NATIONAL BANK OF RWANDA

ACTIVITIES REPORT

January - June 2012

OCTOBER 2012

NATIONAL BANK OF RWANDA

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ABREVIATIONS

ACH: Automated Clearing House
AGF: Agricultural Guarantee Facility
ATM: Automated Teller Machine
BNR: Banque Nationale du Rwanda/National Bank of Rwanda
BOP: Balance of Payments
BDF: Business Development Fund
BPM: Business Process Management
CAMELS: Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk
CAN: Controller Area Network (in Automation)
CISA: Certified Information Systems Auditor
CMAC: Capital Market Advisory Council
COBIT: Control Objectives for Information and Related Technology
COGEAR: Compagnie Générale d'Assurances et Réassurances au Rwanda
CORAR : Compagnie de Réassurance et d'Assurance du Rwanda
CPI: Consumption Price Index
CPSS: Committee on Payments and Settlement Systems
CRB: Credit Reference Bureau
CSD: Central Securities Depository
EAC: East African Community
EAPS: East African Payment System
EDPRS: Economic Development and Poverty Reduction Strategy
ERP: Enterprise Resource Planning
FAQs: Frenquently Asked Questions
FDI: Foreign Direct Investment
FMDP: Financial Market Development action Plan
FOB: Free On Board
FSC: Financial Stabilty Committee
G&NFS: Good and Non Factor Services
GDP: Gross Domestic Product.
IAS: International Accounting Standards
ICT: Information and Communication Technology
IFRS: International Financial Reporting Standards
IGC: International Growth Center
IIP: Index of Industrial Production
IMF: International Monetary Fund
IOSCO: International Organization of Securities Commissions
KRR: Key Repo Rate
MFIs: Micro Finance Institutions
MIGEPROF: Ministry of Gender and Family Promotion
MINAGRI: Ministry of Agriculture
MINECOFIN: Ministry of Finance and Economic Planning
MPC: Monetary Policy Committee

NCSD: National Central Securities Depository
NDA: Net Domestic Assets
NFA: Net Foreign Assets
NISR: National Institute of Statistics, Rwanda
NNSS: National Net Settlement System
NPLs: Non Performing Loans
NPS: National Payment System
NPISH: Non-Profit Institutions Saving Households
ODCs: Other Depository corporations
OMO: Open Market Operations
PAT: Portfolio Analytics Tool
PFI: Participating Financial Institutions
POS: Point of sale
PPI: Producer Price Indices
PR: Public Relation
PRGF: Poverty Reduction and Growth Facility
PSI: Policy Support Instrument
REPO: Repurchase Agreement Operations
REPPS: Regional Payment Processing and Settlement System
RIF: Rural Investment Facility
RIPPS: Rwanda Integrated Payment Processing System
RMP: Risk Management Program
RoA: Return on Assets
RoE: Return on Equity
RRA: Rwanda Revenue Authority
RSP: Remittance Services Providers
RTGS: Real Time Gross Settlement System
SMTEL: Société Monétique et de Télé-compensation au Rwanda
SOPYRWA: Société du Pyrethre au Rwanda
SR: Standard Report
STA: Statistics Department of IMF
TA: Technical Assistance
TMU: Technical Memorandum of Understanding
TOR: Terms of Reference
USA: United States of America
USAID: United States Agency for International Development
VAT: Value Addition Tax

FOREWORD

The first half of 2012 has been very challenging for decision makers in monetary, financial and economic fields. Financial tensions continued in Europe which, coupled with weak labour and housing markets in developed countries, resulted in higher uncertainties worldwide. Low, declining and in some cases negative growth prospects in the developed world have started to have a negative impact on exports from emerging and developing economies although the growth prospects in these countries remain strong. While there is hope that issues in the Euro zone will be solved in one way or another, uncertainties remain as to how fast this can be done.

This is therefore the time for governments, central banks and companies to learn fast, work hard and collaborate more in a bid to mitigate the negative impact of the crisis. Such deliberate effort has worked for us in East African Community. It made the turn round in inflation possible since the December 2011 climax.

In Rwanda, better coordination of monetary and fiscal policies supplemented monetary tightening to yield even higher performance as Rwanda's inflation declined from 8.3% in December 2011 to 5.9% in June 2012 keeping the growth of the economy on course at a real GDP growth rate of 9.9% in the Second Quarter of 2012.

This is also the time for prudent management of macro and micro economic policies that are capable of building investors confidence and guide better their decisions of allocating the resources. Central Banks have an enormous role to play to ensure compliance to prudential norms and regulators of today are called to look domestic and cross-border at the same time. That is why National Bank of Rwanda has put a lot of efforts in making sure our financial institutions are profitable, liquid, well capitalized and ethical in their dealings. Customer care service guidelines were issued for those institutions to offer total value to their clients. Responsible lending and the use of credit reference bureau contributed to the decline in non performing loans in banks from 8% in December 2011 to 5.8% in June 2012. Banks, together with Savings and Credit Cooperatives (mainly Umurenge SACCOs), have contributed a lot to doubling formal financial inclusion in five years from 21% in 2008 to 42% in mid 2012 thus cutting exclusion from 52% to 28% over the same period. The modernisation of payment systems embarked on since 2011 has the potential to be the next driver of financial inclusion.

I believe Rwanda is on the right track to reaching its vision 2020. However, challenges still remain. Accommodating the high speed in growth which comes in the form of high growth in imports is one example in point. This implies increasing our exports if we are to prevent trade balance deterioration. It also means implementing flexible and timely policies to smoothen volatility in market-driven foreign exchange rates.

This report is for six months period (January-June 2012) as a transition from calendar year to financial year arrangement. Thus, to harmonize with the EAC Countries, the next annual report will cover the period of July 2012-June 2013 instead of January-December 2012.

I wish you an enjoyable reading.

Amb. GATETE Claver
Governor

EXECUTIVE SUMMARY

In the first semester 2012, Rwanda's economy evolved in a challenging international economic environment. The world economy was marked by serious financial tensions surged in Europe while some other developed countries continue to face weak labor and housing markets. According to IMF forecasts, world economic growth is projected at 3.5% in 2012 from 3.9% in 2011. However, economic activity continues to be strong in emerging and developing countries.

Inflationary pressures remained stable in developed countries while relatively high in emerging and developing countries. With regard to EAC countries, high inflationary pressures have been progressively easing in general since November 2011 on account of better agricultural sector performance and tight monetary and fiscal policies.

The national economic performance was marked by a moderate food crop production due to unfavourable weather conditions (heavy rains and floods). However, other productive activities continued to record good performance in line with the real GDP growth projection of 7.7%. The composite index of non-agricultural economic activity (CIEA) increased by 11.1% in June 2012 on annual basis, total turnovers in Manufacturing industries and services increased by 23.6% and exports sector also continued to record good performance.

Sustained by traditional and nontraditional products, exports value increased by 25.1% during the first half of 2012 on annual basis, against 22.1% for imports. The imports cover improved to 18.7% in the first half of 2012 from 18.2% in the corresponding period of the last year. Although exports sector performed well, Rwanda recorded a negative Balance of Payments estimated at USD 195.50 million in the first half of 2012 draw principally by an important current account deficit and a decline in capital and financial account.

In EAC region, the country continued to record a significant expansion with an increase of 13.1% in total trade volume compared to the corresponding period in 2011. Good performance in real sector has been achieved with moderate inflation. Indeed, the inflation has been maintained at moderate level in the first half of 2012. The annual headline inflation decelerated from 8.3% in December 2011 to 5.9% in June 2012. However, during the most part of the period under review, the inflation has been higher than in June 2012, fluctuating around 8% on annual basis, mainly driven by food and energy prices.

As response to persistent uncertainties in international environment, the National Bank of Rwanda has been implementing a prudent monetary policy, while continuing to support the financing of the economy. In this regard, the Central Bank policy rate was increased in May 2012 from 7.0% to 7.5%.

Higher than expected, imports of capital goods, intermediary goods and energy reflecting increased investments in the country attracted high demand for foreign exchange leading to a moderate depreciation of Rwandan franc by 1.37% against USD at the end of June 2012. With regard to exchange rate policy, the BNR continued to maintain a flexible exchange rate regime intervening to smooth exchange volatility.

The financial sector as a whole was sound and stable. The banking sub-sector continues to be profitable, liquid and well capitalized to sustain growth but also resilient to external shocks as a result of strengthened legal, regulatory and supervisory framework. The capitalization levels (measured by total capital to risk weighted assets) stood at 25.1% against 25.0% in December 2011, well above the regulatory capital of 15%. The Non-performing loans (NPL) to total gross loans reduced to 5.8% in June 2012 from 8% in December 2011. The return on assets and return on equity (profitability) stood at 2.3% and 10.9% respectively in June 2012 compared to 2.9% and 15.2% in June 2011 while the sector's liquidity position stood at 48.3% in June 2012 against 45.3% in December 2011.

The microfinance sub-sector (combining SACCOs and MFIs) also continued the expanding of its balance sheet, realizing 22.2% asset growth and NPLs ratio of 8.3% in June 2012 against 12% in December 2011. Taken alone, the SACCOs continued to play a significant role in expanding financial inclusion with very low NPL (2.6% in June 2012 from 5.6% in December 2011). The insurance sub-sector performance improved progressively reflecting the impact of the supervisory reforms undertaken in the insurance industry. Insurance penetration reached 7% in 2012 from 3% in 2008. Furthermore, the pension sector continued to grow with a positive assets trend reaching FRW 251 billion in June 2012 from FRW 231 billion in June 2011. Better positive prospects are expected after the enactment of the new pension law that will give rise to the establishment of private pension schemes.

Regarding the access to finance, findings of FinScope Rwanda 2012 show that the percentage of adult population having access to formal financial services increased from 21.1% in 2008 to 42% in the mid of 2012 while financial exclusion declined by 46% from 52% in 2008 to 28% in 2012. On average, SMEs constitute 17% of the overall lending portfolio which compares to 16% on average in developing countries.

With regard to the payment systems modernization, a lot of progress has been made in all forms of retail electronic payment systems, both card based and mobile financial services.

Among other achievements, the Visa National Net Settlement System (NNSS) has been operational since the 1st of March 2012. The retail Payments infrastructure has also improved considerably. The Number of ATMs has increased to 232 as compared to 167 by end 2011. Points of Sale (POS) have also increased to 385 from 227 at the end 2011.

To fast track the cheque payment process with more security, the Bank together with the Rwanda Bankers Association, is embarked on the cheque trunction Project. At regional level, the Rwanda Integrated Payments Processing System (RIPPS) has been upgraded to enable linkage to Regional Payment Systems notably; the East Africa Payment system (EAPS) and the COMESA Regional Payments and settlement system (REPSS) to facilitate the cross border payments in the East African community and COMESA region.

The above achievements resulted also from various facilities related principally to modernization of information technology systems and physical infrastructure as well as human resources management and development.

Taking into account the information technology modernization, several projects related notably to inauguration of new data center and initiating Core Banking and ERP systems that have been given priority by the Bank management aiming essentially to improve the quality of customer services.

Concerning the modernization of the Bank's physical infrastructure, a new car park with 180 Vehicle capacity is under construction expected to be completed very soon taking care of the customer and Bank staff parking needs and allowing for the target of keeping BNR green. In addition, construction of four (4) BNR Branch Office buildings based in the four provinces of Rwanda is in process.

Regarding human resources management and development, the Bank invested especially in the development of strategies to enhance the Human Resources Management and Organisational Effectiveness reform agenda. In terms of capacity building and talents management, a new career development system is being implemented through a Career Progression Policy published in June 2012. In the framework of the Bank's three year rolling capacity building plan, trainings and industrial attachments have been continuous and by June 2012, 36 staff of BNR were registered in different professional courses while others are pursuing master's degrees and PhDs in areas of monetary policy and economic development.

In the framework of corporate social responsibility, the Bank initiated a project to support families of its former staff who perished in the 1994 Genocide against Tutsi and officially inaugurated a Memorial at the BNR Headquarter. In addition, the Bank completed and handed over the poultry project designed for the Musambira orhphans and widows of the 1994 Genocide against Tutsi and continued sponsorship of students from the area pursuing technical and vocation training courses in various institutions.

The National Bank of Rwanda's financial results for the financial year 2011/2012 has been a net profit of 6,903 million of FRW against 4,604 million for the previous period of 2010/2011.

INTRODUCTION

This report presents the main activities of the National Bank of Rwanda over a period of six months from January to June 2012. It also describes the environment in which the Bank performed its work and the outlook in the near months ahead. The present edition is one of our annual reports series; however, it only covered the six months as a transition from a fiscal year that used to start in January ending in December to an East African Community one running from July to June of the following year.

The main activities undertaken by the Bank over the reporting period covered its core missions of ensuring and maintaining price stability on the one hand, and enhancing and maintaining a stable and competitive financial system on the other. The Bank also accomplished a lot in line with its other mission of supporting Government's general economic policies.

The Bank further intensified communication to the market players and the general public as a deliberate strategy intended to guide the formation of expectations and to prevent speculative moves that can be disruptive in the market.

This report is organized under nine (9) chapters. The first one presents the Bank's governance framework. The second and the third highlight the context of global and national economic environment in which the Bank delivered its mandate during the period under review. The main objectives achieved by the Bank are presented from chapter four to eight while the last chapter shows the financial performance during the year 2011/2012. Statistical information related to the four macroeconomic sectors are enclosed to the report as appendices.

CHAPTER I

BNR CORPORATE GOVERNANCE

The National Bank of Rwanda's vision is to become a leader Central Bank by implementing efficient monetary policy, granting price & financial stability and ensuring efficient payment systems for sustainable economic growth.

According to article 5 of the law governing BNR, its main mission is to: Ensure and Maintain Price Stability; Enhance and Maintain a Stable and Competitive Financial System without any exclusion; and support Government's General Economic Policies without damaging the two above-mentioned missions.

To achieve the mission described above, the Bank has the following functions:

- To define and implements the monetary policy;
- To organize, supervise and regulate the foreign exchange market;
- To supervise and regulate the activities of financial institutions;
- To supervise and regulate payment systems;
- To mint and manage money;
- To hold and manage official foreign exchange reserves;
- To act as State Cashier;
- To carry out any other task that this law or another law may assign to the Bank

The Bank's core values are Integrity, Accountability, Efficiency and Effectiveness.

I.1 Board Affairs

The Bank carries out its functions independently and it is accountable for its conduct of monetary policy and the use of its resources. It is managed by the Board of Directors and chaired by the Governor of the Bank.

In accordance with the law governing the National Bank of Rwanda (Law no.55/2007 of 30/11/2007), The Board of Directors of National Bank of Rwanda is composed of; the Governor who is the Chairman of the Board, the Vice Governor who is the Vice Chairperson of the Board and other four officials external members (to the Bank) as follows.

BOARD OF DIRECTORS

Amb. GATETE Claver
Board Chairman

Ms. NSANZABAGANWA Monique
Board Vice Chairperson

Dr. NDAGIJIMANA Uzziel
Board Member

Ms. UWAMARIYA Odette
Board Member

Ms. KYATENGWA Lillian
Board Member

Mr. RUGWABIZA MINEGA Leonard
Board Member

In the current composition of the Board, women represent 50%, high than the minimum of 30% set by the Law.

Within the framework of defining policies and supervising the activities of the Bank, the Board of Directors held two ordinary meetings in the first semester of 2012. During this period, the Board of Directors resolved to restructure BNR ICT function into a Directorate with two Departments of IT Infrastructure Management and Management information Systems. The Board also approved the 2011 Annual Report and Financial Statements among other decisions.

I.2. Management Committee (MC)

The Bank Management Committee is composed of the Governor, Vice Governor, all Directors General and Directors. This is a coordinating organ of the Bank charged with the day to day management of the Bank. Through out its daily activities, the Management Committee ensures good functioning of the various organs of the Bank and the implementation of the resolutions of the Board of Directors.

In the first semester of 2012, the Management Committee of the Bank continued to put emphasis on a number of issues related to the management of the Bank especially on Monetary Policy, Financial Markets, Banking System Oversight, Insurance Industry Reform, Payment System Modernization, Microfinance Supervision among others.

The Bank Management also continued to implement the recommendations from the visit of His Excellency President of the Republic to the National Bank of Rwanda in 2009. The management also registered high performance in implementing audit recommendations.

It is also important to mention that the Management Committee of the Bank conducted a Retreat in May 2012 which mainly focused on; Research Based Monetary Policies, Financial Inclusion, National and Regional Payment Systems, Bank's 3 Year Strategic Plan, Modern IT and its associated risks, Equipping BNR branches and necessary Reforms to fast-track best service delivery in the Bank.

I.3. Monetary Policy Committee (MPC)

In line with its mandate of formulating monetary and exchange rate policies, the MPC met twice in first half of 2012 to monitor challenges in the international, regional and domestic economic environment. With developments in inflation drivers and banking system liquidity in the first quarter of 2012, the Committee decided to maintain the Central Bank policy rate, the Key Repo Rate (KRR) at 7.0% on 16th March. On 4th May, an MPC extraordinary meeting raised the KRR to 7.5% to pursue monetary policy tightening to prevent effect of persistent inflationary pressure at global and regional levels. The Committee also committed to ensure that exchange rate is market driven and the BNR intervening only to smoothen the exchange rate volatility.

I.4. Monetary Policy Implementation Committee (MPIC)

Through its weekly meetings, the Monetary Policy Implementation Committee has been on right track to complete its mandate of implementing decisions made by MPC. It has been focusing on reserve money developments to achieve quantitative assessment targets as defined in the monetary program under the Policy Support Instrument (PSI). For the first half of 2012, all targets on Reserve Money and Net Foreign Assets were successfully met.

However, the MPIC faced some challenges, among them, high demand on foreign market enhanced by the reduction of external inflows and increase in money market interest rates. Despite those challenges, the MPIC continued to cope with developments in domestic, regional and international economic environment to advice on policy actions to curb inflationary pressure. Moreover, MPIC has continued implementing a flexible exchange rate regime, keeping the overall stability of the exchange rate.

I.5. Financial Stability Committee (FSC)

The BNR Financial Stability Committee (FSC) was established in May 2012 following the BNR Board of Directors decision with a mission to promote the stability of the Rwandan financial system by analysing the system in its environment on a permanent basis, and by identifying, monitoring and publishing associated risks.

I.6. Audit and Risk Committee

The National Bank of Rwanda Audit committee which is a sub-committee of the Board of Directors works its regular activities with close collaboration of the Internal Audit and Risks Management Departments.

The risk management in BNR is essentially oriented in mitigating the risks and their impacts. The achievement of objectives is generally compromised by unexpected events. It is in this regard, that as usual even during the first half of year 2012, BNR enhanced its commitment to strengthen efficient internal controls system in all operations as principal means by which the risks were managed. In this regard, the senior managers have been requested to periodically conduct a review of the effectiveness of the system of internal controls in the Bank. Among other internal controls, the Bank has consistently insisted on compliance to the adopted policies, regulations, processes and procedures, strategic planning, capacity building plan, standards of various businesses, etc. The internal controls implemented in BNR have significantly reduced the potential risks at tolerable level and the process of their implementation is continuous. This is possible through application of risk based audit approach by the Internal Audit Department (IAD) evaluating the design and implementation of internal controls within the Bank.

I.7. Reserve Management Committee

The Law n° 55/2007 of 30/11/2007 governing the Central Bank of Rwanda, in its Chapter II Article 42, entitles the Bank (BNR) to manage official foreign exchange reserves of the country. The Board of Directors approves the Foreign Exchange Reserves Management Policy and delegates to the Reserves Management Committee the power to approve and to enforce the compliance to the Investment Guidelines as well as different investment decisions proposed by the Financial Markets Department which is in charge of the day to day management of the foreign exchange reserves.

For the first semester of 2012, the Reserves Management Committee reviewed through its regular meetings, the observance of risk parameters and different limits fixed by the Guidelines. The Committee activities were conducted under a challenging and unprecedented environment marked with low returns and increasing credit risk on authorized asset classes, consecutive to the sovereign debt crisis in the Euro zone countries. The Committee proposed to the Board the review of the Reserves Management Policy for a better and flexible management of the credit risk. On another note, the Committee reviewed the performance of the internal portfolios and that of funds outsources.

I.8. IT Committee

The BNR in the first semester of 2012 reviewed the mandate of IT Committee. During the period of this report the Committee managed to lay out strategies on how to fast-track the implementation of the IT projects that have been identified as the best tools to modernise the IT systems in the Bank.

CHAPTER II

GLOBAL ECONOMIC DEVELOPMENTS

II.1 Economic growth and outlook

According to IMF estimates in July 2012, the world economic activity rose by 3.6% in the first quarter 2012 helped by easing financial conditions, rebound in industrial production and international trade together with improving business confidence after the European long-term refinancing operations. The value of world trade of goods was 5% higher in the first quarter of 2012 compared to the same period of 2011 and the industrial production rose by 5.5% in the three months up to April 2012. However, due to escalating financial woes in the Euro area and their spillover effects in other regions and following slower-than- expected economic growth in emerging and developing economies, global economic activity decelerated to 1.7% in the second quarter 2012, and it is projected to increase by 3.5% for the whole year 2012 after 3.9% in 2011.

In advanced countries, economic growth remained subdued as a result of structural impediments and concerns about global economy. In emerging and developing countries, despite some moderation following weak external demand and policy tightening, economic growth remained sustained. The IMF projects real GDP growth in 2012 at 1.4% in developed economies and 5.6% for emerging & developing economies against 1.6% and 6.2% respectively in 2011.

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

	2007	2008	2009	2010	2011	2012 Proj.
World	**5.4**	**2.8**	**-0.7**	**5.2**	**3.9**	**3.5**
Advanced Economies	**2.8**	**0.1**	**-3.7**	**3.2**	**1.6**	**1.4**
- United-States	1.9	-0.3	-3.5	3.0	1.7	2.0
- Japan	2.4	-1.2	-6.3	4.4	-0.7	2.4
- Euro Zone	3.0	0.4	-4.3	1.9	1.5	-0.3
- Newly Industrialized Asian Economies	5.9	1.8	-0.7	8.4	4.0	2.7
Other Emerging and Developing Countries	**8.9**	**6.0**	**2.8**	**7.3**	**6.2**	**5.6**
- Sub-Saharan Africa	7.1	5.6	2.8	5.3	5.2	5.4
- Asia	11.5	7.7	7.2	9.5	7.8	7.1
- Western Hemisphere	6.7	4.6	2.6	4.3	3.1	-

Source: IMF, World Economic Outlook, January 2012

In the United States, real GDP rose by 1.5% in the second quarter of 2012 after 2.0% in the previous quarter led by accelerating consumer spending and exports while non-residential and inventory investment growth remained weak. Recent survey data pointed to a slight improvement in GDP growth to 2.0% by end 2012 compared to 1.7% in 2011.

In the Euro area, economic activity declined by 0.4% in the second quarter 2012 after stagnating in the previous quarter 2012 due to weak manufacturing production especially in April as a result of poor performance of peripheral economies. By the end of 2012, the economic activity is expected to slow down by 0.3% after 1.5% increase in 2011.

In Japan, economic growth decelerated from 5.5% in the first quarter of 2012 to 1.4% in the second quarter 2012, with slowing production as evidenced by slowing manufacturing production and slowing growth of exports, particularly to Asia.

In United Kingdom, real GDP declined by 0.5% year on year in the second quarter of 2012 weighed down by investment and household consumption which contributed negatively to GDP after -0.2% and 0.6% respectively in the first quarter 2012 and the last quarter 2011. For 2012, average economic growth will recover, according to IMF estimates in July 2012 at 0.2% after 0.7% in 2011.

In the Middle East and North Africa, economic activity is expected to strength to 5.5% in 2012 boosted by oil production and domestic demand against 3.5% in 2011. Economic growth is also projected to remain robust to 5.4% in Sub-Saharan Africa from 5.2% in 2011, thanks to its relative insulation with regard to external financial shocks and consolidation of macroeconomic stability.

II.2 Inflation

Inflationary pressures are gradually easing, thanks to declining energy prices and following weakening global demand. The world annual inflation stood at 2.6% in the second quarter 2012 after 3.1% in the first quarter 2012. In advanced economies, inflation is projected at 2.0% in 2012 against 2.7% in 2011 while for emerging and developing countries it is expected to decelerate to 6.3% from 7.2% in 2011.

Table 2: Annual inflation developments (in %)

	2010	2011	2011			2012					2012
	Dec.	Dec.	Mar.	Jun.	Sept.	Jan.	Mar.	Apr.	May	Jun.	proj
United States	1.3	3.0	2.7	3.6	3.9	3.0	2.7	2.3	1.7	1.7	2.1
Euro Zone	2.0	2.7	2.6	2.7	3.0	2.7	2.7	2.6	2.4	2.4	1.8
United Kingdom	3.7	4.5	4.1	4.2	5.2	4.2	3.5	3.0	2.8	2.4	2.4
Japan	0.1	-0.2	0.0	0.2	0.1	0.2	0.7	0.5	0.1	-0.3	-0.2

Source: ECB, Monthly Bulletin, August 2012.www.cbrates.com

In June 2012, headline inflation remained flat at 1.7% in the USA and in Euro Area to 2.4% after 2.3% and 2.6% respectively in April 2012. In the UK, inflation was down to 2.4% in June from 2.8% and 3.0% respectively in May and April 2012. In Japan, inflation was for the sixth straight month positive at 0.2% in June after 0.1% in May and 0.5% in April 2012.

II.3 World trade

World trade volume decelerated to 5.9% in 2011 after a strong recovery in 2010 (12.8%) from the collapse in 2009. The global trade growth is expected to continue slowing down in 2012. For first quarter 2012, the value of world trade of goods was 5% higher than the trade in the same period of 2011. The world trade volume in 2012 is expected to curb to 3.8% due to conflicting economic developments in USA and in Europe which made the economy very fragile and therefore leading to weak trade, according to IMF forecasts in July 2012. The price deflator in USD is also expected to fall by 0.2% on average for 2012 from 10.8% rebound in 2011.

Table 3: World trade developments (annual percent change)

	2007	2008	2009	2010	2011	2012
Trade in goods and services						
- Volume	7.7	3.0	-10.7	12.8	5.9	3.8
- Price deflator in US dollars	7.8	10.9	-10.2	5.5	10.9	-0.2
Trade in volume						
- Exports						
Advanced Economies	6.8	2.1	-11.9	12.2	5.4	2.3
Emerging markets and developing countries	10.2	4.7	-7.7	14.4	6.6	5.7
- Imports						
Advanced Economies	5.2	0.6	-12.4	11.5	4.4	1.9
Emerging markets and developing countries	13.8	9.1	-8.0	15.3	8.8	7.8
- Terms of trade						
Advanced Economies	0.4	-1.9	2.3	-1.0	-1.7	-0.9
Emerging markets and developing countries	0.2	3.3	-4.3	2.0	3.2	0.6
Trade in goods						
- volume	7.5	2.8	-11.7	14.3	6.3	3.7
- Price deflators in US dollars	7.6	11.4	-11.8	6.6	12.1	0.1
World price in dollars						
- Manufactured products	6.0	6.7	-6.6	2.4	7.2	0.2
- Oil	10.7	36.4	-36.3	27.9	31.6	-2.1
- Non-petroleum products	14.1	7.5	-15.7	26.3	17.8	-12.0
• Food	15.2	23.4	-14.7	11.5	19.7	-7.5
• Beverages	13.8	23.3	1.6	14.1	16.6	-22.2
• Agricultural raw materials	5.0	-0.8	-17.0	33.2	22.7	-13.2
• Metals	17.4	-7.8	-19.2	48.2	13.5	-10.5

Source: IMF, World Economic Outlook, April 2012 and World Economic Outlook July 2012

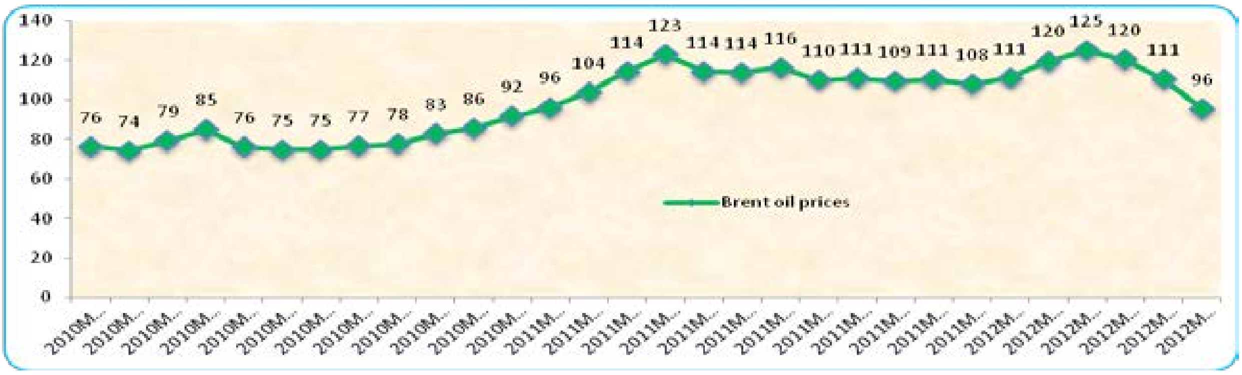
Exports as well as imports of goods and services are expected to slow down in both developed and developing economies following weak global demand. Exports growth is projected to retreat to 2.3% and to 5.7% respectively in developed and in emerging & developing countries after 5.4% and 6.6%. Similarly, imports growth is estimated to slide to 1.9% and 7.8% in developed economies and emerging and developing countries. Terms of trade will deteriorate for the third straight years in developed countries while in emerging and developing economies, remained positive but still very low.

With regard to prices developments, manufacture prices are estimated to remain almost unchanged on average in 2012 while prices are expected to decline for all commodities, oil (-2.1%) and non-oil commodities (-12.0%) in response to deteriorating European debt concerns.

In second quarter of 2012, most commodity prices declined, energy prices declined by 8.57% after an increase of 7.55% in the previous quarter 2012 on rising supply, high stocks in United States and on easing tensions with Iran. Similarly, non-energy prices dropped by 1.82% led by declines in main groups of products: metals and minerals prices fell by 5.56% in the second quarter 2012 on concerns about global demand, agriculture prices slowed by 0.48% drawn by most commodities including beverages (-5.19%), raw materials (-3.90%) while prices increased for grains (0.14%) and for food (1.57%).

According to IMF estimates in July 2012, oil prices will decline on average by 2.1% 2012 after an increase of 31.6% in 2011 on easing supply conditions coupled with weak demand and high US stocks.

Fig. 1: Brent crude price developments (USD/ barrel)



Source: IMF

II.4 Financial Markets

For the first half of 2012, money market interest rates kept on declining reflecting significant excess liquidity in the money market. Long term maturity interest rates remained volatile. Central Bank rates remained unchanged in all leading economies as inflationary pressures have been dampened further. Policy rate remained in the range between 0% and 0.25% in USA, at 0.5% at Bank of England, Japanese Central Bank kept it at 0.1% and Euro Area at 1%. 3-month interest rates reduced to 0.53% in June after 0.59% in May 2012 in Euro area, to 0.87% after 1% in the UK. In the USA, 3-month rate was a little down to 0.47% in June 2012 after 0.48% in the previous month whereas it was constant at 0.17% in Japan.

10-year government bond rate was almost unchanged in USA standing at 1.64% in June 2012 on account of mixed economic data and due to subdued labor market data while housing market was relatively stable. In the Euro area, 10-year interest rate was up to 1.58% in June 2012 from 1.20% in May 2012 on return of risk appetite and reduced flight-to-safety flows ahead of June European Council meeting that was expected to initiate some political measures to strengthen financial stability. Japanese and British 10-year Government rate stood at 0.84% and 1.73%, respectively in June from 0.86% and 1.57% in May 2012.

On the foreign exchange market since March 2012, US dollar remained strong against the Euro and the GBP (since April) mainly due to changes in perception of sustainability of the debt in the European countries and on yield differentials between USA and Euro Area. However, in June, the dollar depreciated by 2.4% versus the Euro and 1.9% versus the GBP while appreciating by 1.8% versus the Japanese Yen.

II.5 EAC member countries

With regard to EAC countries, high inflationary pressures have been progressively easing since November last year on account of better agriculture sector performance and tight monetary and fiscal policies. In June 2012, Kenya's and Uganda's year-on-year inflation rate slowed down to 10.1% and 18.0% from 18.9% and 27.0% in December 2011 and from 14.5% and 15.8% respectively in June 2011. Similarly, headline inflation has dropped slightly to 17.4% in June in Tanzania from 19.8% in December 2011 while it was at 10.9% in June 2011.

Table 4: Annual inflation in EAC countries in %

	2010	2011				2012					
	Dec.	Mar.	Jun.	Sept.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
Uganda	3.1	11.1	15.8	28.3	27.0	25.7	25.4	21.2	20.3	18.6	18.0
Kenya	4.5	9.2	14.5	17.3	18.9	18.3	16.7	15.6	13.1	12.2	10.1
Tanzania	5.6	8.0	10.9	16.8	19.8	19.7	19.4	19.0	18.7	18.2	17.4
Burundi	4.9	5.7	8.6	11.7	14.9	21.6	22.0	24.5	25.2	22.5	17.3
Rwanda	0.2	4.1	5.8	6.6	8.3	7.8	7.9	8.2	7.00	8.3	5.9

Source: EAC Central Banks. www.bou.or.ug; www.centralbank.go.ke; www.bot-tz.org; www.brb.bi; www.bnr.rw

In Burundi, the annual inflation increased from 14.9% in December 2011 to 25.2% in April 2012, before easing to 17.3% in June 2012.

Box 1

- World Economic growth (2012): 3.5% (projection)
- World Annual inflation (Q2,2012) : 2.6%
- World Trade volume growth (2012): 3.8% (projection)

CHAPTER III

NATIONAL ECONOMIC PERFORMANCE

III.1 ECONOMIC GROWTH

The Rwandan economy maintained its good performance in the first half of 2012 with annual real GDP growth projected at 7.7% in 2012 from 8.6% in 2011. In the second quarter 2012, real GDP increased by 9.9 percent boosted by high increase in services (14.4 percent) and Industry (9.2 percent) sectors despite moderate performance in agriculture sector (3.8 percent).

Value added for the agriculture sector increased by 3.8 percent as compared to 0.4 percent in the second quarter 2011. Food crops improved by 4.1 percent compared to 0.4 percent attained in second quarter 2011. However, the value added for export crops decreased by 17.3 percent while livestock, forestry and fisheries improved by 7.0 percent, 5.1 percent and 2.7 percent respectively.

With regard the industry sector, the value added at constant prices of 2006 grew by 9.2 percent in the second quarter 2012 compared to 14.3 percent in the second quarter of the previous year. This performance was mainly driven by improvement in construction sector (16.8 percent) as well as electricity and water (16.1 percent), despite a decrease of 0.4 percent in mining and quarrying sector.

The performance observed last year in services sector was maintained in second quarter 2012 with an increase of 14.4 percent compared to 9.8 percent in the second quarter 2011. This increase was mainly attributed to the high increase in public administration, transport, storage and communication services, finance and insurance, education and hotels and restaurants, which respectively grew by 22.0 percent, 20.5 percent, 16.4 percent, 14.4 percent and 13.3 percent.

In addition, the composite index of economic activities (CIEA) in nominal terms, increased by 11.1% end June 2012 compared to the same period of 2011 and by 8% compared to December 2011. Total turnovers registered by industry and services sectors show good performance of the economy during the first half of 2012 rising by 23.6%. Industry sector grew by 21.7% and services by 24.4%. This performance resulted mainly from developments in manufacturing industries (+35.3%), energy sector (+30.7), construction sector (+11.8%) for industry sector, and trade services (+25.1%), banks and insurance companies (27.1%), transport and storage (+50.4%), petroleum companies (+21.4%), garage services (+33.4%) and posts and telecommunication (+15.4%) for the service sector.

The industry companies represent about 30.2% while service sector accounts for 69.8% of the total turnovers.

Table 5: Real GDP Growth (in %)

	2008	2009	2010	2011	2012		
					Q1	Q2	Annual proj.
GDP	**11.2**	**6.2**	**7.2**	**8.6**	**7.7**	**9.9**	**7.7**
Agriculture	**6.5**	**7.7**	**5.0**	**4.7**	**3.4**	**3.8**	**6.1**
Food Crops	6.2	9.4	4.9	5.0	4.1	4.1	6.0
Export crops	28.9	15.1	14.2	2.7	-24.1	-17.3	22.5
Livestock	2.8	3.1	4.8	2.8	4.7	7.0	3.0
Forestry	3.7	2.3	3.2	2.7	3.2	5.1	2.7
Fisheries	1.6	3.2	3.1	3.0	2.9	2.7	2.7
Industry	**15.1**	**1.3**	**8.4**	**17.6**	**1.1**	**9.2**	**11.2**
Mining and Quarrying	15.4	18.2	10.2	49.5	0.0	-0.4	10.8
Manufacturing	5.6	2.9	9.3	8.0	3.5	0.0	8.6
Electricity and Water	20.0	14.3	14.6	16.4	21.3	16.1	11.0
Construction	28.1	1.4	8.8	23.6	-0.7	16.8	13.2
Services	**13.8**	**6.2**	**9.0**	**8.9**	**14.2**	**14.4**	**8.7**
Wholesale and Retail	19.4	4.0	8.4	10.2	14.6	11.1	8.8
Hotels and Restaurants	5.5	5.7	8.0	3.8	13.3	13.3	2.9
Transport & Communication	23.8	9.2	8.7	5.3	19.2	20.5	6.0
Finance and Insurance	1.6	4.1	23.6	20.4	9.5	16.4	12.4
Real estate & business services	15.5	8.2	1.0	0.2	12.9	10.2	3.0
Public Administration	4.9	7.3	14.5	14.9	15.1	22.0	6.6
Education	6.9	15.5	8.6	17.9	14.4	14.4	20.3
Health	11.9	15.1	15.8	2.3	10.8	6.0	17.9
Other personal services	1.9	5.2	7.1	0.7	-2.0	2.7	4.0
Adjustments	**11.5**	**9.6**	**4.8**	**7.9**	**-1.0**	**10.0**	**0.6**

Source: Ministry of Finance and EconomicPlanning (MINECOFIN) and National Institute of Statistics, Rwanda (NISR)

III.2 PRICES

A. Overall inflation

Despite high regional inflationary pressures, inflation in Rwanda has been kept at moderate levels in 2012 as a result of efficient management of the monetary and exchange rate policies and continuing overall improvement in the supply side, despite some sporadic shocks, especially on food and energy products. In June 2012, headline inflation on annual basis decelerated to 5.9%, from 8.3% in December 2011 as a result of a decline in prices of food.

Monetary Policy and Financial Stability Statement

The main driver for domestic inflation has been food prices which increased on annual basis by 11.3% in June 2012 after 11.2% in December 2011. Higher food prices are mainly due to lower harvests compared to the previous periods caused by heavy rains which destroyed some crops, especially vegetables. Increase in vegetables' prices has been much higher in 2012 reaching 21.3% in June 2012 from 8.7% in December 2011.

Table 6: Annual Headline Inflation (percent change in CPI, base Feb. 2009:100)

	Weighted average	2007	2008	2009	2010	2011	June 2012
Headline Inflation	**10 000**	**6.6**	**22.3**	**5.7**	**0.2**	**8.3**	**5.9**
1. Food and non-alcoholic beverages	3 538	1.0	30.9	9.0	-2.7	11.2	11.3
- *Bread and cereals*	*733*	*1.1*	*43.7*	*2.8*	*-10.6*	*20.5*	*6.1*
- *Meat*	*274*	*3.7*	*51.9*	*-3.1*	*5.0*	*10.3*	*13.0*
- *Fish*	*83*	*6.7*	*36.3*	*3.4*	*9.4*	*22.5*	*9.8*
- *Vegetables*	*1 200*	*-3.0*	*17.8*	*20.7*	*-5.2*	*8.7*	*21.3*
- *Non-alcoholic beverages*	*160*	*6.6*	*20.4*	*-1.4*	*-0.3*	*4.6*	*9.3*
2. Alcoholic beverages and tobacco	240	8.9	35.5	8.6	4.1	3.0	10.3
3. Clothing and footwear	377	2.7	4.9	1.9	1.6	8.7	4.6
4. Housing, water, electricity, gas and other fuels	2 204	19.2	21.4	0.9	1.6	6.8	5.5
5. Furnishing, household equipment and routine household maintenance	457	3.4	24.4	-0.4	-2.4	4.9	4.3
6. Health	163	13.0	12.3	-0.8	-1.1	1.9	1.4
7. Transport	1 189	7.2	12.2	11.8	4.1	9.1	0.4
8. Communication	288	3.2	-14.3	-3.6	-0.4	-6.3	-7.7
9. Recreation and culture	256	-4.3	2.5	1.8	1.4	5.2	-1.5
10. Education	331	10.0	14.2	17.4	6.5	20.7	1.0
11. Restaurants and hotels	558	10.8	25.1	2.0	-0.4	4.5	2.0
12. Miscellaneous goods and services	400	0.7	2.4	7.9	2.4	5.6	2.4

Source: BNR

Domestic inflation stood at 6.8% after 8.3% in December 2011 while imported inflation decelerated to 2.7% in June 2012 from 8.6% in December 2011.

B. Underlying Inflation

Core inflation which excludes fresh foods and energy from the overall CPI has been decelerating significantly and stood at 3.7% in June 2012 from 8.3% in December 2011 thanks to the effectiveness of the monetary and exchange rate policies implemented by the National Bank of Rwanda.

Table 7: Overall and Underlying price developments (percent change in CPI, base Feb. 2009 = 100)

	Weights	Annual Headline Inflation					Monthly Inflation			
		2011	2012				2012			
		Dec.	Jan.	Mar.	May	Jun.	Jan.	Mar.	May	Jun.
Overall inflation	**10 000**	**8.34**	**7.81**	**8.18**	**8.32**	**5.92**	**-0.35**	**2.21**	**1.41**	**-0.71**
Local Goods	*7947*	*8.26*	*7.78*	*9.01*	*9.65*	*6.75*	*-0.37*	*2.46*	*1.60*	*-1.12*
Imported Goods	*2053*	*8.63*	*7.93*	*4.89*	*3.13*	*2.65*	*-0.24*	*1.20*	*0.60*	*0.99*
Fresh Food Products	*1403*	*8.26*	*11.39*	*22.35*	*21.39*	*16.89*	*-0.25*	*9.53*	*-0.35*	*-2.81*
Energy	*767*	*9.30*	*8.41*	*8.27*	*10.84*	*6.64*	*-1.34*	*4.56*	*6.05*	*-2.88*
Underlying inflation	**7829**	**8.25**	**7.06**	**5.27**	**5.43**	**3.65**	**-0.26**	**0.38**	**1.33**	**0.02**

Source: BNR

On annual average, underlying inflation increased to 6.8% in June 2012 from 5.7% in December 2011.

