

ANNUAL REPORT
2021-2022

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INTRODUCTION



The National Bank of Rwanda (NBR) was established in 1964 with the aim of issuing the Rwandan currency named Franc Rwandais (Frw). Over the years, the role of the NBR has evolved. The current Law N°48/2017 of 23/09/2017 as amended to date, confers a clear mandate on the NBR with a mission of ensuring price stability and a sound financial system. Price stability is achieved by conducting appropriate monetary policy in the interest of a stable macroeconomic environment, while financial stability is achieved by regulating and supervising the financial system.

NBR IDENTITY STATEMENT

The National Bank of Rwanda strives to be a World class Central Bank contributing to economic growth & development, by using robust monetary policy tools to maintain stable market prices.

The Bank ensures financial stability in a free market economy as it embraces innovation, inclusiveness, and economic integration.

VISION

To become a World Class Central Bank

MISSION

To ensure Price Stability and a Sound Financial System

OUR CORE VALUES

INTEGRITY

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

MUTUAL-RESPECT AND TEAM-WORK

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

ACCOUNTABILITY

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

EXCELLENCE

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

NBR Key Strategic Focus Areas

(2017/18-2023/24)

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





Governor's Foreword

I am pleased to present NBR's Annual Report for the year 2021/2022. This report highlights the progress we have made to ensure we continue maintaining our key mandate of price stability and a sound financial sector, amidst global challenges, as well as the steps we have taken to keep on living our values as a Bank that aspires to become World Class.

Over the past year, the global environment has become more complex and challenging. With the impacts of Covid-19 still lingering, and the ongoing Russia-Ukraine war, global growth is projected to experience a sharper-than-expected decline, and a continued rise in inflation.

Despite the challenging global environment that remains uncertain, during the FY 2021/22, easing government public health restrictions in response to the pandemic continued to pay off, allowing businesses to re-open. Thus, the Rwandan economy sturdily bounced back, with real GDP growing by 8.9 percent in 2021/22 compared to 4.4 percent recorded in the previous financial year.

However, since the beginning of 2022, inflation has become a substantial economic concern. In 2022H1, average headline inflation increased to 9.0 percent compared to 1.4 percent and 0.3 percent recorded in 2021H1 and 2021H2, respectively. To ensure medium-term price stability, the NBR tightened monetary policy in February 2022 by 50 basis points to 5 percent from 4.5 percent. Despite high inflation in 2022, the annual average headline inflation was only 4.6 percent during the financial year 2021/22 from 4.2 percent recorded in the previous period with the second half of 2021 recording very low inflation at 0.3 percent.

Beyond its monetary policy decisions, the central bank has also been an active advisor to the central government. NBR staff have produced several economic policy briefs providing government with recommendations to; boost exports and reduce the external trade deficit, mitigate the rising inflation by understanding the channels through which the Russia-Ukraine war is affecting Rwanda and to boost agriculture, to mention but a few.

On the financial sector front, the Rwandan financial sector remained stable and sound, with capital adequacy and liquidity remaining above minimum prudential requirements. The sector continued to grow, with total assets increasing by 17.5 percent to FRW 8,145 billion in June 2022 from FRW 6,933 billion in June 2021. This growth was mainly attributed to an increase in deposits of lending institutions, capital, and more contributions of pension and investment income.

Regarding digital payment channels, NBR continued to collaborate with different stakeholders to modernize the National payment system. Furthermore, NBR and other partners conducted awareness campaigns to the public on the benefits of using digital financial services and encouraged financial service providers to adopt affordable and accessible technologies. Consequently, the ratio of retail electronic payments to GDP increased by 16 percent to 111.9 percent during the financial year under review; mobile payment and internet banking being the

main drivers of the increase in retail electronic transactions.

Our foreign reserves reached 4.8 months of import at the end of June 2022 above benchmark of 4.0 months. In addition, despite the volatilities experienced on the international market, the Frw remained relatively stable during the year under review.

With regards to financial performance, NBR managed its resources effectively and recorded a surplus before unrealized gains of FRW 56.0 billion from FRW 50.7 billion earned in the previous financial year. NBR's high performance was mainly due to domestic interest earnings, foreign securities investment activities, and resource optimization initiatives implemented during the year. PwC, our external auditor, audited the 2021/22 financial statements and issued a clean audit report.

Investing in our staff has been integral to the success of the NBR, and this year was no different. NBR launched a mother's room to ease the readjustment of mothers at the Bank after maternity leave - I believe this new addition will create a better working environment for all the mothers within the Bank. Moreover, regular staff training is part of the Bank's ethos to make staff better equipped to deal with a world that's constantly changing.

Times like these that are characterized by increased economic pressures have emphasized the importance of leveraging various communication channels to promote transparency and public accountability. NBR has actively engaged with the public on every emerging economic issue and decision to inform and educate the public about the economy and to guide them to informed financial decision-making.

Although we are not certain about the challenges that lie ahead, I am confident that we are well-equipped to tackle them head-on to keep our economy and financial sector strong and sound.

I would like to conclude with a note of thanks to the Board of Directors for their invaluable guidance and oversight that has greatly contributed to ensuring we achieve our mission and vision.

I take the opportunity to welcome Ms. DUSHIMIRE Alice, Mr. MUKETE DIKO Jacob, and Mr. NSENGUMUREMYI Cyridion our new Board members. in the same spirit, I extend my gratitude to Ms. HABIYAKARE Chantal, the outgoing Board member, for her immense contribution to fulfilling NBR's mandate. I would also like to thank all NBR employees for upholding our values despite the challenges we are faced with over the last couple of years.



RWANGOMBWA John
The Governor and Chairman Board of Directors

"To ensure medium-term price stability, the NBR tightened monetary policy in February 2022 by 50 basis points to 5 percent from 4.5 percent."

THE YEAR 2021/22 IN NUMBERS

8.9% Economic Growth / GDP
From 4.4 % in June 2021

5.0% NBR Central Bank Rate
From 4.5% in June 2021

4.6% AverageInflation
Compared to 4.2% | End June:2021

3.8% Depreciation of FRW Vs USD (End June, 2022)
From 5.3%, End June, 2021

29.6% Credit to the economy (% of GDP) Banks and MFIs
From 28.7% in 2021

T-bonds Participation



- **39.4%** Banks — From 40.98% | End June, 2021
- **52.6%** Institutional Investors — From 49.45% | End June, 2021
- **8.0%** Retailers — From 9.57% | End June, 2021
- **114.0%** Level of Average Annual Subscription — From 144.9% | End June, 2021

23.1% Capital Adequacy Ratio for Banks (≥15)
From 22.5%, End June, 2021

35.7% Credit Reference Bureau Coverage
From 31.6% | End June, 2021

4.3% NPLs for Banks
From 5.7% | End June, 2021

FRW 74.4bn 2022 H1 Banking Sector profitability
From FRW56bn (2021 H1) | End June, 2021

33.9% Capital Adequacy Ratio for MFI (≥15)
From 35.4%, End June, 2021

105.2% Liquidity Ratio for MFIs (≥30%)
From 106.1% | End June, 2021

224.7% Liquidity Ratio for Banks above 100%.
From 226.2% | End June, 2021

5.0% NPLs for MFIs (≤ 5%)
From 6.6% | End June, 2021

1347% Solvency Margin for Insurance Sector(Public and Private) Min.100%
From 1327% | End June, 2021

THE YEAR 2021/22 IN NUMBERS



180% Solvency ratio for private insurers (Min 100%)
From 147% | End June, 2021



100% Liquidity for private insurers (min 120%)
From 94% | End June, 2021



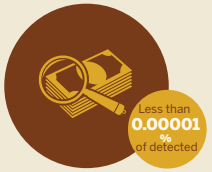
111.9% Value of E-Payment to GDP(March,2022)
From 95.5% | End June, 2021



93% Financial Inclusion: Both Formal and Informal
From 89% (2016) | End June, 2019



77% Formal Financial inclusion (Adult population)
From 69% (2016)

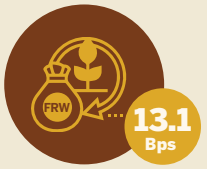


Less than **0.00001 %** of detected

Percentage of counterfeiting bank notes per denomination
From 0.00001% | End June, 2021



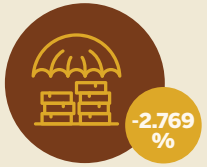
USD 1,926.86 M Amount of Foreign Reserves (USD)
From USD 1,592 M | End June, 2021



13.1 Bps Percentage returns on investment (+0.2% annually above benchmark)
From 0.339% | End June, 2021



4.8 Number of months of imports (≥4.5)
From 5.1 | End June, 2021



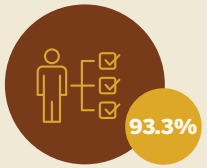
-2.769 % Capital Preservation (Achieve positive annual average return)
From 30.78% | End June, 2021



85% Level of business processes automation and integration
From 85% | End June, 2021



100% QMS ISO 9001-2015 Certification
Mantained at 100% | End June, 2021



93.3% Staff Performance
From 92.8% | End June, 2021

DELIVERING ON OUR STRATEGY

The 2024 Strategic Plan

The Bank has a robust strategic planning framework to implement and operationalize its vision and mandate. The 7 years' strategic plan was developed based on Rwanda's aspirations for economic transformation in line with the National Strategy for Transformation (NST1). The strategic plan has six strategic focus areas and strategic objectives that drive the achievement of both price stability and sound financial system. The strategy highlights strategic goals, performance measures of success and strategic initiatives built around the themes to achieve world class central bank vision. The strategic plan guides the annual planning and budgeting and serves as a foundation for departments and employee KPIs.



Keep inflation low with a stable exchange rate to ensure macroeconomic stability and growth targets reflected in the NST1. The Bank aims at maintaining the inflation rate with the target band of 5% +/-3%.

STRATEGIC INTERVENTIONS

- Continue to enhance the forward looking monetary policy framework built on a strong analytical and forecasting model.
- Ensure high level of transparency and accountability by effectively communicating monetary policy goals to the public to anchor inflation expectation within the inflation target.
- Deepen financial market



To ensure that bank notes and coins are available and of high quality and provide online banking

STRATEGIC INTERVENTIONS

- Full automation of vault management system to enhance cash handling.
- Improve quality of our currency keeping abreast of technology advancement in counterfeiting and banknote design.



Financial system that is capable of financing the economy.

STRATEGIC INTERVENTIONS

- Enhance the process of putting in place a regulatory and supervisory framework that responds to the megatrends of the financial system to support economic growth.
- Provide analyses related to financial sector, with particular stress on the risks and vulnerability of the system.
- Improve macro-prudential policy framework that will help the Bank to identify and address systemic risks.



Over the last 3 years, NBR's financial sector oversight has evolved from solely prudential, to market conduct/consumer protection and financial sector development & inclusion

STRATEGIC INTERVENTIONS

- Increasing access and usage of affordable financial services
- Improve efficiency in the provision of financial services
- Embracing innovation and digital payments in the financial sector
- Enhance capacity building in the financial sector
- Enhance market conduct and consumer protection



to ensure adequate level of foreign exchange reserves necessary for operational requirement as well as to maintain exchange rate stability and support the growth process.

STRATEGIC INTERVENTIONS

- Improve efficiency of official foreign exchange reserves management to ensure at least 4.5 months of import cover and optimize returns on investments by maintaining at least 0.2% annually above the benchmark.



The Bank adopted the theme "Business Excellence" to underscore our commitment to pursue excellence in delivering our mandate

STRATEGIC INTERVENTIONS

- Strive to improve staff competence and motivation.
- Develop agile IT solutions and innovation technology is in place to support realization of the Bank's Vision.
- Improve the corporate image of the Bank
- Put in place a responsive corporate governance framework.
- Financial sustainability of the Bank through enhanced productivity and cost effectiveness of the operations.

EXECUTIVE SUMMARY

This report documents NBR's achievements towards its mission of ensuring price stability and a sound financial system. The executive summary highlights global economic developments to contextualize the domestic economic and financial performance, key achievements this FY 2021/22, challenges encountered and future goals.

The world economy registered a strong growth of 6.1 percent in 2021, after a contraction of 3.1 percent in 2020. This strong growth for 2021 was boosted by policy support in some large economies and global vaccination campaigns that outweighed the effect of rising infections.

Advanced economies grew by 5.2 percent in 2021 after a contraction of 4.5 percent in 2020.On the other hand, emerging markets and developing economies grew by 6.8 percent in 2021 after a contraction of 2.0 percent in 2020.Sub-Saharan Africa grew by 4.6 percent in 2021 after contracting by 1.6 percent in 2020.

Rwanda's economy grew at 8.9 percent against the 4.4 percent recorded in the previous financial year. This is because public health restrictions in response to the pandemic were relaxed due to a countrywide vaccination campaign that allowed businesses to re-open.

Worldwide, commodity prices increased in the first half of 2022 (2022H1) on a year-on-year basis (y-o-y), reflecting a rebound in global demand coupled with lower supply. Global energy prices rose by 83.1 percent compared to 61.6 percent in 2021H1, mainly because of a rise in crude oil prices and natural gas. Crude oil prices increased by 63.6 percent on average compared to an increase of 59.2 percent in 2021H1; crude oil prices are projected to increase by 50.4 percent for the entire year 2022, dropping by 12.3 percent in 2023. Natural gas prices surged by 194.3 percent in 2022H1 compared to an increase of 101.0 percent in 2021H1, following the war in Ukraine that disrupted Russia's natural gas exports.

As a result, world annual average inflation increased to 4.7 percent in 2021 from 3.2 percent in 2020. In advanced economies, consumer price inflation accelerated to 3.1 percent in 2021 from 0.7 percent in 2020. Global annual average inflation is forecasted to surge to 8.3 percent, while that of advanced economies is expected to increase to 6.6 percent in 2022, as the war in Ukraine results in demand-supply mismatches and continues to aggravate spikes in commodity prices. In Sub-Saharan Africa, annual headline inflation is projected to rise to a double-digit of 12.2 percent in 2022 from 11.0 percent in 2021.

In Rwanda, although inflation was high in 2022, the annual average headline inflation was 4.6 percent from 4.2 percent recorded in the previous period; this level of annual average headline inflation is within the target band of 5+-3%. However, in the second half of FY 2022, high inflation became a big challenge in Rwanda and slowed economic stabilization efforts. The main reasons for rising inflation were: unfavorable weather conditions, an increase in prices of agricultural inputs that led to poor performance of domestic agricultural production for seasons 2022A and 2022B, and high international commodity prices attributed to global COVID-19 restrictions and the Russia-Ukraine war. Thus, to curb the inflationary pressures, the Monetary Policy Committee (MPC) decided to raise the Central Bank Rate (CBR) by 50 basis points, from 4.5 percent to 5.0 percent, in February 2022.

Irrespective of the high inflation, the Central Bank remains confident that inflation will ease in the second half of 2023 and expects it to converge towards the 5 percent benchmark.

Furthermore, NBR strengthened economic and monetary policy analysis and advice. The central bank has been active advisor to the central government; NBR staff have produced several policy briefs based on a thorough analysis of available data and provided various government institutions with policy recommendations that include policy actions to boost exports and reduce the external trade deficit, as well as mitigate the rising inflation by understanding the channels through which the Russia-Ukraine war is affecting Rwanda.

Although global challenges affected trade and capital flows, the FRW remained stable, depreciating on an annual basis of 3.8 percent by the end of June 2022, compared to 5.3 percent recorded in the corresponding period of 2021.

It is also worth mentioning that NBR contributed to financial market deepening by aligning the operational Monetary Policy Framework to the interest rate framework. NBR intervened on due time in money market using REVERSE REPO and REPO to influence interbank rate to be closer to the Central Bank Rate (CBR). As a result, the

liquidity in the banking system was well-regulated using monetary instruments, and the monetary transmission mechanism was boosted.

Concerning financial systems stability, the Bank enforced compliance to the published laws and regulations which helped to achieve a financial sector that is stable, liquid, and well-capitalized above minimum prudential requirements. The financial sector also made great strides, with total assets increasing by 17.5 percent to Frw 8,145 billion in June 2022 from Frw 6,933 billion in June 2021. This growth was mainly attributed to an increase of deposits in lending institutions, capital, and more contributions of pensions and investment income.

To instill confidence in the Rwandan financial system, the NBR created the Deposit Guarantee Fund (DGF) in 2016. The fund is responsible for protecting small depositors against loss of deposits in case of bank or MFI failures. For better performance, the Bank automated DGF's operating processes.

The financial sector also remained profitable. The banking sub-sector's aggregate net profits increased by Frw 18.5 billion to Frw 74.4 billion during the first half of 2022 from Frw 55.9 billion during the first half of 2021. Similarly, the microfinance sector's net profit increased by Frw 1.6 billion to Frw 10.6 billion in the first half of 2022 from Frw 9 billion in first half of 2021. The net profit of the insurance sector increased to Frw 37.2 billion in June 2022 from 32.2 billion in June 2021. In particular, the net profit of private insurers increased to Frw 8 billion in June 2022 from 7 billion in June 2021. The growth of profit is associated with higher increase of revenues consistent with increased investment in earning assets (loans and government securities), increased investment income in insurance companies and improved efficiency gains.

Moreover, asset quality in the financial sector generally improved even though credit risk remains the major risk. The stock of Non-Performing Loans (NPLs) in banks year on year reduced to Frw 166 billion in June 2022 from Frw 178 billion in June 2021. Consequently, NPL ratio dropped to 4.3 percent in June 2022 from 5.7 percent in June 2021. Likewise, assets quality in microfinances improved, owing to the recovery of small scale businesses. The stock of NPLs in microfinances dropped by Frw 1 billion to Frw 13 billion in June 2022 from Frw 14 billion in June 2021. The decline in NPLs in both banks and MFIs is due to the relaxation of COVID-19 restrictions that led to the opening of businesses, the growth of outstanding loans and write-offs of overdue debts.

Regarding the financial sector development and market conduct, the Bank aims at increasing access and usage of affordable financial services, improving efficiency in the provision of financial services, and embracing innovation and digital payments.

To enhance financial innovation, NBR established a regulation for sandbox in April 2022, which provides an environment for companies/ institutions to test their innovative products or solutions. The regulatory sandbox is operating and the first cohort of applications is under assessment. Furthermore, NBR established a team ready to explain and equip start-ups or any financial innovator with regulatory requirements.

NBR also continued to collaborate with different stakeholders to modernize the national payment system by introducing an instant payment system and a policy on pricing. Additionally, NBR and its various partners conducted awareness campaigns and encouraged financial service providers to adopt affordable technologies. Consequently, the ratio of retail electronic payments to GDP increased by 16 percent to 111.9 percent during the financial year under review; mobile payment, internet banking, and cashless campaigns are the main drivers of the increase in retail electronic transactions.

In addition, NBR launched a web comparator (Gereranya) to enable consumers to compare prices of different financial products, and an artificial intelligence chat-bot (Intumwa) which allows financial service consumers to file complaints and suggestions using digital channels. These new platforms will improve transparency, fair pricing, market conduct, and the protection of consumers of financial services.

Furthermore, NBR implemented several initiatives and awareness programs to support the development and inclusion of the financial sector; the NBR quiz challenge, university monetary policy challenges, savings week, insurance week, global money week, and Financial Consumer Protection Law awareness campaign. Moreover, NBR established new rules and regulations to create a legal environment more conducive to financial sector development, consumer protection, and inclusive economic growth.

During FY 2021/22, the Bank continued to use automated vaults in managing movement of cash. Vault Management System (VMS) was integrated with other existing cash infrastructure such as Banknotes Processing System (BPS) and Banknotes Destruction System (BDS). This resulted in timely service to clients, accuracy in tracking of cash movements within the cash area, enhanced cash security, improved bank notes storage

conditions, and system integration of payment system (RIPPS) and core-banking (T-24).

With regard, to reserves management in the financial year 2021/22, despite the volatilities experienced on the international market, NBR achieved the relative return of 13.1 basis points above the benchmark but below the target of 20 bps. In addition, NBR continued to hold adequate reserves for resilience to external shocks. Our gross reserves in months of imports was at 4.8 months above the benchmark of 4.0 months of import.

Technology remains an indispensable part of the Bank in all its operations and services. That is why the Bank undertook several IT related projects and initiatives: those projects included business automation, IT governance, cybersecurity, and systems high availability to improve stakeholder services.

COVID-19 has significantly changed the way people work and they have become more dependent on the internet. As a result of this new reality, the Bank has joined RINEX network which enables direct access to local content without going through other external channels. The fact that network traffics are locally managed within the country reduces security risks associated with the public internet and facilitated NBR staff to work remotely.

Technology has also facilitated knowledge sharing within the Bank through an e-learning platform that promotes learning and challenges staff to align what they have learned to organizational performance. For easy access to the Bank's e-library, an application was developed for internal staff and the catalogue is open to the public.

An organization is as good as its people, and at NBR, capacity building and leadership training are imperative to the Bank's business and performance. Currently, the Bank has 104 staff certified in different areas while 86 staff are currently pursuing professional certifications in line with the 3 years' capacity development plan. Beyond work, NBR has invested in the well-being and health of its staff through sports activities. Moreover, NBR launched a lactation room for mothers within the Bank to help them to settle back to work comfortably after maternity leave. Team spirit and camaraderie amongst NBR staff was also heightened by the addition of a coffee lounge where staff can socialize.

The Bank does not work in isolation from the world and our partners' contributions have been extremely valuable. Some of the Bank's partners include: International Monetary Fund (IMF), World Bank (WB), Association of African Central Banks (AACB), East-African Community Central Banks, Alliance for Financial Inclusion (AFI), Access to Finance Rwanda (AFR), MonetaryAuthority of Singapore (MAS), and RiksBank. These partnerships have created space for knowledge exchange, peer learning and capacity building programs.

Regarding the financial performance, NBR managed its resources effectively by recording a surplus (before unrealized gains) of FRW 56.0 billion from FRW 50.7 billion earned in the previous financial year. NBR's high financial performance was mainly due to domestic interest earnings, foreign securities investment activities, and implementation of resource optimization initiatives. Finally, PwC audited the 2021/22 financial statements and issued a clean audit report.

As we conclude the FY 2021/22, the National Bank of Rwanda will focus on the following:

- Addressing inflationary pressures resulting from a mismatch between global demand and supply.
- Continue to monitor and assess potential sources of vulnerabilities and reinforce risk-based surveillance of financial institutions in order to ensure the stability of the financial sector.
- Developing a digital transformation strategy to guide the Bank in embracing emerging technology toward achieving a world-class central bank.
- Enhancing transparency and fair pricing of all products and services provided by all the Financial Service Providers. NBR is working to extend the web comparator, which will cover all subsectors of the financial sector and different stakeholders (consumers and providers of financial services).
- Improving the capacity of staff to keep up with new global changes and improve skills to match the market needs.
- Strengthening the capacity/skills of the supervised institutions to set them up for success
- Broadening public engagement strategies to communicate the Bank's work to as many people as possible.
- Strenthening partnership with other central banks and international stakeholders (IMF, WB, MEFMI, Toronto Center) and benchmark knowledge sharing.

Q&A



What is inflation?

It is the general increase of the price level of goods and services in the economy over a given period (generally a year). Inflation measures the cost of living.

How is inflation measured in Rwanda?

Inflation is calculated as the change in the Consumer price index (CPI). The CPI is an aggregate of price data on different categories of expenditures made by consumers in Rwanda. The National Institute of Statistics of Rwanda (NISR), in charge of collecting CPI data, groups consumers' expenditures into 12 components, namely:

- Food and non-alcoholic beverages
- Alcoholic beverages, tobacco, and narcotics
- Clothing and footwear
- Housing water, electricity, gas, and other fuels
- Furnishings, household equipment, and routine household maintenance
- Health
- Transport
- Communication
- Recreation and Culture
- Restaurants and hotels
- Education
- Miscellaneous goods and services.

The price data is collected twice a month, in the first and the third week.

Formula: Inflation = (current CPI/previous CPI-1) *100

How does NBR work to ensure price stability?

The primary objective of monetary policy is to ensure price stability which contributes to sustainable macroeconomic stability. The Bank uses a price-based monetary policy framework to achieve this objective.

Monetary Policy Formulation

The statutory Monetary Policy Committee (MPC) is responsible for the formulation of the Bank's monetary policy. The MPC committee meets quarterly and whenever necessary upon invitation by the Governor. Each MPC round covers up to seven weeks of analysis, projections, and presentations, which are essential for well-informed policy decisions. The MPC continues to conduct a forward-looking policy decision-making approach, to ensure the success of the price based monetary policy, adopted in January 2019.

In the financial year 2021/22, the MPC held all the quarterly statutory meetings. In August 2021 and November 2021, the Central Bank Rate (CBR) was maintained at 4.5percent, whereas in February 2022, the CBR was increased to 5.0percent, aimed to reduce inflationary pressures. In May 2022, the CBR was kept at 5.0percent.

Monetary Policy Implementation

NBR implements the monetary policy by steering the 7-day interbank rate within a corridor system so that it lies close to the Central Bank Rate (CBR), within a target range of CBR +/-1. During the year under review, NBR was able to maintain the 7-day interbank rate within this corridor.

Challenges (Inflationary pressures and risks)

In the FY under review, inflation evolved within the targeted band, with the 12-months average standing close to the benchmark. Besides rising imported costs from the supply chain disruptions following COVID-19, pressures remained generally subdued. However, pressures mounted in the first half of 2022, and have already fueled into rising prices, hence high inflation towards the end of FY 2021-22. In the outlook, these pressures will persist and maintain high inflation in 2023H1. Initially, these pressures emanate from supply shocks. Given the length of shocks, the recorded reaction of monetary policy aimed principally to counteract the second-round effects and may not eliminate all the inflationary pressures. Therefore, the risks of inflation staying outside the band are considerable.



What is the NBR's impact on Rwandan Economic growth?

As indicated by its identity statement, the National Bank of Rwanda is striving to contribute to the economic growth and development of the country by implementing the monetary policy and financial sector supervision with objective ofensuring price stability and a sound financial system. The bank also manages the foreign exchange market to ensure a stable and market driven exchange rate of the FRW.. The Bank works towards macroeconomic stability by ensuring price stability and a stable exchange rate of the FRW. Though the NBR does not fix the market conditions (deposit and lending rates), it has been implementing policies and regulations that aim to support the intermediation role of the financial institutions to finance the economy and to ensure job creation and income-generating opportunities for all Rwandan citizens. The Bank is also advocating for full financial inclusion of the population whereby, all the citizens have access to financial services allowing for a more inclusive growth opportunities.

The following are initiatives of the Bank towards sustainable financing of the economy:

- NBR has been implementing the monetary policy to ensure the consistency between money supply and money demand for proper financing of economic activities. The bank also initiated the Consumer protection law, aimed to protect consumers and increase their confidence in the financial sector. The different principles of financial service consumer protection, such as transparency, appropriate contract management, management of conflicts of interests and dispute resolutions, must be adhered to by financial service providers and ultimately contribute to preventing abuse in the pricing of financial services or products to consumers.

- On the other hand, the Bank put in place the Web Comparator which is an online tool that helps consumers to compare the prices of various financial products, including interest rates from the different financial service providers. This initiative ensures transparency and fair pricing of financial products and services. In particular, it prevents financial service consumers from being overcharged due to lack of information about the prices of financial services and their related fees and commissions. Lastly, the Bank provides modern payment systems that allow real time, secure and easy financial transactions.

- All these initiatives have helped to ensure smooth and sustainable financing of the economy as well as the macroeconomic stability by keeping inflation low and stable as well as ensuring the Frw exchange rate stability.

- The NBR maintained an accommodative monetary policy stance with the central bank rate at 4.5 percent throughout the first three quarters of 2021-22 FY. This ensured continued financing of the economy.

- The Bank also supported economic recovery efforts throughout the year, despite the impact of Ukraine war that impacted the economy in the last quarter of the FY 2021-22.

Why is the stability of financial system important?

The importance of stable financial system has a bearing with the critical role that the financial system plays in the economy. The financial system enables the financial intermediation processes which facilitate the flow of funds between savers and borrowers and ensuring that financial resources are allocated efficiently towards promoting balanced and sustained economic growth and development. A stable financial system mitigates financial crisis that are costly with repercussions on the economic activities given strong interactions between the financial sector and the other sectors of the economy. When the risks and vulnerabilities affecting the financial system are mitigated, systemic events are less likely to occur.

How does the NBR ensure the stability of financial system?

The NBR discharges the responsibility for promoting a sound and efficient financial system by preserving the soundness of financial institutions, the robustness of the financial infrastructure and maintaining confidence in the financial system. This is predominantly achieved by establishing the required legal framework, regulating and supervising financial institutions, financial infrastructure and executing the central bank market function by providing the liquidity in the market when the need arises. The NBR uses two approaches in supervising the financial system notably Micro-supervision and Macro-supervision. Micro supervision refers to the supervision of individual financial institution while Macro-supervision entails supervising the broad financial system and markets in which financial institutions operate.

Why Rwanda's financial system is considered sound and stable.

One of the key characteristics of the regulated financial institutions is that they hold sufficient capital and liquidity reserves that they can use to absorb losses in case they occur. The amount of capital and liquidity buffers that financial institutions possess make them resilient to shocks and are therefore capable of maintaining the provision of the financial services to the general public even during times of crisis. Furthermore, the payment systems continue to operate smoothly with minimal risks of transferring and settling financial transactions.

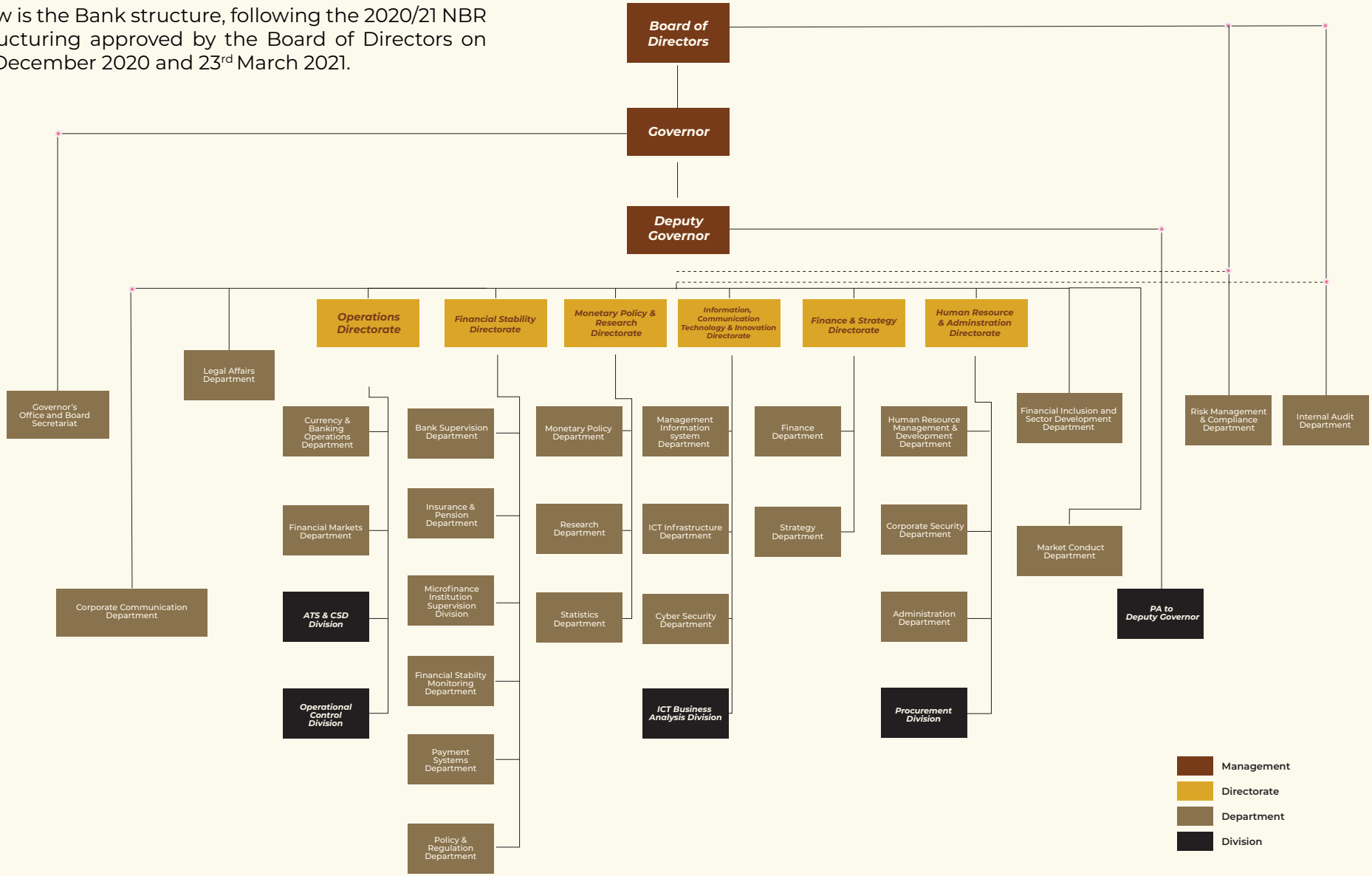


01 NBR CORPORATE GOVERNANCE

The law N0 48/2017 of 23/09/2017 governing the National Bank of Rwanda, as amended to date, provides the legal authority and governance of the NBR.

ORGANIZATION STRUCTURE

Below is the Bank structure, following the 2020/21 NBR restructuring approved by the Board of Directors on 22nd December 2020 and 23rd March 2021.



BOARD OF DIRECTORS AND ITS COMMITTEES

The current Board of Directors is composed of two (2) Executive Members (Governor and the Deputy Governor) and seven (7) Non-executive Members. The Board of Directors is fully constituted following the Cabinet resolutions of March 4, 2022 appointing Board members of the National Bank of Rwanda. The Board is responsible for providing the strategic direction of the Bank and oversees the conduct of its business. During the FY 2021-22, the Board composition was as follows:



RWANGOMBWA John

Governor and the Chairperson of the Board

Date of Appointment:

25th February 2013



HAKUZIYAREMYE Soraya

Deputy Governor and Vice-Chairperson of the Board

Date of Appointment:

15th March 2021



RUGWABIZA M. Leonard

Non-Executive Director

Date of Appointment:

04th November 2011



KEZA Faith

Non-Executive Director

Date of Appointment:

27th April 2018



DR. MUSAFIRI Ildephonse

Non-Executive Director

Date of Appointment:

27th April 2018



DUSHIMIRE Alice

Non-Executive Director

Date of Appointment:

04th March 2022



MURENZI Ivan

Non-Executive Director

Date of Appointment:

27th April 2018



MUKETE DIKO Jacob

Non-Executive Director

Date of Appointment:

04th March 2022



NSENGUMUREMYI Cyridion

Non-Executive Director

Date of Appointment:

04th March 2022

N.B: Ms. DUSHIMIRE Alice, Mr. MUKETE DIKO Jacob and Mr. NSENGUMUREMYI Cyridion joined the Board of Directors following the Cabinet Decision of 04th March 2022 where they came to fulfill the number of Board members, which is of 9 members as per the NBR Law. Note that Ms. HABIYAKARE Chantal who served as a Board member since 08th May 2013 ended her term on 04th March 2022 as per Cabinet decision mentioned above.

BOARD OF DIRECTORS AND ITS COMMITTEES



The Board has four Committees, namely:

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

These committees are exclusively composed of non-executive members.
The Board sits quarterly for its ordinary meetings and at any time that it deems necessary for extraordinary meetings.

Table 1: Board meetings attendance

BOARD MEMBERS	ORDINARY BOARD MEETINGS	EXTRAORDINARY BOARD MEETINGS	HR COMMITTEE	AUDIT & RISK COMMITTEE	STRATEGY AND IT COMMITTEE	LEGAL AND REGULATORY COMMITTEE
Mr. RWANGOMBWA John	4/4	5/5	N/A	N/A	N/A	N/A
Ms. HAKUZIYAREMYE M. Soraya	4/4	5/5	N/A	N/A	N/A	N/A
Ms. HABIYAKARE Chantal	2/4	4/5	N/A	2/4	N/A	2/4
Mr. RUGWABIZA Minega Leonard	4/4	5/5	N/A	N/A	4/4	N/A
Mr. MURENZI Ivan	4/4	5/5	2/2	2/4	2/4	2/4
Dr. MUSAFIRI Ildephonse	4/4	5/5	N/A	4/4	N/A	2/4
Ms. KEZA Faith	4/4	3/5	1/2	4/4	3/4	N/A
Ms. DUSHIMIRE Alice	2/2	1/1	N/A	2/2	2/2	N/A
Mr. MUKETE DIKO Jacob	2/2	1/1	N/A	N/A	N/A	2/2
Mr. NSENGUMUREMYI Cyridion	2/2	1/1	2/2	N/A	N/A	2/2

During the FY 2021-22, the Board of Directors held four (4) ordinary quarterly meetings, four (4) extraordinary meetings and 2 Board retreats on 25th to 28th January 2022 and 28th to 30th June 2022, with all Board of Directors in attendance except for Ms. HABIYAKARE Chantal who was replaced in March 2022 and the 3 new Board Members mentioned above who were appointed in March 2022.



NBR Board Members visit the automated vaults to learn more on how they work.

BOARD COMMITTEE FUNCTIONS AND ACTIVITIES

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

LEGAL AND REGULATORY BOARD COMMITTEE

Roles and Responsibilities

The Committee assists the Board with matters arising to NBR's compliance with legal and regulatory requirements , in internal policies and other legal matters as may be directed by the Board;

Activities of the Committee accomplished during the FY 2021/2022

- The committee reviewed and recommended for the approval legal and regulatory instruments to respond to market needs and comply with international supervisory standards (Refer to Appendix 2) :

STRATEGY AND ICT BOARD COMMITTEE

Roles and Responsibilities

The Committee assists the Board in all strategic matters to achieve its objective of providing the strategic direction of the Bank. The committee advises on development, adoption, and modifications of the Bank's business plans to implement the Bank's overall strategy

Activities of the Committee accomplished during the FY 2021/2022

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

- Business Plan Evaluation Report and 2020-21 BNR Annual Report
- Projects business Cases to be implemented in the financial year 2022/23
- Strategic Priorities for FY2022/23,
- Business Plan and Budget for FY 2022/23;
- Reserve Management Strategic Asset Allocation that guided the Bank in the investments of reserves.

AUDIT AND RISK BOARD COMMITTEE

Roles and Responsibilities

The Committee's primary responsibility is to assist the Board in establishing internal control mechanisms relating to financial management and reporting,, risk management and compliance with relative laws and regulations.

Activities of the Committee accomplished during the FY 2021/2022

The committee reviewed and recommended for the approval the following:

- End FY 2020/21 Audited Financial Statements;
- IMF Safeguard Assessment
- Quarterly Risk Management and Compliance Activity Reports;
- Quarterly Internal Audit Activity Reports;

HUMAN RESOURCES BOARD COMMITTEE

Roles and Responsibilities

The committee reviews leadership needs of the Bank, structure, size and composition of the required skills, Salaries and benefits for the staff to keep the Bank's remuneration competitive. It also gives strategic advice to Board regarding succession planning and sets required HR policies.

Activities of the Committee accomplished during the FY 2021/2022

The committee reviewed and recommended for the approval the following:

- Adjustment of Staff salaries with cost of living
- Approval of Candidates for Director Positions
- NBR Succession Plan Strategy
- Whistleblowing policy



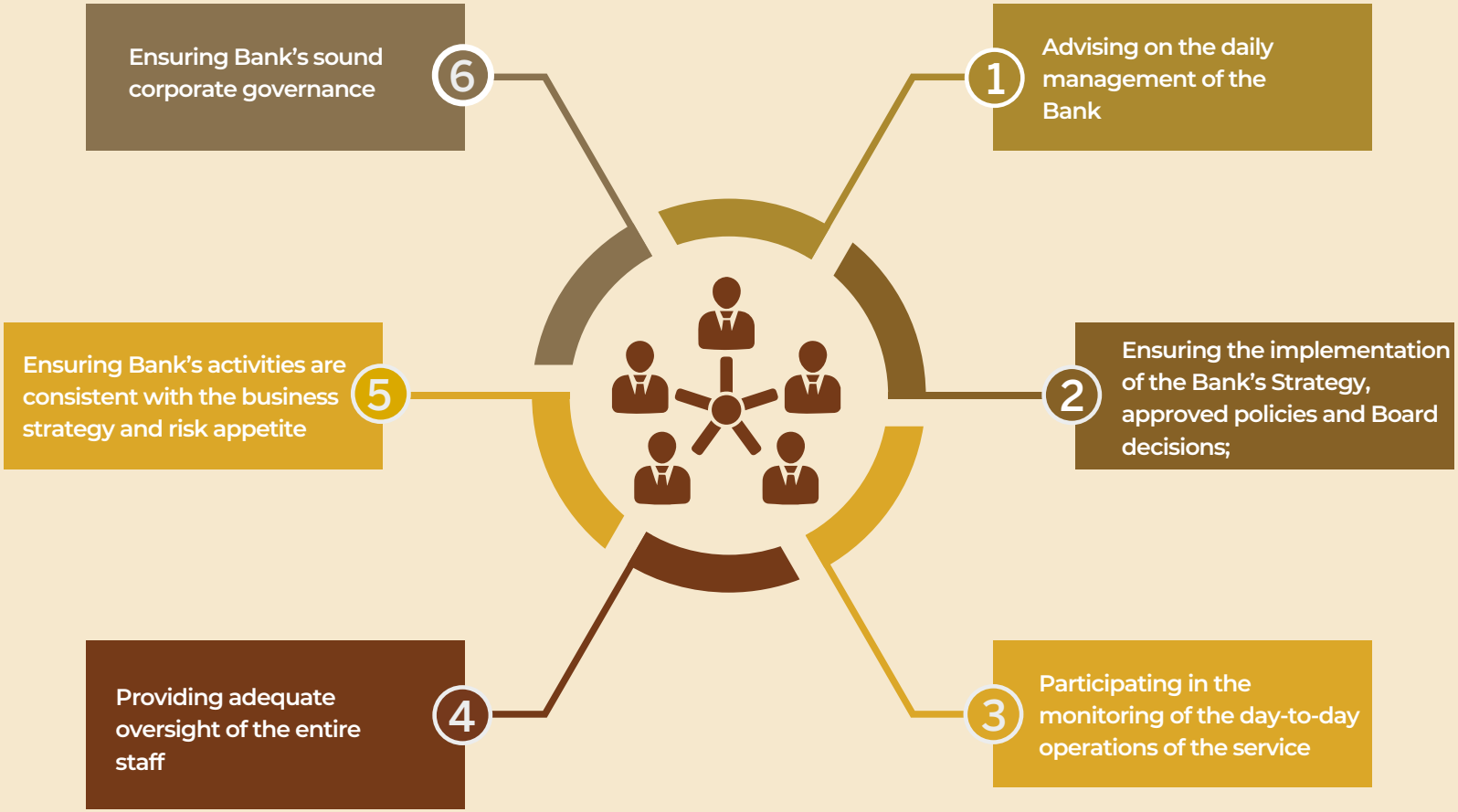
MANAGEMENT COMMITTEE

02 Management (Governor & Deputy Governor)

06 Executive Directors

27 Directors

The Management Committee main responsibility is to provide advice and guidance on the daily management of the Bank. It is also responsible for:



POLICY COMMITTEES

MONETARY POLICY COMMITTEE (MPC)

The MPC is comprised of nine (9) members: The Governor, Deputy Governor, two Board members appointed by the Board of Directors, Chief Economist, Executive Director Currency and Operations, Executive Director Financial Stability, Director Monetary Policy Department, and Director Research Department. The meetings are chaired by the Governor of the Bank. MPC meetings gather on a quarterly basis and whenever deemed necessary, to assess the effectiveness of previous decisions and take decisions after a thorough analysis of the present economic situation. For transparency and accountability, a press conference is held after each meeting, where the Governor issues a statement to the public to announce the MPC decisions. Additionally, MPC reports are published and made available on the National Bank of Rwanda's website for the public.

FINANCIAL STABILITY COMMITTEE (FSC)

The Financial Stability Committee (FSC) is one of NBR's statutory committees established by the Law with the mission to promote the soundness and stability of the financial system. It also oversees the crisis management function in times of financial stress. The FSC is composed of thirteen (13) members including the Governor as chairman, the Deputy Governor as vice-chairperson, and senior staff of the Bank as required by the Central Bank Law. The committee meets once every quarter and whenever deemed necessary, to deliberate on the stance of the financial sector stability. During the FY 2021/22, the four meetings were held and the key observations of the Committee were announced by Governor to the public in press conferences. In addition to the meeting observations, the FSC put forward recommendations aimed at strengthening the soundness and stability of the financial system. Some of the key recommendations from FSC include:

- *Organize and conduct regular trainings of MFIs senior managers on governance, risk management, and emerging issues.*
- *Convene the meeting of the high-level steering committee of U-SACCOs automation and consolidation to fast-track the project*
- *Continue awareness campaign on the benefit of cashless to all economic operators and fraud in digital payment channels*
- *Prepare a comprehensive policy note on key sectors that were affected by Covid-19.*
- *Monitor the impact of Russia-Ukraine conflict and implication on the stability of the financial sector*

RISK GOVERNANCE FRAMEWORK

The Nature of the Central Bank business in itself is exposed to risks inherent to its Core objectives such as; maintain Price stability and stable financial system. Achievement of the core objectives is vulnerable to different risks that require special attention and specialized skills for efficient and effective Risk Management.

A risk management framework is in place to guide monitoring and responding to the economic, political, and regulatory risks arising from international and domestic environments added to the NBR's strategic initiatives and projects. The NBR risk management framework gives an assurance that risks may threaten the achievement of the NBR objectives are managed that they not go beyond at acceptable levels.

Integrated risk management was facilitated and coordinated by the Risk Management and Compliance function across NBR, reported to Board of Directors through the Audit and Risk Board Committee which committee presented an overview of NBR's risk exposure to enforce compliance with Enterprise Risk Management Policy hence strengthening Risk-Based thinking culture across the Bank.

During FY 2021/22, NBR department/divisions identified risks that could have hindered accomplishment of the Bank's objectives. The identified risks were prudently managed within the Bank's risk tolerance levels.



Key Achievements

The Bank's strategic initiative of promoting risk management culture improved risk management with increased; involvement of staff in assessment of risks arising from their activities, culture in Risk reporting whereby departments continued to submit risk management reports in conformity with the Risk Management Policy. The Bank also saw improved staff understanding of the purpose of risk management, the Key Risk Indicators data helped to perform the key risk trend analysis and the risk exposure definition for the Bank: NBR Wide Risk Register and Overall risk management improved, Detailed analysis performed for each risk category in NBR risk Profile. The Bank improved visibility of the Bank's Risk exposure vis à vis its risk appetite.

Overall, the Bank performed within the risk appetite limit set by Board of Directors, except for the Operational and Reputational risk categories that performed above their tolerance limits by end June 22. Planned risk responses such as fixing after go-live issues of the upgraded Core Banking and the risk controls already implemented such as the successful testing of the Business continuity facilities for the upgraded solutions at the Disaster Recovery Site performed in June 22 will help to mitigate the operational risk at acceptable level.

Interest Rate, Credit, and Currency risks were added to the Bank's Risk Profile as new risks to provide more data points on the financial risk exposure and the related KRIs indicators were added.

Risk Management and Compliance function –Conducted quarterly risk monitoring and review report in collaboration with bank departments, Implementation of planned risks responses, stood at 95percent as end of June 2022.

The Bank continuously re-assessed its risk exposure in delivering on its mandate. The analysis built from the recorded behavior/ indicators of the key potential risks (under the NBR's risk profile) to forecast their short-term trend, spot gaps, and thus draw recommendations on required actions. This was aimed at maximizing the Bank's control on targeted outcomes while keeping each risk exposure category within Banks risk appetite.

The exposure to Financial Risk (FNR) remained within the Bank's risk appetite and tolerance limits. The Bank remained conservative/risk-averse in its investment and compliant to risk appetite limits defined by the Board of Directors through different policies, such as risk management and investment policies.
During the FY 2021/22, NBR was fully certified in Quality Management System (QMS)/ISO 9001, an ongoing effort to strengthen mitigation of the service disruption by harmonizing and enforcing Standard Operating Procedures (SOPs).

Compliance Risk continued to trend downward with the continuous scope expansion for QMS and ISMS. Pending Non-Conformities (NCs) were fixed in time, there were no penalties charged to litigious cases before Courts against NBR.

Business continuity was assured by enhancing means required for switching to alternative sites for the resilience of critical Bank's system/application
Strategy Risk remained stable and within tolerance limits, however more efforts are required to address persistent delay in publishing laws and regulations approved by the Board of Directors. The average accumulated time lag stood at 29 months and 13 months respectively. The tracked targets (tolerance limits) are 368 days for laws and six months for regulations

INTERNAL AUDIT FUNCTION

Throughout the FY2021/22, NBR business value was protected through risk-based audits, provision of assurance and advice on how to strengthen the internal control system. Assurance of the quality of internal control system in business and information technology processes was provided to Board of Directors and Management of the Bank



Key Achievements

During the FY 2021/22, Audit engagements focused on the efficiency and effectiveness of internal controls for the processes of monetary policy; preparation of quarterly financial statements; Business continuity, market conduct supervision. Also verification of cash management at both Headquarters and Branches was conducted to ensure proper funds management

Both Information Security Management System (ISMS) and Quality Management System (QMS) were reviewed to ensure continuous improvement in the Bank's processes.

A verification of Bank's level of adherence to ISO standards (ISO/IEC 2700:2013 for ISMS and ISO 9001:2015 for QMS) was verified thus Certifications were maintained

Generally, risk management, governance and internal controls for both IT and Business processes were found to be progressively improving towards achieving the vision and mission of the Bank.

Regional and International engagements enabled sharing of knowledge and experience on emerging topics in auditing and risk management. The Bank's internal auditors participated and benefited from different workshops/ trainings organized by local and international chapters. This continuously improved knowledge and expertise in auditing Central Bank operational and non-operational processes. Internal Auditors gained new techniques, tools, tips to adequately perform audit assignments.



02 MONETARY POLICY

The primary objective of monetary policy is to ensure price stability which contributes to sustainable macroeconomic stability. The Bank uses a price-based monetary policy framework to achieve this objective. In the FY under review, average headline inflation was at an ideal level of 4.6 percent, but the year ended with high inflationary pressures, mainly reflecting global supply challenges, the war in Ukraine, and subdue domestic agriculture production. In February 2022, the MPC decided to increase the central bank rate from 4.5 percent to 5.0 percent, aiming to curb the then anticipated high inflation. Despite the tightening monetary policy decision, inflation at the end of the FY was higher than it was projected in February, with the war in Ukraine having added more pressures.

MONETARY POLICY FORMULATION AND ECONOMIC RESEARCH

(1)Ensuring price stability

Monetary Policy Formulation

The statutory Monetary Policy Committee (MPC) is responsible for the formulation of the Bank's monetary policy. The MPC meets quarterly and whenever necessary upon invitation by the Governor. Each MPC round covers up to seven weeks of analysis, projections, and presentations, which are essential for well-informed policy decisions. The MPC continues to conduct a forward-looking policy decision-making approach, to ensure the success of the price based monetary policy, adopted in January 2019.

In the FY 2021/22, the MPC held all the quarterly statutory meetings. In August and November 2021, the Central Bank Rate (CBR) remained at 4.5percent, whereas in February 2022, the CBR was increased to 5.0percent with the aim to reduce the inflationary pressures. In May 2022, the CBR remained at 5.0percent.

Monetary Policy Operations

NBR implements the monetary policy by steering the 7-day interbank rate within a corridor system so that it lies close to the Central Bank Rate (CBR), within a target range of CBR +/-1. During the year under review, NBR was able to maintain the 7-day interbank rate within this corridor.

(2) Conducting Research to Support Policy Decisions

The Bank played a major role in the internal, national, and international scenes, producing various empirical works which form the basis for policy decisions.

- The NBR conducted various studies to provide concrete evidence-based analyses and policy recommendations on a wide range of topical issues on monetary policy, financial stability, and broader development challenges of Rwanda. In addition, it sustained its collaborative research initiatives, implementing research projects with researchers from various organizations (including the International Monetary Fund, International Growth Centre, etc.) as well as studies commissioned by external stakeholders such as the Common Market for Eastern and Southern Africa (COMESA). A total of nine (9) research papers were produced by NBR researchers.

- In line with its advisory role to the Government, the NBR specifically conducted research and analysis on different economic issues that the country was facing and came up with policy recommendations. Five (5) policy briefs featured in various policy forums and discussed with policy makers from different public institutions.

- In line with the aspiration of enhancing its research visibility and dissemination of research output, the NBR published research papers in its own journal (NBR Economic Review) as well as internationally accredited journals. In addition, NBR, in partnership with the International Growth Centre (IGC), organized a research conference that brought together policymakers and researchers to discuss the findings of recent economic research and policy analyses. NBR economists also participated in this conference where they presented their research findings. In addition, NBR researchers also participated in other research conferences organized by partners and presented research findings.

- Policy briefs discussed various topics, including (i) the international experiences on pricing the bank lending rates and its related regulations, (ii) how international oil prices are affecting domestic consumer and producer prices, (iii) analysis of how Rwanda can build a broad base for export diversification, (iv) the experiences of regional central banks in enhancing bank lending to the agriculture sector and (v) how monetary policy frameworks evolved, especially during the period COVID-19 pandemic.

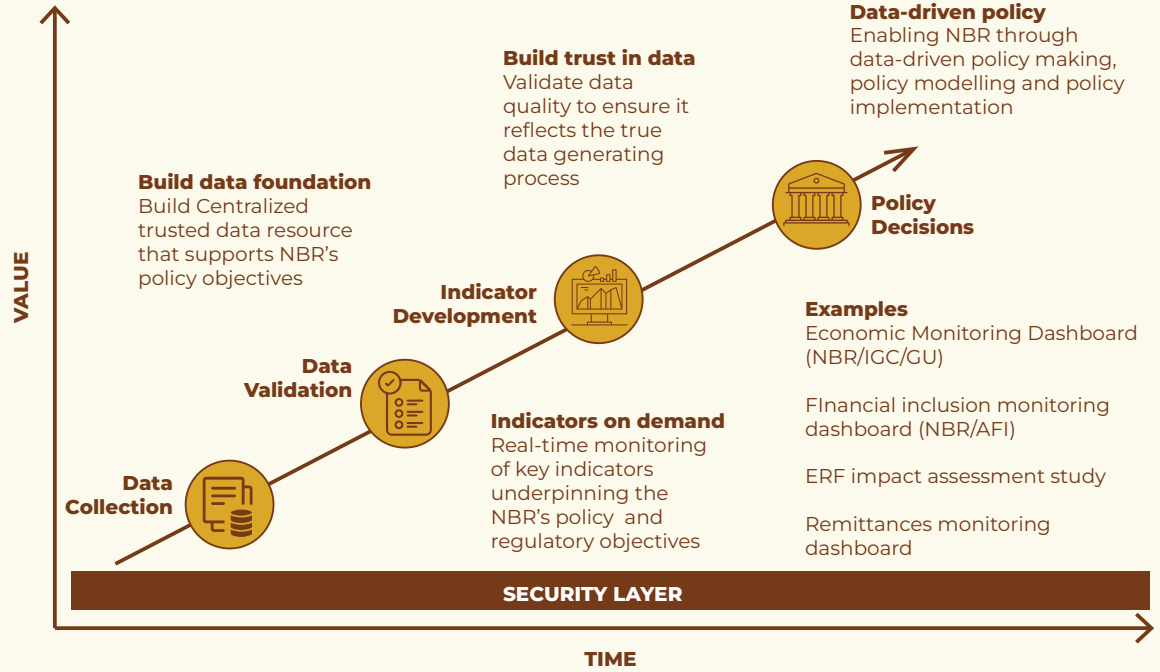
Details of policy papers conducted by the NBR throughout the FY 2021/22 are indicated in Annex 2.

(3) Data Driven Policy Making

The National Bank of Rwanda developed a high tech solution that collects data from all the financial service providers (FSPs) in the country. Massive data collected is stored in electronic data warehouse (EDWH) which hosts real and near real time data from 690 FSPs in the country.

This has facilitated timely reporting from FSPs, reduced supervision costs on regulatory supervision, improved on granularity of data reported. It also helped to centralize data used in forward-looking financial sector supervision and monitoring to ensure a stable and sound financial sector. Moreover. the system supports forward-looking monetary policy that needs high-frequency data for timely decision-making in the current fast changing economic landscape.

Chart 1: NBR's Roadmap - Towards Data Driven Policy Making



In the journey to build a data-centric organization, the data science function was established in 2020 to leverage on big data analytics and data science which drives the economic analysis using real-time data and modern tools and technologies. Innovative techniques and methods, such as machine learning and artificial intelligence, are providing richer, more informed measurements and analyses of the economy to help the Bank's policy-making.

GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

- The world economy registered a strong growth of 6.1percent in 2021, after a contraction of 3.1percent in 2020. This strong growth for 2021 was boosted by policy support in some large economies including United States, Japan, and the European Union. It was also supported by global vaccination campaigns that outweighed the effect of rising infections. In 2022, global growth is projected to slow to 3.2percent, reflecting forecast downgrades to the advanced economies, emerging market and developing economies, largely as a consequence of the ongoing war in Ukraine.

- Advanced economies grew by 5.2percent in 2021 after a contraction of 4.5percent in 2020 and projected to moderate to 2.5percent in 2022, largely reflecting downgrades to the United States, Eurozone, United Kingdom and Japan. Emerging markets and developing economies grew by 6.8percent in 2021 after a contraction of 2.0percent in 2020, following high growth rates for China and India, and projected to slow down to 3.6percent in 2022, largely attributed to downgrades for China and India as well as a projected recession for emerging and developing Europe.

- Sub-Saharan Africa grew by 4.6percent in 2021 after contracting by 1.6percent in 2020, and projected to moderate to 3.8percent in 2022, reflecting the increase in oil prices that has lifted growth prospects for the region's oil exporters, such as Nigeria (3.4percent) and Angola (3.0percent).

- The world annual average inflation increased to 4.7percent in 2021 from 3.2percent in 2020, resulting from rising commodity prices linked to a rebound in global demand. Inflation is projected to surge to 8.3percent in 2022, following a persistent rise in commodity prices exacerbated by the war in Ukraine.



The world economy registered a strong growth of

6.1%
IN 2021
FROM
3.1%
IN 2020



Sub-Saharan Africa grew by

4.6%
IN 2021
FROM
1.6%
IN 2020



The world annual average inflation increased to

4.7%
IN 2021
FROM
3.2%
IN 2020

- In advanced economies, consumer price inflation accelerated to 3.1percent in 2021 from 0.7percent in 2020, and projected to increase to 6.6percent in 2022.
- In the emerging markets and developing economies, inflation increased to 5.9percent in 2021, from 5.2percent in 2020, and projected to surge to 9.5percent in 2022.
- In Sub-Saharan Africa, annual headline inflation rose to 11.0percent in 2021 from 10.2percent in 2020, and projected to rise to 12.2percent in 2022, following the projected higher inflation rates in Ethiopia, Ghana, Mali and South Sudan. Food prices in some countries of this region have increased significantly amid local shortages and the rise in global prices of food.

- On commodity markets, the overall price index, which includes both energy and non-energy commodities continued to increase in 2021, reflecting a rebound in global demand. Energy prices increased highly by 81.0percent in 2021 after falling by 30.6percent in 2020, while non-energy commodity prices increased by 32.7percent in 2021, after a slight increase of 3.3percent in 2020, owing to higher prices for fertilizers, metals & minerals as well as agricultural commodities.

- Global energy prices are projected to further increase by 50.5percent in 2022, reflecting supply disruptions linked with Russia-Ukraine standoff. Crude oil prices increased by 67.2percent in 2021 on average compared to a drop of 32.7percent in 2020, and projected to further increase by 50.4percent in 2022, from USD 69.1/barrel in 2021 to USD 103.9/barrel in 2022, and later drop by 12.3percent in 2023. Non-energy prices are projected to increase by 19.2percent, following the projected increase for fertilizers, metals & minerals, and agricultural commodities mostly food prices.

DOMESTIC ECONOMIC PERFORMANCE

- Economic recovery from the COVID-19 pandemic continued during the 2021-2022 financial year, underpinned by the successful vaccination campaign which enabled the ease of restriction measures and the economic recovery plan.

- Real GDP numbers indicated a growth of 8.9 percent in 2021-22 against 4.4 percent recorded in the previous financial year.

Across all economic sectors, the recovery was sustained and the services sector gained the most, driving the observed real GDP growth.

