

BANQUE NATIONALE DU RWANDA
NATIONAL BANK OF RWANDA



OF RWANDA BANQUE NATIONALE DU RWANDA
DA NATIONAL BANK OF RWANDA BANQUE NAT
OF RWANDA BANQUE NATIONALE DU RWANDA

Table of Contents

Executive Summary.....	5
------------------------	---

Part I: Economic and financial development

Chapter I:	International economic environment.....	11
I.1:	Economic overview.....	11
I.2:	World Trade	13
I.3:	Interest rates and capital markets	14
Chapter II:	Development of the national economy	17
II.1:	Real sector	17
II.1.1	Gross Domestic Product	17
II.1.2	Prices	28
II.2:	Finance and public debt	36
II.2.1	General development of Government financial operations	36
II.2.2	Government revenues.....	37
II.2.3	Government expenditure.....	37
II.2.4	Budget deficit and deficit financing	38
II.2.5	Domestic public debt	39
II.3:	Monetary and financial sector.....	41
II.3.1	Development of money supply.....	41
II.3.2	Money supply counterparts	42
II.3.3	Development of interest rates	44
II.3.4	Extended monetary conditions	45
II.3.5	Overview of other financial intermediaries	46
II.3.6	Monetary developments and PRGF programme	47
II.4:	External sector	47
II.4.1	Balance of payments	47
II.4.2	Foreign debt	57

Part II: Activities of the Bank

Chapter III:	Activities Related to the Main Missions of the Bank	71
III.1:	Foreign exchange policies and transactions	71
III.1.1.	Foreign exchange policies	71
III.1.2.	NBR foreign exchange transactions	72
III.2:	Implementation of monetary policies	74
III.2.1.	Bank liquidity control	74
III.2.2.	Money market development	76
III.2.3.	Capital market development	79
III.3:	Management of special funds and lines of credit	81
III.3.1.	Special funds	81
III.3.2.	Lines of Credit	82

III. 4:	Foreign exchange reserves management	84
III.4.1.	Development of reserves management framework	84
III.4.2.	Development of NBR's foreign exchange assets	85
III.4.3.	Financial performance in financial year 2004	87
III.4.4.	Foreign exchange market	88
III.5:	Currency issuing activities	90
III.5.1.	Management of currency in circulation	90
III.5.2.	Control of counterfeit banknotes	92
III.5.3.	Clearing house	93
III.5.4.	Imports of banknotes and traveller's cheques	94
III.6:	Accounting operations	94
III.6.1.	Accounting management	94
III.6.2.	Budget management	95
III.7:	Banking and Financial System	96
III.7.1.	Supervisory activities by NBR	96
III.7.2.	Soundness of the banking and financial system	96
III.7.3.	Supervision of COOPECs and other microfinance institutions	99
III.7.4.	Information Exchange on risks and unpaid debts	100
III.7.5.	Payments system	101
Chapter IV:	Supporting Activities	103
IV.1:	Management of the Bank's Organs	103
IV.2:	Human Resources Management	107
IV.2.1.	Administrative system	107
IV.2.2.	Social policies	110
IV.2.3.	Medical care	110
IV.3:	Information Organization and Informations Systems	112
IV.4:	Auditing the Bank's Operations	114
IV.4.1.	Internal audit	114
IV.4.2.	External audit	117
IV.5:	Legal Matters	118
IV.6:	Security and Maintenance	118
PART III:	Financial Statement as at 31-12-2004	
Chapter V:	Comments on Financial Statements for Financial Year 2004	
V.1:	Introduction	123
V.2:	Analysis of balance sheet items	124
V.3:	Analysis of the profit and loss account	131
V.4:	Appropriation of the financial year result	134
Annex I:	Notes on Financial Statements.....	137
Annex II:	Statistics	157

Executive Summary

Taking advantage of the recovery of the world's economy which grew from 4% to 5.1% between 2003 and 2004, Rwanda's economy recorded a positive growth rate of 4% against 1% in 2003. Despite the poor performance of the primary sector due to the decline in agricultural production following unfavourable conditions of the weather and the energy crisis which marked the year 2004, Rwanda's real GDP recorded good result. This was mainly due to increased value addition in the secondary and tertiary sectors which recorded growth rates of 6% and 8% respectively.

Despite the moderate growth of money supply combined with strengthened discipline in budget performance, inflation rate stood at 10.2% by end December 2004 against 11.7% in 2003 on a year-to-year basis. Even though it registered some slight improvement compared to the previous year, this inflation rate was still high. To a large extent, this can be explained by the low supply of locally produced foodstuffs on the market and imported inflation from the explosion in oil prices. However, the indicator of the underlying inflation, which excludes certain very volatile prices from the general index, in this case the prices of foodstuffs, was confined to 6.5% in 2004 against 5.5% in 2003, levels which are quite close to the target of 5% spelt out in the 2004 economic programme.

With regard to public finance, current account deficit improved significantly from -38.8 billion RWF in 2003 to -16.8 billion RWF in 2004. This good performance was a result of increased Government generated revenues on the one hand, and continued efforts in terms of streamlining public current expenditure on the other hand.

Like public finance deficit, foreign current account deficit also improved from 5% of GDP in 2003 to 0.7% of GDP in 2004. This is mainly attributable to the significant levels of unrequited transfers received by the Government. Overall, the balance of payments recorded positive result of 107.9 million US\$ in 2004 against negative result of 35.7 million US\$ in 2003.

The stock of external public debt increased by 10.8% at the end 2004. This increase was the result of both new loan drawings recorded in 2004 amounting to about 100 million US\$ and the exchange effect resulting from the depreciation of the American dollar against borrowing currencies, particularly the SDR.

Developments in the monetary sector in 2004 were characterized by stabilization of monetary aggregates, appreciation of the Rwandan franc in relation to the American dollar, low growth of credit to the economy and a significant accumulation of foreign assets largely from foreign aid under budget support and project financing.

In fulfilling its main mission, National Bank of Rwanda continued to focus its action on the implementation of an appropriate monetary policy with a view to preserving price stability and the value of the national currency. In this regard, it applied a prudent monetary policy which was adapted to the recent economic situation in order to support the Government's economic policy as spelt out in the macro-economic programme of the Poverty Reduction and Growth Facility (PRGF).

The RWF average exchange rate against US\$ was stable in 2004, though with a slight downward trend. Between January and December 2004, the exchange rate dropped by about 2.58%. This stability is explained not only by the Bank's interventions on the foreign exchange market, but also by the

significant flows of foreign exchange from abroad to the commercial banks.

During financial year 2004, a number of activities were carried out as part of the prerequisites for the establishment of the capital market in Rwanda. These activities included particularly the following: the financial sector assessment study carried out by Belgium Bankers Academy (BBA), the recommendations of which were submitted to different partners involved in the project, namely MINECOFIN, MINICOM and NBR, as well as other potential participants in the capital market. The latter included CSR, insurance companies, financial banks and institutions and private sector operators, among others. In June 2004, the Capital Market Task Force was put in place and was given the responsibility of developing the capital market project. This Task Force was chaired by the Deputy Governor. As part of this exercise, the report of a study carried out by a group of Kenyan consultants on the feasibility of the project for implementation of Rwanda Stock Exchange was finalized.

Important changes were introduced in the management of NBR's foreign exchange reserves. Investment Guidelines were improved upon and almost entirely recast. The aim was to make them serve as a reference for any issues relating to reserve management and spell out clearly the responsibilities of different Bank authorities involved in this field.

For the first time, evaluation of the actual application of the provisions relating to risk management contained in the Investment Guidelines was carried out during the year under review. This evaluation was carried out with the support of a consultant from AFRITAC who suggested two important changes. The first change concerned the adoption of a new currency mix consisting of 55% US\$, 35% Euro and 10% GBP, compared to the previous composition of 48%, 40% and 12% respectively. This suggestion was motivated by the need to reduce foreign exchange risk resulting from excessive volatility of the Euro and the GBP recorded in 2004. The second change consisted of increased exposure to the private sector from 30% to 50% maximum, thus bringing down exposure to the public sector from 70% to 50%. It was indeed observed that during the period under review, the 30% maximum limit for the private sector represented a constraint on optimal return on the reserves which were, in fact, on the increase compared to the previous financial year.

Concerning money issuing activities, the programme for the introduction of new monetary instruments which started in 2002 continued in 2004. New coins of 1, 5, 10, 20 and 50 RWF and the 100 RWF banknote (three language version: French, English and Kinyarwanda) which were ordered in 2002 and delivered in 2003 and 2004, came into circulation on 26/04/2004. The new 5000 RWF banknote which was ordered in 2003 and delivered in 2004 is in circulation since 04/06/2004. Likewise, 35,000,000 banknotes of 1000 RWF and 15,000,000 banknotes of 500 RWF were ordered and delivered in 2004, and they came into circulation on 30/09/2004. It should be pointed out that coins issued before 2003 and the 5000 RWF banknotes issued in 1998 were demonetized on 31/12/2004 but will continue to be accepted at the Bank's counters until 31/12/2005.

Activities relating to the supervision of the banks and financial institutions focused on on-site inspections and off-site inspections. Three general inspections (in three commercial banks) and one exceptional inspection (in one non banking institution) were carried out in accordance with the established objective of inspecting at least four financial institutions in one year.

Constant audits and meetings between NBR and Management of different banks made it possible to review the situation in each one of them, establish appropriate recovery plans and assess implementation. Mention should also be made of the successful completion of the process of restructuring and privatization of Government shares in BCR and BACAR which started in 2003.

The portfolio of commercial banks' non performing loans was a matter of big concern for the Bank in 2004. Thus, in addition to its regular actions within the framework of its mission of supervision of the financial sector, NBR organized a meeting on 3rd February 2004 for all the authorities, both public and private, who had a role to play in finding a solution to the problem of non performing loans. This meeting was conducted jointly by the Minister of Justice and the Bank's Governor. The meeting made recommendations on concrete measures that should be taken in order to reduce the level of the non performing portfolio of commercial banks.

With regard to the coordination of the action plan on non performing loans, the banks published in newspapers for the first time, the names of all the debtors whose cases were before the court. In addition, obstacles to the procedure of blank credit were removed in July 2004 following the publication of a law to this effect in the Official Gazette of the Republic of Rwanda. Measures taken in 2004 contributed therefore to sharp improvement in the reduction of non performing loans during the year, which dropped from 32% in 2003 to 28% in 2004.

With regard to the supervision of COOPECs, NBR focused most of its efforts on activities relating to applications for registration, inspection, and sensitization of stakeholders in microfinance to the importance of complying with the regulations in general, and the 06/2002 and 5/2003 directives in particular, in addition to compliance with the practice of sound and prudent management. NBR received 205 applications in 2004, and 70 institutions were licensed to operate.

As part of the Modernization of the National Payments System, NBR's actions focused on monitoring the implementation of the recommendations of the report of the "stock-taking study" carried out by a Belgian firm, Horizon System, on the payments system. During the year, the electronic banking company SIMTEL, in which the Bank is an important shareholder, purchased the hardware for the installation of Points of Sale (POS) and ATMs (Automated Teller Machines), as well as the software used by the bank cards processing station. By end 2004, SIMTEL was at the testing stage of all the selected necessary equipment and software.

To continue strengthening its human resource capacities, the Bank reviewed its training policy and priority was given to professional training in relation to its main mission. In this regard, during financial year 2004, post graduate and professional studies, organized locally or through distance learning, were given priority considering that the Bank had decided to raise the educational level of its staff in technical fields.

In carrying out accounting reforms, the Bank adopted a new accounting system in 2004 in line with international accounting standards (IAS). This change was introduced as a result of the various economic reforms initiated by NBR in monetary and foreign exchange policies, as well as the developments in the banking profession at the international level.

The main objectives of internal audit in 2004 were to reassure its clients about the Bank's operations control, reliability of data, compliance with directives and protection of the Bank's assets. In this regard, the Bank carried out general and selective audits in its different departments, based essentially on risks and systems.

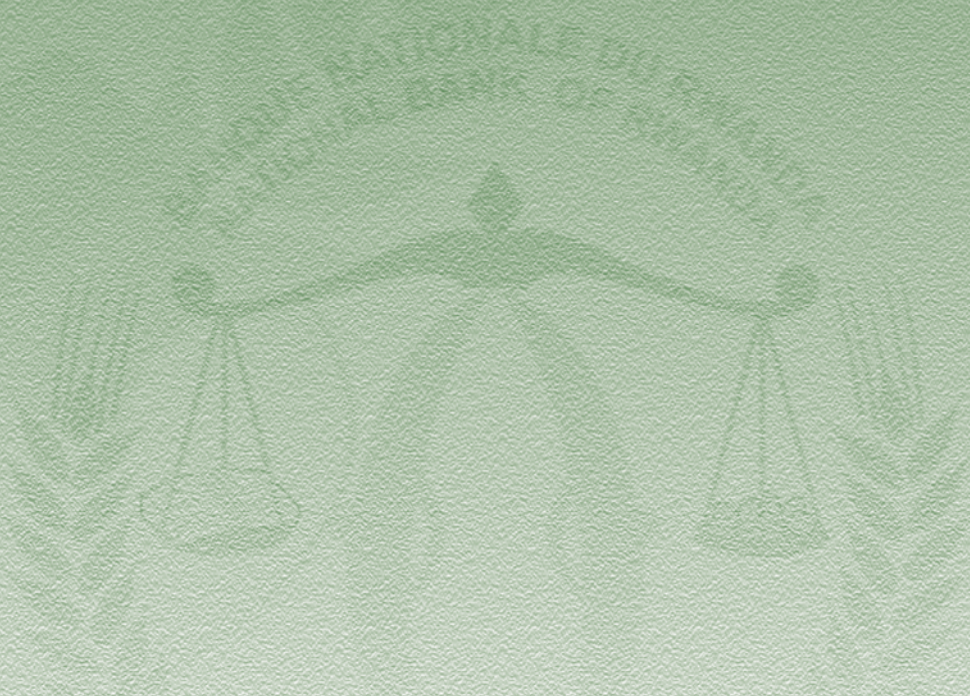
As part of the implementation of the recommendations of the IMF Safeguard Assessment Mission, a preliminary assessment mission of the risks facing the Bank in the fulfillment of its objectives was carried out by an external consultant. He identified the profile of the risks facing the Bank and classified its activities in three categories according to the importance of the risks they are facing: high risk activities, medium risk activities and low risk activities.

The College of Censors carried out an audit of the Bank's operations for the period January to June 2004, pursuant to Article 28 of Act No. 15/97 of 26th July 1997 establishing the Statutes of National Bank of Rwanda.

During financial year 2004 however, NBR operated in difficult working conditions and the year ended with negative net result of -929 million RWF. This was mainly due to the negative result of foreign exchange fluctuation rate following the appreciation of RWF and the movements of exchange rates between currencies on the international capital market. Apart from the loss on fluctuations of foreign exchange rates, the Bank's operations ended with net positive result of 698 million RWF.

Part I

Economic and Financial Development



Chapter I: International Economic Environment

I.1 Economic Overview

The world economic recovery which began in the summer of 2003 deepened in 2004. Despite turbulences on the oil market, the economic growth rate rose to 5.1%, driven particularly by the performance recorded by the American and Asian economies, including that of China.

In the United States, economic growth maintained its sustained rate, financial year 2004 ending with an average growth of 4.4% against 3% in 2003.

In the Euro zone, the growth recovery recorded during the second half of 2003 was consolidated in 2004 under the impetus of world trade, which contributed to the offsetting of the negative effects of the previous appreciation of the Euro. The Euro zone recorded a 2% growth.

Table 1: World economic growth (in %)

Description	2000	2001	2002	2003	2004
World	4.6	2.5	3.0	4.0	5.1
Developed economies	3.8	1.2	1.6	2.0	3.4
Leading developed economies	3.4	1.0	1.2	2.0	3.3
- United States	3.7	0.8	1.9	3.0	4.4
- Japan	2.4	0.2	-0.3	1.4	2.6
- European Union	3.7	1.8	1.2	1.2	2.5
including Euro Zone	3.6	1.6	0.9	0.5	2.0
Other developed economies	5.2	1.8	3.2	2.3	3.8
- NIC of Asia	7.9	1.3	5.3	3.1	5.5
Other market economies and DVCs PVD	5.8	4.2	4.7	6.4	7.2
- Africa	3.2	4.0	3.6	4.6	5.1
- Asia	6.5	5.8	6.5	8.1	8.2
- Western Hemisphere*	3.9	0.5	-0.1	2.2	5.7

Source: IMF, World Economic Outlook, April 2005, P. 201.

Japan's economy also recorded sustained economic recovery due to strong domestic demand and buoyant exports. Its growth rate rose to 2.6% against 1.4% the previous year.

In the emerging economies of Asia, economic growth maintained its vigour thanks to favourable monetary conditions and the demand from industrialized countries. The growth rate in these economies rose to 5.5% in 2004 against 3.1% in 2003.

The other emerging economies and the developing countries recorded an average growth rate estimated at 7.2% in 2004 against 6.4% in 2003. In Africa, economic activity recovered, taking advantage of favourable weather conditions and the good performance of international trade and terms of trade. The continent's growth rate was estimated at 5.1% against 4.6% in 2003.

Table 2: Economic growth of neighbouring countries and COMESA countries (in %)

Description	2000	2001	2002	2003	2004
Africa	3.2	4.0	3.6	4.6	5.1
Angola	3.0	3.1	14.4	3.4	11.2
Burundi	-0.9	2.1	4.5	-1.2	5.5
Comoros	2.4	2.3	2.3	2.1	1.9
Djibouti	0.7	1.9	2.6	3.5	3.0
Eritrea	-13.1	9.2	0.6	3.0	1.8
Ethiopia	5.4	7.7	1.6	-3.9	11.6
Kenya	-0.1	1.1	1.1	1.6	3.1
Madagascar	4.7	6.0	-12.7	9.8	5.3
Malawi	0.8	-4.1	2.1	3.9	4.3
Mauritius	6.1	7.1	3.4	3.0	4.4
Namibia	3.5	2.2	2.5	3.7	4.4
DRC	-6.9	-2.1	3.5	5.7	6.8
Rwanda	6.0	6.7	9.4	0.9	4.0
Seychelles	4.3	-2.2	1.3	-6.3	-2.0
Sudan	6.9	6.1	6.0	6.0	7.3
Swaziland	2.0	1.7	2.8	2.4	2.1
Tanzania	5.1	6.2	7.2	7.1	6.3
Uganda	5.6	4.9	6.8	4.7	5.9
Zambia	3.6	4.9	3.3	5.1	5.0
Zimbabwe	-7.3	-2.7	-6.0	-10.0	-4.8

Source: IMF, World Economic Outlook, April 2005, P208.

Despite increases in oil prices, inflation was curbed at the world level and in major economic regions. In the United States, inflation rate increased to 2.7% against 2.3% in 2003. In the Euro zone, it was 2.2%, a level which is slightly higher than the convergence criterion of the European Bank of 2%.

Table 3: Inflation by region (annual change in %)

Description	2000	2001	2002	2003	2004
Developed countries	2.2	2.1	1.5	1.8	2.0
United States	3.4	2.8	1.6	2.3	2.7
Euro Zone	2.1	2.4	2.3	2.1	2.2
Japan	-0.9	-0.7	-1.0	-0.2	-0.2
Other developed economies	1.8	2.1	1.7	1.8	1.8
Other market economies and DVCs	7.1	6.7	6.0	6.0	5.7
Africa	13.0	12.1	9.8	10.6	7.7
Asia	1.9	2.7	2.1	2.6	4.2

Source: IMF, World Economic Outlook, April 2005, P. 212.

For the sixth consecutive year, Japan recorded a deflation of about 0.2% as a result of maintaining the 0% discount rate policy applied by the Bank of Japan in order to sustain economic activity.

Within the emerging economies and the developing economies, inflation continued its downward trend and stood at 5.7% against 6% in 2003. In Africa, the level of inflation dropped significantly

to 7.7% against 10.6% in 2003, thanks to good economic performance recorded particularly in the agricultural sector.

I.2. World Trade

According to IMF estimates, world trade doubled its performance since 2003 and recorded an annual growth rate of 4.9% against 3.3% in 2002. In 2004, this performance was 9.9% and was stimulated by American and European imports.

Table 4: Development of world trade (annual change in %)

Description	2000	2001	2002	2003	2004
Trade of goods and services					
- Volume	12.4	0.2	3.3	4.9	9.9
- Deflators in dollars	-0.5	-3.4	1.1	10.7	9.4
Trade in volume					
- Exports					
Developed economies	11.7	-0.7	2.2	2.8	8.1
Emerging countries and developing countries	14.4	3.4	6.7	10.7	13.8
- Imports					
Developed economies	11.7	-0.8	2.6	3.6	8.5
Emerging countries and developing countries	15.2	3.4	6.1	8.9	15.5
- Terms of trade					
Developed economies	-2.5	0.2	1.0	0.8	-0.4
Emerging countries and developing countries	6.6	-2.9	1.0	-0.5	3.3
Trade of goods					
World trade					
- Volume	13.2	-0.3	3.5	5.3	10.7
- Deflators in dollars	0.1	-3.7	0.6	10.7	9.6
World prices in dollars					
- Manufactured goods	-5.7	-3.2	2.5	13.4	8.8
- Oil	57.0	-13.8	2.5	15.8	30.7
- Non oil commodities	4.5	-4.1	0.8	7.1	18.8

Source: IMF, World Economic Outlook, April 2005, P. 229.

Growth of external trade of goods in Sub-Saharan Africa continued its steady climb in terms of volume and value that began in 2003. Exports increased by 7.1% in volume and by 29.9% in value, while imports grew by 8.5% and 26.3% in volume and value respectively. The terms of trade in this part of the African continent improved significantly by 4.1% against 3.1% in 2003 thanks to the faster increase in export unit prices compared to import unit prices.

Table 5: External trade of goods in Sub-Saharan Africa (annual change in %)

Description	2000	2001	2002	2003	2004
Value in American dollars					
Exports	25.7	-7.4	3.1	26.2	29.9
Imports	4.2	1.8	7.7	23.8	26.3
Volume					
Exports	12.3	0.4	0.7	6.7	7.1
Imports	1.3	6.3	6.6	7.9	8.5
Unit value in dollars					
Exports	11.7	-7.6	2.5	18.9	21.3
Imports	3.3	-4.0	1.5	15.3	16.5
Terms of trade	8.2	-3.8	1.0	3.1	4.1

Source: IMF, World Economic Outlook, April 2005, P. 233.

According to IMF estimates, world commodity prices (foodstuffs, beverages, agricultural raw materials and metals), which are the major exports of Sub-Saharan Africa, increased significantly by about 18.8% in 2004 against 7.1% in 2003. Prices of agricultural raw materials in particular increased by 6% against 3.7% in 2003.

However, these countries, most of which are oil importers, were negatively affected by oil prices explosion. From less than 30 dollars at the beginning of 2004, the price of one oil barrel rose constantly and reached the historical mark of 50 dollars in the third quarter. This significant rise was the result of the high world demand which was greatly driven by production excess capacity of China's economy, in the context of geopolitical uncertainties in many oil producing countries.

I.3. Interest Rates and Capital Markets

In the monetary sector, year 2004 marked the beginning of the tightening up of monetary conditions at the world level. In the United States, the Federal Reserve reviewed its Bank rate by 25 basis points upwards three times between June and September. Long term as well as short term interest rates also rose by 4.3% and 1.4% respectively in 2004, against 4% and 1% in 2003.

Table 6: Interest rates development (annual percentage)

Description	2000	2001	2002	2003	2004
LEADING INTEREST RATES					
- United States	6.4	1.8	1.2	1.0	2.2
- Japan	0.2	0.0	0.0	0.0	0.0
- Euro Zone	4.8	3.3	2.8	2.0	2.0
- United Kingdom	6.0	4.0	4.0	3.8	4.8
- Canada	5.8	2.3	2.8	2.8	2.5
SHORT TERM INTEREST RATES					
Developed countries	4.4	3.2	2.0	1.6	1.8
- United States	6.0	3.5	1.6	1.0	1.4
- Japan	0.2	0.0	0.0	0.0	0.0
- Euro Zone	4.4	4.2	3.3	2.4	2.1
- United Kingdom	6.1	5.0	4.0	3.7	4.6
- Canada	5.5	3.9	2.6	2.9	2.2
- NIC of Asia	4.6	3.7	0.7	3.0	3.8
LONG TERM INTEREST RATES					
Developed countries	5.0	4.4	4.2	3.7	3.9
- United States	6.0	5.0	4.6	4.0	4.3
- Japan	1.7	1.3	1.3	1.0	1.5
- Euro Zone	5.5	5.0	4.9	4.2	4.2
- United Kingdom	5.0	5.0	4.8	4.5	4.8
- Canada	5.9	5.5	5.3	4.8	4.6
- NIC of Asia	6.9	5.0	4.9	4.8	5.0

Source: IMF, World Economic Outlook, April 2005, P.225.

In the Euro zone, monetary and financial conditions remained almost unchanged due to the stability of the Euro exchange rate and low levels of inflation. The bank rate as well as the long term interest rates remained at their 2003 level, i.e. 2% and 4.2% respectively. Short term interest rates dropped from 2.4% in 2003 to 2.1% in 2004. This performance reflected the improvement of growth despite the geopolitical uncertainties and oil price increases which continued to fuel tensions on the capital markets.

In Asia, Bank of Japan reduced its interventions on the foreign exchange market in March, putting an end to its expansionist monetary policy. Long term interest rates rose slightly to 1.5% against 1% in 2003.

On the foreign exchange market, the depreciation of the dollar against all major currencies continued, resulting in a big loss on exchange for all the banks in the world which had built up their reserves in the American currency. In 2004, the dollar depreciated by 8.9% against the Euro, by 10.9% against the British pound and by 7.1% against the Japanese yen.

Table 7: Exchange rates of major currencies (in monetary units)

Description	2000	2001	2002	2003	2004
	(American dollars per monetary unit)				
Euro	0.92	0.90	0.94	1.13	1.24
Pound Sterling	1.52	1.44	1.50	1.63	1.83
	(Monetary unit for one US dollar)				
Canadian Dollar	1.49	1.55	1.57	1.40	1.30
Japanese Yen	107.7	121.5	125.2	115.8	108.1

Source: IMF, World Economic Outlook, April 2005, P.226.

Chapter II: National Economy Development

II.1 Real Sector

II.1.1 Gross Domestic Product

1. Resources

Gross Domestic Product grew by 4% in real terms against 1% in 2003. This growth was due to good performance of the secondary sector (6%) and tertiary sector (8%), which offset significantly the poor performance of the agricultural sector.

Per capita GDP in Rwandan francs at the current prices grew by 7%, rising from 114 to 122.4 thousand RWF. However, when expressed in US dollars, it stagnated at 212 USD between 2003 and 2004.

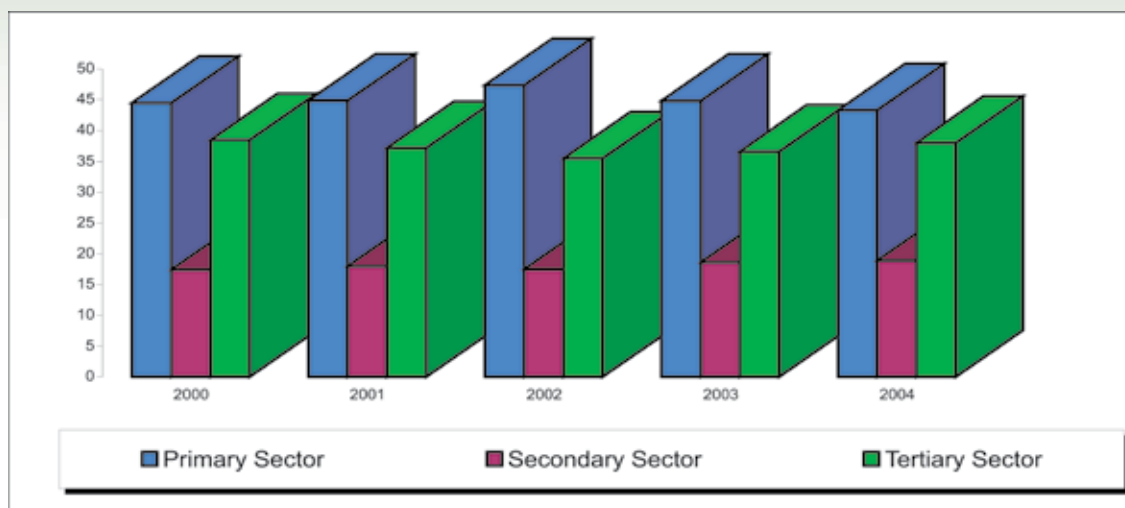
Table 8: Development of resources and uses of GDP (in millions of RWF, at the 1995 constant prices)

Description	2000	2001	2002	2003	2004
RESOURCES					
Primary sector	244,445	260,792	300,416	286,820	288,974
Secondary sector	95,590	104,491	110,904	118,953	125,959
Tertiary sector	211,243	216,041	224,971	234,057	253,757
Production attributable to banking services	9,855	10,153	11,250	12,488	13,462
Import taxes	7,487	9,679	11,171	11,785	11,808
GDP	548,911	580,849	633,704	639,128	667,036
USES					
Final consumption	518,514	545,701	620,431	606,492	637,571
Investment	99,490	107,745	116,913	137,204	129,997
Exports ((G&NFS)	22,451	32,653	28,016	33,360	33,935
Less imports (G&NFS)	91,544	105,250	132,656	137,927	134,466
For the record					
Current GDP per capita, - in RWF	81,909	96,792	103,797	113,927	122,447
- in USD	210	218	218	212	212

Source: MINECOFIN, Department of Statistics

Despite the poor performance of the primary sector in the past two years, the structure of GDP remained unchanged. The agricultural sector kept its leading position with 43% of GDP, followed by the tertiary sector with 38% and the secondary sector with 19%.

Graph 1: Resource structure (in percentage of GDP at the 1995 constant prices)



Source: MINECOFIN, Department of Statistics

A. Primary Sector

After a fall of 4% in 2003, value added in the primary sector at the 1995 constant prices rose by 0.8% in 2004. This rise was the result of remarkable performance in the production of cash crops and in the mining sector which recorded an increase of 43% and 87% respectively, offsetting the decline of 1% in food production.

Table 9: Value added in the primary sector (in millions of RWF, at the 1995 constant prices)

Description	2000	2001	2002	2003	2004
Agriculture	211,019	225,465	261,546	249,556	250,401
of which : - food crops	204,177	217,644	253,394	243,438	241,791
- cash crops	6,842	7,820	8,152	6,018	8,610
Livestock	22,859	23,813	24,660	25,399	25,701
Fisheries	1,813	1,958	1,978	1,997	1,997
Forestry	7,545	8,148	8,397	8,653	8,601
Mining	1,208	1,408	1,328	1,214	2,273
Total	244,445	260,792	297,908	286,820	288,974

Source: MINECOFIN, Department of Statistics

A.1. Agriculture

Agriculture accounted for 87% of total production of the primary sector, and its value added at the 1995 constant prices increased slightly by 0.3% in 2004 after a decline of 5% in 2003.

a) Food production

Food production performed poorly in the last two years. Its value added at the 1995 constant prices dropped once again by 1.1% in 2004 against, however, a decline of 4.5% in 2003. This poor performance was the result of irregular rainfall in the whole country. Although the country had abundant rains from end February 2004, they stopped prematurely by beginning May.

In the high altitude regions, heavy rains caused erosion and floods, affecting particularly crops in market gardening zones and in valleys.

Table 10: Food production development (in thousands of tonnes)

Description	2000	2001	2002	2003	2004
Bananas	2,151	2,103	2,785	2,411	2,470
Tubers	2,881	2,915	3,485	3,111	3,030
Sweet potatoes	1,026	1,137	1,292	865	1,073
Irish potatoes	954	989	1,039	1,100	908
Cassava	812	688	1,031	1,008	912
Cocoyam (taro)	88	101	123	139	136
Cereals	235	293	305	294	315
Sorghum	155	175	184	170	164
Maize	63	92	92	81	88
Rice (paddy)	11	18	22	28	46
Wheat	6	8	7	15	17
Leguminous plants	252	330	291	288	244
Beans	215	290	247	240	198
Garden peas	14	17	16	18	16
Groundnuts	15	16	10	10	13
Soya	7	7	17	20	17
Market gardening & fruit production	83	186	234	714	693
TOTAL	5,601	5,826	7,099	6,818	6,751

Source: MINAGRI, Department of Agricultural Statistics

Bananas

Banana production, which accounted for 37% of total food production, increased slightly by 2% in 2004, following a difficult year of 2003 when production fell by 13%. Some plantations affected by black Sigatoka recovered thanks to the efforts of MINAGRI in fighting this disease which had seriously affected the yield and quality of this crop.

Leguminous Plants

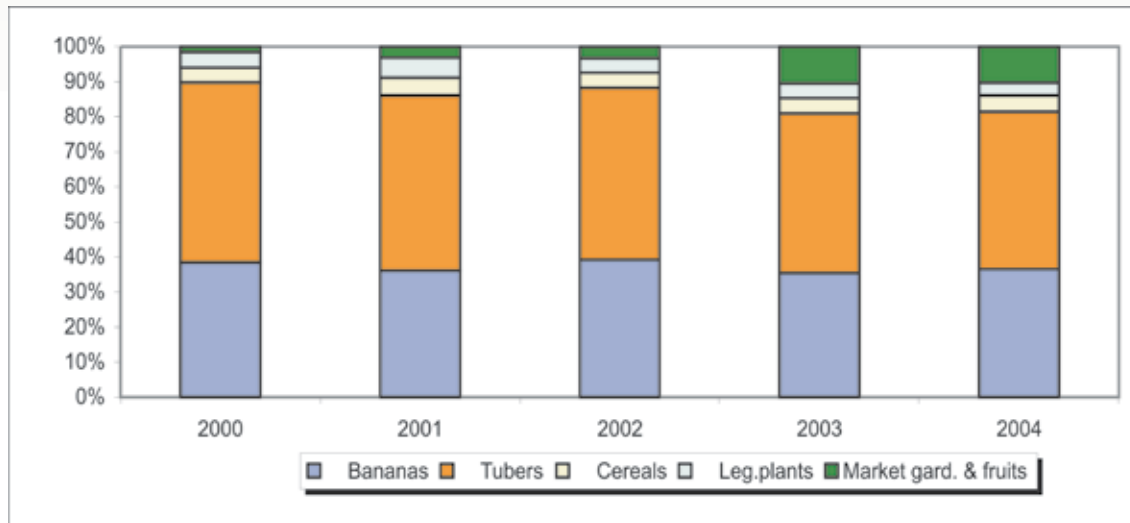
The downward trend observed for some time in the production of leguminous plants became more marked in 2004 with a new decline of 15%. Production of leguminous plants was the most affected by heavy rains in high altitude regions, which are the most productive of these crops. Production of beans, which accounted for 81% of total production of leguminous plants, fell by 17%. Even the production of the mostly marshland produced soya beans dropped by 16%.

Cereals

Production of cereals recorded a rise of 7% during the year under review, despite the decline of 4% in sorghum production which accounted for 52% of total cereal production. This general good performance was due, among other things, to the efforts of MINAGRI in the promotion of production of some cereals such as rice, by increasing cultivated area. Production indeed rose by 64% in 2004. Maize production, accounting for 28% of total cereal production, recorded also good performance, with an increase of 10%.

Wheat production rose from 15,000 tonnes in 2003 to 17,000 tonnes the following year, representing an increase of 10%. Wheat producers were highly motivated by the demand of the wheat flour production plant (SOTIRU) which has been operating in Ruhengeri for some time.

Graph 2: Structure of food production (by categories and in percentages of total production)



Source: MINAGRI, Department of Agricultural Statistics

Tubers

For the second consecutive year, production of tubers recorded a drop of 3% in 2004 against a decline of 11% in 2003. However, tubers maintained their importance, accounting for 45% of total food production.

Nonetheless, the general downward trend hides certain disparities. Production of sweet potatoes, representing 35% of total production, increased by 24%, while production of other tubers was affected by weather vagaries and recorded significant decline: 17% for Irish potatoes and 9% for cassava.

Market Gardening and Fruit Production

After an exceptionally good crop and an increase of 205% in 2003, market gardening and fruit production declined by 3% in 2004, a poor performance due to unfavourable climatic conditions.

Export Crops

Production of export crops recorded remarkable performance in the year under review thanks to a particularly good coffee season compared to the previous year. In terms of volume, production of ordinary coffee recorded 28.8 thousand tonnes in 2004 against 14.2 thousand tonnes in 2003, representing an annual increase of 102.8%. Production of high quality (fully washed) coffee performed remarkably as well with an increase of 62.3% in 2004, amounting to 542 tonnes against 334 tonnes in 2003.

The high increase in coffee production was essentially linked to the tremendous efforts of Government in providing better support services to coffee farmers, who were also motivated by the increase in coffee prices on the world market. Furthermore, according to OCIR-CAFÉ experts, coffee trees had reached the phase of better yield in their production cycle.

Unlike coffee, tea production in the Northern region (Byumba) was affected by a cold and violent wind which parched the green leaves and affected tea production and tea quality. Production fell by 8% in 2004.

Production of pyrethrum faced a rather difficult year. Although it had a big stock of pyrethrum flowers, SOPYRWA factory operated only in January and February due to lack of an important reagent and energy problems. Production of pyrethrum extracts fell from 15 tonnes in 2003 to 2 tonnes only in 2004.

Table 11: Production of export crops (in tonnes)

Description	2000	2001	2002	2003	2004
Marketable coffee	16,098	18,267	19,427	14,175	28,762
Ordinary	16,098	18,799	19,397	13,841	28,246
Fully washed	-	-	30	334	542
Dry tea	14,391	17,814	14,948	15,483	14,91
Pyrethrum extracts *	-	22	13	15	2

Source: OCIR THE & OCIR CAFÉ, SOPYRWA

*: Production of pyrethrum extracts refers to January and February 2004.

A.2. Animal production

The upward trend observed for some time in the animal production sector was maintained in 2004, with a moderate increase of 1.25% of its value added. Meat production increased by 5% and milk by 4% as a result of increased cattle stock which was estimated at 3%.

Table 12: Animal production development

Description	2000	2001	2002	2003	2004
Meat (thousands of tonnes)	34.9	35.1	37.1	41.5	43.6
Cattle	10.9	9.9	10.7	12.5	14.2
Goat	5.7	5.5	6.5	6.7	6.7
Sheep	1.6	1.6	1.6	2.1	2.3
Pork	14.7	16.5	15.3	17.3	16.2
Rabbit	0.3	0.5	0.6	0.5	0.7
Poultry	1.7	1.1	2.4	2.4	3.4
Milk (millions of litres)	35.1	36.2	73.9	127.1	132.2
Eggs (tonnes)	1,438	589	1,256	1,284	1,805

Source: MINAGRI, Department of Agricultural Statistics

Egg production performed remarkably well in the year under review, with an increase of 40% compared to 2003, reflecting a significant growth in layers farming.

In terms of livestock numbers, with the exception of sheep which increased by 8% in 2004, the other species increased moderately between 2 and 3%.

Table 13: Development of livestock numbers (in heads)

Description	2000	2001	2002	2003	2004
Cattle	732,123	796,058	815,450	980,477	1,006,573
Goat	248,345	829,023	919,785	941,127	961,812
Sheep	378,261	261,905	300,640	351,956	380,557
Pork	177,220	185,674	207,783	211,939	214,701
Poultry	1,277,706	755,254	2,432,449	2,481,104	2,519,568
Rabbit	338,616	457,745	488,629	498,402	506,927

Source: MINAGRI, Department of Agricultural Statistics

A.3. Forestry

The measures taken by Government for environmental protection by restricting forest harvesting have for some time affected forestry activities. Value added in this sector fell by 0.6% in 2004 when, in 2003, it had recorded an increase of 1.3%.

A.4. Mining

In the year under consideration, mining and quarrying recorded exceptional performance with an increase of 87% of value added and 123% of the volume of production of major metals. The rise in the price of tin on the world market stimulated the mining of this ore and its volume more than doubled, rising from 1458 tonnes in 2003 to 3554 tonnes in 2004. Production of other metals also increased compared to 2003, by 18% for coltan and 31% for wolfram.

Table 14: Development of the production of major metals (in tonnes)

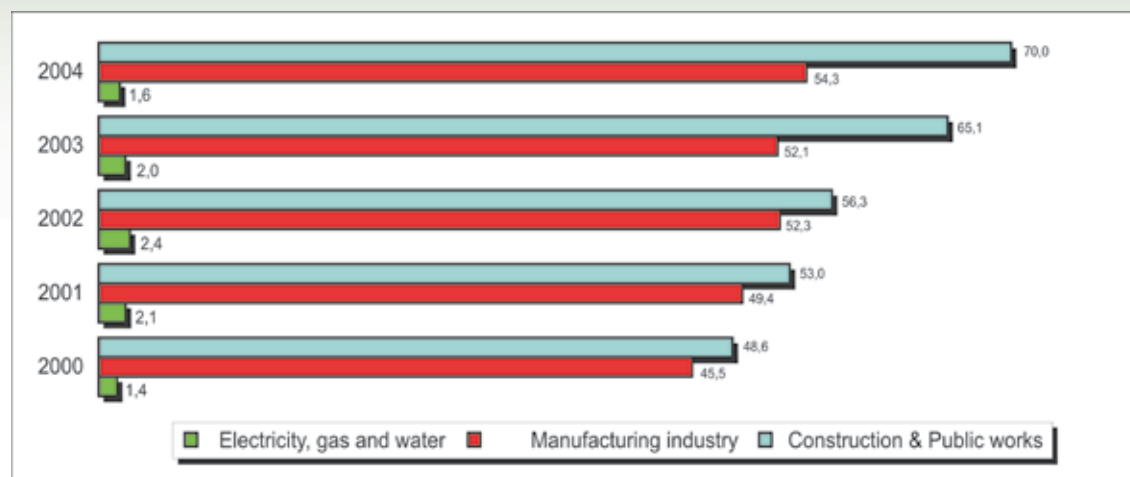
Description	2000	2001	2002	2003	2004
Tin	365	555	672	1458	3554
Colombo tantalite	360	395	277	187	220
Wolfram	144	162	325	120	157
TOTAL	869	1112	1274	1765	3931

Source: MINECOFIN, Department of Statistics

B. Secondary Sector

Although the sub-sectors of electricity, water and gas as well as textile recorded a fall of 20.36% and 24.78% respectively, value added in the secondary sector at the 1995 constant prices increased from 119.25 billion RWF in 2003 to 125.96 billion RWF in 2004, representing a growth of 5.62%. This growth was attributed largely to two main subsectors, namely Construction and Public Works and Agro-industry, which recorded an increase of 7.50% and 3.42 of value added respectively.

Graph 3: Value added in the secondary sector by branch of activity (in billions of RWF at the 1995 constant prices)



Source: MINECOFIN, Department of Statistics

B.1. Manufacturing Industry

Value added in the manufacturing sector increased by 4.2% in 2004 against a fall of 0.3% in 2003. This performance was attributed mainly to agro industry, the main sub-sector, which recorded a growth rate of about 3.42% of its value added.

Production in other industries recorded also significant performance, with the exception of the textile industry which experienced a significant fall of 24.78% of its value added.

Table 15: Value added by type of industry (in millions of RWF, at the 1995 constant prices)

Description	2000	2001	2002	2003	2004
Food	37,945	40,798	43,047	41,011	42,413
Chemical	964	1,313	1,604	2,339	3,005
Paper	584	596	608	652	653
Metal	1,087	1,153	1,199	1,283	1,404
Non metal	2,697	3,165	3,431	4,398	4,463
Wood	1,350	1,401	1,477	1,555	1,679
Textile	791	830	754	690	519
Others	130	144	150	160	185
TOTAL	45,547	49,401	52,270	52,088	54,321

Source: MINECOFIN, Department of Statistics

The manufacturing industry was an important component and accounted for 43.13% of total value added in the secondary sector against 43.68% in 2003, while the share of construction increased from 54.62% of total value added in the sector to 55.59%.

It is worthy noting that production in some major agro industries recorded significant increases. This was the case particularly with coffee, sugar, soft drinks and beer, which recorded 108.34%, 21.57%, 11.92% and 6.22% respectively.

However, for the first time since 1999, production at Cyangugu cement plant fell from 110 to 108 thousand tonnes between 2003 and 2004, representing a drop of 2.04%, in spite of the domestic

demand which was sustained by the growth in private construction industry and public works programmes. This poor performance was mainly due to the energy crisis which affected the plant during 2004.

Table 16: Development of production in major industries

Description	2000	2001	2002	2003	2004
Animal feed (in tonnes)	3,118	3,264	3,362	3,563	n.a
Modern beer (in '000 litres)	44,244	47,961	53,993	41,228	43,793
Confectionery (in tonnes)	12,600	12,978	13,367	13,902	n.a
Banana wine (in '000 litres)	1,033	1,020	1,081	1,113	1,147
Sorghum beer (in '000 litres)	355	382	403	415	427
Soft drinks (in litres)	20,778	22,842	21,407	19,279	21,577
Cigarettes (in millions of units)	327	278	391	324	365
Textile (in mètres)	9,934	10,431	3,684	4,254	3,921
Skins and hides (in tonnes)	1,742	1,829	1,883	1,940	n.a
Paint (in tonnes)	1,041	1,363	1,745	2,422	1,970
Cement (in tonnes)	70,716	88,161	100,568	110,104	107,860
Corrugated iron sheets (in tonnes)	5,435	4,532	3,993	2,786	n.a
Coffee (in tonnes)	16,098	18,268	19,546	13,805	28,762
Tea (in tonnes)	14,481	17,817	15,879	15,437	14,193
Sugar (in tonnes)	1,068	6,363	6,589	6,791	8,256
Soap (in tonnes)	5,867	6,043	5,571	7,880	3,921
PVC pipes (in tonnes)	3,578	3,864	3,091	326	n.a

Source: MINECOFIN, Department of Statistics

B.2. Electricity, Gas and Water

Value added in the sub-sector of energy and water recorded a significant decrease of about 20.4%, falling from 2.03 to 1.62 billion RWF between 2003 and 2004. This fall was mainly due to the problem of low water level in rivers and lakes which supply Ntaruka, the main hydroelectric source in the country. Production of electricity stood at 83.1 million kWh in 2004 compared to 117.6 million kWh in 2003, while water production fell from 19 to 18 million m³, representing a drop of 29.3% and 5.3% respectively.

Table 17: Production and availability of electricity, gas and water

Déscription	2000	2001	2002	2003	2004
1. ElectricitY (In millions OF kwh)					
NATIONAL ProduCTION	109.9	89.3	92.8	117.6	83.1
ExportS	1.1	1.4	8.4	3.3	1.9
ImportS	94.1	121.5	136.0	120.9	106.8
AVAILABLE ElectricitY	202.9	209.4	225.8	235.2	188.0
2. TREATED WATER (In millions OF m ³)	16.0	16.0	16.8	19.0	18.0
3. METHANE GaS (In millions OF Nm)	1.4	0.8	0.9	0.3	0.2

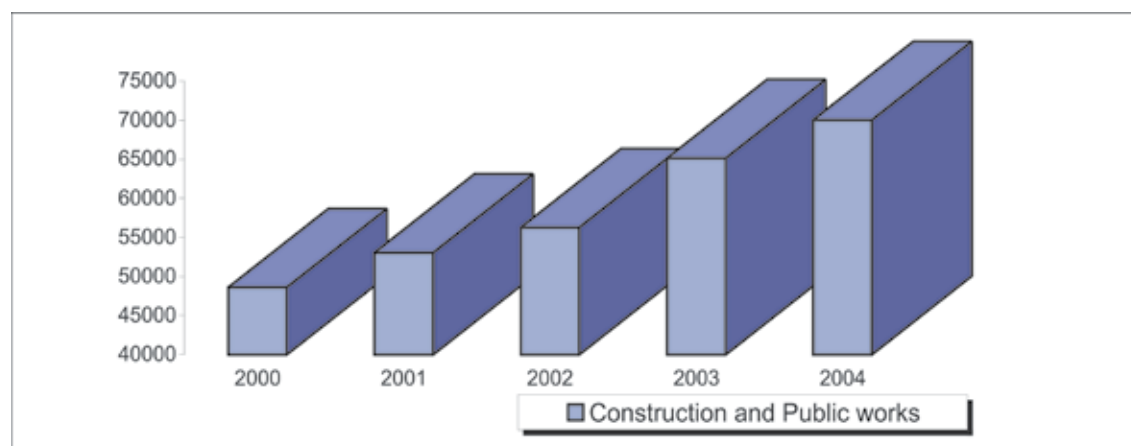
Source: ELECTROGAZ & METHANE GAS PRODUCTION UNIT

Gas production decreased from 0.3 million Nm in 2003 to 0.2 million Nm in 2004, a fall of 33.3%. This situation was attributed to the run-down state of the machinery. The equipment used in the exploitation of gas in Lake Kivu dates back to 1963 and no new investment has been made since then.

B.3. Construction and Public Works

As in the previous years, the construction and public works sub-sector continued to grow and its contribution to the national economy was remarkable. Its value added rose from 65.13 to 70.02 billion RWF between 2003 and 2004, representing an increase of 7.5%, mainly due to the construction and rehabilitation of the road infrastructure. Among the most important to mention are the roads in the town of Kigali, and the rehabilitation of the Kigali-Kayanza and Gitarama-Butare-Akanyaru roads.

Graph 4: Added value in the construction and public works sub-sector (in millions of RWF, at the 1995 constant prices)



Source: MINECOFIN, Department of Statistics

C. Tertiary Sector

In terms of value added, the share of the tertiary sector in GDP rose to 38.04% in 2004 from 36.5% in 2003. This development was due to the accelerated growth of the service sector at a time when the primary sector tended rather to stagnate.

Table 18: Value added in the tertiary sector (in millions of RWF, at the 1995 constant prices)

Description	2000	2001	2002	2003	2004
Tradable services	158,661	168,078	177,723	181,010	195,403
Domestic trade	49,778	47,579	49,125	48,296	49,767
Transport & Communication	38,967	42,454	45,340	46,391	54,092
Finance	15,649	15,640	15,562	15,484	17,039
Others	58,141	60,482	62,642	70,839	74,505
Nonmarket services	49,972	50,189	50,420	53,660	58,354
Public Administration & Defense	44,387	44,552	45,167	48,029	52,160
Non profit making associations & NGOs	4,728	5,108	5,363	5,631	6,194
TOTAL	211,649	215,814	223,198	234,670	253,757

Source: MINECOFIN, Department of Statistics

C.1. Tradable Services

Value added in Tradable services rose to 195.40 billion RWF in 2004 against 181.01 billion RWF in 2003, representing an increase of 7.95%. Tradable services constitute the most important sub-sector and account for more than 77% of the tertiary sector.

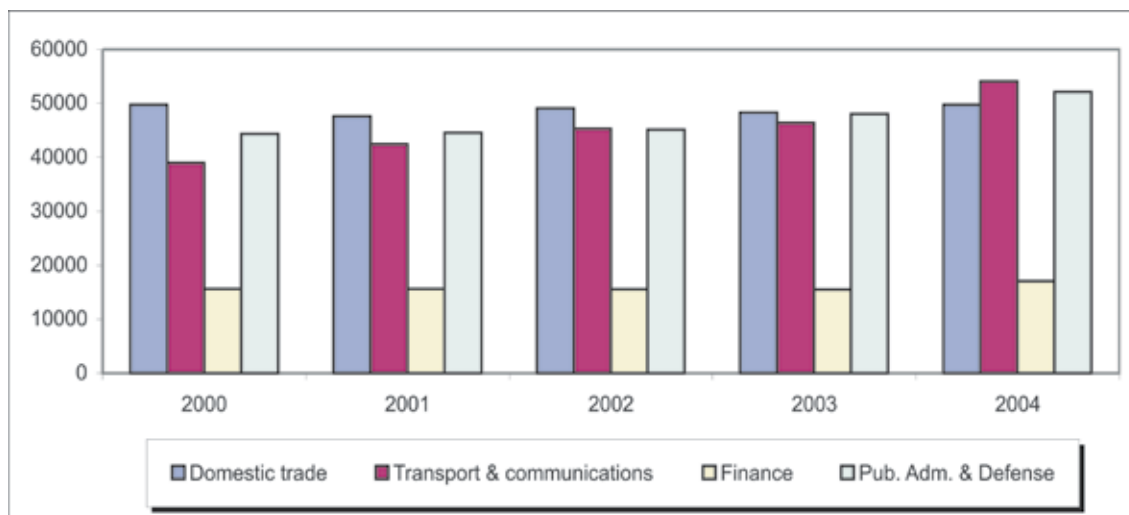
Overall, the main activities in the tradable services sub-sector, namely trade, transport, communications and finance, performed well in 2004, recording value added growth rates of 3.05%; 16.60% and 20.5% respectively.

C.2 Nonmarket Services

With regard to the nonmarket services sub-sector, which consists mainly of services rendered to communities by Government and various non-profit making associations and NGOs, value added accounted for 22.99% of the tertiary sector against 22.87% in 2003, a slight increase of 0.12 percentage points.

Public administration still constituted the most important activity in this sub-sector, and its value added recorded a growth rate of 8.60% in 2004 against 6.34 in 2003. Value added in the services offered by non-profit making associations and institutions recorded a growth rate of 10% against 4.99% in 2003.

Graph 5: Value added in the major activities of the tertiary sector (in millions of RWF, at the 1995 constant prices)

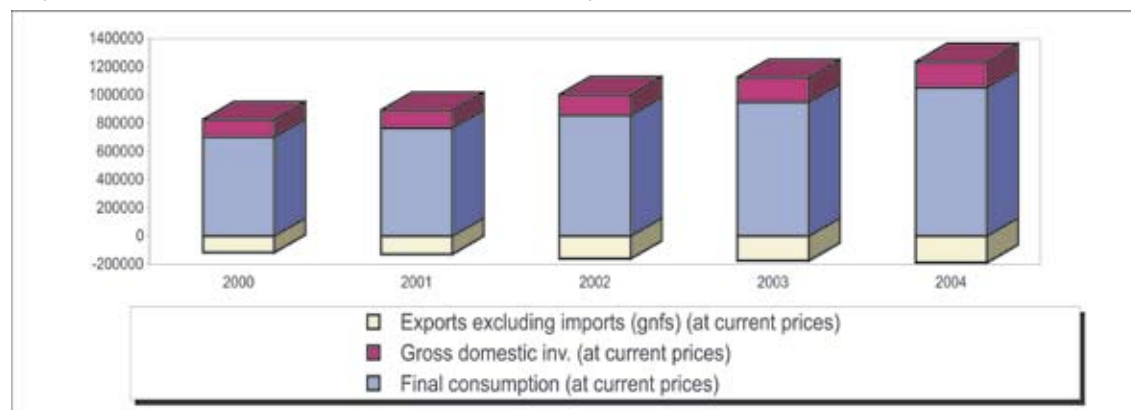


Source: MINECOFIN, Department of Statistics

2. Uses

Final consumption recorded an increase of about 10.79% in 2004 against 10.87% in 2003. This increase was mainly due to an increase of 11.12% in private sector expenditure which rose from 862.1 to 957.9 billion RWF between 2003 and 2004. Increase of public sector consumption was relatively low, about 7.6% against 17.5% in 2003.

Graph 6: Structure of real GDP uses (in millions of RWF, at current prices)



Source: MINECOFIN, Department of Statistics

At current prices, gross domestic investments increased at an estimated rate of 5.1% in 2004 against 18.8% in 2003. This low increase was mainly due to the less strict increase in construction-related expenditure.

Table 19: Structure of GDP uses (in millions of RWF, at current prices)

Description	2000	2001	2002	2003	2004
A. Final consumption	702,848	765,835	857,926	951,180	1,053,788
Public consumption	60,945	69,568	75,805	89,091	95,832
Private consumption	641,903	696,267	782,121	862,089	957,956
B. Gross domestic investments	122,659	127,705	146,198	173,685	182,561
Construction	111,838	116,312	129,106	151,892	162,283
Equipment	10,821	11,393	17,092	21,793	20,278
C. Resource balance	-116,641	-127,219	-160,402	-174,723	-188,601
Exports	42,923	63,554	60,883	61,129	76,636
Imports	159,565	190,774	221,285	235,853	265,237
Current GDP	708,866	766,320	843,722	950,141	1,047,748

Source: MINECOFIN, Department of Statistics

As in the previous years, the balance of resources continued to worsen, its deficit amounting to 188.6 billion RWF in 2004 against 174.7 billion in 2003. This decline was the result of imports increasing more significantly than exports.

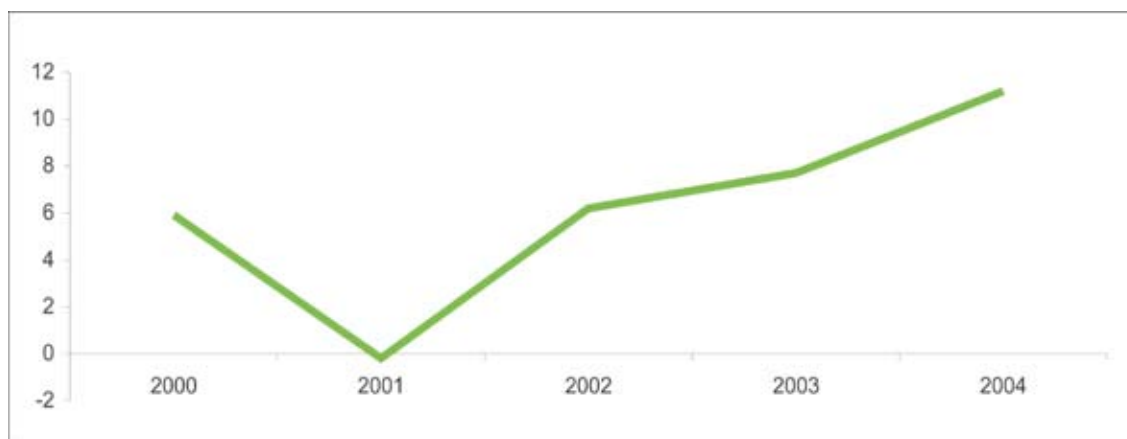
II.1.2 Prices

1. Consumer prices

A. Overall Inflation

The widespread rise in consumer prices observed since 2001 accelerated in 2004. It should be pointed out that in general, this was still spurred much more by the low supply of locally produced foodstuffs on the market, even though imported inflation resulting particularly from the explosion of oil prices was equally significant in the inflationist tensions on the domestic market of goods and services for final consumption.

Graph 7: Development of inflation on a year-to-year basis (December, in percentage)



Source: NBR, Research Department

In the course of 2004, the prices of the following major locally produced foodstuffs increased significantly: cassava flour (83%), rice (23%), Irish potatoes (19%), maize (17%) and most of the other basic commodities. Prices of locally produced alcoholic drinks such as Primus beer (19%) also increased.

In addition to the low supply of foodstuffs on the market as a result of poor agricultural production, the widespread rise in consumer prices in 2004 was also attributed to increased prices in fuel the impact of which on transport costs affected the prices of traded goods.

With regard to other basic services, it should be pointed out that charges for some of them recorded significant changes during 2004 compared to 2003. Such was the case with electricity (18%), medical services (18%) and passenger transport (12%). However, water charges remained unchanged.

Table 20: Trend of monthly and annual inflation rate (in %)

Description	2003					2004							
	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Inflation on a year-to-year basis	11.7	12.3	14.2	13.5	12.7	12.2	11.7	10.4	12.6	10.4	12.0	12.0	10.2
Monthly inflation	-0.7	1.0	1.4	0.9	0.9	0.5	-0.1	1.1	2.8	0.8	2.2	0.4	-2.1

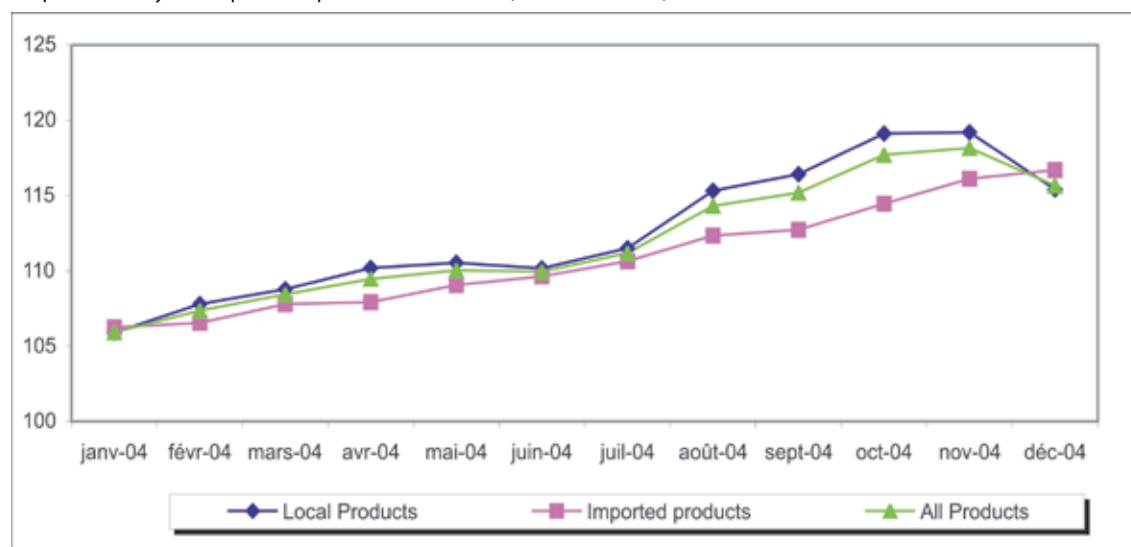
Source: NBR, Research Department

On a year-to-year basis, inflation rate by end December 2004 was 10.2% against 11.7% in 2003, and it remained virtually close to 12% during all the months of the year.

The general price index thus continued to increase during the whole year, except in June and December when it slightly fell by 0.1% and 2.1% respectively, driven by the average prices of local products which fell during the same months by 0.3% and 3.2% respectively. It is worthy noting that this significant fall in the price index for local products towards the end of the year was the result of improved production of some commodities such as vegetables and Irish potatoes.

It should be pointed out that the index of imported goods recorded also an upward trend but less markedly compared to local products.

Graph 8: Monthly development of price indexes in 2004 (base 100 in 2003)



Source: NBR, Research Department

Due to their predominant position (69.6%) in the food basket, locally produced goods continued to play a determining role in inflation behaviour. In 2004, the price level of local products recorded a general upward trend, and this had some influence on the general trend of overall inflation as shown in the table below.

