

NATIONAL BANK OF RWANDA
Annual Report
2019 - 2020





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OVERVIEW OF THE NATIONAL BANK OF RWANDA (NBR)

NBR IDENTITY STATEMENT

The National Bank of Rwanda strives to be a World class Central Bank contributing to economic growth & development, by using robust monetary policy tools to maintain stable market prices. The Bank ensures financial stability in a free market economy as it embraces innovation, inclusiveness, and economic integration.



VISION

To become a World Class Central Bank



MISSION

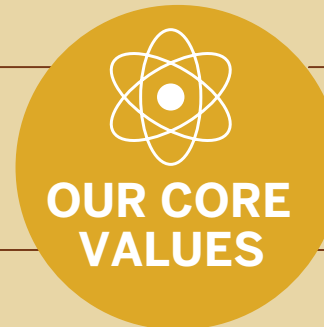
To ensure Price Stability and a Sound Financial System

INTEGRITY

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

MUTUAL-RESPECT AND TEAM-WORK

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



ACCOUNTABILITY

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

EXCELLENCE

We passionately strive to deliver quality services in a timely and cost effective manner. We continuously seek improvement by encouraging new ideas and welcoming feedback that adds value to customer services.

NBR Key Strategic Focus for the next Seven Years

(2017/18-2023/24)

The National Bank of Rwanda strategic plan sets out six strategic focus areas in which the Bank must excel to achieve its mission and vision. The strategy was designed based on Rwanda's aspirations for economic transformation in line with the National Strategy for Transformation (NST1).



OVERVIEW OF THE NATIONAL BANK OF RWANDA (NBR)

MANDATE

NBR mandate is defined by the Law N°48/2017 of 23/09/2017, governing the National Bank of Rwanda.

The following are the functions of NBR and their expected outcomes:

KEY FUNCTIONS



Formulate and implement the monetary policy

EXPECTED OUTCOMES

PRICE STABILITY

- ✔ Kept inflation low, stable, and predictable to help Rwandans making informed spending and investment decisions, thus contributing to sustainable economic growth.
- ✔ Stable inflation also contributes to the preservation of the purchasing power of the Rwandan Francs.




Organizes, supervises and coordinates the foreign exchange market

STABLE EXCHANGE RATE

- ✔ Rwandans can conduct international trade due to easy access to and convertibility of foreign currencies.
- ✔ Predictable exchange rate of Rwandan francs.
- ✔ Rwandans have confidence in their currency.




Supervises and regulates the activities of financial institutions

FINANCIAL SECTOR STABILITY

- ✔ Rwandans have confidence in the financial sector and can save, borrow, invest, transact and manage risks.
- ✔ Enables the financial intermediation process, which facilitates the flow of funds between savers and borrowers.
- ✔ Spurs economic growth and development.




Supervises and regulates payment systems

SAFE, RESILIENT, EFFICIENT, AND ACCESSIBLE NATIONAL PAYMENT SYSTEM

- ✔ Secure, safer, and fast modes of payment which are critical facilitators of trade.
- ✔ A critical foundation for a cashless and digital economy.
- ✔ Enabler for financial inclusion by reaching the unbanked and under-banked with digital financial services .



OVERVIEW OF THE NATIONAL BANK OF RWANDA (NBR)

KEY FUNCTIONS



Issues and manages currency

EXPECTED OUTCOMES

EFFECTIVE CURRENCY MANAGEMENT

- ✔ Rwandans have confidence in their currency as it has robust security features and cannot easily be counterfeited;
- ✔ Enough and clean banknotes and coins are circulated to meet the public demand;
- ✔ Provide Rwandans with reliable means of exchange for all their financial transactions such as basic needs and investment.



Holds and manages official foreign exchange reserves

SUFFICIENT LEVEL OF RESERVES MAINTAINED

- ✔ Rwandans can meet foreign exchange needs through international trade;
- ✔ Rwandan investors can service foreign debits.
- ✔ Rwandan economy is protected from external shocks requiring foreign exchange.
- ✔ Rwandans have confidence in their currency because it is stable and backed up by national reserves;
- ✔ The Rwandan government can pay for its expenditures overseas.



Acts as State Cashier

QUALITY BANKING SERVICES TO THE GOVERNMENT

- ✔ Online banking services are more user-friendly, fast, and available 24/7.



Market Conduct, consumer protection and financial inclusion

ALL RWANDANS HAVE ACCESS AND USE FINANCIAL SERVICES

- ✔ Safeguard rights and interests of depositors, borrowers, policyholders, pensioners, and other users of financial services.
- ✔ Raise the level of financial literacy and information among financial services players.
- ✔ Financial sector deepening and widening by reaching more customers with financial products and services.



“
Despite the COVID-19
pandemic crisis, the
Bank continued to meet
its mission of ensuring
price stability and a sound
financial system.
”

The National Bank of Rwanda's Annual Report for the financial year 2019-20 is presented at a time when the world is facing an unprecedented economic situation due to the COVID-19 outbreak. Despite the COVID-19 crisis, the Bank continued to meet its mission of ensuring price stability and a sound financial system. Headline inflation remained within the target band of 2-8 percent, at an average of 6.3 percent for the financial year 2019-2020 from 0.8 percent recorded in the previous period. The increase in headline inflation reflects upticks in core and food inflation. The FRW depreciated by 4.3 percent against USD, slightly lower than 4.5 percent observed in the year ended June 2019. This slower pace in depreciation was due to low economic activity in the second half of the financial year 2019-20 linked to the impact of the COVID-19 pandemic.

To mitigate the impact of COVID-19 on the economy, NBR took several measures including; maintaining a more accommodative monetary policy stance by; lowering the Central Bank rate from 5 percent to 4.5 percent in April 2020, reduction of the reserve requirement ratio from 5 percent to 4 percent, introducing a Frw 50 billion lending facility to banks at the Central Bank Rate (CBR), and revised the Treasury Bonds rediscounting window mechanism. The Bank further provided regulatory relief to financial institutions to enable them to continue supporting the economy. These Central Bank measures were implemented along with several other measures by the government, including the establishment of an Economic Recovery Fund (ERF) to cushion businesses affected by COVID-19.

While the said fiscal, monetary, and regulatory policies helped to mitigate the negative impact of COVID 19 to the economy, the overall performance of the economy for the financial year 2019-20 reduced to a growth rate of 2.3 percent from 8.8 percent recorded in the previous financial year. The performance of the domestic economy was also affected by the global economy that is projected to contract by 4.9 percent in 2020, worse than during the 2008-09 global financial crisis.

With regards to financial sector stability, despite the increased risks to financial stability due to the outbreak of the COVID-19 pandemic, the sector remained resilient with health capital and liquidity buffers above the minimum prudential requirement for both banks and Micro Finance Institutions. Good performance was attributed to recent regulatory reforms the Bank undertook to ensure compliance with global best practice benchmarks in financial sector regulations. The insurance sector continued to perform well amidst the COVID-19 outbreak, reflecting sufficient capital buffers to support the growth of insurance businesses as well as withstanding adverse shocks.



In the financial sector development and inclusion, the critical area of our focus during the year was the promotion of digital payment channels. The COVID-19 outbreak provided an opportunity to accelerate the adoption of digital payment. To encourage adoption of digital payment, NBR worked with financial service providers to remove charges on some digital payments. This increased the level of retail e-payment to GDP from 34.6 percent at end June 2019 to 54 percent end June 2020.

Managing foreign reserves to maintain an adequate buffer to cater for Rwanda's critical needs remains central to our work. NBR managed its reserves amidst high international market volatility due to uncertainties caused by the COVID-19 pandemic. The portfolio earned 3.992 percent above a benchmark return of 3.822 percent attributed mainly to the improved capacity of the Bank's staff in managing foreign exchange reserves. As of end June 2020, the Bank's foreign reserves had increased to USD 1652.38 Million from USD 1249.48 million recorded in June 2019; covering 6.0 months of imports.

The Bank continued to strengthen its collaboration with local, regional, and international partners in the financial and economic sectors. During the financial year 2019-20, NBR successfully hosted international conferences such as East Africa Community Monetary Affairs Committee (MAC), Association of African Central Banks (AACB), and Alliance for Financial Inclusion (AFI) During the meeting, members of AFI agreed on specific actions to accelerate financial inclusion of disadvantaged group. As Chair of the Association of African Central Banks, the NBR coordinated the affairs of the Association with deliberations focused on structural reforms in our economies, to ensure resilience to exogenous shocks.

In line with our shared vision to become a World-Class Central Bank, we continue to build the capacity of our staff and modernize the Bank's Information and Communication Technology (ICT). These have placed the NBR in a better position to respond to the challenges brought by the COVID-19 pandemic. The Bank continued to execute its operations with no disruptions. These include the conduct of surveys throughout the country and analysis to guide policy decisions in response to the COVID-19 shocks. This could not have been achieved without ICT tools that enabled the staff to continue working remotely.

Regarding financial performance, the Bank continued to realize a positive financial performance despite lower interest rates on the international market. During the financial year 2019-20, we recorded a surplus of Frw 25 billion compared to Frw 13.6 billion earned during the financial year 2018-19. This achievement was attributed to good performance in our investment portfolio and cost control measures implemented by the Bank. In addition to that, PwC our external auditors audited the 2019-20 financial statements, and they issued a clean audit report.

As I conclude, I would like to express my appreciation to the Board of Directors and the staff for their dedication to the Bank's Vision. The progress that has been made can only be attributed to their outstanding commitment and teamwork.

RWANGOMBWA John
Governor

2019-20 AT A GLANCE



2.3%

Economic Growth / GDP

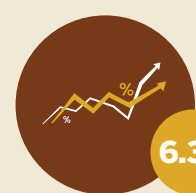
From 8.8% in 2018 - 19



4.5%

NBR Central Bank Rate

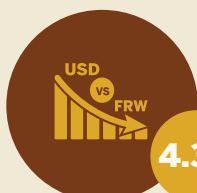
From 5.0% in June 2019



6.3%

Annual Average Headline Inflation

Compared to 0.8% in 2018 - 19



4.3%

Depreciation of FRW Vs USD (End June, 2020)

From 4.5%, End June, 2019



26.4%

Credit to the economy (% of GDP) Banks and MFIs

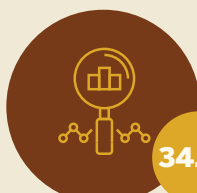
From 28% in 2018 - 19



23.6%

Capital Adequacy Ratio for Banks (Min 15%)

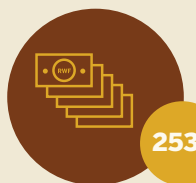
From 23.3% in 2018 - 19



34.5%

Capital Adequacy Ratio for MFIs (≥ 15)

From 33.8% in 2018 - 19



253%

Liquidity Ratio for Banks above 100%.

From 180% | End June, 2019



110.1%

Liquidity Ratio for MFIs (≥ 30 %)

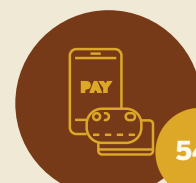
From 108.8% | End June, 2019



FRW33b
2020 H1

Banking Sector profitability

From FRW26.2b (2019 H1) | End June, 2019



54%

E-Payment to GDP

From 34.6% | End June, 2019



0.00001%

Percentage of counterfeiting bank notes per denomination

From 0.001% | End June, 2019

2019-20 AT A GLANCE



1228%

Solvency Margin for Insurance Sector
From 1190% | End June, 2019



156%

Solvency ratio for private insurers (Min 100%)
From 174% | End June, 2019



134%

Liquidity for private insurers (min 120%)
From 125% | End June, 2019



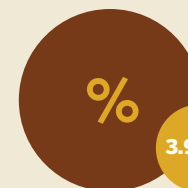
\$1,652.38M

Amount of Foreign Reserves (USD)
From USD 1,249 M | End June, 2019



6.0

Number of months of imports
From 4.3 | End June, 2019



3.992%

Cumulative returns on Foreign Reserves Investments
From 4.082% | End June, 2019



27.7%

Credit Reference Bureau Coverage
From 24% | End June, 2019



93%

Financial Inclusion: Both Formal and Informal
From 89% (2016)



77%

Formal Financial inclusion (Adult population)
From 68% (2016)



Certified QMS ISO 9001-2015



Retail Investment in Government Securities
No. of Investors: 802
From 698, End June, 2019
Value of Investment: 45.8 billion
From 34.5 billion RWF, End June, 2019



429 Employees



68%

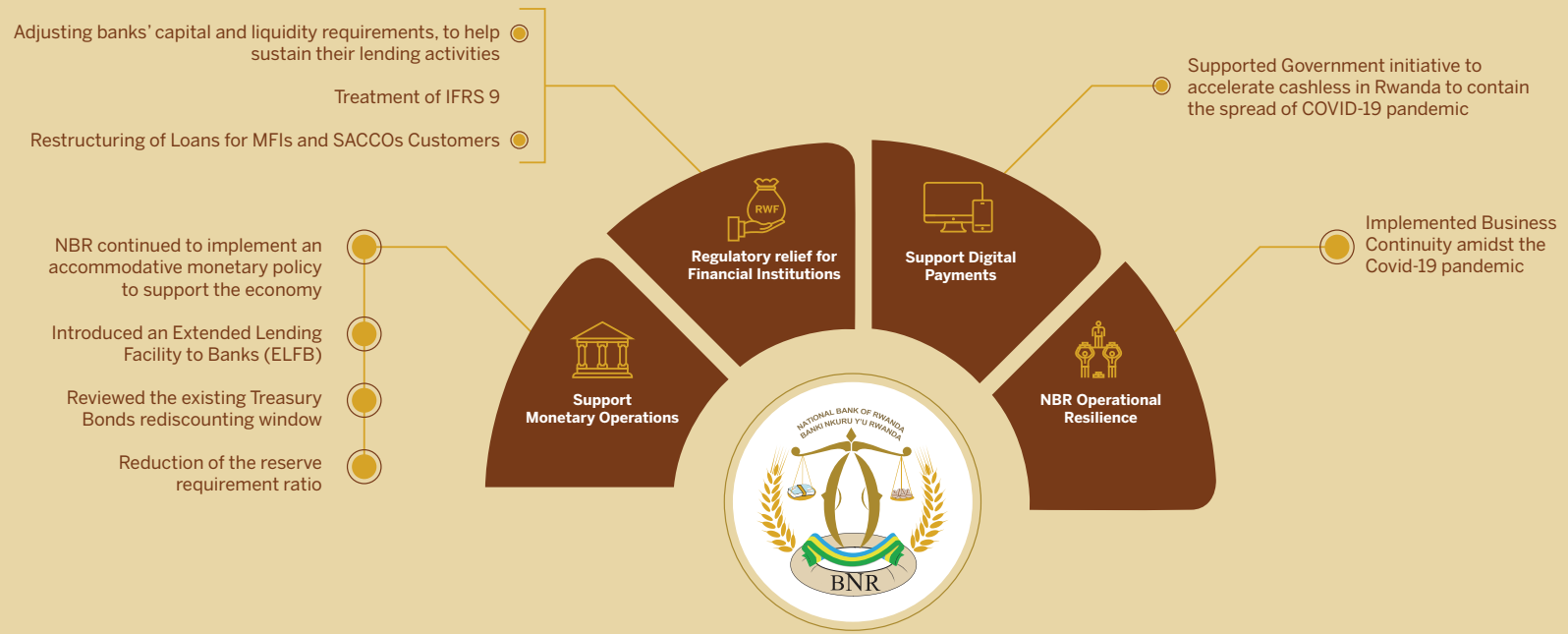


32%

NBR'S RESPONSE TO COVID-19 ECONOMIC CRISIS

Since the outbreak of the Covid-19 pandemic, the virus has spread to all regions claiming many lives while negatively impacting economies on a global and domestic scale. The measures taken to contain the spread of the virus meant that a large share of economic activity had been shut or slowed down: consumption and services output dropped remarkably, mobility remained depressed, the labor market severely hit through losses in jobs and business incomes, contraction in global trade, shockwaves in financial markets, fall in commodity prices and disruption in cross border trade.

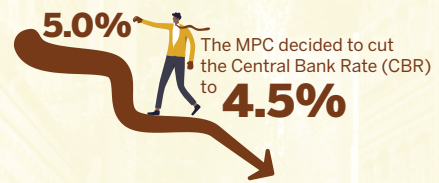
To mitigate the negative impact of the pandemic on the Rwandan economy, NBR in collaboration with other stakeholders deployed several measures to continue supporting economic activities. Below are the policy measures that were taken:



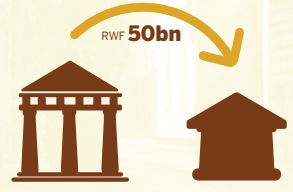
The Government of Rwanda established the Economic Recovery Fund (ERF)

To support the recovery of businesses hit by COVID-19 so they can survive, resume operations and safeguard employment, thereby cushioning the economic effects of the pandemic. NBR was appointed as the Fund Manager

THE COVID-19 GLOBAL CRISIS AND NBR MEASURES



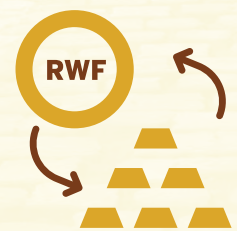
NBR continued to **implement an accommodative monetary policy** to support the economy. On 29th April 2020, the MPC decided to cut the Central Bank Rate (CBR) from 5.0 percent to 4.5 percent.



Introduced an **Extended Lending Facility to Banks (ELFB)**: NBR put in place a lending facility of **RWF 50 billion** that banks with liquidity challenges can borrow from at the Central Bank Rate. The tenor of the facility is 3; 6 and 12 months.



Reviewed the existing Treasury Bonds rediscounting window: In the period of six months, the NBR offered to rediscount bonds at the prevailing market rate and the waiting period was reduced **from 30 to 15 days** if one fails to sell the bond at the secondary market.



Reduction of the reserve requirement ratio: Effective April 1st, 2020, NBR lowered the reserve requirement ratio by 100 bps, **from 5% to 4%** (releasing **RWF 23.4 billion additional liquidity for banks**) to allow banks more liquidity to further support affected businesses.



The Government of Rwanda established the Economic Recovery Fund (ERF)

The ERF aims to support the recovery of businesses hardest hit by COVID-19 so they can survive, resume operations and safeguard employment, thereby cushioning the economic effects of the pandemic. NBR was designated as the fund manager

Key provisions in the guideline include:

The Bank also adopted measures to enable the financial sector to manage pandemic challenges. These included adjusting several regulatory and supervisory requirements:

- **Adjusting banks' capital and liquidity requirements, to help sustain their lending activities;**
- **Treatment of IFRS 9**

Guideline on the treatment of IFRS 9, regulatory capital and relief measures to limit the impact due to COVID 19 pandemic by banks:

The Bank issued a guideline to commercial banks on the regulatory and accounting treatment of restructured loans due to COVID-19 pandemic. The guideline provided clarity on NBRs expectation on the responsibility and Governance of the loan restructuring processes; the IFRS9 estimation of Expected Credit Losses (ECL) and Significant Increase in Credit Risk (SICR) for restructured loans due to the COVID-19 outbreak; classification of restructured loans due to COVID-19; treatment of regulatory capital for restructured loan facilities, and treatment of write-offs for loans in class 5.

On loan classification,

NBR stressed that restructured loans due to COVID-19 shouldn't automatically be classified as non-performing loans as per the directive on the treatment of credit risk. Instead, banks are required to base their judgement on other factors that indicate the unlikeliness to pay, taking into consideration the causes of the financial difficulty and whether it's short-term or long-term. NBR also provides that the payment moratorium period due to the COVID-19 outbreak can be excluded from the number of past due or generate arrears as the directive on the treatment of credit risk.

On IFRS9 implementation

Given the high uncertainties of the forward-looking information important for estimating the expected credit losses (ECL) and the determination of changes in Significant increases in Credit Risk (SICR) during the current COVID-19 outbreak, NBR guided banks on key considerations they should consider while calibrating their models. First, banks were advised to allow flexibility in their models to capture economic relief measures implemented by the Government and NBR to support economic resumption- in otherward models shouldn't be biased on the negative deterioration in credit risk and current economic conditions, also consider the economic stimulus measures implemented by the Government and NBR. Second, banks shouldn't consider the current economic downturn as permanent, but temporary and the lifetime probability of default of restructured loans due to COVID-19 shouldn't be based on current conditions, but long-term economic conditions.

Banks were also allowed to extend by 365 days the write-off date of credit facilities classified in the loss category (class 5)

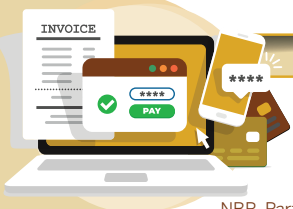
provided that the write-off period falls due within the period of this guideline (i.e., end June 2021). Normally banks are supposed to write-off a loan facility after 365 days in the loss category. This flexibility is based on the fact that in the context of prevailing economic conditions and property prices, banks can't recover reasonable funds from foreclosing collaterals.

THE COVID-19 GLOBAL CRISIS AND NBR MEASURES



Restructuring of Loans for MFIs and SACCOs Customers

NBR issued a guideline to MFIs and SACCOs, requesting them to prudently restructure loans of their customers negatively affected by the COVID-19 outbreak: In the spirit of supporting clients of microfinance institutions who were also affected by the COVID-19 outbreak. This guideline specifies the eligibility criteria for the restructuring— borrowers who can demonstrate that their financed projects were negatively affected by the COVID-19 outbreak. The other key provisions of this guideline include: the payment moratorium period of 4 months (i.e., from March to June 2020); stresses that interest rate on restructured loans will continue to accrue during the moratorium period and will be capitalized; urges MFIs and SACCOs to ensure that the new repayment amount after the restructuring is comparable to what customers paid before restructuring; provides that loans restructured due to COVID-19 will maintain the same class and provisions held before the pandemic (end February 2020), and stresses that no restructuring fees and penalties shall be charged to borrowers.



Support the adoption of Digital payment

NBR Participated in Government initiative to accelerate cashless in Rwanda to contain the spread of COVID-19 pandemic: In 2020 H1, there has been increased adoption of digital payment channels, which is in line with the Government guideline to contain the spread of the virus. Since the outbreak of COVID-19, the Government has recommended people and businesses to use digital payment channels (or contactless payment)- to avoid the spread of the virus through the exchange of cash in addition to the ongoing awareness campaign on the use of digital payment channels. The cost reduction incentives offered by the payment system service providers at the onset of the pandemic contributed to the increased adoption of digital payment channels. In March 2020, the payment industry agreed to implement the following incentives measures for 90 days to incentivize people and business to adopt digital payment channels:

- Zero charges on all transactions between bank accounts and mobile wallets (push and pull),
- Zero charges on all mobile transfers,
- Zero merchant fees on payments for all contactless point of sale (mobile and virtual POS) transactions and;
- Increasing the limit for individual transfers using mobile money wallets from FRW 500,000 to FRW 1,500,000 for Tier 1 customers and from FRW 1,000,000 to FRW 4,000,000 for Tier 2 customers.

In June 2020, the industry players reviewed the pricing model to continue supporting the use of digital payments by both merchants and consumers. In that regard, mobile transfer fees paid by customers were revised downward while merchant payment remained free of charges as long as the money is kept digitally.



Rwandan Insurance Sector

- 1) Take measures to preserve capital and liquidity positions while also ensuring the protection of the insured
- 2) Regulatory flexibility for insurance companies to provide reliefs for Individuals and Business with difficulty paying their insurance premium:
 - Restructure of insurance policies; either through suspension, extension or cancellation during the lockdown period.
 - Flexibility in the payment of insurance policies including instalment payment, deferment of premium payment
- 3) Apply regulatory exceptions such as extending the deadline for quarterly returns reporting and publication of 2019 audited financial statements, admissibility of the receivables not exceeding 90 days in the solvency margin.
- 4) Put in place IT platforms that allow customers to use electronic means to buy insurance covers, report claims and receive compensation/payments electronically.



Implemented Business Continuity amidst the Covid-19 pandemic.

National Bank of Rwanda has maintained Business Continuity Plans, that are reviewed regularly to identify, manage, and mitigate any potential impact of disruptive events such as a pandemic. During the year, NBR executed its business continuity plans in response to the COVID-19 crisis. Over 95% of the Bank's businesses were executed remotely while working from home and abroad for the case of technical support. Teleworking wouldn't have been achieved if it had not been for the investment in IT solutions, and a committed work ethic that the bank has built over the past years.

NBR PLANNING FRAMEWORK

The seven-year strategic plan is designed to achieve the NBR mandate. The plan set out strategic goals, targets, and strategic initiatives to achieve the Bank's vision to become a world-class central bank. It guides annual planning and budgeting process and serves as a foundation for departmental and employees key performance indicators.

FORMULATION AND IMPLEMENTATION OF MONETARY POLICY



Strategic Objective



Ensure prudent monetary policy formulation and implementation



Strategic Initiatives

1

Implemented a price based monetary policy framework: by enhancing MPC decision making process that covers seven weeks' analysis and projections on quarterly basis.

2

Strengthened NBR economic advisory role, leveraging on the enhanced research and analytical capacity and access to a range of economic data.

3

Deepened the financial market that is key for monetary policy operations: Key achievement was observed in both Money market and government securities attributed to enhanced capacity of the staff to forecast and manage liquidity in the banking systems.



Performance Measures and Targets



Maintaining inflation rate within the target band of **5% +/-3%**.



Enhanced monetary policy transmission



Increased number of interbank transactions at least **3.5** per day



Bond issuance at least **2** per quarter



Increased participation in Government securities



Investors broadened: Retailers at least **10%** and Institutional investors **above 50** respectively



Increase in trading activities on secondary market



KPI Status 2019-20



Annual average inflation: **6.3%**



All money market rates were aligned with the Central Bank rate



The value of interbank transactions increased to Frw 2.46 Trillion from 947 in 2018-19



Interbank transactions increased to 829 from 478 in 2018-19 with 3.5 trades per day



8 new bond, **7** reopened and **3** cases of multiple issuance



Retail participation at **8.0%**, Institutional at **55%** and banks at **37%**.



Deals at RSE increased by **48.71%** from 242 to **345** and in value by **170.34%** from Frw 9.8 billion to **26.6 billion**.

FINANCIAL SYSTEM STABILITY



Strategic Objective



Ensure sound and stable financial system



Strategic Initiatives

1

Conducive Legal and Regulatory framework

2

Strengthened Micro Prudential supervision

3

Strengthened Macro Prudential Analysis

4

Monitor the sector to mitigate risks to financial stability



Performance Measures and Targets



Updated legal and regulatory framework for the financial sector responding to modern market developments and challenges



Compliance level of BCPs



Compliance with prudential requirement

- Capital Adequacy (CAR) above 15% for banks and MFIs
- Liquidity Coverage Ratio for Banks above 100%
- Liquidity ratio for MFIs above 30%
- NPLs for Banks and MFIs (Benchmark of 5%).
- Solvency ratio for private insurers (Min 100%)
- Combined Ratio for private insurers (Min 70% - Max 90%)
- Liquidity for private insurers (min 120%)



KPI Status End June, 2020



- **5 Laws** reviewed and are at different levels for approval
- **9 regulations** approved



Issued **1** Directive, **1** legal framework on goods in transits/Marine insurance developed and **1** policy paper on pyramid schemes and Ponzi schemes drafted



Compliance with prudential requirement

- Capital adequacy ratio: Banks: 23.6% from 23.3% in June 2019.
- Capital adequacy ratio: MFIs: 34.5% from 33.8% in June, 2019
- Liquidity Coverage Ratio (LCR): Banks: 253%
- Liquidity ratio MFI: 110.1%
- Non Performing Loan (NPL): Banks: 5.5% from 5.6% in June 2019
- MFIs: 12.8% from 6.7% in June 2019.
- Solvency ratio for private insurers: 156% from 174% in June, 2019
- Liquidity for private insurers: It increased to 134% from 125% of June, 2019

FINANCIAL SECTOR DEVELOPMENT AND INCLUSION



Strategic Objective



Ensure National payments systems are safe, efficient, effective and accessible



Ensure all Rwandans access and use financial services



Strategic Initiatives

- Transformation of Rwanda into a Cashless Economy
 - Supporting the market to increase electronic footprints
 - Supported the development of Mobile Financial Services interoperability platform;
 - Educated merchants and consumers to adopt e-payment as well as supporting the Government to migrate to digital payment.
- Efficient, secure, and accessible national payment system through the upgrade of RIPPS
- Financial Inclusion and Consumer Protection initiatives including
 - Contributing to the FInscope survey;
 - Developed financial consumer protection supervision framework;
 - Developed price comparator website
 - Develop and implement financial literacy and consumer education /awareness programs.



Performance Measures and Targets

- The ratio of retail payments/GDP:45%
- Retail cashless transactions per capita:60
- Number of POS per 100,000 adults populations:62
- A conducive legal and regulatory framework that supports the financial inclusion, consumer protection, and the industry
- Formal financial inclusion: 90% by 2024
- Financial Inclusion (Formal and Informal): 100% by 2024



KPI Status 2019-20

- Retail E-payment per GDP: 54.0% from 34.6% in June, 2019
- Retail cashless transaction per capita: 47.4 from 27.8% in June 2019
- POS per 100,000 adult populations: 49.1 from 41.4 in June 2019
- Regulation on the protection of payment service users was published
- Formal Financial inclusion increased from 68% in 2016 to 77% in 2020.
- 93% of Male adults are financially included in 2020, from 91% in 2016
- 92% of Female adults are financially included in 2020, from 87% in 2016

CURRENCY MANAGEMENT & BANKING SERVICES - RESERVES MANAGEMENT



Strategic Objective



Ensure the efficient and effective provision of currency and banking services



Ensure efficient and effective management of reserves



Strategic Initiatives

- Enhanced currency management through automation
- Improve the Quality of Banking Services by Integrating Internet banking with Financial Management Information System-FMIS.
- All payment services are processed online

- Increased level of foreign reserves and improve return on investment by strategically allocating our investments and enhanced staff capacity to manage funds



Performance Measures and Targets

- Automated Vault Management System (VMS) to strengthen cash cycle management and improve operational efficiency.
- Increased Vault storage capacity and security of cash
- Internet banking integration with IFMIS at 100%
- Increase in volume and value of transactions per day

- Percentage returns on investment at least 0.2% annually above the benchmark
- Number of months of imports (#4.5)



KPI Status 2019-20

- Automation of Vault Management was completed
- Internet banking integration with IFMIS full integrated

- Income generated as of the end of June 2020 was 3.994% (17.1 basis points above the benchmark return of 3.823%)
- The Gross official reserves realized by the end of June 2020 were USD 1652.38 Million covering 6 months of imports

BUSINESS EXCELLENCE

Strategic Objective



Improve staff competence and motivation



Ensure agile IT solution and innovative technology



Increase Customer and Stakeholders confidence in NBR



Ensure the financial sustainability of the Bank

Strategic Initiatives

- Attract the best talent through enhanced recruitment.
- Developed critical skills capacity
- Implemented Bank-wide 360 degrees
- Automated our Business Processes such as trading Government Securities, Upgrade of RPPS, Core banking system, Cash Management System, and integration of strategic management processes.
- Strengthen Strategic Management processes
- Implemented a Quality Management System (QMS) ISO 9001:2015. QMS ISO
- Improved Risk Management framework.
- Enhanced internal control systems
- Bank's communication was improved
- Developed a strategy to diversify our source of income
- Strengthened internal capacity in managing our investment
- Developed and implemented a cost control program
- Proper Books of accounts and per IFRS standards

Performance Measures and Targets

- Number of staff recruited
- Number of staff trained
- Increased staff performance
- 85% of business processes automated and integrated.
- Balanced Scorecard implemented.
- Implementation of QMS ISO standards
- Publication of the "NBR Risk Appetite Statement"
- Number of public engagements on NBR communications
- Financial Sustainability strategy developed
- Sufficient levels of income maintained to enable the Bank deliver on its objectives

KPI Status 2019-20

- Recruited and inducted 32 new NBR staff
- Trained 35 Senior managers in leadership
- Awarded the "ACCA approved employer Professional Development"
- 89.9 % of NBR business processes automated.
- The ongoing IT projects are at 90% completion stage on average expected to go live in 2020.
- Cascaded NBR strategy to individual performance
- NBR certified in QMS ISO 9001-2015
- Media Relations: 32 Press Releases, 8 Press conferences, 30 Media interviews, 2,004 responses to media queries
- Financial Sustainability strategy developed and approved by Board.
- Surplus of Frw 25.2 Billion in the Financial Year 2019-20

1

Monetary Policy



GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

The world economy grew by 2.9% in 2019, lower than 3.6% recorded in 2018 and, projected to contract by -4.9% in 2020, worse than during the 2008-09 global financial crisis, owing to the COVID-19 pandemic outbreak.

Economic growth in advanced economies decelerated to 1.7% in 2019 from 2.2% in 2018 and projected to contract to -8.0% in 2020, mostly reflecting contraction in all economies including the United States (-8.0%), Eurozone (-10.2%), United Kingdom (-10.2%), Japan (-5.8%), Germany (-7.8%), France (-12.5%), Italy (-12.8%) and Spain (-12.8%).

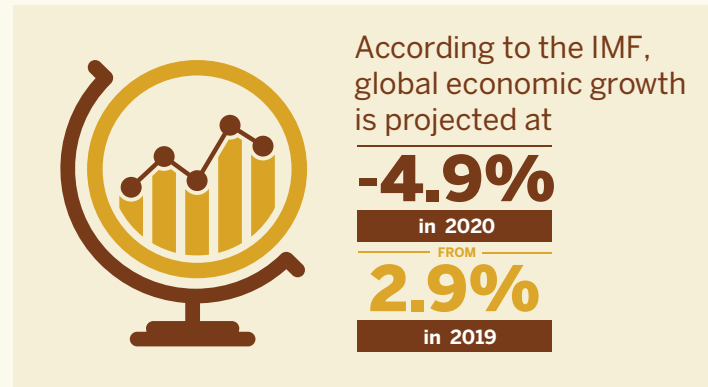
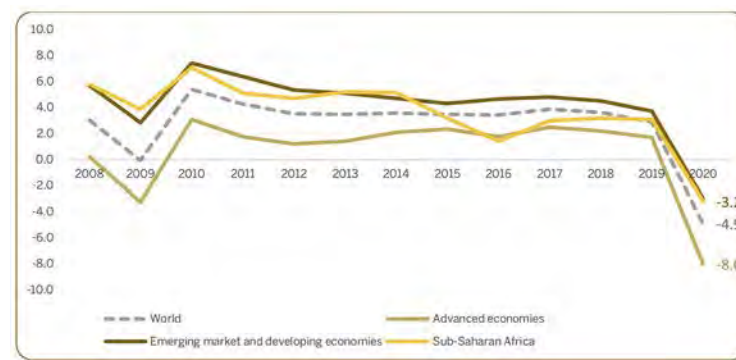


Figure 1: Global GDP growth (in % change)

Emerging markets and developing economies grew by 3.7% in 2019 after 4.5% in 2018, and projected to contract to -3.0% in 2020, following downward revision for China and India. Sub-Saharan African economic growth decelerated to 3.1% in 2019 from 3.2% in 2018, and projected to contract to -3.2% in 2020 and this is the first recession in the region for the last 25 years.

The growth in world trade of goods and services decreased to 0.9% in 2019 from 3.8% in 2018 in line with the easing global demand, therefore inducing sharp decline in global commodity prices.

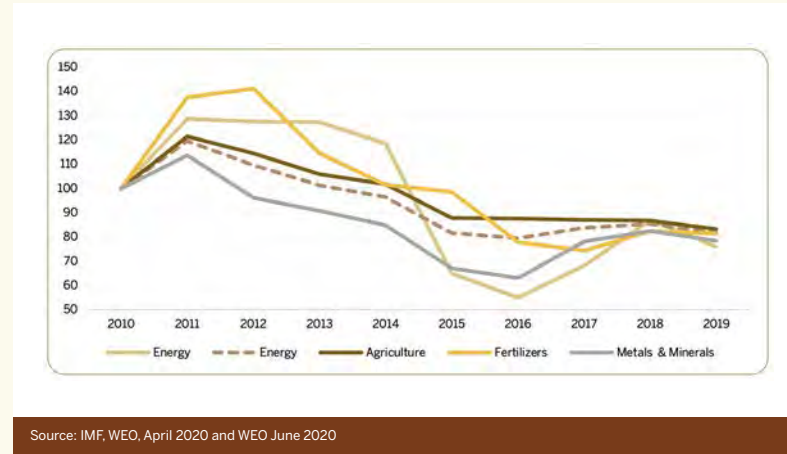
Overall commodity price index, which includes energy and non-energy commodities decreased in 2019, reflecting slowdown in global demand.



Source: IMF, WEO, April 2020 and WEO June 2020

Energy price index decreased by 12.7% in 2019 compared to an increase of 27.8% in 2018 while non-energy price index fell by 4.1% after increasing by 1.7% in 2018. Crude oil prices decreased by 10.2% in 2019 from an increase of 29.4% in 2018 and projected to decrease further by 41.1%, from USD 61.4/barrel in 2019 to USD 36.1/barrel in 2020.

Figure 2: Commodity prices developments (Index, annual price indices, 2010=100)



Consistently with slowing global demand and lowering commodity prices,

World annual average inflation is projected to decelerate to

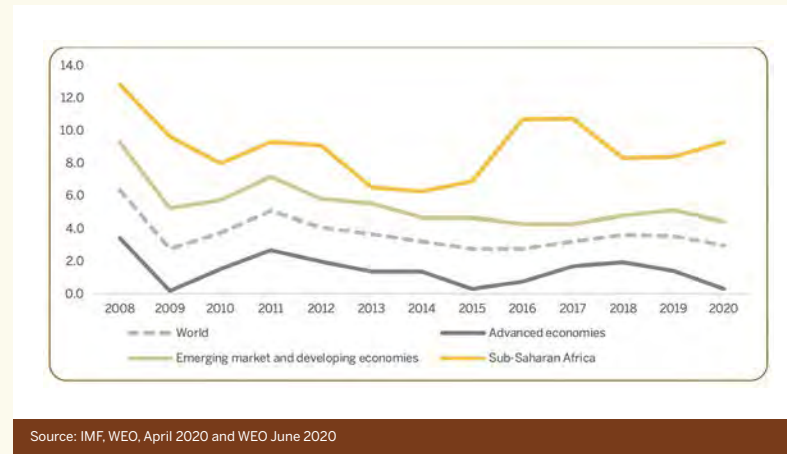
3.0%
IN 2020

FROM

3.6%
IN 2019

In advanced economies, consumer price inflation decelerated to 1.4% in 2019 from 2.0% in 2018, and projected to ease to 0.3% in 2020 reflecting weaker economic activity and lower commodity prices.

Figure 3: Inflation developments (% change)



In Sub-Saharan Africa, annual headline inflation projected to rise to

9.3%
in 2020

FROM

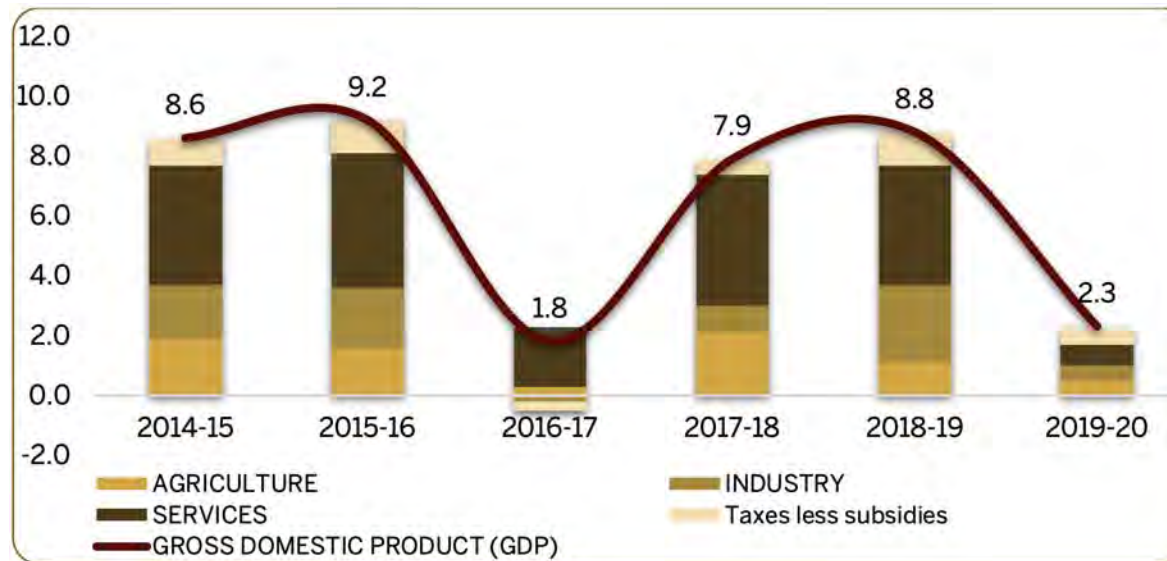
8.4%
in 2019

In the emerging markets and developing economies, inflation increased to 5.1% in 2019 from 4.8% in 2018, and projected to ease to 4.4% in 2020. The SSA region has been facing multiple weather-related shocks, including cyclones, droughts in southern and eastern Africa (especially in Mozambique, Zambia, Lesotho and Zimbabwe), severe locust swarms (particularly in Ethiopia, Kenya, South Sudan, and Uganda) as well as exchange rate pressures.

DOMESTIC ECONOMIC PERFORMANCE

The Rwandan economic growth **slowed down** in 2019-20 mainly **due to the negative effects** of the novel COVID-19 global pandemic.

Figure 4: GDP growth (% change)



Source: IMF, WEO, April 2020 and WEO June 2020

The Real GDP
grew by

2.3%

IN 2019-20



From

8.8%

recorded in the previous
financial year.



Services
Sector

1.6% | FROM 2018-19 **8.4%**

* This was the most affected sector by COVID-19 Pandemic



Agriculture
Sector

2.1% | FROM 2018-19 **4.4%**

* Due to unfavorable weather conditions



Industry
Sector

2.6% | FROM 2018-19 **14.7%**

* Mainly due to completion of some mega infrastructure projects.

EXTERNAL SECTOR PERFORMANCE



Rwanda's trade deficit widened by

23.7%

IN 2019-20

AMOUNTING TO

\$1,589.52m



Exports cover decelerated to

44.9% ↓

IN 2019-20

FROM

46.7%

IN 2018-19

Table 1: Trade Balance developments (Value in millions of USD, Volume in 000' tons)

	2016-2017		2017-2018		2018-2019		2019-2020	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total exports	534.88	765.46	692.89	1017.94	810.31	1125.40	687.38	1294.85
Informal exports		102.46		114.85		120.14		76.93
Total imports	2,193.97	1,931.11	2,731.51	2,110.59	2,779.67	2,410.63	2,879.52	2,884.37
Informal imports		26.8		23.54		15.79		7.18
Trade balance		-1,165.60		-1,092.60		-1,285.23		-1,589.52
Imports cover rate		39.6		48.2		46.7		44.9

Source: NBR, Statistics Department

- Total export volume decreased by 15.2 percent, while total export receipts increased by 15.1 percent to USD 1,294.85 million, following increased receipt from gold exports (+754.6 percent).
- All other export categories dropped sharply (-17.3 percent for traditional exports, -56.4 percent for non-traditional exports, and -3.0 percent for re-exports) after the COVID-19 pandemic hit the global demand and domestic economic activities.
- Similarly, in 2019-20, the total import value increased by 19.7 percent, to stand at USD 2,884.37 million on the rising demand for all import categories.



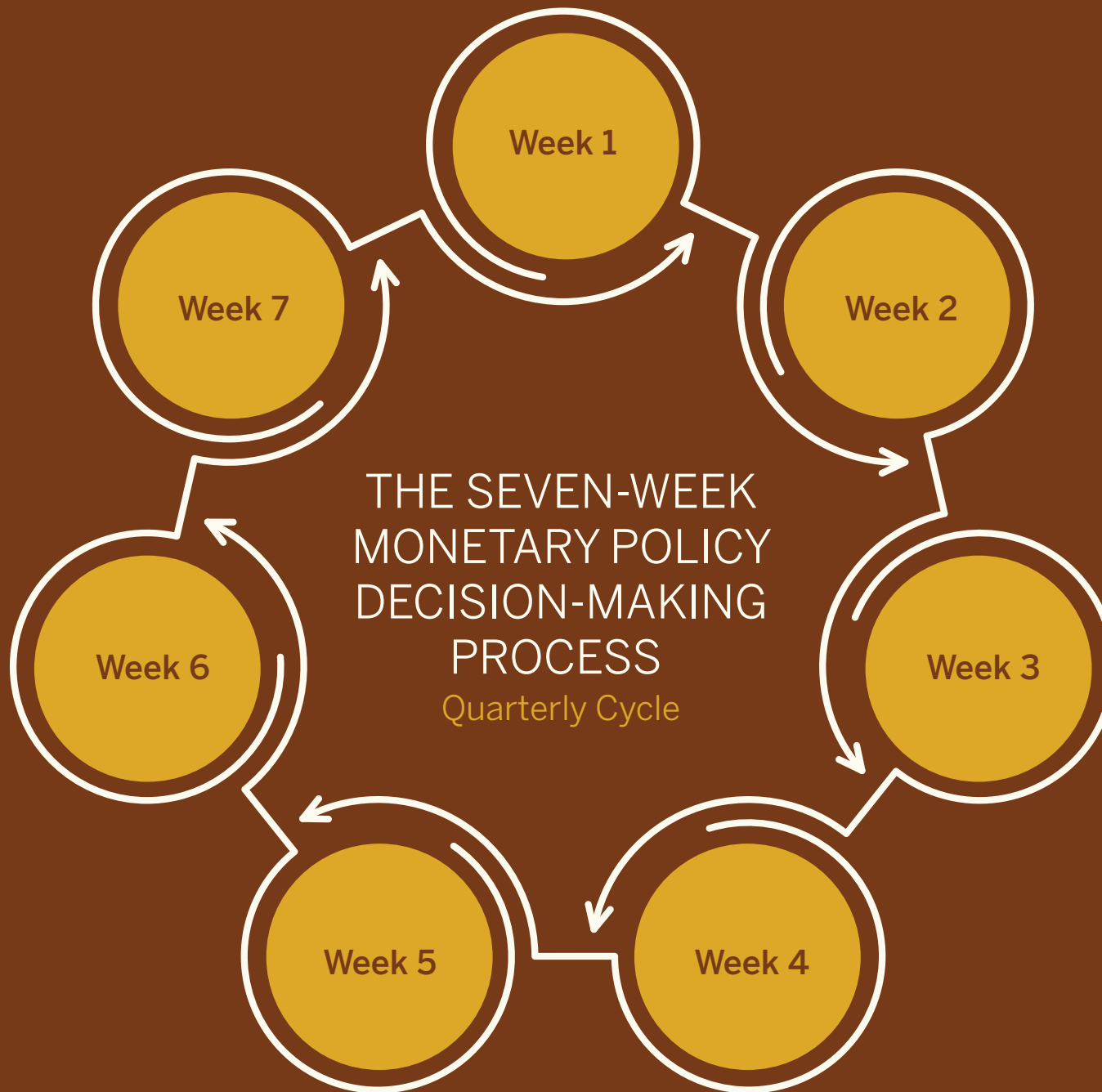
The primary objective of monetary policy is to ensure price stability, contribute to sustainable macroeconomic stability, and allow economic players to make informed decisions. The Bank uses a price-based monetary policy framework to achieve this objective.

MONETARY POLICY DECISION MAKING PROCESS

As stipulated in the law governing the National Bank of Rwanda, the Monetary Policy Committee (MPC) is responsible for the formulation of the Bank's monetary policy stance.

To achieve this the committee meets quarterly and whenever necessary upon invitation by the Governor. Each MPC round covers up to seven weeks of analysis, projections, and presentations, which are essential for well-informed policy decisions.

In the financial year 2019-20, the MPC held all the quarterly statutory meetings, in August 2019, November 2019, February 2020, and April 2020 respectively





Activity



Objective



Participants /Responsible

	Activity	Objective	Participants /Responsible
Week 1	Announce time schedule for the upcoming forecasting cycle	Communicate the forecasting calendar for the new forecasting cycle to all staff members involved in the Forecasting Cycle. The calendar indicates the timing of meetings, topics, deadlines, responsibilities and deliverables.	Forecasting team coordinator
	Meeting on forecasting methods	Agree on changes (if any) in forecasting techniques	Forecasting Team
	Issues meeting	Identify any issues that might affect the forecast preparation	Forecasting Team
	Database update	Update main macro data	Forecasting Team
	Prepare exogenous variables	Set trajectories for variables that are exogenous in the model, such as foreign output gap, foreign inflation, foreign interest rate, commodity prices	Forecasting Team
Week 2	Produce and discuss Near Term Forecasts (NTF)	Produce, discuss and finalize the NTF for one to two quarters for a few main variables, with a focus on inflation components.	Forecasting Team
	Evaluate Initial Conditions	Compile a consensual view on the current state of the economy.	Forecasting Team
	1st Pre- MPC Meeting: on initial conditions	Assessment of initial conditions and exchange of views on the current position of the Rwandan economy and global context.	1.MPC members 2.Forecasting Team
Week 3	Produce the first version of the forecast	Discuss the first version of the baseline forecasts; (i) Identify what alternative scenarios can offer for MPC consideration; (ii) Start drafting the policy documents: identify its structure, story sequence and information that should help to reveal the story, such as model-based results and other supporting information.	Forecasting Team
Week 4	Produce the first version of the forecast	Present and discuss the first version of projections: (i) Present the first version of the baseline forecast to the MPC members; (ii) Seek the views from MPC members and agree on what should be the alternative scenarios.	1. MPC members 2. Forecasting Team



Activity



Objective



Participants /Responsible

Week 5	Activity	Objective	Participants /Responsible
Week 6	Produce the final version of the forecasts	(i) Produce Final Projections – baseline and alternatives - based on the feedback and recommendations received during the 2nd Pre-MPC meeting; (ii) Finalize policy documents.	Forecasting Team
	Key MPC Meeting	(i) The coordinator of the forecasting team presents the forecasts and policy recommendations to the MPC; (ii) Deliberation and MPC decision; (iii) Debate on the content of the press release;	MPC members
Week 7	Monetary Policy Communication	(i) Communication through press conference and press release; (ii) Communication to NBR's staff; (iii) Outreach to different target groups including financial sector players, academia and think tanks; (iv) Communication to treasurers of Banks.	Governor Governor or delegate
	Publication of the monetary policy report	Publication of the monetary policy report, which provides national economic status, global economic developments, the Bank's projections and the major risks that could affect the inflation outlook.	Forecasting team coordinator
	Post-MPC discussion	Analyze and discuss how the MPC meeting went, provide peer feedback on the policy presentations, what are the lessons learnt from the MPC meeting, what could be done better/differently next time.	Forecasting team

MONETARY POLICY OPERATIONS



KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2019-2020



Improving monetary policy transmission mechanism



Supporting the Bank's policy functions



Financial Market Deepening



Monetary Policy Communication

Since the adoption of the price-based monetary policy framework, the NBR has chosen to implement the monetary policy by steering the 7-day interbank rate within a corridor system so that it lies close to the Central Bank Rate (CBR). To steer the 7-day interbank rate, the NBR uses market operations standing facilities, Central Bank Bills, and reserve requirement.

MONETARY POLICY OPERATIONS



Improving monetary policy transmission mechanism

The continuing accommodative monetary policy stance contributed to a further reduction in market interest rates and positively impacted economic activities. Hence, the lending rate reduced to 16.14 percent in the FY 2019-20, from 16.64 percent in the FY 2018-19. This progress is a result of increased analytical capacity of the staff to forecast and manage liquidity in the banking systems.



Supporting the Bank's policy functions

During the FY 2019-20, the NBR continued to play its economic advisory role, leveraging on the growing research and analytical capacity and access to a range of economic data. While monetary policy and financial stability issues remained at the center of NBR interests. With the Covid-19 crisis, research and statistical activities were more intense, enhancing coverage of other policy areas.



Research Activities Conducted

- During the FY2019-20, NBR continued to strengthen research and analytical capacity of staff to support monetary policy decisions as well as play its economic advisory role. In this regard, a memorandum of understanding of academic cooperation was signed between NBR and the University of Minho (Portugal) to provide academic development opportunities to NBR staff at the doctoral level.
- NBR also initiated various frameworks for research cooperation with renowned central banks and think tanks. Based on an MoU signed between NBR and Sveriges Riksbank in April 2019, various research cooperation and exchange of experience projects were initiated in the form of staff exchanges/secondment, study visits, workshops, and training courses. Researchers from NBR also greatly benefited from capacity building programs offered by the Deutsche Bundesbank. NBR also continued its research collaboration with the International Growth Center, a global research organization based at the University of London's School of Economics (LSE). At the individual level, NBR initiated collaborative research projects with researchers from various organizations (including the IMF).
- During the financial year 2019-2020, NBR was able to deliver on the planned research papers that were presented and published in the NBR Economic Review on the NBR website. Among the policy papers published are:
 - The interactions between various economic policies that argue the main concerns in economic policymaking across the globe based on its non-trivial impact on achieving policy objectives.
 - A study that assessed credit default risk in the Rwandan manufacturing sector and the importance of mitigating non-performing loans in the banking sector.
 - A study on the role of financial markets that demonstrated the positive impact from recent reforms in monetary policy implementation, and the importance of effective communication in achieving monetary policy goals.
 - A study providing evidence that efforts to increase financial deepening is crucial to sustaining a high rate of economic growth in Rwanda.
 - Two joint studies that brought forward new methods which will help policymakers especially in NBR, to gauge and understand systemic risks in the banking system going forward.
 - A study on capital flows and the exchange rate that helped to uncover how types of capital flows have a different impact on exchange rate fluctuations.



Data Strategy

- The Bank continuously compiled and disseminated key macroeconomic statistics which included: the balance of payment statistics, economic statistics, monetary and financial statistics, payment system statistics, financial markets statistics, exchange rates, and interest rates statistics. In January 2020, the Bank started to compile the International reserves and foreign currency liquidity statistics a key requirement for Special Data Dissemination System (SDDS). This will continue to enhance the bank's capability in international data compilation standards.
- To further implement the delivery of the NBR Data Strategy, the Bank undertook an initiative to uplift its capability in the management of structured and unstructured data. The initiative includes the use of Big Data Analytics; preparing metadata the data governance policies; and the data release calendar that contains the release dates for each prescribed data category. These developments are expected to facilitate research and ensure the Bank adheres to the international best practices of data openness and sharing over the coming years.
- In the process of full automation of data management, NBR enhanced the quality check of the data provided through its Electronic Data warehouse (EDWH) to ensure the accuracy and reliability of data. In addition, the Bank developed an interactive and user-friendly data platform/portal to enhance data dissemination.

