

RWANDA



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Basic Information:

History:

The Republic of Rwanda, located in the Great Lakes region of east-central Africa, is bordered by Uganda, Burundi, the Democratic Republic of the Congo and Tanzania. It is mainly inhabited by three ethnic groups: Hutus, Tutsis and Twas. The latter of these groups is thought to have been the aboriginal inhabitants, living in Rwanda since the first millennium of our era. Germany claimed Rwanda as its colonial territory in 1884/1885. Following its defeat in WWI, its government was handed to Belgium through the League of Nations Mandate of 1923. Rwanda later became a part of a United Nations (UN) "trust territory", also administered by Belgium. After a series of political changes, Belgium granted full independence to Rwanda on July 1, 1962. In 1990, the Tutsi-dominated Rwanda Patriotic Front invaded Rwanda from Uganda. This initiated an upheaval of violence that resulted in the Hutu-led military and Interahamwe militia's killing of approximately 800,000 Tutsis and Hutu moderates in genocide between April - July 1994. A new constitution, written by the Kagame government, was adopted by referendum in 2003. The current Rwandan government is led by Paul Kagame, who was elected by the Parliament in 2000.

Population and Macro Data:

The Rwandan population is estimated at 10,186,063 in July 2008¹. Its GDP in PPP is estimated at \$8.909 billion (2008 est.) with a corresponding GDP per capita of \$900 (2008 est.). GDP is currently forecasted to grow at an average of 6% real growth rate. This is the level experienced by Rwanda from 2004-2007².

In 2008, Services, Agricultural and Industrial sectors comprised the greatest proportion of the GDP at 42.9%, 35% and 22.1% respectively³. According to the Economist Intelligence Unit (EUI) however, subsistence farming employs 90% of the population. Tea and coffee are cited as the main cash crop, generating over 80% of export earnings. Nevertheless, the National Bank of Rwanda noted that in 2007, the production of tradable coffee declined by 44.2% due to the poor economic climate, while tea production increased by 20.6%⁴. Mining activities rose by 38.9%, as production of food crops fell 3.3%. The BNR also notes that, in 2001 constant prices, the value of export crops fell 16.4% between 2006 and 2007.

While the BNR claims that the value-added of the Primary Sector fell 0.5% from 2006-2007, the value of the secondary sector grew 11.4% during this time, mostly due to increases in manufacturing of 7.9%, and in construction of 15.9%. The Tertiary, or service sector experience a notable increase of 9.2% value added during this same

¹ CIA Factbook Website: <https://www.cia.gov/library/publications/the-world-factbook/geos/rw.html>

² The Economist Intelligence Unit, Country Profile 2008, Rwanda.

³ CIA Factbook Website: <https://www.cia.gov/library/publications/the-world-factbook/geos/rw.html>

⁴ National Bank of Rwanda, Annual Report 2007, pages 5-6.

<http://www.bnr.rw/docs/publicnotices/Annual%20Report%202007.pdf>

period. The most noteworthy growth took place within transport, 34.6%, and communication, 20.4%⁵.

Although the CIA World Factbook cites the inflation rate at 9.8%⁶, the EUI's February 2009 Country Report on Rwanda cites a year-over-year inflation rate of 22% in December 2008, due to the high cost of imports putting upward pressure on domestic products. This is forecasted to fall back to 7.5% during 2009, and 6.5% in 2010 due to the recent, steep decline in commodity prices.

Although Rwanda was once heavily in debt, debt relief under the heavily indebted poor countries (HIPC) initiative in 2005 brought total external debt to \$350 Million USD from \$1.5 billion USD.