Table 21: Development of CPI in 2004, according to the origin of the products (base 100 in 2003)

Description	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
General index	105.9	107.4	108.4	109.5	110.0	109.9	111.2	114.3	115.2	117.7	118.2	115.7
Local products index	105.9	107.8	108.8	110.2	110.5	110.2	111.5	115.3	116.4	119.1	119.2	115.4
Foodstuffs, non alcoholic drinks	108.2	109.0	111.3	113.9	114.6	113.9	116.8	125.0	128.6	134.4	133.9	122.3
Housing, water, gas, electricity and other fuels	106.3	113.0	113.6	114.7	114.6	113.6	115.1	116.8	116.0	116.9	117.5	118.4
Transport	103.4	103.6	103.6	103.7	104.0	104.6	104.7	104.7	104.8	104.8	104.8	104.7
Imported products index	106.3	106.6	107.8	107.9	109.1	109.6	110.6	112.3	112.7	114.5	116.1	116.7
Foodstuffs, non alcoholic drinks	110.1	109.8	113.1	113.0	114.8	116.9	119.2	121.8	122.7	126.5	129.0	128.7
Furniture, household articles and regular house maintenance	105.5	106.2	106.9	107.8	108.7	109.5	110.3	111.6	110.6	112.0	112.8	114.1
Transport	104.1	104.8	104.6	104.5	105.5	107.6	107.9	108.1	108.3	109.1	111.6	113.3
Kigali index	106.0	107.6	108.5	109.4	109.9	109.7	110.8	114.1	114.9	117.1	117.5	114.7
Index for provincial towns	105.7	106.5	108.0	109.5	110.3	110.7	112.3	115.0	116.3	119.8	120.4	119.0

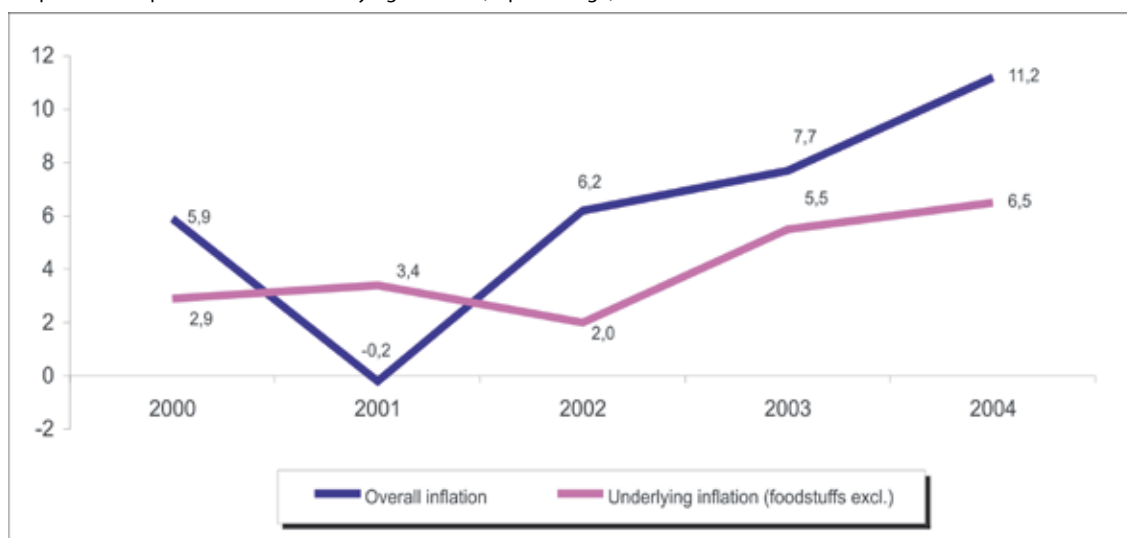
Source: NBR, Research Department

B. Underlying Inflation

As shown in the graph below, the indicator of underlying inflation, which does not take into consideration the high volatility of prices, in this case the prices of foodstuffs in Rwanda, grew much more moderately during the last few years compared to overall inflation.

Products which are not included in the determination of underlying inflation are locally produced foodstuffs, the prices of which were constantly marked by high volatility as they were determined by exogenous factors including seasonal effects, irrespective of the monetary and foreign exchange policies practised by National Bank of Rwanda.

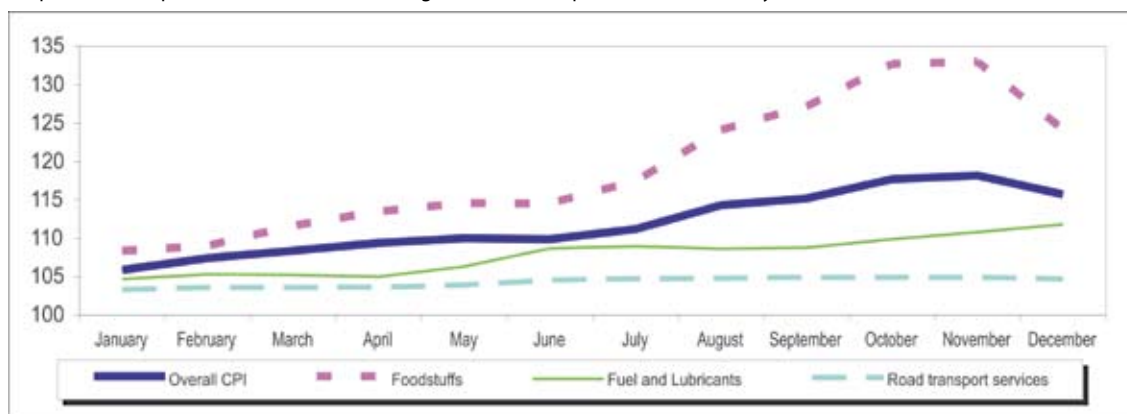
Graph 9: Development of overall underlying inflation (in percentage)



Source: NBR, Research Department

Underlying inflation was limited to 6.5% in 2004 against 5.5% in 2003, levels which do not depart much from the objective of 5% targeted in the 2004 economic programme. A relatively acceptable underlying inflation implies that other sources of inflation in general, especially those that might be linked to the monetary and foreign exchange policy of Central Bank and Government's fiscal policies, have generally been kept under control.

Graph 10: Development of overall CPI and categories of volatile products from January to December 2004 (base100:2003)



Source: NBR, Research Department

As shown in the table below, fuel prices increased significantly between 2003 and 2004, but fuel transport charges did not change. On the other hand, charges for the transport of goods increased significantly, and this affected consumer prices of imported goods.

Tableau 22: Fuel prices and international transport charges of goods

Description	Units	August 2003	August 2004	Change, in %
Pump price	RWF/litre			
Petrol		438.00	540.00	23.29
Diesel		438.00	500.00	14.16
Prices fob Eldoret	USD/m3			
Petrol		270.87	387.00	42.87
Diesel		270.37	400.00	47.95
Benchmark price Brent (New York)	USD/barrel	35.00	48.70	39.14
		(as at 19-08-2003)	(as at 19-08-2004)	
TRANSPORT OF GOODS				
MOMBASA - KAMPALA - KIGALI	USD/container standard (24 tonnes gross maximum)	3,150	3,500	11.11
DAR ES SALAM - ISAKA - KIGALI	USD/container standard (24 tonnes gross maximum)	3,200	3,300	3.13
Fuel: ELDORET-KIGALI	USD/m3			
Petrol		78.00	78.00	0.00
Diesel		82.00	82.00	0.00

Source: NBR, Research Department

2. Foreign Trade Indexes

A. Import Price Indexes

As in the previous years, average import value index maintained its upward trend and grew by 5.2% in 2004 against 28.6% the previous year, an increase that was due to a lower increase of the value index in relation to the volume index.

Value and volume indexes of consumer goods recorded almost the same rates of change at 13.2% and 13.4% respectively.

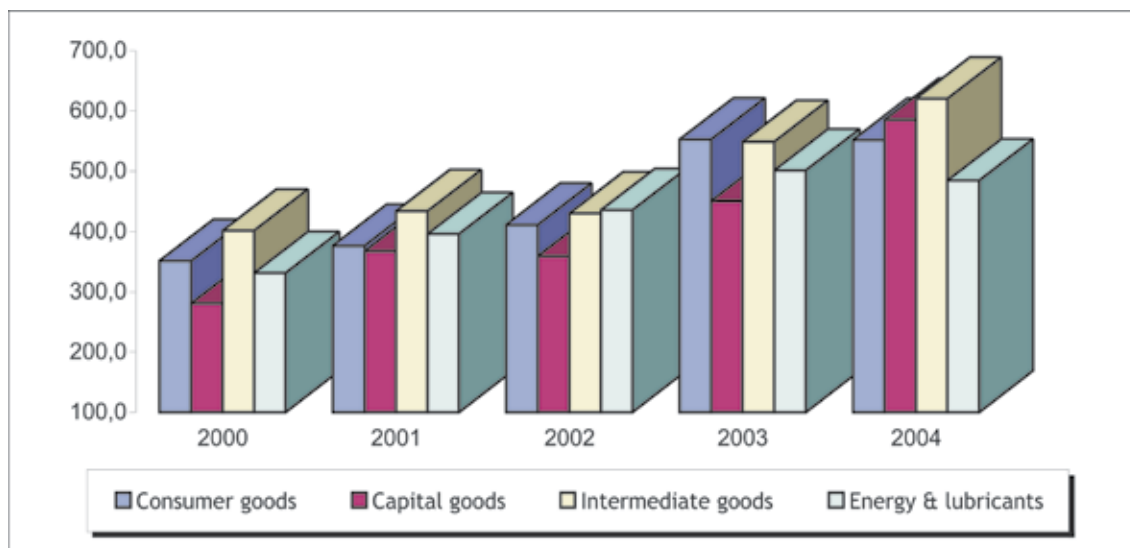
Table 23: Development of import price indexes (base 100 in 1990)

Description	2000	2001	2002	2003	2004
Volume index	107.3	147.4	116.9	117.5	130.9
Consumer goods	190.7	304.5	201.6	202.2	229.2
of which foodstuffs	141.5	210.9	87.7	121.3	170.0
Capital goods	84.5	80.8	96.0	106.2	112.5
Intermediate goods	46.6	58.6	60.4	49.7	48.3
Energy and lubricants	105.9	118.5	104.4	117.8	143.8
of which fuels	107.0	120.2	107.0	120.9	147.3
Value indexes	367.2	562.8	434.4	617.4	724.0
Consumer goods	669.7	1 146.3	683.4	1 118.6	1 266.4
of which foodstuffs	570.4	857.0	375.1	501.9	931.5
Capital goods	237.3	296.5	344.4	477.9	657.7
Intermediate goods	187.1	254.3	259.6	273.1	299.9
Energy and lubricants	352.8	468.7	454.5	590.6	696.5
of which fuels	382.2	507.1	509.0	660.6	774.1
Average value index	342.2	381.8	371.6	525.3	553.1
Consumer goods	351.2	376.5	339.0	553.2	552.5
of which foodstuffs	403.1	406.4	427.7	413.6	547.9
Capital goods	224.1	250.2	329.9	405.7	457.4
Intermediate goods	401.5	434.0	429.8	549.2	620.9
Energy and lubricants	333.1	395.5	435.3	501.4	484.4
of which fuels	357.2	421.9	475.7	546.5	525.5

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Value indexes for capital goods and intermediate goods increased by 37.6% and 9.8% respectively against 5.2% and -2.8% for volume indexes. Value index for energy and lubricants was 17.9% against 22.1% for volume index.

Graph 11: Value indexes by type of imported goods (base 100 in 1990)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

B. Export indexes

Table 24: Development of export indexes (base 100 in 1990)

Description	2000	2001	2002	2003	2004
Volume index	42.50	54.30	55.40	56.70	85.90
Coffee	33.90	39.50	39.60	32.30	54.00
Tea	114.40	129.60	116.80	122.50	110.70
Tin	36.40	94.70	94.10	204.10	497.60
Wolfram	73.60	82.30	165.60	61.40	80.30
Pyrethrum	0.00	53.50	44.80	51.70	34.80
Cinchona	0.00	0.00	0.00	0.00	5.20
Hides and Skins	66.70	124.80	466.00	666.50	525.60
Total value indexes	208.40	218.80	217.90	294.20	477.80
Coffee	137.20	124.80	108.70	138.30	288.30
Tea	481.50	446.70	433.20	537.20	552.40
Tin	126.00	170.70	228.80	828.50	3100.70
Wolfram	276.20	463.90	646.10	317.80	618.90
Pyrethrum	0.00	258.50	304.50	320.20	235.60
Cinchona	0.00	0.00	0.00	0.00	26.10
Hides and Skins	79.70	211.80	737.10	1231.00	1187.70
Average value indexes	490.80	402.90	393.30	519.00	556.80
Coffee	404.80	315.60	274.10	428.60	533.60
Tea	420.80	344.60	370.80	438.50	499.10
Tin	345.30	180.20	243.00	405.60	622.80
Wolfram	376.40	563.20	389.70	518.10	770.50
Pyrethrum	0.00	482.70	678.70	618.50	677.40
Cinchona	0.00	0.00	0.00	0.00	500.70
Hides and Skins	119.80	169.60	158.20	184.70	226.00

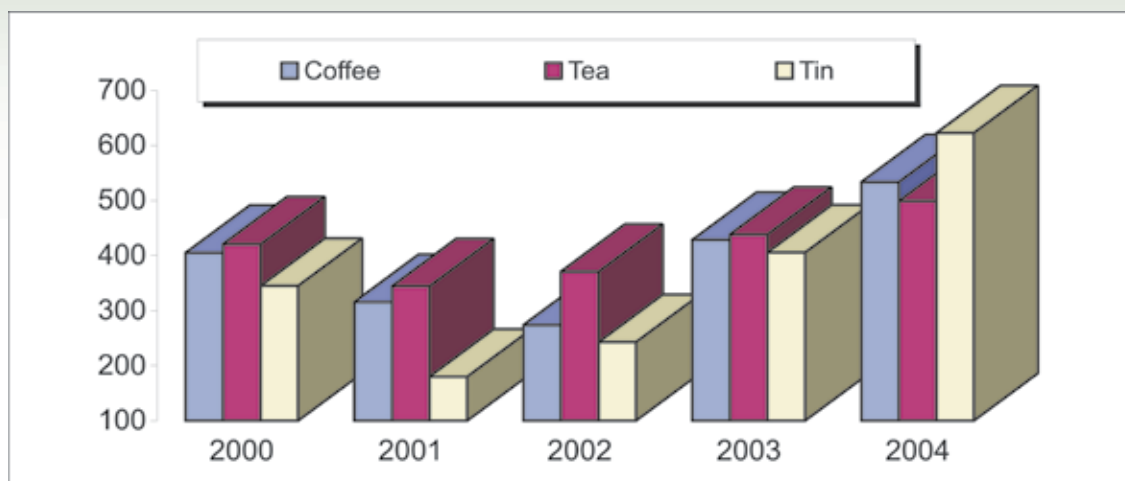
Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

For the second consecutive year, average export value index increased by 7.3%. This was due to the fact that the volume index and the value index grew virtually for all the products, except tea in respect of which the volume index fell by 9.6% as a result of the decline in production in 2004 due to bad weather conditions.

It should also be pointed out that 2004 was a bad year for hides and skins exports because their volume and value indexes fell by 21.1% and 3.5% respectively.

After an interruption in 2000, cinchona exports resumed in 2004 and the average export value index for this product was 500.7

Graph 12: Average value indexes of major exports (base 100 in 1990)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

C. Terms of Trade

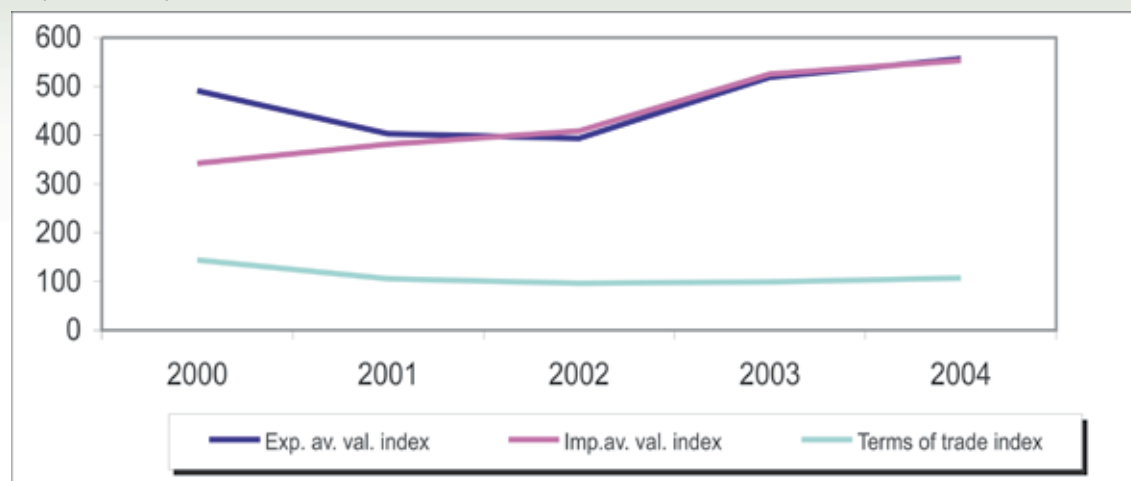
Table 25: Term-of-trade index and trade-related total earnings index

Description	2000	2001	2002	2003	2004
Average export value index	490.8	402.9	393.3	519.0	556.8
Average import value index	342.2	381.6	408.5	525.4	552.9
Term-of-trade index	143.4	105.6	96.3	98.8	100.7
Export volume index	42.5	54.3	55.4	56.7	85.9
Trade-related total earnings index	61.0	57.3	53.3	56.0	92.0

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

For the second year running, the terms of trade improved and showed an upward development trend equivalent to 1.9% against 2.6% in 2003. This situation was the result of a higher increase in exports unit value of 7.3%, compared to that of imports which was 5.2%. This improvement of the terms of trade led to increased trade-related total earnings as shown by its index which increased significantly from 56.0 to 92.0 between 2003 and 2004.

Graph 13: Development of term-of-trade index



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Table 26: Development of world prices of coffee and tea

Coffee: ICO indicative current price, in cents per pound

Tea: Current price at London up to 1999 and at Mombasa since, in cents per kg

Description	2000	2001	2002	2003	2004
Coffee					
Average price	64.3	45.9	47.3	52.2	61.9
Other soft arabica	87.3	62.9	59.8	64.6	79.0
Robusta	41.3	27.2	29.4	39.1	37.4
Tea					
Average price	150.0	120.0	128.1	149.0	155.0
Rwandan tea	179.0	146.0	149.0	159.0	166.0

Source: NBR, Research Department

II.2 Finance and Public Debt

II.2.1 General Development of Government Financial Operations

During financial year 2004, Government continued its efforts in public finance restoration with a view to the improvement of fiscal balance. However, though generated revenue increased significantly, it was above all because of increased grants that it was possible to reach this objective. The fiscal year thus ended with an overall deficit (grants excluded) of 127.9 billion RWF and an overall deficit (grants included) of 2.4 billion RWF only.

Table 27: Central Government financial operations (in billions of RWF, unless otherwise indicated)

Description	2000	2001	2002	2003	2004
Total revenue and grants	132.7	148.2	172.0	195.5	272.5
Total revenue	68.6	86.2	101.2	122.4	147.0
Tax revenue	65.3	79.5	94.5	114.7	134.6
Non tax revenue	3.3	6.7	6.6	7.7	12.4
Grants	64.1	62.0	70.8	73.1	125.5
Total expenditure and net loans	136.8	158.1	191.6	216.3	274.9
Total expenditure	136.4	157.5	191.0	212.3	253.3
Current expenditure	94.3	107.5	134.6	161.2	163.8
Current account deficit	-25.7	-21.3	-33.4	-38.8	-16.8
Capital expenditure	42.1	50.0	56.4	51.1	89.5
Net loans	0.4	0.6	0.6	4.0	21.6
Overall deficit (payment order basis)					
Grants excluded	-68.2	-71.9	-90.5	-93.9	-127.9
Grants Included	-4.1	-9.9	-19.7	-20.8	-2.4
Change in arrears	-1.9	-31.7	-1.7	-13.2	-17.1
Overall deficit (cash basis)	-6.0	-41.5	-21.4	-34.0	-19.5
Net financing	9.8	42.6	31.0	26.1	23.9
Foreign	11.4	40.9	30.5	20.9	48.1
Domestic	-1.6	1.7	0.4	5.2	-24.2
Errors and omissions	3.8	1.0	9.6	-7.9	4.4
	(as percentage of GDP)				
Revenue and grants	19.6	20.5	21.6	20.8	26.0
Total revenue	10.2	11.9	12.7	13.0	14.0
Tax revenue	9.7	10.9	11.9	12.2	12.8
Grants	9.4	8.7	8.9	7.8	12.0
Expenditure and net loans	20.1	21.6	22.2	23.0	26.2
Total expenditure	20.0	21.5	20.6	22.6	24.2
Current expenditure	13.8	14.7	16.9	17.2	15.6
Capital expenditure	6.2	6.8	7.1	6.0	8.5
Current account deficit	-3.7	-2.8	-4.2	-3.6	-1.4
Overall deficit, grants included	-0.5	-1.1	-2.5	-2.1	-0.2
Overall deficit, grants excluded	-9.9	-9.7	-11.4	-9.6	-12.2
Nominal GDP (in billions of RWF)	681.5	732.3	795	939.7	1047.7

Source: Ministry of Finance and Economic Planning

II.2.2 Government Revenue

Government generated revenue (tax and non tax) amounted to 147 billion RWF (14% of GDP) against 122.4 billion RWF in 2003 (13% of GDP), representing an increase of 20.1%. Total grants received by Government amounted to 125.5 billion RWF against 73.1 billion in 2003, representing an increase of 71.8%.

1. Tax Revenues

In 2004, tax revenues amounted to 134.6 billion RWF against 114.7 billion in 2003, representing an increase of 17.3%. In proportion to GDP, they accounted for 12.8% against 12.2% in 2003.

Considering that big companies faced a rather difficult economic situation (revenue from corporate taxes dropped by 10%) due particularly to the energy crisis, this performance was mainly due to collection of inland duties on goods and services, particularly value added taxes and excise duties.

Increased revenue from VAT (+22.5%) between 2003 and 2004 was largely due to inflation, with companies reflecting increased costs in prices in order to maintain their profit margins. Performance in excise duties (+20.4%) reflected increased consumption of beer as a result of a good coffee season and labour intensive works, as well as increased consumption of fuel.

Tax receipts from foreign trade increased also significantly (+19%) due to increased imports.

On the other hand, receipts from personal income tax and corporate income tax increased slightly (+8.7%), an increase that was attributed to business income tax, with revenue increasing from 16.5 to 20.6 billion RWF (+24.8%) as a result of payment of arrears and a wider tax cover (UN staff and other projects)

2. Non Tax Revenues

Non tax revenues, which consist of dividends paid by state-owned enterprises and administrative fees and expenses, rose from 7.7 to 12.4 billion RWF between 2003 and 2004, representing an increase of 61%. Among factors that contributed to this increase are the sale of Government houses, sales from the strategic oil stock, as well as the distribution of new passports, the purchaser's price of which had also increased significantly.

3. Grants

Financial year 2004 was generous in terms of grants. In fact, grants amounted to 125.5 billion RWF (12% of GDP), representing the highest level ever reached since 2000. This inflow of grants contributed to the reduction of fiscal deficit, bringing it down from 127.9 billion RWF (grants excluded) to 2.4 billion RWF only.

II.2.3 Government Expenditure

Total Government expenditure (net loans included) amounted to 274.9 billion RWF in 2004, an increase of 27% compared to 2003. In proportion to GDP, this represented 26% against 23% the previous year. This increase in total expenditure was mainly due to increased capital expenditure and net loans with 75.1% and 440% respectively.

1. Current expenditure

Current expenditure consisted of salaries and wages, expenses on goods and services, exceptional expenses, payment of interests and subsidies and transfers amounting to 163.8 billion RWF (15.6% of GDP) against 161.2 billion (17.2% of GDP) in 2003, representing a slight increase of 1.6%.

Subsidies and transfers recorded the highest increase, from 22.3 to 38 billion RWF (+70.4%), while exceptional expenses fell by 81.8%. This situation was the result of recategorization of certain expenses in transfers which were classified under exceptional expenses before.

Salaries and wages increased by 10.2% as a result of payment of arrears, while expenses on consumable goods increased by 3.7% only.

2. Capital Expenditure

Capital expenditure rose from 51.1 to 89.5 billion RWF from 2003 to 2004, representing an increase of 75%. As in the past, these expenses were financed mainly by foreign resources (69.6%). Among the investment projects that were begun in 2004, there was the mending of the KIGALI-KAYONZA and KIGALI-BUTARE-AKANYARU roads, as well as the asphaltting of 12 km of roads in Kigali City.

3. Net Loans

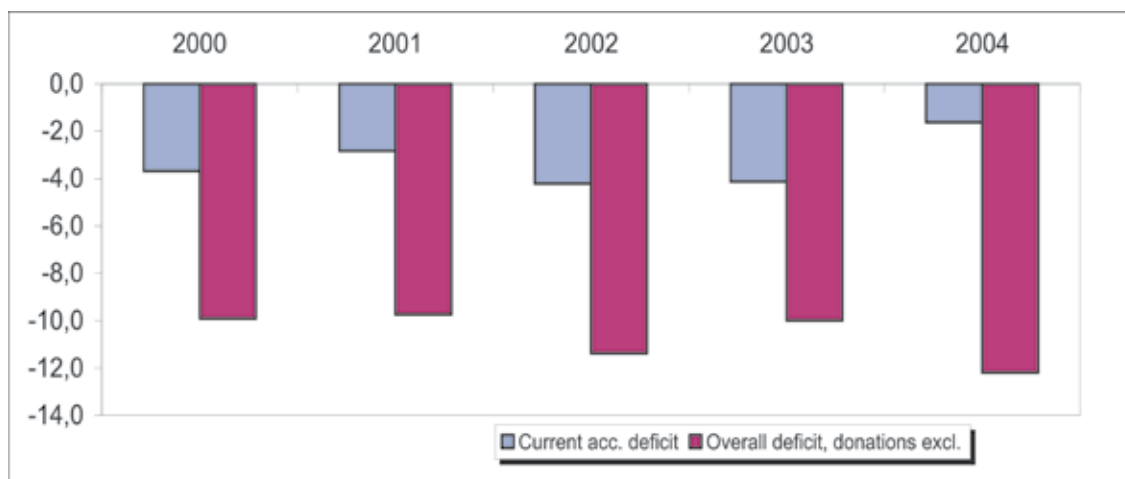
Net loans increased from 4 to 21.6 billion RWF between 2003 and 2004, representing a growth of 440%. This rise was due to the repayment of foreign debts and part of domestic debts to one state-owned enterprise, the rehabilitation of Hotel Sun Kivu (Gisenyi), as well as substantial transfers to ELECTROGAZ for the purchase of generators and fuel.

II.2.4 Budget Deficit and Deficit Financing

1. Budget Deficit

Fiscal year 2004 ended with an overall deficit (payment order basis grants excluded) of 129.9 billion RWF (12% of GDP) against 93.9 billion in 2003 (9.6% of GDP), and a deficit (grants included) of 2.4 billion RWF.

Graph 14: Development of budget deficit (in % of GDP)



Source: Ministry of Finance and Economic Planning

On cash basis, Government financial operations showed a deficit of 19.5 billion RWF against 34 billion the previous year, representing an improvement of 42.6%.

2. Deficit Financing

Deficit (cash basis) was financed from both external and domestic resources. Net external resources that were mobilized amounted to 48.1 billion RWF, consisting of budgetary loans to the tune of 35.3 billion, project loans of 27.5 billion, one exceptional financing of 5 billion, and foreign debt redemption of 19.7 billion RWF (negative).

Domestically, the non banking sector contributed 5.9 billion RWF, while transactions with the banking sector showed a net repayment of 30.1 billion RWF, representing an accumulation of deposits with the banking system in general, and with NBR in particular.

Table 28: Development of overall deficit and its financing (in billions of RWF)

Description	2000	2001	2002	2003	2004
Overall deficit (payment order basis, grants excluded)	-67.2	-71.3	-90.5	-93.9	-127.9
Overall deficit (payment order basis, grants included)	-3.5	-7.9	-19.7	-20.8	-2.4
Change in arrears	-1.9	-31.7	-1.7	-13.2	-17.1
Deficit (-) (cash basis)	-5.4	-39.6	-21.4	-34.0	-19.5
Net financing	9.8	42.6	31.0	26.1	23.9
Foreign	11.4	40.9	30.5	20.9	48.1
Domestic	-1.6	1.7	0.4	5.2	-24.2
Banking sector	-1.4	-0.4	2.8	5.2	-30.1
Non banking sector	-0.2	2.1	-2.4	0.0	5.9
Errors and omissions	4.4	3.0	9.6	-7.9	4.4

Source: Ministry of Finance and Economic Planning

II.2.5 Domestic Public Debt

Domestic public debt (excluding payment arrears to local suppliers) consisted of funded debt and overdrafts that may be granted to Government by National Bank of Rwanda, former restructured Development and Treasury bonds, as well as new Treasury bills issued on behalf of Treasury to which residents subscribed.

In 2004, outstanding domestic public debt increased significantly from 92.1 billion RWF to 107.3 billion, representing a growth of 16.5%. In proportion to GDP, outstanding public debt accounted for 10.2% against 9.8% the previous year.

Domestic public debt stock (consisting of outstanding debt plus interest arrears) remained almost at the same level as the outstanding debt, given that interest arrears, calculated on the basis of low amounts (that of the National Post Office and OCIR-CAFÉ) recorded a rather insignificant increase.

Table 29: Development of domestic outstanding debt and debt stock (in billions of RWF)

Description	2000	2001	2002	2003	2004
NBR	44.6	43.5	42.9	43.9	42.1
Funded debt	43.5	43.5	42.9	42.4	42.1
Overdraft and imprests	1.1	0.0	0.0	1.5	0.0
Revaluation	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Banking sector	9.3	10.7	16.6	16.0	20.4
Treasury bills	4.2	5.9	12.1	11.8	16.5
Structured development bonds	5.1	4.8	4.5	4.2	3.9
Non banking sector	28.5	28.5	30.5	32.2	44.8
Treasury bills	0.4	2.3	5.6	7.5	20.5
Structured development bonds	4.7	3.6	3.1	2.9	2.5
Development bonds	0.1	0.1	0.1	0.1	0.1
Others	23.3	22.5	21.7	21.7	21.7
TOTAL OUTSTANDING	82.4	82.7	90.0	92.1	107.3
Interest arrears	0.3	0.4	0.4	0.5	0.6
TOTAL STOCK	82.7	83.1	90.4	92.6	107.9

Source: NBR, Research Department

The most noticeable increase is that of the debt owed to the non banking sector which rose from 32.2 to 44.8 billion RWF (+39.1%) as a result of increased subscriptions to Treasury bills by that sector.

The rise observed with regard to the banking sector was rather due to the recapitalization of BCR and BACAR in respect of which the Government issued Treasury bills to the tune of five billion RWF which were subscribed entirely by these two banks.

The « Others » category concerned the debt owed to Caisse Sociale du Rwanda which was fixed at 24.1 billion RWF by Agreement No. 10/98 signed in December 1999 between CSR and the Government, providing for partial refund of interest arrears over a period of three years starting from December 2000, to the tune of eight hundred million (800,000,000 RWF) per year. After this period, another agreement was to be prepared and signed by both parties, but this had not been done by 2004.

Funded debt decreased slightly by 0.3 billion RWF due to refund on dividend by NBR to Government under the agreement between NBR and MINECOFIN.

II.3 Monetary and Financial Sector

II.3.1 Development of Money Supply

Between December 2003 and December 2004, money supply grew by 11.9%. This growth rate which was markedly lower than that of the previous year (16.1%) was due to the fact that the Government did not borrow much from the banking sector to finance its current account deficit on one hand, and the slow increase of credit to the private sector on the other.

Table 30: Development of money supply and its counterparts (in billions of RWF, unless otherwise indicated)

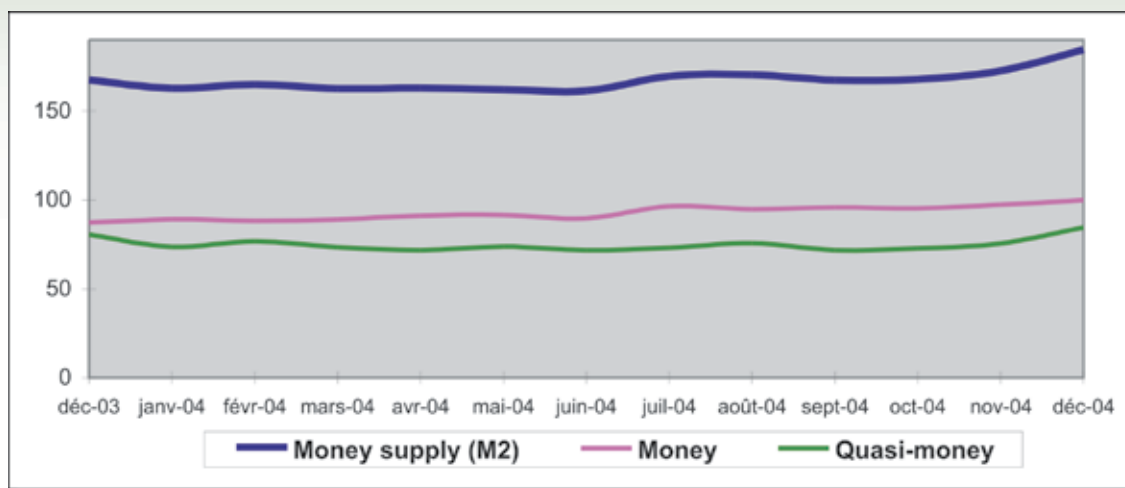
Description	2002	2003	Change in % 2002-2003	2004	Change in % 2003-2004
Money supply (M2)	144.3	167.5	16.1	187.4	11.9
Money	75.4	87.2	15.6	99.8	14.5
Currency in circulation	28	34.1	21.8	38.9	14.1
Demand deposits	47.4	53.1	12.0	63.3	19.2
Quasi-money	68.9	80.4	16.7	85.1	5.9
Fixed term deposits	39.5	38.3	-3.0	33.9	-11.4
Foreign currency deposits	29.4	42.1	43.2	51.2	21.6
M2 counterparts	144.3	167.5	16.1	185.0	10.4
Net foreign assets	103.7	104.2	0.5	172.8	65.8
Net domestic assets	40.6	63.3	55.9	15.0	-80.8
Net credit to Government	1.1	17.0	1445.5	-30.8	-281.2
Credit	57.8	59.0	2.1	59.3	0.5
Deposits	56.6	42.0	-25.8	90.1	114.8
NBR	48.2	31.5	-34.6	73.7	134.0
Banks	8.4	10.5	25.0	16.5	57.1
Credit to the economy	88.1	102.0	15.8	111.0	8.8

Source: NBR, Research Department

Money in terms of M1, which consisted of currency in circulation and demand deposits, grew by 14.5% between 2003 and 2004, against 15.6% the previous year. Money supply growth was the result of inflation which was higher in 2004 than in 2003, a better coffee season, as well as increased micro-finance activities. The growth of demand deposits was due to a higher demand of assets plus hard cash for transactions purposes in a context of inflation reflation.

Quasi-money (consisting of fixed term deposits and foreign currency deposits) grew by 5.9% between 2003 and 2004, against 16.7% between 2002 and 2003. The change in quasi-money was largely attributed to foreign exchange deposits which recorded an exceptional increase in December 2004 due to a substantial transfer (more than 8 billion RWF) made by Government to ELECTROGAZ and deposited with a local bank.

Graph 15: Development of money supply and its components (in billions of RWF)



Source: NBR, Research Department

II.3.2 Money Supply Counterparts

A. Foreign Assets

Net foreign assets of the banking system grew from 104.2 to 172.8 billion RWF between 2003 and 2004, representing an increase of 65.8%. This situation was due to the significant flows of external resources under budget support and project support on one hand, and improved performance of the export sector compared to the previous year, on the other.

Total receipts under budget support and project support amounted to 299.7 million US\$ against 141.2 million in 2003, representing an increase of 112.3%.

Export f.o.b. value was 95.8 million US\$ against 63.1 million in 2003, representing an increase of 51.8%. It is in this context that as a result of the weak American dollar on international markets, the national currency appreciated against the dollar, from 580.3 RWF/US\$ to 566.9 RWF/US\$ between December 2003 and December 2004. However, the national currency depreciated against other hard currencies such as the Euro and the Pound sterling.

Table 31: Development of the country's foreign assets (in billions of RWF, end of period)

Description	2000	2001	2002	2003	2004	Var en % 2003-2004
Net foreign assets/NBR	37.4	51.3	72.5	65.5	122.5	87.1
Assets	82.1	97.1	124.7	124.3	178.3	43.5
Liabilities	44.7	45.8	52.2	58.8	55.8	-5.1
Net foreign assets of banks	29.5	29.7	31.2	38.7	50.2	29.7
Assets	32.9	34.3	39.1	49.8	60.7	22.0
Liabilities	3.4	4.6	8	11.1	10.5	-5.0
Total banking system	66.9	81	103.7	104.2	172.8	65.8

Source: NBR, Research Department

B. Domestic Credit

Domestic credit, which was composed of net credit to Government and credit to the economy, showed a downward trend in 2004, driven mainly by the gradual reduction of net credit to Government, as well as more strict risk management and sustained efforts in bad debts recovery by banks during the whole year.

Table 32: Development of domestic credit (in billions of RWF, end of period)

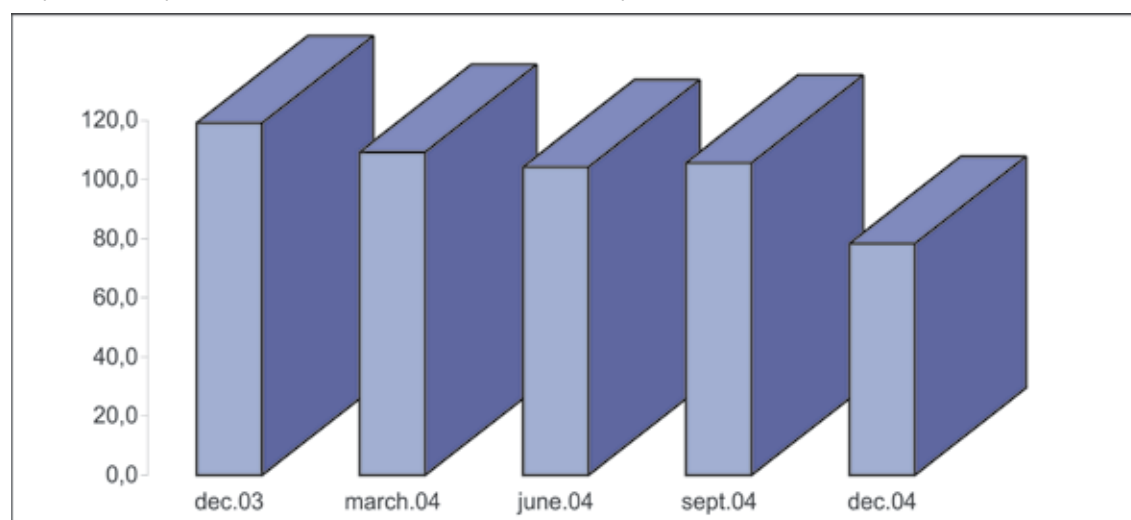
Description	2001	2002	2003	2004				Change in % 2003-2004
				Mar	Jun	Sept	Dec	
Net claims on Government	18.7	1.1	17.1	8.5	2.5	-0.6	-30.8	-280.1
by NBR	16.3	-5.2	12.4	11.2	7.5	3.4	-31.5	-354.0
by commercial banks	2.4	6.3	4.7	-2.7	-5.0	-4.0	0.7	-85.1
Credit to the economy	76.2	88.1	102.0	101	101.7	106.3	111.0	8.8
Claims/public enterprises	1.0	3.5	4.9	4.1	5.2	5.1	4.7	-4.1
Claims/private sector	76.5	85.5	97.7	97.9	97.7	102.0	107.6	10.1
Autonomous agencies	-1.3	-0.9	-0.6	-1.1	-1.2	-0.8	-0.8	0.33
Domestic credit	94.9	89.2	119.1	109.3	104.2	105.7	80.2	-32.6

Source: NBR, Research Department

As indicated in the table above, domestic credit on the whole dropped by 32.6% in 2004 due to the reduction of net credit to Government by 280.1%, as a result of significant foreign disbursements under budgetary aid.

Credit to the private sector increased from 97.7 billion RWF in 2003 to 107.6 billion in 2004, representing a growth of 10.5%, which was largely lower than its level of 2003, i.e. 14.3%. Credit to state-owned enterprises decreased by 5.1%, which was consistent with the existing policy of privatization of state-owned enterprises.

Graph 16: Development of domestic credit (in billions of RWF, end of period)



Source: NBR, Research Department

New authorized credits by sector of activity marked a slight increase of 4.6% compared to 2003. It is worthy underlining the role played by OFIs (above all Union of People's Banks of Rwanda) in these developments, as well as the role of special funds and lines of credit managed by NBR (PADEBL and the Medium and Long Term Loan Preferential Refinancing Facility for Agricultural and Agro-industrial Exports, and RSSP).

Table 33: Distribution of new authorized credits by sector of activity (in billions RWF)

Description	2000	2001	2002	2003	2004
Agriculture	0.27	0.64	1.52	2.38	5.71
Mining industry	0.00	0.00	0.15	0.56	0.0
Manufacturing industry	4.79	4.60	8.42	9.58	11.30
Energy and water	0.33	0.56	0.14	0.15	0.12
Public works and construction	5.76	6.37	8.79	10.71	15.78
Trade, restaurants and hotels	25.64	19.57	18.79	32.97	27.23
Transport, warehousing and communications	2.98	3.06	6.87	5.73	5.25
OFIs, insurance and other services to enterprises	0.15	0.47	0.91	0.40	2.11
Services to the community	5.65	3.76	3.94	4.85	2.19
Activities not classified elsewhere	2.23	1.37	1.20	3.18	3.66
TOTAL	47.80	40.41	50.60	70.01	73.32

Source: NBR, Department of Banking Supervision

As shown in the table above, new credits to the agricultural sector increased markedly from 2.38 to 5.71 billion RWF, representing a change of nearly 140%.

Besides the agricultural sector, public works and construction and manufacturing industry received also significant new credits. New credits granted to the former grew from 10.71 to 15.78 billion RWF, representing a change of 47.3%, and from 9.58 to 11.3 billion RWF in respect of the latter, a change of 17.9%.

On the other hand, new credits granted to trade, restaurants and hotels sector fell by 17.4%, from 32.97 to 27.23 billion RWF between 2003 and 2004.

II.3.3 Development of Interest Rates

A. Interest Rates on Liquid Assets Bids

During the whole of 2004, National Bank of Rwanda had to address liquidity overhang in the banking system. In this regard, no cash injections were made into the system but rather cash mopping up operations. A total of 67 operations were carried out to the tune of 161.5 billion RWF against 66 operations carried out the previous year with a total of 133.3 billion RWF. However, despite the higher volume of interventions, average interest rate applied in cash mopping up operations declined by one percentage point, from 11.63% to 10.64% between end 2003 and end 2004.

B. Borrowing and Lending Interest Rates

During the period under review, borrowing interest rates fluctuated around 9.4%, a level which was very close to that of December 2003 which was 9.3%. On the other hand, average lending interest rates fluctuated more significantly between 15% and 17%.

C. Refinancing Interest Rate

Under Article 1 of Directive No. 02/2002 of 14 June 2002 fixing the refinancing rate, this rate is indexed to the monthly average rate of interbank market, calculated on the basis of the transactions registered on the interbank market of the previous month, to which are added a number of percentage points fixed by Central Bank. In 2004, refinancing rate maintained the same level as that of December 2003, i.e. 14.5%.

D. Interbank Market Interest Rate

The interbank market interest rate is freely negotiated between the lending and the borrowing parties. For 2004, this rate was very volatile, increasing from 10.8% in December 2003 to 10.16% in March 2004, before rising to 11.1% in June and to 11.25% in December. This variability shows that this market was more buoyant, unlike in the previous year.

E. Average Weighted Interest Rate on the Treasury Bills Market

Average weighted interest rate on the Treasury bills market showed a downward trend during the first two quarters of the year, from 12.68% to 12.38% between end December 2003 and end May 2004. The third quarter of the year was marked by a slight recovery which brought this rate to around 12.80% before dropping back to 12.26% by year end. This situation has always coincided with increased interventions, except for the last quarter where, despite intensified interventions, the average weighted rate dropped. This could be due to increased bank liquidity overhang. Total issues of Treasury bills amounted to 29.5 billion RWF in the first quarter, 32.3 billion in the second quarter, 33.4 billion in the third quarter and 34.5 billion in the last quarter.

II.3.4 Extended Monetary Conditions

Money supply extended to the Union of People's Banks (UBPR) increased from 178 billion to 204 billion RWF between December 2003 and December 2004, representing a growth of 14.6%. It appears thus that the role of the Union of People's Banks in the growth of money supply was quite significant since, within a period of one year, deposits of this institution increased from 20.5 to 23.3 billion RWF, representing 10.5% of total deposits collected by all deposit institutions covered by NBR statistics, and 14.1% of deposits collected by classical commercial banks.

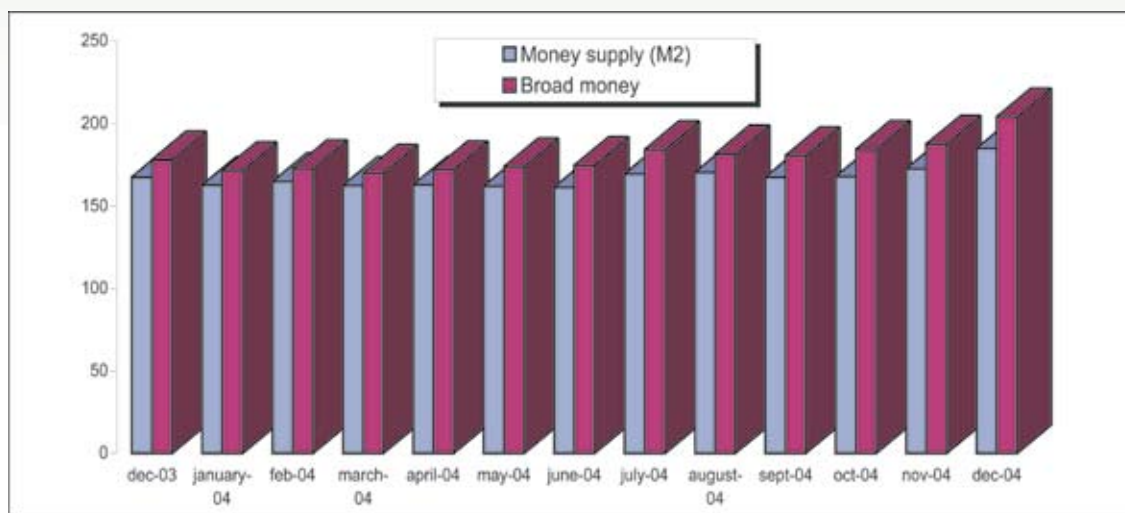
Table 34: Development of money supply extended to UBPR (in billions of RWF)

Description	2003	2004					Chan. in %
		Jan	Mar	June	Sept	Dec	2003-2004
NET FOREIGN ASSETS	99.3	112.9	104.0	109.2	111.8	172.8	74.0
DOMESTIC CLAIMS	137.5	119.3	127.0	126.7	124.8	108.0	-26.7
Net claims on Central Government	22.8	3.8	9.2	5.2	0.7	-27.4	-220.2
Claims on other sectors	114.7	115.5	117.8	121.5	124.1	135.4	18.0
BROAD MONETARY LIABILITIES	178	171.5	169.8	174.6	180.6	204.0	14.6
Cash, deposit institutions excluded	33.6	30.8	30.9	36.4	36	37.9	12.8
Transferable deposits	65.1	56.7	54.7	50.4	54.8	61.3	-5.8
Other deposits	79.2	80.8	80.2	84.4	80.8	90.4	14.1
of which foreign currency deposits	39.8	41.4	40.8	45	41.4	51.0	28.1

Source: NBR, Research Department

The graph below shows the development of money supply of the traditional banking system and money supply extended to UBPR deposits.

Graph 17: Development of broad money supply (in billions of RWF, end of period)



Source: NBR, Research Department

With regard to credit distribution, it should be noted that UBPR was much more active compared to previous years. Its total contributions rose from 13.4 to 20.1 billion RWF between 2003 and 2004, representing a significant increase of 50.1%. As a percentage of the total, the stock of credits granted by UBPR accounted for 14.8%, ranking it third among credit granting institutions in the country.

II.3.5 Overview of Other Financial Intermediaries

The other financial intermediaries consist of Banque Rwandaise de Développement (BRD), Caisse Hypothécaire du Rwanda (CHR) and insurance companies. The following data concern BRD and CHR only.

Table 35: Development of the situation of other financial intermediaries (in billions of RWF)

DESCRIPTION	Dec-03	March-04	June-04	Sept-04	Dec-04
NET FOREIGN ASSETS	-4.86	-5.85	-5.31	-5.41	-5.43
CLAIMS ON CENTRAL BANK	0.12	0.16	0.18	0.05	0.04
CLAIMS ON OTHER DEPOSIT INSTITUTIONS	2.94	3.75	3.74	4.82	4.82
NET CLAIMS ON CENTRAL GOVERNMENT	-1.34	-2.65	-3.95	-2.86	-3.79
CLAIMS ON OTHER SECTOR	9.96	11.07	12.14	12.59	12.89
DEPOSITS	0.00	0.00	0.00	0.05	0.22
CREDITS	0.56	0.82	1.33	1.62	1.64
SHARES AND OTHER EQUITIES	10.6	6.11	6.14	6.74	5.21
OTHER NET ITEMS	-4.34	-0.45	-0.66	0.79	1.45

Source: NBR, Research Department

Credits granted by other financial intermediaries increased from 9.96 to 12.89 billion RWF between December 2003 and December 2004, representing an increase of 29.4%.

Banque Rwandaise de Développement was particularly active on the credit market using different refinancing lines and facilities put at the disposal of the financial system by NBR on one hand, and funds borrowed from abroad, on the other.

As for CHR, its credit portfolio increased from 178 million RWF at the beginning of the year, to 1.3 billion by year end. Its resources consisted mainly of the sale proceeds of Government houses.

II.3.6 Monetary Developments and PRGF Programme

Financial year 2004 was a successful year in terms of the development of monetary aggregates since all the performance criteria fixed under the PRGF programme were met. Thus, NBR foreign assets rose to 122.5 billion RWF against 62.3 billion provided for in the programme. Likewise, net credit to Government by the banking system amounted to -30.8 billion RWF against 22.9 billion provided for in the programme. Monetary base was 56.0 against 56.3 estimated in the programme.

Table 36: Fulfilment of PRGF programme criteria in 2004 (in billions of RWF)

Description	March	June	September	December
Net foreign assets (programme)	65.0	55.4	64.5	62.3
Net foreign assets (NBR)	66.9	70.2	75.0	122.5
Foreign budgetary aid (programme) USD	40.7	77.8	131.1	168.9
Foreign budgetary aid (realized) in millions of USD	26.5	72.7	96.6	194.0
Net credit to Government by banking system (programme)	24.5	25.1	18.1	22.9
Net credit to Government by banking system	7.6	2.5	-0.6	-30.8
Monetary base (programme)	53.0	54.0	55.9	56.3
Monetary base (realized)	50.2	51.7	54.1	56.0
Money supply (programme)	171.6	177.1	178.9	185.4
Money supply (realized)	162.9	161.4	167.3	187.4

Source: NBR, Research Department

It should be pointed out that these developments were achieved as a result of improved collaboration between the Ministry of Finance and Economic Planning and National Bank of Rwanda in monitoring the programme on one hand, and regular flows of budgetary aid from donors, on the other.

II. 4. External Sector

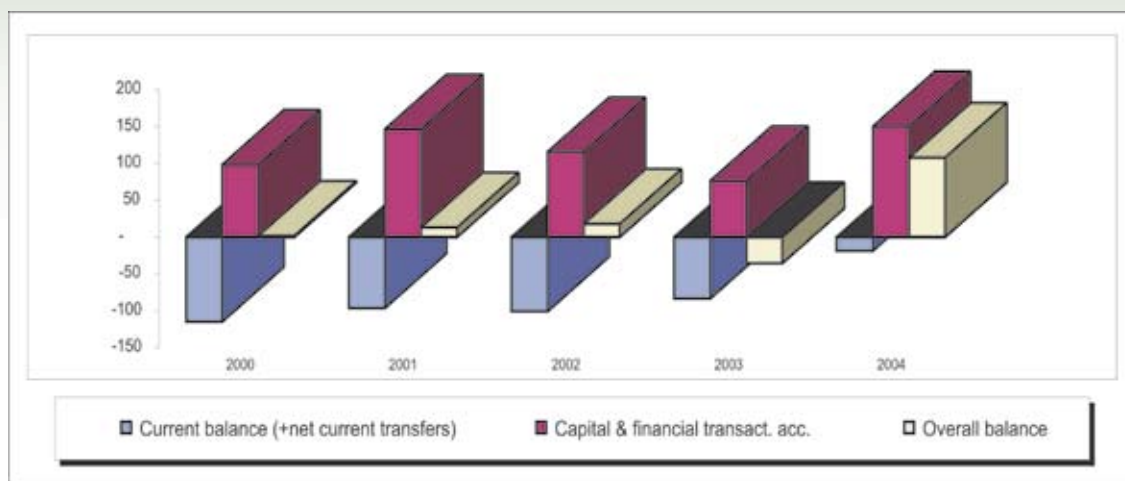
II.4.1 Balance of Payments

1. General Overview

Overall balance of the balance of payments improved significantly in 2004 to the tune of 107.9 million US\$ against a negative balance of 35.7 million US\$ the previous year. This improvement was particularly due to good performance in the mobilization of foreign aid in the form of unrequited transfers and capital flows, the balances of which were largely on an upward trend compared to 2003.

The balance of the goods and services account deteriorated despite considerable improvement in the value of exports recorded in 2004.

Graph 18: Development of major balances of the balance of payments (in millions of USD)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

The surplus recorded in the balance of payments enabled the country to store up an important stock of official foreign exchange reserves equivalent to 7 months of imports of goods and non factor services.

Table 37: Development of the major aggregates of the balance of payments (in millions of US\$)

Description	2000	2001	2002	2003	2004
Balance of trade	-157.8	-131.5	-136.8	-154.7	-160.0
Net services	-174.8	-157.9	-159.7	-155.1	-166.4
Balance of goods and services	-332.7	-289.4	-296.5	-309.8	-326.4
Net current transfers	217.7	192.6	195.3	226.4	313.9
Current balance	-114.9	-96.8	-101.2	-83.4	-12.5
Capital and financial operations account	98.6	146.7	115.7	76.4	145.1
Errors and omissions	18.2	-36.7	3.6	-28.7	-24.7
Overall balance	1.8	13.3	18.1	-35.7	107.9
Available financing (- increase)	-1.8	-13.3	-18.1	35.7	-107.9
Change in net foreign assets of NBR	-9.8	-25.2	-29.6	27.2	-106.8
Change in arrears	-8.0	-20.6	5.6	-16.2	-3.5
Exceptional financing	16.0	32.6	5.9	24.7	2.4

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

2. Current Transactions

Current foreign exchange shortfall improved significantly from 83.4 to 12.5 million US\$ between 2003 and 2004, representing 5% and 0.7% of GDP respectively. This improvement was due to the significant volume of unrequited transfers received by Government, the level of which was sufficiently high to absorb a large part of the chronic deficit of the balance of goods and services.

Table 38: Development of current transactions (in millions of US\$)

Description	2000	2001	2002	2003	2004
Balance of trade	-157.8	-131.5	-136.8	-154.7	-160.0
Exports	69.0	93.6	67.4	63.1	97.9
of which: - coffee	22.52	19.36	14.65	15.01	32.2
- tea	24.3	22.7	22.0	22.5	21.6
Imports (fob)	226.89	225.02	204.15	217.74	257.9
Net services	-174.8	-157.9	-159.7	-155.1	-166.4
Non factor services	-159.5	-135.4	-140.6	-124.6	-132.8
Factor services	-15.4	-22.5	-19.1	-30.5	-33.7
Balance of goods and services	-332.7	-289.4	-296.5	-309.8	-326.4
Net current transfers	217.7	192.6	195.3	226.4	313.9
Private transfers	11.0	21.7	24.5	31.3	35.1
Official transfers	206.7	170.9	170.8	195.0	278.9
Current balance	-114.9	-96.8	-101.2	-83.4	-12.5

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

A. Balance of Trade

Despite an exceptional performance of exports in 2004, the balance of trade deteriorated further compared to 2003 due to a higher increase in the value of imports. Trade deficit deteriorated by 3.4% and posted a deficit amounting to 160 million US\$, against 154.7 million US\$ in 2003.

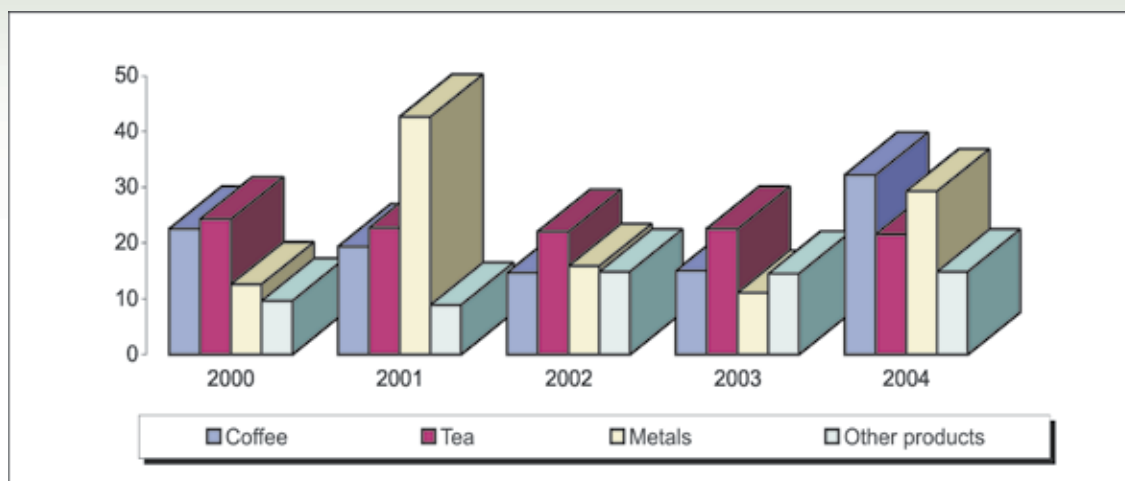
1. Exports

The value of exports in 2004 was one of the most exceptional amounting to 97.9 million US\$, the highest level ever reached in recent years. The nearest level was recorded in 2001 with a value of 93.6 million US\$ as a result of the boom of coltan exports at that time.

The year 2004 was marked by good performance of coffee and metal exports which were stimulated by the significant rise in the prices of these commodities on international markets. Export earnings increased significantly by 55.3% between 2003 and 2004, a rise that was attributable to the exceptional increase in the value of coffee exports by 114.7% and by 163.9% for metals.

On the other hand, exports of tea, skins and hides and pyrethrum did not perform well, and their value fell by 7.2% between 2003 and 2004.

Graph 19: Development of major exports (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Coffee

After so many years of gloom, the coffee sector regained its position of leading export product it had lost since 2000. The volume of exports increased from 14.7 thousand tonnes in 2003 to 27.1 thousand tonnes in 2004, representing a significant growth of 84.3%. As already stated, this performance was mainly due to a good rainfall for the crop and the maturity of young plants in several regions of the country.

This increased production, combined with increase in prices on international markets, yielded export earnings amounting to 32.2 million US\$ in 2004 against 15.01 million in 2003, representing a historical increase of 114.7%. Coffee prices on international markets rose from 1.01 to 1.20 US\$ per kg, a considerable increase of 18.8%.

These good results in terms of value were also made possible through many efforts made by the authorities in the production of better quality coffee. Production of fully washed coffee rose from about 300 tonnes in 2003 to 542 tonnes in 2004 and sold at about 2.44 US\$ per kg, contributing thus to improved export earnings of the coffee sector. Operational washing stations for fully washed coffee increased to 19 by end 2004 from 12 by end 2003.

Tea

In 2004, the value of tea exports dropped by 4.3% compared to 2003, from 22.52 million to 21.55 million US\$. Though the price on international markets increased by about 5.3%, the volume of tea exports fell by 8.8% due to the intense cold which hit the region of Byumba and parched the young tea leaves which were ready for harvest.

Table 39: Development of the value and volume of major exports (value in millions of US\$; volume in tonnes)

Description	2000	2001	2002	2003	2004
Coffee					
Value	22.5	19.4	14.7	15.0	32.2
Volume	16 089.10	17 788.10	19 796.90	14 700.00	27 085.10
Tea					
Value	24.3	22.7	22	22.5	21.6
Volume	13 717.00	15 166.00	14 574.00	14 331.00	13 064.00
Tin					
Value	1	1.1	1.4	4.5	15.9
Volume	365	555	672	1 458.00	3 553.00
Colombo-tantalite (coltan)					
Value	11.4	41.1	13.9	6.4	13.0
Volume	602.8	1 540.20	1 086.30	732	861
Wolfram					
Value	0.3	0.4	0.5	0.2	0.4
Volume	144	161.6	324.7	120	157.5
Pyrethrum					
Value	-	1.8	1.1	1.3	0.65
Volume	-	21.6	13.1	20	10.1
Skins and hides					
Value	0.4	0.8	2.6	3.8	3.4
Volume	479.5	510.9	1 983.80	2 728.00	2 150.80
Other products					
Value	9.2	6.3	11.1	9.4	10.8
TOTAL VALUE	69	93.6	67.4	63.1	97.9

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Minerals

Exports of minerals performed well especially in terms of value which increased from 11.09 million US\$ in 2003 to 29.27 million in 2004, representing a significant growth of 163.97%. This was mainly due to the spectacular rise in the value of tin and coltan exports which increased from 4.5 and 6.4 million US\$ to 15.9 and 13 million US\$ respectively, representing increases of 253.6 and 103.96% respectively.

Mineral mining and exports were boosted by the rise in the price of tin and coltan on international markets, driven by a high demand from Chinese and European industries. In fact, the unit price per kg of tin rose from 3.08 to 4.47 US\$ on the international market, an increase of 45.1%. This favourable situation on the tin market boosted its production and increased the volume of its exports by 143.7%, from 1,458 to 3,553 tonnes between 2003 and 2004.

Contrary to what could be envisaged by end 2003, the market for coltan did not remain gloomy. Its price on the international market rose significantly from 8.69 US\$ per kg in 2003 to 15.09 US\$ per kg in 2004, representing an increase of 73.6%. Even though the volume of exports did not increase in the same proportion as the prices, it all the same rose from 732 tonnes in 2003 to 861 tonnes in 2004, representing an appreciable growth of 17.6%.

Hides and Skins

Despite an increasingly high demand of this product the price of which showed an upward trend on the international market, the value of hides and skins exports fell because of quarantines which were imposed here and there in the country as focuses of contagious cattle diseases were declared. This situation had a negative impact on the volume of exports of hides and skins in 2004 which was 2,151 tonnes in 2004 against 2,728 tonnes in 2003, representing a fall of 21.2%. Even though export prices increased by 12.9% in 2004 compared to 2003, they could not offset the decline recorded in terms of volume, and the value of exports decreased by 41.2% during the year.

Pyrethrum

The so much awaited increase of pyrethrum exports after the privatization of the plant has not yet materialized. From 1.28 million US\$ in 2003, the value of exports fell to 0.65 million US\$ in 2004. In addition to the fall in production due to the energy crisis, the drop in exports was also linked to the new strategies adopted by the plant for in-house processing of gross pyrethrum extracts until then exported in order to produce refined pyrethrum.

Production was therefore shelved while waiting for the completion of installation works of appropriate machinery for processing the raw materials with a view to exporting eventually higher value added products.

Other Exports

There were other exports consisting mainly of re-exports, ordinary exports of non traditional products and minerals other than tin, coltan and wolfram. The value of these exports increased from 9.4 million US\$ in 2003 to 10.8 million in 2004. Re-exports constituted the most significant part amounting to 7 million US\$ in 2004 against 6.75 million in 2003. They were mainly re-exports of essential oils, vehicles and second hand clothes to neighbouring countries.

2. Imports

Imports CIF value recorded at the two main entry points, namely KANOMBE Airport and MAGERWA, increased by 18.6% in 2004, rising to 307.5 against 259.3 million US\$ the previous year. This increase was particularly due to the significant growth of imports of petroleum products, as a result of the explosion of world oil prices. There was also an appreciable increase of imports of capital goods, particularly generators and their accessories, in order to resolve the shortage of energy and foodstuffs resulting from low food production in the country.