MONETARY POLICY FORMULATION AND IMPLEMENTATION



Financial Market Deepening

- Financial market development is central to monetary policy operations. Throughout, the National Bank of Rwanda invested heavily in the development of the sector, and significant achievements have been observed in the Money market and Government debt securities (Bond Market).
- During the financial year 2019-20, NBR developed the analytical capacity of the staff to forecast and manage liquidity in the banking systems. Their analysis guided NBR Monetary Policy Implementation Committee (MPIC) in making informed decisions on money market operations. An effective monetary policy implementation was strongly supported by the the Financial Market Operations Committee (FMOC) that meet every day to finitune the liquidity analysis and to conduct timely central bank interventions to the market. In addition, NBR trained the Treasurers in the development of REPO market, which triggered the development recorded in the interbank market.
- Furthermore, legal and regulatory instruments were strengthened to facilitate the functioning and development of financial markets, and this will continue to enhance monetary policy transmission.
- In the financial year 2019-20, NBR continued to develop the bond market. In addition to regular issuances of new bonds and reopening programs already in place, a multiple bond issuance program was introduced in November 2019 with the purpose to avail different tenors to investors at the same time. As a result, seven bonds were reopened; eight new bonds were issued; and three multiple issuances were performed of which all were oversubscribed at 138% on average, throughout the financial year. Oversubscription was attributed to NBR's effort in education and awareness to the public on the benefits of investing in government securities.
- Retail investors continued to demonstrate an appetite to invest in T-Bond, but with a slight decline in the FY 2019-20, owing to the Covid-19 pandemic which negatively affected economic activities thus hindering long term investments by retailers. The share of retail investors to the total outstanding in T-Bond declined from 10.8% end June 2019 to 8.0% end June 2020, while the share of institutional investors and banks rose slightly at 55% and 37% respectively end June 2020 from 53% and 36% end June 2019.



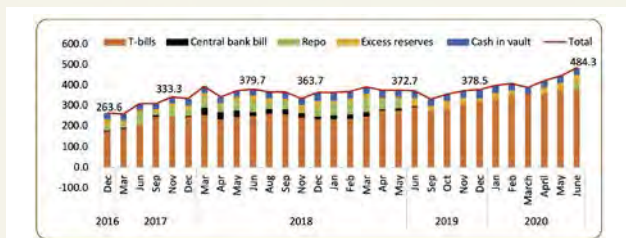
Monetary Policy Communication

During the FY 2019-20, NBR adopted a communication strategy, which is key in a price-based monetary policy framework. To anchor price expectations, NBR regularly communicates to the public its policies and decisions, the rationale behind the decisions, the anticipated impacts of the decisionsthrough press conferences, press releases, and different publications. The target groups include the public, financial sector players, think tanks, media, youths, academia, policymakers, and international organizations.

MONETARY POLICY STANCE

During the FY 2019-20, the NBR continued to implement an accommodative monetary policy stance and took various measures to support the financial sector in the wake of global and domestic economic challenges caused by the Covid-19 pandemic. Given that inflation was projected to decelerate in the second half of 2020, owing to a significant drop in aggregate demand, the MPC decided to cut the Central Bank Rate (CBR) from 5.0 percent to 4.5 percent on 29th April 2020. This decision, was aimed to support commercial banks to continue financing the economy.

Figure 5: Most liquid assets of commercial banks (FRW billion)



Source: NBR, Financial Markets Department

Figure 6: Interbank market rates developments



Source: Financial Markets Department

Figure 7: Market interest rates (percent average)



Source: NBR, Statistics Department.

LIQUIDITY CONDITIONS AND INTEREST RATES DEVELOPMENTS

- Liquidity conditions in the banking system continued to improve, with the most liquid assets rising by 29.9 percent in FY2019-20, compared to a decline of 1.8 percent in the previous financial year.

- This improvement is mainly attributed to net fiscal injection in the final quarter of 2019-20, amid a subdued demand for loans, in addition to other measures undertaken by the NBR to curb the negative effects of the COVID-19 pandemic.

- Subsequent to the easy monetary policy, the interbank rate (operational target) remained within the interest rate corridor, pointing to continuous improvement in liquidity management.

- The interbank rate declined to 5.46 percent on average in 2019-20 from 5.51 percent in the previous year.

- In line with the developments in money market rates, the lending rate decreased by 49 basis points to 16.29 percent, from 16.78 percent in the previous year, reflecting a slowdown in both corporates and individuals lending rates.

- The decline in lending and money market interest rates is proof of continued improvement in the monetary policy transmission mechanism.

- During the same period, the deposit rate increased by 43 basis points to 7.69 percent on average in 2019-20, from 7.26 percent in 2018-19, echoing the bargaining power of institutional depositors which counts for a substantial share of term deposits.

Figure 8: Contribution to broad money M3 growth in % (assets)

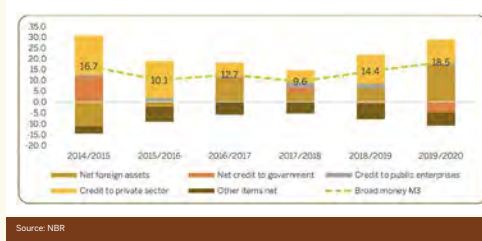


Figure 9: Contribution to broad money M3 growth in % (liabilities)

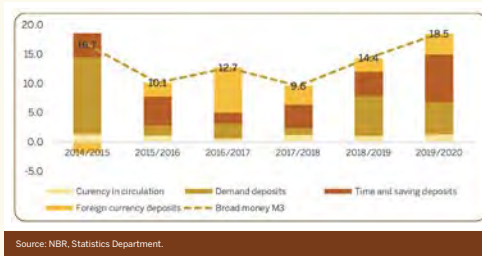


Figure 10: Contribution of economic sectors to New authorized loans changes in %

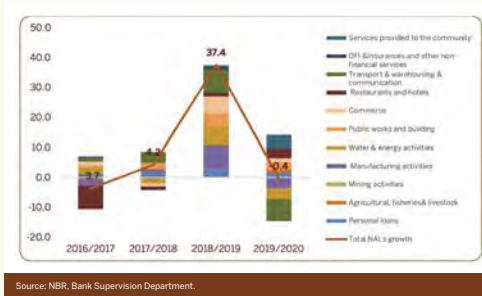
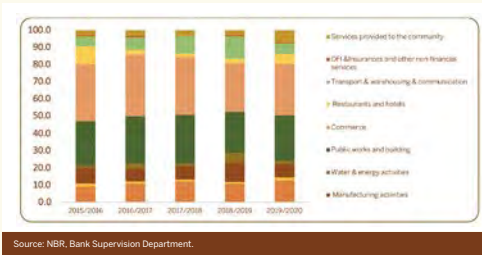


Figure 11: New authorized loans by activity branch (percent share)



MONEY AND CREDIT

- Broad money supply (M3) grew by 18.5 percent in 2019-20, reaching FRW 2.63 trillion against a growth of 14.4 percent recorded in 2018-19.
- This growth was mainly driven by net foreign assets, which grew by 41.3 percent, while net domestic assets moderately grew by 2.3 percent.
- In domestic assets, the stock of credit to the private sector increased by 14.2 percent, credit to public enterprises rose by 13.1 percent, while credit to Government dropped by 7.2 percent.
- The increase in NFA resulted from the rising external government debt and grants, to finance public spending related to the COVID-19 crisis.

- Deposits accounted for the largest share of M3 and grew by 18.9 percent in 2019-20 up from 14.7 percent recorded in 2018-19, while currency in circulation grew by 14.1 percent contributing 1.3 percent to M3 growth.
- Among the deposits, time and saving deposits contributed to M3 growth by 8.2 percent, followed by demand deposits (5.5 percent) and foreign currency deposits (3.5 percent).

- New authorized loans (NALs) by the banking sector decelerated by 0.4 percent and stood at FRW 1,109.7 billion in 2019-20.
- This deceleration resulted from low demand for loans in key sectors that usually drive credit growth that was affected by the COVID-19 pandemic, including transport, warehousing and communication, water and energy activities, and manufacturing activities.
- However, NALs increased in sectors like services provided to the community (+168.3 percent), restaurant and hotels (+135.0 percent), personal loans (+16.1 percent), as well as for commerce (+4.7 percent).

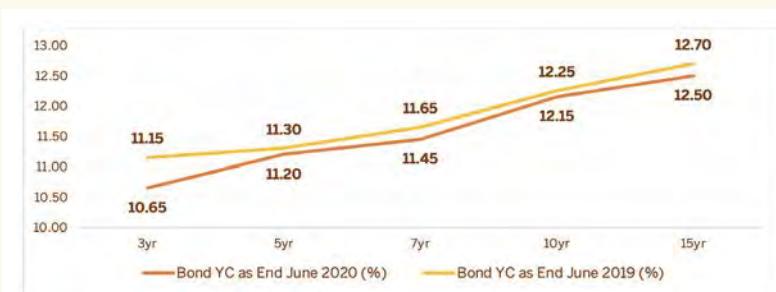
- Regarding the distribution of new authorized loans by sectors of economic activity, commerce, public works & buildings, and personal loans continued to have the biggest shares in total financing, accounting for 30.0 percent, 26.0 percent, and 12.7 percent respectively.

Table 2:T-bonds participation 2015-June, 2020

Year	Banks (%)	Institutional Investors (%)	Retailers (%)	Total Bonds (Bns/ FRW)
2015	46.1	51.5	2.4	100
2016	39.9	56.7	3.3	152.5
2017	36.6	57.6	5.8	180.0
June 2018	36.1	54.9	9.0	200.0
June 2019	36.0	53.2	10.8	319.3
June 2020	37.0	55.0	8.0	574.3

Source: NBR, Financial Markets Department.

Figure 12: Bond Yield Curve (end June 2019 versus end June 2020)



Source: NBR, Financial Markets Department.

Table 3: Bond Trading at RSE

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% change FY2018_19/ FY2019_20
No of deals	8	8	60	156	171	232	345	48.71%
Turnovers in million	58	1083	1377	4748	8,065	9,832	26,580	170.34%

BOND DEVELOPMENT

Financial market development enhances the resilience and capacity of a country to cope with shocks, improve monetary policy effectiveness, and support solid and sustainable inclusive growth. Therefore, Rwanda's sustainable development requires an enabling bond market which offers long term funding.

- During the financial year 2019-20, NBR successfully issued eight new bonds, re-opened seven bonds, and issued three multiple bonds which attracted an oversubscription of 138% on average.
- To broaden the investor base, the Bank encouraged retailers and institutional investors' participation contributing to an increase in bond shareholdings.

Following an oversubscription of Government bonds on the primary market, the yield declined, reducing the cost of borrowing for the Government on the domestic market.

On the secondary market, subsequent to oversubscription recorded on the primary market coupled with increased frequency of issuances there was an increase of trading activities on the secondary market for government bonds during the year 2019-2020. The number of deals rose by 48.71% to 345 in 2019-20 while the value traded increased by 170.34% to RWF 26.6 billion in 2019-2020.

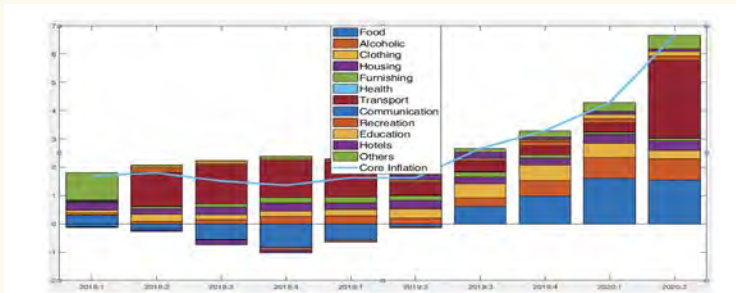


Figure 13: Contributors to headline inflation



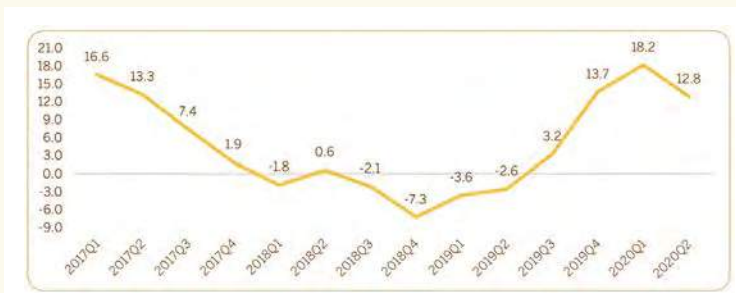
Source: NBR

Figure 14: Contributors to Core inflation



Source: NBR

Figure 15: Food inflation developments (in %)



Source: NBR

INFLATION DEVELOPMENTS

On average, headline inflation rose to 6.3 percent in 2019-20 from 0.8 percent recorded in the previous financial year. The increase in headline inflation reflects upticks in core and fresh food inflation to 4.2 percent and 16.7 percent, respectively from 1.5 percent and -3.4 percent.

Inflation projection

- Despite the hikes in headline inflation observed in 2019-20, the recent projections, showed subdued domestic demand over the medium term, reflecting a drop in the global economy, and slowdown in domestic economic activities due to COVID-19.
- In 2020-21 headline inflation is expected to slow down towards the benchmark level of 5.0 percent.

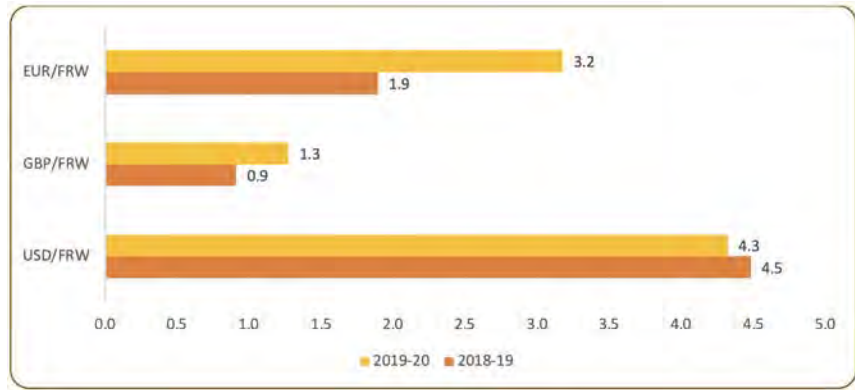
Core inflation

- The rise in core inflation was mostly driven by core food inflation which rose to 7.2 percent from -3.2 percent, on the back of an increase in prices of some international food prices.
- Other pressures resulted from the upward revision of public transport fares that took effect in May 2020, given that buses were required to respect social distancing, by operating at half the normal passenger capacity

Food Inflation

The upward trend in food inflation resulted from the poor performance of agricultural production in Season A 2019-20 following unfavorable weather conditions.

Figure 16: Exchange rate Depreciation, FRW per unit currency (%)



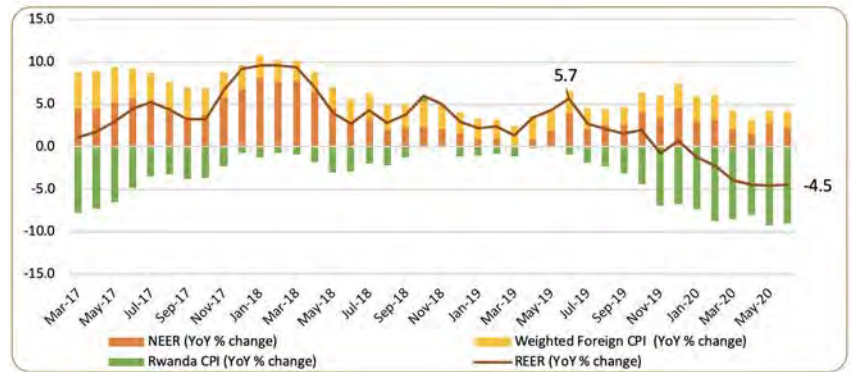
Source: Monetary Policy Department

EXCHANGE RATE DEVELOPMENTS

- Relative to the US dollar, the FRW depreciated by 4.3 percent year-on-year, slightly lower than 4.5 percent observed in the corresponding period of 2019 following low economic activity in the second half of the FY 2019-20, due to the impact of the COVID-19 pandemic.
- The FRW weakened by 1.3 percent and 3.2 percent against the British Pound and Euro respectively.

With regard to regional currencies, the FRW fell by 0.2 percent, 0.1 percent, 3.4 percent, and 3.2 percent against the Burundian Franc, Kenyan, Tanzanian and Ugandan shillings respectively, from a depreciation of 0.2 percent, 3.3 percent, 3.5 percent, and 9.5 percent registered in the previous financial year.

Figure 17: Contribution to REER developments (%)



Source: Monetary Policy Department

REAL EFFECTIVE EXCHANGE RATE DEVELOPMENTS

- The FRW appreciated in real terms by 4.5 percent (y-o-y) at the end of June 2020, against a 5.7 percent depreciation recorded in the corresponding period of 2019, mainly due to higher domestic inflation relative to foreign inflation and a lower nominal effective depreciation of the FRW.
- In nominal effective terms, the FRW depreciated by 2.2 percent at the end of June 2020, compared to a depreciation of 4.0 percent at the end of June 2019.



—
Financial
System
Stability

One of the NBR's mission is to ensure a sound financial system which implies a sector that is stable and resilient to shocks. This mandate is based on the fact that a well-functioning and sound financial sector is a critical enabler for sustainable economic growth and development as well as socio-economic transformation of the Rwandan economy.

The NBR regulates and supervises financial institutions including Banks, Insurers and insurance intermediaries such as brokers and loss adjustors, Pension Funds, Schemes and their service providers such as pension administrators, custodian, investment managers and trustees, as well as MFIs, Non-Deposit taking.

To achieve this mandate, the NBR puts in place appropriate Regulations, licenses financial institutions, conducts micro-prudential supervision of FIs through on-site inspections as well as offsite analyses of supervised institutions, assesses systemic risks facing the sector and implements appropriate macro-prudential tools.

In addition, the NBR has a financial sector crisis management and resolution mandate which ensures the organized resolution of failing financial institutions in a manner that does not destabilise the financial system.

In the financial year 2019-20, risks to financial stability increased globally due to the outbreak of the COVID-19 pandemic. Fortunately, the onset of the pandemic did not have an immediate negative impact on the financial sector since financial institutions had built ample capital and liquidity buffers. This was supported by good macro-economic conditions and recent regulatory reforms to ensure compliance with global best practices in financial sector regulation, especially the adoption of the Basel III frameworks for banks which enhanced the capital and liquidity buffers. The reforms in the insurance sector since 2016 aimed at recapitalizing the sector, management and governance changes, enhancement of underwriting and claims management process also ensured that the sector had sufficient buffers at the on-set of the pandemic.

The ability of financial institutions to continue serving customers during the pandemic, and most especially during the lockdown, was critical in ensuring confidence in the system. This was enabled by the adoption and increased usage of digital financial services through internet and mobile banking but most especially through the use of Mobile Money.





FINANCIAL SECTOR LAWS AND REGULATIONS

The NBR ensures that the financial sector legal and regulatory framework responds to the developments in the market, promotes innovation which should ultimately lead to greater financial inclusion but above all, complies with international standards such as the Basel Core Principles (BCPs) for Banks, Insurance Core Principles (ICPs), Principles for Financial Markets Infrastructures (PFMIs), Financial Action Task Force Recommendations (FAFT recommendations) in order to be comparable and competitive on the international scene and attract investors into the sector and the economy. The ultimate aim of a solid legal and regulatory framework, however, is to ensure safety, soundness and integrity of the financial sector. During the year under review, NBR developed and reviewed laws, regulations, and issued directives as indicated in Annex 2.

LICENSING OF FINANCIAL INSTITUTIONS

In its supervisory role, the NBR is mandated to license financial institutions and other financial service providers. Among those institutions, are banks, insurers, microfinance institutions, pension schemes, and payment services providers, Non-Deposit Lending Financial Institutions, as well as other financial service providers that are not supervised by any other institution under specific laws. In addition to the licensing, the NBR also approves significant shareholders, members of the board of Directors, and Senior Managers of Financial Institutions.

During the 2019-2020 financial year, the NBR:

- Renewed licenses for 19 pension service providers: 5 Administrators, 5 Investment managers, 3 Custodians, 5 Individual trustees, and 1 corporate trustee.
- Licensed 2 new payment service providers, and 1 Gateway and e-money issuers
- Renewed 15 licenses of Insurance brokers and twenty 20 loss adjusters;
- Licensed 4 NDFIs: Africa Entrepreneur Collective; Benefactors Ltd; Business Partners International Rwanda; and Zenka Finance Ltd;
- Revoked 3 licenses of insurance brokers and 1 insurance broker voluntarily exited the market;
- Approved 5 branches of banks and 19 branches of MFIs.

The details of licenses and accreditations granted by NBR are in Annex 3.

MICRO PRUDENTIAL SUPERVISION

Micro-prudential supervision focuses on the soundness and stability of individual financial institutions by safeguarding them against idiosyncratic risks and ensuring that their risk appetite is matched with sufficient capital and liquidity.

The NBR uses a risk based approach in its supervisory approach in order to ensure that scarce resources are best utilized to focus on where risks are highest. The NBR relies on offsite analyses of reports submitted by supervised institutions by assessing CAMELS – RBS for banks and MFIs (capital, asset quality, management (and governance), earnings, liquidity, sensitivity to markets, reputation, business and strategy) and CARAMELS – RBS for insurance (capital, asset quality, reinsurance, actuarial liabilities, management (and governance), earnings, liquidity, sensitivity to markets, reputation, business and strategy).

In addition to the off-site analyses, the NBR also conducts periodic on-site inspections on the premises of the supervised institutions to assess the adequacy of mitigants to manage risks including but not limited to credit, liquidity, market, operational and technology, legal and compliance, strategic, country and transfer risks.

MICRO PRUDENTIAL SUPERVISION



Banking Sector

- Reviewed offsite of all banks quarterly, and hold related prudential meetings.
- Conducted onsite of nine out of ten banks planned for the year ended June 2020.
- Regularly updated the banks' Institutional profiles to portray the FSI of each bank
- Preparation of AML/CFT and Cybersecurity thematic reports. Survey to assess banks' satisfaction on the supervision and regulation practices in place
- Updated and the developed six onsite and offsite internal procedures in compliance with international supervisory principles.

The above activities led to the following achievements:

- New /amended regulatory frameworks adopted and issued that underpin supervision: Proportionality regulation (this will also cover cooperatives and development banks); Regulation for non-operating holding companies; Regulation on penalties & sanction on non-compliance with AML&CFT; Directive Determining Characteristics of independent Director; Regulation on a mortgage refinance companies.
- Updated/ developed 6 onsite and offsite internal procedures that strengthened operational processes for implementation of risk-based supervision.
- Timely supervisory actions and measures to address unsafe and unsound practices that could pose risks to banks or the banking system.



Microfinance Sector

- Conduct of off-site supervision for all MFI and SACCOs quarterly;
- Conduct of onsite supervision. Out of the 250 planned inspections, the Bank carried out full scope onsite inspections in 176 Umurenge SACCOs, 3 limited MFIs out of the 10 planned, and 250 targeted onsite inspections out of the 416 planned;
- Contribution to U-SACCOs' automation and consolidation: NBR inputs provided and completed development and testing with 3 pilot SACCOs;
- Participation in the National Task Force activities on SACCOs & implementation of the recommendations from NTF. The NTF made tours across all 30 districts from 29 July to 10 Sept 2019 to solve USACCOS issues: Two phases are already done and reports were produced;
- Implementation of RBS in off-site analysis and onsite inspections for big MFIs to ensure their resilience and best practices; Enhancement of the usage of international standards applicable to MFIs.

The above activities led to the following achievements:

- Enhance the overall performance of MFIs through improved governance practices, financial management, and risks.
- Identify and mitigate risks of failure of MFIs and SACCOs.
- Increase access to financial services.
- Build confidence in the microfinance sector, and ensure that financial services and products are effectively provided and that MFIs are not misused for criminal purposes.
- Get accurate and complete data required for analytical purposes;
- NTF activities served also as an opportunity to promote financial literacy.



Insurance and Pension Sectors

- Conducted quarterly offsite analysis for all institutions and organized 9 prudential meetings as planned.
- Conducted 3 out of the 7 planned full scope onsite inspections for Insurance and Pension sectors.
- Implemented a Risk-Based Capital (RBC) approach on a parallel run basis.
- Developed an implementation matrix that helps monitor and follow up on recommendations from a motor insurance study that was conducted.

Developed the supervisory tools of Community Based Health Insurance (CBHI), Long Term Saving Scheme (LTSS), and Special Guarantee Fund (SGF).

The above activities led to the following achievements:

- Handle key and urgent issues and follow up with recommendations from prudential meetings;
- Identify gaps in policies and procedures of insurance and pension supervision and provide recommendations for their implementation;
- Improve the performance, stability, and resilience of insurance and pension to endogenous and exogenous shocks.
- Stabilize the motor insurance product from persistent losses which contributes a large portion of the insurance sector.



Foreign Exchange Bureaus

NBR continued to oversee and regulate the foreign exchange bureaus to ensure their development, stability, and compliance with the existing regulatory framework. In FY 2019-20, the Bank:

- Developed a regulatory framework for the Forex Bureau sector and reviewed the Regulation Governing Forex Bureaus as well as directives to implement this regulation;
- Issued guidelines for the development of operations, internal control, and AML/CFT procedures manuals by Forex Bureaus
- Conducted quarterly sector analysis for Forex bureaus
- Reviewed and validated Monthly returns for Forex bureaus and updated Institutional profiles

Worked with the Rwanda Forex Bureau Association (RFBA) to acquire a software that is used by all operational Forex Bureaus. Currently, the Software enables the Bank to automatically pull data from RFBA database linking it to NBR Data Warehouse.

The above activities led to the following achievements:

- Enhance the compliance of Forex Bureaus and Remittance companies with the regulatory framework;
- Improve professionalism and strengthen the operational efficiency of Forex Bureaus;
- Get accurate data submitted to NBR that complies with reporting requirements;

MICRO PRUDENTIAL SUPERVISION



**Banking
Sector**



Onsite
9/10
Inspections



**Microfinance
Sector**



250/250
Planned
Inspections



176
Umurenge
SACCOs



3/10
MFIs



**Insurance
and Pension
Sectors**



9/9
Prudential
Meetings



3/7
Onsite
Inspections

MACRO PRUDENTIAL SUPERVISION

NBR also assesses the entire financial sector with the ultimate objective of financial stability by identifying and mitigating systemic risks. The Bank defines systemic risks as risks that impair all or parts of the financial institutions leading to the disruption of the entire financial system and destabilization of the entire economy. To mitigate these risks, the NBR monitors and assesses the build-up of potential vulnerabilities and, where appropriate, addresses them through the timely use of prudential policy instruments.

CREDIT REPORTING SYSTEM

The Bank values the importance of establishing an effective credit reporting system that is capable of facilitating the sharing of credit information among financial institutions and controlling the level of serial defaulters. The purpose of the credit information system database is not only for the compilation and dissemination of statistics but also for micro-prudential supervision of credit institutions, economic research, and the macro-prudential analysis and policymaking.

- Given the above, the Bank continued to manage its national credit registry and supervised the private credit reference bureau licensed as per the Law No 73/2018 Governing Credit Reporting System. This private Credit Reference Bureau (TransUnion Rwanda Ltd) regularly collects information from mainly mandatory data providers as well as voluntary data providers.
- In October 2019, a new Regulation on Credit Reporting System that aimed at setting standards for the effectiveness of the credit reporting system and enhancing consumers' rights was published in the Official Gazette.
- The credit reference bureau provides all permitted users an online credit report and score to analyze the repayment behavior of a borrower.
- All data subjects, especially individuals are eligible to one credit report, free of charge per year and additional credit reports are payable to the credit reference bureau. Currently, Transunion Rwanda is upgrading its new product known as MENYESHA to make it user friendly and enable customers to monitor their credit information whenever they want, using their mobile phone and identity number. In the same way, all debtors including companies are also able to get their reports for their assessment.
- The number of individuals and corporates listed in the private credit bureau continues to increase mainly due to additional data on student loans provided by BRD under its student-financing scheme and digital loans granted by some banks especially to customers of telecommunication companies.
- The credit reference bureau continues to engage voluntary data providers to share credit information and to use CRB information for their business and on deferred payment.

Table 4: Some key indicators of the operations of the Credit Reference Bureau

Period	Number of subscribers to CRB	Number of inquiries made to CRB system/ CRB usage	Number of individuals and companies included in CRB system	CRB Coverage ratio (of the adult population) in %
June 2017	496	41,674	1,378,819	20.0
June 2018	514	66,988	1,535,145	21.9
June 2019	510	135,939	1,726,420	24.4
June 2020	506	155,221	2,073,324	27.7

DEPOSIT GUARANTEE FUND

The Deposit Guarantee Fund (DGF) was established by Law N° 31/2015 of 05/06/2015 determining the organization and functioning of a Deposit guarantee Fund for Banks and Microfinance Institutions (MFIs). The fund is administered by the National Bank of Rwanda. Its objective is to protect depositors against risks of losing their deposits that arise from the failure of a bank or MFI hence maintaining public confidence in the banking and financial system.

The total Fund balance as of June 30, 2020, stood at FRW 6.030 Billion.

Table 5: DGF Status of Cumulative Premium and Cumulative Investment Income.

ITEM	Jun-17	Jun-18	Jun-19	Jun-20
Collected funds (in 000)	609,032	1,318,807	1,592,177	1,820,389
Cumulative premium (in 000)	609,032	1,927,838	3,520,015	5,340,404
Interest income earned (in 000)	-	49,870	240,433	425,763
Cumulative Interest Income (in 000)	-	49,870	290,303	716,066



14%
Collected
Funds

TO
FRW 1.82 B
FROM
FRW 1.59 B

The collected funds /premium grew by 14% to Frw 1.82 billion from Frw 1.59 billion whereas the Interest income earned from investment grew by 77% to Frw 425.76 million from FRW 240.43 million.



77%
Interest income
from investment

TO
FRW 425.76 M
FROM
FRW 240.43 M

As of June 2020, depositors of the collapsed Financial Institution were refunded: The reimbursed amount of FRW 149.3 million represents 67.7% of total registered deposits of FRW 22.41 million and the remaining 32.3% will be covered with the proceeds from assets disposal. It is worth noting that the DGF has already gained public confidence in the financial sector.

Concerning compliance level, all banks complied with all DGF requirements in the last FY 2019-20 and there was an improvement for MFIs (including UMURENGE SACCOs) relating to reporting and payments of premiums compared to the last financial year statistics.

During the financial year 2019-20, two committees that oversee the operation of the DGF were active: The Advisory Committee that provides technical advice on daily operations of the fund and the investment committee that helps the fund to invest collected premiums. The advisory committee met twice, while the investment committee met quarterly during the year.

STRUCTURE AND PERFORMANCE OF THE FINANCIAL SECTOR

STRUCTURE OF THE FINANCIAL SYSTEM

As of June 2020, NBR regulates 603 institutions including Banks, Microfinance Institutions, Insurers, Pension Funds, Forex dealers, and Credit only institutions.

Assets of the Financial Institutions increased by 16.2 percent to FRW 5,747 billion as of June 2020 (equivalent to 63 percent of GDP). This growth is mainly explained by increased shareholders' funds by financial institutions through capital injection and retention of profits made in 2019.

The Banking Sector dominates with a share of 67.0 percent of the total assets of the Financial Sector.

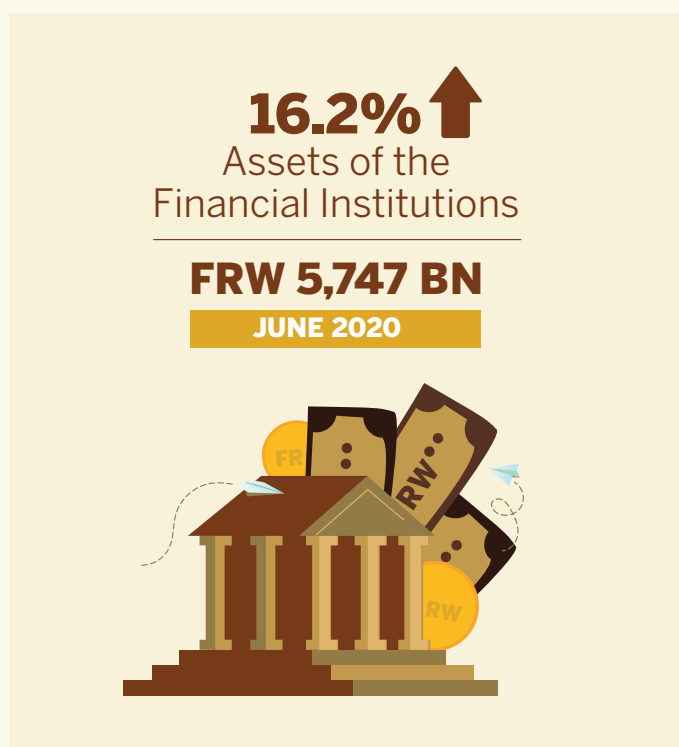


Table 6: The Structure of the Financial System

Regulated Financial Institutions (Assets in FRW Billion)	Jun-19			June 2020		
	Number	Assets	% of TA	Number	Assets	% of TA
Banks	16	3,252	65.7	16	3,854	67.0
Commercial Banks	11	2,622	53.0	11	3,142	54.7
Microfinance Banks	3	76	1.5	3	66	1.15
Development Banks	1	247	5.0	1	265	4.6
Cooperative Banks	1	307	6.2	1	381	6.6
Pension Schemes	13	877	17.7	13	990	17.2
Public	1	837	16.9	1	941	16.4
Private	12	40	0.8	12	49	0.8
Insurers	14	477	9.6	14	544	9.5
Life	3	49	0.9	3	52	0.9
Non-Life	11	428	8.6	11	492	8.6
Microfinances	457	313	6.3	459	330	5.7
U-SACCOs	416	138	2.8	416	139	2.4
Other SACCOs	22	89	1.8	24	97	1.7
Limited Companies	19	86	1.7	19	94	1.6
Foreign Currency Dealers & Remittances	99	8	0.2	97	9	0.2
Forex Bureau	85	8	0.2	83	9	0.2
Remittance Companies	8	-	0.0	8	-	0.0
Money Transfer Agencies	6	-	0.0	6	-	0.0
Lending only Institutions	4	18	0.4	4	20	0.3
Grand Total	603	4,945	100	603	5,747	100

Source: NBR

PERFORMANCE AND SOUNDNESS OF THE FINANCIAL SECTOR

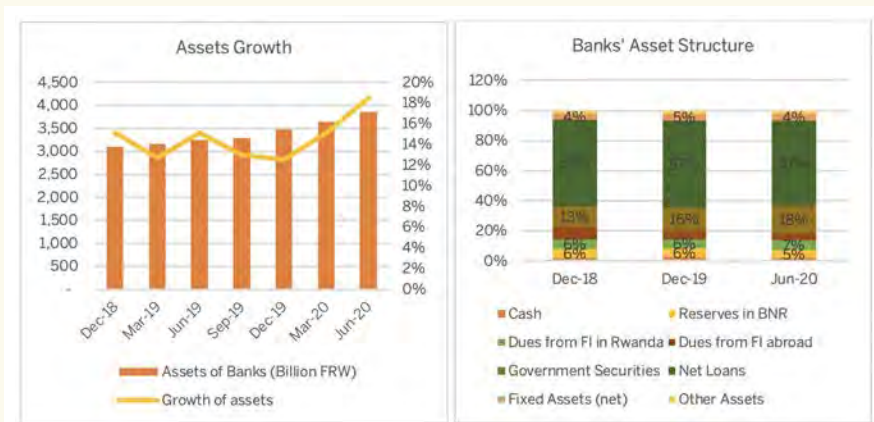
BANKING SECTOR

PERFORMANCE OF THE BANKING SECTOR

The Banking Sector assets continued to grow by 65.7 to 67.0 from 3252 billion Frw to 3853 billion Frw in June 2020.

- The growth of assets is explained by the growth of deposits (17.8%), capital injections, and retention of profits.
- Loans constitute the major component of banks' assets (57%) in line with their core business which sustains profitability. Investment in Government securities increased during the lockdown due to a lack of opportunities in the lending market.

Figure 18: Performance of the Banking Sector



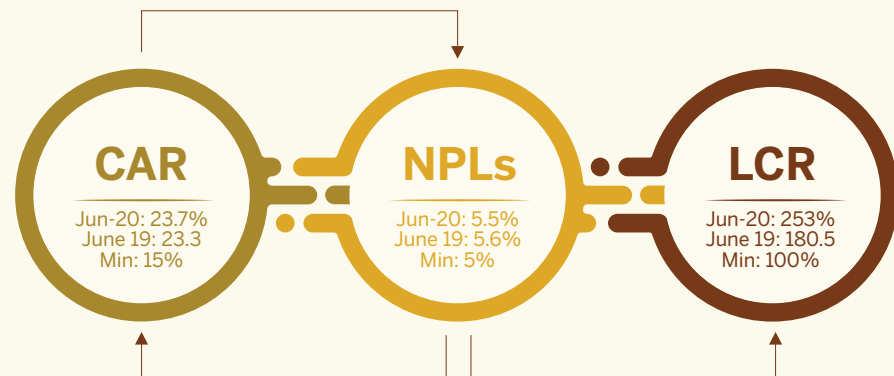
- The growth of loans moderated due to the decline of new loans. During the first 6 months of 2020, banks approved FRW 500.1 billion new loans, 50.7 billion less, compared to the FRW 550.8 billion approved during the first 6 months of 2019.
- Loans are concentrated on the severely affected sectors of the economy. Banks' share of loans to severely affected sectors (mortgage; restaurants and hotels; transport; mining) stood at 71 percent of the banking sector loan book as at the end of June 2020.
- Monetary, supervisory/regulatory, and fiscal policies taken in the last 3 months from Covid-Onset (April to June) have been and will continue supporting banks and bank clients to navigate through this COVID-19 pandemic.

Figure 19: Outstanding Loans



SOUNDNESS OF THE BANKING SECTOR

The Banking sector remained resilient, as capital and liquidity buffers held in the past have supported institutions to absorb losses caused by COVID-19 effects. The solvency and liquidity position of Banks remained above prudential requirements.



- The CAR was sustained by the profitability of banks and continuous enhancement of the regulatory perimeter;
- The leverage ratio for the banking sector averaged at 13.6 percent as at the end of June 2020, reflecting strong solvency of the sector from a broader on and off-balance sheet consideration.
- As of June 20, the liquidity of banks was not yet affected by COVID 19 due to consistent inflow and low levels of outflows.
- The effect of COVID 19 on NPLs ratio was contained by significant loan restructuring done in the second quarter of 2020.
- ROA and ROE ratios were preserved due to profits made during the period. Profits increased to FRW 33.1 billion as of June 20 from FRW 26.2 billion in June 2019 due to increased interest income, and relief measures implemented by NBR to limit the impact due to COVID 19 pandemic by banks, including, loan restructuring, treatment of provisioning, and classification of loans.
- Banks restructured 39 percent (FRW 978 billion) of their loan portfolio due to the COVID-19 pandemic. Going forward, this will bear huge costs to banks' assets quality and profitability.

Table 7: Other Financial Soundness Indicators for Banks (Percent)

Indicators	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20
Tier 1 CAR (Core CAR)	20.7	19.2	20.1	21.8	22.3
Provisions / NPLs	42.7	44.9	67.4	80.2	82.6
Return on Average Assets	1.7	1.7	1.6	1.6	1.8
Return on Average Equity	9.2	9.6	9.5	9.3	9.9
LCR (min 100%)	-	-	299.5	180.5	253
NSFR (min 100%)	-	-	224.7	164.3	164.3
FX Exposure/Core Capital (± 20%)	-1.8	-6.1	-6.1	-8.6	-6.6

Source: NBR

Table 8: NPLs Ratio by Economic Sector (percent)

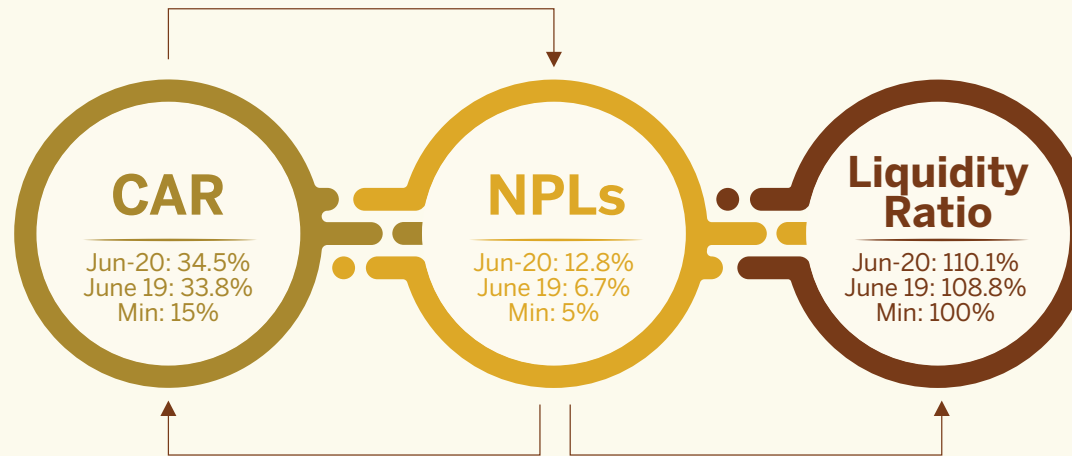
Activity Sectors	NPLs Ratio (Percent)				Percent share in total NPLs
	Jun-17	Jun-18	Jun-19	Jun-20	
Personal loans	7.2	6.1	6	7.4	10.8
Agricultural & livestock	18.2	7.2	5	4.8	1.1
Mining	-	0.6	88.4	80.4	2.1
Manufacturing	9.1	13.9	1.4	0.6	1.5
Water & energy	0.1	0	0	0	0
Mortgage	6.6	5.3	3.8	5.5	36.8
Trade	12.6	11.5	15.6	10.8	31.4
Hotels	8.8	11	8.8	3.8	6.6
Transport & communication	3.2	2.6	2.3	1.4	3.1
Financial services	0.2	0.4	1.7	1	0.2
Other services	11.4	8.9	6.7	8.2	6.5

Source: NBR

MICROFINANCE INSTITUTIONS

SOUNDNESS OF MICROFINANCE INSTITUTIONS

The MFIs sub-sector remains solvent and liquid. As for Banks, the buffers held by MFIs portray the resilience of MFIs during the period of stress.



- CAR was sustained by capital injection and the retention of profits made in 2019.
- Non-performing loans among MFIs largely reflects the impact of COVID-19 containment measures on firms financed by the MFIs sector.
- Credit risks related to the restructured loans were identified as a key risk that would challenge the microfinance sector in the near-term. As at the end of June 2020, the Microfinance Institutions provided payment relief to their borrowers negatively affected by COVID-19. MFIs loan restructuring amounted to FRW 29.5 billion (i.e. 23 percent of their loan portfolio). Most of the restructurings were in-form of a payment moratorium of 3-4 months on the assumption that the affected business will make a turn-around in that period.
- The reduction of profits among MFIs relates to increased provisions (from FRW 122 million in 2019 H1 to FRW 5.4 billion 2020 H1) due to increased NPLs, from 6.7 percent in June 2019 to 12.8 percent in June 2020.
- NBR will enforce proper classification and adequate provisioning for stressed loan facilities, and work with affected institutions, as well as, other Government agencies to address any identified capital shortfalls.

Table 9: Other Financial Soundness Indicators for Banks (Percent)

Indicators	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20
Assets (FRW billion)	230.3	247.7	279	313.1	330.2
Loans (FRW billion)	119.5	127.4	149.3	167.6	181.5
Deposits (FRW billion)	126	133.4	153.6	167.2	178.9
Equity (FRW billion)	69.7	82.5	90.7	105.9	113.8
Net profit/Loss (FRW billion)	4.3	-0.1	3.2	6.6	1.1
Capital Adequacy Ratio (%)	30.3	33.3	32.5	33.8	34.5
NPLs Ratio (%)	7.5	12.3	8	6.7	12.8
ROA (%)	4	-0.1	1.2	4.3	0.7
ROE (%)	13.3	-0.3	3.7	12.8	1.9
Liquidity Ratio (%)	95.1	99.1	103.3	108.8	110.1

Source: NBR

STRUCTURE AND PERFORMANCE OF THE INSURANCE AND PENSION SECTOR



STRUCTURE AND PERFORMANCE OF THE INSURANCE AND PENSION SECTOR

- Private insurance dominates the industry with a share of 56 percent of the total assets of the insurance industry;
- Non-life insurance businesses consist of motor, medical, property, guarantees, engineering, accident and health, transportation, liability, and other non-life insurance products.
- Life insurance offers mainly loan protection, education, funeral, and group life insurance products;
- In terms of premiums collected, non-life insurance (both private and public) dominates
- Assets of insurance companies continued to grow mainly due to capital injection and retained profits. Profits grew due to investment income and increased underwriting returns.
- The investment mix portrays that deposits in Banks and Government securities account for 73.8 percent of the insurance sector total investments;
- The nature of Non- Life insurance businesses explains the concentration of investments in short term horizon (deposits in Banks and Treasury bills of less than 1 year).

Figure 20: Performance in Insurance Sector

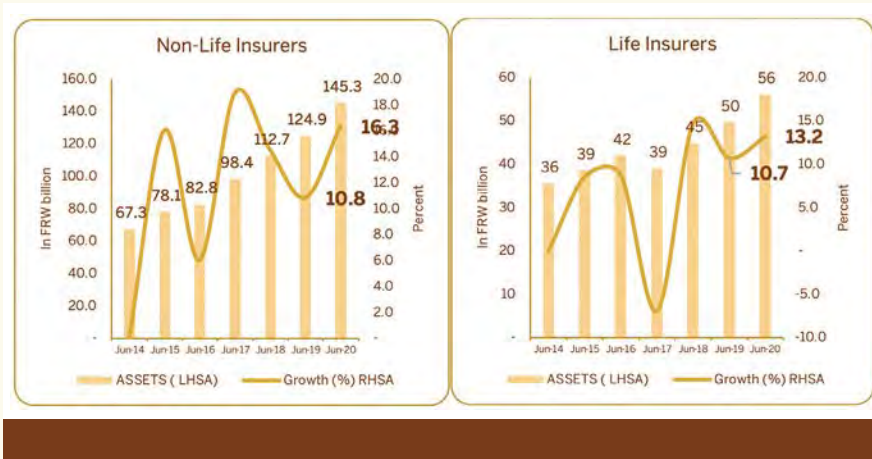


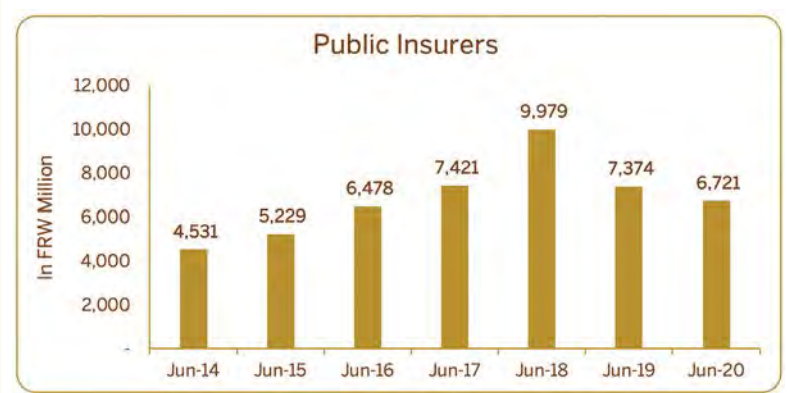
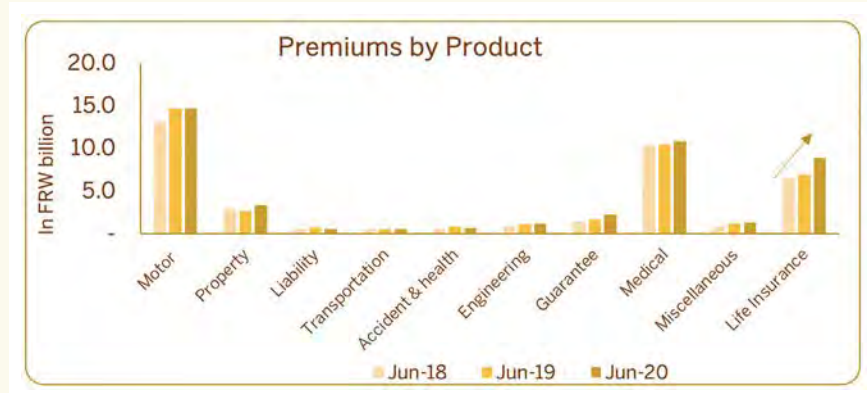
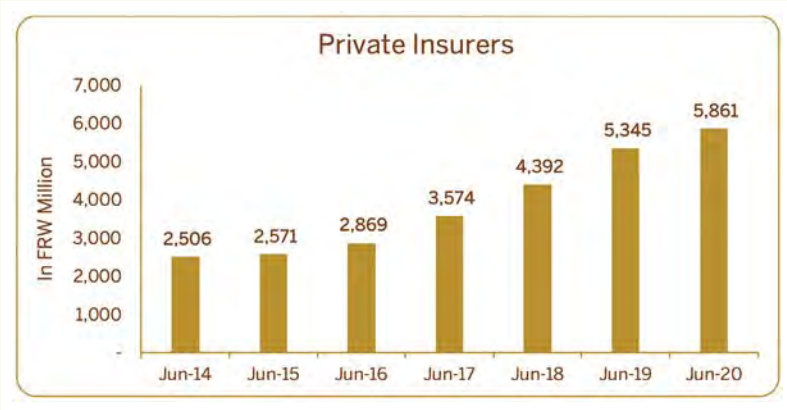
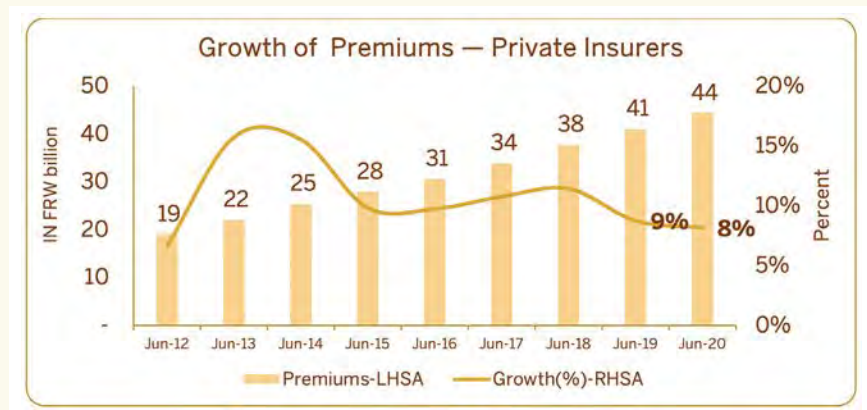
Figure 20: Performance in Insurance Sector



- The outbreak of the COVID 19 pandemic has also affected the insurance sector. The effect is observable in premiums collection, investment income, and claims settlements.
- Motor insurance still dominates the insurance market and this explains the moderation of growth of premiums as motor insurance was mostly affected by the lockdown.
- In Non-Life insurance, the growth of premiums moderated due to the suspension and cancellation of policies resulting from the impact of the COVID 19 pandemic;
- Also, in a bid to support policyholders, NBR requested insurers to restructure policies that were directly affected by the COVID 19 pandemic and the lockdown. As of June 2020, total restructured policies increased from FRW 1.7 billion in June 2019 to FRW 3.9 billion in June 2020, suspended policies (from FRW 34 Million to FRW 407 Million), and cancelled policies (from FRW 319 Million to FRW 724 Million).

STRUCTURE AND PERFORMANCE OF THE INSURANCE AND PENSION SECTOR

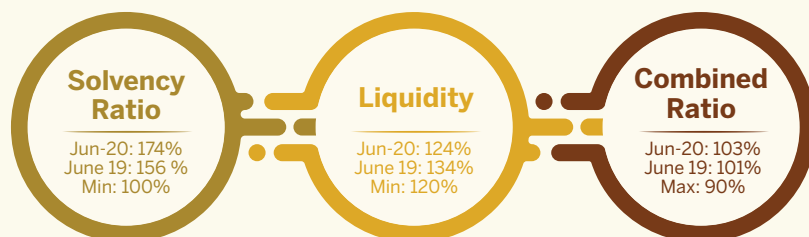
Figure 21: Performance in Pension Sector



On investment income, public insurers were mostly affected mainly due to the non-distribution of dividends from invested equities.

SOUNDNESS OF THE PRIVATE INSURANCE

The private insurance remained solvent and liquid and the solvency and liquidity position stood above the prudential requirements.



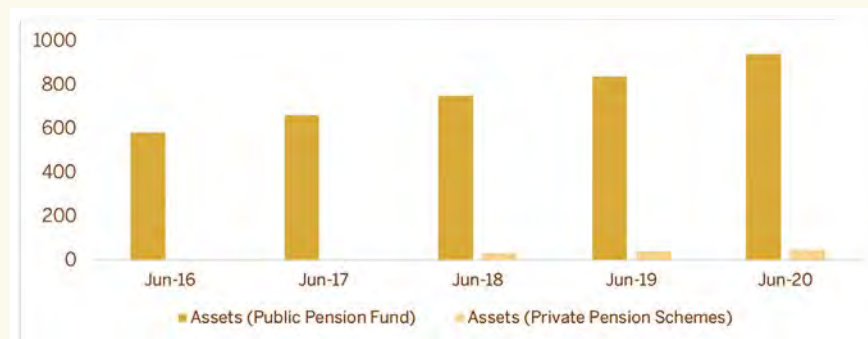
- The solvency position was supported by capital injections and retained profits for the year 2019. Capital buffers support the growth of insurance businesses and act as a defense line in the adverse event such as the current COVID-19 pandemic.
- Public Insurers have for a long-time maintained a significantly high solvency position-it stood at 2,463 percent as at the end of June 2020 reflecting stable and profitable businesses.
- The assets profile and investment mix of private insurers helped to maintain the liquidity ratio above the prudential requirements. Private insurers invest mainly in assets (government securities and deposits in Banks) which are easily convertible in cash to meet the liquidity requirements as they fall due.
- However, the response measures to deal with COVID 19 pandemic are expected to increase premium receivables with a bearing on the liquidity of private insurers.
- The combined ratio includes claims and expenses ratios. The claims ratio, which measures the proportion of claims made vis a vis premium earned, remained within the prudential requirements and this reflects different measures taken by NBR since 2017 to limit the fraud in claims settlements. However, the expenses ratio, which measures the proportion of administrative expenses vis a vis premium earned, stood above the prudential requirement (maximum 30 percent).

