible in the expanding agency network in order to provide financial services.

It is also important to highlight that the regulation governing payment service provider has been amended to allow innovators in payment system to test their products/business models in live environment without following

some or all legal requirements (regulatory sandbox). The regulation governing payment initiation and aggregation services as well as the regulation governing remittance services have been established.

LOOKING FORWARD

In line with our country's vision to become a cashless economy, the Bank will play a pivotal role in laying the foundation to develop cashless economy. We will ensure the systems are developed, safe, efficient, effective and accessible. During financial year 2017/18 our focus will include:

- Contribute to transformation of Rwanda into cashless economy by supporting the market to increase electronic footprint, address the issue of MFS interoperability and support the initiative of the Government to move from paper based to electronic payment. The Bank will further enhance its effort in collaboration with market players to educate merchants and consumers to adopt e-payment.

- The accessibility to National Payment system will be the focus of the Bank by ensuring affordability, fair pricing and transparency in the market.
- The Bank will continue to strengthen the National Payment system legal and Institutional framework with the aim to support innovation and technology advancement.
- The Bank will strengthen security of the system by establishing a cyber resilient framework in line with the National Cyber Security Policy.



4.2 CURRENCY MANAGEMENT

Currency management in the National Bank of Rwanda is very significant as it is one of the most visible functions which touches the lives of every individual. The role of BNR thus is to protect the integrity of banknotes, review and improve security features, take the advantage of latest research and technology in the field, estimate the demand for banknotes and coins, plan the supply and distribution of adequate quantity of banknotes and coins, ensure quality of banknotes in circulation as well as timely withdrawal of soiled and old banknotes. The Bank also fights counterfeiting and focuses to stay ahead of the counterfeiters. Machine readable security features for notes processing are also used.

4.2.1 PROGRESS OF CASH PROCESSING AUTOMATION

Since November 2015, National Bank of Rwanda acquired two (2) High speed cash processing machines (BPS M7). This aimed at improving operational efficiency, faster and accurate accounting, improve planning, monitoring and control as well improving the counting and sorting of deposits from commercial banks. The acquisition of cash processing solution contributed to the decrease of issuance of fresh notes minimizing the cost printing compared to four previous years. It also improved the bank's operational efficiency, made faster and accurate accounting, improved monitoring and control in cash processing as well as better customer

TABLE 26 : ISSUANCE OF BANKNOTES 2016/2017 (IN BILLION FRW)

DENOMINATION	FY 2014/15	FY 2015/16	FY 2016/2017	% CHANGE 2014/15 &2015/16	% CHANGE 2015/16 &2016/17
5000	31.0	20.3	41.0	-35%	102%
2000	29.4	16.3	24.5	-45%	50%
1000	6.5	19.6	12.9	202%	-34%
500	9.2	3.4	2.0	63%	-41%
Total	76.1	59.6	80.4	22%	35%

Source: BNR

service regarding counting and sorting of deposits from commercial banks.

In addition, the Bank automated counting, sorting and shredding machine. The Bank started this financial year with modernizing the cash vaults and the implementation of automated vault (auto-store) at headquarter, redesigning cash receiving area, tracking cash movement, and integrating all cash management/handling systems.

4.2.2 ISSUANCE OF CURRENCY

The Bank has the sole right of issuance of currency by ensuring an adequate supply of banknotes and coins to meet the demand of the Rwandan economy. This includes supply of good quality banknotes, receive deposits of banknotes and coins from the banks and destruction of unfit banknotes. During the financial Year 2016/17, the Bank issued 80.4 Billion FRW of banknotes and 99 Million FRW worth of coins. In the same period, deposits from banks amounted to 394.25 Billion FRW versus withdrawal amounting to 396.23 Billion FRW.

As detailed in table 34, the issuance of notes recorded an increase of 35% in this financial year, compared to 22 % registered in 2015-2016. The increase was due to the issuance of 5000 and 2000 Frw banknotes from December 2016.

The issuance of cois decreased significantly due to the rationalization measures for coins distribution to commercial banks and sensitization of their customers in coins collection and sorting. Details are shown in the table below.

TABLE 27 : ISSUANCE FOR COINS 2016/2017 (IN MILLION FRW)

DENOMINATION	FY 2014/15	FY 2015/16	FY 2016/2017	% CHANGE 2014/15 &2015/16	% CHANGE 2015/16&2016/17
100	336	423	33.2	25.90%	-92%
50	133	114.6	32.4	-13.80%	-72%
20	11.1	64.4	20.2	480.20%	-67%
10	8.2	31.6	9.7	285.40%	-69%
5	2.4	2.7	3.5	12.50%	30%
1	0	0	0	0	0
Total	490.7	636.3	99	29.70%	-84%

Source: BNR

4.2.4 FIGHTING COUNTERFEITING

The level of counterfeit on Rwandan Francs remains below 0.001 % versus an acceptable ratio of 1 % of the total banknotes in circulation. The National Bank of Rwanda (BNR) continues to strengthen security features in Rwandan Francs banknotes that allows general public to recognize a fake note. So far, the new Spark security feature added to 5000, 2000, and 1000 allowed public to detect easily a fake note.

The National Bank of Rwanda continues to work with all partners to streamline effort in fighting currency counterfeiting. A Memorandum of Understanding (MoU) is under development with the Rwanda National Police (RPN) and National Public Prosecution Authority (NPPA).

4.3 LOOKING FORWARD

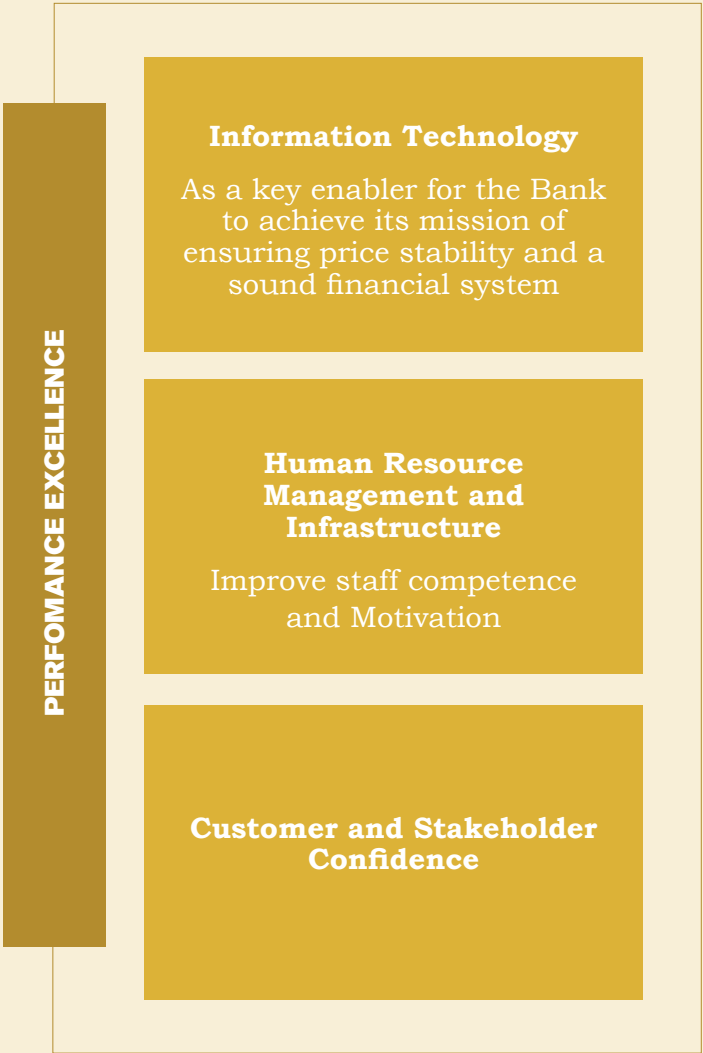
- The bank will finalize the automation of Vault Management System (VMS) and integrate it with all required internal and external banking systems; improve efficiency in cash processing, management and reporting; increase life span of bank notes, reduce time in cash processing and management.
- Improve the quality and security features of bank notes by keeping abreast of technological advancement in counterfeiting and banknote design.
- BNR will also strengthen FRW Currency Cycle traceability by improving its ability to trace present and historical cash movements.

CHAPTER - V

INSTITUTIONAL DEVELOPMENT

In FY 2016/17, the bank demonstrated several institutional development aspects. In line with capacity building plan, the Bank continued to enhance staff competency and building the required capacity to achieve its mandate. The Bank further pursued infrastructure development (both soft and hard) to improve the bank’s operational efficiency, corporate image, customer and stakeholder confidence in its services. BNR headquarters were rehabilitated to create conducive working environment and improve the bank’s visual identity.

INSTITUTIONAL
DEVELOPMENT



ARTICLE 42, ENTITLES THE BANK TO
MANAGE OFFICIAL FOREIGN EXCHANGE
RESERVES OF THE COUNTRY.

5.1 INFORMATION TECHNOLOGY

Information Technology is a key enabler for the Bank to achieve its mission of ensuring price stability and a sound financial system. For the last five years, BNR has heavily invested in IT foundational systems to improve Bank's operational efficiency through automation of key processes. Major ICT projects were implemented including a core banking system; Enterprise Resource Planning; state-of-art infrastructure including a data center, network upgrade, servers, security systems such as fire walls, redundancy and monitoring systems, and a disaster recovery site.

Leveraging from already implemented foundational systems, the Bank's focus in 2016/17 was two-fold. On one hand, the Bank developed online solutions that will ease service delivery and support customer care, both internally and externally. The main ones are internet banking, an electronic data warehouse, business intelligence, and automation of cross-border trade surveys. On the other hand, the Bank put emphasis on IT security with the aim to mitigate inherent internal and external risks. This was done by implementing risk based information security controls and enhancing the IT governance, paving the way to ISO 27001:2013 Certification.

5.1.1. ENTERPRISE DATA WAREHOUSE AND BUSINESS INTELLIGENCE SYSTEM

A data warehouse is a system storage of an organization's operational databases as well as data from external sources. Data warehousing is increasingly becoming more important and is making it easier for corporate decision makers in analyzing and sharing data via Business Intelligence tools.

The National Bank of Rwanda is one of the organizations in the country that requires large amounts of data and information to fulfill its mission. In order to improve the speed and efficiency in accessing and processing data, both internal systems and from stakeholders, the bank has implemented a state of the art Enterprise Data warehouse (EDW). With the new EDW, the National Bank of Rwanda is directly linked to stakeholders' databases of Commercial Banks, Insurances, Microfinance Institutions, pensions, forex bureaus, Telecom operators and money transfer operators. Data is now automatically pulled from the institutions every 24 hours or every 15 minutes for mobile money and money transfer operators compared with the previous manual processes where the bank's staff would take weeks to acquire the same data into Microsoft excel spreadsheets and other manual tools.

The bank will be consistently using the EDW to extract huge streams of data from its internal systems and from the stakeholders and then process it into meaningful information for useful economic decisions. This will positively impact the effectiveness and efficiency of the bank's leadership in developing corporate strategies. Particularly, the EDW coupled with its business intelligence capabilities, the Bank will be able to track in real time, key economic indicators through a dashboard from the lowest to the highest managerial levels.

With the implemented EDW and Business Intelligence System, the bank is expected to gain from accuracy and promptness of data collected and shared. Data automatically received from institutions' databases into the EDW is trusted and reliable since the system has got data integrity check mechanism.

5.1.2. INTERNET BANKING

During the year, the Bank launched Internet Banking – currently all banking services to commercial banks and government institutions are transacted online. This has improved efficiency in our banking services, for instance the process of payment of government salaries has reduced from five steps to only two steps.

Since this March, government institutions and district authorities have been able to do payments including salaries, and consult their bank accounts without physically visiting the National Bank of Rwanda and its branches.

In addition to improving the quality of services given, the internet banking has impacted its esteemed customers with financial benefits including; reduced time taken to process payments, saving the logistics that would otherwise be used to visit the bank's branches, and increased productive time that would otherwise be used to travel to branches for transactions. The government being the biggest client in this country's ecosystem, reduced time in paying suppliers by government institutions through Internet Banking has had economic benefits as well that are not limited to improved money velocity.

The direct benefit to the Bank was realized this June when for the first time in the Bank's history, the National Bank of Rwanda managed to smoothly close the financial year 2016-2017 on time.

5.1.3 INFORMAL CROSS BORDER TRADE SURVEY AUTOMATION

BNR in collaboration with other Government Institutions conducts surveys on informal cross border trade. These surveys capture unrecorded trade transactions in goods from 53 of Rwanda's border posts with neighboring countries that are not otherwise recorded in official customs data.

In FY 2016/2017, the Bank's staff developed a software that enables the data enumerators capture with iPads to reach the database in real time. The automation helped the Bank to save on the cost and turnaround time of the survey. It also contributed to mitigating the risk of errors that could accrue previously due to manual manipulation of the data while releasing the staff to devote more time on the analytics.

While in the past it took more than a month to centralize all data in BNR data base and produce required reports, currently data is saved in BNR database in real time and reports are generated daily.

5.1.4 CYBER SECURITY

In order to mitigate the cyber threats that are prevalent across the globe, and in order to comply with international standards, the National Bank of Rwanda during this year aimed at achieving international accreditation of its Information Security Management System (ISMS). This would ensure that the Bank's key ICT infrastructure are protected and administered according to the accepted international standards.

The scope of the ISMS was: Processing, transmission and storage of digital information and information processing assets of the National Bank of Rwanda, including its physical security and the Disaster recovery site.

The National Bank of Rwanda undertook an extensive process of compliance checks and ensuring that security controls are put in place in order to gain the following:

- Increase trust and confidence among the interested parties that their data and other information exchange is protected and kept confidential and secure thereby improving the value and customer satisfaction.

- Enable BNR to manage and secure its information and information assets cost effectively as well as systematically from all potential security threats.
- Become compliant to relevant rules, regulations, legislations, standards and best practices.
- Enable BNR to plan ahead of a crisis or disaster to ensure downtime of operations are avoided or minimized.

It was a great achievement therefore when the National Bank finally received accreditation of this international standard, and the confidence of being safe from any cyber threats increases continuously.

5.1.5 IT GOVERNANCE FRAMEWORK

IT Governance has become increasingly important in recent years due to global economic problems and increased threats to an organisation's ability to operate continuously, safely and securely. There is also a need to extract measurable value out of IT and at the same time to manage IT related risks. In order to achieve this, an IT governance framework must be designed, implemented, adopted and maintained that guides the implementation of IT governance within the National Bank of Rwanda (BNR).

IT governance is an integral part of corporate governance and consists of the leadership, organisational structures and processes that ensure that the Bank's IT sustains and extends the Bank's strategies and objectives. IT governance is a continuous function that must be embedded at all levels of the Bank, from board, executive and management level to the operational staff. IT governance is implemented

at two different layers namely the corporate governance of IT layer and the IT management layer. Corporate governance of IT is the system by which the current and future use of IT is directed and controlled by the board of directors and executive management. IT management involves aligning to corporate governance of IT requirements and implementing its directives.

In the execution of corporate governance of IT, the board of directors and executive management must evaluate, direct and monitor IT such that they are in compliance with this governance framework. To reinforce corporate governance of IT further, responsibility for the decision making of IT strategic planning, significant IT expenditure and IT programmes must be placed at an executive level in the Bank.

This IT governance framework will ensure that there is alignment between IT and the needs of the Bank, that IT investments are optimised; and that the efficiency and effectiveness of IT service delivery to the Bank is increased. During the reporting period, the focus was to define the processes with clear templates and proper documentation with a view to ensure best practices in the way we manage the systems so that they add value to the Bank and don't expose the Bank and beneficiaries to risks.

LOOKING FORWARD

- The Bank will focus on ensuring the stabilization of IT systems in place.
- Automation and Intergration of IT Systems
- Cyber security will continue to be a priority to the Bank.

5.2 HUMAN RESOURCE MANAGEMENT & INFRASTRUCTURE



The Bank being a knowledge-based organization, it is important that BNR attracts, develops and retains motivated workforce. During the year, the Bank focused on attracting the best talent from the market, capacity building, establish performance management system and continued to improve staff welfare.

5.2.1 BNR STAFF COMPOSITION

During the year under review, the bank staff was 404, with 277 males and 127 females, compared to 379 staff of 2015/16. The increase in number was a result of filling the vacant positions and creating new positions in the bank's organizational structure.

TABLE 28 : STAFF CLASSIFICATION BY POSITION

AS OF JUNE-2017



POSITIONS	MANAGEMENT	1	50.0%	1	50.0%	2	TOTAL
	DIRECTORS GENERAL	2	33.3%	4	66.7%	6	
	DIRECTORS	13	72.2%	5	27.8%	18	
	MANAGERS	46	75.4%	15	24.6%	61	
	SENIOR OFFICERS	38	70.4%	16	29.6%	54	
	OFFICERS	177	67.3%	86	32.7%	263	
	TOTAL	277	68.6%	127	31.4%	404	

Source: BNR, 2017

5.2.2 ATTRACTING THE BEST TALENT FROM THE MARKET

Like many other employers, BNR is facing increasing competition for skilled staff on the market. Specifically the Bank has to remain competitive vis-a-vis the financial sector, a task that is not easy given the latter's flexible payroll structure. During the year, BNR was able to articulate its value proposition, attracted and recruited over 40 new staff.

5.2.3 HUMAN CAPITAL DEVELOPMENT AND PERFORMANCE MANAGEMENT

In a journey towards World Class Central Bank, the Bank continued to invest heavily in its people to develop talents in different professional fields such as leadership, change management, customer care, research, forecasting models to mention but a few guided by its three years capacity development plan and skills audit of 2015/16 fiscal year. This has reduced significantly the Bank's reliance to external consultants.

A culture of innovation is progressively growing, the Bank has put in place innovation policy that created a platform where innovative ideas and creative solutions are presented and adopted to enhance productivity in our day to day work.

The Bank introduced a 360 degree evaluation tool used to evaluate competencies of each employee through feedback from staff themselves, their supervisors and peers. The tool acts as a health check for career development, improved customer service and identify key development areas.

The Bank developed performance measures to monitor the implementation of Annual Business Plan. The performance measures are aligned with department/cluster strategic objectives and cascaded further to individual Key Performance Indicators (KPIs) in their performance contracts.

5.2.4 INTERNSHIP PROGRAM

The main goal of this program is to give successful candidates opportunity to improve their analytical and technical skills as well as their experience to work in a financial sector environment so as to create a pool of employable candidates for the financial sector.

The Bank has professional internship program that usually lasts for six (6) months renewable only once and academic internship program that takes one to three months upon recommendation of a university/learning institution. This year, the bank trained 56 candidates for professional program and 65 for academic program. The training methodology applied to interns is "learning by doing".

Furthermore, the Bank introduced a Special internship program for "Young Economists" to boost a big pool of economists in the market. During the period under review, ten (10) interns were recruited into the program that will run for 12 months.

5.2.5 STAFF WELFARE

BNR as an institution that endeavors to remain an "employer of choice" has an arrangement that provides personal development opportunities to staff including coaching on how best to use their skills and money for health financial management and personal economic growth.

To boost and maintain a healthy workforce; various awareness campaigns were conducted such as malaria prevention and control, smoking effects on human health as well as awareness on HIV/AIDS treatment. Testing and vaccination of hepatitis to all staff and their legal dependents was also done during the year.

In the bid to maintain healthy staff, BNR held Inter directorate competitions in football, swimming, tennis and basketball. The bank realized positive results from these sports

tournaments in form of high team spirit, improved staff health and therefore, looking forward for improved productivity. Team sports helped the participants to boost their self-esteem, develop problem solving skills, improve team work, reduce pressure and stress, learn more on accountability, dedication and leadership. The bank will continue to support sports, aimed to improve the staff's health.

5.2.6 PHYSICAL INFRASTRUCTURE

During the year, the Bank continued to enhance and maintain its physical infrastructure to improve work environment for the staff to deliver on our mandate as Central Bank. The infrastructure development involved renovation of BNR Headquarter building, enhancement of safety and security by use of technology and installation of energy saving equipment.

LOOKING FORWARD

- The Bank is committed to improve its performance management aligned to the balanced score card framework. To align performance management to the Bank's overall strategy, the Bank has continued to improve alignment of its overall performance to that of individual staff to enable BNR achieve its overall vision.
- The bank will also focus on reinforcing the culture of innovation, continue to develop staff capacity to match with the professional & emerging central banking capacity standards and adopt HR professional best practices.
- The bank will also review its organizational structure, grading and career paths to ensure the structure matches with the bank's strategy and ensure "fit for purpose" to achieve organizational goals.
- The Bank will strengthen the capacity of our IT staff to support and maintain the existing IT systems .

5.3 COMMUNICATION AND OUTREACH

The Bank acknowledges the fact that effective communication is essential to achieving its mandate, since it provides the transparency needed to be accountable and understandable to the public thus enabling the public make the right financial decisions. In pursuit of the above, the Bank has continued its efforts to enhance understanding of its role and policies through a wide variety of channels.

5.3.1 SPEAKING ENGAGEMENTS AND MEETINGS

The Bank has furthered its communication with Rwandans through speaking engagements and meetings of which the Bank's Management delivered speeches and appeared on panels across the country and internationally, and also did several media interviews. In the year 2016, the Bank's Management delivered 17 public speeches and public appearances on either local and international panels or press conferences. The Governor, Vice Governor and Chief Economist participated in numerous media interviews discussing matters that pertain the economy. In addition, other Senior Management Members also made appearances on specific media houses to discuss issues that pertained their sector.

5.3.2 ONLINE COMMUNICATIONS

The Bank further took full advantage of online and multi-media communications tools to strengthen its outreach to Rwandans. During the year under review, the Bank put more effort in having a dynamic website that is frequently updated. Visitors can find key financial market information—such as the exchange rate and

interest rates—as well as publications, research papers and speeches that provide the academic and technical context for the Bank's policies and operations. The website also has extensive educational content about the Bank and its history, bank notes and currency, and useful statistics. In 2016, the website was redesigned, to make content easily accessible on mobile devices, and to enhance the overall experience for online audiences. The Governor's speeches, press conferences and key presentations were webcast to improve public access to important Bank information and announcements and to help Rwandans understand complex economic and financial issues. The Bank used other popular online tools to give Rwandans the opportunity to receive information, provide feedback and contribute to the work of the Bank. In addition to the website, Flickr and YouTube, the Bank frequently used its Twitter account to update the public on key economic issues and notices.

5.3.3 PUBLICATIONS

The Bank continued emphasizing on publishing its research work and what it does through different publications. During the year under review, the Bank published its Annual report, Economic Review which was published twice as per its calendar, The Rwandan Banker also published twice, the Financial Stability Report, Inflation Report published monthly and the quarterly Monetary Policy Report which includes more extensive analysis, including forecasts for growth and inflation, released simultaneously with four of the policy rate announcements.



18K Followers as of June 2017 from less than 5K in 2015.



Governor's presentation of the Monetary Policy and Financial Stability Statement.

5.3.4 BUILDING JOURNALISTS CAPACITY

To ensure that its monetary policy decisions are disseminated to the public in the most effective way which will impact the real economy, the Bank embarked on building the capacity of the media by training the journalists on macroeconomic concepts and the analysis of key macroeconomic indicators. During the year under review, four media trainings were conducted which attracted 28 journalists for each session, from different media outlets locally.

5.4 CORPORATE SOCIAL RESPONSIBILITY

For the past three years, BNR's Corporate Social Responsibility effort focused on Community development (commonly known as Umuganda), support families for former BNR staff killed during the 1994 Genocide against Tutsis and building capacity of young graduates through Internship program to acquire employable skill and experience. The staff of the bank continued their support to less privileged people by contributing part of their salary, in a bid to give back to society.

During the financial year 2016/17, the Bank participated in monthly community work at Masaka sector – Ayabaraya Village in sponsorship to the IDP Model village program.

In support of this project, the Bank through its staff, sponsored the construction of 4 units to support the poor.

During 23rd commemoration of 1994 Genocide against the Tutsi, the Bank together with friends, families of those who lost their relatives during the 1994 Genocide against the Tutsi, came together in commemoration of the 22 BNR staff killed in 1994.



BNR Management, staff and families pay respect to 22 of its staff killed in the 1994 Genocide against the Tutsi

5.5 EXTERNAL RELATIONS AND PARTNERSHIP

Engagement with external communities — national, regional and international is central to the core mission of BNR. These stakeholders participate and collaborate in research, trainings and share experience. Envisioning BNR's future requires viewing external engagement as an overarching priority to deliver on its mission.

5.5.1. EAC MONETARY COOPERATION AND FINANCIAL STABILITY INITIATIVES

The National Bank of Rwanda continues to maintain close collaboration with other Partner States Central Banks to achieve various activities as initiated under the auspices of the Monetary Affairs Committee (MAC) to streamline the successful implementation of East Africa Monetary Union (EAMU) protocol. As a result during 2016/2017, BNR delegates attended the 20th MAC Ordinary Meeting convened to review the progress on the implementation of the decisions of the 19th MAC meeting. The meeting was attended by delegates from all EAC Central Banks, staff from the EAC Secretariat, the IMF Monetary Policy Advisor to the EAC and a representative from the IMF.

In this respect, the involvement of BNR in several meetings of the MAC Sub-committees and Technical Working Groups (TWG) undertaken across the EAC Partner States was of priority to fast track the integration agenda as an introduction to the establishment of the EAC monetary union. These made commendable progress towards the operationalization of the EAMU Protocol. Such milestone realized demonstrates unwavering commitment and dedication of the Central Bank to its core mandate to enhance monetary and financial cooperation within EAC. At varying degrees, both priority and emerging issues have been

harmonized in preparation to the EAMU. These include monetary policy frameworks, macroeconomic statistics, monetary and exchange rate operations, rules and regulations governing bank supervision and financial reporting practices, modernization and integration of the payment systems (EAPS) and capacity building. These have been jointly implemented to ensure that the key convergence criteria of monetary union are implemented within the timelines spelt out in the roadmap for the establishment of EAMU.

5.5.2. COMESA MONETARY COOPERATION AND FINANCIAL STABILITY INITIATIVES

During 2016/2017, BNR continued to cooperate with COMESA Partner Central Banks in implementing COMESA Macroeconomic Convergence Criteria, the resolutions aimed among others to enhance the improvement of the COMESA Monetary Institute (CMI) activities as well as in the operations of the Regional Payment and Settlement System (REPSS). Also commissioned by the COMESA Monetary Institute, CMI, BNR conducted two research studies in the area of monetary policy that were presented to the joint research forum of the Partner States Central Banks organized by the Institute in October 2016.

5.5.3. COOPERATION WITH MEFMI

BNR continued to demonstrate commitment and dedication in terms of collaboration with MEFMI in areas of Macroeconomic Management; Monetary and Exchange Rate Management, Financial Sector Management. The Bank also benefited from capacity building in areas of macroeconomic analysis and management, payment system, statistics, financial markets, monetary and exchange rate policies among others.

5.5.4. COOPERATION WITH EAST AFRITAC/INTERNATIONAL MONETARY FUND (IMF)

During 2016/2017, the National Bank of Rwanda and IMF continued to collaborate in order to enhance the BNR's staff with capacity. Two technical assistance missions were benefited notably in the area of Forecasting and Policy Analysis Systems (FPAS) macro-model as well as in monetary policy and operations framework as a preparation for transition to inflation targeting by 2018. The IMF missions were also extended in the area of policy advice under Policy Support Instrument (PSI) programme which were undertaken two times during the fiscal year. Other areas of collaboration with IMF were through technical trainings in fields of Monetary Policy Analysis and Statistics, external sector analysis, research, financial markets, financial stability and Bank supervision.

5.5.5. THE ASSOCIATION OF AFRICAN CENTRAL BANKS (AACB)

In 2016/17, BNR remained committed to monetary cooperation initiatives of the Association of African Central Banks (AACB). More particularly during 2016/2017, BNR has been actively implementing the African Monetary Cooperation Programme (AMCP) roadmap. BNR participated in the 39th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB) held on August 19, 2016 at Abuja, Nigeria. The meeting was attended by member central banks, the African Union Commission (AUC) and regional and international institutions. The meeting examined the state of implementation of the African Monetary Cooperation Programme (AMCP), reviewed the progress in the refinement of the macroeconomic convergence criteria as well as the implementation of the work programme of the Community of African Banking Supervisors (CABS).

As usual, the meeting was preceded by a Symposium which was held on August 18th 2016, with the theme: "Unwinding Unconventional Monetary Policies: Implications for Monetary Policy and Financial Stability in Africa". The symposium noted that the unwinding of unconventional monetary policy could be an opportunity for African countries to develop appropriate measures to strengthen their resilience in the face of exogenous shocks. In this regard, the Assembly of Governors stressed that it is necessary for African countries to diversify their economies and improve exports, while limiting imports. It was also emphasised the urgent need for coordination between monetary and fiscal policy.

5.5.6. THE ALLIANCE FOR FINANCIAL INCLUSION

BNR as a member of Alliance for Financial Inclusion (AFI) attends every year the AFI Global Policy Forum (GPF) meeting. For the year under review, BNR attended the 2016 AFI-GPF meeting held in FIJI from 7-9 September 2016. The forum held under the theme "Building the Pillars of Sustainable Inclusion" was attended by the Vice-Governor. Despite the progress made in advancing global financial inclusion, it was noted that women remain disproportionately excluded from formal financial inclusion. Thus, the 2016 GPF acknowledged the importance of closing the persistent gap in gender financial inclusion. DENARAU Action Plan was adopted by the AFI network, committing to close the financial inclusion gap. The AFI Gender and Women's Financial Inclusion Committee (GWFIC) of which BNR Vice Governor is a member was put in place to oversee the implementation of the plan. The Action Plan exhorts AFI members to develop and implement policies and regulatory framework favourable for women to access affordable financial services.

It is in this regard that BNR in collaboration with MINECOFIN have developed the National Financial Inclusion Strategy for Rwanda planned to be validated and adopted before end of 2017.

In addition to the above committee, BNR is also a member of the AFI Audit Committee, Financial Inclusion Data Working Group (FIDWG), Digital Financial Services Working Group (DFSWG); Consumer Empowerment & Market Conduct Working Group (CEMCWG) and Global Standards Proportionality Working Group (GSPWG). These working groups provide a platform for knowledge sharing on key financial inclusion issues.

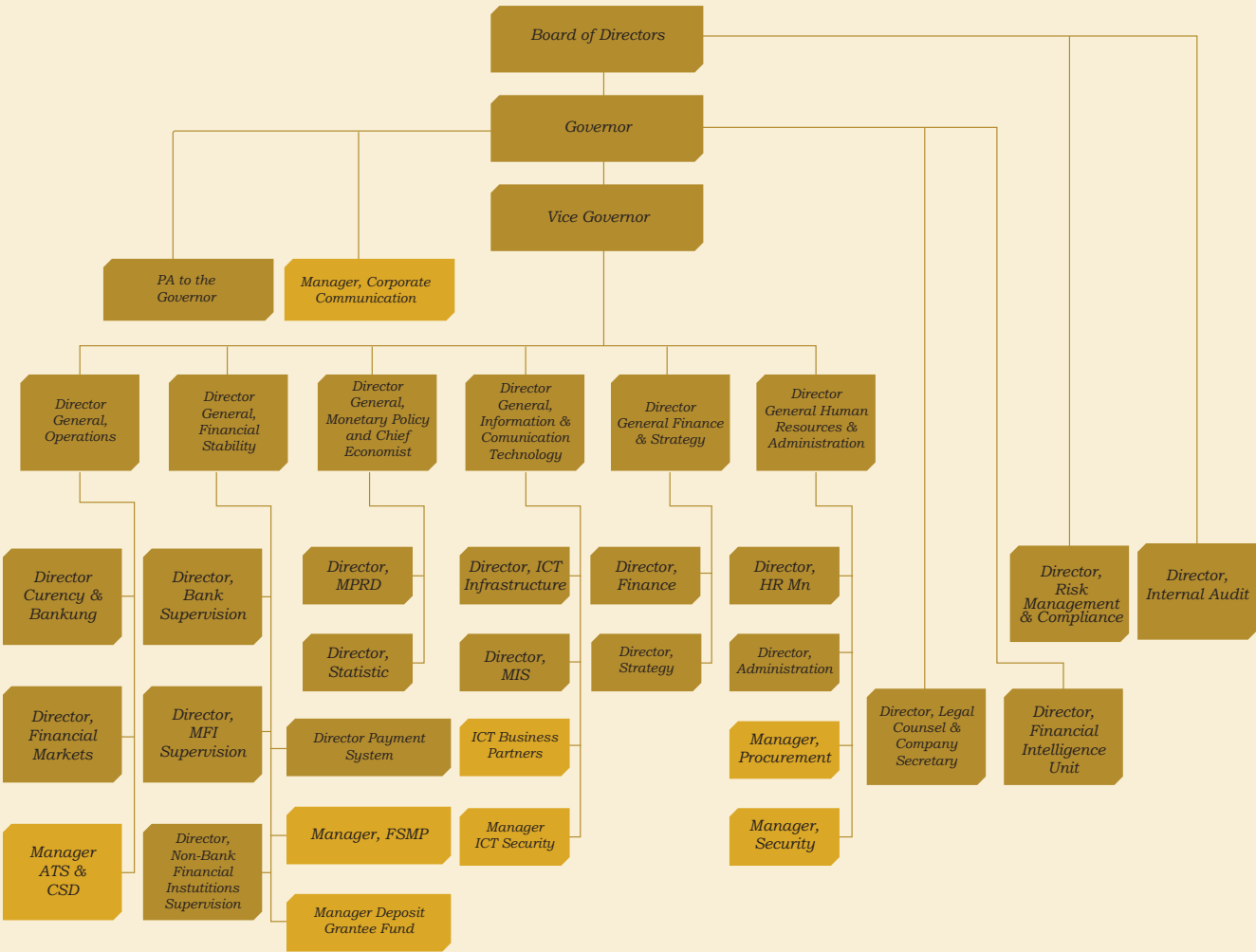
The Bank is also a member of the African Financial Inclusion Policy Initiative (AfPI) a successor of the African Mobile Phone Financial Services Policy Initiative (AMPI).