III.3 EXTERNAL SECTOR

III.3.1 BALANCE OF PAYMENTS

During the first half of the year 2012, Rwanda external sector continued to perform better. Exports and imports have increased significantly reflecting the level of economic activity although the imports value has been larger than export value. The trade deficit stood at USD 605.45 million, almost a half of the deficit projected for the whole year 2012. Net income and services were also negative and counted around 38% (USD 124.41 million) of the projected amount end 2012. After 8 consecutive years of surplus, the overall balance was negative to USD 195.50 for the first half of the year drawn by low capital and financial account balance which offset only 69% of the current account deficit (USD 466.39 million).

Table 8: Balance of Payments Summary 2011: (in USD million)

	2007	2008	2009	2010	2011	End Jun-2012	2012Proj.
Trade balance	-404.39	-613.05	-762.06	-786.70	-1101.17	-605.45	-1313.10
Services & income (net)	-140.38	-135.67	-214.49	-292.06	-242.54	-124.41	-329.92
Current account balance	-83.45	-230.15	-372.54	-421.40	-463.14	-466.39	-703.67
Capital and Financial account	196.70	316.12	433.55	499.36	682.51	321.99	692.31
Errors et Omissions	-2.66	-27.97	-3.96	-5.89	16.17	-51.10	1.65
Overall balance	110.60	58.01	57.05	72.07	235.54	-195.50	-9.71

Source: BNR

1. MAJOR BALANCE OF PAYMENTS COMPONENTS DEVELOPMENTS

A. TRADE BALANCE

For the first half of the year 2012, the trade balance stood at USD 605.45 million, the exports value amounted to USD 247.59 million and the imports to USD 887.57 million. Compared to the same period of 2011, exports increased in both volume and value respectively by 61.9% and 25.1% while imports rose respectively by 23.9% and 22.1%. Despite these trends, trade deficit deteriorated by 21.4% compared to the first half of 2011. However, imports cover has slightly improved to 18.7% from 18.2% for the first half of 2011 and to 23.3% after 21.4% when including cross-border trade.

Table 9: Major Balance of Payment components Developments (in USD million)

	2007	2008	2009	2010	2011	End Jun.12	2012 proj.
A. Trade balance	**-404.39**	**-613.05**	**-762.06**	**-786.70**	**-1101.17**	**-639.97**	**-1313.10**
Exports of which	176.77	267.67	234.94	297.28	464.24	247.60	466.93
coffee	35.67	47.05	37.29	56.08	74.60	12.14	76.63
tea	31.52	44.95	48.24	55.71	63.90	33.53	65.17
Imports FOB	-581.16	-880.72	-997.00	-1083.97	-1565.40	-887.56	-1780.02
B. Services (net)	**-123.16**	**-100.60**	**-177.70**	**-246.22**	**-187.85**	**-106.36**	**-256.09**
C. Income (net)	**-17.22**	**-35.06**	**-36.79**	**-45.85**	**-54.69**	**-40.97**	**-73.83**
Trade, services and income balance	**-544.76**	**-748.71**	**-976.56**	**-1078.76**	**-1343.71**	**-787.30**	**-1643.01**
D. Current transfers net	**461.32**	**518.57**	**604.02**	**657.36**	**880.57**	**287.00**	**939.34**
Private	98.82	72.61	79.71	90.68	133.31	77.74	134.89
Public	362.50	445.96	524.31	566.68	747.25	209.26	804.45
E. Current account	**-83.45**	**-230.15**	**-372.54**	**-421.40**	**-463.14**	**-500.30**	**-703.67**
F. Capital and Financial account balance	**196.70**	**316.12**	**433.55**	**499.36**	**682.51**	**272.44**	**692.31**
Errors and Omissions	**-2.66**	**-27.97**	**-3.96**	**-5.89**	**13.58**	**16.17**	**32.37**
G. Overall balance	**110.60**	**58.01**	**57.05**	**72.07**	**235.54**	**-195.50**	**-9.71**

Source: BNR

A.1 Exports

During the first half of 2012, total receipts from exports were evaluated to USD 247.60 million mostly dominated by traditional products which represented 57% of the total exports receipts while other exports together with re-exports represented 43% of the total export earnings for the first half of 2012. Other export products comprise a set of products, foodstuffs and other minerals, live animals among others while re-exports were mostly composed by petroleum products, vehicles and minerals.

Table 10: Export developments (Value in millions of USD, Volume in Tons)

	2010		2011		End June 2012		2012 proj.
	Volume (tons)	Value (mios $)	Volume (tons)	Value (mios$)	Volume (tons)	Value (mios$)	Value (mios$)
Coffee	18235.85	**56.08**	15596.62	**74.60**	3436.45	**12.14**	**76.63**
Tea	21528.48	**55.71**	23732.19	**63.90**	11904.74	**33.53**	**65.17**
Minerals	5466.35	**67.85**	8848.38	**151.43**	3690.38	**64.64**	**141.99**
Other		**117.64**		**174.31**		**137.29**	**183.14**
Total exports		**297.28**		**464.24**		**247.60**	**466.93**

Source: BNR

Tea and coffee

Tea exports performed poorly during the first half of 2012 in both value and volume, declining by 7.7% in value and 10.7% in volume, despite an increase of 3.3% in unit price from USD 2.73/Kg in the first half of 2011 to USD 2.82/Kg for the first half of 2012 following a decline of 7.3% in production due to adverse weather conditions.

Table 11: Major exports Developments (Value in USD million and volume in tons)

		2007	2008	2009	2010	2011	End Jun-12	2012 proj.
Coffee	value	35.67	47.05	37.29	56.08	74.60	12.14	76.63
	volume	13,673.86	18,191.29	14,992.36	18,235.85	15,596.62	3,436.45	22,000.00
Tea	value	31.52	44.95	48.24	55.71	63.90	33.53	65.17
	volume	18,375.62	19,828.02	18,689.30	21,528.48	23,732.19	11,904.74	26,000.00
Cassiteritte	value	31.97	41.25	28.58	42.21	96.82	27.20	99.15
	volume	4,565.91	4,193.29	4,269.17	3,874.20	6,952.07	2,320.40	8,000.00
Coltan	value	19.23	36.03	20.24	18.48	38.58	23.73	27.16
	volume	968.96	1,190.33	949.92	748.72	890.08	544.82	700.00
Wolfram	value	19.42	13.41	5.76	7.10	16.03	13.71	15.68
	volume	2,686.11	1,708.04	874.45	843.42	1,006.24	825.17	1,100.00
Hides and skins	value	3.56	2.85	1.96	3.74	7.62	4.95	7.00
	volume	1,805.60	2,043.60	1,791.68	3,730.87	6,220.43	3,670.59	6425.71
Pyrethrum	value	3.00	0.38	0.64	1.41	4.51	4.53	5.73
	volume	38.27	3.30	3.18	6.33	18.78	17.48	27.47
Other products	value	32.32	85.80	49.26	69.66	85.61	75.45	88.44
	Total value	**176.77**	**267.67**	**234.94**	**297.28**	**464.24**	**247.59**	**466.93**

Source: BNR

With regard to coffee exports, they recorded good performance with an increase of 51.8% in volume from 2,264 tons in the first half of 2011 to 3,436 tons in the first half of 2012.

This increase in volume has offset a decline of 2.4% in unit price from an average of USD 3.62/Kg in the first half of 2011 to an average of USD 3.53/Kg in first half of 2012, as the value increased by 48.0%.

Coffee exports remained dominated by ordinary coffee which volume dropped by 6.5% to 2,126 tons in the first half of 2012 from 1,997 tons in the first half of 2011, while the volume of fully washed coffee sharply increased by 60.0% from 461 tons in the first half of 2011 to 738 tons in the first half 2012. Despite gradual increase in the fully washed coffee production, its volume remained low with regard to the objective of transforming 85 percent of the total production into fully washed in 2012.

Minerals

Good performance observed since 2010 in mining sector has changed the trend in the first half of 2012. During the period under review, Rwanda's mining exports declined by 0.6% in volume and by 4.5% in value declining from USD 67.7 million in the first half of 2011 to USD 64.6 million in the first half of 2012. This poor performance of the mining sector was mainly due to a fall in tin's unit price which decreased by 25.9% from an average of USD 15.82/Kg to USD 11.72/Kg in the first half of 2012, while the unit price of coltan increased by 16.9% from an average of USD 37.27/Kg to USD 43.55/Kg in the first half of 2012 and wolfram rose by 27.0% from an average of USD 13.08/Kg to USD 16.61/Kg in the first half of 2012.

In terms of volume, mineral exports remained dominated by tin which represented 62.9% of the total exports of minerals while wolfram and coltan came for 22.4% and 14.8% respectively. In terms of values, tin export earnings declined by 41.8% to USD 27.2 million from USD 46.7 million, while coltan rose by 39.4% to USD 23.7 million from USD 17.0 million and wolfram by 245.3% to USD 13.7 million from USD 4.0 million in the first half of 2011.

Hides and Skins

Compared to the first half of 2011, hides and skins exports in 2012 recorded good performance with an increase of 54.9% in value driven by 36.7 percent increase in volume and 13.3% increase in unit prices. In total, 3,670.59 tons of skins and hides were exported at US 1.35/Kg comparing to 2,684.59 tons exported at USD 1.19/Kg in the first half of 2011.

Pyrethrum

During the first half of 2012, pyrethrum exports recorded a good performance with an increase of 38.0% in value from USD 3.28 million in the first half of 2011 to USD 4.53 million in the first half of 2012 following the high unit prices (+11.2%) rising from USD 233.1/Kg to USD 259.1/Kg. The volume of pyrethrum exports also rose by 24.1% from 14.08 tons to 17.48 tons in the first half of 2012, more than half of 20 tones which is the production projected by end 2012 due to strong emphasis on land consolidation, organized farmer cooperatives, prompt payment campaigns to farmers and quality improvement to maintain prices high through research and planting of selected seed varieties.

Non-traditional exports

Non-traditional exports, such as others exports recorded an increase of 64.6% in value and 63.4% in volume. Among non-traditional exports, cement exports value rose by 130.4% followed by livestock and mineral water and beer which increased by 84.8% and 55.1% respectively. Regarding the re-export products including cassiterite, coltan, wolfram, other minerals, petroleum products, machines and engines, vehicles mainly exported to the neighbouring countries incredibly performed better in both value and volume by 155.6% and 249.9%, respectively.

Table 12: Evolution of some non-traditional exports (in USD)

	2010	2011	Jan.-Jun. 2011	Jan.-Jun. 2012	% Change
Livestock	4,027,833	5,598,137	2,199,863	3,625,525	**64.81**
Mineral water and Beer	3,459,978	6,030,028	2,512,694	3,898,021	**55.13**
Footwear	1,654,939	1,611,652	755,611	675,283	**-10.63**
Skin care products	1,484,112	1,483,744	791,165	929,394	**17.47**
Edible vegetables, roots and tubers	1,615,309	2,756,318	1,775,023	1,787,842	**0.72**
Cement	1,210,918	1,062,814	564,517	1,300,617	**130.39**
Hand crafts	625,653	456,815	238,264	168,916	**-29.11**

Source: BNR

Visit of the Governor at Inyange factory.

The external sector was also boosted by informal cross border trade which amounted to USD 51.04 millions of exports from USD 30.52 million in the first half of 2011 representing around 26.1% of formal exports. During the same period, the informal imports declined by 18.1% from USD 12.89 in the first half of 2011 to USD 10.48 million in the first half of 2012, leading to improvement in Rwanda's positive trade balance with neighboring countries (+USD 40.56 million). This informal cross border trade is dominated by crop products and live animals. The main trade partners are DRC and Uganda.

Table 13: Rwanda informal cross border trade (in USD millions)

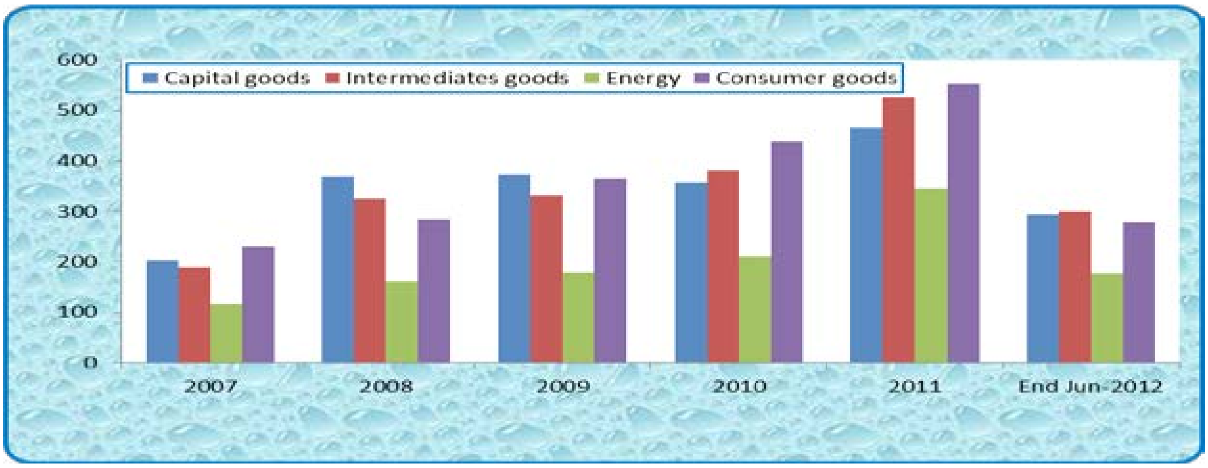
	2010	2011	2011				2012						2012
	Total	Total	Jan.	Mar.	Jun.	Jan.- Jun	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jan.-Jun.
Exports	48.85	71.51	4.45	4.36	6.70	**30.52**	8.08	7.86	9.94	7.72	8.72	8.72	51.04
Imports	35.17	23.51	1.62	1.60	4.62	**12.89**	1.33	1.40	1.97	1.68	2.03	2.07	10.48
Trade balance	**13.68**	**48.00**	**2.83**	**2.76**	**2.07**	**17.63**	**6.75**	**6.46**	**7.97**	**6.04**	**6.69**	**6.65**	**40.56**

Source: BNR

A.2 Imports

For the first half of 2012, imports value CIF increased by 22.1% to USD 1,046.49 million after USD 857.09 million in the first half of 2011 and have been mostly dominated by intermediary goods which totalled 28.6% of the total imports value, followed by capital goods with 28.1%, consumer goods with 26.6%, while energy products represented 16.7% of the total imports value. With regard to unit value, all categories of imports recorded price increase, 42.3% for capital goods, 24.4% for intermediary goods, 6.1% for consumer goods and 18.5% for energy products. In terms of volume, total imports increased by 23.9% during the period under review pushed up by increase of 23.0%, 35.8% and 27.4% of consumer goods, capital goods and intermediary goods respectively.

Fig 3: Structure of imports developments (value in US million)



Source: BNR

Capital goods

Capital goods imports were rising in both value and volume in line with dynamic activities which occasioned higher demand for capital goods. In the first half of 2012, capital goods rose by 42.3% in value to USD 293.76 million from USD 206.40 million in the first half of 2011. In volume, they increased by 35.8% while their unit price went up by 4.8%.

Capital goods imports were mainly dominated by machines, devices and tools whose share was around 28.1% of the total value of imports and 4.2% of the total volume of imports, increased highly in both value and volume, respectively by 42.3% and 35.8%. Imports of transport materials increased by 58.1% in value mainly triggered by buses (+486.2%), vans (+110.1%), while machines, devices and tools also recorded a high increase of 66.3%.

Intermediary goods

Driven by higher domestic demand of their main components such as construction materials and industrial products; the imports of intermediary goods in the first half of 2012 represented 28.6% of the total value imports and increased by 27.4% in volume and by 24.4% in value to USD 299.11 million after USD 240.48 million in the corresponding period of 2011. Construction materials which accounted for 36.3% of total value imports of intermediary goods increased by 29.9% in value and by 26.7% in volume of which a big part is attributed to metallic construction materials, cement and other similar products which increased by 32.3% and 25.2% respectively. Industrial products which represented 45.4% of total value imports of intermediary goods increased by 17.9% in value and by 36.7% in volume, largely attributed to metallic industries (+78.7%, chemicals industries (+43.3%) and foods products (+36.6%). However, import of fertilizers declined in both value and volume by 9.7% and 17.7% respectively.

Final consumer goods

Imports value of final consumer goods which account for 26.6% of the total value imports increased in both volume and value, respectively by 23.0% from 201,573.45 tonnes to 247,891.73 tonnes in the first half of 2012, and by 6.1% from USD 262.63 million in the first half of 2011 to USD 278.72 million in the first half of 2012; drawn by the increase in value of beverages and tobacco (75.5%), article of clothings (+56.4%) and food products (20.2%), despite the decline in health and care (-21.0%), domestic use (-1.9%) and papers and cartons (-40.0%).

Food products occupied a lion's share with 40.2% of the total value of consumer goods and they increased in value and volume, respectively by 20.2% and 22.8%. Those developments were attributed to sugar and sweets (+48.0%), various food preparations (+31.3%), salt (+26.3%), meat & fish (+23.0%) and cereal, fats & oil (+7.8%).

Health and care which account for 19.6% share of total value of consumer goods increased by 10.7% in volume, while declined by 21.0% in value as a result of pharmaceutical products which declined by 33.6% in value and 38.7% in volume. Imports of goods for domestic use rose by 15.9% in volume, and declined by 1.9% in value, due mainly due to lower imports of beddings which declined by 38.1% in value and by 1.7% in volume.

Energy and lubricants

The imports of energy and lubricants (of which 95% are petroleum products) increased by 18.5% in value to USD 174.90 million and by 13.8% in volume due to the higher oil prices and increasing domestic demand.

Table 14: Evolution of imports CIF adjusted (value in USD million)

Import category	2007	2008	2009	2010	2011	End Jun-2012	2012 Proj.
Capital goods	202.53	367.29	372.40	357.56	465.35	293.76	765.62
Intermediates goods	189.91	323.87	332.46	381.97	526.55	299.11	567.7
Energy	115.65	161.49	177.97	210.84	345.57	174.90	406.38
Consumer goods	229.1	284.08	363.99	439.01	553.11	278.72	543.37
Other	33.46	37.24	61.64	41.66	-325.18	-158.92	-503.05
Total	**770.65**	**1,173.98**	**1,308.46**	**1,431.04**	**1,565.40**	**887.57**	**1,780.02**

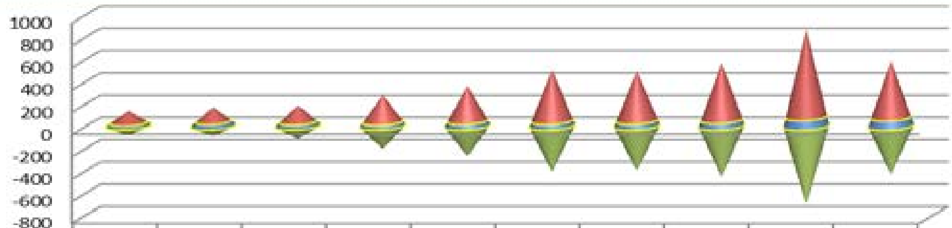
Source: BNR

A.3. Trade with EAC countries

Rwanda's total trade with EAC partner states recorded a significant expansion in both imports and exports. The total trade volume with EAC recorded an increase of 13.1% in the first half of 2012 totaling USD 454.60 million from USD 402.01 million in the first half of 2011, driven mainly by imports, indicating that Rwanda is a net importer in the EAC region.

Rwanda's main exports to EAC countries in the first half of 2012 were flavored or non-flavored tea, raw hides of bovine, roasted or non-roasted coffee, bars and rods of iron or non-alloy steel, vegetables and beer. On the other hand, major imports from EAC countries are cement, fertilizers, clothing, fats & oils and sugar, among others.

Fig 4: Evolution of Rwanda's trade with EAC (in USD million)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	End June 2012
Trade Balance	-82.30	-90.84	-114.02	-205.22	-271.14	-414.85	-402.31	-459.19	-705.07	-433.18
Total Imports from EAC	109.89	130.88	150.75	241.73	316.17	461.10	449.65	513.35	785.77	508.89
Total Exports to EAC	27.59	40.04	36.73	36.51	45.03	46.25	47.34	54.16	80.71	75.71

Source: BNR

B. BALANCE OF SERVICES AND INCOME

Coming to the balance of services and income, both income and services accounts continued to record deficit totalling USD 146.06 million for the first half of the year 2012 while the deficit was USD 242.54 million by end December 2011 and against USD 329.92 projected for the whole year 2012. This deficit was mainly attributed to the services account which came negative to USD 106.18 million while the income deficit stood at USD 39.88 million representing respectively 73% and 27% the overall income and services account (net).

With regard to the services account, inflows came mostly from tourism receipts (USD 128.30 million) and other services income (USD 46.13 million) including operating costs of embassies, posts and telecommunication and ICT receipts. On the debit side, freight & insurance and other transportation cost amounted to USD 247.57 million while travel and other services came for only USD 66.18 million (79% and 21% respectively of the total service outflows).

Table 15: Evolution of Services and Incomes (in USD million)

	2007	2008	2009	2010	2011	End June 2012	2012 Proj.
Services (net)	**-123.16**	**-100.60**	**-181.62**	**-246.22**	**-187.85**	**-106.18**	**-256.09**
Credit/Inflows	**240.63**	**419.86**	**341.05**	**310.36**	**430.55**	**207.58**	**429.87**
Freight and insurance	5.23	5.15	4.61	4.77	3.38	1.71	3.70
Other transportation	24.58	37.74	49.04	21.68	45.64	31.44	47.15
Travel	151.63	186.00	174.46	201.65	251.80	128.30	276.00
Others services	59.19	190.97	112.94	82.26	129.73	46.13	103.02
Debit/Outflows	**-363.79**	**-520.46**	**-522.66**	**-556.57**	**-618.41**	**-313.76**	**-685.96**
Freight and insurance	-134.53	-208.21	-246.05	-293.68	-352.25	-209.61	-396.74
Other transportation	-50.50	-75.75	-76.03	-43.19	-52.96	-37.96	-57.04
Travel	-46.66	-69.99	-71.83	-77.01	-89.19	-29.54	-96.06
Others services	-30.55	-41.91	-34.35	-28.36	-35.62	-36.64	-38.37
Income (net)	**-17.22**	**-35.06**	**-36.79**	**-45.85**	**-54.69**	**-39.88**	**-73.83**
Credit/Receipts	**25.44**	**28.27**	**14.91**	**12.81**	**17.17**	**2.67**	**10.07**
Investment income	21.35	23.72	10.42	7.86	12.01	0.00	4.74
Labour services income	4.09	4.49	4.49	4.94	5.14	2.65	5.31
Property income	0.00	0.05	0.00	0.01	0.02	0.02	0.02
Debit/Payments	**-42.66**	**-63.33**	**-51.71**	**-58.65**	**-71.86**	**-42.56**	**-83.90**
Income on direct investments	-9.29	-16.42	-4.66	-3.74	-12.10	-0.38	-6.68
Income on others investments	-7.33	-7.74	-9.41	-11.97	-13.07	-8.34	-26.93
Labour services Income	-25.50	-37.95	-36.40	-42.92	-46.69	-32.98	-50.29
Property income	-0.54	-1.23	-1.23	-0.02	0.00	-0.85	0.00
Services and Revenues (nets)	**-140.38**	**-135.67**	**-218.41**	**-292.06**	**-242.54**	**-146.06**	**-329.92**

Source: BNR

Back to income balance, for the first half of 2012, the deficit stood at USD 39.88 million reflecting mostly payment of labour services (USD 32.98 million) and on investments other than the direct investments totalling USD 8.34 million of which USD 3.85 million of interest payments on external public debt. With regard to income inflows, USD 2.65 million was recorded as remuneration of national labour force.

C. CURRENT TRANSFERS

With regard to current transfers, available data showed that net current transfers inflows amounted to USD 287.09 million for the first six months of the year 2012, amount too far away from net current transfers by December 2011 (33% share) and from projections of 2012 (31% share). Current transfers were dominated by official transfers around 73% of the total by end June 2012 while private transfers came for 27%. Around 64% of the private transfers were made of remittances from diaspora i.e USD 50.15 million over USD 77.83 million of total private transfers against USD 27.69 million that were received from churches and other associations.

Table 16: Net Current Transfers (in USD million)

	2007	2008	2009	2010	2011	End Jun-12	2012 Proj.
Current transfers (net)	**461.32**	**518.57**	**604.02**	**657.36**	**880.57**	**287.09**	**939.34**
Current private transfers (net)	**98.82**	**72.61**	**79.71**	**90.68**	**133.31**	**77.83**	**134.89**
Remittances from Diaspora (net)	69.48	31.07	53.09	**65.07**	**110.17**	**50.15**	**111.35**
Churches and associations	29.34	41.54	26.62	**25.61**	**23.14**	**27.69**	**23.55**
Current officials transfers (net)	**362.50**	**445.96**	**524.31**	**566.68**	**747.25**	**209.25**	**804.45**
Current support net	259.27	339.76	415.84	479.52	628.39	167.11	705.05
Humanitarian aid	107.11	110.32	115.84	100.52	107.03	50.12	110.56

Source: BNR

Official current transfers which remained predominant in net current transfers amounted to USD 209.25 million of which USD 167.11 million were for the budget support the remaining USD 50.12 million were for humanitarian aid.

D. CAPITAL AND FINANCIAL OPERATIONS ACCOUNT

By end June, the total capital and financial account totalled USD 272.43 million against USD 692.31 million projected for the whole year 2012. This amount was not enough to cover the deficit in current account which stood at USD 498.95 million. Therefore the overall balance of payments stood negative to USD 195.50 million after a surplus of USD 235.54 million in 2011. Coming to capital transfers, they amounted to USD 94.94 million representing 46% of the projections for the whole year 2012 and 48% of the amount recorded in 2011. They were mostly allocated to projects support (USD 93.58 million) against USD 177.65 million received the previous year.

For the first half of the year, financial inflows were at USD 177.49 million i.e around 37% of the total amount of 2011 and 37% of projections in 2012. Estimates showed that long term capital stood at USD 107.32 million while short term counted only USD 70.18 million. For the first half of the year 2012, private capital (net) took a lion's share of net long term capital coming to USD 70.18 million while the long term public capital stood at USD 35.59 million. The foreign direct investment which is a part of private long term capital came for USD 24.53 million representing only around 18% of the total received in 2011 and about 14% of the projections for 2012.

Table 17: Evolution of capital and financial account (in USD million)

	2007	2008	2009	2010	2011	End June-12	2012 Proj.
Capital and Financial account balance	**196.70**	**316.12**	**426.80**	**499.36**	**682.51**	**272.43**	**692.31**
Capital Account	**92.04**	**210.06**	**200.00**	**285.64**	**196.66**	**94.94**	**206.33**
Capital transfers	***92.04***	***210.06***	***200.00***	***285.64***	**196.66**	**94.94**	**206.33**
Financial transactions account	**104.67**	**106.06**	**226.80**	**213.72**	**485.85**	**177.49**	**485.98**
Long Term capital	**161.80**	**194.69**	**235.29**	**232.35**	**438.34**	**107.32**	**492.74**
Public sector capital (LT) (net)	**80.36**	**104.75**	**81.35**	**51.90**	**207.22**	**35.59**	**169.67**
Disbursement	**88.66**	**112.20**	**88.80**	**61.71**	**222.21**	**42.34**	**192.16**
Amortization	**-8.30**	**-7.45**	**-7.45**	**-9.81**	**-14.99**	**-6.75**	**-22.49**
Private (net)	**81.43**	**89.94**	**153.94**	**180.45**	**231.12**	**71.73**	**323.07**
Disbursement	3.4	9.5	42.72	129.02	148.78	73.93	216.980
Amortization	-4.2	-4.1	-7.450	-12.289	-55.157	-26.738	-75.283
Investments	82.28	84.56	118.67	63.71	137.50	24.53	181.370
Other capital	**-57.13**	**-88.63**	**-8.49**	**-18.63**	**47.51**	**70.18**	**-6.76**

Source: BNR

Short term capital were fully constituted by decline in net foreign assets of commercial banks and were estimated at USD 70.18 million largely higher than the gain of USD 2.49 million recorded by end 2011.

III.3.2 External Debt

1. Public External Debt

The public external debt situation of Rwanda in the first half of 2012 was mostly composed of loans from Multilateral Institutions, such as World Bank, African Development Bank and IMF, and represented 83.8% of total public external debt. The remaining 16.2% were from bilateral partners.

Table 18: Stock of External Public debt (in USD million)

CREDITOR	2007	2008	2009	2010	2011	Jan. - June 2012
1. MULTILATERAL	**485.66**	**580.53**	**628.26**	**651.14**	**832.99**	**841.66**
ADB-ADF	102.16	135.49	157.88	172.59	210.62	213.33
BADEA	25.44	25.77	26.49	29.33	34.03	33.56
EIB	14.48	11.39	8.9	6.39	5.03	3.66
EU	20.67	18.78	17.82	15.25	13.89	12.9
IFAD	85.96	92.61	99.74	103.05	107.07	107.58
IMF	8.1	11.47	15.19	14.82	14.13	13.59
IDA	205.3	240.38	253.3	258.25	391.55	401.11
NDF	2.08	12.71	16.54	16.4	16.08	15.33
OPEC	21.47	31.92	32.4	35.08	40.57	40.38
2. BILATERAL	**84.19**	**85.2**	**108.34**	**115.45**	**151.66**	**163.02**
AFD	4.92	4.74	4.79	3.66	2.12	1.36
CHINA	0,00	0,00	0,00	0,00	0	0
EXIMCHINA	0	0	6.17	10.36	28.6	30.7
EXIMINDIA	0	0	16,00	18.5	28.65	39.55
Abu Dhabi	1.85	1.85	1.85	1.85	2.99	2.99
Kuwait Fund	34.49	34.22	34.63	35.52	44.68	44.48
Saudi Fund	42.58	44.04	44.54	45.22	44.28	44.59
LIBYA	0.36	0.35	0.36	0.35	0.35	0.34
TOTAL	**569.85**	**665.73**	**736.6**	**766.59**	**984.65**	**1004.68**
% of GDP	15.2	14.4	14.2	14	15.57	

Source: BNR

A. PUBLIC EXTERNAL DEBT STOCK

Regarding the borrowing currencies, Rwanda's total external debt is dominated by SDR with a share of 52.0% at end of the first half of 2012 against 52.1% at end of December 2011, followed by the US dollar with 18.1%, and Euro with the share of 11.4% at end of the first half of 2012 against 12.0% at end of December 2011.

Table 19: Structure of external public debt by currency of borrowings (in USD million)

	2007		2008		2009		2010		2011		Jan.-June 2012	
Currency	Amount	% total	Amount	% total	Amount	% total	Amount	% total	Amount	% total	Amount	% total
SDR	299.4	52.5	344.5	52.5	354.6	48.1	376.1	49.1	512.7	52.1	522.3	52.0
EUR	106.1	18.6	124.5	18.6	126.1	17.1	113.8	14.8	118.3	12.0	114.3	11.4
USD	66.6	39.9	83.6	39.9	107.6	14.6	125.0	16.3	171.1	17.4	181.5	18.1
Others	**97.8**	**17.2**	**113.1**	**17.0**	**148.3**	**20.1**	**151.7**	**19.8**	**182.6**	**18.5**	**186.6**	**18.6**
Total	569.8	100.0	665.7	100.0	736.6	100.0	766.6	100.0	984.7	100.0	1,004.7	100.0

Source: BNR

B. EXTERNAL PUBLIC DEBT DISBURSEMENTS

The total disbursements stood at USD 42.3 million at end of the first half of 2012 against USD 222.2 million at end of December 2011. The share of disbursements on multilateral creditors was the most important representing 69% of the total disbursements observed in the first half of 2012, mainly from IDA and FAD-FSN with respective shares of 67.6% and 26.6% of multilateral disbursements. While in the same period, the share of bilateral creditors was around 31% of the total disbursements.

Table 20: Development of disbursements (in USD million)

	2007	2008	2009	2010	2011	Jan - June 2012
MULTILATERAL CREDITORS	**79.4**	**110.6**	**51.2**	**43.34**	**197.5**	**29.28**
Of which : IDA	27.6	40.5	10.49	10.1	138.2	19.8
FAD-FSN	26.2	32.08	22.6	16.03	39	7.79
BILATERAL CREDITORS	**9.1**	**1.7**	**24.7**	**7.3**	**24.8**	**13.28**
TOTAL	**88.5**	**112.3**	**75.9**	**50.7**	**222.2**	**42.38**
Of Which :						
Drawings for projects	84.1	106.5	71.8	50.7	186.7	42.38
Drawings for budget support	1.0	2.07	0.5	0	35.5	0
Drawings for BOP support (IMF)	3.4	3.72	3.6	0	0	0

Source: BNR

C. PUBLIC EXTERNAL DEBT SERVICING

External debt services are dominated by multilateral debt and represented 80.3% at end of the first half of 2012 against 81.4% at end of December 2011. The bilateral debt service represented 19.7% of the total external debt services at the end of the first half of 2012.

Table 21: Developments of external debt service (in USD million)

	2005	2006	2007	2008	2009	2010	2011	Jan.-June 2012
MULTILATERAL DONORS	**40.6**	**31.4**	**11.3**	**12.9**	**12.7**	**14.9**	**19.3**	**10.6**
Principal	30.1	21.2	6.2	7.2	7.3	8.8	13.3	7.5
Of which : IDA	15.2	9.3	0.0	0.0	0.0	0.5	2.4	1.4
FAD-FSN	7.2	5.6	0.8	0.7	1.1	1.2	1.7	0.9
BADEA	3.5	0.0	0.0	0.0	0.0	0.0	1.0	0.5
Interests	10.5	10.2	5.0	5.7	5.4	6.2	4.4	3.1
Of which : IDA	8.0	5.0	1.5	1.7	1.6	1.9	2.3	1.2
FAD-FSN	0.8	3.1	1.3	1.6	1.5	1.6	1.6	0.9
BADEA	0.6	1.0	0.9	0.9	0.4	0.9	0.0	0.0
BILATERAL DONORS	**9.1**	**2.7**	**1.3**	**1.4**	**1.8**	**2.9**	**4.4**	**2.6**
Principal	6.2	1.7	0.3	0.3	0.3	1.2	2.3	1.3
Interests	2.9	1.0	1.1	1.2	1.6	1.7	2.2	1.3
SUPPLIERS'CREDITS	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interests	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**50.5**	**34.1**	**12.6**	**14.3**	**14.5**	**17.8**	**23.7**	**13.2**
Principal	36.3	22.9	6.5	7.5	7.5	10.0	15.6	8.9
Interests	14.2	11.2	6.1	6.9	7.0	7.9	8.1	4.3

Source: BNR

2. PRIVATE EXTERNAL DEBT

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

At the end the first half of 2012, the total stock of the private external debt reached an amount of USD 58.0 million which concern only non-guaranteed external private debt.

III.4 PUBLIC FINANCE AND DOMESTIC DEBT

III.4.1 Public Finance Developments

The Government finances were marked by an increase in total revenues and grants (+14.9 percent) accounting for 21.8 percent of GDP in the first half of 2012 compared to 22.2 percent of GDP in the corresponding period of 2011. The overall fiscal deficit including grants worsened to 7.7 percent of GDP from 6.3 percent of GDP on account of high government spending.

Table 22: Government Financial Operations (in Percentage of GDP)

	2009	2010	2011	2011			2012		
				Q1	Q2	Q1 + Q2	Q1	Q2	Q1 + Q2
Revenues and grants	24.3	25.2	26.3	18.1	26.0	22.2	19.3	24.3	21.8
Domestic revenues	12.7	13.1	14.5	14.4	14.5	14.4	14.7	14.9	14.8
Tax revenues	12.2	12.6	13.5	14.0	13.7	13.8	14.3	14.4	14.3
Non tax revenues	0.6	0.6	1.0	0.5	0.8	0.6	0.3	0.6	0.4
Grants	11.6	12.1	11.8	3.6	11.5	7.7	4.6	9.4	7.0
Total Expenditure and net lending	24.0	26.8	26.4	28.1	28.8	28.4	27.4	31.6	29.5
Total Expenditure	24.0	25.9	27.0	29.1	28.5	28.8	26.5	30.8	28.7
Current expenditure	14.2	15.3	15.2	14.1	16.2	15.2	15.0	15.5	15.2
Capital expenditure	9.9	10.7	11.8	15.0	12.3	13.6	11.6	15.4	13.5
Current deficit	-1.5	-2.1	-0.7	0.3	-1.7	-0.8	-0.3	-0.5	-0.4
Overall deficit, including grants	-0.8	-1.6	-0.1	-10.0	-2.8	-6.3	-8.1	-7.3	-7.7
Overall deficit, excluding grants	-12.4	-13.7	-11.9	-13.6	-14.3	-14.0	-12.7	-16.7	-14.7
Overall deficit (cash basis) Overall deficit, excluding grants		-2.0		-7.1	-6.0	-6.5	-9.7	-6.4	-8.0
Nominal GDP	**2 985.0**	**3 279.8**	**3 828.3**	**863.1**	**919.9**	**1 783.0**	**1 009.9**	**1 068.1**	**2 078.0**

Source: MINECOFIN

III.4.1.1 Government Revenues

Government revenues realized represent 14.7 percent of GDP in the first half of 2012, which rose by 19.5 percent against the same period of 2011. The increase in total domestic revenues largely emanated from tax revenue sources which held a share of 59.1 percent to the overall domestic revenues.

Tax revenues account for 14.3 percent of GDP in the first half of 2012 and their collection performed well in line with the consecutive upward trend in growth of GDP. The increase was marked by improvements in their major components, of which direct taxes (30.2 percent), taxes on international trade (26.6 percent), and taxes on goods and services (13.3 percent). The improvement was enabled by the increase in volume of imported goods, upgrade in sensitization campaigns and cooperation with the private sector actors to track down non-compliant tax payers, implementation of e-system as well as Rwanda e-regulations among others.

Non tax revenues which represent only 0.4 percent of GDP stood at Rwf 9.2 billion in the first half of 2012 compared to 0.6 percent of GDP in the corresponding period of 2011.

The total grants which account for 7.0 percent of GDP were above the corresponding period in 2011, and these were made up of budgetary grants and capital grants.

III. 4.1.2 Public expenditure

During the first half of 2012, the total expenditure and net lending account for 29.5 percent of GDP compared to 28.8 percent of GDP in the first half of 2011. The share of total expenditure to nominal GPD was 28.7 percent compared to 28.5 percent in the corresponding period of the previous year.

Current expenditure which represents 15.2 percent of GDP rose by 16.4 percent as compared with the first half of 2011, of which exceptional expenditure (35.2 percent), wages and salaries (23.2 percent), purchase of goods and services (20.8 percent), interest payments (9.4 percent), and transfers and subsides (5.0 percent). The ratio of total capital expenditure to nominal GDP was 13.5 percent, and RWF 127.1 billion represented domestically financed payments while RWF 154.0 billion was in respect of foreign financed.

The ratio of the overall deficit including grants to nominal GDP was 7.7 percent, while that of the overall deficit excluding grants was 14.7 percent. On cash basis, the overall deficit accounting for 8.0 perecent of GDP compared to 6.5 percent in the first half of 2011. This deficit was financed mainly by foreign borrowing in-form of project loans.

III.4.2 Domestic Debt Developments

The stock of domestic debt at the end of the first half of 2012 increased by compare to end December 2011.

The central bank's holdings continued to yield the lion's share as the leading creditor of the Government fiscal deficit financing.

Box 2

- Rwanda Real GDP growth 2012 projected at 7.7% (projection)
- Rwanda Exports value increase (end June): 25.1%
- Rwanda Imports value increase (end June): 22.1%
- Rwand Imports cover (end June):18.7%
- Rwanda BOP deficit(end June): USD 195.50 million

CHAPTER IV

MONETARY SECTOR DEVELOPMENTS

IV.1. Monetary and Exchange Rate Policy

During the first half of 2012, the National Bank of Rwanda has been implementing a tight monetary policy to avoid risks of exacerbation of inflationary pressures while continuing to support the financing of the economy. In response to rising inflation and persistent uncertainties in international and regional environment, the BNR Monetary Policy Committee raised the Central Bank policy rate from 7.0% in November 2011 to 7.5% in May 2012.

With regard to exchange rate policy, the BNR continued to maintain a flexible exchange rate regime, regularly intervening on the domestic foreign exchange market by selling foreign exchange to banks to smoothen the FRW exchange rate volatility. During the first half of 2012, the Rwanda franc remained quite stable; depreciating by 1.37% against the US dollar, the most used foreign currency in transactions with trading partners.

IV.2. Money Supply and Demand

From December 2011 to June 2012, broad money M3 increased by 12.5% against 16.9% in the same period of 2011 and 17% projected for the whole year 2012. This increase was driven by a significant growth in net domestic assets (230.9%) resulting from an increase in net credit to government (+76.7%) and credit to the private sector (+18.1%) whereas Net foreign assets declined by 23% due to a high increase of 70% in BNR sales of foreign exchange to commercial banks and moderate increase of 1.4% of government spending in foreign currency.

Table 23: Monetary aggregates development (in FRW billion, at end of period)

	2011				2012		Change (%)	
	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Dec-10/Jun-11	Dec-11/Jun-12
Net foreign assets	464.4	485.3	520.0	671.2	579.7	516.5	-6.5	-23.0
Net domestic assets	162.0	227.3	201.8	109.4	235.4	362.1	134.4	230.9
Domestic credit	323.4	400.9	379.3	288.0	417.7	550.6	49.5	91.2
Central government (net)	-98.6	-48.2	-114.6	-223.6	-138.5	-52.0	63.3	76.7
Public enterprises	1.1	2.6	4.4	2.8	2.1	2.6	-17.7	-8.0
Private sector	421.4	447.0	490.3	509.8	555.6	602.2	12.6	18.1
Other items net (Assets: +)	-161.4	-173.5	-177.5	-178.5	-182.3	-188.5	-1.4	-5.6
Broad money M3	**626.5**	**720.2**	**721.8**	**780.7**	**815.1**	**878.6**	**16.9**	**12.5**
Currency in circulation	83.9	101.5	93.4	102.8	99.3	111.6	12.2	8.6
Deposits	542.5	618.6	628.4	678.0	715.9	769.8	17.7	13.6

Source: BNR

In the first half of 2012, the credit to the private sector increased by 18.1% and new authorized loans stood at FRW 237.3 billion against FRW 140.7 billion in the first half of 2011, which is an increase of 68.6%.