I. The Banking System

Number and Size of Banks

There are currently 11 licensed banks currently operating in Rwanda:

- Banque Nationale du Rwanda (BNR)
- Bancor, SA
- Banque Commerciale du Rwanda (BCR)
- Banque de Kigali (BK)
- Banque de l'Habitat du Rwanda (BHR)
- Banque Rwandaise de Développement (BRD)
- COGEBANQUE
- ECOBANK
- FINA BANK
- Union des Banques Populaires du Rwanda (UBPR)
- Banque Rwandaise de Développement (BRD)

Banque Nationale du Rwanda (BNR) is Rwanda's Central Bank and, since 1994, has made significant progress in controlling inflation while stabilizing the foreign exchange market⁷. According to Banque Nationale du Rwanda's 2007 Annual Report, from 2003 – 2007, the combined total assets of these institutions were worth, on average, a total of 27.6% of GDP.

Bank Assets as a Percentage of GDP			
Year	Bank Assets	GDP	Percentage of GDP
	(billions RWF)		
2003	255.8	955.2	26.8%
2004	300.4	1137.9	26.4%
2005	345.0	1327.6	26.0%
2006	447.8	1583.0	28.3%

⁵ National Bank of Rwanda, Annual Report 2007, pages 6-7.

⁶ CIA Factbook Website: <https://www.cia.gov/library/publications/the-world-factbook/geos/rw.html>

⁷ Business Plan 2008 - 2010

2007	561.2	1838.9	30.5%
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Source : Banque Nationale du Rwanda’s 2007 Annual Report, from 2003 – 2007, Appendix Table 11. **Please note that 2007 GDP in RWF is based on a projected number. Comparable, nominal values for 2007 in RWF were not encountered. Page 97 of same document claims that “during the period December 2006 to December 2007, total assets of banks increased by 31% from \$293.6 billion RWF to \$384.7 billion RWF.” This does not agree with the number for 2006 cited in the appendix, but is closer in line to numbers cited elsewhere on the BNR website, <http://www.bnr.rw/publicnotice.aspx?id=78>.

During 2007, banking efforts were focused primarily on: 1) Re-organization of a failed bank through its sale 2) The privatization of the country’s largest bank 3) Drafting regulations to carry out the purposes and provisions of new Banking Act as well as Microfinance Act: establishment of a regulation relating to the Write Off loans older than six months in banks’ assets, 4) Off-site examination and establishment of an automatic data reporting system for financial institutions as well as on site examination of banks based on the new risk based supervision approach.

Use of Funds

Category	2008 Value (billions RWF)	YOY Increase	Percentage of 2008 GDP
Total Expenditure and Net Lending	\$491.4	29.7%	26.9%
Expenditures on Goods and Services	\$313.0	16.6%	17.1%
Capital Expenditures	\$186.3	57.0%	10.2%

According to the BNR’s Annual Report 2007, the total expenditure and net lending at the end of 2008 was approximately \$491.4 billion RWF, an increase of 29.7% over 2006; this totaled 26.9% of GDP. Expenditures on goods and services consisted mostly of wages and salaries, and were estimated to be \$313 billion RWF in current expenditures, an increase of 16.6% for a total of 17.1% of GDP. Capital expenditures rose most significantly during this period, reaching \$186.3 billion RWF in 2007, an increase of 57%⁸.

⁸ National Bank of Rwanda, Annual Report 2007, page 8.

Foreign vs. Domestic Ownership and Source of Funds⁹

Growth of Assets	2008 Value (billions RWF)	2008 Value (billions RWF)	YOY Growth
Foreign	\$285.1	\$351.5	23.3%
Domestic	\$0.9	\$23.6	2522.2%

As a result of the simultaneous growth of both foreign and domestic assets, Broad money grew by 31.2% from December 2006 to December 2007. While net foreign assets grew by 23.3%, domestic assets grew tremendously, by a whopping 2522.2% from \$0.9 RWF in 2006 to \$23.6 billion RWF in 2007.