BNR will continue to actively participate in the above working groups to ensure financial inclusion for all.



CHAPTER - VI

GOVERNANCE OF THE BANK



6.1 BNR CORPORATE GOVERNANCE AND BOARD OF DIRECTORS AFFAIRS

6.1.1 BNR BOARD AND BOARD COMMITTEES

The Board statutory responsibility is to formulate the general policy and oversee the affairs and business of the Bank. During the year the Board consisted of the Governor as Chairperson (consistent with best practices in many other Central Banks), the Vice Governor as deputy Chairperson and four other non- executive members. In each of its four meetings, the Board considered relevant updates on economic and financial sectors and provided guidance. It also approved policies, plans, and reports recommended by Management or relevant Board Committees as applicable. The Board also underwent a training on Corporate Governance and conducted self-evaluation in line with Corporate Standards.

The Board held four ordinary meetings during the financial year 2016/17 as indicated below:

TABLE 29 : MEMBERSHIP OF THE BOARD AND IT COMMITTEES, AND MEETINGS ATTENDED FROM 1ST JULY 2016 TO 30TH JUNE 2017

MEMBER		BOARD MEETINGS(5)	HR COMMITTEE (4 MEETINGS)	AUDIT & RISK COMMITTEE (4 MEETINGS)	STRATEGY & IT COMMITTEE (4 MEETINGS)
	Mr. RWANGOMBWA John	4/4			
	Dr. NSANZABAGANWA Monique	4/4			
	Prof. BIZOZA Alfred	4/4	4/4		
	Ms. HABİYAKARE Chantal	4/4		4/4	4/4
	Mr. RUGWABIZA Minega Leonard	4/4			4/4
	Ms. KYATENGWA Lillian	4/4	4/4	4/4	

Source: BNR



Mr. RWANGOMBWA John
Board Chairman



Dr. NSANZABAGANWA Monique
Board Vice Chairperson



Prof. BIZOZA Alfred
Board member



Ms. KYANTENGWA Lillian
Board member

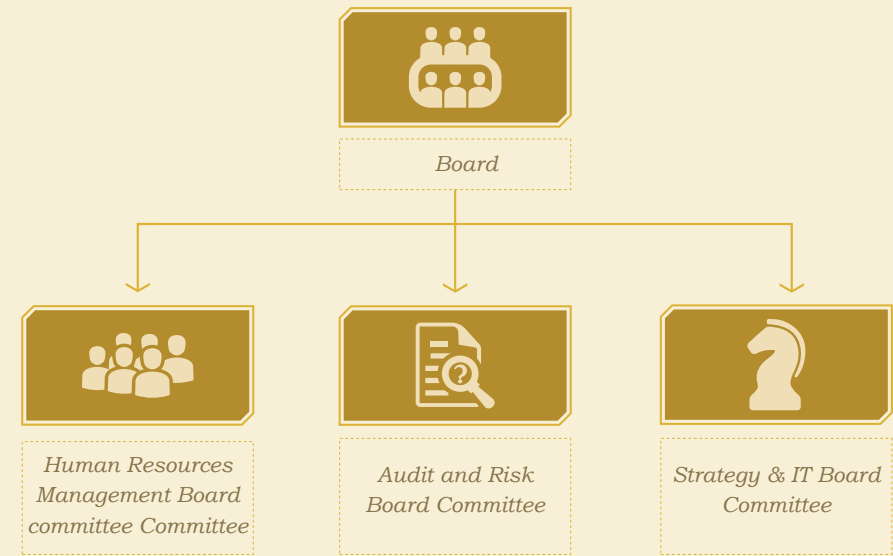


Ms. HABİYAKARE Chantal
Board member



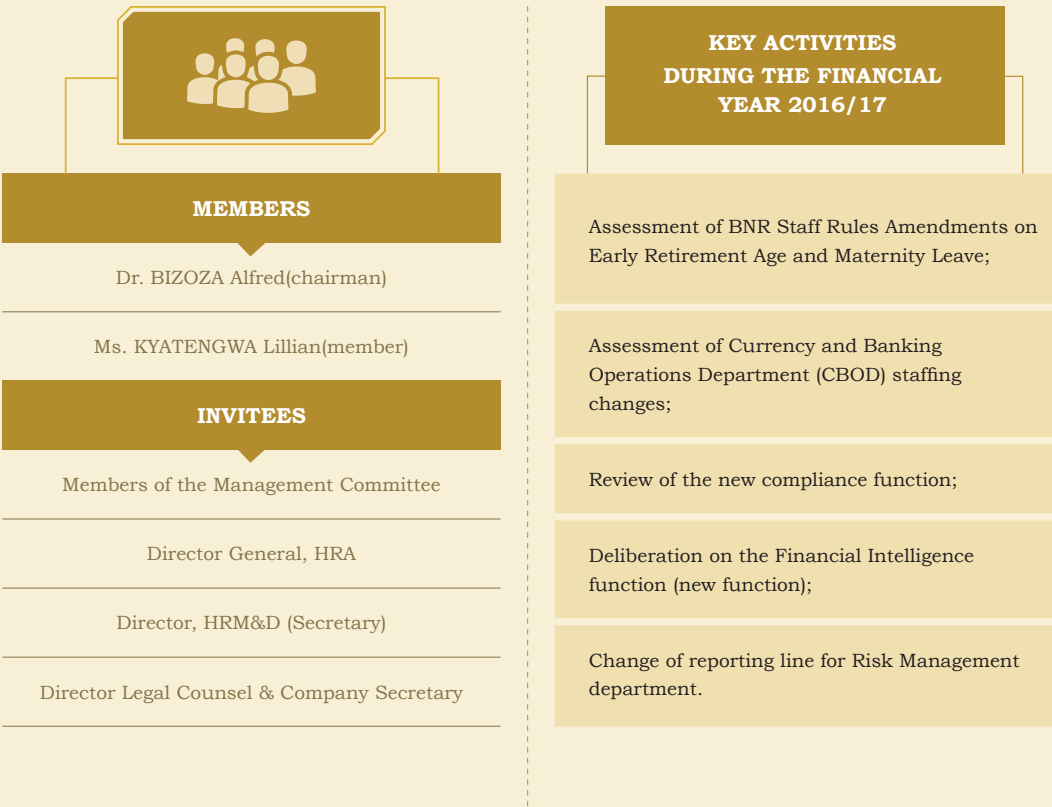
Mr. RUGWABIZA M. Leonard
Board member

FIGURE 16 : BOARD AND ITS COMMITTEES



Source: BNR

HUMAN RESOURCES MANAGEMENT BOARD COMMITTEE

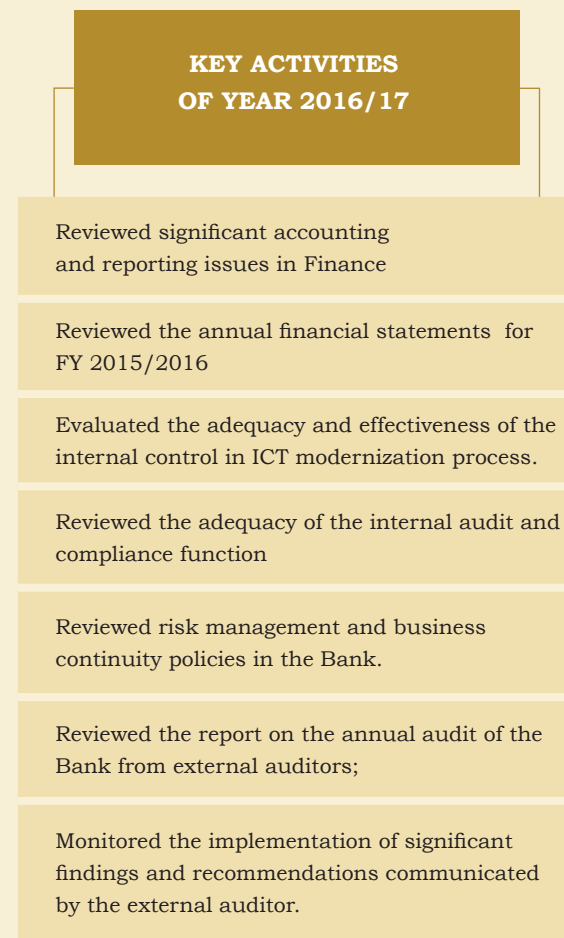


AUDIT AND RISK BOARD COMMITTEE

The Audit and Risk Committee is appointed by the Board of Directors and is composed of two or more members chosen among members of the Board of Directors. All members of the Audit and Risk Committee are independent of BNR Management.

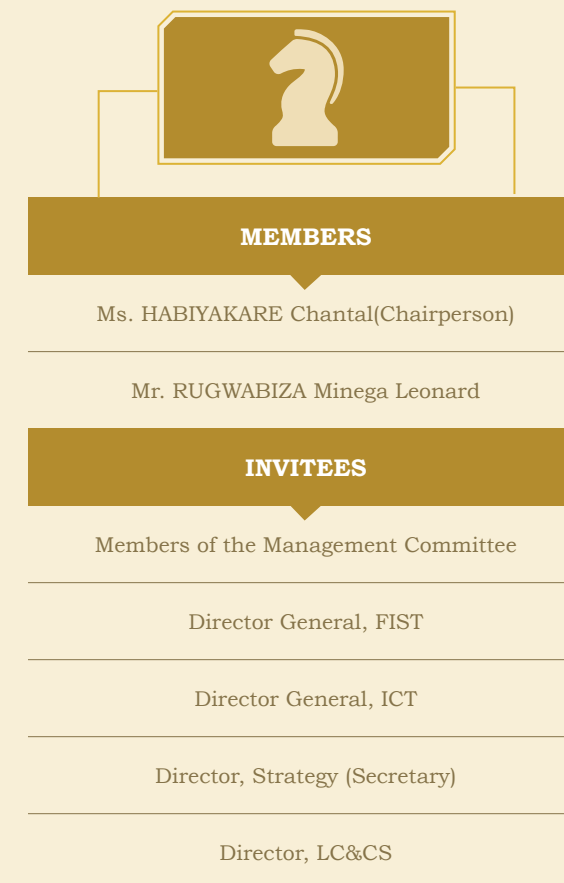


The committee held quarterly meetings and covered the following:

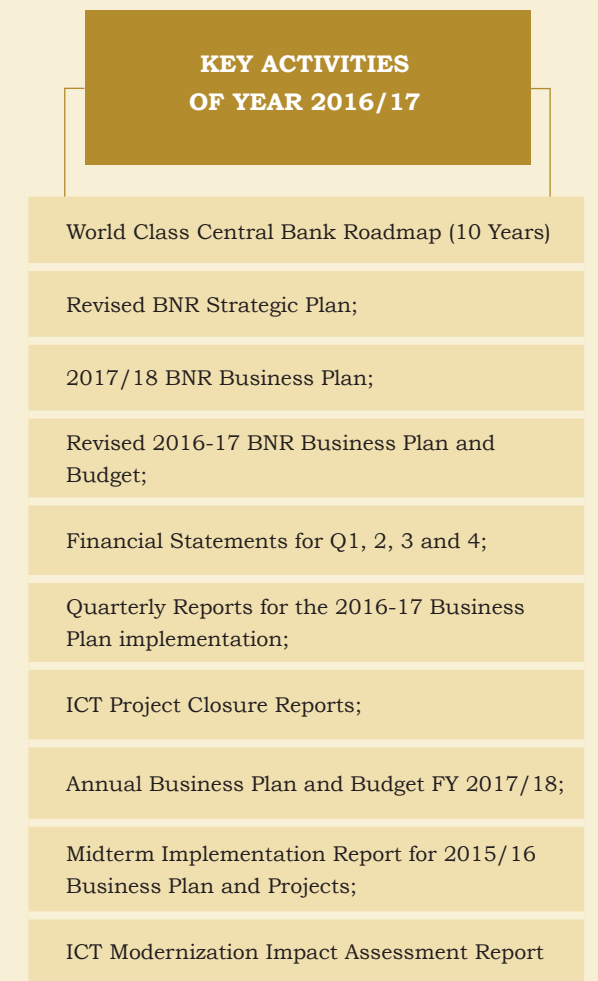


STRATEGY AND IT BOARD COMMITTEE

The Strategy and IT Board Committee assists the Board in providing strategic direction of the Bank and oversees implementation of strategic decisions.



The committee met four times during this reporting period; reviewed and gave guidance on the following documents:



BNR POLICY COMMITTEES

BNR has two policy committees, namely the Monetary Policy Committee and the Financial Stability Committee.

1) MONETARY POLICY COMMITTEE (MPC)

The Monetary Policy Committee (MPC) is the policy making body of the National bank of Rwanda responsible for the formulation of the monetary policy stance. The MPC meets on quarterly basis and when it is deemed necessary to decide on the policy stance in line with economic and financial developments in domestic, regional and international environment. The committee communicates the monetary policy stance through press conference and issues a statement indicating the economic conditions, forecasts for inflation and real GDP growth.

During the fiscal year 2016/2017, the committee convened 4 times on the following dates: September 27th 2016, December 28th 2016, March 29th 2017 and June 27th 2017. The MPC adopted a more accommodative monetary policy stance to continue supporting the financing of the economy by the banking sector, given that both inflationary and exchange pressures were foreseen to decline. The policy rate (KRR) was reduced twice, namely in December 2016 and June 2017, from 6.50% to 6.25% and to 6.0% respectively.

2) FINANCIAL STABILITY COMMITTEE (FSC)

The Financial Stability Committee (FSC) has a primary objective of identifying, measuring, monitoring and taking action against risks to the financial sector. The committee is composed of the Governor (as Chairperson); the Vice Governor (Vice Chair Person) and other senior employees of BNR.

During the Financial Year 2016/17, the FSC held four meetings to discuss developments in the financial sector. The committee focused on the assessing systemic risks underlying the financial sector and proactively putting in place preventive measures: Among other things, the FSC started monitoring risks in the mortgage sector through monitoring growth of housing loans and housing prices (housing price index). The committee found that loan concentration in mortgage and trade as one of the risks, but also noted the positive performance of loans in these two sub-sectors, compared to other sectors.

The committee closely monitored the performance of Systemically Important Banks (SIBS) and observed that all SIBs demonstrated strong capital and liquidity conditions throughout the year. Risks related to the cross-sectional connectivity among financial sector players were assessed and this prompted a call for recapitalization of some financial institutions (Banks and insurance companies). As at end June 2017 all banks and MFIs were adequately capitalized and liquid.

Around 11 private insurance companies out of 13 were adequately capitalized as at end June 2017 and measures to improve the capital positions of the remaining two are at advanced stage.

The assessment of the FSC followed a forward looking approach. Stress testing approach was employed to measure the resiliency of the banking sector when faced with financial stress or external shocks.

As at end June 2017, all banks met the regulatory capital and liquidity requirement when subjected to adverse credit and liquidity shocks. This resilience of the banking sector reflects the sufficient capital and liquidity buffers held by Rwandan banks.



BNR MPC and FSC Members

Going forward, the FSC will work with banks to improve the quality of their asset, through reducing Non-Performing Loans.

The uptick of Non-Performing Loans (NPLs) in banks and MFIs was the main financial stability challenge and the FSC plans to work with banks on modalities of improving their loan underwriting standards and process, as well as monitoring of financed projects. Obviously a micro perspective of assessing the underwriting process of large loans will be one main channel.

In addition to the above policy committees, the Bank has also the Management Committee composite that oversee and coordinates the Bank's activities. The Management Committee is assisted by three internal management committees:

ICT STEERING COMMITTEE

The IT Steering committee chaired by the Vice Governor is responsible for providing strategic direction of ICT implementation.

During the financial year 2016-2017, the IT steering Committee's focused on consolidation and completion of the last major projects of the BNR IT Modernization Strategic roadmap that include; Enterprise Data Warehouse, T24 -Internet Banking, IT Security and IT Governance.

RESERVES MANAGEMENT COMMITTEE

The National Bank of Rwanda has the responsibility to hold and manage the country foreign exchange reserves. The rationale for holding reserves include among others, to meet exchange needs and external obligations, to support the exchange rate policy as well as to limit external vulnerability.

The committee is chaired by the Vice Governor and is attended by several senior employees of BNR. The Reserves Management Committee has the primary responsibilities of overseeing the management of Foreign Exchange Reserves. The committee establishes an operational framework governing the reserves management activities and the risk management framework associated to the function. These include determining the investment and liquidity tranche size, currency composition of tranches, asset classification and portfolios. The committee further recommends to the Management and/or the Board of Directors on the appointment of external funds manager and custodians of reserves.

During the financial year 2016/17, despite the challenging upward trending and volatile yield environment, the Committee ensured the

preservation of the capital and liquidity, and the strict observance of the Reserves Management Policy and Guidelines, while seeking for optimum returns. The Committee reviewed and recommended to the Board the new Strategic Assets Allocation (SAA) composed of 75% of total reserves invested in Bonds and 25% kept in money market instruments, from 55% and 45% respectively.

The Committee further reviewed the Reserves Management Policy and Guidelines in order to accommodate all the changes induced by the Strategic Asset Allocation review. The Committee also reviewed the performance of the external and internal managed portfolios against their mandates and recommended necessary adjustments.

This led to increase of portfolio size for one of the external managers and for the internal portfolio by 50 Million USD each. The increase of the size of the internal managed portfolio was decided in recognition of enhanced capacity in portfolio management achieved by the staff in charge.

The Committee reviewed also the eligible counterparts and extended the business relationship to a global custodian and industrial bank in Asia.

During the period under review, the Committee also enhanced the custodial arrangement services from multiple scattered models to one global custodian method keeping all the bank holdings in debt security.

The expectation would be to enhance the monitoring of the status of bank investments in debt securities in real time and to launch the new products associated with global custodian services especially the securities lending contributing to increase of our return on investment.

MONETARY POLICY IMPLEMENTATION COMMITTEE (MPIC)

The committee meets on weekly basis on Fridays generally to monitor implementation of Monetary Policy Committee decisions .

In 2016/2017, the MPIC focused on the development of interbank money market and the strengthening of monetary transmission mechanism. The development of an active interbank money market is important for a market-based system in which indirect instruments are used to implement monetary policy.

6.2 RISK MANAGEMENT STATEMENT AND INTERNAL CONTROL SYSTEM

6.2.1 RISK MANAGEMENT STATEMENT

The National Bank of Rwanda adopted the Enterprise Risk Management Concept in order to make sure its banking activities are analysed in a holistic manner, considering the interaction of different portfolios and operations. For that purpose, a comprehensive risk monitoring and reporting framework was initiated capable of providing information that help the Management and the Board of Directors to take informed decisions.

This concept enabled the Bank to put the highest governance standards both in terms of risk reporting lines and organization of the risk management function. As an element of priority the Bank also put in place its Business Continuity Management Policy to ensure all business continuity risks are planned and mitigated for, with the aim of ensuring the Bank's safety and that of its stakeholders.



6.2.2 INTERNAL CONTROL SYSTEM

In order to provide assurance on effectiveness and efficiency of operations and reliability of financial information, the bank's internal controls are regularly reviewed and the necessary measures implemented to strengthen the bank's internal control systems.

For the year under review, an oversight function was carried out using risk based audit approach. Audit assignments mainly focussed on assessing how IT systems support business processes in order to identify possible gaps and provide possible recommendations for a good performance.

Regular checking of cash management processes were also done to ensure agreement between physical cash in BNR stock and the balance in the books of accounts.

Secondly, financial statements and reports to be submitted to IMF were reviewed with the aim of ensuring reliability of BNR's reports. It is worth noting that through regular monitoring of how audit recommendations are implemented, improvement of internal control system was observed. Measures to mitigate risks were suggested to strengthen further the bank's internal controls.



CHAPTER - VII

FINANCIAL
PERFORMANCE

The Bank collected 95% of expected revenues; that is 27.9 billion RWF against 29.5 billion FRW initially budgeted, the deficit/shortage was due to less than expected Foreign exchange sales to government and reduced volume of Foreign exchange exports by commercial banks that was realised at 91%, as well as less realisation on sundry receipts at 20% due to non-sale of BNR property which was sold in the subsequent financial year (FY 2017/18).

7.1 BUDGET PERFORMANCE OVERVIEW

Table 30 : Financial Budget Performance overview

Item line	Budget	Actual	Variance	% execut.
Revenue	29,480	27,927	-1,553	95%
Recurrent expenditures	21,837	18,114	-3,723	83%
Operating results	7,643	9,813	2,170	128%
Capital expenditures	7,412	5,859	-1,553	79%
Reserves/Surplus	231	3,954	3,723	1712%
***Amounts in RWF000				

Source: BNR

Recurrent expenditures were executed at 83% mainly due to lower cost of machinery maintenance as a result of warranty period included in the initial costs.

Capital expenditures execution was at 79% due on going work on planned projects such as physical security systems, building renovations, electrical power supply & Electronic Data Warehouse Project (EDWHP).

7.2 FINANCIAL OVERVIEW

7.2.1 INTEREST INCOME

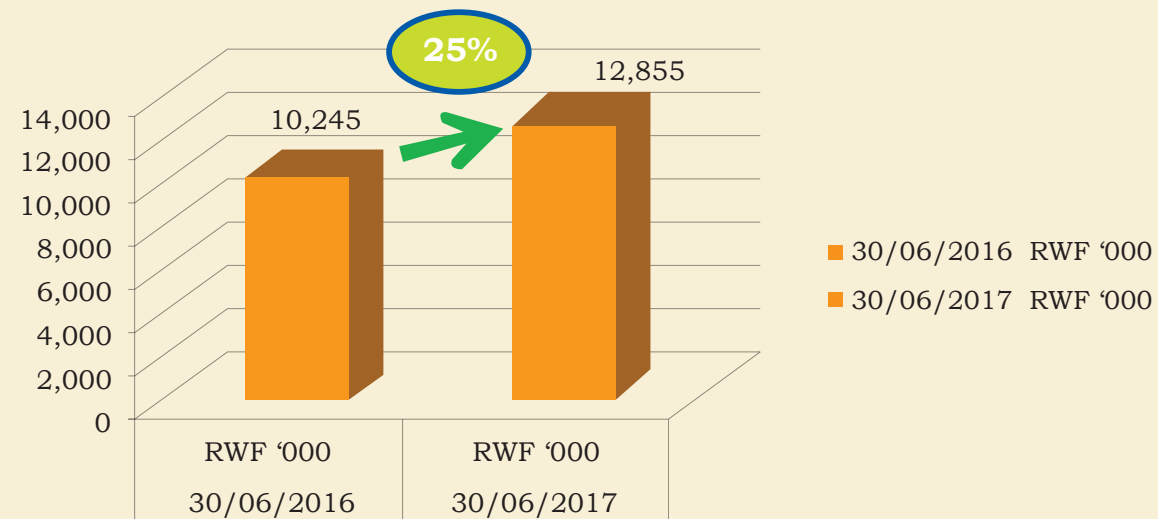
Interest income grew by 25% due to new SWAP agreements with commercial banks (BRD, Access, BK & Ecobank) that generated 1.3 billion FRW, income from external funds increased due FED interest rate hike from 0.25% to 0.50%, strategic asset allocation (SAA) of 75% to 25% from 55% to 45% ratio, increase in foreign reserves (government inflow, IMF loan) & Government overdraft.

Table 31 : Interest Income

Description	30/06/2017	30/06/2016	Change	%
Incomes on SWAPS operations	2,529,074	1,221,742	1,307,332	107%
Interest on staff loans	-	430,739	(430,739)	-100%
Refinancing Facility Loans	9,093	21,528	(12,435)	-58%
Interests on Loans to Government	2,061,184	1,014,990	1,046,194	103%
Interest on SDR Holdings	171,032	38,383	132,649	346%
Income from External Managed Funds	8,084,946	7,517,970	566,976	8%
Interest income	12,855,329	10,245,352	2,609,977	25%
***Amounts in FRW '000				

Source: BNR

Figure 17 : Interest Income



Source: BNR

7.2.2 INTEREST EXPENSE

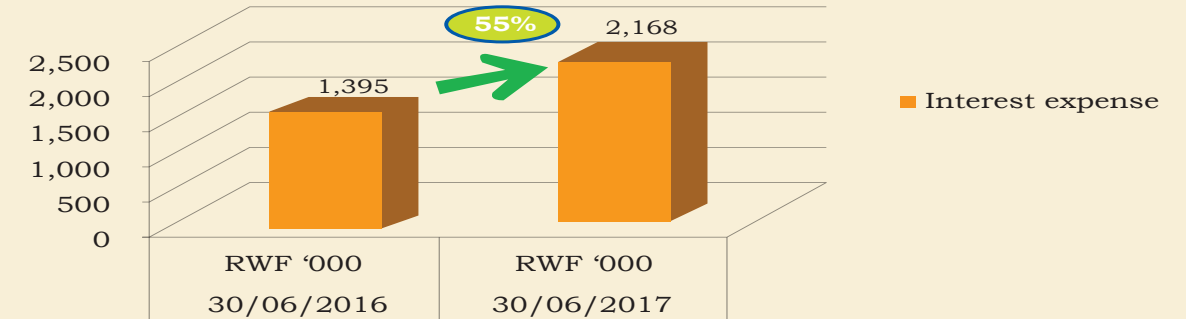
Interest expenses on SWAP agreements increased by 53% as a result of new agreements signed with Access bank, BRD, BK & Ecobank. FED hike from 0.25% to 0.50% increased our interest expenses we incur on SDR holding. Also REPO & T-Bills rates increased from 3.67% to 4.7% and from 7.2% to 8.78% respectively; this also led to a slight increase in monetary costs.

Table 32 : Interest Expense

	30/06/2017	30/06/2016	Change	%
Interest on IMF Fund & Other similar expenses	184,027	44,462	139,564	314%
Expenses on SWAPS operations	622,830	242,430	380,400	157%
Interest Paid on Monetary policy issues	1,361,219	1,107,686	253,533	23%
Interest expense	2,168,075	1,394,578	773,497	55%
*** Amounts in FRW '000				

Source: BNR

Figure 18 : Interest Expense



7.2.3 FOREIGN EXCHANGE GAIN

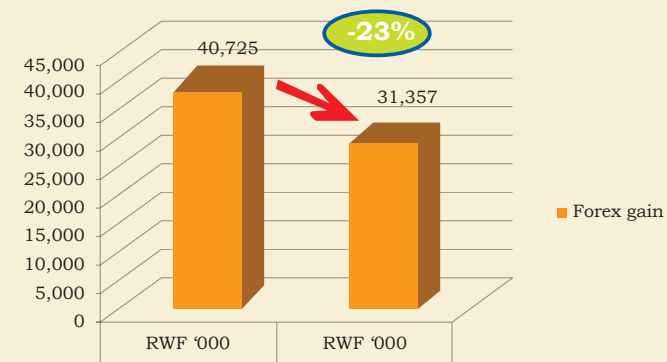
Foreign exchange gains reduced by 23% mainly due to revaluation gain down by FRW 7.4 billion as a result of decline in depreciation of local currency to 6% from 8.86% the previous year.

Table 33 : Foreign Exchange Gain

	30/06/2017	30/06/2016	Change	%
Exchange gain	11,830,822	12,046,273	-215,451	-2%
Foreign assets (Exchange) Revaluation Gain	21,293,739	28,730,622	-7,436,883	-26%
Net Realized gain/loss on foreign fin instruments	-1,578,295	-151,134	-1,427,161	944%
Unrealized loss on foreign fin instruments	-188,919	99,463	-288,382	-290%
Foreign exchange gain	31,357,347	40,725,224	-9,367,877	-23%
*** Amounts in FRW '000				

Source: BNR

Figure 19 : Foreign Exchange Gain



Source: BNR

7.2.4 OTHER OPERATING INCOME

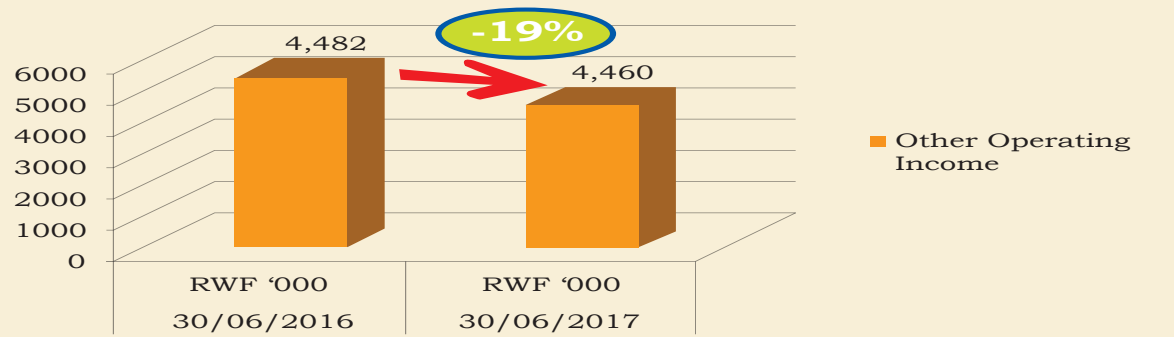
Other operating income reduced by 19% due to write back of provisions passed the previous year and sale of the Bank’s property sold in the previous year as well.

Table 34 : Other Operating Income

	30/06/2017	30/06/2016	Change	%
Financial institution’s supervision fees	1,295,301	1,576,498	-281,197	-18%
Fine, penalties and other administrative income	490,143	388,139	102,004	-26%
Gain on sales of properties and equipment	20,666	79,625	-58,959	-74%
Interest refund from the Government of Rwanda	2,310,299	1,397,873	912,427	65%
Other income	343,291	2,039,386	-1,696,095	-83%
Other operating income	4,459,699	5,481,520	-1,021,821	-19%
*** Amounts in FRW ‘000				

Source: BNR

Figure 20 : Other Operating Income



Source: BNR

7.2.5 OPERATING COSTS

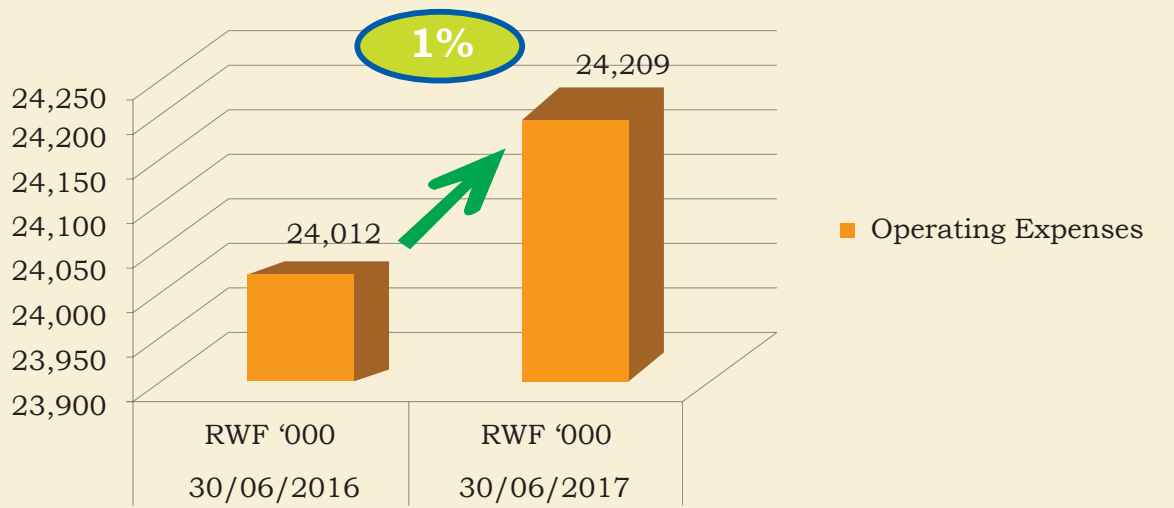
Operating costs increased by only 1%. This was due increase in staff costs by 21% as a result of recruitment of new staff and a decrease in other operating expenses by 50% due from capitalizing items from work –in-progress (WIP) the previous year.