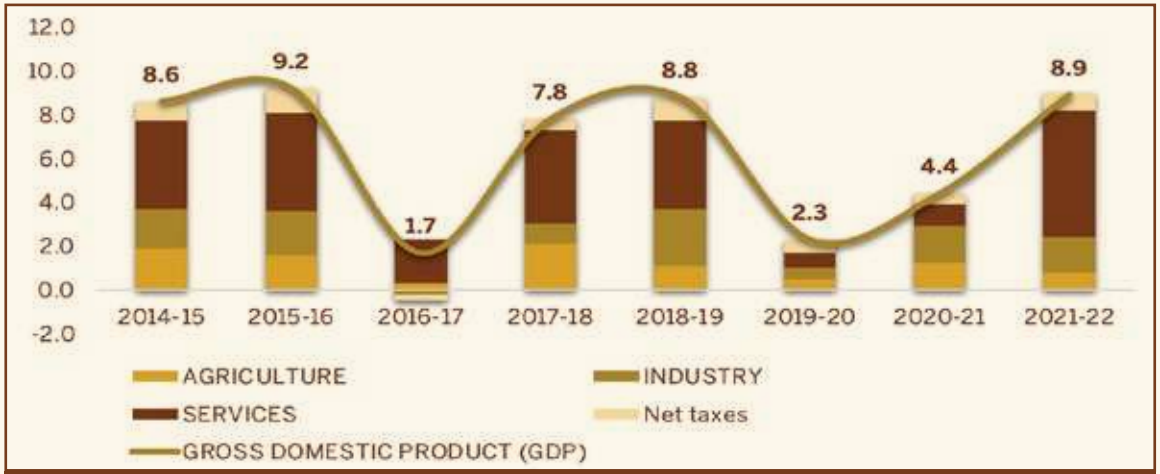
- · The services sector contributed the most to 8.9 percent growth for the FY 2021-22, growing by 12.2 percent against 2.2 percent of 2021-22 mainly helped by the recovery of tourism related services. The COVID-19 vaccination campaign and easing of restriction measures in Rwanda and across the World, supported the entire economy recovery, but had been particularly most beneficial to the tourism and hospitality industry. The latter, being based on people movement, was hard hit by COVID19 restrictions measures. During the FY 2021-22, air transport, hotel and restaurants, travel agents & tour operators as well as entertainment and recreation events grew by 74.9 percent, 98.4 percent, 52.7 percent and 7.2 percent from respective contraction of 57.4 percent, 36.4 percent, 37.6 percent and 0.1 percent in the previous year. This good performance reflected various events that happened successfully including CHOGM, continental sport tournaments, and wedding parties.
- Furthermore, there was a strong recovery in education sector (+32.3 in 2021-22 from -5.9 percent in 2020-21) following full operation of all schooling institutions.

- These aforementioned fruitful developments added to general recovery in private consumption (+6.6 percent after +4.0 percent) and supported trade services (+10.6 percent from +6.3 percent). Information and communication (+13.2 percent from +24.4 percent) and financial services (+16.4 percent from +7.8 percent) also continued to expand at a strong pace.

- The industry sector remained on the path of recovery, growing by 8.3 percent in 2021-22 from 8.9 percent in 2020-21. Good performance of manufacturing industry (+8.4percent from +11.6 percent), together with the mining sub-sector (+14.6 percent from 1.4 percent), as well as the construction sub-sector (+6.1 percent from +7.8 percent), underpinned the sector performance. Developments in mining continue to be driven by increasing metal and minerals prices on international market.

- The agriculture sector grew by 3.4 percent from 4.9 percent, driven by moderate food production (+2.4 percent from +4.9 percent) following erratic weather conditions especially during the 2022 agricultural season A. In addition, the sector's performance was supported by good performance in livestock and related production (+8.7 percent from +8.6 percent), forest (+5.1 percent from +4.9 percent) and fishing (+10.8.3 percent from +9.9 percent). However, export crops performance remained weak (-1.4 percent from -1.8 percent) due to poor coffee harvest (-7.6 percent from -0.2 percent) that outweighed the good production of tea (+4.5 percent from +2.3 percent).

Chart 2: GDP growth (percent change)



Source: National Institute of Statistics of Rwanda

Service Sector

12.2% | FROM 2020-21 **2.2%**

* mainly helped by the recovery of tourism related services.

Trade Services

11.8% | FROM 2020-21 **1.2%**



The Real GDP grew by

8.9%

IN 2021-22

From 4.4%

recorded in the previous financial year.

Agriculture Sector

4.0% | FROM 2020-21 **4.9%**

* Due to unfavorable weather conditions

Industry Sector

9.0% | FROM 2020-21 **8.9%**


Commonwealth
Heads of Government Meeting
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EXCHANGE RATE DEVELOPMENTS

- As of end June 2022, the Rwandan Franc depreciated at a slower pace against the US dollar due to rising export proceeds, increased forex inflows from development partners as well as improving remittances despite higher demand for forex from importers of industry, energy and general trade sectors.

- Year-on-year, the Frw depreciated by 3.78 percent end June 2022, lower than 5.34 percent depreciation recorded in the corresponding period of 2021. The franc continued to gain against other major currencies and recorded respective appreciation of 9.10 percent, 8.83 percent and 16.02 percent versus the Pound, the Euro and the Japanese Yen after losing 18.61 percent, 11.55 and 2.69 percent in June 2021.

- Relative to regional currencies, the Frw gained traction against the Kenyan and Ugandan shillings as well as the Burundian franc, appreciating by 4.99 percent, 2.12 percent and 0.12 percent respectively after respective depreciation of 4.07 percent, 10.86 percent and 1.72 percent in the corresponding period last year. The Frw weakened by 3.30 percent relative to the Tanzanian shilling lower than the 5.34 percent depreciation recorded in June 2021.

Real effective exchange rate (REER) developments

- In real effective terms, the Frw appreciated by 7.4 percent year-on-year in June 2022, while it had depreciated by 13.5 percent in June 2021. This appreciation reflected a combined effect of largely negative inflation differential (higher domestic than foreign inflation) and the appreciation of the Frw in nominal effective terms.

- Rwanda consumer price index rose by 13.7 percent, faster than the weighted foreign consumer price index that increased by 8.0 percent in June 2022, against 0.2 percent and 3.9 percent recorded in June 2021 respectively.

- The Frw appreciated by 2.6 percent in June 2022 in nominal effective terms, compared to a depreciation of 9.0 percent in the corresponding period of 2021.

- Taken together, the negative inflation differential and the nominal effective appreciation of the franc led to overall appreciation of REER, making the domestic products less competitive and imports relatively cheaper in June 2022 compared to June 2021.

Chart 3: Exchange rate (y-o-y, percent changes)



Source: National Bank of Rwanda

Chart 4: Drivers of REER movement

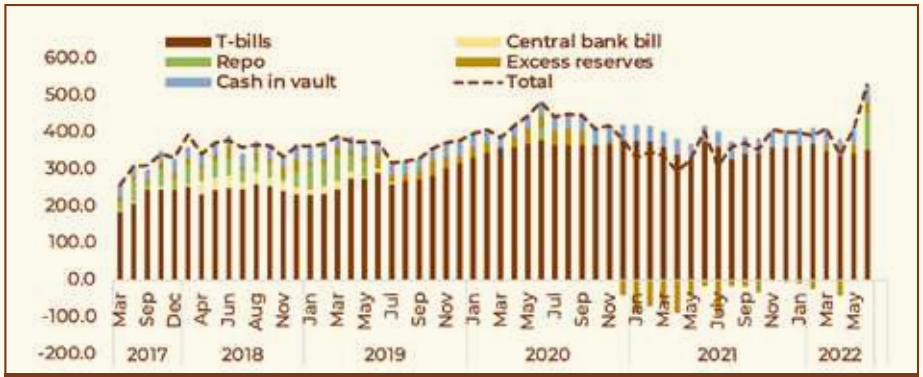


Source: National Bank of Rwanda

LIQUIDITY CONDITIONS AND INTEREST RATES DEVELOPMENTS

- Liquidity improved during the FY2021-22, observable in the increase of 30.9 percent in the most liquid assets compared to a decrease of 16.4 percent in the previous year. This significant growth is mostly attributed to the rebound in excess reserves from increased government spending in 2022Q2.
- Following the accommodative monetary policy and effective liquidity management, the interbank rate (operational target) remained within the interest rate corridor.
- The interbank rate increased by 7 basis points in FY 2021/22, to 5.29 percent on average compared to the previous year, as a result of the central bank rate hike in February 2022.
- Following money market rate trends, the lending rate increased by 25 basis points to 16.43 percent, from 16.18 percent in the previous year, reflecting the increased share of short-term and medium-term loans priced at higher rates compared to long-term loans.
- During the same period, the deposit rate reduced by 27 basis points to 7.68 percent on average in 2021-22, down from 7.95 percent in 2020/21, on increasing share of short-term deposits of less than one year.
- As a result, the spread between the lending rate and the deposit rate widened by 52 basis points.

Chart 5: Most liquid assets of commercial banks (Frw billion)



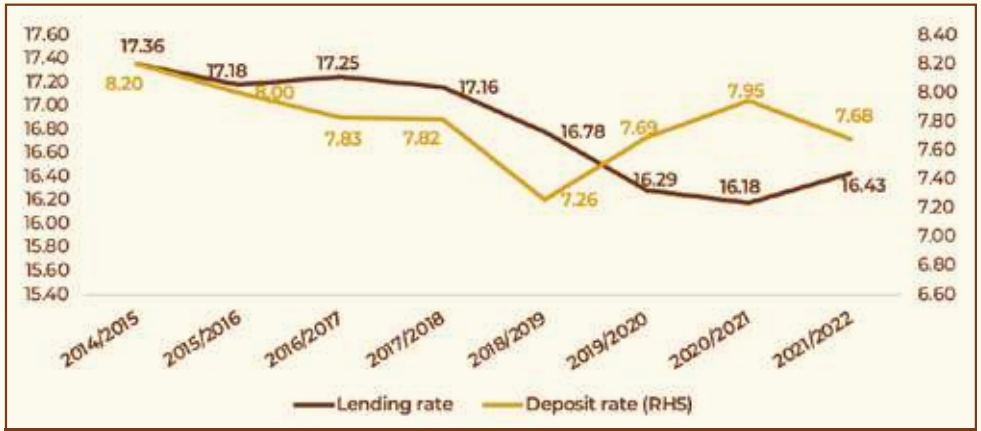
Source: National Bank of Rwanda

Chart 6: Interbank market rates developments



Source: National Bank of Rwanda

Chart 7: Market interest rates (percent average)



Source: National Bank of Rwanda

MONEY AND CREDIT

- Broad money supply (M3) grew by 20.3 percent in FY 2021/22 against a growth of 17.3 percent recorded in FY 2020/21. This growth was mainly driven by a growth in the Net Foreign Assets and the Credit to Private Sector of 29.2 percent and 16.2 percent respectively.

- Though it is still performing very well, the growth in credit to the private sector slowed down (from 19.1 percent), mainly explained by a contraction in the new authorized loans of 1.2 percent, due to a base effect.

- Deposits' component accounted for the largest share of M3 growing by 20.4 percent in 2021-22, from 18.0 percent recorded in FY 2020/21, whereas currency in circulation grew by 20.2 percent from 10.4 percent.

- In FY21-22, all types of deposits contributed positively to the growth in M3. Demand deposits grew by 24.9 percent, time and saving deposits by 14.4 percent, and foreign currency deposits by 21.9 percent.

- In FY 2021/22, New Authorized Loans (NALs), from the banking sector to the private sector reduced by 1.2 percent to Frw 1,181.3 billion.

- The reduction in NALs in FY2021/22 is coming from a base effect, where last fiscal year recorded a high growth in NALs, mostly reflecting loans to restaurants and hotels, water and energy and services provided to the community sectors.

- Regarding the distribution of new authorized loans by sectors of economic activity; commerce, public works & buildings and manufacturing activities remain the most financed sectors with shares of 30.9 percent, 23.0 percent and 10.4 percent respectively.

Chart 8: Contribution to broad money M3 growth in percent (assets)



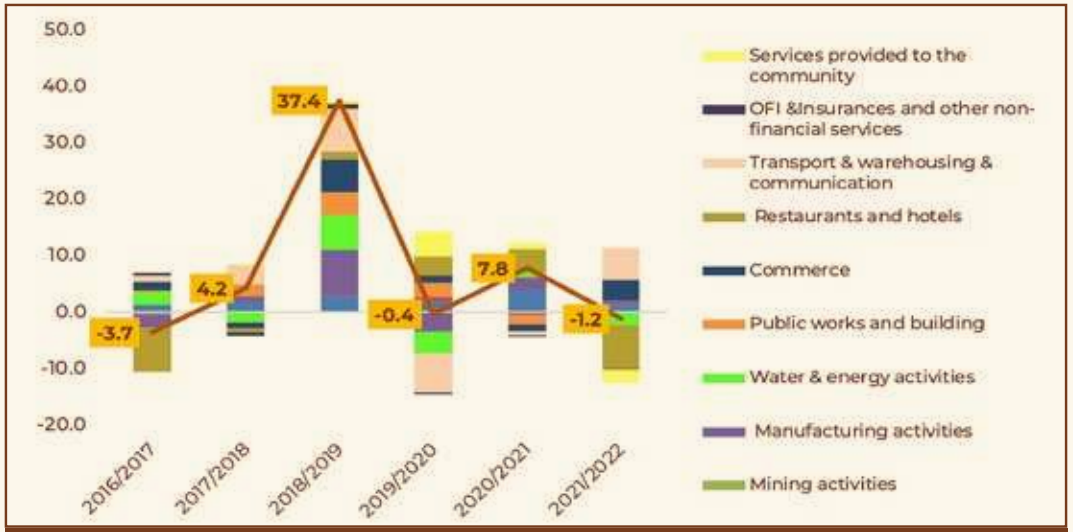
Source: National Bank of Rwanda

Chart 9: Contribution to broad money M3 growth in percent (liabilities)



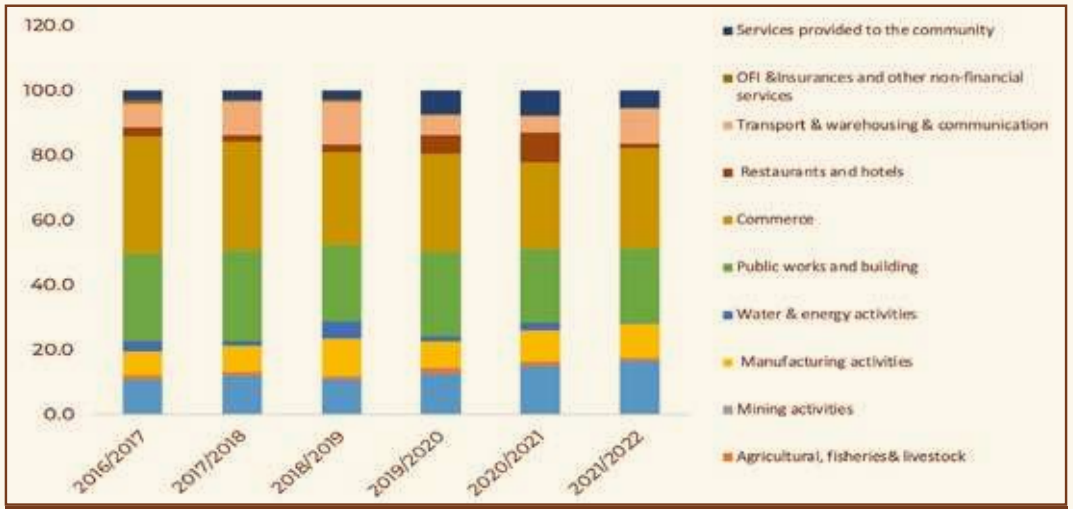
Source: National Bank of Rwanda

Chart 10: Contribution of economic sectors to New authorized loans changes in percentage



Source: National Bank of Rwanda

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



Source: National Bank of Rwanda

INFLATION DEVELOPMENTS

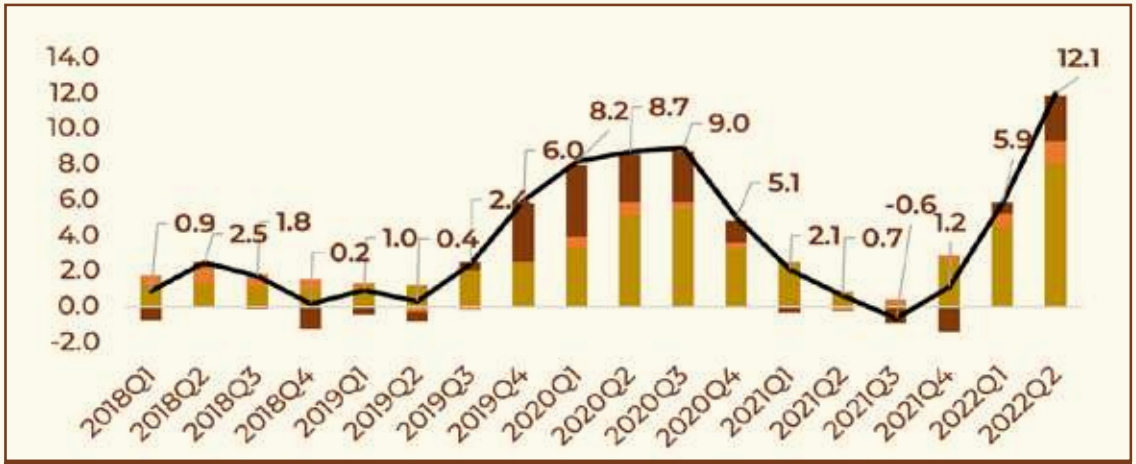


Headline inflation accelerated to

4.6% FY 2021/22 FROM **4.2%** FY 2020/21

On average, headline inflation accelerated to 4.6 percent in FY 2021/22 from 4.2 percent recorded in the previous period. However, in 2022Q2 the headline inflation surged to 12.1 percent from -0.6 percent recorded in 2021Q3, mainly due to global supply challenges, the war in Ukraine, and subdue domestic agriculture production. The increase observed in headline inflation reflects upticks recorded in all its components, where core and energy inflation increased to 10.4 percent from 0.3 percent and to 18.7 percent from 3.9 percent respectively. Simultaneously fresh food inflation in 2022Q2 surged to 16.2 percent from -5.8 percent recorded in Q3/2021.

Chart 12: Contributors to headline inflation (y-o-y, percent change)



Source: National Bank of Rwanda

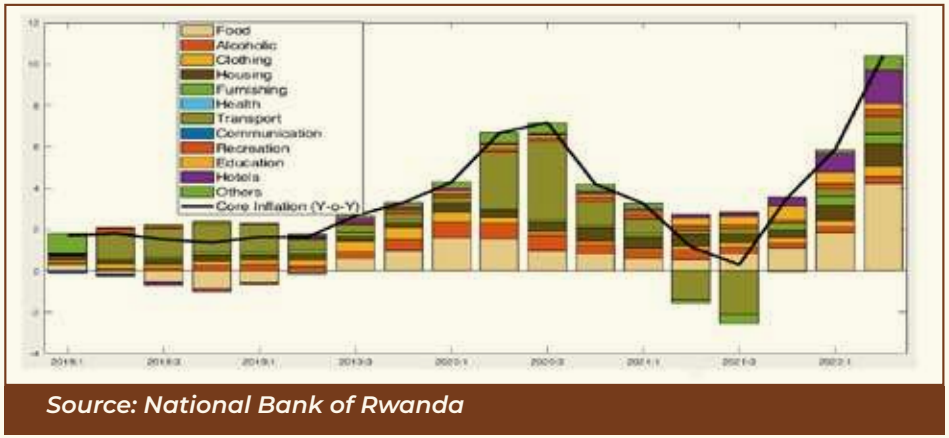
INFLATION DEVELOPMENTS

1.1 Core inflation

The surge observed in core inflation during the FY 2021/22, is attributed to core food inflation that increased from 5.0 percent recorded in 2021Q3 to 25.7 percent recorded in 2022Q2 reflecting mainly the rise in prices of some international food prices which followed the covid 19 pandemic disruptions coupled with the Russia-Ukraine war.

Other upward pressures on core inflation in the FY 2021/22 was observed in core housing prices that picked up to 5.3 percent in 2022Q2 from 2.1 percent observed in 2021Q3. The increasing trend in core housing originated from the surge in prices of building repairs (supplies) as well as an increase in labor cost.

Chart 13: Contributors to core inflation (y-o-y, percent change)

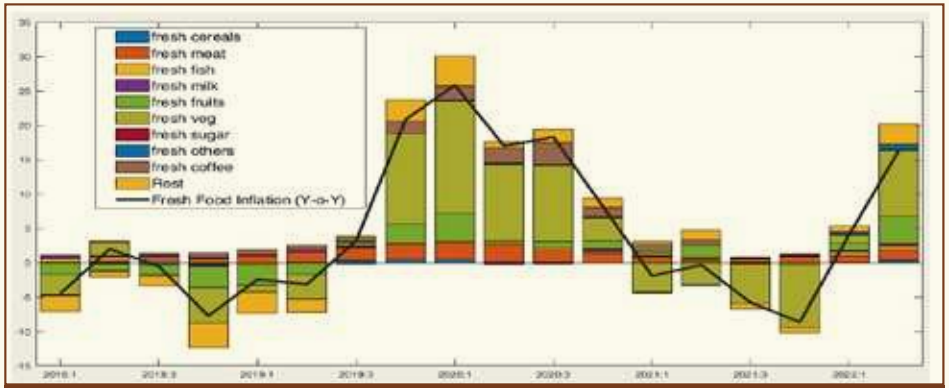


Source: National Bank of Rwanda

1.2 Fresh food inflation

The increase in fresh food inflation reflects an increase observed in vegetable inflation (from -11.3 percent recorded in 2021Q3 to 19.0 percent recorded in 2022Q2) and fresh fruits (from -0.5 percent in 2021Q3 to 20.0 percent recorded in 2022Q2). This surge in fresh food inflation was attributed to the poor performance of agricultural production recorded during the period.

Chart 14: Contributors to food inflation (y-o-y, percent change)

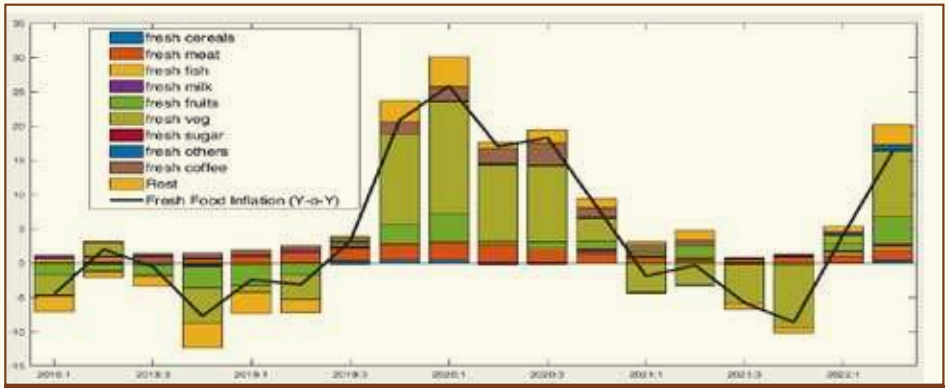


Source: National Bank of Rwanda

1.3 Energy inflation

An increase observed in energy inflation reflects a rise in solid fuels inflation and liquid fuels prices. Solid fuels inflation increased to 22.2 percent in 2022Q2 from 1.4 percent recorded in 2021Q3. Liquid fuels inflation surged from 16.5 percent recorded in 2021Q3 to 29.8 percent recorded in 2022Q2, reflecting the upward revisions in local pump prices done throughout the FY 2021/22 responding to an increase in global oil prices which rose following the Covid-19 pandemic disruptions and Ukraine - Russia war.

Chart 15: Contributors to energy inflation (y-o-y, percent change)



Source: National Bank of Rwanda

Outlook of Inflation

In line with the current cyclical position of the economy, headline inflation is expected to be higher in FY 2022/23 compared to the previous financial year. Headline inflation is expected to remain high throughout the second half of 2022 following high imported costs exacerbated by the Ukraine-Russia war. Indeed, pressures on food and energy inflation are expected to continue mainly originating from international commodity prices. Overall, average headline inflation is projected to evolve above the ceiling of 8.0 percent in the FY 2022/23, before reducing in FY 23/24, following Central Bank's monetary policy actions, expected lower commodity prices and slowdown in global economic recovery. However, risks that may affect the headline inflation projection path include the performance of domestic agriculture, international commodity prices and the speed in global and domestic economic recovery.

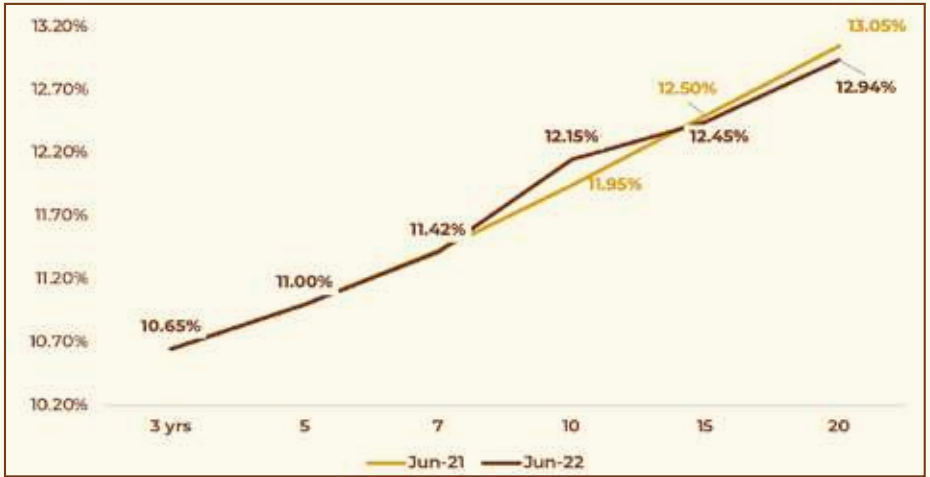


BONDS DEVELOPMENTS

During the FY 2021/22 NBR continued to deepen financial markets in Rwanda. As at end June 2022, NBR successfully issued 5 new bonds and 9 were re-opened with average subscription level of 114.0 percent. The bond yield curve remained stable during the FY 2021/22. This confirmed the confidence that investors have in the Government of Rwanda in its capacity in debt reimbursement, transparent and coherent debt management policies; in addition to Rwanda macro-economic stability.

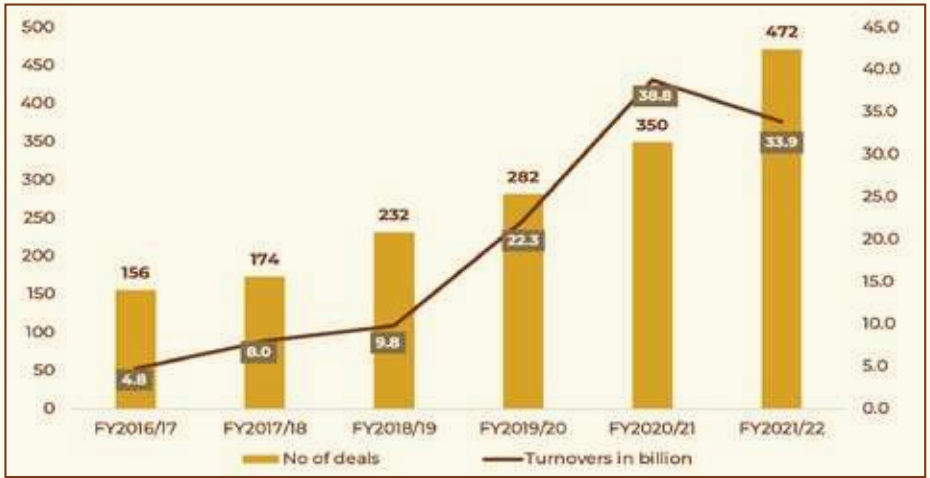
On other hand, bond trading on the stock exchange recorded a good increase in number of transactions in FY 2021/22 compared to the previous year as it recorded an increase of 34.9percent to 472 transactions from 350 transactions in FY2020/21. However, turnovers reduced by 12.6percent during the same period. This trend indicates that there were many transactions that involved small amount than the previous year.

Chart 16: Bond Yield Curves June 2021/22



Source: National Bank of Rwanda

Chart 17: Bond trading at Rwanda Stock Exchange (RSE): FY2016/17 to FY2021/22



Source: National Bank of Rwanda

CHALLENGES

In the FY under review, inflation evolved within the targeted band, with the 12-months average standing close to the benchmark. Besides rising imported costs from the supply chain disruptions following COVID-19, pressures remained generally subdued. However, pressures mounted in the first half of 2022, and have already fueled into rising prices, hence high inflation towards the end of FY 2021/22. In the outlook, these pressures will persist and maintain high inflation in 2023H1. Initially, these pressures emanate from supply shocks. Given the length of shocks, the recorded reaction of monetary policy aimed principally to counteract the second-round effects and may not eliminate all the inflationary pressures. Therefore, the risks of inflation staying outside the band are considerable.



03 FINANCIAL SYSTEM STABILITY

INTRODUCTION

The National Bank of Rwanda (NBR) is responsible for promoting and safeguarding the financial stability of Rwanda. It does so by promoting strong Financial Institutions (FIs) through its role as the prudential supervisor of banks, micro-finance institutions, insurance companies and pension funds. NBR also ensures robust and efficient payment system infrastructure.

- The Financial System plays a critical role in the economy. It enables the financial intermediation process which facilitates the flow of funds between savers and borrowers, thus ensuring that financial resources are allocated efficiently towards promoting economic growth and development.

- NBR's role is mainly achieved through regulation and licensing, macro prudential analysis and micro prudential supervision of the FIs.

- In addition, the Bank is responsible for supervision of the private credit bureau which governs the credit reporting system to carry out the credit reference services. NBR also plays the role of financial sector crisis management to ensure proper resolution of failing financial institutions.



REGULATION AND LICENSING



FINANCIAL SECTOR LAWS AND REGULATIONS

NBR strengthened the legal and regulatory framework to address challenges faced by the financial sector and comply with international standards.

In the FY 2021/22, Fifteen (15) legal instruments were published of which 5 laws and 10 regulations, and seventeen (17) legal instruments approved by the Board of Directors of which 16 regulations and 1 presidential order.

Details of Laws, regulations and Directives are indicated in Annex 1.

LICENSING OF FINANCIAL INSTITUTIONS

During the FY 2021/22, the NBR:

- Conducted inspection of 11 new places of business (3 new branches and 8 branches relocation) for banks
- Analysed 51 application files for approval and renewal of term of board members and senior managers of banks.
- Analysed 17 application files for approval and closure of places of business (banks).
- Approved one (1) new SACCO (MUGANGA SACCO) and nineteen (19) opening of new branches for SACCOs
- Approved 1064 elected leaders, staff and shareholders in SACCOs and MFIs
- Licensed two new insurance companies (EDENCARE Health Management Organization and Defense Captive Insurance Plc)
- Renewed approvals for BK capital Ltd Investment manager and BK capital Ltd Administrator
- Provided licenses to 4 new Payment Services Providers (Quidex; Virtual pay; Chipper cash; FDI).

MICRO PRUDENTIAL SUPERVISION



During the FY 2021/22, the Bank continued to monitor the soundness of individual financial institutions (banks, MFIs, Insurance and pension schemes) using the risk based supervision approach whereby specific attention is given to each financial institution as per its risk profile.

MICRO PRUDENTIAL SUPERVISION

Banking Sector

- Conducted off-site analysis: Updated Financial Soundness Indicators (FSIs) statistical page for all 15 banks.
- Conducted six out six (6/6) planned onsite inspections and one (1) unplanned inspection
- Conducted Internal Capital Adequacy Assessment Process (ICAAP) & Internal Liquidity Adequacy Assessment Process (ILAAP) reviews for all 15 banks.
- Conducted analysis and validation of financial and non-financial data in EDWH
- Carried out prudential meetings for 6 banks in February 2022.
- Approved Financial Sector Assessment Program (FSAP) recommendations and implementation plan by Management
- Assessed and reviewed quarterly audited financial statements of banks
- Updated institutional profiles for Banks
- Enforced compliance & penalty for any non-compliance issues with regulations

Microfinance Sector

- Conducted 159 risk based onsite inspections within SACCOs and 5 in Public Limited Companies (PLCs).
- Conducted 166 field visits out 161 planned for U-SACCOs
- Conducted offsite review of all MFIs/SACCOs.
- Held 35 prudential meetings
- Conducted the reconciliation of RSSB funds and Vision Umurenge Program (VUP) / Financial Services in U-SACCOs as well as second phase of frozen deposits registration.
- Reviewed external audit reports and followed up the submission of the external audit report
- Conducted close follow-up of MFIs/SACCOs with problems
- Analysed 5 applications for license to operate microfinance activities.
- Approved 19 applications to open new branches
- Approved 1,064 applications of elected leaders, staff and shareholders
- Continued to support U-SACCOs automation and consolidation: Conducted two assessments within U-SACCOs on the performance of U-SACCO Core Banking System (CBS). Besides, under request of the NBR, the Technical Steering Committee for U-SACCO automation project was put in place
- Conducted the review of District SACCOs' policies and procedures
- Continued follow up of ongoing liquidation of CAF ISONGA and ATLANTIS as well as issues left behind by closed MFIs

Insurance and Pension Sectors

- Conducted regular surveillance of all 15 Insurance companies and 13 Pension schemes
- Conducted offsite analysis for mandatory pension scheme (RSSB).
- Conducted on-site inspections for 5 insurers and 3 pension schemes as per the approved inspection plan.
- Conducted thematic on-site inspections on medical claims payment of health insurance service providers by medical insurers
- Imposed pecuniary sanctions for non-compliant pension schemes.
- Conducted technical meetings with Life Insurers to ensure they comply with pension scheme reporting requirements.
- Conducted technical meetings with insurers to discuss specific issues related to receivables.
- Prepared consolidated insurance and pension sector report
- Updated institutional profiles for I&P sector
- Conducted analysis and validation of financial and non-financial data in EDWH
- Approved prudential meeting for RSSB
- Updated FSI statistical page and management working papers
- Followed-up on onsite inspection and prudential meeting recommendations
- Discussed Motor insurance study with different stakeholders and submitted to Policymakers for finalization

MICRO PRUDENTIAL SUPERVISION

Banking Sector

Onsite
6/6
1 unplanned

6
Prudential Meetings

Microfinance Sector

159
SACCOs

5
in PLCs.

U-SACCOs
166/161
planned field visits

35
Prudential Meetings

Insurance and Pension Sectors

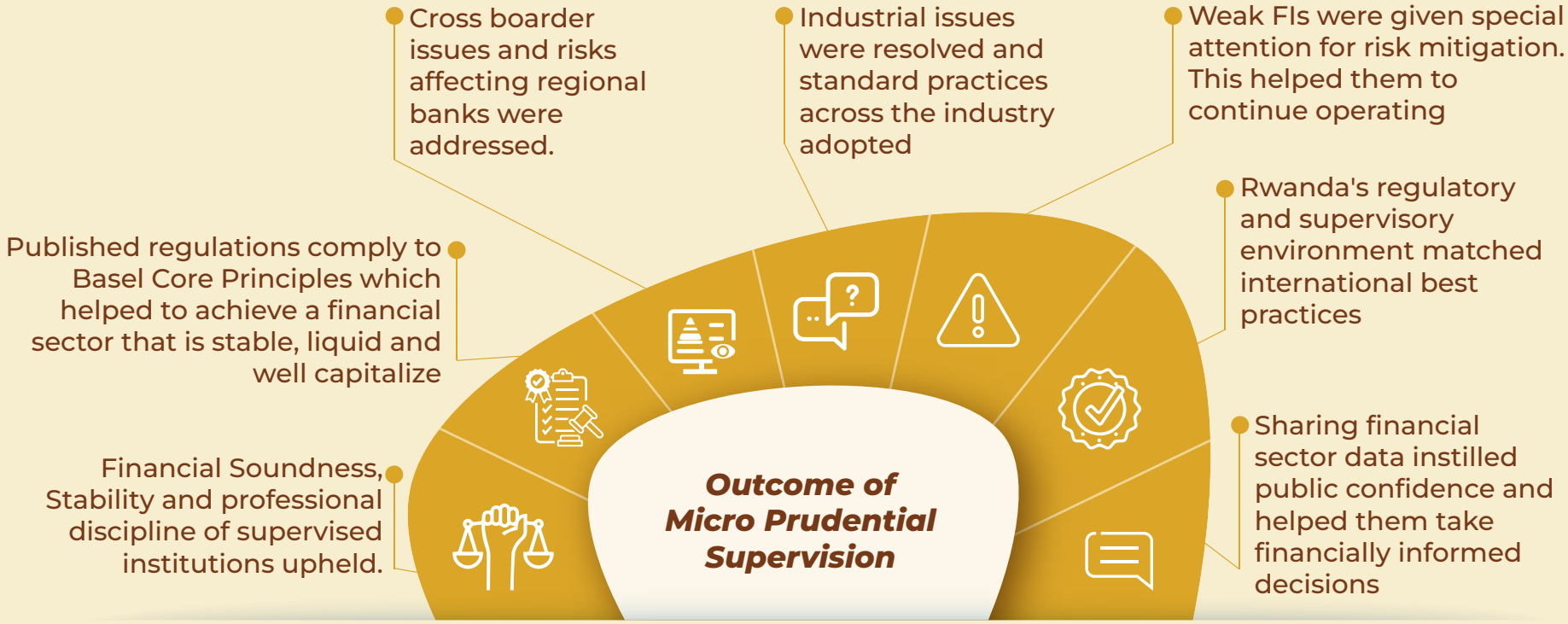
5
Insurers
(3 AML/CFT thematic inspections and 2 full scope)

3
Pension schemes

Thematic on-site inspections on medical claims payment of Health insurance service providers by medical insurers

Approved prudential meeting for RSSB

Conducted technical meetings with life insurers and other insurers


Cross boarder issues and risks affecting regional banks were addressed.
Industrial issues were resolved and standard practices across the industry adopted
Weak FIs were given special attention for risk mitigation. This helped them to continue operating
Published regulations comply to Basel Core Principles which helped to achieve a financial sector that is stable, liquid and well capitalize
Rwanda's regulatory and supervisory environment matched international best practices
Financial Soundness, Stability and professional discipline of supervised institutions upheld.
Sharing financial sector data instilled public confidence and helped them take financially informed decisions
Outcome of Micro Prudential Supervision

PAYMENT SYSTEM OVERSIGHT ACTIVITIES

Regarding the oversight activities for Payment Service Providers (PSPs), the Bank completed the following in 2021/22:

- Monitored PSPs through offsite analysis and produced reports
- Conducted offsite analysis on returns of the supervised institutions.
- Conducted onsite oversight on all 4 PSPs
- Regular monitoring of operational resiliency for RIPPS and RSWITCH
- Updated website data on National Payment System e.g. statistics, laws and regulations
- Developed oversight (Onsite/Offsite) manual
- Worked to fight fraud in the industry through fraud forums and awareness

As result, the National Bank of Rwanda has achieved:

- Improved efficiency of payment system in terms of usage, access and compliance
- Improved security and public trust in Rwanda Payment system
- Improved risk management, corporate governance and operational resiliency

MACRO PRUDENTIAL SUPERVISION

In fulfilling its financial stability mandate, the NBR seeks to identify and mitigate systemic risks. These are the macro-economic and financial risks which have the potential to threaten the financial system as a whole, with serious consequences on the Rwandan economy. To achieve this goal, the Bank has established a macro prudential policy framework to monitor and assess the build-up of potential risks and vulnerabilities in Rwanda and, where appropriate, to address them through the timely use of prudential policy instruments.

During the Financial Year 2021/22, the Bank continued to monitor and analyse financial stability indicators to prevent and identify risks to financial stability. In this regards, the following were achieved:

- Prepared two semi-annual MPFSS document
- Published the Annual Financial Stability report to inform economic agents, policy makers, development partners and the general public on the performance of the financial sector and NBR's policy priorities. In addition, four Quarterly Financial Sector Stability reports were produced to guide the Financial Stability Committee (FSC) to take informed policy decisions.
- Conducted four Quarterly credit surveys and findings to inform the FSC on the prevailing and anticipated credit market conditions
- Conducted stress tests on Banks with focus capital, liquidity and assets quality.
- Published Financial Soundness Indicators(FSIs) for FY 2021/2022 on NBR website
- Conducted the survey on collateral realization and corporate indebtedness
- Monitored the Performance of Domestic Systematically Important Banks (DSIBs) for FY 2021/2022. It was revealed that the risk of failure of systemic banks will be contained and stability of D-SIBs will foster stability of the financial system.



Governor Rwangombwa John addresses media during MPFSS, March 2022

CREDIT REPORTING SYSTEM

The National Bank of Rwanda (NBR) is responsible for supervision of the credit reference bureau that provides credit reporting services. Financial institutions, Telecommunication companies and Utility agencies are required to regularly share credit information on their clients with the licensed credit bureau (TransUnion Rwanda). In addition, voluntary data providers which include traders that are selling goods and services on deferred payments are allowed to share credit information.

Credit reporting system provides a consolidated report on a borrower's creditworthiness to help any creditor make an informed lending decision. The monthly report on credit bureau data usage indicates that successful data requests from the credit bureau stabilized around 93.0 percent. Furthermore, the credit bureau coverage (of adult population) increased to 35.7 percent as at end June 2022 from 31.6 percent June 2021; 27.7 percent in June 2020 and 24.4 percent in June 2019.

In order to promote the efficiency of credit reporting system, the Advisory Credit Reporting Council was established mainly to ensure compliance with international best practices especially Credit Reporting General Principles which focus on completeness, quality and timeliness of data.

For the council to execute its mandate, one of the key recommendations was to address the issue of credit reporting system manual process that delays credit information's update therefore negatively affecting customers while applying for financial services. To address this issue, the credit reporting council has requested data providers to automate their reporting processes through Application Programming Interface (API).

Key indicators of the operations of the Credit Reference Bureau

Number of subscribers to CRB	Number of inquiries made to CRB system/ CRB usage (Monthly data)	Number of individuals and companies included in CRB system (cumulative data)	CRB Coverage ratio (of the adult population) in %
496 June 2017	41,674 June 2017	1,378,819 June 2017	20.0% June 2017
514 June 2018	66,988 June 2018	1,535,145 June 2018	21.9% June 2018
510 June 2019	135,939 June 2019	1,726,420 June 2019	24.4% June 2019
506 June 2020	155,221 June 2020	2,073,324 June 2020	30% June 2020
508 June 2021	177,818 June 2021	2,400,948 June 2021	31.6% June 2021
519 June 2022	259,269 June 2022	2,853,548 June 2022	35.7% June 2022



Credit Reference Bureau Coverage
(% of adult population)

35.7%↑

June 2022

FROM

31.6%

June 2021

DEPOSIT GUARANTEE FUND

The Deposit Guarantee Fund (DGF) is responsible for protection of small depositors against loss of deposits in case of bank or MFI failures thus maintaining public confidence in the financial system.

The Fund became operational in November 2016 under a "Pay Box Mandate[1]" but the DGF Law is at the last stage of review to comply with International Association of Deposit Insurers (IADI) Core Principles and extend its mandate to "Pay Box Plus[2]". Its main functions include collection of premiums from banks and MFIs, investment of available funds and payout of insured deposits.

Premiums collection and investment in FY 2021/22

In the FY 2021/22, the Fund made significant progress in terms of building its financial capacity. The Fund collected Frw 2.3 Billion from Banks and Frw 217 Million from MFIs. As of end June 2022, cumulative collected premiums since operationalization of the DGF in November 2016 was Frw 10.1 Billion with Frw 9.2 Billion and Frw 864 Million from Banks and MFIs respectively.

Interest incomes earned from investment in different government securities equals to Frw 1 Billion received from T-Bonds (Frw 960 Million and Frw 83 Million from Banks and MFIs respectively). The cumulative earned revenues (interest incomes) since operationalization of the DGF in November 2016 are Frw 2.4 Billion with Frw 2.37 Billion and Frw 40 Million from Banks and MFIs respectively. The Fund will continue to grow through collection of premiums and returns on invested funds.

Table 2: DGF Status of Cumulative Premium and Cumulative Investment Income.

Description	June /2017 (in Million Frw)	June /2018 (in Million Frw)	June /2019 (in Million Frw)	June /2020 (in Million Frw)	June /2021 (in Million Frw)	June /2022 (in Million Frw)	TOTAL (in Million Frw)
Total premiums collected	609.1	1,319.3	1,592.5	1,820.9	2,197.4	2,546.2	10,085
Total (Interest income+ other income)	-	51.8	221.1	404.2	694.3	1,403.7	2,775
Penalty charges	-	2.0	0.2	1.3	3.5	-	7
Income received (T-Bond)	-	21.7	215.8	401.7	685.0	1,403.7	2,728
Income received (T-Bill)	-	28.1	5.1	1.2	5.8	-	40
TOTAL	**609**	**1,371**	**1,814**	**2,225**	**2,892**	**3,950**	**12,861**

Source: National Bank of Rwanda

The total Fund balance as of June 30, 2022 stood at Frw 12.8 Billion of which Frw 11.6 Billion are invested in treasury Bonds with different maturity terms.

As of end June 2022, the total insured deposits from banks were Frw 184.9 Billion and the available funds in the DGF equal to Frw 12.8 Billion. With this Portfolio, the Fund is able to cover insured deposits of eleven (11) member Banks out of Fourteen (14). It is also able to cover insured deposits of microfinance institutions including Umurenge SACCOs except one microfinance.

All Banks complied with all DGF requirements in the last FY 2021/22 and there was an improvement in reporting and payments of premiums for MFIs (including UMURENGE SACCOs) compared to previous FY.

As of end June 2022, deposits reimbursement process for one liquidated MFI stood at 81.4 percent of total deposits equivalent to Frw 279 (where Frw 154 Million were reimbursed out of Frw 227 million for registered depositors). The remaining amount will be covered with the proceeds from assets disposal by the liquidator.

[1]A "pay box" mandate is where the deposit insurer is only responsible for the reimbursement of insured deposits

[2]Mandate is where the deposit insurer has additional responsibilities, such as certain resolution functions (e.g. financial support).

DGF Law Review & IADI Self-assessment (SATAP)

The existing law was enacted in 2015 and after the operationalization of the Fund, some gaps were found and needed to be addressed so as to comply with international best practices known as IADI Core Principles for effective Deposit Insurance System. It is in this regard that this Law was reviewed to cope with the current market dynamism as well as compliance with IADI requirements.

The revised law is currently in the Prime Minister's office before it's tabled to cabinet and Parliament for approval, adoption and publication in the official Gazette

With regards to the DGF Technical Assistance (T.A) request under Self-Assessment Technical Assistance Program (SATAP) from IADI, the request was approved and documents that will be used in this TA was sent to the Secretariat of the Association and the DGF is waiting for the feedback on when to start the onsite visit to complete the assessment.

DGF Automation Project

For better performance, DGF undertook the initiative to automate all its operating processes as stated above (Premiums declaration & payment, investment of premiums collected as well as reimbursement/ pay out of insured deposits in case of failure).

The DGF project started in July 2021, and shall be implemented until September 2022. Once the project is completed the Fund will be able to get all declaration of premiums, interest incomes earned and received, and payment to insured depositors (payout list) on time and easily. The project is at its final stage where the main focus is to complete the development of the application platform, specifically the messaging and notification modules.



STRUCTURE AND PERFORMANCE OF THE FINANCIAL SECTOR

17.5% ↑

Assets of the Financial Institutions

FRW 8,145 BN

JUNE 2022



The Rwandan financial sector is composed of a wide range of institutions. As of end June 2022, there were 624 financial institutions regulated by the NBR. These include 15 banks (i.e., 10 commercial banks, 3 microfinance banks, 1 development bank and 1 cooperative bank); 16 insurance companies (i.e., 3 life and 11 non-life insurers, 1 micro insurance company and 1 captive insurance); 457 microfinance institutions (i.e., 416 Umurenge SACCOs; 19 limited liability MFIs and; 22 other SACCOs); 13 pension schemes (of which 1 public and 12 private); 78 foreign exchange bureaus,18 Payment Services Providers (PSPs), 26 Non-Deposits Taking Financial Institutions (NDFIs) and 1 credit reference bureau.

The financial sector continued to grow supported by the growth of deposits in lending institutions, increased capital, increased contributions in pension and investment income. During the period under review, total assets of financial sector grew by 17.5 percent to Frw 8,145 billion in June 2022 from Frw 6,933 billion in June 2021. The banking sector assets which represents 67.4 percent of total financial sector's assets, grew by 18.8 percent on account of the growth of deposits (19 percent) and capital (15 percent). Conversely, the assets of the pension sector which account for 16.7 of total financial sector assets increased by 8.3 percent, mainly driven by the growth in pension contributions and investment income from placements in banks and Government securities. The assets of insurance sector representing 9.2 percent of total assets of the financial sector increased by 17.2 mainly supported by the growth of premiums and investment income, while the assets of microfinance sector which represents 5.8 percent of financial sector assets grew by 22.6 percent due to increase of deposits and capital.

Banking Sector
67.4%
FROM 2021 **66.7%**

Pension
16.7%
FROM 2021 **18.1%**

Forex Bureaus
0.1%

Insurance
9.2%

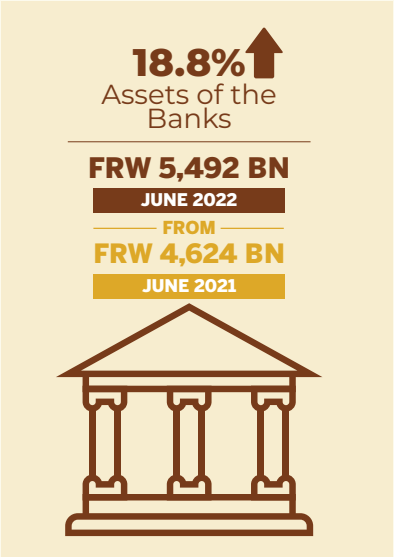
Microfinance Institutions
5.8%
FROM 2021 **5.6%**

NDFIs
0.8%
FROM 2021 **0.3%**

BANKING SECTOR

» Banking sector continued to grow during the period under review. Total assets of banks increased by 18.8 percent to Frw 5,492 billion in June 2022 from Frw 4,624 billion in June 2021. This improved growth was mainly driven by an increase in deposits (19 percent) and capital base (15 percent).

» Financial intermediation remained the main business of banks. As at end June 2022, loans accounted for 54.2 percent of total assets followed by government securities with 19.4 percent. The outstanding loans in banks increased by 16.1 percent to Frw 3,167 as at end June 2022, albeit lower than the growth of 18.6 percent registered in June 2021. Residential real estate is the most financed sector by banks accounting 16.3 percent of total outstanding loans. Other top financed sectors by banks include trade (14.7 percent), manufacturing (12.2 percent), transport & communication (11.3 percent), and hotels (10.5 percent).



» In face of global uncertainties, the banking sector remains adequately capitalized and liquid. The aggregate core Capital Adequacy Ratio (CAR) and total CAR for banks stood at 22.1 percent and 23.1 percent as at end June 2022, higher than the minimum regulatory requirement of 12.5 percent and 15 percent respectively. With regards to liquidity, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), the key liquidity indicators of banks, remained above the minimum prudential requirement. As at end June 2022, the LCR and NSFR stood at 224.7 percent and 130.9 percent respectively, higher than 100 percent minimum regulatory requirement.

Chart 18: Capital Adequacy Ratio

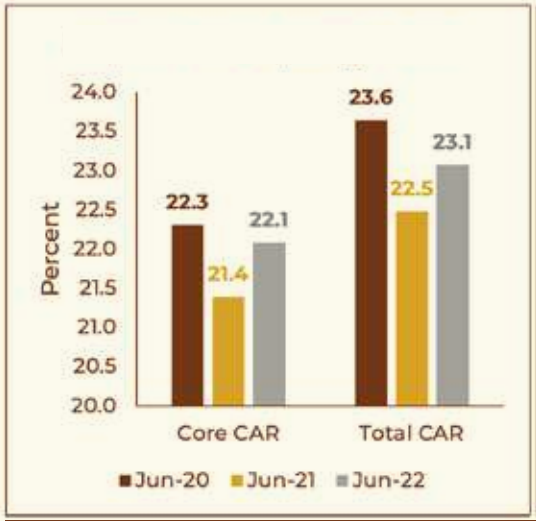
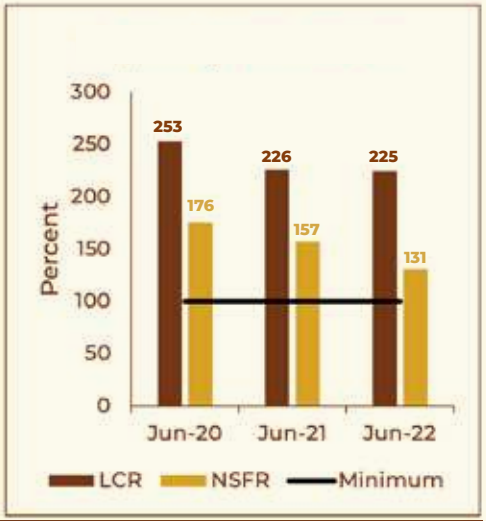


Chart 19: Liquidity Indicators



Source: National Bank of Rwanda

- Credit risk remains the major risk facing the financial sector. The stock of Non-Performing Loans (NPLs) in banks year on year reduced to Frw 166 billion in June 2022 from Frw 178 billion in June 2021 mainly on account of write off of overdue loans. Consequently, NPL ratio dropped to 4.3 percent in June 2022 from 5.7 percent in June 2021. The decline of NPL ratio is also linked to the growth of outstanding loans during the period under review. The rising inflation originating from increased commodity prices and global supply chain hitches increased credit risk to banks, especially for banks with significant exposure to energy intensive sectors including the manufacturing and transport.

- The banking sub-sector remained profitable. The aggregate net profits of banks increased by Frw 18.5 billion to Frw 74.4 billion during the first half of 2022 from Frw 55.9 billion during the first half of 2021. The growth of profit is associated with higher increase of revenues consistent with increased investment in earning assets (loans and government securities) and improved efficiency gains.

- Banks' revenues increased by Frw 56 billion during the first half of 2022 to Frw 354 billion compared to the growth of Frw 52 billion recorded for the same period in 2021. Expenses, on the other hand, increased by Frw 31 billion to Frw 247 billion during the first half of 2022 against Frw 20 billion growth during the first half of 2021. With regards to efficiency, total cost to total income ratio reduced to 69.7 percent in June 2022 from 72.5 percent in June 2021.



MICROFINANCE SECTOR

- The balance sheet of the microfinance sector continued to grow during the period under review. As at end June 2022, the balance sheet of MFIs expanded by 23 percent to Frw 473 billion from Frw 386 billion in June 2021. The improved growth of assets of MFIs is mainly reflective of growth of deposits and equity

- Similar to banks, financial intermediation is the main business of microfinances. As at End June 2022, loans represented 53.6 percent of total assets of microfinances followed by placements in banks with 35.5 percent share. Outstanding loans in microfinances grew by 20.7 percent to Frw 260 billion, higher than the growth of 18.5 percent registered in June 2021. Lending improved in all categories of microfinances. In U-SACCOs, outstanding loans increased by 25.8 percent in June 2022 from 20.9 percent in June 2021. During the same period, outstanding loans in Public Limited Companies (PLCs) grew by 22.8 percent from 20.9 percent in June 2021, while the outstanding loans in Other SACCOs slightly increased by 15.3 percent from 14.9 percent. Generally, the improved growth of lending in microfinances is mainly associated with the increased resources, improved assets quality and recovery of small scale businesses that led to increased credit demand in microfinances. Consumer loans represent the biggest share of microfinances loans accounting for 39.4 percent followed by trade (29.9 percent) and agriculture (14.8). Other sectors including construction and transport share 12.6 percent and 3.2 percent respectively.

23%

The balance sheet of MFIs

FRW 473 BN

JUNE 2022



- Generally, the microfinance sector remained adequately capitalized and liquid. The aggregate Capital Adequacy Ratio of the sector stood at 33.9 percent as at end June 2022 against 15 percent prudential requirement. In addition, the liquidity ratio of the microfinance sector stood at 105.2 percent, higher than 30 percent prudential requirement. The higher capital and liquidity position of MFIs is mainly linked to increased deposits, equity and investments in liquid assets.

- Assets quality in microfinances improved, owing to the recovery of small scale businesses. The stock of NPLs in microfinances dropped by Frw 1 billion to Frw 13 billion in June 2020 from Frw 14 billion in June 2021. During the same period, NPL ratio in microfinances dropped to 5 percent from 6.6 percent. NPL ratio dropped for consumer loans to 3 percent from 6.4 percent, in transport (to 7.8 percent from 8.5 percent), in trade (to 5.1 percent from 8.2 percent) and construction (to 4.1 percent from 5 percent). However, NPLs ratio increased in agriculture sector, to 7.1 percent from 5.6 percent, on account of moderation of the agriculture output which is associated with the shortage and increased prices of fertilizers.

- The microfinance sector remained profitable. Net profit of MFIs increased by Frw 1.6 billion to Frw 10.6 billion in the first half of 2022 from Frw 9 billion in first half of 2021. The increase of the profit of MFIs was mainly linked to increased interest income, the reduction of operating expenses and provisions for bad debts in line with improved assets quality.

INSURANCE SECTOR

- The insurance sector is dominated by public insurers. In terms of asset size, the 2 public insurers namely RSSB-Medical and Military Medical Insurance (MMI) remained dominant with an asset size equivalent to 62.2 percent of total assets and 41.8 percent of Gross Written Premium (GWP) of the insurance sector. On the other hand, private insurers held 37.8 percent of total assets and 58.2 percent of GWP.

- Insurance business is dominated by non-life insurance (including public insurers) representing 88.2 percent of GWP. Among the private insurers, non-life or general insurance representing 79.7 percent of GWP. Life insurance on the other hand, provided by 3 insurers, represented 10.7 percent of total sector premiums and 18.4 percent of private insurers GWP.

- Insurers heavily depend on motor and medical insurance products. As at end June 2022, Motor and medical insurance products contributed 63.9 percent of total private insurer's premiums, reflecting the product concentration risk. Property represented 12.6 percent, guarantees (4.2 percent), engineering (5.5 percent), accident and health (2.3 percent), liability (2.3 percent), transportation (1.9 percent), and other non-life insurance products (7.3 percent.)

Chart 20: Asset Growth-The sector



Source: National Bank of Rwanda

PERFORMANCE OF THE INSURANCE SECTOR

- The balance sheet of the insurance sector continued to expand. Total assets of the insurance sector grew by 17 percent as at end June 2022 compared to the growth of 16 percent registered in June 2021. This growth reflected the increased investment income and capital increment.

- The growth of premiums moderated during the period under review. Premiums grew by 16 percent in June 2022 compared to the growth of 26 percent in June 2021.

- Claims in private insurance increased in period under review. As at June 2022, private insurers recorded the growth of the claims in value by 16 percent to Frw 30 billion. The growth of claims in motor was partially associated with an increase in spare parts price and increased labor cost all associated with increased inflation. Also the number of road users involved in the accident increased in period under review which also partially explains the increase of claims in motor.