During the December 2006 to December 2007 period, total bank assets increased by 31%, from \$293.6 billion RWF to \$384.7 billion RWF. This was due to an increase of 35.2% in loan disbursements. Total loans net of provisions increased from \$120.1 billion RWF in 2006 to \$162.4 billion RWF at yearend 2007. Investments in treasury bills and other financial instruments also increased from \$42.1 billion RWF in 2006 to \$51.8 billion RWF in 2007. Banking growth was financed mainly by the increase in bank deposits, which grew by 34.13% from \$223.6 billion RWF in 2006 to \$300 billion RWF in 2007. Shareholders equity stood at \$39.9 billion RWF, up from \$25.6 billion RWF at yearend 2006. Demand deposits increased by 55.8%, while currency in circulation rose by 23.4%. December, recording the highest increase of 15.0% compared to the November level, as households withdraw a lot of cash to finance holiday celebrations.

Investment of Funds¹⁰

USES AND RESOURCES OF GDP (nominal)					
(billions of RWF)					
	2003	2004	2005	2006	2007
Gross Domestic Product	955.16	1,137.91	1,331.60	1,582.96	1,838.90
Final Consumption Expenditure	981.71	1,152.31	1,348.19	1,640.01	1,884.25
Gross Domestic Investment	133.1	170.96	209.1	233.51	265.61
Construction	91.22	123.85	146.34	162.36	187.31
Equipment (durable goods)	41.88	47.11	62.76	71.15	78.3
Resource Balance	-159.65	-185.36	-225.69	-290.56	-310.96

In 2007, Final Consumption Expenditure exceeded Gross Domestic Product by \$45.35 billion RWF, or 2.5%. Gross Domestic Investment for 2007 totaled 14.4% of GDP, a YoY increase of 14.4% from 2006; as opposed to an increase of 21.6% in the previous period.

⁹ National Bank of Rwanda, Annual Report 2007, page 8.

¹⁰ Based on National Bank of Rwanda, Annual Report 2007, Appendix Table 4.

Privatizations: Partial versus Full

According to Rwanda's Secretariat of Privatization website, major enterprises were to be privatized in 2005, including Tea factories, Rwandex (an import-export company), Soprotel (a hotel and building manager), La Régie de l'Imprimerie Scolaire (IMPRISCO, a school-painting company), LABOPHAR (Rwanda Pharmaceutical Laboratory), and Rice Factories¹¹.

The Privatization Program was put into effect by law in 1996, and stated the following goals¹²:

- Reducing government shares in the State-owned enterprises and thus lighten[ing] their financial burden on its resources, while easing its administrative obligations at the same time. This process is also expected to generate revenue through the sale, liquidation or dissolution of State-owned enterprises and also through the promotion, development and empowerment of the private sector;
- Ensuring better management and financial, accounting and budgeting discipline of State-owned enterprises;
- Restructuring and rehabilitation of public companies;
- Encouraging Rwandan citizens to invest in the private sector and thus take part in its development and stimulate the competitive spirit.

This privatization initiative seems to be in support of full privatization.

Interest Spread

The Bank Deposit Rate is currently 12.5%, while the Lending Rate is 15.84 %, and the Spread is 3.34%.

Deposit Insurance: Partial versus Full

As of 2006, no form of deposit insurance existed in Rwanda¹³.

II. Insurance Companies and Other Financial Institutions¹⁴

Rwandan insurance companies have played a significant part in mobilization of savings and investments in the social sector in the past 25 years. Insurance is currently available in Rwanda through AON Worldwide. In addition, the following is an exhaustive list of

¹¹ Rwanda Secretariat of Privatization <http://www.privatisation.gov.rw/eng/indexe.htm> ("Privatization")

¹² Rwanda Secretariat of Privatization <http://www.privatisation.gov.rw/eng/indexe.htm> ("Programme")

¹³ International Association of Deposit Insurers document created post-2006 (date unknown): <http://www.iadi.org/BankProfSelAfrCount2.doc>. A 2003 World Bank Survey also acknowledges this, http://siteresources.worldbank.org/INTRES/Resources/469232-1107449512766/Caprio_2003_rwanda.xls.