Considering distribution of credit to private sector by economic activities, loans extended by the banking sector largely benefited the mortgage industries (26.8%), commerce and hotel (31.5%) and non-classified activities (15.4%) which comprise mainly loans to consumption (salary advances, overdraft to individuals, etc.). The share of loans to primary agriculture, manufacturing, transport and warehousing were relatively low, representing 5.5%, 6.3% and 8.8% respectively. Regarding the agriculture and related activities, the share of loans represented 9.3% in the first half of 2012.

Regarding money demand, from December 2011 to June 2012, both currency in circulation and deposits in banking system kept on trending upward as was observed in the same period of 2011 even if the increase in first semester of 2012 was relatively lower. Currency in circulation grew by 8.6% in first half of 2012 compared to 12.2% in the same period of 2011 due to less demand for cash to finance coffee season as the prices to farmers have significantly declined from FRW 350 per kg in 2011 to FRW 220 in 2012. In 2012, about FRW 15.7 billion has been injected to finance coffee season against RWF 18.1 billion in 2011.

In addition, as the use of mobile payment system and the development of POS in Rwanda and related distribution channels underwent important changes since 2005, the ongoing modernization of payment systems reduces progressively the currency in circulation.

Furthermore, deposits with the banking system also recorded an increase of 13.6% against 17.7% in 2011 as demand deposits gained more increasing by 19.1% and time deposits by 15.0% while foreign currency deposits declined by 0.7%. As shown in the table below, households and non-profit institutions saving households (NPISH) have the largest share in total deposits, while it declined from 57.3% in the first half of 2011 to 52.8% in the period under review.

Table 24: Change in deposits by institutional sectors (*in million RWF unless otherwise indicated*)

	Jan.- Jun. 2011		Jan.- Jun. 2012		% changes
	Amount	Shares in %	Amount	Shares in %	
Other financial institutions	143354.1	5.2	327386.1	9.2	128.4
Social Security Funds	250770.7	9.2	385034.6	10.8	53.5
Public enterprises	111656.1	4.1	125700.4	3.5	12.6
Other non-financial corporations	661997	24.2	841017.5	23.6	27.0
Households and NPISH	1568239.5	57.3	1880745.8	52.8	19.9
Total	**2736017.4**	**100.0**	**3559884.4**	**100.0**	**30.1**

Source: BNR

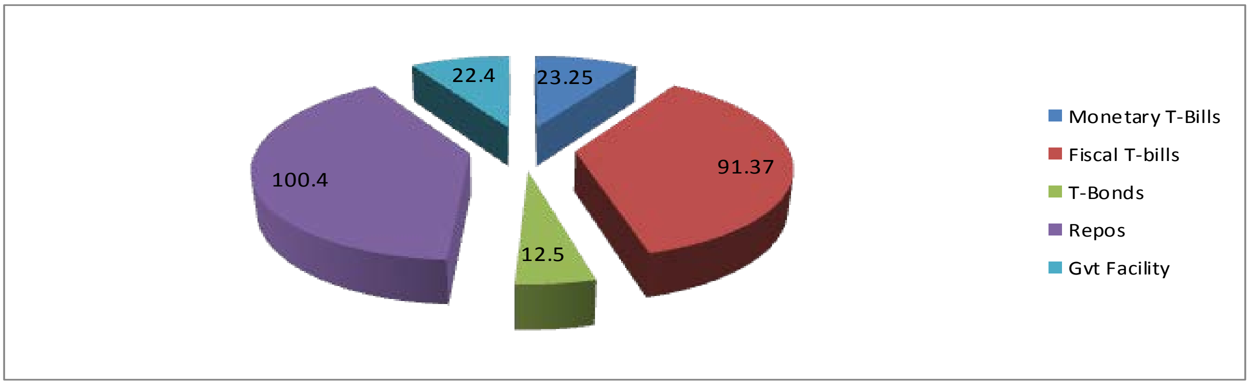
IV.3. Banking System Liquidity Conditions

The banking system liquidity continued to improve during the first half of 2012 and BNR has intervened frequently to manage liquidity through REPO operations and issuance of treasury bills to meet the reserve money targets.

By end of June 2012, total outstanding liquidity resulting from mopping up operations amounted to FRW 215 billion compared to FRW 160.8 billion by end December 2011, treasury bills accounting for 53.3% against 46.6% for Repos. Besides, outstanding Government long term deposit facility reached FRW 22.3 billion by end June 2012 against FRW 20.6 billion by end December 2011 and was used to finance especially mortgages and equipment with 52% and 36% respectively.

Within the framework of developing the capital market, BNR issued Government Treasury Bonds and by end June 2012, the total Bonds listed on Rwanda Stock Exchange amounted to FRW 12.50 billion.

Fig. 5: Outstanding amount of BNR and Government securities (RWF billion)



Source: BNR

Regarding the interbank market development in the first semester 2012, a significant decrease of 95% has been recorded in the total volume transacted. It stood at 14.38 billion RWF end June 2012 from 294.88 billion in end June 2011. This trend was driven by comfortable liquidity conditions in almost banking system leading to more investment in money market instruments as mentioned above.

IV.4. Interest Rate Developments

Over the course of the first half of 2012, short-term interest rates increased slightly and adjusted to the change in Policy Rate in May 2012 from 7 to 7.5%. Repo, T-bills and interbank weighted average interest rates moved to 7.4%; 9.3% and 9.0% respectively from 6.4%; 7.6% and 7.3% in January 2012. That transmission facilitated the Central Bank to more efficiently manage the liquidity in the banking system.

Table 25: Interest rates (in percentage)

	2011				2012					
	Mar.	Jun.	Sept.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
BNR Policy Rates										
Key Repo Rate	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.5	7.5
Discount Rate	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	11.5	11.5
Money Market Rates										
Repo rate	6.0	6.0	6.0	6.5	6.4	6.0	6.9	6.9	7.4	7.4
Refinancing Facility Rate	7.5	9.0	9.5	8.5	8.5	9.5	9.5	10.0	9.5	10.1
Treasury Bills Rate	7.2	6.8	6.7	7.6	7.6	7.6	7.7	7.9	8.3	9.3
Commercial Banks Rates										
Interbank Rate	6.7	7.0	6.9	8.1	7.3	6.9	7.7	8.0	8.6	9.0
Deposit Rate	7.5	8.0	6.5	8.0	7.4	8.3	8.2	8.1	9.9	7.9
Lending Rate	16.6	17.0	17.0	16.7	16.9	16.7	16.3	16.9	16.7	16.8

Source: BNR

Over the period under review, the commercial banks average lending rates have stabilized between 16.7% and 16.9% while deposits rate have been fluctuating between 7.4% in January and 7.9% in June 2012, but with a clear upward trend observed since September 2011. This trend is an indication of improving competition in the banking system, especially with the licensing of two regional banks as well as two big microfinance institutions which have been upgraded to microfinance banks).

IV.5. Exchange Rate Developments

Regarding the exchange rate policy, BNR kept the RWF exchange rate fundamentally market driven. It continued to intervene on the domestic foreign exchange market by selling foreign exchange to banks to smoothen the RWF exchange rate volatility depending on the volume of foreign exchange reserves available.

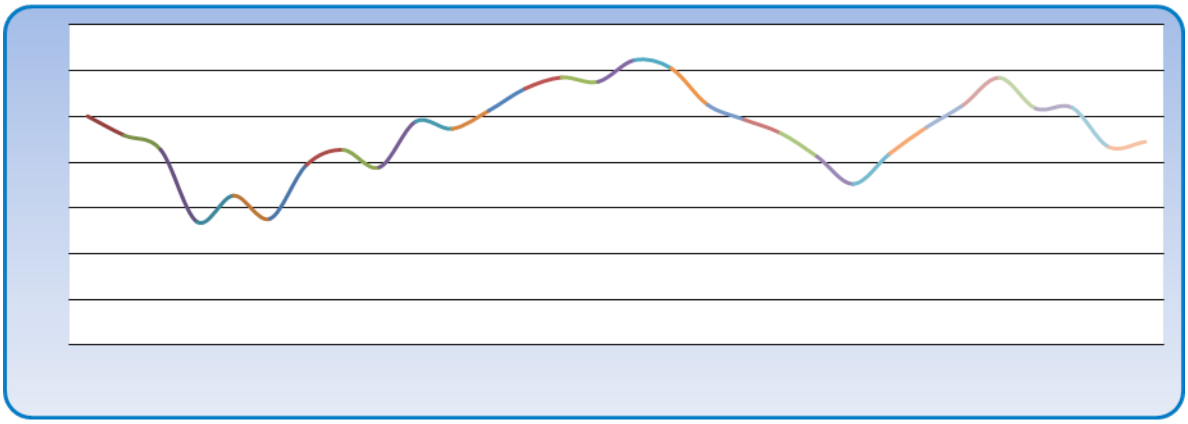
As a result, the Rwandan franc depicted a relatively stable performance against the major international currencies during the six months of 2012. It moderately depreciated against the USD by 1.4% trading between RWF 604.14 end-December 2011 and 612.43 end-June 2012 per dollar. However, this moderate depreciation recorded against USD in the first half of 2012 is relatively high compared with total depreciation of 1.6% over the whole of last year. It was due to the higher-than expected increase in forex demand to finance important imports of goods especially in the second quarter of 2012.

In the first half of 2012, RWF also edged down by 2.5% against the GBP while it appreciated by 2.1% versus the EURO. In the East African region, RWF depreciated against Uganda, Kenya and Tanzania shillings by 1.61%, 2.46% and 1.96% respectively following rapid appreciation of these currencies against USD to offset a strong depreciation recorded last year. On the other hand, RWF appreciated by 5.32% against Burundian franc.

Facing higher demand for forex in the first half of 2012, the Bank managed to keep the external stability of local currency through interventions on forex exchange market. Thus, the sales to commercial banks increased by 71% and reach USD 228.5 million in the first half of 2012 versus USD 134.1 million during the same period in 2011.

Overall, the real effective exchange rate appreciated by 1.6% between February and June 2012, resulting mainly from narrowing inflation differential vis-à-vis major sub-regional trade partners.

Fig. 6: Real effective exchange rate with ten major trading partner countries, June 2012



Source: BNR

IV.6. Reserves Management

At the end of June 2012, the level of reserves was at 5 months of import cover. Most of the Bank's reserves are externally managed, but the Bank initiated an internally managed portfolio since August 2011. The capacity building for the personnel involved in reserves management has been provided by the external Fund Managers including the RAMP, a reserves advisory and management programme of the World Bank, through mentoring and workshops. Areas covered include investment, risk management and settlement of foreign exchange operations. Currently the internally managed portfolio is done through indexation whereby a portfolio is rebalanced every month in order to match the return and risk characteristics of the chosen index. BNR will soon switch from pure indexation to enhanced indexation and after acquiring appropriate skills and techniques active management will be the next milestone.

The overall performance of the reserves for the first semester of the year 2012 was 0.39% compared to 0.40% and 0.36% for the first and second semesters of 2011 respectively. This performance was mostly driven by our investment portfolio invested in US Treasury bonds as the later were considered to be safer in the context of the Eurozone sovereign crisis.

For the period from January to June 2012, interest rates on money market were kept low by monetary authorities in emerging and advanced economies for the purpose of encouraging borrowing and spending. Federal Reserve Bank and Bank of England kept their interest rates at 0.25% and 0.50% respectively. Similarly, the European Central Bank was expected to cut the key rate by 25 basis points to 0.75%. Also, other monetary tools like quantitative easing and longer term refinancing operations continued to be created to improve investor sentiments.

Following the global economic crisis and Euro zone sovereign debt crisis, most of the banks have been downgraded including many of our counterparts. Given the existing market environment and the importance of maintaining certain relationships, investment guidelines were reviewed to accommodate counterparts with minimum credit rating of A- (the minimum used to be AA-) provided that the combined holdings are AAA rated.

IV.7 Communication Strategy

To further build and shape market expectations, the BNR continued to enhance its communication strategy by exchanging information with all stakeholders, with a particular focus on financial institutions and the business community. In addition to the biannual Monetary Policy and Financial Stability Statement, the communication strategy has been enhanced by a financial services awareness program for investors and consumers.

Press conference at BNR headquarter.

Specifically, it has been highlighted different modes of access to finance as well as different non-cash financial instruments notably the mobile banking, the Automated Teller Machines (ATMs), the Point of Sale (POS), the telephone banking and the internet banking.

In providing the public with the skills, knowledge and information, this program contributes to improving the monetary policy transmission mechanism.

IV.8. Research to Support Monetary Policy Management

The year 2012 began with economic uncertainties mainly originating from hovering debt crisis in European countries and USA and surging oil prices in international markets. The Bank embarked on close monitoring and research on global and regional economic development to make appropriate monetary policy decisions.

Down ward and upward risks were considered in short-term and medium term inflation forecast, this gave a clear guidance to monetary policy orientation.

The Bank has been relying on short-term univariate models to forecast inflation and other monetary aggregates. To extend the forecast horizons of its key monetary policy variables, jointly with International Growth Center (IGC), the Bank has embarked on building a small-macro model, which will be used in medium and long-term inflation forecasting as well as conducting policy simulations for monetary policy considerations. In this regard, a number of research papers were conducted as an in-put to the macro-model, these include; Inflation dynamics, Money demand and the transmission channels of monetary policy in Rwanda.

Box 3

- Rwanda Inflation rate (June):5.92%
- BNR Central Bank Policy rate (as of May): 7.5%;
- Rwanda Increase of Broad Money (June) :12.5%;
- Rwanda Increase of Credit to private sector (June):18.1%
- FRW depreciation vs USD (June): 1.4%

CHAPTER V

FINANCIAL SECTOR STABILITY

In the period under review, the Bank continued to employ important reforms to ensure that the financial system mainly composed of the banking system, microfinance and non-banking financial institutions is robust and continue to show good financial health. These reforms included the establishment of appropriate market infrastructure notably efficient legal and regulatory framework, supervisory tools and modern payment systems. In addition, the BNR established the Financial Stability Committee (FSC) in May 2012 with the mission to promote the stability of the Rwandan financial system by analysing the system in its environment on a permanent basis, and by identifying, monitoring and publishing associated risks.

The outcome of the 2011 financial stability reports and first meeting of FSC substantiate that Rwanda's financial system is sound and stable and able to mitigate systemic risks.

V.1. Banking Sector Performance

The Rwandan banking system is comprised of nine commercial banks and five specialized institutions (including 3 microfinance banks, 1 development bank and 1 cooperative bank) and held around 70 percent of the total assets of the Rwandan financial sector.

During the first half of year 2012, the sector has demonstrated good performance as a result of strengthened both legal and supervisory reforms as well as good macroeconomic environment. The balance sheet outlook was remarkable with a total asset growth of 11.4 percent from RWF 1,084.2 billion in December 2011 to RWF 1,207.8 billion in June 2012. Loans increased by 22 percent from RWF 631.2 billion in December 2011 to RWF 757,2 billion in June 2012, while deposits have grown by 12.8 percent reaching RWF 808.4 billion from RWF 716.5 billion end year 2011. The Non-performing loans stood at RWF 45.3 billion in June 2012 against RWF 50.5 billion in December 2011; that is an improvement of 10.3 percent. The banking sector profitability remained good despite a decrease of 0.4 percent, from RWF 13.5 billion in June 2011 to RWF 13.4 billion in June 2012.

Table 26: Performance achievement (in FRW 000)

	Dec. 11	Jun.12
Total Assets	1,084,192,044	1,207,844,775
Total Deposits	716,466,968	808,370,208
Total Loans	631,267,680	757,018,376
NPL	50,504,712	45,254,736
Profit After Tax	13,495,292	13,439,891

Source: BNR

In regard with the soundness indicators, the sector remained well capitalized with sufficient income to cope with market demands and generate enough equity buffers. The capitalization levels (measured by total capital to risk weighted assets) stood at 25.1 percent against 25.0 percent in December 2011, well above the regulatory capital of 15 percent. The Non-performing loans (NPL) to total gross loans reduced to 5.8 percent in June 2012 from 8 percent in December 2011. The return on assets and return on equity (profitability) stood at 2.3 percent and 10.9 percent respectively in June 2012 compared to 2.9 percent and 15.2 percent in June 2011 while the sector's liquidity position stood at 48.3 percent in June 2012 against 45.3 percent in December 2011.

Table 27: Key soundness indicators (in percent)

Indicators	2011			2012	
	June	September	December	March	June
Solvency ratio (total capital)	24.4	25.7	25.0	26.6	25.1
NPLs / Gross Loans	9.2	9.3	8.0	6.5	5.8
NPLS net/Gross loans	7.5	7.3	6.2	5.1	4.3
Provisions / NPLs	49.5	49.4	50.8	52.8	51.1
EarningAssets / Total Assets	80.5	71.2	77.2	79.9	81.4
Large Exposures / Gross Loans	10.2	10.1	9.8	7.7	9.5
Return on AverageAssets	2.9	2.3	2.2	2.5	2.3
Return on AverageEquity	15.2	11.9	10.5	11.6	10.9
Cost of deposits	2.4	2.4	2.4	2.9	2.9
Liquidassets/total deposits	55.9	49.3	45.3	49.4	48.3
Forex exposure/core capital	4.8	3.0	6.6	5.6	-1.5

Source: BNR

Box 4

Financial soundness indicators (Banking system):

- Solvancy (June): 25.4%
- NPL(June): 5.8%
- Profitability(June): 2.3%
- Liquidity(June): 48.3 %

V.2. Microfinance Sector Performance

The microfinance sector is comprised of 11 limited companies microfinance institutions and 486 SACCOs. The sector continued to demonstrate good performance during the period under review mainly driven by the growth of UMURENGE SACCOs. The total assets (UMURENGE SACCOs included) increased by 22.2 percent from December, 2011 to June, 2012, from RWF 77.4 billion to RWF 94.6 billion. Gross loans and deposits increased by 25.7 percent and 23.3 percent, from RWF 40.7 billion to RWF 51.7 billion and from RWF 45.8 billion to RWF 56.5 billion, respectively.

Table 28: MFIs Consolidated financial performance indicators, UMURENGE SACCOs included (in RWF billion)

	31-Dec-11	30-June-12	Change in %
Total Assets	77.4	94.6	22.2
Liquidity	33.0	38.2	15.7
Gross Loans (Before Provisions)	40.7	51.2	25.7
Non PerformingLoans	4.8	4.2	-12.5
Provisions	2.1	2.3	9.5
Loans (Net of Provisions)	38.6	48.9	26.6
Deposits	45.8	56.5	23.3
Equity	20.2	24.5	21.2
Non- Performing Loans rate (in percent)	12.0	8.3	-30.8
Liquidity ratio (in percent)	85.6	67.6	-21.0
Capital adequacy ratio (in percent)	26.1	25.9	-0.7

Source: BNR

Table 29: Consolidated financial performance indicators of MFIs - UMURENGE SACCOs excluded (in RWF billion)

	31-Dec-11	30-Jun-12	Change in %
Total Assets	48.3	53.8	11.1
Liquidity	8.2	10.1	23.1
Gross Loans	35.9	41.3	14.7
Non-Performing Loans	4.6	4	-15.2
Provisions	2	2.2	10
Loan Portfolio (Net of Provisions)	33.9	39	15
Total Deposits	23.4	26.2	11.9
Equity	15.4	16.3	5.8
Non- Performing Loans Ratio (in percent)	12.9	9.7	-24.8
Liquidity Ratio (in percent)	54.7	60.4	10.6
Capital adequacy Ratio (in percent)	32	30.3	-5.3

Source: BNR

For UMURENGE SACCOs only, deposits and gross loans increased respectively by 34.2% and 112.7% from end December 2011 to end June 2012, from RWF 22.5 billion and 4.7 billion RWF to RWF 30.2 billion and RWF 10.0 billion. Total assets increased by 40.6 percent, from RWF 29 billion to RWF 40.8 billion.

Table 30: Consolidated financial performance indicators of UMURENGE SACCOs (in RWF billion)

	Dec-11	June -12	Change in %
Total Assets	29.0	40.8	40.6
Liquidity	23.2	28.0	20.6
Gross loans	4.7	10.0	112.7
Provisions	0.1	0.1	-
Net Loans	4.6	9.9	115.2
NPLs	0.2	0.2	-
Total Deposits	22.5	30.2	34.2
Total Equity	4.7	8.1	72.3
NPL Ratio (in percent)	5.6	2.6	53.5
Liquidity ratio (in percent)	103.2	92.8	-10.0
Capital Adequacy Ratio (in percent)	16.1	20.0	24.2

Source: BNR

Concerning the financial soundness indicators, the sector shows an improvement measured in terms of NPLs ratio with a downward trend from 12 percent to 8.3 percent, improvement driven mainly by UMURENGE SACCOs with NPL rate of 2.6% against 9.7 % for other MFIs. A slight decrease is observed in capital adequacy ratio since the increase in assets of UMURENGE SACCOs is not backed by the same increase in share capital.

The liquidity ratio registered a decrease of 10% as UMURENGE SACCOs fully licensed have to maintain a liquidity ratio of 60% instead of 80 % for those which are not yet fully licensed. However, compared to the minimum prudential norms of 15 % for capital adequacy ratio and 30 % for the liquidity ratio, UMURENGE SACCOs are complying with the minimum regulatory requirements.

V.3. Non-Bank Financial Institutions Performance

The non-bank financial institutions are composed of insurance and pension sectors. The National Bank of Rwanda is mandated to regulate and supervise these institutions to protect interests of policy holders and pensioners by ensuring that these institutions are financially sound and stable.


Training on corporate governance with Board of Directors and Managing Directors of Insurance companies

1. Insurance sector

The insurance sector is composed of 9 insurers of which seven are private and two are public, 5 insurance brokers, 120 insurance agents and 8 loss adjusters. The insurance sector in Rwanda is developing as depicted by insurance penetration which is about 7% though still less than the 10% for middle income economies.

During the period under review, the insurance sector performance improved progressively. The total assets as at 30th June 2012 reached RWF 180.6 billion compared to RWF 147.5 billion as at 30th June 2011.

The Gross premiums increased, however the net profit decreased slightly. The liquidity position of the insurers is strong. The return on assets and return on equity improved as most of the insurers continue to invest prudently.

Table 31: Financial soundness indicators for the insurance sector (in RFW billion)

Indicators	2010	2011		2012	
	Dec	June	Dec	Mar	June
Total assets	128.211	147.513	157.528	169.242	180.632
Total capital	85.028	100.862	104.381	112.044	115.184
Total gross premiums	49.738	42.826	46.288	32.634	46.354
Underwriting profit	7.063	12.875	6.756	11.381	16.843
Total net profit	15.687	20.076	12.564	14.632	19.820
Claims ratio in percent	44	17	41	45	43
Combined ratio in percent	81	65	79	61	63
Current ratio (percent)	178	180	190	218	298
Return on equity ratio(ROE) percent	17	20	13	13	17
Return on assets ratio(ROA) percent	11	14	9	9	11

Source: BNR

2. Pension sector

The Pension Sector is comprised of the Rwanda Social Security Board (pension branch) or National Social Security Fund and about 40 private occupational pension schemes administered by insurance companies.

The National Social Security Fund covers largely salaried workers representing 8% of the working population in Rwanda. The pension coverage is still low compared to middle income economies' coverage of at least 25%.

During the period under review, the pension sector assets, contributions and benefits (excluding private pension schemes) continued to grow with a positive trend. The contributions as major source of revenue increased by 26% while assets increased by 9%.

V.4. Regulatory Framework and Supervision

In the first half of 2012, the Bank continued to strengthen its supervisory roles by conducting off site surveillance and onsite inspection. During the period under review, four onsite inspections were conducted against ten targeted the whole year. In addition, the Bank continued to implement the banking law by putting in place new regulations; two directives were approved and issued to banks. Also, two regulations were published in the Official Gazette in the first half of 2012.

In regard with microfinance, off-site and on-site inspections were performed on regular basis. The microfinance supervision activity was mainly concentrated on the licensing and onsite inspections of SACCOs established in line with UMURENGE SACCO Program where 362 SACCOs out of 416 were fully licensed against 139 end December 2011.

Concerning the Non-Bank Financial institutions, a number of activities relating to strengthening the legal framework and conducting inspections have been accomplished. Activities accomplished include reviewing the Insurance contracts law and finalization of insurance regulation on dissolution and winding up of insurance companies that will soon be published in the official Gazette. In addition, the Bank has been closely following up legislative procedures aiming at the pension law enactment.

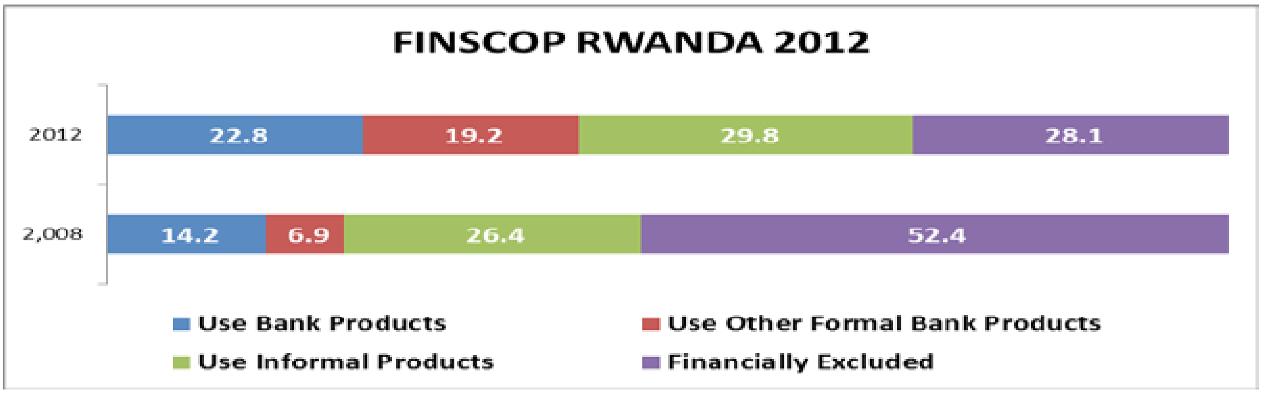
In addition, the Bank closely monitored the actuarial valuation for life insurance companies to facilitate the separation of life and non-life insurance businesses. A number of prudential meetings were conducted to ensure that the non-bank financial institutions meet minimum capital and solvency requirements and observe corporate governance best practices. Furthermore, the Bank started the initiatives aiming at establishing appropriate supervisory framework for Special Guarantee Fund and Mutuelle de Santé. The Bank also participated in the peer review meeting of all EAC insurance regulators to review the compliance with insurance core principles.

Regarding forex bureaus, four new entrants were licensed in the first half of 2012 against five closed due to failure to meet the requirement, hence, recording a total of 130 forex bureaus. Furthermore, the Bank issued a new regulation on the operation of forex bureaus (to best practices in the sector to be enforceable in January 2013) with the aim of streamlining the business and to ensure adherence to best practices in the sector.

V.5. Access to Finance

In line with measuring access to finance, a second FinScope survey has been undertaken. Preliminary findings summarized in the following financial inclusion strand show that the percentage of total adult population having access to formal financial services increased from 21.1% in 2008 to 42% in 2012; while adult population formal and informal financially included increased from 47.5% in 2008 to 71.8% in 2012. Adult population total financially excluded decreased from 52.4% to 28 .1% from 2008 to 2012.

Fig 7: FINSCOPE SURVEY 2012



Source: BNR

The Bank has been actively advocated for financial inclusiveness and equality through the financial awareness campaigns being undertaken.

SMEs financing

According to the country's policy of empowering of SMEs, which is observed as the key catalyst for GDP growth and employment creation, the Bank has taken proactive steps in this regard. In March to May 2012, the Bank in partnership with World Bank conducted a supply SME financing survey to assess the obstacles of financing to SME's in Rwanda and thereafter propose appropriate policies.

The preliminary findings indicate positive outlook. On average, SMEs constitute 17% of the overall lending portfolio in Rwanda, which compares to 16% across developing economies. In addition, the Bank has undertaken appropriate measures to break the traditional norms of over-reliance on real estate and land as prime collateral by introducing the enforcement of movable collateral and supplemented by better credit information provided through the new private credit bureau.

Table 32: Financing of SMEs by banks and MFIs (in 000 Rwf)

Sector	2006	2007	2008	2009	2010	2011	Jun-12
Banks	45,234,156	67,620,359	77,200,670	108,733,789	108,015,099	118,421,717	139,999,822
MFIs	624,962	830,897	815,038	2,732,746	3,470,400	6,523,902	7,687,818
Total	**45,859,118**	**68,451,256**	**78,015,708**	**111,466,535**	**111,485,499**	**124, 945,619**	**147, 687,640**

Source: BNR

Gender access to finance

Access to finance by gender indicate that generally, women's appetite and courage to take loans is improving which is a positive indicator to empower women out of poverty. As shown in the table below, in 2006 only 16% of loans by banking sector were granted to women against 22% in 2011.

Furthermore, monthly comparison indicates that about 75% (Rwf 16.6 billion) and 25.0% (Rwf5.5 billion) of loans issued by banks were disbursed to men and women respectively in June 2012 compared to the 80.5% and 19.5% recorded in June 2011.

Table 33: Distribution of loans by Gender (in FRW 000)

	Women	%	Men	%
Annual comparison				
2006	8,077,683	16.2	41,741,921	83.8
2007	11,754,102	17.2	56,574,791	82.8
2008	18,563,152	18.8	80,429,946	81.2
2009	19,549,504	19.8	79,070,496	80.2
2010	27,773,725	21.0	104,689,811	79.0
2011	41,224,762	22.0	145,836,108	78.0
Monthly comparison				
June 2011	3,030,304	19.5	12,543,186.0	80.5
June 2012	5,546,956	25.1	16,596,579	75.0

Source: BNR

As indicated in the table above, the trend of access to loans by both women and men is increasing. Based on the percentage share of new loans disbursed, the portion for women has recorded an upward trend over the years and on monthly basis, unlike for men.

Table 34: Number of accounts, deposits and loans classified by gender in MFIs and SACCOs

DENOMINATION	Dec. 2011	30-June, 2012	% per gender 30-June 2012
A.UMURENGE SACCOs			
Accounts	**955,065**	**1, 211,726**	**100%**
Men	522,955	655,466	54%
Women	373,552	474,187	40%
Groups	58,558	82,073	6%
Deposits (in thousands)	**12, 730,598.4**	**30,267,739.8**	**100%**
Men	8, 190,963.4	12, 872,760.0	43%
Women	4, 539,635	7, 570,128.0	25%
Groups	9,653,587.7	9,824,851.8	32%
Loans in (in thousands)	**4, 266,134.2**	**10,007.890.5**	**100%**
Men	3, 210,498.5	6, 907,691.8	69%
Women	1,055,635.6	2, 244,409.8	22%
Groups	482,750.1	855,788.9	9%
B.OtherMFIs/SACCOs			
Accounts	**562,876**	**568,920**	**100%**
Men	332,314	329,954	58%
Women	230,562	238,966	42%
Deposits (in thousands)	**23, 428,974.2**	**26, 290,691.4**	**100%**
Men	14, 966,258.7	15, 312,535.3	58%
Women	8, 462,715.5	10, 978,156.1	42%
Loans in (in thousands)	**33, 958,127.1**	**41, 399,063.1**	**100%**
Men	19, 427,559.2	23, 684,543.9	57%
Women	14, 530,567.8	17, 714,519.2	43%

Source: BNR

For UMURENGE SACCOs, women held 40% of accounts with 25% of deposits and 22% of loans as at end June 2012. For other MFIs and SACCOs, women held 42% of accounts with 42% of deposits and 43% of loans.

However, considering accounts held by individuals (excluding accounts held by groups and other entities whose members should be women or men), 42% of account holders in microfinance sector (UMURENGE SACCOs included) are women with 40% of total deposits and 39% of outstanding loans as at end June 2012.

Geographical distribution of loans

Geographical distribution of loans according to provinces and districts indicates that there is imbalance in loan issuance.

Province level

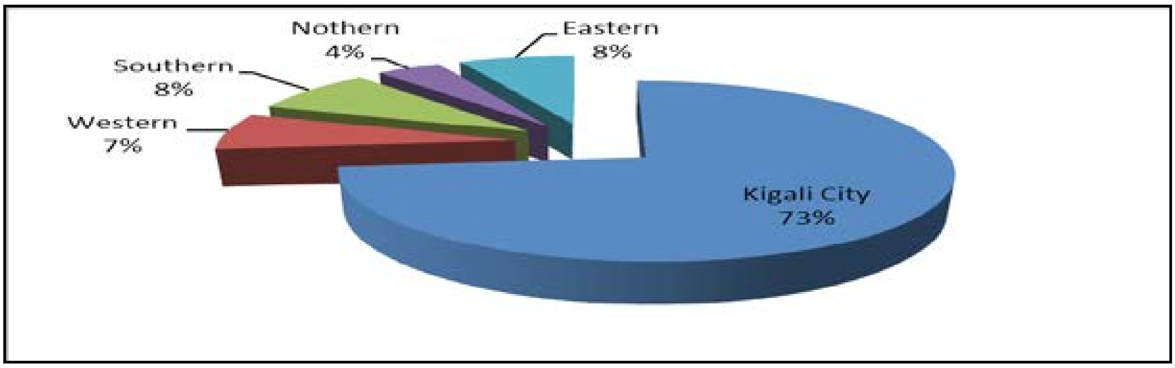
As indicated in the graph below, the Kigali City province takes the lion's share of 73 percent for new loans disbursed in the month of June 2012.

Table 35: Banking sector financing to SMEs by Province (Amounts in FRW «000»)

	Dec. 2011		June. 2012		
Province	**Numbers of SMEs**	**Amounts**	**Numbers of SMEs**	**Amounts**	**% Share**
Kigali City	6,603	86,008,269	7,886	114,166,282	***78.6%***
Western	1,054	8,556,379	862	9,658,701	***6.6%***
Southern	1,008	9,778,619	793	7,988,669	***5.5%***
Eastern	1,348	7,608,409	1,512	6,860,741	***4.7%***
Nothern	792	6,470,041	736	6,652,802	***4.6%***
TOTAL	**10,805**	**118,421,717**	**11,788**	**145,327,194**	

Source: BNR

Fig 8: Distribution of new loans by Province (June 2012)



Source: BNR

District level

In the period under review (June 2012), the three districts in Kigali City, i.e., Nyarugenge, Kicukiro and Gasabo had the largest share of new loans issued by banks taking 35.8% (Rwf 12.5 billion), 19.6 (Rwf 6.9 billion) and 18.0% (Rwf 6.3 billion) respectively.

The top five other districts (up-country) include Rubavu (3.9%: Rwf 1.4 billion), Huye (3.0%: Rwf 1.1 billion), Muhanga (2.2%: 0.8 billion), Musanze (2.0%: Rwf 0.7 billion) and Nyagatare (1.9%: Rwf 0.7 billion).

The top last five districts include; Nyaruguru (0.2%), Burera (0.3%), Gisagara (0.3%), Kamonyi (0.3%) and Ngororero (0.3%).

V.6. Credit Information system

The private credit reference bureau (CRB Africa) came to supplement the public credit reference bureau managed within the National Bank of Rwanda in order to gather quality credit information for the purposes of minimizing credit moral hazards and adverse selections has started to pay off.

All financial institutions have signed memorandum of understanding with CRB Africa and have started to provide data to CRB Africa. Similarly, banks have begun to use CRB Africa data in client credit analysis. During the first half of year 2012, all mandatory participants provided data to CRB Africa and used credit reports issued by the bureau.

According to CRB Africa report, from June 2011 to June 2012, the usage of credit report by the mandatory participants increased by 385 %, from 2,467usage in June 2011 to 11,959 usage in June 2012.

As of 30th June 2012, all commercial banks and microfinance banks as well as 32 MFIs and SACCOs were CRB participants.

The insurance companies started sharing information with CRB Africa in October 2011 and the number of policy accounts submitted increased significantly by 425% from 6,003 in December 2011 to 31,507 in June 2012.

In addition to mandatory participants (financial institutions), voluntary participants such as the utility companies (telecoms & EWSA) have registered to share credit information and information on client accounts submitted to the bureau increased by 352% from 1,562 in December 2011 to 7,055 in June 2012.

Going forward, the National Bank of Rwanda will continue to ensure improved quality and coverage of credit information sharing with voluntary participants to include retail traders (supermarkets) as well as other credit granting institutions. Furthermore, the Bank will continue to monitor the assignment that already started in June 2012, of conducting a mass public awareness campaign to sensitize consumers, participants and policy makers on the role of credit information sharing and consumer rights.

Box 5

Access to finance:

- Formal financial services access: 42% from 21.1% in 2008
- Formal and informal financial services access:71.8% from 47.5% in 2008

CHAPTER VII

MAINTAINING THE INTEGRITY AND SUPPLY OF CURRENCY

VI. 1 Currency management

VI.1.1 Currency issuance

For the first semester 2012, the National Bank of Rwanda has put in circulation new notes and coins amounting to FRW 41,443.91 million of which 41,210 million of banknotes and 233.91 million of coins, against FRW 34,828.24 million for the same period of 2011.

Table 36: Banknotes issued (FRW million)

Year / Denomination	January-June 2009	January-June 2010	January-June 2011	January-June 2012
500	1,430	2 ,200	2 ,620	1,710
1,000	2,600	3,380	5,720	5,220
2,000	960	9,800	12,600	17,880
5,000	3,200	10,520	13,700	16,400
Total	**8,190**	**25,900**	**34,640**	**41,210**

Source: BNR

The issuance of banknotes and coins increased respectively by 19% and 24% compared to the corresponding period of 2011. The increase of new coins put in circulation was driven by a high demand in FRW 100 and FRW 50 coins.

Table 37: Coins issued (FRW thousands)

Year / Denomination	January-June 2009	January-June 2010	January-June 2011	January-June 2012
1	60	140	60	10
5	3,870	3,360	2,560	600
10	3,400	13,300	16,410	3,300
20	11,472	17616	22,160	9,920
50	22,500	5,100	1,750	38,400
100	607,000	275,600	145,300	181,680
Total	**648 302**	**315 116**	**188 240**	**233 910**

Source: BNR

VI.1.2. Counterfeit banknotes

In the 1st semester 2012, the National Bank of Rwanda recorded 380 counterfeit FRW banknotes, including 89 of FRW 5 000, 114 of FRW 2 000 and 177 fake notes of FRW 1 000 FRW, against 121 fake notes for the whole last previous year.

Table 38: Counterfeit FRW banknotes

Denominat.	5 000			2 000			1 000			500			**Total**		
Origin	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	**2010**	**2011**	**2012**
BNR counters	104	2	8	4	1	1	21	0	1	0	0	0	**129**	**3**	**10**
Banks counters	33	5	12	179	12	37	205	18	1	6	13	0	**423**	**48**	**50**
National Police	31	35	69	128	35	76	781	0	175	0	0	0	**940**	**70**	**320**
TOTAL	**168**	**42**	**89**	**311**	**48**	**114**	**1,007**	**18**	**177**	**6**	**13**	**0**	**1,492**	**121**	**380**

Source: BNR

Regarding foreign currency, the Bank recorded 337 fake notes of which 12 of the USD 100, 199 of the USD 10, 24 of the EUR 100 and 102 of EUR 20.

Machine detecting fake note.

To mitigate currency counterfeiting practice, the Bank has put in place a clean currency policy with efficient measures against counterfeiters including a Regulation approved by the Board of Directors to be published shortly. The regulation establish rules and procedures under which financial institutions shall carry out activities of handling cash, including counting and sorting activities and detection of counterfeit currency collected from clients. In addition, a sensitization campaign of the public on the use of currency and fight against counterfeit is planned in November 2012.

VI. 2. Banking operations

The services offered by the banking operations include cheques and transfer orders processing, cash deposits and withdrawals, cheques certifications and cash deposits and withdrawals as well as opening and closing of accounts. During the first half of the year 2012, the cash operations decreased in volume by 8.5% and increased by 26.7% in value as compared to the same period in 2011.

Table 39: Banking Operations (Amount in FRW million)

	January-June 2011		January-June 2012		Variation (%)	
Operations	Volume	Amount	Volume	Amount	Volume	Amount
Cash Operations	91,754	5,288,420	83,924	6,699,316	-8.5%	26.7%
Cash withdrawals	32,724	4,037,354	29,990	5,246,014	-8.4%	29.9%
Cash deposits	59,030	1,251,066	53,934	1,453,302	-8.6%	16.2%
Funds transfers processing	147,527	186,686,616	104,797	422,823,068	-29.0%	126.5%
Cheques processing	41,940	4,617,562	70,060	21,425,416	67.0%	364.0%
Cheques certification	2,968	95,463	2,415	71,775.8	-18.6%	-24.8%
Opening of accounts	216	-	110	-	-49.1%	-
Closing of accounts	76	-	132	-	73.7%	-

Source:BNR

The volume of operations related to funds transfers processing decreased to 29.0% from 147.5 thousands operations in 2011 to 104.8 thousands of operations in 2012, while the value of those operations increased to 126.5% as compared to the same period in 2011. In the same period, the cheques processing increased by 67.0% in 2012 as compared to 2011 in terms of volume and by 364.0% in value.

VI. 3. BNR Branches operations

In line with decentralization of the services offered to the customers, four BNR branches and one Counter are operating in the four provinces of the Country. The branches' operations during the first semester 2012 compared to 2011 are recorded in the table below:

Table 40: Deposits and withdrawals for each branch (in thousands Rwf):

Period / Branch	2011		2012	
	Deposits	Withdrawals	Deposits	Withdrawals
Northern branch	18,730,935	6,050,094	8,181,552	8,086,558
Rubavu Counter	13,845,750	4,428,650	7,358,502	7,160,079
Southern branch	6,002,529	11,434,483	6,746,499	16,070,946
Western branch	2,469,151	7,731,500	3,983,315	9,417,958
Eastern branch	6,309,936	6,515,992	7,609,292	5,380,234
TOTAL	**47,358,301**	**36,160,719**	**33,879,160**	**46,115,775**

Source: BNR

Like in 2011, Nothern province recorded more cash transactions in deposits when Southern branch recorded more transanctions in withdrawals.

CHAPTER VII

PAYMENT SYSTEMS MODERNISATION

Safe, effective and efficient payment systems are vital for the economic development of any country since they facilitate the smooth movement of money in the economy and enable the financial transactions to be completed safely and timely.

Payment systems help to promote the development of commerce, enhance economic policy oversight, control the risk inherent in moving large values, and reduce the financial, capital and human resources devoted to the transfer of payments. Payment systems also contribute to an effective transmission of monetary policy.

After the implementation of the Rwanda Integrated Payment Processing System (RIPPS) in 2011, the period under review had been concentrated to stabilise the RIPPS and to introduce new and strengthen existing retail payment systems. All changes were spearheaded by concerted effort of the central Bank/Government and financial institutions especially commercial banks.

The principle objective of most of these changes has been to

i. reduce the usage of currency and other paper based payment instruments and
ii. facilitate safer and faster movement of funds in the economy.