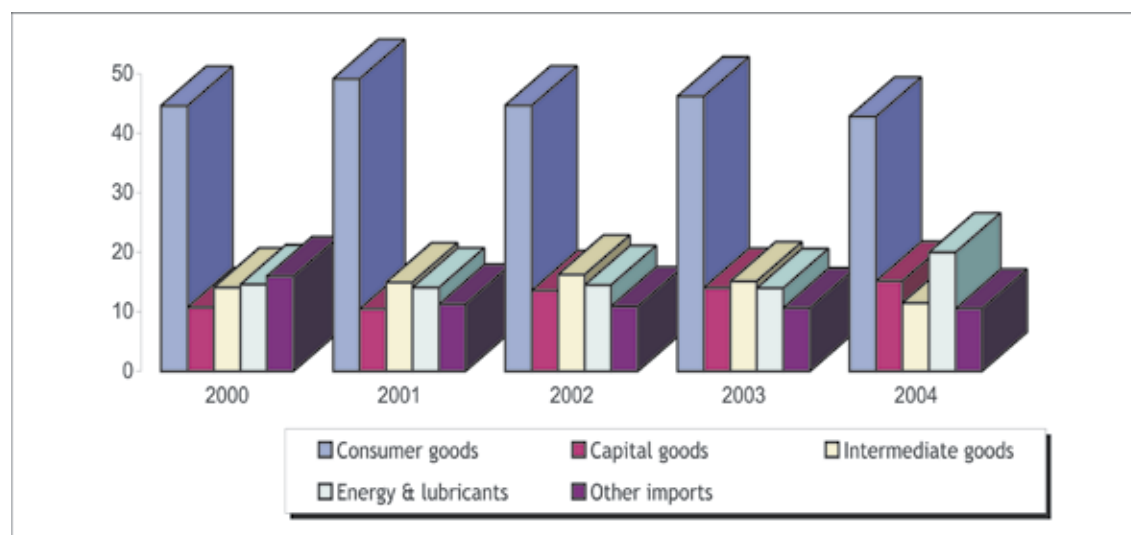
Imports CIF value recorded at secondary entry points, i.e. border posts with neighbouring countries, was estimated at 7.3% of total import value. If we add the value of electricity imported by ELECTROGAZ estimated at 10 million US\$, total c.i.f. value of imports amounted to 343.7 million US\$ in 2004 against 290.25% million in 2003, representing an increase of 18.4%.

Table 40: Distribution of c.i.f. imports by categories of goods (in millions of US\$)

Description	2000	2001	2002	2003	2004
Consumer goods	137.26	143.78	124.41	134.18	147.16
Foodstuffs	46.59	51.66	25.20	28.33	43.36
Other goods	90.67	92.12	99.21	105.85	103.80
Capital goods	33.03	30.61	37.92	40.72	52.2
Intermediate goods	43.32	43.75	45.30	43.84	39.54
Energy and lubricants	44.92	41.22	40.40	40.53	68.64
Total (Kanombe and Magerwa)	258.53	259.35	248.03	259.27	307.50
Other imports	49.14	33.03	30.48	30.98	36.23
TOTAL	307.68	292.38	278.51	290.25	343.73

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Graph 20: Structure of c.i.f. imports by categories of goods (in percentage of total)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

B. Balance of Services

Just like the balance of trade, the balance of services continued to show deficit. Its deficit amounted to 166.4 million US\$ against 155.1 million in 2003, representing a fall of 7.3% due to trade of non factor and factor services. The deficit of the balance of non factor services, which represented about 80% of overall deficit of the balance of services, amounted to 132.8 million US\$ in 2004 against 124.60 million in 2003, representing a drop of 6.6%. This situation was particularly due to the extent of imbalance between expenditure and revenue from services related to trade of goods between residents and non residents, as well as expenses incurred for technical assistance.

Moreover, despite the increase in travel expenses (+20.9%), increase in tourism receipts (+44.6%) produced a largely positive balance for travel during the year under review.

Table 41: Development of trade in services (in millions of US\$)

Description	2000	2001	2002	2003	2004
Net non factor services	-159.48	-135.4	-140.6	-124.6	-132.79
Credit	40.60	48.2	46.06	76.47	102.65
Freight and insurance	5.55	5.44	2.22	4.47	6.94
Other transport	8.62	8.61	10.03	13.92	14.50
Travel	4.27	9.36	11.80	30.08	43.50
Other services and incomes	22.16	24.8	22.0	28.00	37.71
Debit	-200.08	-183.7	-186.7	-201.06	-235.4
Freight and insurance	-57.36	-47.82	-52.80	-51.48	-60.96
Other transport	-24.94	-25.31	-28.88	-24.14	-26.51
Travel	-21.91	-23.17	-23.86	-26.06	-31.48
Other services and incomes	-95.87	-87.38	-81.17	-99.38	-116.49
Net factor services	-15.35	-22.5	-19.1	-30.5	-33.7
Credit	13.87	13.80	8.45	6.17	5.56
Income from investment	10.84	11.66	8.45	5.97	5.37
Labour income	3.03	2.14	0.00	0.19	0.19
Debit	-29.22	-36.3	-27.5	-36.7	-39.2
Income from direct investment	-3.09	-4.19	-0.36	-5.50	-2.97
Income from other investments	-13.40	-14.16	-13.30	-16.43	-20.30
Labour income	-12.16	-17.53	-13.60	-14.49	-15.72
Property income	0.57	0.41	0.24	-0.29	-0.23
Net services	-174.83	-157.93	-159.69	-155.12	-166.44

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Earnings from factor services produced mainly from interests charged by the banking system on foreign investments could not counterbalance the high expenses related to debt service and income remittances by expatriates working in some resident companies. The balance of factor services therefore dropped further, the deficit rising to 33.7 million US\$ in 2004 against 30.5 million in 2003, representing a fall of 10.5%.

C. Unrequited Transfers

Unrequited net current transfers in 2004 increased significantly from 226.4 million US\$ in 2003 to 313.9 million, representing a rise of 38.6%, due more particularly to considerable inflows under budgetary and humanitarian aid. These accounted for 88.8% of total net current transfers amounting to 278.9 million US\$ against 195.1 million in 2003, a substantial growth of 42.9%.

Foreign disbursements for financing Government regular budget in the form of grants rose to 163.1 million US\$ in 2004 from 89.4 million in 2003, representing a significant increase of 82.4%. These transfers were particularly from the European Union, the United Kingdom and the World Bank. In accordance with the programme implemented under the HIPC Initiative, part of these transfers was used for partial settlement of the debt service to the tune of 27.20 million US\$.

Table 42: Development of unrequited transfer (in millions of US\$)

Description	2000	2001	2002	2003	2004
Private transfers	11.03	21.74	24.52	31.33	35.05
Credit	27.32	38.14	43.55	49.38	50.90
Debit	16.29	16.40	19.03	18.04	15.85
Current official transfers (net)	206.71	170.86	170.80	195.05	278.87
Credit	207.60	172.20	172.71	196.93	281.34
1. current aid	102.60	78.20	83.41	89.42	163.08
2. humanitarian aid	105.00	94.00	89.30	107.51	118.26
3. technical assistance	45.00	40.00	38.00	45.75	50.32
4. Other aids	60.00	54.00	51.30	61.76	67.936
Debit	-0.89	-1.34	-1.91	-1.88	-2.47
Contribution to international bodies internationaux	-0.89	-1.34	-1.91	-1.88	-2.47
Current transfers (net)	217.74	192.60	195.32	226.38	313.93

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Net private transfers increased from 31.2 million US\$ in 2003 to 35.1 million in 2004, representing a growth of 12.1%. These transfers consisted mainly of substantial donations and grants from non residents to religious missions, NGOs and individuals residing in Rwanda.

3. Capital and Financial Operations Account

The year 2004 was marked by sharp improvement of the capital and financial operations account with a balance of 145.14 million US\$ against 76.4 million in 2003, representing an increase of 89.97%. This increase was due to capital donations and long term financial operations the inflows of which to residents largely exceeded the 2003 level.

On the other hand, other financial operations consisting of short term capital and direct investments fell from 18.9 million US\$ in 2003 to 5.08 million in 2004, representing a drop of 73.1%.

Although direct investments increased by 64.5% mainly due to the privatization of Government shares in two local banks, short term capital fell from 14.25 million US\$ to -2.58 million US\$ as a result of an increase of 7.94 million US\$ of net foreign assets of commercial banks recorded in 2004 against a drop of 6.42 million US\$ in 2003.

Table 43: Development of the capital and financial operations account (in millions of US\$)

Description	2000	2001	2002	2003	2004
Capital account	62.67	68.70	41.70	41.09	60.56
Capital transfers	62.67	50.20	41.70	41.09	60.56
Financial operations account	35.91	78.02	73.96	35.32	84.58
Long term capital	36.11	61.64	60.50	16.42	79.50
Official capital (net)	24.23	57.09	57.90	12.80	81.5
Private capital (net)	11.88	4.55	2.60	3.61	-2.00
Other capital	-0.20	16.38	13.46	18.91	5.08
Short term capital	-8.26	12.62	10.85	14.25	-2.58
Direct investments	8.06	3.76	2.61	4.66	7.66
Capital and financial operations account	98.58	146.72	115.66	76.41	145.14

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Capital transfers to residents, which consisted exclusively of foreign donations as support to Public Investment Programme (PIP), recorded substantial increase of 47.4% in 2004 amounting to 60.56 million US\$, 25% of which came under technical assistance.

With regard to financial operations consisting to a large extent of external debt related inflows, their balance which had been positive for several years increased significantly from 35.32 to 84.58 million US\$ between 2003 and 2004, more than doubling that of the previous year. Like in the previous years, official capital, which consisted of disbursements and refunds under external public debt, constituted the biggest part of the country's financial operations with the outside world. The balance of these operations increased from 12.8 to 81.5 million US\$, a significant improvement mainly due to considerable disbursements made by the World Bank under budget support for 2004.

However, it should be noted that unlike in the previous years, the country recorded sharp outflows of private capital, though in a very small amount of 2 million US\$, as a result of repayment of private external debt.

4. Overall Balance Deficit Financing

Thanks to foreign aid in the form of donations and concessional loans granted to Government by development partners, overall external situation improved significantly in 2004, with positive balance of the balance of payments amounting to 107.9 million US\$ in 2004 against a deficit of 35.7 million US\$ in 2003, representing 5.8% and -2% of GDP respectively.

Table 44: Balance of payments deficit financing (in millions of US\$)

Description	2000	2001	2002	2003	2004
Change in net foreign assets of NBR	-9.8	-25.2	-29.6	27.2	-106.8
IMF (net credits)	14.0	1.5	-6.0	-0.9	-3.6
1. Purchases	25.1	12.1	0.7	0.8	1.7
2. Re-purchases	-11.1	-10.6	-6.7	-1.7	-5.3
Change in official reserves (-: increase)	-16.5	-21.4	-31.6	28.8	-100.3
Change in other gross foreign liabilities (+: increase)	-7.3	-5.3	7.9	-0.7	-2.9
Change in arrears	-8.0	-20.6	5.6	-16.2	-3.5
Increase	2.2	5.8	6.6	6.0	1.8
Reduction	-10.3	-26.4	-1.0	-22.2	-5.3
Exceptional financing	16.0	32.6	5.9	24.7	2.4
Rescheduling	15.1	26.3	5.3	22.2	2.4
Arrears	7.8	21.9	0.0	20.0	0.0
Current service	7.3	4.4	5.3	2.3	2.4
Debt cancellation	0.9	6.3	0.6	2.5	0.0
Arrears	0.0	4.5	0.6	2.0	0.0
Current service	0.9	1.8	0.0	0.5	0.0
Available financing (- increase)	-1.8	-13.2	-18.1	35.7	-107.9

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

This situation resulted in an increase in net foreign assets of NBR of 106.8 million US\$, bringing its gross foreign exchange reserves to 7.1 months of imports of goods and services in 2004 against 5.6 months in 2003.

II.4.2 Foreign Debt

1. Foreign Public Debt

For several years, Rwanda's foreign public debt has continued to grow. It consists mainly of multilateral debt (89%) and bilateral debt (11%). It constitutes one of the obstacles to the country's development since its repayment deprives the country of the necessary resources for its development. Funds to be transferred as foreign debt service have reached considerable proportions, considering the country's economic capacities and development financing needs.

After its eligibility to the decision point in 2000 and having implemented the programme for Poverty Reduction and Growth Facility (PRGF) developed in collaboration with the Bretton Woods Institutions, Rwanda reached the completion point during the first quarter of 2005. This stage is of significant importance for our economy because, though the HIPC Initiative is far from being a panacea, it is promising for many developing countries in the absence of other frameworks and initiatives for resolving the problem of foreign debt.

A. Government Foreign Borrowings Portfolio

In 2004, five new loans were added to the Government foreign borrowings portfolio which, by end of the year, counted 216 outstanding loans. These were two loans from the African Development Fund (ADF), namely poverty reduction strategy support programme and integrated development and management of inland lakes support project, IDA's budget support credit as part of the support to the poverty reduction programme, BADEA's loan for financing the project for the rehabilitation of 3 hydroelectric stations (additional loan), and a loan from Saudi Arabia for the habilitation and extension of Roi Fayçal Hospital.

Table 45: Characteristics of Government foreign borrowings portfolio in 2004

Interest brackets	Number of loans			in percentage		Weighted av. interest rate, in %	Aver. maturity
	Mult.	Bilat.	Total	Multil.	Bilat.		
0-1	126	8	134	94.0	6.0	0.7	42.1
1-3	23	24	47	48.9	51.1	1.4	27.9
3-5	12	7	19	63.2	36.8	3.3	21.1
5-9,5	2	14	16	12.5	87.5	6.1	16.1
Total/Gen. Aver.	163	53	216	75.5	24.5	1.2	26.8

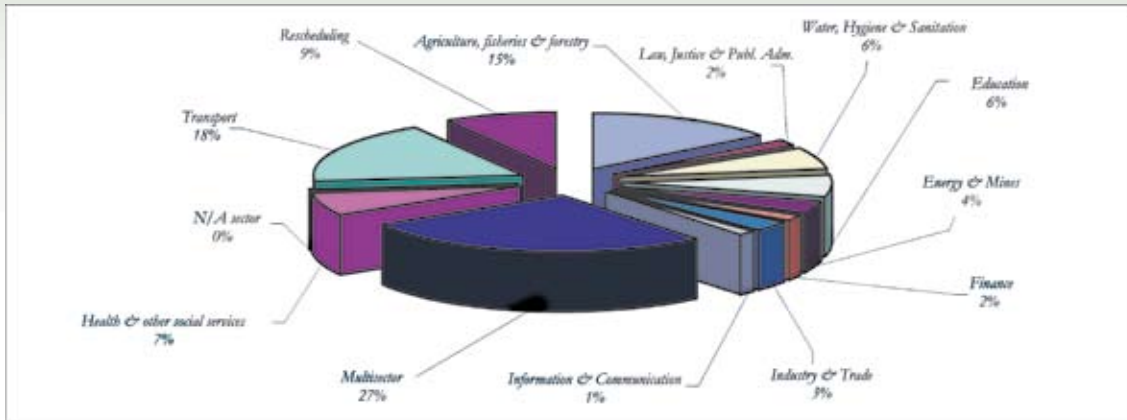
Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

For the most part, the Government foreign borrowings portfolio consists of multilateral borrowings, while bilateral borrowings represent a quarter only of total borrowings. Since multilateral debts are generally difficult to renegotiate, Rwanda's rescheduling of its foreign debt is not an easy matter.

In addition, this significant multilateral component explains the considerable concessionality of this debt the interest rate of which (weighted by the amounts borrowed) is 1.2%, with an average maturity period of about 27 years. More than half of the borrowings have an interest rate below 1% and a maturity period exceeding 42 years.

With regard to the distribution of financing, it should be pointed out that borrowed funds were mainly channeled into the sectors of transport, roads, agriculture, fisheries and forestry, health and education. Since they were classified as multisectoral because they financed several sectors, a significant part of the loans (27% of the portfolio) were contracted as part of the structural adjustment or economic reform loans.

Graph 21: Structure of the foreign borrowings portfolio by financed sectors



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

B. Foreign Debt Stock

Government foreign debt (debt to IMF and debts guaranteed by Government excluded) increased by 10.8% by end 2004 amounting to 1586.5 million US\$ against 1431.8 million by end 2003. This growth was due to both net debts estimated at 71 million US\$ and the exchange effect resulting from the devaluation of the dollar against borrowing currencies, mainly SDR. These two factors contributed to the increase of the debt stock by about 45.9% and 54.1% respectively.

Unlike bilateral debts, the share of multilateral debts in total debt stock continued to grow because since 2003, only multilateral creditors granted new loans. At 1408.5 million US\$, multilateral debts represented 89% of the debt stock by end 2004 against 11% for bilateral debts amounting to 178 million US\$.

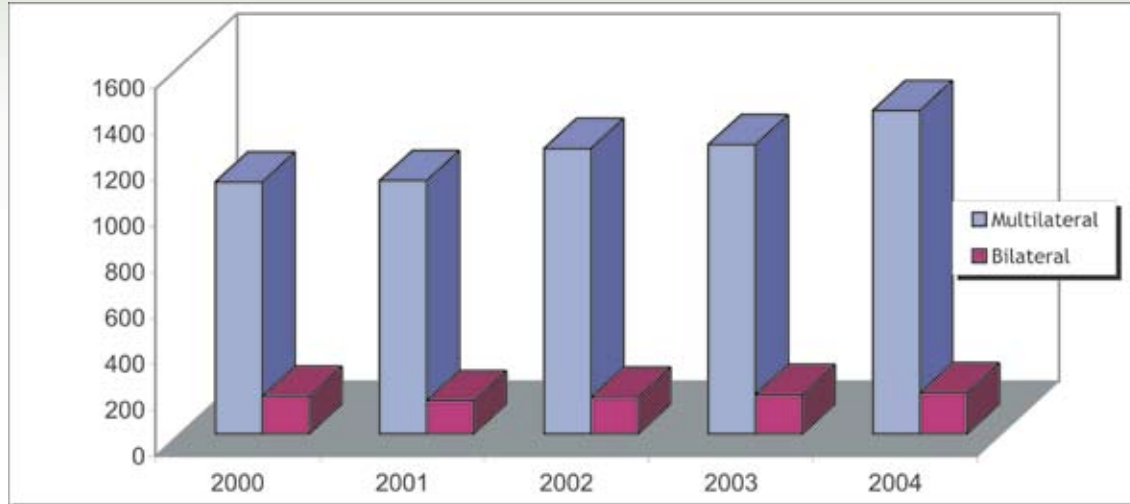
Table 46: Development of Rwanda's foreign public debt stock (in millions of US\$)

Description	2000	2001	2002	2003	2004
MULTILATERAL DEBT	1 011.0	1 017.6	1 156.8	1 260.3	1 408.5
IDA	693.9	714.0	827.2	904.5	1 033.5
AfDB-ADF	218.6	209.0	226.2	239.8	254.6
BADEA	33.4	29.4	26.2	22.9	19.8
OPEC	6.8	6.8	10.7	16.6	17.4
EIB	5.6	5.0	5.5	7.9	8.0
EU (EEC)	21.5	20.3	23.9	24.6	26.3
IFAD	31.2	33.0	37.2	44.1	49.0
BILATERAL DEBT	163.7	143.7	159.4	171.4	178.0
Paris Club	68.1	64.0	74.5	86.5	93.1
France	35.2	33.6	40.2	48.6	52.9
Austria	8.7	8.3	9.6	10.1	11.0
Japan	13.6	11.9	13.2	14.8	15.4
Netherlands	0.7	0.7	0.8	1.0	1.1
BNP Paris	2.9	2.8	3.3	3.9	4.3
COFACE	3.5	3.3	3.9	5.0	5.4
Canada	3.0	3.0	3.0	3.1	3.1
USA	0.6	0.6	0.6	0.0	0.0
Non Paris Club	95.6	79.7	84.9	84.9	84.8
China	32.1	16.5	21.2	20.2	19.6
Saudi Arabia	30.6	30.6	30.2	29.9	30.1
Kuwait	29.4	29.3	30.5	31.7	32.1
Abu-Dhabi	2.5	2.6	2.7	2.7	2.7
Libya	1.0	0.8	0.4	0.4	0.4
TOTAL GENERAL.	1 174.8	1 161.3	1 316.2	1 431.8	1 586.5

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

It should be pointed out that the composition of the portfolio in relation to borrowing currencies has an important impact in the development of the debt stock. The SDR continued to gain importance in the composition of the portfolio, its share representing 80% of total stock by end 2004 against 77% by end 2003. This was due to the fact that being Rwanda's major creditors, IDA, IFAD and AfDB were generally the ones who continued to grant loans in SDR.

Graph 22: Foreign debt stock by groups of creditors (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

It is worthy noting that the predominance of the SDR over other borrowing currencies exposed the country to considerable exchange risk. Following the continuous devaluation of the dollar against this currency, this risk resulted in fact in the continuous increase of the debt stock, the repayment of which is up to now mainly effected in dollars.

Table 47: Structure of the debt by borrowing currencies (in millions of US\$, except otherwise indicated)

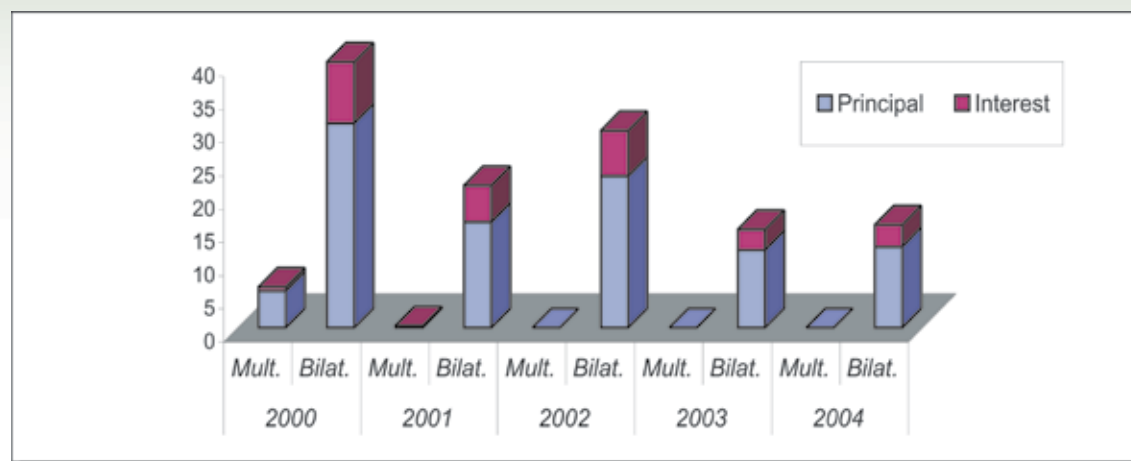
Currency	2001		2002		2003		2004	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
SDR	864.39	74.4	998.9	75.9	1107.0	77.4	1257.9	79.3
USD	130.3	11.2	130.3	9.9	123.9	8.7	119.3	7.5
EUR	73.9	6.4	87.1	6.6	101.1	7.1	103.4	6.5
SR	30.6	2.6	30.2	2.3	30.0	2.1	30.0	1.9
KD	30.5	2.6	30.5	2.3	31.7	2.2	32.1	2.0
YUAN	16.5	1.4	21.2	1.6	20.2	1.4	19.6	1.2
Others	15.2	1.3	17.6	1.3	17.2	1.2	24.1	1.5
Total	1161.3	100.0	1315.8	100.0	1431.1	100.0	1586.5	100.0

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

C. Stock of Arrears

Following the gradual discharge of the stock of arrears in the past few years, the outstanding amount which was estimated at 1583.2 million US\$ by end 2004, was close to that of the debt stock. The difference between these two amounts corresponds to interest arrears which were estimated at 3.3 million US\$ by end 2004.

Graph 23: Development of the stock of foreign public debt arrears (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Total stock of arrears, incurred both on the principal and on interests, increased from 14.8 to 15.5 million US\$ between 2003 and 2004. Debt arrears were mainly owed to some bilateral creditors, namely France, Japan and Abu-Dhabi, with whom debt refinancing agreements had not yet been signed by end 2004.

D. Drawings on Loans

Compared to 2003, drawings on loans in 2004 more than doubled and amounted to 101.1 US\$.

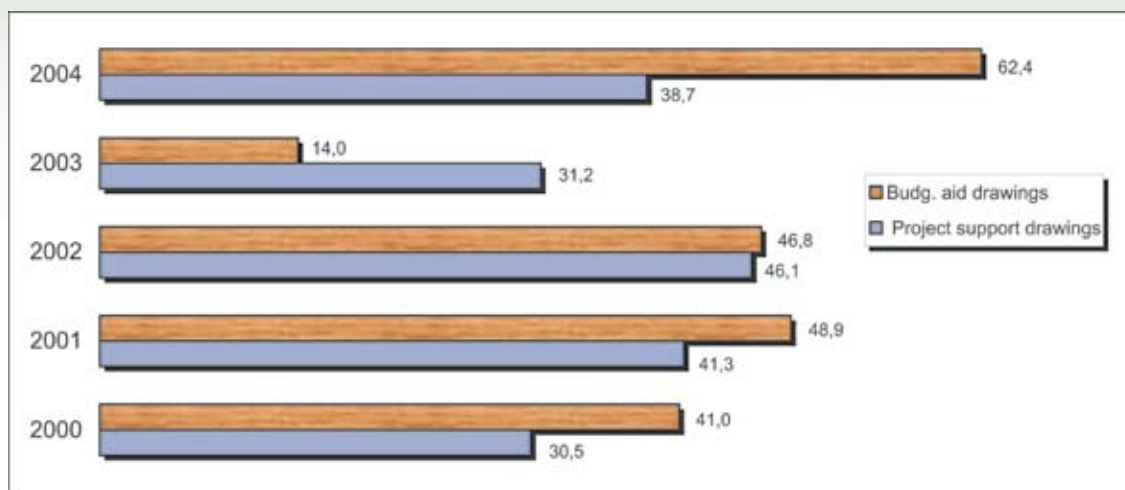
Table 48: Development of drawings on external loans (in millions of US\$)

Description	2000	2001	2002	2003	2004
Multilateral donors	47.1	71.8	87.9	45.2	101.1
Bilateral donors	0.2	1.1	1.4	0.0	0.0
Total	47.3	72.9	89.3	45.2	101.1

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

At 62.4 million US\$, drawings under budget support recorded a boom in 2004, while disbursements for development project financing amounted to 38.7 million dollars, representing an increase of 24% compared to 2003.

Graph 24: Drawings by type of financing (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

E. Outstanding Debt Service

Outstanding foreign debt service in 2004 (IMF credits and guaranteed debts excluded) amounted to 41.5 million dollars, of which 27.4 million for the principal and 14.1 million for interests. It increased slightly compared to 2003 when it stood at 40.8 million dollars. Despite this slight rise, it is worthy noting that outstanding debt service to bilateral creditors fell from 7.2 million dollars in 2003 to 4.7 million dollars in 2004, representing a drop of 34.7%. This was due to the process of cancellation and rescheduling of debts granted to Rwanda by some bilateral donors which had been going on for some years. However, outstanding debts to multilateral donors increased by 9%, from 33 to 36.5 million dollars.

Table 49: Development of outstanding public debt service (in millions of US\$)

Description	2000	2001	2002	2003	2004
MULTILATERAL DONORS	21.3	27.1	26.4	33	36.4
Principal	13.8	17.9	18.7	19.6	19.7
of which: IDA	6.3	8.4	10.5	12.2	12.0
AfDB-ADF	3.2	3.3	4.9	4	4.7
BADEA	2	3.8	3.3	3.4	0.8
Interests	7.5	9.2	7.7	9.6	8.5
of which: IDA	4.6	5.2	5.2	6.8	6.0
AfDB-ADF	2.2	2	2.3	2.1	1.7
BADEA	0	0.8	0.2	0.7	0.3
BILATERAL DONORS	6.3	4.2	7.7	7.2	4.7
Principal	4.2	2.9	5.3	4.8	2.8
Interests	2.1	1.4	2.4	2.3	1.9
SUPPLIER'S CREDITS	0.6	0.6	0.8	0.6	0.4
Principal	0	0	0.2	0	0.4
Interests	0.6	0.6	0.6	0.6	0.0
TOTAL	28.2	32	34.9	40.8	41.5
Principal	18	20.8	24.2	24.4	27.4
Interests	10.2	11.2	10.7	12.5	14.1

Source: NBR, Department of External Exchange Inspection and Balance of Payments

In terms of Rwandan francs, besides the conditionalities attached to the loans contracted, the trend of the debt service can be explained by the developments in the exchange rate of RWF against borrowing external currencies during the period under review. This debt service continued to grow to slightly more than double its level of 2000 while increasing by 9% compared to 2003, and stood at 24 billion RWF.

Table 50: Amount of debt service in public finance

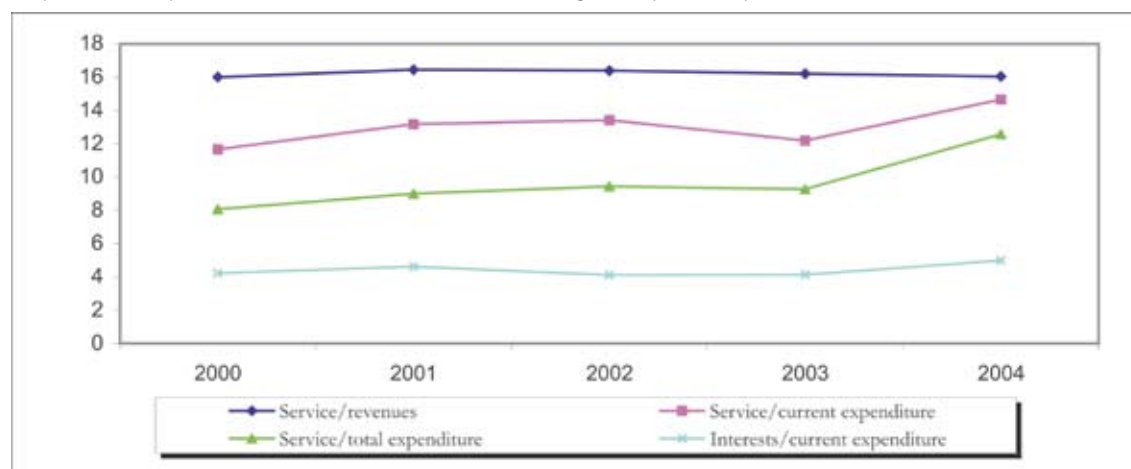
Year	2000	2001	2002	2003	2004
	in percentage				
Service/Government revenue	16.0	16.4	16.4	16.2	16.0
Service/Current expenditure	11.7	13.2	13.4	12.2	14.7
Service/Total expenditure	8.1	9.0	9.4	9.3	12.6
Interests/Current expenditure	4.2	4.6	4.1	4.1	5.0
	in billions of RWF				
Total service	11.0	14.2	16.6	19.8	24.0
Principal	7.0	9.2	11.5	13.1	15.8
Interests	4.0	5.0	5.1	6.7	8.1
Total revenue	68.7	86.2	101.2	122.3	146.4
Current expenditure	94.3	107.5	123.7	162.7	163.4
Total expenditure	136.4	157.5	175.9	213.8	190.6

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Comparison of debt service with budget receipts and expenses reveals some liquidity problems created by the country's debts to Treasury. In fact, foreign debt service has been absorbing around 16% of budget receipts for the past five years. It represented around 13% of current expenditure of which 5% went to pay interests. Debt service accounted for 10% of total expenditure.

Following the simultaneous rise of debt service and Government receipts and expenditure, the share of the debt service in public finance recorded relatively low changes, but it was still too high and intolerable for Treasury.

Graph 25: Development of debt service ratios in relation to budget receipts and expenses (in %)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

F. Paid Foreign Debt Service

In 2004, debt service paid under foreign public debt amounted to 38.7 million dollars. Comparison with outstanding debt service in 2004 shows accrual of arrears amounting to 3.8 million dollars. This was due to delays in finalizing negotiations for the restructuring of the debts incurred with some creditors, namely France, Japan and Abu-Dhabi.

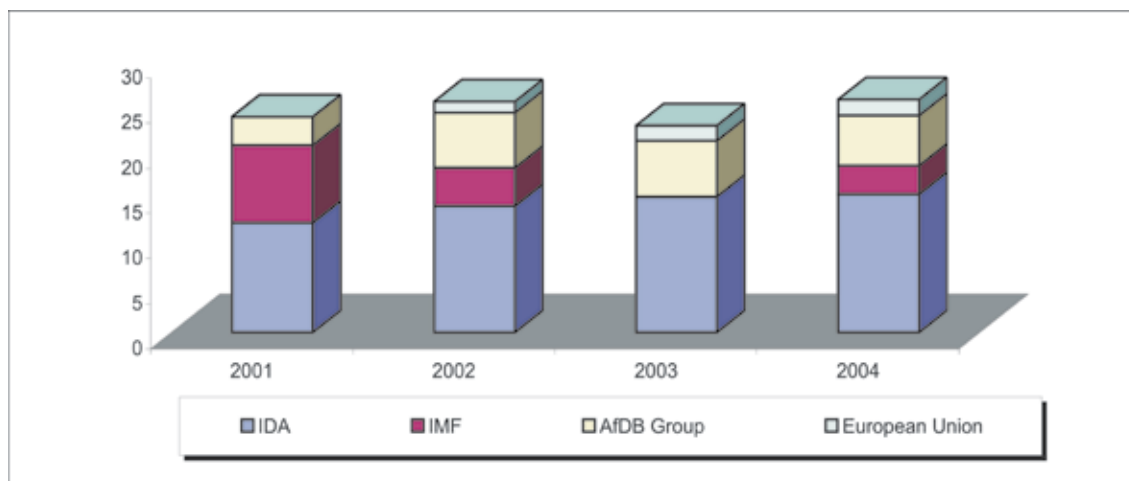
These public debt service payments were made thanks to assistance received under HIPC to the tune of 25.8 million US dollars and to Treasury which released 11.9 million dollars, representing 68% and 32% of total paid debt service respectively.

G. Debt Relief

In 2004, debt relief received under temporary HIPC Initiative assistance amounted to about 26.5 million US\$. This consisted almost exclusively of exemptions of debt service payments owed to multilateral donors.

After cancellation in 2003 of accumulated arrears owed to some bilateral donors, debt relief granted in 2004 concerned the 2004 current debt service only estimated at 0.7 million US\$. This involved debts owed to the Paris Club, namely Austria, Canada, Holland and United States, while agreements for debt restructuring with France and Japan were yet to be signed in 2004.

Graph 26: HIPC debt relief granted by multilateral donors (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Among multilateral donors, debt relief granted by IDA to the tune of 15.2 million US dollars was the highest, representing 60% of total, followed by the AfDB Group with about 5.6 million. Debt relief by IDA which had been interrupted in 2003 resumed in 2004 for an amount of 3.2 million US\$.

2. Debt Owed to IMF

The Government of Rwanda began getting loans from IMF in the early 1980s. In 1991, IMF started financing the structural adjustment programme to the tune of 30.6 million SDR, and since 1998, it began financing the poverty reduction programme (PRGF) to the tune of 71.4 million SDR and continued in 2002 with a loan of 4 million SDR for economic programme support.

Table 51: Development of debt owed to IMF (in millions of US\$)

Description	2000	2001	2002	2003	2004
Drawings	24.9	12.1	0.7	0.8	1.7
Service	12.5	11.5	7.3	2.2	5.9
- Principal	11.1	10.6	6.7	1.7	5.4
- Interests	1.4	1.0	0.6	0.5	0.5
Debt outstanding	85.8	83.9	84.0	84.4	85.6

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Disbursements made under the above last loan amounted to 1.7 million US\$ in 2004. After writing off the principal estimated at 5.4 million US\$, outstanding debt to IMF stood at 85.6 million US\$. Compared to 2003, this showed a slight rise of 1.4%.

In 2004, debt service payments to IMF amounted to 5.9 million US\$ against 2.2 million the previous year.

3. Private Foreign Debt

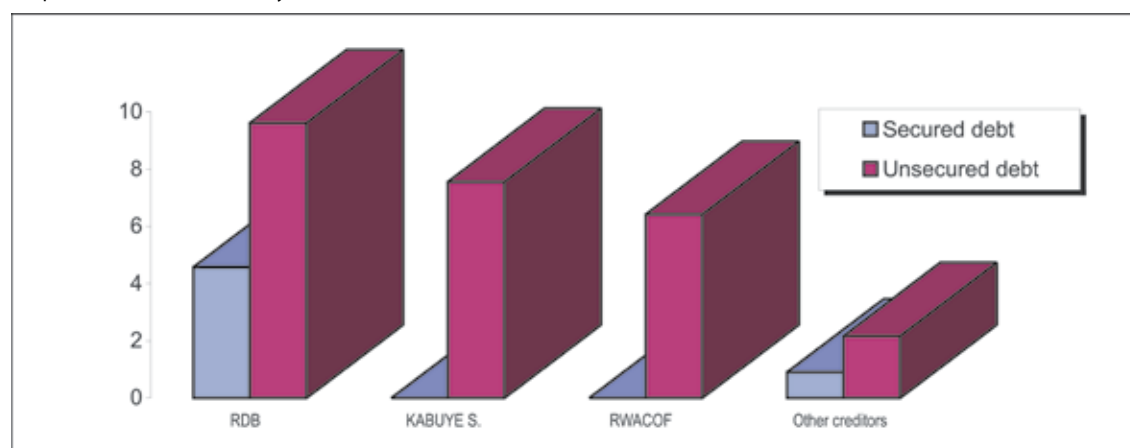
Private foreign debt was low in relation to total foreign debt in which it accounted for 1.9% only in 2004. It consisted mainly of foreign loans contracted by private sector firms with or without Government guarantee.

A. Debt Stock

Total private foreign debt by end 2004 amounted to 31.30 million dollars, of which 5.54 million (17.67%) represented Government guaranteed debt and 25.77 million dollars (82.33%) unsecured debt. Compared to end 2003, debt stock increased by 11.38% from 28.10 to 31.30 million dollars.

Total stock consisted of outstanding debt without arrears amounting to 26.28 million US\$ and payment arrears of 5.02 million US\$ in total, principal and interest combined. In relation to total stock of private sector debt, BRD owes the highest (guaranteed and unguaranteed combined) estimated at 14.26 million dollars, followed by KABUYE SUGAR WORKS with 7.56 million US\$ and RWACOF with liabilities amounting to 6.42 million US\$.

Graph 27: Private debt stock by borrower (in millions of US\$)



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

B. Secured Debt

Secured debt is at the moment composed of seven lines of credit granted to Banque Rwandaise de Développement (BRD), and a loan incurred by GOBOKA (a non profit making association) to the tune of 900,000 US\$ with Government guarantee.

During the year under review, guaranteed debt stock decreased from 6.44 million US\$ by end 2003 to 5.52 million dollars by end 2004. This reduction was largely due to repayments made by BRD.

Table 52: Development of outstanding guaranteed private debt by creditors (in millions of US\$)

Description	2000	2001	2002	2003	2004
EIB 1	0.4	0.4	0.5	0.5	0.5
EIB 2	1.9	1.7	0.2	0.1	0.1
EEC/EDF	0.4	0.3	0.4	0.5	0.6
ADF I	2.4	2	1.7	1.24	0.8
ADF II	4.8	4.1	3.8	3.2	2.6
AfDB	0.1	0.1	0.0	0.0	0.0
Total BRD	10.0	8.6	6.6	5.5	4.6
SHELTER	-	-	-	0.9	0.9
Total	10.0	8.6	6.6	6.4	5.5

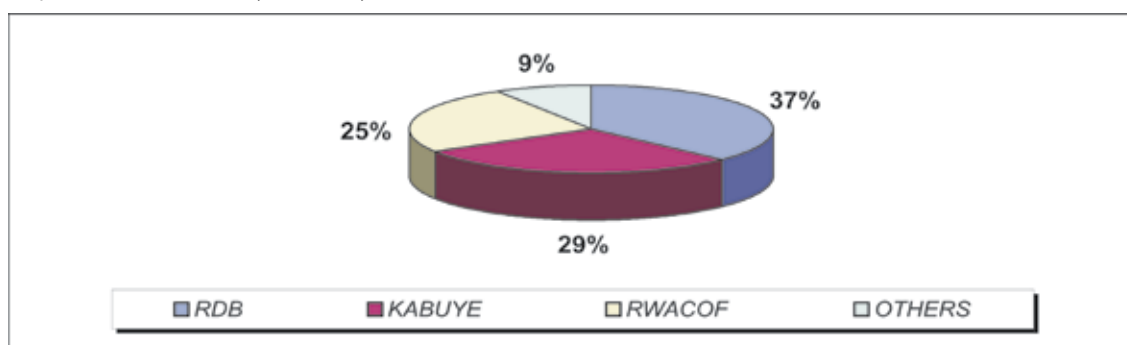
Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

C. Unsecured Debt

By end 2004, unsecured foreign loans amounted to 25.76 million US\$ in total, consisting of short term, medium term and long term foreign loans, which were incurred directly by both private and parastatal firms on their own account, without any Government guarantee.

BRD's debt was the highest, amounting to 9.6 million US\$ and representing 37.3% of total unsecured debt, followed by KABUYE SUGAR WORKS to the tune of 7.5 million US\$, and RWACOF with 6.42 million dollars; other loans amounted to 2.24 million US\$ in total.

Graph 28: Unsecured debt by beneficiary



Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

D. Disbursements and Debt Service

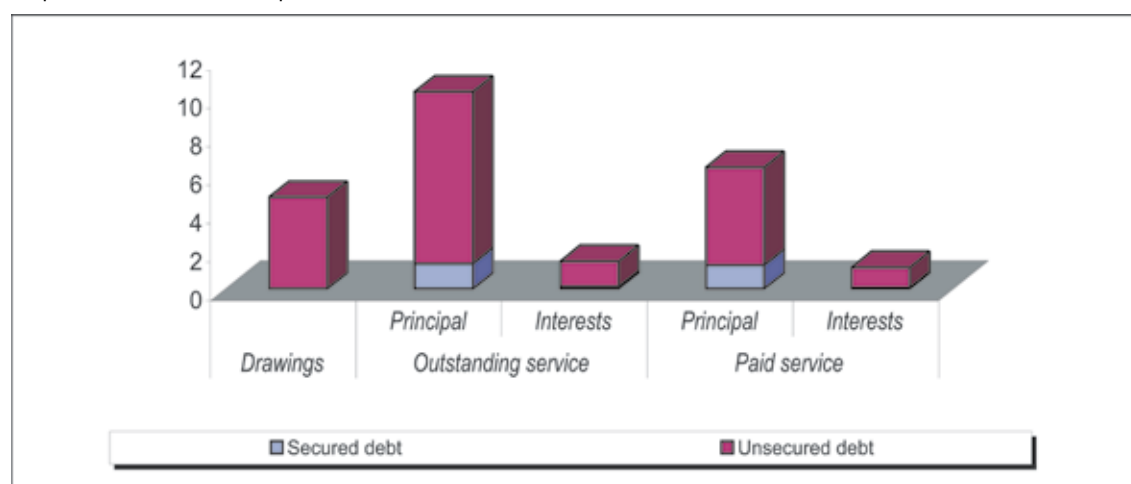
Disbursements under private foreign loans amounted to 4.77 millions US\$ by end 2004, and the highest was made to RWACOF to the tune of 3.32 million US\$ from a loan granted by SUCAFINA S.A. under coffee season financing.

The next highest was the disbursement made to Banque Rwandaise de Développement (BRD) for an amount of 0.92 million US\$ drawn on EIB III credit.

In 2004, outstanding private debt service was estimated at 11.70 million US\$, of which 10.26 million in principal (87.7%) and 1.43 million dollars in interests (12.3%). This consisted of short term debt of 6.97 million US\$ and medium and long term debts of 4.73 million dollars, representing 59.6% and 40.4% respectively.

Estimated liabilities under secured debt, principal and interests combined, amounted to 1.41 million US\$ against 10.29 million dollars for unsecured debt. Compared with 2003, total outstanding debt service increased from 6.1 million US\$ to 11.70 million dollars in 2004, representing a growth of 52.1%.

Graph 29: Disbursements and private debt service in 2004 (in millions of US\$)



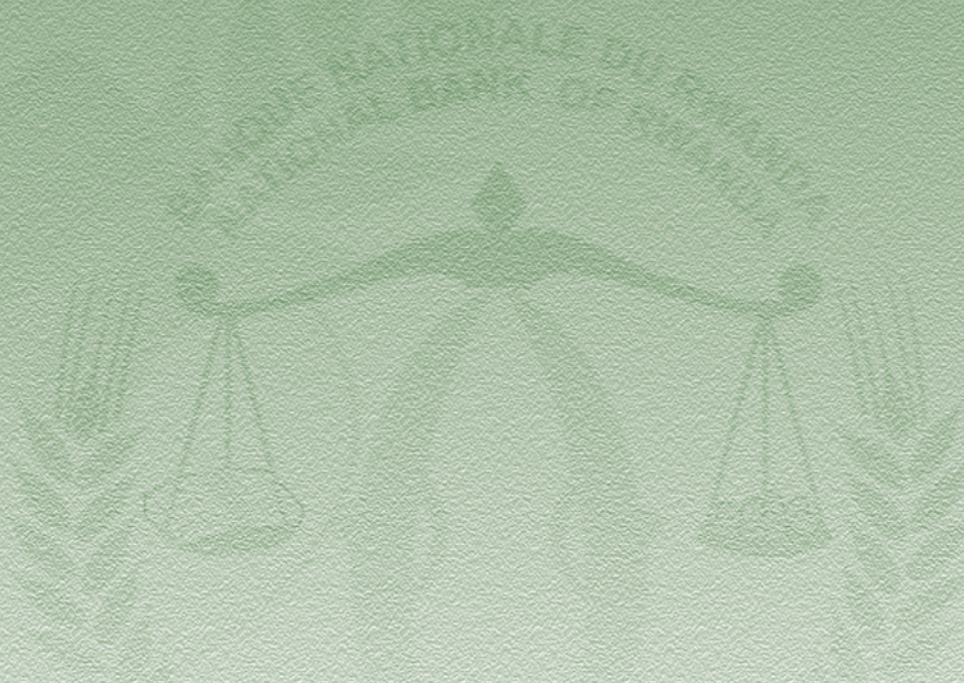
Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Repayments made by private firms as part of private debt service by end 2004 amounted to 7.44 million US\$ in total, of which 6.32 million dollars in principal and 1.11 million in interests.

Compared with 2003 when it was estimated at 3.91 million US\$, total paid debt service in 2004 increased significantly to 6.96 million dollars as a result of considerable refunds made by some companies, namely RWACOF (2.37 million), SINELAC (1.84 million), BRD (1.89 million) and KABUYE SUGAR WORKS (0.86 million US\$).

Part II

Activities of The Bank



Chapter III: Activities Related to the Main Missions of the Bank

III.1 Foreign Exchange Policies and Transactions

III.1.1 Foreign Exchange Policies

Within the framework of improving foreign exchange market operations and complying with related regulations, the Bank carried out the following major activities in 2004:

A. Restructuring of Informal Foreign Exchange Market

As part of the project for restructuring the informal foreign exchange market with a view to integrating it in the official market, various actions were undertaken. This involved particularly the organization of street money changers in Kigali and monitoring them regularly; initiating action for organizing street money changers operating in the provinces of Cyangugu and Gisenyi with a view to grouping them in foreign exchange associations; organization of training seminars for those involved in the management of the operations of these associations and radio-television broadcasts to sensitize the public on the new foreign exchange regulations.

In Kigali, those who already operate foreign exchange bureaux are 197 grouped in 21 associations. In Cyangugu and Gisenyi, money changers started working in associations on 21/9/2004 and 15/11/2004 respectively. There are 9 incorporated foreign exchange bureaux in Cyangugu with 109 former street money changers and, in Gisenyi, they are 13 bringing together 114 former street money changers.

B. Monitoring Compliance with Manual Foreign Exchange Operations Regulations

The bulk of the work in 2004 focused on the identification of structural problems and proposing solutions based on major observations made regarding the operations of foreign exchange bureaux.

Statistics on manual foreign exchange operations indicate predominance of funds allocated to tourism, mainly into neighbouring countries and Kenya. They also show that banks are the most important source of funds to foreign exchange bureaux, other than those operating as money changers associations.

These facts confirm that there are still problems in the implementation of regulations by foreign exchange operators.

With a view to correcting the situation, attendant reform measures to Foreign Exchange Regulations were proposed and adopted. These were:

- To subject the renewal of foreign exchange bureau licences to collection of foreign exchange from the public other than the banks equivalent to at least 25% of the sales and a monthly turnover figure equal at least to 240,000 US\$;
- Not to demand supporting documents with regard to operations in the currencies from neighbouring countries and Kenya;
- To record on the list of authorized manual foreign exchange operations sales of foreign exchange to foreign immigrants, particularly those from neighbouring countries, with regard to transfers of funds for maintenance of their families in their home countries. This arrangement complements the provision of Article 11 of Foreign Exchange Regulations authorizing sales of foreign exchange not exceeding 500 US\$ per transaction and 1000 per month for whatever reason, on condition that the individual presents an identity card issued by the competent authority;

- To make eligible to manual foreign exchange non residents who sell their goods on the national market based on import customs declaration, in accordance with the spirit of Article 36 of Foreign Exchange Regulations authorizing refinancing of imports.

C. Evaluation of Implementation of the New Foreign Exchange Regulations

The reforms introduced under the new foreign exchange regulations aimed mainly at the following:

- To channel foreign exchange transactions carried out on the parallel market into the official circuit;
- To clarify some parts of the foreign exchange regulations;
- To simplify the modalities for the declaration of foreign exchange transactions to NBR;
- To make a distinction between authorized and unauthorized capital transactions;
- To substitute spot checks to routine checks of all foreign exchange transactions;
- To remove certain obstacles to the improvement of business environment.

The review of these reforms one year after the publication of the new Foreign Exchange Regulations made it possible to identify some of the tangible results. These were mainly the following:

- A big number of former street money changers already operating as foreign exchange bureaux and an upward trend of the volume of declared transactions;
- Significant reduction of exemption claims as a result of the reforms made to some regulations and explanations given to employees of registered intermediaries and to the public;
- Gradual improvement of the system of declaration of foreign exchange transactions made by authorized intermediaries, making it possible to obtain information in quite a short period and reduce very significantly the volume of documents submitted by authorized intermediaries;
- Improved quality of checks, making it possible on one hand to establish in a measured manner the extent of compliance with Foreign Exchange Regulations and, on the other, to be better updated in monitoring transactions that must be checked.

III.1.2 NBR Foreign Exchange Transactions

NBR major foreign exchange transactions in 2004 consisted of purchases and sales of foreign exchange for its own requirements, those of Government and other clients.

Total volume of foreign exchange resources generated by these transactions amounted to 402.8 million US\$ against 218.7 million in 2003, representing a growth of 84.2%. NBR uses of foreign exchange amounted to 302.4 million US\$ in 2004 against 248.5 million in 2003, an increase of 21.7%.

The significant level of foreign exchange receipts mobilized by NBR in 2004 enabled it to meet fully the expenses incurred and realize a comfortable surplus of 100.4 million US\$; in 2003, foreign exchange expenses exceeded receipts, resulting in a deficit of 29.8 million US\$.

Table 53: Development of the volume of NBR foreign exchange transactions (in millions of US\$)

	1st quar.04	2nd quar.04	3rd quar.04	4th quar.04	TOTAL
RESOURCES					
Budgetary aid	26.6	46.2	24.9	98.9	196.6
Drawings on IMF credits	-	1.7	-	-	1.7
Interests on for. exch. investments	0.7	1.6	1.3	1.6	5.2
For. exchange supplies from banks	12.4	12.4	11.6	13.0	49.5
Others	17.2	23.3	50.1	59.1	149.8
Total	57.0	85.3	87.9	172.7	402.8
USES					
NBR current expenditure	2.5	6.1	3.2	19.0	30.8
Government current expenditure	17.2	29.2	16.4	32.0	94.8
Withdrawals by other clients	6.6	8.6	6.7	7.9	29.8
Foreign debt service	1.6	5.2	3.2	5.4	15.4
For. exchange sales to banks	12.4	14.0	21.9	26.0	74.3
Withdrawals of for. exch. by banks	12.5	13.4	7.7	13.2	46.8
Others	4.1	4.1	2.4	0.0	10.6
Total	57.0	80.7	61.3	103.4	302.4
Balance	0.0	4.6	26.5	69.3	100.4
	1st quar. 03	2nd quar. 03	3rd quar. 03	4th quar. 03	TOTAL
RESOURCES					
Budgetary aid	25.8	14.2	0.4	36.5	76.9
Drawings on IMF credits	-	0.8	-	-	0.8
Interests on for. exch. investments	1.1	1.1	1.1	1.2	4.4
For. exch. supplies from banks	10.6	8.7	10.5	16.3	46.1
Others	18.9	25.7	21.2	24.8	90.5
Total	56.4	50.4	33.1	78.8	218.7
USES					
NBR current expenditure	1.2	0.5	9.6	5.7	17.0
Government current expenditure	13.3	19.5	13.3	11.9	58.0
Withdrawals by other clients	6.9	4.9	6.7	8.3	26.8
Foreign debt service	3.2	4.3	2.5	3.7	13.7
For. exch. sales to banks	19.0	12.5	18.5	24.9	74.9
Withdrawals of for. exch. by banks	11.7	7.9	10.6	14.8	44.9
Others	4.3	3.2	5.7	-	13.2
Total	59.5	52.8	66.8	69.4	248.5
Balance	- 3.1	- 0.4	- 33.7	9.4	- 29.8

Source: NBR (Department of International Operations).

The exceptionally high level of receipts in 2004 was due to the very significant disbursements recorded in that year in support of Government budget financing. Budget support receipts increased from 76.9 million US\$ in 2003 to 196.6 million, representing considerable growth of 155.7%. Other receipts, consisting mainly of external funds for project financing and funds flows to diplomatic and consular missions contributed also to increase in foreign exchange receipts recorded by NBR in 2004. These amounted to 149.8 million US\$ in 2004 against 90.5 million US\$ in 2003, representing an increase of 65.6%.

Expenses were characterized by increases of Government and NBR current expenditure and withdrawals by banks and other clients from their foreign exchange accounts with NBR. Government foreign exchange current expenditure incurred by NBR increased by 63.4%, from 58 million US\$ in 2003 to 94.8 million in 2004, while foreign exchange expenditure incurred by NBR for its own account rose to 30.8 million US\$ in 2004 from 17 million in 2003, representing an increase of 81.2%. Withdrawals by the banks and other clients from their foreign exchange accounts with NBR increased to 76.6 million US\$ in 2004 against 71.7 million in 2003, a rise of 6.8%.

Settlement of current expenditure by NBR on behalf of the Government, withdrawals on foreign exchange accounts by banks and other clients, and foreign exchange auction sales to banks constituted the bulk of NBR foreign exchange transactions. They represented 91.5% of total foreign exchange uses in 2004 against 89.2% in 2003.

III.2 Implementation of Monetary Policies

III.2.1. Bank Liquidity Control

Money market remains a privileged tool used by Central Bank for regulation of the banking system liquidity for purposes of monetary stability. It does this more particularly by analyzing the latest behaviour of the different compartments of the money market.

III.2.1.1. Interventions on the Money Market Through Bids

The state of surplus liquidity observed during the last quarter of 2003 continued into 2004, with accelerated pace in the second half of the year. In order to absorb this liquidity overhang and restore the monetary base operational objective to the limits fixed by the 2004 monetary programme, it became necessary for NBR to intensify liquidity borrowing transactions, combined with issues of Treasury bills on behalf of Government and for purposes of monetary policies.

It is worthy pointing out that during the second half of 2004, the monetary momentum of public expenditure compelled NBR to make regular interventions in order to maintain the monetary base within the norms of monetary forecasts for 2004.

During the second half of 2004, NBR borrowed a total of 136.6 billion RWF from banks, against 25.01 billion during the first half of the same year.

Table 54: Borrowings on the money market: financial years 2003 and 2004 (in million RWF)

Description	Number of transactions		Amount to borrow		Amount borrowed		Interest paid	
	2003	2004	2003	2004	2003	2004	2003	2004
Ordinary borrowings	41	42	135,500	124,000	88,500	105,150	132.7	141.3
Special borr.	25	25	53,500	64,400	44,800	56,410	63.3	56.2
TOTAL	66	67	189,000	184,400	133,300	161,560	196	197.4

Source: Departmet of Money and Capital Markets

It should be pointed out that out of 67 liquidity mopping up operations, 25 were devoted to selective transactions for an amount of 56,410 million RWF, accounting for 34.92% of the amount borrowed. Total cost of these liquidity borrowing transactions amounted to 197.4 million RWF during 2004.

III.2.1.2. Management of the Pension Window

During the past two years, banks restrained their recourse to the pension window as a result of the improvement of their liquidity in general and better functioning of the interbank market. Thus during financial year 2004, total assistance from banks amounted to 6 billion RWF against 12 billion the previous year at the rate of 14.5%.

III.2.1.3. Monitoring Interbank Market Transactions

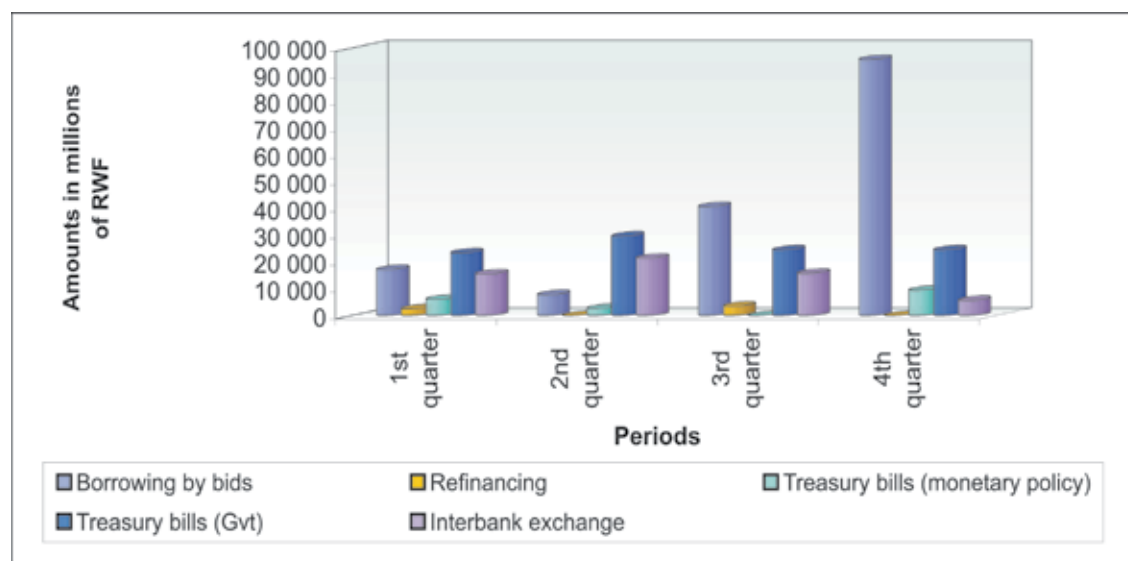
The buoyancy of the interbank market was the result of regulatory measures translated by a local Agreement signed between banks on 21 March 2003 and the rise in the pension rate with a view to compelling banks to borrow from their counterparts. Liquidity trading recorded in 2004 amounted to a total of 58.413 billion RWF against 81.493 billion in 2003, representing a drop of 28.31%. This drop was due to the improved level and distribution of liquidity in the banking system during the second half of the year. Monthly average interest rate on this market fluctuated between 10.16 and 11.91% in 2004.

Table 55: Quarterly developments of money market transactions: financial year 2004 (in millions of RWF)

Transaction	Quarters	1st quar.	2nd quar.	3rd quar.	4th quar.	TOTAL
Borrowing through bids		17,200	7,810	40,750	95,800	161,560
Injection through bids		--	--	--	--	--
Refinancing		2,500	--	3,500	--	6,000
Treasury bills (monetary policy)		6,106.7	2,612	--	9,487	18,205.7
Treasury bills (Government)		23,456.7	29,718.9	24,515.3	24,515.3	121,142.1
Interbank trade		15,500	21,425	15,800	5,688	58,413

Source: Department of Money and Capital Markets

Graph 30: Quarterly developments of money market transactions in 2004.



Source: Department of Money and Capital Markets

III.2.1.4. Fining Banks for Non Compliance with Directives Relating to Bank Liquidity Management

Fines imposed on banks in 2004 fell significantly compared to the previous year. They amounted to 15.6 million RWF in 2003 and dropped to 5.25 million in 2004. This drop was due to the situation of liquidity overhang recorded in 2004 which reduced the risks of insufficient marginal reserve requirements.

III.2.2. Money Market Development

III.2.2.1. Issue of Treasury Bills

As usual, National Bank of Rwanda carried out weekly issues of Treasury bills for financing Treasury and for purposes of monetary policy.

Resources mobilized on this market amounted to a total of 139,347.8 million RWF against 74,649.9 million in 2003. It should be pointed out that resources mobilized during 2004 for monetary policy purposes amounted to 18,205.7 million RWF against 5,215 million the previous year. Costs borne on this market amounted to 2,986.28 million RWF, of which 2,741.83 million was paid by Treasury. Mention can also be made of the active participation of the non banking sector which subscribed for a total of 72,207 million RWF against 24,896.4 million in 2003, representing an increase of 190%

Table 56: Issues of Treasury bills by category of subscribers (in millions of RWF)

Category	Amount		Amount required		Amount accepted	
	2003	2004	2003	2004	2003	2004
Banks					49,753.5	67,140.8
Non banks					24,896.4	72,207.0
TOTAL	94,035.0	138,635.0			74,649.9	139,347.8

Source: Department of Money and Capital Markets

Table 57: Quarterly developments of outstanding Treasury bills in 2004 (in millions of RWF)

Institutions	Period				
	31/12/2003	31/03/2004	30/06/2004	31/09/2004	31/12/2004
Banks	8,550.0	7,684.2	5,734.2	4,200.0	13,647.8
Non banks	7,060.0	8,161.0	15,670.0	14,706.1	20,171.1
Total	15,610.0	15,845.2	21,404.2	18,906.1	33,818.9

Source: Department of Money and Capital Markets

III.2.2.2. Revitalization of the Secondary Market of Treasury Bills

In a bid to stimulate the secondary market of Treasury bills, sensitization activities of the public were organized. Among them were the following:

- A training seminar on Money and Securities Markets conducted by an AFRITAC expert in March 2004. NBR employees and treasurers from financial institutions and local big companies attended;
- Publication of the results of Treasury bill auctions and new planned issues in local newspapers, IMVAHO and NEW TIMES, as well as on NBR website. Besides this campaign through the

media, a brochure written in three languages, namely French, English and Kinyarwanda, continued to be distributed to the target public and to different administrative units.

NBR has already received an application from a foreign private operator named TransAfrica Holdings Limited, for a licence to operate as a discount house on the secondary market for the securities issued on the money market. NBR has registered it but it is not yet operational.

III.2.2.3. Stimulating the Private Securities Primary Market: Deposit Certificates and Commercial Papers

Despite the modification of some clauses of Directive No. 13/2000 of 14/9/2000 relating to claim instruments issued on the money market, especially the articles concerning the duration and features of these instruments, and the organization of a seminar conducted by AFRITAC, no transaction of this type has so far been carried out.

In order to stimulate the private securities market, the Department of Money and Capital Markets still plans to organize sensitization sessions for potential stakeholders.

III.2.2.4. Monthly State of Interest Rates

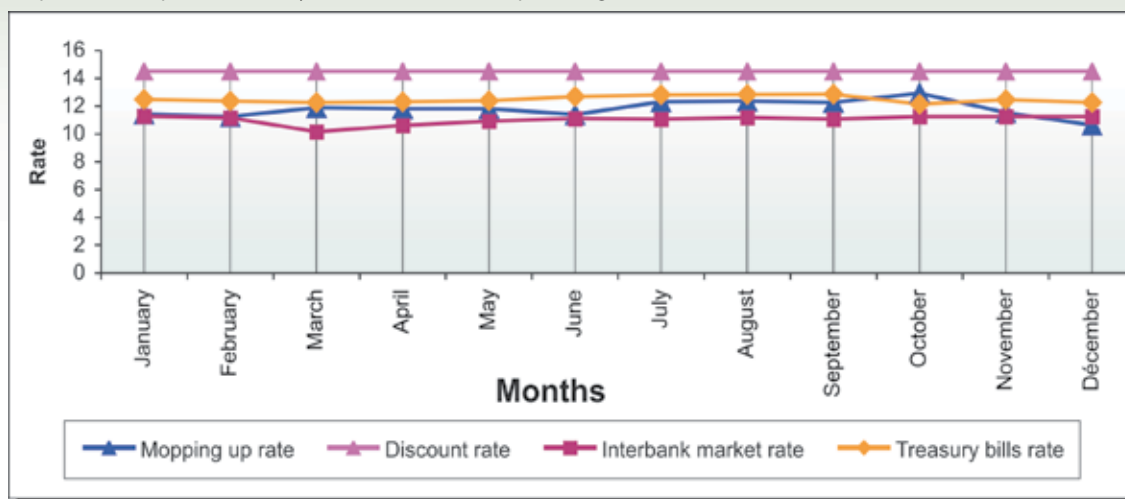
At the end of each month, a summary table of interest rates was compiled on the basis of the statistics received from banks and transactions carried out by NBR on the money market. Data recorded in this table concerned mainly lending rates, borrowing rates and rates applied on the four compartments of the money market.