Table 35 : Operating Expenses

	30/06/2017	30/06/2016	Change	%
Staff costs	12,351,739	10,213,493	2,138,246	21%
Depreciation and Amortisation	3,918,863	5,194,363	-1,275,500	-25%
Currency printing costs amortisation	2,182,211	2,144,942	37,269	2%
General Administration Expenses	4,280,581	3,520,843	759,737	22%
Other operating expenses (expensing items in WIP)	1,475,282	2,938,798	-1,463,516	-50%
Operating expenses	24,208,679	24,012,440	196,236	1%

Source: BNR

Figure 21 : Operating Expenses



Source: BNR

7.2.6 NET PROFIT

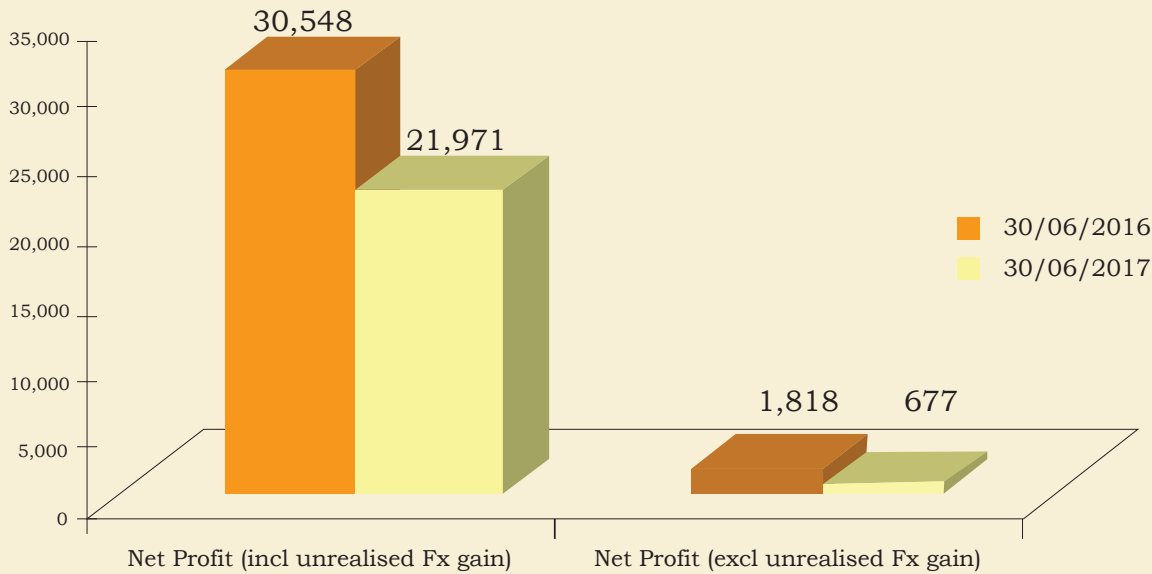
The net profit excluding Foreign exchange revaluation gain reduced by 63% (FRW 1 billion) largely due provision of oracle licenses used for last three years and an increase in staff costs due to new staff recruitment.

Table 36 : Net profit

	30/06/2017	30/06/2016	Change	%
Net Profit (incl unrealised Fx gain)	21,971	30,548	-8,577	-28%
Net Profit (excl unrealised Fx gain)	677	1,818	-1,141	-63%
*** Amounts in FRW ‘000				

Source: BNR

Figure 22 : Net profit



Source: BNR

7.2.7 FINANCIAL POSITION REVIEW

Table 37 : Financial Position Review

	30/06/2017	30/06/2016	Change	%
Total Assets	1,125,864	997,853	128,011	13%
Total Liabilities	970,720	862,028	107,692	12%
Total Equity	155,144	134,825	20,320	15%
*** Amounts in FRW ‘000				

Source: BNR

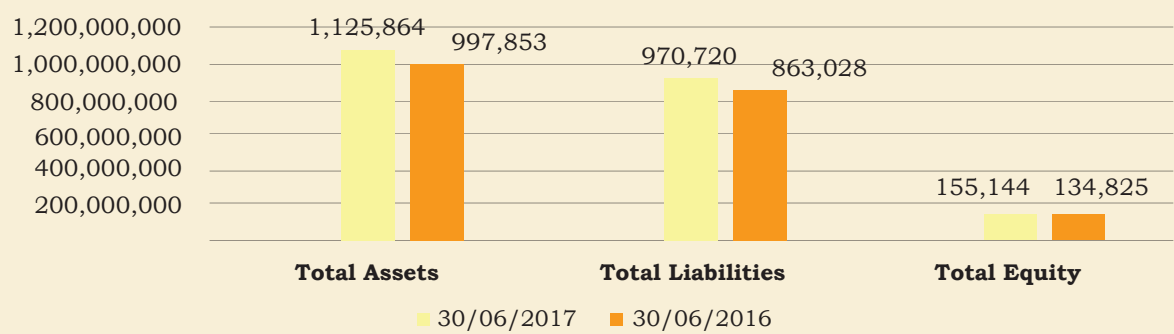
ASSETS AND LIABILITES

The total assets and liabilities of the Bank increased by 9% and 8% resepectively mainly due to Foreign assets increase of 15% due to net foreign cash inflow and second instalment of IMF stand by credit facility of \$50 million.

EQUITY

Total Equity increased by 15% due to llocation of net profit for FY 2015/16 and recognition of current year FY 2016-17 net profit.

Figure 23 : Statement of Financial Position



Source: BNR

ANNEX-1

FINANCIAL
STATEMENTS

NATIONAL BANK OF RWANDA
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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Summary of Directors, officers and administration	1
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Statement of Financial Position	8
Statement of Changes in Equity	9-10
Statement of Cash flows	11
Notes to the Financial Statements	12 - 51

NATIONAL BANK OF RWANDA
SUMMARY OF DIRECTORS, OFFICERS AND ADMINISTRATION
FOR THE YEAR ENDED 30 JUNE 2017

DIRECTORS

The Directors who served during the year and to the date of this report are shown below:

		Date of appointment
John RWANGOMBWA	- Chairperson and Governor	25 February 2013
Monique NSANZABAGANWA	- Vice Chairperson and Vice Governor	06 May 2011
Lillian KYATENGWA	- Member	04 March 2009
Leonard RUGWABIZA	- Member	04 November 2011
Alfred BIZOZA	- Member	08 May 2013
Chantal HABİYAKARE	- Member	08 May 2013

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

National Bank of Rwanda
KN 6 Avenue, 4
P.O. Box 531
Kigali, Rwanda

BRANCHES

Southern Branch P.O. Box 622 Huye, Rwanda	Northern Branch P.O. Box 127 Musanze, Rwanda	Rubavu Branch Rubavu district Rubavu, Rwanda
Eastern Branch P.O. Box 14 Rwamagana, Rwanda	Western Branch P.O. Box 462 Rusizi, Rwanda	

COMPANY SECRETARY AND LEGAL COUNSEL

Juliette KAVARUGANDA

AUDITORS

KPMG Rwanda Limited
Certified Public Accountants
5th Floor Grand Pension Plaza
Boulevard de la Révolution
P. O. Box 6755
Kigali, Rwanda

LAWYERS

Lea Uwimbabazi
P. O. Box 2161
Kigali, Rwanda

Joelex Consulting LTD
KG 50 Rukiri, Remera
Kigali, Rwanda

NATIONAL BANK OF RWANDA
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2017

1. Introduction

The directors have pleasure in submitting their report together with the audited financial statements of the Bank for the year ended 30 June 2017, which disclose the state of affairs of the Bank.

2. Incorporation

The Bank was incorporated on 24th April 1964 and is governed by the Law No 55/2007 of 30/11/2007.

3. Principal activities

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

4. Results and Dividends

The results for the year are set out on page 7.

5. Dividend

The directors propose the payment of dividends of FRW ('000') 237,069 equivalent to 35% of the surplus for the previous year after excluding unrealized foreign exchange gains and losses (2016: FRW '000' 636,256 equivalent to 35% of the profits for the previous year)

6. Directors

The Directors who held office during the year and to the date of this report are set out on pages 1.

7. Auditors

KPMG Rwanda Limited were appointed auditors during the year in accordance with the Law No. 03/2017 of 21/02/2017; the auditors, being eligible for reappointment, have indicated their willingness to continue in office.

Approval of the Financial Statements

The financial statements were approved at a meeting of the Board of directors held on 28 September 2017.

BY ORDER OF THE BOARD


BOARD CHAIRMAN
Date: 28/09/2017


NATIONAL BANK OF RWANDA STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2017

The directors are responsible for the preparation of financial statements that give a true and fair view of National Bank of Rwanda comprising the statement of financial position as at 30 June 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 51, in accordance with International Financial Reporting Standards and in the manner required by the provisions of the Law No 55/2007 of 30 November 2007 relating to statutes of National Bank of Rwanda.

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the National Bank of Rwanda to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

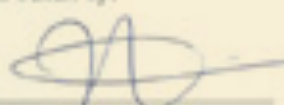
The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the International Financial Reporting Standards and in the manner required by Law No 55/2007 of 30 November 2007 relating to statutes of National Bank of Rwanda.

Approval of the Financial Statements

The financial statements of National Bank of Rwanda, as identified in the first paragraph, were approved by the board of directors on 18 September 2017 and were signed on its behalf by:


Governor




Director



KPMG Rwanda Limited
Certified Public Accountants
5th Floor, Grand Pension Plaza
Boulevard de la Révolution
PO Box 6755
Kigali, Rwanda

Telephone +250 252 5797902
Email info.rw@kpmg.com
Internet www.kpmg.com/estaf

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Bank of Rwanda ("the Bank") set out on pages 7 to 51, which comprise the statement of financial position as at 30 June 2017, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the National Bank of Rwanda as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and have been prepared in the manner required by Law No 55/2007 of 30 November 2007 relating to statutes of National Bank of Rwanda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Rwanda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditors' report comprises the Summary of Directors, officers and administration, Report of the directors, Statement of directors' responsibilities, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL BANK OF RWANDA (CONTINUED)

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in the manner required by Law No 55/2007 of 30 November 2007 relating to statutes of National Bank of Rwanda, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

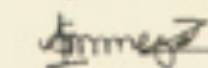


REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NATIONAL BANK OF RWANDA (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.



Stephen Ingeet
KPMG Rwanda Limited
Certified Public Accountants
P. O. Box 6755
Kigali, Rwanda



Date: 24 October 2017

**NATIONAL BANK OF RWANDA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**


	Note	2017 FRW '000'	2016 FRW '000'
Interest Income	8	12,855,329	10,245,352
Interest Expenses	9	(2,168,075)	(1,394,579)
Net Interest Income		10,687,254	8,850,773
Net Fee and Commission Income	10	(324,544)	(496,581)
Unrealized revaluation gain	11(a)	21,293,739	28,730,621
Net trading income	11(b)	10,063,608	11,994,603
Other Operating Income	12	4,459,699	5,481,520
Operating Income		46,179,756	54,560,936
Personal Expenses	13	(12,351,739)	(10,213,493)
Depreciations and Amortization	24,25,26	(3,918,863)	(5,194,363)
General Administration Expenses	14	(4,280,581)	(3,520,843)
Other Operating expenses	15	(3,657,493)	(5,083,740)
Surplus for the Year		21,971,080	30,548,497
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net changes in fair value on available for sale financial assets		(701,473)	(3,067,523)
Other comprehensive income		(701,473)	(3,067,523)
Total Comprehensive income		21,269,607	27,480,973

The notes set out on pages 12 to 51 are an integral part of these financial statements.

**NATIONAL BANK OF RWANDA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

ASSETS	Note	2017 FRW '000'	2016 FRW '000'
Cash and Cash equivalents	16	188,106,783	219,685,940
Foreign Investment securities	17	544,265,464	425,141,333
Due from Government of Rwanda	18	79,146,377	43,125,320
Due from Local Financial Institutions	19	31,204	200,837
Due from Foreign Financial Institutions	20	4,856,545	7,092,833
Loans and Advance to Staff	21	10,485,715	10,717,664
Due from IMF	22	248,937,316	237,626,482
Other Investment	23	6,164	6,164
Investment in Property	24	393,971	412,188
Property and Equipment	25	27,453,396	25,013,864
Intangible Assets	26	1,981,597	3,387,350
Other Assets	27	20,200,026	25,443,027
Total Assets		1,125,864,558	997,853,004
Liabilities			
Currency in Circulation	28	191,323,837	181,904,324
Government Deposits	29	184,936,692	168,498,403
Due to Banks and Other Local Financial Institution	30	180,581,086	167,973,131
Due to IMF	22	377,249,729	319,722,921
Foreign Liabilities	31	7,378,692	9,573,036
Other Liabilities	32	29,250,030	15,356,368
Total Liabilities		970,720,066	863,028,183
Equity			
Share Capital	33	7,000,000	7,000,000
General reserve fund	33	9,646,548	9,282,973
Other Reserves	33	91,621,260	70,524,629
Retained Earnings	33	46,876,684	48,017,218
Total Equity		155,144,492	134,824,821
Total Liabilities and Equity		1,125,864,558	997,853,004

The Board of Directors approved the financial statements on pages 7 to 51 on 28 September 2017 and were signed on its behalf by:


Governor


Director

The notes on pages 12 to 51 are an integral part of these financial statements.

NATIONAL BANK OF RWANDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share capital FRW '000'	General reserve fund FRW '000'	Retained earnings FRW '000'	AFS reserve FRW '000'	Staff welfare reserve FRW '000'	Translation reserve FRW '000'	IT Modernization reserves FRW '000'	Revaluation Reserve FRW '000'	Total FRW '000'
Year ended 30 June 2017									
At 1 July 2016	7,000,000	9,282,973	48,017,218	-	4,143,052	59,106,686	700,587	6,574,305	134,824,821
Total Comprehensive income									
Surplus	-	-	21,971,080	-	-	-	-	-	21,971,080
Other comprehensive income									
Fair value movement on available for sale	-	-	-	(701,473)	-	-	-	-	(701,473)
Foreign assets (exchange) revaluation gain	-	-	(21,293,739)	-	-	21,293,739	-	-	-
Total Other Comprehensive income	-	-	(21,293,739)	(701,473)	-	21,293,739	-	-	(701,473)
Total comprehensive income	-	-	677,341	(701,473)	-	21,293,739	-	-	21,269,607
Transactions with equity owners									
Dividends paid (settlement of government loan)	-	-	(545,363)	-	-	-	-	-	(545,363)
Dividends paid	-	-	(636,256)	-	-	-	-	-	(636,256)
Total transactions with equity owners	-	-	(1,181,619)	-	-	-	-	-	(1,181,619)
Other transactions									
Transfer to general reserve funds (20%)		363,575	(363,575)	-	-	-	-	-	-
Interest income on staff loans transfer	-	-	-	-	231,683	-	-	-	231,683
Transfer to staff welfare (15%)	-	-	(272,681)	-	272,681	-	-	-	-
Total Other Transactions	-	363,575	(636,256)	-	504,364	-	-	-	231,683
As at 30 June 2017	7,000,000	9,646,548	46,876,684	(701,473)	4,647,416	80,400,425	700,587	6,574,305	155,144,492

The notes on pages 12 to 51 are an integral part of these financial statements.

NATIONAL BANK OF RWANDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share capital FRW '000'	General reserve fund FRW '000'	Retained earnings FRW '000'	AFS reserve FRW '000'	Staff welfare reserve FRW '000'	Translation reserve FRW '000'	IT Modernization reserves FRW '000'	Revaluation Reserve FRW '000'	Total FRW '000'
Year ended 30 June 2016									
At 1 July 2015	7,000,000	8,948,506	47,871,675	2,535,010	3,892,202	40,348,455	700,587	6,574,305	117,870,740
Total Comprehensive income									
Surplus	-	-	30,548,497	-	-	-	-	-	30,548,497
Other comprehensive income									
Fair value movement on available for sale	-	-	-	(2,535,010)	-	-	-	-	(2,535,010)
Foreign assets (exchange) revaluation gain	-	-	(28,730,621)	-	-	28,730,621	-	-	-
Total Other Comprehensive income	-	-	(28,730,621)	(2,535,010)	-	28,730,621	-	-	(2,535,010)
Total comprehensive income	-	-	1,817,876	(2,535,010)	-	28,730,621	-	-	28,013,487
Transactions with equity owners									
Dividends paid (settlement of government loan)	-	-	(501,700)	-	-	-	-	-	(501,700)
Dividends paid	-	-	(585,317)	-	-	-	-	-	(585,317)
Total transactions with equity owners	-	-	(1,087,017)	-	-	-	-	-	(1,087,017)
Other transactions									
Transfer to general reserve funds (20%)		334,467	(334,467)	-	-	-	-	-	-
Transfer to staff welfare (15%)	-	-	(250,850)	-	250,850	-	-	-	-
Prior year adjustments on IBIS Accounts	-	-	-	-	-	(9,972,390)	-	-	(9,972,390)
Total Other Transactions	-	334,467	(585,317)	-	250,850	(9,972,390)	-	-	(9,972,390)
As at 30 June 2016	7,000,000	9,282,973	48,017,218	-	4,143,052	59,106,686	700,587	6,574,305	134,824,821

The notes on pages 12 to 51 are an integral part of these financial statements.

**NATIONAL BANK OF RWANDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 FRW'000'	2016 FRW'000'
Cash flows from Operating activities		21,971,080	30,548,497
Surplus for the year			
Adjustments for:			
Depreciation on property and equipment	25	2,122,198	1,884,727
Amortization of intangible assets	26	1,778,448	3,291,419
Depreciation on investment property	24	18,217	18,217
Amortization of deferred costs (Notes and coins)	15	2,182,211	2,144,942
Net interest income	8&9	(10,687,254)	(8,850,773)
Transfer of interest income on staff loans to staff welfare reserve	33iii	231,683	-
Fair value movement on available for sale securities		(701,473)	(2,535,010)
Adjustments to depreciation		-	(557,266)
Prior year adjustment on IBIS account		-	(9,972,391)
Profit before changes in working capital		16,915,110	15,972,362
Changes in working capital			
(Decrease in amount due from Government		545,363	501,722
(Increase)/Decrease in loan and advances to staff		231,949	(1,756,276)
Increase/(Decrease) in currency in circulation		9,419,514	16,082,555
(Increase)/Decrease in other assets		3,060,791	6,934,670
Increase/(Decrease) in other liabilities		13,893,662	(6,115,877)
Increase/(Decrease) in government deposits		(20,128,131)	27,780,220
Increase/(Decrease) in due to financial institutions		12,607,956	(20,197,771)
(Increase)/Decrease in loans to Banks		169,632	391,763
Increase/(Decrease) in Foreign liabilities		<u>(2,194,344)</u>	<u>(2,110,876)</u>
Net changes in working capital		17,606,392	21,510,130
Interest received		12,855,329	10,245,352
Interest paid		(2,168,076)	(1,394,579)
Dividends paid		(636,256)	(585,317)
Dividends paid (settlement of government loan)		<u>(545,363)</u>	<u>(501,722)</u>
Net cash from operating activities		44,027,136	45,246,226
Cash flows from Investing activities			
Purchase of property and equipment	25	(4,564,657)	(4,438,277)
Purchase of Intangible Assets	26	(458,718)	(4,931,742)
Proceeds from sale of equipment		88,952	79,625
Net (purchase)/sale of financial assets		<u>(119,124,132)</u>	<u>(58,735,708)</u>
Net cash utilized in investing activities		(124,058,555)	(68,026,102)
Cash flows from Financing activities			
Increase/(Decrease) in balances due to IMF	28	57,526,808	155,776,227
(Increase)/Decrease in balances due from IMF		(9,768,180)	(94,085,656)
(Increase)/Decrease in IFC loan receivable		<u>2,236,288</u>	<u>2,492,664</u>
Net cash from financing activities		49,994,916	64,183,235
Increase/(decrease) in cash and cash equivalents		(30,036,503)	41,403,359
Cash and cash equivalents at the beginning of the year	36	<u>282,124,823</u>	<u>240,721,464</u>
Cash and cash equivalents at the end of the year	36	252,088,320	282,124,823

The notes set out on pages 12 to 51 form an integral part of these financial statements.

**NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

1. Reporting entity

The National Bank of Rwanda (the “Bank”) is a domiciled in Rwanda. The Bank’s registered office is at:

KN 6 Avenue, 4
P.O Box 531
Kigali, Rwanda

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

2. Basis of Accounting

The financial statements of the Bank, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by Law No 55/2007 of 30 November 2007 relating to the statutes of the National Bank of Rwanda, which generate policies that govern operations with the approval of the Board of directors.

3. Functional and presentation currency

The financial statements are presented in Rwanda Francs (Frw), which is the Bank’s functional currency. All amounts have been rounded to the nearest thousands, except when otherwise indicated.

4. Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgments

There are no noted judgments that have been made in applying accounting policies that would have significant effects on the amounts recognized in the financial statements.

B. Assumptions and Estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2017 is set out below in relation to the impairment of financial instruments and in the following notes in relation to other areas.

Note 7- determination of the fair value of financial instruments with significant observable inputs

Note 7- identification and measurement of impairment

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant Accounting policies

a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Bank at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss arising on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognized in profit and loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost remain translated into the functional currency at historical exchange rates.

Article 45 of Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda outlines the guidelines on the management of the franc exchange rate fluctuations.

Profits and losses on exchange resulting from the normal fluctuations of franc exchange rates are charged to the profit and loss account of the Bank except for translation of available for sale investment securities which are recognized in OCI.

Profit or losses resulting from a revaluation of reserve exchange holdings or international commitments recorded in the balance-sheet of the Bank due to a revision of the foreign exchange system or a modification of the exchange value of the franc decided by the Government shall be recorded in a special account entitled “Revaluation Account”.

If the revaluation account presents a credit balance at the end of the financial year, its twenty percent (20%) shall be paid by the State. The Bank does not pay dividends out of exchange gains.

b) Interest

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instruments, but not future credit loss.

Interest income and expense presented in the statement of profit or loss include interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank’s trading operations and are presented together with all other changes in the fair value through profit and loss in the income statement.

c) Fees and commission

Fees and commission that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income including RIPPS services fees, ERP-sundry commissions, commission received on guarantees, T24-sundry commissions, commission on letters of credit commissions on credit management, are recognised as the related services are performed.

Other fees and commission expense relate mainly to transaction and services fee, which are expensed as the services are received.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

d) Net trading income

‘Net trading income’ comprises gains less losses related to foreign investment securities and includes all realised fair value changes and foreign exchange differences.

e) Financial assets and financial liabilities

(i) Recognition

The Bank initially recognizes loans and advances and deposits on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Bank becomes a party to the contractual provision of the instrument.

A financial asset or liability is initially measured at fair value plus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

The Bank classifies its financial assets into one of the following categories:

Financial Assets

- Loans and receivables
- Available for sale
- Held to maturity
- At FVTPL and within this category as;
 - Held for trading; or
 - Designated at FVTPL

Financial Liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments as measured at amortised costs or FVTPL.

(iii) Derecognition

Financial Assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new assets obtained less any liabilities assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognized in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

Financial Liabilities

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank’s trading activity.

(v) Amortised cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vi) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Bank has access at the date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at recognition is normally the transaction price- i.e. the consideration given or received.

The bank recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Identification and measurement of impairment

Objective evidence of impairment

At each reporting date, the Bank assess whether there is objective evidence that financial assets not carried at FVTPL are impaired. A financial asset or group of financial assets is ‘impaired’ when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset (s) and that the loss event has an impact on the future cash flows of the asset (s) that can be estimated reliably.

Individual and collective assessment

The Bank considers evidence of impairment for loans and advances and held to maturity investment securities at both a specific asset and a collective level. All individually significant loans and advances and held to maturity investment securities are assessed for specific impairment.

Those not found to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. loans and advances and held to maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held to maturity investment securities with similar risk characteristics.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

(vii) Identification and measurement of impairment (continued)

Individual and collective assessment (continued)

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment, and found to be individually impaired, and is based on management’s best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about the debtor’s financial situation and the net realisable value of any underlying collateral.

A collective component of total allowance is established for groups of homogenous loans that are not considered individually significant and groups of assets that are individually significant but that were not found to be individually impaired (loss incurred but not reported)

Measurement

Impairment losses on assets measured at amortized cost are calculated as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets’ original effective interest rate.

If terms of the financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized. If the cash flows of the renegotiated asset are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is recognized at fair value.

Impairment losses are recognised as profit or loss and reflected in an allowance account against loans and receivables or held to maturity investment securities. Interest on the impaired asset continues to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

f) Sale and repurchase (repo) agreements

The Bank has entered into repo agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under due to banks as money market borrowing. Securities sold under agreement to repurchase are disclosed due from banks.

The differences between the purchase and sale prices are treated as interest and accrued using the effective interest method.

The Bank from time to time mops up money from the financial market (‘repos’) or injects money into the market (‘reverse repos’) with maturities of 1 - 28 days. The Bank engages in these transactions with commercial banks only. These have been disclosed in the financial statements as ‘due to banks’ and ‘due from banks’.

g) Currency in circulation

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

h) Currency printing and minting costs

The costs incurred for printing bank notes is deferred on payment and expensing of such transactions made based on the notes issued on a monthly basis. The deferred amount is recognized as a prepayment and represents un-issued banknotes (currency) stock. Cost of coins minted is expensed in full on delivery in the year of purchase/acquisition.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

i) Cash and cash equivalents

Cash and cash equivalents include foreign currency held in the Bank and demand deposits held with foreign banks and highly liquid financial assets with original maturities of three months of three months or less from the date of acquisition that are subject to an insignificant risk change in their fair value and are used by the Bank in the management of its short term commitments.

j) Loan due from the government of Rwanda

The loan due from the government of Rwanda arose after 1994. The economic situation of the country was not favourable and resulted into the financial and budget constraint of the public enterprises to finance the development budget. With many interventions by the Government of Rwanda to finance the public enterprise through subsidies and advances, this brought about liquidity problems in the treasury. The two parties then (Government of Rwanda and BNR) agreed new terms in order to facilitate the recovery of the public finance and to help the Government to meet its obligations.

At the time of the agreement the total debt balance was FRW 34,457,639,242.

The new terms (effective 9 February 1996) agreed were as follows:

- All previous agreements related to the above mentioned debts are replaced by the current agreement.
- The debts will carry an interest of 2% per annum.
- The interests will be calculated on quarterly basis starting from 1st January 1996 and will be paid by notice on the treasury account.
- The repayment of the debt will take effect in the sixth year and from the 30% Government share of the BNR annual profit.
- The agreement enters into effect on date of signing this agreement 09 February 1996

The loan due from the Government of Rwanda is carried at amortized cost.

k) Funds held at/ due to International Monetary Fund (IMF)

The Bank is the designated depository for the IMF’s holdings of Rwanda’s currency. Borrowings from and repayments to the IMF are denominated in Special Drawing Rights (SDRs).

The SDR balances in IMF accounts are translated into Francs at the prevailing exchange rates and any unrealized gains or losses are accounted for in accordance with accounting policy on foreign currencies.

l) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in active market and that the Bank does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs and subsequently measured at amortised cost using the effective interest rate method.

m)Property and equipment

Recognition and measurement

Property and equipment are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses. Changes in expected useful life are accounted for by changing the depreciation period or method.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives of significant items of property and equipment are as follows:

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

l) Property and equipment (continued)

Recognition and measurement (continued)

Buildings	0.05%
Lift for the headquarter	10%
Computer equipment	25%
Currency processing machines	20%
Motor vehicles	20%
Furniture, fittings and office equipment	10%
Security equipment	20%

Depreciation

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Revaluation of land and buildings is carried out at least once every five years.

Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

n) Investment property

The Bank holds certain properties as investments to earn rental income or capital appreciation or any currently undetermined future use.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated at a rate of 10 % using the straight-line method.

Gains or losses arising from the retirement/ disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss.

o) Intangible assets

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

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

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

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

Computer software 33.3 % (annual amortization rate)

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

o) Intangible assets (continued)

The gain or loss arising from de-recognition of an intangible asset shall be determined as the difference between proceeds, if any, and the carrying amount of the asset. It shall be recognized in profit or loss when the asset is derecognized.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

p) Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indications exist, then the assets recoverable amount is estimated.

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

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets or group of assets.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization in no impairment was derecognized.

q) Income tax

The Bank is considered as the State with regard to the rules of tax liability and tax payment pertaining to all taxes levied for the benefit of the State and its administrative entities as per Article 74 of law n° 55/2007 of 30/11/2007 governing the Central Bank of Rwanda.

r) Deposits

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

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

s) Stocks of consumables

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

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

t) Provisions

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

u) Commitments on behalf of the government of Rwanda

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

v) Government grant and government assistance

The Bank, being a wholly owned governmental financial institution, may receive grants in both monetary and non-monetary basis. Government grants are recognized as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants related to assets, including non-monetary grant at fair value, are presented in the statement of financial position by setting up the grant as deferred income. In addition, the Bank may receive certain forms of government assistance which cannot reasonably have a value placed upon them, and transactions with Government which cannot be distinguished from the normal trading transactions of the entity.

The Bank's policy on government assistance that cannot be reliably measured is to disclose the nature, extent and duration of the assistance in order that the financial statements are not misleading.

w) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognized as personnel expenses in the profit or loss. Prepaid contribution are recognized as an asset to the extent that a cash refund or a reduction in future payment is available.

Defined benefit plan

The Bank's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognised asset is limited to the present value of the economic benefits available in the form of any refunds from the plan or deductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The bank has an in-house managed defined contribution plan. Obligations for contributions to the defined contribution plan are recognized as an expense in profit or loss in the period in which the service is rendered by the employee.

The employees' contribution amounts to a third of the total monthly salary and the remaining two thirds is contributed by the Bank, and is charged to profit or loss in the year to which it relates.

The above contribution plan has in it embedded a defined benefit plan in form of death in service benefit at 20% of the total contribution made to the contribution plan. An annual future obligation is accrued after estimate at the year end.

Other long term employee benefits

The Bank's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the periods in which they arise.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

v) Employee benefits (continued)

Short-term benefits

Short-term benefits consist of salaries, bonuses and any non-monetary benefits such as medical aid contributions. They exclude equity based benefits and termination benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are expensed at the earlier of when the Bank can no longer withdraw the offer of those benefits and when the Bank recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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

x) Contingent liabilities

Letters of credit and guarantees are disclosed as contingent liabilities. Estimates of the outcome and the financial effect of contingent liabilities is made by management based on the information available up to the date that the financial statements are approved for issue by the Directors.

y) Dividends

Revenue, after deducting all charges, including depreciation and estimated liabilities, shall constitute net profits. After the allocation of other appropriations deemed necessary by the Board of Directors, notably to special reserves, the balance shall be paid to the Public Treasury.

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

z) Share capital and reserves

Shares are classified as share capital in equity. Article 2 of the Law No 55/2007 OF 30/11/2007 governing the central Bank of Rwanda prescribes that the overall capital of the Bank shall be seven billion Rwandan francs (7,000,000,000 FRW).

aa) New standards and interpretations

(i) New standards, amendments and interpretations effective during the year

The following are recent changes to IFRS that became applicable during the year.

Disclosure Initiative (Amendments to IAS 7)

The amendments in Disclosure Initiative (Amendments to IAS 7) come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The International Accounting Standards Board (IASB) requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

z) New standards and interpretations (continued)

(ii) New standards, amendments and interpretations effective during the year (continued)

activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

The amendments state that one way to fulfil the new disclosure requirement is to provide reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

The adoption of these changes did not have a significant impact on the financial statements of the Bank.

(iii) New standards, amendments and interpretations issued but not yet effective

IFRS 9: Financial Instruments (2014)

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard introduces changes in the measurement bases of the financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an

“incurred loss” model from IAS 39 to an “expected credit loss” model.

The standard is effective for annual period beginning on or after 1 January 2018 with early adoption permitted. The Bank currently plans to apply the standard.

The application of the new standard will have a significant impact on the financial statements of the Bank.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The standard specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.

The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: Identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; Allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The application of the new standard will not have a significant impact on the financial statements of the Bank.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Significant accounting policies (continued)

z) New standards and interpretations (continued)

i) New standards, amendments and interpretations issued but not yet effective (continued)

IFRS 16: Leases

On 13 January 2016 the IASB issued IFRS 16 Leases, completing the IASB’s project to improve the financial reporting of leases. IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The standard defines a lease as a contract that conveys to the customer (‘lessee’) the right to use an asset for a period of time in exchange for consideration.

A company assesses whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model. All leases are treated in a similar way to finance leases. Applying that model significantly affects the accounting and presentation of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, compared to IAS 17, IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

The standard does not require a company to recognise assets and liabilities for:

- short-term leases (i.e. leases of 12 months or less) and;
- leases of low-value assets

The new Standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

The adoption of these changes will not affect the amounts and disclosures of the Bank’s financial statements.