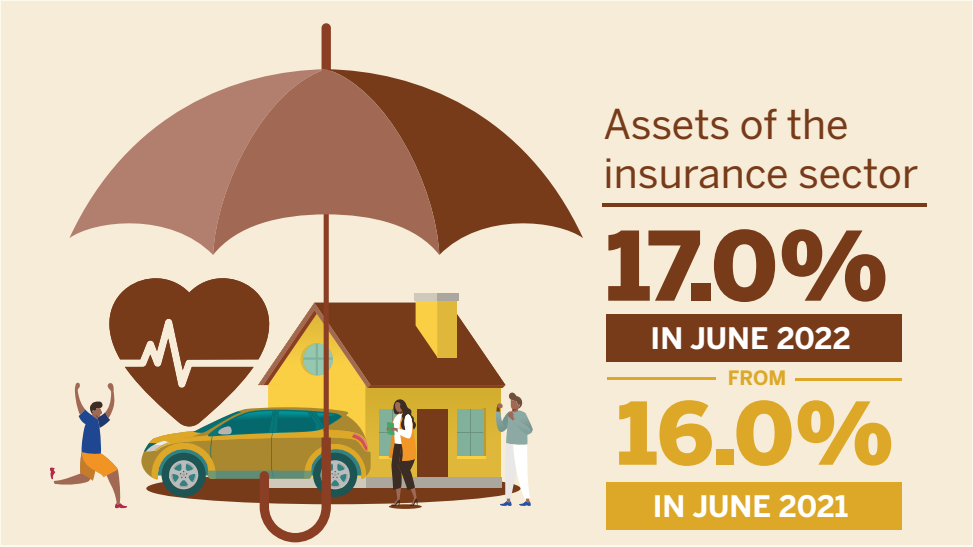




Chart 21: Growth of Premiums

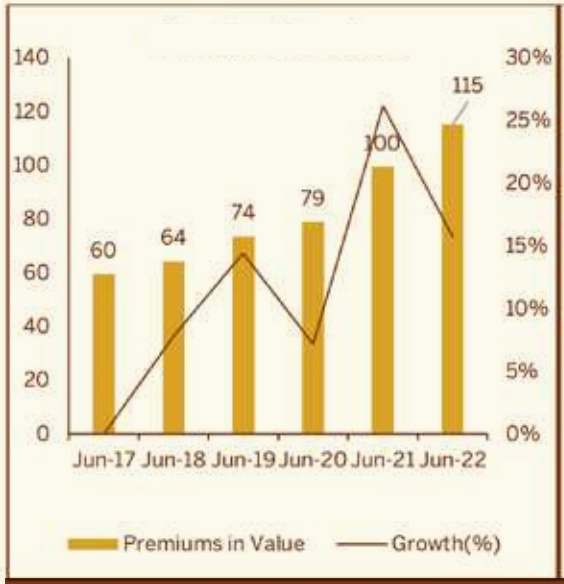
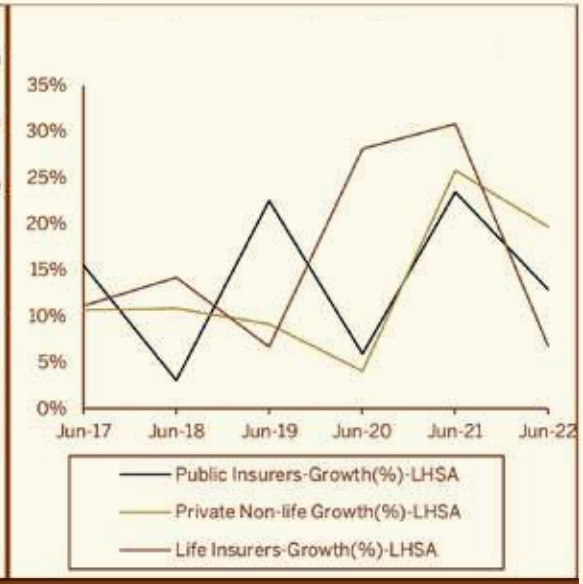
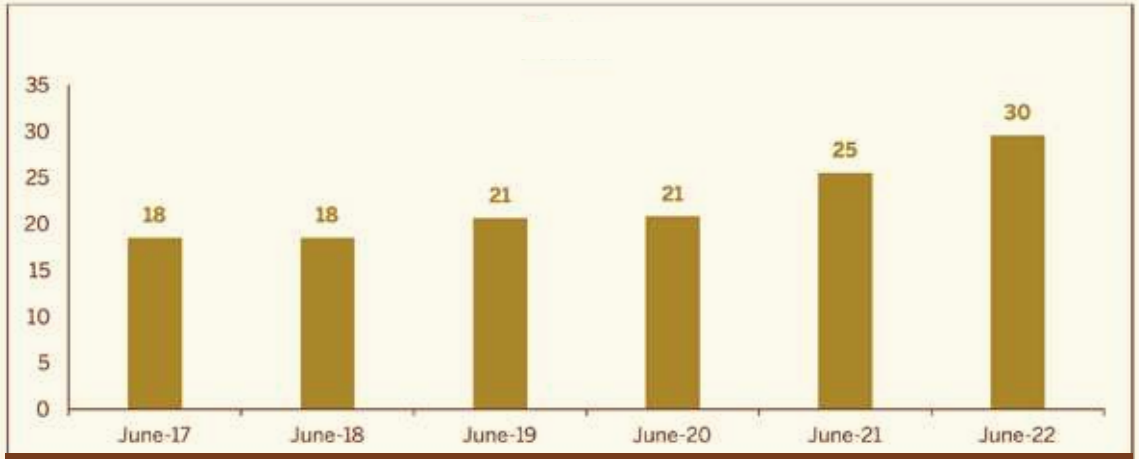


Chart 22: Premiums growth per Category



Source: National Bank of Rwanda

Chart 23: Claims



Source: National Bank of Rwanda

SOUNDNESS OF THE INSURANCE SECTOR

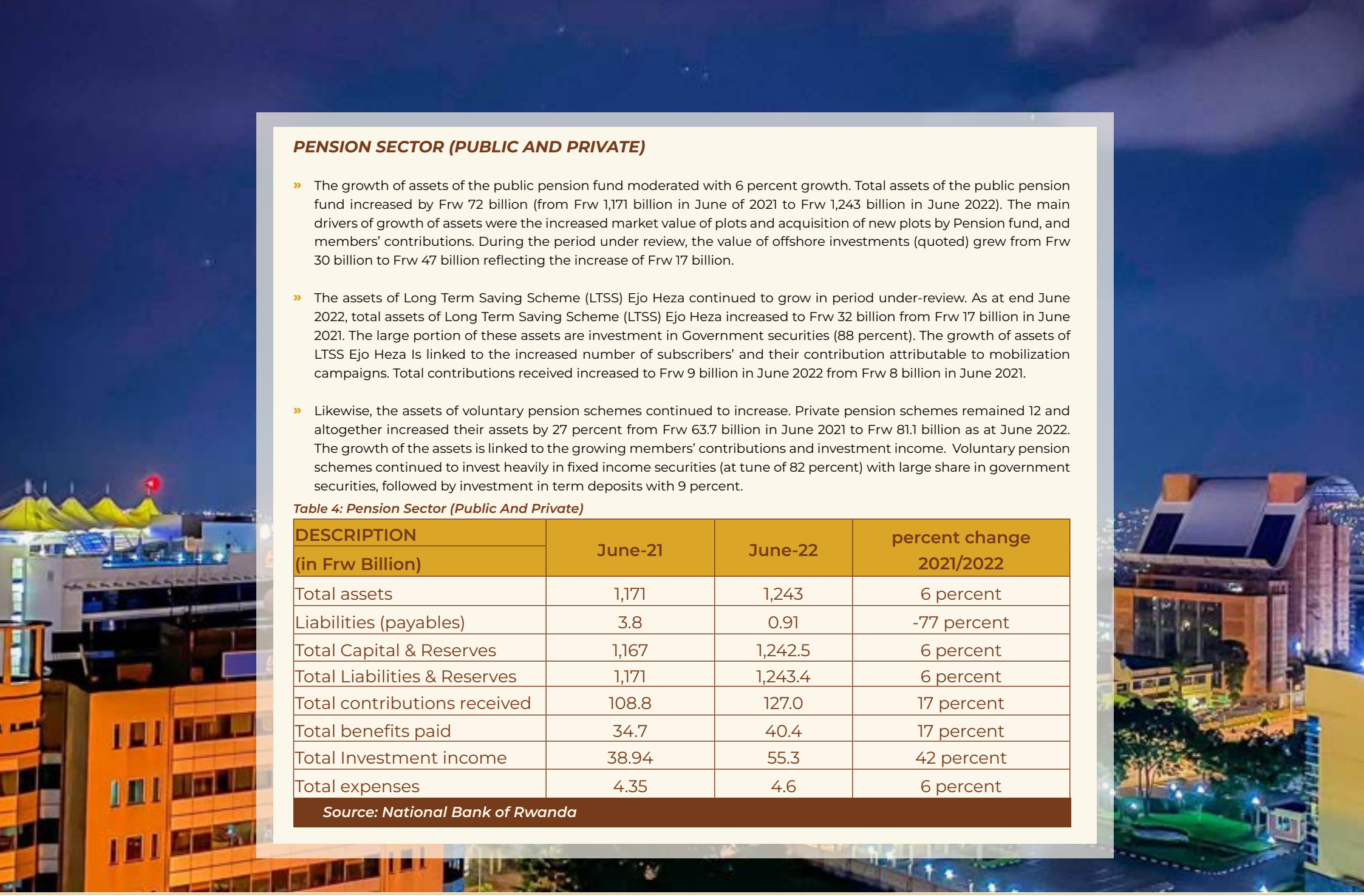
- From the stability point of view, the insurance sector remained adequately capitalized and the liquidity position of private insurers is improving reaching requirements of 100 percent as at end June 2022. As at June 2022, the solvency position of private insurers stood at 180 percent, higher than the minimum requirements of 100 percent. The Liquidity ratio of private insurers improved from 95 percent in June 2021 to 100 percent in June 2022 reaching the prudential requirement of 100 percent.

- The net profit of private insurers increased to Frw 8 billion during the first half of 2022 from Frw 7 billion during the first half of 2021. The Large portion of profit of private insurers came from investment income, especially from investments in government securities and placements in banks. The profitability risks for private insurer's remains under-writing loss associated with high claims.

Table 3: Financial Soundness of the Insurance Sector

Description (Ratios percent)	Private Insurers			Public Insurers			Insurance sector		
	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22
Solvency margin (Min. 100percent)	156	147	180	2,463	2,765	1087	1,228	1,374	410
Claims ratio (max.60percent)	62	64	64	55	49	49	59	56	56
Expenses ratio (max. 30percent)	39	36	36	22	23	20	30	30	28
Combined ratio (max.90percent)	101	101	101	77	72	68	89	86	84
ROE (Min.16percent)	18	18	16	9	13	13	10	14	13
ROA (Min.4percent)	6	6	5	9	12	13	8	10	10
Current Ratio (min. 120percent)	74	81	90	2,998	3,489	3,630	243	238	250
Liquidity ratio (min. 100percent)	90	94	100	3,189	4,413	4,796	234	293	311

Source: National Bank of Rwanda



PENSION SECTOR (PUBLIC AND PRIVATE)

- The growth of assets of the public pension fund moderated with 6 percent growth. Total assets of the public pension fund increased by Frw 72 billion (from Frw 1,171 billion in June of 2021 to Frw 1,243 billion in June 2022). The main drivers of growth of assets were the increased market value of plots and acquisition of new plots by Pension fund, and members' contributions. During the period under review, the value of offshore investments (quoted) grew from Frw 30 billion to Frw 47 billion reflecting the increase of Frw 17 billion.

- The assets of Long Term Saving Scheme (LTSS) Ejo Heza continued to grow in period under-review. As at end June 2022, total assets of Long Term Saving Scheme (LTSS) Ejo Heza increased to Frw 32 billion from Frw 17 billion in June 2021. The large portion of these assets are investment in Government securities (88 percent). The growth of assets of LTSS Ejo Heza Is linked to the increased number of subscribers' and their contribution attributable to mobilization campaigns. Total contributions received increased to Frw 9 billion in June 2022 from Frw 8 billion in June 2021.

- Likewise, the assets of voluntary pension schemes continued to increase. Private pension schemes remained 12 and altogether increased their assets by 27 percent from Frw 63.7 billion in June 2021 to Frw 81.1 billion as at June 2022. The growth of the assets is linked to the growing members' contributions and investment income. Voluntary pension schemes continued to invest heavily in fixed income securities (at tune of 82 percent) with large share in government securities, followed by investment in term deposits with 9 percent.

Table 4: Pension Sector (Public And Private)

DESCRIPTION (in Frw Billion)	June-21	June-22	percent change 2021/2022
Total assets	1,171	1,243	6 percent
Liabilities (payables)	3.8	0.91	-77 percent
Total Capital & Reserves	1,167	1,242.5	6 percent
Total Liabilities & Reserves	1,171	1,243.4	6 percent
Total contributions received	108.8	127.0	17 percent
Total benefits paid	34.7	40.4	17 percent
Total Investment income	38.94	55.3	42 percent
Total expenses	4.35	4.6	6 percent

Source: National Bank of Rwanda

Table 5: Assets of the Pension Sector (Public And Private)

Description("Frw in Billions")	***June-21***	***June-22***	***percent change***
Assets	63.7	81.1	27percent
Liabilities (Payables)	0.01	0.06	536percent
Technical Reserves	63.7	81.09	27percent
Contributions	5.04	5.23	4percent
Benefits paid	3.5	4.2	18percent
Investment income(net)	2.6	2.02	-23percent
Operating expenses	0.31	0.33	8percent
	June-21	**June-22**	**percent change**
Total number of contributors	36996	63053	-41 percent
Total number of pension Beneficiaries	5417	4208	29 percent
Number of pension schemes	12	12	

Source: National Bank of Rwanda



FINANCIAL SECTOR STABILITY OUTLOOK

- Notwithstanding significant challenges facing global economy, the financial sector is resilient to a range of potential adverse shocks. The size of capital and liquidity reserves that regulated financial institutions held, made the financial sector resistant to external shocks and strengthened their ability to absorb losses and maintain the provision of financial services to the real sector. In medium term, the financial sector is expected to remain stable despite the increase in near term risks emanating from global economic outlook.

- Amidst increased geopolitical risk, the NBR will continue to monitor and assess potential sources of vulnerabilities and reinforce risk-based surveillance of financial institutions in order to ensure the stability of the financial sector.



04 FINANCIAL SECTOR DEVELOPMENT AND MARKET CONDUCT


Over the last 3 years,
NBR's financial sector
oversight has evolved
from solely prudential,
to market conduct/
consumer protection
and financial sector
development & inclusion.

FINANCIAL SECTOR DEVELOPMENT & INCLUSION

The NBR's focus on financial sector development & inclusion is based on the strong belief that a developed sector provides access to finance for economic growth and faster poverty reduction.

To achieve the above, the Bank has set four strategic objectives mentioned below:

Increasing access and usage of affordable financial services.

As per Finscope 2020, the proportion of adults formally financially served increased from 21percent in 2008 to 77percent in 2020, attributed mainly to U-SACCOs and mobile financial services. As per NST-1, the goal is to achieve 100percent financial inclusion by 2024. Households and firms should not only open bank/MFI or mobile money accounts, but should benefit from all financial services such as saving; borrowing; transferring money and buying insurance. NBR's interventions focus on relatively unserved and underserved segments of the population like: Women, the youth, and MSMEs through awareness campaigns and financial education programs.

Improve efficiency in the provision of financial services.

NBR designs interventions that would drive down the cost of financial intermediation that is currently high. For example interest rate spread in banks is at 9.4percent), private insurer's expense ratio at 36percent (compared to 30percent prudential requirements). NBR aims not to cap prices, but to continuously examine the drivers of costs of financial services and devise interventions to address those drives. In line with this, the Bank conducted an assessment on drivers of overhead costs in Rwanda focusing mainly on commercial banks. It is expected that this ongoing engagement with FSPs will reduce the high operating expenses through adoption of technology in their operations. In addition to this, NBR developed a price comparator that helps financial service consumers compare the cost of products offered by commercial banks.

Embracing innovation and digital payments in the financial sector.

Innovation is a key factor for financial inclusion and efficiency of financial institutions. To support entities with innovative products, the Bank has put in place a regulatory sandbox and established a team to equip start-ups or any financial innovator with regulatory requirements. NBR also continues to promote cashless and digital payments.

Capacity building in the financial sector.

Rwanda is positioning itself to be a financial hub. To achieve this in an ever-changing sector, there is a need for competent staff and deployment of technology. The national financial sector skills council is being established in collaboration with Rwanda Finance Limited.

The Bank conducted a training of the financial sector players on data analytics.

FINANCIAL SECTOR DEVELOPMENT & INCLUSION



Hon. Dr. Valentine Uwamariya, Minister of Education awards the winners of the NBR Schools Quiz Challenge 2021/22

Below are key activities implemented by the Bank during FY 2021/22 to support development and inclusion of the financial sector:

FINANCIAL LITERACY

- ***NBR Quiz Challenge:*** The Quiz challenge is one of the activities focused on secondary school students. Through their schools' NBR Economic Clubs, they learn about the central bank's mandate and the economy at large. The quiz is a platform to test students' knowledge on central bank's mandate and the economy at large to impart knowledge amongst the youth while grooming a generation that can make good economic and financial decisions. In FY 2021/22, 35 schools took part in the fourth edition of the NBR Quiz Challenge and for the first time, one TVET school joined the challenge. The winner of the competition was College Christ-Roi. Students demonstrated an understanding of Rwanda's monetary history and the country's financial system.

- ***Savings week awareness:*** The savings week occurred during the week of 25th – 31st October 2021 with the theme "Building Resilience through Savings". NBR implemented the saving awareness programs through media program (TV and radios) as well as public lectures in universities located in Kigali. The campaign aimed to equip the public on topics like: benefits of saving and how to save, budgeting and planning, setting goals, making the right decisions, and having the right attitude towards finances and savings.

- ***Insurance week awareness:*** The insurance awareness week was themed: "Benefits of insurance, types of insurance products on our market and channels through which people can access insurance products". Through media channels, the Bank raised awareness on the benefits of insurance products.

FINANCIAL SECTOR DEVELOPMENT & INCLUSION





Staff from NBR and Ministry of ICT and Innovation during 'Twagiye Kashiresi' campaign in Rusizi.

- ***Global money week:*** The campaign highlights the importance of ensuring that young people, from an early age, are financially aware to make sound financial decisions. The Global Money Week's theme this year was "Build your future, be smart about money." During this campaign, discussions conducted included how one can build the future through smart investments like government bonds and their benefits. Furthermore, #KnowYourMoney# was introduced to educate the public on the Rwandan Franc.

- ***Awareness on Financial Consumer Protection Law:*** Following the enactment of the financial service consumer protection law No 017/2021 of 03/03/2021, the necessity to disseminate this law to financial service consumers and service providers was evident. In addition to the general public, specific financial service providers were engaged notably MFIs, Insurance and pension providers. Additionally, during FY 2021/22 the Bank conducted awareness campaigns on the financial consumer protection law for the public's understanding of their rights and responsibilities regarding financial services.

- ***Digital payment campaign.*** NBR continued to support the Rwanda National Digital Payment System (RNDPS) project and the cashless campaign. Interoperability of all digital payment platforms is the main objective of retail digital payments. The Bank partnered with other stakeholders to design and start implementing the RNDPs scheme to carry out national digital campaigns through caravans and media channels.

FINANCIAL SECTOR DEVELOPMENT & INCLUSION



A DIAGNOSTIC STUDY ON THE FINANCIAL INCLUSION OF REFUGEES AND THEIR HOST COMMUNITIES.

- In effort to support refugee financial inclusion, NBR partnered with Alliance for Financial Inclusion(AFI) on two projects namely; a study on the financial inclusion of refugees and their host communities and financial literacy among refugee camps. The study aimed at providing a baseline for measuring financial inclusion among refugees and unveiling constraints to financial inclusion specific to refugees and their host communities. The findings of this study will inform future interventions by all stakeholders supporting refugees, but also measure progress/ or outcomes of those interventions.

TO ENHANCE FINANCIAL INNOVATION, THE BANK PERFORMED THE FOLLOWING ACTIVITIES:

- ***Operationalization of the regulatory sandbox.*** This refers to a regulatory environment where a regulator allows companies/institutions to test their innovative product or solution within limited testing parameters like number of people and period. It's a new approach used by regulators across to support financial innovation without compromising stability. NBR issued a sandbox regulation last year (No 41/2022 of 13/04/2022) that stipulates terms, conditions, eligibility criteria and application requirements for the sandbox. Since April 2022, the regulatory sandbox is operational- the first cohort of application is under assessment. Furthermore, NBR established a team ready to explain and equip start-ups or any financial innovator with regulatory requirements.

INTERVENTIONS TO SKILL-UP THE FINANCIAL SECTOR WERE THE FOLLOWING:

In addition to contributing to the design of the national financial sector skills council, the Bank implemented the following capacity building interventions:

- ***Training of financial sector professionals in data analytics:*** Skills in data analytics were found to be lacking and constraining innovation in credit appraisal process. In order to address this skills gap, NBR contracted data science experts from a firm named 71.4 to train staff from banks and MFIs on data analytics. The Bank plans to stir further future trainings in data analytics to support this innovation.
- ***Training of Fintech start-ups on NBR's regulatory frameworks:*** NBR discovered that more often start-ups have IT experience and good innovative ideas but lack knowledge of regulatory requirements for their financial products. The Bank therefore proactively engaged and trained the FINTECH community on existing regulatory framework. This activity will continue in the forthcoming years to ensure this regulation awareness gap among FINTECH startups is addressed.

INTERVENTIONS TO SUPPORT MSME FINANCING WERE THE FOLLOWING:

- ***Diagnostic study on leasing market in Rwanda:*** In FY 2021/22, the Bank conducted a study to understand factors constraining leasing in Rwanda and how MSMEs can benefit from it. Limited or low financing to Micro Small and Medium Enterprises (MSMEs) is still a development challenge, given their contribution to the employment and the country's GDP. The findings of this study unveiled several factors such as: limited knowledge of leasing products by both financial service providers and MSMEs; Lack of an active secondary market for used properties; tax requirements that are not explicit on deductions of lease rentals for tax payments etc.

NATIONAL PAYMENT SYSTEMS DEVELOPMENT



Economic and financial transactions can only be carried out when payments are processed smoothly and the infrastructure supporting the financial markets is operating continuously and effectively. NBR is in charge of ensuring the secure and effective performance of the payment and settlement systems. The Bank continued to work with the industry players to modernize the Rwanda Integrated Payment Processing System (RIPPS) and to introduce the instant payment system namely Rwanda National Digital Payment System (RNDPS). In terms of usage, digital payments kept the increasing trend as a result of change in consumer habit.

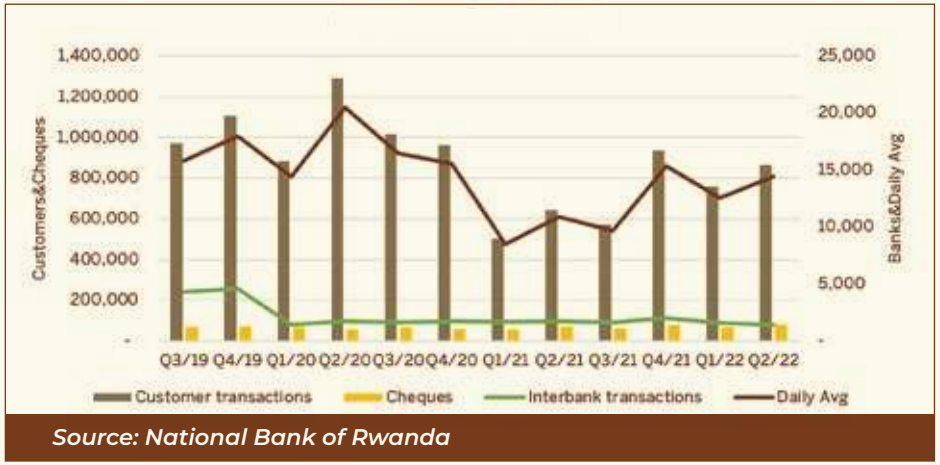
1. THE RWANDA FINANCIAL MARKET INFRASTRUCTURE

The Rwanda Financial Market Infrastructure is mainly composed of RIPPS subdivided into Central Security Depository (CSD) and Automated Transfer System (ATS) comprised of Real Time Gross Settlement (RTGS) and the Automated Clearing House (ACH). The ACH is for clearing of cheques and customer transfers in batches. The RTGS provides settlement of interbank credit transfers and transactions cleared by other financial market infrastructures such as Visa, MasterCard, Smartcash cards systems and RNDPS . The CSD provides custody and settlement services for both private and public securities.

1.1. Performance of the Rwanda Integrated Payments Processing System (RIPPS)

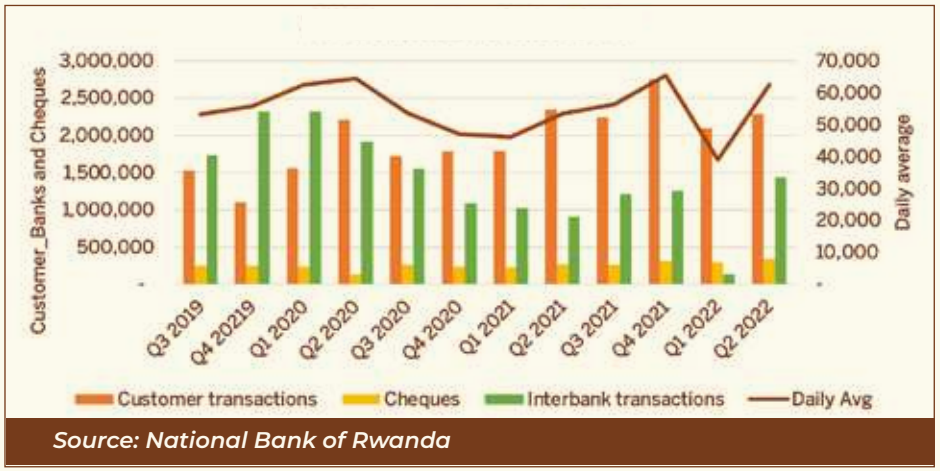
During the FY 2021/22, RIPPS continued to operate smoothly. Comparing FY 2020/2021 and FY 2021/2022, the volume of customers' transfers remained almost the same in volume with 0.2 percent increase from 3,126,932 to 3,133,250 transfers while the value increased by 23 percent from Frw 7,651 Billion to Frw 9,379 Billion. The volume of banks' transfers increased by 22 percent in volume from 625 to 763 while the value increased by 38 percent from FRW 2,088.8 Billion to FRW 2,888.9 Billion. The volume of cheques decreased by 2 percent from 258,273 to 252,547 cheques while the value increased by 20 percent from FRW 1,011 billion to FRW 1,208 Billion.

Chart 24: ATS Transactions Volume



Source: National Bank of Rwanda

Chart 25: ATS Transactions Value M/Frw

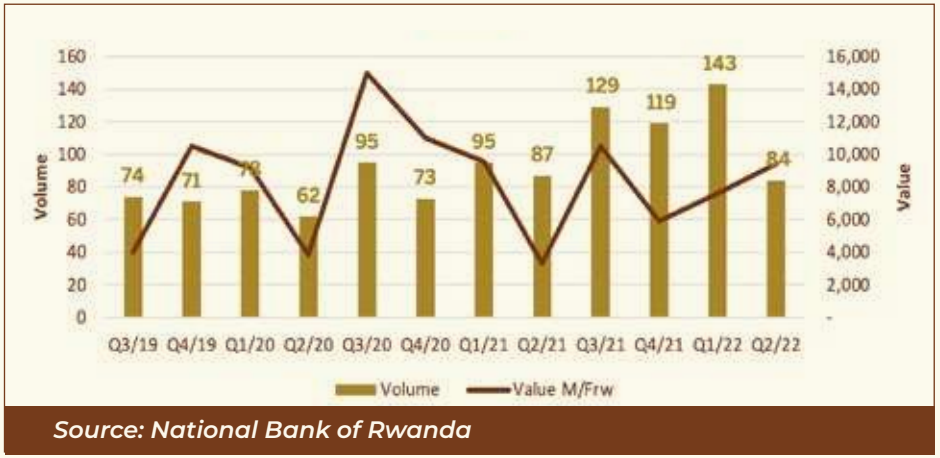


Source: National Bank of Rwanda

1.2. Central Securities Depository

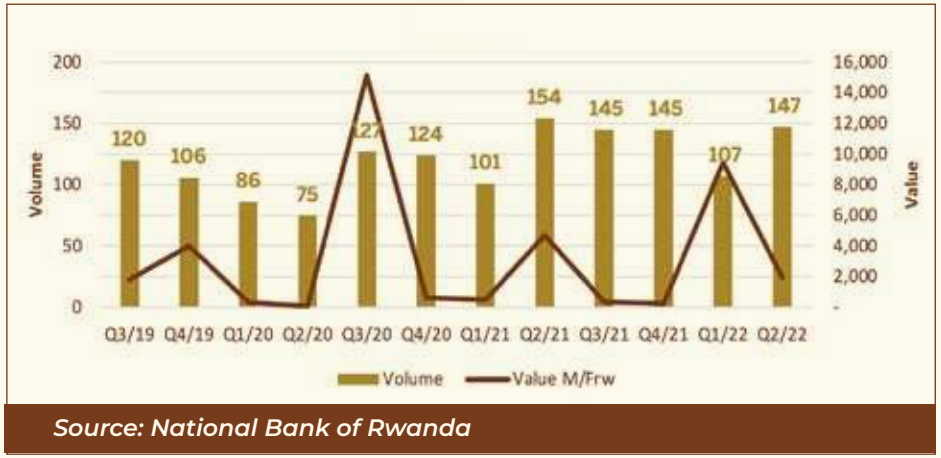
Operational performance experienced remarkable growth in comparison to FY 2020/21; the volume of treasury bonds traded on secondary market increased by 36 percent from 350 to 475 trades while the value decreased by 14 percent from Frw 38.8 to 33.4 billion. For equities, the volume increased by 8percent from 506 to 544 trades and the value decreased by 43 percent from Frw 20.9 billion to 11.9 billion.

Chart 26: Bonds



Source: National Bank of Rwanda

Chart 27: Equities



Source: National Bank of Rwanda

NATIONAL PAYMENT SYSTEMS DEVELOPMENT



THE RETAIL PAYMENT SYSTEM

2.1. Payment acceptance points

The payment acceptance footprint is dominated by mobile money services and kept expanding due to intensive awareness despite the introduction of the merchant fee by E-Money Issuers.

The number of card based POS increased by 14 percent from 4,635 POS in June 2021 to 5,263 POS in June 2022 while the number of mobile POS increased to 49,975 in June 2022 from 45,627 in June 2021. On the other hand, Virtual POS (QR based POS) moderately increased from 4,280 in June 2021 to 4,295 in June 2022.

The number of agents providing banking services increased by 33 percent from 6,555 to 8,720 agents while mobile payment agents slightly increased by 2 percent, from 144,250 to 146,930 agents. The number of ATMs remained stable with only 1 percent of increase from 338 to 344 ATMs at end June 2022.

Table 6: Payment access points

	Penetration rates of payment access Points	End June 2022	End June 2021	End June 2020
ATM	Number of devices	344.0	338.0	331.0
	Penetration rate of ATMs per 100,000 adult population	4.2	4.3	4.4
Traditional POS	Number of devices	5,263.0	4,635.0	3,929.0
	Penetration rate of Traditional POS per 100,000 adult population	65.0	59.1	51.7
Modern POS (Mobile and Virtual)	Number of devices	54,270.0	49,907.0	37,829.0
	Penetration rate of Modern POS per 100,000 adult population	825.4	635.9	497.9
Banking Agents	Number of bank agent	8,720.0	6,555.0	5,057.0
	Penetration rate of agents per 100,000 adult population	105.5	83.5	66.6
Mobile Agents	Number of Mobile agent	146,930.0	144,250.0	111,422.0
	Penetration rate of Bank agents per 100,000 adult population	1,813.5	1,838.0	1,466.4

Source: National Bank of Rwanda



PAYMENT INSTRUMENTS ISSUANCE

On the issuance side, the number of mobile banking subscribers increased by 18 per cent from 2,080,549 in June 2021 to 2,244,652 and Internet banking subscribers increased by 32 per cent from 106,312 to 140,662 in June 2022. Active mobile payment subscribers increased by 9 percent from 5,079,232 in June 2021 to 5,528,109.

18% ↑
Mobile banking subscribers
2,244,652
June 2022

32% ↑
Internet banking subscribers
140,662
June 2022

09% ↑
Active mobile payment subscribers
5,528,109
June 2022

Chart 28: Payment instrument Issuance



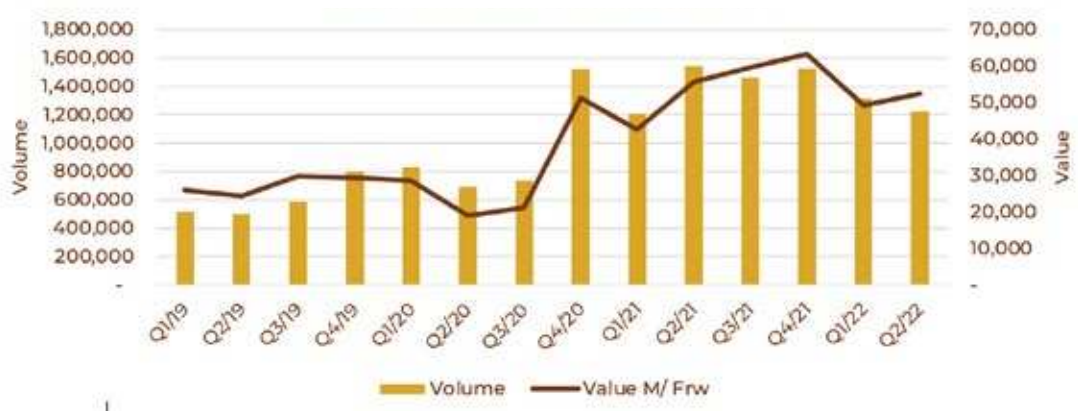
Source: National Bank of Rwanda

Chart 29: Mobile based Merchant payment



Source: National Bank of Rwanda

Chart 30: Card based Merchant payment



Source: National Bank of Rwanda

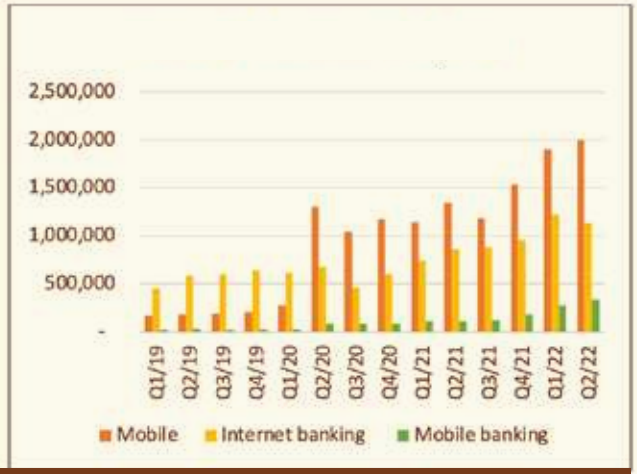
1) Funds transfer

The number of funds transfers through mobile payment channels increased by 58 percent from 196 million to 310 million transactions and the value increased by 41 from Frw 4,707 billion to Frw 6,616 Billion. Transfers through mobile banking channels increased by 35 percent from 6 million to 8 million transactions and the value of transactions increased by 140 percent from Frw 917 billion to Frw 381 billion. Transfers through internet banking increased by 42 per cent from 1,552,080 to 2,205,107 transactions and the value of transactions increased by 57 per cent from Frw 2,672 billion to Frw 4,200 billion.

Chart 31: Volume of Transfers



Chart 32: Value of Transfers in M/Frw



Source: National Bank of Rwanda

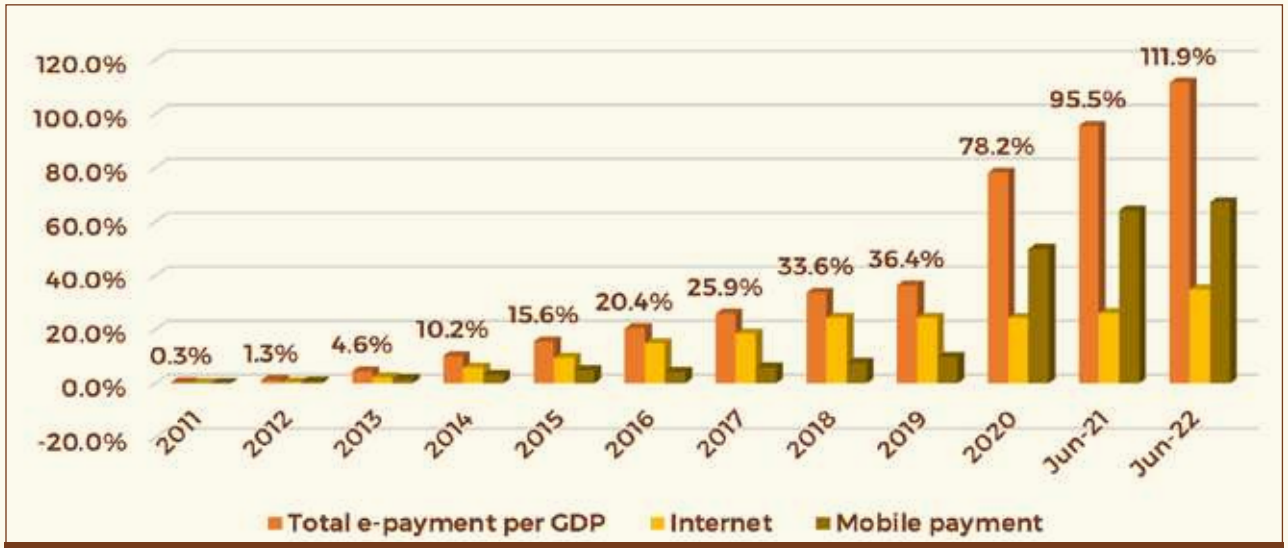
2) Overall performance

a) Retail e-payment to GDP

The overall value of retail e-payment to GDP increased by 16.4 percent during the period under review to reach 111.9 percent. The usage was dominated by mobile payment (transfer and acquiring services) and internet banking services, which acount for 67.4 percent and 35 percent of the GDP respectively.

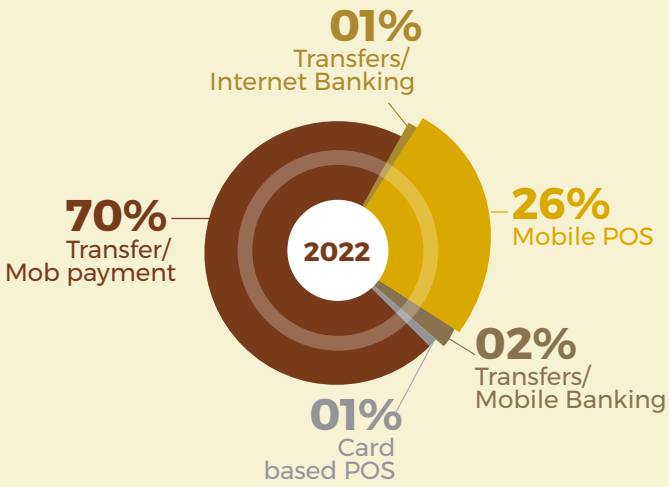
Transfers through mobile payment channels occupied the largest share of the total number of cashless transactions with 70 percent followed by transfers via mobile banking with 26 percent In terms of value, transfer through mobile payment represented 51 percent followed by internet banking with 32 percent of total value of transactions.

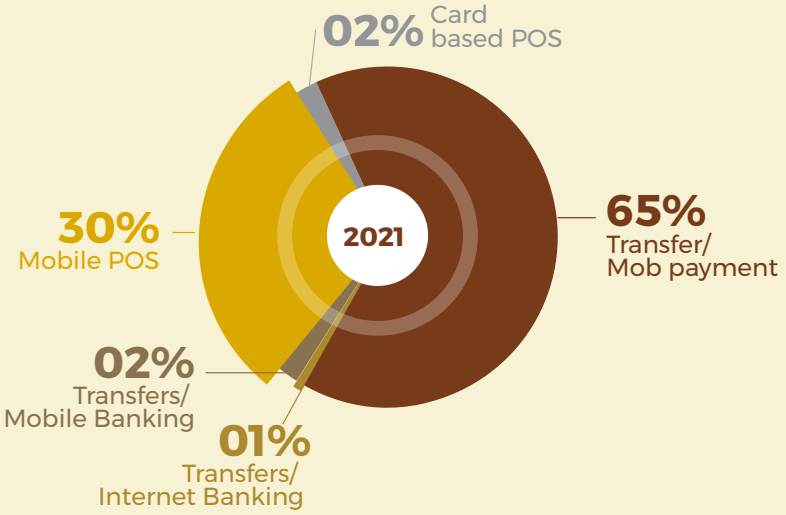
Chart 33: Value of retail e-payment to GDP



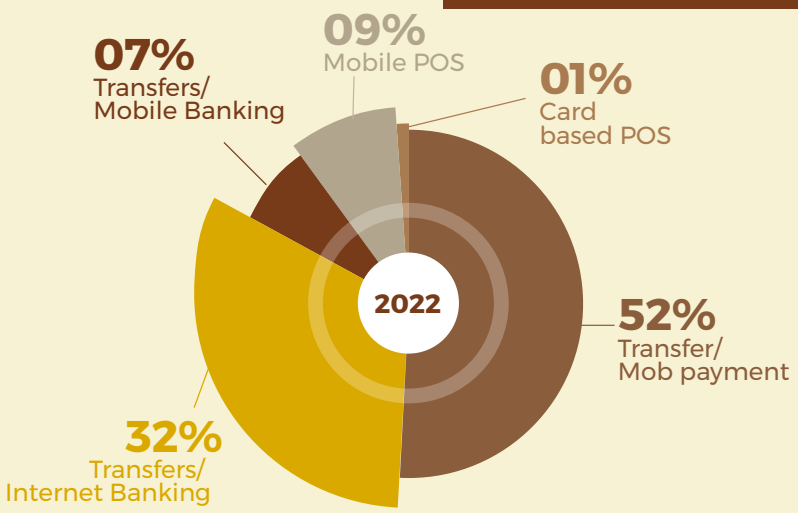
Source: National Bank of Rwanda

CASHLESS USAGE PER CHANNEL





CASHLESS VALUE PER CHANNEL



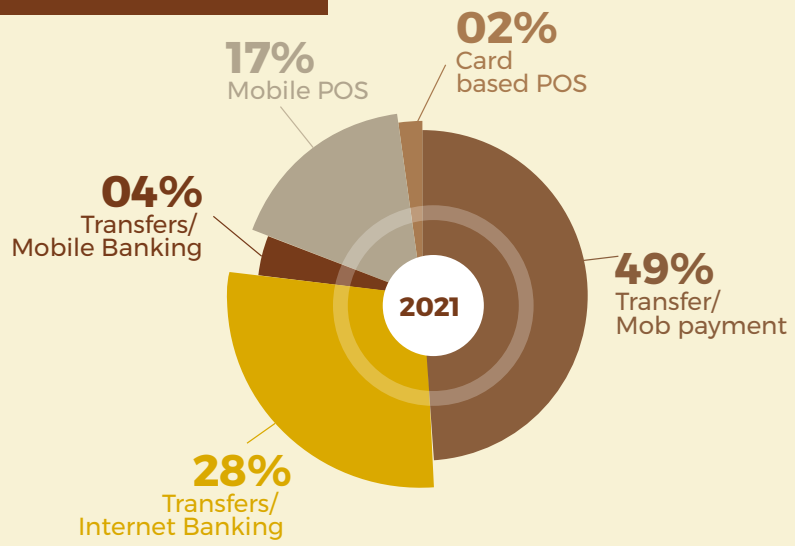
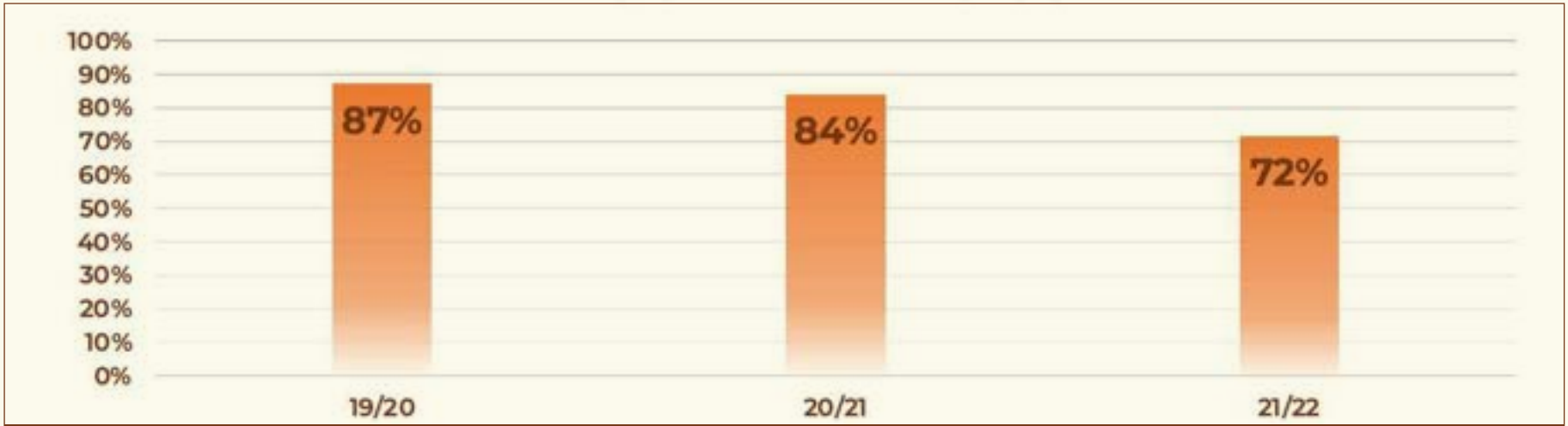


Chart 34: Retail Cash withdrawals to GDP



Source: National Bank of Rwanda

b) Cash withdrawals

The value of cash withdrawals to GDP through counters, ATM and agents decreased from 84 percent in June 2021 to 72 percent in June 2022 due to the increasing use of digital channels.

3) Major developments in the payment industry

Various activities were undertaken in order to support the development of the Rwanda Payment System.

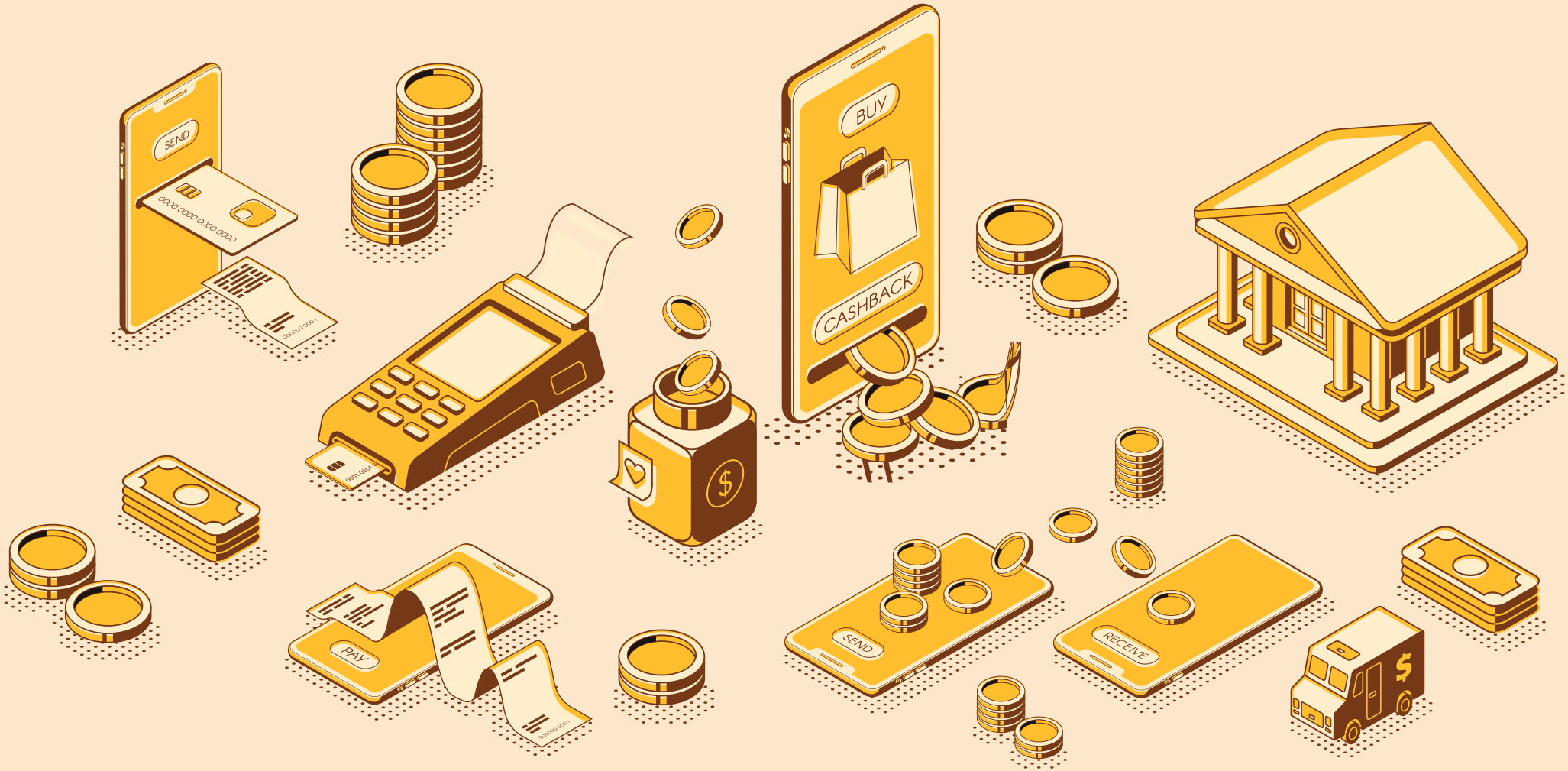
- RIPPS upgrade: The NBR continued to work on RIPPS upgrade project with the objectives of improving operational resilience and the functionalities of high value payment system, offering greater access and strengthening end-to-end risk management. The second version of RIPPS (RIPPS 2) shall operate 24/7 from September 2022 and non-banking institutions will have access to the system by October 2022. In order to mitigate the liquidity risk during extended hours, the NBR introduced the liquidity saving instrument and automated the intraday liquidity mechanism.
- The Rwanda National Digital Payment system (RNDPS): The mission of the RNDPS is to accelerate the digitization of retail payments across a range of digital channels and instruments in a cost-effective and efficient manner by offering instant payment. The system service was launched on 26th May 2022 between Mobile Money Rwanda Limited and Airtel Mobile Commerce Limited. Stakeholders are working on operationalization of the rest of some cases namely, transfers between banks and other financial services providers, merchant and government payments.

4) Policy reforms

The following were the key achievements:

1. The cost of service:

- In August 2021, the merchant commission was reinstated after one year and a half waiver adopted during the covid-19 pandemic period. However, the new commission was reduced by half compared to the one before the pandemic from 1 percent to 0.5 percent
- In September 2021 payment service providers agreed to zero rate transfers between bank account and mobile money wallet of the same individual.


SEND
BUY
CASHBACK
PAY
SEND
RECEIVE

MARKET CONDUCT AND FINANCIAL CONSUMER PROTECTION

NON-DEPOSIT TAKING LENDING FINANCIAL INSTITUTIONS (NDFIS)

NDFIs are financial service providers that do not take deposits from the public. There are several types of NDFIs namely; credit services only, mortgage finance services, credit guarantees, refinancing services, factoring services, debt collection services, finance lease services, trust and company service providers and other financial services not subjected to prudential regulation. They are an alternative financing channel to the economy that contribute to the diversified and innovative products thereby leading to a more competitive financial sector due to their simplified regulatory and supervisory requirements.

NDFIs focus mainly on the population segment that normally doesn't meet the requirements of banking institutions. The main supervisory focus of NBR is on AML/CFT, Consumer Protection and Prevention of Market Distortion.

REGULATORY FRAMEWORKS FOR NON-DEPOSIT TAKING LENDING INSTITUTIONS

In 2018, The National Bank of Rwanda put in place the regulation No 2100 /2018 - 00011[614] of 12/12/2018 of the National Bank of Rwanda governing Non-Deposit Taking Lending Financial Institutions. The regulation defined NDFIs as: credit services only, mortgage finance services, credit guarantees, refinancing services, factoring services, debt collection services and other financial services that the Central Bank may qualify as posing systemic risk to the financial sector stability.

The finance lease activity also falls under Non-deposit taking business and is governed by the regulation No 06/2016 of 26/09/2016 of the National Bank of Rwanda on licensing requirements and other conditions for carrying out finance lease operations.
A separate directive No 3160/2021-00024[613] of 18/8/2021 determining the requirements for the provision of debt collection services was also established to provide guidelines for institutions that wish to carry out debt recovery business in the financial sector.

Under the new Central Bank law, No 016/2021 OF 03/03/2021, the NBR was mandated to regulate and supervise Trust and Company Service Providers (TCSPs). These are institutions that normally assist investors to onboard in Rwanda by helping them to register their business entities, providing directorship services, management services, etc. This will assist Rwanda through Kigali International Financial Centre (KIF) in its vision to become a Financial Hub.

In June 2021/22, the regulation No2100 /2018 - 00011[614] 12/12/2018 of the National Bank of Rwanda governing Non-Deposit Taking Lending Financial Institutions was revised mainly to allow new products and services on the market.

PERFORMANCE OF NON-DEPOSIT TAKING LENDING INSTITUTIONS

In the FY 2021/22, NDFIs increased from 7 to 26, dominated by debt collection companies at 36 percent due to their specific regulatory framework requirements.

By June 2022, the total assets of NDFIs increased by 170 percent from Frw 24. 9 billion in June 2021 to Frw 67.4 billion. The growth in the total assets is attributed to the licensing of BDF Ltd that accounts for 69 percent of the NDFIs total assets (46.8 Billion).

The total gross loans registered an increase of 58.2 percent from Frw 17.3 billion as of June 2021, to Frw 27.3 billion as of June 2022 mainly due to business recovery and BDF's contribution as a refinancing agency. The Overall NDFI performance improved from a loss of Frw 432 million to a profit of Frw 379 million.

170%
Assets of the NDFIs

FRW 67.4 BN
JUNE 2022
FROM
FRW 24. 9 BN
JUNE 2021



The value of loans disbursed by NDFIs increased by 70.4 percent from Frw 2.7 billion as of end June 2021 compared to 4.6 billion as of end June 2022 with bigger portion attributed to other economic sectors followed by 31.7percent allocated to commerce, restaurants and Hotels while agriculture was financed at 4.5percent.

Table 7: Key financial highlights of NDFIs

Names	Jun -21	Jun-22	Variation in (percent)
Total Assets	24,981,197,117	67,455,606,132	170
Gross loans	17,303,511,197	27,376,673,116	58.2
NET PROFIT /LOSS	(432,934,528)	379,026,596	(187.5)

Source: National Bank of Rwanda

Table 8: Disbursed loans (Frw)

Sector	June- 21	June- 22
Agriculture, Livestock, Fishing	400,600,191	206,309,266
Public Works (Construction), Buildings, Residences/Homes	243,504,191	374,116,183
Commerce, Restaurants, Hotels	822,819,913	1,467,598,050
Transport, Warehouses, Communications	70,794,647	2,000,000
Others	1,179,328,130	2,579,132,101
Total	***2,717,047,071***	***4,629,155,601***

Source: National Bank of Rwanda

FOREIGN EXCHANGE BUREAUS

Forex Bureaus are regulated and supervised by NBR's regulation No 2310/2018 _ 00015 of 27/12/2018 governing Foreign Exchange bureaus (FX) to avoid FX market distortion. Forex Bureaus decreased in number from 82 as of end June 2021 to 78 as at end June 2022 due to non-compliance with the regulatory framework.

During the period under review, the Bank continued to conduct supervision of the Forex Bureaus sector through off-site surveillance for all FX bureaus and 55 planned on-site inspections.

The NBR continues also to provide support to the Rwanda Forex Bureaus Association (RFBA) through capacity building and financial assistance for software maintenance. Currently, all Forex Bureaus are using a software acquired through the RFBA that is interfaced with NBR electronic data warehouse (EDWH) for reporting purposes.

Total assets held by the sector increased by 4percent, from Frw 8.4 billion as at end June 2021 to Frw 8.7 billion as at end June 2022 with cash in hand and balance at banks accounting respectively for 47.8percent and 43.8percent of the total assets. The profitability of the sector declined by 61 percent from Frw 242.66 million registered for the year ended June 2021 to Frw 150.88 million for the year ended June 2022. The decrease in profit was mainly due to negative effects of COVID-19 and the revocation of 4 licenses.

The Bank conducted awareness campaigns against illegal foreign exchange (FX) activities through different channels. In partnership with MINALOC, National Public Prosecution Authority and Rwanda National Police, NBR conducted awareness campaigns to local authorities in RUSIZI and RUBAVU Districts due to their large number of illegal FX practitioners



4% ↑

Foreign Exchange Bureaus (FX)

FRW 8.7 BN

JUNE 2022

FROM

FRW 24. 9 BN

JUNE 2021



61% ↓

Profitability Foreign Exchange Bureaus (FX)

FRW 150.88 M

JUNE 2022

FROM

FRW 242.66 M

JUNE 2021

MARKET CONDUCT AND CONSUMER PROTECTION

The Law No 017/2021 of 03/03/2021 relating to protection of financial service consumers was enacted giving the National Bank of Rwanda a mandate to implement the law for financial service providers under its supervision.

MARKET CONDUCT AND CONSUMER PROTECTION

REGULATORY FRAMEWORK

In order to implement the financial service consumer protection law, NBR developed regulations and directives including;

- General financial service consumer protection regulation
- Complaint handling regulation that contain provisions aiming at protecting financial service consumers and handling their complaints.
- Directive prohibiting use of 365/360 method of interest computation,
- Directive prohibiting reporting of account maintenance fees in the Credit Reference Bureau (CRB)
- Directive removing fees on push and pull services.

SUPERVISORY ACTIVITIES

In accordance with the law no 017/2021 of 03/03/2021 relating to financial service consumer protection especially in its articles 33 and 34, NBR conducted seven full scope and twenty targeted on-site inspections related to market conduct and consumer protection as per the supervision plan. The on-site examination covered all the five pillars of consumer protection, namely Strategic and governance, Transparency and disclosures, Equitable and fair treatment, Personal data privacy and protection and Complaints handling where the major findings were:

- Lack of internal policies and procedures relating to consumer protection and weak management and Board oversight in regards to consumer protection matters,
- Non-compliance with provisions of key fact statement regulations on account, loan and insurance,
- Weak consumer empowerment initiatives like explanation of key provisions of contracts to consumers;
- Lack of transparency especially in pricing and services offered by Financial Service Providers;
- Unfair Charges/Fees
- Weakness in complaints handling.

The NBR shall continue to follow up the implementation of the recommendations provided during the on-site examinations.

COMPLAINTS HANDLING

Article 37 of the law no 017/2021 relating to financial service consumer protection establishes an independent committee in charge of complaints handling and its functioning structure shall be determined by the Ministerial order by the Minister in charge of finance. Before the establishment of the Committee, the NBR has the mandate of handling complaints escalated from financial service providers which are classified in the following categories.

- ***Complaints addressed to NBR for resolution:*** These are complaints that are submitted directly to NBR whereby FSPs were not able to provide satisfying response to consumers or those that were not responded to by the FSPs. Out of 114 complaints, 80percent were responded to.

- ***Complaints submitted for NBR information or follow up:*** These are complaints submitted to FSPs for handling and a copy is given to NBR for follow up or information. These complaints sometimes result into direct complaints to NBR when not fully followed up. This approach was adopted after noting that sometimes FSPs do not respond to consumers when there is no external follow up. Out of the 97 complaints received for follow up, 70percent were followed up and resolved.

- ***Complaints raised via social media:*** Specific Analysts at the Bank follow up on complaints raised against financial service providers' social media platforms to ensure the raised issues are appropriately addressed. During the period under review, 56 social media complaints were tracked and 75percent of them were successfully closed and 25percent were carried forward to the current FY 2022/23.