Table 10:Key Financial Soundness Indicators of the Insurance sector

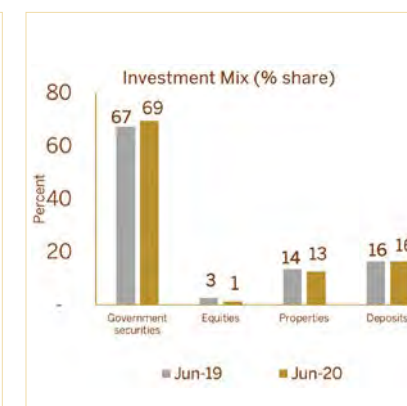
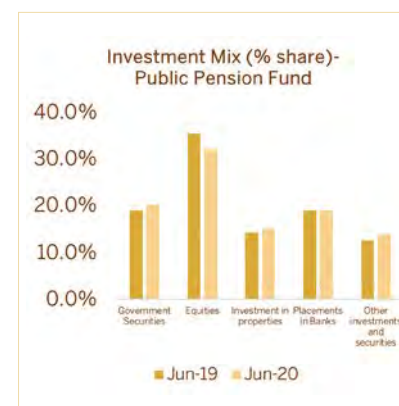
FSI (%)	Prudential Benchmark	Private Insurers			Public Insurers			Insurance sector		
		Jun-18	Jun-19	Jun-20	Jun-18	Jun-19	Jun-20	Jun-18	Jun-19	Jun-20
Solvency margin	Min 100%	149	174	156	2,195	2,297	2,463	1091	1190	1228
Claims ratio	(60% -70%)	64	62	62	55	52	55	59	57	59
Expenses ratio	Max 30%	46	41	39	10	15	22	27	28	30
Combined ratio	Max 90%	110	103	101	65	66	77	86	85	89
ROE	Min 16%	10	17	18	17	12	9	16	13	10
ROA	Min 4%	3	5	6	17	12	9	12	10	8
Liquidity ratio	Min.120%	121	125	134	3,481	4058	4,400	353	323	322

PENSION SECTOR (PUBLIC AND PRIVATE)

- Assets of pension funds continued to grow, mainly supported by a steady growth of members' contributions and investment income.
- The pension fund's benefits payments increased by FRW 3 billion (from FRW 26.9 billion to FRW 29.9 billion), lower than FRW 5.8 billion from last year.



- Pension funds increased investments in government securities as at June 2020, especially during the lockdown period;
- Public pension investments in equities reduced in relation to the risks perceived since the outbreak of the COVID 19 pandemic.





3

Financial Sector Development and Inclusion

This chapter comprises of modernization of the National Payment System to support Rwanda's vision to become a Cashless economy as well as ensuring financial inclusion. It also covers a key component of market conduct and empowering consumers of financial services to make informed choices.

FINANCIAL INCLUSION AND CONSUMER PROTECTION

The National Bank of Rwanda continued to support financial inclusion initiatives. In collaboration with stakeholders, NBR initiated and implemented several policies to advance financial inclusion in Rwanda. These policies vary from financial literacy to financial inclusion as defined in the National financial inclusion strategy. The Bank further regulated the financial conduct to ensure that the interests of consumers and investors are protected and that markets operate in a fair, orderly, and transparent manner.

KEY ACHIEVEMENTS DURING THE FINANCIAL YEAR 2019-20:

- Hosted Alliance for Financial Inclusion Global Policy Forum (AFI GPF), under the theme of “Using Technology for Inclusion of Women and Youth”. Members of AFI, representing policymakers, regulators, and other key stakeholders convened in Kigali, Rwanda from 11-13 September 2019, and agreed on specific actions to accelerate financial inclusion for disadvantaged groups.
- Developed the National Financial Inclusion Strategy (NFIS) that will guide strategic interventions to attain financial inclusion goals.
- Developed price web comparator for financial services to help financial services consumers compare prices and terms and conditions from different commercial Banks in Rwanda. It will enable financial services players in the following:
 1. Setting key disclosure requirements for consumer savings, transactional accounts, and consumer credit contracts;
 2. Enhancing consumers’ ability to compare and make informed decisions;
 3. Putting in place measures related to the fair treatment of consumers;
 4. Increasing transparency of financial services providers;
 5. Stimulating competition between financial service providers and the fair functioning of the market.
- In partnership with Access to Finance Rwanda, NBR updated the saving groups map (SGs) in September 2019. The map presents the SGs data as of the year-end 2018. Savings Groups are community-based financial service providers that deliver basic financial services to members who are underserved or not served by formal financial institutions.
- In partnership with the National Institute of Statistics Rwanda (NSIR) and Ministry of Finance and Economic Planning (MINECOFIN), NBR participated in conducting the Fincope survey 2020.

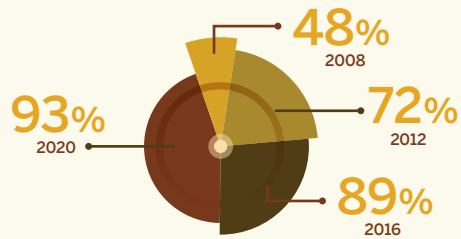




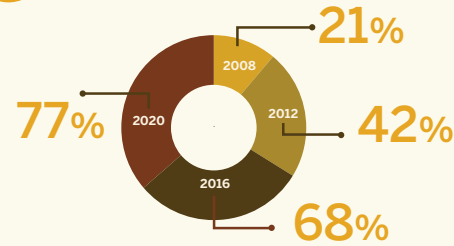
The **Finscope Survey** is a national representative demand-side survey conducted every 4 years to address the need for credible financial sector information. The objectives of the survey are to indicate the levels of financial inclusion; identify the drivers of, and barriers to financial access, and provide information on new opportunities to increase financial inclusion. Its report is a yardstick that measures how Rwandans are financially included and progress made towards narrowing gaps.

FINSCOPE SURVEY 2020

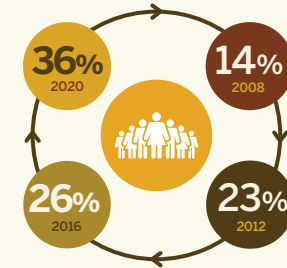
Financial inclusion journey in Rwanda (Both formal and informal financial inclusion)



Formal financial inclusion



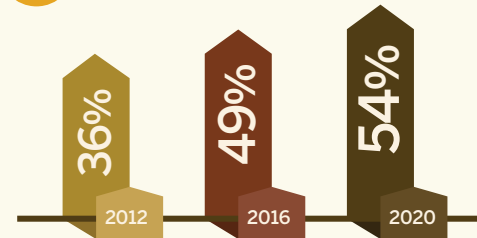
Banked population increased



Financial Behavior



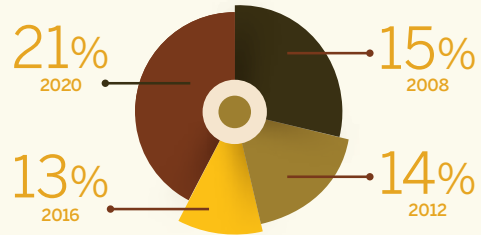
Formal saving



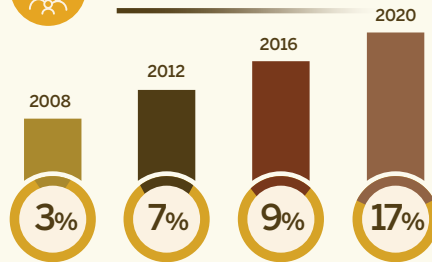
FINSCOPE SURVEY 2020



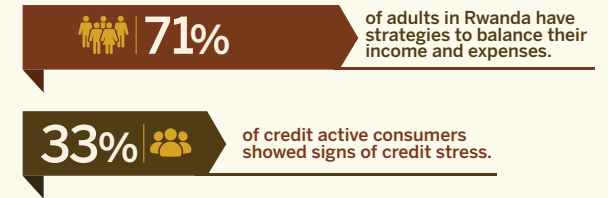
Saving in Banks



Insurance uptake



Financial Health

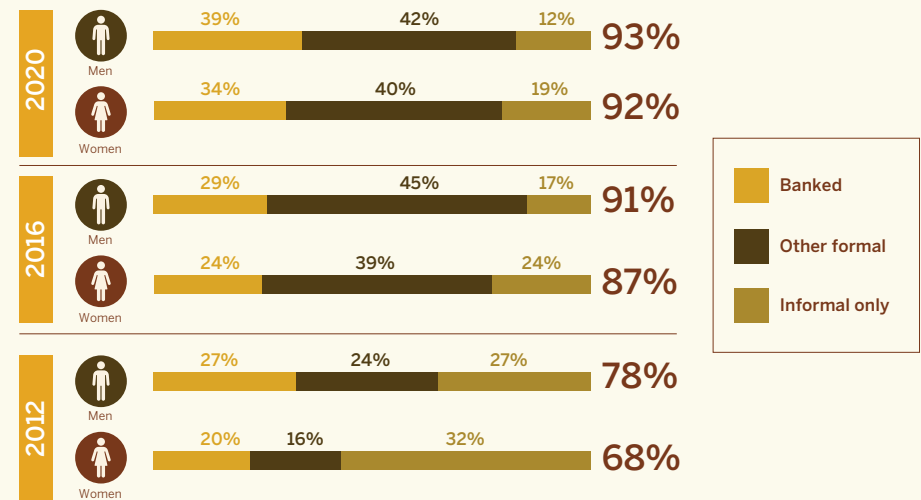


Average Time taken to reach access point (From 2016 to 2020)

U-Sacco 46:46 minutes to 38:86 Minutes	ATM 53:37 Minutes to 41:21 Minutes
MFIs 52:07 minutes to 41:16 minutes	Mobile money 31:00 Minutes to 18:78 Minutes
Bank Branches 53:30 minutes to 42:85 Minutes	



Gender uptake and Gender gap



Rwanda

Saving Groups



47,369

Savings and Credits Groups

1,169,732

Total Membership



23.9%
Male



76.1%
Female

SAVINGS GROUPS MAP

The National Bank of Rwanda in partnership with Access to Finance Rwanda updated the savings groups map as of December 31, 2018. This map was updated in September 2019 and data for the years 2017 and 2018 were added to the 2016 pool of data. Data for 2018 revealed that there are 47,369 savings and credits groups with a total membership of 1,169,732. Among these members, 76.1% are female and 23.9% are male.

The table below summarizes key statistics as per the savings groups map. It depicts the total savings in FRW, the total outstanding loans, the number of savings groups, and the total savings groups membership.

Table 11: Savings Groups

Year	Total Savings (FRW)	Total Outstanding Loans (FRW)	Total Saving Groups	Total Membership	Male (%)	Female (%)
2014	11,823,348,992	9,053,604,490	28,023	707,665	24.1	75.9
2015	13,254,267,938	10,349,735,341	29,373	745,661	23.3	76.7
2016	16,454,664,058	13,436,487,994	36,571	925,294	23.1	76.9
2017	23,499,065,502	16,771,866,175	43,784	1,079,656	24.7	75.3
2018	31,079,831,790	24,132,617,169	47,369	1,169,732	23.9	76.1

Source: NBR savings groups map (2014-2018)



DIGITIZATION OF SAVING GROUPS

Most of the challenges faced by savings groups can be addressed through their digitization. The main objective of digitizing savings groups is to help them access formal financial services without disrupting their business model. In case savings groups are digitized, more advantages for savings groups members will be: Security of savings kept in safe at home, allowing groups to safely and accurately record each member's financial activities, reduced inefficiency of savings groups activities, access to financial services, easy linkage with formal financial service providers and sustainability of savings groups.

Fintechs have proven their role in digitizing these savings groups. There are pilot studies ongoing for digitization of savings groups and so far more than 600 savings groups have been digitized. This is a journey started by Access to Finance Rwanda along with other stakeholders and Fintechs. There is a long way to go but achievements for digitized savings groups are commendable.

Availability of savings groups data is another challenge that stakeholders face while they are in need of supporting savings groups. This issue was addressed by creating a savings groups map. Currently savings groups data can be accessed on the National Bank of Rwanda's website through <https://sgmap.bnr.rw>.

In addition to the above, BNR has started advocacy of linking savings groups and formal financial service providers. This is expected to result in products tailored to the needs of savings groups. Some of the financial service providers have started designing these products and have proven to be useful to savings groups members.



FINANCIAL CONSUMER PROTECTION

In line with financial consumer protection, NBR followed up the approval of financial consumer protection law which is being discussed in the parliament. NBR team discussed the law in parliament from October 2019 to March 2020. Only a few articles await discussion.

As far as developing tools to support financial service consumers, NBR completed the development of a web comparator that will support financial service consumers comparing products and services from different financial service providers.

In addition to this, NBR continued the supervision of key facts statement regulations implementation.

Last but not least, NBR handled financial service consumers' complaints.

FINANCIAL EDUCATION

In line with the National Bank of Rwanda's engagements with the general public, different financial education activities under the BNR Engage Initiative were conducted in the financial year 2019/2020. On the 30th January 2020, the National Bank of Rwanda partnered with the Public Sector Federation (PSF) to host a BNR In Conversation series dubbed "The cost of financial services". The session brought together a total of 400 people that included different stakeholders from the financial sector, the business community, and the public at large. During the session, the business community mainly discussed the cost of financial services and the need for them to be more affordable to the public.

In addition, the National Bank of Rwanda conducted its annual secondary school BNR Quiz Challenge Competition. However, due to the COVID 19 pandemic, this year's quiz challenge competition was conducted virtually through the zoom platform. The challenge was conducted from 11th – 27th June 2020 with a total of seventeen schools participating from all the five provinces of the country. The students were trained and prepared for the virtual quiz challenge through the mock quiz sessions that were conducted before the commencement of the BNR Quiz Challenge competition. This was done to ensure that students were ready and well conversant with the online platform that was being used for the competition. The BNR Quiz Challenge was concluded with Gashora Girls as the champions.

In the same financial year, NBR gave a lecture to 400 students at Kigali Independent University during savings week. The theme for the year was: "Save for a better future". In this lecture, NBR encouraged students to save and invited the EJOHEZA team to present their products to the audience.

NATIONAL PAYMENT SYSTEMS DEVELOPMENT

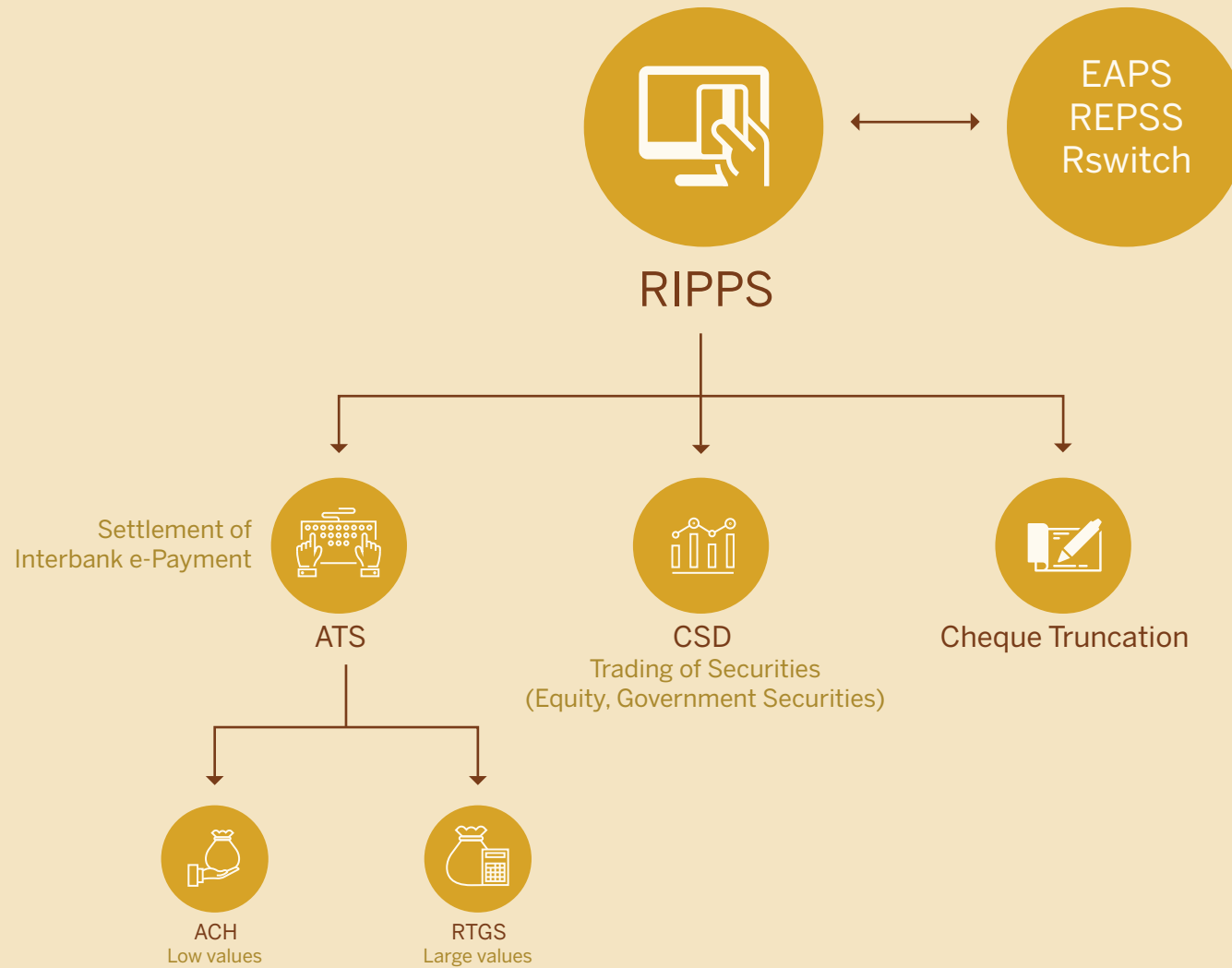


Payment Systems facilitate the safe and timely completion of financial transactions. NBR holds a core responsibility of ensuring the safe and efficient functioning of the payment and settlement systems. During 2019-20, the Bank continued to modernize the National Payment System to ensure its smooth operation and further expand its functionalities to support wholesale and retail payment systems.

KEY ACHIEVEMENTS IN PROMOTING A CASHLESS ECONOMY:

- A new regulation on the protection of users of payment services was developed to address issues related to consumer protection.
- NBR in collaboration with the payment industry conducted an awareness campaign educating Rwandans on the benefits of using digital payment systems.
- The National Bank of Rwanda engaged with Banks and MNOs to remove charges on some digital payments such as Mobile transfers and contactless payment for 90 days (19th March-21st June 2020) to encourage the adoption of digital payments.
- NBR continued working with the payment system industry to establish an Interoperability switch. An interoperability solution will enable payment across all payment issuers, irrespective of the payment instrument (bank to bank, bank to wallet, wallet to wallet, wallet to bank, MFI to bank and wallet and reverse).

DEVELOPMENTS IN RWANDA INTEGRATED PAYMENTS PROCESSING SYSTEM (RIPPS)



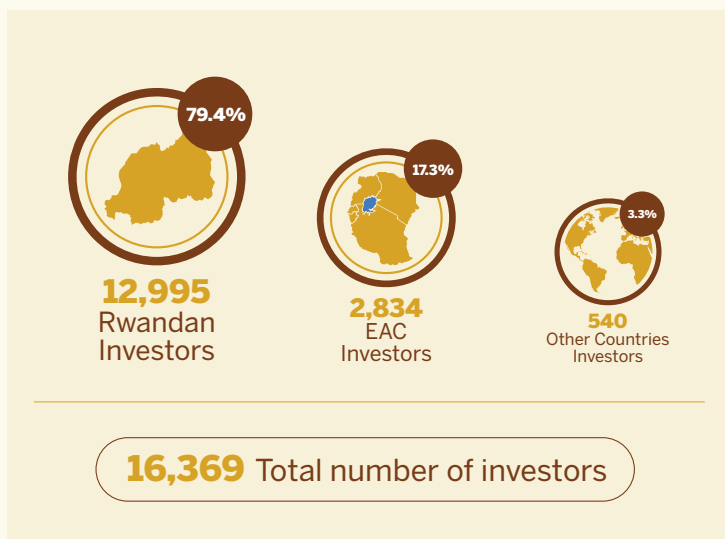
DEVELOPMENTS IN RWANDA INTEGRATED PAYMENTS PROCESSING SYSTEM (RIPPS)

Figure 23: Automated Transfer System-ATS (FRW)



Source: NBR

Number of Investors as of end June 2020



RIPPS comprises of Automated Transfer System (ATS) and the Central Securities Depository (CSD). The ATS covers the Real Time Gross Settlement system (RTGS) function for large value and time-critical payments and the Automated Clearing House (ACH) which provides clearing and netting facilities for a range of low-value electronic instruments including direct debits, direct credits, and cheques. On the other hand, the CSD holds both Government and private securities.

AUTOMATED TRANSFER SYSTEM (ATS)

- The Bank started the process of upgrading RIPPS to improve efficiencies such as operating 24hours/7 days, the introduction of electronic signature, and web services. The upgraded system will be aligned with ISO 20022 Swift standards, and integrated with other regional payment systems.
- During the financial year 2019-20, RIPPS continued to efficiently process payment transactions. In terms of volume and value, transfers increased by 6% and 39% respectively while cheques increased by 4% and 11% respectively.

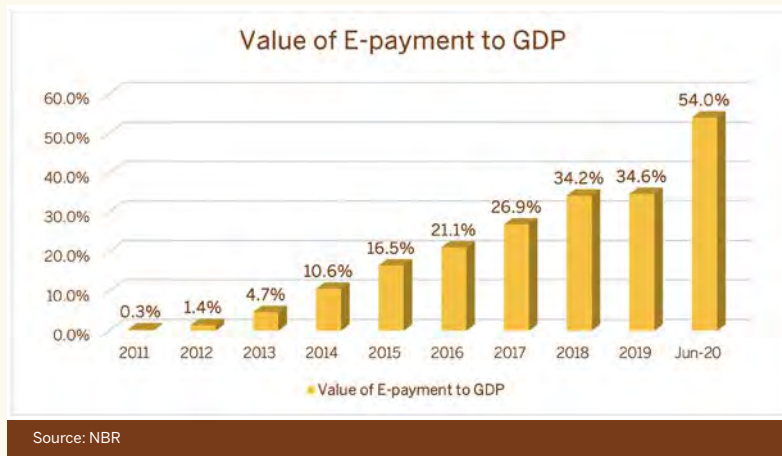
CENTRAL SECURITIES DEPOSITORY (CSD)

- The Central Securities Depository (CSD) is a component of RIPPS that processes dematerialized Government securities and equities in book-entry form.
- The depository is linked to the NBR core banking system (T24), the Real Time Gross Settlement System, and the Rwanda Stock Exchange trading platform through which automated payment and settlement of securities take place. The CSD maintains the primary record of ownership and settlement of securities.
- During the financial year 2019-20, the value of government securities traded on secondary market increased by 51.9% from FRW 9.1 billion in the financial year 2018-19 to 15.2 billion in 2019-20, while the turnover increased by 53.1% from the total turnover of 7.4 billion for the financial year 2018-19 to 15.9 billion for the year 2019-20.
- In terms of investor composition, Rwandan Investors continued to dominate with 79.4%, followed by EAC investors with 17.3% and 3.3% for other countries 3.3% as shown below.

TREND IN RETAIL PAYMENT SYSTEM

- The value of e-payment to GDP continued to increase for the last ten years. In the financial year 2019-20, the percentage increase was higher from 34.6% to 54% due to the policy measures put in place to encourage the use of digital payment channels during COVID-19 lockdown.

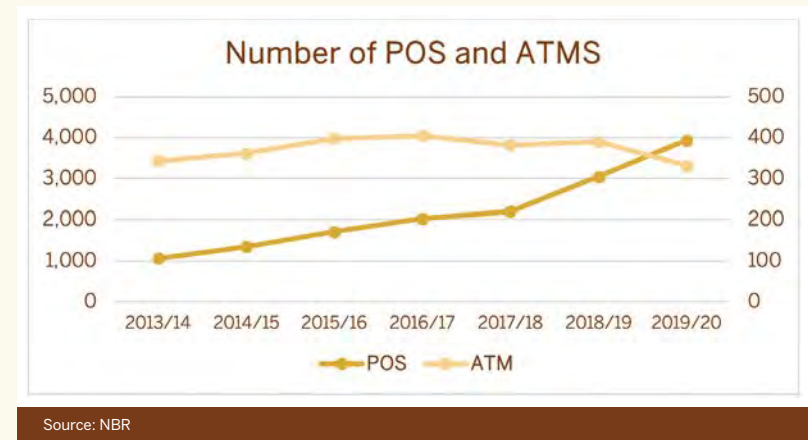
Figure 24: Value of E-Payment to GDP



INFRASTRUCTURE TREND

- In the financial year 2019-20, the number of POS using cards increased by 29% compared to 2018-19 (from 3,046 to 3,929). ATM terminals decreased by 15% (from 390 to 331) due to the adoption of other channels such as agency, Internet, and mobile banking.

Figure 25: ATM & POS infrastructure trend





MOBILE PAYMENT SERVICES AND INTERNET BANKING

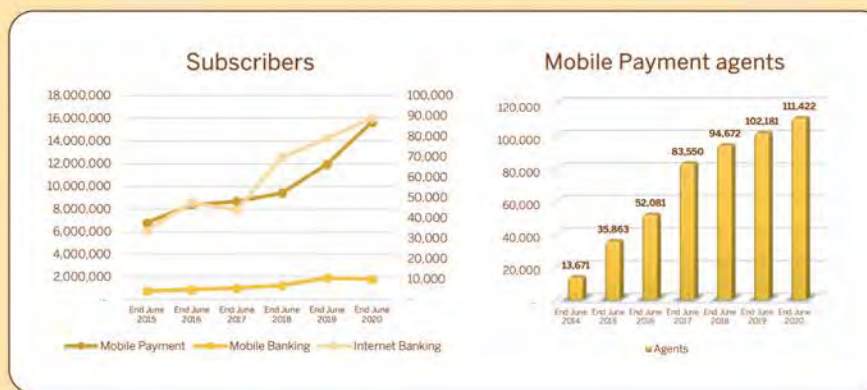
Mobile technology continues to play a significant role in enhancing electronic payments to create an inclusive cashless society. During the year 2019-20, the number of active users of mobile payment services increased by 31% to 15 million subscribers due to the increased adoption of cashless means of payments during the lockdown period.



Concerning access points, the penetration rate of mobile operators' agents increased by 9% to 111,422 agents in June 2020. In the same period, the volume of mobile payment services transactions increased by 51% from 333 million to 504 Million while the value increased by 87% from FRW 2,058 billion to FRW 3.842 Billion. This was because most digital payment services were free of charge to facilitate electronic payment during the COVID-19 lockdown.

- Registered internet banking users increased by 13 percent to 89,035 as of June 2020 whereas mobile banking users decreased by 6 percent to 1,804,851 as of June 2020. The decrease in mobile banking was mainly due to the deactivation of inactive users.
- Internet banking transaction volume increased by 33 percent from 1,089,376 to 1,451,898 while the value increased by 25 percent FRW 2,032 billion to FRW 2,537 Billion between June 2019 and June 2020. The value of Mobile banking increased by 131 percent from FRW 63 Billion to FRW 146 Billion between June 2019 and June 2020. This increase was attributed to the adoption of digital payments during the lockdown to limit the spread of the COVID-19 pandemic.

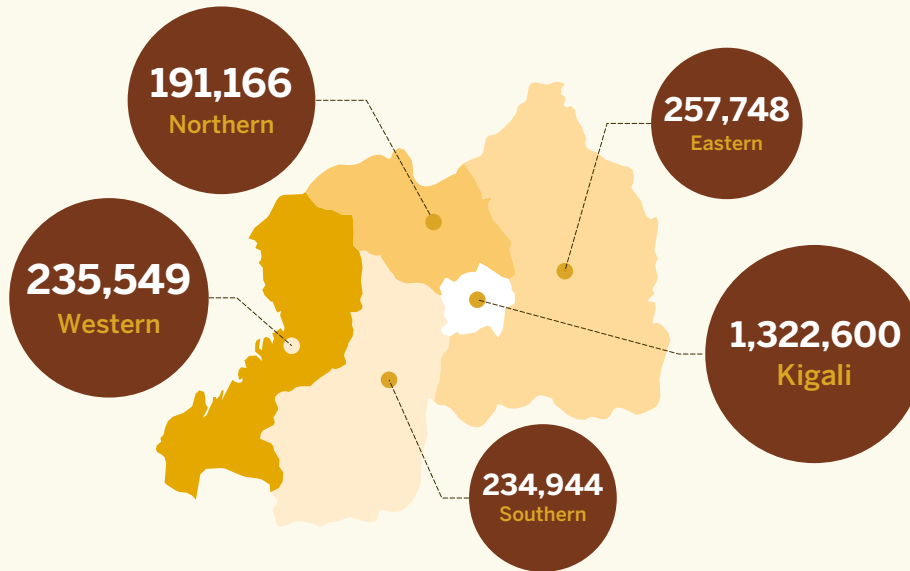
Figure 27: Number of Subscribers and Mobile Payment Agents Trend



Source: NBR

ACCESS TO FINANCE

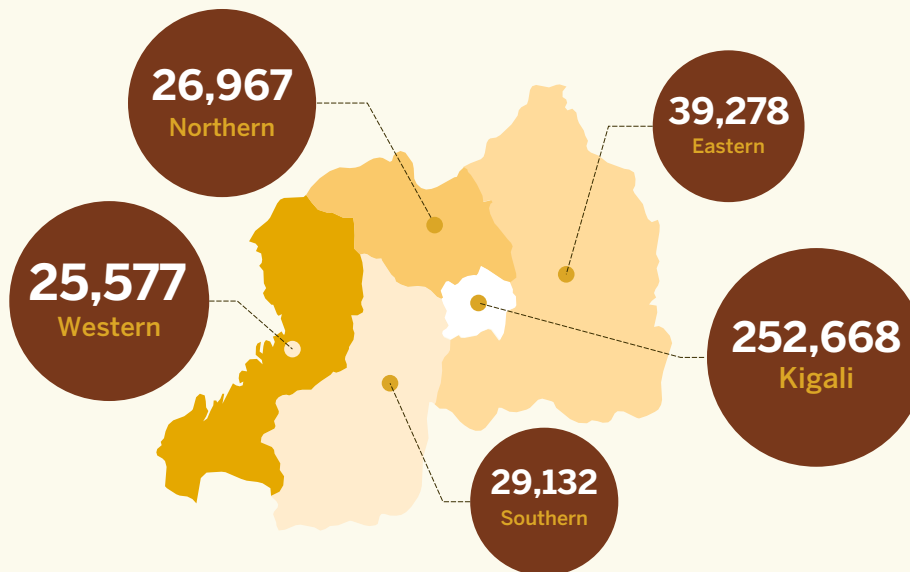
DEPOSITORS



2,376,475
in June 2019

2,242,007
in June 2020

BORROWERS



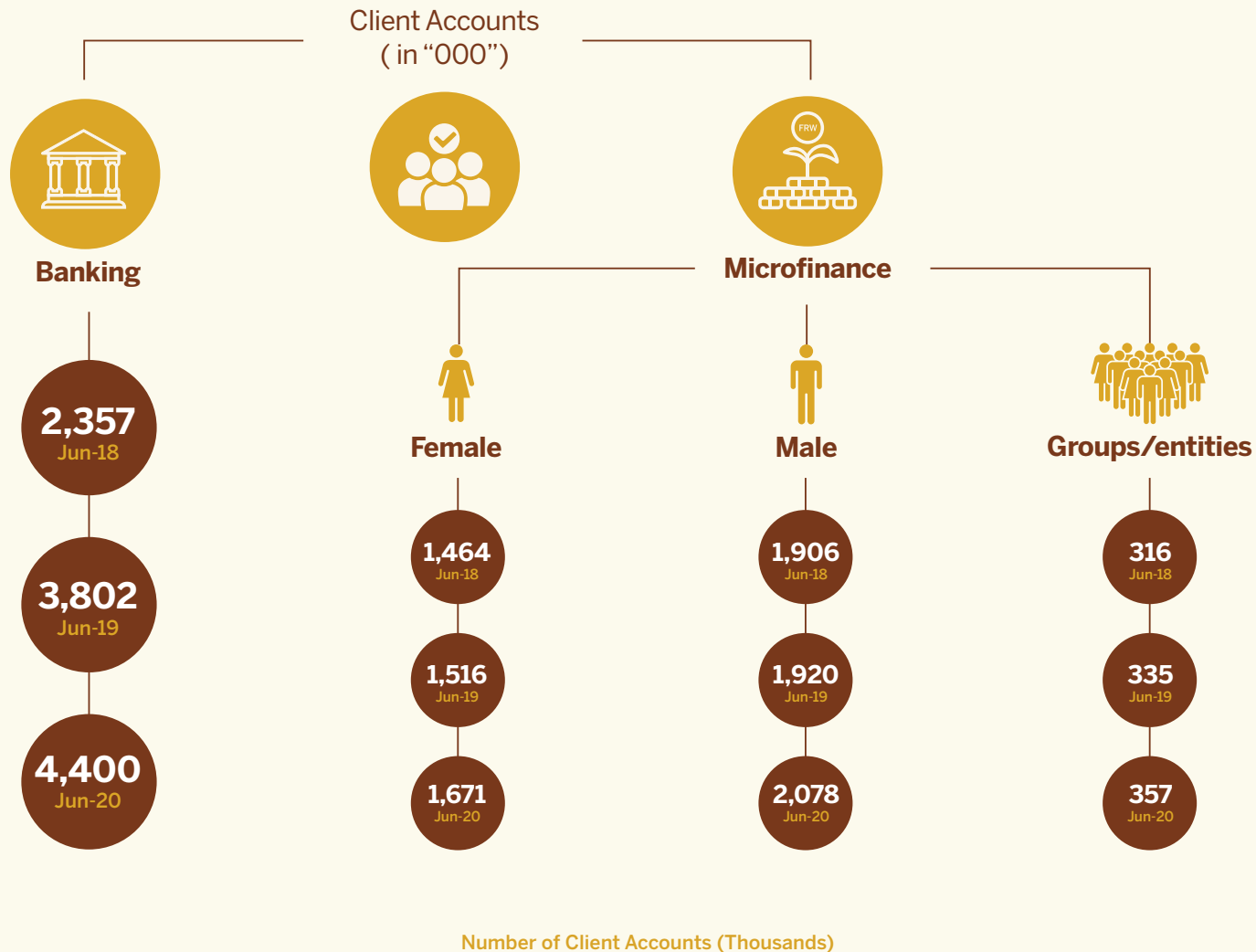
373,622
in June 2020

378,809
in June 2019

Number of Depositors and Borrowers in Banks by Province

ACCESS TO FINANCE

In June 2020, the total number of accounts of banks and MFIs increased by 12.3% to 8.5 million. Share of female-owned accounts stood at 40.7% (1.6 million) while men held 50.6% (2.0 million). However, it should be noted that account penetration for women grew faster compared to men with 10.2% and 8.2% respectively. This growth was attributed to the high penetration of digital loan accounts.



The background features a collage of Rwandan currency. On the left, a 1000 Franc coin is shown in profile. On the right, a 100 Franc coin is shown from the front. The background is filled with various banknotes, including a 2000 Franc note with the serial number AP 0884892 and a 100 Franc note. The text 'RWA' and 'IBIHUMBI BIBIRI' are visible on the bottom left. The overall color scheme is a warm, brownish-orange.

4

Currency Management & Banking Operations

According to the law, No 48/2017 of 23/09/2017 governing NBR in its articles 36, currency issuance is an exclusive privilege of the National Bank. In addition, NBR acts as a State cashier by providing Banking services to Government entities.

The current range of Rwanda banknotes and coins with the legal tender are:

Coins: 100 FRW, 50 FRW, 20 FRW, 10 FRW, 5 FRW and 1 FRW

Banknotes: 5000 FRW, 2000 FRW, 1000 FRW and 500 FRW

CURRENCY MANAGEMENT

- NBR's role is to protect the integrity of banknotes. This is done by continuously reviewing and improving the banknotes' security features, while effectively managing the cash cycle to meet public demand. The Cash Cycle management involves receiving, issuance, distribution of banknotes/ coins, and destruction of unfit banknotes.
- The Bank Automated its cash center composed of Vault Management System (VMS), Banknote Processing System (BPS), and Banknote Destruction System (BDS). These systems are integrated with other NBR systems such as Core Banking (T24) and Rwanda Integrated Processing Payment System (RIPPS). This has enhanced the Bank's cash management processes with regards to efficiency in managing deposits and withdrawals from commercial banks, the Bank's cash security, increased storage capacity, and has eased cash traceability.

TRENDS IN CASH CYCLE MANAGEMENT

The tables below show the trend in deposits and withdrawals for the previous four years:

Figure 27: Deposit of Banknotes

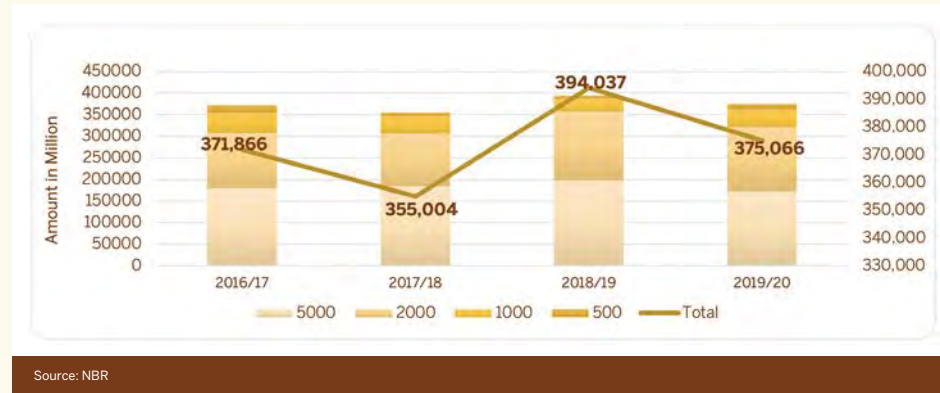
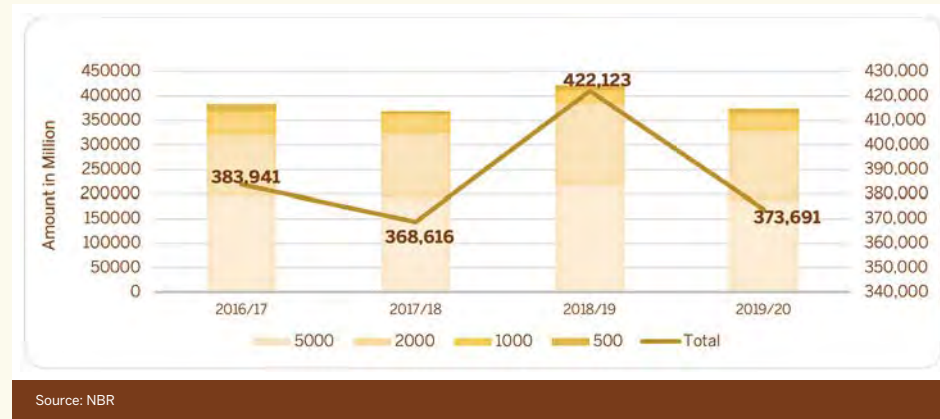


Figure 28: Withdrawals of Banknotes



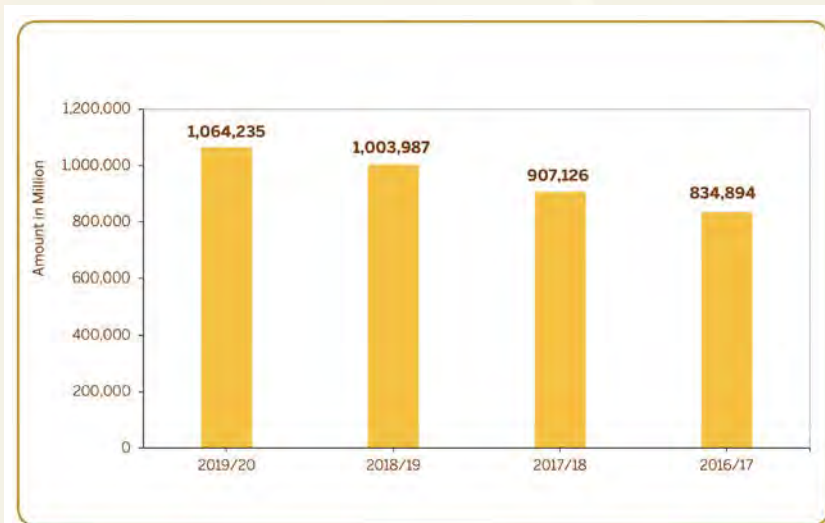
- During the year 2019-20, total deposits of banknotes decreased by 4.81% to FRW 375.07 billion from FRW 394.04 billion in the previous financial year whereas the total withdrawals reduced by 11.47% to FRW 373.69 billion compared to FRW 422.12 billion in the previous financial year. The reduction in both cash deposits and withdrawals was due to the reduction of cash handling to curb the spread of COVID-19.

BANKING OPERATIONS

The volume of transactions done through internet banking significantly increased over the past four years.

NBR INTERNET BANKING

Figure 29: Volume of Internet Banking Transactions



Source: NBR

The total volume of internet banking transactions increased by 6% in 2019-20 from 1,004 billion to 1,064 billion. This growth was mainly due to measures put in place to mitigate the spread of the COVID-19 pandemic and the Government's program to achieve a cashless economy.



5

Reserves Management

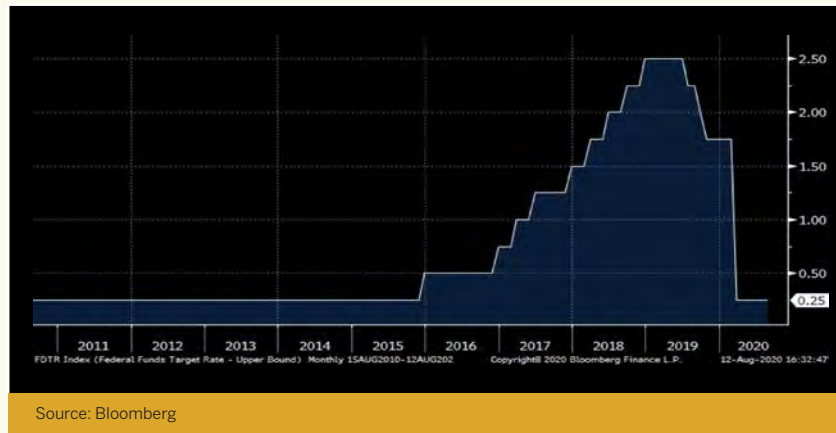
RESERVES MANAGEMENT

- The National Bank of Rwanda has the responsibility to hold and manage official foreign exchange reserves. In this regard, the Bank established a Reserve Management Framework to effectively and efficiently manage reserves.
- In managing official reserves, the National Bank of Rwanda aims to maintain an adequate level of reserves that covers a benchmark of four (4) months of imports. However, the NBR set up a medium-term target of achieving at least 4.5 months of import cover to strengthen resilience to external shocks, while optimizing returns on investments of at least 0.2% annually above the benchmark.

GLOBAL MARKET REVIEW

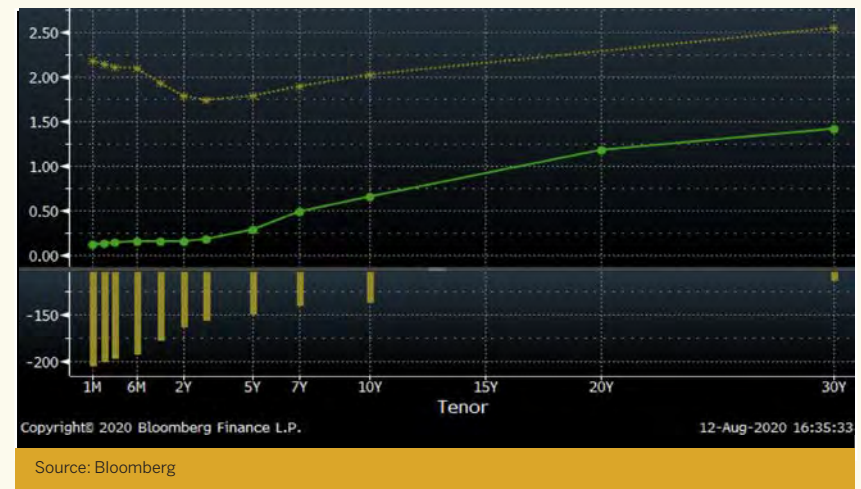
- The start of the financial year 2019-20 marked the growing evidence that the trade war between the USA and China was eroding global short and long-term growth prospects. That was a turning point for global monetary policy since 2008.
- The Federal Reserve made a 75 basis points rate cut in the first two quarters of the last financial year. Interest rate cut measures were also applied by Central Banks Worldwide as the trade shock was felt globally, and quantitative easing resumed as complementary measures to support the faltering growth.

Figure 30: US Policy Rate



- In the second half of the financial year, the COVID-19 outbreak was declared a pandemic in March, and containment measures led the world economy into a deep recession. Central banks and governments across the globe delivered an additional record stimulus in the race to limit the shock.
- In China, the economy inched back toward a seemingly state of normality after the outbreak was contained.
- The focus of concern was in the U.S. and Europe as well as other parts of the world, as officials struggled to contain the outbreak. The monetary response by the US only was a rate cut of 150 basis points to bring the rates to 0.25%; supplemented by massive quantitative and fiscal measures in thousands of trillions.

Figure 30: US Yield Curve



- The effects of US consecutive rate cuts and flight-to-safety enjoyed by the US bond market sent yields down by an average of 150 basis points delivering the same level of return of 4% as the previous financial year, on the section of the US Treasury yield curve (0-5) that the Bank was exposed to.



**THE BANK'S
FOREIGN
RESERVES**
increased to
USD 1,652.38 M
JUNE 2020

from
USD 1,249.48 M
JUNE 2019

PERFORMANCE OF NBR RESERVES

During FY 2019-20, NBR official reserves were managed within a well-structured reserve management governance, updated investment policy and guidelines as well as procedures that guide NBR in managing official reserves.

The implementation of the Internal Credit Risk Framework supported the NBR to take appropriate investment decisions based on information related to credit exposure by; bank, rating, country, maturity, and the probability of default for each counterparty. It highlighted allowable exposure versus actual and any other information (positive or negative) that might have affected NBR's investments. It has also enabled monitoring of risks related to foreign reserves thus guiding the Reserves Management Committee(RMC) to take appropriate investment decisions during challenging times of liquidity that the market experienced during the Covid-19 pandemic.

As of the end of June 2020, the Bank's foreign reserves had increased to USD 1652.38 Million from USD 1249.48 million recorded in June 2019; covering 6.0 months of imports. The increase was mainly due to external financing from IMF and WB to deal with the negative impacts of COVID-19. The support helped the Government to deal with unexpected COVID-19 related expenditures and to improve the balance of payments.


Although the NBR managed its reserves amidst high market volatility due to uncertainties from the Covid-19 pandemic, low yield environment following Fed decision to bring back its target rate to near zero under a more deleveraging international environment; the portfolio earned 3.992% compared to a benchmark return of 3.822%; thus 17 bps above the benchmark.

In addition, this good performance was attributed to a knowledge transfer program by external fund managers to the Bank's staff.



6

—
Business
Excellence



This chapter aims at ensuring the Bank provides excellent services to its stakeholders by providing strategic direction of the Bank, streamlining operational business processes, updating policies and procedures to speed up service delivery in the customer services' charter. The section also highlights key achievements in the governance of the Bank, its strategy execution, IT Modernization journey, strengthening its security system, with attention to human resources development and management as well as optimization of the Bank's resources.

VISION, MISSION AND CORE VALUES



Our Vision

To become a World-Class Central Bank



Our Core Values



Our Mission

To ensure Price Stability and a Sound Financial System

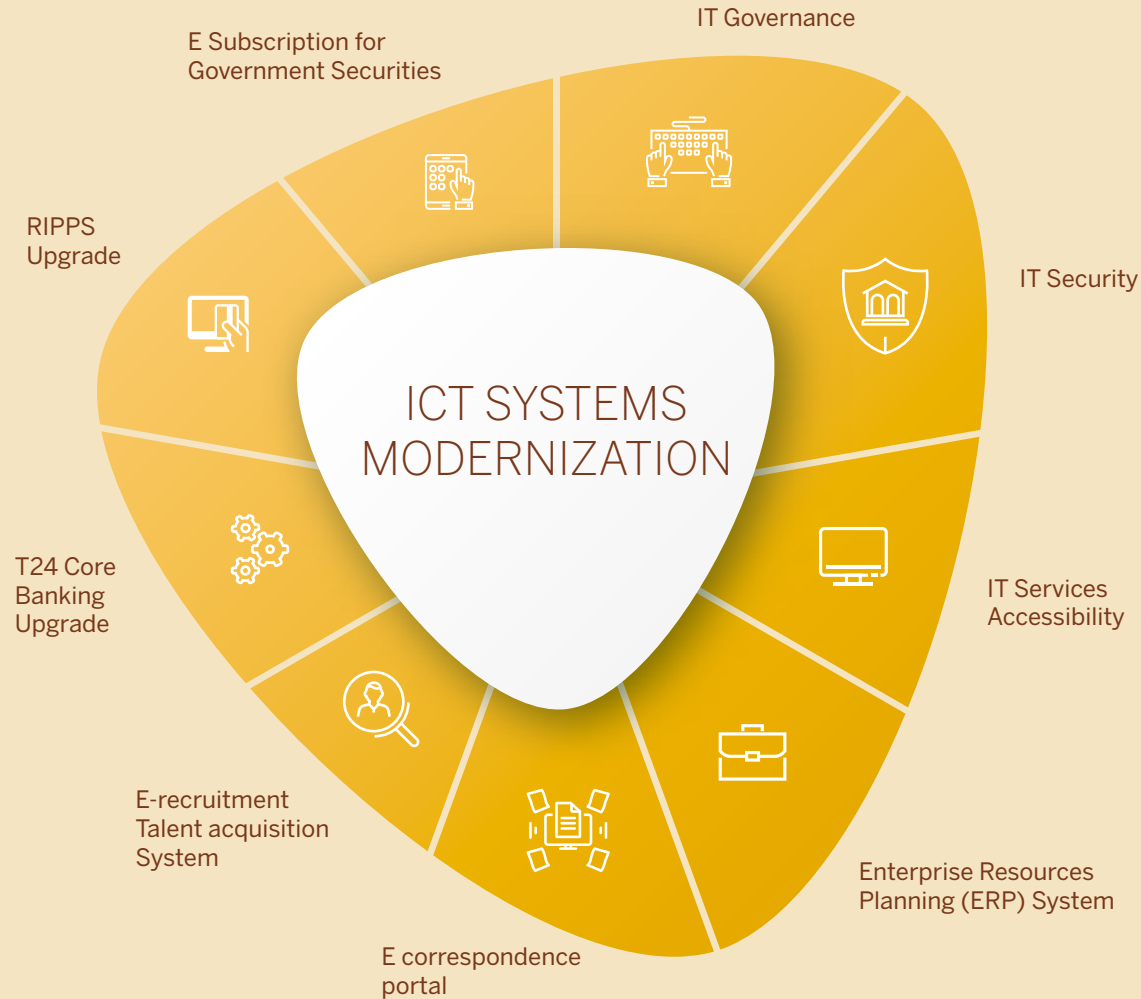


STRATEGIC MANAGEMENT

- The Bank continued to improve the strategic management process and alignment with performance management guided by the Balance scorecard framework. We conducted several workshops that engaged all staff aimed at cascading strategic objectives to Individual performance. The enhanced strategic performance management was further supported by the automation of the strategic planning and performance management cycle to track performance measures.
- The automation enabled the Bank to track progress on the delivery of the strategic objectives within strategic themes, as set out in the strategic plan. The objectives are tracked, measured, and reported to the Senior Management Committee and the Board of Directors quarterly and bi-annually respectively.
- The Bank introduced new structures and processes to strengthen the practice and governance of project management portfolio. NBR's Project Management standards were updated adopting the best practices.

ICT SYSTEMS MODERNIZATION

During the Financial Year 2019-2020, the National Bank of Rwanda continued with the IT modernisation program mainly focusing on projects that support internal administrative and management processes, government institutions and the financial sector. Investments were mostly in the areas of automation of processes, IT infrastructure, cybersecurity and IT Governance. The year has ended with some of the projects completed and others at an advanced stage.





AUTOMATION OF PROCESSES

These projects came to respond to the National Bank of Rwanda stakeholders' needs through provision and enhancement of online services that create value through efficiency and convenience.

- The automation embarked on several systems, including e-recruitment, Internet Banking, e-correspondence, and teleworking facility for NBR employees.
- Further, the Bank initiated, and at the final phase in upgrading, the Rwanda Integrated Payment Processing System (RIPPS) and T24 Core banking used to support the operations of the banking sector and government institutions.
- The Bank has also enhanced its Electronic Data Warehouse with Business Intelligence features to support users in processing of data accurately and timely for prompt information in decision-making.
- During the year under review, the Bank enhanced its Enterprise Resources Planning system (ERP) through computerising and integrating its strategic planning and performance management business processes. The automation of planning, monitoring, and reporting improved the quality of reports extracted from the Enterprise Data Warehouse (EDWH), easy tracking of business plan execution, and timely dashboards that inform decision-making. The ERP system has also enabled staff to set and monitor their KPIs of which the automation has significantly contributed towards the paperless working environment in the Bank.
- The Bank has developed a platform that enables retail investors to buy and sell Government securities through their mobile devices remotely. With the launch of the system expected to go live before the end of 2020, the level of retails' participation in government securities will increase, thus increasing domestic saving and the capital market development in the country.



IT GOVERNANCE

IT Governance is a critical tool that guides an organisation to invest and utilise information technology to achieve its goals effectively. In this regard, the National Bank of Rwanda implemented an IT Governance framework using COBIT 5 standards by identifying twelve priority COBIT 5 processes. As at the end of the financial year 2019-20, the Bank had successfully implemented six processes.