Table 58: Development of interest rates in 2004 (in percentage).

ITEMS	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
(in %)												
Borrowing rate	8.69	9.06	9.44	9.24	9.37	9.57	9.24	9.28	9.39	9.33	9.57	9.39
Lending rate	15.52	15.92	16.26	16.88	15.81	15.12	16.10	16.32	15.29	16.09	16.06	16.01
Money market rate												
- mopping up rate	11.44	11.24	11.88	11.81	11.81	11.40	12.32	12.36	12.27	12.92	11.54	10.64
- Injection rate	-	-	-	-	-	-	-	-	-	-	-	-
Pension rate	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
Market rate												
Interbank rate	11.27	11.15	10.16	10.60	10.91	11.10	11.05	11.19	11.07	11.25	11.25	11.25
Weighted av. rate												
on Treasury bill market	12.48	12.35	12.26	12.32	12.38	12.68	12.81	12.83	12.85	12.15	12.45	12.26

Source: Department of Money and Capital Markets

Graph 31: Development of money market rate in 2004 (in percentage)



Source: Department of Money and Capital Markets

In the first ten months of 2004, the monthly average lending rate showed an upward trend, except for a few months corresponding to the coffee season when the rate declined. This was due to the financing of the coffee season accounting for 44.3% of total credit granted by the banking system at the interest rate of 13.4%.

Borrowing rate recorded a less significant change in 2004. Apart from the month of January when the rate was 8.6%, the weighted average borrowing rate fluctuated between 9.06% and 9.57% for the rest of the year.

Within the framework of negative bids, interest rates developed unevenly, ranging between 10.64% and 12.92%. During the second half of the year, these rates rose significantly as a result of intensified mopping up operations of liquidity by NBR. It should however be pointed out that the rise in the levels of these rates showed a more stable trend in 2004 compared to the previous year. It should be recalled that the rate in 2003 ranged between 9.29% and 12.90%.

With a view to stimulating liquidity trading on the interbank market, the refinancing rate remained high and fixed at 14.5% in 2004.

In the year under review, weighted average rate of interbank market experienced a moderate fluctuation, ranging between 10.16% and 11.27%. This stability was mainly due to surplus liquidity of the banking system which limited recourse to call money from counterpart banks.

Rates applied on Treasury bills in 2004 developed unevenly, showing a low change compared to the previous year. The lowest level was 12.15% and the highest 12.85% while in 2003, the general trend had been an upward move, with these levels standing at 10.49% and 12.74% respectively. This stability of interest rates on Treasury bills, though standing at a high level, was due to the adjustment effects of the prescribed bases and the need to finance Treasury, thus making the securities market more buoyant and more competitive.

III.2.3. Capital Market Development

During financial year 2004, a number of activities were carried out as part of the prerequisites for the establishment of the capital market in Rwanda. Mention can particularly be made of the study on the evaluation of the financial sector carried out Belgium Bankers Academy (BBA); the establishment in June 2004 of a working group, Capital Market Task Force, with the responsibility of developing the capital market project, the study on the establishment of Rwanda Stock Exchange carried out by a group of Kenyan consultants, as well as seminars and study tours.

III.2.3.1. Study on the Evaluation of the Financial Sector

The study on the evaluation of the financial sector led to the conclusion that the project for the establishment of capital market in Rwanda was feasible in the medium term. With regard to the weaknesses and shortcomings of the existing capital market and the requirements to be fulfilled before the launching of the actual project, the consultant made a number of recommendations which he put in four categories.

1. General measure
 - Establishment of an office for modernization of the financial environment.
2. Institutional measures
 - Establishment of a Bank Loan Guarantee Fund ;
 - Reorganization of project reliability ;
 - Possible establishment of a Contested Claims Recovery Fund (CRF);
 - Establishment of a Securities Clearing House (SCH);
 - Establishment of an "Equity fund" for privatized shares in the Caisse Sociale du Rwanda (CSR) ;
 - Formation of a leasing company ;
 - Establishment of a company for the execution of land securities.
3. Instrumental measures
 - Development of a legal framework for specialization of financial system institutions;
 - Introduction of an obligation for large scale and medium scale enterprises a) to draw up periodical b) audited financial statement and c) to communicate them to a financial statements bureau;
 - Strengthening accounting and audit professions;
 - Overall evaluation of investment limits by financial intermediaries;
 - Speeding up the legal and judicial reform programme recommended by the Interbank Commission;
 - Development of fiscal incentives in favour of capital market in general;
 - Promotion of forms of long term provident fund savings;
 - Discharging Government's debt owed to CSR;
 - Long term resource mobilization by BRD.
4. Monetary policy measures (interest-rate curve)
 - Development of yield curve through the extension of securities maturity (Treasury bills) issued on the money market.

These recommendations were tabled at meetings before different authorities directly involved in the project for capital market establishment in Rwanda, namely MINECOFIN, MINICOM and NBR, as well as other potential participants in the capital market, including CSR, insurance companies, banks and financial institutions and private sector operators.

III.2.3.2. Establishment of a Task Force for the Development and Establishment of the Capital Market in Rwanda

Discussions of the recommendations made from the evaluation of the financial sector led to the formation by Government in June 2004, of a Capital Market Task Force responsible for developing the project for the establishment of the capital market in Rwanda.

Under the chairmanship of the Deputy Governor, this Task Force started its operations in July 2004 and already counts many achievements to its credit. In addition to meetings it organized regularly, it steered a study which was carried out by a group of Kenyan consultants on the establishment of the Rwanda Stock Exchange.

Presently, a study report has been finalized on the feasibility of the project for the implementation of a stock exchange in Rwanda and is to be submitted to Government for decision.

III.2.3.3. Study Tours and Seminars

Other activities carried out in 2004 included the following:

- A study tour in Kenya in February 2004 by a delegation led by the Minister of Commerce. The delegation visited, among others, Nairobi Stock Exchange, Capital Market Authority, the Ministry of Trade and Industry, the Ministry of Finance, Kenya Revenue Authority, Central Bank of Kenya, Investment Promotion Agency, etc. The aim of these visits was to draw inspiration from the Kenyan experience in the organization and management of the capital market;
- Organization in Kigali in May 2004, in collaboration with the International Centre for the Dissemination of New Technologies in Africa (CINTEA) based in Paris, of a seminar on the stock exchange trade. The seminar was attended by representatives of NBR, MINECOFIN, MINICOM, Privatization Secretariat, banks and financial institutions, insurance companies, private sector, CSR;
- Mission by Nairobi Stock Exchange consultants with a view to the development of a Memorandum of Understanding (MOU) with Rwanda on the cooperation to develop between Rwanda Stock Exchange and Nairobi Stock Exchange;
- A seminar on the development and regulation of capital markets organized in April 2004 in Washington which was attended by an official from the Money and Financial Market Department.

III.3. Management of Special Funds and Lines of Credit

In 2004, NBR managed a number of financing facilities (three Special Funds and five Lines of Credit) as part of donor support to the Government of Rwanda in the fulfillment of its objectives of poverty reduction and strengthening the national economy.

III.3.1. Special Funds

III.3.1.1. Dairy Cattle Development Support Project Guarantee Fund (PADEBL)

Within the framework of the national strategy for poverty reduction, Government obtained a credit from the African Development Fund (ADF) with a view to financing the Dairy Cattle Development Project (PADEBL). The aim of the project is to contribute to improved food security and poverty reduction by meeting the domestic demand in milk and meat and increase the income of operators.

PADEBL project has several components, including the "Guarantee Fund" which is managed by NBR. With three hundred million Rwandan francs (300,000,000 RWF), this fund is reserved for private sector economic operators in order to cover up to 50% of financial risks through compensation in case of default by the investor, i.e. 50% of the principal and interests over a maximum period of three (3) years. The following activities may be covered by this Guarantee Fund:

- Dairy herd rebuilding ;
- Acquisition of farm inputs ;
- Infrastructure and equipment ;
- Installation of cattle feed manufacturing units ;
- Veterinary pharmacies ;
- Milk marketing and processing ;
- Non industrial processing of hides and skins.

In 2004, different applications for guarantee were considered and by 31 December, thirty seven projects were approved for a total amount of 266,833,849 RWF, representing 88.9% of total allocated amount.

III.3.1.2. Coffee Season Guarantee Fund – 2004/2005

With a view to the improvement of Rwanda's coffee, Government put at the disposal of Financial Institutions a Guarantee Fund of 300,000,000 RWF managed by NBR and meant to cover working capital loans to Coffee Washing Stations for 2004 coffee season. The aim of the Fund is to reduce the banker's risks and compensate for guarantee shortfalls by supporting loan applications which fall within the "Fully Washed Coffee" working capital fund.

The 2004 Coffee Season used 36.46% of the Guarantee Fund. This was due to the delays in the establishment of the Fund. The Management Protocol was signed on 28/04/2004 and yet the coffee season had started in February 2004. Out of all the applications issued, we did not register any appeal to the Guarantee.

With regard to the 2005 season, the Management Protocol (Government – NBR) was signed on 14/12/2004 and total budget was reviewed upward to the tune of 800 million RWF. The guarantee covers both the working capital and investment in coffee washing stations.

III.3.1.3. Housing Fund (HF)

The Housing Fund was established by Act No. 06/01 of 22 June 1998 concerning the establishment, organization and management of the Housing Fund. The aim of this fund was to finance families wishing to acquire their first house or to rehabilitate their existing one.

The first financing was given as a grant by the Government of Japan to the tune of 1,000,000 US\$ (300 million RWF) and, on 1/1/1999, National Bank of Rwanda added 200 million RWF to this fund which, therefore, took off with an initial capital of 500 million RWF.

The fund operated until it exhausted the initial allocation and since then, it operates on credit refunds.

On 31 July 2003, a decision by Cabinet was taken to transfer the Housing Fund to Caisse Hypothécaire du Rwanda. A law amending Act No. 06/01 of 22 June 1998 is yet to be passed in order to give effect to this decision of Government.

As at 31/12/2004, a total of 104 houses had been financed by the Housing Fund for a total amount of 768,242,332 RWF as follows:

Table 59: Houses financed by the Housing Fund

	Construction	Purchase	Completion	Rehabilitation	Total
Number of houses	44	54	5	1	104
Total in RWF	326,782,783	417,459,549	20,000,000	4,000,000	768,242,332

Source: Department of Money and Financial Markets

During the year under review, NBR monitored the monthly recoveries (of the principal and interests) which were done according to pre-established time-frames. As at 31/12/2004, 89,170,490 RWF had been recovered, and a sum of 10,612,946 RWF had been granted to subsidize regular clients in their commitments in accordance with the conception of the Housing Fund.

III.3.2. Lines of Credit

During financial year 2004, NBR managed the following five Lines of Credit:

- Rural Sector Support Project (Rural Investment Facility-IDA 3483-Rw) ;
- Preferential Refinancing Facility for Agricultural Diversification ;
- Cash and Export Crop Development Project ;
- Private Sector Support Project (IDA 2541-Rw) ;
- Agricultural and Rural Market Development Project (IDA 3270-RW).

III.3.2.1. Rural Investment Facility (RIF)

According to the Credit Agreement signed between the Government of Rwanda and the International Development Association (IDA) on 25 April 2001, IDA granted to the Government a credit of 37,200,000 SDR (phase 1) for financing the Rural Sector Support Project (RSSP).

RSSP has several components, including the Rural Investment Facility (RIF), a line of credit managed by NBR with a budget of 5,620,000 SDR for phase 1 from 2001 to 2005.

RIF is used for partial refinancing of medium and long term credits granted by Participating Financial Institutions (PFI) to rural development projects.

One hundred sixty one (161) projects were refinanced in 2003 for a total amount of 2,286,722 US\$, while four hundred twenty two (422) projects were refinanced in 2004 for a total amount of 2,283,062 US\$, bringing the total number of refinanced projects in the two years to five hundred eighty three (583) for a total amount of 4,569,784 US\$, equivalent to 2,590,427,758 RWF.

In order to assess the performance of the sub-projects refinanced from the resources of the Rural Investment Facility, an evaluation report was prepared by an independent consultant. The specific objectives of the evaluation exercise covered the following aspects, among others:

- to establish the financial and economic viability of the refinanced sub-projects by type of activities ;
- to ensure that the funds disbursed by RIF were effectively used for purposes they had been applied for ;
- to assess the working conditions of the refinanced sub-projects ;
- to ensure the quality of technical follow up of the sub-projects.

Generally speaking, the report made it possible to identify the problems encountered by different stakeholders and came up with recommendations and strategies which will contribute to improved management of RIF. This meant particularly to involve all the parties in the management of the resources and ensure strict compliance with different signed agreements.

III.3.2.2. Preferential Refinancing Facility of Medium and Long Term Loans to Agricultural Exports and Agro-industries

This Fund draws its resources from the repayments of Government funded debt to National Bank of Rwanda.

Among eligible activities for financing from this facility are long and medium term loans for agricultural and agro-industrial projects (including livestock) considered bankable by participating banks. These projects had to show easily measurable foreign exchange net savings. This included financially viable import substitution activities. However, when funds seemed inadequate to cover potential needs, priority was given to exports.

In any project considered eligible, the Fund's participation does not exceed two hundred (200) million RWF in order to expand the beneficiaries' base. However, NBR may disregard this limit depending on the availability of resources and identified needs. Applications are processed on first come first serve basis at National Bank of Rwanda.

Nine (9) projects were refinanced for a total of 1,306,612,000 RWF.

III.3.2.3. Cash and Export Crop Development Project (Credit No. 596-Rw/IFAD)

The aim of the project is to maximize and diversify the income of the poorest cash crop farmers by developing financially viable commercial processing and marketing activities. In this connection, the project will concentrate on cash and/or export crops such as coffee and tea.

The project will be implemented in four provinces, namely KIBUYE, GIKONGORO, KIGALI-NGALI AND KIBUNGO.

The beneficiaries of the project are families living in the project area who, in order to maintain their products at an acceptable quality level, have decided to initiate a sub-project to be financed within the

framework of the Cash and/or Export Crop Development Project. It will be ensured that women heads of households will be targeted as a matter of priority to participate in the activities of the project.

Government entrusted NBR with management of one component of the project consisting of a line of credit amounting to 2,910,000 SDR, of which 1,200,000 SDR was reserved for long term credits; 600,000 SDR for short term credits and 1,050,000 SDR for overdraft facilities.

NBR undertakes to refinance loans granted by Participating Financial Institutions as follows:

- 100% for long term credits ;
- 100% for short term credits to Small and Medium Scale Enterprises (SME) ;
- 75% for short term credits to tea and coffee producers ;
- 75% for overdraft facilities.

In 2004, different Agreements were drawn up and signed by different partners. This line of credit will be operational in 2005.

III.3.2.4. Private Sector Support Project (IDA 2541-Rw) and Rural and Agricultural Market Development Project (IDA 3270-Rw)

These two lines of credit have been closed and NBR has been monitoring refunds from refinanced sub-projects. Recoveries are done in accordance with pre-established time-frames and no outstanding debt has been recorded to date.

In 2004, a sum of 197,825,610 RWF was recovered on IDA 2541-Rw line of credit. Outstanding balance on this line is estimated at 400,773,280 RWF and the farthest time-frame will fall on 31 May 2010.

A recovery of 321,234,000 RWF was made on IDA 3270-Rw line of credit in 2004 and there is no outstanding balance to recover as activities on this line closed on 31/12/2003.

III.4. Foreign Exchange Reserves Management

With regard to international transactions, National Bank of Rwanda took advantage of the improved international economic situation to meet and even exceed its budget objectives in terms of bank receipts.

III.4.1 Development of the Reserves Management Framework: Investment Guidelines

Investment Guidelines were improved upon and almost totally recast with a view to serving as a reference for any issue concerning reserves management and clarify the responsibilities of different authorities of the Bank involved in this field. It is in this context that the Investment Committee is chaired by a member of the Bank's Management since December 2003.

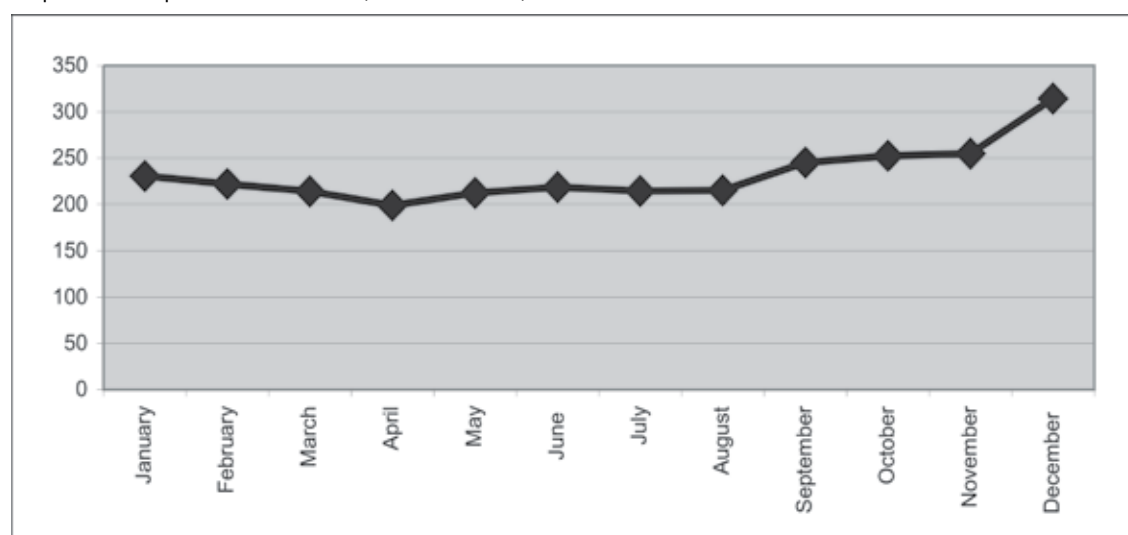
Financial exercise 2004 recorded also the first evaluation of the actual application of the provisions relating to risk management found in the Investment Guidelines. This evaluation was carried out with the support of a consultant from AFRITAC who suggested the amendment of certain elements of the document the application of which was found to be painstaking since the adoption of the guidelines.

Two important changes were thus made in the Investment Guidelines. The first was the adoption of a new currency mix consisting of 55% US\$, 35% euro and 10% GBP, compared to the previous composition of 48%, 40% and 12% respectively. This change was motivated by the need to reduce exchange risks resulting from the excessive volatility of the Euro and the GBP during the year under review. The second change consisted of increased exposure to the private sector from 30% to 50% maximum, thus bringing down exposure to the public sector from 70% to 50%. It was indeed observed that during the period under review, the 30% maximum limit for the private sector represented a constraint to optimal returns on the reserves which were on the increase compared to the previous financial year. The latter change will make it possible to benefit from the relatively high return on private sector instruments while respecting the minimum rating it has maintained at AA-.

III.4.2 Development of NBR's Foreign Exchange Assets

The year 2004 was marked by an increase in foreign exchange reserves due to the volume of grants received and the regular disbursements of foreign aid pledged by donors.

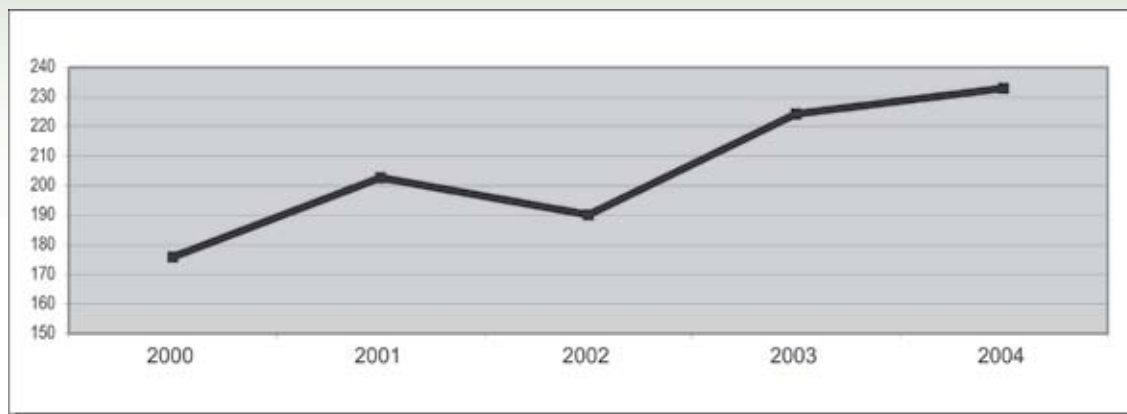
Graph 32: Development of NBR's assets (in millions of US\$)



Source: Department of International Operations

The level of reserves increased from 214.24 million US\$ by end December 2003 to 314.50 million by end December 2004, representing a rise of 46.83%. Thus the average level of gross reserves of NBR which amounted to 224.67 million US\$ in 2003 rose to 232.89 million in 2004, an increase of 3.66%.

Graph 33: Development of NBR's assets 2000-2004 (in millions US\$)

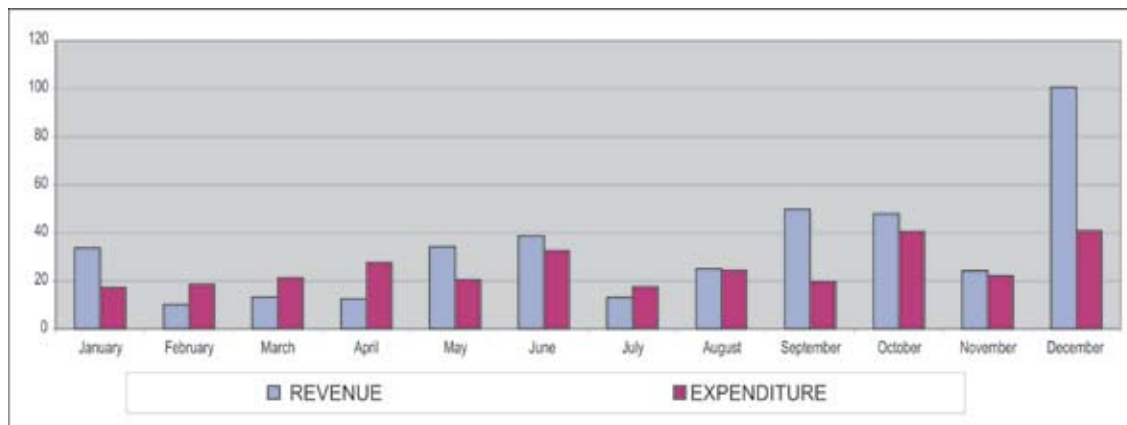


Source: Department of International Operations

Foreign exchange receipts in 2004 consisted for the most part of disbursements from foreign exchange budget support, banks' funding of their foreign exchange accounts with NBR and project financing.

Out of total foreign exchange receipts of 402.78 million US\$ recorded in 2004, contributions from the three major sources above were 196.63 million US\$ for budget support, representing 48.82%; 45.86 million US\$ for banks' funding of their foreign exchange accounts with NBR equivalent to 11.39%; and 77.47 million US\$ for project financing, representing 19.23% of total receipts earned in 2004.

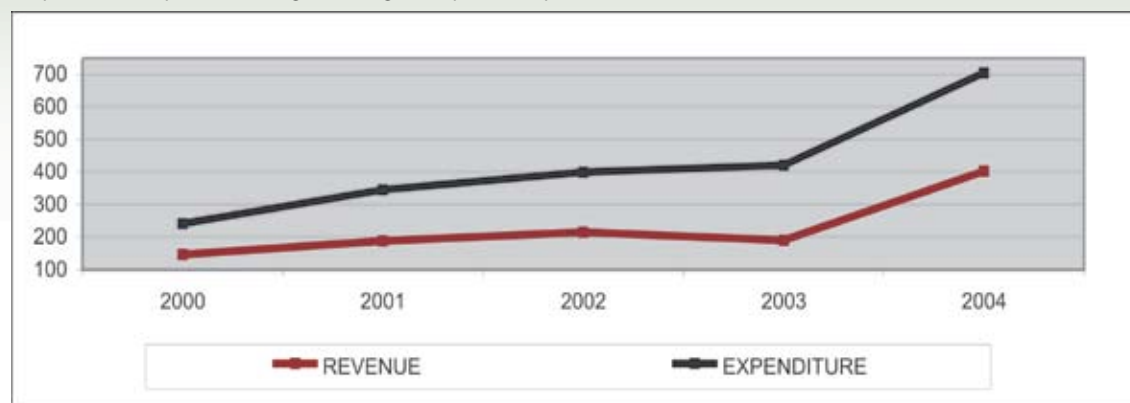
Graph 34: Development of receipts and expenditure of NBR in 2004 (in millions of US\$)



Source: Department of International Operations

In terms of expenditure, foreign exchange disbursements in 2004 amounted to 302.45 million US\$, of which 74.25 million were sold to banks under foreign exchange auctions (24.55%), 94.82 million US\$ were disbursed to meet Government expenses (31.35%), and 46.85 million US\$ consisted of banks' withdrawals from their accounts with NBR (15.49%), while 29.84 million US\$ were sold to other clients of the Bank, mainly in the form of withdrawals from their foreign accounts managed by NBR.

Graph 35: Development of foreign exchange receipts and expenditure 2000- 2004 (in millions of US\$)



Source: Department of International Operations

III.4.3. Financial performance in financial year 2004 (in thousands of RWF)

Financial year 2004 recorded satisfactory financial results (+10% compared to financial year 2003) thanks to the comfortable level of foreign exchange reserves (average of 233 million US\$ in 2004) and the gradual improvement of the international economic environment from the second half of the year.

Table 60: Financial performance in 2004 compared to financial year 2004 (in thousands of RWF)

Items	Perf. 2003	Objective 2004	Perf. 2004	Rate of performance
Interests on call money	376,656.53	287,042.00	424,775.78	148.00 %
Interests collectable on SDR	240,513.40	247,078.00	309,763.63	125.37 %
Interests on fixed deposits	965,159.66	997,002.00	1,019,535.03	102.26 %
CAAML investment income	314,966.66	612,080.00	624,073.11	101.96 %
Interests on CITIBANK funds	140,642.53	26,310.00	34,641.77	131.67 %
Interests on MTI	-	225,200.00	237,547.35	105.48 %
Commissions on credits documentaires	48,997.95	71,583.00	71,242.32	99.52 %
Earnings on arbitrage	1,526,847.11	1,500,000.00	1,661,742.15	110.78 %
Difference of positive exchange rate	776,822.36	1,070,000.00	1,162,662.32	108.66 %
Total	4,390,606.20	5,036,300.00	5,545,983.46	110.12 %

Source: Department of International Operations

III.4.3.1 Interests on Fixed Deposits

Interests earned in 2004 amounted to 1,019,535 million RWF, representing an increase of 5.6% compared to 2003 and a favourable deviation of 2.3% in relation to the 997 million RWF estimated for 2004. This slight increase was due on one hand to the monthly volume of deposits in Euro which grew from more or less 20 million to 33 million Euro at a stable interest rate of 2%, and on the other, to the rise in average interest rate on GBP and the monthly volume of deposits in this currency, which grew from 3.5% to 4.5% and from 5 million to 8 million GBP respectively.

III.4.3.2 Interests on Call Money

The low level of interest rate on US\$ (1%) during the first half of 2004 and the gradual rise to 2.25% recorded in the second half were more beneficial to investments from day to day which earned interests amounting to 424.775 million RWF in 2004, representing an increase of 12.7% against 376.656 million RWF in 2003, and a favourable deviation of 47.98% in relation to the estimated 287 million RWF. This performance was the result of keeping more funds in the main US\$ current account compared to 2003, and the high level of interest rates on REPO (Repurchase Agreement) in relation to short term interest rates (1 to 3 months) on US\$ during the period under review.

III.4.3.3 Profits from Arbitrage

Profits from arbitrage amounted to 1,660 million RWF against estimates of 1,500 million RWF, representing an increase of 9% compared to 2003 with earnings of 1,526.847 million RWF, and a favourable deviation of 10.67% in relation to estimates. The high level of reserves in 2004 contributed to this performance, notwithstanding the smaller amounts used in individual transactions due to strict management of exchange risks.

III.4.3.4 Interests on Externally Managed Fund

These interests consisted mainly of earnings of one of the external managers of the Bank after the second one was dropped due to poor performance during the first quarter of 2004. These interests amounted to 624,073 million RWF, representing a favourable deviation of 1.92% in relation to estimates of 612,085 million RWF. However, this performance was diminished by consideration of a capital loss "unrealised loss" amounting to 437,388 million RWF resulting from a faster recovery of interest rates on US\$ in 2004 compared to estimates, pursuant to the principle of evaluation at market price stipulated in International Accounting Standards and adopted by the Bank from financial year 2004. This led to the reduction of the market value of fixed income instruments which form the bulk of this fund.

III.4.4 Foreign Exchange Market

III.4.4.1 Interventions on Foreign Exchange Market

Interventions on the foreign exchange market were made through the system of auction sales of foreign exchange to commercial banks. From 2003 to 2004, the total amount sold to commercial banks varied slightly, increasing from 73.35 million to 74.25 million US\$, representing an increase of 1.23%.

III.4.4.2 Interbank Transactions

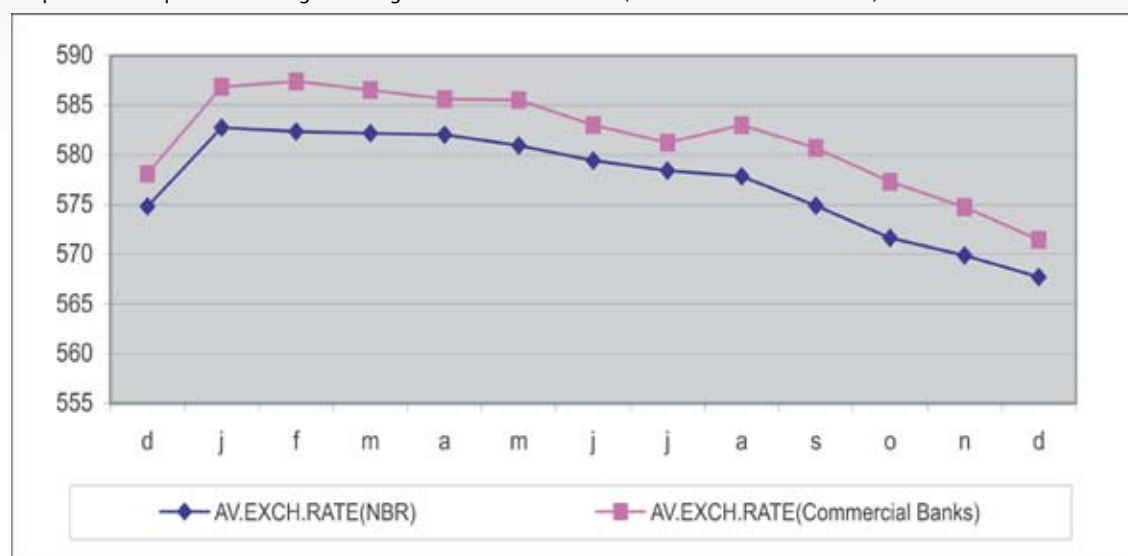
Total volume of interbank transactions in 2004 amounted to 25.07 million US\$ of which 20.53 million were sold to NBR, with a monthly average of 2.09 million US\$. This item rose by 196.7% between 2003 and 2004, increasing from 8.45 to 25.07 million US\$. This accounted for the overall net overhang situation in the banking system in 2004 due to considerable flows of foreign exchange from abroad to commercial banks.

III.4.4.3 Development of Exchange Rate

In 2004, average exchange rate of RWF against US\$ remained stable but with a slight upward trend. Between January and December 2004, the exchange rate dropped by about 2.58%. This stability was due not only to interventions on the foreign exchange market but also to considerable flows of foreign

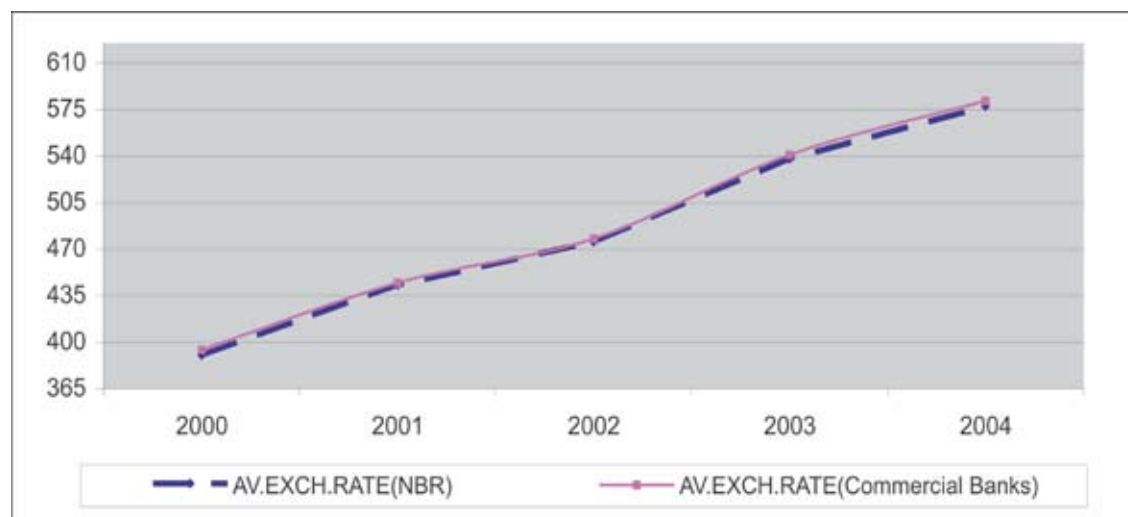
exchange from abroad to commercial banks. In 2004, the availability of foreign exchange in commercial banks enabled NBR to buy from the banking system a sum equivalent to 20.53 million US\$.

Graph 36: Development of average exchange rate in account in 2004 (NBR and Commercial Banks)



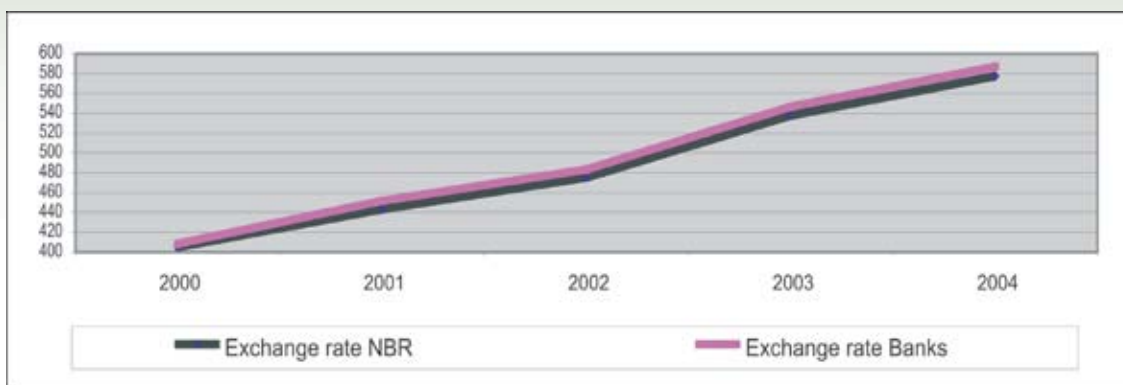
Source: Department of International Operations

Graph 37: Development of average exchange rate in account 2000-2004 (NBR and Commercial Banks)



Source: Department of International Operations

Graph 38: Development of banknotes average exchange rate 2000-2004 (NBR and Banks)



Source: Department of International Operations

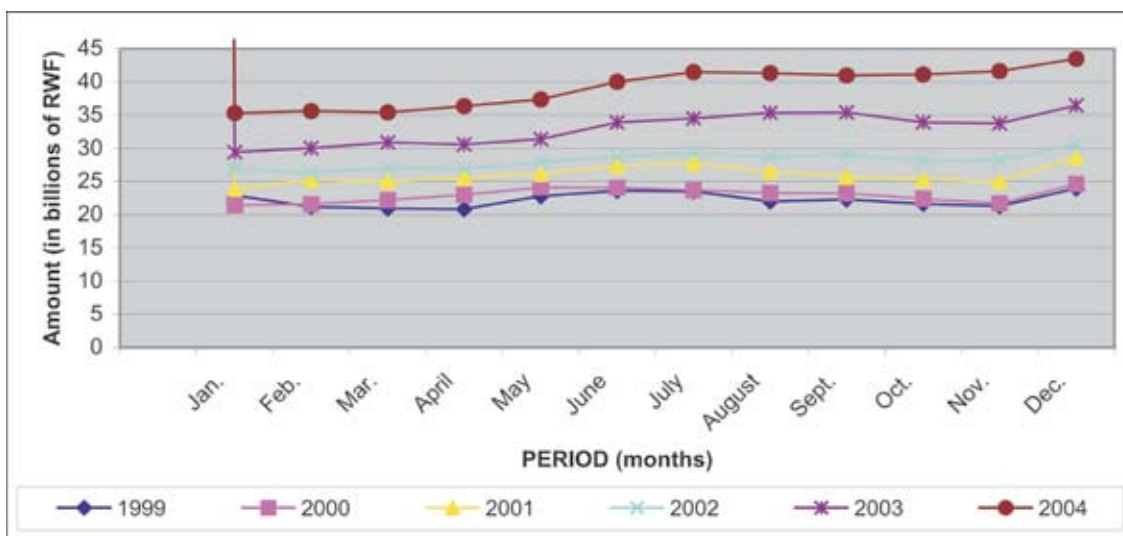
III.5. Currency Issuing Activities

III.5.1. Management of Currency in Circulation

III.5.1.1. Development of Currency in Circulation Outside NBR

Currency in circulation outside NBR during financial year 2004 recorded significant growth from 36.47 billion by end 2003 to 43.47 billion by end 2004. This growth was more noticeable from May and, like in other financial years, it reached the highest peak in December. This was probably the result of the coffee season combined with the numerous poverty reduction activities in rural areas.

Graph 39: Development of currency in circulation 1999-2004



Source: Department of Currency Issue and Banking

After the demonetization exercise by 31/12/2004 of coins issued before 2003 and the 5000 FRW banknotes issued in 1998, an accounting transaction of reducing currency in circulation was carried out for a total amount of 2.33 billion FRW, corresponding to demonetized and not yet exchanged banknotes and coins. At the same time, banks kept in their cash balance a certain proportion of this amount which will in principle be exchanged at the Bank's counters at the beginning of 2005.

Table 61: Development of currency in circulation (1999-2004) (in billions of RWF)

Period	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2000	21.44	21.61	22.19	22.99	24.12	24.06	23.71	23.25	23.18	22.42	21.69	24.61
2001	23.92	25.25	25.03	25.58	26.14	27.31	27.78	26.51	25.72	25.31	24.99	28.58
2002	26.87	26.31	27.04	26.85	27.86	28.77	29.29	28.69	29.13	28.07	28.25	30.52
2003	29.45	30.02	30.87	30.57	31.41	33.89	34.49	35.35	35.41	33.91	33.73	36.47
2004	35.31	35.61	35.42	36.35	37.37	40.04	41.48	41.33	40.97	41.12	41.65	43.47

Source: Department of Currency Issue and Banking

By end of financial year 2004, currency in circulation outside NBR consisted of coins accounting for almost 0.5% of total currency in circulation against nearly 2.5% as at 31/12/2003. This situation was result of demonetization of coins bearing the old coat of arms the bulk of which could not be immediately replaced. The situation should return to normal during 2005.

The 5000 RWF banknote continued to occupy an important part in currency in circulation, representing 69% as at 31/12/2004 against 64% between end 2003 and end 2002.

III.5.1.2. Banknotes and Coins Supply

The programme for the introduction of new monetary symbols started in 2002 and continued into financial year 2004. In fact, new coins of 1, 5, 10, 20 and 50 RWF and the new 100 RWF banknote (three language version : French, English and Kinyarwanda) which had been ordered in 2002 and delivered in 2003 and 2004, came into circulation on 26/04/2004. The new 5000 RWF banknote, ordered in 2003 and delivered in 2004, came into circulation on 4/6/2004. Likewise, 35,000,000 banknotes of 1000 RWF and 15,000,000 banknotes of 500 RWF were ordered and delivered during financial year 2004, and they came into circulation on 30/9/2004.

It should be pointed out that coins issued before 2003 and the 5000 RWF banknote issued in 1998 were demonetized on 31/12/2004, but they will continue to be exchanged at the Bank's counters until 31/12/2005.

III.5.1.3. Issue of New Banknotes and Coins

The following tables make a comparison between net currency issues from financial years 2001 to 2004. This notion of net currency issue varies depending on whether the Bank issued new banknotes or coins, whether it destroyed banknotes unfit for circulation (see point III.5.1.4), and/or whether it demonetized banknotes or coins.

Table 62: Net issue of banknotes between 2001 and 2004 (in millions of RWF)

Year	Denomination	100 RWF	500 RWF	1000 RWF	5000 RWF	TOTAL
2001		5,994	2,691	10,690	23,900	43,275
2002		5,697	2,243	11,830	26,700	46,470
2003		3,919	2,248	10,190	26,420	42,777
2004		3,368	4,543	13,529	30,800	52,240

Source: Department of Currency Issue and Banking

Table 63: Net issue of coins between 2001 and 2004 (in thousands of RWF)

Year	Denomination	1 RWF	2 RWF	5 RWF	10 RWF	20 RWF	50 RWF	TOTAL
2001		39,090	10,000	115,127	126,075	234,720	246,600	771,612
2002		39,430	10,000	120,197	134,485	253,520	279,750	837,382
2003		39,930	10,000	123,437	139,325	278,080	320,700	911,472
2004		1,450	0	11,275	32,250	53,760	97,250	195,985

Source: Department of Currency Issue and Banking

In the light of the above tables, it is clear that net currency issue varied differently between 2003 and 2004 for banknotes and for coins. During financial year 2004, National Bank of Rwanda issued 41,451.51 million RWF, of which 41,229 million were banknotes and 222.51 million were coins. This situation resulted from the issue of a new 5000 RWF banknote on 4/6/2004 and new banknotes of 500 and 1000 RWF on 30/9/2004, combined with the gradual withdrawal from circulation of old banknotes of the same denomination. Likewise, the Bank put in circulation new coins of 50, 20, 10, 5 and 1 RWF on 26/4/2004.

Furthermore, as indicated on point III.5.1.2, on 31/12/2004, NBR demonetized the 5000 RWF banknote issued in 1998 and coins of 50, 20, 10, 5 and 1 RWF issued before 2003. In this connection, banknotes and coins that have not yet been exchanged or are still in the banks' cash balance were deducted from net currency issue. However, what is clear is that the rate of exchange of coins was different from that of the 5000 RWF banknote. As pointed out above, the exchange of this denomination will continue at NBR counters until 31/12/2005.

III.5.1.4. Destruction of Banknotes Unfit for Circulation

The destruction of banknotes which were unfit for circulation (NUC) in 2004 concerned a value of 26,743,801,300 RWF as per the following breakdown:

Table 64: Destruction of banknotes unfit for circulation (NUC) for financial year 2004.

Denomination	Amount	NUC cash as at 31/12/2004
5,000	22,340,640,000	3,525,000,000
1,000	2,415,014,000	4,776,500,000
500	1,768,000	2,128,500,000
100	1,979,279,300	123,700,000
TOTAL	26,743,801,300	10,553,700,000

Source: Department of Currency Issue and Banking Operations

The high level of NUC by year end was due to the fact that the 500, 1000 and 5000 RWF banknotes issued in 1998 paid in at NBR counters were automatically considered unfit for circulation. By end 2003, NUC amounted to 3,460,350,000 RWF.

III.5.2. Control of Counterfeit Banknotes

In 2004, National Bank of Rwanda recorded 904 forged banknotes in RWF against 455 in 2003.

Counterfeiters continued to target the 5000 and 1000 RWF (1998 issue) banknotes. However, it is estimated that the issue of new notes with more sophisticated security features will discourage counterfeiting, which is generally done by photocopy or by scanner.

Table 65: Forged banknotes (comparison between 2003 and 2004)

Denomination Origin	5 000 RWF		1 000 RWF		500 RWF		100 RWF		Total	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
NBR (on counters)	16	27	6	32	0	0	0	0	22	59
NBR (on counting)	51	73	180	233	8	20	0	3	239	329
National Police	187	436	7	80	0	0	0	0	194	516
TOTAL	254	536	193	345	8	20	0	3	455	904

Source: Department of Currency Issue and Banking Operations

With regard to forged banknotes in foreign exchange in 2004, National Bank of Rwanda recorded 2 forged banknotes only of 100 US\$ against 185 in 2003 which consisted of 104 forged banknotes of 5000 Tanzanian shillings, 79 of 100 US\$, 1 of 50 US\$ and 1 of 5 US\$.

III.5.3. Clearing House

During financial year 2004, clearing house transactions amounted to 223,389 for a total sum of 651.372 billion RWF against 200.483 transactions in 2003 for a total sum of 520.541 billion RWF. Since the main source of these transactions consists of cheques and transfers presented by each bank, it is obvious that every cheque or transfer presented by a bank is registered accordingly as a cheque or a transfer received from another bank.

Table 66: Summary of clearing house transactions in 2003 and 2004 (in millions of RWF)

Bank	Chèques presented				Transfers			
Year	2003		2004		2003		2004	
	Amount	No.tr. ¹	Amount	No. tr.	Amount	No. tr.	Amount	No. tr.
NBR	8,409	9,915	9,954	4,623	104,972	23,259	150,701	28,434
BCR	67,901	32,229	81,092	36,642	68,844	12,511	82,392	13,580
BK	55,531	38,430	84,144	44,423	25,545	17,979	35,639	20,546
BACAR	23,210	12,518	20,156	13,216	6,841	3,305	7,531	3,841
BCDI	59,488	25,231	60,665	27,097	35,183	5,556	57,361	6,664
BANCOR	18,159	7,120	21,701	10,083	11,089	727	3,981	1,036
COGEBAN	9,737	7,466	14,277	8,594	3,016	1,143	3,922	1,052
UBPR	6,549	1,725	9,184	2,155	16,066	1,369	8,672	1,403
TOTAL	248,984	134,634	301,173	146,833	271,557	65,849	350,199	76,556

Source: Department of Currency Issue and Banking Operations

One can see from this table that in general, presented cheques increased in number and in figures, from 134,634 for an amount of 248.984 billion RWF in 2003 to 146,833 for an amount of 301,173 billion RWF in 2004. This shows a positive trend in the use of cheques for payments.

Like in the case of presented cheques, transfers also increased in number and in amounts, from 65,849 for an amount of 271,557 billion RWF in 2003 to 76,556 for an amount of 350,199 billion RWF in 2004. Transfers presented by NBR reflect the amount of transactions effected on the account of the Government Treasurer which also increased in 2004 compared to 2003. Finally, the share of UBPR which started using the clearing facility in 2003 has now become apparent.

III.5.4. Imports of Banknotes and Traveller's Cheques

With a view to meeting foreign exchange purchasing or withdrawal needs in banknotes of its clients, the Bank imported banknotes of a value of 5.5 million US\$ and 200 thousand Euro, as well as traveller's cheques of 1.46 million US\$ and 690 thousand Euro.

In addition to these imports of banknotes and traveller's cheques, foreign exchange needs in 2004 were covered by other foreign exchange inflows, particularly from the Road Maintenance Fund, ORTPN and public accounts. These payments amounted to 1.8 million US\$, of which ORTPN accounted for more or less 1 million.

The following table makes a comparison of the circulation of banknotes and traveller's cheques for the period 2002-2004:

Table 67: Comparison of circulation of banknotes and traveller's cheques (2002 to 2004)

Description		Inward			Outward		
Period		2002	2003	2004	2002	2003	2004
Nature							
Banknote	USD	8,652,978	7,987,063	7,270,959	8,691,417	7,326,361	7,834,008
	Euro	23,150	250,875	259,030	10,500	119,145	213,398
T/C	USD	2,519,500	1,550,000	1,460,000	2,417,250	1,634,550	1,676,150
	Euro	300,000	443,000	690,000	164,100	455,250	568,600

Source: Department of Currency Issue and Banking Operations

Compared with financial year 2003, the demand for cash (7,834,008 US\$) increased in 2004, while the use of traveller's cheques became stable. One notices also that the trend of the outward movement of banknotes followed that of inward movement if one considers the situation in the last three years.

III.6 Accounting Operations

III.6.1. Accounting management

III.6.1.0. Implementation of NBR's New Accounting System

During the year under review, NBR put in place a new accounting system, replacing the one that had been in force since 1990.

The need of a new accounting system had been felt on several occasions, particularly as a result of economic reforms undertaken since 1995 in the field of monetary and exchange policies, the developments in the banking profession at the international level, and the decision of the Monetary Authority to adopt International Accounting Standards (IAS) for the entire banking and financial sector in Rwanda.

The exercise started in 2003 and continued into 2004 by drawing up a comprehensive list of accounts, allocating them new numbers, creating new accounts and accounting systems.

The new accounting system was approved by the Treasury Department of the International Monetary Fund and was improved upon by the users to whom it was presented before its definitive adoption in August 2004.

III.6.1.1. Implementation of International Accounting Standards IAS-IFRS

The Monetary Authority took the decision to compel the entire banking and financial sector in the country to prepare and present financial statements in accordance with the International Financial Reporting Standards (IFRS) for the financial year ended 31 December 2004. NBR's financial statements for 2004 were particularly prepared and presented in accordance with these standards.

Financial statements prepared on the basis of the new accounting system and international financial reporting standards aim at achieving greater reliability and intelligibility at the international level. They are particularly meant for those users who want to take economic decisions for investing in Rwanda.

During financial year 2004, NBR recruited a chartered certified accountant to spearhead the alignment of the operations on the IFRS accounting standards and organized training on the IAS-IFRS for employees in the entire banking and financial system.

III.6.1.2. Auditing Financial Statements for 2003

The 2003 financial statements were audited by Ernst and Young firm during the first half of 2004. The Accounts and Budget Department took an active part in the preparation of the terms of reference of this audit and in the analysis of bids.

During the audit exercise, the Accounts and Budget Department facilitated the interface between the auditors and different departments and prepared the opinion of the Bank on its interim report, including the letter of internal audit and interim financial statements.

III.6.1.3. Auditing of Accounts by the College of Censors

As part of the mission it was entrusted with by the Bank's Single Shareholder, the College of Censors carried out a number of audits of the operations of the Bank and its financial statement. The Accounts and Budget Department provided all the necessary collaboration and served also as an intermediary between the College of Censors and the departments. Reports of the College of Censors were addressed to the Minister of Finance and Economic Planning and presented every time to the Board of Directors of the Bank.

III.6.2. Budget Management

During financial year 2004, the Budget Department worked on streamlining the Bank's expenditure through identification of the main items that posted cost overrun in relation to budget estimates and appropriate solutions to improve their management on one hand, and identification of products with poor performance that can be improved upon, on the other.

The Budget Department continued to monitor compliance with expenditure and procurement procedures as well as payment procedures, thus contributing to efficient management of operating costs.

III.7. Banking and Financial System

III.7.1. Supervisory Activities by NBR

Supervision of Banks and Financial Institutions focused on on-site inspection and off-site inspection of these institutions.

A. On-site Inspection

The 2004 work programme envisaged 5 general inspections and one selective inspection within the framework of a programme the objective of which was to inspect at least four banks within one year. This was achieved: three commercial banks and one women's non banking institution were inspected.

B. Ongoing Monitoring

Quarterly analyses of financial standings of credit institutions were produced, and meetings with Management of each bank facilitated the review of the situation of each one of them and made it possible to establish a cost overrun reduction plan to prudential standards or assess the status of its implementation.

Auditors' reports were irregular and their analyses were not systematic. For financial year 2005, there will be more contacts with these auditors so that their reports may contribute effectively to banks' supervision.

The statistical report which was usually produced every quarter could not be produced due to the introduction of the new accounting system which changed line items and machine-processed numbers and, therefore, all the formulas which were used for data aggregation. A team of inspectors is currently studying this issue in order to programme new formulas to adopt in the light of the new situation arising from the new accounting system.

III.7.2. Soundness of the Banking and Financial System

A. Action Plans for Compliance with Prudential Ratios

In order to comply with prudential standards, banks agreed with National Bank of Rwanda in June 2004 on action plans with a view to complying by 31/12/2004 with standards that were so far not respected.

In most cases, this non compliance concerned overrunning the standards in terms of risk division. Only one case concerned the solvency ratio which was below the required threshold of 10%.

One bank managed to implement the agreed plan using its own means, while two others had to be privatized to reach this objective.

Out of six commercial banks, one failed to comply with some of the prudential ratios. In 2005, NBR is going to monitor the strict implementation of the action plan by this bank.

B. Monitoring Problem Banks and Non-performing Loans

This monitoring concerned particularly banks that were to be privatized, namely BACAR and BCR. An interim audit mission visited BACAR between May and November 2004 in order to monitor closely the restructuring process of this bank. The mission was necessitated by the financial standing of the

bank. In addition, compared to other banks and in relation to its share of the market, BACAR did not perform well in terms of the recovery of debts in jeopardy at a time when operating costs were the highest in the banking sector.

With its management contract weighing heavily on the operating costs of the bank without any tangible results, LOITA was dismissed on 1/10/2004. As part of his mission, the Interim Comptroller followed up closely the restructuring plan of this bank, particularly in terms of efforts to minimize operating costs and increase operating revenue.

In order to reach this objective, BACAR, which was under interim management, decided to increase its call deposits in order to reduce its resource cost, thus avoiding increase in interest rates it had experienced before. The interim audit mission ended with noticeable results, particularly in terms of recovery of non performing debts of this bank which amounted to 1,432 million RWF during the financial year under review.

Furthermore, the financial standing of BCR improved significantly also thanks to strict monitoring of the Memorandum of Understanding signed in 2003 between BCR and NBR. This MOU specified the strict context in which BCR was to evolve by respecting the main ratios indicated in the following table:

Table 68: Monitoring ratios of BCR restructuring plan

Operating costs/deposits	Between 5% and 6%
Operating efficiency ratio	50% at least
Non performing loan margin reserves	100%
Level of non performing loans	Between 20% and 30%
Credit growth	Less than 3%
Deposit growth	Less than 3%

Source: Department of Bank Supervision

C. Privatization of BCR and BACAR Shares

The restructuring and privatization process of Government shares in BCR and BACAR which began early 2003 was completed successfully. It will be recalled that NBR had appointed a specialized advisor in this type of transaction, namely WPA Company. A brief had been prepared in this connection, and potential investors had been invited to tender after a due diligence had been conducted in the two banks from March to May 2004.

After this review of accounts, five investors (CDC/ACTIS, STANBIC, FINA BANK, DATABANK and BANCOR) participated and four submitted their bids in June 2004. A steering committee was put in place to analyze these bids.

The four bids were subjected to a technical analysis before carrying out comparison of the financial bids from eligible bidders. At the end of the technical analysis, three bidders were found successful for their financial bids to be analyzed. At the end of the financial analysis of the bids and negotiations of the clauses of the sales contract, two investors were declared successful buyers of each one of the banks. These were:

- CDC/ACTIS to buy 80% of shares in BCR at the price of 6,05 million US\$;
- FINA BANK/E.H. to buy 80% of shares in BACAR, of which 60% by FINA BANK and 20% by E.H. at the price of 3,76 million US\$.

Before the actual transfer of actions to these two investors, a balance sheet audit was carried out

in October 2004 to determine the necessary resources to inject in the capital of these two banks by Government, in order to restore the level of net capital base to zero. The sales contract of the shares of BCR to CDC/ACTIS was signed on 17/9/2004, and that of BACAR to FINA BANK/EH on 17/12/2004.

Following injection of 3,434 million RWF by Government in the form of Treasury bills in order to make up for the net negative standing of the bank within the framework of its sale and recapitalization, the financial standing of BACAR improved significantly during the last quarter of 2004.

As at 31/12/2004, the financial standing of BCR was significantly marked by its restructuring. The capital base increased to 2,996 million RWF as at 31/12/2004, representing an upward change of 387.5%, and its solvency ratio stood at 22% by 31/12/2004. This significant change was mainly due to ACTIS purchasing 80% of the bank's shares by injecting capital of 2,783 million RWF, and to Government issuing Treasury bills for a value of 1,619 million RWF in order to absorb part of accrued losses.

D. Coordination of the Action Plan on Non-performing Loans

Recovery of non performing loans was one of the important elements of the Bank's work programme for 2004.

Thus, besides internal actions carried out by NBR within the framework of its mission of supervising the financial sector, a meeting was held on 3/2/2004 for all stakeholders, both public and private, who had a role to play in finding a solution to the problem of non performing loans. This meeting was conducted jointly by the Minister of Justice and the Bank Governor. At the end, recommendations were forwarded to all concerned parties.

Banks were requested to stop granting credits to persons with non performing loans and to publish in newspapers names of defaulting debtors whose cases were subject of legal action. Kigali City Council was requested to work closely with banks in order to find a solution to the slow pace observed in mortgage registration. Finally, the big problem concerned the reforms to be effected in the judicial and arbitral system and enforcement with a view to facilitating recovery of non performing credits.

With regard to coordination of the action plan on non performing loans, banks published in newspapers for the first time in 2004, the names of all debtors with cases pending before the courts. On the other hand, obstacles to the blank credit procedure were removed in July 2004 following the publication of a law to this effect in the Official Gazette of the Republic of Rwanda.

All actions carried out in 2004 made it possible to post a net improvement in the reduction of non performing loans during the year. As shown in Table 69 below, financial year 2004 showed good indicators in terms of the reduction of non performing loans, i.e. a reduction of 2.5 billion RWF and an increase of 5 percentage points with regard to loss ratios.

Table 69: Development of non performing loans for Rwanda's banking sector

Year	Non performing loans	Total loans	% non performing loans
2002	37,828	111,606	34 %
2003	39,817	125,827	32 %
2004	37,351	136,840	28%

Source: Department of Bank Supervision

All these actions resulted in a significant improvement of the soundness of the banking sector in Rwanda as shown in the following table.

Table 70: Indicators of Rwanda's banking system

	December 2001	December 2002	December 2003	December 2004
Capitalization of banks (in billions of RWF)	16	6.3	9.9	22.3
Non performing credits % total credits	37%	34%	31%	28%
Solvency ratio	5%	0.5%	2.9%	14%
Invested funds	49%	73%	98%	100%
Efficiency ratio	83.3%	107.1%	70%	65%
Return on assets	0.3 %	-6.5%	2.4%	2.5%

Source: Department of Bank Supervision

III.7.3. Supervision of Coopecs and Other Microfinance Institutions

In the field of microfinance, NBR focused all its efforts on activities relating to applications for registration, inspection and sensitization of stakeholders in microfinance to the importance of complying with regulations in general, and the 06/2002 and 05/2003 directives in particular, in addition to compliance with the practice of sound and prudent management.

A. Registration of COOPECs and Other MFIs

In 2004, NBR received 205 applications for registration and the following 70 institutions were registered:

1. UBPR and 61 local people's Banks ;
2. Centre financier aux entrepreneurs SA;
3. Zigama Credit and Savings Scheme (CSS),
4. COOPEC IRIBA (Byumba);
5. Vision Finance Company SA;
6. URWEGO Community Banking SA;
7. Rwanda Micro.finance SARL;
8. Réseau inter.diocésain de micro.finance SA;
9. COOPEC INZIRA (the registration certificate will be issued only after proof of the existence of the legal personality)

B. On-site and Off-site Inspections

On-site inspections were carried out as follows:

- 6 general inspections in the following microfinance institutions: COOPEDU, URWEGO Community Banking, CSS, Banque Populaire pour la promotion de la Femme, UBPR and UCT.
- 4 selective inspections carried out for less than a week in COPECYA, COOPEC INGASHYA, Coopérative de Banque Isangano, Rwanda Microfinance s.a.r.l

With regard to off-site inspections, analysis of quarterly reports was carried out mainly for registered institutions (UBPR, CSS and Centre Financier aux entrepreneurs S.A.).

All COOPECs and other registered MFIs were given financial statement formats and documents to be submitted to NBR.

C. Regulations

The following regulations were drafted:

- Guidelines on delegated supervision of people's banks which were sent to UBPR in May 2004 ;
- Guidelines No. 02/2004 of 1 May 2004 relating to the terms of reference for auditors and external auditors of COOPECs and MFIs which facilitated the registration of 4 auditors ;
- Development of a bill on COOPECs with the technical support of Développement International Desjardins (DID).

D. Various Other Microfinance Activities

Meetings were organized with microfinance stakeholders (employees of Ministries and Microfinance Institutions) to explain the mission of NBR and guidelines for the enforcement of the banking law, particularly in the field of microfinance.

Correspondences on the identification of MFI were sent to Kigali City Council (MVK) and to different provinces. Replies were received from 7 provinces, namely RUHENGARI, KIBUNGO, BUTARE, KIGALI-NGALI, KIBUYE, BYUMBA and MVK.

Brochures on the supervision of microfinance institutions were produced in the three official languages in order to publicize the role of the Bank over microfinance institutions.

Other activities carried out were those related particularly to NBR correspondences intended to give the necessary guidelines to institutions to enable them to face identified risks and difficulties and adopt proactive monitoring.

III.7.4. Information Exchange on Risks and Unpaid Debts

In order to improve information on risks and unpaid debts with a view to making related data available in real time, NBR's data entry system was abandoned in 2004 and an interbank networking system was adopted to start with, and this system was later extended to some pilot microfinance institutions.

The system started by decentralizing data input processes, in other words, data entry was carried out at the level of each bank. It is envisaged to later abandon completely this inputting and create interfaces which would make it possible to retrieve data directly from the database of each bank, thus minimizing or even eliminating completely errors committed during inputting. The establishment of interfaces is planned for 2005.

In July 2004, NBR decided to establish a Microfinance Information Exchange in NBR and integrate it with the information exchange of banks and other financing institutions. The relevant study was carried out by DID through FIRST INITIATIVE financing. The extension of the Information Exchange to microfinance institutions started in September 2004 with a pilot phase which covered two MFIs: AGASEKE and KORA People's Bank.

III.7.5. Payments System

As part of the modernization of the National Payments System in 2004, the Bank's actions focused on follow up activities of the recommendations of the report on the Stock taking study of the payments system. This included the following projects:

- a. "Connecting banks and service providers" the study of which was financed by FIRST INITIATIVE. The feasibility study was completed, and the second and last phases are planned for the first quarter of 2005.
- b. "Commons transport of funds" currently under implementation under the supervision of the Department of Currency Issue and Banking.

With regard to other recommended projects in the above mentioned report such as:

- c. "Acquiring International Credit card.": the first negotiations with Mastercard, Visa, and American Express are planned for early 2005 (after the introduction of the national debit card, the beginning of the use of ATMs...);
- d. "Netting of low amount": this project will be on hold until the automatic centralization system of payments operations at the level of SIMTEL becomes operational;
- e. Banker's Cheque Project : this project which concerns commercial banks, is under discussion with Association des Banques Rwandaises (ABR).

In 2004, Interbank Company for Electronic Banking and Clearing (SIMTEL), in which the Bank is an important shareholder, purchased the hardware for the establishment of Points of Sale (POS) and ATMS, as well as the software used by the bank card processing station.

By end 2004, SIMTEL had reached the experimental stage of all the necessary equipment and selected software. The official inauguration of the bank card processing station which started its activities with the launching of the domestic debit card took place at the beginning of 2005.