MARKET CONDUCT AND CONSUMER PROTECTION

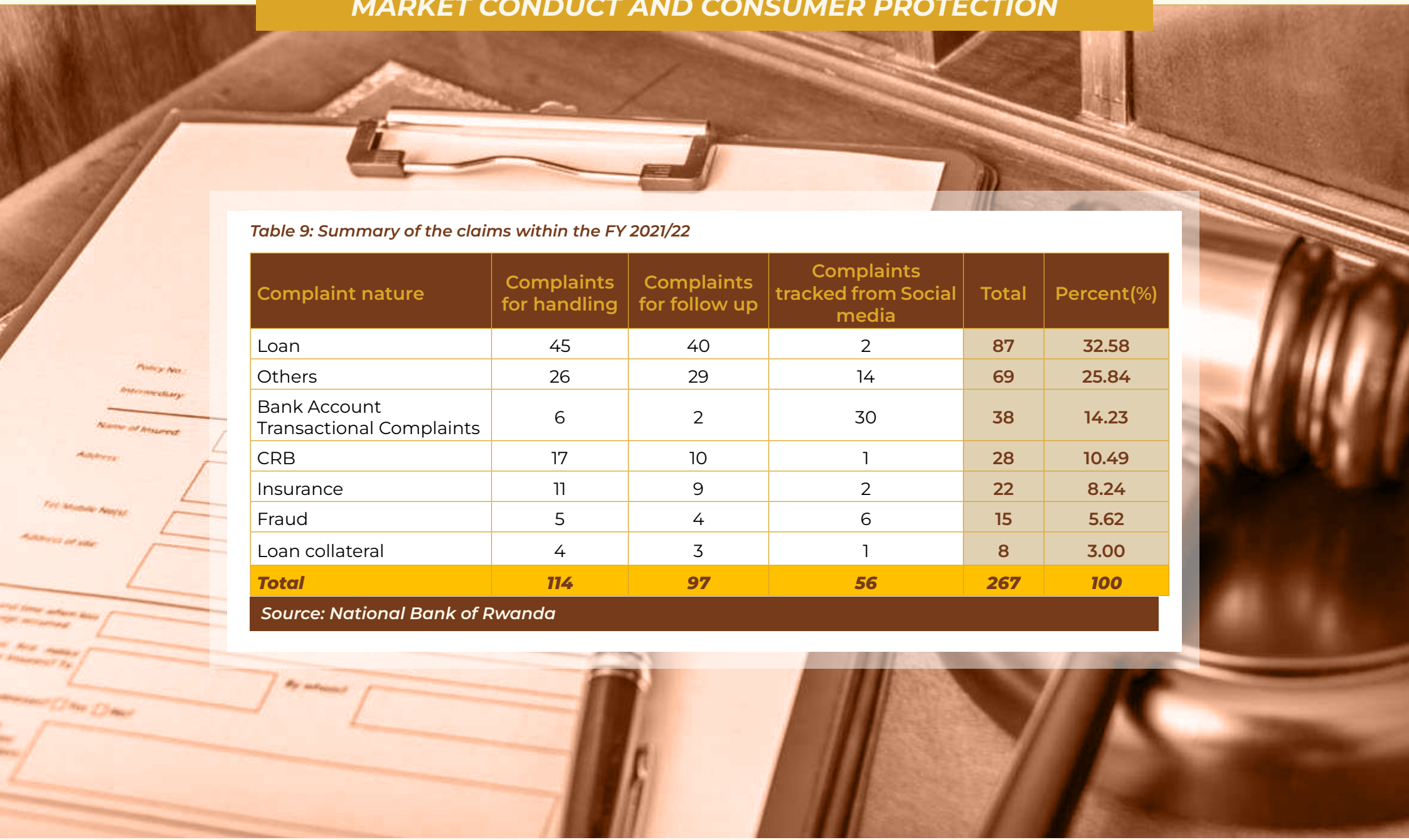


Table 9: Summary of the claims within the FY 2021/22

Complaint nature	Complaints for handling	Complaints for follow up	Complaints tracked from Social media	Total	Percent(%)
Loan	45	40	2	**87**	**32.58**
Others	26	29	14	**69**	**25.84**
Bank Account Transactional Complaints	6	2	30	**38**	**14.23**
CRB	17	10	1	**28**	**10.49**
Insurance	11	9	2	**22**	**8.24**
Fraud	5	4	6	**15**	**5.62**
Loan collateral	4	3	1	**8**	**3.00**
Total	***114***	***97***	***56***	***267***	***100***

Source: National Bank of Rwanda

MARKET CONDUCT AND CONSUMER PROTECTION

CONSUMER PROTECTION TECHNOLOGICAL TOOLS

Web comparator (Gereranya)

On 29th March, 2022, the Bank launched the Web Comparator and its associated mobile App. This was developed in response to article 19 of the law no. 017/2021 of 03/03/2021 relating to financial service consumer protection. It enables financial service consumers to compare different annual interest rates and other financial service charges on a single platform.

Gereranya aims at ensuring transparency and fair pricing of the financial products and services within the financial sector, bank (credit, account, card and e-banking), pension and insurance products. It can be accessed through the web portal www.gereranya.bnr.rw and mobile app on google play store and app store. Currently, all commercial banks are on-boarded and over 7,000 clients have downloaded the app.

Complaints handling chatbot(Intumwa)

To advance financial service consumer protection and ensure an effective and transparent complaints handling process, an artificial intelligence enabled chatbot dubbed Intumwa was developed. This system facilitates financial service consumers and NBR customers to file complaints and suggestions using digital channels. The chatbot can be accessible via Twitter, web portal, Facebook, WhatsApp, SMS, VoiceCall, etc.

Consumer satisfaction survey

The National Bank of Rwanda conducted a pilot survey that targeted both financial service providers and financial service consumers to understand how far FSPs are implementing consumer protection law and to understand satisfaction levels of consumers about the products and services offered by these financial service providers.

NBR involved consumers in the strategic policies that were being worked on by gathering their views through the survey. The survey received 2,565 respondents across the country on the side of consumers and 261 respondents from Financial Service Providers and was divided into 4 main categories namely:

a) Survey targeting FSPs on implementation progress of the Law No 017/2021
b) Survey targeting consumers of Banks/MFIs/SACCOs products and services
c) Survey targeting consumers of Digital Financial Services (DFS)
d) Survey targeting consumers of Pension funds and Insurance services.

Key results of the survey

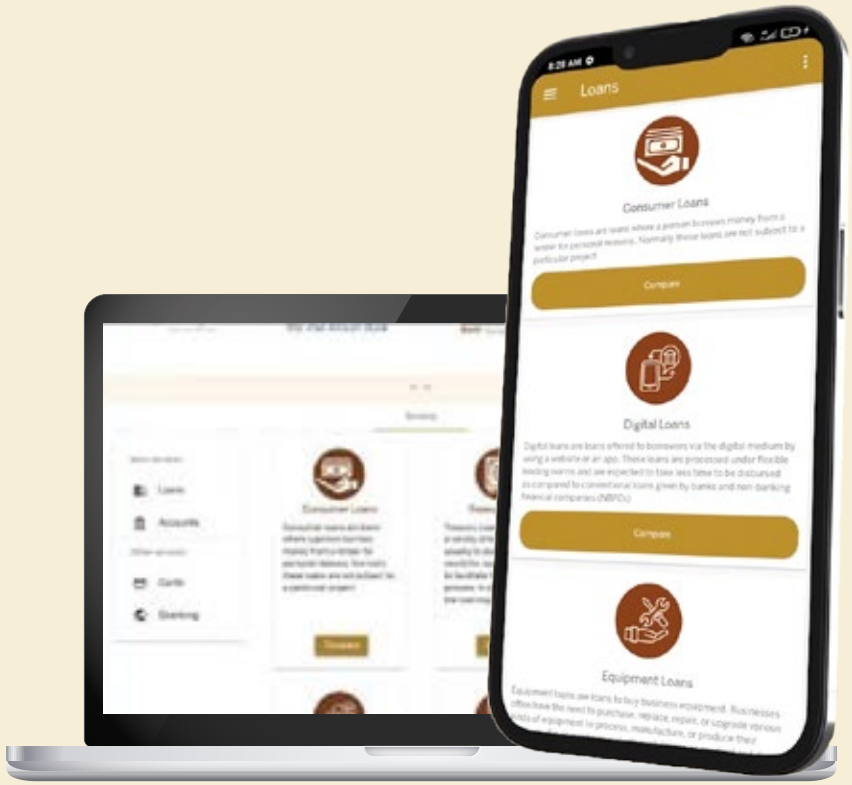
Generally, the level of satisfaction across various sub-sectors was different. However, insurance products were less satisfying. In addition, as the awareness campaign goes further, the levels of satisfaction may go down as consumers become aware of their rights.

On awareness of their rights, findings indicated that 36.2percent of the respondents from Banks, MFIs & SACCOs, 25percent from Insurance & Pension and 27percent specifically for DFS agreed to know their rights and obligations against 85.82percent claimed by FSPs themselves.

On the confidence and trust, findings indicated that 72.21percent of respondents from Banks, MFIs & SACCOs, 65.3 percent of respondents for DFS and 49.24percent from Insurance & Pension have confidence and trust in their FSPs against 98.8percent claimed by FSPs themselves.

On whether FSPs are transparent, findings indicated that 65.3percent of respondents from Banks, MFIs & SACCOs, 51.9percent of respondents from DFS and 42.5percent from Insurance & Pension are transparent in their dealings with their consumers compared to 99.2percent for FSPs themselves.

MARKET CONDUCT AND CONSUMER PROTECTION



www. gereranya.bnr.rw

On whether FSPs treat fairly their consumers, findings indicated that 62.8percent of respondents from Banks, MFIs & SACCOs, 56.0percent of respondents for DFS and 40.6percent from Insurance & Pension treat them fairly and honestly against 98.84percent claimed by FSPs themselves.

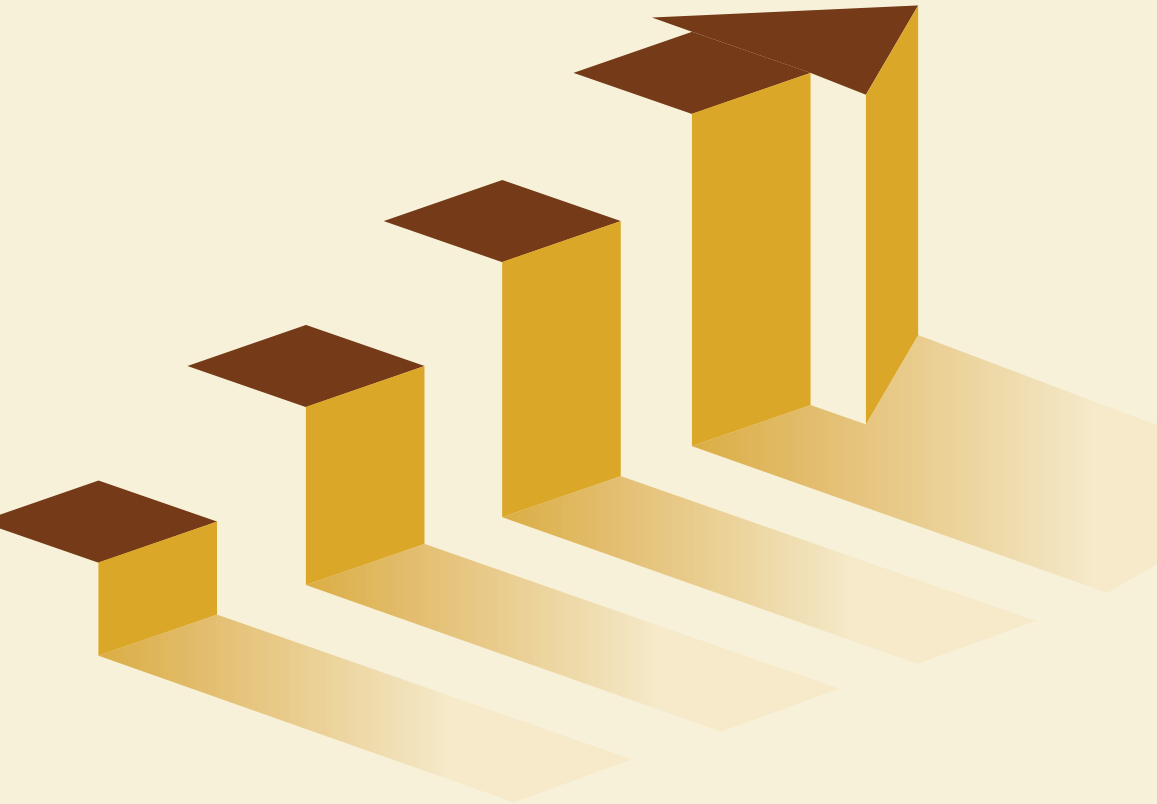
Regarding complaints handling process, findings indicated that 35.71percent of respondents from Banks, MFIs & SACCOs, 47.7percent of respondents from DFS and 26.53percent from Insurance & Pension confessed to be satisfied with complaints handling process and procedures of their FSPs against 95.40percent confessed by FSPs themselves.

On whether consumers are accompanied in using services, 17.5percent of banks/MFIs'consumers confirmed yes compared to 15percent specifically for DFS, 9.5percent for insurers.

In relation to Fraud, 17percent of banks/MFIs'consumers confirmed that they have faced fraud compared to 18percent specifically for DFS, 8.7percent for insurers, 7.2percent for pension funds whereas 17.7 percent of FSPs' representatives confirmed that they still have loopholes to fraud.

In relation to corruption, 5.7 percent of banks/MFIs' consumers confirmed that they were requested bribes compared to 4.2 percent specifically for DFS, 3.2percent for insurers, 2.1 percent for pension funds whereas 20.2 percent of FSPs' representatives confirmed that they still have loopholes to corruption;

In relation to data privacy, the range of probability for violating data privacy for consumers was ranging between 2.5 percent to 2.7 percent for all sub-sectors surveyed and confirmed by FSPs themselves.



LOOKING FORWARD

To attract more investors in NDFIs sub-sector, much efforts will be invested in establishing appropriate and conducive regulatory frameworks such as directives for new products and finalization of Trust and Company Service Providers (TCSPs) regulation. Proper collaboration with Rwanda Finance Ltd to ensure that investors are well guided and properly treated. Increase supervisory capacity of staff to cope with new changes globally and improve skills to match the market needs.

To enhance transparency and fair pricing of all products and services provided by all the Financial Service Providers, NBR is working to extend the web comparator. This extension will cover all subsectors of the financial sector and different stakeholders (consumers and providers of financial services).



05 CURRENCY MANAGEMENT AND BANKING SERVICES


The Bank is mandated to issue currency on behalf of the Government of Rwanda, thus it designs and prints banknotes and coins. It protects the banknotes' integrity and continuously reviews and improves their security features while effectively managing the cash cycle to meet public demand.

CURRENCY MANAGEMENT

Since the adoption of the currency management automation, several tools were upgraded including; High-speed machines BPS, Banknotes Destruction System (BDS) and the Vault Management System (VMS). This resulted in timely service to clients, accuracy in tracking of cash movements within the cash area (Processing room, Receiving and Dispatch room, destruction room, manual vault and automated vault), enhanced cash security, and improved bank notes storage conditions, system interface integration with payment system (RIPPS), and core-banking (T-24).

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

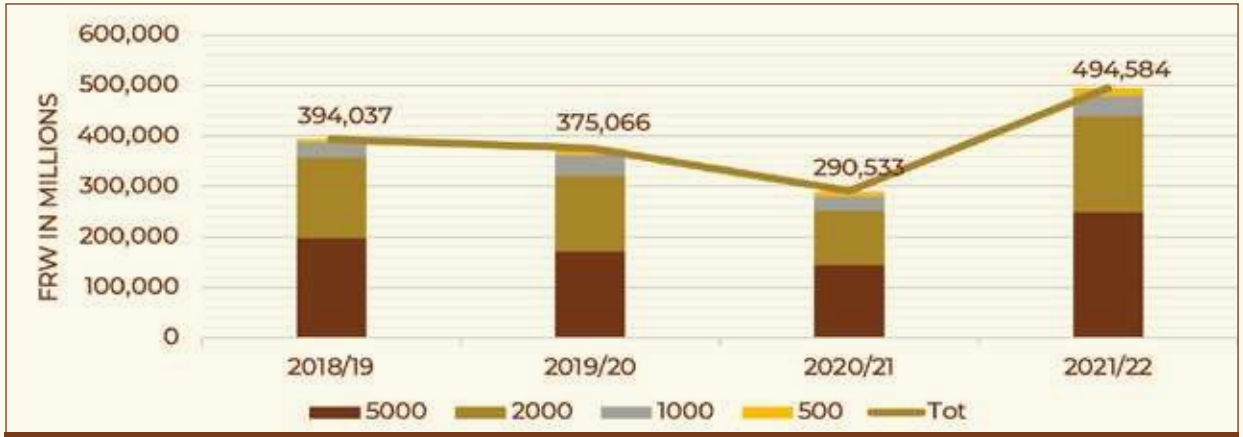
Banknotes: 5000 Frw, 2000 Frw, 1000 Frw and 500 Frw

During FY 2021/22, the Bank continued to use automated vault in managing movement of cash. Vault Management System (VMS) was integrated with other existing cash infrastructure such as Banknotes Processing System (BPS) and Banknotes Destruction System (BDS). The current vault capacity increased to 300 percent thus, cash is kept in a safe and secure modern storage conditions, Banknotes quality is fit for re-circulation with inventory of cash across the Bank in real-time.

TRENDS IN CASH CYCLE MANAGEMENT

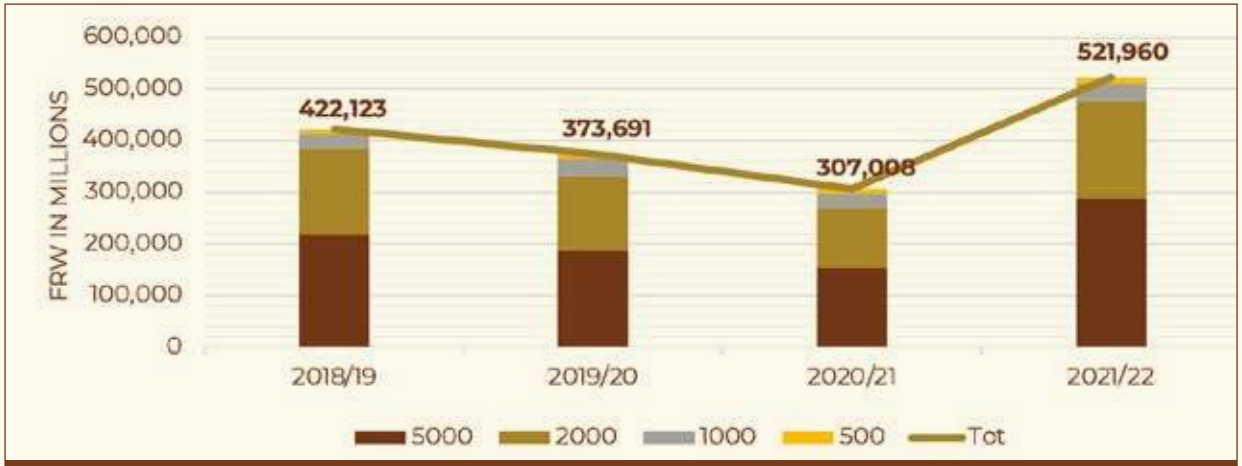
The charts below show the trend in deposits and withdrawals for the previous four years:

Chart 35: Deposit of Banknotes



Source: National Bank of Rwanda

Chart 36: Withdrawals of Banknotes



Source: National Bank of Rwanda

During FY 2021/22, total cash deposits of banknotes increased to

70.23%

AND STOOD AT

FRW494.58bn

FROM

FRW290.53bn

IN 2020



During FY 2021/22, total cash deposits of banknotes increased to Frw 494.58 billion from Frw 290.53 billion (70.23percent) of the previous financial year, and the total cash withdrawals increased to Frw 521.96 billion from Frw 307.01 billion(70.02percent) of the previous financial year. The increase in both Cash deposits and withdrawals was attributed to significant rise in cash movements observed along this period under review and it was linked with restoration of economic activities after pressure of the Covid-19 pandemic.

VALUE OF CURRENCY IN CIRCULATION

The Bank continued to achieve its core mandate of issuing legal tender in the appropriate denomination mix. The value of Currency in Circulation (CIC) grew by 18.84percent to Frw 352.57 billion in 2021/22 from Frw 296.68 billion in 2020/21.

Table 10: Value of Currency in Circulation

Year End	Bank notes (Frw)	Coins (Frw)	Total	Growth (percent)
2020/21	288,631,997,500	8,051,669,315	296,683,666,815	
2021/22	345,789,229,000	6,783,974,095	352,573,203,095	18.84percent

Source: National Bank of Rwanda

CURRENCY PROCESSING

The quantity of bank notes processed increased by 79.53percent to 223.67 million of bank notes in 2021/22 from 124.58 million of bank notes processed during the FY 2020/21.

Table 11: Impact of currency processing

Financial Year	Quantity of Bank notes processed	Growthpercent	Value of Re-issue output	Growthpercent
2020/21	124,581,306		106,651,319	
2021/22	223,666,551	79.53percent	187,576,355	75.88percent

Source: National Bank of Rwanda

This growth was attributed to normal working hours post Covid-19 restrictions, increased number of processing hours and outsourced cash processing services that reduced backlogs leading to the increase of 75.88percent in re-issuance of bank notes.

BANKING OPERATIONS

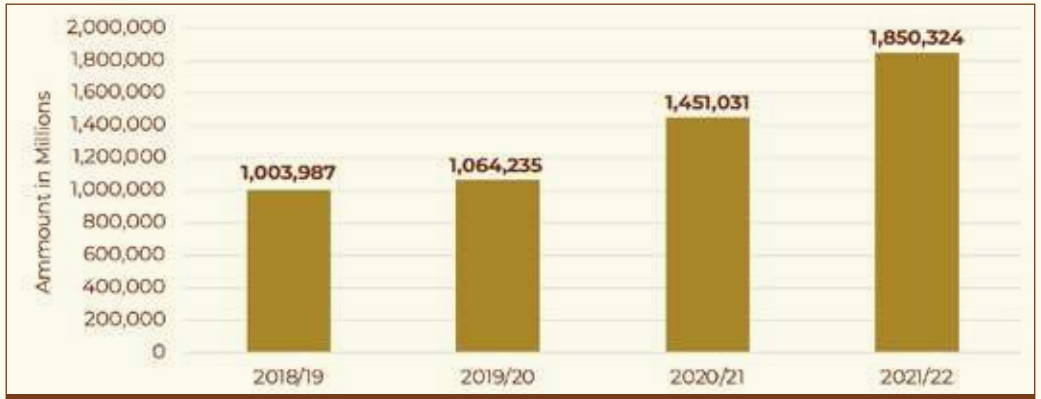
AUTOMATION OF BANKING OPERATIONS

The implementation of Internet Banking system enabled the Bank to extend convenient and secured on-line banking self-services to its corporate customers; the system provides a user-friendly tool for generating quality reports. Internet banking eliminated physical payment orders, queuing in banks as chief budget managers do all payments remotely.

T24 Core Banking System, Internet Banking, Cheque clearing, and the Vault Automation Systems' implementation greatly affected the decentralized services in all NBR five branches. Commercial banks and public institutions were facilitated to easily access NBR services. The improved efficiency was achieved under reduced manual data entry, Real Time Monitoring, cash movement and integration with other systems including financial reporting system.

The total volume of internet banking transactions grew by 27.5 percent to 1,850 billion in 2021/22 from 1,451 billion of previous year. This growth was mainly driven by the Government's program to achieve a cashless economy.

Chart 37: Volume of transactions with Internet Banking



Source: National Bank of Rwanda

The daily average payments rose up to Frw 8.4 billion during FY 2021/22 from Frw 6.6 billion of FY 2020/21. The increase was attributed to the system's performance which operates 16 hours a day i.e. 7AM to 11PM as well as the Government increase of the budget and its execution.

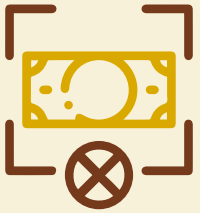
The banking operations services were mostly offered online having all payments transacted via the Internet Banking and the Integrated Financial Management Information System (IFMIS) systems.

The Bank maintained counterfeiting rates as low as 0.00001percent per denomination. This is attributed to the cutting edge security features of the banknotes and collaboration with the law enforcement counterparts.



The total volume of **internet banking transactions** increased by

27.5%↑
FRW 1,850BN
FROM
FRW 1,451BN



The Bank maintained **counterfeiting rates** as low as

0.00001%
PER DENOMINATION
END JUNE 2022



06 RESERVES MANAGEMENT

RESERVES MANAGEMENT

INTRODUCTION

The National Bank of Rwanda has the responsibility to hold and manage official foreign exchange reserves. In this regard, the Bank established a Reserve Management Framework to effectively and efficiently manage reserves. In managing official reserves, the National Bank of Rwanda aims to maintain an adequate level of reserves that covers a benchmark of four (4) months of imports. However, the NBR set up a medium-term target of achieving at least 4.5 months of import cover to strengthen resilience to external shocks, while optimizing returns on investments of at least 20 basis points annually above the benchmark.

GOVERNANCE FRAMEWORK

- The Board of Directors approves the Strategic Asset Allocation (SAA) which sets the Bank's reserves objectives and clarifies its risk appetite evolution for the adequacy of reserves to cover country needs and mitigate shocks. The investment policy derived from SAA establishes procedures of delegation of authority along the hierarchical structure for implementation of policy; and a system of checks and controls to ensure compliance.

- Reserves management Committee (RMC) oversees the day-to-day management of reserves through the Financial Markets department which is divided into Front, Middle and Back-Offices in charge of investing reserves under different portfolios and managing the risks associated to foreign reserves.

PERFORMANCE OF NATIONAL RESERVES DURING FY 2021/22

The second half of the FY 2021/22 was characterized by increased volatility in yields triggered by inflation pressures, persistent international trade bottlenecks and the Russia invasion of Ukraine; which pushed the US Federal Reserve Bank to be aggressive on rate hikes to contain inflation pressures. The above factors had a negative impact on yields as markets were anticipating the US Federal Reserves Bank to hike interest rates.

Eventually, the Federal Open Market Committee (FOMC) conducted three rate hikes during the second half of the FY bringing the benchmark rate in the range of 1.50-1.75 percent from 0-0.25 percent recorded at the beginning of the FY. Following the US Federal Reserves Bank monetary policy tightening stance, yields on US treasuries rose significantly and prices fell which caused bond portfolios to report much lower market value. On the other hand, consecutive rates hikes helped to improve return on money markets, particularly on fixed term deposits. Despite the volatilities experienced on the international market, NBR achieved the relative return of 13.1 basis points above the benchmark but below the target of 20 basis points.

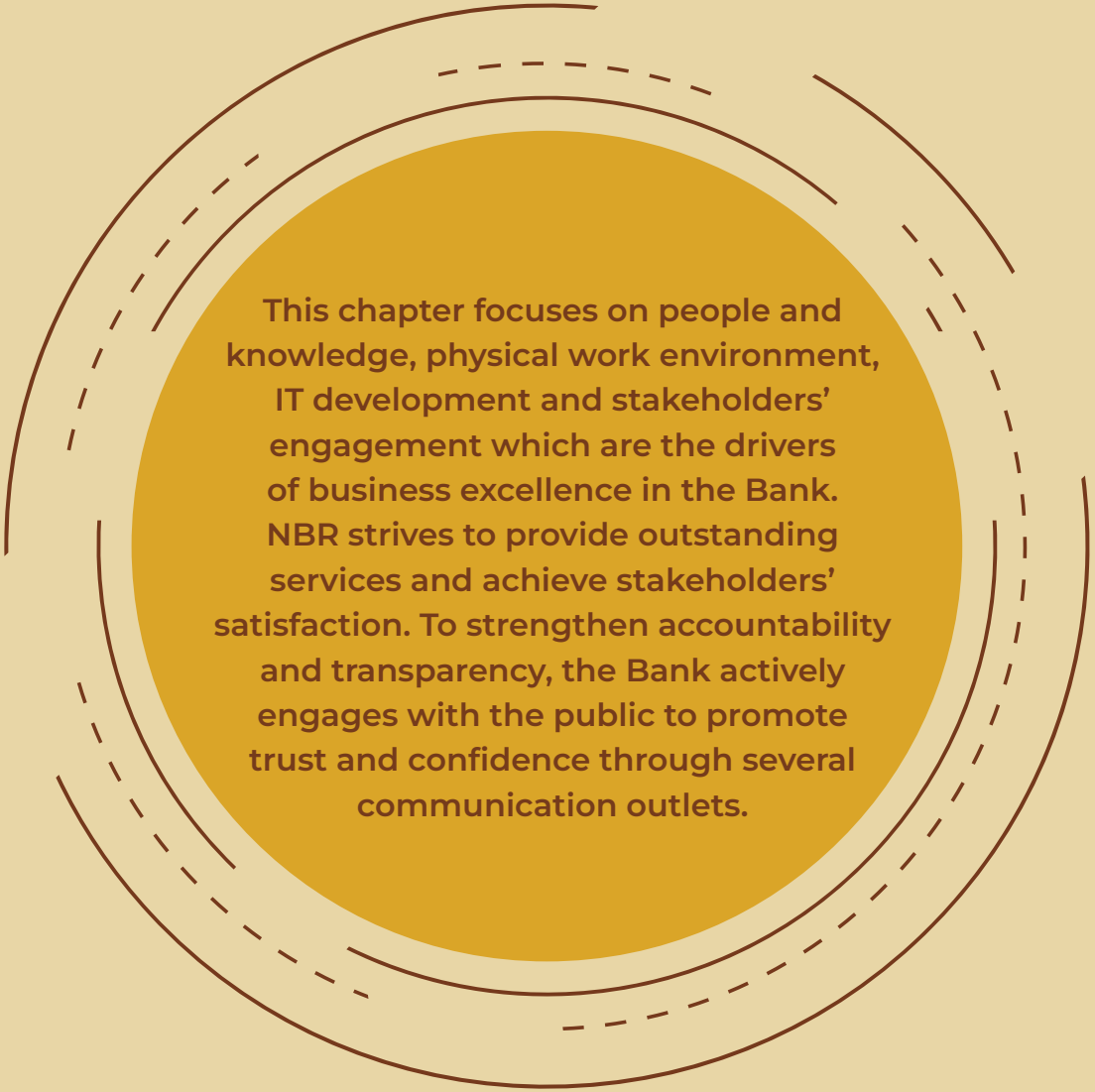
During the FY 2021-2022, NBR continued to hold adequate reserves for resilience to external shocks. As of end June 2022, the level of Bank's foreign exchange reserves stands at USD 1,927 million from USD 1,592 million recorded end June 2021, covering 4.8 months of prospective imports. The overall increase in the level of reserves resulted from the Eurobond proceeds and Special Drawing Rights (SDR) general allocation from IMF.

WAY FORWARD

In a bid to improve portfolios return and enhance diversification of assets, the Board of Directors approved a new SAA which includes Alternative Asset Classes in March 2022. The new SAA is being implemented gradually by the Bank's portfolio managers (internal and external funds managers), starting with the upcoming Financial Year (2022/2023). In order to improve efficiency in reserves management, the Board approved a new IT infrastructure to fully automate the reserves management function.

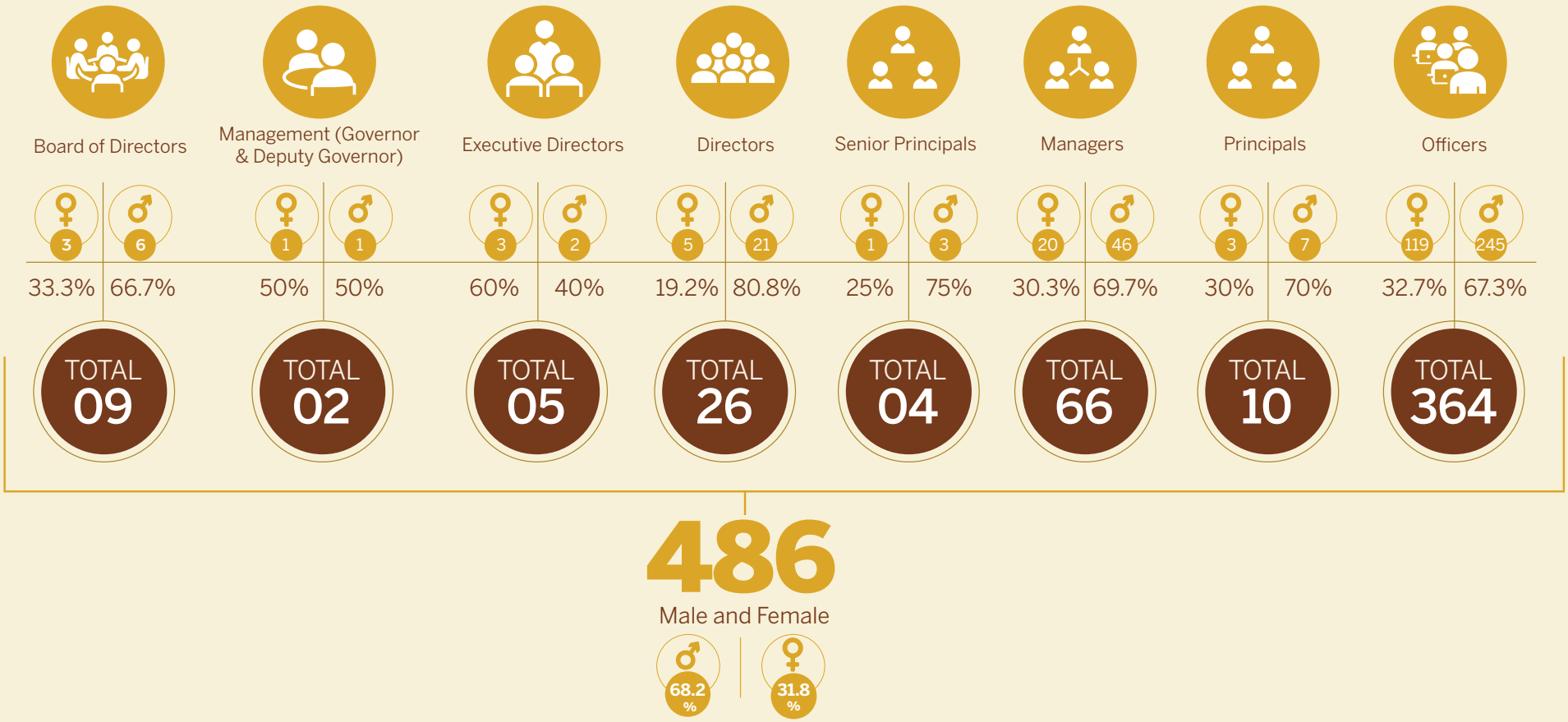


07 BUSINESS EXCELLENCE


This chapter focuses on people and knowledge, physical work environment, IT development and stakeholders' engagement which are the drivers of business excellence in the Bank. NBR strives to provide outstanding services and achieve stakeholders' satisfaction. To strengthen accountability and transparency, the Bank actively engages with the public to promote trust and confidence through several communication outlets.

The National Bank of Rwanda being a knowledge based institution strives to have a skilled and motivated workforce characterized by a culture of excellence to deliver on its mission and achieve its vision of becoming a world class central bank.

Decision Making Positions at NBR



Leadership Development

Leadership and skills development is at the core of the Bank's strategy and hence several trainings were conducted on leadership, including:

- ***Lead like a coach:*** Coaching approach facilitates productivity by allowing the person to bring their best and maximizing their potential hence the reason why the Bank trained all staff holding managerial positions to lead like coaches;
- ***Communication training:*** This training targeted senior leadership team, all middle managers and all staff that work directly with both internal and external stakeholders to enhance their communication and media presence. This training improved their communication capabilities.

Organizational Culture Enhancement

- An awareness was conducted across the Bank focusing on how to live its core values such as; culture of excellence, accountability, integrity, mutual respect and teamwork. This awareness aimed at improving service delivery and the Bank's overall performance.



NBR Management attend training on effective communication



NBR staff attend 'Lead like a coach' training

Implementation of the Capacity Building Plan

The capacity building plan was implemented at 80 percent from 73.4 percent realized in the previous financial year. The learning goals were integrated into staff KPIs in alignment with the overall performance strategy.

NBR continued to train its staff in professional courses. The Bank has 104 staff certified in different areas while 86 staff are currently pursuing professional certifications in line with the 3 years' capacity development plan.

- ***Knowledge Resource Center:*** To continue building on central banking skills as required by international best practices, NBR launched the Knowledge Resources Centre which integrates between the library and the E-Learning Platform. Now, staff have virtual access to books and E-Learning platform.
- ***Promote Maternal and Child health:*** In line with the gender mainstreaming strategy, NBR recognizes how vulnerable female employees can be when resuming work after maternity leave. In this regard, a lactation room for mothers was launched on 08 March 2022.
- ***Promote Mental Health and Wellness:*** The Bank promoted mental health and wellness by setting up a room dedicated to Psychological consultations and continuous knowledge sharing to level up mental health awareness.

As a result of the above initiatives, the Bank's performance improved from 92.8percent in 2020/21 to 93.3 percent in 2021/22. The increase in performance was also driven by improved accountability, strengthening a result based evaluation and aligning staff KPIs, performance management to the overall strategy of the Bank.



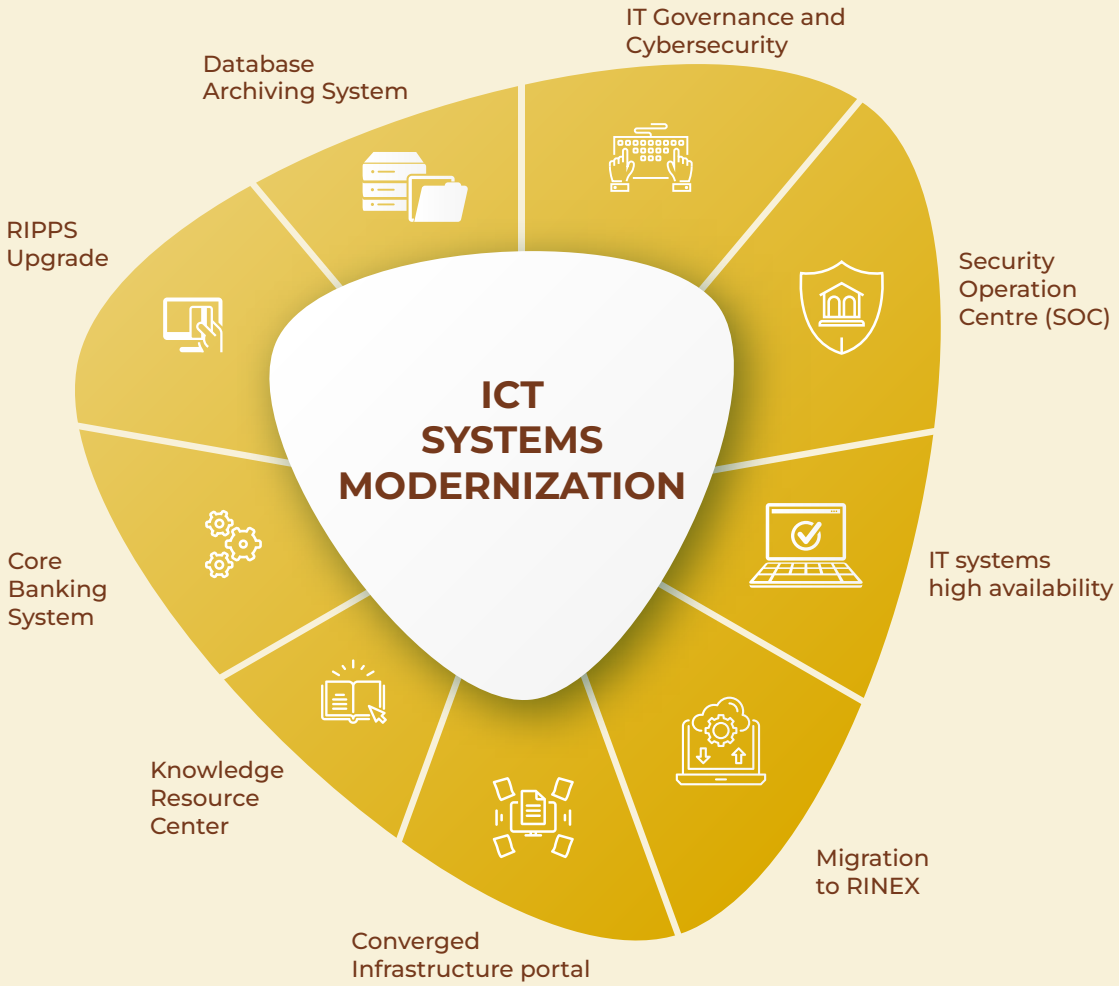
NBR's lactation room



NBR launches lactation room

ICT DEVELOPMENT

In the current global environment, where technology is changing rapidly and impacts everyday life, it remains a critical factor in the digital transformation journey of the Bank. In this regard, the National Bank of Rwanda continued to upgrade and integrate systems aimed at improving customer services. Notably projects and initiatives undertaken in FY 2021/22 focused on business automation, systems high availability, IT Governance and cybersecurity.



ICT DEVELOPMENT

Business Process Automation

Automation embarked on the following key projects: Upgrade of the core banking system and Rwanda Integrated Payment Processing System (RIPPS), implementation of Data Archiving System, Library Management System and E-learning platform.

- ***Core banking system:*** The upgraded version of core banking system that went live in April 2022 uses better technology and more user-friendly features. This has strengthened the system's security and met clients' expectations including 24 hours /7days a week online banking transactions.

- ***RIPPS:*** The system upgrade enabled compliance with the new international payment standards (ISO 20022 Swift standards) and strengthened security by introducing digital signature and web services into the system. The upgraded system is currently working 24 hours /7days a week for interbank payments across the Rwanda banking sector. The Upgrade has also facilitated transactions between Microfinance Institutions and banks as direct participants in settlements.

- ***Database Archiving System:*** This is a Centralized Database Archiving Solution that has been implemented to boost the bank's Business systems performance through proper data Information Life Cycle Management (ILM). The system freed storage and memory resources on production system servers by automatically transferring old data to archives based on data archiving policy which boosted the performance of the Bank's systems

- ***Knowledge Resource Centre:*** The National Bank of Rwanda being a Knowledge-Based Institution is committed to having a motivated and competent workforce to serve its mission. It is in this perspective that the Bank implemented an e-learning platform through Library management system to facilitate a holistic approach to self-paced learning that will foster the digital transformation required to link learning to overall organizational performance. For easy access to the Bank's library, an application was developed for internal staff while the catalogue is open to the public.

IT systems high availability

Based on IT systems high availability, the Bank improved its performance due to the implementation of the remote work policy enabling flexible working hours.

Migration to RINEX

In the FY 2021/22, the Bank joined Rwanda Internet Exchange Point (RINEX) network and this new connectivity has provided new high performing channel for accessing applications and data hosted in the country. In this perspective, applications such as Internet Banking and connectivity of NBR staff working from home have been migrated to RINEX from public internet via VPNs. This migration from public internet to RINEX, enabled direct access to local content without going through other external channels. The fact that network traffics are locally managed within the country has also reduced security risks associated with the public internet.

ICT DEVELOPMENT



ICT DEVELOPMENT

Converged Infrastructure

Modern converged infrastructure (servers) saves data centre space, power, and provides more flexibility in environment management especially by using virtualization technology and planning for future IT system scalability. This new implemented IT infrastructure has been configured in redundancy to ensure high availability and clustered for the load balancing mechanism to achieve performance and resilience of IT systems.



IT Governance and Cybersecurity

In order to make the Bank resilient to cyber-attacks; different initiatives were conducted in the area of cybersecurity both in IT Governance perspective and in security incidents monitoring and response.

IT Governance

The Bank continued to effectively manage IT risks and ensured that the activities associated with Information and Technology were aligned with overall set business objectives. In this regard, NBR maintained the ISO 27001 Information Security Management System - ISMS Certification Standard. This progress continues to increase the level of confidence stakeholders have in the Bank in particular and in the entire Rwandan Financial sector that has now improved service delivery and cybersecurity.

Furthermore, the Bank successfully conducted two planned IT continuity and systems recovery tests.

Security Operation Centre (SOC)

The Bank conducted regular annual internal and external vulnerability assessment (VA) and penetration testing (Pen test) to assess the level of exposure for its critical services to potential cyberattacks. As a result, all critical services passed the tests and few identified system weaknesses were rectified timely. In addition, SOC infrastructure tools in place have helped to stop threat mails, network and malware attacks before reaching NBR environment. Above 98percent of endpoints were hardened by introducing security tools preventing data loss. NBR also continuously conducted cybersecurity awareness campaigns for staff in order to prevent attacks.

ICT DEVELOPMENT



Looking ahead

- The National Bank of Rwanda will develop a digital transformation strategy that will guide the Bank in embracing emerging technology towards achieving a world class central bank.
- The Bank will finalize the implementation of ongoing projects such as Complaints Management and Customer Engagement System, e-procurement system, e-correspondence, automation of Deposit Guaranty Fund Processes, and Automation of Reserves Management
- In order to secure the cyber space for financial institutions, the Bank will implement a Financial SOC (Security Operation Center) for financial institutions.
- The Bank will continue to upgrade and maintain existing IT infrastructure and systems to respond to the business needs;

Table 12: Achievements of IT Key Performance Indicators (At glance)

Period / Indicator	Status June 2022	Target FY 2021/22
percent of incidents and services request resolved within the SLA	95.1percent	95percent
Level of IT services customer satisfaction	93.1percent	93percent
percent of IT systems availability	99.7percent	99.9percent

Source: National Bank of Rwanda

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

With the world economy facing pressures from different shocks including the Russia-Ukraine war and the COVID-19 pandemic, the Bank's communication efforts remained focused on explaining to its different stakeholders, the measures put in place to foster economic recovery. In addition, the Bank continued to expand and deepen its outreach, on different topics especially those that spoke to the Bank's mandate. The Bank also continued its efforts to improve relationships and enhance collaboration with Rwandan citizens.



COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Improving understanding of what the Bank does

For the past years, the Bank has improved how it communicates so that it can help Rwandans understand what it does. This initiative guided its communications more than ever in the year under review.

The Bank remained committed to communicating in easy-to-understand, relatable language, using a range of channels which included speeches, media interviews, press conferences, press releases, web content, social media, stake holder consultations, TV and Radio Talk shows, and student engagements.

Explainer Videos

In the year 2021/22, the Bank published 17 new explainers that translate complex ideas into everyday language—on several topics, including: monetary policy, inflation, consumer protection, bonds and many more.



Governor presents MPFSS, March 2022

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Expanding consultations and engagement activities with key stakeholders

To further its understanding of how its policies affect specific groups of Rwandans, the Bank continued to expand its targeted engagement activities. For example, it held round-table meetings with:

- Briefings to Parliament. In November 2021, the Governor presented the Bank's 2020/2021 annual activity report to both Chambers of Parliament. This report assessed the Bank's performance in 2020/2021, highlighted the related impact with regard to its mission of ensuring price stability and a sound financial. System.
- On a quarterly basis, the Chief Economist met with bank treasurers, economic cluster and taskforce market analysis to discuss the Monetary Policy outcomes.
- The Bank meets with regulated Institutions CEOs and MDs to discuss on the Monetary Policy Committee Decisions

Engagement with Students

Supporting students is a key part of the Bank's stakeholder engagement. A dedicated team coordinates the efforts of staff across the Bank to deliver a public education program. The main focus of the program is economics education at high school and university level. In response to COVID-19, additional resources were developed to explain the Bank's role in supporting the economy during the pandemic.

National Bank of Rwanda's commitment to economics and financial education is motivated by the importance of economic literacy in the community.

NBR Secondary School Quiz Challenge

This year's challenge was conducted virtually through zoom due to the COVID-19 pandemic. From September to February, 35 schools from across the country participated in the annual challenge program that seeks to educate students on financial and monetary policy concepts, the mandate of the National Bank of Rwanda, and many more. College du Christ Roi (Nyanza) representing the southern province emerged as the winner and champion of this year's challenge.



Students from Christ-Roi participate in the NBR School Quiz Challenge

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

NBR Monetary Policy Challenge

For the 3rd year running, the Monetary Policy Challenge is designed to bring real-world macroeconomics concepts into the classroom and assess monetary developments. The challenge gives third year, fourth year, and recent undergraduates with economics background, an exciting opportunity to look into some of the factors that the National Bank of Rwanda considers when setting the central bank rate. This year, 16 university students were given different scenarios to analyze and set the next CBR assuming they are the National Bank's Monetary Policy Committee. The best participants were selected for the young Economist program upon graduation.



University students participate in the NBR Monetary Policy Challenge

Engagement with the media

Financial and economics journalism is critical for a healthy economy, holding decision makers to account and keeping the public informed. In a bid to increase journalists' knowledge and understanding about the Bank's mandate, quarterly trainings on Monetary Policy and Financial Stability were organized to ensure that the message delivered to the public, by the media is not misinterpreted thus miscommunicated. Thirty five journalists attended the trainings.



Chief Economist of NBR speaks at the Monetary Policy Communication Training for the media.



Minister of Education Dr. Valentine Uwamariya and the NBR Deputy Governor Soraya M Hakuziyaremye with participants of the 2021/22 NBR Schools Quiz Challenge



Governor Rwangombwa John and Deputy Govenor Soraya M. Hakuziyaremye with participants of the 2021/22 NBR Monetary Policy Challenge

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Social Media updates

The National Bank of Rwanda (NBR) gained 18,312 mentions during the 2021-2022 in 128 countries with the top three countries being: Rwanda (7,814 mentions), the United States (1,326 mentions) and Kenya (333 mentions).

The top publication mentioning the bank during the year was IGIHE with 79 mentions, followed by The New Times Rwanda with 48 mentions.

Social Media coverage continued to mostly emanate from Twitter and the bank's own Twitter account was one of the top 5 influencers driving mentions (165 posts).

Trending topics during the year included the conclusion of the International Monetary Fund (IMF) visit to Rwanda, increasing global prices, rising inflation in Rwanda and the Bank's repo rate decisions.

In August 2021, we joined Twitter Spaces where we engaged with the public on different topical issues. Thirteen Twitter spaces were conducted and these generated 9.2m impressions with a reach of 1.2m and 559 mentions:

Twitter
followers exceeded
92,000
(73.400 in June 2021)

Facebook
followers exceeded
4200
(2800 in June 2021)

Instagram
followers exceeded
4100
(2200 in June 2021)

Youtube
Subscribers
increased to
733
(423 in June 2021)

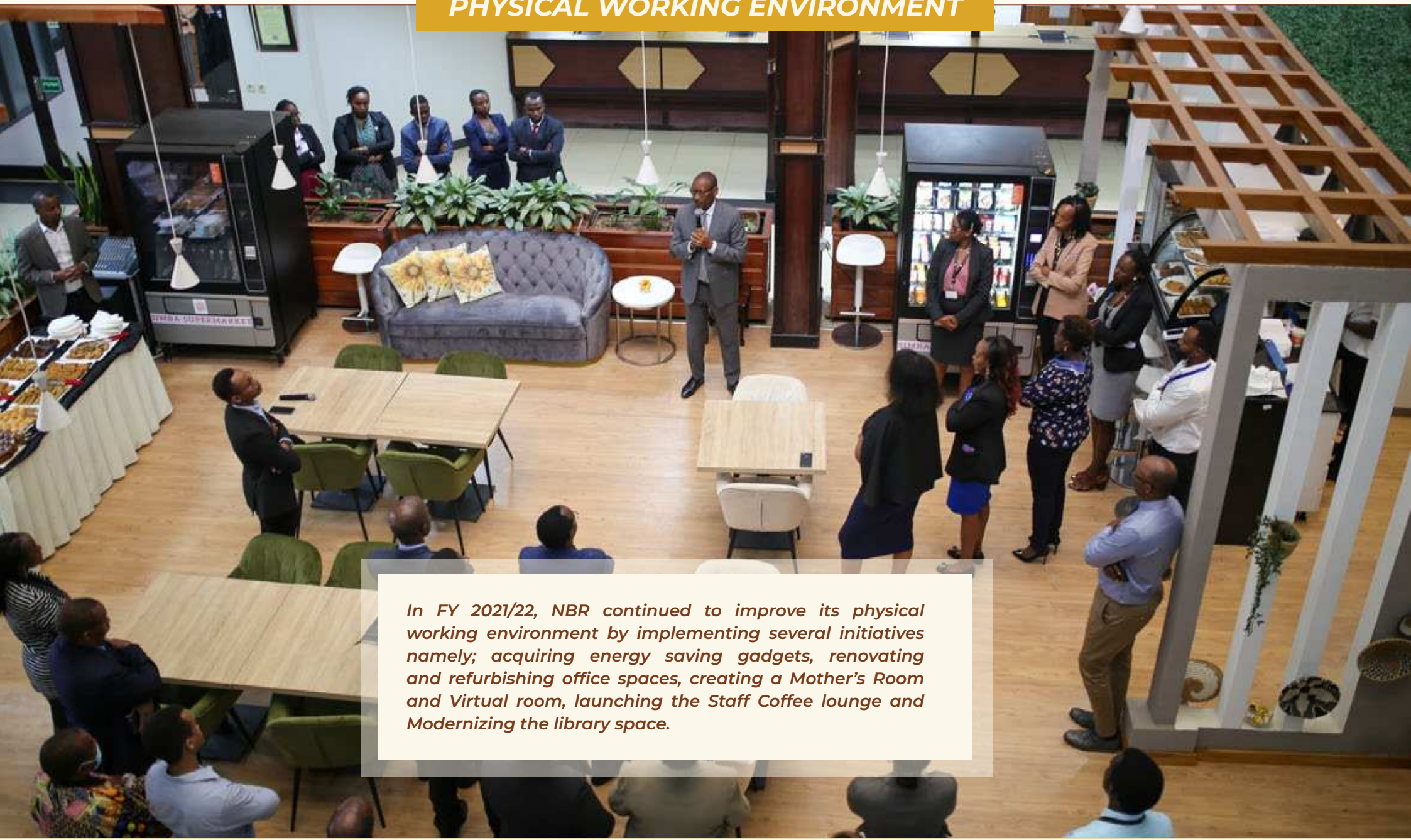
Media:

- Different Management committee members responded to 76 media inquiries covering different areas of the Bank such as Currency, Monetary Policy, Financial Stability, Digital currency usage in Rwanda progress of a cashless economy and many more.
- Different Management committee members appeared on 15 TV and Radio Talk shows to explain to the public what the bank does and different monetary policy decisions.

Looking forward

- Continue to broaden engagement and enhance the general public's accessibility to the NBR. This will include improved quality and relevance of the material that the NBR communicates.
- Continue to explore alternative platforms that will enable the NBR to effectively implement its stakeholder engagement agenda, addressing the need for new content and different channels of engagement.
- Raise public awareness about the Bank's emerging areas of responsibility
- continue to increase its accountability and relevance through clear, accessible communications
- engage directly with a broader set of stakeholders to better understand their diverse points of view.

PHYSICAL WORKING ENVIRONMENT



In FY 2021/22, NBR continued to improve its physical working environment by implementing several initiatives namely; acquiring energy saving gadgets, renovating and refurbishing office spaces, creating a Mother's Room and Virtual room, launching the Staff Coffee lounge and Modernizing the library space.



08 EXTERNAL RELATIONS AND PARTNERSHIPS

EXTERNAL RELATIONS AND PARTNERSHIPS

During the FY 2021/22, the National Bank of Rwanda continued to implement its partnership engagement activities with various external partners, including the following institutions:

(1) International Monetary Fund and World Bank

In collaboration with MINECOFIN and IMF, the NBR played a key role in the successful conclusion of two IMF missions that reviewed Rwanda's macroeconomic framework.

In the area of Forecasting and Policy Analysis (FPAS), the focus was on introducing new short-term models and improving disaggregated inflation analysis. The collaboration has also developed new tools for analyzing transmission mechanisms in Rwanda.

(2) The Association of African Central Banks (AACB):

The National Bank of Rwanda is an active member of the Association of African Central Banks (AACB). The Assembly of Governors was chaired by Mr. RWANGOMBWA John, Governor National Bank of Rwanda, for two years ending August 2021. In FY 2021/22, NBR continued to actively participate in the activities of the AACB despite the constraints caused by the COVID-19 pandemic. Rwanda also made good progress in meeting the convergence criteria listed in the African Monetary Cooperation Program (AMCP), established by the AACB.

(3) EAC Monetary Affairs Committee (MAC)

On 4th March 2022, the NBR attended the 25th ordinary meeting of The Monetary Affairs Committee (MAC) of the East African Community (EAC). This meeting was held virtually due to Covid-19 restrictions. The meeting reviewed progress on implementation of the previous decisions of the 24th MAC meeting held virtually on 23rd October 2020, and addressed directives made by the EAC Sectoral Council on Finance and Economic Affairs (SCFEA). The meeting focused on priority areas towards operationalization of the East African Monetary Union (EAMU) Protocol and discussed other current issues notably recent global developments and their potential impact on EAC economies.

The 25th ordinary meeting approved the proposed structure that captures all EAMI needs, and recommended it to the SCFEA for consideration. The meeting also recommended to SCFEA that the structure be kept lean, and populated gradually, with its work being supported by the relevant EAC Committees and sub-committees.

The meeting also noted ongoing progress in attaining macroeconomic convergence criteria and recommended Partner States to continue tracking the progress in achievements of those criteria.

(4) Alliance for Financial Inclusion (AFI)

AFI's objective is to work with financial regulators to advance financial inclusion. In addition to providing a great learning platform on structured topics of financial inclusion, AFI has partnered with the National Bank of Rwanda to bring forth projects such as the:

EXTERNAL RELATIONS AND PARTNERSHIPS

Big Data Analytics and a Diagnostic study for Forcibly Displaced People (FDP) Financial Inclusion.

- The Data analytics project had two core objectives which entailed using supply side financial inclusion data to track inclusion levels as well as build data analytics capacity at the Central Bank and at the industry level. The National Bank collects supply side granular data through its electronic data warehouse; enhancing the use of this data through data analytics has the potential to drive innovation, boost automation and enable an evidence-based formulation for strategic and policy actions.
- In partnership with AFI, NBR implemented two interventions to support the financial inclusion of refugees and their host communities: 1) A diagnostic study on the financial inclusion of refugees was conducted with the aim of measuring the baseline, as well as, identifying specific financial inclusion barriers facing refugees and their host communities. The findings of this study are expected to guide the design of effective interventions to improve access and usage of financial services among refugees. 2) As part of this project, the Bank also conducted a financial literacy campaign in refugee camps.

MSME financial literacy program and the Saving and Credit groups digitization strategy:

- The MSME literacy program aims at equipping the enterprises with basic skills in areas of financial services available for them, financial management, bookkeeping, and more.
- Saving and credit groups form a strong community-based channel for saving and credit activities, the purpose of the said strategy is to understand the current ongoing efforts of digitization and the challenges they address for the savings and credit groups. The strategy will provide a guide for an ecosystem-level digitization structure for better management of saving groups.



DG Soraya M. Hakuziyaremye Participants at the consultative workshop on financial inclusion of forcibly displaced persons organised by NBR, AFI and UNCDF



Participants at the consultative workshop on financial inclusion of forcibly displaced persons



Staff from Central Bank of Nigeria during a study visit at the National Bank of Rwanda

(5) Access to Finance Rwanda

AFR has partnered with the Central Bank overtime to stimulate financial sector development and financial inclusion. Low financial literacy has repeatedly been identified in different financial inclusion programs as a key barrier to financial inclusion. NBR and MINECOFIN are developing a financial education strategy under the support of AFR. The strategy will govern financial education programs implemented across the country by different players.

(6) Knowledge exchange and peer learning from other Central Banks

Leveraging on knowledge exchange and peer learning programs to improve our processes and action points has proven to bring actionable changes that steered the sector's development and financial inclusion. In this regard, staff in charge of Financial Sector Development and Inclusion, ICT and Banking supervision departments have benefited from knowledge exchanges with other regulators across the globe including:

- **The Monetary Authority of Singapore (MAS):** Since April 2021, NBR has formally engaged the Monetary Authority of Singapore (MAS) on topics like FinTech regulations; institutional organization culture, capacity building and digital transformation. The engagement with MAS included training programs. Benchmarking kicked off with MAS and opportunities of NBR staff to have attachment was agreed upon.
- **The Central Bank of Nigeria (CBN):** through a study visit conducted by the CBN to the Central Bank in Rwanda, the Bank had an opportunity to exchange on the country's financial inclusion journey and different initiatives which lead to the current inclusion level. In return, the CBN shared different initiatives related to financial inclusion and the developments that came about as a response to the pandemic requiring more CBN development finance interventions.

- **Toronto Center:** The partnership with Toronto Center continues to build and strengthen capacities of financial supervisors. The program started off with a holistic needs assessment that engaged the NBR officials and Toronto center team from January 31 to February 07, 2022; and will run over the next 3 years.

- **Riksbank:** The Human resources team engaged Riksbank in sessions that covered three prioritized areas such as Capacity development, Organizational Culture and performance management.

  In effort to strengthen NBR's capacity in the implementation of price-based monetary policy framework, it entered into a collaboration with the Swedish Central Bank (Riksbank) whose 30 years' experience in modern monetary policy is helping to strengthen NBR's price-based monetary policy. The cooperation focuses on the areas of Monetary Policy, Market Operations, Financial Stability, Policy communication and Central Bank Governance. In FY 2021/22, NBR and Riksbank continued their cooperation activities using online tools.