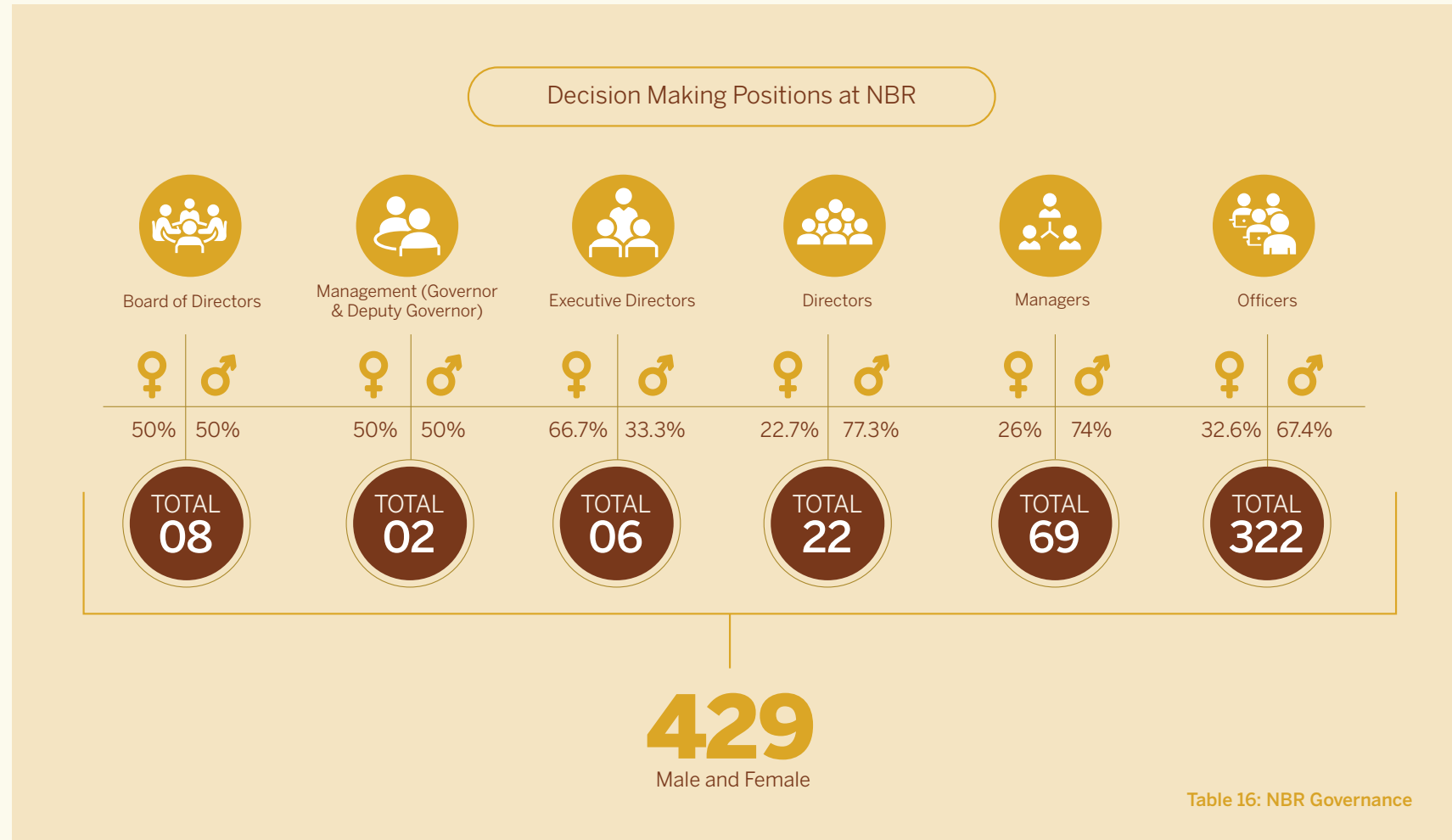
- As one of the IT Governance processes implemented, the NBR reassessed its Enterprise Architecture (EA) and updated it according to its strategic needs. With this initiative, the level of business process automation in the Bank has reached 81% out of 100% targeted in FY 2023/24. The updated Enterprise Architecture will help to realign investments made in the IT projects of the Bank, ensuring that every project adds value to the business of the NBR.
- Cyber Security continued to be one of the highest priorities IT Governance of the NBR. The IT audit surveillance was conducted and the Bank has been **ISO 27001 re-certified for the third time** where IT processes have been recognised to be secure and have met cybersecurity objectives. The Bank has benchmarked its IT security on international standards, and this has increased trust and information security. Additional initiatives to enhance the Bank's systems security include; deployment of Data Loss Prevention (DLP) solution and implementation Security Operations Centre (SOC) aimed at strengthening IT network traffic analysis for the Bank and the financial sector.





PEOPLE AND KNOWLEDGE

- The National Bank of Rwanda is a knowledge-based organization that aims to attract, develop, and retain skilled people to deliver on its mandate. In this regard, during the year, several initiatives were implemented ranging from attracting the best talents to capacity development and deepening organization culture.
- As of the end of June 2020, NBR's total number of staff was 429 composed of 68% men and 32% women. The table below provides more details on the composition of NBR staff.



Diversity and Inclusion

- NBR believes that having a workforce composed of people with different backgrounds, experiences, and perspectives, coupled with an environment that values such diversity is critical to becoming a world-class central bank. Among the key initiatives during the year was the enhancement of recruitment and selection processes through automation and strategy to reduce the gender gap.
- With regard to eliminating the gender gap, the Bank has undertaken Gender Equality Seal Certification (GES) program, aiming to implement gender mainstreaming into policies, programs, projects, and structures as well as strengthen capacities of both managers and staff, to boost gender equality within NBR. One of the Gender Equality Initiatives includes a recruitment policy with affirmative action that gives competent authority to appoint one of the successful candidates other than the first in the context of positive discrimination.

Staff Capacity Building

- June 2020 marked the completion of the medium-term capacity building plan that had started in July 2017. During FY 2019/20, the capacity building plan was implemented at 50% due to COVID-19 related challenges that affected most of the training which were to be conducted outside the country.
- The three-year capacity building plan was intended to fill the skill gaps that were identified in the 2016 skills audit. With disruptions of COVID-19, towards the last six (6) months of the plan, initiatives to bridge the gap by online training were considered and picked ground for implementation during the FY 2020/21.
- Despite the COVID-19 crisis, solutions to develop some internal and digital platforms for training management were started. Emphasis was given to in-house training and promoting training through a demand-driven approach developing the Bank curriculum. To ensure the sustainability of the in-house program, internal trainers (ToT) will be trained to continue training others.
- In line with the Bank's three-year capacity building plan which ended in June 2020 that had been developed to address the identified skills gap in the 2016 skills audit. Staff participated in different training programs/courses including PhDs in economics, professional courses such as Association of Chartered Certified Accountants-ACCA, Certified Public Accountants-ACA, Project Management Professionals-PMP, Balanced Score Card Professionals-BSC and IT professional courses. As of June 2020, 134 NBR staff were registered to undertake professional courses, among them 50 have successfully completed. Different partners, namely the International

Monetary Fund (IMF), World Bank, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), and the Swedish and Czech central banks remained our close partners in staff development in different specialized courses for Economists, Analysts and Inspectors.

- During the FY 2019/20, a coaching and mentorship program was established through developing a guiding policy and training of the lead teams. This aims to promote the learning and growth of young and inexperienced staff to learn both technical skills and soft competencies from their seniors but specifically be facilitated to maximize their potential for excellence. The Bank continues to bring on board young professionals to accelerate the achievement of its vision of becoming a World-Class Central Bank.
- Hand in hand with coaching and mentorship, the Bank established succession planning to ensure NBR business continuity and business excellence achievement. A sizeable investment for capacity building will remain among its priorities to ensure sustainable delivery of its mission.

Organization Culture

- In addition to the Leadership development program that was undertaken by the Bank during the past years, NBR developed a Culture and Brand framework to ensure staff lives its values of integrity, accountability, excellence, teamwork, and mutual respect. The cultural assessment was conducted among staff and the recommendations constituted baseline for the NBR Culture and Brand framework. This will continue to guide the Bank in having a shared understanding of mission, vision, and values, create a synergy between brand, culture, and leadership, enhance accountability for all and strengthen engaged and empowered employees befitting a growing 21st Century central bank.
- To improve communication and feedback, the Bank conducted a 360 degree feedback evaluation holistically looking at areas of growth within leadership competencies, as a follow-up of the staff motivation survey of 2019. The Bank commits to remain a learning and growing organization in-line with the national direction and consistent with excellence associated with world-class.



CONDUCTIVE WORKPLACE



STAFF WELFARE & HEALTH

To enhance performance, the Bank carried out several staff welfare activities such as medical services with particular attention to the preventive healthcare approach. Focus was made on mental health including counselling and psychology. Also promoting sports facilities and organizing sports tournaments pursued for the dual benefit of health as well as team building initiatives. The special part of the tournaments in the year, brought together all staff, Bank Senior Management, and Board of Directors in different competitions, including football, basketball, and volleyball.

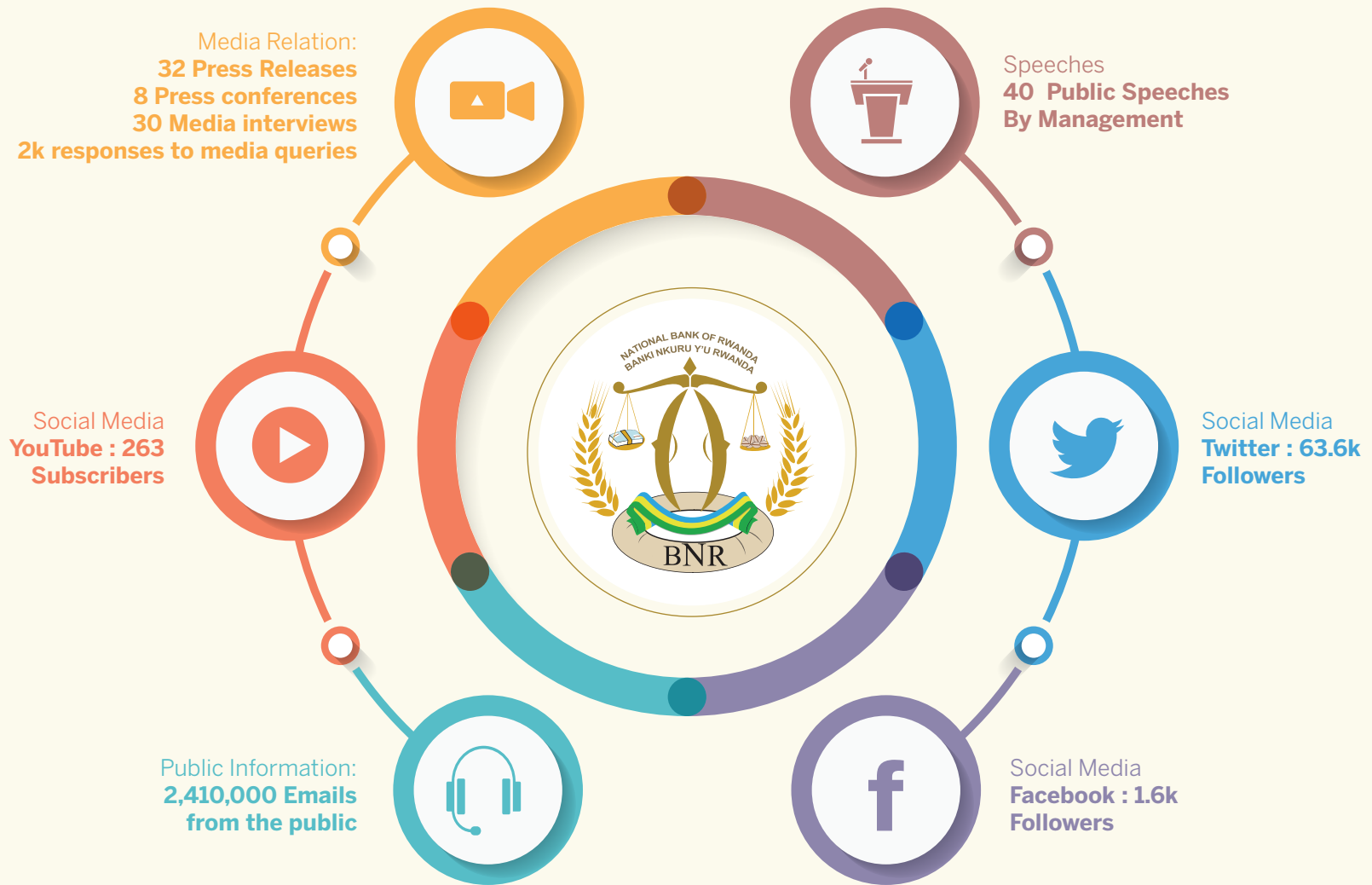
GREAT PLACE TO WORK

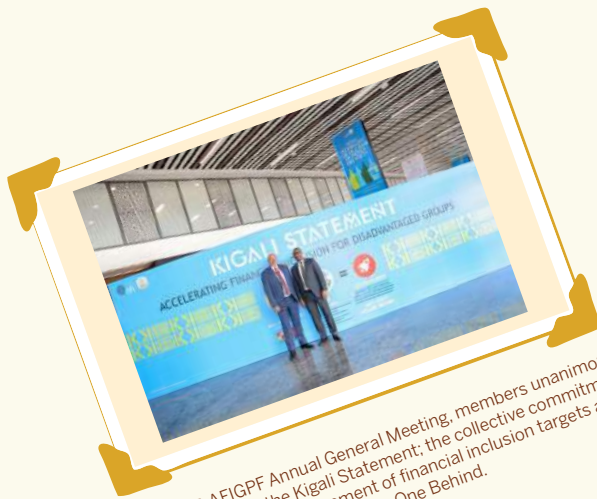
The Bank's human resource policies to promote a conducive work environment were informed by consistent surveys conducted in the assessment of staff motivation, promotion of innovation through a Good Idea Campaign, leadership, and strategic maturity survey. This will continue to evolve based on international best practices.

SMART WORKING

The Bank introduced smart working practices such as working remotely (teleworking), thanks to the Bank's investment in IT solutions. This significantly contributed to the Bank's business continuity and efficiency in operations and is expected to further contribute to the wellbeing and work-life balance for staff.

Communication Impact





At the 2019 AFIGPF Annual General Meeting, members unanimously voted to endorse the Kigali Statement: the collective commitment to accelerate the achievement of financial inclusion targets and to Leave No One Behind.



Prime Minister Edward Ndirere opens the 2019 AFI GPF officially.



Deputy Governor Dr. Monique Nsanzabaganwa presents to the participants Rwanda's financial inclusion journey.



Minister of Finance Ndagijimana Uzziel, Governor Rwangombwa John and the Rwandan delegation met IMF Managing Director Ms. Kristalina Georgieva during the World Bank General Meetings!



Panel Discussion on Fast tracking the digital payment journey in Rwanda.



Governor Rwigombwa John meets the private sector and MDs from the financial sector to communicate the outcome of the Monetary Policy Committee Meeting and Financial Stability Committee Meeting held on 14.11.2019 and 12.11.2019 respectively.



Governor Rwigombwa John delivering his remarks during the launch of the first Rwanda Franc denominated bond listed on the London Stock Exchange.



Chief Economist of National Bank of Rwanda Thomas Kigabo conducts a public lecture at University of Rwanda on Monetary Policy framework, recent economic performance, outlook and stance



Launch of BNR Monetary Policy Challenge.



Governor Rwigombwa John assumes the chairmanship of Association of African Central Banks

NBR Communication and outreach programs

Top media Tweet earned 8,476 impressions

This morning's @NewsAFI Annual General Meeting has unanimously voted to endorse the Kigali Statement, the collective commitment to accelerate the achievement of financial inclusion targets and to #afiKigali #afiGPF

#afiKigali #afiGPF

pic.twitter.com/nUS8BDEzqm



Top media Tweet earned 12.6K impressions

This morning, @CentralBankRw is honored to host the Association of African Central Banks Bureau meeting ahead of tomorrow's symposium. In attendance are Central Bank Governors, Deputy Governors, @AfricanUnion Commission (AUC) and the technical team #AACB2019

pic.twitter.com/INIVL7Z6H



Top Tweet earned 42.1K impressions

Governor @rwangombwaRW delivering his remarks after launching the first #Rwanda Franc denominated bond listed on the London Stock Exchange.

#investinAfrica pic.twitter.com/2eaf73r5v



Top mention earned 763 engagements

c. Nkulikiyinka @CNkulikiyinka

I had the pleasure to welcome the @CentralBankRw Delegation lead by Hon. Governor @rwangombwaRW. We discussed the good cooperation with Swedish Central bank @riksbanken and other cooperation projects between #Rwanda and #Sweden

pic.twitter.com/VomoyMoOid



Top Tweet earned 22.1K impressions

As we celebrate #ValentinesDay2020, this morning @centralbankrw staff were challenged to get to know their colleagues by finding a colleague they have never interacted with and find out a fun fact about them. #KnowYourColleagueMore #SpreadTheLove #ValentinesDay2020

pic.twitter.com/3qN58MyeYr



Top Tweet earned 7,173 impressions

After an exciting performance on #Rwanda's financial Inclusion journey by #Mashirika, Deputy Governor @mnsanzabaganwa takes the stage to further explain this journey #afiGPF #afiKigali

pic.twitter.com/wriVuvyfx



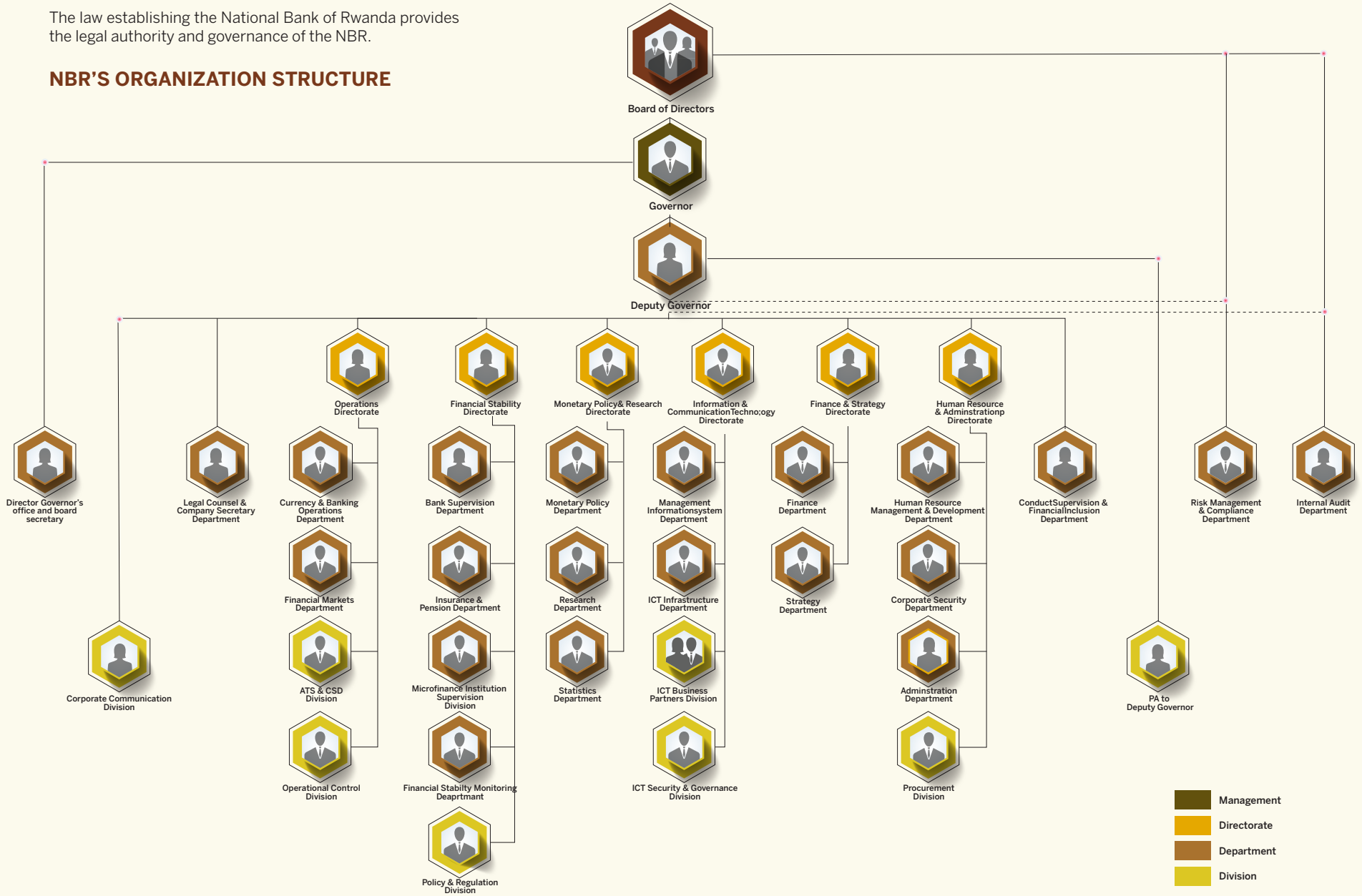


NBR
Governance
Framework



The law establishing the National Bank of Rwanda provides the legal authority and governance of the NBR.

NBR'S ORGANIZATION STRUCTURE



BOARD OF DIRECTORS AND ITS COMMITTEES

The current Board of Directors is composed of 7 people where two (2) are Executive Members (Governor and the Deputy Governor) and five (5) Non-executive Members. The Board is responsible for providing the strategic direction of the Bank and oversees the conduct of its business.

During the financial year 2019-20, the Board composition was as follows:



**RWANGOMBWA
JOHN**

Chairperson

Date of Appointment:

25th February 2013

Board meetings: **4/4**



**DR. NSANZABAGANWA
MONIQUE**

Vice Chairperson

Date of Appointment:

May 2011

Board meetings: **4/4**



**RUGWABIZA
LEONARD**

Member

Date of Appointment:

2011

Board meetings: **4/4**



**HABIYAKARE
CHANTAL**

Member

Date of Appointment:

25th February 2013

Board meetings: **4/4**



**DR. MUSAFIRI
ILDEPHONSE**

Member

Date of Appointment:

27th April 2018

Board meetings: **4/4**



KEZA FAITH

Member

Date of Appointment:

27th April 2018

Board meetings: **4/4**



**MURENZI
IVAN**

Member

Date of Appointment:

27th April 2018

Board meetings: **4/4**

BOARD OF DIRECTORS AND ITS COMMITTEES



The Board has four Committees, namely:

- Audit and Risk Board Committee;
- HR Board Committee;
- Strategy & IT Board Committee;
- Legal and Regulatory Board Committee.

These committees are exclusively composed of non-executive members.

The Board sits quarterly for its ordinary meetings and at any time that it deems necessary for extraordinary meetings.

Table 12: The attendance of the Board Members for the FY 2019/20

BOARD MEMBERS	BOARD MEETINGS	HR COMMITTEE	AUDIT & RISK COMMITTEE	STRATEGY AND IT COMMITTEE	LEGAL AND REGULATORY COMMITTEE
Mr. RWANGOMBWA John	4/4	N/A	N/A	N/A	N/A
Dr. NSANZABAGANWA Monique	4/4	N/A	N/A	N/A	N/A
Ms. HABİYAKARE Chantal	4/4	N/A	3/4	4/5	1/1
Mr. RUGWABIZA MINEGA Leonard	4/4	1/1	N/A	3/4	2/4
Mr. MURENZI Ivan	4/4	N/A	N/A	3/4	3/4
Dr. MUSAFIRI Ildephonse	4/4	1/1	1/1	N/A	N/A
Ms. MURANGWA Hadija	1/4	N/A	N/A	N/A	1/1
Ms. KEZA Faith	4/4	N/A	3/4	3/4	-

Source: NBR

During the financial year 2019-20, the Board of Directors held four (4) ordinary quarterly meetings with all Board of Directors in attendance except Ms. MURANGWA Hadija following her appointment in other duties in October 2019

BOARD COMMITTEE FUNCTIONS AND ACTIVITIES

The Committees were established to exercise the powers conferred on the Board by the NBR Law. These are; Legal and Regulatory Board Committee, Strategy and ICT Board Committee, Human Resources Board Committee, and Audit and Risk Board Committee.



LEGAL AND REGULATORY BOARD COMMITTEE

Roles and Responsibilities

The Committee performs the following roles and responsibilities:

- Reports to and assists the Board with matters arising to NBR's compliance with legal and regulatory requirements, in internal policies and such other legal matters as may be directed by the Board;
- Provides strategic guidance and recommendations to the Board on the Bank's communication with other regulatory authorities, lawmakers, and government;
- Reviews and makes recommendations, where required, on the establishment of distinct legal and regulatory recognition for the Bank;
- Receives, reviews and recommends proposals to the Board on the Bank's position relative to regulatory or legislative proposals or changes (including specific consultation papers) from the Government of Rwanda and particularly where such regulations or legislation are viewed by the Committee as disproportionate, inappropriate, or disadvantageous to the Bank;
- Lobbies and pro-actively engages with the relevant policymakers and regulators in relation to 3 above;
- Obtains and reviews regular updates from the Bank's legal advisers regarding legal aspects of the activities, work, and services of the Bank;
- Reviews and monitors the Bank's compliance programs;
- Liaises with the Human Resource Committee in monitoring, reviewing the compliance with and effectiveness of the Bank's code of conduct. The committee also advises human resources on other policies, and legal considerations.
- Advises the Board on any projects covered by its remit;
- Investigates any potential breach of interest by members;
- Monitors the investigations and resolution of any significant instances of non-compliance or potential compliance violations that are reported to the Board;
- Reviews periodically the Board Committee Charters and make recommendations to the Board for revisions if required;
- Maintains oversight of the Bank's Code of Ethics and whistle-blower Policy and other Policies excluding those overseen by other Board Committees;
- Oversees the implementation of the Bank's Corporate Social Responsibility;

- In collaboration with the finance department, helps the Board to understand the Bank's current and future risks, challenges, and opportunities; and
- Other duties that may be assigned to the Committee by the Board.

Activities of the Committee accomplished during the FY 2019/2020

The committee reviewed and recommended for the approval of the following:

- The Payment Systems Law;
- The Draft Regulation on Publication of Audited Financial Statements and Other Disclosures for Insurance Companies;
- NBR Internal Procurement Rules;
- NBR Board Committees Sitting Allowance.
- The Regulation No 34/2020 of 08/06/2020 governing change and shareholding, amalgamation and transfer of portfolio of insurers and re-insurers.
- Regulation determining administrative sanctions applicable to financial institutions for non-compliance with the prevention of money laundering, financing terrorism and financing of proliferation of weapons of mass destruction requirements.
- The Regulation on Holding Companies for Banks;
- The Draft Regulation on Mortgage Refinancing Companies for Banks;
- The sitting allowance for MPC External Members.
- The Draft Regulation Governing Financial Holding Companies;
- The Draft Regulation on Proportionality for Banks;
- The Draft Regulation on Group-Wide Supervision for Insurers.
- The Regulation on licensing of pension schemes and pension service providers



STRATEGY AND ICT BOARD COMMITTEE REPORT

Roles and Responsibilities

The Committee:

- Oversees the Strategic Direction of the Bank;
- Advises on development, adoption, and modifications of the Bank's business plans to implement the Bank's overall strategy;
- Reviews and recommends the IT Strategic Plan to the Board for their approval;
- Regularly monitors the achievement of the strategic plan (action plan) and the annual budget of the Bank;
- Validates all the initiated projects to start in the Bank;
- Regularly monitors and evaluates the Bank's projects;
- Evaluates and assists the Bank in ensuring whether projects are embedded into its operations and the Bank's strategic priorities;
- Is responsible for IT Governance;
- Monitors and evaluates significant IT investments and expenditures;
- Ensures that the Bank assets are managed effectively and securely;
- Periodically reviews the progress made in the implementation of the IT strategic plan and makes necessary adjustments when required;
- Provides guidance to the Board on the implementation of the IT Strategic Plan;
- Establishes proper linkages between the IT strategic plan and IT Annual Work Plan;
- Performs any other duties that may be assigned by the Board
- Submits implementation status reports of the Business Plan to the NBR Board annually;
- Responds to external developments and factors, such as changes in the economy, banking industry, and technology, which impact the Bank's strategy;
- and other Policies excluding those overseen by other Board Committees by virtue of their duties and responsibilities;
- Oversees the implementation of the Bank's Corporate Social Responsibility;
- In collaboration with the finance department, helps the Board to understand the Bank's current and future risks, challenges, and opportunities; and
- Other duties that may be assigned to the Committee by the Board.

Activities of the Committee accomplished during the FY 2019-20

The committee reviewed and recommended for the approval of the following:

- NBR Business Plan 2018-19 Performance Evaluation;
- NBR Annual Activities Report FY 2018-19;
- Operational AML, KYC and Sanctions Policy;
- The Revisited Deposit Guarantee Fund Investment Policy.
- The NBR 2019-20 Revised Business Plan & Budget;
- Project Closure Reports: Data Center Upgrade and Optimization and QMS;
- The Data Protection Policy.
- Strategic Priorities for FY 2020/2021;
- NBR Project Business Cases (Knowledge Resources Center, Centralized Data Archiving Solution);
- NBR Project Management Policy;
- The Communications Policy.
- The Strategic Asset Allocation for Reserves Management Policy
- Paper on Financial Sustainability
- Business Plan for the FY 2020/21
- Budget for FY 2020/21
- Big Data Approach



AUDIT AND RISK BOARD COMMITTEE

Roles and Responsibilities

The Committee, in fulfilling its roles;

a) Reports on financial information

- Reviews significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas;
- Reviews the annual financial statements and consider whether they are complete, consistent with information known to Audit and Risk Committee members, and reflect appropriate accounting principles.

b) Internal Control

- Reviews the implementation of key accounting policies and financial reporting;
- Evaluates the adequacy and effectiveness of the internal control and the risk management systems.

c) Internal Audit

- Reviews the adequacy of the internal audit function, including qualification of staff, resources, and quality of reports;
- Considers the scope of work of the internal audit function;
- Reviews and approves the annual risk based audit plan and ensure that no unjustified restrictions or limitations are made;
- Assesses the adequacy of the internal audit resources to perform the annual audit plan in order to be able to cover the NBR audit universe over a three to maximum five-year period;
- Reviews the annual audit activity report;
- Contributes to the selection process for the appointment of the Chief Internal Auditor and evaluates his/her performance;
- Ensures that findings and recommendations communicated by Internal Audit and Management's proposed responses are received, discussed and appropriately and timely acted on;
- Supervises the process for the preparation and presentation of regulated

financial information;

- Serves as a channel for communication between the Board of Directors and the auditors, to assess the results of each audit and the response by the management to their recommendations, and to mediate in the event of disputes between the auditors and the management in relation to the principles and methods used in preparing the annual accounts;
- Establishes the appropriate relationships with the auditors or audit firms in order to receive information on matters which may jeopardize the independence of the auditors, for its examination by the Audit and Compliance Committee, and on any other matters relating to the audit process, as well as any other communications provided for in the audit legislation and audit regulations;
- Reviews the Bank's accounts, monitors compliance with legal requirements and the correct application of generally accepted accounting principles; and
- Monitors the functioning of the internal financial control manuals and procedures adopted by the Bank, to verify compliance with them and review the designation and replacement of the persons responsible for them.

d) Compliance

- Reviews the effectiveness of the Bank's system for monitoring compliance with relevant laws and regulations (including internal rules) and the measures taken by the Management as a result of its investigation of material incidents of non-compliance.

Activities of the Committee accomplished during the Financial Year 2019/2020

The committee reviewed and recommended for the approval of the following:

- End FY 2018-19 Audited Financial Statements;
- Risk Management and Compliance Activity Report;
- Internal Audit Activity Reports;
- Updates on the status of Ex-staff loans;
- Appointment of new External Auditor;



HUMAN RESOURCES BOARD COMMITTEE

Roles and Responsibilities

- Regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Bank compared to its current position and make recommendations to the Board with regard to any changes;
- Gives full consideration to succession planning for senior staff and other staff in the course of its work, taking into account the challenges and opportunities facing the Bank with regard to what skills and expertise are needed in future;
- To stay competitive in International labour market.
- Regularly reviews salaries and benefits for NBR staff to keep the Bank's remuneration structure competitive;
- Reviews the Bank's Human Resource policies and advises the Board for their approval.

Activities of the Committee accomplished during the FY 2019/2020

The committee reviewed and recommended for the approval of the following:

- Appointment of Senior Managers
- Restructuring of the Company Secretarial Function



a) Monetary Policy Committee-MPC

- The Monetary Policy Committee for the National Bank of Rwanda is a policy-making body responsible for the formulation of the monetary policy stance. After analyzing the international and national economic and financial developments and considering the inflation objective, the MPC decides on the level of the policy rate. This is expected to affect the monetary policy's ultimate objective of low and stable inflation.
- The MPC meetings are chaired by the Governor of the Bank. The committee consists of nine (9) members: The Governor, Deputy Governor, two Board members appointed by the Board of Directors, Chief Economist, Executive Director Currency and Operations, Executive Director Financial Stability, Director Monetary Policy Department, and Director Research Department.
- The monetary policy committee meetings take place quarterly and whenever deemed necessary. As NBR is committed to transparency and improvement in its communication strategy, the decisions taken by the MPC are formally announced and explained by Governor to the public at a press conference. The Governor also issues a statement indicating the economic conditions, forecast for inflation, and real GDP growth. The committee reports are also posted on the NBR website for public reference.

b) Financial Stability Committee - FSC

- The Financial Stability Committee (FSC) is one of the NBR's policy committees established by the Board of Directors with the mission to oversee the financial sector performance. The committee identifies, monitors, and takes action to remove or reduce systemic risks to protect and enhance the resilience of the Rwandan financial system.

The FSC is composed of nine (9) members including the Governor as chairman, the Deputy Governor, vice-chairperson, and senior staff of the Bank.

RISK GOVERNANCE FRAMEWORK

The Board of Directors is accountable for the Bank's Risk Management. Through Management, the BOD ensured smooth implementation of the risk management process. The Audit and Risk Board Sub-Committee provided strategic guidance to the Bank's Risk Management process whereas Risk Management & Compliance department coordinated the Bank-wide risk management process. Through, Audit & Risk Board Sub-Committee the NBR presented an overview of NBR's risk exposure and other activities undertaken to enforce compliance with Enterprise Risk Management Policy hence strengthening Risk-Based thinking culture across the Bank.

INTERNAL AUDIT

Reporting to the Board of Directors, the Internal Audit of the Bank kept the momentum in assessing the operational processes to ensure the effectiveness and efficiency of the related internal control system. During the year 2019/20; the assessment covered mainly the project management processes to ensure that requirements of best practices are adhered to. The Bank also reviewed IT processes to ensure their effectiveness and efficiency in supporting its Operations.

EXTERNAL RELATIONS AND PARTNERSHIP

The National Bank of Rwanda continued to strengthen its collaboration with local, regional, and international partners in financial and economic sectors. During the financial year 2019-20, NBR jointly worked with key partners namely: East African Central Banks, IMF, AACBs, the Swedish Central Bank (Riksbank), Macroeconomic and Financial Management of Eastern and Southern Africa-MEFMI.



EAC Monetary Cooperation

During the FY 2019-20, the NBR hosted the 23rd ordinary meeting of the Monetary Affairs Committee (MAC) of the East African Community. The meeting reviewed the status of implementation of decisions of the 22nd MAC meeting and noted the significant progress made by Partner States Central Banks in the harmonization of monetary policy frameworks exchange rate policies, rules and practices governing bank supervision, financial accounting principles, payment systems, as well as national laws.

Cooperation with the International Monetary Fund (IMF)

During 2019-20, in collaboration with MINECOFIN and IMF, the NBR played its role in the successful conclusion of two IMF missions to negotiate Rapid Credit Facilities (RCF) for the country, aimed to curb the negative impact of COVID-19. The IMF also continued to collaborate with NBR in building the capacity of its staff, especially in the areas of forecasting and policy analysis systems (FPAS). Other areas of collaboration with the IMF were through technical training conducted in the fields of Monetary Policy Analysis and Statistics, external sector analysis, financial markets, financial stability, and Bank supervision.

EXTERNAL RELATIONS AND PARTNERSHIP



Cooperation with the Swedish Central Bank (Riksbank)

The National Bank of Rwanda has a cooperation with the Riksbank, primarily in the areas of Monetary Policy, Market Operations, Financial Stability, Policy communication, and Central Bank Governance. In 2019-20, the collaboration was in the form of study visits at the Riksbank as well as workshops and training courses organized at the NBR. Among others, the collaboration helped to improve MPC processes, in the wake of NBR's price-based monetary policy framework.

The International Association of Deposit Insurers (IADI)

The Bank joined the International Association of Deposit Insurers (IADI) as its 83rd member. IADI is an association created to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation.

NBR Partnership with Bank of South Sudan

Following the Monetary Affairs Committee (MAC) decision in August 2018, NBR established a partnership with the Bank of South Sudan to provide Technical assistance in monetary and financial statistics compilation.

The Alliance for Financial Inclusion (AFI)

BNR is a member of the Alliance for Financial Inclusion. The 2019 Global Policy Forum was held in Kigali, Rwanda from September 9th - 13th, 2019. This forum was co-hosted by the National Bank of Rwanda and Alliance for Financial Inclusion under the theme "Using Technology for Inclusion of Women and Youth." The key outcome of the meeting was "the Kigali Statement" a renewed commitment of AFI members on accelerating financial inclusion for the disadvantaged groups. In the During the conference, AFI members further launched Gender Inclusion Ambassadors, and National Bank of Rwanda was declared as Champion.



The Association of African Central Banks

The National Bank of Rwanda is a member of the Association of African Central Banks (AACB) which was introduced in 1963, at the Summit Conference of African Heads of State and Government held in Addis Ababa, Ethiopia. The Assembly of Governors is chaired by Mr. RWANGOMBWA John, Governor National Bank of Rwanda, instated in the 42nd ordinary annual meeting hosted by Rwanda on 1st August 2019.

Along with the 42nd ordinary annual meeting, a symposium was organized on the theme "Rising African Sovereign Debt: Implications for Monetary Policy and Financial Stability". The symposium hosted more than 400 participants including, African central bank governors and their senior staff, domestic economic policymakers, development partners, financial sector players, academia, think tanks, and representatives of African Regional Economic Communities.

In the financial year 2019-2020, Rwanda continued to make good progress in meeting the convergence criteria listed in the African Monetary Cooperation Program (AMCP), established by the AACB.





EMERGING POLICY ISSUES FOR CONSIDERATION

1. Uncertainties around the COVID-19 pandemic are affecting the accuracy of projections and therefore complicates the conduct of a forward-looking monetary policy. The unknowns include the magnitude of the global and domestic supply chain disruptions, demand and supply shocks, as well as the potential structural and behavioural changes that may result from the pandemic.
2. The coronavirus shock has led to a slowdown in economic activity, and this is negatively affecting the financial conditions of households and businesses to finance their debt obligation. The inability to service their loans will affect the profitability and credit management of financial institutions.
3. High market volatility due to increased uncertainties from Covid-19 pandemic
4. Enhance Digital payment: COVID-19 outbreak provided an opportunity to test the efficiency and resiliency of the financial sector and to understand the challenges faced by the payment service providers (PSPs) in delivering reliable services. While financial service providers have so far ensured the availability of digital modes of payment without any significant disruptions, there is a need to expand access to digital touchpoints in a secure manner while ensuring round-the-clock availability. To provide seamless digital payment services, we require to:
 - Upgrade infrastructure to support growth in digital payments
 - Strengthen cybersecurity, cyber surveillance, and financial crime controls
 - Scale-up digitalization initiatives



Annexes 1

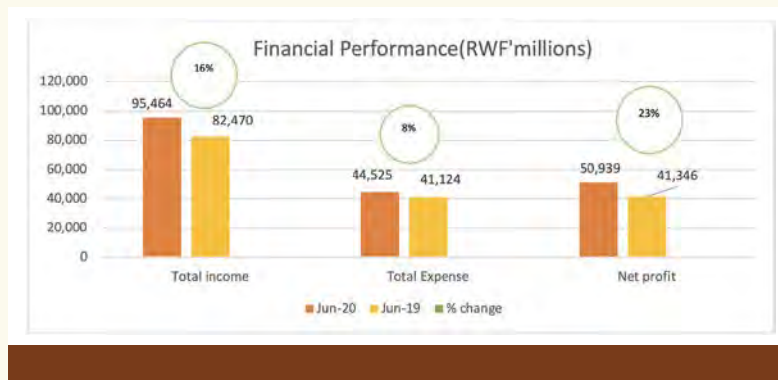
Financial Statements

- **BANK INFORMATION**
- **DIRECTORS' REPORT**
- **STATEMENT OF DIRECTORS' RESPONSIBILITIES**
- **INDEPENDENT AUDITOR'S REPORT**
- **FINANCIAL STATEMENTS:**
 - STATEMENT OF COMPREHENSIVE INCOME
 - STATEMENT OF FINANCIAL POSITION
 - STATEMENT OF CHANGES IN EQUITY
 - STATEMENT OF CASH FLOWS
 - NOTES TO THE FINANCIAL STATEMENTS

OVERVIEW OF 2019-20 FINANCIAL PERFORMANCE

The Bank continued to realize a positive financial performance trend despite lower interest rates on international market which demonstrates Bank's sustained financing of its operations.

The Net profit for the bank grew at 23% to RWF 50.9 billion for FY 2019-20 from RWF 41.3 billion earned in 2018-19 with distributable profit growing to Frw 25 Billion from Frw 13.7 Billion. The growth was highly attributed to increase in net trading income from RWF 19.4 billion end 2018-19 to RWF 33.4 billion end 2019-20 from realized gain on securities traded at a higher bond price as a result of reduced yield of securities at international markets as well as increase in volume of foreign reserves from USD 1.2 Billion end June 2019 to USD 1.6 billion end June 2020.



The expenses of the Bank increased by 8% from RWF 41.1 billion in FY 2018-19 to RWF 44.5 billion in FY 2019-20. The growth is attributed to a 17% increase in staff costs due to 15% increase in staff salaries and staff career promotions as well as increase by 21% on administrative expenses due to hosting of international events in FY 2019-20 such as Alliance for Financial Inclusion-Global Policy Forum (GPF), Association of African Central Bank (AACB) and Monetary Affairs Committee (MAC).

FINANCIAL POSITION

The total assets are up by 31% due to increase in financial assets as a result of increase in foreign reserves by USD 400 million from USD 1.2 billion to USD 1.6 billion, as well as Capitalization of New intangible assets.

Liabilities have increased by 32% due to Government deposits up by 79% as a result of net budget cash inflows as well as funds for COVID 19 economic recovery support from partners.

Equity increased by 22% as a result of retention of 20% and 15% on net profit for FY 2018-19 to General reserve fund and Employee welfare reserve respectively as well as recognition of FY 2019-20 net profit.





DIRECTORS

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

John RWANGOMBWA	- Chairperson and Governor	Appointed 25 February 2013
Monique NSANZABAGANWA	- Vice Chairperson and Deputy Governor	Appointed 6 May 2011
Leonard RUGWABIZA	- Member	Appointed 04 November 2011
Chantal HABİYAKARE	- Member	Appointed 08 May 2013
Ildéphouse MUSAFIRI	- Member	Appointed 27 April 2018
Ivan MURENZI	- Member	Appointed 27 April 2018
Faith KEZA	- Member	Appointed 27 April 2018
Hadidja MURANGWA	- Member	Appointed 27 April 2018, resigned on 28 October 2019

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

BRANCHES

Southern Branch
P.O. Box 622
Huye, Rwanda

Northern Branch
P.O. Box 127
Musanze, Rwanda

Rubavu Branch
Rubavu district
Rubavu, Rwanda

Eastern Branch
P.O. Box 14
Rwamagana, Rwanda

Western Branch
P.O. Box 462
Rusizi, Rwanda

COMPANY SECRETARY AND LEGAL COUNSEL

Jean Léonard MUREGO (Internal Bank staff)

AUDITORS

PricewaterhouseCoopers Rwanda Limited
5th Floor Blue Star House 35 KG 7 Ave, Kacyiru
P. O. Box 1495
Kigali, Rwanda

LAWYERS

Joseph Desire HABINSHUTI
P. O. Box 2161
Kigali, Rwanda

Joelex Consulting Limited
KG 50 Rukiri, Remera
Kigali, Rwanda

1. Introduction

The directors have pleasure in submitting their report together with the audited financial statements of the National Bank of Rwanda (the "Bank") for the year ended 30 June 2020, which disclose the state of affairs of the Bank.

2. Incorporation

The Bank was incorporated on 24th April 1964 and is governed by Law No.48/2017 of 23/09/2017.

3. Principal activities

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

4. Results

The results for the year are set out on page 116.

5. Dividend

The directors propose the payment of dividends of Frw ('000') 5,033,558 equivalent to 20% of the surplus for the year after excluding unrealized foreign exchange gains and losses (2019: Frw '000' 4,781,857 equivalent to 35% of the profits for the previous year)

6. Directors

The Directors who held office during the year and to the date of this report are set out on page 97.

7. Auditors

PricewaterhouseCoopers Rwanda Limited were appointed auditors during the year and have expressed their willingness to continue in the office.

8. Approval of the financial statements

The financial statements were authorised for issue by the directors on the date below. The directors have the power to amend and reissue the financial statements.

By order of the board

Governor

16 October 2020





Law No.48/2017 of 23/09/2017 governing the National Bank of Rwanda requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of National Bank of Rwanda (the "Bank") as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of Law No.48/2017 of 23/09/2017. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its surplus in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

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

Approval of the Financial Statements

The accompanying financial statements on pages 116 to 157 were approved for issue by the Board of Directors on 16 October 2020 and signed on its behalf by:



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA

Report on the audit of the financial statements

Our opinion

In our opinion, the National Bank of Rwanda's financial statements give a true and fair view of the financial position of the National Bank of Rwanda (the "Bank") as at 30 June 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 48/2017 of 23/09/2017 governing the National Bank of Rwanda.

What we have audited

The Bank's financial statements on pages 116 to 157 comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Bank in accordance with the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matter below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter

PricewaterhouseCoopers Rwanda Limited, 5th Floor, Blue Star House, 35 KG7 Ave, Kacyiru
 PO Box 1495 Kigali, Rwanda
 Tel: +250 (252) 588203/4/5/6, www.pwc.com/rw

Directors: M Karanja M Nyabanda B Kimacia P Ngahu



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA

Expected credit losses on loans and advances at amortized cost and other financial assets	How our audit addressed the key audit matter
<p>Financial instruments comprise a significant portion of the Bank's total assets. The estimation of expected credit losses (ECL) on financial instruments requires management judgment in the assumptions that are applied in the models used to calculate ECL.</p> <p>The policies for estimating ECL are explained in note 5 of the financial statements.</p> <p>The key areas where significant judgement has been exercised and therefore, an increased level of audit focus applied, include:</p> <ul style="list-style-type: none"> • the assumptions applied in deriving the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) for the Bank. • the judgments made to determine the staging of facilities in line with IFRS 9. In particular, the identification of <i>Significant Increase in Credit Risk ("SICR")</i> and <i>Default</i> requires consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used. • the relevance of forward-looking information used in the models; and <p>Due to the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.</p>	<p>Our audit procedures focused on the significant areas of judgement and estimations that could result in material misstatements in the financial statements. These procedures performed are as follows:</p> <p>We evaluated the Bank's methodology for determining ECL against the requirements of IFRS 9 as follows;</p> <ul style="list-style-type: none"> • We obtained an understanding of the basis used to determine the probabilities of default (PD) and tested as below: <ul style="list-style-type: none"> ○ Staff loans and advances: We confirmed that the methodology applied in determining the PD was consistent with the Standard and subsequently recalculated the PDs and assessed this versus those determined by management for reasonableness; ○ For the rest of the financial instruments, directors relied on PDs based on external ratings of the counter parties, and where external ratings were not available, using proxies. We independently verified that the rated counter parties, and the associated PDs, are consistent with publicly available information and that, where proxies were applied, that these were reasonable. • Staff loans and advances: We tested how the Bank extracts 'days past due (DPD)' applied in classifying these financial instruments into the three stages required by IFRS 9. For a sample of these instruments, we recalculated the DPD applied in the model and agreed these to the DPD as per the Bank's IT system and the respective supporting documents; • All other financial instruments: We evaluated judgments applied on staging; • For LGD, we tested the assumptions on the timing of the cash flows based on empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuer reports or to external guarantees as applicable;



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA (continued)

Expected credit losses on loans and advances at amortized cost and other financial assets (Continued)	How our audit addressed the key audit matter (Continued)
	<ul style="list-style-type: none"> • For EAD: <ul style="list-style-type: none"> ○ Staff loans and advances, EAD has been run-down to the expected time of default, we have tested that the methodology applied is consistent with the Standard and further performed validation for accuracy on a sample of loans. ○ All other financial instruments: Outstanding balance was used as a proxy for EAD based on their nature. We tested these for reasonableness as well as benchmarked against the practice adopted by similar institutions. • For forward-looking assumptions used in the ECL calculations, we corroborated the assumptions using publicly available information; <p>We assessed whether the disclosures in the financial statements on the key judgements and assumptions were adequate.</p>



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA (continued)

Other information

The directors are responsible for the other information. The other information comprises the Bank information, Directors' report and the Statement of directors' responsibilities but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the other information that will be included in the Annual report which is expected to be made available to us after that date.

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

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

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

When we read the other information that will be included in the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA (continued)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Law No. 48/2017 of 23/09/2017 governing the National Bank of Rwanda and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDER OF THE NATIONAL BANK OF RWANDA (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

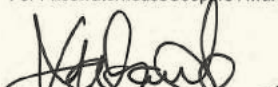
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Law No. 48/2017 of 23/09/2017 governing the National Bank of Rwanda requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- We have communicated to the Bank's Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters.
- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the Bank, the annual accounts comply with Law No. 48/2017 of 23/09/2017 governing the National Bank of Rwanda.

For PricewaterhouseCoopers Rwanda Limited, Kigali.


Moses Nyabanda
Director

19 October 2020



Statement of comprehensive income

	Notes	2020 Frw '000'	2019 Frw '000'
Interest income	8	27,908,709	33,679,908
Interest expenses	9	(2,718,514)	(5,986,148)
Net interest income		25,190,195	27,693,760
Fee and commission income	10(a)	1,445,456	1,498,608
Fee and commission expense	10(b)	(2,050,501)	(1,943,246)
Unrealized revaluation gain	11(a)	25,224,440	21,223,516
Net trading income	11(b)	33,369,112	19,424,822
Other operating income	12	3,690,215	6,435,010
Operating income before expected credit losses and other credit impairment charges		86,868,917	74,332,470
Expected credit losses and other credit impairment charges	15 (b) i	(2,107,383)	(1,856,502)
Net operating income		84,761,534	72,475,968
Employee benefits	13	(17,262,448)	(14,760,570)
Depreciation of investment property held at cost	24	(18,217)	(18,217)
Depreciation of property, plant and equipment	25	(2,164,266)	(2,764,615)
Amortization of intangible assets	26	(800,467)	(348,934)
General administration expenses	14	(7,474,895)	(6,156,059)
Other operating expenses	15(a)	(6,102,229)	(7,081,336)
Total expenses		(33,822,552)	(31,129,731)
Surplus for the year		50,939,012	41,346,237
Other comprehensive income			
Items that are or may not be reclassified subsequently to profit or loss			
Net changes in fair value on fair value through other comprehensive income (FVOCI) financial assets	33 iii (b)	5,068,728	5,098,978
Revaluation gain on land and buildings	25	-	2,127,874
Other comprehensive income		5,068,728	7,226,852
Total comprehensive income		56,007,740	48,573,089

The notes set out on pages 116 to 157 are an integral part of these financial statements.

Statement of financial position

	Notes	2020 Frw '000'	2019 Frw '000'
ASSETS			
Non-current Assets			
Cash and cash equivalents	16 a(i)	431,034,777	295,236,723
Due from International Monetary Fund	22	273,218,326	267,245,863
Due from foreign financial institutions	20	1,086,701	1,997,888
Foreign investment securities	17	1,030,085,039	741,800,507
Due from local financial institutions	19	96,752,238	66,907,092
Due from government of Rwanda	18	31,853,659	35,952,394
Loans and advance to staff	21	10,576,719	10,385,558
Other assets	27	9,015,685	12,378,417
Other investment	23	6,164	6,164
Investment property	24	339,320	357,537
Property and equipment	25	28,598,067	29,618,560
Intangible assets	26	3,777,984	2,281,449
Total Assets		1,916,344,679	1,464,168,152
Liabilities			
Currency in circulation	28	265,431,243	234,288,567
Due to International Monetary Fund	22	453,365,408	450,916,432
Due to local financial institutions	30	342,773,293	263,016,007
Government of Rwanda deposits	29	459,986,700	257,073,728
Foreign liabilities	31	6,384,249	6,735,742
Other liabilities	32	123,614,795	34,768,701
Total liabilities		1,651,555,688	1,246,799,177
Equity			
Share capital	33	7,000,000	7,000,000
General reserve fund	33	13,842,868	10,695,448
Other reserves	33	175,981,642	143,346,239
Retained earnings	33	67,964,480	56,327,288
Total Equity		264,788,990	217,368,975
Total Liabilities and Equity		1,916,344,679	1,464,168,152

The Board of Directors approved and authorized the financial statements set out on pages 10 to 76 for issue on 16 October 2020 and were signed on its behalf by:

Governor



Director

The notes on pages 75 to 76 are an integral part of these financial statements.

National Bank of Rwanda
 Financial statements
 For the year ended 30 June 2020

Statement of changes in equity

		Share capital	General reserve fund	Retained earnings	Fair valuation Reserve for FVOCI fin. Assets	Staff welfare reserve	Translation reserve	IT Modernization reserves	Revaluation Reserve	Total
	Note	Frw'000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'
Year ended 30 June 2020										
At 1 July 2019		7,000,000	10,695,448	56,327,288	5,098,978	11,987,703	116,220,536	1,336,843	8,702,179	217,368,975
Surplus for the year		-	-	50,939,012	-	-	-	-	-	50,939,012
Other comprehensive income										
FV movement on FVOCI Financial Assets	33 iii (b)	-	-	-	5,068,728	-	-	-	-	5,068,728
Foreign assets (exchange) revaluation gain	11(a)	-	-	(25,224,440)	-	-	25,224,440	-	-	-
Total other comprehensive income		-	-	(25,224,440)	5,068,728	-	25,224,440	-	-	5,068,728
Total comprehensive income		-	-	25,714,572	5,068,728	-	-	-	-	56,007,740
Transactions with equity owners										
Dividends paid		-	-	(8,880,592)	-	-	-	-	-	(8,880,592)
Total transactions with equity owners		-	-	(8,880,592)	-	-	-	-	-	(8,880,592)
Other transactions										
Transfer to general reserve fund (20%)			3,147,420	(3,147,420)	-	-	-	-	-	-
IFRS 9 June 2020 ECL staff loans*						45,706				45,706
Transfer of interest income on staff loans to staff welfare **						247,162				247,162
Transfer to staff welfare (15% of Surplus)		-	-	(2,049,368)	-	2,049,368	-	-	-	-
Total other transactions			3,147,420	(5,196,787)	-	2,049,368	-	-	-	707,798
As at 30 June 2020		7,000,000	13,842,868	67,964,480	10,167,706	14,329,938	141,444,976	1,336,843	8,702,179	264,788,990

*As part of the Bank's policy, all impairment loss on staff loans is done through staff welfare reserve.