Concerning the establishment of a legal and regulatory framework for payments systems and the establishment of surveillance techniques of payments instruments, a preliminary study of the legal framework of our payments system was carried out by a consultant, John KIMBALL, with financing by AFRITAC. This study will be deepened this year, and it will be followed by the adaptation exercise of the existing legal framework to the new payments system (electronic payments facilities, payments cards...). This exercise will end with the establishment of a surveillance system of the national payments system.

Production and publication of statistical data on the payments system through data collection from the banks continues smoothly, and the Bank obtained data for the whole of 2004, as shown in the following table:

Table 71: Share of each instrument in the payments system in Rwanda

Type Of Instrument	Number Of Operations		Amount (Thousands Of Rwf)	
CASH WITHDRAWALS (FRW)	1,514,472	80%	526,794	46%
CHEQUES PROCESSED IN CLEARING HOUSE	118,203	6%	297,209	27%
TRANSFERS PROCESSED IN CLEARING HOUSE	81,845	4%	285,137	26%
WITHDRAWALS AT ATMS	197,635	10%	6,516	1%
TRANSACTIONS AT POINTS OF SALE (POS)	704	0%	13	0%
TOTAL	1,912,859	100%	1,115,669	100%

Source: Department of Bank Supervision

Chapter IV: Supporting Activities

IV.1 Management of the Bank's Organs

A. Board of Directors

Within the framework of defining the general policy of the Bank and monitoring its management, the Board of Directors held four ordinary sessions and one extraordinary session in accordance with the existing regulations. On its agenda were technical issues related to the missions of the Bank and to the administrative and financial management of the institution.

In discussing technical issues related to the missions of the Bank, special attention was paid to the organization and functioning of money and foreign exchange markets. Thus in each session, the Board considered monetary developments and the state of implementation of performance criteria of the Poverty Reduction and Growth Facility Economic Programme (PRGF). It considered also the challenges of the financial sector in Rwanda and Bank Supervision priorities in 2004. Issues considered in this field included the situation of non performing loans, the restructuring process of problem banks which led to the privatization of two banks (BACAR and BCR), banks' compliance with prudential standards.

In addition to the opportunity of withdrawing from circulation certain banknotes and all coins bearing the old coat of arms as approved in 2003, the Board of Directors once again looked into these operations during the year under review. In this connection, it decided to change the 500, 1000 and 5000 RWF banknotes issued in 1998, with a view to resolving the problem of counterfeiting of these denominations and withdrawing the old 5000 RWF from circulation. The Board also determined the features of these banknotes before submitting them to Government for approval.

In its sessions during the period under review, the Board of Directors discussed also administrative and financial issues of the Bank. Pursuant to the policy of decentralization of public services adopted by Government, the Board monitored closely the process of opening two branches of National Bank of Rwanda, one in the north of the country (RUHENGURI) and the other in the south (BUTARE). They will be officially opened in March 2005.

Prompted by the need to give the Bank ever more efficient management instruments, the Board had put in place a new organizational structure of the Bank at the beginning of 2003. In 2004, with a view to the improvement of this structure, the Board looked into the nature and content of the necessary posts at the Bank and defined a new job classification, thus making it possible to adopt modern human resource management methods. After this restructuring, the Bank now has an inventory of well defined jobs and posts.

As it is done every year, the Board of Directors approved the Annual Report and the Financial Statements of the Bank for financial year 2003 in March 2004. In September and December 2004, it considered and approved the draft revised budget for 2004 and draft documents relating to the Business Plan and Budget for 2005 respectively.

In order to get the Board of Directors more involved in the activities of the Bank, two sub-committees were formed: the Monetary Policy Implementation Monitoring Committee which dealt also with the Bank's financial matters, and the Financial Sector Development Monitoring Committee which dealt also with the administrative management of the Bank.

In terms of laws and regulations, several instruments were considered in the meetings of the Board, the most important of which being the Rules of Procedure and the project for the amendment of the law establishing the Statutes of National Bank of Rwanda.

B. Management Committee

Composed of the Governor and the Deputy Governor, the Management Committee is a coordination and consultation organ among the members of Management. Through its regular meetings, the Management Committee ensures the smooth functioning of different organs of the Bank and implementation of the resolutions of the Board of Directors.

As part of monitoring the implementation of the monetary and foreign exchange policies, the Management Committee monitored on a daily basis the activities of the Monetary and Foreign Exchange Policy Committee with a view to reaching the growth objectives of monetary aggregates, in line with the macro-economic programme adopted by Government.

In the field of foreign exchange policy, the Management Committee followed closely the reforms introduced in the review of foreign exchange regulations and supervised many foreign exchange transactions of NBR which consisted of foreign exchange purchase and sale in order to meet the needs of the Bank, the Government and other clients, as well as for monetary policy purposes.

Like in the previous years, the Management Committee got very much involved in the activities of Banking System Surveillance by focussing on on-site and off-site inspections of financial institutions. At the end of these inspections, action plans for compliance with prudential ratios were agreed upon by NBR Management and the concerned banks. Follow up activities of problem banks and non performing loans were included on its agenda. It is in this context that the Management Committee was involved in the successful process of the privatization of shares in BACAR and BCR.

The rapid increase in the number of COOPECs and MFIs has for some years forced the monetary authorities to take the necessary measures for monitoring their activities. In 2004, the Management Committee focused on the activities of applications for registration, inspection and sensitization of stakeholders in microfinance to the importance of complying with the regulations.

As part of the modernization of the National Payments System, the Management Committee focused on monitoring the implementation of the recommendations of the report of the Stock-taking study of the payments system which highlighted a number of projects, including projects on common transport of funds, acquisition of international payment cards, banker's cheques, netting of low amount, etc.

Administrative management of the Bank was also part of the responsibilities of the Management Committee in 2004 in order to support the implementation of the major missions of the Bank. Among significant achievements were: implementation of the conclusions of the audit on job classification, completion of the activities regarding the organizational and functional aspects of NBR's departments, productivity of the computer network and automation of important transactions of NBR, procedures development, installation of the overall security system and continued works on the project for the rehabilitation/extension of the head office building.

C. Specialized Committees

There are within the Bank specialized committees which are advisory organs responsible for studying issues within their respective provinces. They submit regular reports to the Bank's Management for decision.

- Monetary and Foreign Exchange Policy Committee: as part of the conduct and monitoring of monetary and foreign exchange policies, the Committee, which meets every Friday under the chairmanship of the Governor, analyzed the behaviour of different macro-economic aggregates and decided on the actions to take with a view to complying with the monetary programme criteria which had been agreed upon previously with IMF.

- **Monetary Analysis Technical Committee:** established in April 2004, this Committee prepared four quarterly briefs on monetary developments and on the state of implementation of the performance criteria of PRGF, while at the same time establishing links between monetary indicators, the development of the real sector, foreign financial inflows and public finance. These notes were submitted every time to the Board of Directors for consideration.

Consideration of the trend of monetary developments during financial year 2004 showed that Central Bank, despite the persistent problems of surplus liquidity, was able to manage the monetary and foreign exchange policies such that the evolution of monetary aggregates was kept under control in compliance with the monetary programme of the year.

- **Foreign Exchange Reserve Investment Committee:** chaired by the Deputy Governor since December 2003, this Committee reviewed investment guidelines with the support of AFRITAC (East and Central African Technical Assistance Committee), thus contributing to the strengthening of the operational framework governing reserves management activities. These included the following: review of benchmarks, choice of liquidity and investment strategies, evaluation of investment performance, monitoring compliance with authorized transactions and assessment of the liquidity level of assets. Among the elements to be put in place in order to supplement the reserves management framework are: determination of funds thresholds to be entrusted to each counterpart and drawing up the latter's list, fixing individual limits for dealers' transactions and development of a code of conduct to govern them.
- **Personnel Committee:** During the year under review, the Personnel Committee held regular meetings with a view to considering issues affecting the staff. The key issue which caught the attention of the Committee was the review of job classification. In this regard, the Committee, seating as a Job Classification Committee, looked into the review of job classification by working first with the consultant who was carrying out the audit of job classification in 2003, and then by analyzing the grievances of some employees and senior staff of the Bank before submitting the findings of this audit to the Bank Management. The Committee considered also the draft statutes of the Staff Association responsible for managing the supplementary pension fund and, as usual, carried out evaluation of staff discipline and settled some disciplinary cases.
- **Social Fund Management Committee:** besides the management of social benefits granted to staff, this Committee got involved in activities for the promotion and organization of social, cultural and sport activities at the Bank, with a view to developing and strengthening social cohesion, the development and well-being of its employees. It also worked on building up mortgage securities where a significant part of title deeds were entered for the satisfaction of mortgage. Despite the difficulties encountered, the Social Fund Management Committee undertook the authentication of mortgage contracts and warrants.
- **Committee to spearhead the « project for the development of National Bank of Rwanda's procedures manual »:** in order to update the old General Technical Guidelines of the Bank, there started in 2003 a project for the development of the manual of procedures which will continue until June 2005. This is a big project which requires great human resources: forty senior staff are involved. The implementation schedule established in September 2003 and updated in August 2004 envisaged 250 procedures to develop, of which 80 were already approved by 31 December 2004. Every week, Management meets to approve procedures that have been drafted and validated by the Committee.
- **Steering Committee for the project "General Security System of National Bank of Rwanda (GSS)":** this Steering Committee was established in 2001 and given the responsibility of monitoring all the stages of the project. As 2004 was devoted mainly to the installation of the system, the Committee started the process of interim acceptance of GSS during the last quarter

of the year and the exercise was completed by the end of November 2004. During this stage, the Committee was assisted by the Risk Management consultant, the designer of the system. Among the technical aspects included in the interim acceptance, the members of the Committee recommended the need to have a 24 hour connection of the system starting from November 2004. With the commissioning of the system, therefore, every employee of the Bank has been given a badge enabling him access to the Bank.

- Tender Committee: the Tender Committee, currently named "Procurement Committee", started with sending out invitations to tender and analyzing bids selected by the Department of General Services for the supply of goods in accordance with the law on public procurement. Then followed the preparation by the consultant of the bid documents for the rehabilitation/transformation of the building of the Bank and the installation of the general security facilities for the same building. A total of 33 bid documents were processed and 32 works contracts were awarded.
- Commission for updating the Rules of Procedure of National Bank of Rwanda of 12/1/1990 (ROP): After fourteen years, almost all the provisions of the Rules of Procedure had become either obsolete, or not applicable or simply ineffective. Moreover, these rules had a fundamental shortcoming in that they were quiet on provisions relating to the professional ethics of Central Bank employees. It is in this context that this commission was set up in June 2004 to update and harmonize this instrument with the provisions of the law establishing the Statutes of National Bank of Rwanda and bring in innovations that were not included in these rules. The Commission proposed to combine in a single text most of the provisions scattered in several texts, including different guidelines and service instructions decreed over a period of more than ten years. The Rules of Procedure was adopted by the Board of Directors in January 2005.

In addition to committees, other structures in the form of commissions operated with the mission of analyzing specific and selective aspects in the daily running of the Bank.

- Commission for the coordination of procedures for the establishment of the coat of arms of National Bank of Rwanda: for the first time in its history, National Bank of Rwanda had its own coat of arms. An ad hoc Commission was set up in April 2003. During the first quarter of 2004, the draft logo of the Bank was submitted to the Board of Directors for consideration. It became effective immediately after its adoption.

The elements which make up the NBR logo have the following meanings:

The small Cushion (urugata) symbolizes economic stability; Shields symbolize protection of economic balances (balance of payments, budget, inflation control, etc...); Scales represent the balance between production and currency (on one side, there are coffee beans representing export crops and, on the other, a bundle of banknotes); the Ear represents national production; the colours of the national Flag are the symbol of the flag of the Republic of Rwanda.

Other specialized committees and commissions which were operating in 2004, includes:

- Editorial and Censorship Committee of NBR magazine called «Le Banquier, Magazine d'Information de la B.N.R.»
- Standing Budget Committee ;
- Technical Accounting Committee
- Commission for the development of a general classification scheme for use of the Departments and Autonomous Services of the Bank ;
- Commission for studying ways and means against money laundering and financing of terrorist activities.

IV. 2. Human Resources Management

IV.2.1 Administrative System

A. Job Classification

In 2004, NBR commissioned an audit of the job classification that had been carried out earlier. This audit, which was carried out by an independent consultant, resulted in a job classification review between April and September 2004.

During the review exercise, the consultant enlisted the services of a team of job analysts and a job qualification panel, both of which were composed of senior staff of the Bank.

Despite the numerous improvements of the new classification compared to the December 2003 version, the Bank received new complaints. These were considered by the Job Classification Commission, the Job Qualification Panel and Management. The decisions taken from various discussions were made known to the staff.

At the end of the job classification review exercise, the new classification had the following differences with the 2003 version:

- 10 new jobs were created, 5 of which were linked to the establishment of branches ;
- 137 jobs rose by between one and five grades ;
- 57 jobs did not change grades ;
- 2 jobs were downgraded by one level.

It is worthy noting that most of the complaints aired during the exercise of the present job classification have found answers.

B. Recruitment

As at 31 December 2004, the Bank had a total number of 455 employees. During this financial year, the Bank recruited 18 employees from outside as shown in the following table:

Table 72: Staff recruitment in 2004

Department	Post
Accounts and Budget	1 Certified Public Accountant
Research	1 Research Analyst
Money and Capital Markets	1 Money Markets Analyst
	1 Capital Markets Analyst
	1 Project Analyst
	1 Bank Liquidity Factor Analyst
Bank Supervision	1 Information Exchange Reports Analyst
	1 COOPECs Inspector
Audit	2 Auditors
International Operations	1 Foreign Exchange Market Analyst
Information Organization and Information Systems	1 Network and Telecommunications Engineer
	3 Internet/Intranet Development Engineers
	1 Head Computerization Project
General Services	1 Head Physical Security Section
Human Resources	1 Training Officer

Source: NBR, Human Resource Department

Furthermore, the Bank carried out internal recruitment as shown in the following table:

Table 73: Internal recruitment

Department	Post
General Services	4 Supervisors Central Security Post
Bank Supervision	1 COOPECs Inspector
	2 Branch Heads
	2 Assistant Branch Heads
Currency Issue and Banking	1 Assistant Cashier
	2 Currency Counters
	1 Postman

Source: NBR, Human Resource Department

In 2004, National Bank of Rwanda recorded also cases of severance for several reasons as follows:

Table 74: Staff severance

Reasons	Number
Death	4
End of contract	6
Dismissal	3
Leave of absence	1
Termination of contract	1
Early retirement	1
Suspension	1

Source: NBR, Human Resource Department

C. Training

During financial year 2004, priority was given to post graduate studies and vocational training, conducted locally or through distance training, the Bank having decided to upgrade the educational level of its employees in technical fields. In this regard, 7 employees started their two year Masters Degree course at the Banking and Finance School, 11 started the ACCA professional course in the same institution, 2 were sent to Dakar for a specialized course at the West African Centre for Banking Education and Research. Still under the same policy of professional training in its specific fields, the Bank financed training of 6 employees at the Banking Techniques Institute.

Mention should also be made of the increasing number of in-house training courses. Not only these courses are relatively cheaper and accessible to a bigger number of individuals, they also enable our staff to discuss with their trainers about their specific problems.

Table 75: Local training or distance training in 2004

N°	Course title	Number of beneficiaries
1.	ACCA	11
2.	Other types of courses (fraud and money laundering, treatment of tuberculosis)	2
3.	C++ Programming	4
4.	Developing risk based supervision techniques, bank resolution and liquidation, implementing CAMEL based inspections and implementing effective loan classification procedures (AFRITAC)	11
5.	Development of applications with Developer / 2000 and Developer for Web applications	8
6.	Various courses in information technology (Client/Server Applications, Internetworking with TCP/IP, Microsoft SQL Administration)	2
7.	Financial analysis forecasting and planning (AFRITAC)	12
8.	Course at the Banking Techniques Institute	11
9.	ORACLE training	9
10.	Training in implementation of the new accounting system and IAS	7
11.	Introduction to SWIFTNet services and products, Migration to SWIFTNet FIN and Managing your SWIFT connection	4
12.	JAVA and XML Programming	5
13.	Masters of Science, Head, ICT specialist project designer	1
14.	Masters in Banking / Finance	7
15.	Money and Securities Market Workshop (AFRITAC)	9
16.	Organization of bank credits	2
17.	Programming and Financial Policies (IMF distance training)	1
18.	Information Technology Security	8
19.	Windows 2000 & 2003, Windows 2000/XP Network Administration	4
20.	Seminar on Documentary Credit	11
	TOTAL	131

Source: NBR, Human Resource Department

Table 76: Training abroad in 2004

N°	Course title	Number of beneficiaries
1.	IMF courses organized in Washington or by JAI in Tunis and Yaounde (Programming and financial policies, Macro-economic management and public finance)	12
2.	Banking and Financial Post Graduate Studies organized by West African Centre for Banking Education and Research	2
3.	Courses organized by East AFRITAC (Foreign Exchange Operations Workshop, Payments Systems, Problem assets workshop, Bank resolutions and liquidations workshop)	22
4.	Training in Bank Supervision	6
5.	Courses organized by CROWN Agents - Instruments of Capital Markets - Attachment on valuation and appropriate accounting treatment of financial and sovereign Risk Management	2
6.	Instruments of Capital Markets (Gerzensee)	1
7.	Other courses (Capital Markets : Development and Regulation, Development and Regulation of capital markets , Payments System, Risk Management in Banking, Seminar on Bâle II)	5
	TOTAL	50

Source: NBR, Human Resource Department

IV.2.2. Social Policies

Within the framework of its social policies, the Bank continued to provide social benefits to its staff, including credits, and it ensured also the cover of these risks and the recovery of unpaid debts.

The Bank gave salary advances, car loans and housing loans amounting to 409,793,535 RWF, 26,138,543 RWF and 624,012,928 RWF respectively, against 296,640,026 RWF, 13,419,918 RWF and 150,705,662 RWF in 2003.

By end December 2004, the Bank granted credits to 140 of its staff to purchase houses, including the members of Management. 70% of real estate credits financed by the Bank are already covered by mortgage securities. The process of collateralization for the remaining 30% is underway before the competent authorities.

Concerning recovery of loans and advances from former employees in 2004, the amounts recovered increased from 32,157,731 RWF to 77,809,938 RWF between 2003 and 2004, a remarkable achievement compared to previous financial years. This was due to field visits carried out by an ad hoc Commission of the Bank.

Table 77: Loan recovery from former employees

	Car loan	Salary advance	Housing loan	TOTAL
REFUNDED PRINCIPAL & INTERESTS	626,118	5,193,525	71,990,295	77,809,938

Source: NBR, Human Resource Department

The Group Life Insurance contract was replaced by the Supplementary Pension Fund which has been managed in-house since 1 March 2004 with a view to ensuring better compensation of the beneficiaries of the deceased insured member compared with the contract insurance with SONARWA. Compensations paid by the Fund amounted to a total of 40,191,804 RWF in favour of 4 employees who died in 2004.

Furthermore, an NBR staff canteen was inaugurated and is operational since 17 May 2004.

IV.2.3. Medical care

The Medical Department of National Bank of Rwanda has two units with 13 employees:

- 1 Doctor ;
- 6 Nurses ;
- 2 Laboratory Technicians
- 4 Others

*Dispensary at the head office for 455 employees;

*Family Dispensary located at Avenue KAMUZINZI / KIYOVU for families, i.e. the beneficiaries of the Bank's employees numbering 1281.

Total: 1736.

Medical Department activities are based on three focus areas:

1. Quality medical care;
2. Management of HIV/AIDS patients;
3. Cost control.

1. Quality Medical Care

National Bank of Rwanda provides overall medical care for its beneficiaries, including evacuation abroad and management of HIV/AIDS patients since 2002. In 2004, the Medical Service carried out 13,438 consultations, representing a total of 50.9 on an ordinary day, distributed equally in the two units.

A. Major Pathologies:

- Malaria : 22 % ;
- Flu : 12 % ;
- Parasitosis : 9 %
- Representing 43 % of total pathologies.

The same epidemic problems are found in the country in general, malaria being in the lead.

In the family dispensary where children are treated, the following is the classification per order of importance:

- *Malaria;
- *Lung diseases;
- *Diarrheal diseases.

B. The laboratory also reflects these pathologies with the following predominant analyses:

- *Blood examinations:
- *Thick drop (Malaria);
- *Screening of stools (parasites) ;

C. Two deaths occurred in 2004.

2. Management of HIV/AIDS Patients

HIV/AIDS remains top among our public health problems to day. In addition, HIV/AIDS serves as the backdrop to many diseases in our country and its mortality is very high. Full management of HIV/AIDS patients by the Bank reversed significantly the situation, with mortality caused by this disease having decreased significantly during the past few years as shown in the following paragraphs.

Table 78: Mortality at NBR

Year	2001	2002	2003	2004
Total	8	6	4	2
AIDS	7	3	1	1

Source: NBR, Medical Service

The Bank's overall disease management policy, including the problem of HIV/AIDS (triple therapy), therefore appears sound through mortality control.

In the same vein, other medical care parameters appear favourable to day, particularly two vital facts for productivity: absenteeism and hospitalization of employees. In 2001, 694 sick leave days were recorded against 176 days in 2004.

Likewise, average duration of hospitalization and the number of hospitalized patients decreased in the same manner: 255 persons with average duration of 25.5 days of hospitalization in 2001, compared with far better figures of 14 persons for average hospitalization of 8 days in 2004.

There are two important facts which are equally significant in this specialized field:

- An increasingly considerable number of patients under antiretroviral treatment: 15 (in 2002), 31 (in 2003) and 40 (in 2004). At the same time, our financial burden becomes less onerous.
- In addition to other benefits (human, social...), overall patient management was also financially favourable as shown by the following figures concerning resources committed by the Bank:

2002: 16 million

2003: 12 million

2004: 7 million

2005: 5 million (estimates).

3. Cost Control

Medical costs always bear a random predictability character in a Medical Service, but we think that the big expenditure items can be stabilized. We intend to maintain our policy of using generic products which will lead to the reduction of pharmaceutical costs in general.

In addition, our registered partners (various specialized clinics) facilitate the application of a quality medical care policy at rationally stable costs. As much we could, we maintained this line of reasoning although, nevertheless, we recorded overrun expenses not exceeding 20%, which was still within the estimates of our 2004 action plan.

IV.3: Information Organisation and Information System

In 1999, the Bank put in place a 5-year vision strategic master plan for its information system covering the period 2000-2004. During this period, implementation of projects envisaged in the master plan continued.

In 2004, activities concentrated on the organizational and functional aspects of NBR services, productivity of the computer network and automation of important operations of the Bank.

In addition to the daily tasks of maintenance, computer applications operations and help to users, activities in 2004 focused mainly of the following six projects:

A. Procedures Manual

After noticing that the Technical General Guidelines which governed the activities of the Bank had become obsolete, incomplete and inefficient, the Bank decided to put in place a procedures manual. Thus, all complex operations which involve several employees and are risky were identified. This exercise produced a list of about 250 procedures.

In 2004, 80 procedures were developed and approved by Management of the Bank and are already operational.

B. Development of a General Filing Scheme

Until 2003, the Bank's filing system was not modern. Thus the Bank decided to establish a general filing system. By end 2004, the Bank had the following filing instruments:

- Document specification card
- Different document filing subjects ;
- General directory of subjects, sub-subjects and documents.

This exercise will continue in 2005 and produce a general filing scheme which will enable the Bank to file documents according to modern and optimal methods.

C. Training in Office Automation

In order to enable users to take maximum advantage of computerization, support services have been made available to them.

In 2004, training in office automation concerned the following modules: LOTUS Notes, Computer security, Taking possession of the computerized equipment and MS Word. 300 Bank employees received this training. Currently, there is a significant change on the side of users in terms of the use of computers and software.

D. Computer Network

With regard to computer network, special efforts were made in order to improve the architecture, security and quality of its connections to outside partners. This will make it possible on one hand to control access to the Bank's information system, namely servers and work stations, to protect it against viruses and improve services to commercial banks and microfinance institutions, on the other.

E. Optimization of the telephone network

In 2004, the Bank acquired a new telephone exchange with a great diversity of functions. This system facilitates the use of Rwandatel or Rwandacel network depending on the addressee or the sender by selecting the cheapest network.

F. Establishment of Information Exchanges

In 2004, the Bank decided that banks should send their statements electronically and not through hard copies any more. For almost a year now, information relating to risks and unpaid debts exchange has been reaching the Bank through interbank computer network. This information is processed in order to edit outputs according to the needs of commercial banks and is communicated to them through the same channel.

IV.4. Auditing the Bank's Operations

IV.4.1 Internal Audit

During financial year 2004, the main objectives of internal audit were to reassure about the control of the Bank's operations, data reliability, compliance with guidelines and protection of the Bank's assets. It is in this context that general and selective audits were carried out based on risks and systems, and investigations commissioned by Management. The audits carried out made it possible to make recommendations to audited departments and services. The following activities were subjected to internal audits in 2004:

A. General Audit

1. Department of International Operations

The following activities were audited:

- investment strategies and sources of information used in the selection of foreign currency investments;
- criteria for market choice ;
- arbitrage and investment transactions ;
- SWIFT transactions (separation of duties and management of passwords) ;
- analysis of foreign currency investment results ;
- foreign exchange rate calculating operations ;
- interventions of the Bank on foreign exchange market ;
- actual implementation of the decisions of the Foreign Currency Investment Committee ;
- external payments transactions ;
- good keeping of subsidiary books;
- calculation and recording of interests ;
- reconciliation of foreign exchange accounts and verification of information provided by correspondent banks ;
- unwinding of suspense accounts and compliance with existing guidelines and investment directives.

The audit mission noticed that the strategy applied in the management of reserves corresponded with the one specified in the guidelines of international operations of the Bank. However, there were some shortcomings in external payments transactions and in the control and unwinding of international transactions.

2. Department of Currency Issue and Banking Operations

The following activities were audited:

- Currency issue transactions and related contract awards;
- Payments transactions and reception of payments in RWF and in foreign exchange;
- One-stop service system;
- Funds conservation system;
- Maintenance and supply operations of general and auxiliary petty cash;
- Banknotes and traveller's cheques purchase and sales operations;
- Recording of transactions (including payment orders), auditing of cash books and closing of accounting days of different subsidiary accounts at the level of services;
- Shredding operations of banknotes unfit for circulation;
- Government revenue reception operations (including revenue from Treasury bill issues);
- Estimates and Government expenditure implementation operations (including monitoring of overdrafts to Government);

- Management of Government's funded debt;
- Management of the old funded debt converted into Treasury bills negotiable on the money market;
- Management of clients' accounts: opening of accounts, issuing cheques, recording of transactions, centralization of entries and clearing operations;
- monitoring security devices at the counters and other cash conservation places.

In general, it was observed that banking transactions were carried out in compliance with the existing procedures. However, there were shortcomings in the activities of initiation, validation and conclusion of operations.

3. NBR Subsidiary Accounts System

The following activities were audited:

- Separation of duties in the accounting activity;
- Subsidiary accounting transactions;
- Computerized accounting transactions;
- Circuit and processing of supporting documents;
- Role of accounting in the computerization of accounting transactions;
- Completeness of recorded transactions during the closing of accounting days;
- Collaboration between general and subsidiary accounts, particularly during entry corrections;
- Assets accounting.

The existing internal audit system is relatively adequate but its application requires improvement.

4. Supply

The audit carried out aimed at checking the efficiency of internal audit mechanisms in the Bank's supply operations and efficiency in stock management.

The existing internal audit system contributes to reducing risks. It consists particularly of a procurement committee for analyzing bids and giving awards, but the existing stock management has shortcomings in the conservation of items and recording of stock movements, as well as in the separation of incompatible functions.

B. Selective Audit

1. Surprise Audits in the Petty Cash Area

- Twelve audits were carried out in the petty cash area during financial year 2004.
- It was observed that the existing internal system is adequate and runs smoothly.

2. Account Reconciliation

The audit involved checking the state of the reconciliation of accounts and settlement of outstanding payments.

Existing internal audits were put in place to facilitate correct reconciliation of accounts, namely:

- proper separation of duties among employees ;
- Timely availability of information from correspondents through the SWIFT system. I

However, some shortcomings were observed in the reconciliation of correspondents' accounts and in the control of suspense accounts.

3. Centralization of Book Entries

The audit concerned the efficiency in the closing of accounting days and the reliability of information provided through daily reports.

The existing internal audit mechanisms, including staff increase and separation of duties, function properly, but some weaknesses were identified in the closing of accounting days.

4. Government Fund

The audit involved verification of the management of the Government Treasury account.

There is noticeable improvement in the accounting operations of the Government fund, namely:

- Outstanding payments observed in previous audits have been settled;
- There is coherence between account and extra-account balances of the Government Treasury account.

However, efforts are still required in order to reduce the period of executing orders for payment.

5. Data for Transmission to IMF Under TMU

The audit concerned the data transmitted to IMF. Monthly data to be transmitted to IMF were checked and corrected with the assistance of the Research Department since May 2004, and the Internal Audit opinion was communicated regularly to International Monetary Fund.

C. Investigations commissioned by Management

The following activities were audited:

- Overtime hours spent during the counting of demonetized banknotes;
- Procedures already approved by Management;
- Recording of banknotes demonetization operations;
- Assets inventory carried out by the General Service Department

Discrepancies and dysfunctioning observed in the implementation of these activities were corrected.

D. Risk Assessment in the Bank's Activities

As part of the implementation of the recommendations of the IMF Safeguard Mission, a preliminary assessment mission of the risks facing the Bank in the fulfilment of its objectives was carried out by an external consultant from 25 October to 5 November 2004.

The objectives of this risk assessment were as follows:

- to establish a formal management framework of risks facing the Bank in its operations ;
- to lay down a strategy for determining the scope and the activities of internal audit ;
- With regard to internal audit activities, to opt for the risk-based audit approach.

The Consultant came up with the profile of risks facing NBR and classified the Bank's activities according to the gravity of the risks to which they were exposed. In this regard, the activities were put in the following three categories:

1. High Risk Activities :

- Bank supervision strategy ;
- Bank supervision operations ;
- Bank supervision environment ;
- Systemic risks ;
- Payments system ;
- Currency issue security ;
- Currency transactions ;
- Monetary policy environment ; and
- Electronic data processing risk.

2. Medium Risk Activities :

- Reserve management strategy ;
- Foreign exchange transactions ;
- Auditing Back Office accounts ;
- Monetary analysis ;
- Monetary policy operations ;
- Equal training opportunities ;
- Risk of interruption in the Bank's activities ;
- Human resource management ;
- Ethics and good governance ;
- Internal audit activities ;
- Security of the Bank ;
- Financial management of the Bank ;
- Currency issue strategy ;
- Banking ;
- Foreign debt management ;
- Public debt management ;
- Communication in monetary policy operations ;
- Monetary policy strategy and implementation.

3. Low Risk Activities

- Change in Bank's Management.

IV.4.2 External Audit

A. External Auditors, Financial Year 2003

The Bank's financial statements for financial year 2003 were audited by external auditors (Ernst & Young) as agreed with the IMF Safeguard Mission.

B. College of Censors

The College of Censors carried out an audit of the Bank's operations for the period January to June 2004 in accordance with Article 28 of Act No. 15/97 of 26 July 1997 establishing the Statutes of National Bank of Rwanda.

IV.5. Legal Matters

The main legal texts developed in 2004 are the following : draft Rules of Procedure of NBR, draft Guidelines establishing the conditions of granting loans to the staff of the Bank, draft law amending Act No. 11/97 of 26/7/1997 establishing the Statutes of National Bank of Rwanda, and draft law on the prevention and punishment of money laundering.

a) Draft Rules of Procedure

This draft was developed as part of the review of the Rules of Procedure of 12/1/1990. The review of these rules was dictated by the need to harmonize this text particularly with the provisions of the law establishing the Statutes of National Bank of Rwanda, adapt it to the new situation resulting from the reorganization of the Bank and the remarkable innovations in this field which were not taken into account by these Rules of Procedure.

b) Draft Guidelines on Loans

Generally speaking, the draft guidelines had the credit of updating certain provisions of the Guidelines No. 03/98 of 8/7/1998 which were no longer adapted to the country's existing socio-economic situation. With a view to a more efficient management of the risks related to the loans granted by the Bank, repayment time-limits for certain types of loans were reviewed in the light of the nature of the loan or the duration of the redemption of the financed item. The draft strengthened the recovery mechanisms.

c) Draft law amending Act No. 11/97 of 26/7/1997 establishing the Statutes of National Bank of Rwanda

This draft law introduced slight amendments to the law establishing the Statutes of National Bank of Rwanda which are justified by the provisions of the new Constitution. Changes that occurred in the administration of NBR called for the introduction in the law of certain provisions relating to good practices with a view to monetary policy transparency.

d) Draft law on the prevention and punishment of money laundering

This draft was developed with a view to filling the legal and institutional gap observed in our country with regard to money laundering. In fact, given the worrying extent which this new form of criminality has taken at the international level, it was high time we envisaged appropriate legal and institutional mechanisms for instituting international cooperation in fighting this scourge and a favourable investment climate.

IV.6. Security and Maintenance

a) Assets Inventory

The General Service Department prepared the assets inventory in 2004. The Accounting and Budget Department and the Internal Audit Department made their observations on this inventory which will be taken into account in 2005 in finalizing this exercise.

b) Stock Replacement in the Supplies Office

In order to replace the stock of the Supplies Office, the Procurement Committee negotiated about thirty contracts for a sum of about 350 million RWF and signed about thirty contracts with different suppliers of goods and services.

c) Supply of equipment and works

1. Installation of a banknote shredder

Following the falling in bankruptcy of GEREC-GEMAT (Belgium) Company after delivery of this equipment, an installation and commissioning contract was signed with NSI Company (Belgium).

The bulk of the exercise was done in 2004, but there was still the erection of a partition to separate the operators from the noise of the machine which will be carried out from the 2005 budget.

2. General Security System

The installation of this system which consisted mainly of access control, video surveillance, anti-intrusion and fire detection was carried out throughout the year, and its temporary acceptance took place in November 2004. Definitive acceptance is planned for November 2005.

d) Alteration of buildings to accommodate NBR branches

Buildings rented by NBR to accommodate its branches in Butare and Ruhengeri were altered to adapt them to banking activities.

e) Surveys and Appraisals

1. Rehabilitation/alteration of the welfare building

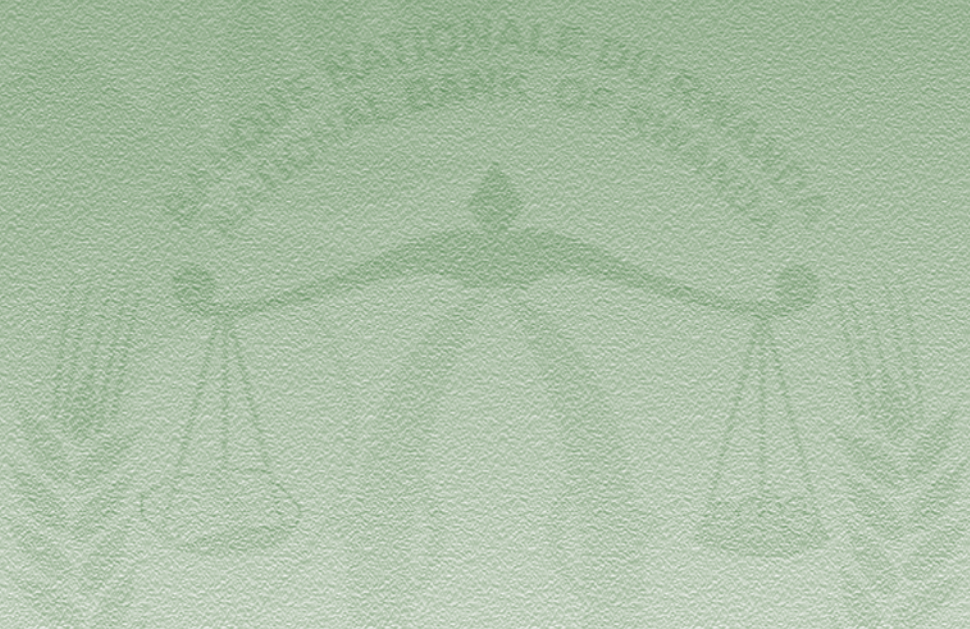
After the adoption by the Board of Directors of the option rehabilitation/alteration of NBR welfare building instead of the « new construction » option, the Consortium selected to carry out the surveys started preparing the tender documents for implementation. It is envisaged that this exercise will be finalized during the first half of 2005 with the launching of an international competitive bidding.

2. Appraisal of houses to buy with NBR loans

This exercise was done as employees submitted their applications for real estate loans.

Part III

Financial Statement as at 31-12-2004



Chapter V: Comments on Financial Statements for the Financial Year 2004

V.1 Introduction

During financial year 2004, National Bank of Rwanda continued with the implementation of the recommendations made by specialized institutions and organs which have the task of giving support to NBR in the field of accounting and financial management.

Following the findings of the appraisal mission of Safeguards of Central Banks of IMF member countries in February 2003, the observations and recommendations of NBR College of Censors and Grant Thornton Limited audit firm made also in 2003, the Bank took measures aimed at improving the production of reliable and transparent financial and accounting information.

NBR developed a New Accounting System with the assistance of a consultant and implemented it from July 2003. This New Accounting System has been refined with regard to the classification of certain accounts by transfers from one class to another, or by grouping accounts of the same nature into one class. It goes without saying that as a result of this new classification of accounts, some items of the balance sheet for 2003 underwent slight modifications. However, these changes do not affect the total of the balance sheet or the net result of the year. The various services of the Bank continue to familiarize themselves with the contents of this new accounting system.

NBR opted definitively for the production of financial statements in line with international accounting standards (IFRS) as from 2004. This explains why financial statements for the year ended 31/12/2004 are presented in accordance with the outline provided in IAS No.1 relating to the presentation of financial statements.

The Bank recruited a Certified Public Accountant to assist in the implementation of the new accounting system and the International Accounting Standards (IAS).

Compared with 2003, total balance sheet increased by 23.7%. However, the operating account did not follow the same trend since the financial year ended with a loss of 929 million RWF when by end 2003, the profit was 5,463 million RWF. This situation was due to the very low level of interest rates on international capital markets, the depreciation of the dollar on capital markets and the appreciation of RWF against the dollar. The loss resulting from the fluctuations of foreign exchange rates in 2004 amounted to 1,626 million RWF against a positive result of 3,959 million RWF in 2003.

Except for the loss resulting from the fluctuations of foreign exchange rates, the Bank posted a positive result of 698 million RWF from its transactions.

V.2 Analysis of Balance Sheet Items

Table 79: Balance Sheet as at 31/12/2004 (in RWF)

ASSETS		31 Dec. 2004	31 Dec. 2003
Petty cash		327,743,725	606,579,292
Foreign claims	9	178,113,453,991	123,972,034,362
Subscription to IMF	10	70,355,802,960	68,010,146,550
Claims on Government and related items	11	42,252,410,114	44,044,909,974
Claims on banks and OFIs (local)	12	2,129,005,333	2,023,678,728
Staff loans	13	2,476,566,775	2,031,412,415
Miscellaneous claims	14	189,726,539	211,065,085
Intangible assets	15	212,085,315	219,144,383
Investment House	16	291,710,917	90,000,000
Other tangible assets	17	1,961,021,624	969,990,459
Costs for allocation	18	3,628,439,764	1,816,457,816
Equity securities	19	200,000,000	200,000,000
TOTAL ASSETS		302,137,967,057	244,195,419,064
LIABILITIES			
Currency in circulation	20	39.393.106.437	36.467.123.264
Government deposits and related items	21	79.292.560.437	33.689.850.542
Banks and local OFIs' deposits	22	24.040.813.081	11.996.711.199
Liabilities to IMF	23	134.645.694.727	132.159.523.636
Other foreign liabilities	24	3.354.684.517	6.211.666.743
Other credits	25	6.987.846.645	7.164.819.946
TOTAL LIABILITIES		287.714.705.844	227.689.695.330
EQUITY CAPITAL			
Share capital	26	2,000,000,000	2,000,000,000
General reserve fund		7,082,165,144	6,399,957,854
Other reserves	29	5,341,096,069	7,098,504,299
Dividends to pay to Treasury			1,007,261,581
TOTAL EQUITY CAPITAL		14,423,261,213	16,505,723,734
TOTAL LIABILITIES AND EQUITY CAPITAL		302,137,967,057	244,195,419,064

Source: Accounts and Budget Department

Compared with end 2003, total balance sheet increased by 23.7%.

With regard to assets, this increase was mainly due to the growth of foreign exchange credits and on the side of liabilities, to the growth of Government deposits and liabilities to the banks.

2.1 Asset Items

Table 80: Comparison of asset items for financial years 2004-2003 (in thousands of RWF)

Items	Years				Changes	
	2004		2003		Absolute	In %
	Amount	%	Amount	%		
- Petty cash	327,744	0.11	606,579	0.25	- 278,835	- 45.96
- Foreign claims	178,113,454		123,972,034	50.77	+ 54,141,420	+ 43.67
- Subscriptions to IMF	70,355,803		68,010,147	27.85	+ 2,345,656	+ 3.45
- Claims on Govt. and related items	42,252,410		44,044,910	18.04	- 1,792,500	- 4.07
- Claims on banks and local OFIs	2,129,005		2,023,679	0.83	+ 105,326	+ 5.20
- Staff loans	2,476,567		2,031,413	0.83	+ 445,155	+ 21.91
- Miscellaneous claims	189,726		211,065	0.09	- 21,339	- 10.11
- Intangible assets	212,085		219,144	0.09	- 7,059	- 3.22
- Investment House	291,711		90,000	0.04	+ 201,711	+ 224.12
- Other tangible assets	1,961,022		969,990	0.40	+ 991,032	+ 102.17
- Costs for allocation	3,628,440		1,816,458	0.74	+ 1,811,982	+ 99.75
- Equity securities	200,000		200,000	0.08	-	-
Total	302,137,967	100	244,195,419	100	+ 57,942,548	+ 23.73

Source: Accounts and Budget Department

Generally speaking, asset items increased by 57,943 million RWF, representing a net growth of 23.7%. The main items on the increase were foreign claims, subscription to IMF, tangible assets and costs for allocation. Claims on Government were on the decline while other items remained virtually stable.

In the order of importance, foreign claims were in top position with 59% of total assets, followed by subscription to IMF and claims on Government and related items with 23% and 14% of total assets respectively.

1. Petty Cash: 328 million RWF

This account records foreign exchange assets in the form of banknotes. Compared with 2003, it shows a decline of 279 million RWF, or by 46%. This was mainly due to the reduction of cash American dollars as a result of the fact that by the end of financial year 2003, NBR had just been supplied with 1 million US\$ banknotes while by end 2004, the latest supply of the same amount was effected on 24/11/2004. It should be pointed out that American dollar banknotes represent the most important part of foreign exchange cash of the Bank.

2. Foreign Claims: 178,113 million RWF

Compared with end December 2003, foreign claims increased by 54,141 million RWF, or by 43.7%. This significant growth was noticed during the 4th quarter of 2004. In fact, these foreign claims amounted to 133 billion RWF by end January 2004 and to 115 billion RWF by end April, then they stabilized at about 123 billion RWF during the 2nd and 3rd quarters. They recorded an increase during the entire 4th quarter, but it was highest by end December as a result of a disbursement of 64 million American dollars by IDA.

In general, foreign exchange receipts came mainly from foreign disbursements which Rwanda received in the form of grants or loans, and the major foreign exchange expenses related to foreign

exchange auctions to commercial banks and various foreign exchange payments made on behalf of the Government of Rwanda.

During financial year 2004, the level of foreign exchange assets was higher than that of 2003. In this regard, interests collected on foreign exchange transactions increased by 15%, notwithstanding the very low level of interests on assets in American dollars recorded essentially during the 1st quarter of 2004, and despite the downward trend of interests on Euro on the international financial market for the whole of 2004. NBR diversified the sources of its income through long term fixed investments and investments in other negotiable financial instruments other than fixed term deposits.

As at 31/12/2004, the composition of NBR foreign assets was as follows: 54.7% American dollars, 24.4% Euros, 7.9% GBP, 9.8% SDR, 3.1% JY and 0.1% for other currencies.

Investments were structured as follows:

- Sight assets represented 41.7% of all foreign assets. Compared with 2003, they recorded an increase of 105% as the result of foreign exchange disbursements made on the eve of the closing of the financial year.
- Fixed term investments represented 28.5% and showed a growth of 17.8% in comparison with 2003. Short term investments diminished due to the decline in interest rates, and long term investments were given priority.
- Other foreign exchange investments represented 16.7%, an increase of 26.4% compared with 2003. However, it should be pointed out that the funds entrusted to CIGAM and Lloyds were closed and the one managed by Crown Agency grew by 50%.
- NBR made investments in medium term financial instruments for a sum of 15 million Euros.
- Investments in SDR represented 9.6% of foreign assets and remained stable in comparison with 2003.
- Other foreign assets composed mainly of reserves for documentary credits and frozen securities in foreign correspondent banks represented 3.5%, an increase of 47.7% compared with 2003.

3. Subscription to IMF: 70,356 million RWF

This account increased from 68,010 million RWF to 70,356 million, representing a growth of 2,346 million RWF or a net increase of +3.4%. This rise was exclusively due to the change in the exchange rate since the claim did not change.

4. Claims on Government and Related Items: 42,252 million RWF

In comparison with end December 2003, this item recorded an overall decline of 1,793 million RWF, equivalent to 4.1%.

Government funded debt decreased by 302 million RWF, an amount equivalent to 30% of the dividend for financial year 2003 paid to Government by end March 2004 as repayment of this debt, in accordance with Agreement No. 5/96 signed between the Government of Rwanda and NBR on 7 February 1996.

Current account of Government Treasury which had a debit balance of 1,489 million RWF as at 31/12/2003 showed a credit balance of 12,779 million by end December 2004.

The correspondent ONP (National Post Office) account which under the new accounting system was classified among Government accounts posted a fall of 12 million RWF.

Although the Government Treasury account showed a credit balance at the closing of financial year 2004, it is worthy noting that it showed a debit balance from time to time during the year, especially during the 2nd and 3rd quarters of 2004.

During financial year 2004, Government preferred to borrow from the public through the issue of Treasury bills and did not use much the overdraft facilities of NBR.

5. Claims on Banks and Local OFIs: 2,129 million RWF

This account increased from 2,024 million RWF by end 2003 to 2,129 million by end December 2004, representing a slight change of 5.2%.

Although this change of 105 million RWF is not significant, it should be pointed out that this account was affected by many changes. Banks refunded 412 million RWF under IDA credits No. 2541 and 3270 and drew much from the new line of credit entitled "Loan Refinancing Facility for Agricultural and Agro-industrial Activities" the balance of which grew from 78 million RWF as at 31/12/2003 to 1,286 million by end 2004. Finally, the balance of the loan account from the housing fund decreased by 89 million RWF due to the fact that NBR did not receive any new funding applications since this activity had been transferred to the Housing Bank since 2004.

6. Staff Loans: 2,477 million RWF

In the period under review, this item increased by 445 million RWF, from 2,031 million RWF by end 2003 to 2,476 million by end 2004, representing a net growth of 21.9%.

This rise was mainly due to increases in « Construction loans » and « Salary advances » amounting to 328 and 124 million RWF respectively, a total of 452 million RWF. Car loans decreased by 13 million RWF and allocations for staff bad debts decreased by 6 million RWF as a result of the refunds made.

7. Miscellaneous Claims: 190 million RWF

Compared with 2003, this account decreased by 21 million RWF, representing a negative change of 10.1%.

Consumable stock accounts increased from 150 million RWF as at 31/12/2003 to 156 million by end 2004, representing a slight growth of 6 million RWF.

On the other hand, suspense and equalization accounts fell from 76 million RWF as at 31/12/2003 to 67 million by end December 2004, representing a reduction of 9 million RWF. Other claims accounts decreased by 17 million RWF, from 161 million by end 2003 to 144 million by end December 2004.

8. Investment House: 292 million RWF

This item, which consists only of the building hosting SIMTEL activities, increased by 202 million RWF, representing a growth of 224.1%.

The cost price of this building was 100 million RWF by end 2003 and increased by 213 million RWF by end 2004 as a result of alteration works which brought its gross value to 313 million RWF.

9. Intangible Assets: 212 million RWF

By 31 December 2004, the intangible assets account consisted of computer software only. The total cost of computer software was 626 million RWF, and purchases for the financial year under review amounted to 167 million RWF. These purchases concerned interbank data exchange systems relating to unpaid debts and foreign exchange transactions. Accumulated depreciation of software amounted to 414 million RWF, representing an overall rate of obsolescence of 66.1%.

10. Other Tangible Assets: 1,961 million RWF

Compared with financial year 2003, this account increased by 991 million RWF, representing a growth of 102.2%. In financial year 2004, NBR acquired tangible assets for 1,488 million RWF against assignments of 94 million RWF. The bulk of these assets concerned acquisition of a general security system for 936 million RWF, a banknote shredder for 162 million RWF and computers for 163 million RWF. The total cost of tangible assets was 5,535 million RWF by end 2004 and accumulated depreciation amounted to 3,574 million, representing an overall rate of obsolescence of 64.4%. This rate was 93% for buildings and 90% for vehicles.

11. Costs for Allocation: 3,628 million RWF

The total amount for this item increased by 1,816 million RWF between end 2003 and end 2004. This account consisted only of the cost of printing banknotes and minting coins. The process of replacing banknotes and coins started in 2003 and continued into 2004. The Bank spent 321 million RWF to purchase the 5000 RWF banknotes, 1,335 million RWF to purchase the 1000 RWF banknotes, 502 million RWF to purchase the 500 RWF banknotes and 189 million RWF to purchase the 50 RWF coins. This brings to 4,380 million RWF the grand total for printing of banknotes and minting of coins. Total cost will be amortized over a period of 5 years and accumulated depreciation by 31 December 2004 amounted to 752 million RWF.

2.2 Analysis of Liabilities Items

Total liabilities increased from 227,690 million RWF as at 31/12/2003 to 287,715 million by end 2004, representing a growth of 60,025 million RWF or net increase of 26.4%.

This significant increase was mainly due to Government and banks deposits. In fact, Government deposits increased from 33,690 million by end 2003 to 79,292 million RWF by end 2004, a growth of 135.3%, while banks deposits increased from 11,997 million by end 2003 to 24,041 million by end 2004, representing a rise of 100.4%.

Table 80: Comparison of liabilities and equity capital accounts for financial years 2004-2003
(In thousands of RWF)

Items	Years				Changes	
	2004		2003			
	Amount	%	Amount	%	Absolute	%
A. LIABILITIES						
- Currency in circulation	39,393,106	13.70	36,467,123	16.02	+ 2,925,983	8.02
- Govt. deposits and related items	79,292,560	27.56	33,689,851	14.80	+ 45,602,709	135.36
- Banks and local OFIs deposits	24,040,813	8.36	11,996,711	5.27	+ 12,044,102	100.39
- Liabilities to IMF	134,645,695	46.80	132,159,524	58.05	+ 2,486,171	1.88
- Other foreign liabilities	3,354,685	1.17	6,211,667	2.72	- 2,856,981	- 45.99
- Other debts	6,987,847	2.43	7,164,820	3.14	- 176,973	-2.47
Total LIABILITIES	287,714,706	100	227,689,696	100	+ 60,025,011	26.37%
B. EQUITY CAPITAL						
- Share capital	2,000,000	13.87	2,000,000	12.12	-	-
- General reserve fund	7,082,165	49.10	6,399,958	38.78	+ 682,207	+ 10.66
- Other reserves	5,341,096	37.03	7,098,504	43.00	-1,757,408	- 24.74
- Dividend to be paid to Treasury	-	-	1,007,261	6.10	-1,007,261	+100 %
Total EQUITY CAPITAL	14,423,261	100	16,505,723	100	- 2,082,462	-12.62
TOTAL LIABILITIES & EQUITY CAPITAL	302,137,967	100	244,195,419	100	+ 57,942,548	+ 23.73

1. Currency in Circulation: 39,393 million RWF

Compared with 2003, currency in circulation as at 31 December 2004 increased by 2,926 million RWF, from 36,467 by 31/12/2003 to 39,393 million by end 2004, representing an increase of 8%.

The following factors explain this increase:

- Upturn inflation in 2004 with an average rate of +12% ;
- Coffee season 2004 was good, resulting in income distribution in cash to small scale economic operators ;
- External aid in foreign exchange converted in RWF and consequently supplying currency in circulation ;
- Development of credit granted by microfinance units such as People's Banks and COOPECs.

2. Government Deposits and Related Items: 79,293 million RWF

In comparison with end 2003, Government deposits increased very significantly by end 2004, from 33,690 end 2003 to 79,293 million RWF end 2004, representing an increase of 45,603 million RWF or net growth of 135.36% in relative terms.

The Government Treasurer's account which showed a debit balance of 1,489 million RWF by 31/12/2003 posted a credit balance of 12,779 million RWF by end 2004.

The total of other deposit accounts in RWF increased from 15,481 million RWF by end 2003 to 26,164 million by end 2004. Foreign exchange deposits rose to 40,349 million RWF in 2004 against 18,208 million in 2003.

This significant increase of Government deposits was due to foreign aid disbursements during the 4th quarter of 2004. In fact, monthly average of these deposits amounted to 44,672 million RWF.

3. Deposits and Other Liabilities to Banks and Local OFIs: 1 million RWF

Comparison of balances as at 31 December 2003 and 2004 shows that the item Deposits of banks and local OFIs increased significantly by 12,044 million RWF, from 11,997 to 24,041 million RWF, an increase of 100.4%.

Deposits in current accounts increased from 6,589 million RWF as at 31 December 2003 to 8,931 million by end 2004, an increase of 2,342 million or 35.5%.

Borrowings for monetary policy purposes amounted to 11,339 RWF while by end 2003, this type of transaction did not exist in the books of NBR. Deposits and other debts in foreign exchange to banks fell from 4,827 million RWF by end 2003 to 3,765 million by end 2004, representing a fall of 22%.

From the foregoing, it can be seen that commercial banks increased their deposits in RWF and reduced their foreign exchange deposits. Furthermore, throughout the year, banks posted surplus liquidity, which compelled NBR to intervene constantly on the money market in order to mop up these surpluses.

4. Liabilities to IMF: 134,646 million RWF

Liabilities to IMF take up the top slot in NBR liabilities, representing 46.8% of the total. Compared with 2003, this proportion was in decline by 11.2%. Although the equivalent amount of these liabilities in RWF showed a slight increase of 1.9%, in reality, liabilities to IMF dropped slightly as a result of repayments of structural loans made in 2004 for an amount of about 3.6 million SDR. Since the other accounts of this item remained unchanged, it is clear that this apparent increase was only due to the rise in SDR exchange rate.

5. Other Foreign Liabilities: 3,355 million RWF

The balance of this item was 6,212 million RWF by end 2003; by 31 December 2004, it recorded a drop of 2,857 million RWF, or 46% in relative value. This decrease was mainly due to the reduction of overdrafts from NBR which fell from 5,448 million RWF by end 2003 to 1,215 million as at 31 December 2004.

Non residents' deposits increased from 644 million RWF by end 2003 to 2,018 million as at 31 December 2004 as a result of a significant rise in the European Union's deposits.

6. Other Debts: 6,987 million RWF

Compared to end 2003, these debts remained stable in general. Some items such as staff accounts, suppliers' accounts, non statutory accounts, equalization accounts and provision for contingencies and charges accounts increased significantly at a time when others, particularly the payments order account, dropped in similar proportions.

2.3 Analysis of Equity Capital Accounts

Compared with end 2003, the equity capital accounts of NBR dropped by 2.082 million RWF in 2004, a decrease of 13%. This situation was due to the payment in 2004 of dividends to Government from the profits earned in financial year 2003, and the loss incurred in the same year amounting to 929 million RWF. Total result on the changes in the foreign assets rate was directly charged against the related reserve account, and the balance of 682 million RWF was credited to the General Reserve Fund.

V.3 Analysis of the Profit and Loss Account

Financial year 2004 closed with a net loss of 929 million RWF due to the following factors:

- a) Very low level of interest rates on international capital markets ;
- b) Big loss on foreign assets due to an unfavourable fluctuation of exchange rates and significant depreciation of the market value of foreign deposits.

Table 81: Comparison of proceeds and costs for financial years 2004-2003 (in thousands of RWF)

Item	Year 2004	Year 2003	Changes	
			absolutes	relative
- Interests received	4,067,704	3,537,959	+ 529,745	+ 14.9%
- Interests paid	990,308	941,962	+ 48,346	+ 5.1%
- Charges and commissions received	162,413	123,646	+ 38,767	+ 31.3%
- Charges and commissions paid	86,082	79,510	+ 6,572	+ 8.2%
- Earnings on foreign exchange transactions	2,824,404	2,303,669	+ 520,735	+ 22.6%
- Loss on exchange	246,166	101,790	+ 144,376	+ 141.8%
- Other proceeds	769,373	1,086,365	- 316,992	- 29.1%
- Operating costs	5,803,486	4,425,002	+ 1,378,484	+ 31.1%
- Changes in foreign assets rates	(1,626,060)	3,959,548	- 5,586,608	- 141.1%
- Results for the period	(928,819)	5,462,923	- 6,391,742	- 117.0%

Analysis of major balances particular to management

3.1 Analysis of proceeds

1. Net Interests: 3,077 million RWF

Net interests received amounted to 3,077 million RWF by end 2004 against 2,596 million by end 2003, representing an increase of 481 million RWF or a net rise of 16%.

Interests received by end 2004 amounted to 4,068 million RWF against 3,538 million by end 2003, an increase of 14.9%, while interests paid were 990 million RWF against 942 million by end 2003, representing an increase of 5.1%.

Interests earned from foreign exchange transactions amounted to 2,779 million RWF against 2,302 million by end 2003, representing an increase of 20.8%, while total interests on transactions in RWF increased from 1,236 million RWF by end 2003 to 1,289 million by end 2004, or by 4.3%.

Increase in interests on foreign exchange transactions was due on one hand to the fact that the level of foreign exchange claims was higher in 2004 than in 2003 and, on the other, the fact that deposits made were on longer terms, which made it possible to raise slightly the level of interest rates on deposits. The level of interest earned on transactions in RWF remained virtually static. The recorded increase of 53 million RWF was due to the funded debt and overdraft granted to Government; interest on loans to banks and staff remained low.

With regard to interests payable, charges remained virtually stable during this period, increasing from 942 million RWF by end 2003 to 990 million by end 2004, an increase of 48 million or a net rise of 5%. Interests on transactions with IMF increased by 75 million RWF, or by 17.6%, while interests on other foreign borrowings decreased by 130 million RWF, or by 55.1%, as a result of the reduced use of overdraft facilities granted by National Bank of Belgium. Interests on borrowings from the money market increased by 104 million RWF, or by 37.3%.

2. Net Charges and Commissions: 76 million RWF

Net commissions amounted to 76 million RWF. This was an increase of 32 million RWF or by 72.7% compared with 2003.

Charges and commissions collected rose from 124 million RWF by end 2003 to 162 million by end 2004, an increase of 38 million RWF. Commissions on documentary credits and IDA credit No. 3483-RW account for this positive change.

Charges and commissions paid increased by 6 million RWF. To a great extent, these charges and commissions concerned service charges for CAAML fund, commissions paid for acquisition of foreign exchange banknotes and commissions paid for purchase of traveller's cheques.

3. Earnings on Foreign Exchange Transactions: 2,578 million RWF

Compared with 2003, earnings on foreign exchange transactions increased by 521 million RWF or by 23% due to the following factors:

- Profits on arbitrage rose from 1,527 million RWF as at 31 December 2003 to 1,662 million by end 2004, an increase of 135 million RWF. Arbitrage transactions were difficult to realize due to instability which characterized international foreign exchange markets during 2004.
- Currency difference rose from 777 million RWF as at 31 December 2003 to 1,163 million by end December 2004, an increase of 386 million RWF, following the conversion of various donations and foreign aid into RWF and increased foreign exchange transactions carried out on behalf of Government.

Losses from foreign exchange transactions rose from 102 million RWF in 2003 to 246 million by end 2004, an increase of 140.2%. This significant increase was due to various interventions of NBR on the foreign exchange market with a view to stabilizing the value of RWF.

4. Other revenues: 769 million RWF

This item comprises various incidental revenues, including particularly administrative proceeds, other current operating revenues, writeback to appropriations, results on assets assignments and various other proceeds. Compared with 2003, this account dropped by 317 million RWF, with its balance dropping from 1,086 million RWF as at 31 December 2003 to 769 million by end 2004.

- Administrative earnings fell from 182 million RWF by end 2003 to 173 million by end 2004, an overall drop of 9 million RWF.
- Other operating revenues rose from 67 million RWF by end 2003 to 87 million by end 2004, an increase of 29.9%.
- Writeback to appropriations dropped from 202 million RWF by end 2003 to 193 million by end 2004 following the drop in writeback to banknotes printing which decreased from 193 million RWF by end 2003 to 131 million by end 2004.
- Result on assets assignments recorded a significant fall of 128 million RWF due to the considerable decrease in assets to assign, the bulk of NBR houses having been sold in the previous financial years.

- Various other proceeds decreased from 463 million RWF by end 2003 to 271 million by end 2004. This fall was due to the fact that exceptional revenues for financial year 2003 came especially from the settlement of the old outstanding payment and the fact that proceeds relating to previous years were entered in appropriate accounts in accordance with the new accounting system.

The result on current account transactions was 6,501 million RWF in total while it amounted to 5.928 million by end 2003, a net increase of 10%.

3.2 Analysis of Operating Costs

1. Operating Costs: 5,803 million RWF

Operating costs rose from 4,425 million RWF by end 2003 to 5,803 million by end 2004.

Personnel expenses rose from 2,967 million RWF by end 2003 to 3,662 million by end 2004, an increase of 695 million RWF or a net rise of 23.4%. This rise was due to salary adjustments and related costs following the new job classification which had a retroactive effect over the last two months of financial year 2003.

Payments for other external services rose from 46 million RWF by end 2003 to 88 million by end 2004 as a result of the decision taken to enter under this item external audit charges, Censors' emoluments and the emoluments of the Board members. In addition, during financial year 2004, expenses were paid for information technology consultants, an expenditure which was not incurred in 2003.

Other operating charges rose from 558 million RWF by end 2003 to 626 million by end 2004, an increase of 12.1%, corresponding nearly to the average inflation rate in 2004.

Allocations to depreciation accounts increased from 554 million RWF by end 2003 to 992 million end 2004, a change of 79% due to various purchases of assets as indicated in notes 16 to 19 of the financial statements.

Allocations to appropriations accounts rose from 95 million RWF to 374 million, an increase of 279 million as a result of making allowance for paid leaves amounting to 224 million RWF and for total loss of a claim on National Bank of Burundi amounting to 48 million RWF. Provision for legal disputes increased by 100 million RWF due to a dispute between NBR and SOGEE Company.

Various other expenses dropped from 204 million RWF by end 2003 to 54 million by end 2004 due to the reduction of various expenses recorded by end 2003 as part of the settlement of old outstanding accounts.

2. Changes in Foreign Assets Exchange Rates: 1,626 million RWF

As indicated earlier, the result of the fluctuations of foreign exchange rates was significantly negative in 2004.

This situation was a consequence of the following factors:

1. Foreign exchange fluctuation rates between currencies on the capital market had a net negative impact on the value of financial assets;
2. The Rwandan franc appreciated during the whole year as a result of foreign financial flows which increased considerably in 2004.

The trend of the result was virtually negative for the whole year. In fact, loss on fluctuations of foreign

exchange rates amounted to 330 million RWF by end March 2004, 1,335 million RWF by end June, 2,119 million RWF by end September and 1,189 million RWF by 31 December .

This reduction of losses during the last quarter of the year was due to the fact that the exchange rate of the Euro had reversed the trend and taken an ascending pace until end of December.

The American dollar lost value by 16.07 RWF, its exchange rate dropping from 582.93 RWF to 566.86 RWF between January and December 2004.