(7) IADI Activities

The Deposit Guarantee Fund (DGF) joined the International Association of Deposit Insurers (IADI) as its 83rd member. IADI is an association created to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation. Members of IADI conduct research and provide guidance for the benefit of those jurisdictions seeking to establish or improve a deposit insurance system. Members also share their knowledge and expertise through participation in international conferences and other forums. It provides training, educational programs and produces research as well as guidance on matters related to deposit insurance.

During this Financial Year, the DGF as the Deputy Secretary General of the African Regional Committee (ARC) participated in different events of the association that were held either virtual or physical and one of the most important resolution taken during this period under review was to establish the African Centre for Deposit Insurance (ACDI) in Abuja, Nigeria and members resolved to have a memorandum of understanding (MOU) on how this Centre will operate.

The Memorandum of Understanding will be entered into between the Deposit Insurance Agencies of Nigeria, Angola, Ghana, Kenya, Morocco, Rwanda, Senegal, South Africa, Tanzania, Uganda and Zimbabwe who are members of the International Association of Deposit Insurers ("IADI") Africa Regional Committee ("ARC"). The Centre to be established shall be hosted by the Nigeria Deposit Insurance Corporation (hereinafter referred to as "NDIC") Academy that was accredited by the Chartered Institute of Bankers of Nigeria (CIBN) and acknowledged by the IADI Secretariat as a regional Centre of Excellence for Capacity Building for Deposit Insurance. NBR management approved its participation in ACDI



09 OVERVIEW OF 2021/22 FINANCIAL POSITION AND PERFORMANCE

OVERVIEW OF 2021/22 FINANCIAL POSITION AND PERFORMANCE

FINANCIAL POSITION

The total assets were up by 23% due to increase in both foreign short-term investments securities Frw 430 Billion, IMF holdings that increased Frw 19.9 Billion and domestic financial instruments Frw 39.8 Billion. The Bank, also saw increase in foreign reserves from USD 1.5 billion to USD 1.9 billion as at end June 2022. Furthermore, total liabilities went up 27%, with Government deposits growing by 35% as a result of net budget cash inflows, financial sector in deposits and other financial instruments that went up Frw 64%. Equity had a slight 3% increase as a result of the mark to market impact on the international market investment securities impacting the other reserves negatively by Frw 34 Billion in the FY2021-2022.

Chart 38: Financial Position (Frw 'million')

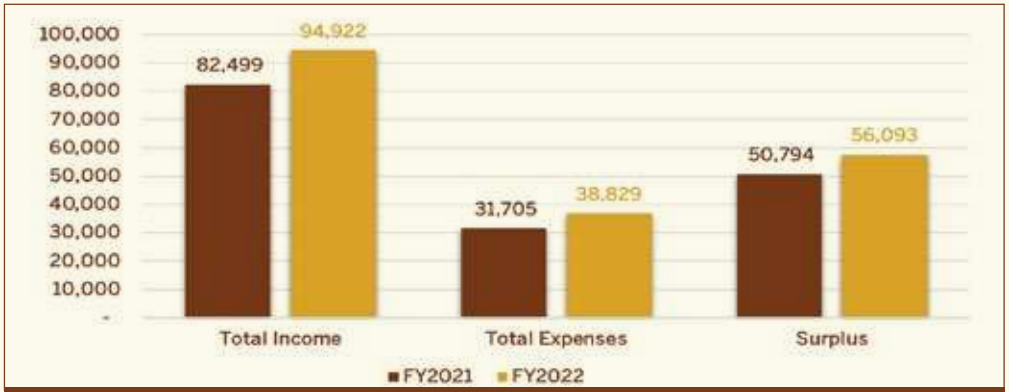


Source: National Bank of Rwanda

FINANCIAL PERFORMANCE

Despite the current investment environment that has been characterized by the pandemic effects and Russia – Ukraine war, the Bank continued to realize improved financial performance. During the second half of the year, high interest rates were observed as management of the rising inflation rate on the international market become more important and effectively the Bank was able to leverage on the same to realize improved interest income on the foreign investment securities on the positive side. The Bank recorded surplus (before unrealized gains) of FRW 56 billion from FRW 50.7 billion earned in the previous financial year. The achievement was attributed to mainly the interest earnings on domestic, foreign securities investment activities and resources' optimization initiatives implemented by the Bank.

Chart 39: Financial performance (Frw 'millions')



Source: National Bank of Rwanda

The expenses of the Bank increased by 22% from FRW 31.7 billion in FY 2019-21 to FRW 38.8 billion in FY 2019-22. The increase is attributed to resumption of production activities post-pandemic, staff head count increase in the period. Significant expense increase were further observed in General administration in maintenance costs and currency amortization expenses following issuance of new currency into the economy that was triggered by the economy re-opening in the year.



ANNEX 1

PERFORMANCE AGAINST THE BUSINESS PLAN FOR FY 2021/22

Formulation and Implementation of Monetary Policy

Strategic Objective



Strengthen economic analysis and advice

Strategic Initiatives

Inform policy makers and other economic agents on economic development, outlook and monetary policy decisions:

- Produced Monetary Policy and Financial Stability Statement (MPFSS) for August, 2021 and March, 2022;
- **Played an Economic Advisory Role to the Government:** Produced 5 Economic Policy Briefs that had key recommendations for the Government.
- **Coordinated MPC Decision Making Process:** Implemented FPAS Process, and communicated MPC decisions to commercial banks, Universities and Media

Provide forecasts and survey based findings on key macro-economic indicators to guide monetary policy design and implementation:

- Held quarterly monetary policy Committee meetings and changed the CBR to 5 percent in Q3 based on observed and projected macroeconomic indicators
- Produced and published MPC reports

Performance Measures and Targets



Inflation is maintained within the target band of 5% +/-3%.



Steered money market rates around the Central Bank Rate

KPI Status 2021-22



Average Headline inflation

4.6%

FROM

4.2% in 2021

The increase in inflation was due to inflationary pressures on fuel, food and non-alcoholic beverages.



Interbank rate

5.59%

End June 2022

FROM

5.4% in Feb 2022

The interbank rate increased from 5.40percent in Feb to 5.50percent in March 2022 and to 5.59percent at end June, 2022.

Formulation and Implementation of Monetary Policy

Strategic Objective



Improve Partnerships and Collaboration

Strategic Initiatives

Implement Partnerships frameworks:

- NBR Coordinated activities on the regional economic integration: AACB, COMESA, MEFMI and MAC meetings; Developed reports on convergence criteria for AACB, MEFMI, and MAC and submitted them to Regional Economic Communities.
- Produce Reports on Convergence Criteria

Focus was on the following areas:

- Establishment of the East African Monetary Union (EAMU);
- Coordination of fiscal and monetary policies in the context of the EAMU;
- Coordination and harmonization of the monetary and exchange rate policies during the transition to the Monetary Union;
- Adoption of a price based Monetary Policy Framework by 2021; Capacity building in Modelling and forecasting: Forecasting and Policy Analysis (FPAS);
- Harmonization of Reserve Requirement regimes;
- Harmonization of Policies and Standards for Production of BOP Statistics;
- Harmonization of Monetary Policy Communication;
- Studies on Monetary Policy Transmission Mechanism and Implementation of a Common Exchange Rate Mechanism.

Performance Measures and Targets

Level of convergence criteria implementation

KPI Status 2021-22

Criteria that were met in 2021

- **Inflation rate - less than 7 percent per annum:**
  In 2021, headline inflation decelerated to 0.8 percent on average.
- **External reserves - equal or greater than 3 months of imports of goods and non-factor services:**
  In 2021, the stock of reserves was equivalent to 5.0 months compared to 5.9 months recorded in 2020.
- **Nominal Exchange Rate Variability ±10 percent:**
  Relative to December 2020 and compared to USD, the FRW depreciated by 3.8 percent end December 2021 from 5.4 percent recorded in 2020
- **Government Capital Investment/Tax Revenue greater or equal 30 percent:**
  In 2021, it stood at 74.0percent much higher than the floor of 30percent; from 89.1percent recorded in 2020.
- **Elimination of central bank credit to the Government:**
  Central Bank financing of the Government was maintained at zero.

Criteria that were not met mainly due to the COVID-19 pandemic which increased the Government spending

- **Overall Budget Deficit as a Percent of GDP – Not Exceeding 5 percent:**
  In 2021, fiscal deficit stood at 7.9 % of GDP against 5% benchmark
- **General Government Debt/ GDP ratio greater than 65 percent:**
  In 2021, Rwanda's debt as ratio to GDP reached 73.3 percent against 65percent benchmark
- **Total tax revenue /GDP - equal to or greater than 20 percent:**
  The Government tax revenue stood at 15.6 percent of GDP in 2021 compared to the benchmark of 20percent
- **Out Come**
  →Assessment of the readiness of the Regional Economic Communities to form a Monetary Union

  →Rwandan economy is resilient and recovering from Covid-19 related shocks

Formulation and Implementation of Monetary Policy

Strategic Objective



Improve Partnerships and Collaboration

Strategic Initiatives

Align monetary policy with other macroeconomic policies:

- Reviewed the IMF reports related to the Policy Coordination Instrument: PCI and 2022 article IV consultation during IMF mission held in March-April 2022.
- Completed IMF mission on the sixth review of the Policy Coordination Instrument.
- Contributed to the Treasury Management Committee (TMC) and Debt Management Committee (DMC)
- Contributed to PMO's brief paper on the economic recovery: highlighted challenges, impact on the domestic economy and proposed policy measures.
- Conducted assessment of the impact of the COVID-19 pandemic and the Ukraine-Russia war on the Rwandan economy.

Performance Measures and Targets

IMF Mission successfully completed

Policy Coordination Instrument signed with IMF

KPI Status 2021-22

Positive feedback from the IMF improved investors' and public confidence in Rwandan economy.

Formulation and Implementation of Monetary Policy

Strategic Objective



Strengthen NBR research visibility at international scene

Strategic Initiatives

Publish NBR research papers in domestic and internationally accredited journals and publishing houses:

- Published BNR Economic Review Volume 18;
- Published BNR Economic Review Vol.19, Issue 1
- Published one (1) paper in international Journal;
- Completed nine (9) research papers
- Initiated 2 research projects:
  A study on Property Valuation index in
  - collaboration with International Growth Centre (IGC),
  - A study on Internet usage and access to credit in collaboration with International Monetary Fund (IMF)
  Set up an internal and external peer
- review mechanism;
- Adopted the Grammarly assistance tool to check plagiarism and improve research papers and reports

Performance Measures and Targets

Number of research papers published in accredited international journals	**1**
Number of Papers published in BNR Economic Review	**8**

KPI Status 2021-22

- Completed 9 research papers
- 8 Papers were published in BNR Economic Review;
- BNR Economic Review accepted for indexation on African Journal Online (AJOL) and Editorial board;
- Improved quality of Research papers produced
- NBR statistics inform research development, trade and investment policies

Formulation and Implementation of Monetary Policy

Strategic Objective

Enhance Model-Based Monetary Policy Analysis

Improve quality and timeliness of data dissemination

Strategic Initiatives

Implement FPAS compliant processes:

- Provided macroeconomic forecasts in 2021Q3, 2021Q4, 2022Q1 and 2022Q2, and recommendations that guided the MPC decision on the Central Bank Rate (CBR);
- Extended the forecasting cycle duration by one week in accordance with best practices, which allows enough time for analysis;
- Developed indicators of underlying inflation that support judgement of now-casts
- Organized MPC retreat on the transmission mechanism underlying model based analysis

Produce external, real and monetary sectors statistics:

- Quarterly BOP & IIP, Real Estate Price Index, CPI Data, PPI);
- Developed automation scripts, thus ending manual data compilation processes;
- Automated processes for data on turnovers;
- Developed an artificial intelligence algorithm to scrap the web data housing information to model housing prices in Rwanda;
- Provided an alternative index (social media and web index) to measure business activity;
- Collected and processed data using modern technology;
- Developed and used ODK and Survey CTO tools;
- ODK and Survey CTO are used to collect data for CPI and FPES.

Performance Measures and Targets

The Monetary Policy Committee decided to mantain
the Central Bank Rate (CBR) at
5.0%

Level of Compliance with international standards as per EGDDS requirement

KPI Status 2020-21

The MPC took the decision in line with its objective of ensuring price stability of maintaining inflation around 5 percent in medium-term

Improved understanding of real pressures that threaten the achievement of BNR objective of price stability

Improved analysis and understanding of the effects of the monetary policy decisions on the economy

95% against the target of 100% all indicators complying with EGGDS.

NBR Statistics comply to International standards which improves the Country's credibility on International scene;

The Bank statistics inform research, trade and investment policies.

Formulation and Implementation of Monetary Policy

Strategic Objective

Improve Financial Market Deepening

Strategic Initiatives

Develop Financial Markets

- Aligned operational MP framework to Interest base framework: REPO and REVERSE REPO conducted at CBR
- The total injection using Reverse Repo for the FY 2021/22 equals to 2,605.4 billion which generated income of 2.305 billion.

Boost interbank market

- NBR recorded 2.99 interbank transactions per day versus 2.46 recorded last year
- Interbank transactions increased by 22.1 percent to 763 transactions from 625 recorded in the previous financial year.

Performance Measures and Targets



% of shares in T-bond participation:

- ***Retailers 10%***
- ***Institutional Investors: above 50%***
- ***Banks: Below 40%***
- ***Frequency for bond issuance: 1/ Month***

KPI Status 2022-22



- ***Retailers: 8percent***
- ***Institutional Investors: 52.6percent***
- ***Banks: 39.4percent***
- ***5 New bonds issued***
- ***9 Re-openings***

→Achieved Interbank operational target of CBR +/-1 percent

→Interbank rate remained within the interest rate corridor

→Increased participation in government securities

→Improved monetary policy transmission mechanism

Financial System Stability

Strategic Objective



Ensure sound and stable financial system

Strategic Initiatives

Strengthen the legal and regulatory framework

Performance Measures and Targets

- A legal and regulatory framework that complies with International standards: BCPs, ICPs, PCPs
- NBR laws address challenges faced by the financial sector

KPI Status 2020-21

- 15 Legal Instruments published in the Official Gazette: 5 laws and 10 regulations
- 17 legal instruments approved by the Board of Directors: 16 regulations and 1 presidential order
- Mapped ICPs and identified the methodology to be used for assessment.
- FSAP document presented and approved by management.
- Supported other supervisory authorities in developing AML/CFT procedure Manuals and public awareness campaigning
- Monitored the implementation of findings of Assessment of OECD and Progress report of ESAAMLG
- Followed up the implementation of NRA recommendations
- Conducted onsite supervision for AML/CFT to monitor enforcement of existing Laws& regulations.
- Reviewed the existing AML/CFT procedures for specific sectors
- Organised in collaboration with the National Cyber Security Authority a virtual workshop for Heads of regulated institutions for better understanding of their obligations regarding Personal Data and Privacy Protection Law

Financial System Stability

Strategic Objective

Ensure sound and stable financial system

Strategic Initiatives

Strengthen Micro Prudential supervision;

Strengthen Macro-Prudential Analysis

Monitor the financial sector to mitigate risks to financial stability

Performance Measures and Targets

Compliance with prudential requirement:

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

Compliance with Key Macro prudential norms.

- DSIBs CAR (>15.5percent)
- Leverage ratio (>6percent)
- Loans concentration limit (single obligor): ≤800percent
- Placements limits: ≤50percent
- Insurance investments in real estate: ≤30percent

KPI Status 2020-21

Compliance with prudential requirements:

CAR:
»Banks 23.1percent from 22.5% in June 2021.
» MFIs 33.9% from 35.4percent in June 2021

Liquidity Coverage Ratio (LCR):
»Banks: 224.7%
»Liquidity ratio MFI: 105.2%

NPLs:
»Banks: 4.3% from 5.7% in June 2021.
»MFIs: 5.0% from 6.6% in June 2021.

Solvency ratio for private insurers:
»180% from 147% in June 2021

The combined ratio for insurance:
»103.3% from 101% in June 2021.

Liquidity for private insurers:
»It increased to 100% from 94% of June 2021

Compliance with Key Macro prudential norms.

»DSIBs CAR: 21.8percent from 21.6percent in June,2021
»Leverage ratio: 12.7percent from 13.7percent in June, 2021
»Loans concentration limit (single obligor): 117.4percent from 116.4percent in June, 2021
»Placements limits: 12.5percent from 28.3percent
»Insurance investments in real estate: 12.1percent from 8percent

Financial System Stability

Strategic Objective

Ensure sound and stable financial system

Strategic Initiatives

DGF — *Ensure smooth operation of DGF*

Ensure credit compliance with the reporting requirements

Performance Measures and Targets

DGF — *Improve Crisis Management for financial institutions*

The growth of the DGF funds (50 percent)

Ensure efficient credit reporting system

Coverage ratio (>35percent)

KPI Status 2020-21

DGF — *Improve Crisis Management for financial institutions*

The growth of the DGF funds: 40.2percent

Ensure efficient credit reporting system

Coverage ratio: 35.7percent

Financial Sector Development and Market Conduct

Strategic Objective



Increase formal financial inclusion

Strategic Initiatives

Enhance the financial capability/literacy of Rwandans, especially those with less access and less usage of formal financial services (Women; youth & rural population):

Conducted awareness campaigns on:

- »Insurance
- »Savings
- »Financial service consumer protection law
- »BNR Quiz Challenge for secondary schools.
- »World Consumers Rights day awareness activities
- »Engaged BNR Economic club in Kigali city during Global Money Week
- »Conducted a diagnostic study on the financial inclusion of refugees and their host communities.

Strengthen the playing field for non-banks (SACCOs & finance companies) to drive financial inclusion: Follow up the implementation of USACCOs automation:

» Conducted Two assessments of the performance of SACCOs' Core banking system and the findings report shared with automation Project team for improvement

» Organized and participated in meetings to discuss on the progress and challenges of automation and Consolidation of Umurenge SACCOs

Performance Measures and Targets

Formal financial inclusion: 90percent by 2024

Automation and Consolidation of Umurenge SACCOs

KPI Status 2021-22

Formal Financial inclusion increased from 68percent in 2016 to

77%

(5.5 million adults) in 2020

Technical Steering Committee for USACCOs automation project put in place for USACCO Automation

Financial Sector Development and Market Conduct

Strategic Objective



Promote financial innovation and adoption of digital payment services

Strategic Initiatives

Establish and implement fin tech regulatory sandbox framework:

- Formulated the NBR regulatory sandbox committee and published the relevant service order.
- Participated in the R pricing scheme and initiation of scheme rules
- Initiated the sandbox committee to the operational framework. The committee understood the background or the NBR regulatory sandbox, the operational modalities and required participation.
- Operationalize the regulatory sandbox: 9 applications under assessment
- Conducted digital awareness campaign: Topic: Twagiye cashless
- Conducted regulatory awareness workshop for the Fintech hub and start-ups
- Conducted a diagnostic study on leasing market in Rwanda

Performance Measures and Targets

Percent Retail E-payment to GDP (75percent)

KPI Status 2020-21

percent Retail E-payment to GDP:

111.9 %

Financial Sector Development and Market Conduct

Strategic Objective	Strategic Initiatives	Performance Measures and Targets	KPI Status 2020-21
Ensure that consumers' rights are protected and increase their trust in the Financial sector.	***Consumer Protection:*** Approved draft regulations implementing FS consumer protection law Engaged consumers during consumer rights week in March 2022 Officially launched the web comparator during MPFSS on 29th March 2022 Conducted successfully a consumer satisfaction survey targeting both FSPs and consumers countrywide Handled complaints received as at 30th June 2022	confidence and trust of clients in FSPs percent Satisfaction on transparency percent Satisfaction fair treatment of consumers percent Satisfaction on complaints handling percent of population aware of rights and obligations	confidence and trust of clients in FSPs: **62.25percent** percent Satisfaction on transparency: **53.24percent** percent Satisfaction fair treatment of consumers: **53.17percent** percent Satisfaction on complaints handling: **36.66percent** percent of population aware of rights and obligations: **29.3percent**
Ensure good market conduct of NDFIs and Other Financial institutions	***Develop regulation governing Trust and Company Service Providers (TCSPs) in place***	Approved regulation governing Trust and Company Service Providers (TCSPs) Satisfaction	***Legal instrument in place for licensing of new TCSPs as new mandate of NBR***

Currency Management and Banking Services

Strategic Objective

Improve Quality of Banking services and Reports

Strategic Initiatives

Improve service delivery

- Opened 127 accounts on time and sent at T+1.
- Responded to Audit confirmations requests within one-day i.e. T+1.
- Provided customer support on time
- Paid cheques presented on CTS on time;
- Conducted Reconciliation after cheque settlement leading to closing the day without any imbalance.

Improve Quality of banknotes

Produced currency in circulation reports on a daily basis

- Managed the movement of cash in the vault using robots
- Integrated VMS with other existing cash infrastructure: Bank Processing System (BPS) and Banknote Destruction System (BDS)

- ***Upgrade of Internet Banking;***

Upgraded Internet Banking in consideration

- Customers feedback-At User Acceptance Test

Follow up on post Go-live issues

Performance Measures and Targets

100%
Rate of customer satisfaction

- ***percent of counterfeited bank notes per denomination 0.00001percent***
- ***100percent level of automated cash processes(VMS)***

- ***95percent rate of system availability; (Internet banking) per month***
- ***90percentLevel of handling issues with less external support***

KPI Status 2020-21

98%

0.00001%
of counterfeited bank notes per denomination

Cash processes automated at
95%

85% per month

90% per month

Reserves Management

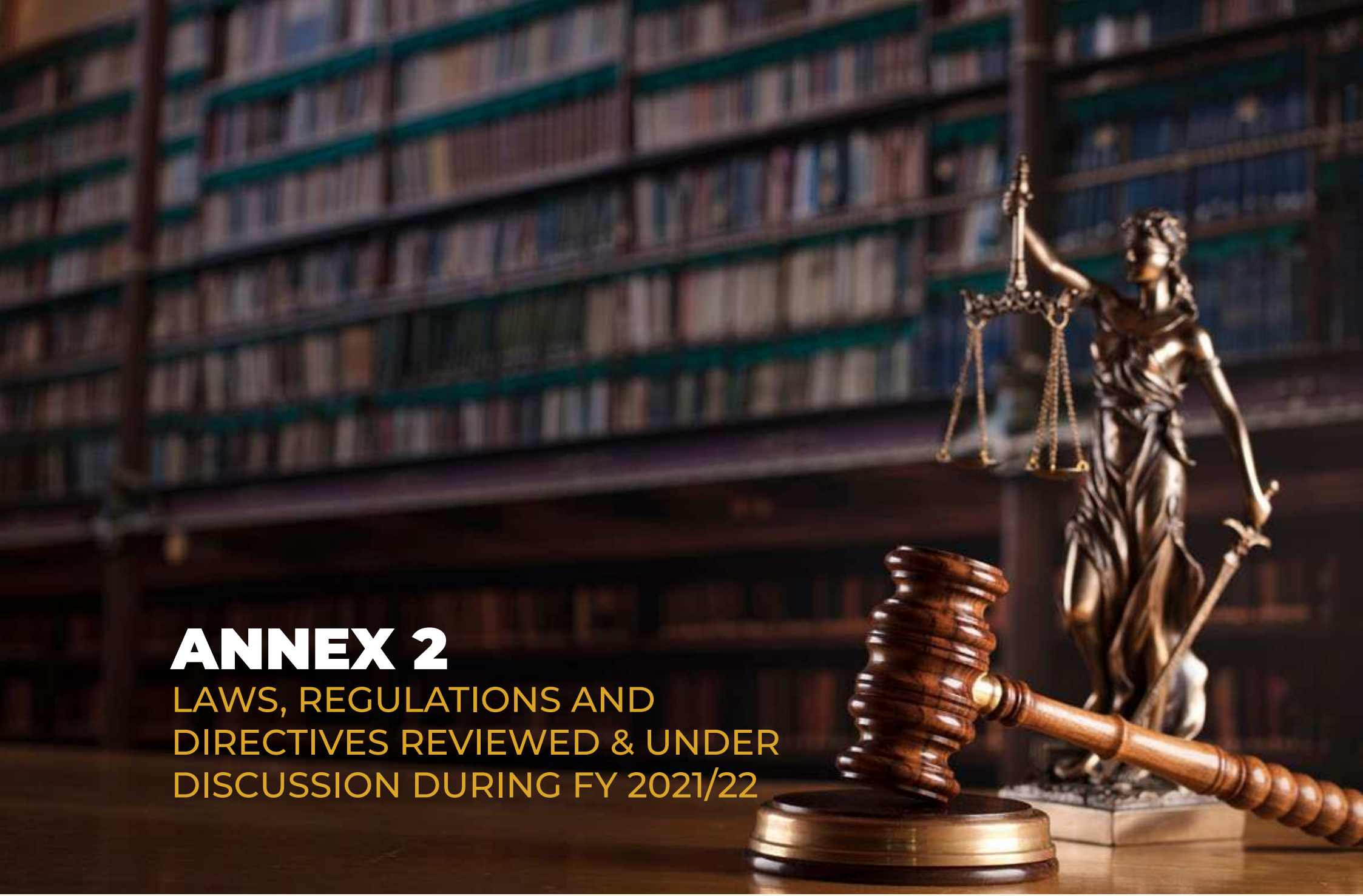
Strategic Objective	Strategic Initiatives	Performance Measures and Targets	KPI Status 2021-22
Improve returns on Investment	***SAA*** ***Review SAA, update Policy and guidelines*** • Reviewed SAA, updated Investment Policy and liquidity guidelines • Managed NBR reserves in compliance with the approved investment and liquidity guidelines targets	***Percentage of Investment and liquidity tranches 75percent/25percent (allowable deviation of +/-10percent***	***58.4percent /41.6percent***
	Maintain adequate level of reserves: ***Manage both external and internal funds***	• ***Number of months of imports: 4*** • ***Annual relative return (excess return to benchmark) in Bps above benchmark 20Bps***	**4.8** Number of months of imports: 4 Gross Reserves stood at 1,926.86 (USD in millions): Change mainly due to the Eurobond proceeds and SDR general allocation from IMF (4 months of imports) The total return stood at -276.9 bps against benchmark return of -290.0 Bps. Although the return was negative, it was above the bench-mark by 13.1Bps
Increase level of Foreign reserves	***Put in place compliance framework with international accounting and settlement standards***	***Level of Capital Preservation with positive return***	The level of capital preserved stood at -2.769percent compared to 0.339percent return as by end June 2021.

Business Excellence

Strategic Objective	Strategic Initiatives	Performance Measures and Targets	KPI Status 2021-22
Improve staff capacity and motivation	• ***Develop and Implement capacity building program:*** → Leadership development training: Live to Lead, Lead like a coach, Communication and 21 Irrefutable Laws of Leadership. → Professional Certification in various fields → Launched the Knowledge Resource Center • ***Promote Maternal and Child health*** • ***Promote Mental Health and Wellness***	• ***Capacity building plan implemented*** • ***Improved Bank's performance***	• Capacity building plan implemented at 80percent from 73.4percent realized in the • NBR's performance improved from 92.8percent in 2020-21 to 93.3percent in 2021-22
Ensure agile IT solution and innovation technology	• ***Business Process Automation:*** → Implemented the following key projects: Upgrade of core banking system and Rwanda Integrated Payment Processing System (RIPPS), Data Archiving System, Library Management System and E-learning platform • ***Systems high availability:*** → NBR joined Rwanda Internet Exchange Point (RINEX) network → Implemented Modern converged infrastructure (servers) • ***IT Governance and Cybersecurity:*** → Continued to effectively manage IT risks and ensured that the activities associated with IT are aligned with overall set business objectives → Conducted successfully two planned IT continuity and systems recovery tests.	• Level of IT services customer satisfaction: 93percent • percent of IT systems availability: 99.9percent • percent of incidents and services request resolved within the SLA: 95percent	• 93.1percent • 99.7percent • 95.1 percent

Business Excellence

Strategic Objective	Strategic Initiatives	Performance Measures and Targets	KPI Status 2021-22
Increase Customer and Stakeholders confidence in NBR	• Maintain QMS Certificate	• Level of compliance to ISO-9001-2015 (100 percent)	• 100percent QMS compliance
	• Promote Risk Based Thinking Culture	• Level of risk responses implemented: 80 percent	• NBR Full certification on ISO 9001:2015/QMS obtained
	• Maintain BNR Business Continuity Plan: → Conducted Business Continuity Plan(BCP) and Disaster Recovery Plan (DRP) tests (Walkthrough, Technical and evacuation Tests)	• Risk Maturity Level: 95 percent	• 95percent Level of risk responses implemented • Risk Maturity Level 90percent
	• Strengthen Internal Control System and Processes in the Bank		
Ensure financial sustainability of the Bank	• Coordinated external audit of 2021/22 Financial Statements	• Unqualified Audit Report	• Unqualified audit report for Financial Statements 2021/22
	• Kept Proper Books of accounts as per IFRS standards		



ANNEX 2

LAWS, REGULATIONS AND DIRECTIVES REVIEWED & UNDER DISCUSSION DURING FY 2021/22

#	LAW/REGULATION/ DIRECTIVE	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
1	Law governing Negotiable instruments	Published in the Official Gazette on 1st November 2021	This new law aims to take cognizance of the technological advancements as well as simply or elaborate on certain provisions. The new changes in this law facilitate the negotiability of the instruments provided in this law not only physically but also electronically.
2	Law governing the payment system	Published in the Official Gazette on 1st November 2021	To align with the current trend and address issues identified by KIFC
3	Law governing deposit-taking microfinance institutions	Published in official Gazette on 8th November 2021	This law allows deposit taking institutions to provide digital financial services. the law further provides for specific requirements for Deposit taking Microfinance Cooperative mainly by requiring them to have an independent board member, the inequality of shares as well as minimum members to establish the Deposit taking Microfinance Cooperative
4	Law Governing trusts	Published in Official Gazette on 2 November 2021	to align with the current trend and address issues identified by KIFC
5	Law governing the organization of insurance business	Published in the Official Gazette on 2nd August 2021	The law new was adopted to align with the current trend the insurance sector, comply with ICPs, harmonize with the EAC convergence criteria
6	Review of the Regulation on administrative and pecuniary sanctions applicable to insurers	Published in Official Gazette on 17 June 2022	Harmonize the regulation with the new insurance law.
7	Review of the Regulation on Group-wide supervision for insurers	Published in Official Gazette on 17 June 2022	Harmonize the regulation with the new insurance law.

#	LAW/REGULATION/ DIRECTIVE	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
8	Review of the Regulation governing change in shareholding, amalgamation and transfer of portfolio of insurers and reinsurers	Published in Official Gazette on 17 June 2022	Harmonize the regulation with the new insurance law.
9	Review of the Regulation on publication of financial statement and other disclosures by insurers	Published in Official Gazette on 17 June 2022	Harmonize the regulation with the new insurance law.
10	Regulation governing the regulatory sandbox	Published in Official Gazette on 18 April 2022	Enabling fintechs to test their products and services in an enabling environment
11	Regulation governing foreign exchange operations	Published in the Official Gazette on 18 April 2022	Update the regulation as per the new Central Bank Law
12	Regulation governing business continuity management and operational resilience for regulated institutions	Published in Official gazette dated 27 June 2022	Apply this regulation to all regulated institutions as well as to strengthen their ability to absorb operational risk-related events, such as pandemics, cyber incidents, technology failures or natural disasters,
13	Regulation determining requirements and other conditions for accreditation of external auditors for regulated institutions	Published in the Official Gazette on 17 June 2022	A clear framework of accrediting external auditors by category of licensed institutions
14	Regulation on outsourcing	Published in the Official Gazette on 17 June 2022	Reviewed to address data localization and also extend the requirements to all regulated institutions
15	Regulation on cyber security in regulated institutions	Published 17 June 2022	

#	LAW/REGULATION/ DIRECTIVE	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
16.	Review the regulation on pension schemes operations	Published in the Official Gazette on 19/09/2022	The regulation shall increase security in the invested fund through the setting of thresholds whereby threshold is set according to risks associated to the asset class. The regulation is also to make the market much more stable through an adequate governance as the requirements for corporate governance were added while they were missing. Ejo Heza Scheme will be also supervised according to established standards unlike prior to the review of the regulation.
17.	Regulation governing Trust and Company Service Providers as developed by the consultant	Published in the Official Gazette on 19/09/2022	To cater for NBR new mandate to regulate and supervise Trust and Company Service Providers
18.	Review the regulation on market conduct for insurance and insurance intermediaries	Approved by the Board	Harmonize the regulation with the new insurance law and introduce new intermediaries like risk surveyors.
19.	Review the regulation on licensing requirements for insurers and reinsurers	Approved by the Board	Harmonize the regulation with the new law and introducing new business like captive insurance and mutual insurance.
20	Review the draft regulation governing Trust and Company Service Providers as developed by the consultant	Approved by the Board	This was developed to cater for NBR new mandate on Trust and Company Service Providers
21.	Financial consumer protection regulation	Approved by the Board	Implementation of the new financial consumer protection. This regulation will build trust in the formal financial sector and thus in encouraging financial inclusion. With this regulation, the expectation is to have a sound financial consumer protection framework which is fundamental to increase access to and usage of financial services, and the quality improvement of those financial services.

#	LAW/REGULATION/ DIRECTIVE	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
22.	Regulation on Financial Consumer Internal Complaints Handling	Approved by the Board	This Regulation provides guidance on the way in which the Financial Service Providers receive and manage consumers' complaints. The application of this regulation will ensure that complaints received are dealt fairly, promptly and in an efficient and manner.
23.	Review of the Regulation governing the electronic money issuers	Approved by the Board	This Regulation incorporates rules governing the activities of the electronic money issuers and the safeguarding measures of money that belong to e-money holders.
24.	Review of the Regulation governing payment services providers	Approved by the Board	Harmonize the regulation with the new payment system law and set rules related to activity based licensing.
25.	Review of the Regulation determining administrative sanctions applicable to financial institution for non-compliance with the prevention money laundering, financing terrorism and financing of proliferation of weapons of mass destruction requirements	Approved by the Board	Ensure the sanctions are proportionate, dissuasive and preventive based on size and complexity of institutions but also on seriousness of the violation
26.	Review of the Regulation no governing the organisation of micro insurance business	Approved by the Board	To ensure there is a clear demarcation between micro insurance from traditional insurance.

#	LAW/REGULATION/ DIRECTIVE	CURRENT STATUS	OUTCOME/EXPECTED OUTCOME
27.	Review of the Regulation relating to procedures applicable to exit from the market and resolution	Approved by the Board	To harmonize the regulation with the new insurance law but also to introduce the detailed process of resolving and liquidating an insurer under stress situation or under insolvency
28.	Presidential order determining the organization and functioning of the policyholders' compensation fund	Approved by the Board	The Order comes to set rules for operationalization of the fund.



ANNEX 3
RESEARCH PAPERS

#	Policy Paper	Objective	Findings	Recommendations
1	Monitoring the Economic Impact of COVID-19	To describe how various high-frequency indicators, as well as the computation of weekly index of economic activity, were used in Rwanda to monitor the economic impact of COVID-19.	The pandemic has substantially weakened economic performance through demand and supply shocks and affected all sectors, especially the manufacturing and service sectors.	Proposed various measures to recover back to the pre-pandemic level successfully.
2	Monetary policy, credit growth, and Economic activity in Rwanda	To provide a deeper analysis of the effect of monetary policy on target variables, such as credit, output, and inflation in Rwanda	(1) A positive shock on the interbank reduces the credit by one percentage point, and positive credit shocks allow agents to spend more, thus a short but positive reaction for the Gross Domestic Product (GDP). (2) Over the horizon, a positive shock in GDP raises inflation by about five percentage points, confirming evidence of partial transmission of monetary policy. (3) a shock on the interbank rate reduces GDP and inflation with a time lag up to the fourth quarter.	Underlined the need for a more formal financial sector development to speed up the pass-through of monetary policy in Rwanda.
3	Nowcasting the Real GDP Growth of Rwanda	To examine the performance of the models used by the NBR in forecasting the real-time GDP for the current quarter to support economic policy decisions.	Evidenced the accuracy of tools adopted by the NBR, namely the Bridge equation, mixed-data sampling (MIDAS) models, and the Dynamic factor model (DFM).	Suggested the gains in combining the output from all the models.
4	Assessment of Rwanda's External Trade Deficit in Rwanda	To explore the status and drivers of the persistent trade deficit and policy recommendations on how to reduce it.	Came up with various stylized facts on drivers of trade deficit and the results of the existing government trade policies.	Suggested various policy recommendations on how to reduce the external trade deficit.

#	Policy Paper	Objective	Findings	Recommendations
5	Re-assessment of exchange rate misalignment in Rwanda	To re-assess the real exchange rate (REER) misalignment, considering the pivotal role that the exchange rates play in ensuring the macroeconomic performance and stability and the country's external sector competitiveness.	The current account and the RER are influenced by economic fundamentals, with an estimated exchange rate gap of 15.9 percent, implying that the Rwandan currency is overvalued in real effective terms by 15.9 percent, pointing to the adverse effects on external competitiveness.	Maintaining exchange rate flexibility to cushion adverse external shocks and effective monitoring of exchange rate developments remains vital to avoid higher levels of volatility which could lead to poor performance of the country's tradable sector.
6	Business and financial cycles in Rwanda	Investigated how the financial and real sectors are linked.	Confirmed the close relationship between Rwanda's financial and business cycles.	Recommended policymakers closely monitor the upturns and downturns in each sector and mitigate the likely propagation of shocks from one sector to another with appropriate macro-prudential policies.
7	Determinants of commercial banks' efficiency in Rwanda	To explore the drivers of inefficiency in commercial banks.	Since 2018, the intermediation ratio, bank funding structure, and capital ratio positively affect the efficiency levels, whereas the Non-Performing Loans have a significant adverse effect on efficiency levels. The estimated efficiency score of the ten Rwandan commercial banks included in the sample stood at 81.3 percent.	Rwandan commercial banks can generally record further reductions in inefficiencies if they put in place or strengthen existing measures to mitigate credit risk, increase intermediation, and increase their funding structures and capitalization, as these can help to deal with macro-financial shocks.

#	Policy Paper	Objective	Findings	Recommendations
8	The effects of financial flows Volatility on Economic growth.	To examine the effect of the volatility in financial flows on economic growth for 23 Sub-Saharan African (SSA) countries in general and for Rwanda in particular.	Financial flows accelerate growth in Rwanda and not for SSA. Specifically, the measure of the volatility of financial flow is negative and significant in Rwanda, implying that it would hurt economic growth if not well managed.	Suggested the need to pursue capital flows management policies to limit potential financial flow volatility, hence avoiding their adverse effect on economic growth.
9	Endogenous threshold effects and transmission channels of foreign aid on economic growth.	To analyze threshold effects and transmission channels of foreign aid on the economic growth of WAEMU countries.	The positive impact of aid on growth, with a 1percent increase in official development assistance translating into a 2.1percent increase in GDP growth. The relationship is non-linear, with a threshold between 12.37 and 14.08 percent of GDP. Investment is valid for transmission channels from aid to growth.	Aid within the WAEMU countries is beneficial, and its content and use should be the primary concern of donors and policymakers.



ANNEX 4
FINANCIAL STATEMENTS

Financial Statements

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

National Bank of Rwanda
Bank Information
For the year ended 30 June 2022

DIRECTORS

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

John RWANGOMBWA	-	Chairperson and Governor	Appointed 25 February 2013
Soraya HAKUZIYAREMYE	-	Vice Chairperson and Deputy Governor	Appointed 15 March 2021
Diko MUKETE	-	Member	Appointed 4 March 2022
Ivan MURENZI	-	Member	Appointed 27 April 2018 Re-appointed 04 March 2022
Leonard Minega RUGWABIZA	-	Member	Appointed 4 November 2011 Re-appointed 4 March 2022
Cyridion NSENGUMUREMYI	-	Member	Appointed 4 March 2022
Alice DUSHIMIRE	-	Member	Appointed 4 March 2022
Chantal HABIYAKARE	-	Member	Appointed 8 May 2013 Resigned 4 March -2022
Faith KEZA	-	Member	Appointed 27 April 2018 Re-appointed 4 March 2022
Ildephonse MUSAFIRI	-	Member	Appointed 27 April 2018 Re-appointed 4 March 2022 Resigned after GoR appointment to other duties 30 July 2022

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

BRANCHES

Southern Branch
P.O. Box 622
Huye, Rwanda

Northern Branch
P.O. Box 127
Musanze, Rwanda

Rubavu Branch
Rubavu district
Rubavu, Rwanda

Eastern Branch
P.O. Box 14
Rwamagana, Rwanda

Western Branch
P.O. Box 462
Rusizi, Rwanda

COMPANY SECRETARY AND LEGAL COUNSEL

Jean Léonard MUREGO (Bank employee)

AUDITORS

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

LAWYERS

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

Joelex Consulting Limited
KG 50 Rukiri, Remera
Kigali, Rwanda

National Bank of Rwanda
Directors' report
For the year ended 30 June 2022

1. Introduction

The directors have the pleasure of submitting their report together with the audited financial statements for the year ended 30 June 2022, which disclose the state of affairs of National Bank of Rwanda (the "Bank").

2. Incorporation

The Bank was incorporated on 24 April 1964 and is governed by Law No. 48/2017 of 23/09/2017 Governing the National Bank of Rwanda as amended by Law No. 016/2021 of 03/03/2021.

3. Principal activities

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

4. Results

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

5. Dividend

The directors propose a dividend payment of Frw **7,517,761,875** as per note 38(i) of the financial statements (2021: Frw **4,929,938,508**)

6. Directors

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

7. Auditors

PricewaterhouseCoopers Rwanda Limited's term comes to an end with the submission of the annual activities report to the President of the Republic of Rwanda and both Chambers of the Parliament in accordance with Law No. 48/2017 of 23/09/2017 Governing the National Bank of Rwanda as amended by Law No. 016/2021 of 03/03/2021.

By order of the board

Governor

Date: October 7th 2022

National Bank of Rwanda
Statement of directors' responsibilities
For the year ended 30 June 2022

Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda (the "Bank") as amended by Law No. 016/2021 of 03/03/2021 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of Law No. 48/2017 of 23/09/2017 Governing the National Bank of Rwanda as amended by Law No. 016/2021 of 03/03/2021. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its surplus in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

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

Approval of the financial statements

The accompanying financial statements on pages 7 to 78 were approved for issue by the Board of Directors on October 7th 2022 and signed on its behalf by:

Governor

Director

pwc

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

Report on the audit of the financial statements

Our opinion

In our opinion, National Bank of Rwanda's financial statements give a true and fair view of the financial position of National Bank of Rwanda (the "Bank") as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda and as amended by Law No. 016/2021 of 03/03/2021.

What we have audited

The Bank's financial statements set out on pages 7 to 78 comprise:

- the statement of financial position as at 30 June 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. We have determined that there are no key audit matters to communicate in our report for the current year.

PricewaterhouseCoopers Rwanda Limited , 5th Floor, Blue Star House, 35 KG 7 Ave, Kacyiru
PO Box 1495 Kigali, Rwanda
Tel: +250 (252) 588201/2/3/4/5/6, www.pwc.com/rw

Directors: M Karanja M Nyabanda B Kimacia P Ngahu

pwc

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

Other information

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

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

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

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda as amended by Law No. 016/2021 of 03/03/2021 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

pwc

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

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

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

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

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

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

For PricewaterhouseCoopers Rwanda Limited, Kigali,

Moses Nyabanda
Director

12 October 2022

Statement of comprehensive income

	Notes	2022 Frw '000'	2021 Frw '000'
Interest income	8	38,038,510	27,681,876
Interest expense	9	(4,060,503)	(1,513,117)
Net interest income		**31,978,007**	**26,168,759**
Fee and commission income	10(a)	4,189,684	2,027,530
Fee and commission expense	10(b)	(3,380,987)	(1,724,886)
Unrealized revaluation gains	11(a)	45,489,242	31,638,088
Net trading income	11(b)	7,883,424	18,652,437
Other operating income	12	6,980,705	5,990,628
Operating income before credit and other impairment charges		**93,140,075**	**82,752,556**
Expected credit losses and other credit impairment write back/(charges)	15(b)	1,782,513	(252,766)
Net operating income		**94,922,588**	**82,499,790**
Employee benefits expense	13	(21,952,791)	(18,713,479)
General administration expenses	14	(8,077,577)	(6,220,789)
Other operating expenses	15(a)	(5,994,264)	(3,942,714)
Depreciation of investment property	24	(18,217)	(18,217)
Depreciation of property and equipment	25	(2,064,693)	(2,108,900)
Amortisation of intangible assets	26	(721,564)	(701,317)
Total expenses		**(38,829,106)**	**(31,705,416)**
Surplus for the year		**56,093,482**	**50,794,374**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net changes in fair value of fair value through other comprehensive income (FVOCI) financial assets	33 iii (b)	(34,850,587)	(8,955,760)
Total other comprehensive income		**(34,850,587)**	**(8,955,760)**
Total comprehensive income		**21,242,895**	**41,838,614**

The notes set out on pages 12 to 78 are an integral part of these financial statements.

Statement of financial position

	Notes	2022 Frw '000'	2021 Frw '000'
ASSETS			
Cash and cash equivalents	16 (a)	738,859,660	308,035,233
Foreign investment securities	17	1,051,774,063	1,088,905,922
Due from local financial institutions	18	165,256,662	148,672,585
Due from foreign financial institutions	19 (a)	20,205,612	217,124
Due from the Government of Rwanda	20(a)	17,214,052	24,303,322
Government of Rwanda Eurobond investments	20(b)	100,052,688	56,970,456
Other assets	27	17,375,841	7,346,321
Staff loans and advances	21	12,156,078	11,758,871
Due from International Monetary Fund	22	281,784,931	301,171,382
Equity investments	23	6,164	6,164
Investment property	24	302,886	321,103
Property and equipment	25	29,032,114	29,034,090
Intangible assets	26	4,247,257	3,829,152
TOTAL ASSETS		**2,438,268,008**	**1,980,571,725**
LIABILITIES			
Currency in circulation	28	352,500,899	296,613,122
Government of Rwanda deposits	29	650,265,032	481,634,557
Due to local financial institutions	30	596,301,040	363,037,788
Other liabilities	31(a)	32,686,360	76,029,094
Customer deposits	31(b)	5,872,656	4,406,278
Foreign liabilities	32	3,553,374	3,793,046
Due to International Monetary Fund	22	473,262,545	461,014,131
Due to foreign financial institutions	19 (b)	20,558,706	-
TOTAL LIABILITIES		**2,135,000,612**	**1,686,528,015**
EQUITY			
Share capital	33	7,000,000	7,000,000
General reserve fund	33	23,602,606	18,876,426
Other reserves	33	217,043,645	202,670,691
Retained earnings	33	55,621,145	65,496,593
TOTAL EQUITY		**303,267,396**	**294,043,710**
TOTAL LIABILITY AND EQUITY		**2,438,268,008**	**1,980,571,725**

The notes on pages 12 to 78 are an integral part of these financial statements.

Statement of changes in equity

Year ended 30 June 2022	Note	Share capital Frw'000'	General reserve fund Frw '000'	Retained earnings Frw '000'	Fair valuation reserve for FVOCI fin. Assets Frw '000'	Staff welfare reserve Frw '000'	Foreign exchange revaluation reserve Frw '000'	IT Modernisation reserve Frw '000'	Property and equipment revaluation reserve Frw '000'	Total Frw '000'
At 1 July 2021		7,000,000	18,875,426	65,495,693	1,211,946	19,336,559	173,083,064	1,336,843	8,702,179	294,043,710
Surplus for the year		-	-	56,093,482	-	-	-	-	-	56,093,482
Other comprehensive income										
Net losses on debt instruments designated at FVOCI	33 iii (b)	-	-	-	(34,850,587)	-	-	-	-	(34,850,587)
Total comprehensive income		-	-	56,093,482	(34,850,587)	-	-	-	-	21,242,895
Transactions with owners in their capacity as owners										
Dividends paid		-	-	(12,019,209)	-	-	-	-	-	(12,019,209)
Total transactions with owners		-	-	(12,019,209)	-	-	-	-	-	(12,019,209)
Other transactions										
Transfer to retained earnings		-	-	128,532	-	-	-	(128,532)	-	-
Transfer of foreign assets exchange revaluation gains to revaluation reserve	33 ii (b)	-	-	(45,489,242)	-	-	45,489,242	-	-	-
Transfer of surplus for the year to general reserve fund	33 ii (b)	-	4,726,180	(4,726,180)	-	-	-	-	-	-
Transfer of surplus for the year to staff welfare reserve	33 iii (b)	-	-	(3,340,677)	-	3,340,677	-	-	-	-
Transfer of current year interest income on staff loans to staff welfare reserve	33 iii (b)	-	-	(559,515)	-	559,515	-	-	-	-
Transfer of current year ECL on staff loans to staff welfare reserve	33 iii (b)	-	-	37,561	-	(37,561)	-	-	-	-
Total other transactions		-	4,726,180	(53,949,721)	-	3,862,631	45,489,242	(128,532)	-	-
As at 30 June 2022		7,000,000	23,602,606	65,621,145	(33,638,641)	22,199,490	218,572,306	1,208,311	8,702,179	303,267,396

The notes on pages 12 to 78 are an integral part of these financial statements.

Statement of changes in equity (continued)

Year ended 30 June 2021	Note	Share capital Frw'000'	General reserve fund Frw '000'	Retained earnings Frw '000'	Fair valuation reserve for FVOCI fin. Assets Frw '000'	Staff welfare reserve Frw '000'	Revaluation account Frw '000'	IT modernisation reserve Frw '000'	Revaluation Reserve Frw '000'	Total Frw '000'
At 1 July 2020		7,000,000	13,842,868	67,984,460	10,167,706	14,329,938	141,444,976	1,336,844	8,702,179	264,788,980
Surplus for the year		-	-	50,794,373	-	-	-	-	-	50,794,373
Other comprehensive income										
Net gains on debt instruments designated at FVOCI	33 iii (b)	-	-	-	(8,955,760)	-	-	-	-	(8,955,760)
Total comprehensive income		-	-	50,794,373	(8,955,760)	-	-	-	-	41,838,613
Transactions with owners in their capacity as owners										
Dividends paid		-	-	(12,583,893)	-	-	-	-	-	(12,583,893)
Total transactions with owners		-	-	(12,583,893)	-	-	-	-	-	(12,583,893)
Other transactions										
Transfer of foreign assets exchange revaluation gains to revaluation reserve	33 iii (b)	-	-	(31,638,088)	-	-	31,638,088	-	-	-
Transfer of surplus for the year to general reserve fund	33 iii (b)		5,033,558	(5,033,558)	-	-	-	-	-	-
Transfer of surplus for the year to staff welfare reserve	33 iii (b)	-	-	(3,775,168)	-	3,775,168	-	-	-	-
Transfer of current year interest income on staff loans to staff welfare reserve	33 iii (b)	-	-	(206,667)	-	206,667	-	-	-	-
Transfer of current year ECL on staff loans to staff welfare reserve	33 iii (b)	-	-	(24,886)	-	24,886	-	-	-	-
Total other transactions			5,033,558	(40,678,367)	-	4,006,721	31,638,088	-	-	-
As at 30 June 2021		7,000,000	18,876,426	86,496,573	1,211,946	18,336,659	173,083,064	1,336,844	8,702,179	294,043,710

The notes on pages 12 to 78 are an integral part of these financial statements.

Statement of cash flows

	Note	2022 Frw'000'	2021 Frw'000'
Net cash from operating activities	36	**370,350,087**	**2,777,036**
Cash flows from investing activities			
Acquisition of property and equipment	25	(2,073,332)	(2,545,753)
Acquisition of intangible assets	26	(1,139,669)	(752,484)
Proceeds from sale of equipment		(28,686)	-
Acquisition of investment securities	17	(38,084,281)	(115,791,339)
Net cash utilised in investing activities		**(41,325,968)**	**(119,089,576)**
Cash flows from financing activities			
(Increase)/decrease in balances due from IMF	22	(20,082,496)	(27,953,055)
Increase/(decrease) in balances due to IMF	22	12,248,414	7648,723
(Increase)/decrease in due from foreign financial institutions	19 (a)	(19,988,489)	869,577
(Increase)/decrease in due to foreign financial institutions	19 (b)	20,558,706	-
Dividends paid in cash		(4,929,939)	(5,033,558)
Dividends paid in kind (settlement of government loan)		(7,089,270)	(7,550,336)
Net cash from financing activities		**(19,283,073)**	**(32,018,649)**
Increase/(decrease) in cash and cash equivalents		**309,741,046**	**(148,331,189)**
Cash and cash equivalents at the beginning of the year	37	383,629,372	500,322,473
Net foreign exchange gain on cash and cash equivalents	11 (a)	45,489,242	31,638,088
Cash and cash equivalents at the end of the year	16	**738,859,660**	**383,629,372**

The notes set out on pages 12 to 78 form an integral part of these financial statements.

1. Reporting entity

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

The Bank is wholly owned by the Government of Rwanda. The Bank is established by and derives its authority and accountability from Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda and as amended by Law No. 016/2021 of 03/03/2021. The Bank also acts as Banker, advisor and fiscal agent of the Government of Rwanda.

2. Basis of preparation

(a) Compliance with IFRS

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and in the manner required by Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda and as amended by Law No. 016/2021 of 03/03/2021.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, certain classes of property, plant and equipment, and investment property – measured at fair value or revalued amount.

(c) New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time for the annual reporting year commencing 1 July 2021:

Number	Effective date	Executive summary
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published June 2020)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

2. Basis of preparation (continued)

(d) New standards and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Bank. These standards are not expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

2. Basis of preparation (continued)

(d) New standards and interpretations not yet adopted by the Bank (continued)

Number	Effective date	Executive summary
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.
Amendment to IFRS 3, 'Business combinations' Asset or liability in a business combination clarity	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

2. Basis of preparation (continued)

(d) New standards and interpretations not yet adopted by the Bank (continued)

Number	Effective date	Executive summary
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: • IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2022 (Published Jan 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

3. Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Gains resulting from a revaluation of reserve exchange holdings or international commitments recorded in the balance-sheet of the Bank due to a revision of the foreign exchange system or a modification of the exchange value of the Frw decided by the Government are appropriated to a special account titled "Foreign exchange revaluation reserve" account in equity.

4. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The directors also need to exercise judgement in applying the Bank's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Impairment of financial assets – note 6 (a)
- estimated fair value of certain financial assets – note 7
- Accounting treatment of economic recovery funds from the Government of Rwanda – note 5 (t) and note 34.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Bank and that are believed to be reasonable under the circumstances.

5. Significant accounting policies

a) Interest income

Interest income is recognised in the profit or loss statement using the effective interest rate method for all interest-bearing financial instruments except for assets measured at fair value through profit and loss.

b) Fees and commission

Fees and commission income include; commission on foreign currency transactions ,commission received on guarantees, T24-Internet Banking commissions, commission on letters of credit commissions on credit management, and are recognised as the related services are performed.

Fees are recognised as the service is provided, as this is the point at which the performance obligation, with the identified customer, is considered to be satisfied. Fee income from regulatory activity is recognised as the service to regulated entities occurs.

c) Net trading income

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

d) Financial assets and liabilities

Measurement methods

Amortised cost and effective interest rate
The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets

(i) Classification and subsequent measurement

The Bank classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL); or
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Financial assets (continued)

Classification and subsequent measurement of debt instruments depend on:
- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the year in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, where the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a Bank of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Financial assets (continued)

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting year following the change. Such changes are expected to be very infrequent and none occurred during the year.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the Net trading income' line in the statement of profit or loss.

The Bank's financial assets are classified as follows:

Financial assets	***Classification***
Cash and cash equivalents	*Amortised cost*
Due from International Monetary Fund	*Amortised Cost*
Due from foreign financial institutions	*FVTPL & amortised cost*
Foreign investment securities	*FVTPL & FVOCI*
Due from the Government of Rwanda	*Amortised cost*
Government of Rwanda Eurobond investments	*Amortised cost*
Due from local financial institutions	*FVTPL & amortised cost*
Loans and advances to employees	*Amortised Cost*
Equity investments	*FVOCI*

(ii) Impairment

The Bank assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:
- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 6 (a) provides more detail of how the expected credit loss allowance is measured.

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Financial assets (continued)

(iii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

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

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in De-recognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

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

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

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

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

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Financial liabilities

(i) Classification and subsequent measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

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

The Bank's financial liability classification is presented below:

Financial liabilities	
Due to International Monetary Fund	*Amortised cost*
Due to local financial institutions	*FVTPL & amortised cost*
Foreign liabilities	*FVTPL & amortised cost*
Government of Rwanda deposits	*Amortised cost*
Customer deposits	*Amortised cost*
Transitory accounts	*Amortised cost*
Economic recovery fund	*Amortised cost*
Sector recapitalisation funds	*Amortised cost*
Dormant account funds	*Amortised cost*
Death benefit fund	*Amortised cost*
Other payables	*Amortised cost*

(ii) De-recognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

5. Significant accounting policies (continued)

d) Financial assets and liabilities (continued)

Financial liabilities (continued)

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to Banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other Banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

e) Sale and repurchase (repo) agreements

The Bank has entered into repo agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under due to Banks as money market borrowing. Securities sold under agreement to repurchase are disclosed due from Banks. The differences between the purchase and sale prices are treated as interest and accrued using the effective interest method. The Bank from time to time mops up money from the financial market ('repos') or injects money into the market ('reverse repos') with maturities of 1 - 28 days. The Bank engages in these transactions with commercial Banks only. These have been disclosed in the financial statements as "due to financial institutions" and "due from financial institutions".

f) Derivative financial assets and liabilities

The Bank enters into derivatives (currency forwards and swaps) for trading purposes. At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. The Bank may take positions with the expectation of profiting from favourable movement in prices, rates or indices. The Bank's exposure under derivative contracts is closely monitored as part of the overall management of its market risk. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income

The Bank uses the following derivative instruments:

Currency forwards - Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over–the–counter market. The Bank has credit exposure to the counterparties of forward contracts. Forward contracts are settled gross and result in market risk exposure.

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

5. Significant accounting policies (continued)

g) Currency in circulation

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

h) Currency printing and minting costs

The costs incurred for printing Bank notes is deferred on payment. The costs are amortised to the P&L based on the notes issued into circulation on a monthly basis.

Cost of coins minted are deferred on payment. Subsequently, these costs are amortised with issuance of new currency into circulation.

The deferred amount is recognized as a prepayment and represents un-issued Banknotes (currency) stock.

i) Cash and cash equivalents

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

j) Loan due from the Government of Rwanda

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

At the time of the agreement the total debt balance was **Frw 34,457,639,242**. Effective 9 February 1996, agreed terms were as follows:

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

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

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

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

5. Significant accounting policies (continued)

k) Property and equipment

Recognition and measurement

Land and buildings are recognised at fair value based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. All other property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Bank's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

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.

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5. Significant accounting policies (continued)

l) 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 5% using the straight-line method.
Gains or losses arising from the retirement/ disposal of investment property are recognized in profit or loss.

m) Intangible assets

(i) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(i) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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

(ii) Amortisation methods and periods

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

Computer software: 3 to 5 years

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

(iii) Work in progress

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.

5. Significant accounting policies (continued)

n) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Income tax expense

The Bank is considered as the State with regard to the rules of tax liability and tax payment pertaining to all taxes levied for the benefit of the State and its administrative entities as per Article 61 of Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda and as amended by Law No. 016/2021 of 03/03/2021. Therefore, The Bank is exempt from current income taxes.

p) Deposits

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

Cash Ratio Deposits are taken from commercial Banks for liquidity management (monetary policy purposes) of the Bank in accordance with the Banking Act and are interest free. Cash Ratio Reserves is a monetary policy instrument used to manage liquidity. The deposits earn no interest to commercial Banks and the Bank does not trade on these deposits in any way. The deposits are currently computed at 4.5% (2020: 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.

q) 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.

r) Provisions

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

s) Commitments on behalf of the Government of Rwanda

Commitments on behalf of Government of Rwanda are as follows:

- arising from the issue of Treasury bills and Treasury bonds
- Arising from administration of the Economic Recovery Funds

These commitments are not included on the statement of financial position as the Bank is involved in such transactions only as an agent. There are no expected credit losses on these commitments since they are fully covered by the Government of Rwanda.

National Bank of Rwanda
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5. Significant accounting policies (continued)

t) Government grants and government assistance

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

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

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.

u) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

(ii) Post-employment obligations

The Bank operates various post-employment schemes,

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

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

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

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

(iii) Other long term employee benefits

Other long term benefits are not significant and are recognised in profit or loss in the period in which they arise.

5. Significant accounting policies (continued)

v) Contingent liabilities

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

w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Bank, on or before the end of the reporting period but not distributed at the end of the reporting period.