The table below summarizes clarifications and amendments issued but not yet effective:

Clarification or amendment	Effective date	Impact on the Bank
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	1 January 2018	The adoption of these changes will not affect the amounts and disclosures of the Bank’s financial statements.
Applying IFRS 9 financial instruments with IFRS 4 insurance contracts (Amendments to IFRS 4)	1 January 2018	The Bank is assessing the potential impact on its financial statements resulting from the application of IFRS 9.
Transfer of investment property (Amendments to IAS 40)	1 January 2018	The adoption of these changes will not have a significant impact on the amounts and disclosures of the Bank’s financial statements.
IFRIC 22 foreign currency transactions and advanced consideration	1 January 2018	The adoption of these changes will not have a significant impact on the amounts and disclosures of the Bank’s financial statements.
Annual improvements to IFRSs 2014-2016 cycle (Amendments to IFRS 1 first time adoption of IFRSs and IAS 28 investment in associates	1 January 2018	The adoption of these changes will not affect the amounts and disclosures of the Bank’s financial statements.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management

Introduction and overview

The Bank has exposure to the following risks from financial instruments:

- A. Credit risk
- B. Liquidity risk
- C. Market risk:
 - Interest risk
 - Foreign currency exchange risk
- D. Operational risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank’s risk management framework. The Risk management department is responsible for developing and monitoring the Bank’s risk management policies.

The Bank’s risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Bank’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

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

Risk management structure

Risk management is integral to all aspects of the bank’s activities and generally responsibility of employees. Heads of business units have a particular responsibility to evaluate their risk environment.

To put in place appropriate controls and monitor the effectiveness of these controls ,the bank identifies, assesses and manages risk to ensure they were development and implemented affectivity the role of each stakeholder is summarized below;

Board of Directors

The board of directors is responsible for:

- Approval of risk policies to mandate a set of standards for risk management throughout the bank that include risk identification, measurement, monitoring and control and risk reporting
- Setting appetite for risk taking at the bank level and at various levels in consistent with the set strategies
- Ensuring effectiveness, independence and integrity of risk management systems through internal and
- Periodically (at least annually) reviewing the risk strategy and significant risk policies of the bank

Board Audit and Risk Committee (BARC)

The BARC is responsible for all Material Risks. The committee is established by the BOD as standing committee to assist the BOD in Risk Management. The Purpose of the top level committee is to assist the BOD, by virtue of the powers delegated to it by the BOD.

The committee has full responsibility of assisting the BOD in formulating strategies for Enterprise Risk Management, evaluating overall risks faced by the bank, aligning risk policies with strategic objectives, determining the level of risks which will be in the best interest of the bank.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

Risk management Framework (continued)

Board Audit and Risk Committee (BARC) (continued)

Following are the Roles and Responsibilities of the BARC:

- Based on the reports received, BARC will take decisions and provide guidance mandate to RMD and relevant functions of the bank on management of risks;
- Make suitable recommendations to the BOD as it sees fit and examine any other matters referred to it by the BOD;
- BARC will review issues raised by Internal Audit that impact the risk management and make suitable recommendations to the BOD;

Management committee

Executive Management is responsible for day-to-day management of risk by providing guidance and implementing directives of the Board on risk issues.

Technical Risk committee

The Main objective of the committee is to ensure that all Risk policies, procedures, reports that are submitted to Management are technically discussed at Managerial level; to ensure all key stakeholders are involved and that their inputs are inclusive. This allows Risk Management processes to be more effective across the Bank.

Risk management function

Risk Management Department for respective risks is responsible for Operational aspects of implementing risk policies. The Director of Risk Management shall head the Risk Management department with the role of overseeing its functioning, in collaboration with the bank’s department.

A. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank’s customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, financial guarantees, letters of credit, endorsements and acceptances. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

Credit risk arises from investment securities, balances due from banking institutions, funds held with IMF, loans and advances as well as other assets. The Bank has no significant concentrations of credit risk except for the lending to the Government of Rwanda.

Accordingly, for short term investments the bank takes exposure to issues having at least F2, A-2 and P-2 according to Fitch, Standard and Poor’s (S&P) and moody with a maturity up to one year the bank can also invest in securities issues or directly oriented by foreign forts and supranational which have a long term rating attracts “A” according to above stated credit rating agencies. The arrange maturity of long term.

Investment is guided by the investment guidelines which are reviewed and approved by the investment committee once a year by setting how overall credit risk limits within scope of investment guidelines. The bank aims to prevent credit risk from exceeding its risk tolerance. The institution eligible for transactions are chosen among those institutions meeting the minimum credit ratings limitations setting guidelines.in all transactions types of immediately reflected on their limits, and the use of limits are regulatory monitored and reported.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

A. Credit Risk (continued)

Management of credit risk (continued)

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

Total assets of the bank exposed to credit risk as of 30 June 2017 and 30 June 2016 are shown below according to classification of assets classification according to external credit rating is done based on credit ratings published by standards and poor’s.

Credit quality analysis

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss held by the Bank against those assets.

The other financial assets, other than loans and advances, are neither impaired nor past due.

Maximum exposure to credit risk

i. Loans and advances to staff

	2017 FRW ‘000’	2016 FRW ‘000’
Impaired loans and advances		
Gross amount	1,101,458	1,501,140
Allowance for impairment	(539,868)	(149,756)
Carrying Amount	<u>561,590</u>	<u>1,351,384</u>
Loans past due but not impaired		
Past due up to 30 days	885,172	719,681
Past due 31-90 days	<u>310,394</u>	<u>196,635</u>
Carrying amount	<u>1,195,566</u>	<u>916,315</u>
Loans neither past due nor impaired		
Staff loans and advances	<u>8,728,559</u>	<u>8,449,965</u>
Total carrying amount	<u>10,485,715</u>	<u>10,717,664</u>

	2017 FRW ‘000’	2016 FRW ‘000’
Other financial assets		
Cash and cash equivalents	188,106,783	219,685,940
Foreign assets	544,265,464	425,141,333
Due from Government of Rwanda	79,146,377	43,125,320
Due from Banks and other Financial Institutions	31,204	200,837
Due from foreign financial institutions	4,856,545	7,092,833
Due from International Monetary Fund (IMF)	248,937,316	237,626,482
Other investment	6,164	6,164
Other Assets	<u>20,200,026</u>	<u>25,443,027</u>
Total	<u>1,085,549,879</u>	<u>958,321,936</u>

6. Financial Risk Management (continued)

A. Credit Risk (continued)

Credit quality analysis continued (continued)

i. Foreign Assets

The table below sets out the investment ratings for the year ended 30 June 2017

	2017	2016
	FRW ‘000’	FRW ‘000’
Rated AAA	328,977,462	354,512,465
Rated AA- to AA+	5,171	4,743
Rated A- to A+	218,990,004	145,111,969
Rated BBB+ and below	<u>166,386,655</u>	<u>122,023,060</u>
Total	<u>714,359,292</u>	<u>621,652,237</u>

Concentration of credit risk

The bank monitors concentration of credit risk by geographic location. An analysis of concentration of credit risk for loans and advances and investment securities is shown below.

Assets	Due from Banks and local financial institution		Due from foreign financial institutions		Investment securities	
	2017	2016	2017	2016	2017	2016
	Frw ‘000’	Frw ‘000’	Frw ‘000’	Frw ‘000’	Frw ‘000’	Frw ‘000’
North America	-	-	-	-	89,599,154	88,157,944
Europe	-	-	-	-	623,995,828	533,065,929
Asia Pacific	-	-	-	-	1,149	4,056
Middle East and Africa	<u>31,204</u>	<u>200,837</u>	<u>4,856,545</u>	<u>7,092,833</u>	<u>763,162</u>	<u>424,308</u>
Total	<u>31,204</u>	<u>200,837</u>	<u>4,856,545</u>	<u>7,092,833</u>	<u>714,359,293</u>	<u>621,652,237</u>

B. Liquidity risk

‘Liquidity risk’ is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Bank’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank’s reputation.

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

The bank divides its foreign exchange reserves into liquidity investment and stable tranches. The liquidity tranche is intended to meet both anticipated monthly cash outflows requirements thus matching both on and off statement of financial position foreign assets and liabilities. The tranche is monitored on a daily basis and it is comprised of highly liquid short term financial instruments.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets

The table below set out the remaining contractual maturities of the Bank’s financial liabilities and financial assets.

As at 30 June 2017	On demand	Due within 3 months	Due between 4-12 months	Due between 1-5 years	Due after 5 years	Total
	Frw’000’	Frw’000’	Frw’000’	Frw’000’	Frw’000’	Frw’000’
Financial asset by type						
Cash and cash equivalent	188,106,783	-	-	-	-	188,106,783
Foreign Assets	-	-	-	141,012,153	403,189,000	544,201,153
Due from Government of Rwanda	-	-	41,620,634	-	37,525,743	79,146,377
Due from Financial Institutions	-	-	8,533	22,671	-	31,204
Due from Foreign Financial Institutions	-	-	-	4,856,545	-	4,856,545
Due from IMF	-	-	-	-	248,937,316	248,937,316
Loans and Advance to Staff	-	-	-	10,485,715	-	10,485,715
Other Assets	184,286	1,599,345	9,049,798	9,366,597	-	20,200,026
Total financial Assets	188,291,069	1,599,345	50,678,965	165,743,681	689,652,059	1,095,965,119
Financial liability by type						
Currency in circulation	-	-	-	-	191,323,837	191,323,837
Government deposits	184,936,692	-	-	-	-	184,936,692
Due to local financial institutions	120,181,086	60,400,000	-	-	-	180,581,086
Due to International Monetary Fund	-	-	-	-	377,249,729	377,249,729
Foreign liabilities	1,252,082	-	-	6,126,610	-	7,378,692
Other liabilities	4,254,586	957,553	23,127,302	597,452	313,137	29,250,030
Total financial liabilities	310,624,446	61,357,553	23,127,302	6,724,062	568,886,703	970,720,066
Liquidity gap	(122,333,377)	(59,758,208)	27,551,663	159,019,619	120,765,356	125,245,053

6. Financial Risk Management (continued)

Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

As at 30 June 2016	On demand Frw'000'	Due within 3 months Frw'000'	Due between 4-12 months Frw'000'	Due between 1-5 years Frw'000'	Due after 5 years Frw'000'	Total Frw'000'
Financial asset by type						
Cash and cash equivalents	219,685,938	-	-	-	-	219,685,938
Foreign Assets	-	-	-	85,957,151	339,125,053	425,082,204
Due from Government of Rwanda	-	-	-	-	43,125,320	43,125,320
Due from Local Financial Institutions	-	-	8,512	192,325	-	200,837
Due from Foreign Financial Institutions	-	-	-	7,092,833	-	7,092,833
Due from IMF	-	-	-	-	237,626,482	237,626,482
Loans and Advance to Staff	-	-	-	10,717,664	-	10,717,664
Other Assets	185,903	1,002,127	9,198,258	15,056,740	-	25,443,027
Total financial Assets	219,871,841	1,002,127	9,206,770	119,016,713	619,876,855	968,974,306
Financial liability by type						
Currency in circulation	-	-	-	-	181,904,324	181,904,324
Government deposits	168,498,403	-	-	-	-	168,498,403
Due to local financial institutions	133,973,131	34,000,000	-	-	-	167,973,131
Due to International Monetary Fund	-	-	-	-	319,722,921	319,722,921
Foreign liabilities	1,078,631	-	-	8,494,404	-	9,573,036
Other liabilities	4,161,673	327,656	10,606,517	-	260,522	15,356,368
Total financial liabilities	307,711,838	34,327,656	10,606,517	8,494,404	501,887,767	863,028,182
	(87,839,997)	(33,325,529)	(1,399,747)	110,522,309	117,989,088	105,946,124

6. Financial Risk Management (continued)

Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

Liquidity Reserves

The table below sets out the components of the Bank’s liquidity reserves

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000'
Cash	18,012,955	23,175,036
Current Accounts	3,028,354	24,128,265
Fixed Term Deposits	167,065,474	172,382,639
	188,106,783	219,685,940

C. Market Risk

‘Market risk’ is the risk that changes in market prices-such as interest rates and foreign exchange rates-will fluctuate fair value amounts or future cash flows of a financial instrument.

The objective of the banks market risk management is to manage and control market risk exposure within acceptable parameters to ensure the Bank’s solvency while optimizing the return on risk.

Management of market risk

The Bank separates exposures to market risk into either trading or non-trading portfolios. Trading portfolios include those positions arising from market-making transactions where the Bank acts as principal with commercial banks or the market.

Non-trading portfolios primarily arise from the interest rate management of the Bank’s investment And monetary policy assets and liabilities.

• Currency risk

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

As per the investment policy and guidelines, for each currency, assets and liabilities should be matched at 100%. However, in case of any deviations, only an overall maximum deviation of +/- 2% out of the USD is acceptable.

Transactions in foreign currency are recorded at the rate in effect at the date of the transaction. The Bank translates monetary assets and liabilities denominated in foreign currencies at the rate of exchange in effect at the reporting date. The Bank records all gains or losses on changes in currency exchange rates in profit or loss.

The table below summarizes the foreign currency exposure as at 30 June:

	2017 Frw’000	2016 Frw’000
Assets in foreign currencies	982,056,962	889,774,560
Liabilities in foreign currencies	(520,929,956)	(421,627,880)
Net foreign currency exposure at the end of the year	461,127,006	468,146,680

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

The Bank manages risks through prudent management of its assets and liabilities by ensuring long foreign exchange positions 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.

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.

As at 30 June 2017	USD	EURO	GBP	SDR	Others	Total
Assets	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Foreign assets	704,133,853	(3,328,907)	909,000	-	12,645,346	714,359,292
International Monetary Fund Quota	-	-	-	248,937,316	-	248,937,316
Cash balance	15,165,896	2,633,160	86,130	-	127,770	18,012,956
Other Assets	581,241	(21,532)	-	-	187,689	747,398
Total assets	719,880,990	(717,279)	995,130	248,937,316	12,960,805	982,056,962
Liabilities						
Government deposits	(58,913,212)	(11,413,491)	(136,035)	-	(49,842)	(70,512,580)
Due to local financial institutions	(60,685,160)	(904,315)	58	-	(132,042)	(61,721,459)
Due to International Monetary Fund	-	-	-	(377,249,729)	-	(377,249,729)
Foreign liabilities	(6,646,724)	(4,763)	-	-	61	(6,651,426)
Other Liabilities	(3,901,830)	(693,295)	-	-	(199,637)	(4,794,762)
Total liabilities	(130,146,926)	(13,015,864)	(135,977)	(377,249,729)	(381,460)	(520,929,956)
Total assets as at 30 June 2017	719,880,990	(717,279)	995,130	248,937,316	12,960,805	982,056,962
Total liabilities as at 30 June 2017	(130,146,926)	(13,015,864)	(135,977)	(377,249,729)	(381,460)	(520,929,956)
Net exposure at 30 June 2017	589,734,063	(13,733,143)	859,153	(128,312,413)	12,579,345	461,127,006

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

As at 30 June 2016	USD	EURO	GBP	SDR	Others	Total
Assets	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Foreign assets	585,155,253	17,816,481	6,705,054	-	11,975,448	621,652,236
International Monetary Fund Quota	-	-	-	237,626,482	-	237,626,482
Cash balance	21,353,571	1,582,842	140,617	-	98,005	23,175,035
Other Assets	4,407,219	2,392	-	-	2,911,196	7,320,807
Total assets	610,916,043	19,401,715	6,845,671	237,626,482	14,984,649	889,774,560
Liabilities						
Government deposits	(43,658,870)	(7,098,059)	-	-	(21,557)	(50,778,486)
Due to local financial institutions	(39,606,380)	(411,620)	-	-	15,144	(40,002,856)
Due to International Monetary Fund	-	-	-	(319,722,921)	-	(319,722,921)
Foreign liabilities	(9,126,712)	(4,432)	-	-	60	(9,131,084)
Other Liabilities	(698,127)	(1,090,957)	(3,894)	-	(199,555)	(1,992,533)
Total liabilities	(93,090,089)	(8,605,068)	(3,894)	(319,722,921)	(205,908)	(421,627,880)
Total assets as at June 2016	610,916,043	19,401,715	6,845,671	237,626,482	14,984,649	889,774,560
Total liabilities as at June 2016	(93,090,089)	(8,605,068)	(3,894)	(319,722,921)	(205,908)	(421,627,880)
Net exposure at 30 June 2016	517,825,954	10,796,647	6,841,777	(82,096,439)	(14,778,741)	468,146,680

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

Sensitivity analysis on currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the below mentioned exchange rates, with all other variables held constant, of the Bank’s profit (due to changes in the fair value of monetary assets and liabilities).

FRW ‘000’	Currency Carrying Amount	At 30 June 2017	
		5% Depreciation	5% Appreciation
Assets			
USD	719,880,989	(35,994,049)	35,994,049
GBP	995,130	(49,757)	49,757
EUR	(717,279)	35,864	(35,864)
SDR	248,937,316	(12,446,866)	12,446,866
Other	<u>12,960,805</u>	<u>(648,040)</u>	<u>648,040</u>
	<u>982,056,961</u>	<u>(49,102,848)</u>	<u>49,102,848</u>
Liabilities			
USD	130,146,926	6,507,346	(6,507,346)
GBP	140,430	7,022	(7,022)
EUR	13,015,864	650,793	(650,793)
SDR	377,249,729	18,862,486	(18,862,486)
Others	<u>381,459</u>	<u>19,073</u>	<u>(19,073)</u>
	<u>520,934,408</u>	<u>26,046,720</u>	<u>(26,046,720)</u>
Total (decrease)/increase		<u>(23,056,128)</u>	<u>23,056,128</u>
Effect on net profit		<u>(23,056,128)</u>	<u>23,056,128</u>

At 30 June 2017 if the Rwandan Franc had weakened / strengthened by 5% against the major trading currencies, with all other variables held constant, the impact on the Bank’s profit would have been Frw 23,056,128 lower/higher.

The table below shows exchange rates of major currencies applied during the year:

Currency	Closing rate	Closing rate	Average rate	Average rate
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
USD	830.22	783.26	830	783
EUR	949.65	865.19	950	865
GBP	1,080.74	1,051.60	1,081	1,052
SDR	1,155.53	1,093.56	1,156	1,094

6. Financial Risk Management (continued)

C. Market risk (continued)

Interest rate risk

Interest rate is the risk that the future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Interest margin may decrease as a result of such changes but may increase losses in the event that unexpected movement arises.

The Bank closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of assets and liabilities carried on the statement of financial position.

The table below shows interest rate sensitivity position of the Bank at 30 June based on the earlier of maturity or re-pricing dates. Items not recognized on the statement of financial position do not pose any significant interest rate risk to the Bank.

Interest rate risk	3 months or less Frw'000'	3-12 months Frw'000'	Over one year Frw'000'	Non-interest bearing Frw'000'	Total Frw'000'
Cash	-	-	-	18,012,955	18,012,955
Foreign assets	-	167,129,785	544,201,153	3,028,354	714,359,292
Due from IMF	-	-	-	248,937,316	248,937,316
Due from Government of Rwanda	-	-	37,525,743	-	37,525,743
Loan and advance to banks	-	-	22,671	8,533	31,204
Due from foreign financial institutions	-	-	4,856,545	-	4,856,545
Loan and advance to staff	-	-	10,485,715	-	10,485,715
Other assets	-	-	-	20,200,026	20,200,026
Total assets	-	167,129,785	597,091,827	290,187,184	1,054,408,796
Currency in circulation	-	-	-	191,323,837	191,323,837
Government deposits	-	-	-	184,936,692	184,936,692
Due to local financial institutions	-	60,400,000	-	120,181,086	180,581,086
Due to International Monetary Fund	-	-	88,693,118	288,556,611	377,249,729
Foreign liabilities	-	-	6,126,610	1,252,082	7,378,692
Other liabilities	-	-	-	29,250,030	29,250,030
Total liabilities	-	60,400,000	94,819,728	815,500,338	970,720,066
Interest sensitivity gap at 30 June 2017	-	106,729,785	502,272,099	-525,313,154	83,688,730

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Financial Risk Management (continued)

D. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank’s processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank’s operations and are faced by all business units.

The Bank’s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank’s reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the yearly assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

7. Fair Value of financial instruments

A. Valuation models

The Bank measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. Fair value of financial instruments (continued)

A. Valuation models (continued)

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

B. Fair value hierarchy

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non market observable inputs
Types of financial assets	Actively traded government and other agency securities Listed derivative instruments Listed equities	Corporate and other government bonds and loans Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters. Corporate bonds in illiquid markets.
Types of financial liabilities	Listed derivative instruments	Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters

Financial instruments measured at fair value - Valuation hierarchy

The tables below analyse financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2017	Held for trading FRW '000	Held to maturity FRW '000	Loans and receivables FRW '000	Carrying amount		At amortized cost FRW '000	Total carrying amount FRW '000	Fair value			
				Available for sale FRW '000				Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	Total Fair value FRW '000
Financial assets											
Cash and cash equivalent	-	-	188,106,783	-	-	-	188,106,783	-	-	-	-
Foreign assets	-	141,012,154	-	403,189,000	-	-	544,201,153	403,189,000	-	-	403,189,000
International Monetary Fund Quota	-	-	248,937,316	-	-	-	248,937,316	-	-	-	-
Due from Government of Rwanda	-	-	79,146,377	-	-	-	79,146,377	-	-	-	-
Loan and advance to banks	-	-	31,204	-	-	-	31,204	-	-	-	-
Due from foreign financial institutions	-	-	4,856,545	-	-	-	4,856,545	-	-	-	-
Staff loans	-	-	10,485,715	-	-	-	10,485,715	-	-	10,485,715	10,485,715
Other assets	-	-	20,200,026	-	-	-	20,200,026	-	-	-	-
Total financial assets	-	141,012,154	551,763,966	403,189,000	-	-	1,095,965,119	403,189,000	-	10,485,715	413,674,715
Financial liabilities											
Currency in circulation	-	-	-	-	-	191,323,837	191,323,837	-	-	-	-
Government deposits	-	-	-	-	-	184,936,692	184,936,692	-	-	-	-
Due to local fin. inst	-	-	-	-	-	180,581,086	180,581,086	-	-	-	-
Due to IMF	-	-	-	-	-	377,249,729	377,249,729	-	-	-	-
Foreign liabilities	-	-	-	-	-	7,378,692	7,378,692	-	-	-	-
Other liabilities	-	-	-	-	-	29,250,030	29,250,030	-	-	-	-
Financial liabilities	-	-	-	-	-	970,720,066	970,720,066	-	-	-	-

NATIONAL BANK OF RWANDA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2016	Held for trading FRW '000	Held to maturity FRW '000	Loans and receivables FRW '000	Carrying amount		At amortized cost FRW '000	Total carrying amount FRW '000	Fair value			
				Available for sale FRW '000				Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	Total Fair value FRW '000
Financial assets											
Cash balance	-	-	219,685,938	-	-	-	219,685,938	-	-	-	-
Foreign assets	-	85,957,151	-	339,125,053	-	-	425,082,204	425,082,204	-	-	425,082,204
International Monetary Fund Quota	-	-	175,187,599	-	-	-	175,187,599	-	-	-	-
Due from Government of Rwanda	-	-	43,125,320	-	-	-	43,125,320	-	-	-	-
Loan and advance to banks	-	-	200,837	-	-	-	200,837	-	-	-	-
Due from foreign financial institutions	-	-	7,092,833	-	-	-	7,092,833	-	-	-	-
Staff loans	-	-	10,717,644	-	-	-	10,717,644	-	-	10,717,644	10,717,644
Other assets	-	-	25,443,027	-	-	-	25,443,027	-	-	-	-
Total financial assets	-	85,957,151	481,453,198	339,125,053	-	-	906,535,402	425,082,204	-	10,717,644	435,799,848
Financial liabilities											
Currency in circulation	-	-	-	181,904,324	-	-	181,904,324	-	-	-	-
Government deposits	-	-	-	168,498,403	-	-	168,498,403	-	-	-	-
Due to local fin. inst	-	-	-	167,973,131	-	-	167,973,131	-	-	-	-
Due to IMF	-	-	-	319,722,921	-	-	319,722,921	-	-	-	-
Foreign liabilities	-	-	-	9,573,036	-	-	9,573,036	-	-	-	-
Other liabilities	-	-	-	15,356,368	-	-	15,356,368	-	-	-	-
Financial liabilities	-	-	-	863,028,183	-	-	863,028,183	-	-	-	-

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

8. Interest Income

Interest on domestic investments relates to interest earned from loans to government, SWAPs agreements and agricultural sector refinancing facility loans.
Interest income from foreign operations relates to interest earned from CAIMAL, RAMP and BIS investments, foreign fixed term deposits, T-Bond, SDR holdings and from call money in foreign Currency.
Interest income on staff loans for the year ended 30 June 2017 was allocated to the staff welfare equity reserve as part of a directive by the board of directors.

	30-Jun-17 (Frw '000')	30-Jun-16 (Frw '000')
Incomes on SWAPS operations	2,529,074	1,221,742
Interest on staff Loans	-	430,739
Refinancing facility loans	9,093	21,528
Interests on loans to government	2,061,184	1,014,990
Interest on SDR Holdings	171,032	38,383
Investment income	<u>8,084,946</u>	<u>7,517,970</u>
	<u>12,855,329</u>	<u>10,245,352</u>

9. Interest expense

On 9 November 2010, the Bank entered into a currency swap transaction with International Finance Corporation. The original amount rendered by the Bank was Frw 1.479 billion in exchange for USD 2.5 million. Under this initial agreement, the Bank pays interest on the USD notional outstanding amount using a Dollar Floating Rate which is the sum of LIBOR for the Designated Maturity determined on the second London Business Day preceding the relevant calculation period, and the Dollar Spread. Further SWAP agreements have signed up since and every time a swap transaction is entered, a confirmation agreement is signed between IFC and the bank stipulating the terms of the transaction.
Other interest expenses include interest paid on currency SWAP agreements with local commercial banks, interest expense on SDR allocation and interest on money market intervention which mainly includes Repos and reverse Repos.

The interest expense on money market intervention initiatives are refunded by the Government.

	30-Jun-17 (Frw '000')	30-Jun-16 (Frw '000')
Interest on IMF Fund	184,027	44,462
Expenses on SWAPS operations	622,830	242,430
Interest paid on Monetary policy issues	<u>1,361,218</u>	<u>1,107,686</u>
	<u>2,168,075</u>	<u>1,394,579</u>

10. Net fees and commission income

Commission on Foreign Operations	546,638	482,502
Commission and fees income	33,118	12,972
Commission and fees paid	<u>(904,300)</u>	<u>(992,055)</u>
	<u>(324,544)</u>	<u>(496,581)</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. (a) Unrealized revaluation gain

	30-Jun-17 (Frw '000')	30-Jun-16 (Frw '000')
Foreign assets unrealized foreign exchange Gain	21,293,502	28,783,250
Other foreign denominated assets unrealized foreign exchange Gain/(loss)	<u>237</u>	<u>(52,629)</u>
	<u>21,293,739</u>	<u>28,730,621</u>

During the year unrealized net foreign exchange revaluation gains amounted to Frw 21,293,739 (2016: Frw 28,730,621). This amount has been included in the statement of profit or loss in determining the Bank's net operating profit for the year in order to comply with the requirements of IAS 21-Accounting for the Effects of Changes in foreign Exchange Rates.
The unrealized net foreign exchange revaluation gains do not form part of distributable profits for the Bank and hence were subsequently moved to the translation equity reserve in the statement of changes in equity.

11. (b) Net trading income

	30-Jun-17 Frw '000'	30-Jun-16 Frw '000'
Net gain on foreign currency transactions	11,830,822	12,046,273
Realized gain on investment securities	3,301,712	1,163,135
Realized loss on investment securities	<u>(5,068,926)</u>	<u>(1,214,805)</u>
	<u>10,063,608</u>	<u>11,994,603</u>

12. Other operating income

Processing fees	137,026	138,830
Forex Bureau Applications and registrations fees	33,100	18,800
Licenses and Applications fees	105,259	109,716
Supervision fees	1,295,301	1,576,498
Fine and Penalty Fees	168,968	74,724
Swift message received	45,790	46,069
Write back accruals and provisions	-	1,194,578
Gain on sales of properties and equipment	20,666	79,625
Refund from the Government of Rwanda	2,310,299	1,397,873
Other income	<u>343,290</u>	<u>844,807</u>
	<u>4,459,699</u>	<u>5,481,520</u>

The refund from the government relates to money market intervention costs, external trade contributions and equipment grant.
Other income relates to cheque printing fees, strong room rental income, cash surplus, sale of demonetised currency and other recoveries.

13. Personnel expenses

	30-Jun-17 Frw '000'	30-Jun-16 Frw '000'
Salaries and related other allowances	9,440,474	7,903,221
Contribution to RSSB pension Scheme	472,532	420,024
Medical expenses	840,378	810,610
leave allowances	521,535	1,172
Long term Awards	79,464	69,165
Social Activities and condolences	53,924	60,622
Contribution to the complementary pension fund	443,552	426,469
Contribution to the death benefit fund	52,614	50,588
Other expenses	<u>447,266</u>	<u>471,622</u>
	<u>12,351,739</u>	<u>10,213,493</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13. Personnel expenses (continued)

The Bank contributes to the following post-employment benefit plans:

Complementary pension fund- entitles a retired employee or his/her dependants in case of death to receive the total contributions including the accrued interests from investments after deduction of the total amount related to all BNR debts.

Death benefit fund- entitles a retired employee's dependants in case of death to receive the total death benefits equivalent to thirty six (36) * last gross monthly salary of the deceased staff.

The contribution due to both Fund shall be calculated as 10% of each staff basic salary whereby 80% of the contribution is taken to complementary Pension fund and 20% to the death benefit fund. Both plans are funded by the Bank and the employee at a share of 60% and 40% respectively.

14. General administration expenses

	30-Jun-17 Frw '000'	30-Jun-16 Frw '000'
Printing stationery and Office Suppliers	345,984	302,990
Maintenance Costs	1,048,930	834,211
Entertainments Costs	169,851	180,518
Contributions & Subscription fees	701,460	517,164
Insurances fees	251,628	259,198
Communication Costs	95,714	95,679
Advertisement Expenses	94,068	92,089
Transports and travelling Expenses	173,405	229,437
Professionals Costs	1,386,032	593,348
Legal and investigation expenses	6,596	368,570
Grant and subsidies cost	6,913	47,639
	<u>4,280,581</u>	<u>3,520,843</u>

15. Other operating expenses

Board and Meeting Expenses	15,212	12,857
Provisions and other Charges	8,021	2,606
Other expenses	498,395	2,231,290
Written back accruals and provisions	874,152	692,046
Audit fees	79,503	-
Bank notes printing costs amortization	1,940,468	1,978,234
Coins minting costs amortization	241,742	166,707
	<u>3,657,493</u>	<u>5,083,740</u>

16. Cash and cash equivalents

Foreign Denominated notes/coins in USD	15,165,896	21,353,572
Foreign Denominated notes/coins in EUR	2,633,160	1,582,842
Foreign Denominated notes/coins in GBP	86,130	140,617
Foreign Denominated notes/coins in other CCY	127,769	98,005
Current Accounts	3,028,354	24,128,265
Fixed Term Deposits in USD (Less than 3 months)	167,065,474	172,382,639
	<u>188,106,783</u>	<u>219,685,940</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17. Investment securities

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Held to maturity	141,012,154	85,957,151
Available for sale	403,189,000	339,125,053
Interest Receivables	64,310	59,129
	<u>544,265,464</u>	<u>425,141,333</u>

18. Due from Government of Rwanda

Overdraft due from the Government	41,620,634	5,054,214
Consolidated Debt to Government	37,525,743	38,071,106
	<u>79,146,377</u>	<u>43,125,320</u>

The Bank signed an agreement with the Government on 7 February 1996 to consolidate all Government debts amounting to Frw 34.457 billion at an interest rate of 2 % per annum. The amount increased to Frw 43,469 billion effective 1 August 1997 subsequent to the passing of Law No 11/97 regarding the statutes of the Bank which stipulated under its article 79, that the balance of the revaluation account as at 6 March 1995 would be consolidated with the amount of that initial debt. The recovery of the amount is done through retention of 30 % of the annual dividend payable to the Government commencing 2002.

During the year ended 30th June 2017, the Government paid Frw '000' 545,363 (2016 Frw '000' 501,700) on the balance.

19. Due from local financial institutions

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Current Accounts with Commercial Banks	8,532	8,512
Loans to the Agricultural and Agro Business Sectors	22,672	192,325
	<u>31,204</u>	<u>200,837</u>

20. Due from foreign financial institutions

IFC SWAP contract	4,856,545	7,092,833
	<u>4,856,545</u>	<u>7,092,833</u>

On 9 November 2010, the Bank entered into a currency swap transaction with International Finance Corporation. The original amount rendered by the Bank was Frw 1.479 billion in exchange for USD 2.5 million. Under this initial agreement, the Bank pays interest on the USD notional outstanding amount using a Dollar Floating Rate which is the sum of LIBOR for the Designated Maturity determined on the second London Business Day preceding the relevant calculation period, and the Dollar Spread. Further SWAP agreements have since been signed up and every time a swap transaction is entered, a confirmation agreement is signed between IFC and the bank stipulating the terms of the transaction.

21. Loans and advances to staff

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Loans to Current Staff	8,728,597	8,449,965
Loans to Former Staff	2,296,985	2,417,455
Provision for Impairment	(539,867)	(149,756)
	<u>10,485,715</u>	<u>10,717,664</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21. Staff loans (continued)

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Movement in provision for impairment		
At 1 July	149,756	745,346
Charge for the year / (provision written back)	<u>390,111</u>	<u>(595,590)</u>
As at 30 June	<u>539,867</u>	<u>149,756</u>

The types of loans given to staff include Salary advance, Car loans & Housing loans with a maturity period of 1 year, 5 years and 20 years respectively. The interest rates applicable are 0% for salary advance and 2% to Car and housing loans.
Interest income on staff loans is allocated to the staff welfare reserve where it is available for lending to staff.