¹⁴ http://www.rwandagateway.org/article.php?id_article=59. Information was not attainable through the websites of SONARWA or SORAS due to website malfunction.

Licensed Non-Bank Financial Institutions, as recognized by the Banque Nationale du Rwanda (BNR).

<p>SONARWA (Société Nouvelle d'Assurances du Rwanda) Boulevard de la Révolution, No.2417, P.O Box 1035 Kigali Telephone: 572101/4, 573240, Fax: (250) 572052 Website: www.sonarwa.co.rw</p>
<p>SORAS (Société Rwandaise d'Assurances) Boulevard de la Révolution, P.O Box 924 Kigali Telephone: 573712 Website: www.soras.co.rw</p>
<p>CORAR (Compagnie de Réassurance et d'Assurances de Rwandaise) Centenary House Building Telephone: 501210 / 501211</p>
<p>COGEAR (Compagnie de Générale d'assurances et Réassurances Au Rwanda) Avenue de l'armée, P.O Box 2753 Kigali Telephone: 576041/576079</p>
<p>Phoenix of Rwanda Assurance Company S.A P.O Box 82 Kigali Telephone: (250) 570331</p>
<p>Alliance Insurance Brokers (AIB) Licensed in 2006 P.O BOX 1395 Kigali, Av. De la Paix Telephone: +250 507777/ 55100050-52</p>
<p>Optimum Insurance Brokers Licensed in 2006 P.O BOX 6170 Kigali, Immeuble IPOSITA Kacyiru Telephone: +250 08302090</p>
<p>SORCOPRA s.a.r.l Licensed in 2006 P.O BOX 5273 Kigali, Immeuble Ndamage 2éme Etage Telephone: +250 55101889/ 08569553</p>
<p>Reliance Insurance Services CO. Ltd Licensed in 2006 P.O BOX 5065, Av des Parc No. 6 Kiyovu Telephone: +250 501334, +250 08304278</p>

Africa Risk Insurance Brokers

Licensed in 2006

P.O BOX 7247 Kigali, Ubumwe House

Telephone: +250 08301648 – 55103929

Utmost Insurance Brokers

Licensed in 2006

P.O BOX 6627 Kigali, Stippag House 2nd Floor

Telephone: +250 55100482 /055100483

Central Bank and Its Role in the Economy

The main missions of the Bank are stated as¹⁵:

- To ensure and maintain price stability
- To enhance and maintain a stable and competitive financial system without any exclusion
- To support Government's general economic policies, without prejudice to first two missions

For the Bank to achieve its missions, it¹⁶:

- Defines and implements the monetary policy;
- Organizes, supervises and regulates the foreign exchange market;
- Supervises and regulates the activities of financial institutions notably banks, micro finance institutions, insurance companies, social security institutions, collective placement companies and pension funds institutions;
- Supervises and regulates payment systems;
- Mints and manages money;
- Holds and manages official foreign exchange reserves;
- Acts as a State Cashier and
- Carries out any other task that the Law or any another Law may assign to it.

According to the Banque Nationale du Rwanda's May 2008 publication, "Business Plan 2008 – 2010" the bank's objectives are to control inflation, stabilize the financial sector, and modernize and secure the payment system. In order to do so, it plans to diversify and increase the efficiency of financial services, create an institutional framework for increased mobilization of savings for the financing of investments, and optimize the use of information technology for the modernization of the payment systems, as well as their integration both regionally and internationally.

BNR's 2007 Annual report notes that policy changes that the bank implemented to help in achieving its goals related to¹⁷:

- The removal of the ceiling on anticipated payments of imports, as well as on foreign accounts withdraws;

¹⁵Banque Nationale du Rwanda, <http://www.bnr.rw/about.aspx>

¹⁶Banque Nationale du Rwanda, <http://www.bnr.rw/about.aspx>

¹⁷ National Bank of Rwanda, Annual Report, pg 11.

- The simplification of formalities on buying foreign currencies and
- An extension of authorized capital operations.