Table 82: Development of major currencies

Currency	03.01.2003	02.07.2003	31.12.2003	31.01.2004	30.06.2004	31.12.2004
EUR	535.87	616.69	725.81	731.13	704.09	771.44
GBP	822.97	885.10	1,030.52	1,038.52	1,054.54	1,088.09
DTS	690.07	741.98	849.07	853.44	850.28	878.35
USD	511.96	533.84	580.28	582.39	579.45	566.85

Source: Accounts and Budget Department

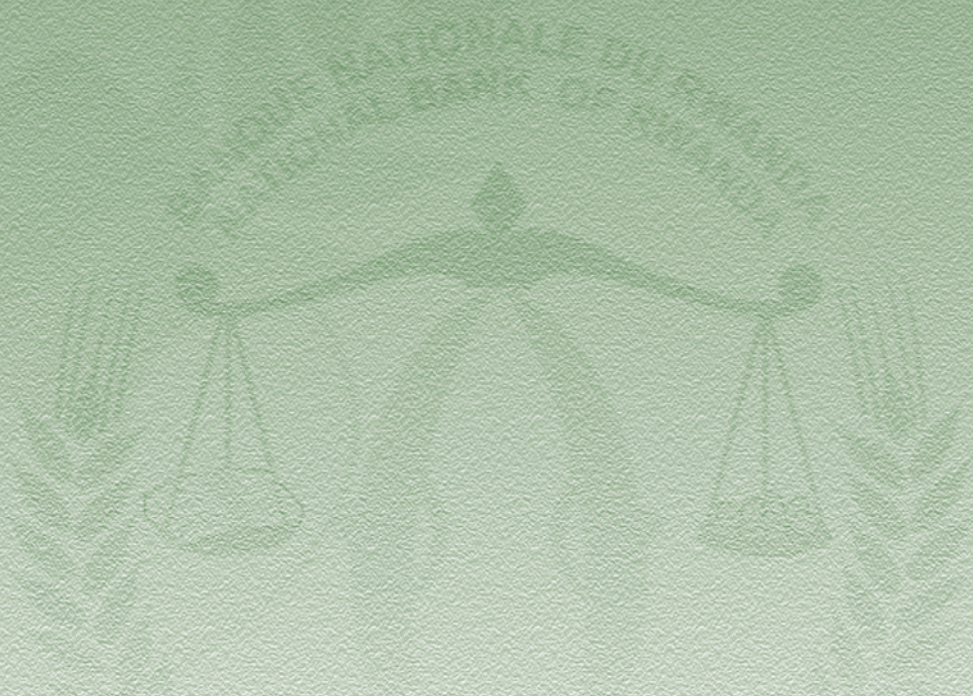
Loss on CAAML Fund following the depreciation on the stock exchange list of financial instruments in which the Fund had invested was recorded in the same account. This loss was due to the reversal of the trend in the development of USD interest rates on international capital markets. In fact, since these instruments had been acquired in previous years when USD interest rates on capital markets were too low, it was normal that with the increase in these rates observed since the 3rd quarter of 2004, the consequence be the discount of the financial instruments subscribed on the basis of the old rates.

V.4 Appropriation of the Financial Year Result

The Bank's operations produced a positive result of 698 million RWF, but overall result for the year was a loss amounting to 929 million RWF after taking into account the loss on foreign exchange fluctuation rates of 1,626 million RWF.

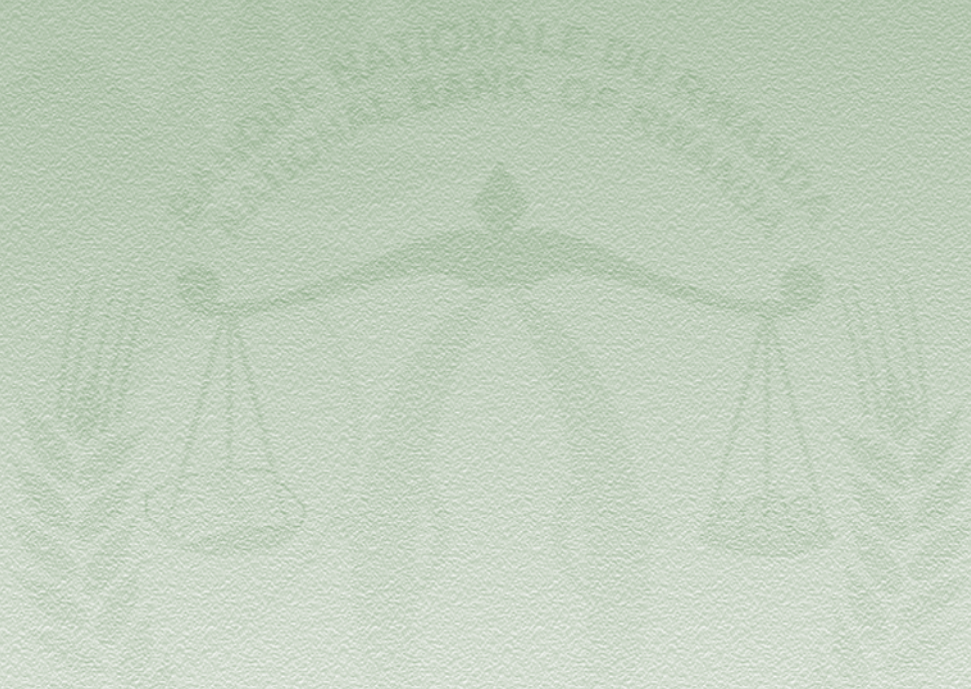
In accordance with the decision of the meeting of the Board of Directors held on 28 March 2003, total loss on foreign assets fluctuations amounting to 1,626 million RWF was entered on the exchange fluctuation rate Reserve account. The positive balance of 698 million RWF was credited to the General Reserve Fund account in accordance with the decision taken by the Board of Directors at its meeting of 29 March 2005 that no dividend should be paid to Government due to the net result of the year which showed an overall deficit balance.

Annexes



Annex I

Notes on Financial Statements



Notes on Financial Statements

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2004

I. PROFIT AND LOSS ACCOUNT END 2004

	Notes	31 Dec. 2004	31 Dec. 2003
Interests received	3	4,067,704,173	3,537,959,237
Interests paid	4	(990,919,573)	(941,962,263)
Net interests		3,076,784,600	2,595,996,974
Net charges and commissions	5	76,331,506	44,136,386
Earnings on foreign exchange transactions	6	2,578,237,912	2,201,879,689
Other revenues	7	769,372,735	1,086,364,870
Result on transactions		6,500,726,753	5,928,377,919
Operating costs	8	(5,803,485,708)	(4,425,002,425)
Changes in foreign assets rates		(1,626,059,790)	3,959,547,581
Loss/Profit of the year		(928,818,745)	5,462,923,075
Dividend to be paid to Treasury			1,007,261,581

BALANCE SHEET AS AT 31 DECEMBER 2004

ASSETS		31 Dec. 2004	31 Dec. 2003
Petty cash		327,743,725	606,579,292
Foreign exchange claims	9	178,113,453,991	123,972,034,362
Subscription to IMF	10	70,355,802,960	68,010,146,550
Claims on Government and related items	11	42,252,410,114	44,044,909,974
Claims on banks and local OFIs	12	2,129,005,333	2,023,678,728
Staff loans	13	2,476,566,775	2,031,412,415
Miscellaneous claims	14	189,726,539	211,065,085
Intangible assets	15	212,085,315	219,144,383
Investment House	16	291,710,917	90,000,000
Other tangible assets	17	1,961,021,624	969,990,459
Costs for allocation	18	3,628,439,764	1,816,457,816
Equity securities	19	200,000,000	200,000,000
TOTAL ASSETS		302,137,967,057	244,195,419,064
LIABILITIES			
Currency in circulation	20	39,393,106,437	36,467,123,264
Government deposits and related items	21	79,292,560,437	33,689,850,542
Banks and local OFIs deposits	22	24,040,813,081	11,996,711,199
Liabilities to IMF	23	134,645,694,727	132,159,523,636
Other foreign liabilities	24	3,354,684,517	6,211,666,743
Other debts	25	6,987,846,645	7,164,819,946
TOTAL LIABILITIES		287,714,705,844	227,689,695,330
EQUITY CAPITAL			
Share capital	26	2,000,000,000	2,000,000,000
General Reserve Fund		7,082,165,144	6,399,957,854
Other reserves	29	5,341,096,069	7,098,504,299
Dividend to be paid to Treasury			1,007,261,581
TOTAL EQUITY CAPITAL		14,423,261,213	16,505,723,734
TOTAL LIABILITIES AND EQUITY CAPITAL		302,137,967,057	244,195,419,064

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

TABLE OF CHANGE OF CAPITAL EQUITY BY END 2004

	Share capital	General reserves	Other reserves	Proposed dividends	Total equity capital
Balance as at 1st January 2003	2,000,000,000	6,096,878,391	2,958,551,659	1,613,163,078	12,668,593,128
Result of the financial year		5,462,923,075			5,462,923,075
Dividend					
proposed for 2003		(1,007,261,581)		1,007,261,581	
paid for 2002				(1,613,163,078)	(1,613,163,078)
Emoluments for Board members (2001)		(12,629,391)			(12,629,391)
Allocation to Social Fund		(180,405,059)	180,405,059		
Allocation for foreign exchange fluctuations		(3,959,547,591)	3,959,547,581		
Balance as at 31 December 2003	2,000,000,000	6,399,957,854	7,098,504,299	1,007,261,581	16,505,723,734
Balance as at 1st January 2004	2,000,000,000	6,399,957,854	7,098,504,299	1,007,261,581	16,505,723,734
Result of the financial year		(924,444,912)			(928,818,745)
Dividend					
paid for 2003				(1,007,261,581)	(1,007,261,581)
Emoluments for Board members 2003		(15,033,755)			(15,033,755)
Loss for financial year		1,626,059,790	(1,626,059,790)		
Writeback to printing of banknotes and minting of coins			(131,348,440)		(131,348,440)
Balance as at 31 December 2004	2,000,000,000	7,082,165,144	5,341,096,069	-	14,423,261,213

TABLE OF CASH FLOWS BY END 2004

Result of financial year	(928,818,745)	5,462,923,075
Adjustments		
Depreciation of intangible assets	138,939,831	97,424,438
Depreciation of other capital assets	535,876,834	215,865,150
Depreciation of tangible assets	316,796,650	241,130,670
Result of assignment of assets	(44,427,554)	(172,194,814)
Writeback to reserves	(131,348,440)	(192,655,960)
Result of foreign exchange rate fluctuations	1,626,059,790	(3,959,547,581)
Cash flow from operations before change of working capital	1,513,078,366	1,692,944,978
Increase/reduction of subscription to IMF	(2,345,656,410)	(12,845,332,620)
Increase/reduction of claims on Government	1,792,499,860	(866,371,743)
Increase/reduction of claims on banks and local OFIs	(105,326,605)	334,405,411
Increase/reduction of staff loans	(445,154,360)	(266,596,743)
Increase/reduction of miscellaneous claims	21,338,546	46,930,122
Increase/reduction of Government deposits	45,602,709,895	(17,274,540,046)
Increase/reduction of financial institutions deposits	12,044,101,882	(100,552,840)
Increase of liabilities to IMF	2,486,171,091	24,540,499,737
Increase/reduction of other foreign liabilities	(2,856,982,226)	(2,894,129,995)
Increase/reduction of other debts	(176,973,301)	2,058,789,185
Cash flow from operations	57,529,806,738	(5,573,954,554)
Investments		
Acquisition of equity securities		(160,000,000)
Acquisition of intangible assets	(131,880,763)	(135,434,341)
Acquisition of tangible assets	(1,522,875,735)	(793,032,907)
Disbursement for costs for allocation	(2,347,858,782)	(2,067,866,557)
Cash receipts from assignement of assets	57,764,557	180,484,311
Cash flow from investments	(3,944,850,723)	(2,975,849,494)
Financing activities		
Dividend paid to Government	(1,007,261,581)	(1,613,163,078)
Emoluments of Board members	(15,033,755)	
Change in currency in circulation	2,925,983,173	5,747,705,992

TABLE OF CASH FLOW BY END 2004

Cash flow allocated to financing activities	1,903,687,837	4,134,542,914
Cash change	55,488,643,852	(4,415,261,134)
Cash by end period	124,578,613,460	125,034,327,013
Result of foreign exchange rate fluctuations	(1,626,059,790)	3,959,547,581
Cash by end period	178,441,197,522	124,578,613,460

1. Legal Framework

National Bank of Rwanda is governed by Act No. 11/97 of 26 July 1997. Its main missions are as follows:

- Monetary policy formulation and implementation with a view to the preservation of the value and stability of the national currency
- Intervention on the exchange market and implementation of an appropriate exchange policy with a view to the external stability of the national currency;
- Exercising on behalf of Government the exclusive privilege of issuing banknotes and coins ;
- Acting as Government's financial agent for cash, banking and credit transactions.

NBR capital has been fixed at 2 billion RWF and is entirely subscribed by the Government of Rwanda. It can be increased either by capitalization of reserves after decision of the Board of Directors approved by Presidential decree, or by a new appropriation by the Government of Rwanda.

Net profits of NBR were allocated as follows:

20% of the profits were allocated to the General Reserve Fund. After allocation to other necessary funds by the Board of Directors, particularly to special reserves, the balance was paid into the Treasury account.

As at 31 December 2004, equity capital of NBR amounted to 14,033,589,726 RWF.

2. Main Accounting Principles

a) Preparation base

The financial statements for year 2004 were prepared and presented in accordance with the new accounting system of NBR. NBR decided to conform to IAS and IFRS accounting standards with regard to accounting entries, presentation and publication of financial statement since 2003, and it intends to gradually accomplish this in the years to come.

The financial statements were prepared on the basis of the historical cost principle and are presented in units of RWF.

b) Entry of revenues and expenses

Revenues and expenses were recorded during the period when they were produced. Revenues from bad debts were not entered into the books.

c) Assets

All assets are presented in the balance sheet at their net value; i.e. at their cost price, less accumulated depreciation. Depreciation costs were calculated according to the linear method depending on the estimated shelf life of the assets. Starting from 2004, NBR decided to align its depreciation rates to those fixed by Government as follows:

- Intangible assets which currently consist of computer software only : rate of 33.3% ;
- Investment House: rate of 10% ;
- Tangible assets are depreciated at the following rates :

Buildings: 5%
 Computer equipment: 33 1/3%
 Machines: 20%
 Rolling stock: 25%
 Furnishing articles: 20%
 Security equipment: 20%.

d) Foreign exchange transactions

Foreign exchange transactions were recorded in RWF based on the exchange rate applicable on the day they were carried out. The exchange value in RWF of foreign exchange assets and liabilities were adjusted on a daily basis, taking into consideration the change in the exchange rate. Negative and positive differences resulting from exchange rate fluctuations were entered directly into the operating account. Elements of assets and liabilities expressed in foreign exchange and recorded in end-of-the-year balance sheet were converted in RWF based on the ruling average exchange rate on the closing day.

e) Financial assets and liabilities

NBR recorded financial assets in RWF as well as revenues and expenses by making a distinction between transactions in RWF and those in foreign exchange. Financial assets and liabilities in local currency concern transactions relating to monetary policy implementation, issuing of banknotes and coins, and deposit and loan transactions of Government and registered banks. Financial assets and liabilities in foreign exchange concern management of non-local claims and liabilities.

Currency in circulation represents banknotes and coins outside NBR, and issued banknotes and coins are entered among liabilities in the balance sheet at their face value. Cash in RWF represents mainly clients' deposits.

Financial transactions were recorded at their value on the date of the transaction.

f) Personnel benefits

In accordance with the existing social welfare law, NBR put in place a supplementary pension fund and makes contributions to the National Social Insurance Fund (Caisse Sociale du Rwanda) on behalf of its employees. These contributions account for 8% of gross salaries, where NBR pays 2/3 and the employee 1/3. The Bank meets medical care expenses for its employees and their families.

g) Equity securities

Equity securities concern subscription to the capital of SIMTEL. As at 31 December 2004, this company had not yet started its activities.

h) Loans and provision for loan depreciation

In its capacity as Government agent, the Bank may grant it an overdraft to enable it to function in case of a gap between its revenue and expenditure. Such an overdraft may not exceed 11% of Government revenue earned during the preceding financial year.

In accordance with Agreement No. 5/96 signed between the Government of Rwanda and NBR on 6 February 1996 and Article 79 of Act No. 11/97, all overdrafts granted to Government during and after the 1994 war, i.e. before 31 December 1994, added to the balance of the revaluation account as at 6 March 1995, were consolidated at the annual rate of 2%.

The Bank grants also loans to commercial banks for periods not exceeding seven days. Such loans are guaranteed and their interest rates are determined on the basis of those applicable on the Interbank Money Market.

The Bank manages lines of credit granted to Government by foreign donors. These lines of credit are sold back to registered banks at interest rates agreed with donors. The rates applied by commercial banks with the private sector are fixed freely by them.

From its own resources, the Bank grants to registered banks also loans from the facility line for refinancing agricultural and agroindustrial activities at interest rates it has fixed. Commercial banks again fix freely the interest rates applicable to their clients.

The Bank grants to its personnel loans for purchase of houses, vehicles and short-term salary advances. The applicable rates for such loans are lower than the market rate.

Provisions for bad debts are established in case of need in accordance with directive No. 03/2000 of 29 March 2000 relating to the classification of assets and monitoring of liabilities by banks and other credit institutions.

i) Costs for allocation

These costs concern only printing of banknotes and minting of coins. The Bank decided to depreciate the cost of printing banknotes and minting coins acquired in 2003 and 2004 over a period of five years. This was due to the special character of the order following the decision taken by Government in 2002 to change the country's coat of arms, and the very heavy burden of this exercise on the Bank's operating account. Over the same period, writebacks were made to appropriations that had been established previously with a view to replacing banknotes and coins in circulation.

j) Cash

The Bank's cash comprises cash holdings in foreign currency and foreign exchange assets held with foreign correspondents.

k) Taxes

In accordance with Article 71 of Act No. 11/97 establishing NBR Statutes, National Bank of Rwanda is exempted from taxes. Thus after transferring 20% of its profits to the General Reserve Fund account and funding all other reserves it deems necessary, the remaining net result was credited to Treasury's account.

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2004

	31 Dec. 2004	31 Dec. 2003
3. INTERESTS RECEIVED		
Interest on foreign exchange transactions	2,779,144,703	2,301,671,826
Interest on RWF transactions	1,288,559,470	1,236,287,411
	4,067,704,173	3,537,959,237
4. INTERESTS PAID		
Interest on transactions with IMF	501,036,950	426,424,082
Interest on foreign loans	383,290,804	279,520,193
Interest on other external loans	106,591,819	236,017,988
	990,919,573	941,962,263
5. NET CHARGES AND COMMISSIONS		
Charges and commissions received	162,413,260	123,645,898
Charges and commissions paid	(86,081,754)	(79,509,512)
	76,331,506	44,136,386
6. EARNINGS ON FOREIGN EXCHANGE TRANSACTIONS		
Profits on foreign exchange transactions	2,824,404,298	2,303,669,468
Losses on foreign exchange transactions	(246,166,386)	(101,789,779)
	2,578,237,912	2,201,879,689
7. OTHER REVENUES		
Administrative earnings	173,271,645	181,958,348
Other operating revenues	86,780,256	67,407,372
Writeback to appropriations	193,788,684	202,037,353
Result on assets assignment	44,427,554	172,194,814
Other miscellaneous revenues	271,104,596	462,766,983
	769,372,735	1,086,364,870
8. OPERATING COSTS		
Personnel expenses	3,662,296,319	2,967,181,537
Payment to other external services	94,956,658	45,853,745
Other operating expenses	625,844,321	557,644,647
Allocations to depreciation accounts	991,613,313	554,420,258
Allocations to appropriations accounts	374,613,680	95,815,824
Other miscellaneous costs	54,161,417	204,086,414
	5,803,485,708	4,425,002,425
Details of personnel expenses		
Salaries and stipends	2,822,576,361	2,289,165,600
Contribution to pension fund	87,990,892	41,906,507
Medical care	148,905,361	182,240,845
Travel and training	190,277,265	150,141,398
Other social costs	413,158,440	303,727,187
	3,662,908,319	2,967,181,537
9. FOREIGN EXCHANGE CLAIMS		
Demand liabilities	74,295,497,039	36,232,530,199
Fixed term deposits	50,306,558,800	42,701,057,097
Other foreign deposits	29,672,019,652	23,484,294,819
Cash and equivalent	154,274,075,491	102,417,882,115
Accrued interests	420,392,269	251,933,114
Assets in Special Drawing Rights	17,079,567,700	17,009,324,065
Other foreign assets	6,339,418,531	4,292,895,068
	178,113,453,991	123,972,034,362

10. ASSESSED CONTRIBUTION TO INTERNATIONAL MONETARY FUND

Assessed contribution to the International Monetary Fund is the capital of the Government of Rwanda as a member of IMF. This contribution is equal to 80,100,100 SDR and was assessed in RWF on the basis of the average exchange rate of SDR ruling as at 31 December 2004.

11. CLAIMS ON GOVERNMENT AND RELATED ITEMS		
Government funded debt	42,125,723,496	42,427,901,970
Overdraft on Govt. Treasury's account		1,488,861,842
Public enterprises	116,146,162	128,146,162
Govt. account with debit balance on closing	244,291	
Interest accrued on overdraft	10,296,165	
	42,252,410,114	44,044,909,974

On 7 February 1996, NBR signed an agreement with the Government of Rwanda with a view to consolidating various overdrafts granted to Government between 1984 and 1994 amounting to 34,457,639,242 RWF at an interest rate of 2% per year. By August 1997, this had increased to 43,469,171,690 RWF following the enactment of Act No. 11/97 establishing the Statutes of NBR which stipulates that the balance of the revaluation account as at 6 March 1995, date of the liberalization of foreign exchange transactions, was also to be entered on the account of this consolidated debt. Recovery of this debt is done through deductions of 30% from annual dividends payable to the Government of Rwanda. As provided for in the Agreement, the Government of Rwanda started refunding this debt in 2002 through deductions of 30% from the dividend of financial year 2001. As at 31/12/2003, it had refunded 1,343 million RWF. The Bank believes that this amount will be fully refunded since Government has shown the willingness to abide by its commitments.

Article 49 of Act No. 11/97 fixes total overdraft granted to the Government of Rwanda at 11% of gross revenues collected during the previous financial year. With regard to financial year 2004, this amounted to 13.381 billion RWF. This ceiling has never been reached during this financial year. The Bank collects interests on the daily balance of this overdraft on the basis of the interest rate applicable on the interbank market.

12. CLAIMS ON BANKS AND LOCAL OFIs		
Correspondent accounts		16,448,045
Intervention on foreign exchange market		583,000,000
Long-term financing	2,129,005,333	1,424,230,683
	2,129,005,333	2,023,678,728
13. STAFF LOANS		
Building loans	2,106,719,459	1,779,151,534
Car loans	72,654,992	86,008,683
Salary advances	403,377,060	278,619,899
Total claims on personnel	2,582,751,511	2,143,780,116
Appropriations for bad debts	(106,184,736)	(112,367,701)
Net claims	2,476,566,775	2,031,412,415
Movements of appropriations for claims on personnel		
Situation at beginning of financial year	112,367,701	97,310,281
Appropriations for financial year	605,170	15,746,333
Writeback to financial year	(6,788,135)	(688,913)
Balance by end of financial year	106,184,736	112,367,701

14. MISCELLANEOUS CLAIMS		
Consumables stock accounts	156,131,752	150,320,704
Suspense and equalization accounts	67,338,227	76,109,247
Other claims	144,317,740	160,990,464
Gross total miscellaneous claims	367,787,719	387,420,415
Appropriations for unrecoverable loans	(178,061,180)	(176,355,330)
	189,726,539	211,065,085
Movements of appropriations on miscellaneous claims		
Situation at beginning of financial year	176,355,330	213,085,847
Writeback to financial year	1,705,850	33,269,483
	-	(70,000,000)
	178,061,180	176,355,330

15. INTANGIBLE ASSETS	Computer softwares	Advances on orders	Total
COSTS			
As at 1st January 2004	459,466,955	35,543,591	495,010,546
Acquisitions	167,424,354	132,424,875	299,849,229
Assignments/transfers		(167,968,466)	(167,968,466)
As at 31 December 2004	626,891,309	-	626,891,309
DEPRECIATION			
As at 1st January 2004	275,866,163		275,866,163
Depreciation costs	138,939,831		138,939,831
As at 31 December 2004	414,805,994		414,805,994
NET BOOK VALUE			
As at 31 December 2004	212,085,315		212,085,315
As at 31 December 2003	183,600,792	35,543,591	219,144,383

16. INVESTMENT HOUSE

Costs			
As at 1 January 2004	100,000,000		100,000,000
Acquisitions 2004	213,490,000		213,490,000
As at 31 December 2004	313,490,000		313,490,000
DEPRECIATION			
As at 1st January 2004	10,000,000		10,000,000
Depreciation costs	11,779,083		11,779,083
As at 31 December 2004	21,779,083		21,779,083
NET BOOK VALUE			
As at 31 December 2004	291,710,917		291,710,917
As at 31 December 2003	90,000,000		90,000,000

17. OTHER TANGIBLE ASSETS

	Buildings	Machines	Vehicles	Security equipment	Equipment and furniture	Computer equipment	Construction work in progress	Total
COSTS								
As at 1st January 2004	1,857,965,936	775,000,516	320,713,384		535,893,087	573,886,593	256,539,900	4,319,999,416
Acquisitions	3,910,127	277,028,879	22,350,000	936,199,310	84,921,208	163,377,154	1,745,935,845	3,233,722,523
Assignments/displacements	(11,401,653)	(2,761,026)	(29,600,000)		(28,745,675)	(21,511,570)	(1,924,336,788)	(2,018,356,712)
As at 31 December 2004	1,850,474,410	1,049,268,369	313,463,384	936,199,310	592,068,620	715,752,177	78,138,957	5,535,365,227
DEPRECIATION								
As at 1st January 2004	1,715,721,217	534,478,104	282,979,191		354,705,310	462,125,135		3,350,008,957
Depreciation costs	13,639,597	107,185,730	28,623,319	15,596,505	50,111,235	89,861,179		305,017,565
Assign./transfers, displac.	(8,357,061)	(2,708,523)	(29,600,000)		(18,505,765)	(21,511,570)		(80,682,919)
As at 31 December 2004	1,721,003,753	638,955,311	282,002,510	15,596,505	386,310,780	530,474,744		3,574,343,603
NET BOOK VALUE								
As at 31 December 2004	129,470,657	410,313,058	31,460,874	920,602,805	205,757,840	185,277,433	78,138,957	1,961,021,624
As at 31 December 2003	142,244,719	240,522,412	37,734,193		181,187,777	111,761,458	256,539,900	969,990,459

18. COSTS FOR ALLOCATION

	Costs of printing banknotes	Costs of minting coins	Total
COSTS			
As at January 2004	1,777,452,621	254,870,345	2,032,322,966
Acquisitions	2,207,306,373	140,552,409	2,347,858,782
As at 31 December 2004	3,984,758,994	395,422,754	4,380,181,748
DEPRECIATION			
As at 1st January 2004	207,369,472	8,495,678	215,865,150
Depreciation costs	468,503,124	67,373,710	535,876,834
As at 31 December 2004	675,872,596	75,869,388	751,741,984
NET BOOK VALUE			
As at 31 December 2004	3,308,886,398	319,553,366	3,628,439,764
As at 31 December 2003	1,570,083,149	246,374,667	1,816,457,816

	2004	2003
19. EQUITY SECURITIES	200,000,000	200,000,000

Equity securities concern NBR's shares in SIMTEL Company. As at 31 December 2004, this company was not yet operational.

20. CURRENCY IN CIRCULATION

Printed banknotes	98,951,786,724	54,672,547,224
Banknotes in reserve	(46,515,570,000)	(10,984,015,000)
Cash balance at National Bank of Rwanda	(13,043,110,287)	(7,221,408,960)
Amount of Currency in Circulation	39,393,106,437	36,467,123,264

Cash at NBR consists of banknotes and coins in local currency held by the Senior Cashier and cash deposited at the cash counting and sorting counter. Cash in hand at the cash and sorting counter consists of banknotes unfit for circulation, banknotes to sort and demonetized banknotes. Banknotes unfit for circulation are banknotes awaiting to be shredded and coins to be crushed. Demonetized banknotes are banknotes which have been withdrawn from circulation.

21. GOVERNMENT DEPOSITS AND RELATED ITEMS

Treasury's current account	12,778,712,933	-
Deposits by Ministries and other Government projects	18,888,436,869	11,661,950,996
Special funds	4,106,611,801	1,539,105,698
Foreign credit lines	421,347,494	833,723,339
Local communities	483,778,224	404,351,925
Public institutions	497,800,141	503,398,465
Government enterprises	768,447,054	415,426,718
Appropriations for documentary credits and other frozen accounts in RWF	998,529,034	123,304,165
Gvt. foreign exchange accounts in convertible RWF	40,348,896,887	18,208,589,236
	79,292,560,437	33,689,850,542

22. BANKS AND OTHER FINANCIAL INSTITUTIONS		
Deposits in RWF	8,931,924,480	6,589,351,421
Borrowings on money market	11,339,907,979	
Deposits in foreign exchange	3,765,476,725	4,827,079,878
Foreign exchange to deliver		580,279,900
Accrued interests	3,503,897	
	24,040,813,081	11,996,711,199

	2004	2003
23. LIABILITIES TO IMF		
Deposits of International Monetary Fund	70,367,370,072	68,021,328,022
Structural borrowing accounts	52,186,921,896	52,508,545,457
Allocations of Special Drawing Rights	12,030,754,478	11,629,650,157
Accrued interests	60,648,283	-
	134,645,694,729	132,159,523,636
24. OTHER FOREIGN LIABILITIES		
Overdraft with National Bank of Belgium	1,214,555,708	5,448,433,988
Deposits of non residents in convertible RWF	121,790,712	118,362,918
Other deposits of non residents in foreign exchange	2,018,338,097	644,869,837
	3,354,684,517	6,211,666,743
25. OTHER DEBTS		
Personnel accounts	146,856,288	93,222,032
Non statutory accounts	1,025,362,211	746,764,295
Deposits of non residents in ordinary RWF	58,358,803	52,319,340
Other debts in RWF	2,616,743,625	4,752,525,063
Non statutory accounts in foreign exchange	365,365,646	416,812,025
Other debts in foreign exchange	22,834,730	10,585,692
Suppliers' accounts	1,320,525,183	221,345,517
Other equalization and suspense accounts	1,010,843,357	774,516,235
Appropriations for risks and costs	420,956,802	96,729,747
	6,987,846,645	7,164,819,946
26. SHARE CAPITAL	2,000,000,000	2,000,000,000

Share capital was fixed at two billion Rwandan francs since 1997 in accordance with Article 6 of the Act establishing the Statutes of National Bank of Rwanda. It was fully subscribed and paid up by the Government of Rwanda.

27. CASH FLOW

The following is the cash flow breakdown:

	2004	2003
Foreign exchange cash	327,743,725	606,579,292
Non-local claims	178,113,453,991	123,972,034,362
Balance at closing	178,441,197,716	124,578,613,654

28. FOREIGN EXCHANGE POSITION

Contribution to IMF	70,355,802,960	68,010,146,550
Cash flows	327,743,725	606,579,292
Non-local claims	178,113,453,991	123,972,034,362
Foreign liabilities	(3,354,684,517)	(6,211,666,743)
Liabilities to IMF	(134,645,694,727)	(132,159,523,636)
Gross foreign exchange position	110,796,621,432	54,217,569,825
Foreign exchange liabilities to residents	(44,502,573,988)	(24,043,346,729)
Other foreign exchange liabilities	(1,170,413,707)	(108,733,544)
Net foreign exchange position	65,123,633,737	30,065,489,552

29. OTHER RESERVES

	Social Fund	Exchange rate fluctuations	Printing banknotes	Total 2004	Total 2003
Bal. as at 1st Jan.	1,550,930,129	5,022,180,410	525,393,760	7,098,504,299	3,151,207,619
Appropriation of loss of financial year		(924,444,912)		(924,444,912)	4,139,952,640
Writeback to fin. year			(131,348,440)	(131,348,440)	(192,655,960)
Bal. as at 31 Dec.	1,550,930,129	4,097,735,498	394,045,320	6,042,710,947	7,098,504,299

30. TRANSACTIONS WITH ASSOCIATED PARTIES

a) Transactions with the Government of Rwanda

These transactions concern banking services, issuing of Treasury bills on behalf of Government, and bank transfers to or from abroad. The Bank keeps Government account free of charge. In addition, it does not collect any commission on issues of Treasury bills on behalf of Government. Government deposits do not produce interests. The Bank collects commissions on transfers to and from abroad.

As at 31 December 2004, transactions with Government were as follows:

	2004	2003
Claims on Government (note No. 11)	42,252,410,114	44,044,909,974
IMF deposits (note No. 23)	70,367,370,072	68,021,328,022
Structural borrowings from IMF (note No. 24)	52,186,921,896	52,508,545,457
Government deposits (note No. 22)	79,292,560,439	33,689,850,542

b) Staff loans

The Bank gives loans to its personnel, including Management staff at a concessional rate. In accordance with Note 14, as at 31 December 2004, these loans amounted to 2,476 million RWF against 2,031 million by end 2003. The breakdown of these loans to Management staff was as follows:

c) Loans to Management staff

	2004	2003
Amount as at 1st January	179,847,538	143,118,767
Loans granted during the year	5,492,123	57,794,266
Refunds during the year	(22,993,534)	(21,065,495)
Situation as at 31 December 2004	162,346,127	179,847,538
d) Emoluments of members of the Board of Directors	7,042,839	15,033,755

31. RISK MANAGEMENT POLICIES

The Bank's risk management policies and practice were developed for all its activities. The practice rests on a rigorous culture of risk management and a solid commitment to active risk management by Management and Heads of Departments. The main objective of NBR risk management is to ensure efficient conservation of the Bank's assets.

The following are the major risks facing NBR: rate risk, exchange risk, liquidity risk and operational risk.

Risk management policies and practices are guided by the following principles applicable to the following different types of risks:

- Surveillance by the Board of Directors.
Investment and operational policies are approved by the Board of Directors and modified as and when necessary.
- Monitoring by Management.
All high risk activities are submitted to Management for approval.
- Diversification.
Deposit policies and limits are determined while ensuring that risks are well diversified.
- Assessment.
Policies and procedures have been established with a view to ensuring that risks have been well assessed.
- Follow up and reporting.
Risk profiles for compensations and portfolios are assessed regularly and reports are submitted regularly to the Management Committee and to the Board of Directors.
- Monitoring by internal audit.
Portfolio risks as well as specific and operational risks are monitored by the Internal Audit Department and independent reports are sent to Management.

The implementation of the above policies and procedures within NBR aims at ensuring that risks in different activities are identified, measured, assessed and audited adequately in conformity with the objectives of banking and the level of risk tolerance.

32. LIQUIDITY RISK

The following table makes a comparison between elements of assets and elements of liabilities based on the remaining balances as at 31 December 2004

	Realizable/ Payable at sight	Realizable/ Payable within three months	Realizable/ Payable between 3 and 12 months	Realizable/ Payable between 1 and 5 years	Realizable/ Payable after 5 years	Total
Assets						
Cash	327,743,725					327,743,725
Foreign exchange claims	74,295,497,039	74,345,773,891	12,334,658,341	17,137,524,720		178,113,453,991
Contribution to IMF					70,355,802,960	70,355,802,960
Claims on Gvt & related items	10,540,456	156,985,778	4,500,000	766,075,052	41,314,308,828	42,252,410,114
Claims on banks and local OFIs		102,686,986	265,251,653	1,761,066,694		2,129,005,333
Staff loans		104,691,195	397,475,313	666,355,659	1,308,044,608	2,476,566,775
Miscellaneous claims	189,726,539					189,726,539
Intangible assets				212,085,315		212,085,315
Investment House					291,710,917	291,710,917
Other tangible assets				969,711,818	991,309,806	1,961,021,624
Costs for allocation				3,628,439,764		3,628,439,764
Equity securities					200,000,000	200,000,000
Total assets	74,823,507,759	74,710,137,850	13,001,885,307	25,141,259,022	114,461,177,119	302,137,967,057
Liabilities and equity capital						
Currency in circulation	39,393,106,437					39,393,106,437
Gvt. deposits and related items	77,881,514,092	989,698,851		421,347,494		79,292,560,437
Banks and local OFIs deposits	12,579,676,205	11,343,411,876	117,725,000			24,040,813,081
Liabilities to IMF	11,567,117	1,105,884,307	4,808,085,710	38,080,934,743	90,639,222,850	134,645,694,727
Other foreign liabilities	3,354,684,517					3,354,684,517
Other debts	6,987,846,645					6,987,846,645
Equity capital					14,423,261,213	14,423,261,213
Total liabilities and equity capital	140,208,395,013	13,438,995,034	4,925,810,710	38,502,282,237	105,062,484,063	302,137,967,057
Impairment/Surplus	(65,384,887,254)	61,271,142,816	8,076,074,597	(13,361,023,215)	9,398,693,056	-

As at 31 December 2003

Total assets	39,138,484,463	71,485,661,448	635,238,000	22,755,914,284	110,180,120,869	244,195,419,064
Total liabilities	89,109,635,861	2,167,209,504	2,152,124,330	35,880,509,104	114,885,940,265	244,195,419,064
Impairment/Surplus by end 2003	(49,971,151,398)	69,318,451,944	(1,516,886,330)	(13,124,594,820)	(4,705,819,396)	-

33. EXCHANGE RISK

NBR exchange risks are summarized as follows :

Foreign exchange assets	USD	EURO	GBP	SDR	OTHERS	TOTAL
Foreign assets	97,482,902,694	43,487,436,382	13,970,433,038	17,485,547,350	5,687,134,528	178,113,453,992
Contribution to IMF				70,355,802,960		70,355,802,960
Others	159,423,139	153,393,862	353,628		14,573,096	327,743,725
Total	97,642,325,833	43,640,830,244	13,970,786,666	87,841,350,310	5,701,707,624	248,797,000,677
Foreign exchange liabilities						
Liabilities to IMF				134,645,694,727		134,645,694,727
Residents' for. exch. deposits	39,000,931,925	5,202,434,522	218,611,616		80,595,928	44,502,573,991
Liabilities to non residents	362,884,100	4,020,424,065		100,843	141,689,214	4,525,098,222
Total	39,363,816,025	9,222,858,587	218,611,616	134,645,795,570	222,285,142	183,673,366,940
Net position by end 2004	58,278,509,808	34,417,971,657	13,752,175,050	(46,804,445,260)	5,479,422,482	65,123,633,737

Off-balance sheet accounts

Liabilities received						
Liabilities given	4,891,871,520	1,565,199,084	393,883,322			6,850,953,926
As at 31 December 2003						
Total foreign exchange assets	52,467,203,265	41,643,492,771	12,384,222,892	85,616,939,065	476,902,211	192,588,760,204
Total foreign exchange liabilities	15,791,438,668	14,359,829,227	312,986	132,159,621,119	212,068,652	162,523,270,652
Net position by end 2003	36,675,764,597	27,283,663,544	12,383,909,906	(46,542,682,054)	264,833,559	30,065,489,552

34. RATE RISK

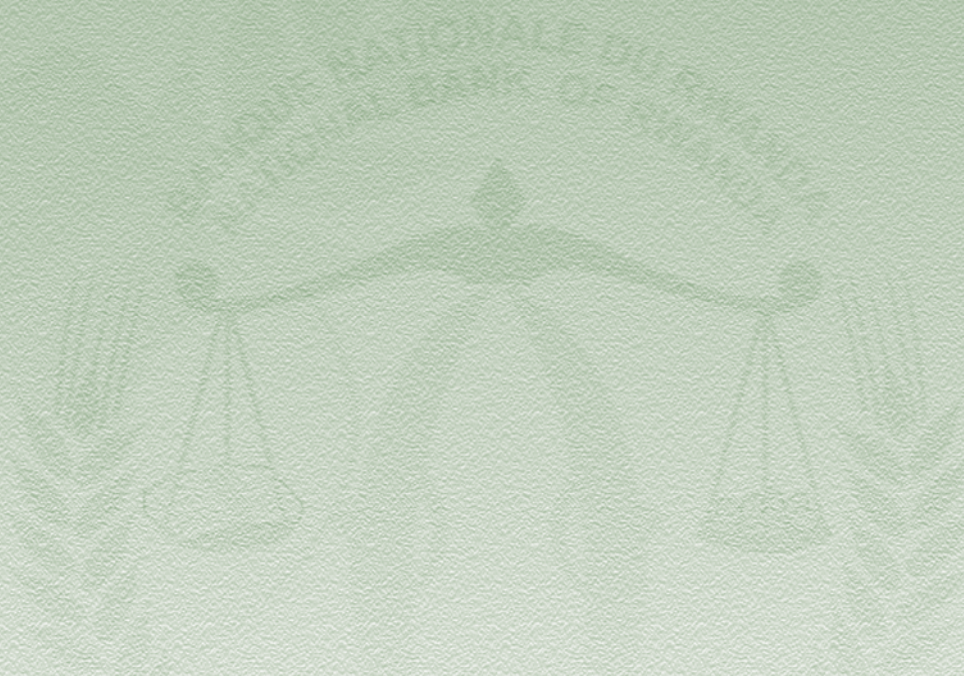
	3 months or less	From 3 to 12 months	More than one year	Interest free	Total
Assets					
Cash				327,743,725	327,743,725
Foreign exchange claims	142,731,943,814	17,876,496,273	17,137,524,720	367,489,184	178,113,453,991
Contribution to IMF				70,355,802,960	70,355,802,960
Claims on Govt. and related items	142,237,172		41,983,486,324	126,686,618	42,252,410,114
Claims on banks and local OFIs	102,686,986	265,251,653	1,761,066,694		2,129,005,333
Staff loans	37,497,512	154,169,080	1,885,532,115	399,368,068	2,476,566,775
Miscellaneous claims				189,726,539	189,726,539
Intangible assets				212,085,315	212,085,315
Investment House				291,710,917	291,710,917
Other tangible assets				1,961,021,624	1,961,021,624
Costs for allocation				3,628,439,764	3,628,439,764
Equity securities				200,000,000	200,000,000
Total assets	143,014,365,484	18,295,917,006	62,767,609,853	78,060,074,714	302,137,967,057
Liabilities and equity capital					
Currency in circulation				39,393,106,437	39,393,106,437
Govt. deposits and related items				79,292,560,437	79,292,560,437
Banks and local OFIs deposits	11,339,907,979	4,808,085,710		12,700,905,102	24,040,813,081
Liabilities to IMF	1,045,236,024		58,425,002,916	70,367,370,077	134,645,694,727
Foreign exchange liabilities			1,214,555,708	2,140,128,809	3,354,684,517
Other debts				6,983,472,812	6,983,472,812
Equity capital				14,427,635,046	14,427,635,046
Total liabilities & equity capital	12,385,144,003	4,808,085,710	59,639,558,624	225,305,178,720	302,137,967,057
Impairment/Surplus by end 2004	130,629,221,481	13,487,831,296	3,128,051,229	(147,245,104,006)	-

As at 31 December 2003

Total assets	104,568,831,785	4,144,306,081	61,747,701,012	73,734,580,186	244,195,419,064
Total liabilities and equity capital		3,031,163,185	66,555,466,417	174,608,789,462	244,195,419,064
Impairment/Surplus by end 2003	104,568,831,785	1,113,142,896	(4,807,765,405)	(100,874,209,276)	

Annex II

Statistics



MAJOR INDICATORS OF NATIONAL ECONOMY

Table 1

Description	2000	2001	2002	2003	2004
Current GDP (in millions of RWF)	708 866	766 320	843 722	950 141	
of which: Primary sector, in % of GDP	42.5	43.9	45.3	46.5	45.2
Secondary sector, in % of GDP	18.7	18.4	18,0	17.7	18,0
Tertiary sector, in % of GDP	38.75	37.56	36.24	34.9	36.23
Constant GDP (millions of RWF,1995)	548 911	580 849	633 704	639 128	667 036
Growth rate (in %)	6.8	5,8	9,1	0,9	4,4
of which: Primary sector	8.8	6,7	14,2	-3,7	0,8
Secondary sector	4.3	9,3	6,1	7,3	5,9
Tertiary sector	5.4	2,3	4,1	4,0	8,4
Inflation rate	3.9	3,4	2,0	7,45	12,0
Current GDP per capita (in USD)	210,0	218,0	218,0	212,0	212,0
Growth rate (in %)	3,0	5.7	0,0	5.7	0,0
USES OF GDP (constant), in %	100,0	100,1	100,0	100,0	100,0
Private consumption	87,2	84,3	88,1	84,1	85,5
Public consumption	7,2	9,7	9,8	10,8	10,1
Gross Domestic Investment	18,1	18,6	18,4	21,5	19,5
Resource balance	-12,6	-12,5	-16,4	-16,4	-15,1
Balance of current payments (+net transfers), in % of GDP	-6,6	-5,7	-5,8	-4,9	-0,7
Gross reserves, in number of months of imports of goods and non factor services (GNFS)	5.3	6.2	7.4	6.1	7.7
Tax revenues, in % of GDP	9.7	10.9	11.9	12.2	12.8
Budget deficit (cash basis), in % of GDP	-0.5	-1.1	-2.5	-2.1	-0.2
Outstanding external debt (millions of USD)	1153.1	1155.5	1299.94	1426.6	1574.7
External debt service in % of export earnings	40.9	34.9	55,0	64,7	42,4

Source: NBR, Research Department

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY(Nominal)
(in millions of RWF, at current prices)

Table 2

Description	2000	2001	2002	2003	2004
Agriculture	299 494	332 649	378 478	438 396	469 415
Food crops	256 364	284 337	331 138	385 844	408 484
Export crops	7 143	8 236	5 745	7 273	8 805
of which: Coffee	5 530	6 275	3 715	4 203	5 943
Livestock	24 883	27 944	29 341	30 944	36 255
Fisheries	1 496	1 724	1 741	1 759	2 153
Forestry	9 608	10 408	10 512	12 576	13 718
Industry	134 671	144 390	155 945	171 734	193 482
Mines and quarries	1 965	3 628	3 918	3 222	4 460
Manufactured goods	67 912	74 097	78 129	83 208	96 696
of which: Foodstuffs, beverages and tobacco	54 810	59 315	61 510	65 563	76 593
Others	13 102	14 782	16 619	17 645	20 102
Electricity, gas, and water	4 356	4 256	4 506	4 076	5 303
Construction	60 439	62 409	69 392	81 228	87 024
Services	274 681	287 851	305 805	331 564	379 648
Wholesale and retail trade, rest. and hotels	74 617	76 496	81 313	79 095	97 595
Transport, warehousing, & communication	49 601	53 296	58 982	59 150	70 447
Finance, insurance, real estate	21 841	22 484	23 977	26 071	29 755
Public Administration	51 628	55 612	57 000	61 894	71 690
Non profit making institutions	7 337	7 330	7 323	8 934	9 656
Others	69 656	72 633	77 210	96 418	100 504
Less: bank service charges	11 599	12 526	13 219	14 112	16 368
Plus: Import taxes	11 619	13 956	16 711	22 560	21 571
Gross Domestic Product	708 866	766 320	843 722	950 141	1 047 748

Source: MINECOFIN, Statistics Department

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real)
(in millions of RWF, at 1995 constant prices)

Table 3

Description	2000	2001	2002	2003	2004 est.
Agriculture	243 236	259 384	296 580	285 606	286 701
Food crops	204 177	217 644	253 394	243 538	241 791
Export crops	6 842	7 820	8 152	6 018	8 610
of which: Coffee	6 144	6 972	7 430	5 269	7 602
Livestock	22 859	23 813	24 660	25 399	25 701
Fisheries	1 813	1 958	1 978	1 997	1 997
Forestry	7 545	8 148	8 397	8 653	8 601
Industry	96 799	105 899	112 232	120 167	128 232
Mines and quarries	1 208	1 408	1 328	1 214	2 273
Manufactured goods	45 547	49 401	52 806	51 787	54 322
of which: foodstuffs, beverages and tobacco	37 945	40 798	42 996	40 710	42 413
Others	7 602	8 602	9 810	11 077	11 909
Electricity, gas, and water	1 415	2 054	1 754	2 033	1 619
Construction	48 628	53 037	56 343	65 133	70 018
Services	211 243	216 041	224 971	234 057	253 757
Wholesale and retail trade, rest. and hotels	47 275	46 933	49 063	47 682	49 767
Transport, warehousing & communication	38 967	42 453	45 340	46 391	54 092
Finance, insurance and real estate	17 804	17 131	15 683	17 308	18 659
Public Administration	44 387	44 552	45 167	48 029	52 160
Non profit making institutions	4 728	4 492	5 363	5 631	6 194
Others	58 082	60 480	64 355	69 015	72 885
Less: bank service charges	9 855	10 153	11 250	12 488	13 462
Plus: Import taxes	7 487	9 679	11 171	11 785	11 808
Gross Domestic Product	548 911	580 849	633 704	639 128	667 036

Source: MINECOFIN, Statistics Department

USES AND RESOURCES OF GDP (nominal)
(in millions of RWF, at current price)

Table 4

Description	2000	2001	2002	2003	2004
Final consumption expenditure	702 848	765 835	857 926	951 180	10 053 788
Public Administration	60 945	69 568	75 805	89 091	95 832
Private (including change of stocks)	641 903	696 267	782 121	862 089	957 956
Gross domestic investment	122 659	127 705	146 198	173 685	182 561
Gross fixed capital formation	122 659	127 705	146 198	173 685	182 561
Construction	111 838	116 312	129 106	151 892	162 283
Equipment (durable goods)	10 821	11 393	17 092	21 793	20 278
Resource balance	-116 641	-127 220	-160 402	-174 723	-188 601
Exports (gnfs)	42 923	63 554	60 883	61 129	76 636
Goods (fob)	26 926	41 328	36 167	33 770	46 219
Non factor services	15 998	22 226	24 716	27 359	30 417
Imports (gnfs)	159 565	190 774	221 285	235 853	265 237
Goods (fob)	81 331	107 178	125 403	125 609	146 926
Non factor services	78 234	83 596	95 882	110 244	118 311
Gross Domestic Product	708 866	766 320	843 722	950 141	1 047 748

USES AND RESOURCES OF GDP(real)
(in millions of RWF, at 1995 constant price)

Final consumption expenditure	518 514	545 701	620 431	606 492	637 571
Public Administration	39 604	56 309	62 139	68 746	67 273
Private (including change of stocks)	478 910	489 393	558 293	537 746	570 298
Gross domestic investment	99 490	107 745	116 913	137 204	129 997
Gross fixed capital formation	99 490	107 745	116 913	137 204	129 997
Construction	89 983	98 401	104 828	121 796	116 819
Equipment (durable goods)	9 507	9 344	12 085	15 408	13 177
Resource balance	-69 093	-72 598	-103 640	-104 567	-100 531
Exports (gnfs)	22 451	32 653	28 016	33 360	33 935
Goods (fob)	13 003	18 966	12 038	15 639	16 925
Non factor services	9 448	13 687	15 978	17 720	17 010
Imports (gnfs)	91 544	105 250	131 656	137 927	134 466
Goods (fob)	39 629	51 962	79 838	77 543	74 880
Non factor services	51 915	53 288	51 819	60 384	59 587
Gross Domestic Product	548 911	580 849	633 704	639 128	667 036

Source: MINECOFIN, Statistics Department

Table 5

MONTHLY DEVELOPMENT OF CONSUMER PRICE INDEXES
AT NATIONAL LEVEL (national indexes according to origins)
Base: 2003=100

		2004											
	Weightings	janv-04	févr-04	mars-04	avr-04	mai-04	juin-04	juil-04	août-04	sept-04	oct-04	nov-04	déc-04
LOCAL PRODUCTS													
01. Foodstuffs, non alcoholic beverages	2 538	108.1	109.0	111.2	113.9	114.5	113.9	116.8	125.0	128.6	134.3	133.8	122.3
02. Alcoholic drinks, tobacco	175	105.3	107.0	107.7	108.7	110.1	110.3	110.6	111.0	110.4	111.1	111.1	111.0
03. Apparels and shoes	254	100.5	100.9	101.9	101.4	102.3	102.3	102.1	102.7	106.7	106.5	105.4	107.0
04. Housing, water, gas, electricity and other utilities	1 545	106.3	113.0	113.5	114.6	114.6	113.6	115.0	116.8	116.0	116.8	117.5	118.4
05. Furniture, household items and household maintenance	400	103.3	104.0	103.7	105.3	106.0	106.7	107.5	108.9	111.1	111.5	113.3	113.5
06. Health	402	100.4	100.2	99.9	100.0	100.1	100.2	100.3	100.1	100.1	99.9	99.7	101.1
07. Transport	594	103.3	103.6	103.6	103.7	103.9	104.6	104.6	104.6	104.8	104.8	104.8	104.6
08. Communications	30	100.1	100.1	100.1	100.1	100.2	100.1	100.7	110.0	109.9	109.9	109.8	109.8
09. Leisure, culture	121	100.2	100.1	100.4	100.4	100.6	99.5	99.1	100.7	100.5	100.4	100.9	99.7
10. Education	365	108.7	108.7	108.9	108.8	109.1	109.2	109.3	109.3	109.3	109.3	109.3	110.1
11. Restaurants and hotels	259	101.5	102.2	102.2	102.3	102.2	102.3	102.8	102.7	102.5	103.9	103.8	110.1
12. Miscellaneous goods and services	274	103.3	103.6	103.1	104.4	103.9	104.8	104.5	104.5	103.4	103.2	103.4	103.0
INDEX FOR THE GROUP	6 956	105.8	107.7	108.7	110.1	110.5	110.1	111.4	115.3	116.4	119.1	119.1	115.4
IMPORTED PRODUCTS													
01. Foodstuffs, non alcoholic beverages	1 045	110.0	109.7	113.1	113.0	114.8	116.9	119.1	121.7	122.6	126.5	128.9	128.7
02. Alcoholic drinks, tobacco	29	106.8	106.8	107.3	108.1	107.9	108.3	107.9	108.7	108.4	108.2	108.8	108.9
03. Apparels and shoes	169	100.0	99.9	100.5	100.3	101.4	101.7	102.4	103.0	102.8	103.2	104.5	105.0
04. Housing, water, gas, electricity and other utilities	80	112.6	113.0	115.5	117.0	120.6	121.0	122.6	129.4	131.7	135.4	135.8	141.1
05. Furniture, household items and household maintenance	924	105.4	106.2	106.9	107.8	108.6	109.4	110.2	111.5	110.5	112.0	112.8	114.1
06. Health	199	107.0	107.9	106.6	107.9	107.2	105.3	105.8	106.5	104.2	104.3	105.5	106.8
07. Transport	246	104.1	104.7	104.6	104.5	105.5	107.6	107.8	108.1	108.2	109.1	111.5	113.2
08. Communications	1	95.1	94.9	94.9	95.6	95.9	97.4	97.4	97.4	98.3	98.5	98.4	98.1
09. Leisure, culture	128	105.7	105.7	105.9	105.8	106.9	105.8	105.9	105.4	109.3	109.0	110.6	109.4

Table 5 (cont'd)

MONTHLY DEVELOPMENT OF CONSUMER PRICE INDEXES
AT NATIONAL LEVEL (national indexes according to origins)
Base: 2003=100

		2004											
	Weightings	janv-04	févr-04	mars-04	avr-04	mai-04	juin-04	juil-04	août-04	sept-04	oct-04	nov-04	déc-04
12. Miscellaneous goods and services	221	99.96	101.4	101.8	100.7	102.0	101.5	101.8	102.6	104.1	104.4	104.5	105.8
INDEX FOR THE GROUP	3 044	106.2	106.5	107.7	107.9	109.0	109.6	110.6	112.3	112.7	114.4	116.1	116.6
ALL PRODUCTS													
01. Foodstuffs, non alcoholic beverages	3 709	108.5	109.0	111.6	113.4	114.5	114.5	117.2	123.7	126.1	131.9	132.1	123.8
02. Alcoholic drinks, tobacco	221	105.7	107.0	107.6	108.7	109.6	108.7	109.8	110.3	109.9	110.4	110.6	110.4
03. Apparels and shoes	500	100.2	100.2	101.0	100.7	101.7	102.0	102.2	102.9	104.0	104.2	104.7	105.5
04. Housing, water, gas, electricity and other utilities	1 579	106.6	112.9	113.7	114.7	114.8	113.6	114.2	117.3	116.7	117.7	118.4	119.4
05. Furniture, household items and household maintenance	764	103.9	104.7	104.7	106.1	106.8	107.6	108.3	109.8	110.5	111.7	113.1	113.6
06. Health	708	103.8	104.3	103.2	104.0	103.6	102.8	103.0	103.7	102.4	102.4	103.1	104.4
07. Transport	987	103.9	104.3	104.2	104.3	104.7	105.7	105.7	105.9	106.1	106.3	107.0	107.4
08. Communications	37	100.2	100.2	100.1	100.1	100.2	100.0	100.5	108.9	108.9	108.9	108.8	108.8
09. Leisure, culture	206	104.8	104.8	104.9	104.8	105.9	104.6	104.5	104.4	107.7	107.5	108.9	107.6
10. Education	432	108.6	108.6	108.9	108.8	109.0	109.2	109.2	109.2	109.2	109.2	109.3	110.1
11. Restaurants and hotels	273	101.6	102.3	102.3	102.3	102.3	102.4	102.8	102.9	102.5	103.9	103.8	110.2
12. Miscellaneous goods and services	584	101.7	102.6	102.5	102.6	103.0	103.1	103.2	103.5	103.7	103.7	103.9	104.3
GENERAL INDEX	10 000	105.9	107.3	108.4	109.4	110.0	109.9	111.1	114.3	115.1	117.7	118.1	115.6

Source: Research Department

Table 6

MONETARY SURVEY
(in millions of RWF, by end period)

RESOURCES												
Period	CIRCULATION FIDUCIAIRE HORS BANQUES	CURRENCY/IN CIRCULATION OUTSIDE NBR	DEMAND DEPOSITS IN BANKS	TOTAL CURRENCY	FIXED TERM DEPOSITS AT NBR	NEAR MONEY			MONEY		TOTAL RESOURCES	
						FIXED TERM DEPOSITS IN BANKS	FOR. EXCH. DEPOSITS	TOTAL NEAR MONEY	SUPPLY (M2)	OTHER ITEMS		
2000	22 576,8	23 503,1	36 778,4	60 281,5	434,2	24 081,6	26 683,6	51 199,3	111 480,8	42 404,8	153 885,6	
2001	25 811,8	26 628,4	38 421,1	65 049,4	1 629,5	26 888,6	27 850,7	56 368,8	121 418,2	46 395,0	167 813,1	
2002	28 046,1	29 992,8	44 916,0	74 908,8	-	39 543,9	30 115,2	69 659,1	144 567,9	48 274,9	192 842,8	
2003	34 103,1	35 920,0	50 849,9	86 769,9	0,0	38 272,6	42 480,9	80 753,6	167 523,5	55 445,5	222 969,0	
2004		41 648,4	61 372,9	103 021,3	0,0	53 732,0	51 013,8	104 745,8	207 767,1	76 699,1	284 466,2	
2000												
January	18 729,8	19 534,3	37 590,1	57 124,4	620,1	17 514,2	19 782,0	37 916,3	95 040,7	32 010,5	127 051,1	
February	18 987,7	19 825,9	36 154,9	55 980,8	957,1	18 853,3	18 278,9	38 089,3	94 070,1	32 709,7	126 779,8	
March	19 779,5	20 531,7	36 588,1	57 119,8	848,1	19 203,3	19 183,8	39 235,2	96 354,9	30 800,9	127 155,8	
April	20 460,8	20 983,9	37 686,7	58 670,6	746,5	19 469,3	20 375,5	40 591,3	99 261,8	32 093,1	131 355,0	
May	21 143,6	21 691,6	35 683,2	57 374,8	659,9	20 891,2	19 941,6	41 492,7	98 867,5	29 190,5	128 058,0	
June	21 674,1	22 203,2	35 674,8	57 878,0	582,6	22 408,8	21 358,1	44 349,5	102 227,5	29 782,7	132 010,2	
July	21 090,7	21 762,7	35 741,6	57 504,3	408,7	21 571,0	22 866,2	44 846,0	102 350,3	33 016,4	135 366,8	
August	20 439,4	21 067,6	35 976,5	57 044,1	433,7	21 434,1	24 681,6	46 549,3	103 593,4	33 471,1	137 064,5	
September	20 064,0	20 683,7	34 173,5	54 857,2	281,1	21 211,0	23 560,8	45 052,9	99 910,1	37 256,5	137 166,7	
October	19 779,1	20 399,9	35 889,0	56 288,9	263,7	20 478,9	23 381,1	44 123,7	100 412,6	37 549,8	137 962,5	
November	19 358,8	19 870,7	35 574,2	55 444,9	387,7	22 086,6	26 311,3	48 785,6	104 230,6	38 636,7	142 867,3	
December	22 576,8	23 503,1	36 778,4	60 281,5	434,2	24 081,6	26 683,6	51 199,3	111 480,8	42 404,8	153 885,6	
2001												
January	21 201,6	21 761,9	38 919,2	60 681,1	744,6	24 398,5	29 151,7	54 294,9	114 976,0	39 191,9	154 167,9	
February	22 149,6	22 685,9	35 899,8	58 585,6	762,4	27 420,0	29 304,7	57 487,0	116 072,7	40 762,8	156 835,5	
March	22 426,7	22 924,7	34 078,0	57 002,7	1 061,5	28 018,0	27 913,4	56 992,8	113 995,5	38 599,6	152 595,2	
April	22 564,6	23 030,9	36 658,9	59 689,8	1 029,4	26 569,0	27 018,6	54 616,9	114 306,7	40 150,3	154 457,0	

Table 6 (cont'd)

MONETARY SURVEY
(in millions of RWF, by end period)

RESOURCES													
Period	CIRCULATION FIDUCIAIRE HORS BANQUES	CURRENCY IN CIRCULATION OUTSIDE NBR	DEMAND DEPOSITS IN BANKS	TOTAL CURRENCY	FIXED TERM DEPOSITS AT NBR	NEAR MONEY			MONEY	OTHER	TOTAL RESOURCES		
						FIXED TERM DEPOSITS IN BANKS	FOR. EXCH. DEPOSITS	TOTAL NEAR MONEY					
2002	May	23 129,7	23 564,4	37 187,3	60 751,8	1 103,3	26 951,3	28 902,2	56 956,8	117 708,6	40 609,3	158 317,9	
	June	24 660,0	25 132,1	38 283,1	63 415,2	1 686,6	25 891,0	27 361,8	54 939,4	118 354,6	41 131,1	159 485,7	
	July	24 545,8	25 453,7	37 646,3	63 099,9	1 738,1	23 256,2	28 169,7	53 163,9	116 263,9	42 016,3	158 280,2	
	August	23 697,0	24 258,8	37 475,6	61 734,4	1 567,8	21 735,3	27 365,4	50 668,5	112 402,9	42 398,3	154 801,2	
	September	22 847,3	23 595,2	37 519,7	61 114,9	1 360,3	22 279,3	30 504,4	54 144,0	115 258,9	44 702,7	159 961,6	
	October	22 454,0	23 067,8	35 468,8	58 536,6	1 574,8	24 149,1	29 759,1	55 483,0	114 019,6	46 110,3	160 129,9	
	November	22 315,1	23 455,4	36 765,9	60 221,3	1 560,1	25 050,1	29 093,0	55 703,2	115 924,5	45 952,7	161 877,2	
	December	25 811,8	26 628,4	38 421,1	65 049,4	1 629,5	26 888,6	27 850,7	56 368,8	121 418,2	46 395,0	167 813,1	
	January	23 632,2	26 430,6	37 346,8	63 777,4	-	34 663,4	26 530,7	61 194,4	124 971,8	44 503,0	169 474,8	
	February	23 737,9	25 566,4	37 723,9	63 290,3	-	35 371,9	27 392,4	62 764,5	126 054,8	43 153,0	169 207,8	
	March	24 196,9	26 229,4	36 920,9	63 150,3	-	35 041,7	28 840,1	63 881,8	127 032,1	39 922,1	166 954,2	
April	23 730,6	26 729,8	38 540,9	65 270,7	-	34 844,0	26 998,0	61 842,0	127 112,7	40 549,8	167 662,5		
May	24 786,8	26 694,8	40 334,1	67 028,9	-	34 223,7	30 392,1	64 615,8	131 644,7	42 358,3	174 003,0		
June	25 909,9	28 207,1	38 833,4	67 040,5	-	37 899,3	28 522,8	66 422,1	133 462,6	38 754,2	172 216,8		
July	25 565,1	27 884,8	40 941,0	68 825,8	-	39 612,6	33 205,4	72 818,0	141 643,9	41 820,2	183 464,1		
August	25 646,6	27 650,9	41 460,9	69 111,8	-	38 876,7	32 833,5	71 825,2	140 937,0	41 486,2	182 423,2		
September	24 532,9	26 246,9	42 870,7	69 117,6	-	33 143,6	31 222,8	64 366,3	133 483,9	42 282,7	175 766,6		
October	24 938,5	26 863,8	40 398,5	67 262,3	-	42 253,3	31 621,2	73 874,6	141 136,9	45 324,9	186 461,8		
November	25 409,8	27 071,3	40 782,4	67 853,7	-	41 102,4	31 013,9	72 116,3	139 970,0	45 438,2	185 408,2		
December	28 046,1	29 992,8	44 925,6	74 918,4	-	39 552,8	30 115,2	69 659,1	144 567,9	48 274,9	192 842,8		
2003													
January	26 231,2	28 000,8	45 852,7	73 853,5	1 289,5	38 627,9	30 697,4	70 614,8	144 468,3	48 662,1	193 130,4		
February	26 996,5	29 882,7	44 851,3	74 734,0	0,0	40 722,0	32 151,5	72 873,5	147 607,4	46 275,5	193 882,9		