VII.1. Rwanda Integrated Payments Processing System (RIPPS)

During the first six months of 2012, the RIPPS was stabilized and banks had put much effort to integrate core banking applications within the system. As of 30th June 2012, 73.33% of banks had developed the interface between RIPPS and their core banking. The availability rate of the system had been 99.44% from January to end June 2012.

Table 41: Transactions settled through ATS (January - June 2012).

Type of transactions	RTGS			ACH		Total
	Customers transactions	Interbank transactions	Cards	Cheques	Credit transfers (batches)	
Total Messages	65,950	3,590	428	28,174	120,587	221,823
Volume of instructions	65,950	3,590	428	181,430	856,665	1,111,157
Values (FRW millions)	464,943	484,162	3,016	463,279	588,726	2,326,931

Source: BNR

On the Central Securities Depository (CSD) side, around 2,000 transactions equivalents to 3,036 billion were settled through the Central Securities Depository system. Those transactions comprise both equities and Debt instruments (REPO's, Treasury bills and Treasury Bonds). All equities transactions are the secondary operations which take place on Rwanda Stock Exchange while on debt securities side more than 99% are new issuance by the Central Bank.

Table 42: Transactions through CSD (January-June 2012)

	Period	Number of trades/transactions	Number of shares traded	Turnover (FRW millions)
Equities	Jan-12	259	3,986,300	619
	Feb-12	208	1,311,200	270
	Mar-12	181	3,036,600	511
	Apr-12	272	4,831,200	734
	May-12	559	13,903,300	1,897
	Jun-12	309	18,905,500	3,144
Debt securities	Jan-12	26	-	417,050
	Feb-12	24	-	406,594
	Mar-12	27	-	489,850
	Apr-12	24	-	473,744
	May-12	26	-	677,800
	Jun-12	25	-	564,459
TOTAL		**1,940**		**3,036,670**

Source: BNR

VII.2. Retail payments developments

To achieve the vision of changing the Rwandan society from cash-based oriented to electronic channels, the Bank and its stakeholders continued to work hand in hand to encourage the electronic means towards less movement of cash.

2.1. Card based payment system and mobile money schemes

To further support the vision of payment system modernisation in Rwanda, an important partnership between Visa inc. and the Government of Rwanda was signed in November 2011 aiming at developing localized payment solutions to extend access to financial services to local and international consumers throughout the country. In that regard, all commercial banks have different membership with Visa namely 3 banks which are principal members, 3 banks which are associate members and 4 banks with cash disbursement membership.

Moreover, the Visa National Net Settlement System (NNSS) is operational since the 1st March 2012. The Visa National Net Settlement System facilitates domestic transactions to be settled in local currency and the Central Bank is the settlement agent. By end June 2012, six banks were already participating in NNSS.

Table 43: Statistical data on electronic means of payments (in FRW Million)

	Number of Subscribers			Number of Transactions			Value (FRW)		
	2011	Mar-12	Jun-12	2011	Mar-12	Jun-12	2011	Mar-12	Jun-12
POS	-	-	-	38,440	9,957	12,341	73	2,424	2,058
ATMs	-	-	-	1,976,376	1,082,223	1,420,583	122,536	35,846	43,763
Mobile Banking	155,986	198,590	248,689	527,300	33,655	253,392	5,215	179	411
Internet Banking	-	5,841	6,237	1,493	35,513	36,828	708	4,188.50	4,568
Mobile payments	639,673	765,416	968,315	4,323,490	2,767,884	4,301,744	51,024	26,476	33,737

Source: BNR

VII.3. Payment infrastructure

The retail Payments infrastructure has also improved considerably. By end June 2012, the Number of ATMs had increased to 232 as compared to 167 by end 2011. Points of Sale (POS) had also increased to 385 from 227 at end 2011.

Modern Payment infrastructure

More importantly, the number of cards issued superseded what the Banks had projected; a total of 320,565 cards was issued as at end June 2012 as compared to 250,534 in March 2012, representing an increase of 28% in three months.

Table 44: Evolution of payment infrastructure

Item	End 2011	Mar-12	Jun-12
Number of Debit Cards	208,767	250,534	320,565
Number of credit Cards	526	645	542
Number of ATMs	167	201	232
Number of POSs	227	317	385

Source: BNR

VII.4. E-commerce

Regarding the E-commerce in Rwanda, Rwandair has been operating e-commerce through a foreign Bank since November 2011.

One local bank had got the e-commerce license from Visa and had already identified the payment gateway and they are on the test phase.

VII.5. Payment services providers

All financial institutions are allowed to offer payment services. In addition to financial institutions, the non-financial institutions were licensed to provide those services in order to facilitate Rwandan people to have the access to formal financial services. They offer domestic and international payment services.

Table 45: Number of payment services providers

Year	2008	2009	2010	2011	Jun-12
Mobile banking	-	-	-	5	6
Internet banking	-	-	3	4	6
Mobile payments providers	-	-	1	2	2
Remittance service providers (Non-financial institutions)	1	2	7	10	12

Source: BNR

VII.6. Payment systems legal framework and new projects

On the legal and regulatory side, the regulation governing payment services providers was amended to include the interoperability between payment infrastructures.

To further enhance the developments in payment systems, the BNR together with the Rwanda Bankers Association, have embarked on the Cheque Truncation Project. The cheque truncation consists of cheque clearing system based on cheques image where the cheque is scanned and transmitted through the entire clearing cycle using the image instead of the physical cheque.

In this regard, new standards for the cheques were issued in November 2011 and new printers willing to provide services to banks in Rwanda are being accredited by the BNR following the accreditation guidelines that were published in May 2012. This project shall help to fast track the cheque payment process with a more secure and trusted method of processing as more security features have been added to the new cheque. Besides, the cheques will be cleared efficiently because all account structures will be harmonized facilitating the integration between RIPPS and banks' core banking applications.

In addition, the RIPPS system is being upgraded to enable linkage to Regional Payment Systems; the East Africa Payment systems (EAPS) and the COMESA Regional Payment and settlement system (REPSS) so as to facilitate the cross border payments in the East African Community and COMESA region.

CHAPTER VIII

SUPPORT ACTIVITIES

VIII.1. ICT SYSTEMS MODERNISATION

During the period of first Semester of 2012, the Bank mainly endeavored to fast-track the implementation of modern technology and applications to support the core functions of the Bank.

Rwanda being a front-runner on the ICT development, the Bank ensured prerequisites to embark on utilizing available ICT capacity as an option of facilitating execution of central banking functions with modern IT systems put in place. Specifically, the Bank has initiated an ICT Modernization Project (Core banking and Enterprise Resource Planning (ERP) whose primary objective entails to install modern IT infrastructure and software applications to support Bank operations in a more coordinated manner.

For the first semester of 2012, the Bank has managed to hire a specialized and competent software vendor known as TEMENOS that will supply and implement the Core Banking and ERP Systems. During this period of reporting, along side this Project (Core banking & ERP), the Bank managed also to upgrade other IT systems including successful launch of a modern data center, strengthening existing IT security mechanisms and installation of VISA-RIPPS interface and Regional Payment systems.

All these efforts have been employed to fast-track the implementation of the recommendations made by His Excellency Paul KAGAME during his visit to BNR in 2009 among which he recommends the modernization of the Bank's IT systems with modern automation functions.

VIII.2. Infrastructure Modernization

2.1 Construction and Rehabilitation projects

Since 2009, following the visit by H. E the President of the Republic of Rwanda, the National Bank of Rwanda embarked on a modernization journey towards the creation of the 21st century Central Bank by all accounts. The physical reorganization involved rehabilitation of the current Bank buildings and construction of new ones to this effect.

In the financial period under review, a new car park with 180 Vehicle capacity is under construction expected to be completed in October 2012 taking care of the customer and Bank staff parking needs and allowing for the target of keeping BNR green.

Another major project in progress is construction of four (4) BNR Branch Office buildings based in the four provinces of Rwanda. These branches currently operate in rented offices usually very costly for the Bank, with insufficient space and would not enable the Bank to establish permanent infrastructure essential in the context of its mission. Target completion date is the course of 2013.

In the coming years starting preparation in 2012/13, the Bank has planned to put forth a New BNR Headquarter Building that shall last the century standards and more with modern infrastructure capacity and compliance to international environmental settings.

VIII.3. Human Resources Management and Development

The Human Resources Management and Development function is strategically positioned to ensure that the National Bank of Rwanda realises its strategic objectives through attraction, developing, maintaining and proper utilization of relevant workforce.

The Bank's Human Resources function has for last six months invested in development of strategies to enhance the Human Resources Management and Organisational Effectiveness reform agenda. The strategies include, creation of high corporate performance culture in BNR, putting in place talents management strategies and leadership development plan. In addition, the Bank has embarked on review of its performance management system which shall adopt the balanced Score card to modernise the performance management approach.

In terms of capacity building and talents management, a new career development system is being implemented through a Career progression policy approved and published in June 2012.
The policy on career progression has dual career progression framework which provides ample career growth opportunity for the Bank staff, thus enhancing professionalism as well as retention strategy. By June 2012, the Bank size had grown to 513 staff having 17 new staff with diverse experience and skills, 4 of whom hold managerial positions.

Since 2011, the Bank started a three year rolling capacity building plan, targeting investment in professionalism and leadership development. Trainings and industrial attachments have been continuous and by June 2012, 36 staff of BNR were registered in different professional courses while others are pursuing master's degrees and PhDs in areas of monetary policy and economic development.

In the coming financial year, the Bank will continue the human resources management and development initiatives and has planned to invest in enhancement of the staff welfare schemes and modernisation of its management system.

VIII.4 CORPORATE SOCIAL RESPONSIBILITY

At the beginning of 2012, the Bank completed and handed over the poultry project designed for the orhphans and widows of the 1994 Genocide against Tutsi. The project was officially handed over to the beneficiaries in the presence of local and district authorities of Kamonyi district. The project cost the Bank to the tune of FRW 20,457,000.

Governor officially launching the poultry project. Mayor of Kamonyi and Vice Governor watch on.

However, sponsorship continued to be extended to students pursuing technical and vocation training courses in various institutions.

On 12th April 2012, the Bank embarked and initiated a project to support families of its twenty eight (28) former staff who perished in the 1994 Genocide against Tutsi funding some income generating activities. Initial consultations for appropriate projects have been established with the concerned families and projects are yet to be rolled out.

Governor with the representatives of BNR former staff killed during the 1994 genocide againt tutsis.

In addition, the Bank, in memory of its former staff that perished during the 1994 Genocide against Tutsi, in April 2012 officially inaugurated a Memorial at the BNR Headquarter.

Inauguration of the memorial of 1994 genocide against tutsi at BNR headquarters by the Minister of Sport and Culture.

Furthermore, the Bank donated additional FRW 7,396,000 to various requests from individuals, institutions and associations. A special donation budget has also been specially designated for BNR branches to respond to various requests from their locality. Branches have been mandated with the powers to assess and appreciate requests and recommend appropriate support.

CHAPTER IX

FINANCIAL STATEMENTS

IX. 1 FINANCIAL STATEMENTS SUMMARY

IX.1.1 FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2012

1.1. Financial Results

1.1.1. Summary 2011/2012 Financial Results

During the year under review, the bank expected to achieve Rwf 20.6 billion of revenues against Rwf 18.04 billion of operating expenses, which makes a net operating income of Rwf 1.58 billion. Capital expenditure was estimated to Rwf 13.56 billion including Rwf 9.26 billion of capital expenditures and Rwf 4.29 billion of notes and coins printing costs deferred to fiscal years.

Compared to the expectation, the actual result was quit significant good as depicted by the table below:

Table 46: Summary of 2011/2012 financial result performance.

		Actual Results 30 June 12 Rwf "000"			Actual Results 30 June 11 Rwf "000"	Budget July June 11/12 Rwf "000"
		Amount	%	% of Budget		
1	Revenues	21,727,877	196	105	11,090,902	20,621,047
2	Operating Expenses	14,824,130	229	78	6,486,108	19,047,085
3	**Net Income (1-2)**	**6,903,747**	150	439	**4,604,794**	**1,573,962**
4	Capital Expenditure	3,249,929		35		9,263,324
5	Deferred Expenses	1,652,487		38		4,297,187
6	**Total Capital Budget (4+5)**	**4,902,416**		**36**		**13,560,511**

Source: BNR

1.2. Financial Performance

1.2.1. Revenue Collection

During the year under review, revenue collection has been has been increased by 105% above the actual performance on 30 June 2011. The total revenue was received from interest income (Rwf 5.4 billion), commission and fees income (Rwf 0.3 billion), foreign exchange gain on foreign currency deals (Rwf 15.1 billion) and other income (Rwf 0.9 billion) respectively. The big part of this revenue was derived from gain on sale of the foreign currencies to Banks, realized gains on foreign financial instrument managed by our external fund managers and both local and foreign interest income investments.

Both local and foreign income has produced good results, above 140% and 79% respectively compared to the budget. Foreign interest income was increased due to increase on external managed funds basket and the actual interest rate on USD investments for call money and fixed deposits which improved from 0.045 to 0.16% and 0.17% to 0.25% respectively.

The local source of income is from interest on loans to Government and interest on IFC swap operations, while that of foreign income the big part is from foreign investments managed by external fund managers.

The fiscal year ended 30 June 2012 was characterized by the high demand of foreign currency by the commercial bank requested for their customers' investments and import activities. BNR earns revenue of Rwf 7.7 billion this fiscal year (2011/12) compared to Rwf 0.05 billion year 2010/11.

Table 47: Cash flow revenue income collection

	30 June 2012 Rwf "000"	30 June 2011 Rwf "000"
Local interest income	2,119,877	1,440,010
Foreign interest income	3,317,231	1,660,103
Commission and fees income	296,384	212,448
Foreign exchange dealing profit on Banks	7,718,974	48,355
Realised gains on foreign financial instruments	2,687,470	437,120
Total	**16,139,936**	**3,798,036**

Source: BNR

1.2.2. Cash Flow Revenue Collection

Revenue income is recorded in the books of accounts using accounting convention and based on international financial reporting stands (IFRS). The total cash flow revenue recorded was Rwf 15 billion. The non-cash flow income recorded for the period was 6.4 billion, included foreign exchange revaluation gain (Rwf 4.7 billion) and fair value on available for sale financial assets (Rwf 1.7 billion).

1.2.3. Operating expenses

Recurring expenses (including depreciation and amortisation) were budgeted for Rwf 19.05 billion. The actual operating expense stands at Rwf 21.21 billion (111%). The increase is mainly described by the interest paid on borrowing from money market, interest on T-bills and currency acquisition costs.

1.2.4. Operating income

Operating income for the year of Rwf 6.9 billion compared to Rwf 1.6 billion budgeted has been recorded. Operating cash flow income for the year was Rwf 2.2 billion while revaluation gain was Rwf 4.7 billion.

Table 48: Operating income earned

	30 June 2012 Rwf "000"	30 June 2011 Rwf "000"
Cash flow operating income	2,215,632	640,099
Foreign assets (exchange) revaluation gain	4,688,116	3,964,695
Total operating income	**6,903,748**	**4,604,794**

Source: BNR, 2012 Financial Statements

Cash flow operating income has performed significantly due to foreign exchange dealing profit from Banks and realized gains from foreign financial instruments managed by the external fund managers.

As indicated above, BNR is complying with International Financial Reporting Standards (IFRS), the total comprehensive income recorded was Rwf 1.67 billion for fair value on available for sale financial assets compared to Rwf 0.03 billion end June 2011. The table below give a snap picture of financial performance.

Table 49: Statement of Comprehensive Income for the twelve month period ended 30 June 2012

Details	Note	Twelve months ended June 30 2012	Six months ended 30 June 2011	Twelve months ended December 31 2010
Interest Income	3	5,437,107	3,100,113	5,061,718
Interest expense	4	(310,907)	(159,123)	(208,216)
Net interest income		**5,126,200**	**2,940,990**	**4,853,502**
Net fees and commission income	5	(193,948)	17,749	17,623
Foreign exchange gain	6	13,866,875	6,657,767	16,439,321
Other operating income	7	899,826	536,859	1,151,106
Operating income		**19,698,954**	**10,153,365**	**22,461,552**
Operating expense	8	(12,795,206)	(5,548,571)	(9,063,108)
Profit for the year		**6,903,748**	**4,604,794**	**13,398,444**
Other comprehensive income		-	-	-
Net changes in fair value on available for sale financial assets		1,669,932	29,486	(77,231)
Total comprehensive income for the year		**8,573,680**	**4,634,280**	**13,321,213**

Source: BNR, 2012 Financial Statements

1.3. Dividends

Considering the Net Profit of the period under review (Rwf 6,903,748,000), the proposed dividend for the year ended 30 June 2012 is amounted to Rwf 1,506,630,000.

1.4. Financial position

During the period under review, compared to the six month period ended 30 June 2011, the assets of the Bank increased by Rwf 29.464 billion (5%). This was mainly due to the increase in foreign assets (17%). This increase is mainly explained by the cash flow received from the budget support partners; these were WB, (AfDB), DFID, EU and others. Actually the foreign assets current account was increased significantly.

The other factor that added to the growth in assets is the proceed from IFC swap operations that increased from Rwf 1.479 billion to Rwf 5.953 billion, loans and advance to staff that increased from Rwf 4.235 billion to Rwf 5.007 billion and increase of 39% in property and equipment resulting from acquisition of land (Rwf 0.025 billion), building (Rwf 1.186 billion), office furniture (Rwf 0.655), computer equipment (Rwf 0.350 billion) and vehicle (Rwf 0.065 billion).

Table 50: Statement of Financial Position as at 30 June 2012

Details		30-Jun-12	30-Jun-11	31-Dec -10
	Note	Rwf '000'	Rwf '000'	Rwf '000'
ASSETS				
Cash and cash equivalents		5,955,905	6,128,520	1,530,077
Foreign assets	9	519,179,264	442,967,641	481,329,713
International Monetary Fund Quota	10	74,251,386	76,965,858	73,003,334
Due from Government of Rwanda	11	38,597,550	72,166,089	57,850,366
Loan and advance to banks	12	1,918,484	8,313,257	10,899,747
Due from foreign financial institutions	13	5,953,536	1,479,511	1,479'511
Loan and advance to staff	14	5,007,285	4,235,648	4,098,586
Other investment	15	6,164	6,164	219,374
Investment property	16	73,109	87,942	87,942
Property and equipment	17	6,379,003	4,586,327	7,718,231
Intangible assets	18	560	3,122	3,330
Other assets	19	18,673,814	29,591,693	1,269,511
TOTAL ASSETS		**675,996,060**	**646,531,772**	**636,505,400**
LIABILITIES				
Currency in circulation	20	129,876,564	115,051,253	104,140,320
Government deposits	21	156,513,929	175,547,413	236,722,357
Due to local financial institutions	22	169,016,173	124,906,462	94,374,197
Due to International Monetary Fund	23	153,801,483	160,133,067	151,884,907
Foreign liabilities	24	7,528,397	2,333,896	2,086,447
Other liabilities	25	10,437,869	24,536,584	5,849,788
TOTAL LIABILITIES		**627,174,415**	**602,508,675**	**595,058,016**
EQUITY AND RESERVES				
Share capital	26	7,000,000	7,000,000	7,000,000
General Reserve Fund	27	8,505,380	8,933,479	10,436,274
Other Reserves	28	26,412,517	28,089,618	24,011,110
Profit for the year		6,903,748		
TOTAL EQUITY AND RESERVES		**48,821,645**	**44,023,097**	**41,447,384**
TOTAL LIABILITIES AND EQUITY		**675,996,060**	**646,531,772**	**636,505,400**

Source: BNR, 2012 Financial Statements

Total liability and equity has increased by Rwf 29.464 billion (5%). This is explained by the increase in currency in circulation (13%), liability to local financial institutions (35%), foreign liabilities (223%). The recorded net surplus for the period of Rwf 6.903 billion also significantly contributed to the growth in liability and equity. However, during the period, Government deposits and other liabilities were decreased by 11% and 57% respectively.

1.5. Changes in Equity

1.5.1. Share Capital

As per the article 2 of Law n° 55/2007 of 30 November 2007 governing the National Bank of Rwanda, these financial statements maintained the authorized and fully paid share capital of the bank at 7 billion of Rwandan Francs. The share capital is entirely subscribed by the Government of Rwanda and the shares do not have a par value.

1.5.2. Reserves

During the year, the Bank generated operating income of Rwf 6.9 billion. At 30 June 2012, our reserves were Rwf 49 billion (30 June 2011: Rwf 44 billion).

Table 51: Statement of Changes in Equity for the Twelve Month Period Ended 30 June 2012

	Share capital	General reserve fund	Other reserves	Total
	Frw '000'	Frw '000'	Frw '000'	Frw '000'
At 31 Dec 2010	**7,000,000**	**10,436,274**	**24,011,110**	**41,447,384**
Comprehensive income for the period	-	4,604,794	-	4,604,794
Other comprehensive income for the period				
Fair value movement on available for sale financial assets	-	-	29,486	29,486
Dividend paid for 2010	-	(2,058,567)	-	(2,058,567)
Transfer to other reserves	-	(4,049,022)	4,049,022	-
As at 30 June 2011	**7,000,000**	**8,933,479**	**28,089,618**	**44,023,097**
Comprehensive income for the period	-	6,903,748	-	6,903,748
Other comprehensive income for the period				
Fair value movement on available for sale financial assets	-	-	(1,669,932)	(1,669,932)
Dividend paid for June 2011	-	(416,220)	-	(416,220)
Transfer to other reserves				
Foreign assets (exchange) revaluation gain	-	(4,688,116)	4,688,116	-
Staff Welfare Fund	-	(265,876)	265,876	-
As at 30 June 2012	**7,000,000**	**10,467,015**	**31,373,677**	**48,840 ,692**

Source: BNR, 2012 Financial Statements

The general reserve fund is a fund into which 20% of the net annual profits of the Bank is transferred at the end of each financial year. This is after allowing for expenses for operation and after deducting all charges, including depreciation and estimated liabilities. General Reserves Fund has increase by 17%.

Other reserve constitutes staff welfare, land revaluation reserves, fair value reserve and translation reserve. These were increased by 112% compared to position at 30 June 2011.

1.6. Key Activities Related Performance.

During the period under review, the Bank pursued development and recurrent activities at a good performance level. For development activities, the Bank pursued four big projects and seven capital replacement and other new facilities. The five big projects includes, IT-infrastructure project which includes, Core banking & ERP project, data centre creation, interface RIPPS/IBIS, Constructing Branch Offices, Commemoration monuments and Constructing New Parking. For capital replacement and other new facilities, activities performed ranges from building remodelling works, replacing old equipment and customer care facilities for improving image and reputation of the Bank.

The major part of recurrent activities performance is relating to staff recruitment and capacity building. Others are monetary policy liquidity management and goods and services. Below are the summarized targets and achievements:

1.6.1. Development Activities Performance.

A. Big projects

Nr	Description	Target end June 2012	Achievement end June 2012
1.	**IT- Infrastructure Project**		
	• Core Banking & ERP Project	Preliminary study • Strategy roadmap • Technical specifications • Tendering process and contract negotiation	Done
	• Data centre Creation	Full completion	Done
	• Interface RIPPS/IBIS	Full completion	90% completed, only fine turning is remaining
2.	**Branch Building Construction**		
	• Huye	• One year contract	Completion, January 2013
	• Musanze	• One year contract	Completion, January 2013
	• Rusizi	• One year contract	Completion, January 2013
	• Rwamagana	• One year contract	Completion, January 2013
3.	**Commemoration monument**	Full completion	Completed and officially launched in April 2012
4.	**New Parking Construction**	Full completion	Official reception on July 15, 2012

B. Capital replacement and other new facilities

Nr	Description	Target end June 2012	Achievement end June 2012
1.	**Building**	Remodelling works	Done
2.	**IT – Equipment**	54 new computers, 46 laptops, 3 servers	Done
3.	**Security Equipment**	CCT System, access control system, fire detection and automatic fire suppression systems	Delivery done, only clearing exercise is in process
4.	**Currency Processing System**		
	• Counting and Sorting Machines:	Remodelled notes destructing room, Notes counting machine and note binding machine acquired	Done
	• Air conditioning	Remodelled air ventilation in sorting and counting room	Done
5.	**Other facilities**		
	• Equipment and tools	Office equipment and materials for HQ and Branches acquired	Done
6.	**Currency Acquisition**	Bank notes and coins (for a three year period) delivered	Done
7.	**Customer care facilities: image and reputation**		
	• TV screens	Acquisition and installation	Done
	• Website development	Full completion	Done

1.6.2. Recurrent Activities Performance.

	Description	Target end June 2012	Achievement end June 2012
1.	**Capacity building**		
	• 3 Years capacity Building Plan Implementation	Increased manpower capacity and ability through short courses, professional courses, masters and PhD programs.	• Sponsored 400 staff members who attended short courses and attachments to other banks • Sponsored15 staff members enrolled in professional courses (ACCA, CFA,) • Sponsored 4 staff in Masters and 1 in PhD.
2.	**Staff recruitment**	Capable and skilled staff in various positions as per the new organisational structure: 2 DG, 2 Directors, 5 Managers, 11 Inspectors, 2 Internal Auditors, 2 Economists, 9 IT Officers, 2 Financial Analysts and 3 Research staff, 2 legal officers, 3 tellers.	Recruited: 1 DG, 2 Directors, 5 Managers, 11 Inspectors, 2 Internal Auditors, 4 Economists, 9 IT Officers, 2 Finan-cial Analysts and 3 Research staff .
3.	**Monetary policy management**		
	• Liquidity management	7% as average interest on REPOS operations. Thus, interest paid on REPOS operations: Rwf 4.2 billion	Interest paid on REPOS operations: Rwf 5.06 billion, that is 129%.
		Annual interest rate on T-Bills: 8%. Thus, interest paid on T-Bills: Rwf 0.277 billion	Interest paid on T-Bills: Rwf 0.715 billion, that is 258%
4.	**Good and Services**		
	• Office supplies	Rwf 0.075 billion spending	Rwf 0.047 billion spending, end users satisfied
	• Travel (missions) costs	Rwf 0.150 billion spending	Rwf 0.129 billion spending , end us-ers satisfied
	• Consultancies	Rwf 0.831 billion spending	Rwf 0.437 billion spending, end users satisfied
	• Printing and publication costs	Rwf 0.117 billion spending	Rwf 0.21 billion spending , end users satisfied
	• Repairs and maintenance	Rwf 0.367billion spending	Rwf 0.202 billion spending , end us-ers satisfied

IX.1.2 PLANS FOR 2012/2013

The Bank has planned to increase its revenue collection by 34%, increase its operating costs by 27% and increase its capital expenditure by 65%. Operating income is expected to increase by 200%. A summarized snap picture below indicates the increasing variation.

Table 52: Summary of 2012/2013 Budget.

		2011/12 Budget Rwf "000"	2012/13 Budget Rwf "000"	% increase Rwf "000"
1	Revenues	20,626,047	27,637,539	34
2	Operating Expenses	18,047,085	22,880,434	27
3	**Net Income (1-2)**	**1,578,962**	**4,757,105**	**201**
4	Capital Expenditure	9,263,324	17,167,057	85
5	Deferred Expenses	4,297,187	5,232,783	22
6	**Total Capital Budget (4+5)**	**13,560,511**	**22,399,840**	**65**

Source: BNR, 2012 Financial Statements

The above expectation is built on the following assumptions.

- **The average level of reserves**: **900 million USD**.
- **Interest rates estimated at:**

Currency	July 2012-July 2013	
	Interest rates on Call money	Interest rates on Deposits
USD	0.05%	0.25%
EUR	0.25%	1.00%
GBP	0.15%	0.50%
SDR	0.20%	-

- **Exchange rates estimated at:**

Currency	July 2012-July 2013
USD	616
EUR	801
GBP	967
SDR	955

IX.1.3 WAY FORWARD TOWARD STANDARD FINANCIAL REPORTING

3.1 Professionalism in accounting and reporting

The Bank shall ensure that basic information is available to guide good financial management in a sense of reducing risks of business failure. In this framework, modern performance-oriented financial management tools such as Balance Score Card shall be introduced to all staff and implemented throughout all Departments. Furthermore, performance planning and budgeting as well as timely recording of budget commitments shall be observed by Departments to ensure complete and accurate financial information in the framework of the accrual principle of accounting.

3.2 Capacity Building for financial reporting staff

We need to align BNR accounting and reporting systems with those of other central banks. Efforts will be put in building the capacity of staff in charge of recording, reconciliation and reporting through in-house trainings, professional exposure and enrolment in professional courses. Efforts will also be put in computerising BNR accounting processes and financial reporting systems.

IX.2 REPORT AND FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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DIRECTORS, OFFICERS AND ADMINISTRATION
FOR THE YEAR ENDED 30 JUNE 2012

DIRECTORS

Claver GATETE	Governor and Chairman	(Appointed on 6 May 2011)
François KANIMBA	Governor and Chairman	(Retired on 6 May 2011)
Monique NSANZABAGANWA	Vice-Governor and Member	(Appointed on 6 May 2011)
Uzziel NDAGIJIMANA	Member	
Odette UWAMARIYA	Member	
Lilian KYATENGWA	Member	
RUGWABIZA MINEGA Leonard	Member	(Appointed on 4 November 2011)

SENIOR MANAGEMENT

Claver GATETE	Governor
Monique NSANZABAGANWA	Vice-Governor
RUSUHUZWA KIGABO Thomas	Director General- Monetary Policy and Research
NTARE Joy	Director General- Financial Stability
SEBABI John Bosco	Director General- Operations
IHOGOZA Frances	Director General- Finance and Administration
MURASIRA Appolinaire	Director - Human Resources and Development
NZABONIKUZA Joseph	Director - Monetary Policy and Economic Analysis
MWITIREHE Viviane	Director - Statistics
KAGOYIRE Françoise	Director - Banks Supervision
KAVUGIZO SHYAMBA Kevin	Director - Microfinance Supervision
SANGANO Bonaventure	Director - Non Bank Financial Supervision
GATERA SEBAGABO Jonathan	Director - Financial Markets
SEKAGIRIMANA Celestin	Director - Currency and Banking Operations
BAGIRISHYA KARAMUKA John	Director - Payment Systems
BIGIRUMWAMI Emmanuel	Director - Finance
MUHIRE Modeste	Director - Planning and Corporate Affairs
MURAGIRA Uwimana Enid	Director - Internal Audit
RUTAYISIRE MUNYURA Bosco	Director - Information and Communication Technology
RUTABINGWA Jean Paul	Director - Legal Services
NTAGANDA Cyril	Director - Risk Management
MUJAWIMANA Alphonsine	Director - General Services
INGABIRE Josiane	Director - Governor's Office

REGISTERED OFFICE

National Bank of Rwanda
Avenue Paul VI
PO Box 531
Kigali, Rwanda

BRANCHES

Southern Branch
PO Box 622
Huye, Rwanda

Eastern Branch
PO Box 14
Rwamagana, Rwanda

Northern Branch
PO Box 127
Musanze, Rwanda

Western Branch
PO Box 462
Rusizi, Rwanda

AUDITORS

KPMG Rwanda Limited
Omega Building
Boulevard de l'OUA
PO Box 6755
Kigali, Rwanda

MAIN LAWYERS

Jean Paul Rutabingwa
Avenue Paul VI
PO Box 531
Kigali, Rwanda

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors submit their report together with the audited financial statements for the year ended 30 June 2012, which shows the state of affairs of the Bank.

1. **Incorporation**

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

2. **Principal activities**

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

   The directors resolved to change the financial reporting date of the Bank from 31st December to 30 June. The 2012 set of financial statements has been prepared for 12 months period ended 30 June 2012 while 2011 financial statements were prepared for a 6 month period ended 30 June 2011.

3. **Results**

   The results for the period are set out on page 101.

4. **Dividend**

   The board of directors recommends the payment of a dividend of Frw 1,506,630,000 (2011: Frw 416 220 016)

5. **Directors**

   The directors who served during the period and up to the date of this report are listed on page 95.

6. **Auditors**

   KPMG Rwanda Limited was appointed auditors in 2011 and has indicated their willingness to continue in office.

BY ORDER OF THE BOARD

BOARD CHAIRMAN

NATIONAL BANK OF RWANDA: THE GOVERNOR

Date: 26/10/2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the financial statements of National Bank of Rwanda set out on pages 101 to 145 which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 18 october 2012 and were signed on its behalf by:

NATIONAL BANK OF RWANDA: THE GOVERNOR

Governor

Date: 26/10/2012

Director

Date: 26/10/2012

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

We have audited the financial statements of National Bank of Rwanda set out on pages 101 to 145 which comprise the statement of financial position of the Bank at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As stated on page 97, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 30 June 2012, and the Bank's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and Law No. 55/2007 of 30 November 2007 relating to statutes of the National Bank of Rwanda.

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

KPMG Rwanda
26 OCT 2012
P. O. Box 6755 KIGALI RWANDA
TEL: +250 280 123458

Date: 26/OCT/2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Year ended 30 June 2012	Six months ended 30 June 2011
		Frw'000	Frw'000
Interest Income	3	5,437,107	3,100,113
Interest expense	4	(310,907)	(159,123)
Net interest income		**5,126,200**	**2,940,990**
Net fees and commission (expense) / income	5	(193,948)	17,749
Foreign exchange gain	6	13,866,875	6,657,767
Other operating income	7	899,826	536,859
Operating income		**19,698,953**	**10,153,365**
Operating expense	8	(12,795,206)	(5,548,571)
Profit for the year		**6,903,747**	**4,604,794**
Other comprehensive income		-	-
Net changes in fair value on available for sale financial assets		1,669,932	29,486
Total comprehensive income for the year		**8,573,679**	**4,634,280**

The notes set out on pages 103 to 145 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

ASSETS	Note	30-Jun-12 Frw '000	30-Jun-11 Frw'000
Cash and cash equivalents		5,955,905	6,128,520
Foreign assets	9	519,179,264	442,967,641
International Monetary Fund Quota	10	74,251,386	76,965,858
Due from Government of Rwanda	11	38,597,550	72,166,089
Loan and advance to banks	12	1,918,484	8,313,257
Due from foreign financial institutions	13	5,953,536	1,479,511
Loan and advances to staff	14	5,007,285	4,235,648
Other investment	15	6,164	6,164
Investment property	16	73,109	87,942
Property and equipment	17	6,379,003	4,586,327
Intangible assets	18	560	3,122
Other assets	19	18,673,814	29,591,693
TOTAL ASSETS		**675,996,060**	**646,531,772**
LIABILITIES			
Currency in circulation	20	129,876,564	115,051,253
Government deposits	21	156,513,929	175,547,413
Due to local financial institutions	22	169,016,173	124,906,462
Due to International Monetary Fund	23	153,801,483	160,133,067
Foreign liabilities	24	7,528,397	2,333,896
Other liabilities	25	10,437,869	24,536,584
TOTAL LIABILITIES		**627,174,415**	**602,508,675**
EQUITY AND RESERVES			
Share capital	26	7,000,000	7,000,000
General Reserve Fund	27	8,505,380	8,933,479
Other Reserves	28	26,412,518	28,089,618
Profit for the year		6,903,747	-
TOTAL EQUITY AND RESERVES		**48,821,645**	**44,023,097**
TOTAL LIABILITIES AND EQUITY		**675,996,060**	**646,531,772**

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

Governor
Date: 26/10/2012

Director
Date: 26/10/2012

The notes set out on pages 103 to 145 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Share capital Frw '000'	General reserve fund Frw '000'	Other reserves Frw '000'	Total Frw '000'
At 31 Dec 2010	7,000,000	10,436,274	24,011,110	41,447,384
Comprehensive income for the period	-	4,604,794	-	4,604,794
Other comprehensive income for the period				
Fair value movement on available for sale financial assets	-	-	29,486	29,486
Dividend paid for 2010	-	(2,058,567)	-	(2,058,567)
Transfer to other reserves	-	(4,049,022)	4,049,022	-
As at 30 June 2011	7,000,000	8,933,479	28,089,618	44,023,097
Comprehensive income for the period	-	6,903,747	-	6,903,747
Other comprehensive income for the period				
Fair value movement on available for sale financial assets	-	-	(1,669,932)	(1,669,932)
Dividend paid for June 2011	-	(416,220)	-	(416,220)
Transfer to other reserves	-			
Foreign assets (exchange) revaluation gain	-	(4,688,116)	4,688,116	-
Staff Welfare Fund	-	(265,876)	265,876	-
As at 30 June 2012	7,000,000	10,467,015	31,993,859	48,840,692

The notes set out on pages 103 to 145 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Year ended 30 June 2012	Six months ended 30 June 2011
Net cash flows from operating activities	**30**	**64,075,835**	**(42,478,987)**
Investing activities			
Purchase of property, plant and equipment	**17**	(2,457,052)	(137,702)
Purchase of intangible assets		-	(1,608)
Proceeds from sale of equipment		11,134	2,302
Net cash outflow from investing activities		**(2,445,918)**	**(137,008)**
Financing activities			
Currency in circulation	**20**	14,825,311	10,910,933
Dividends paid		(416,220)	(2,058,567)
Net cash inflow/(outflow) from financing activities		**14,409,091**	**8,852,366**
Net increase/(decrease) in cash and cash equivalents		**76,039,008**	**(33,763,269)**
Cash and cash equivalents at the beginning of the year		**449,096,161**	**482,859,790**
Cash at end of the period	**31**	**525,135,169**	**449,096,161**

1. REPORTING ENTITY

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

(i) *Statement of compliance*

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

(ii) *Basis of measurement*

The financial statements are prepared under the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- buildings measured at revalued amounts

(iii) *Use of estimates and judgments*

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

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

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

Impairment of loans and advances

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

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

Impairment of equity investment

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

Property, equipment and intangible assets

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

(iv) ***Functional and presentation currency***

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

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

(b) Revenue recognition

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

(i) ***Interest income and expenses***

Interest income and expense are recognised in the profit or loss for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price.

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 liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills and other discounted instruments.

(ii) *Fees and commission income*

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

(iii) *Other income and expenses*

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

(c) Translation of foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

(d) Property and equipment

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 annual depreciation rates in use for the current and comparative periods for each category are:

Buildings	4-20%
Lift for the headquarter	10%
Computer equipment	33%
Currency processing machines	20%
Motor vehicles	25%
Furniture, fittings and office equipment	10-20%
Security equipment	15%

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

Subsequent expenditure is capitalised only when it increases future economic benefits and meets the recognition criteria. Expenditure incurred to replace a major component of an item of property and equipment is accounted for separately and capitalised while the replaced component is derecognised.

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

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

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

(e) Intangible asset

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are amortised over the useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income.

Amortisation is calculated using the straight line method to write down the cost of intangible assets to the residual values over the estimated useful life as follows:

Computer software - Four years

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

(e) Intangible asset

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

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

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

Computer software 33.3 % (annual amortisation rate)

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

(f) 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.

(g) Currency printing and minting costs

Banknotes printing expenses for each denomination which include ordering, printing, freight, insurance and handling costs are initially deferred. Based on the currency issued into circulation, the respective proportional actual costs incurred are released to the profit or loss from the deferred costs account over the useful period (life span) of each banknotes denomination. The deferred amount is recognised as prepayment and represents unissued banknotes (currency) stock. Cost of coins minted is expensed in full on delivery in the year of purchase/acquisition. The life span of each bank note denomination is as described in note 3(c).

(h) Financial instruments

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

(i) *Date of recognition*

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

(ii) *Recognition and initial measurement*

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

(h) Financial Instruments (continued)

(iii) *Classification and measurement*

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables

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

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

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

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

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

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

Held to maturity

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

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

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

Available-for-sale financial assets

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Unquoted equity securities whose fair value cannot reliably be measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss. Other fair value changes are recognised in other comprehensive income until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

A non-derivative financial asset is reclassified from the available-for-sale category to the loans and receivables category if it otherwise would have met the definition of loans and receivables and if the Bank has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents comprises of cash balances, bank deposits, current accounts, gold holding, government securities with maturity of up to 3 months from the date of issue. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Financial liabilities

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

The Bank has classified the following financial instruments as financial liabilities:

- *Currency in circulation*

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

- *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.

(h) Financial Instruments (continued)

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.

- *Other liabilities*

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

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

The Bank has classified the Reserve Asset Management Programme (RAMP) financial instruments as held for trading.

(i) Derecognition

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

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

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

(i) ***Gains and losses on subsequent measurement***

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) ***Offsetting***

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

(iii) ***Impairment of financial assets***

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

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

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

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

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

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

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

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

(i) *Impairment of non-financial assets*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

(j) *Investment property*

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

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

(k) *Provisions*

Provisions are recognised 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.

(l) *Cash and cash equivalents*

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

(m) *Employee benefits*

In accordance with the existing law relating to social security, the Bank makes contributions to Rwanda Social Security Board on behalf of its employees. The Bank's contribution is charged to profit or loss in the year to which it relates.

The bank also has an in-house managed defined contribution plan. A defined contribution plan is a post- employment benefit under which an entity pays even contributions and has no legal/constructive obligation to pay future amounts. Obligations for contributions to the defined contribution plan are recognized as an expense in profit or loss in the period in which the service is rendered by the employee.

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

The estimated monetary liability for employees leave entitlement at the reporting date is recognised 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.

(n) 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.

(o) Comparatives

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

(p) *Taxation*

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

(q) *Dividends payable*

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

(r) *Government grant and government assistance*

The Bank, being a wholly owned governmental financial institution, may receive grants in both monetary and non-monetary basis. Government grants are recognised 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are not yet effective for the six month period ended 30 June 2011, and have not been applied in preparing these financial statements as follows:

Standard/Interpretation		Effective date
IAS 12 amendment	*Deferred tax: Recovery of Underlying Assets*	Annual periods beginning on or after 1 January 2012
IAS 1 amendment	*Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*	Annual periods beginning on or after 1 July 2012
IFRS 10	*Consolidated Financial Statements*	Annual periods beginning on or after 1 January 2013
IFRS 11	*Joint Arrangements*	Annual periods beginning on or after 1 January 2013
IFRS 12	*Disclosure of Interests in Other Entities*	Annual periods beginning on or after 1 January 2013
IFRS 13	*Fair Value Measurement*	Annual periods beginning on or after 1 January 2013
IAS 19 amended 2011	*Employee Benefits*	Annual periods beginning on or after 1 January 2013
IAS 27	*Separate Financial Statements (2011)*	Annual periods beginning on or after 1 January 2013
IAS 28	*Investments in Associates and Joint Ventures (2011)*	Annual periods beginning on or after 1 January 2013
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*	Annual periods beginning on or after 1 January 2013
IFRS 1 amendment	*Government Loan*	Annual periods beginning on or after 1 January 2013
IFRS 7 amendment	*Disclosures: Offsetting Financial Assets and Financial Liabilities*	Annual periods beginning on or after 1 January 2013
IAS 32 amendment	*Offsetting Financial Assets and Financial Liabilities*	Annual periods beginning on or after 1 January 2014
IFRS 9	*Financial Instruments*	Annual periods beginning on or after 1 January 2015

The Bank will adopt the above standards, interpretations and amendments on their effective dates.