**As part of the Bank's policy, all interest income on staff loans is transferred to the staff welfare reserve.

***The notes on pages 119 to 157 are an integral part of these financial statements.

Statement of changes in Equity (continued)

	Note	Share capital FRW'000'	General reserve fund FRW '000'	Retained earnings FRW '000'	Fair valuation Reserve for FVOCI fin. Assets FRW '000'	Staff welfare reserve FRW '000'	Translation reserve FRW '000'	IT Modernization reserves FRW '000'	Revaluation Reserve FRW '000'	Total FRW '000'
Year ended 30 June 2019										
At 1 July 2018		7,000,000	9,782,016	44,450,211	(1,236,720)	11,339,837	94,997,020	700,587	6,574,305	173,607,256
IFRS 9 Transition adjustment		-	-	(3,678,485)	1,236,720	(203,200)	-	-	-	(2,644,965)
Adjusted Balance At 1 July 2018		7,000,000	9,782,016	40,771,726	-	11,136,637	94,997,020	700,58	6,574,305	170,962,291
Total Comprehensive income										
Surplus for the year		-	-	41,346,237	-	-	-	-	-	41,346,237
Other comprehensive income										
FV Movement on FVOCI Financial Assets	33 iii (b)	-	-	-	5,098,978	-	-	-	-	5,098,978
Land and building net revaluation gain	25	-	-	-	-	-	-	-	2,127,874	2,127,874
Foreign assets (exchange) revaluation gain	11(a)	-	-	(21,223,516)	-	-	21,223,516	-	-	-
Total Other Comprehensive income		-	-	(21,223,516)	5,098,978	-	21,223,516	-	2,127,874	7,226,852
Total comprehensive income		-	-	20,122,721	5,098,978	-	21,223,516	-	2,127,874	48,573,089
Transactions with equity owners										
Settlement of government loan (Dividend)		-	-	(1,370,148)	-	-	-	-	-	(1,370,148)
Dividends paid		-	-	(1,598,506)	-	-	-	636,256	-	(962,249)
Total transactions with equity owners		-	-	(2,968,654)	-	-	-	636,256	-	(2,332,398)
Other transactions										
Transfer to general reserve funds (20%)			913,432	(913,432)	-	-	-	-	-	-
IFRS 9 June 2019 ECL provision staff loans*	21	-	-	-	-	(36,431)	-	-	-	(36,431)
Transfer of interest on staff loans to staff welfare **		-	-	-	-	202,424	-	-	-	202,424
Transfer to staff welfare (15%)		-	-	(685,073)	-	685,073	-	-	-	-
Total Other Transactions		-	913,432	(1,598,505)	-	851,066	-	-	-	165,993
As at 30 June 2019		7,000,000	10,695,448	56,327,288	5,098,978	11,987,703	116,220,536	1,336,843	8,702,179	217,368,975

*As part of the Bank's policy, all impairment loss on staff loans is done through staff welfare reserve.

*As part of the Bank's policy, all interest income on staff loans is transferred to the staff welfare reserve.

***The notes on pages 119 to 157 are an integral part of these financial statements.

Statement of Cash flows

	Note	2020 Frw'000'	2019 Frw'000'
Net cash from operating activities	16 (b)	441,053,666	149,461,083
Cash flows from investing activities			
Acquisition of property and equipment	25	(1,143,773)	(2,015,861)
Acquisition of intangible assets	26	(2,297,001)	(1,774,436)
Proceeds from sale of equipment		-	58,513
Acquisition of investment securities	17	(288,284,533)	(266,301,007)
Net cash utilized in investing activities		(291,725,307)	(270,032,791)
Cash flows from financing activities			
Increase/(decrease) in balances due to IMF	22	2,448,976	13,813,760
(Increase)/decrease in balances due from IMF	22	(5,972,463)	(7,966,466)
(Increase)/decrease in IFC loan receivable	20	911,188	1,211,602
Dividends paid		(4,781,857)	(1,598,506)
Settlement of government loan		(4,098,735)	(1,370,148)
Net cash from financing activities		(11,492,892)	4,090,242
Increase/(decrease) in cash and cash equivalents		137,835,466	(116,481,466)
Cash and cash equivalents at the beginning of the year	16 a (i)	362,487,007	478,968,473
Cash and cash equivalents at the end of the year	16 a (ii)	500,322,473	362,487,007

The notes set out on pages 119 to 157 form an integral part of these financial statements.

1. Reporting entity

The National Bank of Rwanda (the "Bank") is domiciled in Rwanda. The Bank's registered office is at: KN 6 Avenue, 4 P.O Box 531, Kigali, Rwanda

The Bank is wholly owned by the Government of Rwanda. The Bank is established by and derives its authority and accountability from Law No. Law No.48/2017 of 23/09/2017 relating to statutes of the National Bank of Rwanda. The Bank also acts as banker, advisor and fiscal agent of the Government of Rwanda.

2. Basis of accounting

The financial statements of the Bank, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by Law No.48/2017 of 23/09/2017 relating to the statutes of the National Bank of Rwanda, which generate policies that govern operations with the approval of the Board of directors.

3. Functional and presentation currency

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

4. Use of judgments, assumptions and estimation uncertainties

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2020 are included in the following notes:

Category	Note	Nature	Carrying amount as at 30 June 2020 Frw 000'
Fair value of foreign investment securities	6 (b)	Fair values - OCI Fair values - P&L	289,118,388 521,281,198
Property and equipment	25	Useful life	28,598,067
Staff loans and advances	21	ECL estimation	10,576,719
Other assets	27	ECL estimation	9,015,685
Total			858,590,057

5. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

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

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

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

Law No. Law No.48/2017 of 23/09/2017 relating to statutes of the National Bank of Rwanda outlines the guidelines on the management of the franc exchange rate fluctuations.

Revaluation gains and losses on exchange resulting from the normal fluctuations of franc exchange rates are charged to the statement of comprehensive income of the Bank except for translation of investment securities measured at Fair Value through Other Comprehensive Income that report to Other Comprehensive Income (OCI).

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

The Bank does not pay dividends out of exchange gains.

b) Interest

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

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

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

c) Fees and commission

Fees and commission income and expenses include Rwanda Integrated Payments Processing System (RIPPS) services fees, Enterprise resource planning (ERP) software -sundry commissions, commission received on guarantees, T24-sundry commissions, commission on letters of credit commissions on credit management, and are recognised as the related services are performed.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Fees and commission (continued)

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

e) Net trading income

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

f) Financial instruments

IFRS 9 *Financial Instruments* replaced IAS 39 for annual periods beginning on or after 1 July 2018. The Bank has successfully implemented the standard for the second year in a row.

Classification criteria – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at AC (amortised cost), FVOCI (Fair value through other comprehensive income) and FVTPL (Fair value through profit or loss). Classification of a financial instrument into a category occurs at the time of initial recognition.

For financial instruments, the business model test and cash flow characteristics of solely payments of principal and interest (SPPI) test is applied by the Bank in determining the category which best applies to the financial instruments that it holds and/or trades. Under the business model test the Bank determines the objective for which it holds the financial instrument:

- holding the financial asset to collect the contractual cash flows;
- selling the instrument prior to its contractual maturity to realise its fair value changes; and
- holding for collection of contractual cash flows and for selling the assets.

The Bank holds financial instruments for the collection of contractual cash flows. Factors considered by the Bank in determining the business model of a group of assets include past experience on how the cash flows for these assets are collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

The business model test is performed before the SPPI test. Under the SPPI test, the Bank determines whether the collection of contractual cash flows represent SPPI on specified dates. In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. The Bank reclassifies instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. Based on the classification criteria, the Bank determined the classification of, and continues to hold its financial assets as highlighted below:

Foreign reserve portfolios	Business Model Test	SPPI test	Classification
1. Crown agents	HCCCS	PASS	FVTPL
2. Reserve Advisory & Management Partnership (RAMP)	HCCCS	PASS	FVTPL
3. Bank International Settlement USD	HCCCS	PASS	FVTPL
4. Bank International Settlement CNY	HCCCS	PASS	FVTPL
5. Internal portfolio	HCCCS	PASS	FVOCI
6. Rwanda EURO BOND	HCCC	PASS	Amortized Cost
7. Cash & cash equivalents	HCCC	PASS	Amortized Cost
8. Fixed term deposits	HCCC	PASS	Amortized Cost
9. Supranational securities (IMF and IFC)	HCCC	PASS	Amortized Cost

*HCCCS -Held to collect contractual cash flows and sell.

*IMF-International Monetary Fund and IFC-International Finance corporation

Classification – Financial assets (continued)

Classification of Domestic Assets

Domestic Portfolios	Business Model Test	SPPI test	Classification
1. Government debt	HCCC	YES	Amortized Cost
2. Loans to commercial banks	HCCC	YES	Amortized Cost
3. Emergency loans to MFIs and Saccos	HCCC	YES	Amortized Cost
4. Staff loans (current and ex-staff)	HCCC	YES	Amortized Cost
5. Equity instruments (R-Switch)	OTHERS	N/A	FVOCI-Elected

Classification of Liabilities

Balance Sheet item	IFRS 9 CLASSIFICATION
Special Drawing Rights allocation	Amortised Cost
IMF Accounts No. 1	Amortised Cost
IMF Accounts No. 2	Amortised Cost
IMF LOAN- PRGF	Amortised Cost
IFC loan payable account in USD	Amortised Cost
Commercial bank loans in USD	Amortised cost
T-BILLS & REPOS issued for monetary purposes	Amortised cost

Initial recognition – Financial instruments

Financial assets/liabilities are recognised when the Bank becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset. From this date, any gains or losses arising from changes in the fair value of the assets and liabilities are recognised.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Initial recognition – Financial instruments (continued)

Financial assets/liabilities are initially recognised at fair value plus transaction costs, except those carried at FVPL. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

The best evidence of fair value on initial recognition is the transaction price, unless fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on discounted cash-flow models and option-pricing valuation techniques whose variables include data from observable markets.

When the fair value of financial assets/liabilities differs from the transaction price on initial recognition, the Bank recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of the deferred day one profit or loss is determined individually.
- It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Subsequent measurement – Financial instruments

Equity instruments

All equity investments are valued at fair value with value changes recognised in profit or loss except where the Bank has elected to present the fair value changes in OCI. Where the Bank has elected to designate an equity instrument at FVOCI, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Dividends, when representing a return on such investments, continue to be recognised in profit or loss.

Debt instruments

Amortised cost

The carrying amount of these assets is adjusted by any ECL allowance recognised. Amortised cost is calculated using the effective interest method that discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Interest income using the effective interest method from these financial assets is included in profit or loss.

Fair value through profit or loss

A gain or loss on a debt instrument subsequently measured at FVPL and not part of a hedging relationship is recognised in profit or loss. Interest income using the effective interest method from these financial assets is included in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value through other comprehensive income

Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversals and interest revenue on the instrument's amortised cost which are recognised in profit or loss and

changes in fair value due to foreign exchange movements as explained in note 11. (a). When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Impairment

Impairment is an area of fundamental change under IFRS 9. Under IFRS 9, the Bank recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost or at fair value through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply. At each reporting date the Bank measures the loss allowance for a financial instrument at an amount equal to the lifetime expected losses if the credit risk on that financial instrument has increased significantly since initial recognition, if the credit risk has not increased significantly the entity measures the loss allowance at an amount equal to the 12 month expected losses.

Overview of the expected credit loss (ECL) approach

In computing the Expected Credit Loss for the financial instruments, the Bank has used historical, current and forward-looking information to estimate the credit losses on financial instruments.

The level of provision held for any facility will mostly rely on the facility's credit quality. There are three stages in the IFRS 9 Standard to reflect the general pattern of credit deterioration of a financial instrument.

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Overview of the expected credit loss approach (continued)

Stage 2 – When a financial asset experiences a SICR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on a lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

The Bank shall regularly assess the credit risk associated with its different counterparties, to ensure that any adjustment required by IFRS 9 are sufficiently and appropriately captured.

A significant increase will require a movement from stage one, to stage two, and finally to stage three (default category).

For foreign reserve assets and local commercial banks, a drop in credit ratings of more than four ranks will indicate significant increase in credit risk. These ratings will be obtained from Moody's, S&P, Fitch and Bloomberg.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

For staff loans, an increase in credit risk is assessed based on the various scenarios that resulted in default on particular financial Instruments and leading them to being placed in stages as shown below:

Stage 1	Stage 2	Stage 3
0-30 days outstanding	30-60 days outstanding	60 or more days outstanding.

In addition to days past due, the Bank monitors repayments and the financial status of former staff to ensure qualitative indicators of default are captured in the ECL calculation.

National Bank of Rwanda's impairment approach is based on the expected credit losses (ECL) model. The Expected Credit Loss (ECL) model uses both current and forward-looking information which enables the estimation of potential future losses in financial assets leading to earlier recognition of these losses.

In assessing SICR, the Bank considered both quantitative aspects such as days past due as well as qualitative aspects such as changes in external market indicators, changes in business, changes in internal pricing indicators, changes in operating results, changes in credit ratings and other qualitative inputs.

A significant increase in credit risk will impact the ECL as shown below

Stage 1	Stage 2	Stage 3
12 months ECL	Lifetime ECL	Lifetime ECL

The formula for calculating ECL is as shown below;
ECL (Expected Credit Loss) = PD * LGD * EAD (Exposure at default)

Overview of the Expected Credit Loss Approach (continued)

Probability of Default (PD)

The PD for foreign investments will be obtained from Moody's, S&P, Fitch or Bloomberg.

The PD of Government is near zero as indicated by the internal model that assessed the Domestic market behaviour of Bonds Market and the market perception of the government riskiness by the public.

Additionally, in Central bank capacity, the government has been observed to be with the highest credit worthiness and is very unlikely to default on its obligations.

For current staff, PD will be obtained by multiplying the average staff turnover with PD of Ex-staff.

The PDs for ex-staff loans will be based on transition matrices showing the rate of default over the last three years. Transition matrices were observed, and various scenarios of exit were considered.

Loss Given Default (LGD)

For foreign reserves, the LGD will be 45% as given by the foundation approach of Basel II. For Government debt, the LGD is assumed to be zero because every year the government issues a Treasury Bond as a collateral to the Bank in recognition of the Government consolidated loan and this is always higher than the carrying amount of the loan.

For loans to commercial banks, the LGD is also assumed to be zero because the loans issued to commercial banks are backed up by cash collaterals of more or equal amounts received from commercial banks.

The LGD for staff loans is the loan outstanding amount of debt, less the collateral discounted forced sale value, and this calculated as a percentage of the outstanding amount of debt.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

The LGD for the government has been determined to be zero because the Government issues a guarantee every year to cover its outstanding debt balance and is always way above the EAD.

Exposure at Default (EAD)

The Exposure at default (EAD) is the magnitude that a particular instrument would have if there was a default. The Bank derives the EAD parameters based on current exposures versus the discounted forced sale value of collaterals pledged against the loan issued.

For balances held with foreign financial institutions, foreign reserves, balance due from government, due from IMF, foreign financial institutions, due from local financial institutions and other assets, the EAD is determined at its gross carrying amount.

For loans and advances, the EAD is computed after considering the contractual run-down of the loan for the expected next 3 months cash flows.

Concerning the lending commitments and guarantees, the EAD includes amounts drawn and related future drawings as per the contract with parties and are subject to Credit Conversion factor to determine which portion is to be brought on Balance Sheet.

Where applicable the collaterals are used and the potential for change in the value of the collateral from the point of lending until and when it could be liquidated post-default is considered.

Modification of loans

The Bank sometimes re-negotiates or otherwise modifies the contractual cashflows of loans to customers. When this happens, the Bank assess whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay
- Whether any substantial new terms are introduced such as profit share/equity based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty
- Significant change in the interest rate
- Change in the currency the loan is denominated in
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If terms are substantially different, the Bank derecognises the original financial assets and recognizes a 'new' asset at fair value and recalculated a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition of impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the

original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitization transactions in which the Bank retains a subordinated residual interest.

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives. Gains or losses on derivatives are recognized in profit or loss.;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognized for the consideration received for the transfer. In subsequent periods, the Bank recognizes any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

(ii) Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Sale and repurchase (repo) agreements

The Bank has entered into repo agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under due to banks as money market borrowing. Securities sold under agreement to repurchase are disclosed due from banks. The differences between the purchase and sale prices are treated as interest and accrued using the effective interest method.

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

h) Currency in circulation

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

i) Currency printing and minting costs

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

j) Cash and cash equivalents

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

k) Loan due from the Government of Rwanda

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Bank is the designated depository for the IMF's holdings of Rwanda's currency. Borrowings from and repayments to the IMF are denominated in Special Drawing Rights (SDRs). The SDR balances in IMF accounts are translated into Francs at the prevailing exchange rates and any unrealized gains or losses are accounted for in accordance with accounting policy on foreign currencies.

m) Loans and advances

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

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

n) Property and equipment

Recognition and measurement

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

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

Buildings	2%
Lift for the head office	10%
Computer equipment	25%
Currency processing machines	10%
Motor vehicles	25%
Furniture, fittings and office equipment	10%
Security equipment	20%

Depreciation

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

Subsequent costs

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Investment property

The Bank holds a single investment property as investments to earn rental income or capital appreciation or any currently undetermined future use. Investment properties are carried at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated at a rate of 5% using the straight-line method.

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

p) Intangible assets

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

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

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

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

Computer software 20% (annual amortization rate)

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Impairment of non-financial assets

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

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

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

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

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

r) Income tax expense

The Bank is considered as a statutory entity with regard to the rules of tax liability and tax payment pertaining to all taxes levied for the benefit of the State and its administrative entities as per Law No.48/2017 of 23/09/2017 governing the National Bank of Rwanda and is such exempt and no current income tax or deferred income tax is recognised.

s) Deposits

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

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

t) Stocks of consumables

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Provisions

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

v) Commitments on behalf of the government of Rwanda

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

w) Government grant and government assistance

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

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

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

x) Employee benefits

Defined contribution plans

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

Other benefits

The bank has an in-house managed defined contribution plan established on 24 July 2015, by the Governor of the National Bank of Rwanda signed Service Order No. 32/2015. The key modalities of the complimentary pension fund at the bank are highlighted below.

The contribution due to the Fund shall be calculated as 10% of each staff basic salary composed of the employer's share of 60% and the employee's share of 40%. When the employee works for a period corresponding to less than a month, the contribution deductions shall be calculated in proportion to the employee's salary.

The above contribution plan has in it embedded a defined benefit plan in form of death in service benefit at 20% of the total contribution made to the contribution plan.

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

In case of death of a staff, his/her legal dependents shall be entitled to total death benefits equivalent to thirty-six (36) * last gross monthly salary of the deceased staff. If in the death allowance pool, available amount cannot sufficiently cover the compensation claim for the deceased staff(s) legal dependents, the Bank will provide the balance as below.

The Bank's liability is limited to the contributions in the fund. In case the actual liability in any given period exceeds the fund balance, the excess liability shall be absorbed in the period but only with specific approval and funding from the Ministry of Finance and Planning.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

x) Employee benefits (continued)

Defined benefit plan (continued)

The Bank does not use actuarial specialists to value the fund. As at 30 June 2020, the actual amount held in death benefit fund was Frw "000" 618,234 (2019: Frw 504,286).

Other long-term employee benefits

At the occasion of certain anniversaries, staff should be entitled to a fidelity bonus for services rendered to the Bank depending on the length of his/her employment as follows:

- Ten (10) years of employment: 1 gross monthly salary;
- Twenty (20) years of employment: 2 gross monthly salaries;
- Thirty (30) years of employment: 4 gross monthly salaries;
- Forty (40) years of employment: 6 gross monthly salaries;

Staff whose career ends in six (6) months before the anniversary date which grants him/her the rights to the fidelity bonus, shall exceptionally benefit from the bonus provided for in the preceding paragraphs, except if his/her departure is due to a dismissal or resignation

Such expenses are recognised in profit or loss in the periods in which they arise hence no accrual or other liability valuation is required.

Leave accrual

The monetary equivalent value for the staff unutilised leave at the year-end is computed and movement in the year recognised with in the profit or loss statement.

Short-term benefits

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

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

Termination benefits

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

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

y) Contingent liabilities

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

z) Dividends

Revenue, after deducting all charges, including depreciation and estimated liabilities, shall constitute net profits. After the allocation of other appropriations deemed necessary by the Board of Directors, notably to general reserve fund, the balance shall be paid to the Treasury at the Ministry of Finance and Planning.

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

aa) Share capital and reserves

Shares are classified as share capital in equity. Article 3 of the Law No.48/2017 of 23/09/2017 governing the National Bank of Rwanda prescribes that the overall capital of the Bank is seven billion Rwandan francs (7,000,000,000 Frw).

The capital may be increased either by the capitalization of reserve funds on the decision of the Board of Directors of NBR upon approval by a Presidential Order or by new capital endowment by the Government of Rwanda.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

bb) New standards and interpretations

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

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

Number	Effective date	Executive summary
IFRS 16 – Leases	Annual periods beginning on or after 1 July 2019 – earlier application permitted if IFRS 15 is also applied.	<p>This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular.</p> <p>Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts.</p> <p>The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.</p> <p>For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.</p> <p>IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.</p> <p>The impact of adopting IFRS 16 is deemed immaterial to the financial statements since the Bank didn't have any leases that fall within the scope of this standard on adoption and throughout the period ended 30 June 2020</p>

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) New standards and interpretations (continued)

The table below summarizes clarifications and amendments adopted by the Bank but have no impact:

Number	Effective date	Executive summary
Annual improvements cycle 2015-2017	Annual periods beginning on or after 1 July 2019	<p>These amendments include minor changes to:</p> <ul style="list-style-type: none"> IFRS 3, 'Business combination' - an entity remeasures its previously held interest in a joint operation when it obtains control of the business. IFRS 11, 'Joint arrangements', - an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. IAS 12, 'Income taxes' - The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. IAS 23, 'Borrowing costs' - an entity treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
IFRIC 23, 'Uncertainty over income tax treatments'	Annual periods beginning on or after 1 July 2019	<p>IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties.</p> <p>The Interpretation provides specific guidance in several areas where previously IAS 12 was silent.</p> <p>The Interpretation also explains when to reconsider the accounting for a tax uncertainty.</p> <p>The Bank will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12.</p> <p>These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material.</p>

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) New standards and interpretations (continued)

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

Number	Effective date	Executive summary
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	Annual periods beginning on or after 1 July 2020.	<p>These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:</p> <ul style="list-style-type: none"> use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate some of the guidance in IAS 1 about immaterial information. <p>The amended definition is:</p> <p><i>"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."</i></p>
Amendment to IFRS 3, 'Business combinations' Definition of a business	Annual periods on or after 1 July 2020	<p>This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.</p> <p>More acquisitions are likely to be accounted for as asset acquisitions.</p> <p>To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.</p> <p>The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs).</p> <p>To be a business without outputs, there will now need to be an organised workforce.</p>

6. Financial Risk Management

Introduction and overview

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

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

Risk management framework

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

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

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

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

Risk management structure

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

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

Board of Directors

The board of directors is responsible for:

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

Board Audit and Risk Committee (BARC)

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

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

6. Financial Risk Management (continued)

Board Audit and Risk Committee (BARC) (continued)

Following are the Roles and Responsibilities of the BARC:

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

Management committee

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

Technical risk committee

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

Risk management function

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

A. Credit risk

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

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

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

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

6. Financial Risk Management (continued)

A) Credit risk (continued)

Maximum exposure to credit risk

Total assets of the Bank exposed to credit risk as of 30 June are shown below. Probabilities of default applied in the ECL calculation are based on credit ratings published through Bloomberg.

30 June 2020	Gross exposure Frw'000	ECL Frw'000	Net exposure Frw'000
Fixed Term deposits	183,834,478	-	183,834,478
Current accounts	86,956,751	(269,456)	86,687,295
Foreign assets – FVTPL, FVOCI and Amortised cost, Fixed Deposits > 3 months	1,030,603,506	(518,467)	1,030,085,039
Due from Government of Rwanda	31,853,659	-	31,853,659
Due from Banks and other Financial Institutions	96,752,238	-	96,752,238
Due from foreign financial institutions	1,086,800	(99)	1,086,701
Due from International Monetary Fund (IMF)	273,243,287	(24,961)	273,218,326
Loans and advances to staff	10,770,647	(193,927)	10,576,720
Other investment - FVOCI	450,000	(443,836)	6,164
Other Assets	14,136,559	(5,120,875)	9,015,684
Total	1,729,687,925	(6,571,621)	1,723,116,304

30 June 2019	Gross exposure Frw'000	ECL Frw'000	Net exposure Frw'000
Fixed Term deposits	141,503,638	(45,021)	141,458,617
Current accounts	111,405,787	-	111,405,787
Foreign assets – FVTPL, FVOCI and Amortised cost, Fixed Deposits > 3 months	742,144,760	(344,255)	741,800,507
Due from Government of Rwanda	35,952,394	-	35,952,394
Due from Banks and other Financial Institutions	66,907,092	-	66,907,092
Due from foreign financial institutions	1,997,888	-	1,997,888
Due from International Monetary Fund (IMF)	267,250,635	(4,772)	267,245,863
Loans and advances to staff	10,625,189	(239,631)	10,385,558
Other investment - FVOCI	450,000	(443,836)	6,164
Other Assets	12,554,734	(176,317)	12,378,417
Total	1,390,792,117	(1,253,832)	1,389,538,285

6. Financial Risk Management (continued)

Credit quality analysis

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

In line with the provisions of the IFRS 9, the other financial assets, other than loans and advances and other assets, are neither impaired nor past due. The management definition of stages regarding impairment are stage 1, "neither impaired nor past due", stage 2 "past due but not impaired" and stage 3 "past due and impaired".

In assessing SICR, the Bank considered both quantitative aspects such as days past due as well as qualitative aspects such as changes in external market indicators, changes in business, changes in internal pricing indicators, changes in operating results, changes in credit ratings and other qualitative inputs.

6. Financial Risk Management (continued)

A) Credit risk (continued)

i. Loans and advances to staff ECL transitioning table

	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Provision		Settled	Total	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Exposure	
			Lifetime ECL credit impaired (Stage 3)						Lifetime ECL credit impaired (Stage 3)	
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Balance at 1 July 2019	7,790	3,616	228,225	-	239,631	9,778,695	139,071	707,424	-	10,625,190
Transfer from 12 months ECL (Stage 1)	(3,896)	644	2,375	877	-	(81,746)	18,849	62,897	-	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	939	(7,823)	6,884	-	-	139,095	(146,612)	7,517	-	-
Transfer from Lifetime ECL credit impaired (Stage 3)	3,764	325	(49,078)	44,989	-	306,308	72,139	(378,447)	-	-
Net remeasurement of loss allowance	30,293	6,882	(58,938)	(45,866)	(67,629)	(735,337)	(14,031)	(39,144)	(536,280)	(1,324,792)
New loans issued in the period	16,632	-	5,294	-	21,926	1,437,889	-	32,360	-	1,470,249
Balance at 30 June 2020	55,522	3,644	134,762	-	193,928	10,844,904	69,416	392,607	536,280	10,770,647

6. Financial Risk Management (continued)

ii. ECL transitioning table on other financial assets

	Provision			Exposure		
	Balance at 01 July 2019 Frw'000	Movement in the year	Total Frw'000	Balance at 01 July 2019 Frw'000	Movement in the year Frw'000	Total
Fixed Term deposits	(45,021)	45,021	-	141,458,617	42,375,861	183,834,478
Current accounts	-	(269,456)	(269,456)	111,405,787	-24,718,492	86,687,295
Foreign assets – FVTPL, FVOCI and Amortised cost, Fixed Deposits > 3 months	(359,359)	(159,108)	(518,467)	741,800,506	288,284,533	1,030,085,039
Due from Government of Rwanda	-	-	-	35,952,394	-4,098,735	31,853,659
Due from Banks and other Financial Institutions	(224)	-	-	66,907,092	29,845,146	96,752,238
Due from foreign financial institutions	-	(99)	(99)	1,997,888	-911,187	1,086,701
Due from International Monetary Fund (IMF)	(4,772)	(20,189)	(24,961)	267,245,863	5,972,463	273,218,326
Other investment - FVOCI	(443,836)	-	(443,836)	6,164	-	6,164
Other Assets	(176,317)	(4,944,558)	(5,120,875)	13,648,525	-4,632,840	9,015,685
Total	(1,029,529)	(5,348,389)	(6,337,918)	1,380,422,836	332,116,749	1,712,539,585

There were no transfers between stages on other financial assets during the period except for staff loans whose transitions have been disclosed on the previous page

6. Financial Risk Management (continued)

A) Credit risk (continued)

Credit quality analysis (continued)

iii) Foreign investment securities

The table below sets out the investment ratings for the year ended 30 June 2020

	2020 FRW '000'	2019 FRW '000'
Rated AAA	894,761,708	689,770,350
Rated BBB+ and below	135,323,331	52,030,157
Total	1,030,085,039	741,800,507

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

Assets	Due from local financial institutions		Due from foreign financial institutions		Investment securities	
	2020 Frw '000'	2019 Frw '000'	2020 Frw '000'	2019 Frw '000'	2020 Frw '000'	2019 Frw '000'
North America	-	-	-	-	400,138,752	482,285,912
Europe	-	-	-	-	526,839,578	259,514,595
Asia	-	-	-	-	84,362,121	-
Middle East and Africa	128,605,897	102,859,486	1,086,701	1,997,888	18,744,588	-
Total	128,605,897	102,859,486	1,086,701	1,997,888	1,030,085,039	741,800,507

6. Financial Risk Management (continued)

B. Liquidity risk

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

Management of liquidity risk

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

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

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

Portfolio tranching structure

Liquidity tranche - For the cover of payments, interventions, imports and short-term debt
Investment tranche - Excess reserves beyond liquidity portfolio

Tranching criteria

Liquidity tranche

Lower Band	Projected monthly average outflows (Government and Projects spending in foreign currencies) + expected monthly average FX intervention + projected monthly average Government debt services
Upper Band	4 months import cover

Target level to be decided by the Reserve Management committee. As at 30 June 2020, the liquidity tranche position stood at Frw 658 billion (composed of Frw 500 billion of cash and cash equivalents and Frw 158 billion as part of investment in term deposits) which was sufficient enough to cover the upper band of 4 months import cover.

Investment tranche

Investment tranche = Total reserves - liquidity tranche. (Its size depends on the liquidity tranche)

6. Financial Risk Management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets

Financial asset by type	On demand	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
	Frw 000'	Frw 000'	Frw 000'	Frw 000'	Frw 000'
Cash and cash equivalents	247,200,299	183,834,478	-	-	431,034,777
Foreign investment securities	-	125,089,224	40,366,006	864,629,809	1,030,085,039
Due from Government of Rwanda	-	-	-	31,853,659	31,853,659
Due from local financial institutions	-	43,221,895	46,033,081	7,497,262	96,752,238
Due from foreign financial Institutions	-	869,341	217,360	-	1,086,701
Due from International Monetary Fund	273,238,515	-	-	-	273,238,515
Loans and advance to staff	-	228,526	808,424	9,539,769	10,576,719
Other assets	91,821	176,608	8,747,256	-	9,015,685
Total financial assets as at 30 June 2020	520,530,635	353,420,072	96,172,127	913,520,499	1,883,643,333
Financial liability by type	On demand	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
	Frw 000'	Frw 000'	Frw 000'	Frw 000'	Frw 000'
Currency in circulation	-	-	-	265,431,243	265,431,243
Government deposits	459,986,700	-	-	-	459,986,700
Due to local financial institutions	214,128,440	72,322,461	49,320,603	7,001,790	342,773,293
Due to International Monetary Fund	277,609,245	-	-	175,756,163	453,365,408
Foreign liabilities	1,488,037	4,583,853	312,359	-	6,384,249
Other liabilities	5,369,760	14,004,849	783,309	103,456,878	123,614,796
Total financial liability by type as 30 June 2020	958,582,182	90,911,163	50,416,271	551,646,074	1,651,555,690
Liquidity gap	(438,051,547)	262,508,909	45,755,856	361,874,425	232,087,643

6. Financial Risk Management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

Financial asset by type	On demand	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Cash and cash equivalent	281,471,114	13,765,609	-	-	295,236,723
Foreign assets	-	-	52,004,646	689,795,861	741,800,506
Due from Government of Rwanda	-	-	-	35,952,394	35,952,394
Due from financial institutions	-	22,737,881	40,898,067	3,271,144	66,907,092
Due from foreign financial institutions	-	-	1,997,888	-	1,997,888
Due from IMF	-	-	-	267,245,863	267,245,863
Loans and advance to staff	-	237,973	961,004	9,186,582	10,385,558
Other Assets	187,791	1,934,544	10,256,082	-	12,378,417
Total financial Assets	281,658,905	38,676,007	106,117,687	1,005,451,844	1,431,904,443
Financial liability by type					
Currency in circulation	-	-	-	234,288,567	234,288,567
Government deposits	257,073,728	-	-	-	257,073,728
Due to local financial institutions	263,016,007	-	-	-	263,016,007
Due to International Monetary Fund	-	-	-	450,916,432	450,916,432
Foreign liabilities	4,043,377	-	2,692,365	-	6,735,742
Other liabilities	20,706,104	10,509,414	3,553,183	-	34,768,701
Total financial liabilities	544,839,216	10,509,414	6,245,548	685,204,999	1,246,799,177
Liquidity gap	(263,180,311)	28,166,593	99,872,139	320,246,845	185,105,266

The above analysis is based on carrying amounts as at 30 June 2020 plus any interest arising over the remaining life of the financial assets and liabilities. The only off-balance sheet item that the Bank holds relate to imported currencies (both coins and notes) kept in the green house, out of which any issuance made is reported as currency in circulation. There is no material difference between the carrying amount and the fair value.

6. Financial Risk Management (continued)

B. Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

Liquidity reserves

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

	30-Jun-20 Frw'000'	30-Jun-19 Frw'000'
Cash	160,513,004	42,372,319
Current accounts	86,687,295	111,405,787
Fixed term deposits	183,834,478	141,458,617
Special Drawing Rights (SDR)	69,287,696	67,250,284
	500,322,473	362,487,007

C. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Management of market risk

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

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

• **Currency risk**

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

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

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

	2020 Frw'000	2019 Frw'000
Assets in foreign currencies	1,735,833,186	1,305,009,453
Liabilities in foreign currencies	(817,683,956)	(652,086,073)
Net foreign currency exposure at the end of the year	918,149,230	652,923,380

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

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

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

As at 30 June 2020	USD Frw'000'	EURO Frw'000'	GBP Frw'000'	SDR Frw'000'	Others Frw'000'	Total Frw'000'
Assets						
Foreign assets	1,030,603,505	-	-	-	-	1,030,603,505
International Monetary Fund quota	-	-	-	273,243,287	-	273,243,287
Cash balance	371,234,540	58,197,719	925,594	-	946,379	431,304,233
Other assets	492,489	2,897	-	-	186,775	682,161
Total assets	1,402,330,534	58,200,616	925,594	273,243,287	1,133,154	1,735,883,185
Liabilities						
Government deposits	(170,404,017)	(26,017,911)	(3,560)	-	(20)	(196,425,508)
Due to local financial institutions	(139,181,567)	(23,284,260)	(10,607)	-	(184,448)	(162,660,883)
Due to International Monetary Fund	-	-	-	(453,365,408)	-	(453,365,408)
Foreign liabilities	(4,133,255)	(5,079)	-	-	-	(4,138,334)
Other liabilities	(924,640)	(150,142)	(5,731)	-	(13,311)	(1,093,824)
Total liabilities	(314,643,479)	(49,457,392)	(19,898)	(453,365,408)	(197,779)	(817,683,956)
Net exposure at 30 June 2020	1,087,687,055	8,743,224	905,696	(180,122,121)	935,375	918,199,229

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

As at 30 June 2019	USD	EURO	GBP	SDR	Others	Total
Assets	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Foreign investment securities	741,774,995	25,511	-	-	-	741,800,506
International Monetary Fund Quota	-	-	-	267,250,635	-	267,250,635
Cash balance	268,743,241	10,490,927	358,948	-	15,688,628	295,281,744
Other assets	155,377	2,808	-	-	174,128	332,313
Total assets	1,010,673,613	10,519,246	358,948	267,250,635	15,862,756	1,304,665,198
Liabilities						
Government deposits	(79,250,829)	(17,624,348)	(11,082)	-	(20,570)	(96,906,829)
Due to local financial institutions	(94,352,381)	(5,209,296)	(11,982)	-	(156,350)	(99,730,009)
Due to International Monetary Fund	-	-	-	(450,916,432)	-	(450,916,432)
Foreign liabilities	(3,699,080)	(4,973)	-	-	(63)	(3,703,990)
Other liabilities	(696,085)	(98,708)	(5,659)	-	(28,360)	(828,812)
Total liabilities	(177,998,375)	(22,937,325)	(28,723)	(450,916,432)	(205,343)	(652,086,198)
Net exposure at 30 June 2019	832,675,238	(12,418,079)	330,225	(183,665,797)	15,657,413	652,579,000

6. Financial Risk Management (continued)

C. Market risk (continued)

Currency risk (continued)

Sensitivity analysis on currency risk

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

Frw '000'	Currency Carrying Amount	At 30 June 2020	
		-5% Depreciation	5% Appreciation
Assets			
USD	1,402,330,535	(70,116,527)	70,100,527
GBP	925,595	(46,280)	46,280
EUR	58,200,616	(2,910,031)	2,910,031
SDR	273,243,287	(13,662,164)	13,662,164
Other	1,133,153	(56,658)	56,658
	1,735,833,186	(86,791,660)	86,791,660
Liabilities			
USD	314,643,479	(15,732,174)	15,732,174
GBP	19,899	(995)	995
EUR	49,457,391	(2,472,870)	2,472,870
SDR	453,365,408	(22,668,270)	22,668,270
Others	197,779	(9,889)	9,889
	817,683,956	(40,884,198)	40,884,198
Total (decrease)/increase		(45,891,579)	45,891,579
Effect on net profit		(45,907,462)	45,907,462

At 30 June 2020, if the Rwandan Franc had weakened / strengthened by 5% against the major trading currencies, with all other variables held constant, the impact on the Bank's profit would have been Frw **45,907,462** lower/higher.

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

Currency	Closing rate 30-Jun-20	Closing rate 30-Jun-19	Average rate 30-Jun-20	Average rate 30-Jun-19
USD	937.08	898.28	937	898
EUR	1,053.14	1,020.72	1,053	1,020
GBP	1,152.66	1,138.17	1,152	1,138
SDR	1,290.71	1,248.72	1,290	1,248

6. Financial Risk Management (continued)

C. Market risk (continued)

Interest rate risk

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

The Bank closely monitors interest rate movements and seeks to limit its exposure by referring to the policy benchmarks of between 0-5 years set by management. The qualitative analysis done is based on the portfolio duration whose output is ensured through the monthly rebalancing process, comparison of the securities interest with the international market. In addition to the above, the management uses weighing approach of the portfolio to ensure that the interest rate of the new investment in securities does not cause significant volatility in the overall portfolio and related performance benchmark thresholds. The bank also considers the management of interest rate risk by negotiating for fixed interest contracts of short-term basis in nature.

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

Interest rate risk	3 months or less Frw'000'	3-12 months Frw'000'	Over one year Frw'000'	Non-interest bearing Frw'000'	Total Frw'000'
Cash	18,014,022	252,777,751	-	160,513,004	431,304,233
Foreign investment securities	183,834,478	125,089,224	904,995,815	86,687,295	1,300,606,812
Due from IMF	-	-	-	273,218,326	273,218,326
Due from Government of Rwanda	-	-	31,853,659	-	31,853,659
Due to local financial institutions	17,614,158	9,821,252	6,931,6828	-	96,752,238
Due from foreign financial institutions	-	-	1,086,701	-	1,086,701
Loan and advance to staff	151,117	77,409	10,348,193	-	10,576,719
Other assets	202,531	65,898	-	8,747,256	8,949,787
Total assets	201,802,284	134,987,885	1,017,601,196	529,165,881	1,883,557,246
Currency in circulation	-	-	-	265,431,243	265,431,243
Government deposits	-	-	-	459,986,700	459,986,700
Due to local financial institutions	264,132,021	9,759,597	68,881,675	-	342,773,293
Due to International Monetary Fund	-	-	-	453,365,408	453,365,408
Foreign liabilities	-	-	1,442,521	4,941,728	6,384,249
Other liabilities	-	-	-	123,614,796	123,614,796
Total liabilities	264,132,021	9,759,597	70,324,196	1,307,339,875	1,651,555,689
Interest sensitivity gap at 30 June 2020	(62,329,737)	125,228,288	947,277,000	(778,173,994)	232,001,557

6. Financial Risk Management (continued)

C. Market risk (continued)

Interest rate risk (continued)

Interest rate risk	3 months or less Frw'000'	3-12 months Frw'000'	Over one year Frw'000'	Non-interest bearing Frw'000'	Total Frw'000'
Cash	-	-	-	42,372,319	42,372,319
Foreign investment securities	141,458,617	-	741,800,506	111,405,787	994,664,910
Due from IMF	-	-	-	267,245,863	267,245,863
Due from Government of Rwanda	-	-	35,952,394	-	35,952,394
Due to local financial institutions	12,551,139	10,186,742	44,169,212	-	66,907,093
Due from foreign financial institutions	-	-	1,997,888	-	1,997,888
Loan and advance to staff	170,967	67,006	10,147,586	-	10,385,559
Other assets	-	-	-	12,378,417	12,378,417
Total assets	154,180,723	10,253,748	834,067,586	433,402,386	1,431,904,443
Currency in circulation	-	-	-	234,288,566	234,288,566
Government deposits	-	-	-	257,073,728	257,073,728
Due to local financial institutions	-	-	-	263,016,007	263,016,007
Due to International Monetary Fund	-	-	179,948,152	270,968,279	450,916,431
Foreign liabilities	-	-	2,692,365	4,043,377	6,735,742
Other liabilities	-	-	-	34,768,701	34,768,701
Total liabilities	-	-	182,640,517	1,064,158,658	1,246,799,175
Interest sensitivity gap at 30 June 2019	154,180,723	10,253,748	651,427,069	(630,756,272)	185,105,268

6. Financial Risk Management (continued)

C. Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis 30 June 2020

		Total carrying amount June 2019	0.5% Increase	0.5% decrease
		FRW '000	FRW '000	FRW '000
ASSETS				
Foreign assets				
	Cash and cash equivalent	431,034,777	2,155,174	(2,155,174)
	Foreign assets at FVTPL	521,281,198	2,606,406	(2,606,406)
	Foreign assets at FVTOCI	289,118,389	1,445,592	(1,445,592)
	Foreign assets at Amortized Cost	219,685,452	1,098,427	(1,098,427)
	IMF Quota	273,218,326	1,366,092	(1,366,092)
	Due from foreign financial institutions	1,086,701	5,434	(5,434)
Domestic assets				
	Rwanda Government debt	31,853,659	159,268	(159,268)
	Loan and advance to banks	96,752,238	483,761	(483,761)
	Staff loans	10,576,719	52,884	(52,884)
Total assets		1,874,607,459	9,373,038	(9,373,038)
LIABILITIES				
Foreign Financial liabilities				
	Due to IMF	453,365,408	2,266,827	(2,266,827)
	Foreign liabilities	6,384,249	31,921	(31,921)
Domestic Financial liabilities				
	Due to local financial institutions	342,773,293	1,713,866	(1,713,866)
Total liabilities		802,522,950	4,012,614	(4,012,614)
Net Interest Increase/(decrease)		1,072,084,509	5,360,424	(5,360,424)
Impact on profit		1,072,084,509	5,360,424	(5,360,424)

6. Financial Risk Management (continued)

C. Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis 30 June 2019

		Total carrying amount June 2019	0.5% Increase	0.5% decrease
		FRW '000	FRW '000	FRW '000
ASSETS				
Foreign Assets				
	Cash and cash equivalent	252,864,403	1,264,322	(1,264,322)
	Foreign assets at FVTPL	478,735,191	2,393,676	(2,393,676)
	Foreign assets at FVTOCI	211,035,159	1,055,176	(1,055,176)
	Foreign assets at Amortized Cost	52,030,157	260,151	(260,151)
	IMF Quota	267,245,863	1,336,229	(1,336,229)
	Due from foreign financial institutions	1,997,888	9,989	(9,989)
Domestic Assets				
	Rwanda Government debt	35,952,394	179,762	(179,762)
	Loan and advance to banks	66,907,092	334,535	(334,535)
	Staff loans	10,385,558	51,928	(51,928)
Total assets		1,377,153,705	6,885,768	(6,885,768)
LIABILITIES				
Foreign Financial liabilities				
	Due to IMF	450,916,432	2,254,582	(2,254,582)
	Foreign liabilities	6,735,742	33,679	(33,679)
Domestic Financial liabilities				
	Due to local financial institutions	71,847,787	359,239	(359,239)
Total liabilities		529,499,961	2,647,500	(2,647,500)
Net Interest Increase/(decrease)		847,653,744	4,238,268	(4,238,268)
Impact on profit		847,653,744	4,238,268	(4,238,268)

7. Fair value of financial instruments

A. Valuation models

The Bank measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

B. Fair value hierarchy

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non market observable inputs
Types of financial assets	Actively traded government and other agency securities Listed derivative instruments Listed equities	Corporate and other government bonds and loans Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters. Corporate bonds in illiquid markets.
Types of financial liabilities	Listed derivative instruments	Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters

Financial instruments measured at fair value - valuation hierarchy

The tables below analyse financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2020	Carrying amount					Total carrying amount FRW '000	Fair value			
	Non-Financial Instruments FRW '000	Financial Instruments at FVTPL FRW '000	Financial Instruments at FVOCI FRW '000	Financial Instruments at amortised Cost FRW '000	Other Financial assets FRW '000		Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	Total Fair value FRW '000
Financial assets										
Cash and cash equivalent	-	-		431,034,777	-	431,034,777	431,034,777	-	-	431,034,777
Foreign investment securities	-	521,281,198	289,118,389	219,685,452	-	1,030,085,039	-	1,030,085,039	-	1,030,085,039
Due from international monetary fund	-	-	-	273,218,326	-	273,218,326	-	273,218,326	-	273,218,326
Due from government of Rwanda	-	-	-	31,853,659	-	31,853,659	-	29,226,151	-	29,226,151
Due from local financial institutions	-	-	-	96,752,238	-	96,752,238	-	95,342,253	-	95,342,253
Due from foreign financial institutions	-	-		1,086,701	-	1,086,701		1,071,662		1,086,701
Loans and advance to staff	-	-		10,576,719	-	10,576,719	-	10,457,870	-	10,457,870
Other Investment			6,164			6,164	-	-	6,164	6,164
Other assets	-	-	-	1,899,551	-	1,899,551	-	-	1,899,551	1,899,551
Total financial assets	-	521,281,198	289,124,553	1,066,107,423	-	1,876,513,174	431,034,777	1,439,401,301	1,905,715	1,872,341,793

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Notes to the financial statements (continued)
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7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2020	Carrying amount					Total carrying amount FRW '000	Fair value			Total Fair value FRW '000
	Non- Financial Instruments FRW '000	Financial Instruments at FVTPL FRW '000	Financial Instruments at FVOCI FRW '000	Financial Instruments at amortised Cost FRW '000	Other Financial Liabilities FRW '000		Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	
Financial liabilities										
Currency in circulation	-	-	-	-	265,431,243	265,431,243	-	-	265,431,243	265,431,243
Government deposits	-	-	-	-	459,986,700	459,986,700	459,986,700	-	-	459,986,700
Due to local financial institutions	-	-	-	-	342,773,293	342,773,293	246,628,440	97,055,330	-	343,683,770
Due to IMF	-	-	-	-	453,365,408	453,365,408	-	453,365,408	-	453,365,408
Foreign liabilities	-	-	-	-	6,384,249	6,384,249	-	6,384,249	-	6,384,249
Other liabilities	-	-	-	-	12,283,148	12,283,148	-	12,283,148	-	12,283,148
Financial liabilities	-	-	-	-	1,540,224,041	1,540,224,041	706,615,140	569,088,135	265,431,243	1,541,134,518

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7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2019	Carrying amount						Fair value			
	Non-Financial Instruments FRW '000	Financial Instruments at FVTPL FRW '000	Financial Instruments at FVOCI FRW '000	Financial Instruments at amortised Cost FRW '000	Other Financial assets FRW '000	Total carrying amount FRW '000	Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	Total Fair value FRW '000
Financial assets										
Cash and cash equivalent	-	-		295,236,723	-	295,236,723	295,236,723	-	-	295,236,723
Foreign investment securities	-	478,735,191	211,035,159	52,030,157	-	741,800,506	-	741,800,506	-	741,800,506
Due from international monetary fund	-	-	-	267,245,863	-	267,245,863	-	267,245,863	-	267,245,863
Due from government of Rwanda	-	-	-	35,952,394	-	35,952,394	-	35,952,394	-	35,952,394
Due from local financial institutions				66,907,092		66,907,092	-	66,907,092	-	66,907,092
Due from foreign financial institutions	-	-		1,997,888	-	1,997,888	-	1,997,888		1,997,888
Loans and advance to staff	-	-		10,385,558	-	10,385,558	-	10,385,558	-	10,385,558
Other Investment			6,164			6,164		-	6,164	6,164
Other assets	-	-	-	1,815,085	-	1,815,085	-	1,815,085	-	1,815,085
Total financial assets	-	478,735,191	211,041,323	731,570,760	-	1,421,347,274	295,236,723	1,126,104,386	6,164	1,421,347,273

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Notes to the financial statements (continued)
For the year ended 30 June 2020

7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

As at 30 June 2019	Carrying amount					Total carrying amount FRW '000	Fair value			Total Fair value FRW '000
	Non-Financial Instruments FRW '000	Financial Instruments at FVTPL FRW '000	Financial Instruments at FVOCI FRW '000	Financial Instruments at amortised Cost FRW '000	Other Financial Liabilities FRW '000		Level 1 FRW '0000	Level 2 FRW '000	Level 3 FRW '000	
Financial liabilities										
Currency in circulation	-	-	-	-	234,288,567	234,288,567	-	-	234,288,567	234,288,567
Government deposits	-	-	-	-	257,073,728	257,073,728	257,073,728	-	-	257,073,728
Due to local financial institutions	-	-	-	-	263,016,007	263,016,007	-	263,016,007	-	263,016,007
Due to IMF	-	-	-	-	450,916,432	450,916,432	-	450,916,432	-	450,916,432
Foreign liabilities	-	-	-	-	6,735,742	6,735,742	-	6,735,742	-	6,735,742
Other liabilities	-	-	-	-	34,768,701	34,768,701	-	-	34,768,701	34,768,701
Financial liabilities	-	-	-	-	1,246,799,177	1,246,799,177	257,073,728	720,668,181	269,057,268	1,246,799,177

7. Fair value of financial instruments (continued)

Financial instruments measured at fair value - Valuation hierarchy (continued)

Quantitative information of significant unobservable inputs – Financial Assets Level 3:

Description	Valuation Technique	Unobservable input	Range	30 June 2020 Frw'000	30 June 2019 Frw'000
Financial investments – Other investment	Market based valuation technique	Net asset value and last equity transaction on the shares	RSWITCH Shares	6,164	6,164
Other assets	Market based valuation technique	Prevailing Price at the market	Other debtors Accounts receivables	8,858,140	6,011,424

Quantitative information of significant unobservable inputs – Financial liabilities Level 3:

Description	Valuation Technique	Unobservable input	Range	30 June 2020 Frw'000	30 June 2019 Frw'000
Currency in circulation	Market based valuation technique	Torn and lost notes and coins	Notes and coins issuances	265,431,243	265,431,243
Other Liabilities	Market based valuation technique	Prevailing Price at the market	Other debtors Accounts receivables	12,283,148	34,768,701

8. Interest income

Interest on domestic investments relates to interest earned from loans to government, lending agreements with local financial institutions and agricultural sector refinancing facility loans.

Interest income from foreign operations relates to interest earned from CAIMAL, RAMP and BIS investments, foreign fixed term deposits, T-Bond, SDR holdings and from call money in foreign currency.

Interest income on staff loans for the year ended 30 June 2020 was allocated to the staff welfare equity reserve as part of a directive by the board of directors.

	30-June-20 Frw '000'	30-June-19 Frw '000'
Incomes on lending to local financial institutions	6,072,861	6,441,945
Interests on loans to government	971,218	2,133,909
Interest on SDR Holdings	627,990	909,922
Interest income on foreign investments	19,766,293	24,194,132
Refinancing facility loans	13,222	-
Income on overnight lending - reverse repo	457,125	-
	27,908,709	33,679,908

9. Interest expenses

On 9 November 2010, the Bank entered into a currency swap transaction with International Finance Corporation. The original amount rendered by the Bank was Frw 1.479 billion in exchange for USD 2.5 million. Under this initial agreement, the Bank pays interest on the USD notional outstanding amount using a dollar floating rate which is the sum of LIBOR for the designated maturity determined on the second London Business Day preceding the relevant calculation period, and the dollar spread. Further swap agreements have signed up since and every time a swap transaction is entered, a confirmation agreement is signed between IFC and the Bank stipulating the terms of the transaction.

Other interest expenses include interest paid on lending agreements with local commercial banks, interest expense on SDR allocation and interest on money market interventions which mainly includes repos and reverse repos that the Central Bank undertakes.

The interest expense on money market intervention initiatives are refunded by the Government.

	30-June-20 Frw '000'	30-June-19 Frw '000'
Interest on IMF Fund	614,789	1,193,523
Expenses on SWAPS operations	1,626,909	1,621,048
IFC expense on SWAPs operations	38,497	93,495
Interest paid on monetary policy issues	438,319	3,078,082
	2,718,514	5,986,148

There is an absence of forward exchange rate in the market and since they are also fully floating, we opted to use a proxy.

10. a) Fee and commission income

	30-June-20 Frw '000'	30-June-19 Frw '000'
Commission on foreign operations	1,376,878	1,485,293
Other commission	68,578	13,315
	1,445,456	1,498,608

b) Fee and commission expense

	30-June-20 Frw '000'	30-June-19 Frw '000'
Fund management fees	1,093,611	613,366
Other commissions paid	956,890	1,329,880
	2,050,501	1,943,246

11. (a) Unrealized revaluation gain

	30-June-20 Frw '000'	30-June-19 Frw '000'
Foreign assets unrealized foreign exchange Gain	25,224,440	21,223,516
	25,224,440	21,223,516

During the year unrealized net foreign exchange revaluation gains amounted to Frw 25,224,440 (2019: Frw 21,223,516). This amount has been included in the statement of profit or loss in determining the Bank's net operating profit for the year in order to comply with the requirements of IAS 21-Accounting for the Effects of Changes in foreign Exchange Rates. The unrealized net foreign exchange revaluation gains do not form part of distributable profits for the Bank.

11. (b) Net trading income

	30-June-20 Frw '000'	30-June-19 Frw '000'
Net gain on foreign currency transactions	18,373,947	13,028,588
Realized gain on investment securities	6,569,503	1,940,468
Realized loss on investment securities	7,463,946	(1,589,575)
Unrealized gain on investment securities	961,716	6,045,341
	33,369,112	19,424,822

12. Other operating income

	30-June-20 Frw '000'	30-June-19 Frw '000'
Processing fees	145,396	152,100
Forex bureau applications and registrations fees	4,250	18,750
Licenses and applications fees	57,508	52,720
Supervision fees	1,786,558	1,867,750
Fine and penalty fees	105,626	156,084
Swift message received	46,503	44,970
Gain on sales of properties and equipment	-	16,513
Refund from the Government of Rwanda	952,081	3,235,812
Other income	592,293	890,311
	3,690,215	6,435,010

The refund from the government relates to money market intervention costs, external trade contributions, equipment grant and supervision fees on services offered by the bank to industry.

Other income relates to cheque printing fees, strong room rental income, cash surplus, sale of demonetized currency and other recoveries made in the year.

Fine and penalty fees relate to charges imposed on banks, microfinance institutions and insurance companies for non-compliance with regulatory requirements.