22. International Monetary Fund

The IMF Quota represents 3065 votes’ equivalent to 0.06% of voting right.

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Due from IMF		
Quota In IMF	161,836,307	153,289,149
IMF Reserve Tranche	23,119,472	21,898,450
Special Drawing Rights	<u>63,981,537</u>	<u>62,438,883</u>
	<u>248,937,316</u>	<u>237,626,482</u>
Due to IMF		
IMF Account No 1	161,836,307	153,289,149
IMF Account No 2	15,204	14,401
IMF Poverty Reduction and Growth Facility		
Loan	126,705,100	82,410,455
Allocation of Special Drawing Rights (SDR)	<u>88,693,118</u>	<u>84,008,916</u>
	<u>377,249,729</u>	<u>319,722,921</u>

23. Other investment

Cost	450,000	450,000
Provision Depreciation on Other Investments	<u>(443,836)</u>	<u>(443,836)</u>
	<u>6,164</u>	<u>6,164</u>

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

RWISTCH is registered and domiciled in Rwanda and offers an interbank network for financial communication that supports card based payment systems, electronic funds transfers, simple bills payment system and capital market operations to banks and other financial institutions in Rwanda.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24. Investment property

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Cost		
At 1 July	466,839	466,839
As at 30 June	<u>466,839</u>	<u>466,839</u>

Accumulated Depreciation

At 1 July	(54,651)	(36,434)
Depreciation charge	<u>(18,217)</u>	<u>(18,217)</u>
As at 30 June	<u>(72,868)</u>	<u>(54,651)</u>

Net book value as at 30 June	<u>393,971</u>	<u>412,188</u>
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The investment property relates to a building owned by the Bank and rented out to RSWITCH.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25. Property and equipment

	Land Frw'000'	Work in progress Frw'000'	Buildings Frw'000'	Motor Vehicles Frw'000'	Computer Equipment Frw'000'	Security Equipment Frw'000'	Machinery Frw'000'	Furniture and fittings Frw'000'	Lift Frw'000'	Medical Equipment Frw'000'	Multimedia Frw'000'	TOTAL Frw'00'
Cost												
At 1 July 2016	3,266,325	617,720	18,048,877	184,875	1,160,255	1,518,953	4,105,789	1,279,654	605,835	-	83,007	30,871,2
Additions	-	563,394	1,982,517	-	1,287,388	325,255	121,274	188,304	96,049	475	-	4,564,6
Reclassification from software	-	-	-	-	90,993	-	-	-	-	-	-	90,993
Disposal/write off	-	-	-	-	(348,688)	-	(7,770)	(3,867)	-	-	(5,221)	(365,54
As at 30 June 2017	3,266,325	1,181,114	20,031,394	184,875	2,189,948	1,844,208	4,219,293	1,464,091	701,884	475	77,786	35,161,3
Depreciation												
At 1 July 2016	-	-	(2,086,219)	(98,340)	(722,949)	(1,229,552)	(719,652)	(591,081)	(334,005)	-	(75,626)	(5,857,42
Charge for the year	-	-	(988,640)	(24,280)	(294,757)	(108,230)	(480,870)	(135,466)	(82,762)	(32)	(7,160)	(2,122,19
Depreciation on disposed and written off assets	-	-	-	-	257,695	-	7,770	940	-	-	5,221	271,6
As at 30 June 2017	-	-	(3,074,859)	(122,620)	(760,011)	(1,337,782)	(1,192,752)	(725,607)	(416,767)	(32)	(77,565)	(7,707,99
N.B.V as at 30 June 2017	3,266,325	1,181,114	16,956,535	62,255	1,429,937	506,426	3,026,541	738,484	285,117	443	221	27,453,396

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25. Property and equipment (continued)

	Land Frw'000'	Work in progress Frw'000'	Buildings Frw'000'	Motor Vehicles Frw'000'	Computer Equipment Frw'000'	Security Equipment Frw'000'	Machinery Frw'000'	Furniture and fittings Frw'000'	Lift Frw'000'	Medical Equipment Frw'000'	Multimedia Frw'000'	TOTAL Frw'000'
Cost												
At 1 July 2015	3,254,325	871,185	17,977,400	162,024	858,830	1,224,784	721,355	1,017,767	605,835	21,441	83,877	26,798,822
Additions	12,000	-	65,002	95,775	271,108	294,169	3,428,522	271,701	-	-	-	4,438,277
Adjustment and Reclass	-	(253,465)	-	-	42,224	-	-	(7,516)	-	21,441	-	346,272
Disposed and written off equipment	-	-	(537,113)	(72,924)	(11,907)	-	(44,087)	(2,297)	-	(42,882)	(870)	(712,081)
As at 30 June 2016	3,266,325	617,720	18,048,877	184,875	1,160,255	1,518,953	4,105,789	1,279,654	605,835	-	83,007	30,871,289
Depreciation												
At 1 July 2015	-	-	(1,225,180)	(142,166)	(567,933)	(1,086,928)	(392,614)	(440,457)	(240,029)	(15,635)	(58,133)	(4,169,074)
Charge for the period	-	-	(911,859)	(29,098)	(166,248)	(142,623)	(370,494)	(151,926)	(93,976)	(196)	(18,306)	(1,884,727)
Depreciation of disposed and written off equipment	-	-	50,819	72,924	11,233	-	43,456	1,302	-	15,831	812	196,376
As at 30 June 2016	-	-	(2,086,219)	(98,340)	(722,949)	(1,229,552)	(719,652)	(591,081)	(344,005)	-	(75,626)	(5,857,425)
N.B.V as at 30 June 2016	3,266,325	617,720	15,962,658	86,534	437,307	289,401	3,386,137	688,573	271,830	-	7,380	25,013,864

It is the Bank policy to revalue its land and buildings after every 5 years. The last revaluation was done in June 2013 by an independent valuer. The Bank will revalue its land and buildings in 2018.

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

26. Intangible assets

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Software Cost		
At 1 July	7,959,801	2,985,408
Additions	458,719	4,974,394
Reclassification	(90,993)	-
As at 30 June	<u>8,327,527</u>	<u>7,959,802</u>
Accumulated Amortization		
At 1 July	(4,572,452)	(1,281,033)
Charge for the year	(1,778,448)	(3,291,419)
Acc. amortization on reclassification	4,970	-
As at 30 June	<u>(6,345,930)</u>	<u>(4,572,452)</u>
Net book value as at 30 June	<u>1,981,597</u>	<u>3,387,350</u>

27. Other assets

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Stock of Consumables	184,286	185,903
Accounts Receivables	9,049,798	9,198,258
Other Debtors	7,508,621	13,023,184
Advance to contractors	1,599,345	1,002,126
Deferred Cost	1,857,976	2,033,556
	<u>20,200,026</u>	<u>25,443,027</u>

28. Currency in circulation

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Notes and coins issued	239,713,013	243,371,176
Money in Reserve	(48,389,176)	(61,466,852)
	<u>191,323,837</u>	<u>181,904,324</u>

Notes and coins issued represent all the currency issued into circulation. Money in reserve represents currency issued into circulation but within BNR vault. These two elements have been netted off to compute the currency in circulation as at 30 June.

29. Government deposits

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Government Account	30,015,179	26,870,324
Government's Special Deposits	3,881,541	5,829,223
Deposits for letters of credit and other commitment	24,270	39,945
Projects and Ministries ' Accounts	62,632,989	63,733,038
Local Governments	25,499,210	25,254,546
Public Institutions	3,170,616	4,075,234
Public Service Enterprises	5,918,590	5,512,654
Foreign currency accounts	53,794,297	37,183,439
	<u>184,936,692</u>	<u>168,498,403</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

30. Due to banks and other local financial institutions

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000)
Local Currency Deposits	58,459,628	93,970,332
Foreign currency deposits	61,721,458	40,002,799
Money Market Intervention	60,400,000	34,000,000
	<u>180,581,086</u>	<u>167,973,131</u>

The effective interest rate on money market borrowings was 5%.

31. Foreign liabilities

Deposits in Local Currency	727,267	441,952
Deposits in Foreign Currency	6,651,425	9,131,084
	<u>7,378,692</u>	<u>9,573,036</u>

32. Other liabilities

Staff Deposits	177,042	187,891
Non statutory accounts in Rwandan Francs	570,491	352,712
Non statutory accounts in Foreign Currencies	3,507,053	3,621,070
Suppliers Payables Accounts	957,553	327,656
Provision for Contingencies	206,070	206,070
Staff Leave Payables	521,535	-
Other payables accounts	22,399,697	10,400,447
Death Benefit fund	313,137	260,522
Deferred income (grant income on equipment)	597,452	-
	<u>29,250,030</u>	<u>15,356,368</u>

33. Share capital and reserves

(i) Share capital

Authorized and fully paid-up share capital	<u>7,000,000</u>	<u>7,000,000</u>
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(ii) General reserve

General reserve fund	9,646,548	9,282,973
	<u>9,646,548</u>	<u>9,282,973</u>

The general reserve fund is a fund into which at least 20% of the net annual profits of the Bank are transferred at the end of each financial year. This is after allowing for expenses for operation and after allowance has been made for bad and doubtful debts, depreciation of assets, contribution to staff benefit fund, and such other contingencies and provisions as the Bank deems appropriate.

(iii) Other reserves

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000'
Land revaluation Reserves	2,048,333	2,048,333
Building Revaluation Reserve	4,525,972	4,525,972
Staff Welfare Fund	4,647,416	4,143,052
Fair Value Reserve (AFS)	(701,473)	-
Translation Reserve	80,400,425	59,106,686
Government Support for IT Modernization	700,587	700,587
	<u>91,621,260</u>	<u>70,524,629</u>

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

33. Share capital and reserves (continued)

(iii) Other reserves (continued)

Staff welfare fund

The staff welfare fund is a fund into which at least 15% of the net annual profits of the Bank are transferred at the end of each financial year including any interest income earned on staff loans. In the current year, an amount of Frw ‘000’ 272,681 (15% of prior year profits) was transferred into the account. Interest income on staff loans for the year ended 30 June 2017 (Frw ‘000’ 231,683) was also allocated to the staff welfare equity reserve.

Building Revaluation and Land revaluation Reserve

The building Revaluation and Land revaluation Reserve is a reserve into which revaluation gains or losses for buildings and Land are transferred. It is the Bank policy to revalue its land and buildings after every 5 years.

Fair value reserve (AFS)

The fair value reserve is a reserve into which fair value movements on available for sale investment securities are transferred during the year.

Translation reserve

A reserve where unrealized foreign exchange gains and losses on revaluation are transferred.

Government support for IT modernization fund

The fund was created through an appropriation of profits from prior periods by approval of the board. The amount was used to support the IT modernization plans of the bank.

34. Related parties

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

Transactions with key Management personnel

Compensation

Key management personnel are those persons having authority and responsibility for planning ,directing and controlling the activities of the bank .The bank key management personnel are the Governor ,Vice Governor and Director Generals.

Key management personnel compensation comprised of the following:

	30June17 Frw'000'	30June16 Frw'000'
Short term employee benefits	468.779.424	447.867.463
Loans to Senior Management		
At 1 July	1,073,167	566,940
New loans granted & reclassified during the period	368,950	868,057
Loans repaid during the year	(261,552)	(193,362)
As at 30 June	1.180.565	1.241.635

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

34. Related parties (continued)

Transactions with board of directors	30-June-17 Frw'000'	30-June-16 Frw'000'
Fees to nonexecutive directors	9,643	8,571
Other remuneration to executive directors	5,569	4,286
	15.212	12.857

Transactions with Government of Rwanda

Transactions entered into with the Government include:

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

	Note	30-June-17 Frw'000'	30-June-16 Frw'000'
Due from Government of Rwanda	18	79,146,377	43,125,320
Government deposits	29	184,936,692	168,498,403

Staff loans

The Central Bank extends loan facilities to members of staff including the senior management. As at the reporting date, loans and advances to employees amounted to Frw 10,485,714,931 (June 2016 Frw 10,717,664,169) the loans are at a preferential interest rate 2% determined by the Bank.

Other related party transactions	30-June-17 Frw'000'	30-June-16 Frw'000'
Rental income from RSWITCH	=	103.757

35. Contingent liabilities

There are no certain pending claims brought against the Bank as at 30 June 2017 (2016:-Nil)

36. Cash and cash equivalents for the purpose Statement of cash flow

	30-Jun-17 Frw'000'	30-Jun-16 Frw'000'
Cash	18,012,955	23,175,036
Current Accounts	3,028,354	24,128,264
Fixed Term Deposits	167,065,474	172,382,639
Special Drawing Right	63,981,537	62,438,883
	252.088.320	282.124.823

37. Comparatives

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

NATIONAL BANK OF RWANDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

37. Comparatives (continued)

The table below summarises reclassifications on the prior year comparative balances.

	Prior year presentation Frw '000	Reclassification Frw '000	Current year presentation Frw '000
Statement of comprehensive income			
Depreciation and amortization	(5,886,408)	(692,046)	(5,194,363)
Other operating expenses	(4,391,694)	692,046	(5,083,740)
Statement of financial position			
Cash and Cash equivalents	23,175,036	196,510,902	219,685,938
Foreign Investment securities	684,091,120	(258,949,787)	425,141,333
Due from Government of Rwanda	38,071,106	5,054214	43,125,320
Due from IMF	175,187,599	62,438,883	237,626,482
Government Deposits	(163,444,189)	(5,054,214)	(168,498,403)

38. Subsequent events

We inquired on any subsequent events after the year end. Subsequent to the year end, a meeting of the Board held on 28th September 2017 approved the following appropriation of Profits.

Appropriation of surplus	30-Jun-17 Frw'000'	30-Jun-16 Frw'000'
Net surplus for the year	677,341	1,817,875
General Reserve Fund (20% of net profit)	<u>(135,468)</u>	<u>(363,575)</u>
Net Profit after GRF	541,873	1,454,300
Social welfare fund (15% of net profit)	<u>(101,601)</u>	<u>(272,681)</u>
Net payable	440,271	1,181,619
Consolidated debt recovery (30% of net profit)	<u>(203,202)</u>	<u>(545,363)</u>
Dividends distribution after consolidated debt repayment	<u>237,069</u>	<u>636,256</u>

There are no other significant subsequent events that require disclosure or adjustment to the financial statements

ANNEX-2

STATISTICAL
TABLE

Description	2006	2007	2008	2009	2010	2011	FY 11/12	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
Current GDP (in Fw billion)	1,739	2,092	2,658	3,057	3,367	3,897	4,252	4,494	4,762	4,929	5,194	5,466	5,670	5,956	6,321	6,618	7,125
of which : Primary sector, in % of GDP	34.1	30.4	28.3	29.3	28.2	28.0	28.0	28.9	29.0	28.9	29.0	28.8	28.0	28.1	28.0	28.0	31.0
Secondary sector, in % of GDP	13.3	14.3	14.6	14.3	14.9	16.7	16.0	16.6	17.0	17.2	17.0	17.2	17.0	17.0	17.0	16.8	16.0
Tertiary sector, in % of GDP	44.1	47.4	49.2	48.5	49.2	47.5	48.0	47.8	47.0	47.7	48.0	47.2	48.0	48.0	47.0	47.6	47.0
Constant GDP (in Fw billion, 2014)	3,031	3,262	3,626	3,853	4,135	4,459	4,681	4,852	4,994	5,079	5,245	5,466	5,697	5,951	6,189	6,304	6,397
Growth rate (in %)	9.2	7.6	11.2	6.2	7.3	7.8	8.3	8.8	6.7	4.7	5.0	7.6	8.6	8.9	8.6	5.9	3.4
of which : Primary sector	2.8	2.6	6.4	7.7	5.0	4.7	5.0	6.5	7.0	3.3	2.0	6.7	7.0	5.0	3.8	3.0	3.0
Secondary sector	11.7	9.0	15.1	1.3	8.4	17.8	14.0	8.3	12.0	9.4	6.0	11.0	11.0	8.9	10.0	6.8	2.0
Tertiary sector	13.3	12.2	13.8	6.2	9.2	8.0	11.6	7.0	5.3	6.0	7.0	7.0	9.0	10.4	10.0	7.1	5.0
Inflation rate	8.8	9.1	15.4	10.3	2.3	5.7	7.5	6.3	4.6	4.2	3.4	1.8	1.3	2.5	4.1	5.7	6.8
Current GDP per capita (in USD)	350	414	513	554	579	635	698	698	710	710	728	728	735	735	729	729	6.8
Growth rate (in %)	18.6	18.3	23.9	8.0	4.5	9.7	9.9	9.9	9.9	1.7	2.5	2.5	1.0	1.0	-0.8	-0.8	-0.8
USES OF GDP(constant), in %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Private Consumption	84.3	79.3	76.1	79.8	78.0	78.5	77.2	77.4	76.8	76.9	77.8	77.8	81.4	80.9	84.1	79.4	79.0
Public Consumption	14.7	13.8	12.7	13.4	13.7	13.2	15.0	14.1	13.3	13.4	14.7	15.1	14.5	14.6	14.3	15.0	15.6
Gross Domestic Investment	16.4	19.1	22.6	21.8	21.8	22.5	22.9	25.0	26.0	25.8	25.8	25.3	26.0	27.4	28.6	28.0	26.9
Resource Balance	-15.4	-12.3	-11.5	-15.0	-13.5	-14.2	-15.1	-16.5	-16.0	-16.1	-18.4	-18.2	-21.9	-22.8	-27.0	-22.5	-21.5
Balance of current payments ("net transfers), in % of GDP	-4.3	-2.2	-5.2	-7.1	-7.4	-7.2	ND	-10.2	-8.7	-7.3	-9.9	-11.8	-11.9	-13.4	-13.3	-14.4	-9.7
Gross reserves, in number of months of imports of goods and non factor services (GNFS)	6.8	7.0	5.1	5.9	5.9	5.3	ND	4.2	4.5	4.8	4.0	3.9	4.0	3.6	3.8	4.0	3.9
Tax revenues, in % of GDP	11.1	11.6	12.3	11.9	12.3	13.0	13.2	14.4	13.7	14.3	14.7	14.8	15.4	15.6	15.8	15.8	15.6
Budget deficit (cash basis), in % of GDP	-1.1	-1.7	0.1	-1.2	-1.9	-0.7	-1.5	-2.3	-5.1	-5.1	-4.2	-5.4	-5.2	-5.3	-3.5	4.6	4.9
External public debt stock (USD million)	566.7	566.7	665.6	736.6	766.6	984.7	ND	1,004.7	1,501.5	1,555.7	1,679.3	1,760.8	1,851.5	2,064.1	2,248.8	2,453.0	2,689.5
External debt Service in % of export earnings	481.7	566.7	665.6	736.6	766.6	984.7	ND	1,004.7	1,501.5	1,555.7	1,679.3	1,760.8	1,851.5	2,064.1	2,248.8	2,453.0	2,689.5
SOURCE: INR	22.1	7.1	5.4	6.5	5.9	5.0	ND	4.5	6.4	7.4	14.1	8.3	8.1	9.0	9.5	9.5	8.6

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Nominal)

Appendix 2

(In Fw billion , at current prices)																	
DESCRIPTION	2006	2007	2008	2009	2010	2011	FY 11/12	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
Agriculture	592	636	753	896	949	1,091	1,211	1,300	1,403	1,424	1,496	1,572	1,606	1,672	1,794	1,954	2,177
Food crops	309	353	397	496	519	610	677	740	804	839	891	934	942	992	1,078	1,206	1,409
Export crops	70	50	67	64	79	82	82	106	111	83	89	107	114	109	122	129	137
Livestock & livestock products	68	71	91	108	113	127	135	143	150	158	165	174	183	195	208	223	242
Forestry	169	174	227	244	258	283	301	313	321	325	331	337	346	354	363	372	365
Fishing	6	7	9	10	12	14	16	16	16	19	20	20	21	22	23	23	24
Industry	232	300	388	436	500	649	694	746	829	848	878	939	971	1,013	1,061	1,094	1,131
Mining & quarrying	23	43	51	33	45	102	100	97	112	124	129	147	145	132	130	137	145
TOTAL MANUFACTURING	105	115	148	184	208	235	260	270	293	291	302	322	337	352	369	388	423
Manufacturing of food	34	35	46	57	66	79	84	87	99	92	93	101	105	104	110	119	141
Manufacturing of beverages & tobacco	28	31	41	56	61	66	71	76	82	85	90	95	99	102	105	109	113
Manufacturing of textiles, clothing & leather goods	10	12	13	13	14	17	18	18	18	19	20	20	21	21	22	23	26
Manufacturing of wood & paper; printing	6	7	8	9	10	10	10	11	12	13	14	14	14	16	17	18	19
Manufacturing of chemicals, rubber & plastic products	17	18	21	21	24	29	31	32	33	33	32	32	34	36	36	38	42
Manufacturing of non-metallic mineral products	6	7	8	9	10	12	13	14	15	16	17	18	19	21	24	25	27
Manufacturing of metal products, machinery & equipment	4	5	6	7	9	13	16	16	15	14	16	18	21	25	29	30	30
Furniture & other manufacturing	5	6	8	8	11	16	17	18	18	20	21	22	24	26	27	25	25
Electricity	11	27	18	21	25	29	32	37	41	43	45	47	49	58	73	83	83
Water & waste management	10	24	16	19	22	26	27	28	29	30	30	31	31	32	35	37	38
Construction	83	105	155	176	198	259	275	313	353	359	371	392	410	440	453	449	443
Services	767	992	1,307	1,483	1,657	1,849	2,031	2,147	2,242	2,353	2,469	2,578	2,708	2,857	3,001	3,153	3,326
TRADE & TRANSPORT	177	222	326	358	407	463	505	553	574	593	624	640	672	699	739	761	757
Maintenance & repair of motor vehicles	7	9	13	14	16	18	19	20	21	22	22	23	23	24	26	28	29
Wholesale & retail trade	111	140	208	227	257	293	322	348	359	370	395	410	435	450	471	476	463
Transport services	57	72	98	112	130	147	163	182	194	201	207	207	213	225	242	257	265
OTHER SERVICES	598	784	983	1,132	1,256	1,388	1,527	1,588	1,668	1,760	1,845	1,938	2,035	2,158	2,262	2,392	2,569
Hotels & restaurants	39	47	57	60	68	73	75	77	77	80	88	96	102	107	115	124	133
Information & communication	23	29	40	46	52	58	66	73	73	72	74	80	87	92	94	93	93
Financial services	49	59	65	65	82	103	115	132	144	157	156	159	168	175	178	180	197
Real estate activities	151	230	316	384	401	422	433	418	401	415	435	452	460	486	509	551	600
Professional, scientific and technical activities	45	68	94	114	119	126	135	141	145	153	152	144	156	169	174	190	216
Administrative and support service activities	51	77	106	129	134	142	152	160	167	173	186	202	213	241	262	279	320
Public administration and defence; compulsory social security	76	86	100	116	137	165	193	210	226	238	249	260	271	282	302	329	343
Education	30	38	44	56	68	85	94	104	123	140	147	154	156	157	162	163	167
Human health and social work activities	33	44	54	66	78	80	93	102	110	117	126	133	135	137	139	140	145
Cultural, domestic & other services	105	123	138	141	153	161	169	185	203	214	232	257	286	313	327	342	356
Taxes less subsidies on products	129	157	215	239	266	328	316	301	289	304	350	377	386	414	466	417	491
GROSS DOMESTIC PRODUCT	1,739	2,092	2,658	3,057	3,367	3,897	4,252	4,494	4,762	4,929	5,194	5,466	5,670	5,956	6,321	6,618	7,125

Source: National Institute of Statistics of Rwanda (NISR)

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real)
(In Frw billion , at 2014 constant prices)

DESCRIPTION	2006	2007	2008	2009	2010	2011	FY 11/12	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
Agriculture	1,036	1,063	1,132	1,219	1,280	1,340	1,382	1,427	1,474	1,474	1,507	1,572	1,610	1,650	1,697	1,714	1,790
Food crops	581	604	642	702	737	774	805	829	856	859	881	934	952	968	992	997	1,018
Export crops	115	82	106	90	102	105	101	114	122	109	108	107	113	122	129	125	123
Livestock & livestock products	121	124	128	132	138	142	147	151	155	160	166	174	182	189	198	208	219
Forestry	264	272	283	289	299	306	311	317	322	326	332	337	343	350	357	363	369
Fishing	16	17	17	18	18	19	18	18	19	19	20	20	20	21	21	21	21
Industry	440	480	552	559	606	714	743	774	831	846	880	939	974	1,023	1,073	1,093	1,093
Mining & quarrying	80	114	96	79	71	106	105	98	108	118	124	147	147	140	147	154	155
TOTAL MANUFACTURING	208	210	221	228	249	270	283	285	300	299	307	322	336	349	363	372	384
Manufacturing of food	71	67	73	77	84	88	89	89	96	97	101	103	103	102	107	110	116
Manufacturing of beverages & tobacco	71	70	72	75	76	82	84	86	88	89	92	95	99	101	103	104	101
Manufacturing of textiles, clothing & leather goods	16	17	17	17	17	17	18	18	18	19	20	20	21	21	22	23	26
Manufacturing of wood & paper; printing	8	9	10	10	11	10	10	11	12	12	14	14	14	15	16	17	17
Manufacturing of chemicals, rubber & plastic products	27	27	28	28	29	34	35	34	33	33	32	32	35	37	37	39	44
Manufacturing of non-metallic mineral products	10	10	10	10	11	13	14	15	16	16	17	18	19	22	25	26	27
Manufacturing of metal products, machinery & electrical equipment	5	6	7	7	10	13	16	16	15	14	16	18	21	25	28	29	30
Furniture & other manufacturing	7	8	9	8	12	16	17	18	18	20	21	22	24	26	26	24	23
Electricity	18	19	23	26	30	34	38	40	42	43	45	47	49	51	54	59	59
Water & waste management	14	15	17	20	23	26	27	28	29	30	30	31	31	31	32	33	33
Construction	140	161	206	209	228	281	291	322	352	357	374	392	412	453	476	475	462
Services	1,282	1,439	1,638	1,740	1,900	2,052	2,193	2,290	2,342	2,410	2,491	2,578	2,710	2,847	2,968	3,049	3,130
TRADE & TRANSPORT	290	333	401	423	461	493	529	566	581	599	625	640	678	714	755	762	743
Maintenance and repair of motor vehicles	12	13	16	16	18	19	20	21	22	22	22	23	23	24	25	26	26
Wholesale & retail trade	187	215	256	267	291	314	340	358	365	378	398	410	439	462	490	491	467
Transport services	89	102	126	138	150	157	169	186	194	199	204	207	216	227	240	245	250
OTHER SERVICES	1,016	1,126	1,237	1,321	1,443	1,569	1,664	1,725	1,761	1,811	1,866	1,938	2,032	2,134	2,213	2,287	2,387
Hotels & restaurants	68	70	74	70	75	78	81	82	83	85	90	96	100	105	110	116	124
Information & communication	33	37	46	50	55	57	67	75	76	75	77	80	86	94	100	102	105
Financial services	77	86	87	84	103	124	131	140	149	154	156	159	167	179	185	185	188
Real estate activities	305	338	390	422	427	426	431	425	418	428	440	452	459	472	484	501	521
Professional, scientific and technical activities	101	112	130	140	142	141	147	150	150	156	152	144	155	165	166	175	192
Administrative and support service activities	114	127	146	158	160	160	165	170	173	176	187	202	212	235	250	258	285
Public administration and defence; compulsory social security	117	124	130	140	160	183	209	223	236	244	252	260	269	275	289	307	313
Education	74	84	90	104	113	134	138	143	146	149	152	154	156	157	160	160	166
Human health and social work activities	54	62	69	80	92	94	113	116	117	123	123	133	147	146	153	155	158
Cultural, domestic & other services	152	173	177	167	179	178	183	197	212	221	237	257	282	306	316	328	336
Taxes less subsidies on products	261	272	304	333	349	384	363	361	347	349	367	377	403	430	452	449	424
GROSS DOMESTIC PRODUCT	3,031	3,262	3,626	3,853	4,135	4,459	4,681	4,852	4,994	5,079	5,245	5,466	5,697	5,951	6,189	6,304	6,397

Source: National Institute of Statistics of Rwanda (NISR)

Appendix 3

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

Reference: February 2014=100

Appendix 4

		2016-2017											
Divisions	Weights	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
01. Food and non-alcoholic beverages	2,738	117.0	118.1	120.4	126.1	126.1	126.9	124.4	126.8	128.5	129.1	128.3	125.7
Bread and cereals	539	108.3	108.4	110.2	112.4	114.9	115.8	115.3	115.6	116.1	116.8	118.1	119.1
Meat	197	108.8	108.7	109.6	110.6	110.9	110.3	110.5	110.3	110.4	111.3	111.2	110.2
Milk, cheese and eggs	132	106.4	106.7	107.0	107.2	109.9	112.0	113.2	111.4	111.7	110.3	111.1	112.4
Vegetables	886	137.3	140.1	141.3	148.7	142.9	139.6	133.5	139.5	143.9	144.6	143.6	137.6
Non-alcoholic beverages	132	103.0	103.7	111.9	114.5	115.4	116.7	117.1	117.8	117.2	117.3	117.2	117.4
02. Alcoholic beverages and tobacco	485	113.0	113.1	113.5	113.1	113.9	115.8	116.4	121.1	121.9	123.5	123.5	123.6
03. Clothing and footwear	531	105.0	106.9	106.3	107.8	107.6	108.2	110.5	110.9	109.8	110.5	110.8	110.9
04. Housing, water, electricity, gas and other fuels	2,075	107.8	108.4	107.7	108.0	107.5	107.5	107.8	108.7	109.6	109.9	110.0	109.7
05. Furnishing, household equipment and routine household maintenance	375	105.7	106.0	106.1	107.4	107.4	107.6	108.5	108.8	108.5	108.7	108.6	109.1
06. Health	133	100.7	100.7	100.5	100.8	100.5	100.6	106.5	106.8	107.1	107.0	107.0	107.0
07. Transport	1,245	107.1	107.4	107.3	106.2	107.8	108.3	108.4	108.8	108.9	109.1	109.0	108.9
08. Communication	314	107.3	107.9	108.5	108.5	108.6	108.6	108.5	108.5	108.5	108.5	108.5	106.7
09. Recreation and culture	307	111.3	111.3	111.8	111.5	111.6	111.8	112.4	111.9	112.7	112.8	112.8	112.1
10. Education	275	102.2	102.2	102.8	102.8	102.8	102.8	101.4	101.4	101.4	101.4	101.4	101.4
11. Restaurants and hotels	882	107.5	106.7	108.0	107.8	105.3	104.4	104.4	105.0	105.1	104.7	104.9	105.2
12. Miscellaneous goods and services	639	106.2	105.9	105.9	104.6	106.4	105.8	105.6	108.3	108.0	110.1	110.0	109.4
GENERAL INDEX	10,000	109.8	110.4	110.9	112.5	112.6	113.0	112.5	113.7	114.4	114.8	114.6	113.7
Monthly changes		1.1	0.5	0.5	1.4	0.1	0.3	-0.4	1.1	0.6	0.4	-0.2	-0.8
Changes over 12 months		6.9	6.4	5.8	7.4	6.4	7.3	7.4	8.1	7.7	7.3	6.5	4.8

Monthly Evolution of Producer Price Index

December 2010 = 100

Appendix 5(1)

Activity	Weights	YEAR 2016- 2017											
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Rwanda	1000	112.7	113.7	114.8	116.9	119.6	121.2	122.4	123.5	122.8	121.0	123.0	124.5
Mining and quarrying	96	107	111	117	113	115	119	123	120	120	120	116	117
Mining of metal ores	96	107	111	117	113	115	119	123	120	120	120	116	117
Mining of non-ferrous metal ores	96	107	111	117	113	115	119	123	120	120	120	116	117
Mining of other non-ferrous metal ores	96	107	111	117	113	115	119	123	120	120	120	116	117
Manufacturing	714	112	113	113	117	120	122	125	127	126	124	127	129
Manufacture of food products	376	108	110	112	117	124	127	133	133	130	130	133	135
Processing and preserving of meat	23	100	100	100	100	100	100	100	100	100	100	100	100
Processing and preserving of meat	23	100	100	100	100	100	100	100	100	100	100	100	100
Processing and preserving of fruit and vegetables	2	145	145	145	140	143	143	143	144	144	144	143	143
Processing and preserving of fruit and vegetables	2	145	145	145	140	143	143	143	144	144	144	143	143
Manufacture of dairy products	11	88	88	88	85	85	98	98	98	98	99	99	99
Manufacture of dairy products	11	88	88	88	85	85	98	98	98	98	99	99	99
Manufacture of grain mill products	42	93	92	92	90	90	89	90	90	90	90	90	90
Manufacture of grain mill products	42	93	92	92	90	90	89	90	90	90	90	90	90
Manufacture of other food products	299	111	113	115	122	130	132	140	139	137	136	139	142
Manufacture of bakery products	6	147	147	147	147	147	147	147	147	147	147	147	147
Manufacture of sugar	148	112	113	118	122	131	140	144	143	144	141	143	144
Manufacture of other food products n.e.c. (coffee and tea)	146	109	112	110	120	127	124	134	135	127	130	135	140
Manufacture of coffee products	66	100	102	95	114	124	95	109	109	109	107	103	101
Manufacture of tea products	80	115	119	121	124	130	146	148	151	138	145	155	161