As a result, the amount of resources in foreign currency generated by the NBR foreign exchange operations increased by 46.3% in 2007, from \$448.1 Million USD to \$655.6 Million USD.

In addition to concentrating on foreign exchange policy, the BNR implemented strict monetary policy during 2007, in order to meet the monetary targets agreed to with the IMF¹⁸. During 2007, the country continued to experience steady growth in excess liquidity in the banking system. The Monetary Authority therefore intervened by “mopping up liquidity on a weekly basis.”¹⁹ While total liquidity borrowing increased to \$594 RWF billion vs. \$360 billion RWF in 2006, the Bank pursued \$3,031.9 billion in overnight investment operations in 2007, versus \$1,401.979 billion in 2006. The increase in liquidity borrowed is attributed to the Monetary Authority’s preference of issuing Treasury Bills of more than four weeks. During 2007, BNR’s foreign exchange reserves increased significantly, from \$440.7 million USD to \$553.9 million USD, due to increases in external aid in budget support. These increases were led by the African Development Bank and the European Union²⁰.

During 2007, the National Bank of Rwanda injected \$60.3 billion RWF into circulation, due to an improvement of the national economy. Interest rates of significance for the year were as follows:

Interest Rate Developments (in %)					
	2006	2007	2007	2007	2007
	Dec	Mar	Jun	Sep	Dec
Money market rate	7.4	8.7	5.6	5.5	5.3
Interbank market rate	7.4	7.9	6.6	5.2	6
Mopping up rate	12.5	12.5	12.5	12.5	12.5
Weighted treasury bills rate	8.1	9.6	7	6.6	6
Discount rate	8.1	7.9	7.7	7.4	7.4
Lending rate	16.4	16	16	15.8	16.1

Source: BNR, Monetary and Financial Markets Department.

<http://www.bnr.rw/publicnotice.aspx?id=78>

Banking Supervision²¹

The National Bank of Rwanda engages heavily in banking supervision, of both traditional banking and microfinance institutions. The national microfinance policy was

¹⁸ National Bank of Rwanda, Annual Report, pg 74.

¹⁹ National Bank of Rwanda, Annual Report, pg 74.

²⁰ National Bank of Rwanda, Annual Report, pg 83.

²¹ National Bank of Rwanda, Annual Report, pg 96 – 101.

adopted in 2007; during that year, 27 microfinance institutions were granted provisional license approvals before regulatory visits. During 2007, supervision efforts were said to be concentrated on:

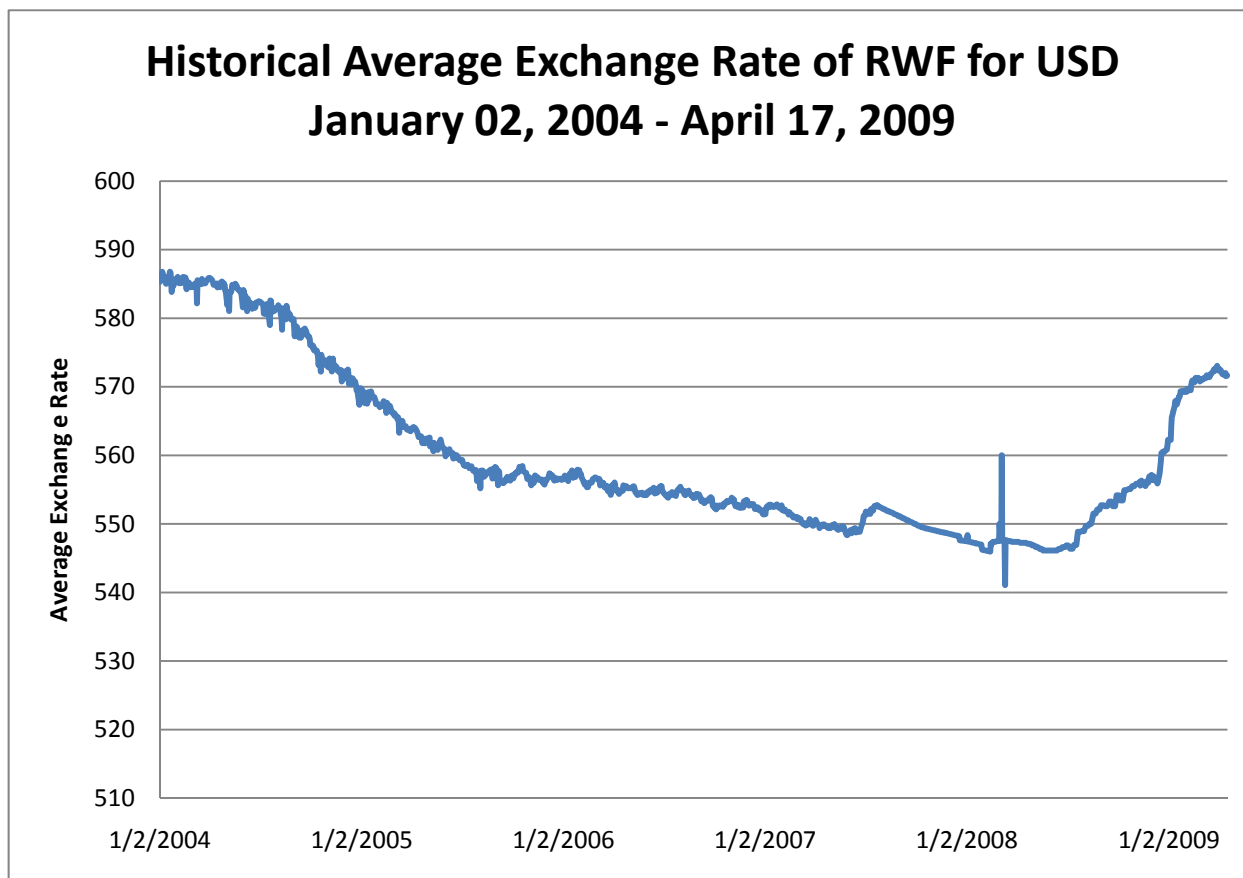
- The reorganization of a failed bank through its sale,
- The privatization of the country's largest bank,
- Drafting regulations to carry out the purposes and provisions of new Banking Act as well
Microfinance Act,
- Establishment of a regulation relating to the Write Off loans older than six months in banks' assets,
- Off-site examination and establishment of an automatic data reporting system for financial institutions as well as on site examination of banks based on the new risk based supervision approach.

Banking supervision tends to focus on the maintenance of solvability ratios, which must be equal to a minimum of 10%.

Historic Exchange Rates:

According to the Banque Nationale du Rwanda, the Rwandan franc appreciated by 2.3% between 2005 and 2007. This was due to abundance in foreign currencies, private transfers, and higher export receipts²².

²² Banque Nationale du Rwanda, *Business Plan 2008 – 2010*, May 2008, pg 5.



Source: <http://www.bnr.rw/historicalexchange.aspx>

Government Bond Market

The central bank conducts a weekly Treasury Bill Auction with maturities ranging from 4-, 13-, 26, to 52-weeks²³. According to the Banque Nationale du Rwanda's Business Plan 2008 – 2010, the Bank decided to launch a bond market in order to sterilize excess liquidity in the banking system, while facing the absorption capacity of the economy. Other measures to be explored were the diversification of monetary policy instruments, and the coordination of actions between macroeconomic managers such as the Ministry of Finance and Economic Planning (MINECOFIN), the Ministry of Commerce (MINICOM), and Rwanda Investment and Export Promotion Agency (RIEPA). More details on the government bond market will be explored in the following section.

The Stock Market

In March of 2007, The Capital Markets Advisory Council (CMAC) was tasked with the oversight of building up the capital markets in Rwanda. The board consists of 11

²³ Africa Development Bank Group;
<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/24108416-EN-RWANDA.PDF>

non-executive directors representing interest groups appointed by the Minister of Finance, to whom CMAC answers.