13. Employee benefits

	30-June-20 Frw '000'	30-June-19 Frw '000'
Salaries and related other allowances	13,223,237	11,282,342
Contribution to RSSB pension Scheme	775,427	595,643
Medical expenses	1,189,622	948,460
Leave allowances	229,336	238,397
Long term awards	197,223	92,142
Social activities and condolences	87,716	95,357
Contribution to the complementary pension fund	556,492	443,638
Contribution to the death benefit fund	139,060	110,878
Other expenses	864,335	953,713
	17,262,448	14,760,570

13. Employee benefits (continued)

The Bank contributes to the following post-employment benefit plans:

Complementary pension fund- entitles a retired employee or his/her dependants in case of death to receive the total contributions made including the accrued interest from investments after deduction of the total amount related to all obligations due to BNR.

Death benefit fund- entitles a retired employee's dependants in case of death to receive the total death benefits equivalent to thirty-six (36) * last gross monthly salary of the deceased staff.

The contribution due to both Fund shall be calculated as 10% of each staff basic salary whereby 80% of the contribution is taken to complementary Pension fund and 20% to the death benefit fund.

Both plans are funded by the Bank and the employee at a share of 60% and 40% respectively.

14. General administration expenses

	30-June-20 Frw '000'	30-June-19 Frw '000'
Maintenance costs	1,520,655	1,652,320
Professionals costs	1,597,864	1,959,817
Contributions and subscription fees	1,063,523	900,646
Printing stationery and office Suppliers	542,094	539,683
Entertainments costs	1,585,808	288,244
Insurances fees	233,068	266,056
Transports and travelling expenses	351,859	288,422
Communication costs	97,504	127,763
Advertisement expenses	221,230	39,521
Grant and subsidies cost	104,410	85,041
Legal and investigation expenses	156,880	8,546
	7,474,895	6,156,059

15. (a) Other operating expenses

	30-June-20 Frw '000'	30-June-19 Frw '000'
Bank notes printing costs amortization	4,816,157	2,956,943
Coins minting costs amortization	351,508	233,803
Written back accruals and provisions	205,900	2,389,960
Other expenses	645,696	1,387,299
Audit fees	44,531	64,990
Provisions and other charges	-	7,975
Board and meeting expenses	38,437	40,366
	6,102,229	7,081,336

Other expenses include costs incurred on client's hospitality, meal allowances to security staff, premises cleaning and other contributions other corporate events.

(b) i) Expected credit loss on other financial assets other than loans and advances

	30-June-20 Frw '000'	30-June-19 Frw '000'
IFRS 9 Expected Credit Loss - and other credit impairment	4,707,567	333,918
Impairment on receivables from RRA	1,226,290	1,251,176
Impairment on suspense and clearing accounts	-	479,304
Expected Credit Loss - SACCO Loans	-	224
Write back expected credit loss	(3,826,474)	(208,120)
	2,107,383	1,856,502

15. (b) ii) Expected credit losses and other credit impairment charges (continued)

In estimating the ECL on come of the financial assets, the directors have applied judgement in determining proxy probabilities of default to use on non-rated counterparties. Regarding rated counterparties, probabilities of default assigned by Bloomberg or Standard and Poor have been applied.

Had the counter-parties credit ratings improved or deteriorated by 1 grade, the results of the expected credit loss would increase/decrease by 123% (from B+ with a PD of 0.57 to B with a PD of 1.27% and vice versa) as demonstrated in the table below:

Financial assets	Balance per TB Frw 000'	ECL Frw 000'	PD (+/-123%) Frw 000'	Impact on ECL Frw 000'
Cash and cash equivalents	431,034,777	269,456	329,026	60
Foreign investment securities	1,030,085,039	518,468	636,715	118
Due from Government of Rwanda	31,853,659	-	-	-
Due from local financial institutions	96,752,238	-	63	0
Due from foreign financial institutions	1,086,701	-	535	1
Due from IMF	273,218,326	24,961	40,016	15
Grand Total	1,864,030,740	812,885	1,006,355	194

On other assets, management has applied a 100% probability of default which depicts the worst-case scenario that the Bank can suffer from in case of a default and the impact is Frw'000' 5,120,875.

Sensitivity analysis on loans and advances to staff has been incorporated in the historical and forward-looking information applied in the calculation of ECL.

16. (a) i) Cash and cash equivalents

	30-June-20 Frw '000'	30-June-19 Frw '000'
Foreign denominated notes/coins in USD	143,153,777	38,384,902
Foreign denominated notes/coins in EUR	16,855,262	3,614,984
Foreign denominated notes/coins in GBP	437,922	283,168
Foreign denominated notes/coins in other CCY	66,044	89,265
Current accounts	86,956,750	111,405,787
Fixed term deposits in USD (Less than 3 months)	183,834,478	141,503,638
Total gross cash and cash equivalents balance	431,304,233	295,281,744
Less expected credit losses	(269,456)	(45,021)
Net cash and cash equivalents	431,034,777	295,236,723

ii) Cash and cash equivalents at the end of the year

	30-June-20 Frw '000'	30-June-19 Frw '000'
Cash and cash equivalents	431,034,777	295,236,723
Special Drawing Rights from IMF (Note 22)	69,287,696	67,250,284
Total cash balance	500,322,473	362,487,007

Movement in expected credit losses

	30-June-20 Frw '000'	30-June-19 Frw '000'
At 1 July	45,021	-
IFRS 9 opening adjustment provision	-	102,359
Charge/(write-back) for the year	224,435	(57,338)
As at 30 June	269,456	45,021

16. (b) Cash flows from operations

	30-June-20 Frw '000'	30-June-19 Frw '000'
Surplus for the year	50,939,012	41,346,237
Adjustments for:		
Depreciation on property and equipment	2,164,266	2,764,615
Amortization of intangible assets	800,467	348,934
Increase in general reserve	(414,931)	-
Depreciation on investment property	18,217	18,217
Unrealized revaluation gain	(3,215,689)	-
Amortization of deferred costs for notes and coins	5,167,665	3,190,745
Impairment of financial assets	2,107,383	-
Write back of expected credit loss	3,826,474	-
Net interest income	(25,551,960)	(27,693,760)
(Gain)/loss on disposal of property and equipment	-	324,949
Surplus before changes in working capital	35,840,904	20,299,937
Changes in working capital		
(Increase)/decrease in amount due from Government-Loan	4,098,735	1,370,148
(Increase)/decrease in amount due from Government-Overdraft	-	47,529,174
(Increase)/decrease in loan and advances to staff	(191,161)	(438,548)
Increase/(decrease) in currency in circulation	31,142,677	24,610,745
(Increase)/decrease in other assets	3,362,732	6,079,496
Increase/(decrease) in other liabilities	88,774,199	1,860,026
Increase/(decrease) in government deposits	202,912,972	49,167,121
Increase/(decrease) in due to financial institutions	79,757,286	39,075,098
(Increase)/decrease in loans to Banks	(29,845,145)	(66,888,126)
Increase/(decrease) in foreign liabilities	(351,493)	(897,747)
Net changes in working capital	415,501,706	121,767,324
Interest received	27,908,709	33,679,907
Interest paid	(2,356,749)	(5,986,148)
Net cash from operating activities	441,053,666	149,461,083

17. Foreign investment securities

	30-June-20 Frw '000'	30-June-19 Frw '000'
Financial instruments - FVTPL	521,281,198	478,735,191
Financial instruments - FVOCI	289,145,251	211,046,009
Expected credit losses - FVOCI	(26,863)	(10,851)
Financial instruments - amortized cost	54,355,850	52,363,560
Expected credit losses - amortized cost	(125,627)	(333,404)
Fixed term deposits > 3 months	165,821,207	-
Expected credit losses -term deposits	(365,977)	-
Total	1,030,085,039	741,800,505

17. Foreign investment securities (Continued)

	30-Jun-20	30-Jun-19
Movement in expected credit loss - FVOCI		
	Frw '000'	Frw '000'
At 1 July	10,851	-
IFRS 9 opening adjustment provision	-	7,755
Charge for the year	16,012	3,096
As at 30 June	<u>26,863</u>	<u>10,851</u>
Movement in expected credit loss – amortized cost		
At 1 July	333,404	-
IFRS 9 opening adjustment provision	-	2,581
(Write back)/ Charge/ for the year	- 207,777	330,823
As at 30 June	<u>125,627</u>	<u>333,404</u>

18. Due from Government of Rwanda

	30-June-20	30-June-19
	Frw '000'	Frw '000'
Overdraft due from the Government	-	-
Consolidated debt to Government	31,853,659	35,952,394
	<u>31,853,659</u>	<u>35,952,394</u>

The Bank signed an agreement with the Government of Rwanda on 7 February 1996 to consolidate all Government debts amounting to Frw 34.457 billion at an interest rate of 2% per annum. The amount increased to Frw 43,469 billion effective 1 August 1997 subsequent to the passing of Law No 11/97 regarding the statutes of the Bank which stipulated under its article 79, that the balance of the revaluation account as at 6 March 1995 would be consolidated with the amount of that initial debt. The recovery of the amount is done through retention of 30% of the annual dividend payable to the Government commencing 2002. Directors have assessed the exposure to the Government of Rwanda to be equivalent to an investment grade financial assets and as such the expected credit losses are not material.

During the year ended 30 June 2020, the Bank retained 30% of the 2019 profits Frw '000' 4,098,734 (2019 Frw '000' 1,370,147) as a repayment on the balance.

	Opening balance	Loan repayment	Closing balance
Debt to government			
Consolidated debt to government	35,952,394,000	(4,098,735,000)	31,853,659,000
Totals	<u>35,952,394,000</u>	<u>(4,098,735,000)</u>	<u>31,853,659,000</u>

Principal repayment noted in the movement schedule above relates to part of dividend allocated to the Government as a shareholder which has been used to net off part of the loan.

18. Due from government of Rwanda (continued)

Net debt reconciliation

The section below sets out an analysis of net debt and the movement in net debt for each of the years presented

	30- June-20	30- June-19	
	Frw '000'	Frw '000'	
Cash and cash equivalents	431,034,777	295,236,723	
Borrowings	(177,198,684)	(182,640,518)	
Net cash position	<u>253,836,093</u>	<u>112,596,205</u>	
	Borrowings	Cash and cash equivalents	Total
Net debt as of 01 July 2019	(182,640,518)	362,487,007	179,846,489
Cashflows	5,441,833	137,835,466	143,277,299
	<u>(177,198,685)</u>	<u>500,322,473</u>	<u>323,123,788</u>

	At start of year	Additional Loans acquired	Cash flow during the period	Principal repayments during the year	Interest payment during the period	At end of year
	Frw '000'	Frw '000'		Frw '000'	Frw '000'	
30-June-20	<u>(182,640,518)</u>	-	5,441,833	5,403,336	38,497	<u>(177,198,684)</u>
30-June-19	<u>(179,152,493)</u>	-	(3,488,025)	1,412,320	(4,900,344)	<u>(182,640,518)</u>

19. Due from local financial institutions

	Risk Exposure	Expected Credit Loss	30-June-20	30-June-19
	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Current accounts with commercials banks	8,318	-	8,318	8,318
Loans to the agricultural and agro-business	1,373	-	1,373	1,372
Due from commercial Banks on back to back lending contracts*	91,676,828	-	91,676,828	66,895,018
Loan facility to microfinance	109	-	109	2,384
Economic recovery facilities*	5,065,610	-	5,065,610	-
Carrying Amount	<u>96,752,238</u>	<u>-</u>	<u>96,752,238</u>	<u>66,907,092</u>

Movement in provision for impairment

At 1 July	224	-
IFRS 9 opening adjustment provision	-	-
Charge/(write back) for the year	(224)	224
As at 30 June	<u>-</u>	<u>224</u>

*The Bank did not book any ECL against balances due from commercial Banks on back to back lending contracts and the economic recovery facilities due to the fact that there are corresponding liability cash collaterals.

20. Due from foreign financial institutions

	At 1 July Frw'000'	Repayment Frw'000'	30 June 20 Frw'000'	30 June 19 Frw'000'
IFC SWAP contract	1,997,888	(911,088)	1,086,701	1,997,888
	1,997,888	(911,187)	1,086,701	1,997,888

On 9 November 2010, the Bank entered a currency swap transaction with International Finance Corporation. The original amount rendered by the Bank was Frw 1.479 billion in exchange for USD 2.5 million. Under this initial agreement, the Bank pays interest on the USD outstanding amount using a dollar floating rate which is the sum of LIBOR for the designated maturity determined on the second London business day preceding the relevant calculation period, and the dollar spread. Further SWAP agreements have since been signed up and every time a swap transaction is entered, a confirmation agreement is signed between IFC and the Bank stipulating the terms of the transaction.

21. Loans and advances to staff

	30-Jun-20 Frw'000'	30-Jun-19 Frw'000'
Loans to current staff	8,866,249	8,703,356
Loans to former staff	1,904,397	1,921,833
Expected credit losses	(193,927)	(239,631)
	10,576,719	10,385,558
Movement in expected credit losses		
At 1 July	239,631	203,200
(Write back) / Charge for the year	(45,704)	36,431
As at 30 June	193,927	239,631

The types of loans given to staff include Housing loans, Salary advance and Car loans with a maturity period of 20 years, 1 year and 5 years respectively. The interest rates applicable are 0% for salary advance and 2% to Car and housing loans. Interest income on staff loans is allocated to the staff welfare reserve where it is available for lending to staff subsequently for welfare facilitation.

22. International Monetary Fund

The IMF Quota represents 3,065 votes' equivalent to 0.06% of voting right.

	30-June-20 Frw'000'	30-June-19 Frw'000'
Due from International Monetary Fund		
Quota In IMF	178,454,465	175,039,701
IMF reserve tranche	25,501,125	25,005,671
Special drawing rights	69,287,696	67,205,263
Expected credit losses	(24,960)	(4,772)
	273,218,326	267,245,863
Movement in expected credit losses		
At 1 July	4,772	-
On adoption of IFRS 9	-	8,097
Charge/(write back) for the year	20,188	(3,325)
As at 30 June	24,960	4,772

Due to International Monetary Fund

IMF Account No 1	178,447,482	175,032,296
IMF Account No 2	6,982	6,849
IMF poverty reduction and growth facility loan	175,756,163	179,948,152
Allocation of special drawing rights (SDR)	99,154,781	95,929,135
	453,365,408	450,916,432

23. Other investment

Financial Instruments - FVTOCI	450,000	450,000
Expected credit losses	(443,836)	(443,836)
	6,164	6,164

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

RWISTCH is registered and domiciled in Rwanda and offers an interbank network for financial communication that supports card based payment systems, electronic funds transfers, simple bills payment system and capital market operations to banks and other financial institutions in Rwanda.

24. Investment property

	30-June-20 Frw'000'	30-June-19 Frw'000'
Cost		
At 1 July	466,839	466,839
As at 30 June	466,839	466,839
Accumulated Depreciation		
At 1 July	(109,302)	(91,086)
Depreciation charge	(18,217)	(18,216)
As at 30 June	(127,519)	(109,302)
Net book value as at 30 June	339,320	357,537

The investment property relates to a building owned by the Bank and rented out to RSWITCH. In the year to June 2019. The current accounting policy accounts for investment property using cost model rather than the revaluation model, but as at 30 June 2020 the fair value of the property was Frw 484 million which is not materially different from the cost of the asset.

National Bank of Rwanda
Notes to the financial statements (continued)
For the year ended 30 June 2020

25. **Property and equipment**

	Land	Work in progress	Buildings	Motor Vehicles	Computer Equipment	Security Equipment	Machinery	Furniture and fittings	Lift Equipment	Medical Equipment	Multi media	TOTAL
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Cost/Valuation												
At 1 July 2019	5,288,173	3,414,707	15,346,978	184,875	3,988,984	2,233,018	4,556,984	1,511,335	701,884	2230	76,855	37,306,023
Additions	-	547,709	64,491	-	275,602	-	92,587	163,385	-	-	-	1,143,774
Capitalization from WIP	-	(2,916,580)	-	-	-	-	2,916,580	-	-	-	-	-
As at 30 June 2020	5,288,173	1,045,936	15,411,469	184,875	4,264,586	2,233,018	7,566,151	1,674,720	701,884	2,230	76,855	38,449,797
Depreciation												
At 1 July 2019	-	-	-	(178,889)	(1,894,996)	(1,745,174)	(2,150,693)	(1,026,026)	(614,306)	(525)	(76,855)	(7,687,464)
Charge for the year	-	-	(307,572)	(5,986)	(834,409)	(163,497)	(636,944)	(163,053)	(52,360)	(445)	-	(2,164,266)
As at 30 June 2020	-	-	(307,572)	(184,875)	(2,729,405)	(1,908,671)	(2,787,637)	(1,189,078)	(666,666)	(970)	(76,855)	(9,851,730)
N.B.V as at 30 June 2020	5,288,173	1,045,836	15,103,897	-	1,535,181	324,347	4,778,514	485,641	35,218	1260	-	28,598,067

National Bank of Rwanda
Notes to the financial statements (continued)
For the year ended 30 June 2020

25. Property and equipment (continued)

	Land	Work in progress	Buildings	Motor Vehicles	Computer Equipment	Security Equipment	Machinery	Furniture and fittings	Lift Equipment	Medical Equipment	Multimedia	TOTAL
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Cost/Valuation												
At 1 July 2018	3,266,325	3,322,573	20,507,908	184,875	2,421,721	2,197,436	4,547,359	1,504,687	701,884	950	77,786	38,733,504
Additions	-	441,843	30,582	-	1,481,506	35,582	18,420	6,318	-	1,610	-	2,015,861
Capitalization from WIP	-	(349,709)	244,290	-	105,419	-	-	330	-	(330)	-	-
Disposal/write off	(383,078)	-	-	-	-	-	(384)	-	-	-	-	(383,462)
Property Revaluation	2,404,926	-	(277,051)	-	-	-	-	-	-	-	-	2,127,875
Acc. depr elimination Revaluation	-	-	(5,158,752)	-	-	-	-	-	-	-	-	(5,158,752)
As at 30 June 2019	5,288,173	3,414,707	15,346,977	184,875	4,008,646	2,233,018	4,565,395	1,511,335	701,884	2,230	77,786	37,335,026
Depreciation												
At 1 July 2018	-	-	(4,091,484)	(154,945)	(1,291,590)	(1,519,903)	(1,623,723)	(875,642)	(474,382)	(205)	(78,727)	(10,110,601)
Charge for the year	-	-	(1,067,268)	(23,944)	(623,068)	(225,271)	(535,379)	(150,384)	(139,924)	(320)	941	(2,764,616)
Elimination on revaluation	-	-	5,158,752	-	-	-	-	-	-	-	-	5,158,752
As at 30 June 2019	-	-	-	(178,889)	(1,914,658)	(1,745,174)	(2,159,102)	(1,026,026)	(614,306)	(525)	(77,786)	(7,716,466)
N.B.V as at 30 June 2019	5,288,173	3,414,707	15,346,977	5,986	2,093,988	487,844	2,406,293	485,309	87,578	1,705	-	29,618,560

25. Property and equipment (continued)

Fully depreciated assets still in use

As at 30 June 2020, the Bank had fully depreciated assets still in use. The gross values of the assets per category are as shown below. The Directors did not revalue these assets as their market values are not considered material.

Category	Gross value as at 30 June 2020	Gross value as at 30 June 2019
Security equipment	1,468,552,880	1,309,488,880
Machinery	493,805,914	269,198,224
Computer equipment	908,099,061	588,234,362
Lift equipment	605,835,321	208,035,321
Multimedia	76,854,810	76,854,810
Vehicles	184,874,527	89,099,805
Furniture and fittings	235,044,808	47,438,236
	3,973,067,321	2,588,349,638

Notional depreciation

The notional depreciation for the assets fully depreciated and in use is Frw'000' 788,146 for the period to June 2020 (30 June 2019 Frw'000' 534,994)

26. Intangible assets

	Work in progress Frw'000'	Software Frw'000'	TOTAL Frw'000'
Software cost			
At 1 July 2019	342,587	10,101,962	10,444,549
Additions	2,297,001	-	2,297,001
Reclassification from WIP to software	(1,636,550)	1,636,550	-
As at 30 June 2020	1,003,038	11,738,512	12,741,550
Accumulated amortization			
At 1 July 2019	-	(8,163,099)	(8,163,099)
Charge for the year	-	(800,467)	(800,467)
As at 30 June 2020	-	(8,963,566)	(8,963,566)
N.B.V as at 30 June 2020	1,003,038	2,774,946	3,777,984

	Work in progress Frw'000'	Software Frw'000'	Total Frw'000'
Software cost			
At 1 July 2018	342,586	8,327,527	8,670,113
Additions	-	1,774,435	1,774,435
As at 30 June 2019	342,586	10,101,962	10,444,548
Accumulated amortization			
At 1 July 2019	-	(7,814,165)	(7,814,165)
Charge for the year	-	(348,934)	(348,934)
As at 30 June 2019	-	(8,163,099)	(8,163,099)
N.B.V as at 30 June 2019	342,586	1,938,863	2,281,449

26. Intangible assets (continued)

The Work In Progress (WIP) balance relates to costs incurred on the ongoing projects the Bank has embarked on in the year that include RIPPS upgrade, T24 upgrade, Vault Management System (VMS). The reclassification of the WIP component, from property and equipment, Note 25, has been done to split intangible asset component from property and equipment which was previously reported together under Property plant and Equipment.

The increase in amortization charge for the year is due to the fact that the charge was only on additions done during the year as the intangible assets brought forward from Work in progress VMS project that was reclassified in the current year.

The intangible assets relate to the systems used by the Bank as shown below:

ERP - BNR's financial reporting system that generates the General Ledger.

RIPPS - a payment processing system. It handles clearing and settlement for banks' transactions and all securities.

T24 - it is the core banking system. It has an interface with RIPPS and ERP.

As at 30 June 2020, the Bank had the following projects ongoing to enhance the capability of the banking systems:

- VMS Campus software; a Currency management system that improved currency handling.
- RIPPS upgrade that will enhance the payment system services in the industry with 24/7 work around is an ongoing project.
- T24 upgrade that will facilitate the acquisition of the new release of the Core Banking software.
- PAT2 system upgrade project is also expected in the coming financial year.

27. Other assets

	30-June-20 Frw'000'	30-June-19 Frw'000'
Stock of consumables	202,531	187,791
Accounts receivables	2,335,807	2,009,913
Other debtors	6,522,333	4,001,511
Advance to contractors	295,779	755,240
Deferred cost	4,780,110	5,600,279
Expected credit losses	(5,120,875)	(176,317)
	9,015,685	12,378,417

The other debtors balance relates to duplicated payments to institutions and individuals which the Bank expect to recover the amounts from, while deferred cost relate to costs incurred in the printing of currencies and they are amortized as notes and coins are issued in circulation.

	2020 Frw '000'	2019 Frw '000'
Movement in expected credit losses		
At 1 July	176,317	-
(Write back) / Charge for the year	4,944,558	176,317
As at 30 June	5,120,875	176,317

28. Currency in circulation

	30-June-20 Frw'000'	30-June-19 Frw'000'
Notes and coins issued	297,373,260	248,018,542
Money in reserve	(31,942,017)	(13,729,975)
	265,431,243	234,288,567

28. Currency in circulation (continued)

Notes and coins issued represent all the currency issued into circulation. Money in reserve represents currency issued into circulation but within BNR vault. While the two elements have been netted off to compute the currency in circulation as at 30 June 2020, it should be noted that implicit in the balance are amounts that are taken out of circulation as a result of old currency that is replaced through issuance in the financial year.

29. Government deposits

	30-Jun-20	30-Jun-19
	Frw'000'	Frw'000'
Projects and Ministries ' Accounts	217,593,353	105,930,102
Government Account	117,233,747	43,215,240
Foreign currency accounts	69,264,084	64,632,744
Local Governments	35,735,903	24,937,699
Public Service Enterprises	9,071,094	5,969,778
Government's Special Deposits	8,828,534	10,397,918
Public Institutions	2,257,561	1,987,787
Deposits for letters of credit and other commitment	2,424	2,460
	<u>459,986,700</u>	<u>257,073,728</u>

All government deposits do not attract any interest charges (interest free).

30. Due to local financial institutions

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Local currency deposits	147,612,410	163,285,998
Foreign currency deposits	66,516,030	27,882,222
Money market Intervention	32,500,000	-
Due to commercial banks on lending contracts	96,144,853	71,847,787
	<u>342,773,293</u>	<u>263,016,007</u>

The effective interest rate on money market borrowings was 5%. This relates to the National Bank of Rwanda lending to commercial banks to cater for their liquidity constraints and this year, the Bank intervened to curb the effects of the Covid-19 pandemic on the banking industry and economy in general.

31. Foreign liabilities

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Deposits in local currency	2,245,916	3,031,752
Deposits in foreign currency	4,138,333	3,703,990
	<u>6,384,249</u>	<u>6,735,742</u>

32. Other liabilities

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Staff deposits	258,492	185,467
Non statutory accounts in Rwandan Francs	855,103	1,018,175
Non statutory accounts in foreign currencies	3,737,701	3,325,908
Suppliers payables accounts	4,797,802	1,763,445
Provision	1,760,653	4,002,165
Staff leave payables	933,734	732,240
Other payables accounts	7,174,140	22,965,445
Death benefit fund	618,233	504,267
Deferred income (grant income on equipment)	121,828	271,569
Tax payable accounts	518,464	-
Due to Office of the Treasurer (Economic Recovery Fund)	102,838,645	-
	<u>123,614,795</u>	<u>34,768,701</u>

Provision account includes provision on double payments that the Bank made during the system update, staff bonus provision as well as provision on fees incurred to realize collaterals. Other payables balance incorporate balances held on closed accounts for institutions, BNR RIPPS clearing accounts and customer dormant accounts.

33. Share capital and reserves

(i) Share capital

	30-June-20	30-June-19
Authorized and fully paid-up share capital	7,000,000	7,000,000
There were no movements in share capital during the financial year.		

(ii) Retained earnings

Retained earnings	67,964,480	56,327,288
	<u>67,964,480</u>	<u>56,327,288</u>

The retained earnings are profits retained from operations after allocation to various funds, repayment of the loan to the government of Rwanda, payment of dividends and after adjusting for unrealised revaluation gains/losses to translation reserve.

(iii) Reserves

(a) General Reserve

	30-June-20	30-June-19
	Frw'000'	Frw'000'
At 1 July	10,695,448	9,782,016
Surplus appropriation to reserve	3,147,420	913,432
At 30 June	<u>13,842,868</u>	<u>10,695,448</u>

The general reserve fund is a fund into which at least 20% of the net annual profits of the Bank are transferred at the end of each financial year. This is after allowing for expenses for operation and after allowance has been made for bad and doubtful debts, depreciation of assets, contribution to staff benefit fund, and such other contingencies and provisions as the Bank deems appropriate.

The reserves is available to be used to meet any future obligation of the Bank under its mandate.

33. Share capital and reserves (continued)

(b) Other reserves

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Land revaluation reserves	4,453,259	4,453,259
Building revaluation reserve	4,248,920	4,248,920
Staff welfare fund	14,329,937	11,987,703
Fair valuation reserve for FVOCI Financial Assets	10,167,706	5,098,978
Translation reserve	141,444,976	116,220,536
Government support for IT modernization	1,336,845	1,336,843
	175,981,643	143,346,239

Staff welfare fund

The staff welfare fund is a fund into which at least 15% of the net annual profits of the Bank are transferred at the end of each financial year including any interest income earned on staff loans. In the current year, an amount of Frw '000' 2,049,368 (15% of prior year profits) was transferred into the account.

Interest income on staff loans for the year ended 30 June 2020 (Frw '000' 247,162) was also allocated to the staff welfare equity reserve as approved by the board in the prior periods. The fund is set aside to ensure wellbeing of staff is catered for.

Building revaluation and land revaluation reserve

The building revaluation and land revaluation reserve is a reserve into which revaluation gains or losses for buildings and Land are transferred. It is the Bank's policy to revalue its land and buildings after every 5 years.

Fair value through other comprehensive income (FVOCI)

The fair value reserve is a reserve into which fair value movements on investment securities/ financial instruments held at fair value through other comprehensive income are transferred during the year. During the year, the reserve increased, due to fair valuation gains on internal portfolio.

	30-June-20	30-June-19
	Frw'000'	Frw'000'
At 1 July	5,098,978	-
Fair valuation gain/(loss) on FVOCI financial assets	5,068,728	5,098,978
At 30 June	10,167,706	5,098,978

Translation reserve

A reserve where unrealized foreign exchange gains and losses on revaluation are transferred. It's the Banks policy to recycle the foreign exchange gains through the reserve as foreign assets are held to ensure their growth being the mandate of the Bank.

Government support for IT modernization fund

The fund was created through an appropriation of profits from prior periods by approval of the board. The amount was used to support the IT modernization plans of the bank. There was no movement in the reserve during the year. The reserve account holds funds for IT modernisation projects anticipated by the bank in the current drive of cashless economy and Fintech environment.

	30-June-20	30-June-19
	Frw'000'	Frw'000'
At 1 July	1,336,843	700,587
Government support on IT modernization	-	636,256
At 30 June	1,336,843	1,336,843

34 Related parties disclosures

Government of Rwanda is the sole shareholder and the ultimate controlling party. Based on the exemption under accounting standards, limited transactions and balances with government and government related parties have not been disclosed

Transactions with key management

Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the bank. The bank key management personnel are the Governor, Deputy Governor and executive Directors.

Key management compensation comprised of the following:

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Short term employee benefits	902,370	741,348
Loans to senior management		
At 1 July	1,353,186	1,343,980
New loans granted & reclassified during the period	264,499	115,950
Loans repaid during the year	(233,331)	(106,744)
As at 30 June	1,384,354	1,353,186

Interest received on loans to senior management

6,738 **6,764**

Transactions with board of directors

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Fees to non-executive directors	38,437	40,366
	38,437	40,366

Transactions with Government of Rwanda

Transactions entered with the Government include:

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

	Note	30-June-20	30-June-19
		Frw'000'	Frw'000'
Due from Government of Rwanda	18	31,853,659	35,952,394
Government deposits	29	459,986,700	257,073,728
Receipts of economic recovery fund	33	102,838,645	-
Interest earned on due from Government of Rwanda	8	971,218	2,133,909

Other related party transactions

	30-June-20	30-June-19
	Frw'000'	Frw'000'
Rental income from RSWITCH	28,104	35,436

35. Contingent liabilities and assets

There are no pending claims brought against the Bank as at 30 June 2020 (2019: -Nil) that may raise a contingent liability to the National Bank of Rwanda. In addition, the Bank has taken to court various parties to recover money due to it, and has won eleven (11) cases in which the possible inflow of Frw '000' 465,799 is expected (2019: Frw '000' 521,213). No amount has been booked as a receivable in respect of court cases considering that they are yet to be in status "virtually Certain".

36. Cash and cash equivalents for the purpose statement of cash flow

	30-June-20 Frw'000'	30-June-19 Frw'000'
Cash	160,513,004	42,372,319
Current accounts	86,687,295	111,405,787
Fixed term deposits (up to 3 months)	183,834,478	141,503,638
Special drawing rights	<u>69,287,696</u>	<u>67,205,263</u>
	<u>500,322,473</u>	<u>362,487,007</u>

37. Subsequent events

Subsequent to the year end, a meeting of the Board of Directors held and approved the following appropriation of the Profits for 2019 and 2018.

	30-June-20 Frw'000'	30-Jun-19 Frw'000'
Appropriation of surplus		
Net surplus for the year (less revaluation gain)	25,167,788	13,662,450
General reserve fund (20% of net profit)	<u>(5,033,558)</u>	<u>(2,732,490)</u>
Surplus after GRF	20,134,230	10,929,960
Social welfare fund (15% of net profit)	<u>(3,775,168)</u>	<u>(2,049,368)</u>
Net payable	16,359,062	8,880,592
Consolidated debt recovery (30% of net profit)	(7,550,336)	(4,098,735)
Board approved amount retained in retained earnings for other reserves	<u>(3,775,168)</u>	<u>-</u>
Dividends distribution after consolidated debt repayment	<u>5,033,558</u>	<u>4,781,858</u>

There are no other significant subsequent events that require disclosure or adjustment to the financial statements

38. Commitments

The Bank had not entered into any commitments as at 30 June 2020 other than the ongoing projects which are captured under work in progress in the property and equipment. The table below summarizes the projects:

SET ITEM IN WIP	Commitments Frw '000'
Supply network equipment - BAIP	130,667,282
Boom Barriers	224,718,000
Security equipment	547,420,734
Software services – Birger Rwanda Ltd	32,186,705
VMS-Machine	1,339,425,816
EDWH-BI	10,420,910
T24 Upgrade	503,346,888
E-Subscription for Government securities	22,382,344
Kaspersky Lab	38,534,234
RIPPS (ATS and CSD) Upgrade1	409,054,819
Integration of Strategy-Business-Budget-Risk-Legal planning, progress monitoring and evaluation	46,394,024
Grand Total	<u>3,173,884,474</u>

39. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Financial Instruments measured at FVOCI	Fair value
Financial Instruments measured at FVTPL	Fair value
Held to maturity investments with repayment being principal and interest	Amortised cost

40. COVID 19 disclosures

The COVID 19 pandemic was declared during the year with Rwanda reporting its first case in March 2020. The key impact has been on the Bank's operations based on its principal objective of formulating and implementing monetary policy directed at achieving and maintaining stability in the general level of prices.

The action taken by the Bank are included in Annual Report, however as at year end, the Bank had received Frw 103 billion as part of the Economic Recovery Fund from Government of Rwanda. As at year end only 5 billion had been applied for and disbursed to commercial banks, and an additional Frw 38 billion was applied for and disbursed post the balance sheet date. There has however been only limited impact to the financial results of the Bank as described below.

Financial impacts

Financial assets and liabilities

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities. For financial instruments measured at fair value, management has assessed the year end valuations to be appropriate as they reflect the market prices at that date as determined in an active market.

Expected credit loss

IFRS 9 Financial Instruments requires that in determining the Expected Credit Loss (ECL), estimates of forward-looking macroeconomic factors are incorporated in multiple scenarios about the future economy. A sensitivity analysis of the ECL provision calculation has been performed taking into account directors' current assessment of the possible impacts of Covid-19 based and the effects are not expected to be material based on the nature of assets held.



Annexes 2

LAWS, REGULATIONS, DIRECTIVES
FINANCIAL YEAR 2019-2020

Annex 2.0: Laws, Regulations, Directives for the Financial Year 2019-2020

A. Laws and Orders

#	Planned laws	Current status	Outcome/Expected outcome
1	Follow-up Financial Consumer Protection law	Adopted by the parliament – under commission	<p>The law is expected to protect the financial consumer in terms of:</p> <ul style="list-style-type: none"> - Transparency - Responsible lending - Disclosures - Complaints handling <p>The law also provides the role of supervisory authority with regard to market conduct</p>
2	Follow-up pension law	Follow-up made with MINECOFIN and Law Reform Commission	<p>The pension law (draft) submitted to MINECOFIN. This law is expected to:</p> <ol style="list-style-type: none"> 1. Harmonize with the IOPS principles 2. Facilitate pension service providers to render their services (administrators, investment managers, custodians as well as trustees) 3. Coverage of informal sector workers through registration with private pension schemes
3	Follow-up Microfinance law	Under review at MINECOFIN level.	<p>The existing law was enacted in 2008. Need to be reviewed to accommodate the microfinance businesses with the business model (digital financial business,), convergence criteria agreed upon at EAC level, new financial inclusion standards as well as new prudential requirements</p>
4	Follow-up of payment system law	Under review at MINECOFIN Level	<p>The amendment of the current Payment System Law, 2010 is justified by the current development of the payment services landscape which has considerably changed in the past few years. Beyond the scope of activities and type of risks regulated under the current law, smarter regulatory approaches are emerging with the aims of finding a balance between the benefits of innovation and the need for financial stability and consumer protection.</p> <p>The draft law improves the legal certainty of payment system through introduction of designation framework for payment systems and establish a new licensing regime based on activity-based and risk appropriate licensing framework; and address potential security risks in the payment chain among others.</p>

5	Follow up the Draft insurance law	The law is at parliament level (under relevant commission for deliberation)	<p>This draft Law is on the Parliament level for discussion in committee. Once into force, it shall repeal Law N° 52/2008 of 10/09/2008 governing organization of insurance business and the following are expected outcomes:</p> <ol style="list-style-type: none"> 1. To harmonize our legal and regulatory framework in insurance with international standards; 2. To give a more comprehensive protection to policyholders; 3. To provide legal basis for micro insurance business; 4. To harmonize our legal and regulatory framework in insurance with international standards (Insurance Core Principles) 5. Harmonization the existing legal frameworks with EAC insurance policy
6	AML/CFT Law	Published in the Official Gazette	<p>NBR supported the drafting of the AML/CFT Law.</p> <p>This was reviewed to ensure it complies with the International standards(Financial Action Task Force Recommendations) and address gaps identified in previous assessments</p>
7	Law establishing the Financial Intelligence Centre(FIC)	Published in the Official Gazette	<p>NBR supported the drafting the law establishing the FIC.</p> <p>The FIC is an national agency that will cordinated the activities related to the prevention of the ML/FT and related financial crimes. It is also in charge of collecting, analysis and dissemination of suspicious transaction to relevant authorities,</p>
8	Follow up the Prime Minister Order- Credit Reporting Council	Approved by cabined approval	<p>The order set responsibilities of the council- The council main role is to ensure to ensure the credit reporting system supports effectively the sound and fair extension of credit in Rwandan economy as the foundation for robust and competitive credit markets;</p>

A. Regulations, Directives and Guidelines

#	PLANNED REGULATIONS/ DIRECTIVES	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
1	Draft Regulation on consolidated supervision for insurance(Group wide supervision)	Under quality assurance process before its publication	<p>From this regulation, we expect the following:</p> <ol style="list-style-type: none"> To have full understanding of interconnectedness of entities forming an insurance group or financial conglomerate; To establish reporting requirements for insurer on consolidated/ group basis; To achieve effective monitoring of risks arising from insurer's related parties, insurance groups or financial conglomerates or mixed conglomerates; To prevent abuses by financial institutions using group structures to evade prudential limits or make multiple uses of capital; In addition, Central Bank shall ensure that its regulatory frameworks fully observe international standards with regard to insurance supervision; This regulation shall help the NBR to comply with the International Association of Insurers Supervisors, ICP 23 (group-wide supervision).
2	Regulation on publication of audited financial statements and other disclosures for insurers	Published in Official Gazette n° 03 of 20/01/2020	<p>Policyholders and other market participants need timely information about the insurance sector for their decision making purpose;</p> <p>Publication of financial statements and other disclosures is key to promoting and maintaining public confidence in the insurance sector</p> <p>This regulation aims at:</p> <ul style="list-style-type: none"> enhancing market discipline and; Comply with the ICP 20- Public Disclosure – Not only publication of financials but also the other quantitative and qualitative disclosures
3	Proportionality regulation	Under quality assurance before its publication	<p>The philosophy behind this regulation is to make a balance in requirements taking into consideration the size, nature, risk profile and complexity of a bank. Banks do not have the same as mentioned. The proportionality regulation will address the issue of imbalance in requirements but at the same time fostering the supervision.</p>

			<p>When adopted it will achieve the following:</p> <ul style="list-style-type: none"> • tailoring requirements to avoid unnecessary complexity leading to excessive compliance costs for banks; • Adjusting supervisory intensity based on risk profile, complexity and business model of banks; • Maintaining financial stability by increasing cost efficiency and reducing the complexity of requirements without, at the same time, affecting the effectiveness and soundness of the overall system
4	Regulation for Financial holding companies	Under quality assurance process	<p>Growing international recognition of the role of the FHC has prompted regulators in many jurisdictions to include the FHC in their scope of group supervision, either directly or indirectly through a regulated entity like a bank or insurance subsidiary.</p> <p>It is in the above spirit to support effective prudential oversight of Financial Holding Company that the Central Bank issued a regulation on Financial Holding Company. The proposed FHC Regulation will achieve three main purposes.</p> <ol style="list-style-type: none"> 1. First, it will provide greater clarity to the industry and other stakeholders on the prudential standards and expectations applicable to financial institution held under FHCs in Rwanda; 2. Second, it will enable the Central Bank to strengthen prudential oversight of a financial group in Rwanda, with the regulations aimed at mitigating intra-group contagion risk, preventing the multiple use of capital within the group, and limiting group concentration risk exposures; 3. Third, it will also help the Central to meet the international standards on group-wide supervision
5	Regulation on administrative and pecuniary sanctions for non-compliance with AML/CTF requirements	Regulation was published in the Official Gazette- n° 18 of 22/06/2020	<p>The Anti-Money Laundering and the Combating of the Financing of Terrorism (AML/CFT) regime constitutes one of the international standards regulating the integrity in financial sector actor.</p> <p>Hence, this regulation determines administrative sanctions and Fines against Anti-Money Laundering and counter terrorism Financing of Terrorism (AML/CFT)'s requirements no- complaints that are under the supervisory purview of the Central Bank (BNR). These sanctions aimed at ensuring that FIs are implementing the requirements of the law.</p>

6	Regulation on mortgage refinance companies	Published in official gazette no 18 of 22/06/2020	<p>Mortgage refinance company is a non-deposit taking financial institution licensed to conduct mortgage refinance business. As echoed above, the Regulation is aimed at promoting mortgage refinance businesses and setting a legal framework on the conduct of mortgage refinance businesses. Upon adoption of this Regulation, the following will be achieved:</p> <ol style="list-style-type: none"> 1. Expand access to housing finance to segments of the population that have limited or no access to mortgages under current market conditions; 2. Support the government project of affordable houses
7	Review of Regulation N° 14/2011 relating to mergers and acquisitions of insurance companies	Published in Official Gazette no 18 of 22/06/2020	<p>Insurers deal in business transactions including shareholding, amalgamation and portfolio transfer of insurers, demutualization. To provide for regulatory framework for these transactions, the National Bank of Rwanda put in place Regulation N° 14/2011 relating to mergers and acquisitions of Insurance companies with the purpose of promoting financial performance within insurance industry, ensuring the orderly transfer of insurance business and increasing operational efficiency of insurers. However, as time went one, this Regulation needed to be reviewed to respond to the current dynamism in the market.</p> <p>In response to the above issues, the National Bank of Rwanda initiated the review of that regulation to address all those gaps, as identified during its implementation, and suit it to the new legal concept of company Law and to international standards in insurance (Insurance Core Principles) as issued by International Association of Insurance Supervisors (IAIS).</p>
8	Review the regulation on licensing of pension schemes and service providers	Under the quality assurance before publication	<p>This regulation was reviewed to cater for gaps that were identified in the implementation of the previous regulation, mainly the voluntary pension schemes and their service providers.</p>
9	Directive on underwriting requirements of big risks	Published	<p>After approval of this Directive the following are expected:</p> <ol style="list-style-type: none"> 1. Contribute to the market development by: <ul style="list-style-type: none"> • gaining skills pertaining to the underwriting of big risks; • promoting the culture of collaboration and cooperation among insurers through co-insurance practices; • increasing capacity of the market to retain big risk on the local market; 2. Prevent unnecessary capital outflow; 3. improve invisible trade deficit;

			4. Contribute to the soundness and stability of insurance market,...
10	Directive Determining Characteristics of independent Director	Published	This Directive aimed clarifying who can be considered as independent Director to prevent him/her in anything that could threaten his/her independence
11	Directive on Extended Liquidity Facility	Published	The Directive was issued to mitigate liquidity risk in the banking sector as one of the potential effects of the COVID-19 pandemic on the Rwandan economy
12	Directive on Economic Recovery Fund	Published	NBR was given the authority to manage the Economic Recovery Fund. On this regard, NBR issued this Directive to set requirements for accessing the Fund- The Objective of the Fund is to support businesses in the sectors hit hardest by the pandemic so they can survive, resume work/production and safeguard employment
13	BNR statement on measures to mitigate the economic impact of the COVID 19 Pandemic	Published	<p>This statement aimed at:</p> <ul style="list-style-type: none"> ✓ Introducing the Extended Lending Facility to Banks ✓ Requesting banks to easing of loan repayment conditions to borrowers affected by the COVID 19 pandemic ✓ Reviewing the existing Treasury Bonds rediscounting window ✓ Reducing the Reserve requirement ratio ✓ Encourage use of digital channels and contactless mobile payments
14	Guideline on treatment of IFRS 9, regulatory capital and relief measures to limit the impact due to COVID 19 pandemic by banks	Published	<p>This guideline aimed at :</p> <ul style="list-style-type: none"> ✓ ensuring consistent application of IFRS 9 ECL across the banking sector during this period of increased economic uncertainty due to COVID-19. ✓ guiding banks on implementation of the prudential framework, specifically regarding loan restructure and classification as well as treatment of the relief measures by government and other public authorities

Annex 2.1: Financial Services Licenses and Other Accreditations that are Granted by the National Bank of Rwanda

I. BANKING			
Banking Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
Commercial Bank	General Banking business	FRW 20 Billion	Article 3 of the Banking Law 2017/ Regulation on licensing conditions of Banks 2018/ https://www.bnr.rw/laws-and-regulations/banking/laws/
Development Bank	<ul style="list-style-type: none"> Funds mobilization for development financing; Financing (by way of grant, loan, equity, guarantee or otherwise) Development Projects and Programmes and infrastructures 	FRW 50 Billion	Appendix 1 of the Regulation on licensing conditions of Banks 2018/ https://www.bnr.rw/laws-and-regulations/banking/regulations/
Mortgage Bank	<ul style="list-style-type: none"> Receiving deposits of participation in mortgage loans and in special accounts; Granting of loans for the acquisition, construction, enlargement, repair, improvement and maintenance of urban or rural real estate, and for the substitution of mortgages taken out for that purpose 	FRW 10 Billion	Appendix 1 of the Regulation on licensing conditions of Banks 2018/ https://www.bnr.rw/laws-and-regulations/banking/regulations/
Cooperative Bank	General Banking business but only deals with its members and their related parties as well as other activities approved by the Central Bank.	FRW 10 Billion	Appendix 1 of the Regulation on licensing conditions of Banks 2018/ https://www.bnr.rw/laws-and-regulations/banking/regulations/

II. INSURANCE

Insurance Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
General Insurers	<p>These insurers sell different general insurance products including:</p> <ol style="list-style-type: none"> 1. Motor insurance 2. Fire insurance 3. Medical insurance 4. Insurance for goods in transit 5. Performance insurance(bond) 6. Burglary insurance 7. Equipment All risks 8. Electronic All Risks 9. Industrial All risks 10. Contractors All Risks 11. Engineering 12. Fidelity guarantee 13. Professional indemnity 14. Public liability 15. Products liability, 	FRW 3 Billion	<p>Regulation n° 2310/2018 - 00014[614] of 27/12/2018 of the National Bank of Rwanda on licensing conditions for insurers and reinsurers (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/laws-regulations/)</p>
Life insurers	<p>Life insurers offer life insurance products which includes inter alia:</p> <ol style="list-style-type: none"> 1. Education insurance 2. Employment protection insurance 3. Loan protection insurance 4. Private pensions plan 	FRW 2 Billion	<p>Regulation n° 2310/2018 - 00014[614] of 27/12/2018 of the National Bank of Rwanda on licensing conditions for insurers and reinsurers (https://www.bnr.rw/laws-and-regulations/)</p>
Reinsurers	Reinsurance services to insurers	FRW 5 Billion	<p>Regulation n° 2310/2018 - 00014[614] of 27/12/2018 of the National Bank of Rwanda on licensing conditions for insurers and reinsurers refer to (https://www.bnr.rw/laws-and-regulations/)</p>

			regulations/insurance-and-pension/laws-regulations/)
Health Management Organisations	Services of management of contributions collected for medical services and medical related services arrangements.	FRW 200 Million	Regulation n° 2310/2018 - 00014[614] of 27/12/2018 of the National Bank of Rwanda on licensing conditions for insurers and reinsurers refer to (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/laws-regulations/)
Dedicated micro insurer	They provide microinsurance products either life or short term.	<ul style="list-style-type: none"> • FRW 200 Million for either life or general microinsurance business • FRW 300 Million for composite microinsurance business 	Regulation no 2100 /2018 – 00012 [614] of 12/12/2018 of the National Bank of Rwanda Governing the organisation of microinsurance business visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/laws-regulations/)
Insurance agent	person other than an employee of the insurer appointed and authorized by the insurer, the principal, to solicit prospective policyholders to buy insurance products;	N/A	Regulation N° 4230 /2019 - 00026[614] of 26/06/2019 on licensing requirements and other conditions for insurance intermediaries, article 2. https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/
Insurance broker	independent person who, for commission, negotiates insurance business with insurers on behalf of a prospective policyholder or as a representative of a policyholder and includes reinsurance broker carrying on reinsurance brokerage for an insurer;	FRW 50 Million	Regulation N° 4230 /2019 - 00026[614] of 26/06/2019 on licensing requirements and other conditions for insurance intermediaries, article 2. https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/

Loss assessor	He/she conducts investigation for an insured or a beneficiary in case of dispute during claim payment.	N/A	Regulation N° 4230 /2019 - 00026[614] of 26/06/2019 on licensing requirements and other conditions for insurance intermediaries, article 2. https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/
Loss adjuster	Investigates and negotiate the settlement of claims under insurance contracts on behalf of either the insurer or the insured;	N/A	Regulation N° 4230 /2019 – 00026 [614] of 26/06/2019 on licensing requirements and other conditions for insurance intermediaries, article 2. https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/
Reinsurance broker	Carries out intermediation between insurer and reinsurer	FRW 50 Million	Regulation N° 4230 /2019 - 00026[614] of 26/06/2019 on licensing requirements and other conditions for insurance intermediaries, article 7 https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/
Bancassurance	Banks that are marketing, sale and distribution of insurance product	N/A	Directive N° 2310 /2019 – 00044 [803.1.1] on bancassurance business https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-directives-guidelines/
III. PENSION			

Pension Service Providers Licences	Key Activities/Products	Paid up capital requirements	Reference/ Law and regulation/Website
Personal pension schemes	a pension scheme set up for individuals or a group of individuals with or without an employer-employee relationship;	FRW 50 Million	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)
Occupational pension scheme	a pension scheme set up for the employees of one sponsoring employer and is dependent on an employer-employee relationship;	N/A	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)
Trustee	They provide trustees service to pension schemes as the supreme organ of every private pension schemes	FRW 50 Million (Corporate)	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)
Investment Manager	He/she provides investment services to pension schemes	FRW 20 Million	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)
Administrator	He/she provide service of administration to pension schemes.	FRW 50 Million	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)

Custodian	They hold assets of Pension Schemes	Refer to Capital Market Authority requirements	Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes and Regulation no 04/2016 of 19/07/2016 on the registration of voluntary pension schemes and licensing of pension scheme service providers visit (https://www.bnr.rw/laws-and-regulations/insurance-and-pension/pension-laws-regulations/)
IV. NON-DEPOSIT TAKING LENDING FINANCIAL INSTITUTIONS			
Non-Deposit Taking Lending Financial Institutions Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
Refinancing business	Business aimed at addressing the liquidity shortage in banks and microfinance institutions	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions./ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Loan or financing agency business	a neutral third-party administrator between the borrower and its lenders, supporting a deal either at closing or later, as a successor intermediary.	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions./ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Mortgage finance institution	lending funds for acquisition of residential and commercial property which are principally secured by mortgages on the financed properties	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions./ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Credit services only	a business of granting loans either secured or unsecured	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions./ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/

Factoring	A financial intermediary that purchases receivables from an institution. A factor is essentially a funding source that agrees to pay the institution the value of the invoice less a discount for commission and fees	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions/ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Credit guarantees	This is a guarantee that often provides for a specific remedy to creditor if his debtor does not return his debt;	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions/ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Debt collection services	Business of collecting and recovering loans on behalf of a financial service provider;	FRW 50 Million	Article 3 of the Regulation governing non-deposit taking financial institutions/ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
Finance Lease Companies	Type of loan whereby a person, the lessee, obtains the right of possession and use of a non-monetary asset, owned by another person, the lessor, for a specific period of time during which the lessee pays the agreed upon lease rental and may acquire ownership of the asset at the end of the lease agreement;	RFW 150Million	https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/
V. MICROFINANCE INSTITUTIONS			
MFIs Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
Limited Microfinance Institutions	<ol style="list-style-type: none"> 1° Receiving deposits and granting loans; 2° transfer of funds operations for client accounts made within the same institution or network; 	FRW 300 Million	<p>Law No 40/2008 of 26/08/2008 establishing the organization of microfinance activities (https://www.bnr.rw/microfinance-institutions/laws-and-regulations/)</p> <p>Regulation No 02/2009 on the organization of microfinance activity (https://www.bnr.rw/microfinance-institutions/laws-and-regulations/)</p>

	<p>3° external transfer of funds operations, not denominated in foreign currency, with banks and other registered financial institutions;</p> <p>4° Purchase and sale of currencies.</p> <p>5° Bancassurance operations</p>		
Savings and Credit Cooperatives	Accepting deposits and providing loans to its members.	FRW 5 Million	Regulation No 02/2009 on the organization of microfinance activity (https://www.bnr.rw/microfinance-institutions/laws-and-regulations/)
VI. PAYMENT SERVICE PROVIDERS(PSPs)			
PSP Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
E- Money Issuance services	<ul style="list-style-type: none"> - Issuance of e-money - Redemption of e-money - Transfer of e-money - Provision of ancillary services in respect of issuance and transfer 	FRW 200 Million	<p>Regulation n° 08/2016 of 01/12/2016 governing the electronic money issuers .</p> <p>Regulation N° 05/2018 of 27/03/2018 governing payment service providers (PSP regulation)</p> <p>https://www.bnr.rw/laws-and-regulations/payment-system/</p>
Money remittance services	<ul style="list-style-type: none"> - Acceptance of funds with the purpose of transmitting them to persons in Rwanda or another country. - Execution of funds transfers for the purpose of transmitting them to persons resident in Rwanda or another country - An international payment transfer executed in form of bill payment 	FRW 30 Million	<p>Regulation N° 06/2018 of 27/03/2018 on money remittance services</p> <p>Regulation N° 05/2018 of 27/03/2018 governing payment service providers</p> <p>https://www.bnr.rw/laws-and-regulations/payment-system/</p>

Payment initiation services	<ul style="list-style-type: none"> - Management of gateways or payment terminals 	FRW 50 Million	Regulation N° 07/2018 of 27/03/2018 on Payment initiation and aggregation services Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/
Payment aggregation services	<ul style="list-style-type: none"> - Collection of funds received from customers for payment to merchants using electronic/online payment mode 	FRW 100 Million	Regulation N° 07/2018 of 27/03/2018 on Payment initiation and aggregation services Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/ .
Issuance of Payment Instruments	<ul style="list-style-type: none"> - Check printing - Issuance of debit and credit cards 	FRW 100 Million	Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/ .
Services enabling cash to be placed on or withdrawn from a payment account as well as Operations required for operating a payment account	<ul style="list-style-type: none"> - General cash withdraw and deposit on a payment account - Operations of a payment account activities 	FRW 100 Million	Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/
Execution of payment transactions including transfer of funds on a payment account	<ul style="list-style-type: none"> - Execution of direct debits, including one-off direct debit - Execution of payment transactions through a payment card or similar device - Execution of credit transfers, including standing orders 	FRW 100 million	Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/ .