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

December 2010 = 100

Appendix 5(2)

Activity	Weights	YEAR 2016- 2017											
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Rwanda	1000	112.7	113.7	114.8	116.9	119.6	121.2	122.4	123.5	122.8	121.0	123.0	124.5
Manufacture of beverages	174	120.5	120.8	120.8	120.8	120.8	120.8	120.5	127.5	127.5	120.5	127.5	127.5
Manufacture of beverages	174	120.5	120.8	120.8	120.8	120.8	120.8	120.5	127.5	127.5	120.5	127.5	127.5
Manufacture of wines	2	98.3	98.3	98.3	98.3	98.3	98.3	98.3	102.3	102.3	98.3	102.3	102.3
Manufacture of malt liquors and malt	169	120.7	120.7	120.7	120.7	120.7	120.7	120.7	127.6	127.6	120.7	127.6	127.6
Manufacture of soft drinks; production of mineral waters and	3	118.2	133.1	133.1	133.1	133.1	133.1	117.9	133.1	133.1	117.9	133.1	133.1
Manufacture of tobacco products	3	100.0	100.0	100.0	107.9	107.9	107.9	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of tobacco products	3	100.0	100.0	100.0	107.9	107.9	107.9	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of tobacco products	3	100.0	100.0	100.0	107.9	107.9	107.9	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of textiles	5	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	77.3	77.3	77.3
Manufacture of other textiles	5	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	77.3	77.3	77.3
Manufacture of made-up textile articles, except apparel	5	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	73.6	77.3	77.3	77.3
Manufacture of leather and related products	24	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	82.2	82.2	82.2
Manufacture of footwear	24	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	82.2	82.2	82.2
Manufacture of footwear	24	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	82.2	82.2	82.2
Manufacture of wood and of products of wood and cork, except furniture; Manufacture of other products of wood; manufacture of articles of wood; manufacture of other products of wood; manufacture of articles of wood; manufacture of articles of cork, straw and	1	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5
Manufacture of wood and of products of wood and cork, except furniture; Manufacture of other products of wood; manufacture of articles of wood; manufacture of articles of wood; manufacture of articles of cork, straw and	1	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5
Manufacture of other products of wood; manufacture of articles of wood; manufacture of articles of cork, straw and	1	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5	111.5

Source: National Institute of Statistics of Rwanda (NISR)

December 2010 = 100

Activity	Weights	YEAR 2016- 2017											
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Rwanda	1000	112.7	113.7	114.8	116.9	119.6	121.2	122.4	123.5	122.8	121.0	123.0	124.5
Manufacture of paper and paper products	2	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3
Manufacture of paper and paper products	2	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3
Manufacture of other articles of paper and paperboard	2	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3	105.3
Printing and reproduction of recorded media	19	108.6	108.6	108.6	111.0	111.0	111.0	112.1	117.6	121.3	112.1	113.1	113.9
Printing and service activities related to printing	19	108.6	108.6	108.6	111.0	111.0	111.0	112.1	117.6	121.3	112.1	113.1	113.9
Printing and service activities related to printing (to combine	19	108.6	108.6	108.6	111.0	111.0	111.0	112.1	117.6	121.3	112.1	113.1	113.9
Manufacture of chemicals and chemical products	29	114.5	114.2	114.2	114.5	114.6	114.6	115.9	116.2	116.3	115.5	115.4	115.4
Manufacture of other chemical products	29	114.5	114.2	114.2	114.5	114.6	114.6	115.9	116.2	116.3	115.5	115.4	115.4
Manufacture of paints, varnishes and similar coatings, printing ink	8	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9
Manufacture of soap and detergents, cleaning and polishing	18	120.4	120.4	120.4	120.7	120.7	120.7	120.8	120.8	120.8	120.8	120.8	120.8
Manufacture of other chemical products n.e.c.	2	120.9	116.8	117.3	119.2	119.2	119.2	133.5	134.1	134.9	126.5	126.7	126.9
Manufacture of pharmaceuticals, medicinal chemical and botanical products	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of pharmaceuticals, medicinal chemical and botanical products	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of pharmaceuticals, medicinal chemical and botanical products	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of rubber and plastics products	11	164.2	164.2	164.2	176.4	177.7	177.8	177.5	177.5	177.5	177.5	177.5	177.5
Manufacture of rubber products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of plastics products	8	91.8	91.8	91.8	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0
Manufacture of plastics products	8	91.8	91.8	91.8	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0

Source: National Institute of Statistics of Rwanda (NISR)

December 2010 = 100

Activity	Weights	YEAR 2016- 2017											
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Rwanda	1000	112.7	113.7	114.8	116.9	119.6	121.2	122.4	123.5	122.8	121.0	123.0	124.5
Manufacture of other non-metallic mineral products	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of non-metallic mineral products n.e.c.	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of non-metallic mineral products n.e.c.	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of electrical equipment	1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
Manufacture of batteries and accumulators	1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
Manufacture of batteries and accumulators	1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Electricity, gas, steam and air conditioning supply	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electricity, gas, steam and air conditioning supply	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electric power generation, transmission and distribution	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electric power generation, transmission and distribution	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Water supply, sewerage, waste management and remediation activities	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Information and communication	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Publishing activities	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Publishing of books, periodicals and other publishing activities	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Book publishing	1	128.2	128.2	128.2	128.2	128.2	128.2	128.2	128.2	128.2	128.2	128.2	128.2
Publishing of newspapers, journals and periodicals	3	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1

Source: National Institute of Statistics of Rwanda (NISR)

Activity	Weights	YEAR 2016- 2017											
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Rwanda	1000	112.7	113.7	114.8	116.9	119.6	121.2	122.4	123.5	122.8	121.0	123.0	124.5
Manufacture of other non-metallic mineral products	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of non-metallic mineral products n.e.c.	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of non-metallic mineral products n.e.c.	31	101.5	101.5	101.5	110.0	110.3	110.3	110.0	110.0	110.0	110.0	110.0	110.0
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of fabricated metal products, except machinery and equipment	29	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of electrical equipment	1	108.9	108.2	109.5	110.8	108.2	109.9	107.7	106.3	112.9	105.5	106.4	114.2
Manufacture of batteries and accumulators	1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
Manufacture of batteries and accumulators	1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Manufacture of furniture	9	111.8	111.8	111.8	112.6	112.6	112.6	112.2	112.2	112.2	112.6	112.6	112.6
Electricity, gas, steam and air conditioning supply	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electricity, gas, steam and air conditioning supply	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electric power generation, transmission and distribution	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Electric power generation, transmission and distribution	58	143.1	143.1	143.1	143.1	143.1	143.1	119.7	119.7	119.7	119.7	119.7	119.7
Water supply, sewerage, waste management and remediation activities	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water collection, treatment and supply	129	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Information and communication	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Publishing activities	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Publishing of books, periodicals and other publishing activities	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9
Book publishing	3	191.2	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9	191.9

AGGREGATED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS (BK, I&M, GT BANK, ECOBANK, ACCESS BANK, COGERANQUE, BHR, UOB, BPR, KCB RWANDA, CCP, UNGUKA, AGASEKE, CSS , EQUITY BANK , AB BNK, CRANE BANK and BRD Commercial)*

(in FRW million)														
DESCRIPTION	ASSETS													
	CLAIMS ON BNR				Total claims (5)=(3)+(4)	FOREIGN ASSETS (6)	CLAIMS ON BANKS (7)	CLAIMS ON GOVERNMENT ** (8)	CREDIT TO ECONOMY			ASSETS NON CLASSIFIED ELSEWHERE (12)	TOTAL ASSETS (13)=(5)+(6)+(7)+ (8)+(9)+(11)+(12)	
	Reserves		Total Reserves (3)= (1)+(2)	Other Claims (4)					CLAIMS ON PRIVATE ENTREPRISES (9)	CLAIMS ON THE SECTOR (10)	TOTAL CLAIMS ON THE ECONOMY (11)=(9)+(10)			
	Deposits (1)	Cash in vault (2)												
December 2009	25,397.6	9,486.0	34,883.6	73,220.9	108,104.5	107,466.2	17,922.6	28,010.4	3,021.4	349,601.9	352,623.3	80,207.0	694,333.9	
December 2010	24,560.6	13,662.1	38,222.7	68,734.5	106,957.2	146,776.8	23,532.4	78,834.2	3,213.6	390,577.6	393,791.2	110,054.4	859,946.2	
December 2011	43,458.3	15,154.6	58,612.9	96,677.3	155,290.2	157,348.8	11,428.6	80,088.6	2,800.1	502,319.9	505,120.1	142,638.0	1,051,914.3	
June 2012	46,186.1	18,287.8	64,473.9	121,951.5	186,425.4	109,488.1	15,454.9	103,927.7	2,576.5	593,801.6	596,378.2	153,792.4	1,165,466.7	
June 2013	54,519.2	21,365.4	75,884.6	90,229.2	166,113.8	146,120.7	20,481.3	111,746.6	998.1	708,903.9	709,902.0	171,700.9	1,326,065.4	
June 2014	73,138.2	25,715.5	98,853.7	100,084.5	198,938.3	297,321.8	48,237.7	166,618.9	2,720.0	803,460.7	806,180.7	174,973.2	1,692,270.6	
June 2015	103,690.3	30,875.4	134,565.7	75,696.4	210,262.1	204,444.6	48,034.3	248,019.4	14,270.7	1,026,761.4	1,041,032.1	198,321.5	1,950,114.0	
June 2016	130,246.6	32,029.0	162,275.5	44,443.4	206,718.9	158,014.2	63,314.3	275,142.3	40,323.2	1,260,286.7	1,300,609.9	212,348.9	2,216,148.6	
June 2017	113,736.3	30,942.2	144,678.5	90,120.9	234,799.4	282,065.1	54,209.5	265,298.1	44,295.2	1,363,858.6	1,408,153.8	235,905.2	2,480,431.2	
2015														
January	90,570.7	34,358.3	124,929.0	67,750.9	192,679.8	224,224.4	35,893.3	185,826.4	11,557.1	904,605.2	916,162.3	180,613.4	1,735,399.6	
February	88,134.1	28,241.4	116,375.6	50,336.2	166,711.8	225,958.3	39,702.0	194,078.9	11,690.2	926,866.3	938,556.5	189,511.1	1,754,518.6	
March	99,212.4	32,513.7	131,726.0	60,255.5	191,981.5	216,680.9	43,458.8	192,828.3	12,288.2	979,096.1	991,384.3	189,534.2	1,825,868.1	
April	106,414.9	29,628.2	136,043.1	69,985.5	206,028.6	220,857.2	47,129.4	194,556.6	12,715.9	992,015.1	1,004,731.1	192,943.4	1,866,246.2	
May	110,486.9	30,393.8	140,880.7	36,501.7	177,382.3	230,448.5	52,557.7	227,267.0	13,248.3	1,012,816.6	1,026,065.0	200,307.0	1,914,027.5	
June	103,690.3	30,875.4	134,565.7	75,696.4	210,262.1	204,444.6	48,034.3	248,019.7	14,270.7	1,026,761.4	1,041,032.1	198,945.5	1,950,738.2	
July	111,081.3	32,138.8	143,220.1	45,221.5	188,441.5	215,723.6	51,340.8	255,778.2	4,622.1	1,043,690.8	1,048,312.9	205,937.1	1,965,534.1	
August	111,627.6	33,177.7	144,805.3	24,221.5	169,026.8	208,045.1	46,244.4	260,139.2	4,658.5	1,065,848.6	1,070,507.1	206,649.2	1,960,611.8	
September	111,336.1	31,164.1	142,500.3	27,721.5	170,221.7	210,145.2	47,838.3	258,100.2	4,646.1	1,084,439.4	1,089,085.5	200,701.7	1,976,092.6	
October	102,813.6	30,740.3	133,554.0	48,721.5	182,275.4	197,605.0	51,220.8	262,383.0	5,119.9	1,115,659.1	1,120,779.0	213,861.6	2,028,124.8	
November	105,645.0	32,877.3	138,522.2	38,721.5	177,243.7	178,952.1	55,558.8	268,291.1	4,655.7	1,138,722.5	1,143,378.2	203,549.6	2,026,973.5	
December	105,341.3	34,202.6	139,543.9	39,221.5	178,765.4	171,422.5	69,777.1	265,481.7	4,329.3	1,166,565.2	1,170,894.5	204,374.9	2,060,716.1	
2016														
January	115,527.0	27,585.5	143,112.5	48,248.3	191,360.8	164,764.1	71,007.4	259,141.3	4,804.0	1,191,824.1	1,196,628.0	205,693.4	2,088,595.0	
February	112,203.4	29,444.0	141,647.4	41,811.7	183,459.0	168,770.8	64,739.3	266,650.3	11,849.4	1,194,898.9	1,206,748.3	212,994.7	2,103,362.3	
March	111,107.8	30,479.7	141,587.5	33,356.4	174,943.9	142,075.0	68,527.5	275,948.5	35,369.3	1,207,636.5	1,243,005.8	205,807.3	2,110,508.0	
April	114,188.1	28,257.4	142,445.5	18,395.7	160,841.2	151,993.3	73,634.4	247,793.5	40,227.4	1,229,957.3	1,270,184.7	205,712.8	2,110,159.9	
May	120,918.2	31,035.4	151,953.6	5,705.4	157,659.0	150,575.7	68,770.9	261,623.2	40,555.1	1,245,193.2	1,285,748.3	206,023.0	2,130,400.2	
June	130,246.6	32,029.0	162,275.5	44,443.4	206,718.9	158,014.2	63,314.3	275,142.3	40,323.2	1,260,286.7	1,300,609.9	212,348.9	2,216,148.6	
July	112,901.0	31,552.6	144,453.6	43,491.6	187,945.3	160,924.4	55,238.3	271,993.6	38,783.2	1,268,465.3	1,307,248.5	229,418.4	2,212,768.5	
August	122,447.8	31,334.4	153,782.2	12,690.4	166,472.6	168,742.6	71,714.6	260,130.6	39,347.5	1,275,461.7	1,314,809.3	219,812.4	2,201,682.1	
September	113,788.0	28,333.7	142,121.7	12,726.3	154,848.0	163,846.5	63,597.4	241,819.7	40,597.9	1,293,245.9	1,333,843.8	219,495.2	2,177,450.5	
October	116,546.9	29,549.7	146,096.6	22,769.9	168,866.5	168,312.0	68,391.5	232,050.1	39,698.4	1,310,819.1	1,350,517.5	221,226.9	2,209,364.5	
November	129,971.6	31,118.4	161,089.9	12,263.9	173,353.8	236,714.1	58,897.9	238,607.9	42,263.8	1,254,761.9	1,297,025.7	232,802.3	2,237,401.7	
December	122,765.2	30,848.4	153,613.6	42,797.6	196,411.1	257,182.2	68,314.1	246,978.0	43,726.9	1,257,699.4	1,301,426.3	224,172.2	2,294,483.9	
2017														
January	121,537.8	30,494.5	152,032.4	51,320.5	203,352.9	234,301.4	64,642.0	243,817.6	45,782.4	1,270,485.9	1,316,268.4	245,853.4	2,308,235.5	
February	108,531.0	33,120.0	141,651.0	58,463.9	200,114.9	240,912.4	61,515.2	242,570.6	45,950.6	1,285,584.1	1,331,534.7	241,905.8	2,318,553.6	
March	116,344.3	31,492.1	147,836.4	38,732.9	186,569.4	250,246.6	53,787.5	252,853.2	45,414.9	1,322,853.9	1,368,268.8	244,790.0	2,356,515.5	
April	117,346.7	28,402.6	145,749.3	31,881.3	177,630.6	267,464.7	61,724.7	246,021.8	45,336.7	1,338,100.0	1,383,436.8	242,912.1	2,379,190.6	
May	128,722.2	29,656.9	158,379.2	44,589.4	202,968.6	263,152.6	62,096.4	249,783.4	44,815.5	1,344,381.9	1,389,197.4	230,649.9	2,397,848.3	
June	113,736.3	30,942.2	144,678.5	90,120.9	234,799.4	282,065.1	54,209.5	265,298.1	44,295.2	1,363,858.6	1,408,153.8	235,905.2	2,480,431.2	

AGGREGATED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS (BK, I&M, GT BANK, ECOBANK, ACCESS BANK, COGERBANQUE, BHR, UOB, BPR, KCB RWANDA, CCP, UNGUKA, AGASEKE, ZIGAMA CSS , EQUITY BANK , AB BNK, CRANE BANK and BRD Commercial*)											
(in FRW million)											
DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY				LIABILITIES						
	TRANSFERABLE (1)	NONTRANSFERABLE (2)	FOREIGN CURRENCY (3)	DEPOSITS INCLUDED IN BROAD MONEY (4)=(1)+(2)+(3)	GOVERNMENT DEPOSITS** (5)	FOREIGN LIABILITIES (6)	BNR LOAN (7)	SHARES AND OTHER EQUITY (8)	BANKS DEPOSITS (9)	LIABILITIES NON CLASSIFIED ELSEWHERE (10)	TOTAL LIABILITIES AND EQUITY (11)=(4)+(5)+(6)+(7)+(8)+(9)+(10)
December 2009	182,180.3	149,336.3	97,036.9	428,553.5	20,782.3	22,681.5	10,406.0	98,600.1	18,302.4	95,008.0	694,333.9
December 2010	238,255.9	181,227.2	99,229.5	518,712.6	24,930.2	31,336.0	20,906.6	125,584.9	20,906.6	129,687.8	859,945.5
December 2011	268,120.5	262,878.6	135,558.1	666,557.2	46,224.9	48,076.9	1,967.2	168,064.5	9,452.5	111,570.6	1,061,913.8
June 2012	318,814.2	305,137.5	132,254.5	756,206.1	52,060.5	47,455.3	1,776.8	180,636.3	16,307.0	111,724.1	1,165,466.2
June 2013	389,775.4	295,196.6	160,615.7	845,587.7	41,113.6	78,703.5	1,269.4	195,802.0	20,818.8	142,770.3	1,326,065.4
June 2014	453,853.8	391,172.8	259,479.9	1,104,506.5	37,596.7	124,429.5	225.9	212,250.7	40,600.1	172,661.2	1,692,270.5
June 2015	613,090.8	441,096.8	235,581.9	1,289,769.5	26,023.8	139,913.0	161.6	272,760.7	42,097.1	179,388.2	1,950,114.0
June 2016	639,971.3	512,439.6	269,209.7	1,421,620.6	25,406.7	161,324.9	10,584.2	323,868.2	61,626.0	211,717.9	2,216,148.6
June 2017	680,217.2	542,267.8	390,015.2	1,612,500.2	17,802.1	162,769.7	28,515.8	357,704.2	54,259.5	246,879.8	2,480,431.2
2015											
January	461,660.8	424,643.7	241,900.7	1,128,205.2	33,124.8	116,814.7	193.7	248,229.6	35,460.4	173,370.5	1,735,398.9
February	481,752.2	401,456.6	231,248.9	1,114,457.7	35,979.5	120,417.1	193.7	251,291.9	39,799.9	192,377.8	1,754,517.7
March	479,908.3	446,654.3	230,160.9	1,156,723.5	50,907.4	132,562.0	263.0	270,030.0	43,639.2	171,742.3	1,825,867.5
April	509,260.9	456,856.9	233,386.3	1,199,504.0	35,079.1	143,581.0	263.0	272,746.6	45,007.6	170,065.6	1,866,247.0
May	534,880.5	454,474.4	241,411.0	1,230,765.9	34,139.4	141,804.9	263.0	265,572.3	42,049.6	199,432.1	1,914,027.2
June	613,090.8	441,096.8	235,581.9	1,289,769.5	26,023.8	139,913.0	161.6	272,760.7	42,097.1	180,011.6	1,950,737.3
July	617,488.8	431,337.9	244,937.4	1,293,764.2	25,568.9	148,162.9	161.6	276,570.2	44,052.2	177,254.1	1,965,534.1
August	590,208.6	452,755.5	238,425.7	1,281,389.8	27,158.1	145,376.7	161.6	280,178.1	43,897.5	182,450.0	1,960,611.8
September	577,458.3	461,115.2	255,914.6	1,294,488.1	34,305.5	141,738.8	158.5	282,107.3	41,403.2	181,891.2	1,976,092.6
October	619,543.0	456,086.0	257,238.7	1,332,867.7	27,817.1	140,913.4	158.5	291,456.4	47,426.2	187,485.6	2,028,124.8
November	587,786.6	476,846.0	254,771.1	1,319,403.7	32,163.3	141,276.6	136.2	294,173.6	52,935.4	186,884.8	2,026,973.5
December	609,860.3	469,036.4	255,870.1	1,334,766.8	34,734.6	137,924.5	136.2	298,943.1	67,008.1	187,202.8	2,060,716.1
2016											
January	638,849.6	457,553.9	256,508.2	1,352,911.7	26,095.5	136,954.1	5,663.0	317,114.7	71,806.5	178,049.6	2,088,595.0
February	618,337.7	468,140.3	277,867.8	1,364,345.8	26,034.1	128,153.3	5,726.4	317,729.5	64,885.9	196,487.5	2,103,362.5
March	617,753.0	472,848.7	256,370.8	1,346,972.5	39,908.7	128,447.8	5,774.4	322,106.6	68,052.8	199,045.1	2,110,308.0
April	575,862.7	505,135.4	259,181.7	1,340,179.8	26,319.1	143,809.8	5,815.1	322,414.8	74,239.7	197,381.7	2,110,159.9
May	591,619.1	498,250.5	268,487.3	1,358,356.9	24,181.1	149,449.5	5,846.2	316,042.1	68,213.3	208,311.0	2,130,400.2
June	639,971.3	512,439.6	269,209.7	1,421,620.6	25,406.7	161,324.9	10,584.2	323,868.2	61,626.0	211,717.9	2,216,148.6
July	619,450.1	498,250.5	282,078.0	1,416,435.6	25,996.9	158,113.3	10,713.6	326,820.2	49,945.7	224,743.3	2,212,768.5
August	574,435.9	521,973.8	292,404.9	1,388,814.6	28,357.0	162,092.4	10,095.4	331,111.4	69,702.0	211,509.4	2,201,682.1
September	548,440.2	523,018.2	295,751.1	1,367,209.5	26,733.7	159,754.2	16,033.8	335,185.2	62,244.1	210,290.1	2,177,450.5
October	541,360.2	532,515.5	314,387.7	1,388,263.3	27,605.3	161,231.4	11,075.3	337,301.3	65,369.8	218,518.0	2,209,364.5
November	542,430.1	542,656.9	330,792.7	1,415,879.7	26,217.6	157,115.0	10,630.6	348,030.9	56,760.0	222,777.9	2,237,401.7
December	587,890.9	532,401.0	328,540.3	1,448,832.3	21,608.7	177,591.5	10,664.2	349,839.7	68,483.0	217,464.4	2,294,453.9
2017											
January	571,961.7	560,213.7	325,226.2	1,457,401.6	21,897.3	164,890.7	9,937.0	340,879.0	62,462.2	250,767.7	2,308,238.5
February	560,169.9	563,950.5	338,010.0	1,462,130.3	19,861.3	158,503.4	14,044.5	346,221.2	61,980.0	255,812.8	2,318,853.6
March	570,565.4	572,243.9	338,667.5	1,481,476.7	34,879.7	160,522.0	13,135.4	345,959.7	58,565.9	261,976.1	2,356,515.5
April	600,278.6	542,084.6	365,590.6	1,507,953.9	22,854.5	167,115.0	17,265.1	346,071.2	62,832.6	255,098.4	2,379,190.6
May	639,878.5	521,156.5	370,441.5	1,531,476.5	23,862.9	162,126.8	21,399.4	348,680.9	61,000.1	249,301.6	2,397,848.3
June	680,217.2	542,267.8	390,015.2	1,612,500.2	17,802.1	162,769.7	28,515.8	357,704.2	54,259.5	246,879.8	2,480,431.2

Source: BNR

* : 1) Includes BHR from December 2005 to November 2011

2) Includes UOB since August 2007

3) Includes CCP between December 2008 and November 2011

4) Includes KCB since January 2009

5) Includes ZIGAMA-CSS since December 2009

6) Includes UNGUKA and AGASEKE since November 2011

7) Includes EQUITY since December 2011

8) Includes AB Bank since January 2014

9) Includes CRANE Bank since August 2014

10) Includes BRD Commercial since April 2015

** : Includes local governments since since December 2006

MONETARY SURVEY

(in FRW million)

Appendix 8

ASSETS		NET FOREIGN ASSETS			NET CLAIMS TO THE GOVERNMENT			DOMESTIC CREDIT			OTHER ITEMS NET (10)	TOTAL ASSETS (11)=(3)+(9)+(10)
	GROSS ASSETS (1)	GROSS LIABILITIES (2)	NET FOREIGN ASSETS (3)=(1)-(2)	NET CLAIMS TO THE GOVERNMENT		NET CLAIMS (6)=(4)-(5)	CREDIT TO ECONOMY		TOTAL DOMESTIC CREDIT (9)=(6)+(7)+(8)			
				CLAIMS (4)	DEPOSITS (5)		CLAIMS ON PUBLIC ENTERPRISES (7)	CLAIMS ON PRIVATE SECTOR (8)				
December 2009	532,634.4	88,643.8	443,990.6	78,210.4	216,383.5	-138,173.2	3,021.4	357,445.3	222,293.5	-161,116.0	505,168.1	
December 2010	630,230.8	99,943.2	530,287.6	136,684.5	259,809.8	-123,125.3	3,213.6	397,067.7	277,156.0	-198,252.4	609,191.2	
December 2011	791,698.8	118,594.7	673,104.2	118,817.0	347,398.5	-228,581.5	2,800.1	509,749.3	283,968.0	-187,745.0	769,327.1	
June 2012	635,816.2	121,948.8	513,867.5	142,578.2	208,165.2	-65,587.0	2,576.5	600,962.4	537,952.0	-184,025.0	867,794.4	
June 2013	799,124.9	156,057.3	643,067.6	150,319.4	317,311.5	-166,992.1	998.1	717,007.6	551,013.6	-232,192.5	961,888.7	
June 2014	943,295.2	210,718.5	732,576.8	205,191.9	218,289.2	-13,097.3	2,720.0	813,384.9	803,007.6	-311,634.2	1,223,950.2	
June 2015	818,550.9	219,084.0	599,466.8	287,026.2	161,687.8	125,338.4	14,270.7	1,036,918.1	1,176,527.2	-351,279.1	1,424,715.0	
June 2016	890,083.3	322,534.6	567,548.7	318,267.6	193,905.1	124,362.5	40,323.2	1,286,971.9	1,451,657.6	-446,790.9	1,572,415.4	
June 2017	1,101,823.3	369,896.7	731,926.6	344,443.9	202,738.1	141,705.7	44,295.2	1,389,896.2	1,575,897.1	-535,642.0	1,772,181.6	
2016												
January	793,207.8	216,999.3	576,208.5	300,776.4	214,690.0	86,086.4	4,804.0	1,218,742.0	1,309,632.4	-395,363.3	1,490,477.6	
February	796,556.0	211,328.7	585,227.3	305,223.1	217,798.3	87,424.8	11,849.4	1,221,934.1	1,321,208.3	-407,783.8	1,498,651.8	
March	766,944.0	210,458.9	556,485.2	315,708.0	242,529.5	73,178.4	35,369.3	1,234,823.0	1,343,370.7	-419,922.5	1,479,933.4	
April	789,252.6	227,021.0	566,231.7	285,864.6	245,101.1	40,763.5	40,227.4	1,257,026.0	1,338,016.9	-420,797.3	1,479,451.2	
May	777,438.9	232,927.3	544,511.7	299,694.3	227,880.7	71,813.6	40,555.1	1,286,971.9	1,451,657.6	-446,790.9	1,500,410.2	
June	890,083.3	322,534.6	567,548.7	318,267.6	193,905.1	124,362.5	40,323.2	1,286,971.9	1,451,657.6	-446,790.9	1,572,415.4	
July	887,762.3	320,599.6	567,162.7	317,906.7	217,230.1	100,676.6	38,783.2	1,296,080.6	1,435,540.4	-439,087.4	1,563,615.6	
August	863,915.3	327,577.3	536,338.0	335,619.7	235,051.3	100,568.5	39,347.5	1,303,159.2	1,443,075.2	-453,509.1	1,525,904.1	
September	872,596.1	325,883.4	546,712.8	299,948.8	252,221.6	47,727.1	40,597.9	1,320,933.7	1,409,258.7	-455,200.7	1,500,770.7	
October	894,924.6	326,698.7	568,226.0	290,398.3	244,564.7	45,833.5	39,698.4	1,338,424.5	1,423,956.4	-473,722.4	1,518,460.0	
November	958,205.6	319,319.3	638,886.3	311,531.1	248,045.8	63,485.3	42,263.8	1,282,256.9	1,388,006.0	-483,752.2	1,543,140.1	
December	1,078,183.0	338,694.5	739,488.6	284,503.8	272,312.0	12,191.8	43,726.9	1,285,018.5	1,340,937.2	-485,743.1	1,594,682.7	
2017												
January	1,099,524.3	366,832.1	732,692.2	291,676.3	283,402.4	8,273.9	45,782.4	1,297,896.3	1,351,952.6	-486,775.6	1,597,869.2	
February	1,044,550.5	360,135.7	684,414.8	299,236.5	235,683.1	63,553.3	45,950.6	1,312,849.6	1,422,353.5	-505,314.5	1,601,453.8	
March	1,049,000.2	362,999.0	686,001.2	319,672.9	265,422.2	54,250.8	45,414.9	1,349,609.4	1,449,275.1	-510,758.3	1,624,518.0	
April	1,054,584.7	371,045.6	683,539.1	317,413.6	259,979.1	45,336.7	45,336.7	1,364,744.0	1,470,059.8	-498,295.7	1,655,303.2	
May	1,044,617.6	368,016.1	676,601.5	317,194.1	216,849.9	100,344.2	44,815.5	1,370,490.5	1,515,650.3	-508,627.2	1,683,624.6	
June	1,101,823.3	369,896.7	731,926.6	344,443.9	202,738.1	141,705.7	44,295.2	1,389,896.2	1,575,897.1	-535,642.0	1,772,181.6	

Appendix 8 (Cont'd)

MONETARY SURVEY

(in FRw million)

LIABILITIES	MONEY (M1)			TOTAL NARROW MONEY (M1) (3)=(1)+(2)	BROAD MONEY (M2)		EXTENDED BROAD MONEY(M3)	
	CURRENCY OUT OF BANKS (1)	TRANSFERABLE DEPOSITS IN FRW (2)	OTHER DEPOSITS IN RWF (4)		BROAD MONEY (M2) (5)=(3)+(4)	FOREIGN CURRENCY DEPOSITS (6)	EXTENDED BROAD MONEY M3 (7)=(5)+(6)	
PERIOD								
December 2009	76,614.0	182,180.3	258,794.3	149,336.3	408,130.6	97,036.9	505,167.5	
December 2010	90,478.2	328,255.9	328,734.1	181,227.2	509,961.3	99,229.5	609,190.9	
December 2011	102,769.6	268,120.5	370,890.1	262,878.6	633,768.6	135,558.1	769,326.7	
June 2012	111,588.8	318,814.2	430,402.9	305,137.5	735,540.4	132,254.5	867,794.9	
June 2013	116,300.9	389,775.4	506,076.3	295,196.6	801,272.9	160,615.7	961,888.6	
June 2014	119,443.7	453,853.8	573,297.6	391,172.8	964,470.4	259,479.9	1,223,950.3	
June 2015	134,945.8	613,090.8	748,036.6	441,096.8	1,189,133.4	235,581.9	1,424,715.3	
June 2016	150,794.8	639,971.3	790,766.1	512,439.6	1,303,205.7	269,209.7	1,572,415.4	
June 2017	159,681.5	680,217.2	839,898.7	542,267.8	1,382,166.4	390,015.2	1,772,181.6	
2016								
January	137,565.9	638,849.6	776,415.5	457,553.9	1,233,969.4	256,508.2	1,490,477.6	
February	134,306.0	618,337.7	752,643.7	468,140.3	1,220,783.9	277,867.8	1,498,651.8	
March	132,960.9	617,753.0	750,713.9	472,848.7	1,223,562.6	256,370.8	1,479,933.4	
April	139,271.5	575,862.7	715,134.2	505,135.4	1,220,269.6	259,181.7	1,479,451.2	
May	142,053.3	591,619.1	733,672.4	498,250.5	1,231,922.9	268,487.3	1,500,410.2	
June	150,794.8	639,971.3	790,766.1	512,439.6	1,303,205.7	269,209.7	1,572,415.4	
July	147,180.0	619,450.1	766,630.1	514,907.5	1,281,537.6	282,078.0	1,563,615.6	
August	137,089.4	574,435.9	711,525.4	521,973.8	1,233,499.2	292,404.9	1,525,904.1	
September	133,561.3	548,440.2	682,001.5	523,018.2	1,205,019.7	295,751.1	1,500,770.7	
October	130,196.7	541,360.2	671,556.9	532,515.5	1,204,072.4	314,387.7	1,518,460.0	
November	127,260.3	542,430.1	669,690.5	542,656.9	1,212,347.4	330,792.7	1,543,140.1	
December	145,850.4	587,890.9	733,741.3	532,401.0	1,266,142.3	328,540.3	1,594,682.7	
2017								
January	140,467.6	571,961.7	712,429.3	560,213.7	1,272,643.0	325,226.2	1,597,869.2	
February	139,323.4	560,169.9	699,493.3	563,950.5	1,263,443.8	338,010.0	1,601,453.8	
March	143,041.2	570,565.4	713,606.6	572,243.9	1,285,850.5	338,667.5	1,624,518.0	
April	147,349.3	600,278.8	747,628.1	542,084.6	1,289,712.7	365,590.6	1,655,303.2	
May	152,148.1	639,878.5	792,026.6	521,156.5	1,313,183.1	370,441.5	1,683,624.6	
June	159,681.5	680,217.2	839,898.7	542,267.8	1,382,166.4	390,015.2	1,772,181.6	

Source: BNR

Appendix 9

Outstanding Loans by sector of activity as of 30 June 2016

(L&M BANK, BK, ECOBANK RWANDA, GT BANK, ACCESS BANK, COGEBANQUE, KCB, BPR, EQUITY, CRANE BANK, BOA, UNGUKA.UOB, AB BANK, CSS, BRD COMMERCIAL and BRD)

Amount in thousands of Frw

Cash credits

private and public sector

Class 1 to 5

Individual and legal entities

	30 June 2016				Total
Activities sector	Long-term	Medium-term	Short-term	Grouped credits*	
Non_classified activities	8,300,643	89,156,231	9,195,072	4,360,448	111,012,394
Agricultural, fisheries& livestock	15,131,521	8,853,995	5,672,681	646,145	30,304,342
Mining activities	901,760	319,041	0	0	1,220,801
Manufacturing activities	76,925,345	18,697,802	31,836,932	721,300	128,181,379
Water & energy activities	28,050,036	1,363,388	1,056,762	476	30,470,662
Mortgage industries	308,300,303	105,659,548	38,600,873	1,299,964	453,860,688
Commercial & hotel	119,624,840	118,201,164	146,769,442	13,054,019	397,649,465
Transport & warehousing	30,776,194	45,817,971	13,020,310	2,288,385	91,902,860
OFI &Insurance	12,719,304	5,275,273	3,488,016	0	21,482,593
Service sector	25,933,403	14,754,975	4,300,118	704,402	45,692,898
Total	626,663,349	408,099,388	253,940,206	23,075,139	1,311,778,082

Source: BNR

* include all loans reported by sector of activities and not by term.