MONETARY SURVEY
(in millions of RwF, by end period)

Table 6 (cont'd)

RESOURCES											
Period	CIRCULATION FIDUCIAIRE HORS BANQUES	CURRENCY/IN CIRCULATION OUTSIDE NBR	DEMAND DEPOSITS IN BANKS	TOTAL CURRENCY	NEAR MONEY			TOTAL NEAR MONEY	MONEY		TOTAL RESOURCES
					FIXED TERM DEPOSITS AT NBR	FIXED TERM DEPOSITS IN BANKS	FOR. EXCH. DEPOSITS		SUPPLY (M2)	NET ITEMS	
March	26 444,6	29 257,1	45 224,1	74 481,2	198,3	38 347,0	31 410,8	69 956,1	144 437,3	48 957,3	193 394,6
April	26 570,3	29 772,5	45 313,5	75 086,0	0,0	39 100,8	32 442,9	71 543,7	146 629,8	48 558,3	195 188,1
May	28 223,8	30 744,8	45 048,6	75 793,4	0,0	41 308,0	35 155,6	76 463,5	152 257,0	50 545,2	202 802,2
June	29 365,8	31 319,3	49 068,5	80 387,7	0,0	29 397,7	37 699,2	67 097,0	147 484,7	53 793,9	201 278,5
July	31 070,7	33 225,4	47 721,9	80 947,3	0,0	39 979,4	39 134,2	79 113,6	160 060,9	50 988,9	211 049,8
August	30 812,3	32 756,8	49 276,6	82 033,3	0,0	37 506,6	39 993,5	77 500,0	159 533,4	50 944,7	210 478,0
September	32 065,0	34 190,0	51 061,4	85 251,4	0,0	35 750,1	38 943,0	74 693,0	159 944,4	52 579,9	212 524,3
October	30 548,0	32 625,3	48 086,9	80 712,2	0,0	41 252,9	42 081,7	83 334,6	164 046,8	52 641,6	216 688,4
November	30 445,8	32 885,4	47 858,7	80 744,1	0,0	39 397,3	40 664,5	80 061,8	160 805,9	51 186,0	211 991,8
December	34 103,1	35 920,0	50 849,9	86 769,9	0,0	38 272,6	42 480,9	80 753,6	167 523,5	55 445,5	222 969,0
2004											
January	31 596,0	35 314,9	56 687,4	92 002,3	0,0	42 721,2	41 361,0	84 082,2	176 084,5	60 862,0	236 946,5
February	32 143,9	35 608,4	54 094,5	89 702,9	0,0	43 678,8	43 612,1	87 290,9	176 993,8	61 097,5	238 091,3
March	31 907,0	35 415,4	54 734,9	90 150,3	0,0	43 435,6	40 780,3	84 215,9	174 366,2	60 960,4	235 326,6
April	3 266,0	36 352,8	55 703,6	92 056,4	0,0	41 524,5	43 150,7	84 675,2	176 731,6	57 850,1	234 581,7
May	33 858,5	37 366,8	56 185,4	93 552,2	0,0	43 410,2	40 996,0	84 406,2	177 958,4	59 255,3	237 213,7
June	37 480,5	40 041,3	50 394,4	90 435,7	0,0	42 782,0	45 013,2	87 795,2	178 230,9	61 719,8	239 950,7
July	37 860,0	41 478,0	56 794,1	98 272,1	0,0	45 374,9	44 216,2	89 591,1	187 863,2	62 157,3	250 020,5
August	36 861,9	41 329,1	54 258,5	95 587,6	0,0	49 254,7	42 526,6	91 781,3	187 368,9	58 428,2	245 797,1
September	37 396,0	40 971,9	54 835,7	95 807,6	0,0	48 382,1	41 435,8	89 817,9	185 625,5	61 020,7	246 646,2
October	36 875,6	41 121,0	56 824,2	97 945,2	0,0	49 576,7	42 367,4	91 944,1	189 889,3	62 442,3	252 331,6
November	36 889,8	41 648,4	57 321,6	98 970,0	0,0	52 657,5	42 308,5	94 966,0	193 936,0	68 552,4	262 488,4
December	38 925,0	41 648,4	61 372,9	103 021,3	0,0	53 732,0	51 013,8	104 745,8	207 767,1	76 699,1	284 466,2

Source: NBR, Research Department

MONETARY SURVEY
(in millions of RWf, by end period)

Table 6 (cont'd) Suite

Description	FOREIGN ASSETS			CLAIMS ON GVT.					TOTAL	TOTAL USES
	GROSS ASSETS	GROSS LIABILITIES	NET ASSETS	CLAIMS	DEPOSITS	NETS CLAIMS	CLAIMS ON PUBL. ENTERP.	CLAIMS ON PRIV. SECTOR		
2000	115 018,4	48 136,3	66 882,2	50 734,9	35 435,0	15 299,9	828,0	70 875,6	71 703,6	153 885,7
2001	130 863,2	50 431,8	80 431,4	51 074,9	42 410,3	8 664,6	960,8	77 756,3	78 717,1	167 813,1
2002	163 806,0	60 164,4	103 641,6	57 321,7	54 743,4	2 578,2	3 492,2	85 217,2	88 709,4	194 929,2
2003	174 100,5	69 962,9	104 137,6	58 778,6	38 435,1	20 343,4	4 900,3	97 189,6	102 089,9	226 570,9
2004	239 031,3	66 226,8	172 804,5	63 140,7	90 544,9	-27 404,2	4 631,7	134 434,2	139 065,9	284 466,2
2000										
January	81 047,5	36 938,7	44 108,8	53 525,2	31 086,5	22 438,8	542,9	59 960,6	60 503,5	127 051,1
February	77 934,8	36 653,0	41 281,8	55 961,9	31 056,6	24 905,3	556,7	60 036,0	60 592,7	126 779,8
March	79 160,3	36 817,9	42 342,4	54 384,1	33 678,5	20 705,6	1 180,8	62 927,0	64 107,8	127 155,8
April	78 908,6	37 497,4	41 411,2	56 130,0	30 272,5	25 857,5	617,2	63 469,0	64 086,2	131 354,9
May	73 283,1	36 089,2	37 193,9	52 653,0	28 029,5	24 623,5	939,1	65 301,4	66 240,5	128 057,9
June	73 349,5	37 233,4	36 116,1	56 455,0	28 388,4	28 066,6	1 094,3	66 733,2	67 827,5	132 010,2
July	73 881,8	35 619,1	38 262,7	56 732,8	27 528,2	29 204,6	944,5	66 955,0	67 899,4	135 366,8
August	87 423,5	40 927,4	46 496,1	52 673,5	29 476,4	23 197,2	937,4	66 433,8	67 371,2	137 064,4
September	83 901,6	41 615,2	42 286,4	55 910,3	28 995,3	26 915,0	832,7	67 132,6	67 965,3	137 166,6
October	82 768,3	40 152,4	42 615,8	56 876,3	29 456,1	27 420,2	810,7	67 115,9	67 926,6	137 962,6
November	86 935,3	41 842,8	45 092,5	55 112,9	26 685,3	28 427,6	720,1	68 627,1	69 347,2	142 867,3
December	115 018,4	48 136,3	66 882,2	50 734,9	35 435,0	15 299,9	828,0	70 875,6	71 703,6	153 885,7
2001										
January	116 655,9	48 121,3	68 534,6	50 799,1	34 538,4	16 260,7	819,9	68 552,8	69 372,7	154 168,0
February	116 076,6	47 461,9	68 614,8	50 746,5	32 127,9	18 618,6	808,0	68 794,0	69 602,0	156 835,3
March	128 293,7	46 552,3	81 741,4	50 838,3	50 704,4	133,9	1 241,4	69 478,5	70 719,9	152 595,2
April	126 359,4	45 873,3	80 486,1	51 478,9	49 271,5	2 207,4	1 181,1	70 582,4	71 763,5	154 457,1
May	125 625,1	46 235,8	79 389,3	50 828,7	45 755,8	5 072,9	1 235,0	72 620,6	73 855,6	158 317,8
June	122 504,0	46 988,8	75 515,1	52 420,5	45 266,8	7 153,7	1 218,7	75 598,2	76 816,9	159 485,8
July	119 951,2	48 669,3	71 281,9	56 485,9	46 563,3	9 922,7	1 046,7	76 028,9	77 075,7	158 280,3
August	123 208,0	48 414,8	74 793,2	50 971,8	47 815,9	3 155,9	1 028,8	75 823,3	76 852,1	154 801,2

Table 6 (cont'd) Suite

MONETARY SURVEY
(in millions of RwF, by end period)

Description	FOREIGN ASSETS				CLAIMS ON GVT.							TOTAL	TOTAL USES
	GROSS ASSETS	GROSS LIABILITIES	NET ASSETS	CLAIMS	DEPOSITS	NETS CLAIMS	CLAIMS ON PUBL. ENTERP.	CLAIMS ON PRIV. SECTOR					
2002	September	124 374,9	46 620,2	77 754,7	53 872,6	49 771,4	4 101,2	1 128,7	76 977,0	78 105,7	159 961,5		
	October	124 866,0	52 530,9	72 335,0	57 944,5	48 660,1	9 284,5	1 081,2	77 429,4	78 510,5	160 130,0		
	November	132 461,5	50 912,0	81 549,5	51 095,0	48 695,3	2 399,8	1 212,3	76 715,5	77 927,9	161 877,1		
	December	130 863,2	50 431,8	80 431,4	51 074,9	42 410,3	8 664,6	960,8	77 756,3	78 717,1	167 813,1		
	January	123 412,6	52 400,1	71 012,4	54 267,7	30 000,2	24 267,5	967,8	76 297,0	77 264,8	172 544,7		
	February	121 007,0	52 076,7	68 930,3	54 724,3	29 336,1	25 388,2	1 882,0	75 239,6	77 121,6	171 440,1		
	March	121 160,8	51 953,5	69 207,4	54 873,2	32 317,0	22 556,2	1 866,7	75 708,9	77 575,6	169 339,2		
	April	119 722,6	53 736,7	65 985,9	57 830,7	31 626,7	26 204,0	1 638,7	76 314,8	77 953,5	170 143,4		
	May	115 896,8	54 174,1	61 722,6	64 182,6	29 589,8	34 592,8	1 630,6	78 632,9	80 263,5	176 578,9		
	June	130 101,8	59 449,7	70 652,1	53 391,5	32 151,7	21 239,8	1 700,9	80 893,0	82 593,9	174 485,8		
	July	132 351,9	57 288,5	75 063,4	58 351,0	29 744,9	28 606,1	1 977,9	80 560,5	82 538,4	186 207,9		
	August	136 797,8	61 620,2	75 177,6	54 205,7	28 659,8	25 545,9	2 954,7	80 865,6	83 820,3	184 543,8		
2003	September	131 520,8	58 215,4	73 305,4	55 722,7	33 988,1	21 734,5	2 122,7	80 821,5	82 944,2	177 984,1		
	October	134 523,5	59 104,4	75 419,1	59 560,0	30 361,9	29 198,1	2 628,6	81 368,8	83 997,4	188 614,6		
	November	134 717,4	59 699,5	75 017,8	63 287,6	35 715,9	27 571,6	2 764,4	82 338,4	85 102,8	187 692,2		
	December	163 868,9	60 269,6	103 641,6	57 319,4	54 743,7	2 578,2	3 532,4	85 188,8	88 721,2	194 941,0		
	January	165 585,0	60 939,5	104 645,4	56 694,6	52 285,9	4 408,7	2 479,0	84 211,9	86 691,0	195 745,1		
	February	162 972,0	60 877,0	102 095,0	61 464,1	53 385,3	8 078,8	1 704,9	84 736,8	86 441,7	196 615,5		
	March	162 936,6	60 051,1	102 885,5	56 477,2	45 346,8	11 130,3	2 427,3	81 504,2	83 931,5	197 947,3		
	April	160 797,1	63 431,6	97 365,5	62 180,4	41 630,9	20 549,5	1 939,2	80 534,7	82 473,9	200 389,0		
	May	169 164,5	65 419,2	103 745,3	59 211,8	40 468,9	18 742,8	1 903,6	82 669,8	84 573,4	207 061,6		
	June	172 649,4	68 908,0	103 741,4	62 672,6	51 545,8	11 126,8	3 332,5	88 112,6	91 445,1	206 313,4		
	July	170 580,7	70 096,2	100 484,5	63 377,6	40 827,3	22 550,3	4 455,9	88 417,0	92 872,9	215 907,7		
	August	158 210,8	64 409,9	93 800,9	65 634,2	40 131,8	25 502,4	4 826,8	90 923,2	95 750,0	215 053,3		

Table 6 (cont'd) Suite

MONETARY SURVEY
(in millions of RWF, by end period)

Description	FOREIGN ASSETS			CLAIMS ON GVT.					TOTAL	TOTAL USES
	GROSS ASSETS	GROSS LIABILITIES	NET ASSETS	CLAIMS	DEPOSITS	NETS CLAIMS	CLAIMS ON PUBL. ENTERP.	CLAIMS ON PRIV. SECTOR		
September	156 300,7	65 769,1	90 531,6	67 515,1	41 491,9	26 023,2	4 755,0	95 719,8	100 474,9	217 029,7
October	161 356,1	67 405,5	93 950,6	66 620,6	39 351,6	27 269,0	4 651,9	95 760,1	100 412,1	221 631,6
November	163 781,5	68 081,8	95 699,7	58 093,7	39 860,4	18 233,3	4 910,8	97 044,7	101 955,5	215 888,5
December	174 100,5	69 962,9	104 137,6	58 778,6	38 435,1	20 343,4	4 900,3	97 189,6	102 089,9	226 570,9
2004										
January	184 140,9	71 212,6	112 928,3	54 266,2	50 515,1	3 751,1	5 384,3	114 882,8	120 267,1	236 946,5
February	180 576,7	73 413,7	107 163,0	56 629,3	46 021,3	10 608,0	5 171,4	115 148,9	120 320,3	238 091,3
March	174 978,3	71 009,6	103 968,7	56 151,5	46 924,1	9 227,4	4 042,9	118 087,6	122 130,5	235 326,6
April	167 917,4	70 227,2	97 690,2	61 933,7	46 215,2	15 718,5	3 960,7	117 212,3	121 173,0	234 581,7
May	175 297,3	68 674,7	106 622,6	68 222,3	61 499,9	6 722,4	3 946,9	119 921,8	123 868,7	237 213,7
June	178 719,1	69 502,8	109 216,3	56 921,4	51 732,6	5 188,8	5 062,7	120 482,9	125 545,6	239 950,7
July	173 646,2	66 788,2	106 858,0	63 248,2	47 926,4	15 321,8	4 836,4	123 004,3	127 840,7	250 020,5
August	174 308,6	68 440,0	105 868,6	65 929,1	56 261,1	9 668,0	4 822,4	125 438,1	130 260,5	245 797,1
September	190 511,8	78 707,9	111 803,9	56 252,7	55 524,8	727,9	4 918,1	129 196,3	134 114,4	246 646,2
October	193 868,6	66 529,9	127 338,7	56 687,5	66 419,9	-9 732,4	4 608,1	130 117,2	134 725,3	252 331,6
November	198 629,4	71 538,1	127 091,3	57 477,0	58 863,0	-1 386,0	4 732,3	132 050,8	136 783,1	262 488,4
December	239 031,3	66 226,8	172 804,5	63 140,7	90 544,9	-27 404,2	4 631,7	134 434,2	139 065,9	284 466,2

Source: NBR, Research Department

Table 7

NBR STANDING
in millions of RWF, outstanding by end period)

ASSETS		FOREIGN ASSETS													CLAIMS			CLAIMS ON			LOANS			CLAIMS ON		UNCLASSIFIED		TOTAL
Description		CORRESPONDENTS	FOREIGN BANK NOTES.	ASSETS IN SDR	RESERVE STAND. AT IMF	INVESTMENTS	COVERS TO RECEIVE	FOR. BANKS OVERD.	TOTAL FOR. ASSETS	ON GOVT.	PUBL. ENTERP.	PRIVATE SECTOR	BANKS DEPOSITS	MONEY MARKET	OFIs	ASSETS	ASSETS											
2000		18,215.4	457.9	490.4	0.0	62,107.8	4.0	794.1	82,069.6	43,469.2	149.4	1,112.2	1,845.7	800.0	314.4	53,059.2	182,819.7											
2001		12,301.1	111.5	5,623.6	0.0	78,798.5	42.1	222.5	97,099.2	43,469.2	129.3	1,682.4	1,521.8	0.0	206.9	56,355.1	200,464.0											
2002		44,515.1	116.3	5,153.8	0.0	59,431.5	593.4	319.2	124,699.7	43,050.4	129.3	2,090.9	1,235.8	1,000.0	121.1	60,551.4	232,878.6											
2003		39,922.6	606.6	17,009.3	0.0	66,185.4	0.5	596.2	124,320.6	43,916.8	128.2	2,305.6	1,368.6	0.0	72.1	76,764.7	248,876.4											
2004		91,834.3	327.7	17,079.6	0.0	68,677.8	6.5	346.8	178,272.6	42,125.7	116.2	2,755.7	1,577.7	0.0	551.4	82,962.3	308,361.5											
2000																												
January		8,665.0	511.3	5,142.8	0.0	44,183.1	25.9	745.7	59,273.8	45,851.4	209.4	549.4	1,957.7	0.0	417.2	44,123.8	152,382.7											
February		8,162.6	441.3	4,484.5	0.0	44,568.0	66.3	745.0	58,467.7	48,432.8	199.4	718.3	1,999.9	0.0	417.2	44,027.9	154,263.2											
March		11,178.9	277.6	4,534.9	0.0	41,487.3	41.3	781.0	58,301.0	46,452.6	189.4	705.3	2,012.6	590.5	407.2	44,668.8	153,327.4											
April		8,537.4	163.4	3,561.4	0.0	44,737.8	10.7	787.7	57,798.4	48,613.2	179.4	764.2	2,032.3	700.0	396.8	44,912.9	155,397.2											
May		8,281.3	358.3	3,501.7	0.0	40,805.6	0.6	800.3	53,747.8	45,328.9	169.4	809.2	2,033.0	2,365.7	388.1	45,964.4	150,806.5											
June		8,065.3	162.7	3,583.6	0.0	39,671.6	10.9	829.7	52,323.8	49,137.1	159.4	870.7	2,072.2	2,500.0	378.1	47,903.7	155,300.0											
July		6,737.0	479.2	2,430.1	0.0	39,569.7	26.0	831.2	50,073.2	49,387.2	149.3	899.4	1,941.1	2,500.0	367.7	48,160.4	153,478.3											
August		7,956.2	343.3	2,353.3	0.0	50,603.2	0.7	858.9	62,115.8	45,585.1	149.3	945.1	1,936.2	0.0	361.4	49,991.7	161,084.6											
September		7,508.9	109.0	2,352.3	0.0	48,607.0	206.4	858.7	59,642.1	48,230.1	149.3	922.0	2,072.1	2,050.0	348.1	50,345.7	163,759.4											
October		9,149.3	372.3	693.5	0.0	46,976.9	0.6	740.0	57,932.6	47,875.3	149.4	975.8	2,057.8	1,200.0	331.4	50,731.9	161,254.2											
November		7,751.2	142.9	539.1	0.0	48,683.4	39.0	778.1	57,933.7	47,598.7	149.4	985.7	1,854.0	0.0	321.4	51,778.3	160,621.2											
December		18,215.4	457.9	490.4	0.0	62,107.8	4.0	794.1	82,069.6	43,469.2	149.4	1,112.2	1,845.7	800.0	314.4	53,059.2	182,819.7											
2001																												
January		11,236.4	316.9	375.0	0.0	68,023.8	12.7	796.1	80,760.8	43,470.8	149.3	1,096.3	1,822.4	0.0	308.1	49,694.9	177,302.7											
February		9,948.8	91.0	195.1	0.0	68,150.9	58.0	797.0	79,240.7	43,470.7	149.3	1,220.5	2,515.6	0.0	298.1	50,011.5	176,906.3											
March		17,186.6	227.7	118.1	0.0	75,026.5	4.5	651.7	93,215.0	43,515.9	149.3	1,359.8	1,774.5	0.0	298.1	50,241.9	190,554.5											
April		13,979.0	48.8	278.0	0.0	79,224.5	137.8	530.8	94,196.9	44,274.0	149.4	1,458.0	1,885.6	0.0	280.7	50,339.4	192,585.8											
May		8,429.7	228.0	128.6	0.0	82,534.7	7.1	537.8	91,865.9	43,470.4	144.4	1,491.0	2,688.7	0.0	270.7	50,984.7	190,915.8											
June		11,510.4	187.0	430.1	0.0	77,289.0	7.2	537.2	89,960.8	45,125.0	139.4	1,525.0	1,649.5	1,800.0	270.7	50,604.1	191,074.5											

Table 7 (cont'd)

NBR STANDING
in millions of RWF, outstanding by end period)

Description	FOREIGN ASSETS										CLAIMS ON				UNCLASSIFIED		TOTAL
	CORRESPONDENTS	FOREIGN BANK NOTES	ASSETS IN SDR	RESERVE STAND. AT IMF	INVESTMENTS	COVERS TO RECEIVE	FOR. BANKS OVERDR.	TOTAL FOR. ASSETS	ON GVT.	CLAIMSON PUBL. ENTERP.	CLAIMSON PRIVATE SECTOR	CLAIMSON BANKS DEPOSITS	LOANS MONEY MARKET	CLAIMSON OFIs	UNCLASSIFIED ASSETS	ASSETS	
July	9,012.2	173.0	320.5	0.0	75,529.7	7.6	541.3	85,584.3	48,882.9	139.3	1,492.6	1,617.5	1,700.0	254.1	51,216.7	190,887.4	
August	18,447.2	123.3	200.5	0.0	72,206.4	18.4	554.9	91,550.6	43,472.3	139.3	1,508.2	1,595.7	1,750.0	244.1	52,750.2	193,010.5	
September	16,078.5	456.5	125.8	0.0	74,012.7	110.1	566.6	91,350.2	46,222.1	139.3	1,577.9	1,668.2	1,100.0	244.1	53,786.8	196,088.7	
October	11,735.4	337.8	5,936.6	0.0	72,226.6	44.1	571.4	90,852.0	50,268.6	139.3	1,591.9	1,520.6	0.0	227.4	54,816.1	199,415.8	
November	18,499.3	286.5	5,864.7	0.0	73,482.7	32.3	570.5	98,735.9	43,470.5	129.3	1,694.5	1,540.5	2,000.0	217.4	54,335.8	202,123.8	
December	12,301.1	111.5	5,623.6	0.0	78,798.5	42.1	222.5	97,099.2	43,469.2	129.3	1,682.4	1,521.8	0.0	207.0	56,355.1	200,464.0	
2002																	
January	9,755.2	182.8	5,583.6	0.0	75,195.1	24.9	221.0	90,962.5	46,539.1	129.3	1,679.2	1,503.3	860.0	200.7	51,796.4	193,670.6	
February	11,008.7	315.1	5,463.5	0.0	69,167.2	1.8	244.6	86,201.0	47,289.2	129.3	1,741.5	1,485.7	0.0	190.7	51,970.2	189,007.5	
March	9,619.9	273.5	5,363.8	0.0	69,264.7	56.8	245.5	84,824.3	45,536.3	129.3	1,730.0	1,493.1	0.0	190.7	52,199.9	186,063.6	
April	10,160.3	272.8	5,308.9	0.0	68,269.5	59.3	250.3	84,321.1	49,481.1	129.3	1,748.2	1,387.9	0.0	174.0	53,602.3	190,843.9	
May	8,984.1	42.4	5,410.7	0.0	63,291.7	530.4	264.5	78,523.8	50,923.6	129.3	1,864.6	1,377.7	530.0	164.0	54,353.1	187,866.2	
June	23,447.1	199.3	5,013.5	0.0	60,325.4	141.3	272.1	89,398.8	42,911.9	129.3	1,896.0	1,376.1	0.0	164.0	57,088.5	192,964.5	
July	20,967.4	241.2	5,078.6	0.0	67,560.5	79.4	282.1	94,209.2	47,715.6	129.3	1,913.6	1,367.0	0.0	147.4	58,037.3	203,519.5	
August	19,755.2	509.4	5,182.8	0.0	71,703.2	574.4	288.9	98,013.9	43,165.5	129.3	1,955.5	1,370.2	0.0	147.4	58,638.8	203,420.5	
September	19,294.8	218.3	5,040.5	0.0	59,445.2	73.8	288.4	94,277.4	42,912.1	129.3	1,944.5	1,346.5	0.0	135.3	59,090.1	199,835.1	
October	18,262.6	482.4	5,086.2	0.0	61,047.9	2.6	294.2	95,201.9	45,492.8	129.3	2,054.7	1,304.9	0.0	133.2	60,876.4	205,193.3	
November	16,243.6	261.8	5,199.1	0.0	60,151.3	27.7	302.1	96,353.9	49,633.5	129.3	2,070.4	1,321.0	0.0	127.4	61,784.1	209,831.8	
December	44,515.1	116.3	5,153.8	0.0	59,431.5	593.4	319.2	124,699.7	43,050.4	129.3	2,090.9	1,235.8	1,000.0	121.1	60,551.4	232,878.6	
2003																	
January	42,454.3	203.2	5,238.5	0.0	77,607.9	2.6	322.5	125,829.0	42,911.9	129.3	2,072.9	1,224.5	0.0	119.0	61,412.9	233,699.5	
February	39,978.1	379.7	14,988.5	0.0	67,272.8	2.4	321.9	122,943.4	47,456.1	129.3	2,055.8	1,204.6	0.0	113.2	62,382.6	236,285.0	
March	39,372.0	690.1	14,954.1	0.0	68,809.9	1.3	321.1	124,148.6	42,911.9	129.3	2,100.3	1,156.6	0.0	106.9	62,390.2	232,943.9	
April	27,745.2	502.1	15,276.5	0.0	75,516.9	1.4	331.2	119,373.3	45,542.0	129.3	2,194.0	1,147.8	0.0	104.8	63,524.7	232,016.0	
May	26,422.0	238.6	15,878.5	0.0	82,254.6	26.9	344.0	125,164.5	42,428.2	129.3	2,208.3	1,160.4	0.0	104.8	66,011.8	237,207.5	

NBR STANDING
in millions of RwF, outstanding by end period)

Table 7 (cont'd)

ASSETS																
Description	FOREIGN ASSETS															
	CORRESPONDENTS	FOREIGN BANK NOTES	ASSETS IN SDR	RESERVE STAND. AT IMF	INVESTMENTS	COVERS TO RECEIVE	FOR. BANKS OVERD.	TOTAL FOR. ASSETS	ON GVT.	PUBL. ENTERP.	PRIVATE SECTOR	BANKS DEPOSITS	MONEY MARKET	CLAIMS ON OFIs	UNCLASSIFIED ASSETS	TOTAL ASSETS
June	29,273.0	512.9	15,959.4	0.0	81,633.4	8.0	346.2	127,732.7	42,428.9	129.3	2,171.9	1,286.0	0.0	92.8	66,896.2	240,737.8
July	45,039.6	240.7	16,031.5	0.0	63,225.5	164.2	346.1	125,047.5	46,268.1	129.3	2,212.2	1,429.4	800.0	90.7	69,119.0	245,096.2
August	38,620.2	658.6	16,066.4	0.0	57,368.9	1.5	355.89	113,071.5	48,757.2	129.3	2,210.2	1,419.4	0.0	90.7	68,516.9	234,195.2
September	19,976.0	551.9	16,682.5	0.3	76,467.3	1.6	369.54	114,049.2	51,205.3	129.4	2,222.2	1,409.2	0.0	84.8	71,146.9	240,247.0
October	16,063.8	450.0	17,071.2	0.0	81,883.6	1.4	386.9	115,856.9	50,877.8	129.4	2,302.1	1,450.0	500.0	80.2	73,009.2	244,205.7
November	17,633.3	277.2	17,365.3	0.0	86,258.4	569.9	393.0	122,497.2	42,428.7	129.4	2,317.9	1,449.8	0.0	80.2	74,656.2	243,559.3
December	39,922.6	606.6	17,009.3	0.0	66,185.4	0.5	596.2	124,320.6	43,916.8	128.2	2,305.6	1,368.6	0.0	72.1	76,764.7	248,876.4
2004																
January	47,292.6	455.8	17,141.9	0.0	68,877.1	0.5	609.6	134,377.5	42,427.9	128.2	2,328.1	1,348.3	1,500.0	127.1	77,366.4	259,603.4
February	42,589.1	232.2	17,132.9	0.0	68,177.5	584.3	608.4	129,324.4	43,641.4	128.2	2,367.7	1,446.0	0.0	127.1	77,691.4	254,726.2
March	36,548.9	244.5	17,065.9	0.0	70,404.7	0.4	603.3	124,867.7	44,443.3	128.2	2,432.7	1,597.0	0.0	97.2	79,209.7	252,775.7
April	28,380.7	419.6	16,698.8	0.0	69,445.0	71.8	590.4	115,606.3	49,659.8	128.2	2,467.5	1,576.8	0.0	97.2	77,317.1	246,852.8
May	26,422.0	238.6	15,878.5	0.0	82,254.6	26.9	344.0	125,164.6	42,428.2	129.3	2,208.3	1,160.4	0.0	104.8	66,011.8	237,207.5
June	39,682.1	263.7	16,947.9	0.0	69,324.6	211.7	370.8	126,800.8	42,126.2	128.2	2,601.6	1,489.0	0.0	414.4	81,300.4	254,860.4
July	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	0.0	0.0	0.0
August	37,822.0	312.8	16,699.3	0.0	68,840.3	50.7	373.76	124,098.9	51,457.9	128.2	2,665.7	1,718.5	0.0	559.1	82,162.9	262,791.2
September	65,620.7	458.1	16,706.5	0.0	57,438.3	0.6	373.92	140,598.1	42,930.4	128.2	2,656.1	1,704.6	0.0	559.1	84,529.9	273,106.5
October	68,674.3	290.5	16,805.8	0.0	57,865.3	40.6	385.3	144,061.7	42,125.7	128.2	2,666.1	1,704.6	0.0	559.1	85,133.2	276,378.6
November	63,551.9	620.3	17,233.8	0.0	62,929.8	355.7	394.4	145,085.9	42,125.7	128.2	2,704.3	1,598.6	0.0	553.8	86,852.2	279,048.6
December	91,834.3	327.7	17,079.6	0.0	68,677.8	6.5	346.8	178,272.6	42,125.7	116.2	2,755.7	1,577.7	0.0	551.4	82,962.3	308,361.5

Source: NBR, Research Department

Table 7 Suite

NBR STANDING
(in millions of RWF, outstanding by end period)

LIABILITIES													
MONETARY BASE													
Description	CURRENCY IN CIRC. (outside NBR.)	BANKS DEPOSITS	BORROW. MONEY MARKET	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERP. DEPOSITS	OFIs DEPOSITS	TOTAL MONET. BASE	OTHER AMOUNTS DUE	GVT. DEPOSITS	FOREIGN LIABILITIES	EQUITY CAPITAL	UNCLASSI- FIED LIABILITIES	TOTAL LIABL.
2000	24,609.4	10,268.0	0.0	9.8	364.9	551.6	35,803.7	434.2	25,993.3	44,653.8	15,374.3	60,560.5	182,819.8
2001	28,583.8	7,894.9	6,472.3	5.5	318.3	305.7	43,580.5	1,629.5	29,885.1	45,787.9	18,080.3	61,313.6	200,276.9
2002	30,719.4	10,507.8	1,058.3	26.7	341.0	705.3	42,300.3	1,647.6	50,168.2	52,131.5	23,070.8	62,502.0	232,878.7
2003	36,467.1	11,024.8	0.0	43.6	348.3	447.6	48,331.5	1,374.3	32,915.1	58,773.0	29,060.4	78,422.3	248,876.6
2004	39,393.1	12,414.3	11,339.9	56.96	636.02	132.09	63,972.4	1,595.2	77,459.5	55,743.53	27,483.5	82,107.42	308,361.5
2000													
January	21,441.0	11,491.8	0.0	1.1	672.7	130.7	33,737.3	620.1	21,176.7	35,018.7	15,734.8	46,095.1	152,382.7
February	21,607.4	12,892.3	0.0	1.2	596.5	240.6	35,338.0	957.1	21,208.6	34,572.6	15,715.2	46,471.7	154,263.2
March	22,196.8	11,143.4	0.0	1.2	381.8	369.2	34,092.4	848.1	21,970.3	34,194.9	14,423.8	47,798.2	153,327.5
April	22,991.8	12,678.6	0.0	1.2	369.5	152.4	36,193.5	746.5	20,955.5	34,831.1	14,436.6	48,233.9	155,397.1
May	24,116.9	10,617.8	0.0	1.2	410.3	136.5	35,282.7	659.9	17,636.4	33,800.2	14,544.2	48,882.9	150,806.3
June	24,056.9	11,485.6	0.0	0.8	406.4	121.8	36,071.5	582.6	18,170.5	34,905.3	14,794.9	50,775.1	155,299.9
July	23,711.4	12,005.7	0.0	0.8	443.2	228.0	36,389.2	408.7	16,525.7	33,528.6	14,807.8	51,818.2	153,478.3
August	23,251.8	9,895.3	0.0	0.8	493.6	133.7	33,775.3	433.7	19,228.2	38,678.4	15,016.9	53,952.2	161,084.6
September	23,175.3	11,023.8	0.0	5.8	480.1	133.7	34,818.8	281.1	19,003.0	38,846.9	15,013.5	55,796.1	163,759.4
October	22,425.0	10,445.6	0.0	10.6	487.0	123.2	33,491.4	263.7	18,754.2	37,156.8	15,060.2	56,527.9	161,254.2
November	21,686.4	10,295.2	0.0	9.9	358.8	143.2	32,493.5	387.7	16,872.7	38,326.3	15,219.5	57,321.3	160,621.0
December	24,609.4	10,268.0	0.0	9.8	364.9	551.6	35,803.7	434.2	25,993.3	44,653.8	15,374.3	60,560.5	182,819.8
2001													
January	23,923.7	12,741.4	0.0	9.8	320.7	229.8	37,225.4	744.6	24,273.7	43,947.3	18,716.8	52,394.9	177,302.7
February	25,250.3	11,081.3	700.0	9.4	310.7	216.1	37,567.9	762.4	22,495.7	44,040.9	18,725.1	53,314.5	176,906.3
March	25,036.8	7,481.9	3,600.0	10.8	277.9	209.4	36,616.7	1,061.5	40,351.5	42,714.7	16,524.4	53,285.8	190,554.5
April	25,579.3	12,291.6	1,000.0	17.4	249.4	199.5	39,337.1	1,029.4	38,239.5	42,516.8	16,631.0	54,832.0	192,585.8
May	26,140.5	14,046.1	2,500.0	21.3	243.5	169.9	43,121.4	1,103.3	33,330.5	41,340.5	16,738.7	55,281.4	190,915.8
June	27,310.4	12,347.4	3,450.0	19.9	272.0	180.2	43,579.9	1,686.6	32,449.5	41,417.4	16,730.6	55,210.4	191,074.4

NBR STANDING
(in millions of RwF, outstanding by end period)

Table 7 Suite (cont'd)													
NBR STANDING (in millions of RWF, outstanding by end period)													
LIABILITIES		MONETARY BASE											
Description	CURRENCY IN CIRC. (outside NBR)	BANKS DEPOSITS	BORROW. MONEY MARKET	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERP. DEPOSITS	OFIs DEPOSITS	TOTAL MONET. BASE	OTHER AMOUNTS DUE	GVT. DEPOSITS	FOREIGN LIABILITIES	EQUITY CAPITAL	UNCLASSI- FIED LIABILITIES	TOTAL LIABIL.
July	27,783.6	12,461.5	1,500.0	3.7	696.3	207.9	42,652.9	1,738.1	32,307.1	41,231.4	16,822.4	56,135.3	190,887.3
August	26,506.3	11,948.7	1,950.0	3.3	436.1	122.4	40,966.8	1,567.8	34,250.8	42,133.5	17,003.2	57,088.4	193,010.5
September	25,723.7	10,875.9	1,792.8	2.9	368.5	376.5	39,140.2	1,360.3	36,684.0	42,402.1	17,209.6	59,292.4	196,088.7
October	25,306.7	10,254.5	1,042.3	2.9	334.8	276.1	37,217.4	1,574.8	35,550.5	47,447.0	17,277.1	60,353.7	199,420.4
November	24,987.7	12,324.8	1,042.2	11.5	347.5	781.2	39,494.9	1,560.1	36,757.8	46,976.2	17,355.4	59,979.4	202,123.8
December	28,583.8	7,894.9	6,472.3	5.5	318.3	305.7	43,580.5	1,629.5	29,885.1	45,787.9	18,080.3	61,313.6	200,276.9
2002													
January	26,868.5	14,289.5	3,488.7	1.9	271.4	1,331.3	42,762.5	1,955.5	26,514.6	45,638.1	20,758.3	52,553.0	193,670.6
February	26,315.2	13,852.9	2,488.7	2.4	280.2	314.7	40,765.4	2,288.9	24,561.7	45,461.7	20,792.6	52,648.6	189,007.5
March	27,043.4	12,966.1	0.0	2.6	241.3	519.7	40,773.2	2,442.0	26,069.8	45,189.7	18,965.6	52,623.4	186,063.6
April	26,854.8	11,760.5	2,000.0	3.3	283.6	1,560.5	40,462.7	1,944.0	27,138.0	45,421.6	19,164.0	54,713.6	190,843.9
May	27,863.1	10,263.2	0.0	2.6	213.2	762.0	39,104.2	2,075.5	25,709.0	46,638.1	19,354.1	54,985.3	187,866.2
June	28,771.6	8,336.3	0.0	2.7	247.9	1,088.8	38,447.3	2,189.2	27,609.3	48,101.0	19,601.1	57,016.6	192,964.5
July	29,288.8	12,050.4	5,182.4	2.7	298.4	851.4	42,491.7	2,013.4	25,410.2	49,351.6	19,715.8	59,354.4	203,519.5
August	28,691.5	12,070.7	3,670.4	11.8	361.2	649.5	41,784.7	1,995.8	23,872.2	52,057.3	19,924.7	60,115.5	203,420.5
September	29,130.6	7,619.8	5,676.8	7.7	367.8	361.6	37,487.4	1,831.8	24,718.6	49,267.6	19,910.1	60,942.9	199,835.2
October	28,069.3	13,074.7	2,416.6	3.1	356.1	479.6	41,982.8	1,610.7	25,722.1	49,978.2	19,993.1	63,489.7	205,193.3
November	28,246.3	11,721.1	1,062.2	2.5	342.4	452.7	40,765.0	1,522.4	30,389.4	52,953.9	20,238.2	64,312.2	211,243.3
December	30,719.4	10,507.8	1,058.3	26.7	341.0	705.3	42,300.3	1,647.6	50,168.2	52,131.5	23,070.8	62,502.0	232,878.7
2003													
January	29,445.3	11,032.6	3,205.6	20.0	302.4	438.4	44,444.3	1,692.2	47,654.9	53,465.2	23,232.8	63,210.2	233,699.6
February	30,024.7	12,033.6	2,506.5	4.4	303.2	2,347.4	47,219.8	1,622.4	47,805.1	53,358.3	23,213.2	63,066.2	236,285.0
March	30,867.7	11,094.6	5,288.1	4.3	360.0	1,228.2	48,842.9	1,568.8	41,628.6	53,100.5	23,190.3	64,612.8	232,943.9
April	30,566.5	13,708.6	3,215.0	4.3	271.6	1,997.9	49,764	1,795.4	39,489.7	54,124.4	21,779.5	65,062.8	232,015.7
May	31,407.4	10,024.9	6,366.1	13.3	271.6	1,971.6	50,054.9	1,777.2	37,283.1	56,701.8	22,172.7	69,217.8	237,207.5

Table 7 Suite (cont'd)

NBR STANDING
(in millions of RwF, outstanding by end period)

LIABILITIES													
MONETARY BASE													
Description	CURRENCY IN CIRC. (outside NBR)	BANKS DEPOSITS	BORROW. MONEY MARKET	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERP. DEPOSITS	OFIs DEPOSITS	TOTAL MONET. BASE	OTHER AMOUNTS DUE	GVT. DEPOSITS	FOREIGN LIABILITIES	EQUITY CAPITAL	UNCLASSIFIED LIABILITIES	TOTAL LIAB.
2004	June	33,892.3	8,337.3	4,005.0	18.7	244.9	1,326.3	47,824.5	1,990.8	40,524.6	57,150.1	22,156.6	240,737.8
	July	34,490.4	13,175.8	2,704.3	13.8	263.5	1,379.3	52,027.1	1,808.8	38,096.1	58,070.7	22,281.8	245,091.2
	August	35,345.5	11,067.7	1,304.3	18.0	303.6	481.1	48,520.1	1,553.4	37,821.6	52,885.7	22,289.6	234,189.3
	September	35,410.0	11,567.0	702.1	18.7	277.5	813.1	48,788.4	1,598.8	37,293.8	55,155.9	22,702.4	240,246.9
	October	33,908.8	12,162.6	3,250.0	18.6	268.8	745.4	50,354.2	1,589.4	36,032.6	56,428.4	22,962.8	244,206.0
	November	33,731.1	11,064.3	0.0	36.5	342.1	1,140.4	46,314.2	1,446.4	36,099.3	57,260.8	23,143.7	243,559.3
	December	36,467.1	11,024.8	0.0	43.6	348.3	447.6	48,331.5	1,374.3	32,915.1	58,773.0	29,060.4	248,876.6
	January	35,314.9	13,629.1	4,000.0	22.0	295.1	1,120.8	54,381.9	1,833.2	39,020.8	59,416.3	29,095.6	259,603.5
	February	35,608.4	12,249.8	2,789.3	25.4	321.3	2,028.8	53,023.1	1,824.2	34,420.7	59,438.3	29,071.7	254,726.1
	March	35,415.3	11,876.3	4,578.7	66.3	338.9	1,126.8	53,402.4	1,814.5	35,103.0	57,898.1	28,001.6	252,775.6
	April	36,352.8	12,399.0	2,000.6	48.0	348.7	1,121.0	52,270.0	1,658.3	34,232.8	56,186.8	27,739.9	246,852.8
	May	31,407.4	10,044.8	6,366.1	13.3	251.7	1,971.6	50,054.9	1,777.2	37,283.1	56,701.8	22,172.7	237,207.5
June	40,041.3	10,606.7	2,378.0	44.8	278.0	94.1	53,442.8	1,775.1	36,009.0	56,650.4	27,996.2	254,860.4	
July	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
August	41,329.1	12,409.8	2,500.0	32.5	274.7	537.2	57,083.3	2,204.8	41,982.5	56,256.2	27,879.1	77,385.1	262,791.1
September	40,971.9	11,194.8	4,250.0	27.62	266.34	313.31	57,024.0	2,074.5	41,289.8	65,518.06	27,884.3	79,315.71	273,106.4
October	41,121.0	12,822.0	2,500.0	30.12	308.79	338.39	57,120.3	2,088.0	51,816.0	54,901.27	28,036.5	82,416.53	276,378.5
November	41,648.4	11,650.6	6,495.0	41.35	336.69	1,358.36	61,530.3	1,564.6	45,494.5	56,087.4	28,328.0	86,043.93	279,048.7
December	39,393.1	12,414.3	11,339.9	56.96	636.02	1,320.9	63,972.4	1,595.2	77,459.5	55,743.53	27,483.5	82,107.42	308,361.5

Source: NBR, Research Department

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS
(in millions of RWF, by end period)

Table 8

ASSETS								
Descrip- tion	RESERVES	FOREIGN	CREDIT TO ECONOMY				OTHER ASSETS	TOTAL
		ASSETS	CLAIMS ON GVT.	CLAIMS ON PUBLIC ENTER.	CLAIMS ON PRIV. SECTOR	TOTAL	ELEMENTS	ASSETS
2000	10,807.1	32,948.8	7,265.7	678.7	69,398.1	70,076.8	16,717.6	137,831.7
2001	15,235.2	33,763.9	7,605.8	831.4	75,867.1	76,874.2	19,197.1	152,500.4
2002	12,536.7	39,106.0	14,409.8	3,362.8	83,005.3	86,977.4	22,359.4	175,389.1
2003	13,054.7	49,779.7	14,861.8	4,772.1	94,728.9	99,872.6	24,866.6	202,435.4
2004	16,221.7	60,758.7	21,015.0	4,631.7	133,168.8	137,800.5	25,598.0	261,393.9
2000								
January	13,535.3	21,773.7	7,673.8	333.5	58,994.1	59,327.6	17,522.0	119,832.4
February	14,872.3	19,467.2	7,529.1	357.3	58,900.5	59,257.8	16,616.3	117,742.7
March	12,737.5	20,859.2	7,931.5	991.4	61,814.4	62,805.8	18,343.1	122,677.2
April	14,040.7	21,110.4	7,516.8	437.8	62,308.1	62,745.9	18,144.5	123,558.3
May	13,197.8	19,535.4	7,324.1	769.8	64,104.1	64,873.9	21,231.1	126,162.3
June	12,623.3	21,025.7	7,318.0	934.9	65,484.4	66,419.3	21,117.3	128,503.6
July	12,605.2	23,808.6	7,345.6	795.1	65,687.9	66,483.0	21,080.5	131,323.0
August	12,208.7	25,307.7	7,088.4	788.1	65,127.3	65,915.4	21,655.2	132,175.4
September	13,141.9	24,259.4	7,680.3	683.3	65,862.6	66,545.9	19,816.3	131,443.8
October	12,536.0	24,835.7	9,001.0	661.3	65,808.7	66,470.0	20,184.7	133,027.4
November	12,523.7	29,001.8	7,514.2	570.8	67,320.0	67,890.8	17,915.3	134,845.6
December	10,807.1	32,948.8	7,265.7	678.7	69,398.1	70,076.8	16,717.6	137,831.7
2001								
January	14,242.0	35,895.1	7,328.3	670.6	67,148.4	67,898.6	18,523.2	143,807.6
February	13,090.0	36,835.9	7,275.8	658.7	67,275.5	68,013.8	18,527.2	143,663.1
March	12,742.2	35,078.7	7,322.4	1,092.1	67,820.6	69,022.3	18,618.4	142,674.4
April	15,754.2	32,160.5	7,205.0	1,031.8	68,843.8	69,985.2	18,731.1	143,726.4
May	17,251.8	33,759.3	7,358.3	1,090.7	70,858.9	72,059.2	19,484.2	149,803.2
June	17,715.0	32,543.2	7,295.5	1,079.4	73,802.5	74,991.5	19,296.3	151,731.9
July	15,808.8	34,366.9	7,603.0	907.4	74,282.3	75,189.7	18,491.7	151,460.2
August	14,846.9	31,657.4	7,499.5	889.5	74,071.1	74,960.5	19,588.6	148,552.8
September	13,762.1	33,024.7	7,650.5	989.3	75,155.0	76,144.3	19,684.3	150,266.0
October	12,781.5	34,014.0	7,676.0	941.8	75,610.1	76,929.6	19,050.7	150,074.1
November	15,603.7	33,725.5	7,624.6	1,083.0	74,803.7	77,270.3	20,511.1	153,351.5
December	15,235.2	33,763.9	7,605.8	831.4	75,867.0	76,874.1	19,197.1	152,500.4
2002								
January	16,608.1	32,443.6	7,728.6	838.5	74,417.2	75,663.3	23,620.5	156,064.1
February	15,407.0	34,805.7	7,435.2	1,752.70	73,307.6	75,479.8	22,729.7	155,857.4
March	14,538.9	36,336.2	9,336.9	1737.4	73,788.2	75,982.6	21,256.7	157,451.2
April	13,908.5	35,401.1	8,349.7	1509.5	74,392.7	76,284.0	22,953.6	156,896.9
May	11,805.3	37,372.6	13,259.0	1501.3	76,604.4	78,387.5	20,393.0	161,217.4
June	14,567.5	40,702.7	10,479.7	1571.5	78,833.1	80,717.3	20,348.9	166,816.1

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS
(in millions of RWF, by end period)

Table 8 (cont'd)

ASSETS								
Descrip- tion	RESERVES	FOREIGN	CREDIT TO ECONOMY				OTHER ASSETS	TOTAL
		ASSETS	CLAIMS ON GVT.	CLAIMS ON PUBLIC ENTER.	CLAIMS ON PRIV. SECTOR	TOTAL	ELEMENTS	ASSETS
July	16,606.2	38,142.3	10,635.3	1848.6	78,499.6	80,567.1	25,697.4	171,648.4
August	14,712.1	38,783.6	11,040.2	2825.3	78,762.8	81,836.5	27,578.4	173,950.7
September	15,613.7	37,243.1	12,810.6	1993.4	78,741.8	80,965.5	23,527.3	170,160.1
October	15,997.1	39,321.3	14,067.2	2499.3	79,181.1	82,045.8	23,048.3	174,479.6
November	14,816.0	38,363.0	13,654.1	2635.1	80,135.0	83,130.0	22,069.6	172,032.7
December	12,517.9	39,168.9	14,407.5	3403	82,976.9	86,989.2	22,265.1	175,348.5
2003								
January	14,020.4	39,755.6	13,782.7	2349.7	81,950.6	84,777.9	23,765.0	176,101.6
February	14,918.1	40,028.2	14,008.0	1575.52	82,499.9	84,585.6	25,247.4	178,787.4
March	14,435.4	38,780.8	13,565.3	2297.96	79,254.8	81,949.8	26,815.5	175,546.8
April	17,290.8	41,423.4	16,638.4	1809.88	78,193.6	80,302.0	25,371.6	181,026.3
May	13,514.2	43,997.1	16,783.6	1774.24	80,298.5	82,609.5	27,973.7	184,878.1
June	10,807.8	44,916.3	20,243.7	3203.19	85,789.5	89,344.3	29,202.9	194,514.9
July	16,072.5	45,532.8	17,109.5	4326.57	86,055.6	90,699.3	27,859.9	197,274.0
August	14,345.5	45,138.9	16,877.1	4697.43	88,563.9	93,618.9	25,674.2	195,654.6
September	14,443.1	42,251.5	16,309.8	4625.62	93,354.0	98,331.2	25,841.2	197,176.8
October	15,492.8	45,499.0	15,742.8	4522.53	93,281.7	98,199.3	26,291.0	201,224.8
November	13,885.9	41,284.1	15,665.1	4,781.4	94,587.6	99,716.3	24,346.7	194,898.0
December	13,054.7	49,779.7	14,861.8	4,772.1	94,728.9	99,872.6	24,866.6	202,435.4
2004								
January	18,547.0	49,763.4	11,838.3	5,384.3	108,436.8	113,821.1	23,275.6	217,245.4
February	17,683.7	51,252.3	12,987.9	5,171.4	107,209.5	112,380.9	21,754.9	216,059.7
March	17,104.7	50,110.6	11,708.2	4,042.9	109,736.6	113,779.5	22,349.0	215,052.0
April	17,667.5	52,311.1	12,273.9	3,960.7	106,383.2	110,343.9	24,115.5	216,711.9
May	15,415.8	52,249.7	14,422.2	3,946.9	108,965.2	112,912.1	24,699.2	219,699.0
June	14,283.6	51,918.3	14,795.2	5,062.7	107,082.0	112,144.7	26,558.4	219,700.2
July	18,471.2	49,646.9	14,216.9	4,836.4	114,103.3	118,939.7	26,040.8	227,315.5
August	18,748.7	50,209.8	14,471.2	4,822.4	110,776.9	115,599.3	25,873.0	224,902.0
September	16,475.9	49,913.7	13,322.3	4,918.1	117,355.4	122,273.5	27,750.5	229,735.9
October	18,503.0	49,807.0	14,561.8	4,608.1	119,202.9	123,811.0	26,457.6	233,140.4
November	19,209.6	53,543.5	15,351.3	4,732.3	121,696.1	126,428.4	27,328.1	241,860.9
December	16,221.7	60,758.7	21,015.0	4,631.7	133,168.8	137,800.5	25,598.0	261,393.9

Source: NBR, Research Department

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS
(in millions of RWF, by end period)

Table 8 Suite

LIABILITIES										
Description	DEMAND DEPOSITS	NEAR MONEY		S/TOTAL	GVT. DEPOSITS	FOREIGN LIABILITIES	NBR CREDITS	EQUITY CAPITAL	OTHER LIABIL. ELEM.	TOTAL LIABIL.
		FIXED DEP.& REL. ITEMS	FOR. EXCH. DEPOSITS							
2000	36,778.4	24,081.6	26,683.6	87,543.6	9,441.7	3,482.5	2,358.8	23,354.4	11,469.1	137,831.0
2001	38,421.1	26,888.6	27,850.7	93,160.4	12,525.2	4,643.9	1,352.3	26,182.5	14,636.0	152,500.4
2002	44,916.0	39,543.9	29,356.7	113,816.6	6,794.1	8,060.5	2,079.7	23,130.8	20,947.1	175,389.2
2003	50,849.9	38,272.6	41,523.8	130,646.3	7,948.9	11,123.3	1,216.3	27,936.9	21,768.1	202,435.5
2004	61,372.9	53,732.0	51,013.8	166,118.7	16,873.6	10,483.3	1,577.7	17,119.1	49,221.5	261,393.9
2000										
January	37,590.1	17,514.2	19,782.0	74,886.3	9,909.8	1,920.0	1,550.2	19,937.9	11,628.3	119,832.4
February	36,154.9	18,853.3	18,278.9	73,287.1	9 848,0	2,080.4	1,693.3	20,214.0	10,619.7	117,742.7
March	36,358.1	19,203.3	19,183.8	74,745.2	11,708.3	2,623.0	1,781.7	20,161.5	13,606.1	122,677.3
April	37,686.7	19,469.3	20,375.5	77,531.5	9,317.0	2,666.3	2,469.7	20,384.4	11,189.4	123,558.3
May	35,683.2	20,891.2	19,941.6	76,516.0	10,393.1	2,289.0	4,172.7	20,640.0	12,151.6	126,162.3
June	35,364.8	22,408.8	21,358.1	79,131.7	10,217.9	2,328.1	4,287.1	19,921.7	12,617.6	128,504.1
July	35,741.6	21,571.0	22,866.2	80,178.8	11,002.5	2,090.4	4,312.7	20,473.4	13,265.1	131,323.0
August	35,976.5	21,434.1	24,681.6	82,092.2	10,248.1	2,249.0	1,883.3	21,368.8	14,334.1	132,175.4
September	34,053.5	21,211.0	23,560.8	78,825.3	9,992.3	2,768.3	3,811.8	22,076.8	13,969.3	131,443.8
October	35,889.0	20,478.8	23,381.1	79,748.9	10,701.9	2,995.7	2,992.7	22,758.2	13,829.9	133,027.4
November	35,574.2	22,086.6	26,311.3	83,972.1	9,812.6	3,516.5	1,769.7	23,344.2	12,431.7	134,846.8
December	36,778.4	24,161.7	26,579.3	87,329.3	9,441.7	3,546.9	2,358.8	23,512.4	11,642.5	137,831.7
2001										
January	38,919.2	24,398.5	29,151.7	92,469.4	10,264.7	4,174.0	1,678.3	23,813.8	11,407.3	143,807.4
February	35,899.8	27,420.0	29,304.7	92,624.4	9,632.2	3,421.0	1,607.3	23,924.9	12,453.3	143,663.2
March	34,078.0	28,018.0	27,913.4	90,009.4	10,352.9	3,837.6	1,617.8	24,335.7	12,521.0	142,674.5
April	36,658.9	26,569.0	27,018.6	90,246.5	11,032.0	3,356.5	1,560.4	24,224.4	13,306.4	143,726.1
May	37,187.3	26,951.3	28,902.2	93,040.8	12,425.3	4,895.4	1,506.5	24,534.4	13,400.7	149,803.1
June	38,283.1	25,891.0	27,361.8	91,535.9	12,817.3	5,571.4	3,272.6	24,248.9	14,285.8	151,731.8
July	37,646.3	23,256.2	28,169.7	89,072.1	14,256.2	7,437.9	3,077.1	24,988.9	12,628.1	151,460.2
August	37,475.6	21,735.3	27,365.4	86,576.3	13,565.1	6,281.3	2,688.1	25,210.9	14,231.2	148,552.8
September	37,519.7	22,279.3	30,504.4	90,303.4	13,087.4	4,218.1	2,512.9	25,921.2	14,223.0	150,266.1
October	35,468.8	23,799.3	29,759.1	89,027.2	14,779.3	5,088.6	1,493.5	26,161.5	14,893.9	150,074.7
November	36,765.9	24,677.9	29,093.0	90,536.8	13,684.0	3,935.7	3,272.6	26,189.3	17,107.5	153,351.6
December	38,421.1	26,888.6	27,850.7	93,160.4	12,525.2	4,643.9	1,352.3	26,182.5	14,636.0	152,500.4
2002										
January	37,346.8	34,663.4	26,037.5	98,047.7	6,440.0	6,667.6	2,195.2	25,993.1	16,503.2	156,064.1
February	37,723.9	35,371.9	27,078.3	100,174.1	6,467.8	6,520.3	1,318.4	25,951.9	15,258.5	155,857.3
March	36,920.9	35,041.7	28,464.0	100,426.6	7,976.8	6,670.6	1,688.0	25,040.5	15,398.7	157,451.2
April	38,540.9	34,844.0	26,375.8	99,760.7	6,981.0	8,221.5	1,246.1	25,079.9	15,446.9	156,897.0
May	40,334.1	34,223.7	29,626.4	104,184.2	5,789.9	7,459.9	1,203.9	25,547.2	16,749.5	161,217.4
June	38,833.4	37,899.3	27,723.5	104,456.2	6,250.6	11,272.0	2,224.7	25,858.7	16,612.3	166,816.0
July	40,941.0	39,612.7	32,584.7	113,138.4	6,609.3	7,860.2	1,424.8	25,879.8	16,563.2	171,648.4
August	41,460.9	38,876.7	32,203.8	112,541.4	6,271.1	9,486.0	1,365.6	25,238.6	18,847.2	173,950.6
September	42,870.7	33,143.6	30,562.5	106,576.8	11,078.1	8,870.7	1,161.0	25,665.7	15,929.0	169,459.8

CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS
(in millions of RWF, by end period)

Table 8 (cont'd) Suite

LIABILITIES										
Description	DEMAND DEPOSITS	NEAR MONEY		S/TOTAL	GVT. DEPOSITS	FOREIGN LIABILITIES	NBR CREDITS	EQUITY CAPITAL	OTHER LIABIL. ELEM.	TOTAL LIABIL.
		FIXED DEP.& REL. ITEMS	FOR. EXCH. DEPOSITS							
October	40,398.6	42,253.3	30,934.6	113,586.5	6,925.3	9,049.0	1,154.4	25,629.5	17,984.8	174,479.6
November	40,782.4	41,102.4	30,313.0	112,197.8	7,492.0	6,668.3	1,142.5	26,006.6	18,259.6	172,033.1
December	44,925.6	39,552.8	29,529.5	114,007.9	6,794.4	8,060.5	2,079.7	23,130.8	20,947.1	175,348.5
2003										
January	45,852.7	38,627.9	29,966.5	114,447.1	7,312.5	7,396.8	1,067.7	24,429.9	21,304.2	176,101.6
February	44,851.3	40,722.0	30,526.1	116,099.4	8,248.8	7,441.1	1,059.8	24,083.2	21,371.6	178,787.5
March	45,224.1	38,347.0	30,295.4	113,866.5	7,116.5	6,872.8	1,015.9	22,826.1	21,891.3	175,547.0
April	45,313.5	39,100.8	31,075.4	115,489.7	5,555.5	9,229.4	1,006.1	23,521.4	23,927.1	181,026.3
May	45,048.6	41,308.0	33,558.9	119,915.5	6,273.3	8,639.4	1,011.0	23,666.7	23,874.4	184,878.1
June	49,068.5	29,397.7	35,966.3	114,432.5	13,790.1	11,679.8	1,947.8	24,439.1	25,783.4	194,514.9
July	47,721.9	39,979.4	37,500.1	125,201.4	5,828.7	11,947.2	1,990.1	25,918.8	24,251.5	197,274.1
August	49,276.6	37,506.6	39,007.1	125,790.3	5,675.2	11,445.8	1,182.2	26,003.7	23,691.2	195,654.6
September	51,061.4	35,750.1	37,959.2	124,770.6	7,533.2	10,545.4	1,170.1	26,743.4	24,777.5	197,176.8
October	48,086.9	41,252.9	41,070.1	130,410.0	6,382.3	10,909.3	1,269.7	27,194.7	22,623.9	201,224.8
November	47,858.7	39,397.3	39,830.6	127,086.6	6,181.2	10,753.3	1,243.8	27,649.5	20,127.2	194,898.1
December	50,849.9	38,272.6	41,523.8	130,646.3	7,948.9	11,123.3	1,216.3	27,936.9	21,768.1	202,435.5
2004										
January	56,687.4	42,721.2	41,361.0	140,769.6	13,739.6	11,796.2	2,848.3	4,372.3	43,719.4	217,245.4
February	54,094.5	43,678.8	43,612.1	141,385.4	13,516.8	13,975.4	1,446.0	4,575.8	41,160.3	216,059.7
March	54,734.9	43,435.6	40,780.3	138,950.8	13,635.6	13,111.5	1,597.0	4,931.3	42,825.8	215,052.0
April	55,703.6	41,524.5	43,150.7	140,378.8	13,555.7	14,040.4	1,576.8	5,447.9	41,712.3	216,711.9
May	56,185.4	43,410.2	40,996.0	140,591.6	15,434.6	12,851.7	1,501.2	5,844.7	43,475.2	219,699.0
June	50,394.4	42,782.0	45,013.2	138,189.6	17,086.3	12,852.4	1,489.0	5,459.2	44,623.7	219,700.2
July	56,794.1	45,374.9	44,216.2	146,385.2	15,669.4	11,600.3	1,607.0	5,901.8	46,151.8	227,315.5
August	54,258.5	49,254.7	42,526.6	146,039.8	15,682.5	12,183.8	1,718.5	6,150.0	43,127.4	224,902.0
September	54,835.7	48,382.1	41,435.8	144,653.6	15,957.7	13,189.8	1,704.6	7,856.0	46,374.2	229,735.9
October	56,824.2	49,576.7	42,367.4	148,768.3	16,628.8	11,628.6	1,704.6	7,263.2	47,146.9	233,140.4
November	57,321.6	52,657.5	42,308.5	152,287.6	15,214.1	15,450.7	1,598.6	9,437.4	47,872.5	241,860.9
December	61,372.9	53,732.0	51,013.8	166,118.7	16,873.6	10,483.3	1,577.7	17,119.1	49,221.5	261,393.9