VII. CREDIT BUREAUS

Credit Bureau Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
<p>Credit Bureau</p>	<ul style="list-style-type: none"> 1° the collection, collation, inspection, storage, management, evaluation, updating and dissemination of data subject information 2° the provision of other services including, but not limited to: <ul style="list-style-type: none"> a) credit scoring; b) credit application processing; c) default notice or "watch services; d) statistical research; e) debtor tracking services with respect to credits lawfully granted; 3° the sale of specialized literature, software and other material related to its activities; 4° the assessment of business debtors at the time of the sale of the business and other transactions; 5° fraud detection; 6° dissemination of information for strategic risk information for market expansion or contraction purposes; 7° training and advisory services; 8° such other activities as may be approved by the Central Bank in writing. 	<p>FRW 100 Million</p>	<p>Regulation n° 27/2019 of 09/09/2019 relating to credit reporting system https://www.bnr.rw/laws-and-regulations/credit-reporting-system/</p>

VIII. FOREIGN EXCHANGE SERVICE PROVIDERS

Forex Bureaus Licences	Key Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
Forex Bureau Cat. I	<p>The business of buying and selling foreign currencies in these geographical areas:</p> <ul style="list-style-type: none"> • Kigali City • Rubavu district • Kamembe and Rusizi I in Rusizi district 	FRW 50 Million	<p>Article 2 (4), Article 4 & 5 of the regulation n°2310/2018 – 00015 [614] of 27/12/2018 of the national bank of Rwanda governing foreign exchange bureaus/ Directive 2510/2019 – 010[613] of 15/02/2019 of the National Bank of Rwanda specifying the geographical area of categories of foreign exchange bureaus/ (https://www.bnr.rw/laws-and-regulations/foreign-exchange/laws-and-regulations/)</p>
Forex Bureau Cat. II	<p>The business of buying and selling foreign currencies. They are authorised to operate in any geographical area other than the ones indicated for category I forex bureaus.</p>	FRW 25 Million	<p>Article 2 (4), Article 4 & 5 of the regulation n°2310/2018 – 00015 [614] of 27/12/2018 of the National Bank of Rwanda governing foreign exchange bureaus/ Directive 2510/2019 – 010[613] of 15/02/2019 of the National Bank of Rwanda specifying the geographical area of categories of foreign exchange bureaus/ (https://www.bnr.rw/laws-and-regulations/foreign-exchange/laws-and-regulations/)</p>

IX. SANDBOX			
SANDBOX APPROVALS	Activities/Products	Paid up capital Requirements	Reference/Law and Regulation/Website
SANDBOX Financial Services Providers Approvals	In the event that a person intends to provide an innovative product or service but this does not clearly correspond to one of the services or products currently regulated, or represents a hybrid product, the person may apply for a sandbox to the Central Bank	N/A	<p>Regulation N° 05/2018 of 27/03/2018 governing payment service providers https://www.bnr.rw/laws-and-regulations/payment-system/</p> <p>Regulation governing non-deposit taking financial institutions./ https://www.bnr.rw/laws-and-regulations/other-laws-and-regulation/</p> <p>Regulation no 2100 /2018 – 00012 [614] of 12/12/2018 governing the organisation of microinsurance business https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/</p>
X. EXTERNAL AUDITORS			
External Auditors Accreditation	Activities/Products	Paid up capital requirements	Reference/Law and Regulation/Website
Large Audit Firms	External Auditors for all Financial Institutions and Payment Service Providers	N/A	Regulation no14/2017 of 23/11/2017 on accreditation requirements and other conditions for external auditors for financial institutions https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/
Small Audit Firms	All Financial Institutions and Payment Service Providers except: <ul style="list-style-type: none"> - Banks; 	N/A	Regulation no14/2017 of 23/11/2017 on accreditation requirements and other conditions for external auditors for financial institutions https://www.bnr.rw/laws-and-regulations/insurance-and-pension/insurance-laws-regulations/

	<ul style="list-style-type: none"> - insurers, - limited MFIs equal and above FRW 20 billion of assets - large SACCOs equal and above FRW 20 billion; - a credit bureau; - Mandatory pension scheme; - Special Guarantee Fund - E- Money Issuer 		
Individuals	<ul style="list-style-type: none"> - SACCOs with below 20 Billion of total assets. - Forex Bureaus (Cat.2) 	N/A	<p>Directive N°4230/2020-00014[613] of the National Bank of Rwanda for accreditation of external auditors for Foreign Exchange Bureaus https://www.bnr.rw/laws-and-regulations/foreign-exchange/ Directive N° 2100/2018-006[613] on conditions for accreditation of external auditors for small SACCOs and other additional requirements https://www.bnr.rw/laws-and-regulations/microfinance-institutions/directives-guidelines/</p>



Annexes 3

STATISTICAL TABLES

MAJOR INDICATORS OF NATIONAL ECONOMY

Appendix 1

Description	FY 14/ 15	FY 15/ 16	FY 16/ 17	FY 17/ 18	FY 18/ 19	FY 19/ 20
Current GDP (in Frw billion)	5,839	6,559	7,237	8,014	8,713	9,399
of which : Primary sector, in % of GDP	24.0	24.0	26.0	26.0	24.0	25.0
Secondary sector, in % of GDP	18.0	17.0	17.0	17.0	18.0	19.0
Tertiary sector, in % of GDP	50.0	49.0	48.0	49.0	50.0	48.0
Constant GDP (in Frw billion ,2017)	6,697	7,310	7,439	8,025	8,732	8,934
Growth rate (in %)	8.6	9.2	1.8	7.9	8.8	2.3
of which : Primary sector	7.0	6.0	1.0	8.0	4.0	2.0
Secondary sector	10.0	11.0	-1.0	6.0	15.0	3.0
Tertiary sector	9.0	10.0	4.0	9.0	8.0	2.0
Inflation rate	1.3	4.1	6.8	2.3	0.8	6.3
Current GDP per capita (In USD)	NA	NA	NA	NA		
Growth rate (in %)	NA	NA	NA	NA		
USES OF GDP(constant), in %	100.0	100.0	100.0	100.0	100.0	100.0
Private Consumption	80.0	79.0	76.0	76.0	73.0	75.0
Public Consumption	14.0	14.0	15.0	15.0	16.0	16.0
Gross Domestic Investment	24.0	26.0	24.0	22.0	25.0	25.0
Resource Balance	-18.0	-19.0	-15.0	-13.0	-14.0	-16.0
Balance of current payments (+net transfers), in % of GDP	-11.9	-13.3	-9.7	-8.6	-15.0	-14.4
Gross reserves, in number of months of imports of goods and non factor services (GNFS)	4.0	3.8	3.9	4.4	4.5	5.7
Tax revenues, in % of GDP	15.4	15.8	18.0	18.5	16.3	15.0
Budget deficit (cash basis), in % of GDP	-5.2	-3.5	-4.9	-4.5	-5.6	-13.0
External public debt stock (USD million)	1,852.3	2,250.9	2,689.6	3,184.3	4,140.0	5,315.6
External debt Service in % of export earnings	8.4	9.5	8.6	7.0	3.4	5.0

Source: NBR

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Nominal) Appendix 2

(In Frw billion, at current prices)

DESCRIPTION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Agriculture	1,073	1,240	1,323	1,417	1,602	1,902	2,062	2,056	2,368
Food crops	596	708	785	830	963	1,233	1,243	1,135	1,369
Export crops	67	90	73	93	97	114	142	128	118
Livestock & livestock products	100	112	123	136	155	176	197	229	283
Forestry	291	311	320	335	351	353	447	532	566
Fishing	17	18	22	23	25	26	32	32	31
Industry	798	905	926	1,026	1,143	1,221	1,373	1,584	1,760
Mining & quarrying	80	91	104	116	104	129	175	191	105
TOTAL MANUFACTURING	375	379	362	404	452	528	612	673	816
Manufacturing of food	87	102	97	108	119	168	206	197	294
Manufacturing of beverages & tobacco	91	105	115	127	136	150	166	182	195
Manufacturing of textiles, clothing & leather goods	87	51	21	22	23	30	45	63	75
Manufacturing of wood & paper, printing	16	19	21	22	27	28	26	31	30
Manufacturing of chemicals, rubber & plastic products	26	27	26	28	30	33	36	42	63
Manufacturing of non-metallic mineral products	16	18	20	22	28	32	32	40	44
Manufacturing of metal products, machinery & equipment	18	18	18	25	33	34	33	40	43
Furniture & other manufacturing	36	38	44	51	55	54	67	77	72
Electricity	30	39	42	47	69	79	86	88	90
Water & waste management	23	25	26	26	30	32	32	43	57
Construction	290	372	391	432	488	452	467	589	691
Services	2,155	2,395	2,046	2,905	3,220	3,496	3,903	4,332	4,499
TRADE & TRANSPORT	595	677	735	792	868	912	1,099	1,297	1,398
Maintenance & repair of motor vehicles	26	28	30	32	35	39	42	47	48
Wholesale & retail trade	378	422	464	511	556	550	654	745	785
Transport services	191	226	241	249	278	323	403	505	563
OTHER SERVICES	1,560	1,722	1,910	2,119	2,350	2,583	2,804	3,035	3,103
Hotels & restaurants	94	95	110	126	145	148	144	167	141
Information & communication	97	107	110	129	140	134	143	157	180
Financial services	105	131	142	154	158	177	199	219	222
Real estate activities	384	356	385	408	455	531	583	648	614
Professional, scientific and technical activities	102	110	115	119	133	152	173	192	210
Administrative and support service activities	137	151	168	193	242	264	286	296	320
Public administration and defence, compulsory social security	246	288	318	346	385	435	466	499	548
Education	124	163	194	206	214	222	237	247	217
Human health and social work activities	91	107	123	131	140	145	161	153	173
Cultural, domestic & other services	179	214	245	302	346	375	412	457	478
Taxes less subsidies on products	403	366	446	491	595	619	677	741	774
GROSS DOMESTIC PRODUCT	4,428	4,911	5,340	5,839	6,550	7,237	8,014	8,715	9,399

Source: National Institute of Statistics of Rwanda (NISR)

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real) Appendix 3

(In Frw billion, at 2017 constant prices)

DESCRIPTION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Agriculture	1,585	1,670	1,706	1,624	1,931	1,954	2,408	2,200	2,247
Food crops	897	1,060	1,091	1,178	1,242	1,242	1,350	1,400	1,416
Export crops	110	133	117	123	139	134	147	147	143
Livestock & livestock products	120	127	136	149	163	178	195	217	237
Forestry	314	326	336	347	360	372	386	406	424
Fishing	23	24	25	26	27	28	30	30	28
Industry	974	1,044	1,067	1,176	1,309	1,288	1,570	1,571	1,612
Mining & quarrying	93	96	110	131	135	145	167	182	135
TOTAL MANUFACTURING	493	487	467	509	553	568	628	709	731
Manufacturing of food	152	169	165	176	188	192	232	239	255
Manufacturing of beverages & tobacco	140	146	153	165	173	170	155	176	180
Manufacturing of textiles, clothing & leather goods	89	53	21	22	23	30	42	57	63
Manufacturing of wood & paper, printing	17	20	23	24	27	27	27	34	34
Manufacturing of chemicals, rubber & plastic products	23	22	21	23	24	30	37	47	52
Manufacturing of non-metallic mineral products	16	18	20	22	30	32	33	44	42
Manufacturing of metal products, machinery & equip	15	15	16	21	28	31	35	44	43
Furniture & other manufacturing	40	43	48	57	60	55	66	68	62
Electricity	51	56	61	66	73	80	88	95	98
Water & waste management	27	28	29	30	31	32	32	33	34
Construction	311	377	400	441	518	474	455	552	615
Services	2,498	2,673	2,680	3,098	3,400	3,543	3,863	4,189	4,254
TRADE & TRANSPORT	646	710	763	827	922	927	1,082	1,241	1,265
Maintenance & repair of motor vehicles	30	32	33	35	37	39	42	44	41
Wholesale & retail trade	404	434	474	521	584	565	652	753	792
Transport services	212	244	257	271	301	322	388	444	431
OTHER SERVICES	1,882	1,968	2,087	2,271	2,478	2,616	2,782	2,948	2,989
Hotels & restaurants	90	93	101	112	124	137	143	156	141
Information & communication	79	90	91	102	119	123	144	157	193
Financial services	126	144	151	161	177	183	203	218	220
Real estate activities	449	436	459	478	506	544	573	607	597
Professional, scientific and technical activities	127	130	132	134	145	155	171	189	193
Administrative and support service activities	170	179	193	218	263	268	283	292	297
Public administration and defence, compulsory social security	299	337	360	384	412	443	461	483	512
Education	192	203	211	216	222	228	235	241	199
Human health and social work activities	111	116	121	144	150	154	163	161	180
Cultural, domestic & other services	208	241	269	321	360	392	406	445	457
Taxes less subsidies on products	539	516	645	599	670	645	684	771	821
GROSS DOMESTIC PRODUCT	5,576	5,906	6,186	6,897	7,310	7,439	8,025	8,732	8,934

Source: National Institute of Statistics of Rwanda (NISR)

MONTHLY EVOLUTION OF CONSUMER PRICE INDEX

(For the general index and the divisions index)

Appendix 4

Reference: February 2014=100

Divisions	Weights	2019-2020											
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
01. Food and non-alcoholic beverages	2,819	125.5	128.5	131.6	133.2	138.1	135.7	136.5	142.3	145.9	142.8	140.8	139.9
· Bread and cereals	530	123.3	124.0	124.3	126.4	130.2	131.6	133.5	135.6	135.7	137.8	135.6	133.9
· Meat	209	129.8	131.7	132.5	135.1	138.2	139.5	144.5	144.2	148.2	150.6	150.8	152.1
· Milk, cheese and eggs	170	122.7	122.1	121.9	119.6	118.9	119.7	120.7	120.3	120.7	120.0	121.2	121.0
· Vegetables	1,013	128.7	138.4	147.2	148.8	160.0	149.2	148.2	164.4	174.1	164.8	160.2	160.9
· Non-alcoholic beverages	130	126.2	125.6	125.7	125.9	127.9	128.1	127.7	129.1	128.5	129.0	128.5	128.0
02. Alcoholic beverages and tobacco	276	134.9	136.3	138.1	140.7	154.5	159.2	161.5	157.5	156.3	155.9	159.1	162.4
03. Clothing and footwear	422	122.3	123.5	123.8	124.7	125.4	125.6	126.9	126.5	126.8	126.9	124.9	125.3
04. Housing, water, electricity, gas and other fuels	2,296	113.9	114.0	114.6	114.5	115.2	115.3	115.8	117.9	118.7	121.5	120.1	119.5
05. Furnishing, household equipment and routine household maintenance	408	115.7	115.9	115.9	116.1	116.1	116.1	116.3	116.5	116.7	117.1	117.3	117.7
06. Health	91	107.5	107.6	107.7	107.6	107.7	107.8	107.8	107.7	107.7	107.7	107.7	107.6
07. Transport	1,774	122.2	122.1	122.2	122.6	123.1	123.3	123.9	123.9	124.1	124.1	151.1	150.6
08. Communication	278	105.8	105.8	105.8	105.8	105.8	105.8	105.8	105.8	105.8	105.8	105.8	105.8
09. Recreation and culture	213	116.3	117.3	117.5	119.3	119.2	119.0	119.0	119.6	120.2	120.2	121.6	121.1
10. Education	587	104.9	104.9	104.9	104.9	104.9	104.9	109.5	109.5	109.5	109.5	109.5	109.5
11. Restaurants and hotels	430	105.8	105.8	105.8	105.8	105.9	105.9	105.7	107.0	106.8	106.8	106.8	106.8
12. Miscellaneous goods and services	408	112.6	112.4	112.4	113.4	113.6	113.8	113.9	114.0	114.8	115.4	115.5	115.5
GENERAL INDEX	10000	118	119	120	120.9	123	123	123	125	127	126	128.9	128.7
Monthly changes		0.0	0.9	0.9	0.6	1.9	-0.3	0.6	1.6	1.0	-0.2	2.0	-0.2
Changes over 12 months		1.9	2.3	3.1	4.4	6.9	6.7	7.3	8.7	8.5	8.0	9.2	9.0

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(1)

December 2010 = 100

Activity	Weights	YEAR 2019- 2020											
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Rwanda	1000	141.1992	138.5586	135.1402	137.8744	137.5291	137.0959	139.7931	143.493	142.8498	142.7425	141.1715	141.5252
Mining and quarrying	96.1	123.0	110.9	104.7	106.6	111.0	104.8	109.2	109.5	111.2	118.8	123.7	116.0
Mining of metal ores	96.06223	122.9853	110.9139	104.7154	106.5806	110.99	104.8338	109.2348	109.4642	111.2384	118.8206	123.7432	115.9739
Mining of non-ferrous metal ores	96.1	123.0	110.9	104.7	106.6	111.0	104.8	109.2	109.5	111.2	118.8	123.7	116.0
Mining of other non-ferrous metal ores	96.1	123.0	110.9	104.7	106.6	111.0	104.8	109.2	109.5	111.2	118.8	123.7	116.0
Manufacturing	714.0	126.8	125.1	120.1	124.5	123.5	123.6	127.6	131.0	129.8	128.8	125.6	127.1
Manufacture of food products	376.3265	128.8102	125.3087	116.0127	124.1206	122.3302	122.6142	129.2917	133.4389	131.3143	129.5828	123.7581	126.5027
Processing and preserving of meat	23.1	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4
Processing and preserving of meat	23.1	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4
Processing and preserving of fruit and vegetables	1.5	161.2	161.2	161.2	169.3	169.3	169.3	163.5	163.5	163.5	163.5	163.5	163.5
Processing and preserving of fruit and vegetables	1.5	161.2	161.2	161.2	169.3	169.3	169.3	163.5	163.5	163.5	163.5	163.5	163.5
Manufacture of dairy products	10.9	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2
Manufacture of dairy products	10.9	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2	101.2
Manufacture of grain mill products	41.8	109.7	109.9	109.9	109.3	109.4	111.6	111.6	111.6	111.6	111.5	111.5	111.4
Manufacture of grain mill products	41.8	109.7	109.9	109.9	109.3	109.4	111.6	111.6	111.6	111.6	111.5	111.5	111.4
Manufacture of other food products	299.0	128.2	123.8	112.0	122.4	120.1	120.3	128.7	133.8	131.2	129.1	121.8	125.3
Manufacture of bakery products	5.5	143.6	143.6	143.6	143.6	143.6	143.6	143.6	143.6	143.6	143.6	143.6	143.6
Manufacture of sugar	147.8	135.9	120.1	110.9	108.3	108.7	112.0	121.4	131.5	126.7	123.7	123.7	129.3
Manufacture of other food products n.e.c. (coffee and tea)	145.7	119.6	127.5	111.6	133.5	129.1	126.6	134.9	135.7	135.0	133.6	119.1	120.3
Manufacture of coffee products	65.5	84.0	85.8	72.9	77.1	77.4	93.5	84.0	93.0	93.0	93.0	99.5	93.2
Manufacture of tea products	80.1	134.6	148.7	129.9	156.8	151.4	144.6	157.7	157.0	156.1	154.2	131.6	136.0

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(2)

December 2010 = 100

Activity	Weights	YEAR 2019- 2020											
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Rwanda	1000	141.1992	138.5586	135.1402	137.8744	137.5291	137.0959	139.7931	143.493	142.8498	142.7425	141.1715	141.5252
Manufacture of beverages	174.2662	127.7	127.7001	127.7001	127.7001	127.7001	127.7001	127.7001	127.7001	127.7001	127.7001	127.7001	127.6904
Manufacture of beverages	174	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7
Manufacture of wines	2	102.3	102.3	102.3	102.3	102.3	102.3	102.3	102.3	102.3	102.3	102.3	102.3
Manufacture of malt liquors and malt	169	127.6	127.6	127.6	127.6	127.6	127.6	127.6	127.6	127.6	127.6	127.6	127.6
Manufacture of soft drinks; production of mineral waters and other bottled waters	3	142.8	142.8	142.8	142.8	142.8	142.8	142.8	142.8	142.8	142.8	142.8	142.4
Manufacture of tobacco products	3.0328	100	100	100	100	100	100	100	100	100	100	100	100
Manufacture of tobacco products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of tobacco products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of textiles	4.807369	83.71394	83.71394	83.71394	83.71394	83.71394	83.71394	83.71394	92.79776	92.79776	92.79776	92.79776	92.79776
Manufacture of other textiles	5	83.7	83.7	83.7	83.7	83.7	83.7	83.7	92.8	92.8	92.8	92.8	92.8
Manufacture of made-up textile articles, except apparel	5	83.7	83.7	83.7	83.7	83.7	83.7	83.7	92.8	92.8	92.8	92.8	92.8
Manufacture of leather and related products	23.62385	89.3053	89.3053	89.3053	89.3053	89.3053	89.3053	89.3053	97.31063	97.31063	97.31063	97.31063	97.31063
Manufacture of footwear	24	89.3	89.3	89.3	89.3	89.3	89.3	89.3	97.3	97.3	97.3	97.3	97.3
Manufacture of footwear	24	89.3	89.3	89.3	89.3	89.3	89.3	89.3	97.3	97.3	97.3	97.3	97.3
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.650799	112.547	112.547	112.547	112.547	112.547	112.547	112.547	112.547	112.547	112.547	112.547	112.547
manufacture of articles of cork, straw and plaiting materials	1	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials.	1	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(3)

December 2010 = 100

Activity	Weights	YEAR 2019- 2020											
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Rwanda	1000	141.1992	138.5586	135.1402	137.8744	137.5291	137.0959	139.7931	143.493	142.8498	142.7425	141.1715	141.5252
Manufacture of paper and paper products	1.664546	105.1811	105.1811	105.1811	105.1811	105.1811	103.2132	103.2132	103.2132	103.2132	103.2132	103.2132	103.2132
Manufacture of paper and paper products	2	105.2	105.2	105.2	105.2	105.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2
Manufacture of other articles of paper and paperboard	2	105.2	105.2	105.2	105.2	105.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2
Printing and reproduction of recorded media	18.72615	110.3064	110.3064	110.3064	110.3064	110.3823	109.5936	106.1529	106.1529	106.1529	106.1529	107.1441	107.9937
Printing and service activities related to printing	19	110.3	110.3	110.3	110.3	110.4	109.6	106.2	106.2	106.2	106.2	107.1	108.0
Printing and service activities related to printing (to combine 1811 and	19	110.3	110.3	110.3	110.3	110.4	109.6	106.2	106.2	106.2	106.2	107.1	108.0
Manufacture of chemicals and chemical products	28.83817	122.307	123.6335	122.4331	122.0072	121.4069	122.9658	131.7548	132.5491	131.9895	131.8349	132.1979	132.5342
Manufacture of other chemical products	29	122.3	123.6	122.4	122.0	121.4	123.0	131.8	132.5	132.0	131.8	132.2	132.5
Manufacture of paints, varnishes and similar coatings, printing ink and	8	96.9	96.9	96.9	96.9	96.9	96.9	128.5	128.5	128.5	128.5	128.5	128.5
Manufacture of soap and detergents, cleaning and polishing preparations,	18	129.0	129.0	129.0	129.0	129.0	129.0	133.7	133.7	133.7	133.7	133.7	133.7
Manufacture of other chemical products n.e.c.	2	138.9	152.1	138.2	134.5	129.0	142.6	128.3	136.9	130.9	129.2	133.2	136.7
Manufacture of pharmaceuticals, medicinal chemical and botanical	0.344823	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829	100.0829
Manufacture of pharmaceuticals, medicinal chemical and botanical	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of pharmaceuticals, medicinal chemical and botanical	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of rubber and plastics products	11.24694	174.773	174.773	174.773	174.773	174.3239	174.3239	174.5374	218.3013	218.3013	218.3013	218.3013	218.3013
Manufacture of rubber products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	3.350833	100	100	100	100	100	100	100	100	100	100	100	100
Manufacture of plastics products	8	93.5	93.5	93.5	93.5	93.5	93.5	93.5	140.7	140.7	140.7	140.7	140.7
Manufacture of plastics products	8	93.5	93.5	93.5	93.5	93.5	93.5	93.5	140.7	140.7	140.7	140.7	140.7
Source: National Institute of Statistics of Rwanda (NISR)													

Monthly Evolution of Producer Price Index

Appendix 5(4)

December 2010 = 100

Activity	Weights	YEAR 2019- 2020											
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Rwanda	1000	141.1992	138.5586	135.1402	137.8744	137.5291	137.0959	139.7931	143.493	142.8498	142.7425	141.1715	141.5252
Manufacture of other non-metallic mineral products	31.37069	110.4455	110.4455	110.4455	110.4455	109.9965	109.9965	110.21	110.21	110.21	110.21	110.21	110.21
Manufacture of non-metallic mineral products n.e.c.	31	110.4	110.4	110.4	110.4	110.0	110.0	110.2	110.2	110.2	110.2	110.2	110.2
Manufacture of non-metallic mineral products n.e.c.	31	110.4	110.4	110.4	110.4	110.0	110.0	110.2	110.2	110.2	110.2	110.2	110.2
Manufacture of fabricated metal products, except machinery and equipment	29.28462	143.4775	143.4775	143.4775	145.4395	145.4395	143.6676	143.6676	143.6676	143.6676	143.6676	143.6676	143.6676
Manufacture of fabricated metal products, except machinery and equipment	29	143.5	143.5	143.5	145.4	145.4	143.7	143.7	143.7	143.7	143.7	143.7	143.7
Manufacture of fabricated metal products, except machinery and equipment	29	143.5	143.5	143.5	145.4	145.4	143.7	143.7	143.7	143.7	143.7	143.7	143.7
Manufacture of electrical equipment	1.24841	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106	156.1106
Manufacture of batteries and accumulators	1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1
Manufacture of batteries and accumulators	1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1
Manufacture of furniture	8.557617	113.3957	113.3957	113.3957	113.3957	114.8975	114.8975	114.4068	114.4068	114.4068	114.4068	112.7716	112.0731
Manufacture of furniture	9	113.4	113.4	113.4	113.4	114.9	114.9	114.4	114.4	114.4	114.4	112.8	112.1
Manufacture of furniture	9	113.4	113.4	113.4	113.4	114.9	114.9	114.4	114.4	114.4	114.4	112.8	112.1
Electricity, gas, steam and air conditioning supply	58	158.9	158.9	158.9	158.9	158.9	158.9	158.9	179.5	179.5	179.5	179.5	179.5
Electricity, gas, steam and air conditioning supply	57.5375	158.9404	158.9404	158.9404	158.9404	158.9404	158.9404	158.9404	179.5416	179.5416	179.5416	179.5416	179.5416
Electric power generation, transmission and distribution	58	158.9	158.9	158.9	158.9	158.9	158.9	158.9	179.5	179.5	179.5	179.5	179.5
Electric power generation, transmission and distribution	58	158.9	158.9	158.9	158.9	158.9	158.9	158.9	179.5	179.5	179.5	179.5	179.5
Water supply; sewerage, waste management and remediation activities	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Water collection, treatment and supply	129.2319	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861	190.5861
Water collection, treatment and supply	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Water collection, treatment and supply	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Information and communication	3	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Publishing activities	3.17887	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118	197.8118
Publishing of books, periodicals and other publishing activities	3	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Book publishing	1	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Publishing of newspapers, journals and periodicals	3	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1	200.1

Source: National Institute of Statistics of Rwanda (NISR)

CENTRAL BANK SURVEY (in FRW million)

Appendix 6

DESCRIPTION	NET FOREIGN ASSETS			CLAIMS ON DOMESTIC SECTORS										RESERVE MONEY			RESERVE MONEY (4)=(1)+(2)+(3)	
	FOREIGN ASSETS (1)	FOREIGN LIABILITIES (2)	NET FOREIGN ASSETS (3)=(1)-(2)	CLAIMS ON GOVERNMENT (4)	LIABILITIES TO GOVERNMENT (5)	NET CREDIT TO GOVERNMENT (6)=(4)-(5)	BORROWING (7)	LENDING (8)	NET CREDIT TO BANKS (9)=(8)-(7)	CLAIMS ON OTHER FINANCIAL INSTITUTIONS (10)	LOAN TO PRIVATE SECTOR (STAFF) (11)	NET DOMESTIC CREDIT (12)=(8)+(9)+(10)+(11)	OTHER ITEMS NET (13)	NET DOMESTIC ASSETS (14)=(12)+(13)	CURRENCY OUT OF BNR (1)	BANKS DEPOSITS (2)		NON BANK DEPOSITS (3)
June 2015	614,106.3	79,171.0	534,935.2	39,006.8	135,664.0	-96,657.2	81,338.2	161.6	-81,176.6	450.0	9,706.7	-167,677.1	-94,455.1	-262,132.2	165,821.2	103,900.0	3,081.8	272,803.0
June-16	732,069.0	161,209.7	570,859.4	43,125.3	168,498.3	-125,373.0	44,443.4	8,954.0	-35,489.4	15,820.7	10,864.5	-134,177.2	-120,650.5	-254,827.6	182,823.8	130,246.6	2,961.4	316,031.7
June-17	819,758.2	207,127.0	612,631.3	79,145.7	184,936.1	-105,790.3	90,120.9	28,858.4	-61,262.5	15,014.9	11,022.6	-141,015.3	-164,255.3	-305,270.6	190,623.7	113,736.3	3,000.6	307,360.6
June-18	977,545.1	259,002.3	718,542.7	84,851.5	203,072.8	-118,221.2	120,599.8	55,581.4	-65,018.4	12,994.3	10,610.9	-159,634.4	-186,424.0	-346,058.4	211,527.2	154,961.5	5,995.6	372,484.3
June-19	1,125,680.9	282,862.5	842,818.4	35,952.4	251,201.5	-215,249.1	62,030.7	53,703.5	-8,327.2	13,653.8	10,833.4	-199,089.1	-214,259.0	-199,089.1	234,288.6	182,828.6	12,353.2	429,470.3
June-20	1,558,332.8	280,352.3	1,277,980.5	31,853.7	549,652.7	-517,799.1	110,184.5	78,562.5	-31,622.0	18,639.6	10,923.8	-519,857.7	-264,716.7	-628,062.7	265,438.2	213,530.3	14,437.6	493,406.1
2017																		
January	865,223.0	201,941.5	663,281.5	47,858.7	261,505.1	-213,646.3	51,320.5	8,954.0	-42,366.5	15,820.7	11,589.6	-228,602.5	-139,372.8	-367,975.3	170,962.1	121,537.8	2,806.2	295,306.1
February	803,638.1	201,632.3	602,005.8	56,665.9	215,821.8	-159,156.0	58,463.9	13,068.9	-45,395.0	15,820.7	11,444.7	-177,285.4	-139,627.1	-316,912.5	172,443.5	108,531.0	4,118.8	285,093.2
March	798,753.6	202,477.0	596,276.7	66,819.7	230,542.5	-163,722.8	38,732.9	13,315.6	-25,417.4	15,820.7	11,337.7	-162,384.6	-141,380.1	-303,764.7	174,533.4	116,344.3	1,634.2	292,511.9
April	787,120.0	203,930.6	583,189.4	71,391.7	234,580.0	-163,188.3	31,881.3	17,448.7	-14,432.6	15,417.8	11,226.2	-150,976.9	-136,226.1	-287,203.0	175,751.9	117,346.7	2,887.8	295,986.4
May	774,465.1	205,889.3	568,575.8	67,410.7	212,987.0	-125,576.3	44,588.4	21,831.8	-22,275.6	15,014.9	11,093.8	-122,225.2	-138,222.2	-261,541.2	181,805.0	128,722.2	3,507.3	314,034.6
June	819,758.2	207,127.0	612,631.3	79,145.7	184,936.1	-105,790.3	90,120.9	28,858.4	-61,262.5	15,014.9	11,022.6	-141,015.3	-164,255.3	-305,270.6	190,623.7	113,736.3	3,000.6	307,360.6
July	845,611.1	233,578.8	612,032.3	46,379.7	184,160.1	-137,780.3	77,178.9	37,163.3	-40,015.6	15,014.9	11,573.4	-151,207.7	-147,060.1	-298,267.8	189,120.4	122,074.4	2,569.7	313,764.5
August	821,879.5	233,221.2	588,658.3	66,607.7	185,476.4	-118,868.6	72,973.9	39,051.8	-33,922.1	15,014.9	11,593.2	-126,182.6	-148,635.8	-274,818.4	182,041.4	128,741.5	3,057.0	313,839.9
September	816,782.2	232,296.2	584,486.0	66,031.7	204,259.5	-138,227.7	63,084.7	39,049.4	-24,035.3	14,612.0	11,634.4	-136,016.6	-146,445.8	-282,462.4	176,323.6	122,750.0	2,634.0	302,023.8
October	851,990.5	231,600.1	620,390.4	50,506.5	200,159.9	-149,653.4	114,170.9	60,019.7	-54,151.1	14,612.0	11,474.1	-177,181.5	-151,003.9	-328,722.4	172,367.0	116,230.6	3,070.3	291,667.9
November	846,928.7	235,046.0	611,882.6	69,174.5	197,806.2	-128,631.7	104,907.8	59,556.5	-45,351.4	14,407.5	11,511.7	-148,063.9	-157,289.8	-305,353.7	174,123.0	128,852.9	3,553.1	306,528.9
December	984,926.8	235,474.2	749,452.6	37,322.5	276,296.5	-238,973.9	95,164.8	59,555.3	-35,609.5	14,004.6	11,343.3	-249,235.5	-170,729.4	-419,964.9	195,856.0	131,842.0	1,789.8	329,487.7
2018																		
January	991,187.5	263,702.6	727,484.8	78,786.5	269,322.4	-190,535.9	133,562.2	59,546.1	-74,016.1	14,004.6	11,252.4	-239,295.0	-150,349.1	-389,644.1	186,560.2	139,226.2	12,054.3	337,840.7
February	998,363.2	263,745.8	734,617.4	79,889.5	252,245.2	-172,355.7	162,524.1	61,206.5	-101,317.5	14,004.6	11,260.8	-248,407.8	-160,120.7	-408,528.5	186,605.4	135,713.7	7,769.9	328,088.9
March	999,442.6	267,059.0	732,383.6	71,911.5	229,353.9	-157,442.4	164,500.7	61,082.6	-103,508.1	14,004.6	11,068.1	-235,877.7	-162,197.8	-398,075.5	194,726.7	128,782.3	10,799.1	334,308.1
April	972,678.8	263,785.8	708,893.4	67,455.5	224,345.1	-156,889.5	125,420.4	57,374.1	-68,043.6	13,601.7	10,935.4	-200,398.7	-167,148.5	-367,547.2	201,036.8	133,998.7	6,310.6	341,346.2
May	950,165.1	261,311.0	688,854.1	86,102.5	201,569.9	-115,467.4	134,687.5	57,378.3	-77,309.2	13,397.2	11,073.7	-168,606.2	-174,519.5	-343,125.7	202,835.5	136,851.4	6,041.4	346,728.4
June	977,545.1	259,002.3	718,542.7	84,851.5	203,072.8	-118,221.2	120,599.8	55,581.4	-65,018.4	12,994.3	10,610.9	-159,634.4	-186,424.0	-346,058.4	211,527.2	154,961.5	5,995.6	372,484.3
July	930,672.8	259,127.3	671,545.5	97,359.5	220,423.3	-123,063.8	122,293.6	55,739.9	-66,553.8	13,444.3	11,427.3	-160,799.0	-166,799.0	-325,645.0	209,384.7	130,360.9	6,254.9	346,004.3
August	975,060.5	263,480.4	711,580.0	88,722.5	244,860.5	-156,138.0	124,215.0	67,507.8	-56,707.1	12,994.3	11,301.5	-188,549.3	-175,721.3	-364,270.6	201,825.4	139,066.0	6,418.0	347,309.4
September	984,359.6	263,592.5	720,767.1	84,667.5	247,207.1	-162,539.6	130,049.1	66,984.7	-68,064.4	12,591.4	11,185.7	-201,826.9	-176,910.6	-378,737.4	196,448.0	139,743.1	5,838.6	342,029.7
October	932,286.0	261,276.6	671,009.4	94,108.4	217,124.3	-123,015.9	109,830.1	60,855.6	-48,974.4	12,591.4	11,047.9	-148,351.1	-183,342.2	-331,693.3	198,590.0	135,252.9	5,473.2	339,316.1
November	905,850.5	261,170.3	644,680.1	113,296.4	214,958.6	-101,662.2	93,781.8	63,031.5	-30,750.3	12,386.9	11,261.4	-108,764.2	-176,358.4	-288,122.6	199,850.1	151,061.7	5,645.8	356,557.8
December	1,159,600.0	257,700.0	901,900.0	35,952.4	328,751.5	-292,799.1	122,042.1	65,671.0	-56,371.0	11,984.0	11,382.2	-325,803.9	-193,696.1	-519,500.0	225,200.0	155,100.0	2,100.0	382,400.0
2019																		
January	1,138,996.6	282,413.5	856,583.1	38,762.4	293,217.1	-254,454.8	151,861.9	65,669.8	-86,192.2	11,984.0	11,261.1	-317,401.8	-174,255.3	-491,657.1	208,333.9	150,207.9	6,384.2	364,926.0
February	1,131,591.4	283,422.7	848,168.8	35,952.4	273,789.1	-237,836.7	150,563.1	64,151.4	-86,411.7	11,984.0	11,101.6	-301,162.8	-185,760.7	-486,923.5	207,874.5	148,070.7	5,300.0	361,245.2
March	1,122,885.3	280,095.4	842,789.9	36,098.4	243,772.2	-207,673.8	157,878.3	65,225.8	-92,652.4	11,581.1	11,121.7	-277,623.5	-177,450.3	-455,073.8	215,595.4	166,788.1	5,332.6	387,716.1
April	1,084,054.0	279,792.1	804,261.8	35,952.4	245,180.8	-209,228.4	115,453.5	61,099.9	-54,353.7	11,581.1	11,291.6	-240,709.4	-185,166.0	-425,875.4	222,395.7	151,270.5	4,720.1	378,386.4
May	1,057,022.3	279,436.2	777,586.1	42,859.4	220,615.2	-177,755.9	116,006.6	60,975.8	-55,030.8	14,056.8	10,875.5	-207,854.4	-190,934.0	-398,788.3	225,914.7	147,123.5	5,759.6	378,797.7
June	1,125,680.9	282,862.5	842,818.4	35,952.4	251,201.5	-215,249.1	62,030.7	53,703.5	-8,327.2	13,653.8	10,833.4	-199,089.1	-214,259.0	-199,089.1	234,288.6	182,828.6	12,353.2	429,470.3
July	1,057,282.5	280,667.8	776,614.7	54,514.4	240,769.9	-186,208.5	51,433.7	48,227.9	-3,205.8	13,654.8	11,912.0	-163,847.6	-205,183.5	-389,031.1	232,551.9	162,608.9	12,422.9	407,583.8
August	1,057,595.2	280,530.4	777,064.7	57,799.4	254,662.2	-196,862.8	49,533.0	57,051.0	-7,518.1	13,654.8	11,820.9	-163,869.1	-213,356.7	-377,226.8	221,737.8	166,268.6	11,832.6	399,839.0
September	1,065,163.2	281,053.3	784,109.9	45,979.4	257,122.7	-211,143.3	49,747.4	62,051.0	-12,303.6	13,251.8	11,731.8	-173,856.1	-221,014.5	-384,870.5	217,100.8	160,767.0	11,371.8	389,239.4
October	1,131,143.0	284,788.4	846,354.9	47,148.7	299,895.7	-252,747.1	51,655.5	59,881.5	8,225.9	13,250.9	11,682.8	-219,587.4	-210,572.5	-430,169.9	220,277.8	180,456.3	15,465.9	416,200.0
November	1,138,698.8	284,696.8	854,002.4	31,853.7	280,469.7	-248,616.0	50,523.5	48,611.0	-1,912.5	13,046.5	11,643.7	-225,838.3	-217,394.1	-443,232.4	221,238.8	176,032.0		

OTHER DEPOSITORY CORPORATIONS SURVEY (BK, I&M, GT BANK, ECOBANK, ACCESS BANK, COGEBANQUE, BHR, UOB, BPR, KCB RWANDA, CCP, UNGUKA, AGASEKE, ZIGAMA CSS , EQUITY BANK , AB BANK, CRANE BANK/ CBA)

Appendix 7

(in FRW million)

DESCRIPTION	CLAIMS ON BNR				ASSETS							ASSETS NON CLASSIFIED ELSEWHERE (12)***	TOTAL ASSETS (13)=(5)+(6)+(7)+(8)+(11)+(12)
	Reserves		Total Reserves (3)= (1)+(2)	Other Claims (4)		FOREIGN ASSETS (6)	CLAIMS ON BANKS* (7)	CLAIMS ON GOVERNMENT* (8)	CREDIT TO ECONOMY				
June 2015	103,690.3	30,875.4	134,565.7	75,696.4	210,262.1	204,444.6	48,034.3	248,019.4	14,270.7	10,266,761.4	1,041,032.1	198,321.5	1,950,114.0
June 2016	130,246.6	32,029.0	162,275.5	44,443.4	206,718.9	206,718.9	158,014.2	63,314.3	40,323.2	1,260,286.7	1,300,609.9	212,348.9	2,216,148.6
June 2017	113,736.3	30,942.2	144,678.5	90,120.9	234,799.4	282,065.1	54,209.5	265,298.1	44,295.2	1,363,858.6	1,408,153.8	235,905.2	2,480,431.2
June-18	154,961.5	29,938.1	184,899.6	120,599.8	305,499.4	248,719.8	89,357.2	356,700.5	85,446.8	1,467,640.8	1,553,087.5	249,768.5	2,803,132.9
June-19	182,828.6	33,012.2	215,840.8	62,030.7	277,871.5	225,202.6	101,113.8	446,018.4	126,306.2	1,729,895.2	1,856,201.4	343,976.7	3,250,384.4
June-20	213,530.3	35,709.2	249,239.5	110,184.5	359,424.0	256,237.7	156,175.8	657,516.6	142,806.0	1,973,586.4	2,116,392.4	302,039.5	3,847,786.0
2017													
January	121,537.8	30,494.5	152,032.4	51,320.5	203,352.9	234,301.4	64,642.0	243,817.6	45,782.4	1,270,485.9	1,316,268.4	245,853.4	2,308,235.5
February	108,531.0	33,120.0	141,651.0	58,463.9	200,114.9	240,912.4	61,515.2	242,570.6	45,950.6	1,285,584.1	1,331,534.7	241,905.8	2,318,553.6
March	116,344.3	31,492.1	147,836.4	38,732.9	186,569.4	250,246.6	53,787.5	252,853.2	45,414.9	1,322,853.9	1,368,268.8	244,790.0	2,356,515.5
April	117,346.7	28,402.6	145,749.3	31,881.3	177,630.6	267,464.7	61,724.7	246,021.8	45,336.7	1,338,100.0	1,383,436.8	242,912.1	2,379,190.6
May	128,722.2	29,656.9	158,379.2	44,589.4	202,968.6	263,152.6	62,096.4	249,783.4	44,815.5	1,344,381.9	1,389,197.4	230,649.9	2,397,848.3
June	113,736.3	30,942.2	144,678.5	90,120.9	234,799.4	282,065.1	54,209.5	265,298.1	44,295.2	1,363,858.6	1,408,153.8	235,905.2	2,480,431.2
July	122,074.4	31,235.7	153,310.1	77,178.9	230,489.0	236,375.9	51,077.6	295,330.9	43,646.6	1,354,507.4	1,398,154.0	249,459.7	2,460,887.0
August	128,741.5	30,522.7	159,264.3	72,973.9	232,238.1	253,487.5	50,476.9	304,091.6	43,481.7	1,371,345.9	1,414,827.7	268,038.7	2,523,160.5
September	122,750.0	28,380.1	151,130.0	63,084.7	214,214.8	267,498.1	66,388.0	305,646.3	43,099.5	1,382,681.3	1,425,780.8	276,081.2	2,555,609.2
October	116,230.6	32,556.2	148,786.8	114,170.9	262,957.7	253,536.2	54,418.9	307,686.8	41,463.8	1,406,283.5	1,447,747.2	295,454.8	2,621,801.6
November	128,852.9	30,265.0	159,117.9	104,907.8	264,025.7	228,551.9	62,367.1	289,996.5	45,428.3	1,416,247.4	1,461,675.7	299,837.9	2,606,464.7
December	131,842.0	33,123.9	164,965.9	95,164.8	260,130.7	219,448.8	66,069.9	297,346.6	46,101.5	1,438,898.2	1,484,999.8	305,121.0	2,633,116.7
2018													
January	139,226.2	32,990.2	172,216.4	133,562.2	305,778.6	262,613.0	64,612.4	350,501.3	68,843.2	1,404,268.8	1,473,112.1	256,100.2	2,712,717.5
February	135,713.7	32,031.9	167,745.6	162,524.1	330,269.6	271,035.1	72,316.3	353,849.2	80,247.5	1,410,730.0	1,490,977.5	254,354.1	2,772,801.2
March	128,782.3	29,851.7	158,634.0	164,590.7	323,224.7	251,374.1	76,491.9	352,656.9	84,926.5	1,424,000.6	1,508,927.1	273,445.4	2,786,120.8
April	133,998.7	31,383.6	165,382.3	125,420.4	290,802.7	246,439.9	73,827.7	332,666.4	79,100.4	1,439,062.9	1,518,163.3	252,224.3	2,714,124.3
May	136,851.4	33,197.9	170,049.3	134,687.5	304,736.8	247,602.4	74,048.2	340,253.0	78,743.9	1,447,376.1	1,526,120.0	252,447.1	2,745,207.5
June	154,961.5	29,938.1	184,899.6	120,599.8	305,499.4	248,719.8	89,357.2	356,700.5	85,446.8	1,467,640.8	1,553,087.5	249,768.5	2,803,132.9
July	130,360.9	36,279.8	166,640.7	122,293.6	288,934.3	285,572.1	89,357.2	358,545.3	71,552.0	1,454,628.7	1,526,180.7	260,897.9	2,809,487.5
August	139,066.0	32,944.7	172,010.7	124,215.0	296,225.7	263,181.3	97,519.5	383,892.0	82,948.8	1,472,185.9	1,555,134.6	252,589.5	2,848,542.7
September	139,743.1	33,881.1	173,624.2	130,049.1	303,673.3	266,517.3	85,116.3	387,800.8	84,943.0	1,486,658.5	1,571,601.4	269,521.3	2,864,230.3
October	135,252.9	35,885.2	171,138.1	109,830.1	280,968.2	269,442.1	85,837.3	389,060.6	88,702.1	1,493,889.3	1,582,591.4	280,836.1	2,888,735.7
November	151,061.7	33,424.6	184,486.3	93,781.8	278,268.1	310,684.0	92,553.8	369,529.8	83,702.7	1,542,998.3	1,626,700.9	269,748.0	2,947,484.6
December	155,100.0	41,641.5	196,741.5	122,042.1	318,783.6	324,622.6	79,205.9	355,862.7	95,167.9	1,598,734.3	1,693,902.1	298,865.1	3,071,242.0
2019													
January	150,207.9	37,719.9	187,927.7	151,861.9	339,789.7	267,485.3	83,497.3	364,785.9	95,045.6	1,619,271.2	1,714,316.8	307,150.6	3,077,025.5
February	148,070.7	35,461.0	183,531.7	150,563.1	334,094.8	292,032.2	95,566.3	368,735.7	94,011.3	1,623,155.7	1,717,167.0	293,799.8	3,101,395.8
March	166,788.1	33,204.7	199,992.8	157,878.3	357,871.1	273,632.5	93,694.5	381,575.2	104,381.5	1,653,151.6	1,757,533.1	313,241.6	3,177,548.0
April	151,270.5	36,860.2	188,130.7	115,453.5	303,584.2	263,149.3	95,661.8	410,687.3	104,893.1	1,692,336.6	1,797,229.8	330,222.7	3,200,535.1
May	147,123.5	33,940.0	181,063.5	116,006.6	297,070.1	216,850.5	95,363.4	409,504.6	126,084.7	1,713,692.9	1,839,777.7	341,028.4	3,199,594.8
June	182,828.6	33,012.2	215,840.8	62,030.7	277,871.5	225,202.6	90,361.3	446,018.4	126,306.2	1,729,895.2	1,856,201.4	350,673.1	3,246,328.3
July	162,608.9	36,444.1	199,053.0	51,433.7	250,486.7	265,091.3	118,867.8	420,230.1	122,254.4	1,740,107.4	1,862,361.8	330,213.8	3,247,251.5
August	166,268.6	33,632.0	199,900.6	49,533.0	249,433.5	237,139.1	109,250.5	426,400.2	140,538.2	1,777,326.7	1,917,864.9	319,276.5	3,259,366.7
September	160,767.0	32,747.8	193,514.8	49,747.4	243,262.2	247,828.2	95,204.9	430,039.8	123,537.4	1,789,048.0	1,912,585.5	310,404.3	3,239,324.9
October	180,456.3	33,613.5	214,069.8	51,655.5	265,725.3	232,240.2	109,055.1	442,332.8	136,905.5	1,783,254.4	1,920,159.8	307,128.1	3,276,641.3
November	176,032.0	34,243.4	210,275.4	50,523.5	260,798.9	236,863.8	128,253.0	471,493.9	135,488.3	1,800,086.4	1,935,574.7	322,806.7	3,355,791.0
December	176,769.9	41,639.6	218,409.6	63,781.6	282,191.2	278,497.2	124,637.1	491,847.7	128,966.9	1,801,884.6	1,930,851.5	319,530.7	3,427,555.4
2020													
January	221,611.2	-1,585.5											
February	181,242.5	37,539.3	218,781.9	62,484.8	281,266.6	305,984.8	139,390.4	526,793.4	110,336.0	1,839,056.5	1,949,392.5	335,285.4	3,538,113.2
March	207,456.1	35,092.7	242,548.9	61,533.5	304,082.4	334,685.9	138,695.9	560,928.5	118,244.9	1,850,940.8	1,969,185.8	333,007.7	3,640,586.2
April	181,734.7	32,564.6	214,299.3	65,656.9	279,956.2	305,301.4	141,262.9	581,293.0	115,478.3	1,865,673.0	1,981,151.4	324,910.2	3,613,875.1
May	181,938.9	30,056.9	211,995.9	72,833.5	284,829.4	303,497.8	140,264.5	602,576.2	116,833.6	1,896,426.2	2,013,259.8	365,329.7	3,709,757.4
June	223,196.7	33,105.4	256,302.0	75,638.2	331,940.2	256,370.0	159,721.8	618,206.5	115,818.2	1,908,969.2	2,024,787.5	352,502.6	3,743,528.6
July	213,530.3	35,709.2	249,239.5	110,184.5	359,424.0	256,237.7	156,175.8	657,516.6	142,806.0	1,973,586.4	2,116,392.4	302,039.5	3,847,786.0

Source: NBR

(*) Calculated by summing all ODCs deposits and loan to ODCs in the consolidated sectoral balance sheet

(**) Includes both central government and local government, but excludes Social Security Fund

(***) Other assets are adjusted with the difference between ODCs positions at the central bank and their own records

OTHER DEPOSITORY CORPORATIONS SURVEY (BK, I&M, GT BANK, ACCESS BANK, COGEBANQUE, ECOBANK, UOB, BPR, KCB RWANDA, UNGUKA,BOA, ZIGAMA CSS , EQUITY BANK, AB BNK, CRANE BANK CBA)

(in FRW million)

DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY				LIABILITIES								TOTAL LIABILITIES AND EQUITY (11)=(4)+(5)+(6)+(7)+(8)+(9)+(10)
	TRANSFERABLE (1)	NONTRANSFERABLE (2)	FOREIGN CURRENCY (3)	DEPOSITS INCLUDED IN BROAD MONEY (4)=(1)+(2)+(3)	GOVERNMENT DEPOSITS* (5)	FOREIGN LIABILITIES (6)	LOAN FROM BNR (7)	SHARES AND OTHER EQUITY (8)	BANKS LIABILITIES** (9)	LIABILITIES NON CLASSIFIED ELSEWHERE (10)***			
June 2015	613,090.8	441,096.8	235,581.9	1,289,769.5	26,023.8	139,913.0	16.16	272,760.7	42,097.1	179,388.2	1,950,114.0		
June 2016	639,971.3	512,439.6	269,209.7	1,421,620.6	25,406.7	161,324.9	10,584.2	323,868.2	61,260.0	211,717.9	2,216,148.6		
June 2017	680,217.2	542,267.8	390,015.2	1,612,500.2	17,802.1	162,769.7	28,515.8	357,704.2	54,259.5	246,879.8	2,480,431.2		
June 2018	697,340.9	614,449.0	446,185.9	1,757,975.8	49,388.4	166,475.9	55,581.4	409,356.9	90,081.3	274,273.2	2,803,132.9		
June-19	819,578.4	695,189.1	491,428.3	2,006,195.8	53,070.8	144,577.2	53,703.5	511,338.5	100,577.8	380,920.8	3,250,384.4		
June-20	939,315.8	877,145.9	569,902.6	2,386,364.3	63,621.7	229,312.7	78,562.5	580,171.9	151,425.6	358,327.3	3,847,785.9		
2017													
January	571,961.7	580,213.7	325,226.2	1,457,401.6	21,897.3	164,890.7	9,937.0	340,879.0	62,462.2	250,767.7	2,308,235.5		
February	560,169.9	563,950.5	338,010.0	1,462,130.3	19,861.3	158,503.4	14,044.5	346,221.2	61,980.0	255,812.8	2,316,553.8		
March	570,565.4	572,243.9	338,667.5	1,481,476.7	34,879.7	160,522.0	13,135.4	345,959.7	58,565.9	261,976.1	2,356,515.5		
April	600,278.8	542,084.6	365,590.6	1,507,953.9	22,854.5	167,115.0	17,265.1	346,071.2	62,832.6	255,098.4	2,378,190.8		
May	639,878.5	521,156.5	370,441.5	1,531,476.5	23,862.9	162,126.8	21,399.4	348,680.9	61,000.1	249,301.6	2,397,848.3		
June	680,217.2	542,267.8	390,015.2	1,612,500.2	17,802.1	162,769.7	28,515.8	357,704.2	54,259.5	246,879.8	2,480,431.2		
July	643,263.4	568,608.8	373,156.8	1,585,028.9	18,728.8	163,135.6	37,163.3	359,888.9	51,146.7	245,794.9	2,480,887.0		
August	655,848.0	567,392.6	395,170.9	1,618,411.5	25,015.9	163,110.7	39,051.8	365,646.3	54,982.7	256,941.6	2,623,190.5		
September	649,630.7	569,394.6	381,911.3	1,600,936.6	36,413.1	189,414.5	39,049.4	368,091.1	70,644.2	251,060.2	2,655,609.2		
October	637,437.3	580,968.0	406,527.1	1,624,932.4	35,622.8	193,775.8	60,019.7	372,618.5	74,952.2	259,880.2	2,621,801.7		
November	626,837.4	586,220.9	389,723.4	1,602,781.7	44,556.9	178,370.2	59,556.5	377,248.2	71,045.0	272,896.2	2,806,464.8		
December	650,077.6	580,044.4	397,951.6	1,628,073.6	44,713.2	165,620.4	59,555.3	377,918.3	76,368.8	280,867.0	2,833,116.7		
2018													
January	653,087.4	605,625.1	402,577.3	1,661,289.8	47,223.9	189,844.0	59,546.1	395,219.3	77,059.6	282,534.9	2,712,717.5		
February	651,393.6	624,516.1	426,764.9	1,702,674.5	46,428.1	183,277.4	61,206.5	400,344.0	83,219.7	295,651.6	2,772,801.8		
March	652,499.3	628,213.8	429,370.6	1,710,083.8	66,755.6	181,356.1	61,082.6	400,446.7	88,270.2	278,125.1	2,786,120.2		
April	633,491.8	630,389.4	440,983.9	1,704,865.1	47,568.1	169,624.3	57,374.1	404,934.3	73,429.5	256,328.9	2,714,124.3		
May	654,801.3	630,040.0	442,230.2	1,727,071.5	49,908.8	164,074.9	57,378.3	400,577.0	78,786.5	269,410.5	2,745,207.5		
June	697,340.9	614,449.0	446,185.9	1,757,975.8	49,388.4	166,475.9	55,581.4	409,356.9	90,081.3	274,273.2	2,803,132.9		
July	679,329.4	614,440.3	460,698.6	1,754,468.4	43,080.7	162,323.1	55,739.9	407,904.6	97,929.2	288,041.6	2,809,487.5		
August	713,525.6	594,853.6	462,129.0	1,770,508.2	49,383.6	159,386.8	67,507.8	412,304.8	86,806.4	302,645.1	2,848,542.7		
September	724,859.4	598,820.4	470,208.1	1,793,887.9	59,060.8	155,518.7	66,984.7	417,309.6	87,424.6	304,044.1	2,884,230.3		
October	712,208.7	606,639.6	481,773.7	1,800,622.0	51,374.5	155,557.0	60,855.6	422,478.0	94,235.9	303,612.6	2,888,735.7		
November	745,932.2	617,143.7	499,655.9	1,862,731.9	44,807.8	156,843.8	63,031.5	427,267.7	82,363.6	310,438.2	2,847,484.8		
December	768,786.2	603,259.1	514,026.3	1,886,071.6	65,991.9	157,773.3	65,671.0	493,815.8	89,030.2	312,884.2	3,071,242.0		
2019													
January	775,200.3	602,500.1	487,683.0	1,865,383.4	65,425.1	155,740.0	65,669.8	495,920.3	99,724.9	329,162.2	3,077,025.8		
February	801,386.9	596,787.6	488,711.7	1,886,886.3	57,940.3	158,479.5	64,151.4	501,866.2	102,370.7	329,701.5	3,101,395.8		
March	798,190.2	648,520.8	505,189.4	1,951,900.4	65,243.1	145,917.7	65,225.8	505,616.3	100,494.2	343,150.4	3,177,548.0		
April	788,536.1	667,815.5	491,677.4	1,948,029.1	56,076.1	156,601.0	61,099.9	503,227.6	104,323.0	371,178.3	3,200,535.1		
May	779,346.7	690,902.6	471,983.8	1,942,233.1	53,010.6	153,969.0	60,975.8	505,374.9	99,559.4	384,472.0	3,199,594.7		
June	819,578.4	695,189.1	491,428.3	2,006,195.8	53,070.8	144,577.2	53,703.5	511,338.5	100,577.8	376,864.7	3,248,328.3		
July	798,942.6	712,067.3	486,785.1	1,997,794.9	54,247.8	162,947.3	48,226.5	521,834.7	105,923.7	356,276.7	3,247,251.8		
August	824,639.6	724,613.9	494,429.2	2,043,682.7	58,164.6	154,704.8	57,049.7	495,559.3	100,804.0	349,410.6	3,259,386.7		
September	779,556.9	727,719.6	501,575.3	2,008,851.8	74,450.2	150,724.2	62,049.7	505,098.0	94,695.5	355,536.9	3,251,406.3		
October	789,776.5	763,397.1	495,947.2	2,049,120.7	54,141.7	156,428.6	59,880.1	514,129.3	109,106.9	354,733.0	3,297,540.2		
November	839,312.3	763,484.3	497,497.5	2,100,294.1	57,111.0	156,104.6	48,609.6	518,892.9	127,822.9	377,556.5	3,386,391.7		
December	917,884.0	732,189.2	511,563.3	2,161,636.4	51,433.7	157,205.9	61,677.4	531,504.7	123,039.7	352,790.1	3,439,287.9		
2020													
January	934,522.7	721,232.5	527,482.4	2,183,237.6	59,129.2	182,045.5	60,308.2	546,625.3	139,053.0	367,714.4	3,538,113.1		
February	939,177.7	769,799.9	560,230.6	2,269,208.2	46,371.8	186,370.3	72,170.5	553,428.8	136,400.1	376,636.5	3,640,586.1		
March	923,109.1	776,324.4	539,079.8	2,238,513.2	36,457.3	200,558.4	84,004.0	565,739.9	140,865.3	358,499.9	3,624,636.0		
April	957,035.5	772,226.4	576,173.7	2,305,435.6	46,079.9	220,147.9	84,650.8	562,954.3	130,427.8	360,061.0	3,709,767.4		
May	897,548.8	817,860.4	569,079.7	2,284,488.9	65,781.6	230,096.6	73,796.9	570,963.3	166,142.4	352,258.9	3,743,528.6		
June	939,315.8	877,145.9	569,902.6	2,386,364.3	63,621.7	229,312.7	78,562.5	580,171.9	151,425.6	358,327.3	3,847,785.9		

Source: NBR

(*) Includes both central government and local governments, but excludes Social Security Fund

(**) Calculated by summing all deposits and loans from ODCs in the consolidated sectoral balance sheet

(***) Computed as other liabilities in the ODCs sectoral balance sheet, adjusted with the difference between their positions at the central bank and their own records

MONETARY SURVEY

(in FRW million)

ASSETS	NET FOREIGN ASSETS			DOMESTIC CREDIT						OTHER ITEMS NET (10)	TOTAL ASSETS (11)=(3)+(9)+(10)
				NET CLAIMS TO THE GOVERNMENT			CREDIT TO ECONOMY				
	GROSS ASSETS (1)	GROSS LIABILITIES (2)	NET FOREIGN ASSETS (3)=(1)-(2)	CLAIMS (4)	DEPOSITS (5)	NET CLAIMS (6)=(4)-(5)	CLAIMS ON PUBLIC ENTERPRISES (7)	CLAIMS ON PRIVATE SECTOR (8)			
June 2015	8 18,550.9	219,084.0	599,466.8	287,026.2	161,687.8	125,338.4	14,270.7	1,036,918.1	1,176,527.2	-351,279.1	1,424,716.0
June 2016	890,083.3	322,534.6	567,548.7	318,267.6	193,905.1	124,362.5	40,323.2	1,286,971.9	1,451,657.6	-446,790.9	1,572,415.4
June 2017	1,101,823.3	369,896.7	731,926.6	344,443.9	202,738.1	141,705.7	44,295.2	1,369,896.2	1,575,897.1	-535,642.0	1,772,181.6
June 2018	1,226,264.9	425,478.2	800,786.7	441,966.7	252,461.2	189,505.5	85,446.8	1,491,246.0	1,766,198.2	-626,420.1	1,940,564.9
June 2019	1,350,883.5	427,439.7	923,443.8	481,970.8	304,272.3	177,698.5	126,306.2	1,754,382.5	2,058,387.2	-762,005.7	2,219,825.3
June-20	1,814,570.5	509,665.0	1,304,905.5	689,370.2	613,274.4	76,095.8	142,806.0	2,003,149.9	2,222,051.6	-896,426.1	2,630,531.0
2017											
January	1,099,524.3	366,832.1	732,692.2	291,676.3	283,402.4	8,273.9	45,782.4	1,297,896.3	1,351,952.6	-486,775.6	1,597,869.2
February	1,044,550.5	360,135.7	684,414.8	299,236.5	235,683.1	63,553.3	45,950.6	1,312,849.6	1,422,353.5	-505,314.5	1,601,453.8
March	1,049,000.2	362,999.0	686,001.2	319,672.9	265,422.2	54,250.8	45,414.9	1,349,609.4	1,449,275.1	-510,758.3	1,624,518.0
April	1,054,584.7	371,045.6	683,539.1	317,413.6	257,434.5	59,979.1	45,336.7	1,364,744.0	1,470,059.8	-498,295.7	1,655,303.2
May	1,044,617.6	368,016.1	676,601.5	317,194.1	216,849.9	100,344.2	44,815.5	1,370,490.5	1,515,650.3	-508,627.2	1,683,624.6
June	1,101,823.3	369,896.7	731,926.6	344,443.9	202,738.1	141,705.7	44,295.2	1,389,896.2	1,575,897.1	-535,642.0	1,772,181.6
July	1,081,987.0	396,714.4	685,272.6	360,439.4	202,888.8	157,550.6	43,646.6	1,381,095.6	1,582,292.8	-524,651.9	1,742,913.6
August	1,075,366.9	396,331.9	679,035.0	395,715.2	210,492.3	185,222.9	43,481.7	1,397,954.0	1,626,658.7	-535,763.6	1,769,930.2
September	1,084,280.3	421,710.7	662,569.5	408,091.1	240,672.5	43,099.5	140,892.7	1,408,927.6	1,619,445.8	-533,135.2	1,748,880.2
October	1,105,526.7	425,376.0	680,150.7	393,816.1	235,782.7	158,033.4	41,463.8	1,432,369.5	1,631,866.7	-547,424.3	1,764,593.2
November	1,075,480.5	413,416.2	662,064.4	403,727.9	242,363.2	161,364.8	45,428.3	1,442,166.6	1,648,959.6	-564,384.2	1,746,839.7
December	1,204,375.6	401,094.6	803,281.0	379,382.3	321,009.7	58,372.6	46,101.5	1,464,246.1	1,568,720.3	-580,324.8	1,791,676.6
2018											
January	1,253,800.5	453,546.6	800,253.8	429,287.9	316,546.3	112,741.6	68,843.2	1,429,525.9	1,611,110.7	-587,437.4	1,823,927.1
February	1,269,398.3	447,023.2	822,375.1	433,738.8	298,673.3	135,065.5	80,247.5	1,435,995.5	1,651,308.4	-614,899.1	1,858,784.4
March	1,250,816.8	448,415.1	802,401.6	424,568.4	296,109.5	128,459.0	84,926.5	1,449,073.3	1,662,458.8	-587,282.8	1,877,577.6
April	1,219,118.7	433,409.7	785,709.0	400,122.0	271,913.2	128,208.8	79,100.4	1,463,600.0	1,670,909.2	-582,099.8	1,874,518.4
May	1,197,767.5	425,385.9	772,381.6	425,731.7	249,478.7	176,253.0	78,743.9	1,471,546.4	1,726,543.3	-602,215.7	1,896,702.2
June	1,226,264.9	425,478.2	800,786.7	441,966.7	252,461.2	189,505.5	85,446.8	1,491,246.0	1,766,198.2	-626,420.1	1,940,564.9
July	1,216,244.9	421,450.4	794,794.5	455,904.8	263,504.0	192,400.8	71,552.0	1,479,500.3	1,743,453.1	-604,419.3	1,933,828.2
August	1,238,241.8	422,867.2	815,374.5	472,614.6	294,244.1	178,370.4	82,948.8	1,496,481.6	1,757,800.9	-627,368.5	1,945,808.9
September	1,250,876.8	419,111.2	831,765.7	472,468.3	306,267.8	166,200.5	84,943.0	1,510,435.6	1,761,579.0	-631,051.3	1,962,293.4
October	1,201,728.2	416,833.6	784,894.5	483,169.0	268,498.9	214,670.1	88,702.1	1,517,528.6	1,820,900.8	-636,995.4	1,968,799.9
November	1,216,534.5	418,014.2	798,520.3	482,826.2	259,766.4	223,059.8	83,702.7	1,566,646.6	1,873,409.1	-637,126.2	2,034,803.2
December	1,484,222.6	415,477.3	1,068,745.4	391,815.1	394,743.4	-2,928.3	95,167.9	1,622,100.5	1,714,340.1	-711,355.4	2,071,730.1
2019											
January	1,406,481.9	438,153.5	968,328.5	403,548.3	358,642.2	44,906.1	95,045.6	1,642,516.3	1,782,467.9	-708,414.7	2,042,381.7
February	1,423,623.7	441,902.2	981,721.5	404,688.1	331,729.4	72,958.7	94,011.3	1,646,241.3	1,813,211.3	-730,332.9	2,064,598.8
March	1,396,517.8	426,013.1	970,504.7	417,673.6	309,015.3	108,658.3	104,381.5	1,675,854.3	1,888,894.2	-719,775.2	2,139,623.7
April	1,347,203.3	436,393.2	910,810.1	446,639.6	301,256.9	145,382.7	104,893.1	1,715,209.3	1,965,485.2	-738,010.4	2,138,284.8
May	1,273,872.8	433,405.2	840,467.6	452,364.0	273,625.8	178,738.1	126,084.7	1,738,625.2	2,043,448.1	-743,948.4	2,139,967.3
June	1,350,883.5	427,439.7	923,443.8	481,970.8	304,272.3	177,698.5	126,306.2	1,754,382.5	2,058,387.2	-762,005.7	2,219,825.3
July	1,322,373.8	443,615.1	878,758.7	474,791.5	295,017.6	179,773.8	122,254.4	1,765,674.1	2,067,702.4	-740,135.6	2,206,325.5
August	1,294,734.2	435,235.2	859,499.0	484,201.6	312,826.7	171,374.9	140,538.2	1,802,802.3	2,114,715.4	-730,593.4	2,243,621.1
September	1,312,991.3	431,777.4	881,213.9	476,019.2	331,673.0	144,446.2	123,537.4	1,814,031.7	2,082,015.4	-758,653.0	2,204,576.4
October	1,363,388.5	441,216.9	922,171.5	489,481.4	354,037.4	135,444.0	136,905.5	1,808,188.1	2,080,537.6	-751,458.1	2,251,251.0
November	1,375,562.6	440,801.1	934,761.6	503,347.6	337,580.7	165,766.9	135,488.3	1,824,776.6	2,126,031.8	-760,004.7	2,300,788.7
December	1,607,305.9	445,193.7	1,162,112.2	523,701.3	477,804.0	45,897.3	128,966.9	1,826,026.4	2,000,890.6	-771,740.9	2,391,261.9
2020											
January	1,625,368.2	471,497.6	1,153,870.6	558,647.1	489,885.8	68,761.3	110,336.0	1,868,698.2	2,047,795.5	-806,885.4	2,394,780.7
February	1,647,116.1	473,483.2	1,173,632.9	592,782.2	443,563.5	149,218.7	118,244.9	1,880,458.1	2,147,921.7	-833,777.6	2,487,777.0
March	1,597,830.7	487,805.8	1,110,024.9	613,146.7	428,851.9	184,294.8	115,478.3	1,894,113.6	2,193,886.8	-835,529.9	2,468,381.7
April	1,669,512.5	599,756.1	1,069,756.4	736,346.8	514,997.4	221,349.5	116,833.6	1,924,669.2	2,262,852.3	-799,167.3	2,533,441.4
May	1,627,730.4	609,406.1	1,018,324.3	752,287.7	468,134.8	284,152.9	115,818.2	1,938,207.9	2,338,179.0	-834,611.8	2,521,891.4
June	1,814,570.5	716,247.1	1,098,323.4	895,952.3	613,274.4	282,677.9	142,806.0	2,003,149.9	2,428,633.7	-896,426.1	2,630,531.0

Source: NBR

MONETARY SURVEY

Appendix 8 (Cont'd)

(in FRW million)

PERIOD	MONEY (M1)			BROAD MONEY (M2)		EXTENDED BROAD MONEY(M3)	
	CURRENCY OUT OF BANKS (1)	TRANSFERABLE DEPOSITS IN FRW (2)	TOTAL NARROW MONEY (M1) (3)=(1)+(2)	OTHER DEPOSITS IN RWF (4)	BROAD MONEY (M2) (5)=(3)+(4)	FOREIGN CURRENCY DEPOSITS (6)	EXTENDED BROAD MONEY M3 (7)=(5)+(6)
June 20 15	134,945.8	613,090.8	748,036.6	441,096.8	1,189,133.4	235,581.9	1,424,715.3
June 20 16	150,794.8	639,971.3	790,766.1	512,439.6	1,303,205.7	269,209.7	1,572,415.4
June 20 17	159,681.5	680,217.2	839,898.7	542,267.8	1,382,166.4	390,015.2	1,772,181.6
June 20 18	181,589.1	697,340.9	878,930.0	615,449.0	1,494,379.0	446,185.9	1,940,564.9
June 20 19	201,276.3	831,931.6	1,033,207.9	695,189.1	1,728,397.0	491,428.3	2,219,825.3
June-20	229,729.0	953,753.3	1,183,482.4	877,145.9	2,060,628.3	569,902.6	2,630,531.0
20 17							
January	140,467.6	571,961.7	712,429.3	560,213.7	1,272,643.0	325,226.2	1,597,869.2
February	139,323.4	560,169.9	699,493.3	563,950.5	1,263,443.8	338,010.0	1,601,453.8
March	143,041.2	570,565.4	713,606.6	572,243.9	1,285,850.5	338,667.6	1,624,518.0
April	147,349.3	600,278.8	747,628.1	542,084.6	1,289,712.7	365,590.6	1,655,303.2
May	152,148.1	639,878.5	792,026.6	521,156.5	1,313,183.1	370,441.5	1,683,624.6
June	159,681.5	680,217.2	839,898.7	542,267.8	1,382,166.4	390,015.2	1,772,181.6
July	157,884.7	643,263.4	801,148.1	568,608.8	1,369,756.8	373,156.8	1,742,913.6
August	151,518.7	655,848.0	807,366.7	567,392.6	1,374,759.2	395,170.9	1,769,930.2
September	147,943.6	648,457.9	796,401.4	569,394.6	1,365,796.1	383,084.1	1,748,880.2
October	139,810.8	637,437.3	777,248.1	580,818.0	1,358,066.1	406,527.1	1,764,593.2
November	143,858.0	626,837.4	770,695.4	586,220.9	1,356,916.4	389,723.4	1,746,639.7
December	162,732.1	647,331.8	810,063.9	583,111.1	1,393,175.0	398,501.6	1,791,676.6
20 18							
January	153,570.0	663,670.8	817,240.9	605,643.1	1,422,883.9	401,043.2	1,823,927.1
February	154,573.5	652,930.0	807,503.4	624,516.1	1,432,019.5	426,764.9	1,858,784.4
March	164,875.0	655,118.2	819,993.2	628,213.8	1,448,207.0	429,370.6	1,877,577.6
April	169,653.3	633,491.8	803,145.1	630,389.4	1,433,534.5	440,983.9	1,874,518.4
May	169,637.6	654,801.3	824,439.0	630,040.0	1,454,479.0	442,230.2	1,896,709.2
June	181,589.1	697,340.9	878,930.0	615,449.0	1,494,379.0	446,185.9	1,940,564.9
July	173,105.0	685,584.3	858,689.3	614,440.3	1,473,129.6	460,698.6	1,933,828.2
August	168,880.7	719,943.6	888,824.3	594,853.6	1,483,677.9	462,129.0	1,945,806.9
September	162,566.9	730,698.0	893,264.9	598,820.4	1,492,085.3	470,208.1	1,962,293.4
October	162,704.8	717,681.9	880,386.7	606,639.6	1,487,026.3	481,773.7	1,968,799.9
November	166,425.5	751,578.1	918,003.5	617,143.7	1,535,147.2	499,655.9	2,034,803.2
December	183,558.5	770,866.2	954,444.7	603,259.1	1,557,703.8	514,026.3	2,071,730.1
20 19							
January	170,614.0	781,584.5	952,198.5	602,500.1	1,554,698.7	487,683.0	2,042,381.7
February	172,413.5	806,686.9	979,100.4	596,787.6	1,575,888.1	488,711.7	2,064,599.8
March	182,390.7	803,522.8	985,913.5	648,520.8	1,634,434.4	505,189.4	2,139,623.7
April	185,535.6	793,256.3	978,791.9	667,815.5	1,646,607.4	491,677.4	2,138,284.8
May	191,974.7	785,106.3	977,081.0	690,902.6	1,667,983.5	471,983.8	2,139,967.3
June	201,276.3	831,931.6	1,033,207.9	695,189.1	1,728,397.0	491,428.3	2,219,825.3
July	196,107.7	811,365.5	1,007,473.2	712,067.3	1,719,540.5	486,785.1	2,206,325.5
August	188,105.8	836,472.2	1,024,578.0	724,613.9	1,749,191.9	494,429.2	2,243,621.1
September	184,352.8	790,928.7	975,281.5	727,719.6	1,703,001.1	501,575.3	2,204,576.4
October	186,664.4	805,242.4	991,906.7	763,397.1	1,755,303.8	495,947.2	2,251,251.0
November	186,995.4	852,811.5	1,039,806.9	763,484.3	1,803,291.3	497,497.5	2,300,788.7
December	214,018.7	933,490.7	1,147,509.4	732,189.2	1,879,698.6	511,563.3	2,391,261.9
20 20							
January	198,193.1	947,872.7	1,146,065.9	721,232.5	1,867,298.3	527,482.4	2,394,780.7
February	203,619.8	954,126.7	1,157,746.6	769,799.9	1,927,546.5	560,230.6	2,487,777.0
March	211,105.7	941,871.9	1,152,977.6	776,324.4	1,929,301.9	539,079.8	2,468,381.7
April	209,457.1	975,584.2	1,185,041.3	772,226.4	1,957,267.7	576,173.7	2,533,441.4
May	222,197.6	912,753.8	1,134,951.3	817,860.4	1,952,811.7	569,079.7	2,521,891.4
June	229,729.0	953,753.3	1,183,482.4	877,145.9	2,060,628.3	569,902.6	2,630,531.0

Source: NBR

Outstanding Loans by sector of activity as of 30 June 2020

Appendix 9

Data submitted by Banks
Amount in thousands of Frw
Cash credits
private and public sector
Class 1 to 5
Individual and legal entities

Activities sector	End 30 June 2020			
	Short-term	Medium-term	Long-term	Total
Personal loan	21,596,505	126,778,678	18,270,655	166,645,838
Agricultural, fisheries& livestock	6,595,221	6,628,847	12,377,676	25,601,744
Mining activities	188,048	415,555	2,348,204	2,951,807
Manufacturing activities	86,395,688	53,766,065	122,310,910	262,472,663
Water & energy activities	4,498,345	10,031,754	91,234,137	105,764,236
Mortgage industries	110,823,285	159,325,238	492,637,548	762,786,071
Trade	125,722,769	145,219,510	63,428,492	334,370,771
Restaurant & hotel	3,650,700	22,918,855	171,289,288	197,858,843
Transport & warehousing	40,306,414	143,615,974	60,947,044	244,869,432
OFI & Insurance	876,486	4,042,907	19,841,701	24,761,094
Service sector	18,395,357	13,834,406	57,242,652	89,472,415
Total	419,048,818	686,577,789	1,111,928,307	2,217,554,914

Source: NBR

New Loans from July 2019 to June 2020 (Amount in thousands of Frw)

Appendix 10

Data submitted by Banks
Cash credits
private and public sector
Individual and legal entities

Activities sector	July 2019-June 2020			
	Short-term	Medium-term	Long-term	Total
Personal loan	36,783,763	89,236,240	14,445,684	140,465,687
Agricultural, fisheries& livestock	9,750,270	8,119,312	2,035,806	19,905,389
Mining activities	3,583	401,889	-	405,472
Manufacturing activities	70,382,015	6,498,953	12,863,366	89,744,334
Water & energy activities	6,065,557	8,127,276	5,005,706	19,198,538
Mortgage industries	67,009,030	82,899,186	138,974,575	288,882,790
Trade	225,299,221	84,701,230	23,408,522	333,408,973
Restaurant & hotel	3,805,607	4,057,336	56,485,021	64,347,964
Transport & warehousing	10,883,928	55,426,936	1,456,135	67,766,998
OFI & Insurance	2,696,335	370,043	3,269,427	6,335,805
Service sector	21,947,999	8,085,464	49,220,631	79,254,093
Total	454,627,307	347,923,864	307,164,873	1,109,716,044

Source: BNR

INTEREST RATE STRUCTURE (in %)

Appendix 11

DESCRIPTION	2019												2020						
	January	February	March	April	May	June	July	August	September	October	November	December	Jan	Feb	Mar	Apr	May	June	
Deposit rate	7.87	7.01	6.52	7.40	8.47	7.76	8.21	7.25	7.80	6.40	8.50	8.48	6.40	7.61	8.13	7.81	8.11	7.60	
Lending rate	16.95	16.73	16.59	16.80	16.23	16.54	16.03	16.02	16.35	16.25	16.92	16.47	17.32	16.64	16.23	15.54	16.06	15.07	
Money market rate																			
Repo Rate	4.49	4.74	4.80	4.34	4.06	4.10						4.90	--	--	--		5	--	4.46
Discount rate	9.50	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.50	8.50	8.50	
Interbank rate	5.64	5.45	5.49	5.41	5.35	5.37	5.49	5.45	5.47	5.48	5.45	5.52	5.57	5.52	5.53	5.48	5.48	5.29	
Weight average rate on T-bill market :	6.97	6.95	6.62	6.04	6.15	6.52	6.87	6.57	6.21	6.05	6.30	6.46	6.63	6.37	6.29	6.44	6.72	6.94	
28 days	5.56	5.61	5.42	4.62	4.90	5.20	5.45	5.23	5.13	4.97	5.06	5.50	5.68	5.46	5.29	5.46	5.30	6.02	
91 days	5.83	5.82	5.51	4.97	5.00	5.21	6.00	5.61	5.23	5.44	5.93	5.97	6.38	6.07	5.89	6.28	6.43	6.57	
182 days	7.70	7.65	7.32	6.84	7.06	7.38	7.69	7.38	6.87	6.52	6.60	6.83	7.03	6.72	6.65	6.53	6.63	6.96	
364 days	8.78	8.75	8.24	7.71	7.64	8.28	8.36	8.07	7.62	7.26	7.62	7.55	7.41	7.23	7.31	7.49	7.96	8.21	
T-Bonds market																			
Tbond 2 yrs																			
Tbond 3 yrs											10.95		10.80		10.65	10.65			
Tbond 5 yrs					11.30		11.25		11.20										
Tbond 7 yrs		11.85				11.65						11.55		11.50		11.45			
Tbond 10 yrs	12.25																12.15		
Tbond 15 yrs			12.70								12.68			12.55				12.50	
Tbond 20 yrs								13.25				13.20							
3 to 12 months BNR liquidity facility																			
Key Repo Rate	5.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	
Reverse Repo																			
Source: NBR																			

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (PERIOD AVERAGE)

Description	USD	INR	YEN	IDTS	LEUO
2014-2015 (Fiscal year average)	697.35	1097.79	6.10	1010.01	837.27
2015-2016 (Fiscal year average)	749.61	1111.09	6.45	1048.27	832.23
2016-2017 (Fiscal year average)	816.29	1035.32	7.49	1119.88	889.77
2017-2018 (Fiscal year average)	845.10	1139.09	7.66	1203.70	1008.90
2018-2019 (Fiscal year average)	879.16	1138.25	7.91	1223.10	1003.09
2019-2020 (Fiscal year average)	920.21	1159.92	8.51	1263.45	1017.32
2015					
January	696.56	1056.41	5.88	991.54	811.29
February	702.34	1076.69	5.92	992.28	797.85
March	706.25	1058.88	5.87	978.37	766.00
April	709.46	1058.86	5.93	980.85	764.46
May	712.10	1095.06	5.89	997.17	789.67
June	716.70	1115.89	5.79	1006.89	804.84
July	721.87	1122.78	5.86	1007.81	794.11
August	724.97	1130.52	5.89	1017.45	808.12
September	728.21	1117.35	6.06	1024.37	818.37
October	733.53	1123.65	6.11	1031.81	823.53
November	739.02	1122.92	6.03	1021.25	793.95
December	744.12	1116.63	6.11	1031.31	809.68
Annual average	719.59	1099.64	5.94	1006.76	798.49
2016					
January	751.03	1081.03	6.36	1037.89	816.33
February	758.97	1087.80	6.62	1058.52	843.71
March	765.79	1090.36	6.78	1068.31	851.24
April	771.28	1103.73	7.02	1086.48	874.14
May	776.37	1127.19	7.12	1094.92	878.25
June	780.19	1109.16	7.38	1099.05	875.36
July	788.52	1035.97	7.55	1096.05	872.03
August	800.29	1049.79	7.91	1119.88	897.31
September	808.90	1063.98	7.94	1131.63	906.81
October	811.90	1004.26	7.83	1121.21	896.30
November	815.24	1013.32	7.54	1113.82	880.74
December	818.54	1022.35	7.06	1102.69	863.22
Annual average	787.25	1065.74	7.26	1094.21	871.29
2017					
January	820.77	1013.06	7.14	1109.62	871.96
February	822.86	1028.12	7.28	1115.11	875.87
March	825.01	1018.08	7.30	1117.78	881.47
April	826.69	1044.28	7.51	1125.47	885.15
May	827.69	1069.05	7.37	1138.23	914.99
June	829.11	1061.57	7.48	1147.04	931.39
July	831.17	1080.24	7.39	1159.38	958.11
August	833.53	1080.86	7.58	1175.87	983.61
September	836.29	1112.35	7.56	1187.89	996.32
October	839.19	1107.85	7.43	1183.15	986.58
November	841.86	1113.15	7.46	1185.37	987.82
December	844.09	1132.10	7.48	1194.10	998.71
Annual average	831.52	1071.73	7.42	1153.25	939.33
2018					
January	846.41	1169.57	7.63	1216.52	1032.39
February	848.82	1186.68	7.87	1232.52	1048.97
March	851.42	1189.09	8.03	1236.61	1050.47
April	853.91	1203.03	7.93	1239.14	1048.82
May	856.05	1153.09	7.80	1219.88	1011.86
June	858.52	1141.09	7.81	1214.01	1003.17
July	861.30	1134.34	7.72	1210.32	1006.93
August	864.40	1113.84	7.78	1206.65	999.18
September	867.48	1131.08	7.75	1214.88	1011.10
October	871.42	1134.24	7.72	1212.65	1001.27
November	875.14	1129.50	7.72	1211.70	994.96
December	878.07	1111.84	7.81	1216.25	998.85
Annual average	861.08	1149.78	7.80	1219.26	1017.33
2019					
January	880.83	1136.31	8.09	1227.59	1006.28
February	884.19	1149.44	8.01	1230.24	1003.08
March	887.27	1169.72	7.98	1235.23	1003.58
April	890.35	1161.27	7.98	1235.26	1000.62
May	893.13	1151.44	8.11	1235.02	999.14
June	896.36	1135.97	8.30	1241.45	1012.07
July	900.37	1122.08	8.32	1243.73	1009.67
August	904.02	1099.52	8.50	1241.30	1005.62
September	908.01	1121.73	8.45	1242.77	1000.01
October	911.89	1151.10	8.43	1250.41	1007.36
November	916.30	1180.87	8.41	1260.14	1012.91
December	920.72	1207.21	8.43	1269.11	1022.55
Annual average	899.45	1148.89	8.25	1242.69	1006.91
2020					
January	924.47	1207.79	8.45	1275.54	1026.38
February	927.78	1202.80	8.42	1269.86	1011.42
March	929.98	1152.05	8.65	1277.30	1031.21
April	931.05	1155.57	8.64	1269.63	1011.89
May	932.68	1146.57	8.70	1271.51	1016.04
June	935.29	1171.75	8.69	1290.11	1052.83
Fiscal year average (July 2019-June 2020)	918.62	1159.07	8.49	1261.85	1016.52

Source : NBR

Appendix 13

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (END OF PERIOD)						
Description	USD	₹	₹/sg	IVEN	IDIS	IEURO
2014-2015 (end June 2015)	719.54	1132.45	5.87	1012.51	808.48	
2015-2016 (end June 2016)	783.26	1051.60	7.62	1093.56	865.19	
2016-2017 (end June 2017)	830.22	1080.74	7.42	1154.53	949.65	
2017-2018 (end June 2018)	859.78	1127.92	7.77	1207.90	1001.75	
2018-2019 (end June 2019)	898.26	1138.17	8.34	1248.72	1020.72	
2019-2020 (end June 2020)	937.08	1152.66	8.79	1290.71	1053.14	
2015						
January	700.30	1056.17	5.94	986.68	793.81	
February	703.91	1084.44	5.89	990.51	788.24	
March	707.92	1048.47	5.90	978.00	766.96	
April	710.66	1097.25	5.97	997.06	791.07	
May	714.13	1093.79	5.76	992.46	781.86	
June	719.54	1132.45	5.87	1012.51	808.48	
July	723.41	1128.63	5.83	1008.45	790.91	
August	726.32	1117.98	5.97	1022.12	811.98	
September	730.54	1106.84	6.10	1026.68	821.78	
October	736.00	1126.85	6.08	1026.63	807.87	
November	741.77	1115.44	6.04	1018.56	785.76	
December	747.41	1107.40	6.20	1036.98	817.10	
2016						
January	754.35	1083.40	6.35	1042.86	825.19	
February	762.31	1057.36	6.69	1054.58	833.51	
March	768.41	1104.81	6.83	1080.21	868.38	
April	773.77	1130.48	7.16	1096.38	878.46	
May	778.02	1138.47	7.00	1091.11	866.05	
June	783.26	1051.60	7.62	1093.56	865.19	
July	793.13	1044.16	7.53	1104.26	878.44	
August	807.32	1056.22	7.84	1126.05	899.60	
September	810.23	1050.83	8.02	1132.80	909.33	
October	813.77	991.58	7.77	1118.97	894.09	
November	816.91	1020.31	7.27	1106.39	870.00	
December	819.79	1005.31	7.03	1,101.20	860.08	
2017						
January	821.75	1026.04	7.22	1115.07	878.83	
February	823.83	1025.18	7.31	1114.57	872.23	
March	826.09	1030.05	7.38	1120.66	881.89	
April	827.21	1067.44	7.43	1132.11	899.43	
May	827.97	1060.43	7.46	1143.09	925.26	
June	830.22	1080.74	7.42	1154.53	949.65	
July	832.03	1092.29	7.53	1169.45	976.59	
August	834.79	1078.59	7.55	1183.93	991.10	
September	837.71	1123.78	7.44	1182.61	986.73	
October	840.40	1110.08	7.43	1179.52	978.14	
November	843.19	1135.36	7.52	1194.37	1000.41	
December	845.00	1137.66	7.50	1200.49	1005.55	
2018						
January	847.48	1203.06	7.80	1233.37	1054.14	
February	850.01	1181.72	7.94	1233.64	1039.30	
March	852.68	1201.64	8.01	1242.84	1051.57	
April	854.98	1178.51	7.83	1229.29	1037.18	
May	857.27	1140.62	7.88	857.27	1000.89	
June	859.76	1127.92	7.77	1207.90	1001.75	
July	862.68	1132.61	7.76	1210.56	1010.63	
August	865.96	1127.26	7.80	1214.32	1011.10	
September	869.25	1136.68	7.66	1218.74	1011.37	
October	873.38	1110.06	7.71	1207.15	990.50	
November	876.74	1120.70	7.73	1212.81	998.87	
December	879.10	1115.40	7.96	1222.64	1004.86	
2019						
January	882.51	1158.51	8.12	1233.03	1015.19	
February	885.66	1178.24	7.99	1237.90	1007.22	
March	888.86	1161.78	8.03	1233.81	998.41	
April	891.68	1153.30	8.00	1232.65	996.94	
May	894.57	1128.28	8.21	1231.90	995.62	
June	898.28	1138.17	8.34	1248.72	1020.72	
July	902.23	1097.29	8.39	1241.02	1006.61	
August	905.86	1103.56	8.60	1240.86	1000.70	
September	909.79	1118.86	8.52	1241.18	995.12	
October	914.04	1181.53	8.49	1258.32	1020.57	
November	918.38	1186.41	8.47	1260.85	1011.18	
December	922.52	1209.97	8.54	1276.75	1033.09	
2020						
January	926.08	1208.63	8.57	1274.62	1020.72	
February	929.20	1198.06	8.62	1272.69	1022.72	
March	930.68	1148.18	8.68	1275.57	1025.33	
April	931.71	1160.91	8.83	1270.79	1011.84	
May	933.55	1151.49	8.79	1274.82	1035.64	
June	937.08	1152.66	8.79	1290.71	1053.14	

Source : NBR

RWANDA'S IMPORTS

Appendix 16

(Value in USD million)

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
I. Chemical goods						
Value	625.8	757.6	611.8	638.2	680.5	633.7
in % of Total M CIF	26.9	31.4	26.4	21.7	24.4	23.1
% change of value	-1.5	21.1	-19.3	-12.0	26.4	-6.9
Volume (tone)	62,927	76,964	60,631	63,852	77,251	81,647
% change of volume	-0.7	22.3	-21.2	5.3	21.0	5.7
Unit value (US\$/kg)	9.94	9.84	10.09	8.43	8.81	7.76
% change of unit value	-0.8	-1.0	2.5	-16.5	4.5	-11.9
II. Intermediate goods						
Value	690.63	651.63	695.65	695.47	685.47	712.41
in % of Total M CIF	29.7	28.1	23.8	24.0	24.6	26.0
% change of value	-2.8	-8.6	-12.7	8.0	15.1	3.9
Volume (tone)	937,431	912,666	834,470	863,786	1,046,538	1,203,312
% change of volume	13.0	-7.6	-8.6	19.1	5.3	15.5
Unit value (US\$/kg)	0.70	0.69	0.66	0.60	0.65	0.59
% change of unit value	-14.0	-1.1	-4.5	-9.3	9.3	-10.0
III. Base metal goods						
Value	324.00	293.91	244.47	509.74	543.52	483.32
in % of Total M CIF	13.9	10.5	11.0	20.5	19.5	17.6
% change of value	-14.8	-21.6	-3.7	108.1	6.8	-11.0
Volume (tone)	298,671	306,860	309,743	823,653	685,866	641,210
% change of volume	7.7	3.4	0.9	165.9	7.6	-5.0
Unit value (US\$/kg)	1.1	0.8	0.8	0.6	0.6	0.6
% change of unit value	-20.8	-24.2	-4.6	-21.7	-0.7	-6.3
IV. Consumer goods						
Value	686.38	705.35	718.61	678.78	700.04	739.61
in % of Total M CIF	29.5	29.2	30.9	27.3	25.1	26.6
% change of value	4.1	2.9	1.6	-5.6	3.4	4.4
Volume (tone)	666,263	721,270	745,402	850,234	766,968	747,461
% change of volume	14.2	9.6	3.3	14.1	-9.4	-2.9
Unit value (US\$/kg)	1.04	0.98	0.96	0.80	0.91	0.96
% change of unit value	-8.4	-6.08	-1.69	-17.20	14.22	7.51
1. Food						
Value	253.31	244.19	318.05	322.32	312.70	314.41
in % of Total M CIF	10.9	10.1	14.4	13.0	11.2	11.5
% change of value	6.90	-3.60	30.25	1.34	-2.98	0.55
Volume (tone)	500,318	550,097	606,088	707,771	622,839	694,121
% change of volume	17.43	9.95	10.18	16.78	-11.99	-4.63
Unit value (US\$/kg)	0.51	0.44	0.52	0.46	0.50	0.53
% change of unit value	-8.96	-12.31	19.20	-13.22	10.23	5.42
2. Other consumer goods						
Value	432.07	461.16	398.56	356.44	387.34	425.20
in % of Total M CIF	18.6	19.1	16.0	14.3	13.9	15.2
% change of value	2.48	6.73	-13.57	-11.07	9.28	7.45
Volume (tone)	157,896	171,074	126,895	142,462	147,049	163,360
% change of volume	4.93	8.38	-24.70	10.53	3.22	4.29
Unit value (US\$/kg)	2.74	2.70	3.09	2.49	2.63	2.71
% change of unit value	-2.33	-1.48	14.72	-19.54	5.87	3.03
SI TOTAL	2325.98	2348.39	2124.37	2338.38	2609.51	2560.25
% change	-2.44	0.96	-9.54	9.18	12.51	-1.89
V. Adjustment						
Value	69.63	67.06	69.82	60.97	61.26	64.13
in % of Total M CIF	2.9	2.8	4.1	6.5	6.5	6.7
electricity	3.70	3.42	3.16	3.76	3.95	4.07
in % of Total M CIF	0.2	0.1	0.1	0.2	0.1	0.1
Parcel post						
Autres (dont)						
226.63						
in % of Total M CIF	43.2	37.9	60.5	77.3	72.9	39.7
<i>Goods procured in ports by carriers</i>						
<i>Reexport non included</i>						
<i>Embassies' in ports</i>						
ICBT	20.9	25.7	26.2	23.5	15.8	7.2
Imports of TICD 55						
Big projects						
Imports of bank notes and coins						
in % of Total M CIF	0.0					
VI. Import of	2,396	2,415	2,214	2,430	2,791	2,744
% change	-1.6	0.8	-8.3	12.0	12.5	-1.7
VII. Freight and Insurance	465.9	470.4	423.5	347.5	384.1	363.8
in % of CI	20.0	20.0	20.0	15.0	14.0	14.2
% change of ratio	0.0%	0.0%	0.0%	-404.6%	-103.2%	26.6%
VIII. Total job	1,977	1,946	1,789	2,133	2,427	2,381
% change	-2.1	1.5	-9.0	9.2	13.8	-1.9

Source : NBR

SERVICES
(In USD million)

Appendix 17

	FY 14/ 15	FY 15/ 16	FY 16/ 17	FY 17/ 18	FY 18/ 19	FY 19/ 20
Services net	-134.923	-201.777	-140.2	-233.502	-66.9381	-30.8226
Credit	715.13	844.28	875.20	843.17	971.21	822.48
Debit	850.05	1046.06	1015.40	1076.68	1038.15	853.31
Transport	-320.872	-311.094	-320.916	-328.398	-277.11	-206.217
Credit	87.45	93.96	93.26	156.63	195.51	181.77
Debit	408.32	405.05	414.18	485.02	472.62	387.99
Travel	167.25	119.33	134.132	-1.14853	94.0979	80.9035
Credit	335.7	378.8	414.0	367.6	425.4	331.1
Debit	168.5	259.4	279.8	368.7	331.3	250.2
Telecommunications, computer, and information services	5.49414	14.6871	13.6958	3.48337	3.06243	2.02631
Credit	30.549	41.870	42.545	18.970	18.786	20.103
Debit	25.055	27.183	28.849	15.486	15.723	18.076
Government goods and services n.i.e.	72.4217	128.548	145.289	135.062	153.846	146.549
Credit	221.249	252.545	249.517	248.392	274.631	246.321
Debit	132.278	161.868	157.425	151.304	171.941	153.923
<i>o/w cost of embassies</i>	148.83	124.00	104.23	113.33	120.79	99.77
<i>PKO</i>	59.28	65.91	68.30	20.76	15.86	15.93
Other services	-75.7662	-115.377	-59.2036	-42.5008	-40.8336	-54.0847
Credit	40.2	77.1	75.9	51.6	56.8	43.2
Debit	115.9	192.5	135.1	94.1	97.7	97.2

Source: NBR

PRIMARY AND SECONDARY INCOME
(In USD million)

Appendix 18

	FY 14/ 15	FY 15/ 16	FY 16/ 17	FY 17/ 18	FY 18/ 19	FY 19/ 20
Primary income (net) = Income in BPM5	-159.5	-183.7	-184.3	-340.6	-350.7	-295.5
Primary income: credit	17.5	10.4	11.1	20.94	14.96	14.60
<i>Primary income: debit</i>	177.1	194.1	195.4	361.53	365.66	310.06
<i>O/ W: Public sector debt interest</i>	46.2	42.0	45.2	50.1	61.7	48.8
Private sector debt interest	36.9	51.0	40.2	86.6	95.3	79.7
<i>Compensation of employees</i>	71.7	73.4	76.2	37.1	34.0	30.4
<i>Dividends</i>	22.2	27.7	33.8	31.4	33.8	31.4
Secondary income (net) = Transfers in BPM5	535.3	508.6	519.4	622.6	637.0	604.0
<i>Secondary income: credit</i>	616.7	591.9	580.9	725.4	720.7	659.9
<i>Secondary income: debit</i>	81.4	83.4	90.0	102.7	83.7	55.9
Private transfers net	172.9	173.1	179.8	259.9	323.0	303.7
<i>o/ w: Remittances from diaspora (net)</i>	110.9	104.9	106.6	176.7	208.7	208.2
credit	164.0	160.3	168.2	232.17	255.80	244.55
debit	53.1	55.3	61.6	55.50	47.13	36.38
<i>o/ w: Private transfers for churches and associations</i>	62.0	68.2	73.2	83.20	114.30	95.57
credit	68.5	74.7	79.9	90.4	122.1	104.8
debit	6.5	6.4	6.7	7.2	7.8	9.2
<i>o/ w: official transfers - credit</i>	405.8	378.6	354.6	402.8	342.8	310.6
budgetary grants	247.8	226.6	222.8	231.3	187.1	182.0
nonbudgetary grants	158.1	152.0	131.8	171.4	155.7	128.6
- debit	21.7	21.6	21.8	40.0	28.8	10.3

Source: NBR

CAPITAL AND FINANCIAL ACCOUNT
(In USD million)

Appendix 19

	FY 14/ 15	FY 15/ 16	FY 16/ 17	FY 17/ 18	FY 18/ 19	FY 19/ 20
B. Capital Account						
Capital account: credit (PIP)	216.4	237.3	190.0	199.0	264.4	292.6
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0
Net lending(+)/ net borrowing (-) (balance from current and capital accounts)						
C. Financial Account: Net lending(+)/ net borrowing (-)	-636.6	-866.0	-791.8	-797.7	-941.5	-1334.3
Direct investment	-280.1	-357.0	-253.2	-306.0	-350.6	-353.8
Direct investment: assets	0.0	0.0	6.0	16.9	8.1	0.0
Direct investment: liabilities (FDI)	280.1	357.0	259.2	323.0	358.8	353.8
Portfolio investment	-2.8	-2.3	-3.0	37.6	23.1	-4.8
Portfolio investment: assets	0.0	0.0	0.0	43.9	18.6	30.9
Portfolio investment: liabilities	2.8	2.3	-3.0	6.3	-4.5	35.7
Other investment	-353.7	-506.8	-535.7	-529.3	-614.0	-975.6
Other investment: assets	50.3	32.8	9.7	-37.9	-64.1	36.6
<i>of which NFA of Commercial banks</i>	50.3	32.8	49.4	-56.9	-51.6	40.2
Other investment: liabilities	404.0	539.6	545.4	491.3	549.9	1012.2
<i>o/ w public sector current loans</i>	252.7	223.4	237.3	252.6	296.8	664.2
o/ w public sector project loans	146.7	156.0	162.5	201.0	252.0	319.7
o/ w public sector amortization (current+project)	21.1	24.3	27.6	29.6	30.9	52.2
o/ w private sector loans						
o/ w private sector amortization	77.5	76.9	93.9	64.1	68.1	41.7

Source: NBR

LIST OF ABBREVIATIONS

AACB: Association of African Central Banks	CBR: Central Bank Rate	ECB: European Central Bank	FY: Financial Year
ACH: Automated Clearing House	CESS: Centre for Economic and Social Studies	ECL: Expected Credit Losses	G&NFS: Good and Non-Factor Services
AfDB: African Development Bank	CFT: Combatting Financing of Terrorism	EDPRS: Economic Development and Poverty Reduction Strategy	GBP: Great Britain Pound
AFI GPF: Alliance for Financial Inclusion Global Policy Forum	CIC: Currency in Circulation	EDWH: Enterprise Data Warehouse	GDP: Gross Domestic Product.
AFRITAC: Africa Technical Assistance Center (of IMF)	CIEA: Composite Index of Economic Activities	ELF: Emergency Liquidity Facility	GES: Gender Equality Seal
AMCP: African Monetary Cooperation Programme	CIF: Cost, Insurance and Freight	ELFB: Extended Lending Facility to Banks	IADI: International Association of Deposit Insurers
AML: Anti Money Laundering	CIMERWA: Rwanda Cement Manufacturing Company (Cimenterie du Rwanda)	ERF: Economic Recovery Fund	IAIS: International Association of Insurance Supervision
APR: Annual Percentage Rate	CM&R: Crisis Management and Resolution	ERM: Enterprise Risk Management	ICBT: Informal Cross Border Trade
ARC: African Regional Committee	CMA: Capital Market Authority	ERP: Enterprise Resource Planning	ICPs: Insurance Core Principles
ARC-IB: Internet Banking	CM: COMESA Monetary Institute	EUCL: Energy Utility Corporation Limited	ICT: Information and Communication Technology
ASSAR: Association des Assureurs du Rwanda	COMESA: Common Market for Eastern and Southern Africa	FAFT: Financial Action Task Force	IDA: International Development Association
ATM: Automated Teller Machine	COVID: Corona Virus Disease	FBS: Forex Bureaus	IFC: International Finance Corporation
ATS: Automated Transfer System	CPI: Consumer Price Index	FDI: Foreign Direct Investment	IFMIS: Integrated Financial Management Information System
BADEA: Arab Bank for Economic Development in Africa	CRB: Credit Reference Bureau	FED: Federal Reserve	IFRS: International Financial Reporting System
BCM: Business Continuity Management	CSD: Central Securities Depository	FEPES: Food and Energy Price Expectations	IIA: Institute of Internal Auditors
BCPs: Basel Core Principles	CSR: Corporate Social Responsibility	FMIS: Financial Management Information System	IIP: Index of Industrial Production
BDS: Banknote Destruction System	DGF: Deposit Guarantee Fund	FMOC: Financial Markets Operations Committee	IMF: International Monetary Fund
BI: Business Intelligence	DLP: Data Loss Prevention	FMT: FinMark Trust	IPO: Initial Public Offering
BK: Bank of Kigali	DRC: Democratic Republic of Congo	FOB: Free on Board	ISACA: Information Systems Audit and Control Association
BOP: Balance of Payments	DSIBs: Domestically Systemically Important Banks	FOREX: Foreign Exchange	ISMS: Information Security Management System
BPR: Banque Populaire du Rwanda	DVP: Delivery Versus Payment	FPAS: Forecasting and Policy Analysis Systems	ISO: International Organization Standardization
BPS: Banknote Processing System	EA: Enterprise Architecture	FRW: Rwandan Franc	KCC: Kigali Convention Centre
BRD-C: Rwanda Development Bank -Commercial	EAC: East African Community	FSC: Financial Stability Committee	KRR: Key Repo Rate
BREXIT: Great Britain Exit from European Union	EAMU: Eastern Africa Monetary Union	FSDP II: Financial Sector Development Program Phase II	KSM: Kenya Institute of Monetary Studies
BSC: Balanced Score Card	EAPS: East African Payment System	FSIs: Financial Soundness Indicators	LCR: Liquidity Coverage Ratio
CAR: Capital Adequacy Ratio	EBMs: Electronic Billing Machines	FSR: Financial Stability Report	LTSS: Long Term Saving Scheme
CBA: Commercial Bank of Africa			LTV: Loan to Value
CBHI: Community Based Health Insurance			MAC: Monetary Affairs Committee

LIST OF ABBREVIATIONS

MCI: Monetary Conditions Index
MCM: Management Committee Meeting
MEFMI: Macroeconomic and Financial Management Institute
MES: Market Expectations Survey
MFIs: Micro Finance Institutions
MFS: Mobile Financial Services
MINAGRI: Ministry of Agriculture
MINALOC: Ministry of Local Government
MINECOFIN: Ministry of Finance and Economic Planning
MMI: Military Medical Insurance
MNOs: Mobile Network Operators
MPC: Monetary Policy Committee
MPFSS: Monetary Policy and Financial Stability Statement
MPIC: Monetary Policy Implementation Committee
MT: Monetary Targeting
NALs: New authorized loans
NBFIs: Non-Bank Financial Institutions
NBR: National Bank of Rwanda
NDA: Net Domestic Assets
NDFIs: Non Deposit Financial Institutions
NEER: Nominal Effective Exchange Rate
NFA: Net Foreign Assets
NFC: Near Field Communication
NFIS: National Financial Inclusion Strategy
NISR: National Institute of Statistics, Rwanda
NPC: National Payment Council
NPLs: Non-Performing Loans
NPPA: National Public Prosecution Authority

NPS: National Payment System
NSFR: Net Stable Funding Ratio
NST: National Strategy for Transformation
NTF: National Task Force
NTF: Near Term Forecasts
OPEC: Organization of the Petroleum Exporting Countries
PAT: Portfolio Analytic Tool
PCMS: Private Capital Monitoring System
PES: Price Expectations Surveys
PFMIS: Principles for Financial Market Infrastructures
PKO: Peace Keeping Operations
POS: Point of Sale
POS: Point of sale
PPI: Producer Price Indices
PSF: Private Sector Federation
PSI: Policy Support Instrument
PSO: Payment Systems Operators
PWC: PricewaterhouseCoopers
QMS: Quality Management System
RAMP: Reserves and Advisory Management Program
RBC: Risk Based Capital
RBS: Risk Based Supervision
RCA: Rwanda Cooperative Agency
RCF: Rapid Credit Facilities
REER: Real Effective Exchange Rate
REPO: Repurchase Agreement Operations

REPPS: Regional Payment Processing and Settlement System
RFBA: Rwanda Forex Bureau Association
RIB: Rwanda Investigation Board
RIPPS: Rwanda Integrated Payment Processing System
RMB: Renminbi-Chinese Currency
RMC: Reserves Management Committee
RMP: Risk Management Program
RNP: Rwanda National Police
RNPS: Rwanda National Payment Systems
RoA: Return on Assets
RoE: Return on Equity
RSE: Rwanda Stock Exchange
RSP: Remittance Services Providers
RSSB: Rwanda Social Security Board
RTGS: Real Time Gross Settlement System
RURA: Rwanda Utilities Regulatory Authority
SAA: Strategic Asset Allocation
SACCOs: Saving and Credit Cooperatives
SDDS: Special Data Dissemination System
SDR/DTS: Special Drawing Right/Droit de Tirage Speciaux
SGF:
SGs: Saving Groups
SICR: Significant Increase in Credit Risk

SLA: Service Level Agreement
SMART: Specific, Measurable, Achievable, Relevant, Time
SOC: Security Operation Center
SSA: Strategic Asset Allocation
SSA: Sub-Saharan Africa
SWIFT: Society for Worldwide Interbank Financial Telecommunication
TA: Technical Assistance
TCIB: Temenos Connect Internet Banking
TLTRO: Targeted Long Term Refinancing Operations
UK: United Kingdom
UN: United Nations
UPI: Union Pay International
USA: United States of America
U-SACCOs: Umurenge SACCOs
USD: United States Dollar
VA: Vulnerability Assessment
VAT: Value Added Taxes
VMS: Automated Vault Management System
WEF: World Economic Forum
WEO: World Economic Outlook
YoY: Year on Year



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