Activities sector	July 2015-June 2016			Total
	Long-term	Medium-term	Short-term	
Non_classified activities	15,472,945	55,825,590	2,927,370	74,225,906
Agricultural, fisheries& livestock	7,796,910	4,022,935	1,631,035	13,450,880
Mining activities	804,874	15,000	901,760	1,721,634
Manufacturing activities	45,343,300	6,412,589	22,993,201	74,749,090
Water & energy activities	155,959	886,510	7,000,400	8,042,869
Mortgage industries	41,721,094	60,181,729	106,065,027	207,967,850
Commercial & hotel	200,325,960	81,506,894	69,396,102	351,228,956
Transport & warehousing	15,655,778	28,061,763	4,497,838	48,215,380
OPI &Insurance	3,254,054	1,847,401	741,234	5,842,689
Service sector	6,933,072	6,471,351	9,115,282	22,519,705
TOTAL	337,463,947	245,231,763	225,269,249	807,964,958

Source: BNR

INTEREST RATE STRUCTURE (in %)

DESCRIPTION	2016												2017					
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June
Deposit rate	7.56	8.22	7.32	8.07	8.61	7.94	8.09	7.78	8.28	7.08	8.01	8.01	7.39	7.22	7.84	7.85	8.57	7.92
Lending rate	16.69	17.60	17.09	17.21	17.34	16.95	17.50	17.72	17.36	17.27	17.75	17.21	17.45	16.78	16.85	17.33	17.24	16.76
Money market rate																		
Repo Rate	3.97	3.52	3.09	3.09	3.09	3.62	4.08	4.47	4.73	5.28	5.00	5.02	5.50	5.18	4.99	4.75	4.24	4.42
Discount rate	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.25	10.25	10.25	10.25	10.25	10.25	10.00
Interbank rate	4.93	4.80	5.18	5.59	5.92	5.93	5.93	5.91	6.67	6.61	6.61	6.61	6.82	6.33	6.10	6.22	6.34	6.40
Weight average rate on T-bill market :	7.27	6.05	6.35	7.15	6.85	7.29	7.65	7.91	8.22	8.67	8.68	9.02	9.38	9.58	9.42	9.14	9.01	8.78
28 days	5.02	4.89	4.66	5.04	5.38	5.46	5.88	6.34	6.79	7.33	7.57	8.15	8.33	8.40	8.34	8.08	7.75	7.33
91 days	5.98	5.88	5.78	5.81	6.05	6.17	6.38	6.56	7.06	7.92	8.36	8.97	9.05	9.22	9.24	9.23	9.11	8.80
182 days	6.18	6.25	6.13	6.23	6.27	6.56	6.75	6.65	7.41	7.83	8.54	9.18	9.26	9.44	9.45	9.39	9.39	9.32
364 days	8.21	8.46	8.13	8.37	8.57	8.85	8.99	9.41	9.64	9.78	9.89	9.65	9.97	9.98	9.87	9.84	9.79	9.67
T-Bonds market																		
Tbond 2 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tbond 3 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tbond 5 yrs	-	12.00	-	-	-	-	-	12.25	-	-	-	-	-	12.38	-	-	-	-
Tbond 7 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.68	-
Tbond 10 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tbond 15 yrs	-	-	-	-	13.50	-	-	-	-	-	-	-	-	-	-	-	-	-
3 to 12 months BNR liquidity facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Repo Rate	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.00
Reverse Repo																		

Source: BNR

Appendix 11

INTEREST RATE STRUCTURE (in %)

Appendix 11													
DESCRIPTION	PERIOD	2016											
		January	February	March	April	May	June	July	August	September	October	November	December
Deposit rate		7.56	8.22	7.32	8.07	8.61	7.94	8.09	7.78	8.28	7.08	8.01	8.01
Lending rate		16.69	17.60	17.09	17.21	17.34	16.95	17.50	17.72	17.36	17.27	17.75	17.21
Money market rate													
Repo Rate		3.97	3.52	3.09	3.09	3.09	3.62	4.08	4.47	4.73	5.28	5.00	5.02
Discount rate		10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.25
Interbank rate		4.93	4.80	5.18	5.59	5.92	5.93	5.93	5.91	6.67	6.61	6.61	6.61
Weight average rate on T-bill market :		7.27	6.05	6.35	7.15	6.85	7.29	7.65	7.91	8.22	8.67	8.68	9.02
28 days		5.02	4.89	4.66	5.04	5.38	5.46	5.88	6.34	6.79	7.33	7.57	8.15
91 days		5.98	5.88	5.78	5.81	6.05	6.17	6.38	6.56	7.06	7.92	8.36	8.97
182 days		6.18	6.25	6.13	6.23	6.27	6.56	6.75	6.65	7.41	7.83	8.54	9.18
364 days		8.21	8.46	8.13	8.37	8.57	8.85	8.99	9.41	9.64	9.78	9.89	9.65
T-Bonds market													
Tbond 2 yrs		-	-	-	-	-	-	-	-	-	-	-	-
Tbond 3 yrs		-	-	-	-	-	-	-	-	-	-	12.00	-
Tbond 5 yrs		-	12.00	-	-	-	-	-	12.25	-	-	-	-
Tbond 7 yrs		-	-	-	-	-	-	-	-	-	-	-	12.68
Tbond 10 yrs		-	-	-	-	-	-	-	-	-	-	-	-
Tbond 15 yrs		-	-	-	-	13.50	-	-	-	-	-	-	-
3 to 12 months BNR liquidity facility													
Key Repo Rate		6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25
Reverse Repo													

Source: BNR

Appendix 12

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (PERIOD AVERAGE)

Description	USD	16stg	1YEN	1DTS	1EURO
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	1053.09	4.65	836.71	748.93
2008	546.85	1013.83	5.30	864.46	804.23
2009	568.27	887.92	6.09	872.50	791.79
2010	583.13	901.56	6.65	889.72	774.01
2011	600.29	962.83	7.54	947.62	835.67
2012	614.29	973.60	7.71	940.46	789.66
2012-2013 (Fiscal year average)	629.04	986.39	7.23	953.49	813.95
2013-2014 (Fiscal year average)	667.12	1083.80	6.59	1013.96	905.31
2014-2015 (Fiscal year average)	697.35	1097.79	6.10	1010.01	837.27
2015-2016 (Fiscal year average)	749.61	1111.09	6.45	1048.27	832.23
2016-2017 (Fiscal year average)	816.29	1035.32	7.49	1119.88	889.77
2010					
January	572.14	925.31	6.26	895.74	818.10
February	572.78	894.64	6.35	880.64	783.17
March	572.62	861.87	6.33	874.94	777.53
April	574.00	870.63	6.13	870.93	770.38
May	578.63	850.49	6.27	857.15	729.81
June	584.38	861.02	6.42	857.80	713.67
July	589.39	900.23	6.73	886.12	752.66
August	588.97	920.83	6.88	907.13	789.07
September	588.35	915.29	6.97	897.49	767.91
October	590.17	935.82	7.20	925.91	819.28
November	592.37	925.54	7.20	925.46	812.37
December	593.78	926.05	7.12	911.33	784.12
Annual average	583.13	901.56	6.65	889.72	774.01
2011					
January	596.75	939.46	7.23	921.62	796.76
February	600.24	967.47	7.27	936.07	818.70
March	599.53	969.66	7.34	945.49	838.94
April	601.27	982.15	7.22	957.07	867.09
May	599.28	979.81	7.39	956.14	860.98
June	600.00	974.24	7.45	958.23	863.18
July	600.35	969.56	7.57	957.75	857.12
August	599.75	981.83	7.78	963.57	860.21
September	599.84	949.47	7.81	948.30	828.69
October	601.29	945.55	7.85	947.08	822.51
November	601.77	952.40	7.77	944.63	817.69
December	603.45	942.33	7.75	935.53	796.17
Annual average	600.29	962.83	7.54	947.62	835.67
2012					
January	604.37	936.44	7.85	930.43	779.26
February	605.15	938.66	7.73	945.41	799.47
March	606.80	959.52	7.37	934.15	801.24
April	607.01	970.75	7.46	936.26	799.26
May	608.56	970.58	7.63	932.84	781.01
June	609.94	947.89	7.70	911.06	764.00
July	612.95	955.23	7.77	924.93	752.14
August	613.68	964.25	7.80	930.45	760.96
September	618.08	951.28	7.90	947.16	793.51
October	625.24	1006.08	7.93	964.33	810.86
November	628.77	1004.32	7.78	962.20	806.94
December	630.99	1018.50	7.56	969.03	827.21
Annual average	614.29	973.60	7.71	940.46	789.66
2013					
January	631.33	1008.47	7.10	964.49	838.39
February	633.25	981.39	6.80	946.82	846.82
March	634.98	956.99	6.70	949.03	824.27
April	637.38	974.68	6.53	950.98	828.72
May	640.13	950.67	6.35	931.41	831.41
June	641.66	993.12	6.59	963.37	846.19
July	645.34	980.25	6.47	961.31	843.56
August	649.01	1005.03	6.63	977.19	864.16
September	653.26	1033.65	6.59	984.70	871.37
October	661.29	1064.45	6.77	1008.02	901.19
November	664.30	1068.75	6.66	1006.69	897.29
December	667.74	1014.63	6.47	1014.43	914.43
Annual average	646.64	1011.63	6.64	974.36	858.98
2014					
January	672.77	1108.21	6.47	1020.22	917.02
February	674.65	1093.43	6.47	1014.66	920.46
March	676.39	1124.54	6.61	1034.06	935.04
April	678.20	1135.18	6.61	1042.17	936.67
May	680.70	1146.60	6.68	1052.02	935.44
June	681.79	1152.04	6.68	1050.86	927.12
July	683.47	1168.56	6.71	1053.58	926.05
August	684.23	1143.32	6.65	1044.62	911.53
September	685.48	1118.46	6.39	1027.99	885.51
October	688.68	1107.96	6.38	1024.53	873.83
November	690.33	1090.39	5.95	1012.93	861.43
December	692.56	1083.04	5.81	1009.34	854.74
Annual average	682.44	1122.64	6.45	1032.33	907.07
2015					
January	696.56	1056.41	5.88	991.54	811.29
February	702.34	1076.69	5.92	992.28	797.85
March	706.25	1058.88	5.87	978.37	766.00
April	709.46	1058.86	5.93	980.85	764.46
May	712.10	1095.06	5.89	997.17	789.67
June	716.70	1115.89	5.79	1006.89	804.84
Fiscal year average	697.85	1097.79	6.10	1010.01	837.27
2016					
January	721.87	1122.78	5.86	1007.81	794.11
February	724.97	1130.52	5.89	1017.45	808.12
March	728.21	1117.35	6.06	1024.37	818.37
April	733.53	1123.65	6.11	1031.81	823.53
May	739.02	1122.92	6.03	1021.25	793.95
December	744.12	1116.63	6.11	1031.31	809.68
2017					
January	751.03	1081.03	6.36	1037.89	816.33
February	758.97	1087.80	6.62	1058.52	843.71
March	765.79	1090.36	6.78	1068.31	851.24
April	771.28	1103.73	7.02	1086.48	874.14
May	776.37	1127.19	7.12	1094.92	878.25
June	780.19	1109.16	7.38	1099.05	875.36
July	788.52	1035.97	7.55	1096.05	872.03
August	800.29	1049.79	7.91	1119.88	897.31
September	808.90	1063.98	7.94	1131.63	906.81
October	811.90	1004.26	7.83	1121.21	896.30
November	815.24	1013.32	7.54	1113.82	880.74
December	818.54	1022.35	7.06	1102.69	863.22
2017					
January	820.77	1013.06	7.14	1109.62	871.96
February	822.86	1028.12	7.28	1115.11	875.87
March	825.01	1018.08	7.30	1117.78	881.47
April	826.69	1044.28	7.51	1125.47	885.15
May	827.69	1069.05	7.37	1138.23	914.99
June	829.11	1061.57	7.48	1147.04	931.39
Fiscal year average	816.29	1035.32	7.49	1119.88	889.77

Source : BNR

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (END OF PERIOD)Appendix 13

Description	USD	1€\$g	1YEN	1DTS	1EURO
2010	594.45	915.22	7.24	911.40	780.10
2011	604.14	928.63	7.77	927.26	777.29
2012	631.41	1021.30	7.36	969.96	837.25
2012-2013 (end June 2013)	642.67	982.26	6.55	958.47	836.88
2013-2014 (end June 2014)	682.54	1161.66	6.70	0.00	931.40
2014-2015 (end June 2015)	719.54	1132.45	5.87	1012.51	808.48
2015-2016 (end June 2016)	783.26	1051.60	7.62	1093.56	865.19
2016-2017 (end June 2017)	830.22	1080.74	7.42	1154.53	949.65
2010					
January	572.98	930.74	6.35	891.88	801.94
February	572.39	876.10	6.40	875.39	772.50
March	573.57	865.22	6.20	871.56	772.99
April	576.38	878.06	6.13	869.38	763.41
May	580.77	846.76	6.37	856.24	720.79
June	588.58	886.05	6.63	868.24	717.54
July	588.83	921.23	6.78	891.46	770.43
August	587.19	908.50	6.93	883.90	744.91
September	589.95	931.89	7.05	916.76	802.51
October	591.31	938.95	7.27	928.10	818.97
November	593.02	924.52	7.05	908.13	780.83
December	594.45	915.22	7.24	911.40	780.10
2011					
January	599.38	954.45	7.29	936.31	822.35
February	598.50	963.35	0.00	825.03	0.00
March	600.53	963.97	7.22	946.39	846.08
April	601.74	1002.20	7.37	971.84	891.48
May	598.31	981.94	7.38	951.43	850.91
June	602.42	964.95	7.43	960.87	869.23
July	599.25	978.10	7.71	960.08	856.63
August	599.87	978.87	7.80	966.03	866.04
September	599.98	942.76	7.82	938.44	816.82
October	601.88	969.50	7.94	962.31	849.55
November	602.65	941.39	7.75	938.79	805.80
December	604.14	928.63	7.77	927.26	777.29
2012					
January	604.69	950.58	7.89	938.61	793.78
February	605.75	960.12	7.53	941.80	814.13
March	606.83	963.41	7.39	936.72	805.63
April	608.13	986.38	7.54	941.83	804.18
May	609.31	949.24	7.71	923.01	757.12
June	612.43	951.89	7.71	926.98	761.06
July	613.11	963.08	7.84	926.96	751.86
August	614.49	973.60	7.82	936.09	770.69
September	622.73	1008.70	8.02	960.66	801.14
October	627.17	1007.37	7.90	965.53	811.88
November	629.73	1008.77	7.67	965.50	817.77
December	631.41	1021.30	7.36	969.96	837.25
2013					
January	632.24	997.30	6.93	968.22	856.43
February	634.16	959.23	6.92	955.47	831.13
March	635.75	959.79	6.75	945.49	811.79
April	639.04	991.91	6.53	956.30	835.93
May	641.01	971.38	6.32	950.40	832.28
June	642.67	982.26	6.55	958.47	836.88
July	647.91	992.15	6.61	973.21	859.71
August	649.82	1007.68	6.62	976.72	861.47
September	657.41	1057.65	6.67	996.90	885.73
October	661.67	1062.91	6.74	1011.39	910.46
November	666.61	1087.84	6.55	1010.50	903.60
December	670.08	1103.48	6.37	1018.46	922.23
2014					
January	674.21	1111.64	6.58	1023.39	916.79
February	675.36	1123.86	6.63	1028.56	922.67
March	677.86	1127.08	6.62	1033.75	931.04
April	679.61	1143.62	6.62	1052.68	938.68
May	681.51	1139.25	6.69	1049.86	927.00
June	682.54	1161.66	6.70	1054.85	931.40
July	683.98	1157.43	6.66	1048.00	916.36
August	684.42	1135.22	6.60	1039.13	902.28
September	686.92	1116.99	6.28	1021.66	871.90
October	689.45	1103.16	6.31	1021.18	869.60
November	691.38	1086.21	5.85	1011.60	860.71
December	694.37	1077.29	5.75	1004.09	843.80
2015					
January	700.30	1056.17	5.94	986.68	793.81
February	703.91	1084.44	5.89	990.51	788.24
March	707.92	1048.47	5.90	978.00	766.96
April	710.66	1097.25	5.97	997.06	791.07
May	714.13	1093.79	5.76	992.46	781.86
June	719.54	1132.45	5.87	1012.51	808.48
July	723.41	1128.63	5.83	1008.45	790.91
August	726.32	1117.98	5.97	1022.12	811.98
September	730.54	1106.84	6.10	1026.68	821.78
October	736.00	1126.85	6.08	1026.63	807.87
November	741.77	1115.44	6.04	1018.56	785.76
December	747.41	1107.40	6.20	1036.98	817.10
2016					
January	754.35	1083.40	6.35	1042.86	825.19
February	762.31	1057.36	6.69	1054.58	833.51
March	768.41	1080.21	6.83	1080.21	868.38
April	773.77	1130.48	7.16	1096.38	878.46
May	778.02	1138.47	7.00	1091.11	866.05
June	783.26	1051.60	7.62	1093.56	865.19
July	793.13	1044.16	7.53	1104.26	878.44
August	807.32	1056.22	7.84	1126.05	899.60
September	810.23	1050.83	8.02	1132.80	909.33
October	813.77	991.58	7.77	1118.97	894.09
November	816.91	1020.31	7.27	1106.39	870.00
December	819.79	1005.31	7.03	1,101.20	860.08
2017					
January	821.75	1026.04	7.22	1115.07	878.83
February	823.83	1025.18	7.31	1114.57	872.23
March	826.09	1030.05	7.38	1120.66	881.89
April	827.21	1067.44	7.43	1132.11	899.43
May	827.97	1060.43	7.46	1143.09	925.26
June	830.22	1080.74	7.42	1154.53	949.65

Source : BNR

Stock of External Public Debt (in USD million)

Appendix 14

DESCRIPTION	2009	2010	2011	End June 2012	End June 2013	End June 2014	End June 2015	End June 2016	End June 2017
MULTILATERAL DEBT	628.26	651.02	832.99	841.66	895.28	1,051.05	1,182.91	1,557.07	1,961.75
ADB-ADF	157.88	172.38	210.62	213.33	234.61	262.37	261.61	297.09	384.50
BAD/EA	26.49	28.88	34.03	33.56	32.67	34.99	41.64	46.75	48.90
EIB	8.90	6.39	5.03	3.66	2.57	1.35	0.00	0.00	0.00
EU	17.82	15.25	13.89	12.90	12.44	11.89	8.84	7.74	7.03
IFAD	99.74	103.04	107.07	107.58	106.38	114.75	110.52	111.98	111.64
IMF	15.19	14.82	14.13	13.59	12.03	10.35	6.86	105.69	152.62
IDA	253.30	258.25	391.55	401.11	435.54	548.92	688.46	905.70	1,168.03
NDF	16.54	16.40	16.08	15.33	16.28	17.06	13.96	13.50	13.70
OPEC	32.40	35.61	40.57	40.38	42.76	49.36	51.02	55.51	55.95
NTF/ADB								13.10	19.39
BILATERAL DEBT	108.34	126.27	151.66	163.02	206.23	228.20	268.63	291.70	327.70
AFD-FRANCE	4.79	3.60	2.12	1.36	0.00	0.00	0.00	0.00	0.00
CHINA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EXIM-CHINA	6.17	20.41	28.60	30.70	56.02	61.93	98.51	116.19	137.68
EXIM-INDIA	16.00	18.50	28.65	39.55	59.44	73.18	77.09	75.36	74.88
Abu Dhabi	1.85	1.85	2.99	2.99	2.96	2.98	2.98	2.98	2.86
KUWAIT	34.63	36.65	44.68	44.48	45.51	48.37	49.66	53.31	55.64
SAUDI FUND	44.54	44.91	44.28	44.59	41.96	41.37	40.08	43.53	48.93
JICA									7.40
LYBIA	0.36	0.35	0.35	0.34	0.34	0.36	0.32	0.32	0.31
EURO-BONDS					400.00	400.00	400.00	400.00	400.00
TOTAL	736.6	777.3	984.7	1004.7	1501.5	1679.3	1851.5	2248.8	2689.5

Source: Minecofin

Development of disbursements (in USD million)

DESCRIPTION	2005	2006	2007	2008	2009	2010	July 2011 - June 2012	July 2012 - June 2013	July 2013 - June 2014	July 2014 - June 2015	July 2015 - June 2016	July 2016 - June 2017
MULTILATERAL CREDITORS	101.5	105.2	79.4	110.6	51.2	43.3	197.5	84.3	148.5	178.3	273.6	373.9
Of which : IDA	46.3	36.7	27.6	40.5	10.5	10.1	138.2	44.6	101.2	129.9	227.7	264.3
BILATERAL CREDITORS	0.0	4.4	9.1	1.7	24.7	7.3	24.8	22.1	24.4	46.9	35.5	46.1
EURO-BONDS								400.0	0.0	0.0	0.0	0.0
TOTAL	101.5	109.5	88.5	112.3	75.9	50.7	222.2	506.4	172.9	225.2	309.1	420.1

Source: Minecofin

Development of External Debt Service (in USD million)

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	July 2011- June 2012	July 2012- June 2013	July 2013- June 2014	July 2014- June 2015	July 2015- June 2016	July 2016- June 2017
MULTILATERAL DONORS	40.6	31.4	11.3	12.9	12.7	14.9	19.3	20.4	30.9	48.4	25.1	27.9	30.1
Principal	30.1	21.2	6.2	7.2	7.3	8.8	13.3	14.3	16.1	33.3	16.5	17.7	17.7
Of which : IDA	15.2	9.3	0.0	0.0	0.0	0.5	2.4	2.8	3.6	8.3	4.6	4.8	4.5
FAD-FSN	7.2	5.6	0.8	0.7	1.1	1.2	1.7	1.7	1.8	3.1	2.0	2.4	2.4
BADEA	3.5	0.0	0.0	0.0	0.0	0.0	1.0	1.1	1.0	2.0	1.0	1.0	1.0
Interests	10.5	10.2	5.0	5.7	5.4	6.2	4.4	6.1	14.9	15.1	8.6	10.2	12.4
Of which : IDA	8.0	5.0	1.5	1.7	1.6	1.9	2.3	2.5	3.2	6.8	3.9	5.3	7.0
FAD-FSN	0.8	3.1	1.3	1.6	1.5	1.6	1.6	1.7	2.0	2.6	2.6	2.8	3.3
BADEA	0.6	1.0	0.9	0.9	0.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BILATERAL DONORS	9.1	2.7	1.3	1.4	1.8	2.9	4.4	4.9	6.8	10.8	5.6	10.9	15.7
Principal	6.2	1.7	0.3	0.3	0.3	1.2	2.3	2.5	2.7	3.2	1.9	6.1	9.9
Interests	2.9	1.0	1.1	1.2	1.6	1.7	2.2	2.4	4.2	7.5	3.7	4.7	5.8
SUPPLIERS' CREDITITS	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interests	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EURO-BONDS									7.8	40.4	26.5	26.5	26.5
TOTAL	50.5	34.1	12.6	14.3	14.5	17.8	23.7	25.3	45.5	99.5	57.2	65.3	72.3
Principal	36.3	22.9	6.5	7.5	7.5	10.0	15.6	16.7	18.7	36.5	18.4	23.9	27.6
Interests	14.2	11.2	6.1	6.9	7.0	7.9	8.1	8.6	26.8	63.0	38.8	41.4	44.7

Source: Minecofin

BALANCE OF PAYMENTS

(in USD million)

Appendix 17

	2010	2011	2012	2013	2014	2015	2016	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017
BALANCE OF PAYMENTS (in Mli USD)												
A. Current Account	-426.82	-468.52	-747.17	-556.39	-943.45	-1106.35	-1210.99	-660.82	-773.56	-966.37	-1121.12	-848.65
Balance on goods and services	-956.3	-1209.1	-1276.6	-1165.5	-1345.9	-1427.5	-1511.2	-1204.3	-1259.0	-1342.2	-1445.9	-1155.2
Goods (Trade Balance)	-786.7	-1104.8	-1273.7	-1150.8	-1268.6	-1235.0	-1300.1	-1195.6	-1212.9	-1207.2	-1244.2	-1015.0
Exports f.o.b.	297.3	464.2	590.8	703.0	723.1	683.7	745.0	707.3	707.3	709.5	688.2	840.7
Of which: coffee	56.1	74.6	60.9	54.9	59.7	62.0	58.5	69.1	47.5	64.0	60.5	58.5
tea	55.7	63.9	65.7	55.5	51.8	72.5	63.4	63.9	52.3	61.7	70.3	74.5
Imports f.o.b.	1084.0	1569.1	1864.4	1853.8	1991.7	1918.7	2045.1	1902.9	1920.2	1916.7	1932.4	1855.7
Services (net)	-169.6	-104.3	-2.9	-14.7	-77.3	-192.5	-211.1	-8.8	-46.0	-134.9	-201.8	-140.2
Services: credit	387.0	514.1	515.7	575.2	592.2	838.0	850.5	545.5	583.7	715.1	844.3	875.2
Services: debit	556.6	618.4	518.6	589.9	669.6	1030.5	1061.6	554.3	629.8	850.1	1046.1	1015.4
o/w Net Freight	-288.9	-348.0	-366.1	-271.3	-289.7	-356.4	-349.0	-292.9	-289.0	-317.3	-393.7	-320.9
Travel (net)	124.6	162.6	203.2	214.5	219.9	114.6	124.0	358.5	372.5	386.4	487.5	414.0
credit	201.6	251.8	281.8	293.6	303.7	367.7	389.8	296.5	292.5	298.4	383.6	395.9
debit	77.0	89.2	78.6	79.1	83.8	253.1	265.8	62.0	80.0	88.0	103.9	279.8
PRD	76.6	82.7	90.4	106.8	105.3	159.3	164.4	98.6	106.0	110.3	143.9	157.4
Primary income (net) = Income in BPMS	-51.3	-57.2	-102.7	-131.8	-175.6	-214.9	-224.1	-124.8	-159.5	-183.7	-183.7	-184.3
Primary income: credit	16.1	20.1	10.7	15.7	16.3	11.5	9.4	13.8	10.4	17.5	10.4	11.1
Primary income: debit	67.4	77.3	113.4	147.5	191.9	226.4	233.5	138.7	177.1	194.1	195.4	195.4
O/W: Public sector debt interest	7.8	8.1	9.2	32.3	39.0	40.1	43.5	19.5	37.6	46.2	42.0	45.2
Private sector debt interest	1.8	7.7	23.4	26.8	37.1	35.7	26.2	35.3	34.7	36.9	51.0	40.2
Compensation of employees	42.9	46.7	50.2	66.7	70.8	72.7	74.1	58.5	68.7	71.7	73.4	76.2
Dividends	14.9	14.8	29.8	20.9	21.9	22.5	32.9	25.3	21.4	22.2	27.7	33.8
Secondary income (net) = Transfers in BPMS	580.8	797.8	632.1	741.0	578.0	536.0	524.3	668.4	637.5	535.3	508.6	490.9
Secondary income: credit	637.2	872.4	710.6	817.4	662.2	614.6	612.5	745.8	717.7	616.7	591.9	580.9
Secondary income: debit	56.5	74.5	78.5	76.4	84.2	78.5	88.2	77.4	80.3	81.4	83.4	90.0
Private transfers net	90.7	133.3	183.0	181.4	179.9	165.9	180.4	182.2	172.9	173.1	173.1	179.8
o/w: Remittances from diaspora (net)	65.1	110.2	118.3	114.8	119.5	102.4	107.4	116.5	117.2	110.9	104.9	106.6
credit	98.2	166.2	175.3	161.8	174.9	153.2	167.3	168.5	164.0	160.3	168.2	168.2
debit	33.1	56.0	57.0	47.0	55.4	50.8	59.9	52.0	51.2	53.1	55.3	61.6
o/w: Private transfers for churches and associations	25.6	23.1	64.7	66.5	60.4	63.5	72.9	65.6	63.5	62.0	68.2	73.2
credit	35.6	31.3	71.9	73.9	67.1	69.9	79.4	72.9	70.5	68.5	74.7	79.9
debit	10.0	8.1	7.2	7.4	6.7	6.4	6.5	7.3	7.1	6.5	6.4	6.7
o/w: official transfers - credit	490.1	664.5	449.1	559.6	398.1	370.1	343.9	504.4	478.9	384.1	357.0	332.8
budgetary grants	402.9	545.7	343.3	468.8	276.9	218.6	234.6	406.1	372.9	247.8	226.6	222.8
nonbudgetary grants	100.5	129.2	120.1	112.8	143.3	172.8	131.1	116.5	128.1	158.1	152.0	131.8
- debit	13.4	10.4	14.3	22.0	22.0	21.4	21.8	18.2	22.0	21.7	21.6	21.8
B. Capital Account	285.6	196.7	171.2	234.5	337.1	299.9	190.0	149.0	176.5	216.4	237.3	190.0
Capital account: credit (FDI)	285.6	196.7	171.2	234.5	337.1	299.9	190.0	149.0	176.5	216.4	237.3	190.0
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net lending+/- net borrowing (+) (balance from current and capital accounts)	-141.2	-271.9	-575.9	-321.8	-606.4	-806.5	-1021.0	-152.6	-107.9	-535.2	-715.3	-688.8
C. Financial Account: Net lending+/- net borrowing (+)	-279.1	-533.2	-397.3	-661.2	-648.7	-651.7	-958.6	-350.2	-762.5	-636.6	-791.8	-791.8
Direct investment	-250.5	-119.1	-255.0	-257.6	-311.0	-219.9	-246.9	-165.8	-175.0	-280.1	-357.0	-253.2
Direct investment: assets	0.0	0.0	0.0	0.0	3.8	3.5	7.6	0.0	0.0	0.0	0.0	6.0
Direct investment: liabilities (FDI)	250.5	119.1	255.0	257.6	314.7	223.3	254.5	165.8	175.0	280.1	357.0	259.2
Portfolio investment	-7.5	-87.6	-5.9	-1.7	-1.0	-7.7	-3.2	-9.8	-12.0	-2.8	-2.3	-3.0
Portfolio investment: assets	0.0	0.0	0.0	0.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio investment: liabilities	7.5	87.6	5.9	1.7	4.5	7.7	3.2	9.8	12.0	2.8	2.3	-3.0
Other investment	-21.1	-326.6	-136.4	-401.9	-336.8	-424.1	-708.6	-174.6	-575.5	-353.7	-506.8	-535.7
Other investment: assets	28.5	2.5	-5.1	17.2	-0.2	-73.0	19.4	83.3	-111.5	80.3	32.8	9.7
of which NFA of Commercial banks	28.5	2.5	-5.1	17.2	-12.9	-105.8	52.3	83.3	-111.5	50.3	32.8	49.4
Other investment: liabilities	49.6	329.0	131.3	419.1	336.6	351.1	728.0	257.9	464.0	404.0	539.6	545.4
o/w public sector current loans	0.0	124.1	13.4	14.2	154.4	232.1	214.8	13.8	175.4	252.7	223.4	237.3
o/w public sector project loans	61.7	98.1	96.9	523.6	153.5	140.0	172.0	310.3	338.6	146.7	156.0	162.5
o/w public sector amortization	9.8	15.0	17.3	14.5	20.8	21.3	27.3	15.9	17.6	21.1	24.3	27.6
o/w private sector loans	85.0	149.9	148.4	168.4	133.2	72.9	449.7	158.4	150.8	103.1	261.3	267.0
o/w private sector amortization	93.2	78.9	133.4	283.8	82.3	72.6	81.1	208.6	183.1	77.5	76.9	93.9
Net errors and omissions	-68.9	-27.1	-33.8	-111.0	-132.8	126.2	41.6	-101.6	-441.0	34.5	-92.4	56.5
Overall balance	72.1	334.3	-212.4	228.5	-90.4	-28.5	-29.8	96.0	213.6	136.0	58.4	159.5
Reserve Assets	72.1	334.3	-212.4	228.5	-90.4	-28.5	-29.8	96.0	213.6	136.0	58.4	159.5
For the record												
Gross official reserves (Mli USD)	813.4	1050.0	850.3	1070.0	950.8	922.3	1001.5	986.1	853.5	922.3	994.6	943.5
Gross reserves in month of imports G&S	5.3	3.3	4.2	4.8	3.6	4.0	4.0	4.0	3.9	4.0	3.8	3.9
Gross reserves in months of CIF imports of goods	6.8	5.5	4.4	5.2	4.8	4.4	4.7	4.8	4.3	4.6	4.6	4.2
Gross reserves in months of FOB imports of goods	9.0	6.8	5.5	6.4	5.9	5.4	5.8	5.9	5.3	5.8	5.8	6.1
Trade balance (in percent of GDP)	-16.6	-18.6	-17.4	-15.3	-16.8	-17.2	-18.0	-15.9	-16.2	-16.5	-17.1	-13.2
Current account balance in percent of GDP (including official transfers)	-7.4	-7.2	-10.2	-7.3	-11.8	-13.4	-14.4	-8.7	-9.9	-11.9	-13.3	-9.7
Current account balance in percent of GDP (excluding official transfers)	-15.9	-17.5	-16.4	-14.6	-16.7	-17.8	-18.5	-15.4	-16.1	-16.6	-17.5	-13.5
Overall balance (in percent of GDP)	1.2	3.6	-2.9	3.0	-1.1	-0.3	-0.2	1.3	2.7	1.7	0.7	1.8
GDP (millions \$US, Current)	5774.0	6491.8	7315.7	7622.5	8009.5	8276.9	8406.5	7570.3	7785.7	8130.8	8432.4	8728.5
GDP (billions in RFW, current)	3367.0	3897.0	4494.0	4929.0	5466.0	5956.0	6418.0	4762.0	5194.0	5670.0	6212.0	7125.0
Exchange rate of 1 USD (RWF/1 USD), end period	594.5	694.1	631.4	670.1	694.4	747.4	819.8	642.7	682.5	719.5	783.3	839.2
Imports of goods and services	1640.5	2187.5	2383.0	2443.7	2661.2	2949.2	3106.7	2457.1	2550.0	2766.8	2978.5	2871.1
Exchange rate average (RWF/1 USD)	583.1	600.3	614.3	646.6	682.4	719.6	787.3	629.0	667.1	697.3	749.6	816.3

Source: BNR

NOTES: The current appendices are in BPMS format and some differences in the historical data especially on services have come about because of improved coverage as well as changes in source data, EMPO recommends survey based data and in this case, some services line items have been updated with the survey data.