Source: NBR, Research Department

CONSOLIDATED BALANCE SHEET OF OTHER BANKING INSTITUTIONS (BRD, CHR)
(in millions of RWF, by end period)

Table 9

Description	2000	2001	2002	2003	2004
ASSETS	12,017.4	13,136.4	13,596.8	22,660.4	31,952.1
Reserves	315.9	146.04	71.8	155.1	37.2
Cash balance	0.9	1.7	1.7	0.2	5.2
Deposits at NBR	315.0	144.3	62.3	154.9	32.0
Foreign assets	0.0	0.0	0.0	20.3	10.0
Claims on Government	195.4	209.9	198.0	1,869.5	8,264.3
Claims on the economy	6,566.0	6,595.8	7,324.3	12,053.3	12,888.3
Claims on public enterprises	0.0	0.0	217.2	156.4	0.0
Claims on private sector	6,591.0	6,620.8	7,082.1	11,896.9	12,888.3
Claims on banks	949.6	1,700.1	1,327.6	912.5	4,810.6
Other assets	3,965.5	4,459.7	4,675.0	7,670.0	5,951.7
LIABILITIES	12,017.4	13,136.4	13,596.5	22,660.4	31,952.1
Government deposits	13.7	13.2	17.6	58.1	0.0
NBR credits	314.4	229.6	121.2	768.0	1,639.8
Long term loans	1,426.1	1,449.5	4,562.2	8,056.6	12,059.0
Savings deposits	0.0	0.0	0.0	562.9	0.0
Equity capital	6,119.0	6,204.8	5,847.1	10,602.6	5,211.0
Other amounts due	0.0	0.0	0.0	0.0	5,943.3
Other liabilities	4,144.3	5,239.3	3,048.4	2,612.2	7,099.1

Source: NBR, Research Department

BANKING SURVEY*
(in millions of RWF, outstanding by end period)

Table 10

Description	2000	2001	2002	2003	2004
I. NET FOREIGN ASSETS	66,817.7	80,431.4	103,641.6	104,157.9	172,804.5
Assets: NBR	82,069.7	97,099.2	124,700.0	124,320.8	178,272.6
BANKS	32,948.8	33,763.9	39,106.0	49,800.0	60,758.7
less liabilities:NBR	44,653.8	45,787.8	52,209.1	58,839.6	55,743.5
BANKS	3,546.9	4,643.9	7,955.3	11,123.3	10,483.3
II. NET DOMESTIC CREDIT	93,276.4	93,762.2	99,280.5	151,681.4	127,619.8
Net claims on Government	15,481.6	8,848.8	2,759.2	26,168.5	-21,539.9
Claims: NBR	43,469.2	43,469.2	42,911.9	43,916.8	42,125.7
BANKS	7,265.7	7,605.8	14,409.8	14,861.8	21,015.0
OFIs	195.4	195.4	198.0	5,891.9	8,264.3
less deposits: NBR	25,993.3	29,885.1	47,949.3	30,486.2	76,071.3
BANKS	9,441.7	12,525.2	6,794.1	7,948.9	16,873.6
OFIs	13.7	11.2	16.9	66.7	0.0
Claims on public enterprises	828.0	960.8	3,847.9	5,056.7	4,747.9
NBR	149.4	129.3	267.9	128.2	116.2
BANKS	678.7	831.4	3,362.8	4,772.2	4,631.7
OFIs	0.0	0.0	217.2	156.4	0.0
Claims on private sector	76,966.8	83,952.6	92,039.1	119,959.5	144,411.8
NBR	1,112.2	1,682.4	2,090.8	2,305.5	3,307.1
BANKS	69,288.5	75,691.4	82,866.2	94,535.7	128,216.4
OFIs	6,566.0	6,578.9	7,082.1	23,118.3	12,888.3
ASSETS = LIABILITIES	160,094.1	174,193.6	202,922.1	255,839.3	300,424.3
MONEY SUPPLY	110,702.2	121,110.8	136,283.7	186,292.5	206,247.8
I. CURRENCY	59,527.0	64,742.0	72,406.0	85,000.5	101,502.0
Banknotes and coins outside banks and OFIs	22,564.0	25,810.1	28,044.4	33,507.1	37,897.9
Demand deposits at NBR	374.7	510.9	1,490.3	1,706.4	2,231.2
Public enterprises	364.9	318.3	387.3	363.4	636.0
Private sector	9.8	192.6	1,103.0	1,343.0	1,595.2
Demand deposits in BANKS	36,588.3	38,421.1	42,871.3	49,786.9	61,372.9
II. NEAR MONEY	51,175.2	56,368.8	63,877.7	101,292.0	104,745.8
Fixed term deposits and related items	24,595.9	28,518.0	33,935.8	30,699.3	53,732.0
NBR	434.2	1,629.5	-	0.0	0.0
BANKS	24,161.7	26,888.6	29,941.9	30,699.3	53,732.0
Foreign exchange deposits	26,579.3	27,850.7	29,043.3	41,496.0	51,013.8
OTHER ITEMS NET	49,391.9	53,082.9	63,781.3	65,633.8	94,176.5
I. NBR	32,780.5	38,756.9	37,094.4	43,332.7	50,797.7
Cash in banks	2,044.5	2,772.0	2,673.3	2,364.1	2,406.7
Cash in OFIs	0.9	1.7	1.7	596.0	5.2
Deposits in banks	10,268.0	7,894.9	10,507.8	11,014.6	12,414.3
Deposits in OFIs	551.6	305.7	81.0	252.8	132.1
Borrowings money market	0.0	6,472.3	1,058.3	0.0	11,339.9
Equity capital	15 374 3	18,080.3	20,416.1	29,060.4	27,483.5

BANKING SURVEY*

(in millions of RWF, outstanding by end period)

Table 10 (cont'd)

Description	2000	2001	2002	2003	2004
Unclassified liabilities	60,560.5	61,313.6	64,807.8	78,139.5	82,107.4
Loans money market	-800.0	0.0	-1,000.0	0.0	0.0
Claims on banks	-1,845.7	-1,521.8	-2,235.8	-1,368.6	-1,577.7
Claims on OFIs	-314.4	-207.0	-121.1	-72.1	-551.4
Unclassified assets	-53,059.2	-56,355.1	-60,551.2	-76,764.5	-82,962.3
II. BANKS	9,863.6	7,562.9	24,097.0	22,175.3	24,520.9
NBR credit	2,358.8	1,352.3	2,079.7	1,216.3	1,577.7
Equity capital	23,512.4	26,182.5	23,830.1	27,936.8	17,119.1
Banks deposits	1,026.5	810.5	990.8	732.1	0.0
Reserves	-10,822.8	-15,235.2	-12,536.7	-13,054.7	-16,221.7
Claims on banks	-860.7	-991.7	-1,177.5	-1,368.6	-1,577.7
Claims on OFIs	-109.6	-175.7	-139.1	-193.1	0.0
Other items net	-5,240.9	-4,379.9	-1,774.6	-3,098.5	23,623.5
III. OFIs	6,747.8	6,763.1	2,590.0	125.7	18,857.9
Reserves	-315.9	-146.1	-71.8	-817.0	-37.2
Claims on banks	-949.6	-1,700.1	-1,327.6	-9,390.1	-4,810.6
Claims on OFIs	-25.0	-25.0	0.0	-2,034.7	0.0
Long term loan	1,426.1	1,449.5	325.6	0.0	12,059.0
Other amounts due	0.0	0.0	0.0	0.0	5,943.3
NBR credit	314.4	229.6	121.2	768.0	1,639.8
Equity capital	6,119.0	6,204.8	5,847.1	18,573.6	5,211.0
Other items net	178.8	750.4	-2,304.4	-6,974.1	-1,147.4

*Made of monetary standing and integrated standing of other banking institutions

Source: NBR, Research Department

Table 11
OUTSTANDING CREDITS TO THE ECONOMY BY SECTOR OF ACTIVITY*
(in millions of RWF, by end period)

Description	2000				2001				2,002			
	S.T	M.T	L.T	Total	S.T	M.T	L.T	Total	S.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries.	339.2	258.7	368.9	966.7	248.9	254.6	561.3	1,064.8	158.0	449.9	882.8	1,490.6
2. Mining	0.0	10.1	12.6	22.8	0.0	0.0	12.6	12.6	0.0	15.6	12.6	28.2
3. Manufacturing	7,093.1	2,487.0	2,485.9	12,066.0	7,517.6	3,161.6	2,343.8	13,023.0	5,830.6	1,891.1	4,321.8	12,043.4
4. Energy and water	330.5	0.5	0.0	330.9	459.0	0.5	0.0	459.5	258.2	0.5	0.0	258.7
5. Public works and construction	3,077.6	5,034.0	5,923.7	14,035.3	3,290.6	5,371.5	6,444.5	15,106.6	5,027.2	5,638.2	7,510.6	18,175.9
6. Trade, restaurants and hotels	25,501.7	3,740.2	1,257.2	30,499.1	30,682.4	4,344.6	1,677.4	36,704.4	30,359.0	3,492.2	2,275.1	36,126.4
7. Transport, warehousing and communications	1,411.2	2,274.5	636.7	4,322.4	1,773.8	3,256.1	644.1	5,674.0	3,238.0	4,290.1	683.7	8,211.9
8. OFIs, insurance and real estate	297.1	35.4	0.0	332.5	408.5	282.3	0.0	690.8	579.0	325.0	0.0	904.0
9. Services provided to the community	3,332.5	149.7	617.2	4,099.4	3,161.8	260.3	641.7	4,063.8	4,582.2	242.5	1,279.4	6,104.1
10. Activities not classified elsewhere	3,645.4	1,024.9	201.8	4,872.1	3,476.6	875.5	272.4	4,624.5	4,903.2	841.1	256.5	6,000.8
Total	45,028.3	15,015.0	11,503.8	71,547.2	51,019.2	17,807.0	12,597.8	81,424.0	54,935.5	17,186.0	17,222.6	89,344.1
Description	2003				2004							
	S.T	M.T	L.T	Total	S.T	M.T	L.T	Total				
1. Agriculture, livestock, forestry and fisheries	498.6	1020.8	860.6	2380.0	1452.0	2261.8	1159.4	4873.2				
2. Mining	0.0	13.1	61.1	74.2	0.0	9.8	58.2	68.0				
3. Manufacturing	6045.5	3842.0	4530.7	14418.2	8158.8	4919.9	3167.0	16245.7				
4. Energy and water	307.2	0.5	0.0	307.7	259.8	0.5	0.0	260.3				
5. Public works and construction	4674.0	7703.0	8374.0	20751.0	5823.4	9716.1	11736.4	27275.9				
6. Trade, restaurants and hotels	33026.6	7085.0	3333.4	43445.0	29138.8	5801.5	4542.6	39482.9				
7. Transport, warehousing and communications	3812.4	4832.2	834.5	9479.1	2823.8	5118.0	1007.4	8949.2				
8. OFIs, insurance and real estate	408.1	298.8	0.0	706.9	698.9	22.4	1368.4	2089.7				
9. Services provided to the community	1246.7	356.0	1895.6	3498.3	1336.2	386.6	1941.9	3664.7				
10. Activities not classified elsewhere	4743.1	1456.1	642.8	6842.0	4991.3	2234.0	359.7	7585.0				
Total	54762.2	26607.5	20532.7	101902.4	54683.0	30470.6	25341.0	110494.6				

* Credits for disbursement

Source: NBR, Money and financial market

Table 12

NEW CREDITS BY SECTOR OF ACTIVITY *
(in millions of RWF)

Description	2000				2001				2002			
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total
1. Agriculture, livestock, forestry and fisheries	89.2	154.7	28.0	271.9	38.2	131.4	470.0	639.6	70.7	582.8	792.1	1,445.6
2. Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	0.0	15.0
3. Manufacturing	3,626.9	604.6	562.5	4,794.0	3,540.7	821.7	228.0	4,590.4	3,978.7	321.1	2,909.4	7,209.1
4. Energy and water	329.3	0.0	0.0	329.3	657.1	211.0	0.0	868.1	78.2	0.0	5.0	83.2
5. Public works and construction	1,217.9	1,784.4	2,758.9	5,761.2	1,415.0	2,137.2	2,755.4	6,307.6	3,793.7	2,333.1	4,244.3	10,371.1
6. Trade, restaurants and hotels	24,158.4	1,012.2	460.1	25,630.7	17,342.6	1,351.7	796.5	19,490.8	14,975.9	934.1	2,300.5	18,210.4
7. Transport, warehousing and communications	2,304.0	514.6	147.0	2,965.5	1,090.0	1,921.4	0.0	3,011.4	2,647.7	2,516.0	1,708.2	6,871.9
8. OFIs, insurance and real estate	148.0	0.0	0.0	147.9	165.3	255.0	0.0	420.3	844.2	52.0	489.8	1,386.0
9. Services provided to the community	5,458.4	73.1	95.7	5,627.2	3,311.3	6.0	214.0	3,531.3	2,642.4	80.0	1,927.3	4,649.7
10. Activities not classified elsewhere	1,152.9	1,021.6	100.7	2,275.3	875.0	491.8	134.5	1,501.3	703.0	541.2	218.7	1,462.8
Total	38,484.8	5,165.3	4,152.8	47,802.9	28,435.2	7,327.2	4,598.4	40,360.8	29,734.4	7,375.1	14,595.2	51,704.7
Description	2003				2004							
	S.T.	M.T.	L.T.	Total	S.T.	M.T.	L.T.	Total				
1. Agriculture, livestock, forestry and fisheries	568.1	880.6	851.2	2,299.9	786,405.0	3,183,443.0	1,765,304.0	5,735,152.0				
2. Mining	0.0	0.0	136.0	136.0	0.0	0.0	0.0	0.0				
3. Manufacturing	5,565.1	3,303.8	186.0	9,054.9	7,884,857.0	2,126,914.0	1,263,647.0	11,275,418.0				
4. Energy and water	116.6	0.0	0.0	116.6	115,700.0	0.0	0.0	115,700.0				
5. Public works and construction	4,550.3	4,174.4	1,971.4	10,696.0	4,155,959.0	4,850,296.0	6,790,414.0	15,796,669.0				
6. Trade, restaurants and hotels	26,593.8	4,797.2	1,661.0	33,051.9	22,697,162.0	2,072,062.0	2,481,567.0	27,250,791.0				
7. Transport, warehousing and communications	2,671.2	2,713.4	314.0	5,698.7	2,178,714.0	2,678,739.0	403,852.0	5,261,305.0				
8. OFIs, insurance and real estate	404.6	0.0	0.0	404.6	624,368.0	65,000.0	1,425,442.0	2,114,810.0				
9. Services provided to the community	2,682.8	276.7	1,610.8	4,570.4	1,101,254.0	314,329.0	779,238.0	2,194,821.0				
10. Activities not classified elsewhere	969.8	1,224.3	379.1	2,573.2	1,821,102.0	1,778,795.0	83,530.0	3,683,427.0				
Total	38,138.2	14,092.8	6,736.8	58,967.9	41,365,521.0	17,069,578.0	14,992,994.0	73,428,093.0				

*Credits for disbursement.

Source: NBR, Department of Money and Financial Market

Table 13

Interest rates (in %)

Description	2000				2001				2002				2003				2004			
	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec
Borrowing rate	9.20	9.44	9.41	10.11	9.69	10.16	9.91	10.18	10.15	10.05	8.96	9.02	8.88	9.19	9.30	9.43	9.07	9.39	9.39	9.39
Lending rate	15.59	16.85	16.43	16.99	16.93	15.79	18.21	17.29	16.75	16.67	17.25	16.37	14.87	16.85	16.35	16.45	16.26	15.12	15.29	16.48
Interbank market rate	9.15	7.18	9.60	8.69	9.97	10.15	10.00	11.14	9.73	10.19	10.04	9.91	9.10	9.52	10.80	10.38	10.16	11.10	11.07	11.25
Money market rate																				
- excess liquidity	-	-	-	-	9.94	7.63	7.63	9.50	8.44	7.51	9.82	10.50	10.24	9.29	11.01	11.63	11.88	11.40	12.27	10.64
- injection	-	9.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discount rate	11.19	11.06	11.25	11.69	11.94	9.63	13.00	13.00	13.00	12.02	13.20	13.00	13.00	13.50	14.50	14.50	14.50	14.50	14.50	14.50
Weighted average on Treasury bills rate	9.81	-	10.44	-	-	-	8.75	9.25	8.50	8.30	9.84	10.49	10.52	10.69	11.50	12.68	12.26	12.68	12.85	12.26

Source: NBR, Department of Money and Financial Market

AVERAGE EXCHANGE RATES OF THE MAJOR HARD CURRENCIES
(in RWF)

Table 14

Description	1USD	1BF	1DM	1FF	1£stg	1YEN	1SDR	1EURO
2000	390.02	8.91	183.71	54.77	589.76	3.62	512.21	358.19
2001	443.07	9.83	202.85	60.36	637.91	3.65	563.92	396.79
2002	475.32				392.35	2.16	340.56	449.65
2003	537.34				879.34	4.65	746.42	608.28
2004	577.55				1057.18	5.70	849.97	716.77
2000								
January	350.83	8.82	182.02	54.27	575.61	3.34	480.36	356.00
February	360.20	8.78	181.17	54.02	577.22	3.30	488.82	354.32
March	364.08	8.71	179.67	53.57	575.12	3.41	488.81	351.40
April	367.33	8.63	178.03	53.08	582.15	3.49	492.53	348.19
May	375.89	8.43	173.86	51.84	566.20	3.48	492.49	342.04
June	380.49	8.93	184.23	54.93	573.36	3.59	506.04	360.33
July	392.22	9.16	188.75	56.28	591.80	3.64	519.48	369.16
August	404.81	9.09	187.57	55.93	603.83	3.75	529.87	366.85
September	411.84	8.92	183.90	54.83	591.38	3.86	509.32	359.68
October	416.64	8.85	182.61	54.43	605.87	3.85	536.53	357.16
November	426.14	9.04	186.35	55.56	607.73	3.91	546.61	349.23
December	429.79	9.52	196.32	58.55	626.85	3.84	555.63	383.98
Annual average	390.02	8.91	183.71	54.77	589.76	3.62	512.21	358.19
2001								
January	432.24	10.06	207.45	63.21	639.50	3.70	563.64	405.71
February	434.25	9.93	204.73	61.04	631.76	3.74	561.79	400.42
March	434.28	9.80	202.21	60.29	627.67	3.59	555.59	395.49
April	436.50	9.64	198.84	59.29	626.15	3.53	552.63	388.90
May	439.10	9.53	196.65	58.63	626.41	3.60	554.55	384.62
June	440.44	9.31	192.12	54.51	617.40	3.61	551.71	375.75
July	443.44	9.45	194.95	58.13	626.71	3.56	554.99	381.28
August	441.90	9.84	202.92	60.50	634.41	3.63	562.24	396.87
September	446.00	10.07	207.76	61.95	652.11	3.75	573.15	406.34
October	452.64	10.16	209.63	62.51	656.30	3.73	578.21	410.64
November	457.13	10.07	207.60	61.90	656.75	3.74	579.57	406.03
December	458.92	10.15	209.32	62.41	659.79	3.62	578.99	409.40
Annual average	443.07	9.83	202.85	60.36	637.91	3.65	563.92	396.79
2002								
January	456.81				655.00	3.45	570.48	403.80
February	459.70				654.11	3.44	570.66	400.01
March	461.56				656.23	3.52	575.32	403.78
April	463.27				667.56	3.54	580.18	409.69
May	466.39				680.48	3.69	593.43	426.97
June	469.00				694.81	3.80	606.62	447.28
July	470.05				730.84	3.99	623.23	466.95

AVERAGE EXCHANGE RATES OF THE MAJOR HARD CURRENCIES
(in RWF)

Table 14 (cont'd)

Description	1USD	1BF	1DM	1FF	1£stg	1YEN	1SDR	1EURO
August	480.62				739.52	4.03	632.47	469.95
September	484.46				753.33	4.02	637.85	475.45
October	488.62				761.47	3.95	640.47	479.54
November	496.36				781.21	4.08	656.90	497.04
Décember	507.02				803.39	4.16	674.24	515.76
Annual average	475.32				714.83	3.81	613.49	449.69
2003								
January	511.25				826.50	4.31	692.44	542.50
February	512.48				831.09	4.29	696.98	553.17
March	513.44				813.37	4.33	697.25	554.82
April	519.50				817.31	4.34	704.30	563.05
May	524.92				850.84	4.47	729.59	605.58
June	532.48				876.74	4.55	745.59	613.63
July	532.48				876.74	4.55	745.59	613.63
August	547.97				876.93	4.60	752.69	615.20
September	554.80				889.59	4.81	765.51	620.30
October	559.55				937.31	5.11	793.48	654.64
November	564.42				952.66	5.17	801.07	658.90
December	574.84				1002.99	5.33	832.50	703.95
Annual average	537.34				879.34	4.65	746.42	608.28
2004								
January	582.64				1057.71	5.48	857.28	733.37
February	582.37				1085.03	5.47	860.88	736.12
March	582.17				1067.52	5.36	848.42	715.47
April	582.05				1053.15	5.43	843.25	699.59
May	580.95				1036.99	5.18	833.15	696.52
June	579.24				1059.16	7.30	843.49	702.71
July	579.24				1059.16	7.30	843.49	702.71
August	577.84				1053.66	5.41	846.87	704.27
September	574.90				1031.22	5.23	842.11	701.98
October	571.65				1031.72	5.26	845.10	711.70
November	569.88				1055.81	5.46	861.55	737.35
December	567.62				1095.08	5.49	874.09	759.47
Annual average	577.55				1057.18	5.70	849.97	716.77

Source: NBR, Research Department

CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT
(in billions of RWF)

Table 15

Description	2000	2001	2002	2003	2004
TOTAL REVENUE AND GRANTS	132.7	148.2	172.0	195.5	272.5
Total revenue	68.6	86.2	101.2	122.4	147.0
Current revenue	68.6	86.2	101.2	122.4	147.0
Tax revenues	65.3	79.5	94.6	114.7	134.6
Direct taxes	18.5	24.5	30.3	35.1	37.5
Income tax	17.9	23.9	29.5	34.0	36.8
Property tax	0.6	0.6	0.7	0.7	0.7
Indirect taxes	46.8	55.0	64.3	79.6	97.1
Taxes on goods and services	35.2	41.0	47.6	57.5	71.5
Taxes on international trade	11.6	14.0	16.7	22.1	25.6
Non tax revenues	3.3	6.7	6.6	7.7	12.4
Capital revenues	-	-	-	-	-
Grants	64.1	62.0	70.8	73.1	125.5
Current grants	40.0	33.9	39.3	51.0	90.7
Capital grants	24.1	28.1	31.5	22.1	34.8
TOTAL EXPENDITURE	136.8	158.1	191.6	216.2	274.9
Current expenditure	94.3	107.5	134.6	161.1	163.8
Wages and salaries	37.1	39.0	40.8	44.0	48.6
Civilians	20.6	22.8	24.3	28.3	33.17
Military	16.5	16.2	16.5	15.7	15.4
Purchase of goods and services	23.9	29.4	35.1	45.7	47.6
Civilians	16.1	20.4	27.3	37.1	39.2
Military	7.8	9.0	7.8	8.6	8.4
Interests payments on public debt	6.5	6.3	7.8	9.0	11.9
on domestic debt	2.0	1.3	2.6	3.17	4.44
on external debt	4.5	5.0	5.2	5.8	7.46
Transfers & Grants	15.6	15.1	20.4	22.2	37.5
Exceptional expenditure	11.2	17.7	30.5	40.2	18.25
Capital expenditure	42.1	50.0	56.4	51.1	89.5
Financed by domestic resources	1.5	3.5	5.5	13.2	27.2
Financed by foreign resources	40.6	46.5	50.9	37.9	62.3
Net lending	0.4	0.6	0.6	4	21.6
Current DEFICIT (payment order basis)	-25.7	-21.3	-33.4	-38.7	-16.8
OVERALL DEFICIT (payment order basis)					
Excluding grants	-68.2	-71.9	-90.4	-93.8	-127.9
Including grants	-4.1	-9.9	-19.6	-20.7	-2.4
Change in arrears	-1.9	-31.7	-1.7	-13.1	-17.1
Domestic arrears	3.0	-15.0	-3.9	-1	-17.1
Foreign arrears	-4.9	-16.7	2.2	-12.1	0.0
DEFICIT/SURPLUS (cash basis)	-6.0	-41.6	-21.3	-33.8	-19.5
FINANCING	9.8	42.6	30.9	26.1	23.9
External financing	11.4	40.9	30.5	20.9	48.1
Net loans	11.4	40.9	30.5	20.9	48.1
Domestic financing	-1.6	1.7	0.4	5.2	-24.2
Banks	-1.6	-0.4	2.8	5.2	-30.1
Non banks	0.0	2.1	-2.4	0.0	5.9

Source: MINECOFIN, Budget Department

PUBLIC EXTERNAL DEBT STOCK
(in millions of USD by donor, by end period)

Table 16

Description	2000	2001	2002	2003	2004
MULTILATERAL DEBT	1,011.04	1,017.56	1153.53	1258.27	1399.97
IDA	693.89	713.97	823.96	902.44	1025.00
AfDB-ADF	218.59	209.02	226.19	239.76	254.60
BADEA	33.43	29.44	26.18	22.86	19.79
OPEC	6.78	6.81	10.67	16.63	17.35
OTHERS	58.35	58.32	66.53	76.58	83.23
BILATERAL DEBT	153.09	133.46	147.86	158.41	178.00
CHINA	32.15	16.45	21.16	20.19	19.60
FRANCE	35.18	33.59	40.17	48.63	52.90
KUWAIT	29.41	29.30	30.46	31.66	32.10
SAUDI ARABIA	30.56	30.56	30.19	29.91	30.10
JAPAN	13.55	11.87	13.2	14.84	15.40
OTHERS	12.24	11.69	12.68	13.18	27.90
SUPPLIERS' CREDITS	10.63	10.27	11.50	13.00	13.87
TOTAL	1,174.76	1,161.29	1312.89	1429.68	1577.97

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

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of external debt outstanding (Including arrears on the principal)
(in millions of RWF, by donor)

Table 17

Description	2000	2001	2002	2003	2004
MULTILATERAL DEBT	429,849.74	463,814.71	587,370.15	732,318.48	793,575.66
IDA	298,681.95	328,541.63	423,372.70	524,760.91	581,031.50
AfDB-ADF	89,696.49	92,203.53	111,736.15	139,488.24	144,322.56
BADEA	14,389.86	13,630.02	13,399.31	13,265.24	11,212.49
OPEC	3,118.01	3,133.92	5,463.02	9,597.67	9,835.02
EIB	1,266.06	1,152.79	1,339.01	4,555.07	4,517.87
EU (EEC)	9,248.99	9,956.76	13,051.76	15,386.03	14,885.74
IFAD	13,448.38	15,196.06	19,008.20	25,265.32	27,770.47
BILATERAL DEBT	61,956.41	57,648.95	72,118.66	66,045.12	85,431.47
CHINA	13,838.83	6,458.82	10,831.34	11,716.97	11,093.45
FRANCE	15,138.90	15,362.65	20,214.64	7,941.67	29,221.63
KUWAIT	10,766.89	11,421.55	12,974.47	18,373.74	18,167.86
SAUDI ARABIA	11,516.36	14,064.91	15,452.87	17,356.42	17,034.14
JAPAN	5,833.95	5,433.97	6,666.38	8,428.73	8,548.25
Austria	3,755.99	3,809.02	4,909.19	1,033.86	1,003.34
Abu Dhabi (FADEA)	762.39	812.70	900.35	1,015.77	181.40
Libya	343.10	285.32	169.42	177.95	181.40
SUPPLIERS' CREDITS	4,576.50	4,726.65	5,888.88	7,096.16	7,584.59
GRAND TOTAL	496,383.51	526,190.31	665,377.69	805,459.75	886,591.71

(in millions of USD, by donor)

MULTILATERAL DEBT	998.52	1,017.56	1,147.54	1,258.28	1,399.95
IDA	693.83	713.97	827.14	902.44	1,025.00
AfDB-ADF	208.36	209.02	218.30	239.76	254.60
BADEA	33.43	29.44	26.18	22.86	19.78
OPEC	7.24	6.81	10.67	16.63	17.35
EIB	2.94	4.99	2.62	7.85	7.97
EU (EEC)	21.48	20.31	25.50	24.64	26.26
IFAD	31.24	33.02	37.14	44.10	48.99
BILATERAL DEBT	143.92	127.69	140.90	155.80	161.34
CHINA	32.15	16.45	21.16	20.19	19.57
FRANCE	35.17	33.38	39.49	47.38	51.55
KUWAIT	25.01	24.82	25.35	31.66	32.05
SAUDI ARABIA	26.75	30.56	30.19	29.91	30.05
JAPAN	13.55	11.81	13.02	14.53	15.08
Austria	8.73	8.28	9.59	10.06	10.95
Abu Dhabi (FADEA)	1.77	1.77	1.76	1.75	1.77
Libya	0.80	0.62	0.33	0.31	0.32
SUPPLIERS' CREDITS	10.63	10.27	11.51	12.54	13.38
GRAND TOTAL	1,153.08	1,155.52	1,299.94	1,426.62	1,574.67

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

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of debt stock by donors
(in millions of RWF)

Table 18

Description	2000	2001	2002	2003	2004
MULTILATERAL DEBT	429,815.30	463,826.21	587,313.33	676,839.79	793,604.00
IDA	298,681.95	328,541.63	423,304.12	485,430.33	581,031.50
AfDB-ADF	89,696.49	92,203.53	111,736.15	128,968.99	144,322.56
BADEA	14,327.44	13,630.02	13,399.31	12,296.63	11,218.16
OPEC	3,145.56	3,133.92	5,463.02	8,945.42	9,835.02
EIB	1,266.06	1,152.79	1,339.01	4,222.58	4,517.87
EU (EEC)	9,249.85	9,958.60	13,051.76	13,254.07	14,908.42
IFAD	13,447.95	15,205.73	19,019.98	23,721.77	27,770.47
BILATERAL DEBT	65,588.42	60,303.35	75,682.70	85,210.12	93,021.73
CHINA	13,838.83	6,458.82	10,831.34	10,860.38	11,093.45
FRANCE	15,138.90	15,456.99	20,560.66	26,142.36	29,992.56
KUWAIT	12,672.65	13,482.76	15,590.04	17,030.19	18,167.86
SAUDI ARABIA	12,834.94	14,064.91	15,452.87	16,088.85	17,034.14
JAPAN	5,833.95	5,462.04	6,754.93	7,982.57	8,729.64
Austria	3,758.14	3,807.64	4,909.19	5,432.88	6,207.12
Abu Dhabi (FADEA)	1,072.77	1,198.34	1,358.46	1,452.35	1,547.53
Libya	438.23	371.84	225.22	220.54	249.42
SUPPLIERS' CREDITS	4,576.50	4,726.65	5,888.88	6,992.81	7,460.79
GRAND TOTAL	499,980.22	528,856.21	668,884.92	769,042.72	894,086.52

(in millions of USD)

MULTILATERAL DEBT	1,011.04	1,017.56	1,153.53	1,258.28	1400.0
IDA	693.83	713.92	823.96	902.44	1,025.00
AfDB-ADF	208.36	200.36	226.19	239.76	254.60
BADEA	33.28	29.62	26.18	22.86	19.79
OPEC	7.31	6.81	10.67	16.63	17.35
EIB	2.94	2.51	3.87	7.85	7.97
EU (EEC)	21.49	21.64	25.50	24.64	26.30
IFAD	31.24	33.04	37.16	44.10	48.99
BILATERAL DEBT	153.09	133.45	147.86	158.41	164.10
CHINA	32.15	16.45	21.16	20.19	19.57
FRANCE	35.18	33.59	40.17	48.60	52.91
KUWAIT	29.41	29.30	30.46	31.66	32.05
SAUDI ARABIA	30.56	30.56	30.19	29.91	30.05
JAPAN	13.55	11.87	13.20	14.84	15.40
Austria	8.73	8.27	9.59	10.10	10.95
Abu Dhabi (FADEA)	2.49	2.60	2.65	2.70	2.73
Libya	1.02	0.81	0.44	0.41	0.44
SUPPLIERS' CREDITS	10.63	10.27	11.51	13.00	13.87
GRAND TOTAL	1,174.76	1,161.29	1,312.89	1,429.69	1,577.97

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

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of guaranteed debt outstanding
(in millions of USD, by donor)

Table 19

Description	2000	2001	2002	2003	2004
EIB 1	0.44	0.42	0.50	0.58	0.45
EIB 2	1.87	1.71	1.94	0.11	0.12
EDF/ EEC	0.39	0.35	0.40	0.47	0.59
ADF I	2.41	2.00	1.69	1.24	0.83
ADF II	4.80	4.06	3.76	3.21	2.63
AfDB	0.11	0.06	0.01	0.00	0.00
SHELTER Afrique(Goboka)				0.90	0.81
PTA BANK (BCDI)				5.81	
TOTAL	10.02	8.60	8.30	12.32	5.43

(in millions of RWF, by donor)

Description	2000	2001	2002	2003	2004
EIB 1	190.64	193.28	254.56	424.52	256.89
EIB 2	804.59	786.93	995.23	78.31	67.89
EDF/ EEC	167.83	161.07	204.14	340.47	334.15
ADF I	1,036.01	920.39	867.17	1,052.73	471.88
ADF II	2,067.77	1,868.39	1,923.94	2,727.07	1,491.11
AfDB	45.68	27.61	3.17	0.00	0.00
SHELTER Afrique(Goboka)				522.25	456.95
PTA BANK (BCDI)				3,373.80	
TOTAL	4,312.52	3,957.67	4,248.21	8,519.15	3,078.87

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of external debt service due
(in millions of RWF, by donor).

Table 20

Description	2000	2001	2002	2003	2004
MULTILATERAL DONORS	8,301.60	12,003.42	12,549.03	15,836.73	21021.55
Principal	5,396.72	7,931.39	8,888.90	10,563.20	11,377.05
of which: IDA	2,449.42	3,702.33	5,032.24	6,565.01	6,930.18
AfDB-ADF	1,233.64	1,473.84	2,329.18	2,152.46	2,714.32
BADEA	780.04	1,692.38	1,601.90	1,845.74	462.01
Interests	2,904.88	4,072.04	3,660.13	5,165.91	4,908.88
of which: IDA	1,781.28	2,286.74	2,478.13	3,664.57	3,465.09
AfDB-ADF	875.21	873.17	1,144.09	1,140.80	981.78
BADEA	0.00	366.38	112.43	376.68	173.25
BILATERAL DONORS	2,457.68	1,879.95	3,674.34	3,863.67	2,714.32
Principal	1,649.02	1,264.74	2,529.52	2,599.10	3,118.58
Interests	808.67	615.21	1,144.82	1,264.57	3,349.59
SUPPLIERS' CREDITS	228.36	279.37	419.18	322.87	231.01
Principal	0.00	0.00	106.47	0.00	0.00
Interests	228.36	279.37	312.71	322.87	231.01
TOTAL SERVICE	10,987.64	14,162.75	16,642.56	20,023.27	23,966.88
Principal	7,045.74	9,196.13	12,121.23	13,162.30	14,495.63
Interests	3,713.54	4,687.25	5,513.97	6,753.35	8,489.47

(in millions of USD, by donor).

MULTILATERAL DONORS	21.29	27.09	26.40	33.00	36.40
Principal	13.84	17.90	18.70	19.60	19.70
of which: IDA	6.28	8.36	10.59	12.20	12.00
AfDB-ADF	3.16	3.33	4.90	4.00	4.70
BADEA	2.00	3.82	3.37	3.43	0.80
Interests	7.45	9.19	7.70	9.60	8.50
of which: IDA	4.57	5.16	5.21	6.81	6.00
AfDB-ADF	2.24	1.97	2.41	2.12	1.70
BADEA	0.00	0.83	0.24	0.70	0.30
BILATERAL DONORS	6.30	4.24	7.73	7.18	4.70
Principal	4.23	2.85	5.32	4.83	5.40
Interests	2.07	1.39	2.41	2.35	5.80
SUPPLIERS' CREDITS	0.59	0.63	0.88	0.60	0.40
Principal	0.00	0.00	0.22	0.00	0.00
Interests	0.59	0.63	0.66	0.60	0.40
TOTAL SERVICE	28.17	31.96	37.10	40.78	41.50
Principal	18.07	20.75	25.50	24.43	27.40
Interests	9.52	10.58	11.60	12.55	14.10

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of drawings by donors
(in millions of RWF)

Table 21

Description	2000	2001	2002	2003	2004
MULTILATERAL LOANS	28,081.07	39,455.89	41,810.13	19,714.10	58,386.78
IDA	14,767.05	23,720.98	34,859.22	13,070.45	51,728.03
AfDB-ADF	1,588.17	5,246.74	3,284.84	1,475.29	3,291.84
IFAD	1,554.04	2,482.11	1,146.20	1,497.09	1,836.50
BADEA	466.16	0.00	52.55	0.00	0.00
OPEC	0.00	2,658.57	2,106.82	3,241.80	542.86
OTHERS	9,705.66	5,347.49	360.51	429.47	987.55
BILATERAL LOANS	63.53	503.27	695.76	0.00	0.00
CHINA	63.53	503.27	695.76	0.00	0.00
CFD	0.00	0.00	0.00	0.00	0.00
KUWAIT FUND	0.00	0.00	0.00	0.00	0.00
SAUDI ARABIA FUND	0.00	0.00	0.00	0.00	0.00
OECD JAPAN	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	0.00
of which :					
BNP-AMSTERD.	0.00	0.00	0.00	0.00	0.00
SEE-CANADA	0.00	0.00	0.00	0.00	0.00
COFACE	0.00	0.00	0.00	0.00	0.00
BNP-PARIS	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	28,144.60	39,959.15	42,505.89	19,714.10	58,386.78

(in millions of USD)

MULTILATERAL LOANS	72.00	89.05	87.96	40.91	101.10
IDA	37.86	53.53	73.34	26.40	89.57
AfDB-ADF	4.07	11.84	6.91	3.08	5.70
IFAD	3.98	5.60	2.41	4.11	3.18
BADEA	1.20	0.00	0.11	0.00	0.00
OPEC	0.00	6.00	4.43	6.51	0.94
OTHERS	24.88	12.07	0.76	0.81	1.71
BILATERAL LOANS	0.16	1.14	1.46	0.00	0.00
CHINA	0.16	1.14	1.46	0.00	0.00
CFD	0.00	0.00	0.00	0.00	0.00
KUWAIT FUND	0.00	0.00	0.00	0.00	0.00
SAUDI ARABIA FUND	0.00	0.00	0.00	0.00	0.00
OECD JAPAN	0.00	0.00	0.00	0.00	0.00
OTHERS	0.00	0.00	0.00	0.00	0.00
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	0.00
of which :					
BNP-AMSTERD.	0.00	0.00	0.00	0.00	0.00
SEE-CANADA	0.00	0.00	0.00	0.00	0.00
COFACE	0.00	0.00	0.00	0.00	0.00
BNP-PARIS	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	72.16	90.18	89.42	40.91	101.10

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Development of arrears by year end by donors
(In millions of RWF)

Table 22

Description	2000		2001		2002		2003		2004	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
MULTILATERAL DONORS	2,367.75	241.02	124.85	10.90	0.00	4.69	0.00	0.00	0.00	0.00
IDA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFAD	0.00	0.00	0.00	9.00	0.00	4.69	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	83.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPEC	2,327.78	240.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	39.97	0.37	41.56	1.90	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	13,257.38	3,943.78	7,307.63	2,532.02	2,560.94	660.66	2329.59	661.75	1,451.16	680.23
CHINA	1,336.24	0.00	0.00	0.00	0.00	0.00	371.23	0.00	396.802	0.00
FRANCE	0.00	0.00	0.00	0.00	1,118.54	240.36	1345.03	484.21	748.255	408.139
KUWAIT	5,158.78	1,895.40	5,900.18	2,061.19	859.27	265.15	0.00	0.00	0.00	0.00
SAUDI ARABIA	5,446.39	1,640.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	313.87	52.29	322.81	102.22	113.372	45.349
OTHERS	1,315.97	407.68	1,407.45	470.83	269.25	102.86	290.53	75.32	192.732	226.744
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	114.65	48.39	0.00	236.73	0.00	198.40
GRAND TOTAL	15,625.13	4,184.80	7,432.48	2,542.92	2,675.58	713.74	2329.59	898.48	1451.16	878.63

(in millions of USD)

MULTILATERAL DONORS	5.50	0.56	0.27	0.02	0.00	0.01	0.00	0.00	0.00	0.00
IDA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AfDB-ADF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IFAD	0.00	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.00
BADEA	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPEC	5.41	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHERS	0.09	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL DONORS	30.80	9.16	15.88	5.50	5.00	1.29	4.33	1.23	2.56	1.20
CHINA	3.10	0.00	0.00	0.00	0.00	0.00	0.69	0.00	0.70	0.00
FRANCE	0.00	0.00	0.00	0.00	2.19	0.47	2.50	0.90	1.32	0.72
KUWAIT	11.98	4.40	12.82	4.48	1.68	0.52	0.00	0.00	0.00	0.00
SAUDI ARABIA	12.65	3.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAPAN	0.00	0.00	0.00	0.00	0.61	0.10	0.60	0.19	0.20	0.08
OTHERS	3.06	0.95	3.06	1.02	0.53	0.20	0.54	0.14	0.34	0.40
SUPPLIERS' CREDITS	0.00	0.00	0.00	0.00	0.22	0.09	0.00	0.44	0.00	0.35
GRAND TOTAL	36.30	9.72	16.15	5.53	5.23	1.39	4.33	1.67	2.56	1.55

N.B. : Guaranteed debt not included

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

RWANDA'S BALANCE OF PAYMENTS (in millions of USD)

Table 23

	2000	2001	2002	2003	2004
Trade balance	-157.8	-131.5	-136.8	-154.7	-160.0
1. Exports (fob)	69.0	93.6	67.4	63.0	97.9
of which - coffee	22.5	19.4	14.6	15.0	32.2
- tea	24.3	22.7	22.0	22.5	21.6
2. Imports (fob)	-226.9	-225.0	-204.1	-217.7	-257.9
Net services	-174.8	-157.9	-159.7	-155.1	-166.4
Net non factor services	-159.5	-135.4	-140.6	-124.6	-132.8
Net factor services	-15.4	-22.5	-19.0	-30.5	-33.7
Balance of goods and services	-332.7	-289.4	-296.5	-309.8	-326.4
Net current transfers	217.7	192.6	195.3	226.4	313.9
Net private transfers	11.0	21.7	24.5	31.3	35.1
Net official transfers	206.7	170.9	170.8	195.0	278.9
Current balance (+net current transfers)	-114.9	-96.8	-101.2	-83.4	-12.5
Capital and financial transactions account	98.6	146.7	115.7	76.4	145.1
Capital account	62.7	68.7	41.7	41.1	60.6
Capital transfers	62.7	68.7	41.7	41.1	60.6
Debt cancellation	0.0	18.5	0.0	0.0	0.0
Migrants' transfers	0.0	0.0	0.0	0.0	0.0
Other capital transfers (of which support grants to PIP)	62.7	50.2	41.7	41.1	60.6
Financial transactions account	35.9	78.0	74.0	35.3	84.6
Official capital (net)	24.2	57.1	57.9	12.8	81.5
Long term private capital (net)	11.9	4.6	2.6	3.6	-2.0
Other capital	-0.2	16.4	13.5	18.9	5.1
Short term capital	-8.3	12.6	10.9	14.3	-2.6
Direct investments	8.1	3.8	2.6	4.7	7.7
Portfolio investments					
Errors and Omissions	18.2	-36.7	-1.7	-28.7	-24.7
Overall balance	1.8	13.3	12.8	-35.7	107.9
Available financing (- incr.)	-1.8	-13.3	-12.8	35.7	-107.9
Change of net foreign assets of NBR	-9.8	-25.2	-29.6	27.2	-106.8
a. Net credits of IMF	14.0	1.5	-6.0	-0.9	-3.6
b. Changes of other gross official reserves of NBR (- incr.)	-16.5	-21.4	-31.6	28.8	-100.3
c. Change of other gross foreign liabilities (+ incr.)	-7.3	-5.3	7.9	-0.7	-2.9
Change of arrears	-8.0	-20.6	5.6	-16.2	-3.5
Exceptional financing	16.0	32.6	11.2	24.7	2.4
Rescheduling	15.1	26.3	10.6	22.2	2.4
Debt cancellation	0.9	6.3	0.6	2.5	0.0
ALM (+ indicates need)	0.0	0.0	0.0	0.0	0.0
For the record					
Gross reserves NBR (millions of USD)	190.64	212.05	243.00	214.2	314.5
Foreign liabilities (millions of USD)		100.00	101.85	101.3	98.4
Gross reserves in months of imports GSNF	5.36	6.23	7.46	6.14	7.65

RWANDA'S BALANCE OF PAYMENTS (in millions of USD)

Table 23 (cont'd)

	2000	2001	2002	2003	2004
Gross reserves in months of imports GS	5.0	5.7	7.0	5.6	7.1
Gross reserves in months of cif imports of goods	7.4	8.7	10.5	8.9	11.0
Gross reserves in months of fob. imports of goods	10.1	11.3	14.3	11.8	14.6
Trade balance in % of GDP	-9.01	-7.70	-7.87	-9.19	-9.15
Current balance (without grants)/GDP	-18.98	-16.94	-17.07	-18.41	-18.67
Current balance (+transfers)/GDP	-6.56	-5.67	-5.82	-4.96	-0.71
GDP (\$US, Current)	1,753	1,708	1,737	1,683	1,749
GDP (millions of RWF, Current)	683,578	756,976	825,699	905,295	1,004,900
Exchange rate 1 USD (FRW/1 USD) by end period	430.49	457.90	511.85	580.28	566.86
Average exchange rate 1 USD (FRW/1 USD)	390.02	443.09	475.37	537.91	574.63

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Rwanda's Exports (FOB value in millions of USD)

Table 24

	2000	2001	2002	2003	2004
I. Coffee					
Value	22.52	19.36	14.65	15.01	32.2
in % of total exports fob.	32.62	20.70	21.75	23.81	32.9
change in % of value	-14.91	-14.04	-24.34	2.46	114.7
Exported volume (tones)	16,089	17,788	19,797	14700	27,085.1
change in % of volume	-12.24	10.56	11.29	-25.75	84.3
Unit price (USD/kg)	1.40	1.09	0.74	1.01	1.2
change in % of unit price	-3.05	-22.25	-32.02	36.49	17.8
II. Tea					
Value	24.28	22.71	22.02	22.52	21.55
% of total exports fob.	35.16	24.28	32.69	35.72	22.02
change in % of value	24.33	-6.46	-3.03	2.26	-4.30
Exported volume (tones)	13717	15166	14574	14331	13,064
change in % of volume	7.93	10.56	-3.90	-1.67	-8.84
Unit price (USD/kg)	1.77	1.50	1.51	1.57	1.65
change in % of unit price	28.26	-15.40	0.90	3.90	5.33
III. Mine products					
Value	12.58	42.63	15.87	11.09	29.27
% of total exports fob.	18.22	45.57	23.57	17.59	29.91
change in % of value	81.48	238.95	-62.77	-30.14	163.97
Exported volume (tones)	1111.81	2256.61	2083.08	2310.00	4,571.74
change in % of volume	17.90	102.97	-7.69	10.89	97.91
Tin					
Value	0.95	1.13	1.41	4.49	15.88
in % of total exports fob.	1.38	1.21	2.09	7.12	16.22
change in % of value	-18.41	18.67	24.27	219.20	253.60
Exported volume (tones)	365	555	672	1458	3,553
change in % of volume	-30.99	52.00	21.13	116.94	143.70
Unit price (USD/kg)	2.61	2.04	2.09	3.08	4.47
change in % of unit price	18.24	-21.93	2.60	47.16	45.13
Colombo tantalite					
Value	11.35	41.10	13.95	6.37	12.99
in % of total exports fob.	16.44	43.93	20.71	10.10	13.27
change in % of value	145.15	262.10	-66.06	-54.33	103.96
Exported volume (tones)	602.77	1,540.21	1,086.32	732.00	861.05
change in % of volume	82.66	155.52	-29.47	-32.62	17.63
Unit price (USD/kg)	18.83	26.68	12.84	8.69	15.09
change in % of unit price	34.21	41.71	-51.88	-32.32	73.65
Wolfram					
Value	0.27	0.40	0.52	0.23	0.40
in % of total exports fob.	0.40	0.43	0.77	0.36	0.41
change in % of value	147.53	47.16	28.63	-55.73	76.08

Rwanda's Exports (FOB value in millions of USD)

Table 24 (cont'd)

	2000	2001	2002	2003	2004
Exported volume (tones)	144	161.56	324.69	120.00	157.52
change in % of volume	71.43	12.19	100.98	-63.04	31.26
Unit price (USD/kg)	1.91	2.50	1.60	1.89	2.57
change in % of unit price	44.39	31.16	-36.00	18.125	35.98
Gold					
Value	-	-	-	-	-
in % of total exports fob.	-	-	-	-	-
change in % of value	-	-	-	-	-
Exported volume (tones)	-	-	-	-	-
change in % of volume	-	-	-	-	-
Unit price (USD/kg)	-	-	-	-	-
change in % of unit price	-	-	-	-	-
IV . Hides and skins					
Value	0.43	0.78	2.64	3.78	3.39
% of total fob. exports	0.62	0.84	3.92	6.00	3.46
change in % of value	-20.61	83.28	237.54	43.26	-42.31
Exported volume (tones)	479	510.90	1983.82	2728.00	2,151
change in % of volume	-24.13	6.55	288.30	37.51	-21.16
Unit price (USD/kg)	0.89	1.53	1.33	1.39	1.57
change in % of unit price	4.65	72.01	-13.07	4.51	12.95
V. Pyrethrum extracts					
Value	0.00	1.77	1.05	1.28	0.65
% of total exports fob.	0.00	1.89	1.56	2.03	0.66
change in % of value	-	-	-40.57	21.60	-49.48
Exported volume (tones)	0.00	21.60	13.12	20.00	10.08
change in % of volume	-	-	-39.26	52.44	-49.60
Unit price (USD/kg)	0.00	82.00	80.23	64.00	64.16
change in % of unit price	-	-	-2.16	-20.23	0.25
VI. Others					
Value	9.17	5.14	8.53	9.12	10.80
% of total exports fob.	13.28	5.49	12.66	14.46	11.03
change in % of value	-9.66	-43.95	65.89	6.96	18.37
Other products (ordinary exports)	--	2.64	2.74	2.37	3.81
Re-exports	--	2.50	5.79	6.75	6.99
S/Total	68.98	92.40	64.76	62.80	97.88
VII. Adjustment					
Electricity	0.07	1.15	2.60	0.25	-
Postal parcels	--	--	--	--	--
Models 126	--	--	--	--	--
Total fob	69.0	93.6	67.4	63.1	97.9
Change in %	11.34	35.50	-27.99	-6.40	55.25

Source: NBR, Research and Statistics Department

RWANDA'S IMPORTS (value in millions of USD)

Table 25

	2000	2001	2002	2003	2004
I. Equipment					
Value	33.03	30.61	37.92	40.72	52.2
in % of total cif value	10.74	9.51	13.61	14.03	15.18
change in % of value	-40.35	-7.33	23.88	7.39	28.11
change in % of volume	-	-	3.90	3.90	4.84
change in % of price	-	-		3.35	22.17
II. Supplies (B. intermediaries)					
Value	43.32	43.75	45.30	43.84	39.54
in % of total cif value	14.08	13.59	16.27	15.10	11.50
change in % of value	-9.66	0.98	3.55	-3.22	-9.82
change in % of volume	30.04	-	10.00	-23.90	-4.17
change in % of price		-	-7.30	17.07	-5.91
III. Energy and lubricants					
Value	44.92	41.22	40.40	40.53	68.64
in % of total cif value	14.60	12.80	14.51	13.96	19.97
change in % of value	9.79	-8.25	-1.98	0.31	69.61
change in % of volume	-11.69	-5.30	-23.60	2.40	16.80
change in % of price	24.30	-12.63	31.40	1.10	45.21
IV. Final consumption					
Value	137.26	143.78	124.41	134.18	147.16
in % of total cif value	44.61	53.85	44.67	46.23	42.81
change in % of value	-17.88	26.32	-13.47	7.85	9.67
change in % of volume	50.26	-	-29.70	2.10	3.47
change in % of price		-	-1.20	-7.51	5.97
1. Foodstuffs					
Value	46.59	51.66	25.20	28.33	43.36
in % of total cif value	15.14	16.04	9.05	9.76	12.62
change in % of value	34.61	10.88	-51.22	12.44	53.04
change in % of volume	37.80	-	-57.68	6.00	22.08
change in % of price	-0.50	-	-2.20	7.41	25.37
2. Others					
Value	90.67	92.12	99.21	105.85	103.80
in % of total cif value	29.47	37.80	35.62	36.47	30.20
change in % of value	-31.59	34.25	7.70	6.69	-1.94
change in % of volume	-4.53	-	2.40	7.00	-17.02
change in % of price	-16.60	-	-20.40	7.57	18.13
S/TOTAL	258.53	259.35	248.03	259.27	307.50
Change in %	20.44	11.77	-4.37	4.53	18.60
V. Adjustment					
Value	49.14	33.03	30.48	30.98	36.23
in % of total cif value	15.97	10.26	10.94	10.67	10.54
Electricity	6.52	10.55	9.06	8.65	10.00

RWANDA'S IMPORTS (value in millions of USD)

Table 25

	2000	2001	2002	2003	2004
in % of total cif value	2.12	3.61	3.25	2.98	2.91
Postal parcels	--	2.00	1.36	1.36	1.36
Others (of which)	42.62	24.16	20.06	21.0	24.9
126 BIS	23.84	23.06	20.06	21.0	24.9
in % of total cif value	7.75	7.89	7.20	7.22	7.24
DMC of customs border posts	18.78	--	--	--	--
Difference between ASYCUDA and DMC (NBR) data					
in % of total cif value	6.10	--	--		
VI.cif imports	307.68	292.38	278.51	290.25	343.73
% change	-2.85%	4.65	-4.75%	4.21%	18.43%
VII. Freight + insurance	80.79	67.36	74.36	72.50	85.86
in % of cif	26.82	23.90	26.70	24.98	24.98
% ratio change freight and insurance	25.06	-10.90	11.72	-6.44	0.00
VIII.Total fob	226.89	225.02	204.15	217.74	257.86
% change	-9.21	8.83%	-9.28%	6.66%	18.43%

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

SERVICES (in millions of USD)

Table 26

	2000	2001	2002	2003	2004
Net services	-174.83	-157.93	-159.69	-155.12	-166.44
Net non factor services	-159.48	-135.4	-140.6	-124.6	-132.79
Credit	40.60	48.2	46.06	76.47	102.65
Freight and insurance	5.55	5.44	2.22	4.47	6.94
Other transport	8.62	8.61	10.03	13.92	14.50
Travel	4.27	9.36	11.80	30.08	43.50
Other services and revenues	22.16	24.8	22.0	28.00	37.71
- official (foreign governments)	18.72	20.41	17.72	22.68	30.58
- private	3.44	4.41	4.29	5.31	7.13
Debit	-200.08	-183.7	-186.7	-201.06	-235.4
Freight and insurance	-57.36	-47.82	-52.80	-51.48	-60.96
Other transport	-24.94	-25.31	-28.88	-24.14	-26.51
Travel	-21.91	-23.17	-23.86	-26.06	-31.48
Other services and revenues	-95.87	-87.38	-81.17	-99.38	-116.49
- official (embassies, consulates... expenses)	-19.17	-12.17	-13.62	-19.95	-22.41
- Technical assistance	-68.46	-63.62	-56.72	-63.36	-77.43
Technical assistance PIP	-23.46	-23.62	-18.72	-17.61	-27.10
Technical assistance (others)	-45.00	-40.00	-38.00	-45.75	-50.32
- private	-8.24	-11.59	-10.83	-16.06	-16.65
Net factor services	-15.35	-22.5	-19.0	-30.5	-33.7
Credit	13.87	13.80	8.45	6.17	5.56
Collected investment revenues	10.84	11.66	8.45	5.97	5.37
- Interests collected by public sector	8.07	8.82	6.76	4.44	4.84
- Interest collected by private sector	2.77	2.84	1.69	1.53	0.53
Labour income	3.03	2.14	0.00	0.19	0.19
Property income	0.00	0.00	0.00	0.02	0.00
Debit	-29.22	-36.3	-27.5	-36.7	-39.2
Investment income paid to private sector	-3.09	-4.19	-0.36	-5.50	-2.97
1. Dividends	-2.76	-3.52	-0.36	-5.50	-2.97
2. Reinvested interests, profits	-0.33	-0.67	--	0.00	0.00
Income from other investments paid to public sector	-13.40	-14.16	-13.30	-16.43	-20.30
1. official	-13.17	-13.98	-13.20	-15.36	-20.28
- Payable interests on public debt	-10.51	-11.53	-11.70	-13.71	-14.07
- NBR (to IMF)	-2.12	-1.98	-0.83	-0.44	-0.15
- NBR (to BNB)	-0.54	-0.47	-0.67	-1.21	-6.06
Other private incomes	-0.23	-0.18	-0.10	-1.08	-0.01
Labour income	-12.16	-17.53	-13.60	-14.49	-15.72
Property income	-0.57	-0.41	-0.24	-0.29	-0.23

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Unrequited Transfers (in millions of USD)

Table 27

	2000	2001	2002	2003	2004
Current transfers (net)	217.74	192.60	195.32	180.63	263.60
Current private transfers (net)	11.03	21.74	24.52	31.33	35.05
Credit	27.32	38.14	43.55	49.38	50.90
Debit	16.29	16.40	19.03	18.04	15.85
Remittance of workers' funds	-12.46	-10.48	-11.35	-5.75	-5.28
Credit	3.65	5.45	7.22	9.43	9.62
Debit	16.11	15.93	18.57	15.19	14.90
Other private transfers	23.49	32.22	35.87	37.09	40.33
Credit	23.67	32.69	36.33	39.94	41.28
Debit	0.18	0.47	0.46	2.86	0.95
Current official transfers (net)	206.71	170.86	170.80	149.30	228.55
Credit	207.60	172.20	172.71	151.18	231.02
1. current support	102.60	78.20	83.41	89.42	163.08
of which HIPC initiative		23.89	25.54	23.62	27.20
disbursements from Trust Fund	18,6	1.79	--		
2. humanitarian aid	105.00	94.00	89.30	61.76	67.94
a. technical assistance	45.00	40.00	38.00	0.00	0.00
b. other humanitarian aid	60.00	54.00	51.30	61.76	67.936
Debit (of which contribution to intern. organis.)	-0.89	-1.34	-1.91	-1.88	-2.47

Source: NBR, Department of Exchange Inspection and Balance of Payments

Capital and financial transactions account (in millions of USD)

Table 28

	2000	2001	2002	2003	2004
Capital and financial transactions account	98.58	146.72	115.66	76.41	145.14
Capital account	62.67	68.70	41.70	41.09	60.56
Capital transfers	62.67	68.70	41.70	41.09	60.56
Debt cancellation (arrears+current service +debt not yet due)	0.00	18.50	0.00	0.00	0.00
a. Arrears (principal+interests)		4.50	0.00	0.00	
b. Current service (principal + interests)		1.80	0.00	0.00	0.70
c. Debt not yet due (principal)		12.20	0.00	0.00	
Migrants' transfers					
Other capital transfers (support grants to PIP)	62.67	50.20	41.70	41.09	60.56
a. Capital (projects)	47.00	36.10	31.28	30.81	45.42
b. Technical assistance	15.67	12.55	10.43	10.27	15.14
Acquisitions and assignments of non financial assets					
Financial transactions account	35.91	78.02	73.96	35.32	84.58
Long term capital	36.11	61.64	60.50	16.42	79.50
I. Official (net)	24.23	57.09	57.90	12.80	81.50
Credit	47.28	107.39	83.90	39.91	108.61
Current support	16.12	36.83	50.73	10.54	60.75
Project support (PIP)	31.16	44.26	33.17	29.37	47.86
- capital	23.37	33.20	24.88	22.03	35.89
- technical assistance	7.79	11.07	8.29	7.34	11.96
Drawings on new loans		26.30	0.00	0.00	0.00
a. Rescheduling of debt due		2.10	0.00	0.00	0.00
b. Rescheduling of arrears		12.70	0.00	0.00	
c. Rescheduling of debt not yet due		11.50	0.00	0.00	
Debit	-23.05	-50.30	-26.00	-27.11	-27.11
Repayment of loans	-23.00	-22.90	-26.00	-27.11	-27.11
of which a. Cancelled due principal		1.60	0.00	0.00	
b. Rescheduled due principal		2.07	0.00	0.00	
Resch. Principal not yet due		-13.60	0.00	0.00	
Cancelled principal not yet due		-13.80	0.00	0.00	
Capital subscr. of non monetary intern. org.	-0.05	0.00	0.00	0.00	0.00
II. Private (net)	11.88	4.55	2.60	3.61	-2.00
Borrowings	11.88	7.67	3.67	5.59	1.42
Repayment of loans		-3.12	-1.07	-1.98	-3.42
Others					
Other capital	-0.20	16.38	13.46	18.91	5.08
I.Short term capital	-8.26	12.62	10.85	14.25	-2.58
a. trade credits	6.04	3.83	5.87	5.36	5.36
b. change of for. assets of commercial banks (-incr.)	-17.30	4.85	1.40	6.42	-7.94
c. others	3.00	3.94	3.58	2.47	0.00
II.Investments	8.06	3.76	2.61	4.66	7.66
a. direct investments	8.06	3.76	2.61	4.66	7.66
b. portfolio investments	0.00	0.00	0.00	0.00	0.00

AVAILABLE FINANCING (in millions of USD)

Table 29

	2000	2001	2002	2003	2004
Available financing (- increase)	-1.8	-13.2	-12.8	35.7	-107.9
Change of net foreign assets of NBR	-9.8	-25.2	-29.6	27.2	-106.8
a.Net credit to IMF (purchases-repurchases)	14.0	1.5	-6.0	-0.9	-3.6
1. purchases	25.1	12.1	0.7	0.8	1.7
2. repurchases	-11.1	-10.6	-6.7	-1.7	-5.3
b.Changes of other gross official reserves of NBR (- incr..)	-16.5	-21.4	-31.6	28.8	-100.3
c.Change of other gross foreign liabilities (+ incr.)	-7.3	-5.3	7.9	-0.7	-2.9
Change of arrears	-8.0	-20.6	5.6	-16.2	-3.5
Accumulation	2.2	5.8	6.6	6.0	1.8
Reduction (Kuwait Fund and other bilateral donors)	-10.3	-26.4	-1.0	-22.2	-5.3
: other bilateral donors	2.5	0.0	0.0	-2.2	0.0
Exceptional financing	16.0	32.6	11.2	24.7	2.4
Rescheduling	15.1	26.3	10.6	22.2	2.4
arrears (Kuwait Fund)	7.8	21.9	0.0	20.0	0.0
of which OPEC	0.0	5.5	0.0		0.0
SFD	--	16.5	0.0		0.0
current service (bilateral:Paris club and Kuwait Fund):	7.3	4.4	5.3	2.3	2.4
current service OPEC	--	--	5.3	0.0	2.4
Debt cancellation	0.9	6.3	0.6	2.5	0.0
arrears (bilateral donors)	0.0	4.5	0.6	2.0	0.0
current service (bilateral donors)	0.9	1.8	0.0	0.5	0.0

Source: NBR, Research and Statistics Department