Dividends are declared after the allocation of other appropriations deemed necessary by the Board of Directors, notably to general reserve fund.

x) Share capital and reserves

Shares are classified as share capital in equity. Article 3 of the Law No.48/2017 of 23/09/2017 Governing the National Bank of Rwanda and as amended by Law No. 016/2021 of 03/03/2021 prescribes that the overall capital of the Bank is seven billion Rwandan francs (7,000,000,000 Frw).

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

National Bank of Rwanda
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6. Financial risk management

Risk management framework

The risk management structure is as follows

Board of Directors

The board of directors is responsible for:

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

Board Audit and Risk Committee (BARC)

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

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

Following are the Roles and Responsibilities of the BARC:

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

Management committee

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

Technical risk committee

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

Risk management function

Risk management department for respective risks is responsible for operational aspects of implementing risk policies. The director of risk management shall head the risk management department with the role of overseeing its functioning, in collaboration with the Bank's department.

The following section discusses the Bank's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the Bank uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9. The approach taken for IFRS 9 measurement purposes is discussed separately in note 6 (a) (ii).

6. Financial risk management (continued)

Risk management policies (continued)

(a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from foreign financial institutions, local financial institutions, balances with Government of Rwanda, loans and advances to employees, equity instruments and other receivables, but can also arise from credit enhancement provided, such as derivatives, financial guarantees, letters of credit, endorsements and acceptances.

The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements. The directors therefore carefully manage its exposure to credit risk. The credit risk management and control are centralised with the management team which reports regularly to the Board of Directors.

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

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

(i) Loans and advances

The Bank lends only to the Government of Rwanda in form of overdraft facilities, local Banks and financial institutions through its monetary policy operations, and employees through approved policies. Credits to Banks and other financial institutions are for a very short term and are covered by guarantees. The Bank requires 100% deposit cover of letters of credit opened and/or confirmed. It requires guarantees in case of issuing off balance sheet liabilities.

The estimation of credit exposure for risk management purposes is complex and at times requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. Refer to note 6 (a) (iii) for more details.

(ii) Other debt securities

For debt securities, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on default rates as published by the rating agency.

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6. Financial risk management (continued)

(a) Credit risk (continued)

(iii) Expected credit loss measurement

- IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:
- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Please refer to note 6 (a) (iii) (1) for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 6 (a) (iii) (2) for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 4 for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 6 (a) (iii) (4) includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summaries the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

(1) Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

The Bank uses credit ratings in order to determine SICR. The movement of an asset's credit rating to the next lower rating of the credit rating scale is defined as a 1 notch rating movement (e.g. moving from A+ to A). The SICR for the Bank is defined as a rating change of more than 2 notches as this change is guaranteed to move the asset to the next rating category or risk profile.

6. Financial risk management (continued)

(a) Credit risk (continued)

(iii) Expected credit loss measurement (continued)

Qualitative criteria:
If the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring.
- Actual or expected significant adverse change in operating results of the borrower.

Backstop
A backstop is applied, and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

(2) Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter Bankruptcy.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Bank's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months.

National Bank of Rwanda
Notes to the financial statements
For the year ended 30 June 2022

6. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Expected credit loss measurement (continued)

This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

(3) Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12M or lifetime basis, where 12M LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed.

The 12M and Lifetime EADs are determined based on the expected payment profile, which varies by instrument.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12M or Lifetime basis. The 12M and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.
- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers.

The assumptions underlying the ECL calculation (such as how the maturity profile of the PDs and how collateral values change etc.) are monitored and reviewed periodically.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

6. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Expected credit loss measurement (continued)

(4) Forward-looking information incorporated in the ECL models

Given the nature of the short-term exposures, forward-looking information is expected to have an immaterial impact on expected credit losses.

(iii) Maximum exposure to credit risk

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

Loans and advances to employees at amortized cost

At 30 June 2022	12 month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total 30 June 22
Risk classification	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Stage 1	11,456,245			11,456,245
Stage 2		309,932		309,932
Stage 3			596,503	596,503
Gross carrying amount	11,456,245	309,932	596,503	12,362,680
Expected credit losses (ECL)	(66,751)	(1,552)	(138,299)	(206,602)
Net carrying amount	**11,389,494**	**308,380**	**458,204**	**12,156,078**

At 30 June 2021	12 month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total 30 June 21
Risk classification	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Stage 1	11,381,635	-	-	11,381,635
Stage 2	-	168,922	-	168,922
Stage 3	-	-	377,355	377,355
Gross carrying amount	11,381,635	168,922	377,355	11,927,912
Expected credit losses (ECL)	(61,662)	(3,322)	(104,057)	(169,041)
Net carrying amount	**11,319,973**	**165,600**	**273,298**	**11,758,871**

6. Financial risk management (continued)

(a) Credit risk (continued)

(iii) Maximum exposure to credit risk (continued)

Financial assets

For the year ended 30 June 2022	Risk exposure	12 month ECL/ Credit impaired	Total
	Frw'000	**Frw'000**	**Frw'000**
Fixed term deposits	574,570,054	(195,671)	574,374,383
Current accounts	84,501,833	(52,115)	84,449,718
Debt instruments - FVPL	553,930,633	-	553,930,633
Debt instruments - FVOCI	498,137,398	(294,166)	497,843,232
Due from Government of Rwanda	17,214,052	-	17,214,052
Government of Rwanda Eurobond investments	100,661,306	(608,618)	100,052,688
Due from local financial institutions	165,256,662	-	165,256,662
Due from foreign financial institutions	20,205,612	-	20,205,612
Due from International Monetary Fund	281,863,859	(78,928)	281,784,931
Other investments – FVOCI	450,000	(443,836)	6,164
Loans and advances to employees	12,362,680	(206,602)	12,156,078
Other assets	9,600,745	(2,514,940)	7,085,805
Total	**2,318,756,034**	**(4,394,876)**	**2,314,360,158**

For the year ended 30 June 2021	Risk exposure	12 month ECL/ credit impaired	Total
	Frw'000	**Frw'000**	**Frw'000**
Fixed term deposits	197,456,639	-	197,456,639
Current accounts	53,039,146	(83,810)	52,955,336
Debt instruments - FVPL	551,558,046	-	551,558,046
Debt instruments - FVOCI	492,879,687	(543,124)	492,336,563
Debt instruments - amortised cost	45,399,180	(387,866)	45,011,314
Due from Government of Rwanda	24,303,322	-	24,303,322
Government of Rwanda Eurobond investments	57,526,770	(556,314)	56,970,456
Due from local financial institutions	148,672,585	-	148,672,585
Due from foreign financial institutions	217,360	(237)	217,123
Due from International Monetary Fund	301,499,442	(328,061)	301,171,381
Other investment – FVOCI	450,000	(443,836)	6,164
Loans and advances to employees	11,927,912	(169,041)	11,758,871
Other assets	4,205,317	(1,705,391)	2,499,926
Total	**1,888,136,406**	**(4,217,680)**	**1,884,917,725**

6. Financial risk management (continued)

(a) Credit risk (continued)

(iv) Credit ratings

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

As at 30 June 2022 Rating/Assets	Fixed term deposits	Current accounts	Debt instruments – FVPL	Debt instruments - FVOCI	Due from foreign financial institutions	Due from International Monetary Fund	Other financial assets	Total
	Frw '000'	Frw '000'	Frw '000'	Frw '000'		Frw '000'	Frw '000'	Frw '000'
Rated AAA	430,768,727	48,842,237	553,930,833	497,843,232	-	281,784,931	-	1,813,169,960
Rated BBB and below	143,605,656	35,607,481	-	-	20,205,612	-	301,771,449	501,190,198
Total	574,374,383	84,449,718	553,930,833	497,843,232	20,205,612	281,784,931	301,771,449	2,314,360,158

As at 30 June 2021 Rating/Assets	Fixed term deposits	Current accounts	Debt instruments - FVPL	Debt instruments - FVOCI	Due from foreign financial institutions	Due from International Monetary Fund	Other financial assets	Total
	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'
Rated AAA	128,336,598	46,617,942	551,271,227	492,623,381	217,123	301,171,381	-	1,520,237,852
Rated BBB and below	69,120,041	6,337,394	-	-	-	-	289,222,638	364,680,073
Total	197,456,639	52,955,336	551,271,227	492,623,381	217,123	301,171,381	289,222,638	1,884,917,725

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

As at 30 June 2022 Region/Assets	Fixed term deposits	Current accounts	Debt instruments - FVPL	Debt instruments - FVOCI	Due from foreign financial institutions	Due from International Monetary Fund	Other financial assets	Total
	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'
North America	-	41,709,173	-	497,843,232	-	281,784,931	-	821,337,336
Europe	476,934,331	38,897,399	553,930,833	-	-	-	-	1,067,762,563
Asia	-	3,553,946	-	-	-	-	-	3,553,946
Middle East and Africa	97,440,052	2,289,200	-	-	20,205,612	-	301,771,449	421,706,313
Total	574,374,383	84,449,718	553,930,833	497,843,232	20,205,612	281,784,931	301,771,449	2,314,360,158

As at 30 June 2021 Region/Assets	Fixed term deposits	Current accounts	Debt instruments - FVPL	Debt instruments - FVOCI	Due from foreign financial institutions	Due from International Monetary Fund	Other financial assets	Total
	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'
North America	-	29,455,359	-	492,623,381	217,123	301,171,381	-	823,467,244
Europe	128,336,598	20,123,222	551,271,227	-	-	-	45,011,314	744,742,361
Asia	-	1,072,932	-	-	-	-	-	1,072,932
Middle East and Africa	69,120,041	2,303,823	-	-	-	-	244,211,324	315,635,188
Total	197,456,639	52,955,336	551,271,227	492,623,381	217,123	301,171,381	289,222,638	1,884,917,725

6. Financial risk management (continued)

(b) Liquidity risk

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

Management of liquidity risk

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

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

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

Portfolio tranching structure

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

Tranching criteria

Liquidity tranche

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

The target level is decided by the Reserve management committee.

Investment tranche

This is calculated as follows:

Investment tranche = Total reserves - liquidity tranche.

The balances held in each tranche are as follows:

Liquidity tranche	30-Jun-22	30-Jun-21
Liquidity tranche	574,570,054	197,456,639
Investment tranche	1,151,826,751	1,145,876,378
Total reserves	**1,726,396,805**	**1,343,333,017**

6. Financial risk management (continued)
(b) Liquidity risk (continued)
Maturity analysis for financial liabilities and financial assets
The table below set out the remaining contractual maturities of the Bank's financial assets and financial liabilities.

As at 30 June 2022	On demand Frw'000'	Due within 3 months Frw'000'	Due between 4-12 months Frw'000'	Due between 1-5 years Frw'000'	Due after 5 years Frw'000'	Total Frw'000'
Financial asset by type						
Cash and cash equivalents	164,289,606	583,633,978	-	-	-	747,923,584
Foreign investments securities	-	40,878,652	106,256,403	251,019,264	671,241548	1,069,395,867
Due from Government of Rwanda	-	12,529,866	71,554	-	4,770,256	17,371,676
Rwanda Euro Bond Investment	-	1,400,769	4,202,308	-	100,661,306	106,264,384
Due from local financial institutions	-	12,373,057	24,881,323	142,631,039	8,854,353	188,739,771
Due from foreign financial institutions	-	1,204,308	401,436	22,480,416	-	24,086,160
Due from IMF	-	-	-	-	281,784,931	281,784,931
Loans and advance to employees	-	382,573	622,597	1,092,600	10,729,726	12,827,496
Other assets	195,026	-	9,929,764	7,121,646	-	17,246,436
Total financial assets	164,484,631	652,403,204	146,365,384	424,344,965	1,078,042,121	2,465,640,305
Financial liability by type						
Currency in circulation	-	-	-	-	352,500,899	352,500,899
Government of Rwanda deposits	650,265,032	-	-	-	-	650,265,032
Due to local financial institutions	431,667,201	12,343,152	31,925,161	115,995,461	9,169,937	601,100,911
Due to foreign financial institution	-	-	807,407	24,140,642	-	24,948,048
Due to International Monetary Fund	-	-	-	-	473,262,545	473,262,545
Other liabilities	12,213,024	9,761,797	8,631,692	5,972,453	681,513	37,260,479
Total financial liabilities	1,094,145,256	22,104,949	41,364,260	146,108,555	835,614,894	2,139,337,913
Liquidity gap	(929,660,625)	630,298,255	105,001,125	278,236,409	242,427,227	326,302,392

6. Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

As at 30 June 2021	On demand Frw'000'	Due within 3 months Frw'000'	Due between 4-12 months Frw'000'	Due between 1-5 years Frw'000'	Due after 5 years Frw'000'	Total Frw'000'
Financial asset by type						
Cash and cash equivalents	110,578,594	197,456,639	-	-	-	308,035,233
Foreign investment securities	-	35,716,519	373,500,123	899,709,373	-	1,365,896,471
Government of Rwanda Eurobond investments	-	-	-	-	56,970,456	56,970,456
Due from Government of Rwanda	-	-	7,550,336	17,239,052	-	24,789,388
Due from local financial institutions	-	16,595,130	23,147,112	130,221,228	-	169,963,469
Due from foreign financial institutions	-	-	-	311,028	-	311,028
Due from IMF	-	-	-	-	301,556,525	301,556,525
Loans and advance to employees	-	31,544	63,504	957,825	11,818,213	12,871,086
Other assets	-	-	1,518,497	-	-	1,518,497
Total financial assets	110,578,594	249,799,832	405,779,572	1,048,438,506	370,345,194	2,241,912,153
Financial liability by type						
Currency in circulation	-	-	-	-	296,613,122	296,613,122
Government of Rwanda deposits	481,634,557	-	-	-	-	481,634,557
Due to local financial institutions	218,969,112	10,614,732	20,572,225	108,641,817	10,016,898	368,814,785
Due to International Monetary Fund	-	-	-	-	461,063,565	461,063,565
Other customer deposits	3,589,734	-	-	203,312	-	3,793,046
Other liabilities	13,801,692	25,517,660	36,784,411	510,726	511,736	78,896,471
Total financial liabilities	717,630,754	36,132,392	57,085,949	105,177,324	767,245,260	1,883,271,679
Liquidity gap	(608,092,376)	214,891,070	348,451,422	1,000,231,638	(453,870,522)	501,611,232

6. Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets (continued)

The above analysis is based on carrying amounts as at 30 June 2022 and includes any interest arising over the remaining life of the financial assets and liabilities. The only off-balance sheet item that the Bank holds relate to economic Recovery Fund (ERF) and imported currencies (both coins and notes) kept in the green house, out of which any issuance made is reported as currency in circulation. There is no material difference between the carrying amount and the fair value.

Liquidity reserves

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

	30-Jun-22 Frw'000'	30-Jun-21 Frw'000'
Cash	80,035,559	57,623,258
Current accounts	84,254,047	52,955,336
Fixed term deposits	574,570,054	197,456,639
Special Drawing Rights (SDR)	62,291,390	75,594,139
	801,151,050	**383,629,372**

(c) Market risk

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

Management of market risk

The Bank separates exposures to market risk into either trading or non-trading portfolios. Trading portfolios include those positions arising from market-making transactions where the Bank acts as principal with commercial Banks or the market.
Non-trading portfolios primarily arise from the interest rate management of the Bank's investment And monetary policy assets and liabilities.

- **Currency risk**

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.
As per the investment policy and guidelines, for each currency, assets and liabilities should be matched at 100%. However, in case of any deviations, only an overall maximum deviation of +/- 2% out of the USD is acceptable.

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

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6. Financial risk management (continued)

(c) Market risk (continued)

Currency risk (continued)

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

	2022 Frw'000	2021 Frw'000
Assets in foreign currencies	2,138,339,734	1,757,556,818
Liabilities in foreign currencies	(974,450,092)	(835,501,203)
Net foreign currency exposure at the end of the year	**1,163,889,642**	**921,811,366**

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

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

6. Financial risk management (continued)

(c) Market risk (continued)

Currency risk (continued)

As at 30 June 2022	USD	EURO	GBP	SDR	Others	Total
Assets	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Foreign assets	1,052,068,228	-	1	-	-	1,052,068,229
Government of Rwanda Eurobond investments	100,661,306	-	-	-	-	100,661,306
Due from International Monetary Fund	-	-	-	281,863,859	-	281,863,859
Cash balances	688,483,216	8,897,347	519,511	-	5,417,973	703,318,047
Other assets	207,073	2,275	-	-	218,945	428,293
Total assets	**1,841,419,823**	**8,899,622**	**519,512**	**281,863,859**	**5,636,918**	**2,138,339,734**
Liabilities						
Government deposits	(139,274,292)	(13,112,108)	(1,484)	-	-	(152,387,884)
Due to local financial institutions	(291,480,269)	(32,171,608)	(86,172)	-	(759,195)	(324,497,244)
Due to International Monetary Fund	-	-	-	(473,262,545)	-	(473,262,545)
Due to foreign financial institution	(20,558,706)	-	-	-	-	(20,558,706)
Foreign liabilities	(1,491,332)	(5,098)	-	-	-	(1,496,430)
Other liabilities	(823,359)	5,376	-	-	(6,718)	(824,711)
Customer deposit	(1,194,369)	(219,213)	(6,482)	-	(2,508)	(1,422,572)
Total liabilities	(454,822,337)	(45,502,651)	(94,138)	(473,262,545)	(768,421)	(974,450,092)
Net exposure at 30 June 2022	**1,386,597,486**	**(36,603,029)**	**425,374**	**(191,398,686)**	**(4,868,497)**	**1,163,889,642**

6. Financial risk management (continued)

(c) Market risk (continued)

Currency risk (continued)

As at 30 June 2021	USD	EURO	GBP	SDR	Others	Total
Assets	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Foreign assets	1,089,836,912	-	-	-	-	1,089,836,912
Due from International Monetary Fund	-	-	-	301,499,442	-	301,499,442
Cash balances	294,631,793	9,877,963	885,905	-	2,639,572	308,035,233
Government of Rwanda Eurobond investments	57,526,769					57,526,769
Other assets	426,343	3,228	-	-	228,891	658,462
Total assets	1,442,421,817	9,881,191	885,905	301,499,442	2,868,463	1,757,556,818
Liabilities						
Government deposits	(99,693,845)	(12,700,305)	(1,414)	-	-	(112,395,364)
Due to local financial institutions	(222,115,968)	(34,553,804)	(45,280)	-	(305,622)	(257,020,674)
Due to International Monetary Fund	-	-	-	(461,014,131)	-	(461,014,131)
Foreign liabilities	(1,318,974)	(5,629)	-	-	(11,528)	(1,324,603)
Other liabilities	(3,446,017)	(279,203)	(7,168)	-	(2,515)	(3,746,432)
Total liabilities	(326,574,604)	(47,538,941)	(53,862)	(461,014,131)	(319,665)	(835,501,203)
Net exposure at 30 June 2021	1,115,847,213	(37,657,750)	832,043	(159,842,749)	2,632,609	921,811,366

6. Financial risk management (continued)

(c) Market risk (continued)

Currency risk (continued)

Sensitivity analysis on currency risk

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

	Currency carrying amount	5% Depreciation	5% Appreciation
Assets	**Frw '000**	**Frw '000**	**Frw '000**
USD	1,841,419,823	(92,070,991)	92,070,991
GBP	519,512	(25,976)	25,976
EUR	8,899,622	(444,981)	444,981
SDR	281,764,931	(14,089,247)	14,089,247
Other	77,428,907	(3,871,445)	3,871,445
	2,210,052,795	**(110,502,640)**	**110,502,640**
Liabilities			
USD	454,192,848	(22,709,642)	22,709,642
GBP	94,138	(4,707)	4,707
EUR	45,513,403	(2,275,670)	2,275,670
SDR	473,262,545	(23,663,127)	23,663,127
Others	807,519,503	(40,375,975)	40,375,975
	1,780,571,687	**(89,029,122)**	**89,029,122**
Total (decrease)/increase		**(21,473,518)**	**21,473,518**
Effect on net surplus		**(21,473,518)**	**21,473,518**

At 30 June 2022, if the Rwandan Franc had weakened / strengthened by 5% against the major trading currencies, with all other variables held constant, the impact on the Bank's surplus would have been Frw 21,473,518,000 lower/higher.

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

Currency	Closing rate 30-Jun-22	Closing rate 30-Jun-21	Average rate 30-Jun-22	Average rate 30-Jun-21
USD	1,014.34	987.13	1,014.34	987.13
EUR	1,060.44	1,174.74	1,060.44	1,174.74
GBP	1,230.44	1,367.18	1,230.44	1,367.18
SDR	1,351.99	1,408.44	1,351.99	1,408.44

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6. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk

Interest rate is the risk that the future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Interest margin may decrease as a result of such changes but may increase losses in the event that unexpected movement arises. The Bank closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of assets and liabilities carried on the statement of financial position.

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

7. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk (continued)

30 June 2022	3 months or less Frw'000'	3-12 months Frw'000'	Over one year Frw'000'	Non-interest bearing Frw'000'	Total Frw'000'
Cash and cash equivalents	574,570,054	84,254,047	-	80,035,559	738,859,660
Foreign investment securities		-	1,051,774,063	-	1,051,774,063
Due from IMF	-	-	-	281,784,931	281,784,931
Due from Government of Rwanda	-	-	17,214,052	-	17,214,052
Government of Rwanda Eurobond investments	-	-	100,052,688	-	100,052,688
Due from local financial institutions	5,331,990	21,975,106	137,949,566	-	165,256,662
Due from foreign financial institutions	-	-	20,205,612	-	20,205,612
Loan and advance to staff	214,719	119,033	11,822,326	-	12,156,078
Other assets	-	-	-	7,085,805	7,085,805
Total assets	**580,116,763**	**106,348,186**	**1,339,018,307**	**368,906,295**	**2,394,389,551**
Currency in circulation	-	-	-	352,500,899	352,500,899
Government deposits	-	-	-	650,265,032	650,265,032
Due to local financial institutions	10,561,922	30,766,600	122,675,828	431,667,201	595,671,551
Due to International Monetary Fund	-	-	-	473,262,545	473,262,545
Due to foreign financial institutions	-	-	20,558,706	-	20,558,706
Foreign liabilities	-	-	-	3,553,374	3,553,374
Other liabilities	-	-	-	31,180,112	31,180,112
Total liabilities	**10,561,922**	**30,766,600**	**143,234,534**	**1,942,429,163**	**2,126,992,219**
Interest sensitivity gap at 30 June 2022	**569,554,841**	**75,581,586**	**1,195,783,773**	**(1,573,522,868)**	**267,397,332**

6. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk (continued)

30 June 2021	3 months or less Frw'000'	3-12 months Frw'000'	Over one year Frw'000'	Non-interest bearing Frw'000'	Total Frw'000'
Cash		52,955,336	-	57,623,258	110,578,594
Foreign assets	197,456,539	45,399,180	1,100,477,198	-	1,343,333,017
Due from IMF	-	-	-	301,171,382	301,171,382
Due from Government of Rwanda	-	-	24,303,322	-	24,303,322
Loan and advance to banks	16,269,735	21,965,415	110,437,435	-	148,672,585
Due from foreign financial institutions	-	-	217,124	-	217,124
Loan and advance to staff	31,387	62,668	11,664,816	-	11,758,871
Other assets	-	-	-	7,346,320	7,346,320
Total assets	**213,757,761**	**120,382,599**	**1,247,099,895**	**366,140,960**	**1,947,381,215**
Currency in circulation	-	-	-	296,613,122	296,613,122
Government deposits	-	-	-	481,634,557	481,634,557
Due to local financial institutions	10,561,922	20,301,538	113,569,557	218,604,770	363,037,788
Due to International Monetary Fund	-	-	-	461,014,131	461,014,131
Foreign liabilities	-	-	-	3,793,046	3,793,046
Other liabilities	-	-	-	79,416,579	79,416,579
Total liabilities	**10,561,922**	**20,301,538**	**113,569,557**	**1,541,076,205**	**1,685,509,223**
Interest sensitivity gap at 30 June 2021	**203,195,839**	**100,081,061**	**1,133,530,338**	**(1,174,935,245)**	**261,871,992**

6. Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis 30 June 2022

		Total carrying amount June 2022	0.50% increase	0.5% decrease
ASSETS		**Frw '000**	**Frw '000**	**Frw '000**
Foreign assets	Cash and cash equivalents	738,859,660	3,694,298	(3,694,298)
	Foreign assets at FVTPL	553,930,833	2,769,654	(2,769,654)
	Foreign assets at FVTOCI	498,137,396	2,490,687	(2,490,687)
	IMF quota	281,784,931	1,408,925	(1,408,925)
	Due from foreign financial institutions	20,205,612	101,028	(101,028)
Domestic assets	Government of Rwanda debt	17,214,052	86,070	(86,070)
	Government of Rwanda Eurobond investments	100,052,688	500,263	(500,263)
	Loan and advance to banks	165,256,662	826,283	(826,283)
	Staff loans	12,158,078	60,780	(60,780)
Total assets		**2,387,597,912**	**11,937,990**	**(11,937,990)**
LIABILITIES				
Foreign financial liabilities	Due to IMF	473,262,545	2,366,313	(2,366,313)
	Due to Foreign Financial Institution	20,558,706	102,794	(102,794)
	Foreign liabilities	3,553,374	17,767	(17,767)
Domestic financial liabilities	Due to local financial institutions	595,671,551	2,978,358	(2,978,358)
Total liabilities		**1,093,046,176**	**5,465,232**	**(5,465,232)**
Net interest increase/(decrease)		**1,294,551,736**	**6,472,758**	**(6,472,758)**
Impact on profit		**1,294,551,736**	**6,472,758**	**(6,472,758)**

6. Financial Risk Management (continued)

(c) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis 30 June 2021

		Total carrying amount June 2021	0.50% increase	0.5% decrease
ASSETS		**Frw '000**	**Frw '000**	**Frw '000**
Foreign assets	Cash and cash equivalents	308,035,233	1,540,176	(1,540,176)
	Foreign assets at FVTPL	551,558,046	2,757,790	(2,757,790)
	Foreign assets at FVTOCI	492,336,562	2,461,683	(2,461,683)
	Foreign assets at amortised cost	45,011,314	225,057	(225,057)
	IMF Quota	301,171,382	1,505,857	(1,505,857)
	Due from foreign financial institutions	217,124	1,086	(1,086)
Domestic assets	Government of Rwanda debt	24,303,322	121,517	(121,517)
	Government of Rwanda Eurobond investments	56,970,456	284,852	(284,852)
	Loan and advance to banks	148,672,585	743,363	(743,363)
	Staff loans	11,758,871	58,794	(58,794)
Total assets		**1,940,034,895**	**9,700,175**	**(9,700,175)**
LIABILITIES				
Foreign financial liabilities	Due to IMF	461,014,131	2,305,071	(2,305,071)
	Foreign liabilities	3,793,046	18,965	(18,965)
Domestic financial liabilities	Due to local financial institutions	363,037,788	1,815,189	(1,815,189)
Total liabilities		**827,844,965**	**4,139,225**	**(4,139,225)**
Net interest increase/(decrease)		**1,112,189,930**	**5,560,950**	**(5,560,950)**
Impact on profit		**1,112,189,930**	**5,560,950**	**(5,560,950)**

6. Financial risk management (continued)

Fair value of financial instruments

A. Valuation models

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

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

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

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

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

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

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

B. Fair value hierarchy

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

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

Financial instruments measured at fair value - Valuation hierarchy

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

6. Fair value of financial instruments (continued)

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

As at 30 June 2022	Carrying amount					Fair value			
	Financial instruments at FVTPL Frw '000	Financial instruments at FVOCI Frw '000	Financial instruments at amortised Cost Frw '000	Other Financial Liabilities Frw '000	Total carrying amount Frw '000	Level 1 Frw '0000	Level 2 Frw '000	Level 3 Frw '000	Total Fair value Frw '000
Financial assets									
Cash and cash equivalents	-		738,859,660	-	738,859,660	738,859,660	-	-	738,859,660
Foreign assets	553,776,286	497,997,777	-	-	1,051,774,063	1,051,774,063	-	-	1,051,774,0623
Rwanda Government debt	-	-	17,214,052	-	17,214,052	-	17,214,052	-	17,214,052
Government of Rwanda Eurobond investments	-	-	100,052,688	-	100,052,688	-	100,052,688		100,052,688
Due from local financial institutions	-	-	165,256,662	-	165,256,662	-	165,256,662	-	165,256,662
Due from foreign financial institutions	-	-	20,205,612	-	20,205,612	-	20,205,612		20,205,612
Staff loans	-	-	12,156,078	-	12,156,078	-	12,156,078	-	12,156,078
IMF Quota	-	-	281,784,931	-	281,784,931	-	281,784,931	-	281,784,931
Other Investment	-	6,164	-	-	6,164	-	-	6,164	6,164
Other assets	-	-	9,246,479	-	9,246,479	-	9,246,479	-	9,246,479
Total financial assets	**553,776,286**	**498,003,941**	**605,916,502**	**-**	**1,657,696,729**	**1,051,774,063**	**805,916,502**	**6,164**	**11,123,663,289**
Financial liabilities									
Currency in circulation	-	-	-	352,500,899	352,500,899	-	352,500,899	-	352,500,899
Government deposits	-	-	-	660,265,032	660,265,032	-	660,265,032	-	660,265,032
Due to local financial institutions	-	-	-	596,301,040	596,301,040	-	596,301,040	-	596,301,040
Due to IMF	-	-	-	473,262,545	473,262,545	-	473,262,545	-	473,262,545
Due to foreign financial institutions	-	-	-	20,558,706	20,558,706		20,558,706	-	20,558,706
Foreign liabilities	-	-	-	3,553,374	3,553,374	-	3,553,374	-	3,553,374
Other liabilities	-	-	-	31,387,823	31,387,823	-	-	31,387,823	31,387,823
Financial liabilities	**-**	**-**	**-**	**2,127,829,419**	**2,127,829,419**	**-**	**2,096,441,596**	**31,387,823**	**2,127,829,419**

6. Fair value of financial instruments (continued)

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

As at 30 June 2021	Carrying amount					Fair value			
	Financial Instruments at FVTPL Frw '000	Financial Instruments at FVOCI Frw '000	Financial Instruments at amortised Cost Frw '000	Other Financial Liabilities Frw '000	Total carrying amount Frw '000	Level 1 Frw '0000	Level 2 Frw '000	Level 3 Frw '000	Total Fair value Frw '000
Financial assets									
Cash and cash equivalent	-		308,035,233	-	308,036,233	308,035,233	-	-	308,035,233
Foreign assets	551,558,046	492,336,562	101,981,770	-	1,145,876,378	1,145,876,378	-	-	1,145,876,378
IMF Quota	-	-	301,171,383	-	301,171,383	-	301,171,383	-	301,171,383
Rwanda Government debt	-	-	24,303,322	-	24,303,322	-	24,303,322	-	24,303,322
Loan and advance to Banks			148,672,585		148,672,585	-	148,672,585	-	148,672,585
Due from foreign financial institutions	-		217,124	-	217,124	-	217,124		217,124
Staff loans	-		11,758,871	-	11,758,871	-	11,758,871	-	11,758,871
Other investment		6,164	-		6,164		-	6,164	6,164
Other assets	-	-	7,346,321	-	7,346,321	-	7,346,321	-	7,346,321
Total financial assets	551,558,046	492,342,726	595,451,376	-	1,639,352,148	1,145,876,378	493,469,506	6,164	1,639,352,148
Financial liabilities									
Currency in circulation	-	-	-	296,613,122	296,613,122	-	296,613,122	-	296,613,122
Government deposits	-	-	-	481,634,557	481,634,557	-	481,634,557	-	481,634,557
Due to local financial institutions	-	-	-	363,037,788	363,037,788	-	363,037,788	-	363,037,788
Due to IMF	-	-	-	461,014,132	461,014,132	-	461,014,132	-	461,014,132
Foreign liabilities	-	-	-	3,793,046	3,793,046	-	3,793,046	-	3,793,046
Other liabilities	-	-	-	79,416,579	79,416,579	-	-	79,416,579	79,416,579
Financial liabilities	-	-	-	1,685,509,224	1,685,509,224	-	-	1,685,509,224	1,685,509,224

7. Operational risk

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

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

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

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the yearly assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

8. Interest income

Interest income from foreign operations relates to interest earned from investments placed with Crown Asset Management Limited ("CAAML)", Reserve Advisory Management Partnership ("RAMP"), Bank for International Settlements ("BIS") and treasury bonds issued by foreign sovereigns (collectively known as foreign financial investments), foreign fixed term deposits, Special Drawing Rights ("SDR") holdings with the IMF and call money in foreign currency.

Interest on domestic investments relates to interest earned from loans to government, swaps agreements, agricultural sector refinancing facility loans, economic recovery loans and interest income from Government of Rwanda Eurobond investments.

Interest income on staff loans for the year ended 30 June 2022 was appropriated to the staff welfare equity reserve as part of a directive by the board of directors.

	2022 Frw '000'	2021 Frw '000'
Foreign financial investments	14,509,428	13,074,138
Swap operations	13,216,560	8,547,980
Government of Rwanda Eurobond investments	4,518,521	2,465,346
Overnight lendings - reverse repos	2,335,423	2,615,821
Staff loans	559,515	206,667
Loans to Government of Rwanda	344,281	486,067
Economic recovery loans	265,139	181,942
SDR holdings with IMF	262,295	101,064
Refinancing facility loans	27,328	2,851
	36,038,510	**27,681,876**

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9. Interest expense

Interest expense includes interest paid on currency swap operations with local and foreign commercial banks, interest expense on SDR allocations with the IMF and interest on money market interventions which mainly includes Repos and reverse Repos that the Central Bank undertakes.

	2022 Frw '000'	2021 Frw '000'
SDR allocations with IMF	334,491	95,868
Swap operations	3,567,897	1,270,217
Interest paid on monetary policy issues	158,036	144,036
IFC loan	79	2,996
	4,060,503	**1,513,117**

10. a) Fee and commission income

	2022 Frw '000'	2021 Frw '000'
Commissions on foreign operations	4,182,486	1,994,442
Other commissions	7,198	33,088
	4,189,684	**2,027,530**

b) Fee and commission expense

	2022 Frw '000'	2021 Frw '000'
Commission paid on foreign operations	2,639,714	1,723,148
Fund management fees	741,273	1,738
	3,380,987	**1,724,886**

11. a) Unrealized revaluation gains

	2022 Frw '000'	2021 Frw '000'
Foreign assets unrealized foreign exchange gains	45,489,242	31,638,088
	45,489,242	**31,638,088**

During the year unrealized net foreign exchange revaluation gains amounted to **Frw 45,489,241,868** (2021: **Frw 31,638,087,513**). This amount has been included in the statement of profit or loss in determining the Bank's net operating profit for the year in order to comply with the requirements of IAS 21- *Accounting for the Effects of Changes in Foreign Exchange Rates*.

The unrealized net foreign exchange revaluation gains do not form part of distributable profits for the Bank and hence have been subsequently appropriated to the translation reserve in the statement of changes in equity in line with the Bank's mandate of reserve management.

b) Net trading income

	2022 Frw '000'	2021 Frw '000'
Net gain on foreign currency transactions	29,128,009	22,810,463
Realized gains on investment securities	14,505,279	5,964,927
Realized losses on investment securities	(4,315,269)	(5,441,671)
Unrealized losses on investment securities (FVTPL)	(31,434,595)	(4,681,282)
	7,883,424	**18,652,437**

11. Other operating income

	2022 Frw '000'	2021 Frw '000'
Government securities issuances fees	2,978,668	1,536,052
Supervision fees	2,252,246	1,991,945
Other income	765,682	1,627,658
Refund from the Government of Rwanda	341,620	430,669
Licenses and applications fees	281,917	68,460
Processing fees	162,536	152,540
Fine and penalty fees	76,826	121,062
Swift message received	56,510	52,302
Forex bureau applications and registrations fees	46,630	9,940
Gain on sales of properties and equipment	18,070	-
	6,980,705	5,990,628

This constitutes refund from the government relates to money market intervention costs, external trade contributions, government securities issuances fees, equipment grant and supervision fees on services offered by the Bank to industry. Other income relates to cheque printing fees, strong room rental income, cash surplus, sale of demonetized currency and other recoveries made in the year.

13. Employee benefits expense

	2022 Frw '000'	2021 Frw '000'
Salaries and other related allowances	17,441,794	15,148,690
Contribution to RSSB pension scheme	977,185	802,787
Medical expenses	1,405,145	1,282,548
Contribution to the complementary pension fund	611,963	580,012
Leave allowance	293,247	225,010
Contributions to the death benefit fund	152,723	144,910
Social activities and condolences	104,218	14,545
Long term awards	90,021	87,209
Other expenses	876,495	427,768
	21,952,791	18,713,479

Increase in other expenses is due to local and overseas training workshops.

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

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

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

The contribution due to both funds is calculated as 10% of each employee's basic salary whereby 80% of the contribution is taken to complementary pension fund and 20% to the death benefit fund. Both plans are funded by the Bank and the employee at a share of 60% and 40% respectively.

14. General administration expenses

	2022 Frw '000'	2021 Frw '000'
Maintenance costs	2,397,495	1,779,730
Software licenses	1,917,447	1,666,000
Contributions and subscription fees	1,046,210	862,355
Printing stationery and office suppliers	627,077	462,106
Insurance	477,493	248,820
Transport and travelling expenses	306,863	205,397
Entertainment	267,771	181,254
IT consultancy	209,545	171,633
Advertisement	198,586	224,666
Operational consultancy	190,169	113,639
External casual services	177,755	2,362
Grant and subsidies	145,562	142,116
Communication	95,892	92,161
Legal and investigation expenses	17,892	48,550
	8,077,577	6,220,789

15. (a) Other operating expenses

	2022 Frw '000'	2021 Frw '000'
Bank notes printing costs amortization	3,832,696	3,138,441
Coins minting costs amortization	465,037	134,039
Amortization expense on currency	4,297,733	3,272,480
Other expenses	1,566,088	582,218
Audit fees	84,924	47,649
Board and meeting expenses	45,509	40,366
	5,994,254	3,942,714

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

	2022 Frw '000'	2021 Frw '000'
Expected credit losses - and other credit impairment	1,156,418	2,163,193
Impairment on receivables from RRA	-	523,528
Recoveries on previously impaired assets	-	-
Release of expected credit losses	(2,938,931)	(2,433,955)
Expected credit losses and other credit impairment charges/(write back)	(1,782,513)	252,766

16. Cash and cash equivalents

	2022 Frw'000	2021 Frw'000
Fixed term deposits in USD (less than 3 months) - gross	574,570,054	197,456,639
Current accounts	84,501,833	53,039,146
Cash in transit in USD	35,788,756	-
Foreign denominated notes/coins in USD	36,108,251	51,956,377
Foreign denominated notes/coins in EUR	7,954,264	5,308,646
Foreign denominated notes/coins in GBP	184,288	358,235
Foreign denominated notes/coins in other currencies	-	-
ECL impairment provision on current accounts	(247,786)	(83,810)
	738,859,660	308,035,233

Movement in provision for impairment		
At 1 July	83,810	-
Charge during the year	163,976	269,455
Transfer from foreign financial investments (note 17)	195,671	-
Write-back for the year	-	(185,645)
As at 30 June	247,786	83,810

For the purposes of the statement of cash flows, cash and cash equivalents comprises the following:

	30-June-22 Frw'000'	30-June-21 Frw'000'
Cash	80,035,559	57,623,258
Current accounts	84,254,047	52,955,336
Fixed term deposits (up to 3 months)	574,570,054	197,456,639
Special drawing rights	-	75,594,139
	738,859,660	383,629,372

17. Foreign investment securities

	2022 Frw'000	2021 Frw'000
Financial instruments - FVTPL	553,930,833	551,558,046
Financial instruments - FVOCI	498,137,396	492,879,687
ECL impairment provision on - FVOCI	(294,166)	(543,124)
Fixed term deposits > 3 months	-	45,399,180
ECL impairment provision - term deposits	-	(387,867)
	1,051,774,063	1,088,905,922

Movement in provision for impairment (FVOCI)	2022 Frw'000	2021 Frw'000
At 1 July	543,124	26,863
Charge for the year	-	516,261
Write back	(248,958)	-
As at 30 June	294,166	543,124

17. Foreign investment securities (continued)

Movement in provision for impairment (term deposits)	2022 Frw'000	2021 Frw'000
At 1 July	387,666	365,977
Charge for the year	-	21,689
Transfer to cash and cash equivalents (note 16.a)	(195,671)	-
Release of provisions	(192,195)	-
As at 30 June	-	387,666

18. Due from local financial institutions

	Risk exposure Frw'000'	ECL Frw'000'	2022 Frw'000'	2021 Frw'000'
Current accounts with commercials banks	8,318	-	8,318	8,318
Loans to the agricultural and agro business	1,373	-	1,373	1,373
Due from commercial banks on forward contracts	159,914,981	-	159,914,981	140,437,391
Loan facility to microfinance	-	-	-	203
Overnight lending commercial bank	-	-	-	6,000,000
Economic recovery facilities	5,331,990	-	5,331,990	2,225,300
Carrying amount	165,256,662	-	165,256,662	148,672,585

Movement in provision for impairment			
At 1 July	-	-	224
Charge/(write back) for the year	-	-	(224)
As at 30 June	-	-	-

19. (a) Due from foreign financial institutions

	At 1 July 2021 Frw'000'	Additions Frw'000'	Repayments Frw'000'	30 June 2022 Frw'000'
IFC swap contract	217,361	-	217,361	-
ECL - IFC asset	(237)	-	(237)	-
Due from commercial banks on swap contracts	-	21,008,484	(802,872)	20,205,612
	217,124	21,008,484	(1,019,996)	20,205,612

	At 1 July 2020 Frw'000'	Addition Frw'000'	Repayment Frw'000'	30 June 2021 Frw'000'
IFC SWAP contract	1,086,800	-	(869,439)	217,361
ECL - IFC asset	(99)	-	(138)	(237)
	1,086,701	-	(869,577)	217,124

19. Due from foreign financial institutions (continued)

On 9 November 2010, the Bank entered into a currency swap transaction with International Finance Corporation. The original amount rendered by the Bank was Frw 1.479 billion in exchange for USD 2.5 million. Under this initial agreement, the Bank pays interest on the USD notional outstanding amount using a Dollar floating rate which is the sum of LIBOR for the Designated Maturity determined on the second London Business Day preceding the relevant calculation period, and the Dollar Spread. Further swap agreements have since been signed up and every time a swap transaction is entered, a confirmation agreement is signed between IFC and the Bank stipulating the terms of the transaction and this loan was fully repaid during the year ended 30 June 2022.

On 18 November 2021, the Bank entered into a three years currency swap transaction with Bank One Limited amounting to Frw 20.0718 billion in exchange of USD 20 million with margin (USD) of 2% and margin (Frw) of 8% and agreed spot rate at the date of transaction was Frw 1,003.59. effective date of 19 November 2022 and termination date being 15 November 2021. The two parties agreed on forward rates as follow:

Dates	Forward rate (USD/Frw)
20 May 2022	1,024.59
18 November 2022	1,044.59
18 May 2023	1,069.09
17 November 2023	1,085.99
17 November 2024	1,107.49
15 November 2021	1,129.09

19. (b) Due to foreign financial institutions

	At 1 July 2021 Frw'000'	Addition Frw'000'	Repayment Frw'000'	30 June 2022 Frw'000'
Due from Commercial Banks on Swaps contracts	-	20,765,782	(207,076)	20,558,706
	-	**20,765,782**	**(207,076)**	**20,558,706**

20. (a) Due from Government of Rwanda

	2022 Frw'000	2021 Frw'000
Consolidated debt to Government	17,214,052	24,303,322
	17,214,052	**24,303,322**

The Bank signed an agreement with the Government of Rwanda on 7 February 1996 to consolidate all Government debts amounting to Frw 34.457 billion at an interest rate of 2% per annum. The amount increased to Frw 43,469 billion effective 1 August 1997 subsequent to the passing of Law No 11/97 regarding the statutes of the Bank which stipulated under its article 79, that the balance of the revaluation account as at 6 March 1995 would be consolidated with the amount of that initial debt. The recovery of the amount is done through retention of 30% of net profit after deducting the non-distributable income.

During the year ended 30 June 2022, the Bank applied 30% of the 2021 profits (net of non distributable income) as repayment of the loan balance equivalent to Frw 7,089,270,160 (2021 Frw 7,550,337,000). See the table below:

20. (a) Due from Government of Rwanda

Debt to government 2022	Opening balance 1 July Frw'000	Loan repayment Frw'000	Closing balance 30 June Frw'000
Consolidated debt to government	24,303,322	(7,089,270)	17,214,052
Total	**24,303,322**	**(7,089,270)**	**17,214,052**

Debt to government 2021	Opening balance 1 July Frw'000	Loan repayment Frw'000	Closing balance 30 June Frw'000
Consolidated debt to government	31,853,659	(7,550,337)	24,303,322
Total	**31,853,659**	**(7,550,337)**	**24,303,322**

Principal repayment noted in the movement schedule above relates to 30% of the 2020 profits (net of non distributable income).

20. (b) Government of Rwanda Eurobond investments

	2022 Frw'000	2021 Frw'000
Investments in Government of Rwanda Eurobonds	100,052,688	56,970,456
	100,052,688	**56,970,456**
Movement in provision for impairment		
At 1 July	556,314	125,627
Charge/(write back) for the year	52,304	430,687
As at 30 June	**608,618**	**556,314**

During the year the Bank increased its holdings in the Government of Rwanda Eurobond which has coupon of 5.5% and matures on 8 September 2031

21. Staff loans and advances

	2022 Frw'000'	2021 Frw'000)
Loans to current staff	10,242,264	9,919,804
Loans to former staff	2,120,416	2,008,108
Provision for impairment	(206,602)	(169,041)
	12,156,078	**11,758,871**
Movement in provision for impairment		
At 1 July	169,041	193,927
Charge for the year/(write back)	37,561	(24,886)
As at 30 June	**206,602**	**169,041**

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

22. Due from International Monetary Fund

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

Due from International Monetary Fund	30-June-22 Frw'000'	30-June-21 Frw'000'
Quota in IMF	192,219,992	197,692,913
IMF reserve tranche	27,352,477	28,212,391
Special drawing rights	62,291,390	75,594,139
	(78,928)	(328,061)
	281,784,931	301,171,382
Movement in ECL provision		
At 1 July	328,061	24,960
Charge/(write back) for the year	(249,133)	303,101
As at 30 June	78,928	328,061

Due to International Monetary Fund	30-June-22 Frw'000'	30-June-21 Frw'000'
IMF account No 1	182,215,800	197,685,177
IMF account No 2	7,522	7,737
IMF poverty reduction and growth facility loan	117,580,834	155,122,207
Allocation of special drawing rights (SDR)	163,458,389	108,199,011
	473,282,545	461,014,132

Allocation of special drawing rights

IMF made a general allocation of 153 million special drawing rights (SDRs) equivalent in USD on 23 August 2021. These will be used to benefit Rwanda in addressing long-term global need for reserves, build confidence and foster the resilience and stability of the country particularly in regard to managing the economic impact of the Covid-19 pandemic. See the balance as of 30 June 2022:

Details	2022 SDR	Exchange Rate	2022 Frw "000"
BNR SDR allocation (A)	76,821,809	1,365.512109	104,901,110
Government SDR allocation (B)	153,544,495	1,365.512109	209,666,867
IMF balance (C = A+B)	230,366,304	1,365.512109	314,567,977
Government SDR allocation (B)	153,544,495	1,365.512109	209,666,867
Government utilised SDR funding (E = B-D)	(110,667,807)	1,365.512109	(151,118,231)
Government unutilised SDR funding (D)	42,876,688	1,365.512109	58,548,636
SDR Allocation BNR books (F = A+D)	119,698,497	1,365.512109	163,449,747
SDR accruals (G)			8,642
Total SDR allocation BNR books (H = F+G)			163,458,389

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23. Equity investments

	2022 Frw'000'	2021 Frw'000'
Financial Instruments - FVTOCI	450,000	450,000
Impairment provision on equity investments	(443,836)	(443,836)
	6,164	6,164

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

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

24. Investment property

Cost	2022 Frw'000'	2021 Frw'000'
At 1 July	466,839	466,839
As at 30 June	466,839	466,839
Accumulated depreciation		
At 1 July	(145,736)	(127,519)
Depreciation charge	(18,217)	(18,217)
As at 30 June	(163,962)	(145,736)
Net book value as at 30 June	302,886	321,103

The investment property relates to a building owned by the Bank and rented out to RSWITCH in 2019.The current accounting policy accounts for investment property using Cost model rather than the revaluation model.

25. Property and equipment (continued)

	Land	Work in progress	Buildings	Motor vehicles	Computer equipment	Security equipment	Machinery	Furniture and fittings	Lift equipment	Medical equipment	Multi media	Total
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Cost/Valuation												
At 1 July 2021	5,288,172	2,078,764	15,411,469	184,875	4,396,318	2,259,018	8,911,215	1,676,579	701,884	2,230	76,855	40,987,379
Additions	-	604,129	-	-	1,114,346	27,691	151,527	175,640	-	-	-	2,073,332
Capitalization from WIP	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(107,246)	(35,636)	(5,600)	(200,333)	-	-	(2,900)	(351,715)
As at 30 June 2022	**5,288,172**	**2,682,893**	**15,411,469**	**184,875**	**5,403,418**	**2,251,073**	**9,057,141**	**1,651,886**	**701,884**	**2,230**	**73,955**	**42,708,996**
Depreciation												
At 1 July 2021	-	-	(615,459)	(184,875)	(3,452,644)	(2,056,223)	(3,564,928)	(1,315,011)	(685,876)	(1,419)	(76,855)	(11,953,290)
Charge for the year	-	-	(307,888)	-	(676,573)	(133,491)	(811,404)	(119,916)	(16,008)	(414)	-	(2,064,693)
Disposal depn	-	-	-	-	106,733	35,636	3,462	192,369	-	-	2,900	341,101
As at 30 June 2022	**-**	**-**	**(923,348)**	**(184,875)**	**(4,021,484)**	**(2,154,078)**	**(4,372,870)**	**(1,242,558)**	**(701,884)**	**(1,833)**	**(73,955)**	**(13,676,882)**
N.B.V as at 30 June 2022	**5,288,172**	**2,682,893**	**14,488,123**	**-**	**1,381,934**	**96,995**	**4,684,272**	**409,328**	**-**	**397**	**-**	**29,032,114**

Work in progress are mainly composed of installation of security equipment and office renovations.

25. Property and equipment

	Land	Work in progress	Buildings	Motor vehicles	Computer equipment	Security equipment	Machinery	Furniture and fittings	Lift equipment	Medical equipment	Multi media	Total
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
Cost/Valuation												
At 1 July 2020	5,288,172	1,045,836	15,411,469	184,875	4,264,586	2,233,018	7,566,152	1,674,720	701,884	2,230	76,855	38,449,797
Additions	-	1,081,928	-	-	108,732	-	1,345,063	10,030	-	-	-	2,545,753
Capitalization from WIP	-	(49,000)	-	-	23,000	26,000	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(8,171)	-	-	-	(8,171)
As at 30 June 2021	**5,288,172**	**2,078,764**	**15,411,469**	**184,875**	**4,396,318**	**2,259,018**	**8,911,215**	**1,676,579**	**701,884**	**2,230**	**76,855**	**40,987,379**
Depreciation												
At 1 July 2020	-	-	(307,572)	(184,875)	(2,729,405)	(1,908,671)	(2,787,637)	(1,189,078)	(666,666)	(970)	(76,855)	(9,851,730)
Charge for the year	-	-	(307,887)	-	(723,239)	(147,552)	(777,291)	(133,273)	(19,210)	(448)	-	(2,108,899)
Disposal depn	-	-	-	-	-	-	-	7,340	-	-	-	7,340
As at 30 June 2021	**-**	**-**	**(615,459)**	**(184,875)**	**(3,452,644)**	**(2,056,223)**	**(3,564,928)**	**(1,315,011)**	**(685,876)**	**(1,418)**	**(76,855)**	**(11,953,290)**
N.B.V as at 30 June 2021	**5,288,172**	**2,078,764**	**14,796,010**	**-**	**943,674**	**202,795**	**5,346,286**	**361,568**	**16,008**	**812**	**-**	**29,034,090**

Work in progress are mainly composed of installation of security equipment and office renovations.

25. Property and equipment (continued)

Fair value of land and buildings

An independent valuation of the Bank's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 30 June 2022. The revaluation surplus was credited to other comprehensive income. If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2022 Frw' 000	2021 Frw' 000
Cost:		
Buildings	20,782,781	20,782,781
Land	2,883,246	2,883,246
Total cost	**23,666,027**	**23,666,027**
Accumulated depreciation:		
Buildings	6,405,718)	(5,990,062)
Land	-	-
Total accumulated depreciation	**(6,405,718)**	**(5,990,062)**
NBV	**17,260,309**	**17,675,965**

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Fair value measurements at 30 June 2022 using Level 1	Level 2	Level 3
Recurring fair value measurements			
– Land			5,288,172
– Buildings			15,411,469
	-	-	**20,699,641**
	-	-	20,699,641

	Fair value measurements at 30 June 2021 using Level 1	Level 2	Level 3
Recurring fair value measurements			
– Land			5,288,172
– Buildings			15,411,469
	-	-	**20,699,641**

Valuation processes of the Bank

The Bank's finance directorate coordinates the valuations processes of land and buildings required for financial reporting purposes, including level 3 fair values. This team reports directly to the executive director of the directorate.

The company engages external, independent and qualified valuers to determine the fair value of the company's land and buildings. The latest valuation was carried out as at 30 June 2019 by Eng. KANGAHO Gentil. In the directors' opinion, there has been no significant change to the fair values as at 30 June 2022 to warrant another valuation.

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25. Property and equipment (continued)

The external valuations of land and buildings were performed using a sales comparison approach. Based on the external valuers' report, the finance team has determined these inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices in the corresponding national economy.

Information about fair value measurements

Description	Fair value at 30 June 2022 Frw' 000	Valuation technique(s)	Unobservable inputs
Buildings	14,796,010	Sales comparison approach	Price per square metre
Land	5,288,172		
	20,084,182		

Description	Fair value at 30 June 2021 Frw' 000	Valuation technique(s)	Unobservable inputs
Buildings	14,488,123	Sales comparison approach	Price per square metre
Land	5,288,172		
	19,776,295		

Fully depreciated assets still in use

As at 30 June 2022, the Bank had fully depreciated assets still in use. The gross values of the assets per category are as shown below.

Category	Gross value 2022	Gross value 2021
Computer Equipment	2,425,514,340	2,522,079,009
Security Equipment	1,808,572,330	1,518,952,880
Machinery	899,196,940	709,520,487
Lift Equipment	701,884,127	605,835,321
Furniture And Fittings	674,714,179	787,405,855
Vehicles	184,874,527	184,874,527
Multimedia	73,954,810	76,854,810
	6,768,711,253	**6,405,522,889**

Notional depreciation

The notional depreciation for the assets fully depreciated and in use is for the year to June 2022 is **Frw 1,361,587,037** (30 June 2021 **Frw 1,328,129,707**)

28. Intangible assets

	Work in progress	Software	Total
Software Cost/Valuation	**Frw'000'**	**Frw'000'**	**Frw'000'**
At 1 July 2021	**1,656,507**	**11,837,528**	**13,494,035**
Additions	77,034	1,062,635	1,139,669
Capitalization from WIP	-	-	-
Disposals	-	-	-
As at 30 June 2022	**1,733,541**	**12,900,163**	**14,633,704**
Depreciation			
At 1 July 2021	**-**	**(9,684,883)**	**(9,684,883)**
Charge for the year	-	(721,564)	(721,564)
Disposal depn	-	-	-
As at 30 June 2022	**-**	**(10,386,447)**	**(10,386,447)**
N.B.V as at 30 June 2022	**1,733,541**	**2,513,716**	**4,247,257**

	Work in progress	Software	Total
Software Cost/Valuation	**Frw'000'**	**Frw'000'**	**Frw'000'**
At 1 July 2020	1,003,038	11,738,512	12,741,550
Additions	653,469	99,016	752,485
Capitalization from WIP			
As at 30 June 2021	**1,656,507**	**11,837,528**	**13,494,035**
Depreciation			
At 1 July 2020	-	(8,953,566)	(8,953,566)
Charge for the year	-	(701,317)	(701,317)
As at 30 June 2021	-	(9,684,883)	(9,684,883)
N.B.V as at 30 June 2021	**1,656,507**	**2,172,645**	**3,829,152**

26. Intangible assets (continued)

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

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

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

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

T24 - it is the core Banking system. It has an interface with RIPPS and ERP.
As at 30 June 2022, the Bank had the following projects ongoing to enhance the capability of the Banking systems;

- RIPPS Phase 2 upgrade that will enhance the payment system services in the industry with 24/7 work around is an ongoing project.
- T24 upgrade that will facilitate the acquisition of the new release of the Core Banking software. PAT2 system upgrade project is also expected in the coming financial year
- SOC- Security Operations Center is a project on going
- Cloud Service and Oracle
- E-procurement system
- Integration of Strategic Business Plan and Budget
- T24 SWAP Module
- Centralised Database Achieving Solution

27. Other assets

	2022	2021
	Frw'000'	**Frw'000'**
Stock of consumables	195,026	195,163
Accrued revenue	1,186,322	2,499,926
Prepayments	8,091,239	3,661,692
Advance to suppliers and contractors	781,608	892,501
Deferred currency printing expenses	9,636,586	4,409,136
Other assets ECL	(2,514,940)	(4,312,097)
	17,375,841	**7,346,321**
Movement in other assets ECL		
At 1 July	4,312,097	5,120,875
Write back	(1,797,157)	(808,778)
As at 30 June	**2,514,940**	**4,312,097**

28. Currency in circulation

	2022 Frw'000'	2021 Frw'000'
Notes and coins issued	391,269,409	336,492,716
Money in Reserve	(38,768,510)	(39,879,594)
	352,500,899	**296,613,122**

Notes and coins issued represent all the currency issued into circulation. Money in reserve represents currency issued into circulation but within BNR vault. While the two elements have been netted off to compute the currency in circulation as at 30 June 2022, it should be noted that implicit in the balance are amounts that are taken out of circulation as a result of old currency that is replaced through issuance in the financial year.

29. Government of Rwanda deposits

	2022 Frw'000'	2021 Frw'000'
Government of Rwanda current accounts	360,485,057	189,265,146
Government of Rwanda's special deposits	2,022,350	13,097,292
Deposits for letters of credit and other commitment	257	2,388
Projects and GoR ministries' accounts	185,954,291	160,741,788
Local government deposits	21,194,534	35,294,266
Public institutions	654,867	1,329,299
Public service enterprises	7,655,751	13,549,213
Foreign currency accounts	72,297,925	68,355,165
	650,265,032	**481,634,557**

All government deposits are interest free.

30. Due to local financial institutions

	2022 Frw'000'	2021 Frw'000'
Local currency deposits	171,803,795	106,017,114
Foreign currency deposits	159,863,405	112,587,656
Money Market Intervention	100,000,000	-
Due to commercial Banks on swaps contracts	164,633,839	144,433,018
	595,671,551	**363,037,788**

The effective interest rate on money market borrowings was 5%.

31. (a) Other liabilities

	2022 Frw'000'	2021 Frw'000'
Deferred income (grant income on equipment)		-
Transitory accounts	8,763,476	31,038,113
Economic recovery fund	5,094,203	28,838,942
Sector recapitalization	5,810,873	6,821,605
Supplier payables accounts	7,233,067	4,409,310
Other payables accounts	2,045,265	1,548,000
Staff leave accrual	1,367,635	1,138,468
Dormant account funds in Frw	327,842	569,660
Death benefit fund	681,513	511,736
Statutory deductions payable	550,098	490,012
Commitment to the non-residents	346,677	310,469
Staff deposits	177,462	210,472
Tax payable accounts	265,844	141,768
Rswitch Limited	305	341
	32,686,360	**76,029,094**

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

31. (b) Customer deposits

	2022 Frw'000'	2021 Frw'000'
Non statutory accounts in foreign currencies	5,872,656	4,406,278
	5,872,656	**4,406,278**

The non statutory accounts relates to various staff club accounts, deposit guarantee fund accounts and embassies deposits while the non statutory dormant accounts transfers include dormant accounts transfers from commercial Banks.

32. Foreign liabilities

	2022 Frw'000'	2021 Frw'000'
Deposits in local currency	2,056,944	2,468,444
Deposits in foreign currency	1,496,430	1,324,602
	3,553,374	**3,793,046**

33. Share capital and reserves

(i)Share capital

	2022 Frw'000'	2021 Frw'000'
Authorized and fully paid-up share capital	7,000,000	7,000,000

There were no movements in share capital during the financial year.