Other sources of differences are different adjustments i.e. adjustment for coverage, classification, and for timing as recommended by BPMS and BIFS 2010.

RWANDA's EXPORTS

(FOB value in USD million)

Appendix 18

	2009	2010	2011	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
I. Coffee													
Value	37.3	56.08	74.60	60.89	69.09	54.90	47.49	59.68	64.03	62.04	60.45	58.49	58.53
in % of Total exports, f.o.b.	15.9	18.87	16.07	10.31	7.81	6.71	8.25	9.02	9.07	8.78	7.85	6.96	6.96
% change of value	- 20.5	50.40	33.03	-18.39	-9.83	-31.26	8.70	34.83	3.95	-5.58	-5.72	-3.19	-3.19
Volume (1,000 tons)	14,992.4	18235.85	15596.62	16989.73	20526.14	19988.91	17826.98	15973.38	16529.69	18793.31	19376.24	18641.04	18502.44
% change of volume	- 17.58	21.63	-14.47	8.93	17.65	-13.15	-20.09	-7.28	17.65	17.22	-0.81	-4.51	-4.51
Unit value (US\$/kg)	2.5	3.08	4.78	3.58	3.37	2.75	2.66	3.74	3.87	3.30	3.13	3.14	3.16
% change of unit value	-3.55	23.65	55.54	-25.08	-23.36	-20.86	36.03	45.41	-11.64	-19.14	-4.95	0.98	0.98
II. Tea													
Value	48.3	55.71	63.90	65.72	63.89	55.48	52.26	51.76	61.68	72.46	70.27	63.42	74.64
in % of Total exports, f.o.b.	20.54	18.74	13.76	11.12	9.03	7.89	7.39	7.16	8.69	10.60	10.21	8.51	8.88
% change of value	16.1	15.41	14.69	2.85	-15.58	-18.20	-6.71	18.02	39.99	13.93	-12.47	6.22	6.22
Volume (1,000 tons)	18,689.3	21528.48	23732.19	22453.39	22062.39	21010.34	21598.56	22667.02	24789.47	24677.08	24632.43	24414.92	25146.51
% change of volume	- 5.7	15.19	10.12	-5.39	2.90	-6.43	-2.10	7.89	14.77	8.87	-0.63	-1.06	2.09
Unit value (US\$/kg)	2.6	2.59	2.69	2.93	2.90	2.64	2.42	2.28	2.49	2.94	2.86	2.60	2.97
% change of unit value	23.1	0.19	4.04	8.71		-9.78	-16.45	-13.52	2.83	28.59	14.80	-11.53	3.92
III. Minerals													
Value	55.4	67.85	151.43	136.07	186.31	225.70	204.28	203.32	174.10	117.81	94.30	86.42	93.94
in % of Total exports, f.o.b.	23.6	22.82	32.62	23.03	26.34	32.10	28.88	28.12	24.54	17.23	13.70	11.60	11.17
% change of value	- 40.0	22.40	123.17	-10.14	65.87	9.65	-9.92	-14.77	-42.06	-45.84	-26.64	-3.37	-3.37
Volume (1,000 tons)	6,093.5	5466.35	8848.38	7531.89	8412.53	9579.22	10230.45	10470.81	9038.25	7281.77	6623.16	6535.81	6975.12
% change of volume	- 13.1	-10.29	61.87	-14.88	27.18	21.61	9.31	-11.65	-30.46	-26.72	-10.24	5.31	5.31
Cassiterite													
Value	28.6	42.21	96.82	52.90	57.12	61.07	68.43	71.95	53.34	34.26	29.62	34.81	43.34
in % of Total exports, f.o.b.	12.2	14.20	20.86	8.95	8.08	8.69	9.68	9.95	7.52	5.01	4.30	4.67	5.16
% change of value	- 31.8	47.70	129.38	-45.36	15.46	19.80	17.80	-22.05	-52.38	-44.48	1.59	46.34	46.34
Volume (1,000 tons)	4,269.2	3874.20	6952.07	4636.64	4671.46	4895.27	5650.06	5953.80	4874.14	3845.66	3492.63	3549.92	4114.48
% change of volume	1.8	-9.25	79.45	-33.31	5.58	20.95	21.62	-13.73	-35.41	-28.34	-7.69	17.80	17.80
Unit value (US\$/kg)	6.7	10.89	13.93	11.41	12.23	12.48	12.11	12.08	10.94	8.91	8.49	9.81	10.53
% change of unit value	- 33.0	62.75	27.83	-18.08	9.36	-0.95	-3.14	-9.64	-26.27	-22.46	10.05	24.13	24.13
Opfan													
Value	20.2	18.48	38.58	56.91	102.22	134.57	106.38	104.78	97.09	66.20	52.44	39.74	39.48
in % of Total exports, f.o.b.	8.6	6.22	8.31	9.63	14.45	19.14	15.04	14.49	13.69	9.68	7.62	5.33	4.70
% change of value	- 44.2	-8.67	108.76	47.50	136.46	4.07	-22.14	-8.73	-36.82	-45.99	-39.97	-24.72	-24.72
Volume (1,000 tons)	949.9	748.72	890.08	1144.68	1752.52	2466.02	2294.61	2302.52	2085.81	1651.71	1485.20	1269.94	1327.49
% change of volume	- 20.2	-21.18	18.88	28.61	115.43	30.93	-6.63	-9.10	-28.27	-28.80	-23.11	-10.62	-10.62
Unit value (US\$/kg)	21.3	24.69	43.35	49.72	58.33	54.57	46.36	45.51	46.55	40.08	35.43	31.29	29.74
% change of unit value	- 30.0	15.88	75.61	14.69	9.76	-20.51	-16.61	0.40	-11.93	-23.89	-21.92	-16.07	-16.07
Wolfram													
Value	5.8	7.10	16.03	26.26	26.96	30.05	29.46	26.59	23.66	17.34	12.24	11.87	11.12
in % of Total exports, f.o.b.	2.5	2.39	3.45	4.45	3.81	4.28	4.17	3.68	3.34	2.54	1.78	1.59	1.32
% change of value	- 56.3	23.25	125.73	63.88	14.44	9.26	-11.52	-19.68	-34.78	-48.27	-31.54	-9.12	-9.12
Volume (1,000 tons)	874.5	843.42	1006.24	1750.57	1988.55	2217.93	2285.78	2214.49	2078.30	1784.40	1645.33	1715.96	1533.15
% change of volume	- 48.8	-3.55	19.30	73.97	26.70	14.95	-1.01	-9.08	-19.42	-20.83	-3.84	-6.82	-6.82
Unit value (US\$/kg)	6.6	8.42	15.93	15.00	13.56	13.55	12.89	12.10	11.39	9.72	7.46	6.92	7.26
% change of unit value	- 14.6	27.79	89.20	-5.80	-9.68	-4.95	-11.38	-11.66	-19.06	-34.45	-28.81	-2.79	-2.79
Or													
Value	0.9	0.06											
in % of Total exports, f.o.b.	0.4	0.02											
change % of value	- 15.0	-92.74											
Volume (1,000 tons)	0.0	0.00											
% change of volume	-												
Unit Price (US\$/kg)	-	20810.52											
% change of unit value	-												
IV. Hides and skins													
Value	2.0	3.74	7.62	14.37	16.68	16.02	17.09	14.22	12.15	10.38	7.45	7.44	8.16
in % of Total exports, f.o.b.	0.8	1.26	1.64	2.43	2.36	2.28	2.42	1.97	1.71	1.52	1.08	1.00	0.97
% change of value	- 31.2	90.84	103.43	88.74	11.46	2.48	-11.24	-28.93	-27.05	-38.63	-28.26	9.50	9.50
Volume (1,000 tons)	1,791.7	3730.87	6220.43	10025.06	10913.87	10298.27	10993.12	9616.59	8955.11	8265.09	6718.18	1715.96	6462.48
% change of volume	- 12.3	108.23	66.73	61.16	2.73	0.73	-6.62	-18.54	-14.05	-24.98	-79.24	-3.81	-3.81
Unit value (US\$/kg)	1.1	1.00	1.22	1.43	1.53	1.56	1.55	1.50	1.36	1.26	1.11	4.34	1.26
% change of unit value	- 21.5	-8.35	22.01	17.11	8.51	1.74	-3.91	-12.76	-15.12	-18.19	245.56	13.83	13.83
V. Pyrethrum													
Value	0.6	1.41	4.51	9.71	9.00	3.98	1.61	1.83	1.55	2.48	4.08	3.36	1.65
in % of Total exports, f.o.b.	0.3	0.47	0.97	1.64	1.27	0.57	0.23	0.25	0.22	0.36	0.59	0.45	0.20
% change of value	68.1	118.58	220.91	115.15	-59.02	-82.13	-54.02	-3.84	35.53	163.68	35.55	-59.59	-59.59
Volume (1,000 tons)	3.2	6.33	18.78	37.66	35.90	16.66	9.46	10.69	8.87	14.00	21.79	17.85	9.13
% change of volume	- 3.6	99.24	196.74	100.56	-55.77	-73.63	-35.85	-6.33	30.98	145.81	27.50	-58.12	-58.12
Unit value (US\$/kg)	202.6	222.27	240.37	257.86	250.73	238.88	169.95	170.12	174.47	177.15	187.16	188.33	180.61
% change of unit value	74.4	9.70	8.14	7.27	-7.36	-32.22	-28.79	2.66	4.14	7.27	6.31	-3.50	-3.50
VI. Other products													
Value	49.3	69.66	85.61	195.99	229.53	216.95	253.91	268.96	267.92	293.59	315.64	379.55	468.86
in % of Total exports, f.o.b.	21.0	23.43	18.44	33.18	32.45	30.86	35.90	37.20	37.76	42.94	45.86	50.95	55.77
% change of value	- 42.6	41.42	22.89	128.92	10.70	10.62	23.97	5.52	9.16	17.81	20.98	48.54	48.54
Other ordinary products	26.9	33.76	48.35	88.00	95.81	91.81	86.73	103.60	117.79	115.73	115.13	155.27	214.91
% change of value	22.4	35.90	37.26	107.99	13.83	135.04	167.18	165.35	177.67	200.51	204.28	253.85	253.85
Sub-Total	192.9	254.46	387.67	482.75	574.49	573.03	576.64	599.76	581.43	558.75	552.19	598.69	705.78
VII. Adjustments													
Electricity	- 42.1	- 42.82	76.57	108.00	132.80	129.98	130.68	123.33	128.05	124.92	136.05	146.31	134.89
Postal costs	- 0.1	0.11	0.21	0.12	0.14	0.23	0.28	0.25	0.38	0.22	0.22	0.25	0.33
Carnets 126	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Goods procured in ports by carriers	-	0.56	9.21	10.14	24.15	25.07	24.74	20.25	25.97	21.46	21.46	29.15	33.89
Reexports of minerals	- 11.1	25.17	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment in transport and insurance	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments on exports/ surveys	- 46.6	46.91	71.40	101.77	108.51	109.34	105.67	107.49	106.66	108.32	119.33	121.93	105.85
Adjustment on transport &Tea assurance	- 4.6	- 4.77	- 4.26	- 4.03	-	- 4.66	-	- 4.66	- 4.96	- 5.08	- 4.96	- 5.02	- 5.17
Total foh	235.0	297.28	464.24	590.75	707.30	703.01	707.32	723.09	709.48	683.67	688.24	745.01	840.67
% change	- 11.3	26.52	56.16	27.25	15.00	0.00	0.00	2.86	0.30	- 5.45	- 2.99	8.97	22.15

RWANDA'S IMPORTS

Appendix 19

Value in USD million)	2009	2010	2011	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
I. Capital goods													
Value	372.4	357.6	465.3	589.5	593.0	596.3	635.2	642.2	625.8	652.6	757.6	713.0	611.8
in % of Total M CIF	29.9	25.7	24.6	26.8	25.9	26.5	26.6	26.9	26.9	28.2	31.4	28.6	26.4
% change of value	1.4	-4.0	30.1	26.7		1.2	7.1	7.7	-1.5	1.6	21.1	9.3	-19.3
Volume (tons)	53,136	43,076	50,524	68,086	63,538	58,997	63,371	60,617	62,927	70,205	76,964	69,111	60,631
% change of volume	33.3	-18.9	17.3	34.8		-13.3	-0.3	2.7	-0.7	15.8	22.3	-1.6	-21.2
Unit value (US\$/kg)	7.01	8.30	9.21	8.31	9.33	10.11	10.0	10.6	9.9	9.3	9.8	10.3	10.1
% change of unit value	-23.9	18.4	11.0	-9.8		21.6	7.4	4.8	-0.8	-12.3	-1.0	11.0	2.5
II. Intermediate goods													
Value	332.46	381.97	526.55	622.67	637.49	632.88	710.4	720.0	690.8	682.5	631.5	569.5	551.5
in % of Total M CIF	26.7	27.5	27.9	28.3	27.8	28.2	29.8	30.2	29.7	29.5	26.1	22.8	23.8
% change of value	2.7	14.9	37.9	18.3		1.6	11.4	13.8	-2.8	-5.2	-8.6	-16.6	-12.2
Volume (tons)	408,677	481,644	609,176	810,265	888,896	878,854	873,710	914,693	987,431	992,182	912,666	821,857	834,470
% change of volume	11.1	17.9	26.5	33.0		8.5	-1.7	4.1	13.0	8.5	-7.6	-17.2	-8.6
Unit value (US\$/kg)	0.81	0.79	0.86	0.74	0.72	0.72	0.81	0.79	0.70	0.69	0.69	0.7	0.66
% change of unit value	-7.6	-2.5	9.0	-14.7		-2.4	13.4	9.3	-14.0	-12.6	-1.1	0.7	-4.5
III. Energy products													
Value	177.97	210.84	345.57	361.55	387.80	384.60	380.1	368.5	324.0	282.1	253.9	237.7	244.5
in % of Total M CIF	14.3	15.2	18.3	16.4	16.9	17.1	15.9	15.4	13.9	12.2	10.5	9.5	10.5
% change of value	10.2	18.5	63.9	4.6		6.4	-2.0	-4.2	-14.8	-23.5	-21.6	-15.7	-3.7
Volume (tons)	189,347	195,785	220,493	253,238	271,045	269,718	275,569	278,944	296,671	309,803	306,860	310,958	309,743
% change of volume	1.4	3.4	12.6	14.9		6.5	1.7	3.4	7.7	11.1	3.4	0.4	0.9
Unit value (US\$/kg)	0.9	1.1	1.6	1.4	1.4	1.4	1.4	1.3	1.1	0.9	0.8	0.8	0.8
% change of unit value	8.7	14.6	45.5	-12.6		4.0	-3.6	-7.4	-20.8	-31.1	-24.2	-16.0	-4.6
IV. Consumer goods													
Value	363.99	439.01	553.11	626.29	672.18	633.62	658.6	656.2	685.4	694.1	705.3	728.3	716.6
in % of Total M CIF	29.2	31.6	29.3	28.5	29.3	28.2	27.6	27.5	29.5	30.0	29.2	29.2	30.9
% change of value	28.1	20.6	26.0	13.2		1.2	-2.0	3.6	4.1	5.8	2.9	4.9	1.6
Volume (tons)	359,314	468,472	453,196	576,955	622,108	574,376	576,592	592,365	658,253	695,913	721,270	763,239	745,402
% change of volume	117.5	0.3	0.0	0.3		-0.4	-7.3	3.1	14.2	17.5	9.6	9.7	3.3
Unit value (US\$/kg)	1.01	0.94	1.22	1.04	1.08	1.10	1.1	1.1	1.0	1.0	1.0	1.0	1.0
% change of unit value	-9.55	-7.49	30.24	-14.63		5.87	5.7	0.4	-8.8	-10.0	-7.6	-4.3	-0.1
1. Food													
Value	122.72	154.18	207.63	227.89	235.58	230.18	237.0	230.5	253.3	252.1	244.2	284.5	318.0
in % of Total M CIF	9.16	0.11	10.98	10.36	10.3	10.24	9.9	9.7	10.9	10.9	10.1	11.4	13.7
% change of value	33.07	0.26	0.35	0.05		1.01	0.6	0.2	6.9	9.4	-3.6	12.9	30.2
Volume (tons)	265,599	372,488	343,936	432,908	470,469	436,529	426,072	439,523	500,318	526,170	550,097	606,967	606,088
% change of volume	111.84	0.40	-7.67	25.87		0.01	-9.4	0.7	17.4	19.7	9.9	15.4	10.2
Unit value (US\$/kg)	0.46	0.41	0.60	0.51	0.50	0.53	0.6	0.5	0.5	0.5	0.4	0.5	0.5
% change of unit value	-9.53	-0.10	0.46	-0.16		4.36	11.1	-0.5	-9.0	-8.7	-12.3	-2.2	18.2
2.Others consumer goods													
Value	241.27	284.83	345.48	398.40	436.60	403.43	421.6	425.6	432.1	442.0	461.2	443.8	398.6
in % of Total M CIF	19.35	20.50	18.27	18.11	19.1	17.95	17.7	17.8	18.6	19.1	19.1	17.8	17.2
% change of value	22.47	18.05	21.29	15.32		1.26	-3.4	5.5	2.5	3.9	6.7	0.4	-13.6
Volume (tons)	93,715	95,985	109,260	144,047	151,639	137,846	150,520	152,842	157,936	169,743	171,174	156,271	128,895
% change of volume	14.86	2.42	13.83	31.84		-4.30	-0.7	10.9	4.9	11.1	8.4	-7.9	-24.7
Unit value (US\$/kg)	2.57	2.97	3.16	2.77	2.88	2.93	2.80	2.78	2.74	2.60	2.70	2.8	3.09
% change of unit value	6.62	15.26	6.56	-12.53		5.82	-2.7	-4.8	-2.3	-6.5	-1.5	9.1	14.7
S/TOTAL	1246.82	1389.38	1890.58	2199.97	2290.48	2,247	2,384	2,387	2,326	2,311	2,348	2,248	2,124
% change	9.68	11.43	36.07	16.36		2.16	4.1	6.2	-2.4	-3.2	1.0	-2.7	-9.5
V. Adjustment													
Value	63.86	41.66	147.50	99.69	71.16	54.20	50.7	81.4	69.8	69.1	67.1	247.0	195.3
in % of Total M CIF	5.12	3.00	7.80	4.53	3.0	2.41	2.1	3.3	2.9	3.0	2.8	9.9	8.4
electricity	2.28	2.85	0.19	2.21	4.42	0.20	1.5	5.9	3.7	3.4	3.4	2.9	3.2
in % of Total M CIF	0.2	0.2	0.0	0.1	0.2	0.0	0.1	0.2	0.2	0.1	0.1	0.1	0.1
Parcel post	0	0	0	0	0	0	0	0	0	0	0	0	0
Autres (dont)	61.6	38.8	147.3	97.5	66.7	54.0	49.2	75.4	66.1	65.7	63.7	244.12	192.11
126 BIS	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of Total M CIF	1.03	0.00	0.00	0.00		0.00							
Goods procured in ports by carriers	2.2	3.7	14.5	36.5	52.9	48.3	45.5	46.8	45.2	44.0	37.9	40.7	80.1
Reexport non included	27.1	35.9	46.3	0.0		0.0							
Embassies' imports	-19.0	-22.0	-21.9	-11.0	-6.6	-11.9	-13.5	-8.8					
ICBT	23.5	21.2	23.5	22.6	20.5	17.6	17.2	19.2	20.9	21.7	25.7	30.5	26.2
Imports of TIGO 55	14.2	0.0	84.9	49.4		0.0		18.2					
Big projects												171.6	85.8
Imports of bank notes and coins												1.3	
in % of Total M CIF	1.1	0.0	4.2	2.1	0.0	0.0	0.0	0.7	0.0				
VI.Import cif	1,311	1,431	2,038	2,300	2,362	2,302	2,435	2,468	2,396	2,380	2,415	2,495	2,320
% change	11.5	9.2	42.4	12.8		0.1	3.1	7.2	-1.6	-3.6	0.8	4.8	-4.0
VII. Freight and insurance													
In % of CIF	25.0	25.0	25.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
% change of ratio	0.0	0.0	0.0	-19.8		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VIII.Total fob													
Value	999	1,084	1,566	1,857	1,903	1,851	1,957	1,990	1,917	1,917	1,932	1,996	1,856
% change	12.3	8.5	44.5	18.7		-0.4	2.9	7.5	-2.1	-3.7	0.8	4.1	-4.4

Source : BNR

SERVICES
(In USD million)

Appendix 20

	2010	2011	2012	FY 12/13	2013	FY 13/14	2014	FY 14/15	2015	FY 15/16	2016	FY 16/17
Services net	-169.61	-104.30	-2.86	-8.78	-14.70	-46.02	-77.35	-134.92	-192.50	-201.78	-211.06	-140.20
Credit	386.96	514.10	515.74	545.49	575.24	583.73	592.23	715.13	838.03	844.28	850.53	875.20
Debit	556.57	618.40	518.60	554.27	589.94	629.76	669.58	850.05	1030.52	1046.06	1061.59	1015.40
Transport												
Credit	-321.36	-355.02	-265.04	-287.12	-309.20	-320.35	-331.50	-320.87	-310.25	-311.09	-311.94	-320.92
Debit	29.44	50.72	59.90	67.57	75.24	76.66	78.08	87.45	96.83	93.96	91.10	93.26
	350.80	405.74	324.93	354.69	384.44	397.01	409.58	408.32	407.07	405.05	403.04	414.18
Travel												
Credit	124.6	162.6	203.2	208.9	214.5	217.2	219.9	167.3	114.6	119.3	124.0	134.1
Debit	201.6	251.8	281.8	287.7	293.6	298.7	303.7	335.7	367.7	378.8	389.8	414.0
	77.0	89.2	78.6	78.8	79.1	81.4	83.8	168.5	253.1	259.4	265.8	279.8
Telecommunications, computer, and information												
Credit	-1.120	18.139	-4.395	2.659	9.712	2.695	-4.322	5.494	15.311	14.687	14.064	13.696
Debit	13.305	53.229	17.355	17.733	18.110	18.465	18.820	30.549	42.279	41.870	41.462	42.545
	14.426	35.090	21.750	15.074	8.398	15.770	23.142	25.055	26.968	27.183	27.399	28.849
Government goods and services n.i.e.												
Credit	28.231	69.972	63.344	66.800	70.255	54.426	38.596	72.422	106.247	128.548	150.849	145.289
Debit	142.570	158.352	156.687	172.487	188.287	189.959	191.632	221.249	250.866	252.545	254.223	249.517
	114.339	88.380	93.342	105.687	118.031	135.533	153.035	148.827	144.620	123.997	103.374	104.228
o/w cost of embassies	48.17	58.47	45.80	48.05	50.29	51.86	53.43	59.28	65.13	65.91	66.70	68.30
PRO	76.60	82.67	90.38	98.59	106.80	106.02	105.25	132.28	159.31	161.87	164.43	157.43
Other services												
Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-59.2	-118.4	-153.2	-188.1	-112.4
Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.2	80.3	77.1	74.0	75.9
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	99.4	198.8	230.4	262.0	188.3

Source: BNR

Appendix 21

Primary and Secondary income

(In USD million)	2010	2011	2012	2013	2014	2015	2016	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017
Primary income (net) = Income in BPM5	-51.3	-57.2	-102.7	-131.8	-175.6	-214.9	-224.1	-124.8	-152.1	-159.5	-183.7	-184.3
Primary income: credit	16.1	20.1	10.7	15.7	16.3	11.5	9.4	13.8	10.4	17.5	10.4	11.1
Primary income: debit	67.4	77.3	113.4	147.5	191.9	226.4	233.5	138.7	162.5	177.1	194.1	195.4
O/W: Public sector debt interest	7.8	8.1	9.2	32.3	39.0	40.1	43.5	19.5	37.6	46.2	42.0	45.2
Private sector debt interest	1.8	7.7	23.4	26.8	37.1	35.7	26.2	35.3	34.7	36.9	51.0	40.2
Compensation of employees	42.9	46.7	50.2	66.7	70.8	72.7	74.1	58.5	68.7	71.7	73.4	76.2
Dividends	14.9	14.8	29.8	20.9	21.9	22.5	32.9	25.3	21.4	22.2	27.7	33.8
Secondary income (net) = Transfers in BPM5	580.8	797.8	632.1	741.0	578.0	536.0	524.3	668.4	637.5	535.3	508.6	519.4
Secondary income: credit	637.2	872.4	710.6	817.4	662.2	614.6	612.5	745.8	717.7	616.7	591.9	580.9
Secondary income: debit	56.5	74.5	78.5	76.4	84.2	78.5	88.2	77.4	80.3	81.4	83.4	90.0
Private transfers net	90.7	133.3	183.0	181.4	179.9	165.9	180.4	182.2	180.6	172.9	173.1	179.8
o/w: Remittances from diaspora (net)	65.1	110.2	118.3	114.8	119.5	102.4	107.4	116.5	117.2	110.9	104.9	106.6
credit	98.2	166.2	175.3	161.8	174.9	153.2	167.3	168.5	168.3	164.0	160.3	168.2
debit	33.1	56.0	57.0	47.0	55.4	50.8	59.9	52.0	51.2	53.1	55.3	61.6
o/w: Private transfers for churches and associations	25.6	23.1	64.7	66.5	60.4	63.5	72.9	65.6	63.5	62.0	68.2	73.2
credit	35.6	31.3	71.9	73.9	67.1	69.9	79.4	72.9	70.5	68.5	74.7	79.9
debit	10.0	8.1	7.2	7.4	6.7	6.4	6.5	7.3	7.1	6.5	6.4	6.7
o/w: official transfers - credit	490.1	664.5	449.1	559.6	398.1	370.1	343.9	504.4	478.9	384.1	357.0	332.8
budgetary grants	402.9	545.7	343.3	468.8	276.9	218.6	234.6	406.1	372.9	247.8	226.6	222.8
nonbudgetary grants	100.5	129.2	120.1	112.8	143.3	172.8	131.1	116.5	128.1	158.1	152.0	131.8
- debit	13.4	10.4	14.3	22.0	22.0	21.4	21.8	18.2	22.0	21.7	21.6	21.8

Source: BNR

Appendix 22

CAPITAL AND FINANCIAL ACCOUNT

(In USD million)

	2010	2011	2012	2013	2014	2015	2016	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017
B. Capital Account	285.6	196.7	171.2	234.5	337.1	299.9	190.0	149.0	176.5	216.4	237.3	190.0
Capital account: credit (PIF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital account: debit	-141.2	-271.9	-575.9	-321.8	-606.4	-806.5	-1021.0	-405.7	-346.2	-607.0	-930.4	-667.6
Net lending(+) / net borrowing (-) (balance from current and capital accounts)	-279.1	-533.2	-397.3	-661.2	-648.7	-651.7	-958.6	-516.8	-539.5	-737.2	-931.6	-790.6
C. Financial Account: Net lending(+) / net borrowing (-)	-250.5	-119.1	-255.0	-257.6	-311.0	-219.9	-246.9	-165.8	-175.0	-280.1	-357.0	-253.2
Direct investment	0.0	0.0	0.0	0.0	0.0	3.5	7.6	0.0	0.0	0.0	0.0	6.0
Direct investment: assets	250.5	119.1	255.0	257.6	314.7	223.3	254.5	165.8	175.0	280.1	357.0	259.2
Direct investment: liabilities (FDI)	-7.5	-87.6	-5.9	-1.7	-1.0	-7.7	-3.2	-9.8	-12.0	-2.8	-2.3	-3.0
Portfolio investment	0.0	0.0	0.0	0.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio investment: assets	7.5	87.6	5.9	1.7	4.5	7.7	3.2	9.8	12.0	2.8	2.3	-3.0
Portfolio investment: liabilities	-21.1	-326.6	-136.4	-401.9	-336.8	-424.1	-708.6	-174.6	-575.5	-353.7	-506.8	-535.7
Other investment	28.5	2.5	-5.1	17.2	-0.2	-73.0	19.4	83.3	-111.5	50.3	32.8	9.7
Other investment: assets	28.5	2.5	-5.1	17.2	-12.9	-105.8	52.3	83.3	-111.5	50.3	32.8	49.4
of which NFA of Commercial banks												
Other investment: liabilities	49.6	329.0	131.3	419.1	336.6	351.1	728.0	257.9	464.0	404.0	539.6	545.4
o/w public sector current loans	0.0	124.1	13.4	14.2	154.4	232.1	214.8	13.8	175.4	252.7	223.4	237.3
o/w public sector project loans	61.7	98.1	96.9	523.6	153.5	140.0	172.0	310.3	338.6	146.7	156.0	162.5
o/w public sector amortization (current-project)	9.8	15.0	17.3	14.5	20.8	21.3	27.3	15.9	17.6	21.1	24.3	27.6
o/w private sector loans	85.0	149.9	148.4	168.4	133.2	72.9	449.7	158.4	150.8	103.1	261.3	267.0
o/w private sector amortization	93.2	78.9	133.4	283.8	82.3	72.6	81.1	208.6	183.1	77.5	76.9	93.9

Source: BNR

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