The Bank does not intend early adopting any of the above amendments, standards and interpretations.

Amendment to IAS 1 Presentation of Financial Statements

The amendment to IAS 1 will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2013.
The Bank will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

(t) *New standards and interpretations not yet adopted*

This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements.

This amendment will be applied retrospectively and the comparative information will be restated.

IFRS 13 Fair Value Measurement

IFRS 13 will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2014. The standard will be applied prospectively and comparatives will not be restated.
IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The impact on the financial statements for 30 June 2014 cannot be reasonably estimated as at 30 June 2012.

Amendment to IAS 19 Employee Benefits: Defined benefit plans

The amendments to IAS 19 will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2014. In terms of the amendments, the following key change will have an impact on the Bank:

- The definitions of short-term and other long-term employee benefits have been amended and the distinction between the two depends on when the entity expects the benefit to be settled;
- All actuarial gains and losses must be recognised immediately in other comprehensive income;
- The calculations of finance costs has been revised;
- Additional disclosures required for defined benefit plans; and
- Possible changes to the timing of the recognition of termination benefits.

This amendment will most significantly impact the Banks recognition of actuarial gains and losses.

IFRS 7 amendment

This amendment will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2014.

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

This amendment sets out the additional disclosure requirements resulting from the IAS 32 offsetting amendment. The impact on the financial statements for 30 June 2014 cannot be reasonably estimated as at 30 June 2012.

IAS 32 amendment

This amendment will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2015.

This amendment provides clarity on the application of the offsetting criteria listed in the current standard.

The impact on the financial statements for 30 June 2015 cannot be reasonably estimated as at 30 June 2012.

IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted by the National Bank of Rwanda for the first time for its financial reporting period ending 30 June 2016. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.
- Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

The impact on the financial statements for 30 June 2016 cannot be reasonably estimated as at 30 June 2012.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. The most significant use of judgement and estimates are as follows:

(a) Impairment losses on loans ,advances and receivables

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

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

(b) Property, equipment and intangible assets

Critical estimates are made by the management in determining depreciation and amortisation rates for property, equipment and intangible assets. The rates used are set out in the Note 2 (d).

(c) Useful life of currency

Banknotes printing expenses for each denomination which include ordering, printing, freight, insurance and handling costs are initially deferred. Based on the currency issued into circulation, the respective proportional actual costs incurred are released to the income statement from the deferred costs account over the useful period (life span) of each banknotes denomination. The deferred amount is recognised as prepayment and represents unissued banknotes (currency) stock. Previously the costs were expensed upon delivery of currency stock. Cost of coins minted is expensed in full on delivery in the year of purchase/acquisition.

Useful lives of the various banknotes denominations are currently estimated as follows:

FRW 5,000	2 years
FRW 2,000	2years
FRW 1000	1 year and 6 months
FRW 500	1 year

The useful life for all other denominations (coins) is estimated at 10 years.

(d) **Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

All financial instruments are initially recognised at fair value, which is normally the transaction price. In certain circumstances, the initial fair value may be based on a valuation technique which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market inputs.

Subsequent to initial recognition, some of the bank's financial instruments are carried at fair value, with changes in fair value either reported within profit or loss or within other comprehensive income until the instrument is sold or becomes impaired.

The fair values of quoted financial instruments in active markets are based on current prices. If the market for a financial instrument is not active including for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Where representative prices are unreliable because of illiquid markets, the determination of fair value may require estimation of certain parameters, which are calibrated against industry standards and observable market data, or the use of valuation models that are based on observable market data.

The fair value for the majority of the Bank's financial instruments is based on observable market prices or derived from observable market parameters.

3. INTEREST INCOME

	30-Jun-12 Frw'000	30-Jun-11 Frw'000
Interest Income on Frw operations	2,119,876	1,440,010
Interest Income on Foreign currency transactions	3,317,231	1,660,103
	5,437,107	3,100,113

4. INTEREST EXPENSE

Interest on IMF fund	185,991	156,304
Other interest and similar expenses	124,916	2,819
	310,907	159,123

5. NET FEES AND COMMISSION INCOME

Commision and fees income	296,384	212,448
Commision and fees paid	(490,332)	(194,699)
	(193,948)	17,749

6. FOREIGN EXCHANGE GAIN

Net gain on foreign currency market intervention	643,389	58,755
Foreign exchange dealing profit on commercial banks	209,033	48,355
Foreign assets (exchange) revaluation gain	4,688,116	3,964,695
Transaction with foreign correspondent banks	3,006,653	1,205,382
Transaction with local clients	3,862,650	1,525,175
Realised gain on foreign financial instruments	2,687,470	439,120
Realised loss on foreign financial instruments	(1,083,052)	(583,715)
Unrealized loss on foreign financial instruments	(111,441)	-
	13,866,875	6,657,767

7. OTHER OPERATING INCOME

Fines, penalties and other administrative income	208,543	162,085
Written back accruals and provisions	130,579	188,584
Gain on sales of properties and equipment	11,134	2,302
Subvention from the Government of Rwanda	327,535	-
Interest refund from the Government of Rwanda	6,385,208	1,839,847
Interest paid on monetary policy issues	(6,385,241)	(1,832,487)
Other income	222,068	176,528
	899,826	536,859

8. OPERATING EXPENSES

Bank notes printing and coins minting	1,652,584	64,653
Staff costs (8 (a))	7,688,542	3,712,342
Auditor's remuneration	40,110	20,110
Consultancy fees	448,652	189,067
Other expenses	1,944,428	870,461
Depreciation of property and equipment	662,700	264,505
Amortisation of intangible assets	2,562	1,514
Depreciation of investment property	14,833	15,674
Provisions	340,795	412,246
	12,795,206	5,548,571

(a). Staff costs

Salaries and other related allowances	6,170,479	3,017,191
Pensions	524,904	212,700
Medical expenses	583,327	275,232
Training and development	383,002	176,317
Other expenses	26,830	30,902
	7,688,542	3,712,342

9. FOREIGN ASSETS

Current accounts	89,788,857	41,638,866
Fixed term placements with foreign correspondents	94,155,934	125,362,371
Foreign investments	220,754,426	184,090,974
Special Drawing Rights	76,770,653	80,217,170
Other foreign assets	37,682,9034	11,562,746
Interest receivable	26,490	95,514
	519,179,264	**442,967,641**

10. INTERNATIONAL MONETARY FUND

The International Monetary Fund Quota refers to the Rwanda Government's total subscription to the International Monetary Fund (IMF). It is equal to Special Drawing Rights SDR 80,100,000 and was converted to Rwanda Francs based on the exchange rate of the Special Drawing Rights (SDR) applicable at the reporting date.

	Frw'000	Frw'000
Balance at the beginning of the year	76,965,858	73,003,334
Foreign currency adjustment	(2,714,472)	3,962,524
Balance at end of year	**74,251,386**	**76,965,858**

11. DUE FROM GOVERNMENT OF RWANDA

Consolidated debt at the beginning of the year	72,166,089	39,345,701
Recovery in the year	(130,581)	(617,570)
Recovery on government overdraft	(33,437,958)	-
Consolidated debt at the end of the year	38,597,550	38,728,131
Government overdraft outstanding	-	33,437,958
Balance at the end of the year	**38,597,550**	**72,166,089**

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

12. LOANS AND ADVANCES TO BANKS

Current accounts with commercials banks	301,778	1,018,299
Loans to the agricultural and agro business sectors	1,616,707	2,172,948
Other short loans to local financial institutions	-	5,100,000
Accrued interest on loans to banks	-	22,010
	1,918,484	**8,313,257**

13. DUE FROM FOREIGN FINANCIAL INSTITUTION

Balance as at 30 June	**5,953,536**	**1,479,511**

On 9 November 2010, the Bank entered into a currency swap transaction with International Finance Corporation. The notional amount rendered by the bank was Frw 1.479 billion in exchange of USD 2.5 million.

14. LOAN AND ADVANCES TO STAFF

Loans to staff	5,059,780	4,288,289
Provision for impairment	(52,495)	(52641)
	5,007,285	4,235,648

15. OTHER INVESTMENTS

Cost	450,000	450,000
Provision for impairment	(443,836)	(443,836)
Carrying amount	6,164	6,164

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

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

At the end of 2006, owing to accumulated losses, National Bank of Rwanda decided to provide the total cost of its investment in SIMTEL as impairment. In 2008, SIMTEL was restructured and National Bank of Rwanda share capital was revised to Frw 450 million.

16. INVESTMENT PROPERTY

Cost		
Balance at 1 July	313,490	313,490
Depreciation	-	
Balance at 1 July	225,548	209,874
Depreciation charge for the year	14,833	15,674
	240,381	225,548
Carrying value	73,109	87,942

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

17. PROPERTY AND EQUIPMENT

As at 30 June 2012

	Land Frw '000	Capital work in progress Frw '000	Buildings Frw '000	Motor Vehicles Frw '000	Furniture and Equipment Frw '000	Total Frw '000
Cost						
At 01 July 2011	1,553,817	-	3,269,186	96,124	5,277,250	10,196,378
Additions	25,849	1,036,140	150,295	65,900	1,178,868	2,457,052
Disposals	-	-	-	-	(92,039)	(92,039)
At 30 June 2012	**1,579,667**	**1,036,140**	**3,419,481**	**162,024**	**6,364,079**	**12,561,391**
Depreciation						
At 01 July 2011	-	-	1,904,060	66,397	3,639,594	5,610,051
Charge for the year	-	-	83,317	21,743	559,316	664,376
Disposals	-	-	-	-	(92,039)	(92,039)
At 30 June 2012	**-**	**-**	**1,987,377**	**88,140**	**4,106,871**	**6,182,388**
NBV as at 30 June 2012	**1,579,667**	**1,036,140**	**1,432,104**	**73,884**	**2,257,208**	**6,379,003**

As at 30 June 2011

Cost	Land Frw '000	Buildings Frw '000	Motor Vehicles Frw '000	Furniture and Equipment Frw '000	Total Frw '000
At 01 January 2011	1,553,817	3,201,371	96,124	5,259,557	10,110,869
Additions	-	67,815	-	69,887	137,702
Disposals	-	-	-	(52,311)	(52,311)
At 30 June 2011	**1,553,817**	**3,269,186**	**96,124**	**5,277,133**	**10,196,260**
Depreciation					
At 01 July 2011	-	1,862,290	50,206	3,480,142	5,392,638
Charge for the year	-	41,770	16,191	211,645	269,606
Disposals	-	-	-	(52,311)	(52,311)
At 30 June 2011	**-**	**1,904,060**	**66,397**	**3,639,476**	**5,609,933**
NBV as at 30 June 2011	**1,553,817**	**1,365,126**	**29,727**	**1,637,657**	**4,586,327**

18. INTANGIBLE ASSETS

	30-Jun-12	30-Jun-11
Cost		
Balance at 1 July	687,984	686,376
Additions	-	1,608
	687,984	687,984
Depreciation		
Balance at 1 July	684,862	683,046
Depreciation charge for the year	2,562	1,816
At period end	687,424	684,862
Carrying value	560	3,122

19. OTHER ASSETS

Deferred currency expenses	2,551,979	1,194,863
Stock of consumable	214,180	218,155
Other debtors	15,907,655	28,364,482
	18,673,814	**29,777,500**
Impairment losses	-	(185,807)
	18,673,814	**29,591,683**

20. CURRENCY IN CIRCULATION

Currency printed and minted	283,452,060	208,833,061
Money in reserve	(108,004,120)	(20,968,460)
	175,447,940	**187,864,601**
Cash held at the bank	(45,571,377)	(72,813,348)
	129,876,563	**115,051,253**

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

	30 June 2012	30 June 2011
Opening balance of notes and coins in existence	**388,603,655**	**381,103,655**
(+) New banknotes and coins printed and received in the year	156,090,000	7,500,000
(-) Banknotes destroyed during the year	(261,241,595)	(179,770,595)
(-) Uncirculated Banknotes and coins	(108,004,120)	(20,968,460)
Closing balance of banknotes in existence	**175,447,940**	**187,864,600**
(-) Banknotes on hand	(45,571,377)	(72,813,347)
Banknotes in circulation liability	**129,876,563**	**115,051,253**

19. CURRENCY IN CIRCULATION (Continued)

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/ teller at the end of financial year have been excluded from the liability of notes and coins in circulation because they do not represent currency in circulation. Currency notes and coins are issued in the following denominations:

Notes: 5,000/=, 2,000/=, 1,000/=, 1,000 and 500/=.

Coins: 100/=, 50/=,20/=,10/=,5/=,2/=,1/=.

21. GOVERNMENT DEPOSITS

Government special deposits	6,621,348	5,536,525
Deposits for letters of credit and other commitments	704,914	1,093,974
Projects and ministry accounts	79,329,983	69,729,498
Local Governments	19,399,921	24,939,442
Public institutions	3,900,280	5,692,443
Public service enterprises	5,687,887	4,146,110
Foreign currency accounts	40,869,596	64,409,421
	156,513,929	**175,547,413**

22. DUE TO LOCAL FINANCIAL INSTITUTIONS

Local currency deposits	43,882,791	21,479,038
Foreign currency deposits	2,166,504	14,603,999
Money market interventions	122,409,817	88,730,178
Interests payable	557,060	93,247
	169,016,173	**124,906,462**

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

23. DUE TO THE INTERNATIONAL MONETARY FUND

International Monetary Fund Deposits	74,263,594	76,978,512
IMF Poverty Reduction and Growth Facility Loan	8,325,332	9,287,694
Special Drawing Rights Allocation	71,212,557	73,815,935
Interest Payable	-	50,926
	153,801,483	**160,133,067**

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

24. FOREIGN LIABILITIES

Deposits in local currency	196,583	137,704
Deposits in foreign currency	7,331,814	690,149
Loan from International Financial Corporation	-	1,506,043
	7,528,397	**2,333,896**

25. OTHER LIABILITIES

Staff deposits	90,906	728,828
Non statutory accounts in Rwandan Francs	1,426,998	1,524,213
Non statutory accounts in foreign currencies	741,548	704,890
Other payables	7,264,845	21,336,298
Provision for contingencies	107,486	125,986
Provision in lieu of outstanding staff leave	425,141	102,764
Deferred income	380,945	13,605
	10,437,869	**24,536,584**

26. SHARE CAPITAL

Authorised and fully paid share capital	**7,000,000**	**7,000,000**

Article 2 of Law N° 55/2007 of 30 November 2007 governing the National Bank of Rwanda fixed the share capital of the bank at 7 billion of Rwandan Francs. That share capital is entirely subscribed by the Government of Rwanda and the shares do not have a par value.

27. GENERAL RESERVE FUND

The general reserve fund is a fund into which at least 20% of the net annual profits of the Bank 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 Bank utilises funds accumulated in this account to pay dividends once declared by the Board of Directors, increase paid up capital when necessary and to absorb any negative external shocks.

28. OTHER RESERVES

	30-Jun-12	30-Jun-11
Revaluation reserves	1,412,420	1,412,420
Staff welfare fund	3,626,326	3,626,326
Fair value reserve	3,846	640,176
Translation reserve	21,369,925	21,369,925
	26,412,517	**27,048,847**

29. DIVIDEND

	30-June-2012 Frw '000	30-June-2012 Frw '000
Ordinary dividend	1,506,630	416,220

The dividend was proposed by the directors after the respective reporting dates. The dividends have not been provided for and there are no income tax consequences.

30. CASH FLOW FROM OPERATING ACTIVITIES

	30-Jun-12	30-Jun-11
Profit for the year	6,903,748	4,604,794
Adjustments:		
Depreciation of property and equipment	662,700	269,606
Amortisation of software	2,562	1,816
Depreciation of investment property	14,833	15,675
Gain on sale of property and equipment	(12,810)	(2,302)
Revaluation loss of IMF quota	2,714,472	(3,962,524)
Unrealised gain on foreign assets	(1,685,628)	
Impairment loss on other investment	-	213,210
Cash flows before changes in working capital	**8,599,877**	**1,140,275**
Increase / (Decrease) in amount due from Government of Rwanda	33,568,539	(14,315,723)
Increase in amounts due from banks and other financial institution decreased	6,392,791	2,586,490
Decrease in amounts due from foreign financial institutions increased	(4,474,025)	-
Decrease in loans and advances to staff	(771,637)	(137,059)
Increase / (Decrease) in other assets	11,051,517	(28,322,182)
Decrease in the Government deposits	(19,030,348)	(61,174,944)
Increase in amount due to local financial institutions	44,109,711	30,532,265
(Decrease) / increase in amount due to International Monetary Fund	(6,331,584)	8,248,160
Increase in Foreign liabilities	5,194,501	247,449
(Decrease) / increase in Other liabilities	(14,354,235)	18,686,796
Net cash flows from operating activities	**64,075,835**	**(42,508,473)**

31. CASH AND CASH EQUIVALENTS

	30-Jun-12	30-Jun-11
Cash balance	5,955,905	6,128,520
Foreign assets	519,179,264	442,967,641
	525,135,169	**449,096,161**

32. RELATED PARTY TRANSACTIONS

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

a) Transactions with the Government of Rwanda

Transactions entered into with the Government include:

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

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

Transaction with the Government of Rwanda	**30-Jun-12**	**30-Jun-11**
Due from Government of Rwanda (Note 11)	38,597,550	72,166,089
Government of Rwanda deposits (Note 21)	156,513,929	175,547,413

b) Staff loans

The Banks extends loans facilities to members of staff including the senior management. As at the reporting date, loans and advances to employees amounted to Rwf **5,007,285 ('000)** (June 2012: Rwf 4,235,648('000)). The advances are at a preferential interest rate determined by the Bank.

c)	**Loans to Directors**	**30-Jun-12**	**30-Jun-11**
	At 1 July 2011	98,210	-
	New loans during the period	23,783	22,073
	Loans repayments	(21,570)	(10,839)
		100,423	**134,982**
d)	**Director's emoluments**		
	Fees to non-executive directors	4,821	6,439
	Other remuneration to executive directors	132,775	31,969
e)	**Other related party transaction**		
	Rental income from SIMTEL	11,755	5,422

33. RISK MANAGEMENT POLICIES

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

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

The Bank can only intervene in the foreign exchange market when there are sharp exchange rate movements which are likely to destabilize the financial market.
In view of the Bank's reserve management policy of safe investment, liquidity, and return, respectively, the Bank, with a prudent approach, subjects its foreign exchange reserves to investments in international markets.

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

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

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

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

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

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

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

33. RISK MANAGEMENT POLICIES (Continued)

Credit risk

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

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

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

	30-Jun-12	30-Jun-11
a Credit risk		
Cash and cash equivalents	5,955,905	6,128,520
Foreign assets	519,179,264	442,967,641
International Monetary Fund Quota	74,251,386	76,965,858
Due from Government of Rwanda	38,597,550	72,166,089
Loan and advance to banks	1,918,484	8,313,257
Due from foreign financial institutions	5,953,536	1,479,511
Loan and advance to staff	5,007,285	4,235,648
	650,863,411	**612,256,524**

Analysis of staff loans and advances, and Government overdraft

	At 30 June 2012	At 31June 2011
Individually impaired:		
Staff loans	77,110	-
Allowance for impairment	(52,482)	-
	24,628	**-**
Loans past due but not impaired		
Past due up to 30 days	1,786	-
Past due 31 – 60 days	2,265	-
Past due 61 – 90 days	975	-
	5,026	**-**
Loans neither past due nor impaired		
Staff loans and advances	4,563,639	
Government overdraft	-	33,437,958
	4,563,639	**33,437,958**

Liquidity risk

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

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

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

As at 30 June 2012	On demand	Due within3 months	Due between 4-12 months	Due between 1-5 years	Due after 5 years	Total
Currency in circulation	129,876,564	0	0	0	0	129,876,564
Government deposits	155,809,016	704,914	0	0	0	156,513,929
Due to local financial institutions	46,049,295	122,409,817	557,060	0	0	169,016,173
Due to International Monetary Fund	0	0	0	8,325,332	145,476,151	153,801,483
Foreign liabilities	7,528,397	0	0	0	0	7,528,397
Other liabilities	7,355,751	2,701,174	0	380,945	0	10,437,869
	346,619,023	**125,815,904**	**557,060**	**8,706,277**	**145,476,151**	**627,174,415**
As at 30 June 2011						
Currency in circulation	115,051,253	0	0	0	0	115,051,253
Government deposits	170,813,162	4,734,251	0	0	0	175,547,413
Due to local financial institutions	36,082,776	87,193,502	1,630,184	0	0	124,906,462
Due to International Monetary Fund	0	50,925	922,438	6,264,886	152,894,818	160,133,067
Foreign liabilities	828,018	0	136,913	1,300,673	68,292	2,333,896
Other liabilities	21,607,870	2,928,714	0	0	0	24,536,584
	344,383,079	**94,907,392**	**2,689,535**	**7,565,559**	**152,963,110**	**602,508,675**

33. RISK MANAGEMENT POLICIES (Continued)

Foreign currency exchange rate risk

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

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

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

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

Foreign currency exchange rate risk

Foreign currencies to which the Bank was exposed at 30 June 2012 are summarized below all expressed in thousand Francs.

	USD	EURO	GBP	SDR	Others	Total
Foreign assets	422,002,922	8,074,685	278,136	76,770,653	12,052,868	519,179,264
International Monetary Fund Quota	0	0	0	74,251,386	0	74,251,386
Cash balance	5,613,462	205,824	123,524	0	13,095	5,955,905
Total assets	**427,616,384**	**8,280,509**	**401,661**	**151,022,039**	**12,065,962**	**599,386,555**
Liabilities						
Government deposits	29,628,120	11,214,554	7,128	0	115,664,128	156,513,929
Due to International Monetary Fund	0	0	0	153,801,483	0	153,801,483
Due to local financial institutions	2,123,988	42,516	0	0	166,849,669	169,016,173
Foreign liabilities	6,360,656	971,051	0	106	196,583	7,528,397
Total liabilities	**38,112,764**	**12,228,121**	**7,128**	**153,801,589**	**282,710,380**	**486,859,982**
Net exposure	**389,503,620**	**(3,947,612)**	**394,532**	**(2,779,550)**	**(270,644,418)**	**112,526,573**
Total assets at 30 June 2011	**372,592,797**	**30,298,606**	**3,265,955**	**149,127,622**	**578,144**	**555,863,124**
Total liabilities at 30 June 2011	**100,618,464**	**24,768,593**	**1,927,693**	**151,885,012**	**178,017**	**279,377,779**
Net exposure at 30 June 2011	**271,974,333**	**5,530,013**	**1,338,262**	**(2,757,390)**	**400,127**	**276,485,345**

Sensitivity analysis on currency risk

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

33. RISK MANAGEMENT POLICIES (Continued)

The following significant exchange rates applied during the year:

Currency	Closing rate		Average rate	Average rate
	At 29 June 2012	At 30 June 2011	Six months ended 30 June 2012	31 December 2011
USD	612.43	602.42		
EURO	761.06	869.23		
GBP	951.89	964.95		
SDR	926.98	960.87		

A 5% percent strengthening of the Rwanda Francs against the following currencies would have increased/(decreased) equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010:

	At 30 June 2011	At 31 December 2010
	Frw' 000	Frw' 000
USD	(14 403 310)	(13 598 717)
EURO	80 868	(276 501)
GBP	9 934	(66 913)
SDR	143 195	137 870

Interest risk

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

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

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

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

Interest rate risk

As at 30 June 2012	3 months or less	3-12 months	Over one year	Non interest bearing	Total
Cash and cash equivalents	0	0	0	5,955,905	5,955,905
Foreign assets	419,670,874	0	76,770,653	22,737,736	519,179,264
International Monetary Fund Quota	0	0	0	74,251,386	74,251,386
Due from Government of Rwanda	0	0	38,597,550	0	38,597,550
Loan and advance to banks	0	0	0	0	1,918,484
Due from foreign financial institutions	0	0	5,953,536	0	5,953,536
Loan and advance to staff	0	0	0	0	5,007,285
Other assets	18,673,814	0	0	0	18,673,814
Total assets	**438,344,688**	**0**	**121,321,740**	**102,945,028**	**669,537,225**
Currency in circulation	0	0	0	129,876,564	129,876,564
Government deposits	0	0	0	156,513,929	156,513,929
Due to local financial institutions	0	0	0	0	169,016,173
Due to International Monetary Fund	0	0	79,537,889	74,263,594	153,801,483
Foreign liabilities	0	0	0	0	7,528,397
Other liabilities	10,437,869	0	0	0	10,437,869
Total liabilities	**10,437,869**	**0**	**79,537,889**	**360,654,087**	**627,174,415**
Interest sensitivity gap at 30 June 2012	**427,906,819**	**0**	**41,783,851**	**(257,709,059)**	**42,362,810**

33. RISK MANAGEMENT POLICIES (Continued)

Interest risk – continued

Cash and cash equivalents	0	0	0	6,128,520	6,128,520
Foreign assets	258,699,847	184,090,974	0	176,820	442,967,641
International Monetary Fund Quota	0	0	0	76,965,858	76,965,858
Due from Government of Rwanda	33,437,957	143,362	38,584,770	0	72,166,089
Loan and advance to banks	4,643,454	1,017,243	1,634,261	1,018,299	8,313,257
Due from foreign financial institutions	0	134,501	1,345,010	0	1,479,511
Loan and advance to staff	94,621	342,272	3,585,847	212,908	4,235,648
Other assets	29,591,693	0	0	0	29,591,693
Total assets	**326,467,572**	**185,728,352**	**45,149,888**	**84,502,405**	**641,848,217**
Currency in circulation	0	0	0	115,051,253	115,051,253
Government deposits	0	0	0	175,547,412	175,547,412
Due to local financial institutions	87,193,502	1,630,184	0	36,082,776	124,906,462
Due to International Monetary Fund	50,926	922,437	82,181,192	76,978,512	160,133,067
Foreign liabilities	0	136,913	1,368,965	828,018	2,333,896
Other liabilities	24,536,584	0	0	0	24,536,584
Total liabilities	**111,781,012**	**2,689,534**	**83,550,157**	**404,487,971**	**602,508,674**
Interest sensitivity gap at 30 June 2011	**214,686,560**	**183,038,818**	**(38,400,269)**	**(319,985,566)**	**39,339,543**

Sensitivity analysis on interest rate risk

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

Operational risk

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

Human Resource risk

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

Legal risk

Legal risks arise from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counter parties. These are the risks that the Bank may not be complying fully with the relevant laws and legislations. The Bank aims at minimising such uncertainties through continuous consultations with all relevant parties.

In mitigating these types of the risks, the Bank ensures that all business agreements are subjected to extensive legal reviews before contracting.

Reputation risk

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

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

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

FAIR VALUE

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

33. RISK MANAGEMENT POLICIES (Continued)

The table below sets out the carrying amounts of each class of financial assets and liabilities, and their fair values:

As at 30 June 2011	Loans and receivables	Available-for-sale	Other amortised cost	Total carrying amount	Fair value
ASSETS					
Cash balance	6 128 520	-	-	6 128 520	6 128 520
Foreign assets	-	442 967 641	-	442 967 641	442 967 641
International Monetary Fund quota	76 965 858	-	-	76 965 858	76 965 858
Due from Government of Rwanda	72 166 089	-	-	72 166 089	72 166 089
Advances to banks	8 313 257	-	-	8 313 257	8 313 257
Due from foreign financial institutions	1 479 511	-	-	1 479 511	1 479 511
Loans and advances to staff	4 235 648	-	-	4 235 648	4 235 648
Other assets	29 591 693	-	-	29 591 693	29 591 693
Total assets	**198 880 576**	**442 967 641**	**-**	**641 848 217**	**641 848 217**
LIABILITIES					
Currency in circulation	-	-	115 051 253	115 051 253	115 051 253
Government deposits	-	-	175 547 413	175 547 413	175 547 413
Due to local financial institutions	-	-	124 906 462	124 906 462	124 906 462
Due to International Monetary Fund	-	-	160 133 067	160 133 067	160 133 067
Foreign liabilities	-	-	2 333 896	2 333 896	2 333 896
Other liabilities	-	-	24 536 584	24 536 584	24 536 584
Total liabilities	**-**	**-**	**602 508 674**	**602 508 674**	**602 508 675**

As at 31 December 2010	Loans and receivables	Available-for-sale	Other amortised cost	Total carrying amount	Fair value
ASSETS					
Cash balance	1 530 077	-	-	1 530 077	1 530 077
Foreign assets		481 329 713	-	481 329 713	481 329 713
International Monetary Fund quota	73 003 334	-	-	73 003 334	73 003 334
Due from Government of Rwanda	57 850 366	-	-	57 850 366	57 850 366
Advances to banks	10 899 747	-	-	10 899 747	10 899 747
Due from foreign financial institutions	1 479 511	-	-	1 479 511	1 479 511
Loans and advances to staff	4 098 589	-	-	4 098 589	4 098 589
Other assets	1 269 511	-	-	1 269 511	1 269 511
Total assets	**150 131 135**	**481 329 713**	**-**	**631 460 848**	**631 460 848**
LIABILITIES					
Currency in circulation	-	-	104 140 320	104 140 320	104 140 320
Government deposits	-	-	236 722 357	236 722 357	236 722 357
Due to local financial institutions	-	-	94 374 197	94 374 197	94 374 197
Due to International Monetary Fund	-	-	151 884 907	151 884 907	151 884 907
Foreign liabilities	-	-	2 086 447	2 086 447	2 086 447
Other liabilities	-	-	5 849 788	5 849 788	5 849 788
Total liabilities	**-**	**-**	**595 058 016**	**595 058 016**	**595 058 016**

33. RISK MANAGEMENT POLICIES (Continued)

COMMITMENTS AND CONTINGENT LIABILITIES

	At 30 June 2011 Frw' 000	At 31 December 2010 Frw' 000
Claims	-	-

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

Commitments	At 30 June 2011 Frw' 000	At 31 December 2010 Frw' 000
Contracted for	-	27 355 748
Authorised and not contracted for	-	152 197
Others:		
Rwanda Government debt	127 509 200	126 954 285
Letters of credits opened	17 684 652	23 295 614
Other off balance sheet accounts	512 977	652 180

CONCLUSION

In this report, it was shown that the National Bank of Rwanda has achieved its objectives of ensuring the stability of prices and the well-functioning of the financial sector despite the challenging global, regional and domestic economic environment.

The global economic environnent was marked by serious uncertainties on financial market, the decline of inflation following weak demand and the decline of growth compared to the previous year.

The regional economic environment witnessed turn round in inflation rates, which contributed to mitigating the imported inflation to Rwanda. Movements in exchange rates had an opposite effect. As currencies of our major trading partners in the EAC regained vis-à-vis the dollar, the RWF depreciated against the currencies in those countries. Rwanda remained the net importer in the EAC.

Despite the global slowdown, the national economic performance remained on track. Productive activities continued to record good performance in line with the real GDP growth projection and exports and imports grew beyond expectations which resulted in higher demand in foreign exchange which could have pushed the depreciating trend of the RWF even further hadn't the National Bank increased its sales to the market.

The National Bank of Rwanda managed to keep Broad Money supply and demand in line with the dynamism in economic activities. The inflation has been limited at low and stable levels, sustaining improvement in banking system liquidity conditions and ensuring smooth fluctuation of exchange rate.

The financial sector continued to be profitable, liquid and well capitalized to sustain growth and resilience to external shocks. Access to finance has been improved in terms notably of number of accounts, licensing of agency banking, new technologies and modernization efforts.

In line with the Government program, the Bank continued to improve domestic and international payment systems. Thus, after the implementation of the Rwanda Integrated Payment Processing System (RIPPS), the first semester of 2012 has been focused to stabilise the RIPPS and to introduce new and strengthen existing retail payment systems. In particular, the RIPPS system has been upgraded to enable linkage to the COMESA Regional Payment and Settlement System (REPSS).

The National Bank of Rwanda wishes to thank all its partners and stakeholders for the good collaboration that has enabled the rich achievements to be made. The Bank remains committed to ensuring macroeconomic stability in the periods to come. Although uncertainties persist, the outook is generally positive and everyone should work hard to realize the good things the future is holding for the human kind.

APPENDICES

MAJOR INDICATORS OF NATIONAL ECONOMY

Appendice 1

Description	2005	2006	2007	2008	2009	2010	2011	Jan. - Jun 2012
Current GDP (in FRW billion)	**1439.9**	**1716.5**	**2044.6**	**2576.6**	**2985.0**	**3279.8**	**3828.3**	**2,078.0**
of which : Primary sector, in % of GDP	**38.4**	**38.4**	**35.7**	**32.4**	**33.9**	**32.2**	**31.9**	31.7
Secondary sector, in % of GDP	**14.1**	**13.8**	**13.9**	**14.8**	**14.4**	**15.0**	16.3	15.2
Tertiary sector, in % of GDP	41.4	42.0	44.6	46.4	45.5	46.7	45.6	47.0
Constant GDP (in FRW billion ,2006)	**1,571.4**	**1,716.4**	**1,847.4**	**2,053.6**	**2,181.9**	**2,339.4**	**2,540.1**	**1,310.1**
Growth rate (in %)	9.4	9.2	7.7	11.6	6.2	7.2	**8.6**	**8.7**
of which : Primary sector	6.5	2.8	2.6	6.5	7.7	5.0	4.7	3.6
Secondary sector	9.3	11.7	9.1	15.1	1.4	8.4	17.6	**5.0**
Tertiary sector	11.9	13.3	12.2	13.8	6.2	9.0	8.9	14.1
Inflation rate	9.1	8.9	9.1	15.4	10.3	**2.3**	**5.7**	**7.5**
Current GDP per capita (In USD)	288.7	332.6	391.1	479.2	519.2	540.1	594.8	-
Growth rate (in %)	19.2	15.2	17.6	22.5	8.3	4.0	10.1	-
USES OF GDP(constant), in %	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Private Consumption	76.3	80.1	80.4	76.1	81.5	82.2	81.4	83.2
Public Consumption	18.1	18.1	17.1	15.7	16.5	17.0	16.6	15.9
Gross Domestic Investment	14.8	16.0	18.6	22.1	21.4	21.4	22.1	21.9
Resource Balance	-9.9	-14.2	-16.1	-14.0	-19.6	-20.6	-20.1	-21.0
Balance of current payments (+net transfers), in % of GDP	-2.2	-4.3	-2.2	-5.2	-8.2	-7.0	-7.0	-0.1
Gross reserves, in number of months of imports of goods and non factor services(GNFS)	**7.6**	**6.8**	**7.0**	**5.1**	**6.2**	**6.0**	**5.8**	**5.1**
Tax revenues, in % of GDP	11	11	12.0	13	12	13	13.2	14.8
Budget deficit (cash basis), in % of GDP	-0.5	-1.0	-1.3	0.1	-1.3	-2.0	-0.5	-0.1
External debt stock (USD million)	**1,496.0**	**481.7**	**566.7**	665.55	736.6	766.59	984.7	1,004.7
External debt Service in % of export earnings	**40.4**	**23.9**	**7.1**	**5.6**	7.5	6.0	5.1	6.8

Source: BNR

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Nominal)

Appendice 2

(In FRW billion, at current prices)

DESCRIPTION	2004	2005	2006	2007	2008	2009	2010	2011	Jan. - Jun 2012
Agriculture	**465**	**553**	**660**	**729**	**834**	**1,012**	**1,058**	**1,223**	**659**
Food crop	396	467	546	619	692	858	891	1,041	
Export crops	13	18	25	18	24	23	28	29	
Livestock	26	27	31	33	42	49	50	56	
Forestry	26	35	52	53	68	72	77	84	
Fisheries	5	5	6	7	9	10	11	13	
Industry	**167**	**202**	**236**	**285**	**382**	**430**	**491**	**625**	**316**
Mining and Quarrying	8	10	11	21	25	16	22	48	
Manufactured goods	84	101	117	125	159	190	218	252	
of which: Foodstuffs,beverages and tobacco	53	67	77	80	106	136	152	173	
Others	30	35	40	44	53	54	65	79	
Electricity, Gas, and Water	1	3	3	8	5	6	7	8	
Construction	74	88	105	132	194	219	244	317	
Services	**497**	**596**	**720**	**912**	**1,198**	**1,365**	**1,530**	**1,725**	**976**
Wholesale and retail trade,Restaurants and hotels	147	187	233	289	415	449	500	564	
Transport, storage and communication	74	90	117	145	197	223	257	288	
Finance, Insurance,Real Estate,Business services	131	146	162	231	301	351	373	415	
Public Administration	68	75	87	97	112	128	151	181	
Education	43	59	76	95	108	140	167	210	
health	21	21	23	30	36	44	51	53	
Others services	13	18	23	27	30	30	33	34	
Less: Bank service charges	-17	-19	-24	-31	-40	-41	-50	-70	-42
Plus: VAT and Other taxes on products	94	108	124	151	204	226	249	306	169
GROSS DOMESTIC PRODUCT	**1,206**	**1,440**	**1,716**	**2,046**	**2,579**	**2,992**	**3,280**	**3,828**	**2,078**

Source: National Institute of Statistics of Rwanda (INSR)

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real) **Appendice 3**

(In FRW billion , at 2006 constant prices)

DESCRIPTION	2004	2005	2006	2007	2008	2009	2010	2011	Jan. - Jun 2012
Agriculture	**603**	**642**	**660**	**677**	**721**	**776**	**815**	**853**	**413**
Food crop	499	538	546	567	603	659	692	727	
Export crops	25	19	25	18	23	20	22	23	
Livestock	28	30	31	32	33	34	35	36	
Forestry	44	48	52	53	55	56	59	60	
Fisheries	6	6	6	6	6	7	7	7	
Industry	**193**	**211**	**236**	**258**	**297**	**301**	**326**	**383**	**189**
Mining and Quarrying	10	13	11	16	13	11	10	15	
Manufactured goods	95	103	117	118	124	128	140	151	
of which: Foodstuffs,beverages and tobacco	61	68	77	75	79	83	89	93	
Others	33	34	40	43	45	45	51	57	
Electricity, Gas, and Water	4	4	3	4	4	4	6	6	
Construction	85	93	105	121	155	157	171	211	
Services	**568**	**636**	**720**	**809**	**929**	**982**	**1,065**	**1,160**	**639**
Wholesale and Retail trade,Restaurants and Hotels	168	196	233	262	309	316	342	374	
Transport, Storage and Communication	81	95	117	134	166	181	197	208	
Finance, Insurance,Real estate and Business services	145	153	162	181	202	212	224	237	
Public Administration	77	79	87	92	96	103	118	136	
Education	60	71	76	87	99	110	117	138	
health	22	21	23	26	29	34	39	40	
Others services	14	19	23	26	27	25	27	27	
Less: Bank Service Charges	-20	-21	-24	-29	-31	-30	-35	-46	-26
Plus: VAT and Other taxes on products	107	114	124	133	149	158	169	191	95
GROSS DOMESTIC PRODUCT	**1,437**	**1,571**	**1,716**	**1,849**	**2,064**	**2,187**	**2,339**	**2,540**	**1,310**

Source: National Institute of Statistics of Rwanda (INSR)

USES AND RESOURCES OF GDP (nominal) **Appendice 4**
(In FRW billion)

	2004	2005	2006	2007	2008	2009	2010	2011	Jan.-June 2012
Gross Domestic Product	**1,206**	**1,440**	**1,716**	**2,046**	**2,579**	**2,992**	**3,280**	**3,828**	**2,078**
Final Consumption Expenditure	**1,190**	**1,411**	**1,686**	**1,975**	**2,400**	**2,867**	**3,266**	**3,740**	**2,060**
Public Administration	221	262	312	338	378	434	524	580	
Private (including change of stocks)	968	1,149	1,374	1,637	2,022	2,433	2,742	3,160	
Gross Domestic Investment	**181**	**227**	**275**	**369**	**585**	**645**	**688**	**818**	**456**
Gross Fixed capital formation	181	227	275	369	585	645	688	818	
Construction	135	166	204	257	382	432	484	631	
Equipment (durable goods)	46	61	71	112	203	213	204	187	
Resource Balance	**-165**	**-199**	**-244**	**-298**	**-406**	**-520**	**-674**	**-730**	**-437**
Exports (gnfs)	134	165	190	224	372	347	330	514	
Goods (fob)	55	67	79	93	142	109	149	255	
Non factor Services	79	97	111	132	230	237	181	259	
Imports (gnfs)	299	363	434	523	778	866	1,003	1,244	
goods (fob)	162	205	250	324	493	572	679	872	
Non factor Services	137	158	184	199	285	294	325	371	

USES AND RESOURCES OF GDP (real) **Appendice 4 (Cont'd)**
(In billions of Rwf constant prices, 2006)

	2004	2005	2006	2007	2008	2009	2010	2011	Jan. - Jun 2012
Gross Domestic Product	**1,441**	**1,575**	**1,716**	**1,849**	**2,064**	**2,187**	**2,339**	**2,540**	**1,310**
Final Consumption Expenditure	**1,365**	**1,487**	**1,686**	**1,819**	**1,928**	**2,113**	**2,321**	**2,489**	**1,262**
Public Administration	260	285	312	333	365	399	397	422	
Private (including change of stocks)	1,104	1,201	1,374	1,486	1,562	1,714	1,924	2,068	
Gross Domestic Investment	**203**	**234**	**275**	**344**	**455**	**467**	**501**	**561**	**300**
Gross Fixed capital formation	203	234	275	344	455	467	501	561	
Construction	155	175	204	236	306	310	338	420	
Equipment (durable goods)	47	59	71	108	149	157	163	141	
Resource Balance	**-136**	**-156**	**-244**	**-314**	**-318**	**-392**	**-482**	**-510**	**-253**
Exports (gnfs)	166	184	190	194	267	240	235	347	
Goods (fob)	72	79	79	74	83	69	108	175	
Non factor Services	94	106	111	121	183	170	127	172	
Imports (gnfs)	296	334	434	509	585	634	717	857	
goods (fob)	160	189	250	313	369	418	485	600	
Non factor Services	136	146	184	195	215	215	231	256	

Source : National Institute of Statistics of Rwanda

MONTHLY EVOLUTION OF CONSUMER PRICE INDEX
(For the general index and the divisions index) Jan. 2011 - Jun. 2012