(ii)Retained earnings

	2022 Frw'000'	2021 Frw'000'
Retained earnings	56,919,682	65,496,593
	56,919,682	**65,496,593**

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

(iii)Reserves

(a)General reserve

	2022 Frw'000'	2021 Frw'000'
At 1 July	18,876,426	13,842,868
Surplus appropriation to reserve	4,726,180	5,033,558
At 30 June	**23,602,606**	**18,876,426**

The general reserve fund is a fund into which at least 20% of the net annual surplus of the Bank is transferred at the end of each financial year. Net annual profit is surplus of the year after deduction of non-distributable income and expenses. 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. Determination of net annual profit for year is indicated on Note 38.

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

(b) Other reserves

	2022 Frw'000'	2021 Frw'000'
Foreign exchange revaluation reserve	218,572,306	173,083,064
Staff welfare reserve	22,199,490	18,336,659
Land revaluation reserve	4,453,259	4,453,259
Building revaluation reserve	4,248,920	4,248,920
Government support for IT modernization	1,208,311	1,336,843
Fair valuation reserve for FVOCI financial assets	(33,638,641)	1,211,946
	217,043,645	**202,670,691**

Staff welfare reserve

The staff welfare reserve fund is a fund into which at least 15% of the net annual profits of the Bank is transferred at the end of each financial year including any interest income earned on staff loans. In the current year, an amount of **Frw 3,340,876,679** (15% of prior year profits) was transferred into the account.

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33. Share capital and reserves (continued)

(b) Other reserves

Interest income on staff loans for the year ended 30 June 2022 of **Frw 559,517,926** (2021: **Frw 206,667,171**) was also allocated to the staff welfare equity reserve as approved by the board in the prior periods.

Property and equipment revaluation reserve

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

Fair value through other comprehensive income (FVOCI)

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

	2022 Frw'000'	2021 Frw'000'
At 1 July	1,211,946	10,167,706
Fair valuation gain/(loss) on FVOCI financial assets	(34,850,587)	(8,955,760)
At 30 June	**(33,638,641)**	**1,211,946**

Foreign exchange revaluation reserve

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

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

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

Government support for IT modernisation fund ("IT modernisation reserve")

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

	2022 Frw'000'	2021 Frw'000'
At 1 July 21	1,336,844	1,336,844
Government support on IT modernization	(128,532)	-
At 30 June 22	**1,208,312**	**1,336,844**

34. Related party disclosures

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

i) Transactions with key management personnel

Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank key management personnel are the Governor, Deputy Governor and Executive Directors. Key management personnel compensation comprised of the following:

	2022 Frw'000'	2021 Frw'000'
Short term employee benefits	**1,034,470**	**1,319,576**

Loans to key management	2022 Frw'000'	2021 Frw'000'
At 1 July	**1,487,330**	**1,384,354**
New loans granted & reclassified during the year	341,795	174,690
Loans repaid during the year	(162,771	(71,714)
As at 30 June	**1,666,354**	**1,487,330**

ii) Transactions with board of directors

	2022 Frw'000'	2021 Frw'000'
Fees to non-executive directors	46,081	40,366
	46,081	**40,366**

iii) Transactions with Government of Rwanda

Transactions entered into with the Government include:

- Banking services;
- Management of issuances and redemption of securities;
- Settlements and remittances in foreign currencies by order and/or in favor of the Government of Rwanda.
- Administering the Economic Recovery Fund
- Fund manager for the Deposit Guarantee Fund

	Note	2022 Frw'000'	2021 Frw'000'
Government of Rwanda Eurobond investments	**20**	100,052,688	56,970,456
Due from Government of Rwanda	**20**	17,214,052	24,303,322
Government deposits	**29**	650,265,032	481,634,557

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34. Related party disclosures (continued)

iii) Transactions with Government of Rwanda.

	Note	2022 Frw'000'	2021 Frw'000'
Interest income on Euro Bond investment	8	4,518,521	2,465,346
Interest income on loan due from Government of Rwanda	8	344,281	486,066

The National Bank of Rwanda did not pay interest on government deposits during the year and in the prior year.

Economic Recovery Fund

	2022	2021
Off balance sheet	Frw '000'	Frw '000'
Economic Recovery Fund	**80,439,657**	**58,400,037**

In June 2020, the Government of Rwanda represented by MINECOFIN signed a Memorandum of Understanding with the National Bank of Rwanda (NBR) where NBR was given the mandate to manage the Economic recovery fund to support businesses impacted by the COVID-19 Outbreak. Supported businesses were in the following Windows; (a) Hotel refinancing, (b) Working Capital or line of Credit Window for Large and small and medium Enterprises (SMEs) and (c) Working Capital Window foe micro business through Microfinance Institutions.

NBR is charged with operational management of the portfolio that includes disbursements and recovery from the commercial Banks that obtain the funds. Commercial Banks subsequently issue loans to their customers after credit appraisal processes. The credit risk is with the Commercial Banks and thus expected to follow the normal processes of loans disbursements. The fund has an oversight committee that sits in MINECOFIN and this is composed of MINECOFIN, MINICOM, Private Sector Federation (PSF), NBR, and Rwanda Bankers Association (RBA) among others. Since BNR is liaison in ensuring that the portfolio is managed as appropriate with the facilitation of the systems infrastructure, and barres no risk, is therefore seen as an agent and effectively reporting the portfolio business under the off balance sheet items of the Bank to ensure fair presentation of the Financial statements.

The movement analysis in the Fund is as follows:

	2022	2021
At 1 July	26,838,942	102,826,838
Transfer from Government of Rwanda	-	-
Disbursed to Rwanda Utilities Regulatory Authority	-	(12,300,000)
Disbursed to Business Development Fund Limited	-	(5,300,000)
Disbursements to local financial institutions	(21,782,279)	(58,398,828)
Accrued interest	37,539	(1,210)
Repayments	-	12,142
At 30 June	**5,094,203**	**26,838,942**

During the year no commission earned on management of Economic Recovery Fund (2021: None).

34. Related party disclosures (continued)

Other related party transactions

	2022 Frw'000'	2021 Frw'000'
Rental income from RSWITCH	69,312	-

35. Contingent liabilities and assets

There are no pending claims brought against the Bank as at 30 June 2022 (2021: -Nil) that may raise a contingent liability to the National Bank of Rwanda. In addition, the Bank has taken to court various parties to recover money due to it, and has won five cases in which the probable outflow of Frw 41,735,737 is expected. No amount has been booked as a receivable in respect of court cases considering that they are yet to be in status "virtually Certain".

36. Cash flows from operations

	2022 Frw'000	2021 Frw'000
Surplus for the year	**56,093,482**	**50,794,374**
Adjustments for:		
Depreciation on property and equipment	2,064,693	2,108,900
Amortization of intangible assets	721,564	701,316
Depreciation on investment property	18,217	18,217
Unrealized revaluation gains	-	(5,920,968)
Amortization of deferred currency printing expenses	4,297,733	3,272,481
Net interest income	(31,978,007)	(26,168,759)
(Gain)/loss on disposal of property and equipment	(18,071)	-
Net foreign exchange gain on cash and cash equivalents	(45,489,242)	(31,638,088)
Profit before changes in working capital	**(14,289,631)**	**(6,832,527)**

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36. Cash flows from operations (continued)

	2022 Frw'000	2021 Frw'000
Changes in working capital		
(Increase)/Decrease in amount due from Government of Rwanda	7,089,270	7,550,336
(Increase)/decrease in amount due from Investments in Euro Bonds	(43,082,232)	-
(Increase)/Decrease in loan and advances to employees	(397,207)	(1,182,152)
Increase/(Decrease) in currency in circulation	55,887,777	31,181,879
(Increase)/Decrease in other assets	(10,029,519)	1,669,364
Increase/(Decrease) in other liabilities	(43,342,734)	(43,179,424)
Increase/(Decrease) in Government of Rwanda deposits	168,630,475	21,647,857
Increase/(Decrease) in due to financial institutions	233,263,252	20,264,495
(Increase)/Decrease in loans to banks	(16,584,077)	(51,920,348)
Increase/(Decrease) in foreign liabilities	(239,672)	(2,591,203)
Increase/(decrease) in customer deposits	1,466,378	-
Net changes in working capital	**352,661,711**	**(16,559,196)**
Interest received (Note 8)	36,038,510	27,681,876
Interest paid (Note 9)	(4,060,503)	(1,513,117)
Net cash from operating activities	**370,350,087**	**2,777,036**

37. Commitments

The Bank had not entered into any commitments as at 30 June 2022 other than the ongoing projects which are captured under work in progress in the property and equipment. The table below summarizes the projects:

	30-Jun-22 Frw'000	30-Jun-21 Frw'000
Software	2,676,391	1,091,887
Security equipment	1,188,838	362,332
Furniture and fittings	333,959	-
Motor vehicles	197,000	-
Computer equipment	20,246	130,667
	4,416,434	**1,584,886**

38. Subsequent events

i) Appropriation of dividends

Subsequent to the year end, a meeting of the Board of Directors held and approved the following appropriation of the surplus for 2022.

Appropriation of surplus	2022 Frw'000'	2021 Frw'000'
Surplus for the year	**56,093,482**	**50,794,373**
Adjusted by:		
- Interest income on staff loans	(559,515)	(206,667)
- Net foreign assets exchange/revaluation (gains)/losses (note 11(b))	(45,489,242)	(31,638,088)
- Unrealized gains on investment securities (note 11 (c))	31,434,595	4,681,282
Net surplus for the year (less revaluation gain)	**41,479,320**	**23,630,901**
General Reserve Fund (20% of net surplus)	(8,295,864)	(4,726,180)
Net surplus after general reserve fund	**33,183,456**	**18,904,720**
Social welfare fund	-	(3,340,877)
Net payable	**33,183,456**	**15,563,843**
Consolidated debt recovery (30% of net surplus)	(12,443,796)	(7,089,270)
Board approved amount retained in retained earnings for other reserves	(6,221,897)	(3,544,635)
New building reserves	(7,000,000)	-
Dividends distribution after consolidated debt repayment	**7,517,762**	**4,929,938**

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



ANNEX 5
STATISTICAL TABLES

MAJOR INDICATORS OF NATIONAL ECONOMY

Appendix 1

Description	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Current GDP (in Frw billion)	**7,237**	**8,014**	**8,713**	**9,399**	**10,279**	**11,976**
of which : Primary sector, in % of GDP	26.0	26.0	24.0	25.0	26.0	23.0
Secondary sector, in % of GDP	17.0	17.0	18.0	19.0	19.0	21.0
Tertiary sector, in % of GDP	48.0	49.0	50.0	48.0	47.0	48.0
Constant GDP (in Frw billion ,2017)	**7,439**	**8,025**	**8,732**	**8,934**	**9,332**	**10,158**
Growth rate (in %)	**1.8**	**7.9**	**8.8**	**2.3**	**4.4**	**8.9**
of which : Primary sector	1.0	8.0	4.0	2.0	5.0	3.0
Secondary sector	-1.0	6.0	15.0	3.0	9.0	8.0
Tertiary sector	4.0	9.0	8.0	2.0	2.0	12.0
Inflation rate (Headline)	**6.8**	**2.3**	**0.8**	**6.3**	**4.2**	**4.6**
Current GDP per capita (In USD)	**759**	**793**	**810**	**814**	**828**	**907**
Growth rate (in %)	**-1.0**	**4.5**	**2.1**	**0.5**	**1.7**	**9.5**
USES OF GDP(constant), in %	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**99.0**
Private Consumption	76.0	76.0	73.0	75.0	75.0	72.0
Public Consumption	15.0	15.0	16.0	16.0	16.0	17.0
Gross Domestic Investment	24.0	22.0	25.0	25.0	23.0	27.0
Resource Balance	-15.0	-13.0	-14.0	-16.0	-14.0	-17.0
Balance of current account (+net transfers), in % of GDP	**-9.7**	**-8.6**	**-11.2**	**-12.3**	**-10.9**	**-10.0**
Gross reserves, in number of months of imports of goods and non factor services (GNFS)	**3.9**	**4.4**	**4.5**	**5.7**	**5.0**	**4.8**
Tax revenues, in % of GDP	**18.0**	**18.5**	**16.3**	**15.0**	**15.8**	**15.7**
Budget deficit (cash basis), in % of GDP	**-4.9**	**-4.5**	**-5.6**	**-13.0**	**N.A**	**N.A**

Source: NBR

GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Nominal) **Appendix 2**

(In Frw billion , at current prices)

DESCRIPTION	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Agriculture	**1,902**	**2,062**	**2,056**	**2,366**	**2,676**	**2,805**
Food crops	1,233	1,243	1,135	1,369	1,563	1,475
Export crops	114	142	128	118	128	159
Livestock & livestock products	176	197	229	283	337	400
Forestry	353	447	532	566	609	726
Fishing	26	32	32	31	38	45
Industry	**1,221**	**1,373**	**1,584**	**1,760**	**1,965**	**2,545**
Mining & quarrying	129	175	191	105	173	412
TOTAL MANUFACTURING	528	612	673	816	933	1,133
Manufacturing of food	168	206	197	294	309	417
Manufacturing of beverages & tobacco	150	166	182	195	220	263
Manufacturing of textiles, clothing & leather goods	30	45	63	75	92	100
Manufacturing of wood & paper; printing	28	26	31	30	36	38
Manufacturing of chemicals, rubber & plastic products	33	36	42	63	79	94
Manufacturing of non-metallic mineral products	32	32	40	44	44	58
Manufacturing of metal products, machinery & equipment	34	33	40	43	58	55
Furniture & other manufacturing	54	67	77	72	95	108
Electricity	79	86	88	90	95	82
Water & waste management	32	32	43	57	60	64
Construction	452	467	589	691	704	855
Services	**3,495**	**3,903**	**4,332**	**4,499**	**4,803**	**5,724**
TRADE &TRANSPORT	**912**	**1,099**	**1,297**	**1,396**	**1,547**	**1,957**
Maintenance & repair of motor vehicles	39	42	47	48	68	72
Wholesale & retail trade	550	654	745	785	878	1,199
Transport services	323	403	505	563	600	687
OTHER SERVICES	**2,583**	**2,804**	**3,035**	**3,103**	**3,256**	**3,768**
Hotels & restaurants	148	144	167	141	82	162
Information & communication	134	143	157	180	214	214
Financial services	177	199	219	222	243	310
Real estate activities	531	583	648	614	668	707
Professional, scientific and technical activities	152	173	192	210	237	265
Administrative and support service activities	264	286	296	320	321	353
Public administration and defence; compulsory social security	435	466	499	548	575	624
Education	222	237	247	217	223	383
Human health and social work activities	145	161	153	173	186	192
Cultural, domestic & other services	375	412	457	478	509	557
Taxes less subsidies on products	**619**	**677**	**741**	**774**	**834**	**901**
GROSS DOMESTIC PRODUCT	**7,237**	**8,014**	**8,713**	**9,399**	**10,279**	**11,976**

Source: National Institute of Statistics of Rwanda (NISR)

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

(In Frw billion , at 2017 constant prices)

DESCRIPTION	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Agriculture	**1,954**	**2,108**	**2,200**	**2,247**	**2,358**	**2,439**
Food crops	1,242	1,350	1,400	1,415	1,484	1,520
Export crops	134	147	147	143	141	139
Livestock & livestock products	178	195	217	237	258	280
Forestry	372	386	406	424	444	467
Fishing	28	30	30	28	31	33
Industry	**1,298**	**1,370**	**1,571**	**1,612**	**1,756**	**1,902**
Mining & quarrying	145	167	182	135	137	157
TOTAL MANUFACTURING	568	628	709	731	816	885
Manufacturing of food	192	232	239	255	277	294
Manufacturing of beverages & tobacco	170	155	176	180	191	209
Manufacturing of textiles, clothing & leather goods	30	42	57	63	66	77
Manufacturing of wood & paper; printing	27	27	34	34	38	43
Manufacturing of chemicals, rubber & plastic products	30	37	47	52	61	70
Manufacturing of non-metallic mineral products	32	33	44	42	44	55
Manufacturing of metal products, machinery & equipment	31	35	44	43	59	54
Furniture & other manufacturing	55	66	68	62	81	83
Electricity	80	88	95	98	106	121
Water & waste management	32	32	33	34	35	37
Construction	474	455	552	615	663	704
Services	**3,543**	**3,863**	**4,189**	**4,254**	**4,351**	**4,875**
TRADE &TRANSPORT	**927**	**1,082**	**1,241**	**1,265**	**1,279**	**1,454**
Maintenance and repair of motor vehicles	39	42	44	41	56	62
Wholesale & retail trade	565	652	753	792	842	930
Transport services	322	388	444	431	381	462
OTHER SERVICES	**2,616**	**2,782**	**2,948**	**2,989**	**3,071**	**3,421**
Hotels & restaurants	137	143	156	141	90	178
Information & communication	123	144	157	193	240	271
Financial services	183	203	218	220	237	276
Real estate activities	544	573	607	597	625	646
Professional, scientific and technical activities	155	171	189	193	209	224
Administrative and support service activities	268	283	292	297	285	301
Public administration and defence; compulsory social security	443	461	483	512	522	533
Education	228	235	241	199	190	252
Human health and social work activities	154	163	161	180	196	221
Cultural, domestic & other services	382	406	445	457	477	519
Taxes less subsidies on products	**645**	**684**	**771**	**821**	**867**	**942**
GROSS DOMESTIC PRODUCT	**7,439**	**8,025**	**8,732**	**8,934**	**9,332**	**10,158**

Source: National Institute of Statistics of Rwanda (NISR)

MONTHLY EVOLUTION OF CONSUMER PRICE INDEX

(For the general index and the divisions index)

Appendix 4

Reference: February 2014=100

		2021-2022											
Divisions	**Weights**	**Jul-21**	**Aug-21**	**Sep-21**	**Oct-21**	**Nov-21**	**Dec-21**	**Jan-22**	**Feb-22**	**Mar-22**	**Apr-22**	**May-22**	**Jun-22**
01. Food and non-alcoholic beverages	**2,819**	**140.3**	**140.1**	**142.4**	**143.0**	**139.2**	**138.3**	**145.4**	**150.8**	**158.5**	**167.2**	**175.5**	**175.3**
· Bread and cereals	530	129.6	129.2	129.1	129.2	130.7	134.0	136.8	139.1	142.9	148.5	155.6	159.9
· Meat	209	155.9	155.3	157.9	162.7	163.2	163.5	165.0	164.7	165.6	170.6	172.4	181.4
· Milk, cheese and eggs	170	122.4	122.9	128.1	137.9	136.0	127.5	128.6	126.4	127.5	129.2	131.9	134.4
. Vegetables	1,013	149.6	149.8	152.1	148.7	133.5	127.6	142.7	155.6	160.7	170.2	180.6	187.7
· Non-alcoholic beverages	130	131.1	131.3	131.8	133.9	133.8	135.1	135.0	135.1	135.6	136.6	136.8	137.3
02. Alcoholic beverages and tobacco	**276**	**174.8**	**176.0**	**176.1**	**176.6**	**177.1**	**176.5**	**180.0**	**180.3**	**180.9**	**183.2**	**183.6**	**184.3**
03. Clothing and footwear	**422**	**129.6**	**130.4**	**130.6**	**132.3**	**132.6**	**133.4**	**133.8**	**134.8**	**135.4**	**136.7**	**138.2**	**140.6**
04. Housing, water, electricity, gas and other fuels	**2,296**	**121.4**	**121.7**	**121.9**	**122.3**	**122.6**	**122.7**	**123.7**	**126.2**	**131.1**	**131.6**	**131.2**	**131.3**
05. Furnishing, household equipment and routine household maintenance	**408**	**122.8**	**123.4**	**123.8**	**125.5**	**127.3**	**129.8**	**131.0**	**130.8**	**131.6**	**132.6**	**133.5**	**137.0**
06. Health	**91**	**107.8**	**107.8**	**108.1**	**108.1**	**108.6**	**108.8**	**108.7**	**109.0**	**109.0**	**109.1**	**109.2**	**109.2**
07. Transport	**1,774**	**129.6**	**131.2**	**131.4**	**131.9**	**132.2**	**133.1**	**134.0**	**134.4**	**134.6**	**139.0**	**140.4**	**144.6**
08. Communication	**278**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**105.8**	**106.6**	**108.1**
09. Recreation and culture	**213**	**128.0**	**128.0**	**128.1**	**128.2**	**129.1**	**130.3**	**135.6**	**135.6**	**136.6**	**136.7**	**137.7**	**138.9**
10. Education	**587**	**121.3**	**121.3**	**121.3**	**130.6**	**130.6**	**130.6**	**130.6**	**130.6**	**130.6**	**130.6**	**130.5**	**130.5**
11. Restaurants and hotels	**430**	**108.8**	**108.7**	**109.2**	**110.4**	**111.3**	**111.4**	**111.7**	**114.3**	**123.6**	**123.9**	**124.0**	**124.4**
12. Miscellaneous goods and services	**408**	**116.6**	**116.7**	**117.1**	**116.2**	**116.4**	**116.5**	**116.8**	**117.0**	**117.3**	**118.2**	**121.0**	**124.5**
GENERAL INDEX	**10,000**	**128**	**129**	**130**	**130**	**130**	**130**	**132**	**135**	**139**	**142**	**145**	**146**
Monthly changes		**0.0**	**0.3**	**0.6**	**0.6**	**-0.5**	**0.0**	**2.1**	**1.8**	**3.1**	**2.4**	**1.9**	**0.8**
Changes over 12 months		**-0.4**	**-0.6**	**-0.9**	**0.6**	**1.0**	**1.9**	**4.3**	**5.8**	**7.5**	**9.9**	**12.6**	**13.7**

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(1)

December 2010 = 100

Activity	Weights	YEAR 2021- 2022											
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Rwanda	**1000**	**152.9**	**150.5**	**151.8**	**152.3**	**153.2**	**157.4**	**158.5**	**161.3**	**167.9**	**169.2**	**180.3**	**174.6**
Mining and quarrying	96.1	132.2	132.5	134.3	134.5	136.4	142.1	142.2	142.2	143.5	149.0	148.8	148.7
Mining of metal ores	96.1	132.2	132.5	134.3	134.5	136.4	142.1	142.2	142.2	143.5	149.0	148.8	148.7
Mining of non-ferrous metal ores	96.1	132.2	132.5	134.3	134.5	136.4	142.1	142.2	142.2	143.5	149.0	148.8	148.7
Mining of other non-ferrous metal ores	**96.1**	**132.2**	**132.5**	**134.3**	**134.5**	**136.4**	**142.1**	**142.2**	**142.2**	**143.5**	**149.0**	**148.8**	**148.7**
Manufacturing	714.0	143.7	140.0	141.8	142.5	143.8	149.5	151.2	155.4	165.0	166.3	182.1	174.0
Manufacture of food products	376.3	153.1	147.1	149.6	150.6	152.6	161.5	164.2	169.9	182.8	184.0	206.3	194.5
Processing and preserving of meat	23.1	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4	163.4
Processing and preserving of meat	**23.1**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**	**163.4**
Processing and preserving of fruit and vegetables	1.5	171.3	171.3	171.3	171.3	171.3	171.3	171.3	171.3	171.3	176.0	176.0	176.0
Processing and preserving of fruit and vegetables	**1.5**	**171.3**	**171.3**	**171.3**	**171.3**	**171.3**	**171.3**	**171.3**	**171.3**	**171.3**	**176.0**	**176.0**	**176.0**
Manufacture of dairy products	10.9	105.7	105.7	105.7	105.7	105.7	105.7	105.7	105.7	105.7	105.7	105.7	105.7
Manufacture of dairy products	**10.9**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**	**105.7**
Manufacture of grain mill products	41.8	111.2	111.2	111.2	111.4	111.4	111.5	111.5	111.5	111.5	111.5	111.5	111.5
Manufacture of grain mill products	**41.8**	**111.2**	**111.2**	**111.2**	**111.4**	**111.4**	**111.5**	**111.5**	**111.5**	**111.5**	**111.5**	**111.5**	**111.5**
Manufacture of other food products	299.0	157.0	150.0	152.9	154.1	156.5	166.7	169.7	176.2	190.7	192.0	216.7	203.6
Manufacture of bakery products	**5.5**	**143.6**	**143.6**	**143.6**	**147.2**	**147.2**	**151.1**	**151.1**	**151.1**	**151.1**	**166.2**	**166.2**	**166.2**
Manufacture of sugar	**147.8**	**154.2**	**145.6**	**149.5**	**154.4**	**156.0**	**154.1**	**161.0**	**171.4**	**202.3**	**207.4**	**248.7**	**225.4**
Manufacture of other food products n.e.c. (coffee and tea)	**145.7**	**160.0**	**154.1**	**156.4**	**154.1**	**157.3**	**177.6**	**177.7**	**181.2**	**179.3**	**175.5**	**175.2**	**178.8**
Manufacture of coffee products	**65.5**	**168.0**	**154.4**	**134.8**	**135.7**	**135.7**	**168.7**	**168.9**	**169.2**	**169.2**	**169.0**	**169.0**	**169.2**
Manufacture of tea products	**80.1**	**152.5**	**153.8**	**170.7**	**166.6**	**171.6**	**184.4**	**184.4**	**190.2**	**187.0**	**180.6**	**180.1**	**186.1**

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(2)

December 2010 = 100

Activity	Weights	YEAR 2021- 2022											
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Rwanda	**1000**	**152.9**	**150.5**	**151.8**	**152.3**	**153.2**	**157.4**	**158.5**	**161.3**	**167.9**	**169.2**	**180.3**	**174.6**
Manufacture of beverages	174	127.7	127.7	128.3	128.3	128.3	128.3	128.3	128.3	134.2	134.2	134.2	134.2
Manufacture of beverages	174	127.7	127.7	128.3	128.3	128.3	128.3	128.3	128.3	134.2	134.2	134.2	134.2
Manufacture of wines	**2**	**102.3**	**102.3**	**103.6**	**103.6**	**103.6**	**103.6**	**103.6**	**103.6**	**106.3**	**106.3**	**106.3**	**106.3**
Manufacture of malt liquors and malt	**169**	**127.6**	**127.6**	**128.2**	**128.2**	**128.2**	**128.2**	**128.2**	**128.2**	**134.3**	**134.3**	**134.3**	**134.3**
Manufacture of soft drinks; production of mineral waters and	**3**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**	**142.4**
Manufacture of tobacco products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of tobacco products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of tobacco products	**3**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Manufacture of textiles	5	92.8	92.8	92.8	92.8	92.8	95.7	95.7	95.7	95.7	95.7	95.7	95.7
Manufacture of other textiles	5	92.8	92.8	92.8	92.8	92.8	95.7	95.7	95.7	95.7	95.7	95.7	95.7
Manufacture of made-up textile articles, except apparel	**5**	**92.8**	**92.8**	**92.8**	**92.8**	**92.8**	**95.7**	**95.7**	**95.7**	**95.7**	**95.7**	**95.7**	**95.7**
Manufacture of leather and related products	24	97.3	97.3	97.3	97.3	97.3	99.8	99.8	99.8	99.8	99.8	99.8	99.8
Manufacture of footwear	24	97.3	97.3	97.3	97.3	97.3	99.8	99.8	99.8	99.8	99.8	99.8	99.8
Manufacture of footwear	**24**	**97.3**	**97.3**	**97.3**	**97.3**	**97.3**	**99.8**	**99.8**	**99.8**	**99.8**	**99.8**	**99.8**	**99.8**
Manufacture of wood and of products of wood and cork, except furniture;	1	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Manufacture of other products of wood; manufacture of articles of cork, straw	1	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials.	**1**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**	**112.5**

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(3)

December 2010 = 100

Activity	Weights	YEAR 2021- 2022											
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Rwanda	**1000**	**152.9**	**150.5**	**151.8**	**152.3**	**153.2**	**157.4**	**158.5**	**161.3**	**167.9**	**169.2**	**180.3**	**174.6**
Manufacture of paper and paper products	2	136	136	136	136	136	136	136	136	136	136	136	136
Manufacture of paper and paper products	2	136.1	136.1	136.1	136.1	136.1	136.1	136.1	136.1	136.1	136.1	136.1	136.1
Manufacture of other articles of paper and paperboard	**2**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**	**136.1**
Printing and reproduction of recorded media	19	106	106	106	106	106	106	106	106	106	106	106	106
Printing and service activities related to printing	19	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2
Printing and service activities related to printing (to combine	**19**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**	**106.2**
Manufacture of chemicals and chemical products	29	154.4	153.1	155.0	156.9	157.0	157.0	157.0	166.0	166.0	174.3	182.5	183.2
Manufacture of other chemical products	29	154.4	153.1	155.0	156.9	157.0	157.0	157.0	166.0	166.0	174.3	182.5	183.2
Manufacture of paints, varnishes and similar coatings, printing ink	**8**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**174.3**	**200.0**	**201.8**
Manufacture of soap and detergents, cleaning and polishing	**18**	**146.7**	**146.7**	**146.7**	**150.0**	**150.0**	**150.0**	**150.0**	**165.1**	**165.1**	**178.2**	**178.2**	**178.2**
Manufacture of other chemical products n.e.c.	**2**	**127.2**	**97.0**	**136.8**	**138.1**	**139.4**	**139.2**	**139.3**	**140.7**	**140.5**	**140.9**	**140.7**	**142.0**
Manufacture of pharmaceuticals, medicinal chemical and botanical	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of pharmaceuticals, medicinal chemical and botanical	0	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1
Manufacture of pharmaceuticals, medicinal chemical and botanical	**0**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**	**100.1**
Manufacture of rubber and plastics products	11	200.7	201.3	205.0	207.1	207.1	207.1	207.1	207.1	207.1	211.7	215.6	217.0
Manufacture of rubber products	3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	**3**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Manufacture of plastics products	8	117.6	117.6	121.7	123.9	123.9	123.9	123.9	123.9	123.9	123.9	123.9	123.9
Manufacture of plastics products	**8**	**117.6**	**117.6**	**121.7**	**123.9**	**123.9**	**123.9**	**123.9**	**123.9**	**123.9**	**123.9**	**123.9**	**123.9**

Source: National Institute of Statistics of Rwanda (NISR)

Monthly Evolution of Producer Price Index

Appendix 5(4)

December 2010 = 100

Activity	Weights	YEAR 2021- 2022											
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Rwanda	**1000**	**152.9**	**150.5**	**151.8**	**152.3**	**153.2**	**157.4**	**158.5**	**161.3**	**167.9**	**169.2**	**180.3**	**174.6**
Manufacture of other non-metallic mineral products	31	114.3	114.9	114.9	114.9	114.9	114.9	114.9	114.9	114.9	119.4	123.3	124.7
Manufacture of non-metallic mineral products n.e.c.	31	114.3	114.9	114.9	114.9	114.9	114.9	114.9	114.9	114.9	119.4	123.3	124.7
Manufacture of non-metallic mineral products n.e.c.	**31**	**114.3**	**114.9**	**114.9**	**114.9**	**114.9**	**114.9**	**114.9**	**114.9**	**114.9**	**119.4**	**123.3**	**124.7**
Manufacture of fabricated metal products, except machinery and equipment	29	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9
Manufacture of fabricated metal products, except machinery and equipment	29	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9	144.9
Manufacture of fabricated metal products, except machinery and equipment	**29**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**	**144.9**
Manufacture of electrical equipment	1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1
Manufacture of batteries and accumulators	1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1	156.1
Manufacture of batteries and accumulators	**1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**	**156.1**
Manufacture of furniture	9	122.5	122.5	122.5	122.5	122.5	124.1	124.1	128.2	129.9	129.9	133.7	133.7
Manufacture of furniture	9	122.5	122.5	122.5	122.5	122.5	124.1	124.1	128.2	129.9	129.9	133.7	133.7
Manufacture of furniture	**9**	**122.5**	**122.5**	**122.5**	**122.5**	**122.5**	**124.1**	**124.1**	**128.2**	**129.9**	**129.9**	**133.7**	**133.7**
Electricity, gas, steam and air conditioning supply	58	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5
Electricity, gas, steam and air conditioning supply	58	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5
Electric power generation, transmission and distribution	58	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5	179.5
Electric power generation, transmission and distribution	**58**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**	**179.5**
Water supply; sewerage, waste management and remediation activities	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Water collection, treatment and supply	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Water collection, treatment and supply	129	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6	190.6
Water collection, treatment and supply	**129**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**	**190.6**
Information and communication	3	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Publishing activities	3	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Publishing of books, periodicals and other publishing activities	3	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8	197.8
Book publishing	**1**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**	**185.8**
Publishing of newspapers, journals and periodicals	**3**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**	**200.1**

Source: National Institute of Statistics of Rwanda (NISR)

CENTRAL BANK SURVEY (in RWF million)

Appendix 6

DESCRIPTION	NET FOREIGN ASSETS			CLAIMS ON DOMESTIC SECTORS								DOMESTIC CREDIT (12)= (6)+(9)+ (10)+(11)	OTHER ITEMS NET (13)	NET DOMESTIC ASSETS (14)=(12)+(13)	RESERVE MONEY			
				NET CREDIT TO GOVERNMENT			NET CLAIMS ON BANKS			CLAIMS ON OTHER FINANCIAL INSTITUTIONS (10)	LOAN TO PRIVATE SECTOR (STAFF) (11)				CURRENCY OUT OF BNR (1)	BANKS DEPOSITS (2)	NON BANK DEPOSITS (3)	RESERVE MONEY (4)=(1)+(2)+ (3)
	FOREIGN ASSETS (1)	FOREIGN LIABILITIES (2)	NET FOREIGN ASSETS (3)=(1)-(2)	CLAIMS ON GOVERNMENT (4)	LIABILITIES TO GOVERNMENT (5)	NET CREDIT TO GOVERNMENT (6)=(4)-(5)	BORROWING (7)	LENDING (8)	NET CREDIT TO BANKS (9)=(8)-(7)									
June-16	732,069.0	161,209.7	**570,859.4**	43,125.3	168,498.3	-125,373.0	44,443.4	8,954.0	-35,489.4	15,820.7	10,864.5	-134,177.2	-120,650.5	**-254,827.6**	182,823.8	130,246.6	2,961.4	**316,031.7**
June-17	819,758.2	207,127.0	**612,631.2**	79,145.7	184,936.1	-105,790.3	90,120.9	28,858.4	-61,262.5	15,014.9	11,022.6	-141,015.3	-164,255.3	**-305,270.6**	190,623.7	113,736.3	3,000.6	**307,360.6**
June-18	977,545.1	259,002.3	**718,542.7**	84,851.5	203,072.8	-118,221.2	120,599.8	55,581.4	-65,018.4	12,994.3	10,610.9	-159,634.4	-186,424.0	**-346,058.4**	211,527.2	154,961.5	5,995.6	**372,484.3**
June-19	1,073,342.9	306,317.8	**767,025.0**	88,290.4	227,746.2	-139,455.7	62,030.7	53,703.5	-8,327.2	13,653.8	10,833.4	-123,295.7	-214,259.0	**-337,554.7**	234,288.6	182,828.6	12,353.2	**429,470.3**
June-20	1,503,976.9	305,267.4	**1,198,709.6**	86,209.5	524,737.7	-438,528.2	110,184.5	78,562.5	-31,622.0	18,639.6	10,923.8	-440,586.8	-265,879.2	**-706,466.0**	265,438.2	207,435.2	19,370.2	**492,243.6**
June-21	1,509,119.8	275,976.3	**1,233,143.5**	81,307.6	558,599.3	-477,291.7	128,251.9	173,209.8	44,957.9	29,920.3	12,106.9	-390,306.6	-316,737.9	**-707,044.5**	296,613.1	222,864.2	6,621.7	**526,099.0**
June-22	1,902,792.4	311,520.2	**1,591,272.2**	116,457.6	729,651.2	-613,193.6	227,597.1	193,792.8	-33,804.3	55,488.3	12,465.2	-579,044.4	-330,586.9	**-909,631.3**	352,496.9	326,373.6	2,770.4	**681,640.9**
2020																		
January	1,267,050.4	311,440.7	**955,609.8**	85,691.7	408,768.1	-323,076.4	62,484.8	60,309.5	-2,175.2	18,196.0	11,445.6	-295,610.0	-229,674.7	**-525,284.7**	235,732.5	181,242.5	13,350.0	**430,325.0**
February	1,258,410.9	308,605.7	**949,805.2**	85,872.9	375,698.8	-289,825.9	61,533.5	72,171.8	10,638.3	18,196.0	11,321.3	-249,670.3	-239,017.2	**-488,687.6**	238,712.6	207,456.1	14,949.0	**461,117.7**
March	1,238,423.9	315,381.9	**923,042.0**	85,959.1	364,260.1	-278,301.0	65,656.9	84,005.4	18,348.4	17,260.4	11,180.2	-231,512.0	-247,362.2	**-478,874.2**	243,670.3	181,734.7	18,762.8	**444,167.8**
April	1,311,849.8	305,850.4	**1,005,999.4**	86,018.6	440,758.2	-354,739.6	72,833.5	85,227.0	12,393.5	17,260.4	10,982.6	-314,103.1	-251,894.7	**-565,997.7**	239,514.1	181,938.9	18,548.7	**440,001.7**
May	1,317,209.1	302,250.4	**1,014,958.7**	86,005.0	377,184.9	-291,179.9	75,638.2	73,798.3	-1,839.9	18,387.9	10,850.7	-263,781.2	-258,034.3	**-521,815.4**	255,303.0	218,745.8	19,094.4	**493,143.2**
June	1,503,976.9	305,267.4	**1,198,709.6**	86,209.5	524,737.7	-438,528.2	110,184.5	78,562.5	-31,622.0	18,639.6	10,923.8	-440,586.8	-265,879.2	**-706,466.0**	265,438.2	207,435.2	19,370.2	**492,243.6**
July	1,597,039.0	311,096.1	**1,285,942.9**	86,592.8	629,423.6	-542,830.8	76,974.0	89,415.0	12,441.0	18,362.0	12,341.1	-499,686.7	-268,030.8	**-767,717.5**	262,428.3	237,998.5	17,798.6	**518,225.4**
August	1,565,336.1	313,929.3	**1,251,406.7**	86,953.8	615,056.1	-528,102.3	89,709.8	106,438.0	16,728.1	30,211.9	12,205.7	-468,956.6	-271,383.5	**-740,340.1**	262,843.0	225,006.7	23,217.0	**511,066.7**
September	1,647,994.4	312,030.5	**1,335,963.9**	79,803.8	718,904.1	-639,100.3	90,361.7	117,157.9	26,796.3	29,809.0	12,488.2	-570,006.9	-267,367.4	**-837,374.3**	266,404.6	214,377.4	17,807.7	**498,589.7**
October	1,595,617.7	298,177.8	**1,297,439.8**	80,177.9	709,754.2	-629,576.3	81,402.3	145,876.5	64,474.2	29,809.0	12,595.7	-522,697.4	-279,417.0	**-802,114.4**	265,628.4	208,469.0	21,228.0	**495,325.4**
November	1,538,510.2	302,465.6	**1,236,044.5**	80,352.5	633,076.7	-552,724.3	80,628.8	161,443.9	80,815.1	29,604.6	12,395.8	-429,908.8	-283,104.9	**-713,013.7**	260,694.8	249,695.1	12,641.0	**523,030.9**
December	1,674,730.7	302,906.5	**1,371,824.1**	80,586.6	771,693.6	-691,106.9	90,742.4	193,722.9	102,980.5	29,092.5	12,365.9	-546,668.0	-279,828.4	**-826,496.4**	286,875.1	249,050.2	9,402.4	**545,327.7**
2021																		
January	1,584,531.9	302,480.3	**1,282,051.6**	80,744.1	747,777.8	-667,033.7	105,624.3	248,230.2	142,605.9	30,137.3	12,307.5	-481,983.1	-279,230.3	**-761,213.3**	268,589.8	246,405.3	5,843.2	**520,838.3**
February	1,514,869.4	300,430.7	**1,214,438.7**	80,846.4	659,096.2	-578,249.8	105,815.8	244,766.0	138,950.2	31,933.1	12,307.5	-395,059.0	-279,393.4	**-674,452.4**	274,110.4	254,349.0	11,526.9	**539,986.4**
March	1,571,754.0	292,068.3	**1,279,685.7**	80,980.6	684,541.7	-603,561.1	103,773.7	225,219.1	121,445.4	31,530.2	12,214.1	-438,371.5	-289,054.9	**-727,426.3**	271,351.0	270,727.6	10,180.7	**552,259.4**
April	1,556,230.2	275,742.6	**1,280,487.6**	81,145.7	731,682.6	-650,536.9	122,024.5	267,568.5	145,544.0	31,530.2	12,259.5	-461,203.2	-292,487.6	**-753,690.7**	274,942.8	239,982.1	11,871.9	**526,796.8**
May	1,515,406.2	279,769.4	**1,235,636.7**	81,143.6	634,315.1	-553,171.5	121,555.2	248,169.1	126,614.0	30,432.3	12,090.5	-384,034.7	-290,783.8	**-674,818.5**	284,426.0	268,130.3	8,261.9	**560,818.3**
June	1,509,119.8	275,976.3	**1,233,143.5**	81,307.6	558,599.3	-477,291.7	128,251.9	173,209.8	44,957.9	29,920.3	12,106.9	-390,306.6	-316,737.9	**-707,044.5**	296,613.1	222,864.2	6,621.7	**526,099.0**
July	1,494,552.7	275,797.0	**1,218,755.7**	81,473.4	620,678.4	-539,205.0	149,580.1	312,535.1	162,955.0	29,642.7	13,084.2	-333,523.1	-313,570.1	**-647,093.2**	287,839.1	279,783.0	4,040.4	**571,662.4**
August	1,920,663.0	491,846.7	**1,428,816.3**	119,205.6	756,477.3	-637,271.7	151,561.1	260,183.0	108,621.9	29,737.0	12,945.5	-485,967.2	-322,630.5	**-808,597.8**	290,874.1	323,687.4	5,657.0	**620,218.5**
September	1,785,891.7	492,637.8	**1,293,253.9**	112,528.3	637,173.7	-524,645.5	153,823.7	271,240.8	117,417.1	32,074.7	12,976.2	-362,177.5	-312,427.5	**-674,605.0**	291,400.6	322,528.2	4,720.1	**618,648.9**
October	1,749,146.5	481,578.3	**1,267,568.1**	114,043.0	623,056.0	-509,013.0	153,634.9	256,878.3	103,243.4	32,040.6	12,878.1	-360,850.8	-307,856.7	**-668,707.5**	284,496.7	309,006.3	5,357.7	**598,860.6**
November	1,815,225.4	499,999.8	**1,315,225.6**	114,422.7	634,668.2	-520,245.5	153,160.5	226,519.3	73,358.8	31,802.2	12,828.5	-402,256.0	-301,816.8	**-704,072.8**	288,948.0	315,212.6	6,992.2	**611,152.8**
December	1,906,849.9	489,237.0	**1,417,612.9**	114,729.3	658,185.3	-543,456.0	147,480.3	264,697.7	117,217.5	31,320.1	12,776.4	-382,142.2	-322,674.8	**-704,817.0**	319,887.9	384,978.2	7,929.9	**712,795.9**
2022																		
January	1,724,630.7	486,382.6	**1,238,248.1**	115,005.9	554,377.7	-439,371.8	141,186.3	228,130.6	86,944.4	36,034.2	12,556.5	-303,836.7	-308,372.5	**-612,209.3**	305,271.9	315,797.0	4,970.0	**626,038.9**
February	1,698,722.6	490,566.8	**1,208,155.8**	115,591.3	518,767.1	-403,175.7	141,871.6	225,392.1	83,520.5	35,977.6	12,364.9	-271,312.7	-302,281.9	**-573,594.5**	306,623.5	323,192.5	4,745.2	**634,561.2**
March	1,723,650.2	331,649.1	**1,392,001.0**	115,890.3	673,041.7	-557,151.4	140,783.1	222,077.8	81,294.7	35,507.6	12,242.7	-428,106.4	-303,474.4	**-731,580.8**	313,401.1	342,002.1	5,017.1	**660,420.3**
April	1,750,685.6	322,310.0	**1,428,375.6**	116,028.7	738,835.2	-622,806.5	137,020.2	266,494.2	129,473.9	35,568.7	12,236.9	-445,527.0	-317,934.7	**-763,461.6**	327,620.7	333,748.7	3,544.5	**664,914.0**
May	1,869,990.2	327,656.3	**1,542,333.9**	116,234.5	795,867.4	-679,632.9	126,871.3	206,099.7	79,228.4	44,463.3	12,195.8	-543,745.5	-328,887.0	**-872,632.5**	335,376.8	321,620.1	12,704.4	**669,701.3**
June	1,902,792.4	311,520.2	**1,591,272.2**	116,457.6	729,651.2	-613,193.6	227,597.1	193,792.8	-33,804.3	55,488.3	12,465.2	-579,044.4	-330,586.9	**-909,631.3**	352,496.9	326,373.6	2,770.4	**681,640.9**

Source: BNR, Statistics Department

Appendix 7

OTHER DEPOSITORY CORPORATIONS SURVEY (BK, I&M, GT BANK, ECOBANK, ACCESS BANK, COGEBANQUE, Urwego Bank, BP Bank Rwanda, UNGUKA bank, BOA, ZIGAMA CSS , EQUITY BANK , AB BANK, NCBA)

(in FRW million)

DESCRIPTION	ASSETS												
	CLAIMS ON BNR					FOREIGN ASSETS (6)	CLAIMS ON BANKS* (7)	CLAIMS ON GOVERNMENT** (8)	CREDIT TO ECONOMY			ASSETS NON CLASSIFIED ELSEWHERE (12)***	TOTAL ASSETS (13)=(5)+(6)+(7)+(8)+(11)+(12)
	Reserves		Total Reserves (3)=(1)+(2)	Other Claims (4)	Total claims (5)=(3)+(4)				CLAIMS ON PUBLIC ENTREPRISES (9)	CLAIMS ON PRIVATE SECTOR (10)	TOTAL CLAIMS ON THE ECONOMY (11)=(9)+(10)		
	Deposits (1)	ash in vault (2											
June 2016	130,246.6	32,029.0	162,275.5	44,443.4	206,718.9	158,014.2	63,314.3	275,142.3	40,323.2	1,260,286.7	1,300,609.9	212,348.9	**2,216,148.6**
June 2017	113,736.3	30,942.2	144,678.5	90,120.9	234,799.4	282,065.1	54,209.5	265,298.1	44,295.2	1,363,858.6	1,408,153.8	235,905.2	**2,480,431.2**
June-18	154,961.5	29,938.1	184,899.6	120,599.8	305,499.4	248,719.8	89,357.2	356,700.5	85,446.8	1,467,640.8	1,553,087.5	249,768.5	**2,803,132.9**
June-19	182,828.6	33,012.2	215,840.8	62,030.7	277,871.5	225,202.6	101,113.8	446,018.4	126,306.2	1,729,895.2	1,856,201.4	339,920.5	**3,246,328.3**
June-20	207,435.2	35,709.2	243,144.4	110,184.5	353,328.9	256,237.7	156,175.8	657,516.6	142,806.0	1,977,265.1	2,120,071.1	316,365.8	**3,859,695.9**
June-21	222,864.2	42,888.0	265,752.2	128,251.9	394,004.1	347,522.0	182,940.0	847,988.5	129,777.9	2,348,284.5	2,478,062.4	425,584.0	**4,676,101.1**
June-22	326,373.6	47,506.6	373,880.3	227,597.1	601,477.3	448,900.5	111,643.7	1,030,074.8	120,329.1	2,709,101.9	2,829,431.0	455,268.3	**5,476,795.6**
2020													
January	181,242.5	37,539.3	218,781.9	62,484.8	281,266.6	305,984.8	139,390.4	526,793.4	110,336.0	1,839,056.5	1,949,392.5	327,140.5	**3,529,968.3**
February	207,456.1	35,092.7	242,548.9	61,533.5	304,082.4	334,685.9	138,695.9	560,928.5	118,244.9	1,850,940.8	1,969,185.8	322,905.9	**3,630,484.3**
March	181,734.7	32,564.6	214,299.3	65,656.9	279,956.2	305,301.4	141,262.9	581,293.0	115,478.3	1,857,491.5	1,972,969.8	339,412.8	**3,620,196.2**
April	181,938.9	30,056.9	211,995.9	72,833.5	284,829.4	303,497.8	140,264.5	602,576.2	116,833.6	1,899,673.8	2,016,507.4	365,718.9	**3,713,394.2**
May	218,745.8	33,105.4	251,851.2	75,638.2	327,489.4	256,370.0	159,721.8	618,206.5	115,818.2	1,912,543.7	2,028,361.9	357,292.0	**3,747,441.6**
June	207,435.2	35,709.2	243,144.4	110,184.5	353,328.9	256,237.7	156,175.8	657,516.6	142,806.0	1,977,265.1	2,120,071.1	316,365.8	**3,859,695.9**
July	237,998.5	36,392.1	274,390.6	76,974.0	351,364.6	259,442.4	174,985.9	659,430.0	141,108.3	1,982,454.3	2,123,562.6	374,491.7	**3,943,277.2**
August	225,006.7	37,669.4	262,676.0	89,709.8	352,385.9	268,268.6	167,438.9	675,785.8	141,673.2	2,041,675.9	2,183,349.2	352,703.2	**3,999,931.5**
September	214,377.4	42,412.7	256,790.1	90,361.7	347,151.8	284,509.9	182,195.4	686,077.2	139,451.5	2,086,999.3	2,226,450.8	322,178.3	**4,048,563.4**
October	208,469.0	41,077.4	249,546.4	81,402.3	330,948.8	290,336.1	141,783.0	700,138.9	138,229.5	2,114,059.6	2,252,289.1	357,874.0	**4,073,369.9**
November	249,695.1	41,067.6	290,762.7	80,628.8	371,391.5	316,132.9	154,185.4	712,543.4	135,284.8	2,154,208.7	2,289,493.5	350,544.0	**4,194,290.6**
December	249,050.2	43,295.6	292,345.8	90,742.4	383,088.2	337,305.6	166,469.7	742,817.4	139,903.6	2,182,895.5	2,322,799.0	375,754.0	**4,328,233.9**
2021													
January	246,405.3	42,906.9	289,312.2	105,624.3	394,936.5	365,511.6	140,207.8	744,889.3	137,852.5	2,202,356.7	2,340,209.2	391,831.5	**4,377,585.9**
February	254,349.0	42,369.1	296,718.1	105,815.8	402,533.9	404,532.4	119,394.4	756,541.5	142,313.3	2,236,072.9	2,378,386.2	401,167.9	**4,462,556.4**
March	270,727.6	42,049.8	312,777.4	103,773.7	416,551.1	424,151.0	112,800.1	777,558.6	137,538.2	2,257,802.5	2,395,340.7	414,731.8	**4,541,133.3**
April	239,982.1	43,435.8	283,417.9	122,024.5	405,442.4	375,777.5	114,854.4	788,090.3	135,880.6	2,320,279.4	2,456,160.0	399,130.8	**4,539,455.3**
May	268,130.3	41,980.5	310,110.9	121,555.2	431,666.0	374,357.0	105,064.9	782,623.5	167,776.6	2,288,576.3	2,456,352.9	384,550.6	**4,534,615.0**
June	222,864.2	42,888.0	265,752.2	128,251.9	394,004.1	347,522.0	182,940.0	847,988.5	129,777.9	2,348,284.5	2,478,062.4	425,584.0	**4,676,101.1**
July	279,783.0	39,420.0	319,203.0	149,580.1	468,783.1	390,370.1	118,971.3	849,532.5	131,393.6	2,455,243.6	2,586,637.2	395,469.3	**4,809,763.5**
August	323,687.4	47,031.0	370,718.4	151,561.1	522,279.5	344,802.0	154,207.4	885,415.4	127,373.7	2,460,209.4	2,587,583.1	394,729.5	**4,889,016.9**
September	322,528.2	44,553.7	367,081.9	153,823.7	520,905.6	367,927.4	167,214.4	869,317.8	139,019.8	2,479,477.9	2,618,497.7	400,313.9	**4,944,176.8**
October	309,006.3	41,379.4	350,385.6	153,634.9	504,020.5	392,895.6	171,759.3	878,863.8	140,386.9	2,554,958.2	2,695,345.1	426,250.4	**5,069,134.8**
November	315,212.6	44,210.8	359,423.4	153,160.5	512,583.9	352,645.6	177,406.1	923,253.0	135,077.5	2,485,125.1	2,620,202.6	466,060.5	**5,052,151.7**
December	384,978.2	46,346.3	431,324.5	147,480.3	578,804.8	342,459.2	174,243.7	967,459.2	120,514.4	2,507,224.7	2,627,739.1	466,198.9	**5,156,904.9**
2022													
January	315,797.0	46,116.6	361,913.6	141,186.3	503,099.8	410,575.6	127,651.8	964,030.2	117,012.2	2,497,241.9	2,614,254.2	459,867.8	**5,079,479.4**
February	323,192.5	45,483.0	368,675.5	141,871.6	510,547.2	483,032.0	128,909.6	965,297.0	135,760.2	2,496,002.8	2,631,763.0	421,619.2	**5,141,168.0**
March	342,002.1	42,670.2	384,672.3	140,783.1	525,455.4	578,835.6	122,624.7	988,053.5	115,589.8	2,580,767.7	2,696,357.6	432,910.0	**5,344,236.8**
April	333,748.7	45,173.5	378,922.2	137,020.2	515,942.4	498,327.0	129,871.0	1,005,737.0	128,303.2	2,632,345.8	2,760,648.9	422,912.8	**5,333,439.2**
May	321,620.1	43,649.5	365,269.6	126,871.3	492,140.9	473,178.5	141,464.4	1,014,587.5	119,302.2	2,680,662.8	2,799,965.0	439,852.2	**5,361,188.5**
June	326,373.6	47,506.6	373,880.3	227,597.1	601,477.3	448,900.5	111,643.7	1,030,074.8	120,329.1	2,709,101.9	2,829,431.0	455,268.3	**5,476,795.6**

Source: BNR, Statistics Department

(*) Calculated by summing all ODCs deposits and loan to ODCs in the consolidated sectora

(**) Includes both central government and local government, but excludes Social Security

(***) Other assets are adjusted with the difference between ODCs positions at the central bank and their own records

Note that ODCs include:

(1) BHR from December 2005 to November 2011

(2) UOB since August 2007

(3) CCP (Comptes Cheques Postaux) between December 2008 and November 2011

(4) KCB since January 2009

(5) ZIGAMA-CSS since December 2009

(6) UNGUKA and Bank of Africa (BOA) since November 2011

(7) EQUITY since December 2011

(8) AB Bank since January 2014

(9) NCBA (formerly named CRANE Bank) since August 2014

(10) BRD Commercial since March 2015 to June 2016

(11) KCB merged with BPR to become BPR Bank Rwanda since April 2022

OTHER DEPOSITORY CORPORATIONS SURVEY (BK, I&M, GT BANK, ECOBANK, ACCESS BANK, COGEBANQUE, Urwego Bank, BP Bank Rwanda, UNGUKA bank, BOA, ZIGAMA CSS , EQUITY BANK , AB BANK, NCBA)

(in FRW million)

DESCRIPTION	LIABILITIES										
	DEPOSITS INCLUDED IN BROAD MONEY				GOVERNMENT DEPOSITS* (5)	FOREIGN LIABILITIES (6)	LOAN FROM BNR (7)	SHARES AND OTHER EQUITY (8)	BANKS LIABILITIES** (9)	LIABILITIES NON CLASSIFIED ELSEWHERE (10)***	TOTAL LIABILITIES AND EQUITY (11)=(4)+(5)+(6)+(7)+(8)+(9)+(10)
	TRANSFERABLE (1)	NONTRANSFERABLE (2)	FOREIGN CURRENCY (3)	DEPOSITS INCLUDED IN BROAD MONEY (4)=(1)+(2)+(3)							
June 2016	639,971.3	512,439.6	269,209.7	1,421,620.6	25,406.7	161,324.9	10,584.2	323,868.2	61,626.0	211,717.9	**2,216,148.6**
June 2017	680,217.2	542,267.8	390,015.2	1,612,500.2	17,802.1	162,769.7	28,515.8	357,704.2	54,259.5	246,879.8	**2,480,431.2**
June 2018	697,340.9	614,449.0	446,185.9	1,757,975.8	49,388.4	166,475.9	55,581.4	409,356.9	90,081.3	274,273.2	**2,803,132.9**
June 2019	819,578.4	695,189.1	491,428.3	2,006,195.8	53,070.8	144,577.2	53,703.5	511,338.5	100,577.8	376,864.7	**3,246,328.3**
June 2020	920,527.5	900,934.2	569,902.6	2,391,364.3	63,621.7	207,464.2	78,562.5	580,171.9	151,940.4	386,570.9	**3,859,695.9**
June 2021	1,058,457.6	1,027,534.8	751,177.8	2,837,170.2	72,924.1	240,292.6	173,209.8	686,461.0	182,306.9	483,736.5	**4,676,101.1**
June 2022	1,327,355.2	1,177,562.6	915,530.1	3,420,447.8	109,643.4	308,418.4	193,792.8	783,165.0	111,940.3	549,387.6	**5,476,795.4**
2020											
January	916,806.1	738,949.1	527,482.4	2,183,237.6	59,129.2	182,045.5	60,309.5	546,625.3	139,053.0	359,568.2	**3,529,968.3**
February	919,118.1	789,859.6	560,230.6	2,269,208.2	46,371.8	186,370.3	72,171.8	553,428.8	136,400.1	366,533.3	**3,630,484.3**
March	835,447.5	797,583.9	539,079.8	2,172,111.1	63,757.6	180,139.3	84,005.4	565,739.9	140,865.3	413,577.5	**3,620,196.2**
April	869,694.9	794,462.7	576,173.7	2,240,331.3	71,030.2	198,574.2	85,227.0	562,954.3	130,427.8	424,849.3	**3,713,394.2**
May	878,159.6	842,249.6	569,079.7	2,289,488.9	65,781.6	206,870.4	73,798.3	570,963.3	166,142.4	374,396.8	**3,747,441.6**
June	920,527.5	900,934.2	569,902.6	2,391,364.3	63,621.7	207,464.2	78,562.5	580,171.9	151,940.4	386,570.9	**3,859,695.9**
July	958,145.1	863,782.4	577,361.8	2,399,289.3	78,163.4	220,062.1	89,415.0	583,585.3	169,451.4	403,310.7	**3,943,277.2**
August	945,597.1	875,737.0	605,255.4	2,426,589.5	98,461.6	216,830.9	106,438.0	554,346.8	165,145.7	432,118.9	**3,999,931.5**
September	966,030.1	901,409.3	613,141.1	2,480,580.5	93,308.0	203,865.0	117,157.9	577,462.9	179,045.0	397,144.0	**4,048,563.4**
October	973,072.9	910,140.4	591,947.0	2,475,160.2	93,400.1	203,795.6	145,876.5	593,719.7	139,754.4	421,663.3	**4,073,369.9**
November	963,342.0	920,161.6	625,770.3	2,509,273.9	94,055.2	227,636.9	161,443.9	599,915.6	152,915.7	449,049.4	**4,194,290.6**
December	978,898.0	930,885.1	658,164.3	2,567,947.4	101,683.9	240,255.0	193,722.9	607,160.3	160,781.4	456,683.0	**4,328,233.9**
2021											
January	975,342.4	934,933.1	652,299.1	2,562,574.6	89,475.3	262,262.2	248,230.2	621,103.4	139,947.9	453,992.3	**4,377,585.9**
February	1,002,365.3	942,817.3	674,623.2	2,619,805.8	87,384.0	299,319.4	244,766.0	627,471.6	113,243.2	470,566.3	**4,462,556.4**
March	1,051,146.5	942,658.5	708,268.8	2,702,073.8	99,147.9	312,001.7	225,219.1	652,931.2	115,798.6	433,961.0	**4,541,133.3**
April	1,002,894.0	970,069.1	708,942.3	2,681,905.4	87,813.4	268,542.3	267,568.5	663,742.2	116,584.5	453,299.0	**4,539,455.3**
May	1,020,132.6	1,001,904.9	714,863.8	2,736,901.3	87,885.8	240,902.5	248,169.1	666,415.2	107,041.6	447,299.5	**4,534,615.0**
June	1,058,457.6	1,027,534.8	751,177.8	2,837,170.2	72,924.1	240,292.6	173,209.8	686,461.0	182,306.9	483,736.5	**4,676,101.1**
July	1,074,935.9	1,005,466.4	764,940.6	2,845,342.9	89,367.3	289,824.2	312,535.1	684,317.4	118,638.7	469,738.2	**4,809,763.7**
August	1,119,403.9	1,049,237.6	748,373.8	2,917,015.3	104,342.2	280,511.1	260,183.0	701,077.3	143,831.2	482,056.8	**4,889,016.8**
September	1,025,195.8	1,102,717.9	772,674.1	2,900,587.8	114,197.5	295,347.8	271,240.8	706,237.1	167,062.2	489,503.5	**4,944,176.8**
October	1,097,965.8	1,061,015.7	813,221.1	2,972,202.6	111,186.7	341,167.9	256,878.3	715,040.3	172,359.1	500,300.0	**5,069,134.8**
November	1,152,855.4	1,050,117.2	785,786.0	2,988,758.7	103,853.0	301,971.7	226,519.3	727,325.6	177,023.5	526,699.8	**5,052,151.6**
December	1,111,572.3	1,088,922.8	841,589.6	3,042,084.8	115,409.7	295,152.7	264,697.7	723,890.9	174,063.7	541,605.3	**5,156,904.9**
2022											
January	1,099,465.1	1,121,409.1	878,005.5	3,098,879.8	110,730.4	261,450.7	228,130.6	749,208.2	129,024.8	502,054.9	**5,079,479.5**
February	1,131,591.5	1,136,169.7	909,795.0	3,177,556.2	111,052.4	281,829.8	225,392.1	756,651.8	128,553.3	460,132.3	**5,141,168.0**
March	1,039,536.4	1,188,149.4	1,049,663.5	3,277,349.2	146,716.1	283,588.3	222,077.8	763,810.4	112,918.6	537,776.5	**5,344,236.8**
April	1,224,920.5	1,152,417.3	952,180.9	3,329,518.8	103,752.0	298,632.1	266,494.2	742,895.3	128,959.8	463,187.1	**5,333,439.2**
May	1,203,819.9	1,183,353.8	941,719.4	3,328,893.1	110,719.8	297,254.1	206,099.7	746,961.7	142,271.6	528,988.5	**5,361,188.5**
June	1,327,355.2	1,177,562.6	915,530.1	3,420,447.8	109,643.4	308,418.4	193,792.8	783,165.0	111,940.3	549,387.6	**5,476,795.4**