Appendice 5

		2011												2012					
Divisions	Weights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
01. Food and non-alcoholic beverages	3,538	101.8	103.0	107.5	110.5	109.4	112.1	113.4	113.3	112.8	114.4	115.5	114.9	114.8	118.9	124.1	124.6	126.0	124.8
- Bread and cereals	733	90.3	91.4	96.1	100.2	103.9	110.2	108.6	108.2	108.0	107.7	108.1	108.7	110.3	109.2	111.0	113.2	115.9	116.9
- Meat	274	100.6	101.0	100.9	102.3	101.5	101.9	102.3	105.1	106.7	108.5	110.2	110.5	112.4	112.3	113.1	114.2	115.0	115.1
- Fish	83	113.1	118.3	118.7	120.6	127.1	129.7	126.2	128.6	132.9	134.4	139.4	139.7	135.5	138.2	136.6	138.6	141.3	142.4
- Vegetables	1,200	101.5	103.1	113.2	116.9	110.3	112.3	114.4	113.5	113.2	117.5	121.0	117.2	116.2	129.7	143.3	141.7	142.1	136.2
- Non-alcoholic beverages	160	99.6	99.1	98.9	98.8	99.3	101.2	103.7	104.1	104.4	103.5	100.1	102.0	102.2	112.6	111.3	111.1	110.6	110.5
02. Alcoholic beverages and tobacco	240	111.2	113.0	111.5	111.8	112.2	112.8	113.4	117.1	115.5	115.1	115.1	116.0	116.5	115.4	111.1	114.7	118.9	124.4
03. Clothing and footwear	377	104.1	105.4	105.2	105.5	107.3	107.4	108.2	110.2	110.7	110.6	111.7	111.6	112.1	110.4	111.8	110.8	111.6	112.4
04. Housing, water, electricity, gas and other fuels	2,204	101.9	102.3	102.7	103.3	104.0	105.0	104.4	105.2	108.1	108.8	109.2	108.8	107.4	106.8	109.6	109.8	113.7	110.8
05. Furnishing, household equipment and routine household maintenance	457	98.0	97.8	98.4	99.0	99.2	99.2	99.6	101.2	101.6	102.2	101.9	101.4	102.0	102.9	102.6	102.6	103.4	103.4
06. Health	163	101.4	101.0	101.6	101.2	101.2	102.1	102.9	103.0	103.1	102.6	101.9	101.9	102.4	102.6	103.4	103.3	102.8	103.6
07. Transport	1,189	115.9	116.5	117.9	120.7	121.8	125.5	126.2	127.2	127.3	126.8	126.5	126.6	124.9	123.7	124.1	124.7	125.5	126.0
08. Communication	288	97.7	100.8	101.4	100.0	101.3	100.8	100.8	99.4	93.7	93.3	91.5	91.6	92.2	91.6	93.5	93.3	93.0	93.0
09. Recreation and culture	256	101.8	103.1	105.4	105.7	106.1	105.7	104.4	105.9	106.8	106.5	106.0	106.1	104.1	104.2	104.3	104.0	104.0	104.2
10. Education	331	119.2	126.9	127.6	127.6	127.6	128.6	128.6	128.6	128.6	128.6	128.6	128.6	129.9	129.9	129.9	129.9	129.9	129.9
11. Restaurants and hotels	558	102.3	102.1	102.3	102.0	103.3	103.3	103.3	103.0	104.6	104.2	104.4	105.2	105.5	105.3	105.3	104.9	105.0	105.4
12. Miscellaneous goods and services	400	99.9	100.3	102.2	101.7	101.4	103.3	103.2	103.3	104.1	104.8	103.7	104.2	104.3	105.6	106.1	105.3	105.8	105.8
GENERAL INDEX	10,000.0	104.0	105.1	107.1	108.6	108.7	110.4	110.8	111.3	111.8	112.4	112.8	112.6	112.2	113.3	115.8	116.1	117.8	116.9
Monthly changes		0.1	1.0	1.9	1.4	0.1	1.5	0.4	0.4	0.4	0.6	0.3	-0.2	-0.3	1.0	2.2	0.2	1.4	-0.7
Changes over 12 months		1.1	2.6	4.1	5.0	4.5	5.8	7.1	7.5	6.6	7.8	7.4	8.3	7.8	7.9	8.2	6.9	8.3	5.9

Source : BNR

Monthly Evolution of Producer Price Index
Fourth quarter 2003 = 100

Appendice 5 (cont'd)

ISIC. Rev.3	Group of Activity	Weights	YEAR 2011												YEAR 2012					
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
1511-1600	Food Products, Beverages and Tobacco	456	161.8	161.7	161.8	163.2	163.4	165.7	178.9	178.8	177.7	178.9	178.9	178.9	178.9	185.4	185.4	178.2	184.7	184.7
1511-1542	Food Products	129	175.6	175.4	175.8	180.6	181.4	189.4	190.5	190.4	186.4	190.5	190.5	190.5	190.475	190.475	190.475	190.483	190.483	190.483
1511	Production, processing and preserving of meat and meat products	3	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	220.9	221.2	221.2	221.2	221.2	221.2	221.2
1513	Processing and preserving of fruits and vegetables	8	168.5	168.5	168.5	175.2	175.2	175.2	175.2	175.2	175.2	194.0	206.9	226.4	226.4	226.4	226.4	175.2	175.2	210.4
1520	Manufacture of dairy products	32	211.4	211.4	211.4	217.5	217.5	217.5	217.5	217.5	201.3	212.0	212.0	212.0	201.8	201.8	204.9	239.1	239.1	239.1
1531-1533	Manufacture of grain mill and animal feeds products	27	145.4	144.9	146.7	147.0	148.7	182.2	182.6	182.1	182.1	180.5	180.7	180.8	179.2	177.9	179.0	179.3	178.6	178.4
1541	Manufacture of bakery products, pastry, biscuits	13	172.9	172.9	172.9	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8
1542	Manufacture of sugar	45	167.5	167.0	167.2	169.7	170.8	173.6	176.5	176.5	176.5	187.9	187.9	222.1	196.5	187.9	165.1	196.5	187.9	165.1
1552-1600	Beverages and Tobacco	327	156.3	156.3	156.3	156.3	156.3	156.3	174.2	174.2	174.2	174.2	174.2	174.2	174.2	183.4	183.4	173.3	182.4	182.4
1552-1600	Manufacture of beer, soft drinks and tobacco	327	156.3	156.3	156.3	156.3	156.3	156.3	174.2	174.2	174.2	174.2	174.2	174.2	174.2	183.4	183.4	173.3	182.4	182.4
1711-3610	Others than Food, Beverages and Tobacco	544	166.2	169.0	169.0	170.9	170.9	171.0	166.8	166.8	170.7	170.7	170.7	170.7	169.9	170.0	170.0	170.0	170.0	172.6
1711-1920	Manufacture of textiles, wearing apparel, tanning and dressing of leather	47	175.1	174.4	174.9	185.1	185.0	185.6	185.8	185.8	185.8	185.8	185.8	185.8	182.6	182.6	182.6	182.6	182.6	182.6
2029-2221	Manufacture of paper and paper products, publishing of books, newspapers	40	145.0	147.3	147.3	147.3	147.3	147.3	147.3	147.3	147.3	147.1	147.1	147.1	147.1	147.1	147.1	147.1	147.1	147.1
2422-2429	Manufacture of chemical products	172	149.1	157.3	157.3	164.7	164.7	164.7	152.3	152.3	164.7	164.7	164.7	164.7	164.3	164.3	164.3	164.3	164.3	164.3
2511-2520	Manufacture of plastic products, tubes,retreading and rebuilding of rubber tyres	45	151.3	151.3	151.3	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7	135.7
2693-2695	Manufacture of ceramic products, cement, lime and artiles of concrete	126	196.1	196.1	196.1	196.1	196.1	196.1	196.7	196.7	196.7	196.8	196.8	196.8	196.8	196.8	196.8	196.8	196.8	208.0
2811-2899	Manufacture of fabricated metal products	70	177.3	177.3	177.3	177.3	176.9	177.5	174.1	174.1	174.1	173.8	173.7	173.7	173.2	173.4	173.4	173.4	173.4	173.4
3610	Manufacture of furniture	43	156.0	156.0	156.0	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	152.7	152.7	152.7	152.7	152.7	152.7
1511 - 3610	PPI for Mainly Local Sold products	1000	164.2	165.6	165.7	167.4	167.5	168.6	172.3	172.3	173.9	174.4	174.4	174.4	174.0	177.0	177.0	173.7	176.7	178.1
	Monthly Change		-0.1%	0.9%	0.1%	1.0%	0.0%	0.7%	2.2%	-0.0%	1.0%	0.3%	-0.0%	-0.0%	-0.0	0.0	0.0	-0.0	0.0	0.0
	Change over 12 Months		6.7	7.8	6.7	2.5	2.6	3.3	5.6	5.8	6.7	6.8	6.5	6.1	6.0	6.8	6.8	3.8	5.5	5.6
1549	Manufacture of other food products n.c.e	978	244.3	250.9	252.3	270.5	269.5	277.0	277.0	275.8	264.8	319.0	311.2	297.2	306.9	307.5	307.7	318.2	301.1	321.0
1549	Production of tea	585	177.7	181.8	177.7	168.9	171.1	176.3	179.3	186.7	167.5	167.8	164.5	163.7	170.6	171.4	171.9	189.4	191.6	194.0
1549	Production of coffee	392	343.6	354.1	363.6	422.1	416.2	427.1	422.6	408.6	409.9	544.5	529.9	496.4	510.4	510.4	510.4	510.4	464.4	510.4
2421	Manufacture of pesticides and other agro-chemical products	22	415.2	415.2	415.2	499.3	499.3	499.3	499.2	499.2	499.2	501.0	501.0	501.0	503.7	503.7	503.7	505.0	506.3	507.4
2421	Production of pyrethrum	22	415.2	415.2	415.2	499.3	499.3	499.3	499.2	499.2	499.2	501.0	501.0	501.0	503.7	503.7	503.7	505.0	506.3	507.4
1549 - 2421	PPI for Mainly Export Products	1000	248.1	254.6	255.9	275.6	274.6	281.9	281.9	280.7	270.0	323.0	315.4	301.8	311.3	311.8	312.1	322.4	305.7	325.1
	Monthly Change		8.7%	2.6%	0.5%	7.7%	-0.4%	2.7%	-0.0%	-0.4%	-3.8%	19.6%	-2.4%	-4.3%	0.0	0.0	0.0	0.0	-0.1	0.1
	Change over 12 Months		27.28	23.91	27.38	41.07	43.51	47.12	46.45	37.93	36.86	52.79	46.35	32.23	25.50	22.48	21.94	16.96	11.31	15.33

Source : BNR

CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT (In billions of FRW)

Appendice 6

Description	2005	2006	2007	2008	2009	2010	2011	Jan - June 2012*
TOTAL REVENUES AND GRANTS	344.8	374.7	472.5	660.8	726.8	828.3	982.5	453.8
Total Revenue	180.3	205.6	252.1	381.0	379.4	430.9	541.7	307.6
Current Revenue	180.3	205.6	252.1	381.0	379.4	430.9	541.7	307.6
Tax Revenue	162.6	191.1	237.8	328.7	362.8	412.8	505.0	298.4
Direct Taxes	50.8	65.2	85.8	123.1	136.5	162.0	198.6	128.8
Income Tax	50.1	64.5	85.8	123.1	136.5	162.0	198.6	128.8
Property Tax	0.7	0.7	0.0	0.0	0	0.0	0.0	0.0
Indirect Taxes	111.8	125.8	152.0	205.6	226.4	250.8	306.4	169.6
Taxes on Goods and Services	82.8	95.5	121.0	161.7	183.7	216.8	265.7	144.5
Taxes on international trade	29.0	30.3	31.0	43.9	42.7	34.0	40.7	25.2
Non tax revenues	17.7	14.6	14.3	52.3	16.5	18.1	36.7	9.2
Capital revenues								
Grants	164.5	169.1	220.4	279.8	347.4	397.4	440.8	146.2
Current Grants	110.9	73.2	132.4	185.7	233.6	275.9	298.7	54.7
Capital Grants	53.6	95.9	88.0	94.1	113.8	121.5	142.1	91.5
TOTAL EXPENDITURE	340.7	383.7	491.4	649.7	751.0	879.4	987.2	613.7
Current expenditure	214.9	255.4	313.2	368.5	424.4	501.0	569.4	316.2
Wages and Salaries	51.2	62.2	73.8	84.2	97.4	116.4	130.4	76.0
Civilians	34.7	41.2	52.5	61.0	69.9	85.4	98.9	58.4
Military	16.5	21.0	21.3	23.2	27.5	30.9	31.5	17.6
Purchase of goods and services	64.4	80.7	78.0	80.3	104.8	118.7	137.8	82.8
Civilians	55.8	71.6	67.5	66.9	86.5	105.7	121.3	75.6
Military	8.6	9.1	10.5	13.4	18.3	13.0	16.5	7.2
Interests payment on public debt	10.3	7.1	10.9	12.6	11.4	14.7	17.4	8.6
On domestic debt	4.2	4.2	8.7	8.9	7.3	10.1	12.5	6.0
On external debt	6.1	2.9	2.2	3.8	4.1	4.6	4.9	2.6
Transfers & Grants	53.6	71.9	103.6	130.4	162.4	189.5	220.3	106.9
Exceptional expenditure	35.4	33.5	46.9	60.9	48.4	61.7	63.6	42.0
Capital Expenditure	121.4	118.7	186.3	267.8	291.9	350.1	441.0	281.1
Financed by domestic resources	34.7	35.7	63.8	119.2	139.4	192.4	214.6	127.1
Financed by foreign resources	86.7	83.0	122.5	148.5	152.5	157.7	226.3	154.0
Net Lending	4.4	9.6	-8.1	13.5	34.7	28.3	-23.2	16.4
Current Deficit(payment order basis)	-34.6	-49.8	-61.1	12.5	-45.0	-70.1	-27.7	-8.6
OVERALL DEFICIT (payment order basis)								
Excluding Grants	-160.4	-178.1	-239.3	-268.8	-371.6	-448.5	-445.5	-306.1
Including Grants	4.0	-9.0	-18.9	11.0	-24.2	-51.1	-4.7	-159.9
Change in arrears	-10.7	-7.5	-8.2	-8.0	-10.6	-13.3	-12.6	-5.8
Domestic arrears	-7.0	-7.5	-8.2	-8.0	-10.6	-13.3	-12.6	-5.8
Foreign arrears	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFICIT/SURPLUS (Cash basis)	-6.7	-16.6	-27.1	3.0	-34.8	-64.4	-17.3	-165.7
FINANCING	1.8	23.7	14.4	-3.0	34.8	64.4	17.3	165.7
External Financing	34.3	34.9	32.1	56.4	34.4	29.1	124.8	20.4
Net loans	34.3	34.9	32.1	56.4	34.4	29.1	124.8	20.4
Domestic Financing (excluding Adjustments)	-32.5	-11.2	-17.7	-59.4	0.4	35.3	-107.5	145.3
Banks	-32.5	-11.2	-5.4	-43.7	5.1	10.0	-92.1	171.6
Non banks	0.0	0.0	-12.3	-15.7	-4.7	-14.0	-19.4	-18.5
Adjustment-Deposit buildup					6.5			
Error and omission					7.7	39.3	4.0	-7.9
* : Provisional								

Source: MINECOFIN

BNR's BALANCE SHEET
(In FRW million)

Appendice 7

ASSETS																
DESCRIPTION	FOREIGN ASSETS							TOTAL FOREIGN ASSETS	CLAIMS ON DOMESTIC SECTORS						ASSETS NON CLASSIFIED ELSEWHERE	TOTAL ASSETS
	CORRES-PONDENTS BANKS	FOREIGN BANKNOTES	SDRs HOLDINGS	RESERVE POSITION WITH THE FUND	INVEST-MENTS	COVER ITEMS RECEIVABLE	FOREIGN BANKS OVERDRAFT		CLAIMS ON GOVERNMENT	CLAIMS ON PUBLIC ENTERP-RISES	CLAIMS ON PRIVATE SECTOR	CLAIMS ON BANKS		CLAIMS ON OTHER FINANC. INSTIT.		
												MONEY MARKET	OTHER			
2005	101,822.59	720.5	14,345.6	0.0	108,178.02	0.3	439.8	**225,506.7**	46,374.7	61.2	2,943.6	0.0	1,379.8	424.0	75,495.2	**352,185.1**
2006	74,041.52	1,381.2	12,525.9	0.0	153,216.89	49.3	0.0	**241,214.7**	41,792.9	24.4	3,231.9	0.0	1,189.3	278.0	79,988.8	**367,720.0**
2007	26,325.21	533.6	13,081.5	0.0	260,884.88	0.4	0.0	**300,825.5**	41,196.8	13.2	3,665.4	0.0	1,298.9	1,167.4	83,768.5	**431,935.6**
2008	77,875.44	644.7	17,650.9	0.0	238,050.0	0.22	0.0	**334,221.2**	39,737.4	1.15	4,312.3	0.0	1,495.6	1,460.7	83,545.8	**464,774.27**
2009	47,053.58	1,121.89	74,514.92	0.00	301,452.57	0.23	4.46	**424,147.65**	50,159.89	0.00	5,372.29	8,678.15	881.68	2,471.03	82,672.28	**574,382.97**
2010	51,488.51	1,530.08	76,075.98	0.00	354,355.16	0.02	4.25	**483,454.00**	57,850.37	0.00	4,752.91	8,000.00	745.61	1,712.82	87,460.92	**643,976.63**
2011	79,415.38	5,839.26	77,054.47	0.00	472,040.88	0.02	0.00	**634,350.01**	38,728.37	0.00	5,590.33	600.00	597.21	1,839.08	140,109.70	**821,814.70**
2012	98,719.74	5,955.91	76,770.65	0.00	344,881.84	0.02	0.00	**526,328.16**	38,597.55	0.00	5,489.65	0.00	450.05	1,671.14	145,292.88	**717,829.43**
2009																
January	50,862.9	1,424.21	17,391.86	0.0	253,519.37	0.21	0.00	**323,198.57**	39,738.59	0.15	4,306.15	3,000.0	1,504.2	1,460.7	83,855.81	**457,064.22**
February	72,213.0	1,011.84	17,076.21	0.0	215,319.07	0.20	0.00	**305,620.30**	39,737.44	0.15	4,327.50	0.00	1,037.2	1,448.5	82,969.92	**435,141.01**
March	64,440.3	522.45	17,311.44	0.0	199,142.79	0.21	0.00	**281,417.19**	45,238.83	0.00	4,616.61	0.00	891.66	1,424.02	81,061.82	**414,650.13**
April	82,411.3	1,190.70	17,375.23	0.0	216,575.46	0.21	0.00	**317,552.86**	39,739.77	0.00	4,937.46	2,000.00	1,114.09	2,599.29	82,141.23	**450,084.70**
May	32,645.7	561.66	17,778.35	0.0	249,759.54	0.22	4.62	**300,750.10**	39,363.01	0.00	5,015.92	2,000.00	1,187.89	2,599.29	83,942.64	**434,858.85**
June	46,273.1	1,153.81	18,002.82	0.0	259,239.56	0.22	4.69	**324,674.23**	39,363.02	0.00	5,001.89	2,087.00	953.25	2,570.79	85,715.69	**460,365.87**
July	38,666.5	1,315.39	18,006.23	0.0	275,922.12	0.22	4.36	**333,914.85**	39,363.02	0.00	5,042.49	2,574.77	878.32	2,558.31	86,498.93	**470,830.69**
August	44,049.28	866.13	70,887.37	0.00	264,727.36	0.22	4.44	**380,534.80**	56,028.23	0.00	5,054.50	4,674.77	888.28	2,545.78	87,770.36	**537,496.72**
September	58,965.17	1,050.05	74,936.49	0.00	277,934.91	0.23	4.51	**412,891.36**	40,899.39	0.00	5,179.44	5,003.77	871.08	2,533.20	90,219.94	**557,598.18**
October	47,784.94	504.95	75,392.47	0.00	315,749.11	517.91	4.55	**439,953.93**	39,366.48	0.00	5,236.04	5,702.57	827.21	2,533.20	95,201.00	**588,820.43**
November	35,543.86	1,614.70	76,497.01	0.00	321,943.05	526.86	4.63	**436,130.11**	39,366.48	0.00	5,269.36	7,751.37	676.27	2,496.03	94,516.87	**586,206.49**
December	47,053.58	1,121.89	74,514.92	0.00	301,452.57	0.23	4.46	**424,147.65**	50,159.89	0.00	5,372.29	8,678.15	881.68	2,471.03	82,672.28	**574,382.97**
2010																
January	59,887.93	761.28	74,483.10	0.00	284,618.58	0.23	4.37	**419,755.49**	39,362.90	0.00	5,340.99	8,189.16	916.26	2,021.03	83,753.94	**559,339.77**
February	50,682.13	451.75	73,109.39	0.00	275,155.57	1,376.74	4.21	**400,779.79**	48,792.22	0.00	5,337.16	8,187.92	1,019.04	1,995.92	82,879.72	**548,991.77**
March	50,996.09	833.23	72,789.11	0.00	262,252.62	0.02	4.21	**386,875.28**	60,876.27	0.00	5,294.70	11,186.68	841.38	1,945.38	83,706.74	**550,726.43**
April	36,854.29	1,192.85	72,607.53	0.00	281,450.67	0.02	4.16	**392,109.52**	61,707.09	0.00	5,411.67	11,685.42	996.92	1,919.97	84,015.39	**557,845.98**
May	52,774.65	328.87	71,512.86	0.00	265,335.69	0.02	3.92	**389,956.01**	68,408.94	0.00	5,424.67	8,684.16	2,901.84	1,894.45	84,931.24	**562,201.31**
June	101,708.17	1,073.61	72,513.93	0.00	285,527.78	0.02	3.91	**460,827.42**	39,345.70	0.00	5,454.10	10,682.89	2,948.90	1,868.82	86,549.47	**607,677.30**
July	87,079.86	522.37	74,832.49	0.00	268,226.84	0.02	4.20	**430,665.78**	44,384.02	0.00	5,498.87	12,682.89	1,020.62	1,868.82	90,018.31	**586,139.31**
August	70,789.48	1,266.00	74,013.47	0.00	252,059.41	0.02	4.06	**398,132.44**	67,718.82	0.00	5,623.04	11,682.89	770.84	1,817.25	90,281.14	**576,026.42**

BNR's BALANCE SHEET
(In FRW million)

Appendice 7 (Cont'd)

ASSETS																
DESCRIPTION	FOREIGN ASSETS								CLAIMS ON DOMESTIC SECTORS							TOTAL ASSETS
	CORRES-PONDENTS BANKS	FOREIGN BANKNOTES	SDRs HOLDINGS	RESERVE POSITION WITH THE FUND	INVEST-MENTS	COVER ITEMS RECEIVABLE	FOREIGN BANKS OVERDRAFT	TOTAL FOREIGN ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBLIC ENTERP-RISES	CLAIMS ON PRIVATE SECTOR	CLAIMS ON BANKS		CLAIMS ON OTHER FINANC. INSTIT.	ASSETS NON CLASSIFIED ELSEWHERE	
												MONEY MARKET	OTHER			
September	94,495.51	679.78	76,487.53	0.00	286,679.12	0.02	4.37	**458,346.33**	39,347.02	0.00	5,708.01	11,753.89	835.15	1,791.30	94,162.90	**611,944.60**
October	29,384.63	1,548.98	77,517.73	0.00	348,118.71	0.02	4.46	**456,574.53**	39,347.32	0.00	5,711.37	8,003.89	1,128.67	1,791.30	95,752.66	**608,309.74**
November	21,174.74	1,875.75	75,802.47	0.00	330,269.91	0.02	4.25	**429,127.14**	61,757.46	0.00	5,754.56	8,000.87	817.36	1,739.09	101,201.65	**608,398.13**
December	51,488.51	1,530.08	76,075.98	0.00	354,355.16	0.02	4.25	**483,454.00**	57,850.37	0.00	4,752.91	8,000.00	745.61	1,712.82	87,460.92	**643,976.63**
2011																
January	20,018.71	950.73	78,154.65	0.00	356,995.84	0.02	0.00	**456,119.95**	44,807.27	0.00	5,116.44	8,000.00	680.17	1,686.45	89,632.06	**606,042.34**
February	25,501.81	5,347.41	78,303.17	0.00	338,092.12	0.02	0.00	**447,244.53**	64,287.07	0.00	5,105.61	5,000.00	740.87	1,659.97	123,198.46	**647,236.51**
March	35,764.38	10,224.93	79,002.51	0.00	299,543.48	0.02	0.00	**424,535.32**	71,907.09	0.00	5,184.53	5,600.00	652.15	1,633.37	482,392.92	**991,905.38**
April	43,300.58	14,655.24	81,126.96	0.00	354,769.68	0.02	0.00	**493,852.48**	39,346.46	0.00	5,176.93	5,100.00	773.01	1,633.37	752,401.63	**1,298,283.88**
May	46,609.87	15,046.91	79,429.22	0.00	322,779.76	0.02	0.00	**463,865.78**	55,110.54	0.00	5,232.10	5,100.00	983.87	1,579.86	802,226.65	**1,334,098.80**
June	55,025.93	6,128.52	80,217.17	0.00	309,548.85	0.02	0.00	**450,920.49**	72,373.40	0.00	5,310.21	5,100.00	1,276.28	2,002.94	118,749.28	**655,732.60**
July	106,072.23	5,767.22	80,151.14	0.00	259,831.87	0.02	0.00	**451,822.48**	38,731.27	0.00	5,285.35	3,500.00	1,046.84	2,002.94	132,285.26	**634,674.14**
August	42,942.09	7,071.40	80,656.41	0.00	348,925.18	0.02	0.00	**479,595.10**	38,731.27	0.00	5,383.98	2,400.00	651.51	1,977.00	127,768.27	**656,507.13**
September	47,469.61	10,956.93	78,552.22	0.00	358,761.95	0.02	0.00	**495,740.73**	45,546.97	0.00	5,594.05	600.00	802.36	1,921.52	145,891.19	**696,096.82**
October	48,391.57	12,349.61	80,126.24	0.00	408,908.99	0.02	0.00	**549,776.43**	38,778.18	0.00	5,612.53	600.00	776.15	1,894.15	176,743.86	**774,181.30**
November	40,481.16	9,839.05	78,172.98	0.00	393,527.57	0.02	0.00	**522,020.78**	54,736.74	0.00	5,573.88	600.00	643.25	1,866.67	191,083.37	**776,524.69**
December	79,415.38	5,839.26	77,054.47	0.00	472,040.88	0.02	0.00	**634,350.01**	38,728.37	0.00	5,590.33	600.00	597.21	1,839.08	140,109.70	**821,814.70**
2012																
January	56,846.46	5,316.76	77,997.81	0.00	456,547.04	0.02	0.00	**596,708.09**	38,728.37	0.00	5,579.55	600.00	388.86	1,811.38	146,672.67	**790,488.92**
February	52,123.44	4,104.78	78,265.49	0.00	447,009.14	0.02	0.00	**581,502.87**	38,728.46	0.00	5,562.49	600.00	575.29	1,783.56	151,247.62	**780,000.29**
March	25,518.97	4,752.96	77,789.83	0.00	437,562.48	0.02	0.00	**545,624.26**	38,728.21	0.00	5,539.56	0.00	495.47	1,755.63	152,992.30	**745,135.43**
April	33,139.32	3,707.91	78,159.91	0.00	399,099.18	0.02	0.00	**514,106.34**	63,317.01	0.00	5,566.66	0.00	391.11	1,727.58	160,070.11	**745,178.81**
May	35,016.69	5,381.85	76,599.21	0.00	347,423.05	0.02	0.00	**464,420.82**	89,660.61	0.00	5,511.80	0.00	616.10	1,699.42	162,458.63	**724,367.38**
June	98,719.74	5,955.91	76,770.65	0.00	344,881.84	0.02	0.00	**526,328.16**	38,597.55	0.00	5,489.65	0.00	450.05	1,671.14	145,292.88	**717,829.43**

Source: BNR

BNR's BALANCE SHEET
(In FRW million)

Appendice 7 (cont'd)

LIABILITIES															
DESCRIPTION	RESERVE MONEY								OTHER DOMESTIC LIABILITIES			FOREIGN LIABILITIES	SHARES AND OTHER EQUITY	LIABILITIES NON CLASSIFIED ELSEWHERE	TOTAL LIABILITIES
	CURRENCY			BANKS' DEPOSITS	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERPRISES DEPOSITS	OTHER FIN. INSTITUTIONS' DEPOSITS	MONETARY BASE	MONEY MARKET BORROWING	OTHER AMOUNTS DUE	GOVERNMENT DEPOSITS				
	Currency in circulation	Currency held in banks	Currency out of BNR												
2005	46,210.11	4,078.46	50,288.6	11,062.2	66.0	246.6	27.9	61,691.4	40,273.0	1,540.1	104,508.6	43,364.4	27,756.3	73,051.4	352,185.1
2006	52,730.86	5,694.22	58,425.1	11,322.90	36.92	180.81	310.40	70,276.1	50,538.23	1,594.37	116,151.70	16,258.29	30,385.18	82,516.11	367,720.0
2007	63,223.98	9,512.88	72,736.9	18,581.93	73.79	356.38	675.68	92,424.6	58,611.49	1,454.78	142,168.64	18,770.09	35,506.47	82,999.67	431,935.8
2008	80,892.34	7,605.73	88,498.1	25,141.45	69.35	319.26	418.01	114,446.1	16,600.00	1,523.21	198,704.30	7,770.86	35,745.23	89,984.77	464,774.5
2009	76,992.37	9,133.52	86,125.9	24,130.56	129.27	1,508.03	548.22	112,442.0	73,537.80	3,935.73	195,613.51	65,977.33	38,167.07	84,709.55	574,383.0
2010	90,478.21	13,662.11	104,140.3	24,681.09	108.77	485.78	619.94	130,035.9	69,330.58	3,074.72	234,526.68	68,532.58	51,793.57	86,682.58	643,976.6
2011	102,754.72	15,169.44	117,924.2	41,923.04	247.85	146.10	1181.79	157,802.6	96,114.93	2,401.06	301,393.90	70,480.06	54,677.16	135,214.77	821,814.7
2012	111,570.98	18,305.58	129,876.6	45,571.38	133.97	175.22	566.25	176,724.3	122,409.82	2,403.31	156,084.02	74,455.84	61,947.43	123,804.72	717,829.5
2009															
January	71,957.63	9,083.14	81,040.8	36,850.46	55.86	2,589.90	376.55	120,913.5	6,000.00	2,612.20	193,343.51	8,609.34	35,199.42	90,386.18	457,064.2
February	69,029.55	8,419.21	77,448.8	27,862.88	64.42	2,581.04	404.89	108,362.0	0.00	2,659.91	190,976.86	7,951.03	34,967.27	90,223.93	435,141.0
March	66,251.89	10,565.41	76,817.3	33,034.99	179.09	397.40	949.09	111,377.9	0.00	3,423.18	168,265.21	8,503.56	35,145.97	87,934.33	414,650.1
April	68,058.86	9,526.57	77,585.4	29,310.60	125.95	687.97	616.64	108,326.6	8,961.68	3,509.35	192,595.40	10,950.00	35,136.03	90,607.85	450,086.9
May	67,644.97	9,327.73	76,972.7	25,108.55	100.76	390.25	445.18	103,017.4	16,885.58	3,537.17	172,572.03	11,171.95	34,165.47	93,508.99	434,858.6
June	72,081.89	9,582.77	81,664.7	24,309.06	77.76	699.25	680.37	107,431.1	33,489.09	3,550.27	170,971.39	11,277.58	34,323.27	99,323.17	460,365.9
July	73,173.17	9,532.63	82,705.8	25,748.12	89.20	869.70	497.92	109,910.7	32,718.71	3,808.39	183,389.80	10,494.88	34,338.66	96,169.54	470,830.7
August	70,392.91	10,860.28	81,253.2	29,461.90	78.96	1,193.17	492.22	112,479.4	48,474.02	3,542.88	176,940.01	63,890.98	34,421.86	97,747.53	537,496.7
September	69,433.49	10,675.94	80,109.4	30,200.87	93.53	1,045.02	1121.53	112,570.4	53,917.74	3,605.73	188,244.74	67,575.46	34,544.61	97,139.30	557,598.0
October	70,456.08	9,910.35	80,366.4	30,059.07	81.84	1,189.86	566.71	112,263.9	58,330.97	3,904.65	210,989.09	67,841.65	34,622.83	100,867.07	588,820.2
November	70,707.69	10,798.92	81,506.6	28,600.57	65.44	1,515.01	399.76	112,087.4	62,454.59	3,912.61	201,950.54	68,641.07	34,811.33	102,348.92	586,206.5
December	76,992.37	9,133.52	86,125.9	24,130.56	129.27	1,508.03	548.22	112,442.0	73,537.80	3,935.73	195,613.51	65,977.33	38,167.07	84,709.55	574,383.0
2010															
January	72,895.24	11,395.27	84,290.5	28,988.17	88.69	1,143.49	408.83	114,919.7	54,744.66	3,931.48	194,973.03	65,899.88	38,161.59	86,709.43	559,339.8
February	68,526.34	13,143.84	81,670.2	31,652.39	78.04	834.70	555.23	114,790.5	53,626.46	2,831.75	183,595.08	64,620.41	37,924.42	91,603.11	548,991.8
March	68,389.82	12,814.62	81,204.4	32,761.21	62.39	627.38	627.49	115,282.9	64,882.02	2,847.39	173,068.96	64,203.05	37,869.34	92,572.76	550,726.4
April	72,471.68	10,887.77	83,359.5	34,553.63	70.46	399.18	431.1	118,813.8	57,186.84	3,220.42	186,717.28	64,023.64	37,858.16	90,025.86	557,846.0
May	75,001.26	12,880.49	87,881.8	30,908.28	61.46	569.77	419.5	119,840.8	53,201.15	2,894.31	192,612.52	63,369.33	37,612.25	92,671.05	562,201.4
June	83,466.27	10,569.59	94,035.9	24,225.16	64.26	865.35	444.59	119,635.2	85,314.18	2,464.13	186,572.36	64,377.28	37,783.97	111,530.16	607,677.3
July	84,257.64	13,484.55	97,742.2	30,519.21	56.51	1,182.55	468.00	129,968.5	59,898.00	2,485.35	185,385.55	66,077.92	38,179.01	104,145.06	586,139.4
August	81,101.21	14,485.46	95,586.7	31,427.05	51.39	1,724.36	431.52	129,221.0	62,742.71	2,960.72	171,937.29	68,719.95	38,037.51	102,407.26	576,026.4
September	81,772.89	12,284.16	94,057.1	29,281.89	51.49	1,744.58	438.46	125,573.5	69,446.02	2,542.21	200,986.94	67,812.54	38,462.67	107,120.79	611,944.6

BNR's BALANCE SHEET
(In FRW million)

Appendice 7 (cont'd)

LIABILITIES															
DESCRIPTION	RESERVE MONEY								OTHER DOMESTIC LIABILITIES			FOREIGN LIABILITIES	SHARES AND OTHER EQUITY	LIABILITIES NON CLASSIFIED ELSEWHERE	TOTAL LIABILITIES
	CURRENCY			BANKS' DEPOSITS	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERPRISES DEPOSITS	OTHER FIN. INSTITUTIONS' DEPOSITS	MONETARY BASE	MONEY MARKET BORROWING	OTHER AMOUNTS DUE	GOVERNMENT DEPOSITS				
	Currency in circulation	Currency held in banks	Currency out of BNR												
October	81,489.38	13,391.52	94,880.9	29,688.80	54.22	1,959.99	428.01	127,011.9	73,862.87	2,578.94	186,701.84	68,425.99	38,639.63	111,088.60	608,309.8
November	80,877.99	16,279.94	97,157.9	32,159.95	66.97	197.51	489.35	130,071.7	70,169.36	2,584.56	186,436.50	68,456.28	38,351.82	112,327.92	608,398.2
December	90,478.21	13,662.11	104,140.3	24,681.09	108.77	485.78	619.94	130,035.9	69,330.58	3,074.72	234,526.68	68,532.58	51,793.57	86,682.58	643,976.6
2011															
January	83,719.15	17,076.20	100,795.4	29,299.17	152.74	11.21	468.74	130,727.2	39,186.12	2,131.01	215,989.62	70,508.71	52,151.07	95,348.63	606,042.4
February	82,676.79	16,120.56	98,797.4	30,629.54	103.59	14.03	517.64	130,062.2	42,748.0	2,111.56	230,244.85	70,424.07	52,175.64	119,470.20	647,236.5
March	83,946.22	14,128.00	98,074.2	31,583.14	110.88	16.33	511.91	130,296.5	48,059.1	2,098.02	205,091.09	70,979.48	52,295.91	483,085.32	991,905.4
April	89,607.17	15,164.84	104,772.0	29,892.57	94.00	38.83	564.55	135,362.0	60,589.8	2,127.86	230,230.98	72,887.27	52,661.25	744,424.76	1,298,283.9
May	89,715.83	18,101.15	107,817.0	16,187.56	79.00	134.51	1059.05	125,277.1	92,330.2	2,122.13	185,460.54	71,844.14	52,368.26	804,696.48	1,334,098.8
June	101,533.51	13,517.74	115,051.3	28,600.78	185.00	33.80	486.97	144,380.4	88,730.2	2,316.35	175,518.17	73,388.84	55,171.70	116,226.99	655,732.6
July	100,857.38	15,561.56	116,418.9	37,925.28	78.6	41.39	602.31	155,066.5	63,780.2	2,379.40	162,371.75	72,096.09	55,160.33	123,819.90	634,674.2
August	95,284.08	18,651.42	113,935.5	34,543.93	77.5	90.81	610.72	149,258.5	81,230.2	2,427.90	173,728.86	72,956.58	55,245.71	121,659.44	656,507.1
September	93,429.16	16,803.31	110,232.5	38,743.27	198.66	202.56	843.4	150,220.4	81,643.1	2,484.66	194,605.49	71,625.81	54,911.69	140,605.66	696,096.8
October	92,829.35	17,113.21	109,942.6	35,692.89	218.87	129.37	821.25	147,269.7	74,284.2	2,340.28	258,132.45	72,846.92	55,192.35	164,115.37	774,181.3
November	91,337.66	17,683.24	109,020.9	40,541.19	178.5	239.82	1122.72	151,367.1	83,728.9	2,349.31	238,457.20	70,911.71	54,842.64	174,867.75	776,524.6
December	102,754.72	15,169.44	117,924.2	41,923.04	247.85	146.10	1181.79	157,802.6	96,114.9	2,401.06	301,393.90	70,480.06	54,677.16	135,214.77	821,814.7
2012															
January	96,303.48	16,580.56	112,884.0	48,303.08	156.32	145.01	666.36	162,399.1	88849.33	2,408.19	277,740.84	71,384.94	54,840.14	132,866.40	790,489.0
February	96,635.63	18,134.57	114,770.2	45,712.16	189.95	146.50	737.33	162,032.1	120266.51	2,411.63	227,799.33	74,690.95	54,879.47	137,920.30	780,000.3
March	99,252.81	16,310.82	115,563.6	28,278.74	144.45	141.15	757.07	144,905.0	138894.46	2,413.15	191,168.35	75,665.44	54,806.54	137,282.42	745,135.4
April	105,133.57	19,299.21	124,432.8	44,825.22	143.53	119.00	1533.32	171,632.0	110920.27	2,397.71	187,170.78	75,630.13	54,881.31	142,546.66	745,178.9
May	103,355.30	20,102.67	123,458.0	43,213.23	162.33	193.45	534.72	167,886.8	120608.72	2,384.34	162,511.73	74,221.34	54,609.61	142,144.81	724,367.3
June	111,570.98	18,305.58	129,876.6	45,571.38	133.97	175.22	566.25	176,724.3	122409.82	2,403.31	156,084.02	74,455.84	61,947.43	123,804.72	717,829.5

Source: BNR

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS
(BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CCP, UNGUKA,AGASEKE, CSS & EQUITY BANK*)
(In FRW million)

Appendice 8

ASSETS										
DESCRIPTION	CLAIMS ON BNR		FOREIGN	CREDIT TO ECONOMY					ASSETS NON CLASSIFIED ELSEWHERE	TOTAL ASSETS
	RESERVES	OTHER CLAIMS	ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBL. ENTERPRISES	CLAIMS ON PRIVATE SECTOR	CLAIMS ON OTHER FINC. INSTUT.	TOTAL CLAIMS ON THE ECONOMY		
2008	30,651.0	13,368.3	96,751.9	29,541.2	1,636.9	335,470.6	2,338.67	337,107.6	62,015.4	**569,435.4**
2009	34,443.44	73,220.90	107,466.2	20,070.6	2,949.6	317,857.1	7,260.81	328,067.6	87,179.9	**650,448.6**
2010	38,222.72	68,786.80	146,776.8	84,804.0	3,213.6	390,577.6	13,032.00	491,627.2	114,532.7	**859,946.2**
2011	58,472.4	96,820.75	148,190.7	85,633.0	2,800.1	501,404.4	1,040.13	590,877.6	158,040.8	**1,052,402.2**
2009										
January	44,008.7	6,270.9	86,537.8	20,404.2	3,022.0	326,817.8	2,908.33	332,748.1	82,484.3	**572,453.9**
February	36,121.4	249.9	93,544.4	20,016.9	2,953.4	329,846.2	1,763.23	334,562.9	83,321.5	**567,816.8**
March	45,357.7	1,169.9	97,207.9	17,496.2	3,231.6	326,665.2	4,947.45	334,844.3	84,563.1	**580,639.2**
April	42,338.6	8,850.7	96,412.7	19,710.8	2,964.6	327,154.6	4,222.55	334,341.7	84,503.6	**586,158.3**
May	35,831.4	15,537.4	99,824.0	19,721.0	2,744.4	325,386.1	5,375.77	333,506.2	89,483.7	**593,903.8**
June	34,765.7	38,709.3	99,689.7	19,461.6	1,872.7	318,587.4	2,414.49	322,874.6	87,067.2	**602,568.1**
July	37,051.3	32,945.9	117,718.4	20,313.0	2,088.0	319,981.4	1,733.32	323,802.7	83,672.3	**615,503.7**
August	46,885.1	46,321.4	107,590.0	20,475.5	1,730.1	317,155.9	2,030.63	320,916.6	82,641.1	**624,829.8**
September	43,692.1	47,122.8	101,280.5	22,809.8	1,939.8	309,834.2	6,894.04	318,668.1	86,575.0	**620,148.2**
October	41,165.8	56,081.9	102,793.6	22,470.0	1,815.7	310,228.9	4,754.46	316,799.0	84,942.7	**624,253.0**
November	40,863.48	59,246.92	106,470.6	22,378.2	2,730.2	320,169.2	5,884.66	328,784.0	80,642.4	**638,385.6**
December	34,443.44	73,220.90	107,466.2	20,070.6	2,949.6	317,857.1	7,260.81	328,067.6	87,179.9	**650,448.6**
2010										
January	41,031.8	54,068.1	105,375.8	31,569.8	2,791.2	357,515.5	6,986.00	398,862.5	87,961.1	687,299.2
February	44,964.1	50,856.9	112,201.4	32,545.9	2,791.2	352,131.1	8,049.70	395,517.9	92,386.5	**695,926.8**
March	45,171.0	62,856.9	107,777.8	31,198.3	2,785.8	358,227.1	9,147.30	401,358.5	94,251.2	**711,415.5**
April	46,244.2	55,664.5	99,363.9	41,041.2	2,902.9	361,379.8	9,147.30	414,471.2	92,403.6	**708,147.3**
May	41,159.5	57,217.7	94,973.4	55,084.8	2,813.8	361,171.4	9,147.00	428,217.0	91,833.6	**713,401.2**
June	33,636.6	85,987.3	98,937.0	56,495.2	2,912.2	363,887.1	10,512.40	433,806.9	102,007.7	**754,375.5**
July	44,431.7	61,569.7	118,004.0	53,632.1	3,083.7	369,123.2	11,644.00	437,483.0	98,260.4	**759,748.8**
August	50,402.1	65,212.8	117,072.2	53,751.0	2,999.1	371,109.6	11,975.00	439,834.7	90,193.5	**762,715.4**
September	41,396.8	77,546.5	114,132.5	54,437.8	2,807.7	370,451.5	12,200.00	439,897.0	100,200.4	**773,173.2**
October	41,670.5	82,795.3	118,844.4	45,635.3	2,934.2	375,915.2	12,355.10	436,839.8	99,072.4	**779,222.4**
November	50,511.73	65,894.27	115,431.7	66,249.2	2,025.0	385,211.1	13,032.00	466,517.3	100,572.5	**798,927.4**
December	38,222.72	68,786.80	146,776.8	84,804.0	3,213.6	390,577.6	13,032.00	491,627.2	114,532.7	**859,946.2**