Source: NBR

(*) Includes both central government and local governments, but excludes Social Security Fund

(**) Calculated by summing all deposits and loans from ODCs in the consolidated sectoral balance sheet

(***) Computed as other liabilities in the ODCs sectoral balance sheet, adjusted with the difference between their positions at the central bank and their own records

Note that ODCs include:

(1) BHR from December 2005 to November 2011

(2) UOB since August 2007

(3) CCP (Comptes Cheques Postaux) between December 2008 and November 2011

(4) KCB since January 2009

(5) ZIGAMA-CSS since December 2009

(6) UNGUKA and Bank of Africa (BOA) since November 2011

(7) EQUITY since December 2011

(8) AB Bank since January 2014

(9) NCBA (formerly named CRANE Bank) since August 2014

(10) BRD Commercial since March 2015 to June 2016

(11) KCB merged with BPR to become BPR Bank Rwanda since April 2022

MONETARY SURVEY **Appendix 8**

(in FRW million)

ASSETS	NET FOREIGN ASSETS			DOMESTIC CREDIT						OTHER ITEMS NET (10)	TOTAL ASSETS (11)=(3)+(9)+(10)
				NET CLAIMS TO THE GOVERNMENT			CREDIT TO ECONOMY		TOTAL DOMESTIC CREDIT (9)=(6)+(7)+(8)		
	GROSS ASSETS (1)	GROSS LIABILITIES (2)	NET FOREIGN ASSETS (3)= (1)-(2)	CLAIMS (4)	DEPOSITS (5)	NET CLAIMS (6)=(4)-(5)	CLAIMS ON PUBLIC ENTERPRISES (7)	CLAIMS ON PRIVATE SECTOR (8)			
December 2009	532,634.4	88,643.8	443,990.6	78,210.4	216,383.5	-138,173.2	3,021.4	357,445.3	222,293.5	-161,116.0	**505,168.1**
December 2010	630,230.8	99,943.2	530,287.6	136,684.5	259,809.8	-123,125.3	3,213.6	397,067.7	277,156.0	-198,252.4	**609,191.2**
December 2011	791,698.8	118,594.7	673,104.2	118,817.0	347,398.5	-228,581.5	2,800.1	509,749.3	283,968.0	-187,745.0	**769,327.1**
June 2012	635,816.2	121,948.8	513,867.5	142,578.2	208,165.2	-65,587.0	2,576.5	600,962.4	537,952.0	-184,025.0	**867,794.4**
June 2013	799,124.9	156,057.3	643,067.6	150,319.4	317,311.5	-166,992.1	998.1	717,007.6	551,013.6	-232,192.5	**961,888.7**
June 2014	943,295.2	210,718.5	732,576.8	205,191.9	218,289.2	-13,097.3	2,720.0	813,384.9	803,007.6	-311,634.2	**1,223,950.2**
June 2015	818,550.9	219,084.0	599,466.8	287,026.2	161,687.8	125,338.4	14,270.7	1,036,918.1	1,176,527.2	-351,279.1	**1,424,715.0**
June 2016	890,083.3	322,534.6	567,548.7	318,267.6	193,905.1	124,362.5	40,323.2	1,286,971.9	1,451,657.6	-446,790.9	**1,572,415.4**
June 2017	1,101,823.3	369,896.7	731,926.6	344,443.9	202,738.1	141,705.7	44,295.2	1,389,896.2	1,575,897.1	-535,642.0	**1,772,181.6**
June 2018	1,179,149.9	434,312.7	744,837.2	491,868.3	242,181.1	249,687.2	85,446.8	1,491,333.9	1,826,467.9	-629294.6	**1,942,010.5**
June 2019	1,298,545.5	450,895.0	847,650.5	534,308.9	280,816.9	253,491.9	126,306.2	1,754,382.5	2,134,180.5	-762,005.7	**2,219,825.3**
June 2020	1,760,214.6	512,731.5	1,247,483.1	743,726.1	588,359.4	155,366.7	142,806.0	2,006,828.6	2,305,001.3	-912,020.8	**2,640,463.6**
June 2021	1,856,641.8	516,268.8	1,340,372.9	929,296.2	631,523.4	297,772.8	129,777.9	2,390,311.7	2,817,862.3	-1,060,718.3	**3,097,517.0**
June 2022	2,249,309.0	784,389.7	1,464,919.4	1,082,188.4	773,595.0	308,593.4	120,514.4	2,551,321.1	2,980,429.0	-1,121,792.1	**3,323,556.2**
2020											
January	2,893,923.6	493,486.2	2,400,437.5	612,485.1	467,897.2	144,587.9	110,336.0	1,868,698.2	2,123,622.0	-2,129,278.8	**2,394,780.7**
February	1,593,096.9	494,976.0	1,098,120.9	646,801.4	422,070.6	224,730.7	118,244.9	1,880,458.1	2,223,433.8	-833,777.6	**2,487,777.0**
March	1,543,725.3	495,521.2	1,048,204.1	667,252.1	428,017.7	239,234.4	115,478.3	1,885,932.1	2,240,644.8	-886,869.3	**2,401,979.6**
April	1,615,347.5	504,424.6	1,110,922.9	688,594.8	511,788.4	176,806.4	116,833.6	1,927,916.9	2,221,556.9	-864,142.7	**2,468,337.1**
May	1,573,579.0	509,120.8	1,064,458.2	704,211.5	442,966.5	261,245.1	115,818.2	1,941,782.3	2,318,845.6	-852,522.9	**2,530,780.9**
June	1,760,214.6	512,731.5	1,247,483.1	743,726.1	588,359.4	155,366.7	142,806.0	2,006,828.6	2,305,001.3	-912,020.8	**2,640,463.6**
July	1,856,481.4	531,158.2	1,325,323.2	746,022.8	707,587.0	38,435.8	141,108.3	2,013,157.4	2,192,701.5	-874,900.5	**2,643,124.2**
August	1,833,604.6	530,760.3	1,302,844.4	762,739.5	713,517.6	49,221.9	141,673.2	2,084,093.5	2,274,988.7	-902,852.9	**2,674,980.2**
September	1,932,504.3	515,895.5	1,416,608.8	765,881.0	812,212.1	-46,331.1	139,451.5	2,129,296.5	2,222,416.9	-916,645.6	**2,722,380.1**
October	1,885,953.8	501,973.4	1,383,980.4	780,316.8	803,154.3	-22,837.5	138,229.5	2,156,464.3	2,271,856.3	-934,897.4	**2,720,939.3**
November	1,854,643.0	530,102.5	1,324,540.5	792,895.9	727,132.0	65,763.9	135,284.8	2,196,209.1	2,397,257.8	-980,256.3	**2,741,542.0**
December	2,012,036.2	543,161.5	1,468,874.8	823,404.0	873,377.5	-49,973.5	139,903.6	2,224,353.9	2,314,284.0	-962,229.4	**2,820,929.3**
2021											
January	1,950,043.5	564,742.5	1,385,301.0	825,633.4	837,253.1	-11,619.6	137,852.5	2,244,801.4	2,371,034.3	-962,234.6	**2,794,100.8**
February	1,919,401.8	599,750.1	1,319,651.7	837,388.0	746,480.2	90,907.7	142,313.3	2,280,353.3	2,513,574.3	-970,152.0	**2,863,074.0**
March	1,995,905.0	604,070.0	1,391,835.0	858,539.2	783,689.6	74,849.6	137,538.2	2,301,546.7	2,513,934.5	-964,213.8	**2,941,555.7**
April	1,932,007.7	544,284.9	1,387,722.8	869,236.0	819,496.0	49,740.0	135,880.6	2,364,069.1	2,549,689.7	-1,012,128.1	**2,925,284.3**
May	1,889,763.2	520,671.9	1,369,091.2	863,767.1	722,200.9	141,566.2	167,776.6	2,331,099.1	2,640,442.0	-1,021,924.5	**2,987,608.7**
June	1,856,641.8	516,268.8	1,340,372.9	929,296.2	631,523.4	297,772.8	129,777.9	2,390,311.7	2,817,862.3	-1,060,718.3	**3,097,517.0**
July	1,884,922.8	565,621.2	1,319,301.6	931,006.0	710,045.7	220,960.3	131,393.6	2,497,970.4	2,850,324.3	-1,071,823.6	**3,097,802.3**
August	2,265,465.0	772,357.9	1,493,107.1	1,004,621.0	860,819.5	143,801.5	127,373.7	2,502,892.0	2,774,067.2	-1,100,658.9	**3,166,515.4**
September	2,153,819.2	787,985.6	1,365,833.6	981,846.0	751,371.3	230,474.8	139,019.8	2,524,528.7	2,894,023.3	-1,107,702.0	**3,152,154.9**
October	2,142,042.1	822,746.2	1,319,295.9	992,906.9	734,242.7	258,664.2	140,386.9	2,599,877.0	2,998,928.0	-1,097,546.4	**3,220,677.5**
November	2,167,871.0	801,971.5	1,365,899.5	1,037,675.7	738,521.3	299,154.4	135,077.5	2,529,755.8	2,963,987.7	-1,089,399.2	**3,240,488.1**
December	2,249,309.0	784,389.7	1,464,919.4	1,082,188.4	773,595.0	308,593.4	120,514.4	2,551,321.1	2,980,429.0	-1,121,792.1	**3,323,556.2**
2022											
January	2,135,206.4	747,833.3	1,387,373.0	1,079,036.07	665,108.0	413,928.0	117,012.2	2,545,832.7	3,076,772.9	-1,101,140.9	**3,363,005.1**
February	2,181,754.6	772,396.6	1,409,358.0	1,080,888.37	629,819.5	451,068.9	135,760.2	2,544,345.3	3,131,174.5	-1,097,090.6	**3,443,441.9**
March	2,302,485.8	615,237.4	1,687,248.4	1,103,943.83	819,757.7	284,186.1	115,589.8	2,628,518.0	3,028,294.0	-1,162,445.1	**3,553,097.2**
April	2,249,012.6	620,942.1	1,628,070.5	1,121,765.63	842,587.2	279,178.4	128,303.2	2,680,151.4	3,087,633.0	-1,100,192.9	**3,615,510.5**
May	2,343,168.7	624,910.4	1,718,258.3	1,130,822.01	906,587.2	224,234.8	119,302.2	2,737,321.8	3,080,858.8	-1,165,792.2	**3,633,324.9**
June	2,351,692.9	619,938.6	1,731,754.3	1,146,532.36	840,233.0	306,299.4	120,329.1	2,777,055.4	3,203,683.9	-1,209,885.3	**3,725,552.9**

Source: NBR

MONETARY SURVEY

Appendix 8 (Cont'd)

(in FRW million)

LIABILITIES	MONEY (M1)			BROAD MONEY (M2)		EXTENDED BROAD MONEY(M3)	
PERIOD	CURRENCY OUT OF BANKS (1)	TRANSFERABLE DEPOSITS IN FRW (2)	TOTAL NARROW MONEY (M1) (3)=(1)+(2)	OTHER DEPOSITS IN RWF (4)	BROAD MONEY (M2) (5)=(3)+(4)	FOREIGN CURRENCY DEPOSITS (6)	EXTENDED BROAD MONEY M3 (7)=(5)+(6)
December 2009	76,614.0	182,180.3	258,794.3	149,336.3	408,130.6	97,036.9	**505,167.5**
December 2010	90,478.2	238,255.9	328,734.1	181,227.2	509,961.3	99,229.5	**609,190.9**
December 2011	102,769.6	268,120.5	370,890.1	262,878.6	633,768.6	135,558.1	**769,326.7**
June 2012	111,588.8	318,814.2	430,402.9	305,137.5	735,540.4	132,254.5	**867,794.9**
June 2013	116,300.9	389,775.4	506,076.3	295,196.6	801,272.9	160,615.7	**961,888.6**
June 2014	119,443.7	453,853.8	573,297.6	391,172.8	964,470.4	259,479.9	**1,223,950.3**
June 2015	134,945.8	613,090.8	748,036.6	441,096.8	1,189,133.4	235,581.9	**1,424,715.3**
June 2016	150,794.8	639,971.3	790,766.1	512,439.6	1,303,205.7	269,209.7	**1,572,415.4**
June 2017	159,681.5	680,217.2	839,898.7	542,267.8	1,382,166.4	390,015.2	**1,772,181.6**
June 2018	181,589.1	699,786.5	881,375.6	614,449.0	1,495,824.6	446,185.9	**1,942,010.5**
June 2019	201,276.3	828,129.4	1,029,405.7	698,991.3	1,728,397.0	491,428.3	**2,219,825.3**
June 2020	229,729.0	939,897.7	1,169,626.8	900,934.2	2,070,560.9	569,902.6	**2,640,463.6**
June 2021	253,725.1	1,065,793.0	1,319,518.1	1,027,534.8	2,347,052.9	750,464.1	**3,097,517.0**
June 2022	304,990.3	1,329,802.6	1,634,792.9	1,175,229.9	2,810,022.9	915,530.1	**3,725,552.9**
2020							
January	198,193.1	930,156.1	1,128,349.3	738,949.1	1,867,298.3	527,482.4	**2,394,780.7**
February	203,619.8	934,067.0	1,137,686.9	789,859.6	1,927,546.5	560,230.6	**2,487,777.0**
March	211,105.7	854,210.3	1,065,315.9	797,583.9	1,862,899.8	539,079.8	**2,401,979.6**
April	209,457.1	888,243.6	1,097,700.7	794,462.7	1,892,163.4	576,173.7	**2,468,337.1**
May	222,197.6	897,254.1	1,119,451.7	842,249.6	1,961,701.2	569,079.7	**2,530,780.9**
June	229,729.0	939,897.7	1,169,626.8	900,934.2	2,070,560.9	569,902.6	**2,640,463.6**
July	226,036.3	976,598.5	1,202,634.8	863,782.4	2,066,417.3	576,706.9	**2,643,124.2**
August	225,173.7	969,474.5	1,194,648.2	875,737.0	2,070,385.2	604,595.0	**2,674,980.2**
September	223,991.9	984,504.5	1,208,496.4	901,409.3	2,109,905.7	612,474.4	**2,722,380.1**
October	224,551.0	994,973.8	1,219,524.7	910,140.4	2,129,665.1	591,274.1	**2,720,939.3**
November	219,627.1	976,660.9	1,196,288.1	920,161.6	2,116,449.7	625,092.4	**2,741,542.0**
December	243,579.5	988,982.6	1,232,562.1	930,885.1	2,163,447.2	657,482.1	**2,820,929.3**
2021							
January	225,682.9	981,876.1	1,207,559.1	934,933.1	2,142,492.1	651,608.6	**2,794,100.8**
February	231,741.4	1,014,599.3	1,246,340.7	942,817.3	2,189,157.9	673,916.1	**2,863,074.0**
March	229,301.2	1,062,025.0	1,291,326.3	942,658.5	2,233,984.8	707,571.0	**2,941,555.7**
April	231,507.0	1,015,478.6	1,246,985.6	970,069.1	2,217,054.7	708,229.7	**2,925,284.3**
May	242,445.5	1,029,110.1	1,271,555.6	1,001,904.9	2,273,460.5	714,148.2	**2,987,608.7**
June	253,725.1	1,065,793.0	1,319,518.1	1,027,534.8	2,347,052.9	750,464.1	**3,097,517.0**
July	248,419.1	1,079,692.7	1,328,111.8	1,005,466.4	2,333,578.2	764,224.1	**3,097,802.3**
August	243,843.1	1,125,876.4	1,369,719.6	1,049,237.6	2,418,957.1	747,558.2	**3,166,515.4**
September	246,846.9	1,030,719.5	1,277,566.5	1,102,717.9	2,380,284.3	771,870.6	**3,152,154.9**
October	243,117.3	1,104,132.8	1,347,250.1	1,061,015.7	2,408,265.8	812,411.7	**3,220,677.5**
November	244,737.2	1,160,661.9	1,405,399.1	1,050,117.2	2,455,516.3	784,971.8	**3,240,488.1**
December	273,541.6	1,120,320.8	1,393,862.3	1,088,922.8	2,482,785.2	840,771.0	**3,323,556.2**
2022							
January	259,155.3	1,105,263.1	1,364,418.4	1,121,409.1	2,485,827.5	877,177.5	**3,363,005.1**
February	261,140.5	1,137,168.8	1,398,309.3	1,136,169.7	2,534,479.0	908,963.0	**3,443,441.9**
March	270,730.9	1,045,381.8	1,316,112.7	1,188,149.4	2,504,262.1	1,048,835.1	**3,553,097.2**
April	282,447.2	1,229,412.7	1,511,859.9	1,152,417.3	2,664,277.2	951,233.3	**3,615,510.5**
May	291,727.4	1,217,475.8	1,509,203.2	1,183,353.8	2,692,557.0	940,767.9	**3,633,324.9**
June	304,990.3	1,329,802.6	1,634,792.9	1,175,229.9	2,810,022.9	915,530.1	**3,725,552.9**

Source: NBR

New Loans from July 2021 to June 2022

Data submitted by Banks

Amount in thousands of Frw

Cash credits

Individual and legal entities

Appendix 9

Activities sector	July 2021-June 2022			
	Short-term	Medium-term	Long-term	Total
0001 : Personal loan	65,189,509	123,423,026	8,675,727	197,288,262
1000 : Agricultural, fisheries& livestc	7,857,988	2,894,348	579,821	11,332,156
2000 : Mining activities	103,488	31,577	-	135,065
3000 : Manufacturing activities	80,159,186	17,049,259	25,843,476	123,051,921
4000 : Water & energy activities	3,831,991	694,863	1,780	4,528,634
5000 : Mortgage industries	49,830,405	90,549,953	134,125,789	274,506,147
6000 : Trade	274,938,795	86,960,946	2,469,291	364,369,032
6400 : Restaurant & hotel	2,514,421	3,494,348	11,680,704	17,689,473
7000 : Transport, communication & wareh	17,913,590	51,688,722	56,736,781	126,339,093
8000 : OFI &Insurance	1,393,871	883,277	483,800	2,760,948
9000 : Service sector	8,481,773	40,674,156	13,843,977	62,999,906
Total	**512,215,016**	**418,344,475**	**254,441,146**	**1,185,000,637**

Source:NBR

Outstanding Loans by sector of activity as of 30 June 2022

Appendix 10

Data submitted by Banks

Amount in thousands of Frw

Cash credits

Class 1 to 5

Individual and legal entities

	End 30 June 2022			
activity_sectors	Short-term	Medium-term	Long-term	Total
0001 : Personal loan	30,518,914	190,757,493	17,466,865	238,743,272
1000 : Agricultural, fisheries& livestock	8,285,922	5,665,465	10,106,788	24,058,175
2000 : Mining activities	5,732	528,148		533,880
3000 : Manufacturing activities	154,485,578	72,528,424	138,883,980	365,897,982
4000 : Water & energy activities	3,117,510	19,035,952	96,671,837	118,825,299
5000 : Mortgage industries	67,114,453	181,531,262	722,188,138	970,833,853
6000 : Trade	195,289,601	169,628,767	75,567,754	440,486,122
6400 : Restaurant & hotel	4,173,224	30,437,377	279,390,427	314,001,028
7000 : Transport, communication & warehousing	38,349,004	171,635,554	130,519,713	340,504,271
8000 : OFI &Insurance	1,392,864	6,932,912	525,358	8,851,134
9000 : Service sector	15,366,261	79,836,659	82,485,163	177,688,083
Total	**518,099,063**	**928,518,013**	**1,553,806,023**	**3,000,423,099**

Source: BNR

INTEREST RATE STRUCTURE (in %)

Appendix 11

DESCRIPTION	2021												2022					
PERIOD	Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December	Jan	Feb	Mar	Apr	May	June
Central bank rate (CBR)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00
Refinancing Facility	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.50	6.50	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00
Deposit rate	7.5	8.3	7.7	7.0	7.7	8.3	7.8	8.1	7.58	7.81	7.68	7.86	8.18	6.37	7.82	7.17	7.23	8.11
Lending rate	14.5	15.9	16.0	15.7	16.5	15.8	15.4	17.1	16.55	16.42	16.41	16.76	16.69	16.25	16.72	16.18	16.21	16.53
Repo Rate	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00
Reverse Repo	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00
Overnight Deposit Facility	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.00	4.00	4.00	4.00	4.00
Standing Lending Facility	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.00	6.00	6.00	6.00	6.00
Interbank rate	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.19	5.17	5.18	5.17	5.19	5.22	5.46	5.43	5.54	5.55
Weight average rate on T-bill market :	6.8	6.9	7.0	7.1	7.2	7.2	7.5	7.7	7.65	7.63	7.31	6.71	6.43	6.38	7.16	7.28	7.25	6.97
28 days	5.8	5.8	5.8	6.2	6.3	6.5	6.7	6.6	6.76	6.71	6.46	6.08	5.64	5.80	5.83	5.87	5.87	5.72
91 days	6.2	6.3	6.3	6.4	6.4	6.4	6.8	7.2	7.25	7.24	6.93	6.46	5.86	5.92	6.57	6.76	6.48	6.08
182 days	7.2	7.3	7.4	7.2	7.4	7.4	7.8	7.7	7.72	7.72	7.41	6.64	6.37	6.06	7.82	8.06	8.11	7.83
364 days	8.0	8.1	8.3	8.5	8.6	8.6	8.8	8.9	8.85	8.84	8.45	7.65	7.87	7.75	8.43	8.44	8.56	8.26
T-Bonds market																		
Tbond 2 yrs																		
Tbond 3 yrs											10.65							
Tbond 5 yrs		11.0												11.00				
Tbond 7 yrs				11.4						11.43	11.43				11.42			
Tbond 10 yrs		12.0				12.0			11.94					11.99			12.15	
Tbond 15 yrs	12.4				12.5		12.5						12.46			12.45		
Tbond 20 yrs			13.1					13.0				12.95						12.94

Source: NBR

Appendix 12

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (PERIOD AVERAGE)

Description	1USD	1£stg	1YEN	1DTS	1EURO	1YUAN
2016-2017 (Fiscal year average)	816.29	1035.32	7.49	1119.88	889.77	
2017-2018 (Fiscal year average)	845.10	1139.09	7.66	1203.70	1008.90	130.01
2018-2019 (Fiscal year average)	879.16	1138.25	7.91	1223.10	1003.09	128.88
2019-2020 (Fiscal year average)	920.21	1159.92	8.51	1263.45	1017.32	130.84
2020-2021 (Fiscal year average)	967.99	1305.07	9.09	1373.06	1155.39	146.52
2021-2022 (Fiscal year average)	1007.90	1341.78	8.61	1403.40	1136.40	156.17
2017						
January	820.77	1013.06	7.14	1109.62	871.96	119.02
February	822.86	1028.12	7.28	1115.11	875.87	119.72
March	825.01	1018.08	7.30	1117.78	881.47	119.64
April	826.69	1044.28	7.51	1125.47	885.15	119.99
May	827.69	1069.05	7.37	1138.23	914.99	120.25
June	829.11	1061.57	7.48	1147.04	931.39	121.84
July	831.17	1080.24	7.39	1159.38	958.11	122.77
August	833.53	1080.86	7.58	1175.87	983.61	124.90
September	836.29	1112.35	7.56	1187.89	996.32	127.31
October	839.19	1107.85	7.43	1183.15	986.58	126.65
November	841.86	1113.15	7.46	1185.37	987.82	127.13
December	844.09	1132.10	7.48	1194.10	998.71	127.97
Annual average	**831.52**	**1071.73**	**7.42**	**1153.25**	**939.33**	**123.10**
2018						
January	846.41	1169.57	7.63	1216.52	1032.39	131.72
February	848.82	1186.68	7.87	1232.52	1048.97	134.27
March	851.42	1189.09	8.03	1236.61	1050.47	134.66
April	853.91	1203.03	7.93	1239.14	1048.82	135.60
May	856.05	1153.09	7.80	1219.88	1011.86	134.30
June	858.52	1141.09	7.81	1214.01	1003.17	132.80
July	861.30	1134.34	7.72	1210.32	1006.93	128.24
August	864.40	1113.84	7.78	1206.65	999.18	126.25
September	867.48	1131.08	7.75	1214.88	1011.10	126.58
October	871.42	1134.24	7.72	1212.65	1001.27	125.93
November	875.14	1129.50	7.72	1211.70	994.96	126.11
December	878.07	1111.84	7.81	1216.25	998.85	127.53
Annual average	**861.08**	**1149.78**	**7.80**	**1219.26**	**1017.33**	**130.33**
2019						
January	880.83	1136.31	8.09	1227.59	1006.28	129.85
February	884.19	1149.44	8.01	1230.24	1003.08	131.21
March	887.27	1169.72	7.98	1235.23	1003.58	132.23
April	890.35	1161.27	7.98	1235.26	1000.62	132.56
May	893.13	1151.44	8.11	1235.02	999.14	130.25
June	896.36	1135.97	8.30	1241.45	1012.07	129.86
July	900.37	1122.08	8.32	1243.73	1009.67	130.87
August	904.02	1099.52	8.50	1241.30	1005.62	127.85
September	908.01	1121.73	8.45	1242.77	1000.01	127.57
October	911.89	1151.10	8.43	1250.41	1007.36	128.51
November	916.30	1180.87	8.41	1260.14	1012.91	130.52
December	920.72	1207.21	8.43	1269.11	1022.55	131.21
Annual average	**899.45**	**1148.89**	**8.25**	**1242.69**	**1006.91**	**130.21**
2020						
January	924.47	1207.79	8.45	1275.54	1026.38	133.59
February	927.78	1202.80	8.42	1269.86	1011.42	132.58
March	929.98	1152.05	8.65	1277.30	1031.21	132.57
April	931.05	1155.57	8.64	1269.63	1011.89	131.56
May	932.68	1146.57	8.70	1271.51	1016.04	131.26
June	935.29	1171.75	8.69	1290.11	1052.83	131.97
July	940.43	1190.19	8.81	1307.03	1077.27	134.21
August	946.98	1243.81	8.93	1336.82	1119.92	136.68
September	953.37	1236.96	9.03	1347.03	1124.64	139.94
October	960.54	1246.55	9.13	1357.92	1130.48	142.83
November	966.02	1275.15	9.26	1372.89	1142.64	147.34
December	970.55	1303.19	9.35	1395.32	1180.67	148.34
Annual average	**943.26**	**1211.03**	**8.84**	**1314.25**	**1077.12**	**136.91**
2021						
January	973.86	1327.84	9.39	1404.69	1185.20	150.53
February	976.31	1355.61	9.27	1406.54	1181.44	151.16
March	977.99	1355.43	9.00	1396.97	1164.61	150.28
April	980.98	1357.70	9.01	1402.58	1175.00	150.50
May	983.06	1384.82	9.01	1415.99	1194.66	152.92
June	985.84	1383.56	8.96	1415.93	1188.17	153.48
July	988.76	1365.85	8.97	1407.39	1168.85	152.72
August	991.55	1367.75	9.02	1409.38	1166.99	153.06
September	995.44	1367.86	9.04	1415.25	1172.26	154.14
October	1000.20	1368.77	8.84	1412.54	1160.47	155.75
November	1004.42	1352.94	8.81	1410.14	1147.08	157.22
December	1008.21	1341.64	8.85	1409.72	1139.41	158.33
Annual average	**988.89**	**1360.81**	**9.01**	**1408.93**	**1170.34**	**153.34**
2022						
January	1011.16	1371.36	8.80	1416.07	1145.03	159.11
February	1014.19	1373.16	8.80	1421.52	1150.15	159.84
March	1017.12	1340.14	8.59	1406.30	1121.03	160.30
April	1019.47	1319.36	8.07	1391.90	1103.35	158.48
May	1021.13	1270.66	7.93	1370.45	1080.28	152.25
June	1023.17	1261.91	7.64	1370.16	1081.95	152.82
Fiscal year average (July 2021-June 2022)	**1007.90**	**1341.78**	**8.61**	**1403.40**	**1136.40**	**156.17**

Source : NBR

EXCHANGE RATES OF THE SELECTED MAJOR CURRENCIES (END OF PERIOD) **Appendix 13**

Description	1USD	1£stg	1YEN	1DTS	1EURO	1YUAN
2016-2017 (end June 2017)	830.22	1080.74	7.42	1154.53	949.65	122.68
2017-2018 (end June 2018)	859.76	1127.92	7.77	1207.90	1001.75	129.97
2018-2019 (end June 2019)	898.28	1138.17	8.34	1248.72	1020.72	130.76
2019-2020 (end June 2020)	937.08	1152.66	8.79	1290.71	1053.14	132.58
2020-2021(end June 2021)	987.14	1367.19	8.93	1408.44	1174.75	152.88
2021-2022(end June 2021)	1024.48	1242.75	7.50	1365.51	1071.05	153.01
2017						
January	821.75	1026.04	7.22	1115.07	878.83	119.41
February	823.83	1025.18	7.31	1114.57	872.23	119.90
March	826.09	1030.05	7.38	1120.66	881.89	119.91
April	827.21	1067.44	7.43	1132.11	899.43	119.93
May	827.97	1060.43	7.46	1143.09	925.26	121.19
June	830.22	1080.74	7.42	1154.53	949.65	122.68
July	832.03	1092.29	7.53	1169.45	976.59	123.68
August	834.79	1078.59	7.55	1183.93	991.10	126.45
September	837.71	1123.78	7.44	1182.61	986.73	125.45
October	840.40	1110.08	7.43	1179.52	978.14	126.81
November	843.19	1135.36	7.52	1194.37	1000.41	127.62
December	845.00	1137.66	7.50	1200.49	1005.55	129.69
2018						
January	847.48	1203.06	7.80	1233.37	1054.14	134.36
February	850.01	1181.72	7.94	1233.64	1039.30	134.32
March	852.68	1201.64	8.01	1242.84	1051.57	135.49
April	854.98	1178.51	7.83	1229.29	1037.18	135.00
May	857.27	1140.62	7.88	857.27	1000.89	133.67
June	859.76	1127.92	7.77	1207.90	1001.75	129.97
July	862.68	1132.61	7.76	1210.56	1010.63	126.45
August	865.96	1127.26	7.80	1214.32	1011.10	126.80
September	869.25	1136.68	7.66	1218.74	1011.37	126.25
October	873.38	1110.06	7.71	1207.15	990.50	125.36
November	876.74	1120.70	7.73	1212.81	998.87	126.27
December	879.10	1115.40	7.96	1222.64	1004.86	127.80
2019						
January	882.51	1158.51	8.12	1233.03	1015.19	131.69
February	885.66	1178.24	7.99	1237.90	1007.22	132.56
March	888.86	1161.78	8.03	1233.81	998.41	132.22
April	891.68	1153.30	8.00	1232.65	996.94	132.27
May	894.57	1128.28	8.21	1231.90	995.62	129.47
June	898.28	1138.17	8.34	1248.72	1020.72	130.76
July	902.23	1097.29	8.39	1241.02	1006.61	131.08
August	905.86	1103.56	8.60	1240.86	1000.70	126.67
September	909.79	1118.86	8.52	1241.18	995.12	127.70
October	914.04	1181.53	8.49	1258.32	1020.57	129.85
November	918.38	1186.41	8.47	1260.85	1011.18	130.58
December	922.52	1209.97	8.54	1276.75	1033.09	132.01
2020						
January	926.08	1208.63	8.57	1274.62	1020.72	133.49
February	929.20	1198.06	8.62	1272.69	1022.72	132.60
March	930.68	1148.18	8.68	1275.57	1025.33	131.30
April	931.71	1160.91	8.83	1270.79	1011.84	132.01
May	933.55	1151.49	8.79	1274.82	1035.64	130.55
June	937.08	1152.66	8.79	1290.71	1053.14	132.58
July	943.68	1224.81	8.98	1327.57	1111.00	134.86
August	949.91	1267.32	9.00	1347.34	1130.68	138.63
September	956.81	1228.50	9.07	1346.50	1122.72	140.46
October	963.26	1243.28	9.23	1360.11	1125.09	144.11
November	968.43	1291.83	9.32	1384.11	1159.28	147.07
December	972.48	1323.98	9.43	1400.63	1195.37	148.79
2021						
January	975.20	1336.37	9.33	1403.41	1179.90	150.88
February	976.96	1362.91	9.20	1413.33	1187.06	150.96
March	979.28	1344.06	8.83	1387.54	1146.45	149.20
April	982.13	1370.03	9.03	1412.05	1190.20	151.84
May	984.30	1397.36	8.98	1420.76	1200.70	154.73
June	987.14	1367.19	8.93	1408.44	1174.75	152.88
July	990.01	1381.02	9.04	1413.23	1176.13	153.27
August	993.22	1368.76	9.04	1412.96	1173.74	153.56
September	997.53	1341.58	8.91	1410.05	1157.49	154.21
October	1002.51	1382.67	8.82	1417.05	1170.13	156.87
November	1006.44	1340.53	8.86	1407.05	1137.08	157.95
December	1009.62	1362.93	8.77	1413.05	1142.89	158.40
2022						
January	1012.48	1358.47	8.77	1409.46	1130.32	159.18
February	1015.49	1355.38	8.79	1415.84	1132.07	160.90
March	1018.60	1335.99	8.33	1409.01	1137.06	160.42
April	1020.03	1275.29	7.81	1366.78	1073.38	153.95
May	1022.17	1289.16	7.99	1379.06	1098.42	153.35
June	1024.48	1242.75	7.50	1365.51	1071.05	153.01

Source : NBR

BALANCE OF PAYMENTS

Appendix 14

(in USD million)

BALANCE OF PAYMENTS (in Mil USD)	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
A. Current Account	**-848.65**	**-950.97**	**-1094.97**	**-1256.02**	**-1158.38**	**-1170.47**
Balance on goods and services	**-1155.2**	**-1234.8**	**-1391.8**	**-1595.8**	**-1662.5**	**-1903.6**
Goods (Trade Balance)	**-1015.0**	**-1001.3**	**-1324.8**	**-1563.4**	**-1684.4**	**-1779.3**
Exports f.o.b.	840.7	1132.8	1101.6	1277.4	1487.4	1853.1
Of which: coffee	58.5	69.4	69.0	59.8	60.2	75.6
tea	74.5	88.6	83.6	93.6	89.9	103.4
Imports f.o.b.	1855.7	2134.1	2426.4	2840.8	3171.7	3632.5
Services (net)	**-140.2**	**-233.5**	**-67.0**	**-32.5**	**21.9**	**-124.3**
Services: credit	875.2	843.2	971.2	809.8	542.5	693.3
Services: debit	1015.4	1076.7	1038.2	842.3	520.6	817.6
o/w: Net Freight	-320.9	-363.1	-353.2	-293.7	-232.4	-331.6
Travel (net)	116.1	-1.1	94.1	80.9	-20.8	17.1
credit	395.9	367.6	425.4	331.1	87.6	261.1
debit	279.8	368.7	331.3	250.2	108.4	244.0
PKO	157.4	151.3	171.9	153.9	215.0	142.2
Primary income (net) = Income in BPM5	**-184.3**	**-338.7**	**-340.2**	**-264.2**	**-197.9**	**-240.2**
Primary income: credit	11.1	21.0	14.8	14.6	17.0	23.4
Primary income: debit	195.4	359.8	355.0	278.8	214.9	263.7
O/W: Public sector debt interest	45.2	103.1	118.8	120.8	102.9	75.2
Private sector debt interest	40.2	61.0	66.5	52.0	28.0	34.9
Compensation of employees	76.2	37.1	34.0	30.4	23.5	39.3
Dividends	33.8	31.4	24.2	15.7	11.0	21.7
Secondary income (net) = Transfers in BPM5	**490.9**	**622.6**	**637.0**	**604.0**	**701.9**	**973.3**
Secondary income: credit	580.9	725.4	720.7	659.9	778.8	1057.9
Secondary income: debit	90.0	102.7	83.7	55.9	76.9	84.6
Private transfers net	179.8	259.9	323.0	303.7	380.0	452.2
o/w: Remittances from diaspora (net)	106.6	176.7	208.7	208.2	296.5	377.0
credit	168.2	232.2	255.8	244.6	333.8	418.8
debit	61.6	55.5	47.1	36.4	37.3	41.8
o/w: Private transfers for churches and associations (net)	73.2	83.2	114.3	95.6	85.3	75.2
credit	79.9	90.4	122.1	104.8	87.9	80.6
debit	6.7	7.2	7.8	9.2	2.6	5.4
o/w: official transfers - credit	354.6	402.8	342.8	310.6	357.1	558.5
budgetary grants	222.8	231.3	187.1	182.0	255.2	446.5
nonbudgetary grants	131.8	171.4	155.7	128.6	101.9	112.0
- debit	21.8	40.0	28.8	16.2	36.9	37.3
B. Capital Account	**190.0**	**199.0**	**264.4**	**292.6**	**341.7**	**391.2**
Capital account: credit (PIP)	190.0	199.0	264.4	292.6	341.7	391.2
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0
Net lending(+)/ net borrowing (-) (balance from current and capital accounts)	**-658.7**	**-752.0**	**-830.6**	**-963.4**	**-816.7**	**-779.2**
C. Financial Account: Net lending(+)/ net borrowing (-)	**-785.9**	**-800.5**	**-888.9**	**-1187.4**	**-583.1**	**-1050.6**
Direct investment	**-253.2**	**-306.0**	**-282.2**	**-259.2**	**-124.8**	**-272.0**
Direct investment: assets	6.0	16.9	11.1	2.4	0.0	0.0
Direct investment: liabilities (FDI)	259.2	323.0	293.3	261.7	124.8	272.0
Portfolio investment	**3.0**	**37.6**	**23.1**	**-4.8**	**8.2**	**-188.1**
Portfolio investment: assets	0.0	43.9	18.6	30.9	9.9	21.3
Portfolio investment: liabilities	-3.0	6.3	-4.5	35.7	1.7	209.4
Other investment	**-535.7**	**-532.0**	**-629.8**	**-923.4**	**-466.5**	**-590.5**
Other investment: assets	9.7	-37.9	-64.1	38.3	71.3	55.5
Other investment: liabilities	545.4	494.1	565.6	961.6	537.7	646.0
o/w general government current loans	237.3	252.6	296.8	436.2	354.8	213.7
o/w general government project loans	162.5	201.0	252.0	319.7	338.0	511.3
o/w general government amortization (current+project)	27.6	29.6	30.9	60.9	68.6	74.0
o/w private sector loans		49.3	68.5	74.8	100.4	101.4
o/w private sector amortization	93.9	31.8	45.0	33.8	18.0	32.6
Net errors and ommissions	**-27.7**	**38.0**	**56.0**	**175.5**	**150.2**	**-162.5**
Overall balance	**159.5**	**79.0**	**113.5**	**410.9**	**-85.2**	**326.9**
Reserve Assets	**159.5**	**79.0**	**113.5**	**410.9**	**-85.2**	**326.9**
For the record						
Gross official reserves (Mil USD)	943.5	1139.5	1251.2	1660.6	1.591.8	1,830.3
Gross reserves in month of imports G&S	3.9	4.4	4.5	5.7	5.0	4.8
Trade balance (in percent of GDP)	-13.2	-11.3	-13.4	-15.6	-15.7	-16.3
Current account balance in percent of GDP (including official transfers)	-9.7	-8.6	-11.2	-12.3	-10.9	-10.0
Current account balance in percent of GDP (excluding official transfers)	-13.5	-14.4	-14.5	-15.3	-14.3	-14.8
Overall balance (in percent of GDP)	1.8	0.8	1.1	4.0	-0.8	2.8
GDP (millions $US, Current)	8729.7	9345.6	9905.7	10217.2	10615.5	11705.4
GDP (billions in RFW, current)	7126.0	7898.0	8712.0	9398.0	10278.0	11992.0
Exchange rate of 1 USD (RFW/1 USD), end period	830.2	859.8	898.3	937.1	987.1	1024.5
Exchange rate average (RFW/1 USD)	816.29	845.10	880.80	920.21	968.00	1007.90

Source: NBR, Statistics Department

NOTES: The current appendices are in BPM6 format and some differences in the historical data especially on services have come about because of improved coverage as well as changes in source data, BMP6 recommends survey based data and in this case , some services line items have been updated with the survey data.

other sources of differences are different adjustments i.e adjustment for coverage, classification, and for timing as recommended by BPM6 and IMTS 2010.

RWANDA's EXPORTS

Appendix 15

(FOB value in USD million)

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
I. Coffee						
Value	**58.53**	**69.36**	**68.99**	**59.83**	**60.22**	**75.57**
in % of Total exports, f.o.b.	6.96	6.12	6.26	4.68	4.05	5.57
% change of value	-3.19	18.51	-0.53	-13.28	0.65	25.49
Volume (1,000 tons)	18502.44	20353.42	21562.06	19634.34	16734.79	15184.57
% change of volume	-4.51	10.00	5.94	-8.94	-14.77	-9.26
Unit value (US$/kg)	3.16	3.41	3.20	3.05	3.60	4.98
% change of unit value	0.98	7.73	-6.10	-4.76	18.09	38.30
II. Tea						
Value	**74.64**	**88.55**	**83.56**	**93.56**	**89.91**	**103.38**
in % of Total exports, f.o.b.	8.88	7.82	7.58	7.32	6.05	7.62
% change of value	6.22	18.64	-5.64	11.97	-3.90	14.98
Volume (1,000 tons)	25146.51	27991.59	30450.88	32578.55	34357.08	35317.94
% change of volume	2.09	11.31	8.79	6.99	5.46	2.80
Unit value (US$/kg)	2.97	3.16	2.74	2.87	2.62	2.93
% change of unit value	3.92	6.58	-13.26	4.66	-8.87	11.85
III. Minerals						
Value	**93.94**	**148.96**	**126.19**	**79.02**	**108.35**	**196.28**
in % of Total exports, f.o.b.	11.17	13.15	11.45	6.19	7.28	14.46
% change of value	-0.37	58.56	-15.29	-38.70	37.12	81.15
Volume (1,000 tons)	6975.12	8640.06	7934.43	5521.88	9712.09	7734.97
% change of volume	5.31	23.87	-8.17	-30.41	75.88	16.41
Cassiterite						
Value	**43.34**	**53.46**	**44.16**	**25.43**	**47.91**	**83.20**
in % of Total exports, f.o.b.	5.16	4.72	4.01	1.99	3.22	6.13
% change of value	46.34	23.33	-17.39	-46.19	88.42	73.63
Volume (1,000 tons)	4114.48	5063.90	4265.99	2742.99	3425.32	3635.59
% change of volume	17.80	23.08	-15.76	-35.70	24.88	6.14
Unit value (US$/kg)	10.53	10.56	10.35	8.66	13.99	22.88
% change of unit value	24.13	0.21	-1.93	-16.31	61.45	63.59
Coltan						
Value	**39.48**	**78.53**	**59.73**	**39.69**	**37.33**	**54.10**
in % of Total exports, f.o.b.	4.70	6.93	5.42	3.11	2.51	3.99
% change of value	-24.72	98.94	-23.94	-33.56	-5.95	44.95
Volume (1,000 tons)	1327.49	1860.88	1518.80	1201.08	876.65	1115.96
% change of volume	-10.62	40.18	-18.38	-20.92	-27.01	0.93
Unit value (US$/kg)	29.74	42.20	39.33	33.04	42.58	48.48
% change of unit value	-16.07	41.92	-6.81	-15.98	28.85	43.61
Wolfram						
Value	**11.12**	**16.97**	**22.29**	**13.90**	**23.11**	**58.98**
in % of Total exports, f.o.b.	1.32	1.50	2.02	1.09	1.55	4.35
% change of value	-9.12	52.55	31.34	-37.65	66.29	155.21
Volume (1,000 tons)	1533.15	1715.27	2149.64	1577.81	2113.32	2983.41
% change of volume	-6.82	11.88	25.32	-26.60	33.94	41.17
Unit value (US$/kg)	7.26	9.89	10.37	8.81	10.94	19.77
% change of unit value	-2.79	36.36	4.80	-15.05	24.15	80.78
IV . Hides and skins						
Value	**8.16**	**6.17**	**2.53**	**0.91**	**1.72**	**2.03**
in % of Total exports, f.o.b.	0.97	0.54	0.23	0.07	0.12	0.15
% change of value	9.50	-24.45	-58.93	-64.16	89.32	17.96
Volume (1,000 tons)	6462.48	6846.71	5596.07	1489.85	3151.14	3685.17
% change of volume	-3.81	5.95	-18.27	-73.38	111.51	16.95
Unit value (US$/kg)	1.26	0.90	0.45	0.61	0.55	0.55
% change of unit value	13.83	-28.69	-49.75	34.60	-10.49	0.86
V. Pyrethrum						
Value	**1.65**	**4.15**	**6.32**	**5.57**	**3.64**	**4.11**
in % of Total exports, f.o.b.	0.20	0.37	0.57	0.44	0.25	0.30
% change of value	-59.59	151.89	52.26	-11.93	-34.54	12.89
Volume (1,000 tons)	9.13	120.22	49.98	92.82	145.66	68.35
% change of volume	-58.12	1217.38	-58.43	85.73	56.92	-53.08
Unit value (US$/kg)	180.61	34.53	126.48	59.98	25.02	60.20
% change of unit value	-3.50	-80.88	266.27	-52.58	-58.28	140.59
VI. Other products						
Value	**468.86**	**618.70**	**635.45**	**479.29**	**610.42**	**864.50**
in % of Total exports, f.o.b.	55.77	54.62	57.68	37.52	41.04	63.70
% change of value	48.54	31.96	2.71	-25.65	27.36	41.62
Other ordinary products	**214.91**	**320.83**	**305.97**	**156.40**	**216.94**	**306.44**
Reexports	**253.95**	**297.87**	**329.48**	**322.88**	**393.48**	**558.06**
V. Gold	**0.00**	**82.06**	**58.47**	**482.34**	**562.48**	**495.94**
Sub-Total	***705.78***	***1017.94***	***981.51***	***1200.51***	***1436.74***	***1741.82***
VII. Adjustments	**134.89**	**114.85**	**120.14**	**76.93**	**50.63**	**111.32**
Electricity	0.33	0.35	0.35	0.40	0.00	0.53
Postal colis	0.00	0.00	0.00	0.00	0.00	0.00
Carnets 126	0.00	0.00	0.00	0.00	0.00	0.00
Goods procured in ports by carriers	33.89	12.55	6.89	1.72	0.00	11.16
Reexports of minerals	0.00	0.00	0.00	0.00	0.00	0.00
Ajustment in transport and insurance	0.00	0.00	0.00	0.00	0.00	0.00
Ajustments on exports/surveys	105.85	114.85	120.14	76.93	50.63	111.32
Ajustment on transport &Tea assurance	-5.17	0.00	0.00	0.00	0.00	0.00
Total fob	**840.67**	**1132.80**	**1101.65**	**1277.45**	**1487.37**	**1853.14**
% change	**22.15**	**34.75**	**-2.75**	**15.96**	**16.43**	**46.74**

Source : NBR

RWANDA'S IMPORTS

Appendix 16

(Value in USD million)

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
I. Capital goods						
Value	**611.8**	**538.2**	**680.5**	**633.7**	**734.1**	**683.5**
in % of Total M CIF	27.6	21.7	24.4	19.8	21.0	17.2
% change of value	-19.3	-12.0	26.4	-6.9	15.8	-6.9
Volume (tons)	**60,631**	**63,852**	**77,251**	**81,647**	**115,305**	**74,214**
% change of volume	-21.2	5.3	21.0	5.7	41.2	-35.6
Unit value (US$/kg)	**10.09**	**8.43**	**8.81**	**7.76**	**6.37**	**9.21**
% change of unit value	2.5	-16.5	4.5	-11.9	-18.0	44.7
II. Intermediate goods						
Value	**551.53**	**595.65**	**685.47**	**712.41**	**826.20**	**973.90**
in % of Total M CIF	24.9	24.0	24.6	22.2	23.7	24.5
% change of value	-12.7	8.0	15.1	3.9	16.0	17.9
Volume (tons)	**834,470**	**993,766**	**1,046,538**	**1,158,812**	**1,524,138**	**1,417,050**
% change of volume	-8.6	19.1	5.3	10.7	31.5	-7.0
Unit value (US$/kg)	**0.66**	**0.60**	**0.65**	**0.61**	**0.54**	**0.69**
% change of unit value	-4.5	-9.3	9.3	-6.1	-11.8	26.8
III . Energy products						
Value	**244.47**	**508.74**	**543.52**	**483.52**	**295.18**	**543.83**
in % of Total M CIF	11.0	20.5	19.5	15.1	8.5	13.7
% change of value	-3.7	108.1	6.8	-11.0	-39.0	84.2
Volume (tons)	**309,743**	**823,658**	**885,896**	**841,210**	**631,531**	**770,494**
% change of volume	0.9	165.9	7.6	-5.0	-24.9	22.0
Unit value (US$/kg)	**0.8**	**0.6**	**0.6**	**0.57**	**0.47**	**0.71**
% change of unit value	-4.6	-21.7	-0.7	-6.3	-18.7	51.0
IV. Consumer goods						
Value	**716.61**	**676.76**	**700.04**	**730.61**	**810.07**	**945.58**
in % of Total M CIF	32.4	27.3	25.1	22.8	23.2	23.8
% change of value	1.6	-5.6	3.4	4.4	10.7	16.7
Volume (tons)	**745,402**	**850,234**	**769,988**	**747,481**	**835,862**	**822,326**
% change of volume	3.3	14.1	-9.4	-2.92	11.82	-1.62
Unit value (US$/kg)	**0.96**	**0.80**	**0.91**	**0.98**	**0.97**	**1.15**
% change of unit value	-1.69	-17.20	14.22	7.51	-0.85	18.65
1. Food						
Value	**318.05**	**322.32**	**312.70**	**314.41**	**359.12**	**436.27**
in % of Total M CIF	14.4	13.0	11.2	9.8	10.3	11.0
% change of value	30.25	1.34	-2.98	0.55	13.40	21.48
Volume (tons)	**606,088**	**707,771**	**622,939**	**594,121**	**672,867**	**646,541**
% change of volume	10.18	16.78	-11.99	-4.63	13.25	-3.91
Unit value (US$/kg)	**0.52**	**0.46**	**0.50**	**0.53**	**0.53**	**0.67**
% change of unit value	18.20	-13.22	10.23	5.42	0.85	26.43
2.Others consummer goods						
Value	**398.56**	**354.44**	**387.34**	**416.20**	**450.95**	**509.30**
in % of Total M CIF	18.0	14.3	13.9	13.0	12.9	12.8
% change of value	-13.57	-11.07	9.28	7.45	8.35	12.94
Volume (tons)	**128,895**	**142,462**	**147,049**	**153,360**	**162,995**	**175,785**
% change of volume	-24.70	10.53	3.22	4.29	6.28	7.85
Unit value (US$/kg)	**3.09**	**2.49**	**2.63**	**2.71**	**2.77**	**2.90**
% change of unit value	14.72	-19.54	5.87	3.03	1.94	4.72
V. Gold						
Value				**460.15**	**561.15**	**493.43**
in % of Total M CIF				14.4	16.1	12.4
% change of value					21.95	-12.07
Volume (tons)				**9.77**	**9.92**	**8.39**
% change of volume					1.50	-0.12
Unit value (US$/kg)				**47,092.15**	**56,579.28**	**58,804.86**
% change of unit value					20.15	34.55
S/TOTAL	**2124.37**	**2319.38**	**2609.51**	**3020.40**	**3226.68**	**3640.28**
% change	-9.54	9.18	12.51	15.75	6.83	18.06
V. Ajustment						
Value	**89.82**	**160.97**	**181.26**	**184.13**	**261.12**	**334.87**
in % of Total M CIF	4.1	6.5	6.5	5.7	7.5	8.4
electricity	**3.16**	**3.76**	**4.0**	**4.1**	**4.37**	**4.20**
in % of Total M CIF	0.1	0.2	0.1	0.1	0.1	0.1
Parcel post						
Import for reexport		**137.4256638**	**165.466649**	**177.0**	**259.0**	**329.2**
Autres (dont)						
126 BIS *Goods procured in ports by carriers*	60.5	77.3	72.9	39.7	0.0	75.4
Reexport non included						
Embassies' imports						0.0
ICBT	26.2	23.5	15.8	7.2	2.1	5.6
Imports of TIGO 55						0.0
Big projcts	0.0	0.0	0.0	0.0	0.0	0.0
Imports of bank notes and coins						0.0
in % of Total M CIF						0.0
VI. Import cif	**2,214**	**2,480**	**2,791**	**3,205**	**3,488**	**3,975**
% change	**-8.3**	**12.0**	**12.5**	**14.8**	**8.8**	**14.0**
VII. Freight and insurance	**425.5**	**347.5**	**364.1**	**363.8**	**316.1**	**342.7**
In % of Clf	20.0	15.0	14.0	12.0	9.8	9.4
VIII.Total fob	**1,788.7**	**2,132.8**	**2,426.7**	**2,840.8**	**3,171.7**	**3,632.5**
% change	**-8.0**	**19.2**	**13.8**	**17.1**	**11.7**	**14.5**

Source : NBR

SERVICES
(In USD million)

Appendix 17

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Services net	-140.20	-233.50	-66.94	-30.82	95.29	-124.26
Credit	875.20	843.17	971.21	822.48	551.83	693.32
Debit	1015.40	1076.68	1038.15	853.31	456.54	817.58
Transport	-320.92	-328.40	-277.11	-206.22	-82.26	-221.18
Credit	93.26	156.63	195.51	181.77	149.69	170.91
Debit	414.18	485.02	472.62	387.99	231.95	392.10
Travel	134.1	-1.1	94.1	80.9	-20.8	17.1
Credit	414.0	367.6	425.4	331.1	87.6	261.1
Debit	279.8	368.7	331.3	250.2	108.4	244.0
Telecommunications, computer, an	13.696	3.483	3.062	2.026	5.020	5.147
Credit	42.545	18.970	18.786	20.103	23.588	26.811
Debit	28.849	15.486	15.723	18.076	18.568	21.665
Government goods and services n.i	145.289	135.062	153.846	146.549	225.865	148.377
Credit	249.517	248.392	274.631	246.321	265.648	206.161
Debit	157.425	151.304	171.941	153.923	39.783	57.785
Other services	-59.204	-4.526	10.322	0.065	-32.525	-73.682
Credit	75.922	51.595	56.849	43.153	25.354	28.33
Debit	135.126	56.122	46.526	43.088	57.879	102.012

Source: NBR

Primary and Secondary income

Appendix 18

(In USD million)

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Primary income (net) = Income in BPM5	**-184.3**	**-340.6**	**-350.7**	**-295.5**	**-174.7**	**-246.2**
Primary income: credit	11.1	20.9	15.0	14.6	17.0	23.4
Primary income: debit	195.4	361.5	365.7	310.1	191.7	269.7
O/W: public sector debt interest	*45.2*	*103.1*	*118.8*	*120.8*	*102.9*	*75.2*
Private sector debt interest	*40.2*	*61.0*	*66.5*	*52.0*	*28.0*	*34.9*
Compensation of employees	*76.2*	*37.1*	*34.0*	*30.4*	*23.5*	*39.3*
Dividends	*33.8*	*31.4*	*24.2*	*15.7*	*11.0*	*21.7*
Secondary income (net) = Transfers in BPM5	**490.9**	**622.6**	**637.0**	**604.0**	**701.9**	**973.3**
Secondary income: credit	580.9	725.4	720.7	659.9	778.8	1057.9
Secondary income: debit	90.0	102.7	83.7	55.9	76.9	84.6
Private transfers net	**179.8**	**259.9**	**323.0**	**303.7**	**380.0**	**452.2**
o/w: Remittances from diaspora (net)	106.6	176.7	208.7	208.2	296.5	377.0
credit	168.22	232.17	255.80	244.55	333.83	418.81
debit	61.58	55.50	47.13	36.38	37.30	41.78
o/w: Private transfers for churches and associations	73.19	83.20	114.30	95.57	85.25	75.18
credit	79.9	90.4	122.1	104.8	87.9	80.6
debit	6.7	7.2	7.8	9.2	2.6	5.4
o/w: official transfers - credit	354.6	402.8	342.8	310.6	357.1	558.5
budgetary grants	222.8	231.3	187.1	182.0	255.2	446.5
nonbudgetary grants	131.8	171.4	155.7	128.6	101.9	112.0
- debit	21.8	40.0	28.8	16.2	36.9	37.3

Source: NBR

CAPITAL AND FINANCIAL ACCOUNT

Appendix 19

(In USD million)

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
B. Capital Account	**189.95**	**199.01**	**264.40**	**292.58**	**341.69**	**391.24**
Capital account: credit (PIP)	190.0	199.0	264.4	292.6	341.7	391.2
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0
Net lending(+)/ net borrowing (-) (balance from current and capital accounts)	**-658.7**	**-752.0**	**-830.6**	**-963.4**	**-816.7**	**-779.2**
C. Financial Account: Net lending(+)/ net borrowing (-)	**-785.9**	**-800.5**	**-888.9**	**-1187.4**	**-583.1**	**-1050.6**
Direct investment	**-253.2**	**-306.0**	**-282.2**	**-259.2**	**-124.8**	**-272.0**
Direct investment: assets	6.0	16.9	11.1	2.4	0.0	0.0
Direct investment: liabilities (FDI)	259.2	323.0	293.3	261.7	124.8	272.0
Portfolio investment	**3.0**	**37.6**	**23.1**	**-4.8**	**8.2**	**-188.1**
Portfolio investment: assets	0.0	43.9	18.6	30.9	9.9	21.3
Portfolio investment: liabilities	-3.0	6.3	-4.5	35.7	1.7	209.4
Other investment	**-535.7**	**-532.0**	**-629.8**	**-923.4**	**-466.5**	**-590.5**
Other investment: assets	9.7	-37.9	-64.1	38.3	71.3	55.5
Other investment: liabilities	545.4	494.1	565.6	961.6	537.7	646.0
o/w general government current loans	237.3	252.6	296.8	436.2	354.8	213.7
o/w general government sector project loans	162.5	201.0	252.0	319.7	338.0	511.3
o/w general government amortization (current+project)	27.6	29.6	30.9	60.9	68.6	74.0
o/w private sector loans	0.0	49.3	68.5	74.8	100.4	101.4
o/w private sector amortization	93.9	31.8	45.0	33.8	18.0	32.6

Source: NBR



NATIONAL BANK OF RWANDA, KN 6 AV.4 | P.O.Box: 531 Kigali Rwanda | Tel: (+250) 788 199 000
Email: info@bnr.rw | Swiftcode: BNRWRWRW | Twitter: @CentralBankRw | Website: www.bnr.rw