Appendice 8 (Cont'd)

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS
(BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CCP, UNGUKA,AGASEKE, CSS & EQUITY BANK*)
(In FRW million)

ASSETS										
DESCRIPTION	CLAIMS ON BNR		FOREIGN	CREDIT TO ECONOMY					ASSETS NON CLASSIFIED ELSEWHERE	TOTAL ASSETS
	RESERVES	OTHER CLAIMS	ASSETS	CLAIMS ON GOVERNMENT	CLAIMS ON PUBL. ENTERPRISES	CLAIMS ON PRIVATE SECTOR	CLAIMS ON OTHER FINC. INSTUT.	TOTAL CLAIMS ON THE ECONOMY		
2011										
January	42,360.8	39,333.8	142,114.9	82,633.6	3,409.9	396,557.5	1,949.48	484,550.5	130,739.5	**839,099.5**
February	48,714.7	42,703.1	148,925.2	84,019.0	2,500.5	408,145.7	964.04	495,629.3	146,150.4	**882,122.6**
March	44,956.6	53,907.8	131,661.9	84,926.0	1,145.7	413,809.3	1,274.12	501,155.1	153,359.9	**885,041.4**
April	46,535.8	56,417.4	131,341.9	86,594.1	956.5	427,979.0	1,269.98	516,799.6	142,823.0	**893,917.7**
May	38,034.8	89,083.1	134,127.3	89,039.8	1,492.1	434,069.5	1,407.16	526,008.6	141,652.4	**928,906.2**
June	45,430.4	88,769.7	134,141.2	102,885.4	2,642.9	437,714.8	2,811.39	546,054.5	150,276.6	**964,672.5**
July	55,391.2	63,662.6	117,647.8	99,193.2	4,092.0	463,304.4	1,646.51	568,236.1	163,459.9	**968,397.5**
August	47,028.4	82,533.1	122,139.7	94,043.4	3,537.8	475,420.8	1,313.88	574,316.0	160,744.6	**986,761.7**
September	47,489.1	77,877.1	128,287.1	83,034.4	4,433.7	481,776.2	1,756.40	571,000.8	151,559.4	**976,213.5**
October	47,388.5	71,861.7	120,986.8	87,271.5	4,615.6	493,840.5	2,117.55	587,845.2	160,242.8	**988,325.0**
November	52,770.7	81,723.5	136,636.0	87,404.8	3,074.6	497,751.6	1,479.24	589,710.3	151,199.5	**1,012,039.9**
December	58,472.4	96,820.8	148,190.7	85,633.0	2,800.1	501,404.4	1,040.13	590,877.6	158,040.8	**1,052,402.2**
2012										
January	64,240.6	88,849.3	145,056.7	77,814.6	2,861.5	507,431.5	1,811.38	589,919.0	150,679.4	**1,038,745.0**
February	63,846.7	120,266.5	145,448.2	69,123.3	2,083.6	525,478.7	1,785.60	598,471.2	160,606.6	**1,088,639.2**
March	44,589.6	138,894.5	152,906.9	56,589.0	2,107.9	544,399.9	1,755.63	604,852.4	147,874.5	**1,089,117.8**
April	64,124.4	110,920.3	148,844.0	55,650.7	2,201.5	561,531.8	1,727.58	621,111.6	159,848.7	**1,104,849.0**
May	63,315.9	120,608.7	145,842.7	68,966.3	3,246.4	576,514.0	1,699.42	650,426.2	165,555.2	**1,145,748.7**
June	64,034.7	122,409.8	109,488.1	103,927.7	2,576.4	590,745.9	1,671.14	698,921.1	170,613.4	**1,165,467.2**

Source: BNR

*** EQUITY BANK is included since December 2011**

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS
(BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CCP, UNGUKA SA,AGASEKE BANK LTD, CSS & EQUITY BANK*)
(In FRW million)

Appendice 8 (Cont'd)

LIABILITIES										
DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY				GVT DEPOSITS	FOREIGN LIABILITIES	BNR CREDITS	SHARES AND OTHER EQUITY	LIABILITY NONCLASSIFIED ELSEWHERE	TOTAL LIABILITIES
	TRANSFERABLE DEPOSITS	NONTRANSFERABLE DEPOSITS	FOREIGN CURRENCY DEPOSITS	SUB-TOTAL						
2005	84,621.3	70,754.2	43,672.7	199,048.2	24,269.0	11,403.5	1,379.8	20,125.6	48,623.3	304,849.3
2006	97,770.5	108,988.6	59,178.4	265,937.5	23,520.8	10,794.7	1,189.3	27,515.6	56,400.6	385,358.4
2007	154,690.3	138,663.2	68,634.0	361,987.5	22,695.5	17,171.7	1,298.9	43,950.3	56,081.3	503,185.3
2008	133,485.2	158,407.9	82,338.2	374,231.3	17,851.3	18,564.2	1,404.5	76,176.4	81,207.6	569,435.4
2009	190,105.3	162,437.7	97,036.9	352,543.1	27,720.8	22,830.4	7,993.4	88,375.2	94,900.2	650,448.5
2010	240,090.6	186,137.5	99,229.6	426,228.1	24,930.2	42,741.7	7,561.35	125,584.9	232,900.0	859,946.2
2011	279,108.6	263,309.3	135,569.5	542,417.9	38,789.3	40,936.3	1,431.85	168,064.5	144,005.6	1,052,402.2
2012	332,029.4	302,937.5	132,254.5	634,966.9	40,984.2	47,156.2	450.05	180,636.3	261,273.6	1,165,467.2
2009										
January	157,418.2	121,010.9	77,264.1	278,429.1	17,467.8	18,862.5	3,805.47	83,837.6	92,786.3	572,452.8
February	144,564.3	121,063.0	79,779.9	265,627.3	17,983.9	18,956.6	699.21	84,003.2	100,764.4	567,814.5
March	143,254.7	125,831.3	81,952.3	269,086.0	23,611.2	20,982.9	711.12	82,544.9	101,749.9	580,638.2
April	154,022.4	123,903.4	83,262.1	277,925.8	19,971.8	19,294.4	2,674.69	83,113.4	99,915.3	586,157.4
May	148,819.0	121,973.5	85,460.6	270,792.5	20,218.7	24,162.2	2,666.79	83,970.7	106,635.3	593,907.0
June	156,222.9	119,459.1	85,519.7	275,681.9	24,884.9	22,844.2	2,660.53	84,164.1	106,816.4	602,571.7
July	165,756.6	120,552.9	101,696.2	286,309.5	17,187.6	20,808.2	2,287.44	84,958.5	102,255.4	615,502.9
August	176,397.8	116,703.7	92,138.1	293,101.6	20,020.8	23,283.0	2,269.26	84,296.4	109,719.1	624,828.3
September	172,690.6	120,830.0	90,370.9	293,520.7	24,216.9	21,792.9	4,401.17	87,121.4	98,724.2	620,148.2
October	172,172.4	127,405.4	91,530.1	299,577.9	19,930.8	21,518.3	4,370.95	87,510.3	99,802.3	624,240.6
November	170,079.2	136,153.6	96,853.9	306,232.8	21,222.2	21,495.0	7,525.33	88,210.2	96,845.0	638,384.4
December	190,105.3	162,437.7	97,036.9	352,543.1	27,720.8	22,830.4	7,993.38	88,375.2	94,900.2	650,448.5
2010										
January	177,712.3	165,888.3	94,814.7	343,600.6	21,787.5	24,149.7	7,806.88	99,100.4	190,854.1	687,299.2
February	180,104.3	161,546.7	100,173.5	341,651.0	22,447.4	21,748.4	7,847.77	100,601.6	201,630.6	695,926.8
March	179,406.0	160,175.3	94,799.1	339,581.2	26,322.7	22,695.2	8,697.17	98,252.3	215,867.0	711,415.5
April	197,124.4	158,662.3	91,796.3	355,786.7	23,417.6	20,976.4	12,411.85	100,461.8	195,092.9	708,147.3
May	195,629.0	166,405.2	92,881.6	362,034.2	24,016.1	19,919.0	9,434.39	102,404.1	195,593.4	713,401.2
June	207,146.1	171,442.2	101,763.9	378,588.3	27,575.5	20,871.1	11,370.10	102,561.4	213,409.1	754,375.5

BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS
(BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CCP, UNGUKA SA,AGASEKE BANK LTD, CSS & EQUITY BANK*)
(In FRW million)

Appendice 8 (Cont'd)

LIABILITIES										
DESCRIPTION	DEPOSITS INCLUDED IN BROAD MONEY									
	TRANSFERABLE DEPOSITS	NONTRANSFERABLE DEPOSITS	FOREIGN CURRENCY DEPOSITS	SUB-TOTAL	GVT DEPOSITS	FOREIGN LIABILITIES	BNR CREDITS	SHARES AND OTHER EQUITY	LIABILITY NONCLASSIFIED ELSEWHERE	TOTAL LIABILITIES
July	208,765.7	174,173.1	105,955.7	382,938.8	26,883.7	19,944.5	12,008.56	103,560.0	214,413.2	759,748.8
August	207,080.7	177,983.4	105,955.7	385,064.0	26,860.3	18,660.7	11,832.09	105,156.6	215,141.6	762,715.4
September	212,006.5	173,026.2	104,258.9	385,032.8	30,819.6	19,781.5	11,472.79	110,704.8	215,361.6	773,173.2
October	228,417.6	170,783.3	104,299.3	399,200.8	27,594.8	21,756.9	8,149.41	114,386.2	208,134.2	779,222.4
November	217,279.4	183,223.6	103,820.2	400,502.9	26,391.9	25,748.0	7,185.66	115,508.9	223,590.1	798,927.4
December	240,090.6	186,137.5	99,229.6	426,228.1	24,930.2	42,741.7	7,561.35	125,584.9	232,900.0	859,946.2
2011										
January	234,202.3	183,926.4	108,437.5	418,128.6	27,112.8	29,618.1	7,727.01	127,706.1	228,806.9	839,099.5
February	229,068.5	189,043.7	118,836.9	418,112.2	28,122.2	32,495.2	7,044.69	129,980.7	266,367.5	882,122.6
March	239,140.2	187,587.8	115,821.0	426,728.0	31,249.7	21,757.9	6,677.96	133,033.2	265,594.8	885,041.4
April	255,437.6	192,094.9	110,778.1	447,532.4	29,820.1	24,050.0	6,391.32	134,464.2	251,659.7	893,917.7
May	264,576.4	204,280.6	111,543.1	468,857.0	33,969.0	26,801.7	2,864.68	137,523.7	258,890.1	928,906.2
June	272,679.4	233,685.1	112,296.1	506,364.6	35,477.6	26,820.7	2,560.83	138,455.6	254,993.2	964,672.5
July	260,733.1	243,332.4	108,780.4	504,065.4	34,549.8	38,316.4	2,454.57	140,471.7	248,539.6	968,397.5
August	266,457.4	257,136.6	116,602.4	523,594.0	39,801.9	28,252.8	1,335.55	141,808.5	251,969.0	986,761.7
September	262,844.8	242,398.4	123,129.1	505,243.2	43,092.0	32,452.7	1,544.66	158,288.8	235,592.0	976,213.5
October	264,716.7	243,048.0	123,045.2	507,764.8	42,002.3	26,550.1	1,525.35	158,746.6	251,735.9	988,325.0
November	278,802.3	255,319.6	120,058.9	534,121.9	37,122.4	33,868.0	1,513.71	160,798.0	244,615.9	1,012,039.9
December	279,108.6	263,309.3	135,569.5	542,417.9	38,789.3	40,936.3	1,431.85	168,064.5	260,762.3	1,052,402.2
2012										
January	276,790.7	262,049.3	125,212.4	538,840.0	36,985.0	46,832.8	988.86	169,238.8	245,859.7	1,038,745.0
February	296,783.5	277,856.9	125,595.8	574,640.4	37,676.0	46,836.5	1,175.29	173,844.0	254,467.0	1,088,639.2
March	310,212.2	279,317.3	125,372.2	589,529.5	44,235.2	43,655.3	495.47	174,120.7	237,081.7	1,089,117.8
April	320,484.5	282,378.5	122,006.5	602,863.1	39,626.5	43,584.1	391.11	176,700.4	241,683.8	1,104,849.0
May	312,645.9	305,103.6	142,839.6	617,749.6	42,878.9	46,293.9	616.10	175,408.1	262,802.3	1,145,748.7
June	332,029.4	302,937.5	132,254.5	634,966.9	40,984.2	47,156.2	450.05	180,636.3	261,273.6	1,165,467.2

Source: BNR
* EQUITY BANK is included since December 2011

MONETARY SURVEY
(In FRW million)

Appendice. 9

ASSETS							
	MONEY (M1)			BROAD MONEY (M2)		TOTAL LIABILITIES BROAD MONEY(M3)	
PERIOD	CURRENCY IN CIRCULATION OUT OF BANKS	TRANSFERABLE DEPOSITS	TOTAL MONEY (M1)	NON TRANSFERABLE DEPOSITS	BROAD MONEY (M2)	FOREIGN CURRENCY DEPOSITS	M3
2005	47,028.1	84,771.5	**131,799.6**	70,754.2	202,553.8	43,672.7	**246,226.5**
2006	52,730.9	103,274.6	**156,005.5**	105,788.6	261,794.1	59,178.4	**320,972.5**
2007	63,224.0	154,690.3	**217,914.3**	138,663.2	356,577.5	68,634.0	**425,211.5**
2008	80,913.4	144,486.9	**225,400.3**	158,407.9	383,808.1	82,338.2	**466,146.4**
2009	76,992.4	183,999.3	**260,991.7**	143,373.7	404,365.4	97,037.0	**501,402.4**
2010	90,478.21	187,934.51	278,412.72	238,255.87	516,668.6	99,229.55	615,898.14
2011	102,754.72	279,130.96	381,885.69	263,309.29	645,195.0	135,569.46	780,764.4
2012	111,570.98	332,029.38	443,600.36	302,937.48	746,537.8	132,254.46	878,792.3
2009							
January	71,957.6	162,827.5	**234,785.2**	126,673.5	361,458.6	77,264.1	**438,722.8**
February	69,029.6	150,719.8	**219,749.3**	128,386.4	348,135.8	79,779.9	**427,915.7**
March	66,251.9	149,695.1	**215,947.0**	134,958.6	350,905.6	81,952.3	**432,858.0**
April	68,058.9	159,941.3	**228,000.1**	131,439.3	359,439.4	83,262.1	**442,701.6**
May	67,677.6	151,652.6	**219,330.2**	131,081.2	350,411.3	95,460.6	**445,872.0**
June	72,081.2	150,466.1	**222,547.3**	128,745.0	351,292.4	85,519.7	**436,812.1**
July	73,173.2	163,020.2	**236,193.4**	128,098.3	364,291.7	101,696.2	**465,987.9**
August	70,392.9	181,289.9	**251,682.8**	124,059.4	375,742.2	92,138.1	**467,880.4**
September	69,433.5	171,654.9	**241,088.4**	128,854.8	369,943.1	90,370.9	**460,314.0**
October	70,456.1	171,059.6	**241,515.7**	135,696.3	377,211.9	91,530.1	**468,742.0**
November	70,701.08	175,075.0	**245,776.1**	144,165.0	389,941.1	96,853.9	**486,795.0**
December	76,992.37	183,999.3	**260,991.7**	143,373.7	404,365.4	97,037.0	**501,402.4**
2010							
January	72,895.24	177,712.21	250,607.45	165,888.33	416,495.8	94,814.67	**511,310.5**
February	68,526.34	180,104.29	248,630.63	161,546.71	410,177.3	100,173.50	**510,350.8**
March	68,389.82	179,405.97	247,795.79	160,175.27	407,971.1	94,799.09	**502,770.2**
April	72,456.70	197,124.43	269,581.13	158,662.31	428,243.4	91,796.33	**520,039.8**
May	75,001.26	195,629.02	270,630.28	166,405.22	437,035.5	91,348.23	**528,383.7**
June	83,465.41	207,146.08	290,611.49	171,442.22	462,053.7	92,881.64	**554,935.4**
July	84,215.45	208,765.72	292,981.17	174,173.06	467,154.2	101,763.90	**568,918.1**

MONETARY SURVEY
(In FRW million)

Appendice. 9 (Cont'd)

ASSETS							
PERIOD	MONEY (M1)			BROAD MONEY (M2)		TOTAL LIABILITIES BROAD MONEY(M3)	
	CURRENCY IN CIRCULATION OUT OF BANKS	TRANSFERABLE DEPOSITS	TOTAL MONEY (M1)	NON TRANSFERABLE DEPOSITS	BROAD MONEY (M2)	FOREIGN CURRENCY DEPOSITS	M3
August	81,214.54	207,080.65	288,295.19	177,983.39	466,278.6	105,955.65	**572,234.2**
September	81,772.89	211,968.84	293,741.73	173,026.24	466,768.0	104,258.88	**571,026.9**
October	81,489.38	228,379.88	309,869.26	170,783.27	480,652.5	104,299.25	**584,951.8**
November	80,920.06	190,457.26	271,377.32	210,007.99	481,385.3	103,820.17	**585,205.5**
December	90,478.21	187,934.51	278,412.72	238,255.87	516,668.6	99,229.55	**615,898.1**
2011							
January	83,719.15	234,202.25	317,921.40	183,926.39	501,847.80	108,437.46	610,285.26
February	82,676.79	229,006.85	311,683.64	189,043.74	500,727.38	118,836.87	**619,564.25**
March	83,946.22	239,140.20	323,086.42	187,587.76	510,674.18	115,820.98	**626,495.16**
April	89,607.17	255,437.56	345,044.73	192,094.87	537,139.59	110,778.13	**647,917.72**
May	89,715.83	264,576.40	354,292.23	204,280.61	558,572.84	111,543.13	**670,115.97**
June	101,533.51	272,679.42	374,212.93	226,172.05	600,384.98	112,266.28	**712,651.26**
July	100,857.38	260,733.08	361,590.46	243,332.36	604,922.82	108,775.02	**713,697.84**
August	95,284.08	266,457.43	361,741.50	257,136.57	618,878.07	116,593.48	**735,471.55**
September	93,429.16	262,844.82	356,273.98	242,398.40	598,672.38	123,120.64	**721,793.02**
October	92,829.35	264,716.72	357,546.07	243,048.04	600,594.11	123,036.93	**723,631.04**
November	91,337.66	278,555.14	370,139.94	255,319.61	625,459.55	120,058.91	**745,518.45**
December	102,754.72	279,130.96	381,863.35	263,309.29	645,172.64	135,569.46	**780,742.10**
2012							
January	96,303.48	276,790.69	373,094.17	262,049.26	635,143.43	125,212.35	**760,355.78**
February	96,635.63	296,783.47	393,419.10	277,856.93	671,276.03	125,595.76	**796,871.79**
March	99,252.81	310,212.20	409,465.01	279,317.30	688,782.31	125,372.17	**814,154.48**
April	105,133.57	320,484.52	425,618.09	282,378.54	707,996.63	122,006.53	**830,003.16**
May	103,355.30	312,645.94	416,001.24	305,103.61	721,104.85	142,839.59	**863,944.44**
June	111,570.98	332,029.38	443,600.36	302,937.48	746,537.84	132,254.46	**878,792.30**

Source: BNR

MONETARY SURVEY
(In FRW million)

Appendice. 9 (Cont'd)

DESCRIPTION	NET FOREIGN ASSETS			DOMESTIC CREDIT							TOTAL ASSETS
				NETS CLAIMS ON GOVERNMENT			CREDIT TO ECONOMY		TOTAL DOMESTIC CREDIT	OTHER ITEMS NETS	
	GROSS ASSETS	GROSS LIABILITIES	NET FOREIGN ASSETS	CLAIMS	DEPOSITS	NET CLAIMS	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR			
2005	277,290.6	54,767.9	**222,522.7**	67,147.8	127,753.3	-60,605.5	2,180.1	165,734.8	107,309.5	-83,605.0	**246,227.2**
2006	312,194.0	27,053.0	**285,141.0**	68,160.8	139,652.4	-71,491.6	2,406.0	211,307.3	142,221.7	-106,390.2	**320,972.5**
2007	387,495.6	35,941.8	**351,553.7**	88,173.9	164,806.6	-76,632.7	1,762.5	257,475.0	182,604.8	-108,949.0	**425,209.6**
2008	430,104.2	26,335.1	**403,769.2**	69,049.0	211,749.2	-142,700.2	1,638.1	340,365.3	199,303.2	-136,926.0	**466,146.4**
2009	531,454.8	89,831.8	**441,623.0**	76,290.9	223,389.4	-147,098.5	3,021.4	331,830.8	187,753.7	-127,974.3	**501,402.4**
2010	630,230.8	111,273.5	**518,957.3**	143,902.0	275,226.9	-131,324.9	3,213.6	390,577.6	268,200.9	-171,222.7	**615,898.14**
2011	782,540.7	111,378.7	**671,162.0**	124,450.8	348,051.4	-223,600.7	2,800.1	509,784.5	287,950.7	-178,519.5	**780,742.1**
2012	635,816.2	121,649.7	514,166.6	142,578.2	194,924.2	-52,346.0	2,576.4	602,154.2	550,184.5	-185,634.13	**878,716.9**
2009											
January	408,985.6	27,471.8	**381,513.77**	65,553.9	209,755.8	**-144,201.9**	1,896.9	335,437.3	193,132.4	-135923.4	**438,722.7**
February	398,500.8	26,926.8	**371,573.91**	65,239.5	207,381.8	**-142,142.3**	1,776.0	338,386.7	198,020.4	-141678.63	**427,915.7**
March	377,899.8	29,219.9	**348,679.87**	68,617.7	188,087.2	**-119,469.5**	2,261.3	338,419.5	221,211.3	-137033.14	**432,858.0**
April	413,250.2	30,245.4	**383,004.81**	65,329.8	209,730.5	**-144,400.7**	2,012.0	338,466.0	196,077.3	-136380.59	**442,701.5**
May	399,596.5	35,334.2	**364,262.36**	65,132.2	192,322.2	**-127,190.0**	2,816.2	339,224.6	214,850.7	-133241.06	**445,872.0**
June	423,589.7	34,121.7	**389,467.93**	63,127.1	202,382.1	**-139,255.0**	1,944.4	327,146.1	189,835.5	-142491.39	**436,812.1**
July	450,835.3	31,302.2	**419,533.13**	63,836.7	206,233.1	**-142,396.4**	1,947.1	327,915.6	187,466.3	-141011.48	**465,988.0**
August	487,318.7	86,983.0	**400,335.74**	80,678.0	193,774.9	**-113,096.9**	1,801.8	325,364.2	214,069.1	-146524.53	**467,880.4**
September	513,426.7	89,392.9	**424,033.78**	68,892.2	216,871.7	**-147,979.6**	2,011.6	323,266.1	177,298.1	-141017.88	**460,314.0**
October	542,092.8	89,360.0	**452,732.85**	67,012.0	234,905.2	**-167,893.2**	1,887.5	321,367.3	155,361.5	-139352.35	**468,742.0**
November	541,990.19	90,173.00	**451,817.19**	67082.14	220,768.4	**-153,686.2**	2,801.9	332,598.8	181,714.5	-146736.72	**486,795.0**
December	531,454.84	89,831.84	**441,623.00**	76290.92	223,389.4	**-147,098.5**	3,021.4	331,830.8	187,753.7	-127974.31	**501,402.4**
2010											
January	525,130.8	90,102.2	435,028.6	71,148.6	220,545.5	-149,396.9	2,791.2	357,515.5	216,821.9	**-140,582.7**	511,310.5
February	512,981.2	86,368.8	426,612.4	81,855.8	209,305.5	-127,449.6	2,791.2	352,131.1	233,358.7	**-149,617.9**	510,350.8
March	494,653.1	86,898.2	407,754.9	92,481.8	212,418.3	-119,936.5	2,785.8	358,227.1	246,820.3	**-151,805.8**	502,770.2
April	490,895.7	85,000.0	405,895.7	102,078.0	215,056.4	-112,978.5	2,902.9	361,379.8	257,133.5	**-142,953.6**	520,039.8
May	484,929.4	83,288.3	401,641.1	125,999.1	222,734.2	-96,735.1	2,813.8	361,171.4	272,669.2	**-145,927.1**	528,383.7
June	559,737.0	85,271.1	474,465.9	97,811.3	223,594.3	-125,783.0	2,912.2	363,887.1	244,016.3	**-163,504.0**	554,935.4

MONETARY SURVEY
(In FRW million)

Appendice. 9 (Cont'd)

DESCRIPTION	NET FOREIGN ASSETS			DOMESTIC CREDIT							TOTAL ASSETS
				NETS CLAIMS ON GOVERNMENT			CREDIT TO ECONOMY				
	GROSS ASSETS	GROSS LIABILITIES	NET FOREIGN ASSETS	CLAIMS	DEPOSITS	NET CLAIMS	CLAIMS ON PUBLIC ENTERPRISES	CLAIMS ON PRIVATE SECTOR	TOTAL DOMESTIC CREDIT	OTHER ITEMS NETS	
July	548,650.0	86,044.5	462,605.4	100,609.8	211,934.6	-111,324.8	3,083.7	369,123.2	263,948.8	**-157,592.7**	568,918.1
August	515,172.2	87,360.7	427,811.5	122,510.2	199,860.3	-77,350.1	2,999.1	371,109.6	299,898.8	**-155,594.5**	572,234.2
September	572,432.5	87,581.5	484,851.0	100,871.9	233,348.6	-132,476.7	2,807.7	370,451.5	243,981.5	**-157,895.9**	571,026.9
October	575,444.4	90,156.9	485,287.4	92,695.4	216,559.4	-123,864.0	2,934.2	375,915.2	261,913.4	**-162,190.6**	584,951.8
November	544,558.6	94,248.0	450,310.5	128,264.3	217,377.4	-89,113.1	2,925.0	385,211.1	305,941.5	**-171,012.8**	585,205.5
December	630,230.8	111,273.5	518,957.3	143,902.0	275,226.9	-131,324.9	3,213.6	390,577.6	268,200.9	-171,222.7	615,898.1
2011											
January	598,235.8	100,216.0	498,019.9	130,716.7	253,230.1	-122,513.4	3,409.9	405,928.0	286,221.6	-174,045.14	**610,285.3**
February	596,183.4	103,007.5	493,175.8	148,620.2	271,582.2	-122,962.0	2,500.5	415,674.2	294,639.9	-168,326.84	**619,564.2**
March	556,211.2	91,814.3	464,396.9	156,974.2	255,551.3	-98,577.1	1,145.6	421,391.7	323,396.0	-161,373.09	**626,495.2**
April	625,209.2	96,926.6	528,282.6	126,085.0	272,938.2	-146,853.2	956.5	435,897.8	289,466.5	-169,933.77	**647,917.7**
May	598,007.2	98,190.3	499,816.8	144,439.6	234,895.6	-90,456.0	1,492.1	441,982.0	352,436.7	-182,144.26	**670,116.0**
June	585,048.1	99,761.0	485,287.1	175,315.3	223,491.9	-48,176.6	2,645.9	446,996.7	400,880.2	-173,545.97	**712,651.3**
July	569,470.2	110,388.7	459,081.6	138,468.6	203,797.2	-65,328.6	4,092.0	471,227.1	409,166.0	-154,449.62	**713,797.9**
August	601,734.8	101,171.7	500,563.1	132,994.1	221,858.6	-88,864.5	3,537.8	483,788.8	397,656.4	-161,184.07	**737,035.4**
September	624,027.8	104,040.9	519,986.9	129,251.4	243,825.7	-114,574.3	4,433.7	490,255.6	379,315.9	-177,472.15	**721,793.0**
October	670,763.2	99,359.3	571,403.9	127,088.9	308,049.9	-180,961.0	4,615.6	502,302.6	325,085.0	-172,817.17	**723,631.0**
November	658,656.8	104,742.0	553,914.8	142,199.1	288,257.3	-146,058.2	3,074.6	506,613.9	362,640.6	-170,996.26	**745,518.5**
December	782,540.7	111,378.7	671,162.0	124,450.8	348,051.4	-223,600.7	2,800.1	509,784.5	287,950.7	-178,519.50	**780,742.1**
2012											
January	741,764.8	118,255.4	623,509.4	116,542.9	313,497.2	-196,954.2	2,861.5	519,495.4	324,174.0	-187,363.93	**760,319.5**
February	726,951.1	121,565.1	605,386.0	107,851.7	263,911.2	-156,059.5	2,083.6	536,696.0	381,156.1	-189,668.20	**796,873.8**
March	698,534.4	119,361.8	579,172.6	95,317.5	233,825.4	-138,507.9	2,107.9	555,558.6	417,580.4	-182,598.30	**814,154.7**
April	662,950.3	119,253.4	543,697.0	118,967.7	225,219.2	-106,251.5	2,201.5	572,755.1	467,127.1	-180,858.57	**829,965.4**
May	610,263.5	120,553.0	489,710.5	158,626.9	203,172.4	-44,545.4	3,246.4	588,671.1	545,153.9	-170,995.33	**863,869.1**
June	635,816.2	121,649.7	514,166.6	142,578.2	194,924.2	-52,346.0	2,576.4	602,154.2	550,184.5	-185,634.13	**878,716.9**

Source: BNR

CONSOLIDATED BALANCE SHEET OF OTHER FINANCIAL INTERMEDIARIES* **Appendice .10**
(In FRW million)

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	2012
ASSETS	**21,640.79**	**26,858.88**	**31,741.65**	**44,111.72**	**52,374.27**	**63,080.73**	**97,614.87**	**109,552.76**
Reserves	24.20	17.45	44.40	63.38	415.04	181.61	743.39	199.76
Foreign Assets	0.00	0.00	0.00	0.00	0.00	**1,595.35**	**1,523.02**	**356.21**
Claims on Government	5,064.91	**157.89**	0.13	0.13	0.13	0.00	45.36	23.50
Claims on the economy	10,079.25	18,319.69	25,744.25	31,340.00	42,571.41	52,945.26	74,180.69	74,180.69
Claims on publ enterprises	0.00	0.00	0.00	0.00	215.70	280.98	0.00	0.00
Claims on private sector	10,079.25	18,319.69	25,744.25	31,340.00	42,355.72	52,664.28	74,180.69	82,568.61
Claims on banks	4,063.03	5,925.68	3,835.27	10,227.10	6,537.80	4,348.08	9,145.60	13,457.06
Other Assets	2,409.40	2,438.17	2,117.60	2,481.11	2,849.89	4,010.43	11,976.81	12,889.57
LIABILITIES	**21,640.83**	**26,858.84**	**31,741.65**	**44,111.71**	**52,374.27**	**63,080.85**	**97,614.85**	**109,552.76**
Government liabilities	0.00	0.00	5,472.40	5,545.21	9,627.91	10,738.34	16,132.78	13,309.87
BNR credits	1,431.82	1,171.45	1,541.54	1,407.73	2,726.10	**4,599.50**	**1,826.62**	**1,417.34**
Long term loans	4,906.25	3,187.82	2,162.47	2,125.70	5,050.17	6,255.17	21,761.83	22,085.59
Savings Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity capital	4,744.34	5,070.44	5,618.26	13,097.35	14,100.07	16,823.85	20,185.81	28,456.00
Other amounts due	4,541.61	7,732.33	3,287.07	8,465.51	4,112.78	4,520.57	4,521.57	7,467.05
Other liabilities	6,016.81	9,696.80	13,659.91	13,470.21	16,757.24	**20,143.42**	**33,186.24**	**36,816.91**

Source : BNR

* At the reporting time this statement includes only BRD

BANKING SURVEY*
(BNR, BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CSS , UNGUKA SA, AGASEKE BANK LTD, EQUITY BANK and BRD)
(In FRW million)

Appendice. 11

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	2012 (June)
I. NET FOREIGN ASSETS	**222,522.7**	**285,141.0**	**351,553.7**	**403,731.5**	**442,806.1**	**518,956.5**	**671,124.3**	**514,166.6**
Assets: BNR	224,673.0	241,195.9	300,601.9	333,352.3	424,147.7	483,454.0	634,350.0	526,328.1
BANKS	52,617.6	70,998.1	86,893.7	96,751.9	107,466.2	146,776.8	148,190.7	109,488.1
Less liabilities: BNR	43,364.4	16,258.3	18,770.1	7,808.5	65,977.3	68,532.6	70,480.1	74,493.5
BANKS	11,403.5	10,794.7	17,171.7	18,564.2	22,830.4	42,741.7	40,936.3	47,156.2
II. NET DOMESTIC CREDIT	**122,471.3**	**162,667.3**	**209,616.9**	**231,344.1**	**215,646.8**	**252,277.2**	**365,020.0**	**637,413.4**
Net Claims on Government	**-56,059.8**	**-69,365.6**	**-75,365.0**	**-141,998.2**	**-153,103.7**	**-116,802.5**	**-218,955.6**	**-52,346.0**
Claims: BNR	42,125.7	41,792.9	41,196.8	39,737.4	50,159.9	57,850.4	38,728.4	38,650.4
BANKS	24,760.0	26,367.9	46,977.2	29,570.2	20,070.6	84,804.0	85,633.0	103,927.7
OFIs	5,064.9	157.9	0.1	0.1	0.13	0.00	0.00	0.00
Less deposits: BNR	103,741.4	114,163.6	140,843.5	198,251.1	195,613.5	234,526.7	301,393.9	153,940.0
BANKS	24,269.0	23,520.8	22,695.5	13,054.9	27,720.8	24,930.2	41,923.0	40,984.2
O.F.I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on public enterprises	**2,180.2**	**2,406.0**	**1,762.5**	**1,636.9**	**3,165.3**	**3,494.6**	**2,800.1**	**2,576.4**
BNR	61.2	24.4	13.2	0.0	0.0	0.0	0.0	0.0
BANKS	2,119.0	2,381.6	1,749.4	1,636.9	2,949.6	3,213.6	2,800.1	2,576.4
O.F.I	0.0	0.0	0.0	0.0	215.7	281.0	0.0	0.0
Claims on private sector	**176,350.8**	**229,627.0**	**283,219.3**	**371,705.3**	**365,585.1**	**365,585.1**	**581,175.4**	**687,183.1**
BNR	3,367.6	3,509.9	4,833.2	5,353.0	5,372.3	5,372.3	5,590.3	5,489.7
BANKS	162,367.2	207,797.4	252,641.9	335,012.3	317,857.1	390,577.6	501,404.4	594,993.4
O.F.I	10,616.0	18,319.7	25,744.3	31,340.0	42,355.7	52,664.3	74,180.7	86,700.0
ASSETS = LIABILITIES	**344,994.0**	**447,808.4**	**561,170.6**	**635,075.6**	**658,452.9**	**771,233.8**	**1,036,144.3**	**1,151,580.0**
MONEY SUPPLY	**247,865.0**	**316,246.4**	**424,478.3**	**466,104.8**	**491,194.0**	**617,705.6**	**780,742.2**	**851,371.5**
I. MONEY	**133,438.1**	**152,313.4**	**217,181.1**	**225,358.7**	**258,050.7**	**280,220.2**	**381,863.4**	**416,179.6**
Currency in circulation	47,028.1	52,730.9	63,224.0	80,892.3	76,992.4	104,140.3	79,415.4	111,571.0
Transferable deposits with BNR	**1,788.7**	**1,812.1**	**1,885.0**	**1,911.8**	**5,573.0**	**594.6**	**394.0**	**1,671.1**
Publ Enterprises	246.6	180.8	356.4	319.3	1,508.0	108.8	146.1	0.0
Private Sector	1,542.0	1,631.3	1,528.6	1,592.6	4,065.0	485.8	247.9	1,671.1
Nontranferable deposits with ODCs	**84,621.3**	**97,770.5**	**152,072.1**	142,554.5	175,485.3	175,485.3	302,054.1	302,937.5
II. QUASI MONEY	**114,426.9**	**163,933.0**	**207,297.2**	**240,746.1**	**233,143.3**	**337,485.4**	**398,878.8**	**435,191.9**
Non transferable deposits	**70,754.2**	**104,754.6**	**138,663.2**	**158,407.9**	**136,106.3**	**238,255.9**	**263,309.3**	**302,937.5**
BNR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BANKS	70,754.2	104,754.6	138,663.2	158,407.9	136,106.3	238,255.9	263,309.3	302,937.5
Foreign currency deposits	**43,672.7**	**59,178.4**	68,634.0	82,338.2	97,036.9	99,229.6	135,569.5	132,254.5

BANKING SURVEY* **Appendice. 11 (Cont'd)**
(BNR, BK, BCR, FINA BANK, ECOBANK, ACCESS BANK, COGEBANQUE, UOB, BPR SA, KCB RWANDA, CSS , UNGUKA SA, AGASEKE BANK LTD, EQUITY BANK and BRD)
(In FRW million)

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	2012 (June)
OTHER ITEMS NET	**97,128.9**	**131,561.9**	**165,315.2**	**139,566.7**	**197,936.6**	**220,882.7**	**332,673.8**	**375,070.7**
I. BNR	**68,416.5**	**99,110.8**	**119,654.2**	**88,124.1**	**135,552.2**	**148,850.8**	**197,405.2**	**222,803.1**
Cash in Banks	2,832.1	5,694.2	9,512.9	7,605.7	9,161.9	13,662.1	15,169.4	15,169.4
Cash in OFIs	6.0	2.3	0.9	0.3	0.2	0.3	0.3	0.3
Deposits in Banks	10,895.8	11,322.9	18,581.9	25,141.5	24,130.6	24,681.1	38,192.8	45,729.1
Deposits in OFIs	213.1	173.6	675.7	418.0	548.2	619.9	1,181.8	1,156.3
Money market borrowings	40,273.0	50,538.2	58,611.5	16,600.0	73,537.8	69,330.6	96,114.9	122,409.8
Shares and other equity	23,526.4	30,262.9	35,506.5	35,745.2	38,167.1	51,793.6	54,677.2	61,947.4
Unclassified liabilities	73,049.4	82,518.6	82,999.7	89,984.8	84,709.6	86,682.6	135,214.8	123,804.7
Loans money market	0.0	0.0	0.0	0.0	-8,678.2	-8,000.0	-600.0	0.0
Claims on banks	-1,379.8	-1,189.3	-1,298.9	-1,495.6	-881.7	-745.6	-597.2	-450.1
Claims on OFIs.	-424.0	-278.0	-1,167.4	-1,010.7	-2,471.0	-1,712.8	-1,839.1	-1,671.1
Unclassified Assets	-80,575.4	-79,934.6	-83,768.5	-84,865.0	-82,672.3	-87,460.9	-140,109.7	-145,292.9
II. BANKS	**25,946.5**	**32,574.2**	**52,285.9**	**56,091.3**	**61,368.2**	**67,902.8**	**122,580.4**	**137,892.8**
BNR loan	1,379.8	1,189.3	1,298.9	1,495.6	9,559.88	9,559.88	9,560.88	9,646.88
Shares and other equity	20,125.6	27,533.6	55,050.7	76,176.4	88,375.2	125,584.9	168,064.5	180,636.3
Banks Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	-15,136.5	-17,017.1	-18,956.9	-25,141.5	-34,443.4	-38,222.7	-58,472.4	-64,034.7
Claims on Banks	-1,379.8	-1,189.3	-1,298.9	-11,487.4	-9,843.8	-9,843.8	-9,843.8	-9,843.8
Claims on OFIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other item net	20,957.4	22,057.7	16,192.1	15,048.2	7,720.3	-19,175.5	13,271.2	21,488.2
III. OFIs	**2,766.0**	**-123.0**	**-6,624.9**	**-4,648.8**	**1,016.1**	**4,129.2**	**12,688.3**	**14,374.8**
Reserves	-24.2	-17.5	-39.7	-63.4	-415.0	-181.6	-743.4	-199.8
Claims on banks	-4,063.0	-5,925.7	-3,835.3	-10,227.1	-6,537.8	-4,348.1	-9,145.6	-13,457.1
Claims on OFIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term loan	4,906.3	7,732.3	2,162.5	2,125.7	5,050.2	6,255.2	21,761.8	22,085.6
Other amounts due	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BNR Credit	1,431.8	1,171.5	1,011.6	1,407.7	2,726.1	1,712.8	1,839.1	1,417.3
Shares and other equity	4,744.3	5,070.4	5,618.3	13,097.4	14,100.1	16,823.9	20,185.8	28,456.0
Other items net	-4,229.2	-8,154.1	-11,542.3	-10,989.1	-13,907.4	-16,133.0	-21,209.4	-23,927.3

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

Outstanding Loans by activities sector and by term June 2012 **Appendice. 12**
In thousands of Rwanda Franc.

Data submitted by BCR, BK, ECOBANK RWANDA, FINA BANK, ACCESS BANK, COGEBANQUE, KCB, BPR and BRD

Cash credits private and public sector
Class 1 to 5
Individual and legal entities

Activities sector	30 June 2012			Total
	Long-term	Medium-term	Short-term	
0001 : Non_classified activities	664,827	66,132,581	6,945,657	73,743,065
1000 : Agricultural, fisheries& livestock	4,996,751	9,660,460	2,513,898	17,171,109
2000 : Mining activities	3,220			3,220
3000 : Manufacturing activities	11,440,911	8,695,942	6,004,945	26,141,798
4000 : Water & energy activities	289,539	1,292,327	1,910,987	3,492,853
5000 : Mortgage industries	86,764,784	45,718,326	19,813,841	152,296,951
6000 : Commercial & hotel	32,901,514	44,631,787	85,984,447	163,517,748
7000 : Transport & warehousing	2,368,883	25,714,959	8,386,858	36,470,700
8000 : OFI &Insurance	1,848,544	1,785,820	1,424,358	5,058,722
9000 : Service sector	12,763,336	3,792,354	1,437,683	17,993,373
Grand Total	**154,042,309**	**207,424,556**	**134,422,674**	**495,889,539**

Source : BNR

NEW AUTHORIZED LOANS BY SECTOR OF ACTIVITY (JANUARY- JUNE 2012) (BCR, BK, ECOBANK RWANDA, FINA BANK, ACCESS BANK , COGEBANQUE, BPR, BRD, KCB, EQUITY, AGASEKE, UNGUKA AND URWEGO OPPORTUNITY) **Appendice. 13**

(In thousand FRW)

Activities sector	January-June 2012			Total
	Long-term	Medium-term	Short-term	
0001 : Non_classified activities	656,733	38,015,464	4,647,639	43,319,836
1000 : Agricultural, fisheries& livestock	454,700	2,647,915	1,908,521	5,011,136
3000 : Manufacturing activities	5,009,274	4,002,248	2,973,692	11,985,214
4000 : Water & energy activities		166,977	4,620	171,597
5000 : Mortgage industries	29,815,288	15,835,387	14,480,478	60,131,153
6000 : Commercial & hotel	8,436,939	21,765,559	77,236,078	107,438,576
7000 : Transport & warehousing	4,643	9,104,817	3,931,195	13,040,655
8000 : OFI &Insurance	183,410	376,546	842,371	1,402,327
9000 : Service sector	1,395,333	1,816,835	2,376,676	5,588,844
Total	**45,956,320**	**93,731,748**	**108,401,270**	**248,089,338**

Source: BNR

Note: The statement above includes cash credit to firms and individuals, from both private and public sectors

Interest rates Structure (in %)

Appendice. 14

DESCRIPTION	2011												2012					
	January	February	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	January	February	March	April	May	June
Deposit rate	7.51	7.50	7.49	8.65	7.93	8.03	6.83	6.59	6.49	7.04	7.97	7.96	7.40	8.25	8.20	8.09	9.92	7.91
Lending rate	15.63	16.91	16.59	16.21	16.89	16.97	16.58	16.98	17.01	17.04	16.48	16.73	16.95	16.27	16.30	16.87	16.72	16.82
Money market rate																		
* -Mop-up	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repo Rate	5.95	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.37	6.62	6.53	6.44	6.01	6.90	6.91	6.37	7.43
Discount rate	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.50	11.00	11.00	11.00	11.00	11.00	11	11.5	11.5
Interbank rate	6.71	6.74	6.74	6.86	6.92	7.00	6.93	6.87	6.93	7.36	7.48	8.08	7.45	6.86	7.65	8	8.60	8.95
Weight average rate on T-bill market :	7.19	7.02	7.22	7.11	7.04	6.78	6.80	6.74	6.71	7.21	7.82	7.62	7.60	7.61	7.73	7.85	8.34	9.31
28 days	6.13	6.23	6.40	6.35	6.21	6.11	6.15	6.10	6.27	6.77	6.83	6.98	7.14	7.15	7.42	7.48	7.91	8.81
91 days	6.38	6.44	6.90	6.84	6.69	6.47	6.35	6.21	6.48	7.01	7.24	7.28	7.26	7.62	7.62	7.62	8.13	9.63
182 days	7.20	7.14	7.39	7.24	7.18	6.92	7.21	7.16	6.85	7.24	7.69	7.61	7.66	7.45	7.93	7.92	8.34	9.41
364 days	7.70	7.34	7.58	7.38	7.33	7.21	7.06	7.05	6.98	7.50	8.62	8.18	8.38	8.02	7.78	8.45	8.86	9.13
T-Bonds market																		
Tbond 2 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tbond 3 yrs	-	10.43		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tbond 5 yrs	-	-	-	-	-	-	-	-	-	11.12	-	-	-	-	-	-	-	-
3 to 12 months BNR liquidity facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Repo Rate	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.5	7.5
Reverse Repo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source : BNR

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

AVERAGE EXCHANGE RATES OF THE MAJOR CURRENCIES

Appendice 15

Description	1USD	1£stg	1YEN	1DTS	1EURO
2005	557.81	1016.30	5.09	825.11	695.52
2006	548.00	1015.97	4.74	811.64	692.40
2007	547.01	1093.09	4.65	836.71	748.93
2008	546.85	1013.83	5.30	864.46	804.23
2009	568.27	887.92	6.09	872.50	791.79
2010	583.13	901.56	6.65	889.72	774.01
2011	600.29	962.83	7.54	947.62	835.67
2012	**606.97**	**956.76**	**7.62**	**930.57**	**787.37**
2009					
January	564.19	818.69	6.24	811.25	751.34
February	566.80	819.40	6.16	843.40	726.52
March	568.53	806.32	5.82	842.58	739.97
April	568.50	833.80	5.76	847.85	749.48
May	567.21	872.06	5.86	861.30	771.60
June	567.97	911.11	5.88	877.37	796.07
July	569.28	930.39	6.03	883.50	801.88
August	568.04	940.25	5.98	885.99	809.75
September	568.80	929.48	6.21	896.70	826.78
October	569.44	920.91	6.32	905.09	843.29
November	569.87	945.36	6.38	911.17	849.38
December	570.59	927.33	6.38	903.76	835.43
Annual average	**568.27**	**887.92**	**6.09**	**872.50**	**791.79**
2010					
January	572.14	925.31	6.26	895.74	818.10
February	572.78	894.64	6.35	880.64	783.17
March	572.62	861.87	6.33	874.94	777.53
April	574.00	879.63	6.13	870.93	770.38
May	578.63	850.49	6.27	857.15	729.81
June	584.38	861.02	6.42	857.80	713.67
July	589.39	900.23	6.73	886.12	752.66
August	588.97	920.83	6.88	893.13	759.07
September	588.35	915.29	6.97	897.49	767.91
October	590.17	935.82	7.20	925.91	819.28
November	592.37	947.54	7.20	925.46	812.37
December	593.78	926.05	7.12	911.33	784.12
Annual average	**583.13**	**901.56**	**6.65**	**889.72**	**774.01**

Description	1USD	1£stg	1YEN	1DTS	1EURO
2011					
January	596.75	939.46	7.23	921.62	796.76
February	600.24	967.47	7.27	936.07	818.70
March	599.53	969.66	7.34	945.49	838.94
April	601.27	982.15	7.22	957.07	867.09
May	599.28	979.81	7.39	956.14	860.98
June	600.00	974.24	7.45	958.23	863.18
July	600.35	969.56	7.57	957.75	857.12
August	599.75	981.83	7.78	963.57	860.21
September	599.84	949.47	7.81	948.30	828.69
October	601.29	945.55	7.85	947.08	822.51
November	601.77	952.40	7.77	944.63	817.69
December	603.45	942.33	7.75	935.53	796.17
Annual average	**600.29**	**962.83**	**7.54**	**947.62**	**835.67**
2012					
January	604.37	936.44	7.85	930.43	779.26
February	605.15	955.36	7.73	938.66	799.47
March	606.80	959.52	7.37	934.15	801.24
April	607.01	970.75	7.46	936.26	799.26
May	608.56	970.58	7.63	932.84	781.01
June	609.94	947.89	7.70	911.06	764.00
Annual average	**606.97**	**956.76**	**7.62**	**930.57**	**787.37**

Source : BNR

Stock of External Public Debt

Appendice 16

(In USD million by donor, end period)

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	End June 2012
MULTILATERAL DEBT	**1,402.82**	**390.02**	**485.66**	**580.53**	**628.26**	**651.14**	**832.99**	**841.66**
ADB-ADF	294.60	69.33	102.16	135.49	157.88	172.59	210.62	213.33
BADEA	18.46	21.47	25.44	25.77	26.49	29.33	34.03	33.56
EIB	**16.56**	**15.30**	**14.48**	**11.39**	**8.90**	**6.39**	**5.03**	**3.66**
EU	**18.54**	**19.54**	**20.67**	**18.78**	**17.82**	**15.25**	**13.89**	**12.90**
IFAD	**58.86**	**73.61**	**85.96**	**92.61**	**99.74**	**103.05**	**107.07**	**107.58**
IMF	**4.90**	**4.29**	**8.10**	**11.47**	**15.19**	**14.82**	**14.13**	**13.59**
IDA	975.53	168.43	205.30	240.38	253.30	258.25	391.55	401.11
NDF	0.00	0.56	2.08	12.71	16.54	16.40	16.08	15.33
OPEC	16.50	17.49	21.47	12.71	32.40	35.08	40.57	40.38
BILATERAL DEBT	**83.99**	**89.52**	**84.19**	**85.20**	**108.34**	**115.45**	**151.66**	**163.02**
AFD-FRANCE	3.96	4.40	4.92	4.74	4.79	3.66	2.12	1.36
CHINA	16.01	16.54	0.00	0.00	0.00	0.00	0.00	0.00
EXIM-CHINA	0.00	0.00	0.00	0.00	6.17	10.36	28.60	30.70
EXIM-INDIA	**0.00**	**0.00**	**0.00**	**0.00**	**16.00**	**18.50**	**28.65**	**39.55**
Abu Dhabi	**1.84**	**1.85**	**1.85**	**1.85**	**1.85**	**1.85**	**2.99**	**2.99**
KUWAIT	32.21	32.66	34.49	34.22	34.63	35.52	44.68	44.48
SAUDI FUND	29.63	33.74	42.58	44.04	44.54	45.22	44.28	44.59
LYBIA	0.33	0.34	0.36	0.35	0.36	0.35	0.35	0.34
TOTAL	**1486.81**	**479.54**	**569.85**	**665.73**	**736.60**	**766.59**	**984.65**	**1004.68**

N.B. : Government guaranteed debt not included

Source: BNR

Development of disbursements (in USD million) **Appendice 17**

DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	2012/ Jan-June
MULTILATERAL CREDITORS	101.5	105.2	79.4	110.6	51.2	43.3	197.5	29.3
Of which : IDA	46.3	36.7	27.6	40.5	10.5	10.1	138.2	19.8
FAD-FSN	36.9	27.6	26.2	32.08	22.6	16.0	39.0	7.8
BILATERAL CREDITORS	0.0	4.4	9.1	1.7	24.7	7.3	24.8	13.3
TOTAL	101.5	109.5	88.5	112.3	75.9	50.7	222.2	42.4
Of Which :								
Drawings for projects	93.3	100.1	84.1	106.5	71.8	50.7	186.7	42.4
Drawings for budget support	8.2	6.9	1.0	2.07	0.5	0.0	35.5	0.0
Drawings for BOP support (IMF)	0.0	2.5	3.4	3.72	3.6	0.0	0.0	0.0

Source: BNR

Development of External Debt Service (in USD million) **Appendice 18**

DESCRIPTION	2005	2006	2007	2010	2011	2012/ Jan-June
MULTILATERAL DONORS	40.6	31.4	11.3	14.9	19.3	10.6
Principal	30.1	21.2	6.2	8.8	13.3	7.5
Of which : IDA	15.2	9.3	0.0	0.5	2.4	1.4
FAD-FSN	7.2	5.6	0.8	1.2	1.7	0.9
BADEA	3.5	0.0	0.0	0.0	1.0	0.5
Interests	10.5	10.2	5.0	6.2	4.4	3.1
Of which : IDA	8.0	5.0	1.5	1.9	2.3	1.2
FAD-FSN	0.8	3.1	1.3	1.6	1.6	0.9
BADEA	0.6	1.0	0.9	0.9	0.0	0.0
BILATERAL DONORS	9.1	2.7	1.3	2.9	4.4	2.6
Principal	6.2	1.7	0.3	1.2	2.3	1.3
Interests	2.9	1.0	1.1	1.7	2.2	1.3
SUPPLIERS'CREDITS	0.7	0.0	0.0	0.0	0.0	0.0
Principal	0.0	0.0	0.0	0.0	0.0	0.0
Interests	0.7	0.0	0.0	0.0	0.0	0.0
TOTAL	**50.5**	**34.1**	**12.6**	**17.8**	**23.7**	**13.2**
Principal	**36.3**	**22.9**	**6.5**	**10.0**	**15.6**	**8.9**
Interests	**14.2**	**11.2**	**6.1**	**7.9**	**8.1**	**4.3**

Source: BNR

BALANCE OF PAYMENTS
(In USD million)

	2010	2011	Prov. End June 2012
Trade Balance	**-786.70**	**-1101.17**	**-605.45**
Exports, f.o.b.	297.28	464.24	247.59
Of which: coffee	56.08	74.60	12.14
tea	55.71	63.90	33.53
Imports, f.o.b.	-1083.97	-1565.40	-853.04
Services and income (net)	**-292.06**	**-242.54**	**-124.41**
Services (net)	-246.22	-187.85	-87.35
Income (net)	-45.85	-54.69	-37.06
Trade and Services and income balance	**-1078.76**	**-1343.71**	**-729.85**
Current transfers (net)	**657.36**	**880.57**	**263.46**
Private	90.68	133.31	61.92
Public	566.68	747.25	201.54
Current account balance (including official transfers)	**-421.40**	-463.14	**-466.39**
Capital and Financial account balance	**499.36**	682.51	**321.99**
Capital Account	**285.64**	196.66	**94.48**
Capital transfers	285.64	196.66	94.48
Debt Forgiveness	0.00	0.00	0.00
Migrants transferss	0.00	0.00	0.00
Other capital transfers	285.64	196.66	94.48
Financial transactions account	**213.72**	485.85	**227.51**
Public sector capital (LT) (net)	51.90	207.22	33.46
Private sector capital (LT) (net)	180.45	231.12	123.88
Lt. Debt	129.02	148.78	73.93
Amortization	-12.29	-55.16	-26.74
Direct investment	63.71	137.50	76.68
Other Capital	-18.63	47.51	70.18
Short term capital	-18.63	47.51	70.18
Errors & Omissions	**-5.88**	16.17	**-51.10**
Overall balance	**72.07**	235.54	-195.50
Financing (- increase)	**-72.07**	-235.54	195.50
Change in net foreign assets of NBR (increase -)	**-72.07**	-235.54	**195.50**
a. Net use of IMF credit (increase +)	0.00	0.00	0.00
b. Change in gross reserves (increase -)	-69.08	-236.72	190.58
c.Change in other foreign liabilities (increase +)	-2.99	1.18	4.91
Change in arrears (decrease -)	**0.00**	0.00	**0.00**
Exceptional financing	**0.00**	0.00	**0.00**
Rescheduling	**0.0**	0.00	**0.0**
Cancellation	**0.0**	**0.0**	**0.0**
GAP (+ financing needed)	**0.00**		
For the record			
Gross official reserves (Mios USD)	**813.4**	**1050**	**859.21**
Foreign liabilities(Mios USD)	**115.40**	**116.6**	**121.57**
Gross reserves in month of imports G&S	**6**	**5.8**	**4.5**
Gross reserves in months of CAF imports of goods	**7**	**7.7**	5.14
Gross reserves in months of FOB imports of goods	**9**	**8.0**	6.04
Trade balance (in percent of GDP)	**-14%**	**-18%**	-18%

BALANCE OF PAYMENTS
(In USD million)

Appendice 19(Cont'd)

	2010	2011	Prov. End June 2012
Current account balance in percent of GDP (including official transfers)	-7%	-7%	-14%
Current account balance in percent of GDP (excluding official transfers)	-18%	-19.4%	
Overall balance (in percent of GDP)	1.3%	4%	-6%
GDP (millions $US, Current)	5,628.34	6,231.95	3,406.89
GDP (billions de RFW, current)	3,282	3,741.00	2,078.00
Exchange rate of 1 USD (RFW/1 USD), end period	594.45	604.14	612.43
Imports of goods and services	-1640.55	-2183.82	-1147.97
Exchange rate average (RFW/1 USD)	583.12	600.29	609.94

Source : BNR

RWANDA's EXPORTS
(FOB value in USD million)

Appendice 20

	2005	2006	2007	2008	2009	2010	2011	Prov. End June 2012
I. Coffee								
Value	**38.3**	**54.04**	**35.67**	**47.05**	**37.29**	**56.08**	**74.60**	**12.14**
in % of Total exports, f.o.b.	30.6	36.7	20.18	18.28	19.75	19%	16%	
% change of value	18.7	41.2	-33.99	31.51	-20.51	50%	33%	
Volume (1,000 tons)	18,398.6	26,534.1	13,673.86	18,191.29	14,992.36	18,235.85	15,596.62	**3,436**
% change of volume	-32.1	44.2	-48.47	33.04	-0.18	22%	-14%	
Unit value (US$/kg)	2.08	2.04	2.61	2.58	2.49	3.08	4.78	**3.53**
% change of unit value	74.8	-2.08	28.08	-1.15	-0.04	23.7%	55.5%	
II. Tea								
Value	**24.38**	**31.86**	**31.52**	**44.95**	**48.24**	**55.71**	**63.90**	**33.53**
in % of Total exports, f.o.b.	19.51	21.62	17.83	15.61	25.80	19%	14%	
% change of value	13.13	30.68	-1.09	27.08	21.63	15%	15%	
Volume (1,000 tons)	15,481	16,523.7	18,375.62	19,828.02	**18,689.30**	**21,528.48**	23,732.19	**11,904.74**
% change of volume	18.5	6.7	11.21	3.93	**-0.01**	**15.2%**	**10.2%**	
Unit value (US$/kg)	1.57	1.93	1.72	2.10	**2.58**	**2.59**	2.69	**2.82**
% change of unit value	-4.8	22.44	-11.06	22.28	**0.23**	**0.2%**	**4.0%**	
III. Minerals								
Value	**37.30**	**36.57**	**70.62**	**91.69**	**55.43**	**67.85**	151.43	**64.64**
in % of Total exports, f.o.b.	29.85	24.81	39.95	35.57	28.90	23%	33%	
% change of value	27.4	-1.9	93.09	29.23	-40.20	22%	123%	
Volume (1,000 tons)	6,150.49	5,995.15	8,220.98	7,009.98	**6,093.54**	**5,466.35**	8,848.38	**3,690.38**
% change of volume	34.5	-2.5	37.13	-14.73	**-0.13**	**-10%**	**62%**	
Cassiterite								
Value	**17.86**	**15.87**	**31.97**	**41.25**	**28.58**	**42.21**	**96.82**	**27.20**
in % of Total exports, f.o.b.	14.29	10.76	18.09	16.04	15.14	14%	21%	
% change of value	12.46	-11.14	101.52	28.70	-30.55	48%	129%	
Volume (1,000 tons)	4,531.8	3,835.3	4,565.91	4,193.29	**4,269.17**	**3,874.20**	**6,952.07**	**2,320.40**
% change of volume	27.54	-15.37	19.05	-9.85	**0.04**	-0.09	**79%**	
Unit value (US$/kg)	3.94	4.14	7.00	10.00	**6.69**	10.89	**13.93**	**11.72**
% change of unit value	-11.85	4.99	69.28	42.76	**-33.04**	0.63	**28%**	
Coltan								
Value	**16.87**	**11.17**	**19.23**	**36.03**	**20.24**	**1848%**	**38.58**	**23.73**
in % of Total exports, f.o.b.	13.50	7.58	10.88	14.50	10.72	**0.06**	8%	
% change of value	29.84	-33.76	72.10	93.51	-45.62	**-9%**	109%	
Volume (1,000 tons)	1,061.64	724.25	968.96	1,190.33	**949.92**	748.72	**890.08**	**544.82**
% change of volume	23.30	-31.78	33.79	26.16	**-22.29**	**-0.21**	**19%**	
Unit value (US$/kg)	15.89	15.43	19.85	30.44	**21.30**	2469%	**43.35**	**43.55**
% change of unit value	5.30	-2.90	28.63	53.38	**-30.02**	16%	**76%**	
Wolfram								
Value	**2.58**	**9.53**	**19.42**	**13.41**	**5.76**	**710%**	**16.03**	**13.71**
in % of Total exports, f.o.b.	2.06	6.47	10.98	5.03	3.05	**0.02**	3%	
% change of value	536.01	270.11	103.67	-33.58	-55.34	**23%**	126%	
Volume (1,000 tons)	557.02	1,435.57	2,686.11	1,708.04	**874.45**	843.42	**1,006.24**	**825.17**
% change of volume	253.63	157.72	87.11	-37.78	**-0.48**	**-0.04**	**19%**	
Unit value (US$/kg)	4.62	6.64	7.23	7.72	**6.59**	842%	**15.93**	**16.61**
% change of unit value	79.93	43.61	8.85	6.76	**-14.64**	28%	**89%**	

RWANDA's EXPORTS
(FOB value in USD million)

Appendice 20 (Cont'd)

	2005	2006	2007	2008	2009	2010	2011	Prov. End June 2012
Or								
Valeur				1.01	**0.86**	**6%**		
in % of Total exports, f.o.b.						**0.00**		
var en % de la valeur						**-93%**		
Volume exporté(Tonnes)				0.04	**0.03**	**0.00**		
var en % du volume								
Prix Unit(USD/kg)						**20,810.52**		
% change of unit value								
IV . Hides and skins								
Value	**4.73**	**1.99**	**3.56**	**2.85**	**1.96**	**3.74**	**7.62**	**4.95**
in % of Total exports, f.o.b.	3.79	1.35	2.02	1.11	1.04	**0.01**	2%	
% change of value	39.82	-58.00	79.31	-20.06	-31.16	**0.91**	103%	
Volume (1,000 tons)	3,183	1,160	1,805.60	2,043.60	**1,791.68**	3,730.87	**6,220.43**	**3,670.59**
% change of volume	48.01	-63.57	55.67	13.18	**-0.12**	**1.08**	**67%**	
Unit value (US$/kg)	1.49	1.71	1.97	1.39	**1.09**	100%	**1.22**	**1.35**
% change of unit value	-5.30	15.29	15.18	-29.37	**-21.48**	-8%	**22%**	
V. Pyrethrum								
Value		**1.92**	**3.00**	**0.38**	**0.64**	**141%**	**4.51**	**4.53**
in % of Total exports, f.o.b.	0.00	1.31	1.70	0.15	0.34	**0.00**	1.0%	
% change of value	-100.00		56.05	-87.25	68.08	**119%**	221%	
Volume (1,000 tons)		44.64	38.27	3.30	**3.18**	**6.33**	**18.78**	**17.48**
% change of volume	-100.00		-14.25	-91.39	**-0.04**	**0.99**	**197%**	
Unit value (US$/kg)		43.10	78.44	116.16	**202.61**	22227.4%	**240.37**	**259.14**
% change of unit value	-100.00		81.98	48.09	**74.43**	10%	**8%**	
VI. Other products								
Value	**20.22**	**20.91**	**32.32**	**85.80**	**49.26**	**6966%**	**85.61**	**75.45**
in % of Total exports, f.o.b.	16.18	14.19	18.28	31.25	26.54	**-0.77**	-82%	
% change of value	87.25	3.45	54.55	148.03	-37.48	**41%**	23%	
Other ordinary products	**3.19**	**4.41**	**14.37**	**33.00**	**26.88**	33.76	48.35	**35.96**
Reexports	**17.03**	**16.50**	**17.95**	**52.81**	**22.38**	**35.90**	**37.26**	**39.49**
Sub- Total	***124.90***	***147.30***	***176.69***	***272.73***	***192.82***	25446%	**387.67**	**195.23**
VII. Adjustments	**0.08**	**0.08**	**0.08**	**-5.06**	**-0.16**	4282%	***76.57***	**52.36**
Electricity	0.08	0.08	0.08	0.09	**0.12**	**0.11**	0.21	0.06
Postal colis								
Carnets 126								
Goods purchased in the ports or airports						**0.56**	***9.21***	2.97
Reexports of minerals					**11.12**	**25.17**		
Ajustment in transport and insurance								
Ajustments on exports/ surveys					4.33	**46.91**	**71.40**	51.04
Ajustment on transport &Tea assurance				-5.15	-4.61	**-4.77**	***-4.26***	-1.71
Total fob	**124.98**	**147.38**	**176.77**	**267.67**	**192.67**	**297.28**	**464.24**	**247.59**
% change	**27.46**	**17.93**	**19.94**	**45.14**	**-28.02%**	**26.53%**	**56.16%**	**-46.67%**

Source : **BNR**

RWANDA'S IMPORTS
(Value in USD million)

Appendice 21

	2005	2006	2007	2008	2009	2010	2011	Prov end June 2012
I. Capital goods								
Value	**109.9**	**126.8**	**202.5**	**367.29**	**372.40**	**357.56**	**465.35**	**281.93**
in % of Total M CIF	23.31	21.44	26.28	31.29	28.67	0.25	0.24	0.27
% change of value	37.39	15.40	59.72	81.35	-1.25	-0.04	0.27	
Volume (tons)	**17,506**	**20,803**	**31,551**	**39,860**	53,136	43,076	**50,523.71**	**32,172.92**
% change of volume	40.13	18.83	51.67	26.33	0.33	-0.19	26.75%	
Unit value (US$/kg)	**6.28**	**6.10**	**6.42**	**9.21**	**7.01**	**8.30**	9.21	8.76
% change of unit value	-1.96	-2.89	5.31	43.55	-5.89	0.18	-0%	
II. Intermediate goods								
Value	**111.16**	**146.15**	**189.91**	**323.87**	**332.46**	**381.97**	**526.55**	**285.64**
in % of Total M CIF	23.58	24.71	24.64	27.59	24.75	0.27	27%	27%
% change of value	40.35	31.48	29.94	70.54	-3.31	0.15	63%	
Volume (tons)	**154,363**	**206,831**	**274,574**	**367,938**	**408,677**	**481,644**	**609,175.67**	**363,369.37**
% change of volume	43.31	33.99	32.75	34.00	124.87	0.18	66%	
Unit value (US$/kg)	**0.72**	**0.71**	**0.69**	**0.88**	**0.81**	**0.79**	**0.86**	0.79
% change of unit value	-2.06	-1.88	-2.12	27.26	-16.66	-0.03	-1.80%	
III . Energy products								
Value	**78.16**	**108.56**	**115.65**	**161.49**	**177.97**	**210.84**	**345.57**	**167.96**
in % of Total M CIF	16.58	18.36	15.01	13.76	16.50	0.15	18%	16%
% change of value	13.88	38.90	6.53	39.63	29.28	0.18	114%	
Volume (tons)	**128,819**	**172,818**	**183,252**	**186,722**	189,347	195,785	**220,493.31**	**121,687.58**
% change of volume	4.49	34.16	6.04	1.89	0.01	0.03	18%	
Unit value (US$/kg)	**0.61**	**0.63**	**0.63**	**0.86**	**0.94**	**1.08**	**1.57**	1.38
% change of unit value	8.99	3.53	0.46	37.04	68.67	0.15	81%	
IV. Consumer goods								
Value	**131.17**	**166.54**	**229.10**	**284.08**	**363.99**	**439.01**	**553.11**	**267.79**
in % of Total M CIF	27.83	28.16	29.73	24.20	27.06	0.32	28%	25%
% change of value	28.02	26.97	37.56	24.00	20.52	0.21	95%	
Volume (tons)	**120,855**	**173,743**	**285,259**	**253,662**	359,314	468,472	**453,195.56**	**247,905.55**
% change of volume	10.66	43.76	64.18	-11.08	117.46	0.30	79%	
Unit value (US$/kg)	**1.09**	**0.96**	**0.80**	**1.12**	**1.01**	**0.94**	**1.22**	1.08
% change of unit value	15.68	-11.68	-16.22	39.45	-10.42	-0.07	9%	
1. Food								
Value	**35.26**	**47.93**	**71.76**	**87.07**	**122.72**	**154.18**	**207.63**	**107.75**
in % of Total M CIF	7.48	8.10	9.31	7.42	9.16	0.11	11%	10%
% change of value	6.33	35.91	49.74	21.33	33.07	0.26	138%	
Volume (tons)	**79,854**	**122,832**	**223,979**	**172,073**	**265,599**	**372,488**	**343,935.87**	**186,016.50**
% change of volume	5.43	53.82	82.35	-23.17	111.84	0.40	100%	
Unit value (US$/kg)	**0.44**	**0.39**	**0.32**	**0.51**	**0.46**	**0.41**	**0.60**	0.58
% change of unit value	0.86	-11.65	-17.88	57.93	-9.53	-0.10	19%	

RWANDA'S IMPORTS
(Value in USD million)

Appendice 21 (Cont'd)

	2005	2006	2007	2008	2009	2010	2011	Prov end June 2012
2.Others consummer goods								
Value	**95.91**	**118.62**	**157.34**	**197.01**	**241.27**	**284.83**	**345.48**	**160.03**
in % of Total M CIF	20.34	20.06	20.42	16.78	17.90	0.21	18%	15%
% change of value	38.40	23.68	32.64	25.22	14.98	0.18	75%	
Volume (tons)	**41,001**	**50,911**	**61,280**	**81,589**	**93,715**	**95,985**	**109,259.69**	**61,889.05**
% change of volume	22.52	24.17	20.37	33.14	134.97	0.02	34%	
Unit value (US$/kg)	**2.34**	**2.33**	**2.57**	**2.41**	**2.57**	**2.97**	**3.16**	2.59
% change of unit value	12.96	-0.39	10.20	-5.95	0.07	0.15	31%	
S/TOTAL	**430.37**	**548.06**	**737.19**	**1136.73**	**1246.81**	**1389.38**	**1,890.58**	**1,003.31**
Var en %	30.31	27.35	34.51	54.20	10%	11%	66%	
V. Ajustment								
Valeur	**41.03**	**43.32**	**33.46**	**37.24**	**61.64**	**41.66**	**60.98**	**50.69**
in % of Total M CIF	8.70	7.32	4.34	3.17	0.05	0.03	3%	5%
electricity	***5.57***	***11.00***	***12.10***	2.29	2.28	2.85	0.19	0.04
En % de val cif totale	1.18	1.86	1.57	0.19	0.00	0.00	0.0%	0.0%
Parcel post	***1.36***	***1.36***	***1.36***	0.06				
Autres (dont)	**34.1**	**31.0**	**20.0**	**34.89**	**59.35**	**38.81**	**60.79**	**50.65**
126 BIS	***34.1***	***22.4***	11.0	11.49	13.50			
in % of Total M CIF	7.23	3.79	2.58	3.18				
Oil purchased in the aeport		3.62	3.50	0.94	2.22	3.72	12.89	9.76
Reexport non included	--	12.7	11.00	43.82	27.10	35.90	46.29	39.49
Embassies' imports		-7.75	-5.50	-21.36	-18.97	-22.04	-21.90	-9.08
ICBT					23.52	21.23	23.51	10.48
Imports of TIGO 55					14.20		-	
in % of Total M CIF								
VI. Import cif	**471.40**	**591.38**	**770.65**	**1173.98**	**1308.45**	**1431.04**	**1,951.56**	**1,054.00**
% change	**28.17**	**25.45**	**30.31**	**52.34**	**0.11**			
VII. Freight and insurance	**117.76**	**144.98**	**189.49**	**293.26**	**311.45**	**347.07**	**472.67**	**200.96**
In % du CIf	24.98	24.98	24.98	24.98	24.98	24.98		20.03
% change of ratio	**0.00**	**0.00**	**0.00**	**0.00**	0			
VIII.Total fob	**353.64**	**446.40**	**581.16**	**880.72**	**997.00**	**1083.97**	**1,478.89**	**853.04**
% change	**28.17**	**26.23**	**30.19**	**51.54**	**13%**	**9%**	**36%**	

Source : BNR

SERVICES AND INCOME
(In USD million)

Appendice 22

SERVICES	**2007**	**2008**	**2009**	**2010**	**2011**	**Prov June 2012**
Services and income (net)	**-140.38**	**-135.67**	**-218.41**	**-292.06**	**-315.61**	**-124.41**
Services (net)	**-123.16**	**-100.60**	**-181.62**	**-246.22**	**-263.45**	**-87.35**
Credit	**240.63**	**419.86**	**341.05**	**310.36**	**354.97**	**207.58**
Freight and insurance	5.23	5.15	4.61	4.77	3.38	1.71
Other transportation	24.58	37.74	49.04	21.68	18.51	31.44
Travel	151.63	186.00	174.46	201.65	251.80	128.30
Others services	59.19	190.97	112.94	82.26	81.28	46.13
- Operating cost of embassies	39.99	81.87	92.14	65.97	31.25	28.46
- privates (incl: post, communicat, ICT…)	19.19	109.10	20.81	16.30	50.03	17.66
Debit	**-363.79**	**-520.46**	**-522.66**	**-556.57**	**-618.41**	**-294.93**
Freight and insurance	-134.53	-208.21	-246.05	-293.68	-352.25	-142.68
Other transportation	-50.50	-75.75	-76.03	-43.19	-52.96	-37.96
Travel	-46.66	-69.99	-71.83	-77.01	-39.00	-48.03
Operating cost of embassies	-29.59	-17.90	-15.45	-17.80	-17.80	-9.97
Technical assistance	-71.95	-106.69	-78.96	-96.54	-56.02	-37.10
technical assistance (PIP)	-45.17	-79.12	-50.00	-71.41	-10.27	-23.28
technical assistance (humanitarian aids)	-26.78	-27.58	-28.96	-25.13	-45.75	-13.82
Other private services (incl: post, ICT, Communicat.)	-30.55	-41.91	-34.35	-28.36	-100.38	-19.18
Income (net)	**-17.22**	**-35.06**	**-36.79**	**-45.85**	**-52.16**	**-37.06**
Credit	**25.44**	**28.27**	**14.91**	**12.81**	**34.20**	**5.50**
Investment income	21.35	23.72	10.42	7.86	12.01	2.82
- Official investment(BNR)	19.90	20.00	8.45	6.12	9.02	2.82
- Banks investment	1.46	1.78	1.89	1.73	0.69	
- Dividends	0.00	1.94	0.08	0.01	2.30	
Labor services income	4.09	4.49	4.49	4.94	22.17	2.65
Property income	0.00	0.05	0.00	0.01	0.02	0.02
Debit	**-42.66**	**-63.33**	**-51.71**	**-58.65**	**-86.36**	**-42.56**
Income paid on directs investments	-9.29	-16.42	-4.66	-3.74	-12.10	-0.38
1. Dividendes	-9.29	-15.36	-4.66	-3.74	-12.10	-0.38
2. Interest paid or reinvested on private invstments	0.00	-1.06	0.00	0.00	0.00	
Income paid on others investments	-7.33	-7.74	-9.41	-11.97	-13.07	-8.34
Public sectorl	-6.18	-6.93	-7.27	-7.83	-8.11	-3.85
- Interest due on public external debt	-6.15	-6.88	-7.06	-7.83	-8.11	-3.85
- Interest due on resccheduling. (consolidated amount: 7/98-5/2001)			0.00	0.00	0.00	0
- Interest due on new public external debt			0.00	0.00	0.00	0
- Interest on IMF debt by BNR	-0.03	-0.05	0.00	0.00	0.00	0
- Interest on others debt (BNB)	0.00	0.00	-0.21	0.00	0.00	0
Private sector	-1.15	-0.81	-2.15	-4.14	-4.95	-4.49
Labor services Income	-25.50	-37.95	-36.40	-42.92	-61.19	-32.98
Property income	-0.54	-1.23	-1.23	-0.02	-0.00	-0.85

Source : BNR

Transfers **Appendice 23**
(In USD million)

	2007	2008	2009	2010	2011	Prov.June 2012
Current transfers (net)	**461.32**	**518.57**	**604.02**	657.36	**886.26**	**263.46**
Current private transfers(net)	**98.82**	**72.61**	**79.71**	**90.68**	**139.01**	**61.92**
Credit	***131.17***	***108.51***	**122.93**	***133.80***	**197.45**	**96.80**
Debit	***32.35***	***35.90***	***43.22***	43.12	**58.44**	**34.88**
Remittances from Diaspora	69.48	31.07	53.09	65.07	**135.34**	**50.15**
Credit	98.50	63.31	88.13	98.21	166.18	80.65
Debit	29.02	32.24	35.04	33.14	30.84	30.50
Private transfers for churchs and associations	29.34	41.54	26.62	25.61	**3.67**	**11.77**
Credit	32.67	45.20	34.80	35.59	31.27	16.15
Debit	3.33	3.67	8.18	**9.98**	27.60	4.38
Current officials transfers (net)	**362.50**	**445.96**	**524.31**	**566.68**	**747.25**	**201.54**
Credit	**366.38**	**450.08**	**531.67**	580.04	**757.62**	**209.52**
1. current support net	259.27	339.76	415.84	479.52	628.39	159.40
of which HIPC Initiative	4.50	5.60	5.21	4.53	4.56	2.41
2.Social security benefits					22.19	
3. humanitarian aid	107.11	110.32	115.84	100.52	107.03	50.12
a. technical assistance	26.78	27.58	27.62	25.13	26.76	0.00
b. other humanitarian aid	80.33	82.74	82.85	75.39	80.27	50.12
Debit (of which contribution to internat. Organ.)	-3.88	-4.12	-7.36	**-13.36**	-10.36	-7.97

Source : BNR

Capital and Financial account
(In USD million)

Appendice 24

	2007	2008	2009	2010	2011	Prov. June 2012
Capital and Financial account balance	**196.70**	**316.12**	**433.55**	**499.36**	**649.71**	**321.99**
Capital Account	**92.04**	**210.06**	**200.00**	**285.64**	**196.66**	**94.48**
Capital transfers	**92.04**	**210.06**	**200.00**	**285.64**	**196.66**	**94.48**
Debt Forgiveness	0.00	0.00	0.00	0.00	0.00	0.00
a. Arrears (principal+interest)						0.00
b. Current service (principal + interest)	0.00	0.00	0.00	0.00	0.00	0.00
c. Principal not yet due forgiven (principal)						0.00
Capital transfers in kind					19.02	0.00
Other capital transfers (dons d'appui au PIP)	92.04	210.06	200.00	285.64	177.65	94.48
a. Capital (projects)	69.03	157.55	150.00	214.23	133.24	71.20
b. technical Assistance	23.01	52.52	50.00	71.41	44.41	23.28
Acquisitions et assignments of non financial assets						
Financial transactions account	**104.67**	**106.06**	**226.80**	**213.72**	**453.04**	**227.51**
Long Term capital	**161.80**	**194.69**	**235.29**	**232.35**	**438.35**	**157.34**
I. Public sector capital (LT) (net)	**80.36**	**104.75**	**81.35**	**51.90**	**207.23**	**33.46**
Credit	**88.66**	**112.20**	**88.80**	**61.71**	**222.20**	**42.16**
Current	0.00	5.80	**0.00**	**0.00**	117.84	0.00
Projects (PIP)	88.66	106.40	88.80	61.71	98.14	42.16
- capital	66.50	79.80	66.60	46.29	73.61	42.16
- technical assistance	22.17	26.60	22.20	15.43	24.54	
Drawings on new loans	0.00	0.00	0.00	0.00	0.00	0.00
a. Rescheduling of existing debt	0.00	0.00	0.00	0.00	0.00	0.00
b. Rescheduling of arrears						
c. Rescheduling of non due debt						
Debit	**-8.30**	**-7.45**	**-7.45**	**-9.81**	**-14.97**	**-8.70**
Scheduled amortization	-8.30	-7.45	-7.45	-9.81	-14.97	-8.70
Dont a. Principal due cancelled						0.00
b. Principal due rescheduled						0.00
Pcpl non due rescheduled						0.00
Pcpl non due cancelled						0.00
Souscript. au cap. des org.inter. non monétaires	0.00	0.00	0.00	0.00	0.00	0.00
MDRI relief from IDA and AfDF						
II. Private (net)	**81.43**	**89.94**	**153.94**	**180.45**	**231.12**	**123.88**
Lt. Debt	3.4	9.5	42.72	129.02	148.78	73.93
Amortization	-4.2	-4.1	-7.45	-12.29	(55.16)	-26.74
Investments	82.28	84.56	118.67	63.71	137.50	76.68
a. direct investment	82.28	103.35	**118.67**	**42.33**	106.21	76.68
b. portofolio investment	0.00	-18.79	0	21.38	31.29	0.00
III. Other capital	**-57.13**	**-88.63**	**-8.49**	**-18.63**	**14.69**	**70.18**
Short term capiatl	-57.13	-88.63	-8.49	-18.63	14.69	70.18
a. Commercial Credits	37.5	-0.6	1.02	9.86	0.00	0.00
b. Commercial banks (Change in NFA of comm banks)(-aug)	-9.43	-15.62	-9.51	-28.49	-35.31	70.18
c. Other capitl	-85.20	-72.41	0.00	0.00	50.00	0.00

Source : BNR

AVAILABLE FINANCING
(In USD million)

Appendice 25

	2008	2009	2010	2011	Prov. June 2012
Financing (- increase)	**-54.3**	**-57.0**	**-72.1**	**-234.5**	**195.5**
Change in net foreign assets of NBR (increase -)	**-54.3**	**-57.0**	**-72.1**	**-234.5**	**195.5**
a.Net use of IMF credit (increase +)	3.7	3.56	0.00	-0.2	0.0
1. disbursements/purchases	3.7	3.56	0.00	0.37	0.0
2. repayments/repurchases	0.0	0.0	0.0	-0.6	0.0
b.Change in gross reserves (increase -)	-58.7	-159.5	-69.1	-251.8	190.6
c.Change in other foreign liabilities (increase +)	0.67	102.47	-2.99	17.5	4.9
Change in arrears (decrease -)	**0.0**	**0.0**	**0.0**	**0.00**	0.0
Accumulation	0.0	0.0	0.0	0.0	0.0
Cancellation (Kow Funds)	0.0	0.0	0.0	0.0	0.0
: other bilateral	0.0	0.0	0.0	0.0	0.0
Exceptional financing	**0.0**	**0.0**	**0.0**	**0.00**	**0.00**
Rescheduling	**0.0**	**0.0**	**0.0**	**0.00**	**0.00**
Stock of Arrears (Fonds Kow)	0.0	0	0	0.0	0.0
Current debt service (bilatéraux:Paris club et Fonds Kow):	0.0	0.0	0.0	0.0	0.0
Current debt service (OPEC)	0.0	0.0	0.0	0.0	0.0
Cancellation	**0.0**	**0.0**	**0.0**	0.0	0.0
Stock of Arrears	0.0	0.0	0.0	0.0	0.0
Current Debt service	0.0	0.0	0.0	0.0	0.0

Source : BNR

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