The Rwandan stock market was established by the Capital Market Advisory Council in the month of January 2008. While first referred to as the Rwanda capital market, it is now referred to as the Rwanda Over the Counter (OTC) market²⁴.

The Rwanda OTC exchange opened with two treasury bonds of 5 billion Rwandan Francs each. The two treasury bonds had an interest rate of 8% each, and were to mature after two years. The new government debt instrument was over-subscribed by 44% on the primary. In other words, subscribers therefore offered far more money than the National Bank of Rwanda (BNR) was targeting.²⁵ In addition to a corporate bond, a third treasury bond was issued at a rate of 8.25% with a 3-year maturity. The first equity listing was in May 2008. According to Finance Minister James Musoni, "For every company in which the government owns less than 30 percent shares, we will be selling off these shares through the stock market."²⁶ In addition, by the end of 2008, "We are targeting at least six government owned companies for privatization this financial year," said Rwanda Stock Exchange executive director, Mr. Robert Mathu.²⁷

According to President Paul Kagame, "It's an important achievement which will provide the business community with a second option to financing that is long term and which will inevitably add great value to our economy."²⁸ According to the BBC, "the securities exchange is being seen as a source of cheaper financing than that offered by commercial banks."²⁹ In addition, from 2008-2010, the launching of the bond market in Rwanda will be progressively developed in order to build the effectiveness of the capital market by a disintermediated model of financing the national economy. Government securities of two-year maturity and more will be regularly issued according to the needs in order to build a yield curve which will be the reference point to quote other financial instruments on the capital market. These securities should bring back a competitive return to the subscribers and will play a triple role namely to control liquidity in the economy, to collect additional resources for Government financing and finally to support development of Rwanda capital market.³⁰

²⁴ CMAC Brochure on NPED for Issuers,
<http://cmac.org.rw/downloads/CMAC%20brochure%20on%20NPED%20for%20issuers.doc>

²⁵ Africa Research Bulletin (#17745), February 16th-March 15th 2008.

²⁶ Reuters, "UPDATE 2-Rwanda to list first firm on stock market in May." March 26, 2008.

²⁷ Business Daily Africa, "Rwanda stock exchange lists first corporate bond." February 15, 2008.

²⁸ BBC: "Rwanda Opens Own Stock Exchange." January 31, 2008.

<http://news.bbc.co.uk/2/hi/business/7220603.stm>

²⁹ Ibid

³⁰ National Bank of Rwanda, 2008-2010 Plan, pg 12. <http://www.bnr.rw/docs/publicnotices/Business-Plan-2008-2010.pdf>

	-A person listed on the approved list of nominated advisers maintained by CMAC; -It's sponsor
Incorporation	The issuer must be a corporation: -Duly incorporated or otherwise established in accordance with the laws of Rwanda; or - Registered under the Company's Act to carry on business in Rwanda.
Minimum number of shareholders	50 for equities at time of listing
Minimum spread of shares to the public	25%
Minimum Paid up capital	RFW 500 million
Minimum market capitalization	New applicant: RFW 500 million
Net Assets	RFW 1 billion
Track record	3 financial years but less if issue is underwritten
Application Procedures	-A letter of application to list -Appropriate fees
Disclosure document	The disclosure document must be lodged with CMAC

Debt Securities Disclosure Guidelines³³:

REQUIREMENTS	CRITERIA
1. Incorporation	-Issuer must be duly incorporated under the laws of Rwanda or any other recognized law. -A government borrowing authority. -A public authority (e.g. local government)
2. Identity of persons responsible for Information disclosed: Directors, Senior Management, Advisers, Auditors, and Bankers.	-Names -Address (residential), -Roles of each director and senior manager, -Declarations by directors, sponsors, -Consents by all professionals whose reports have been used in the disclosure document.
3. Information on the issuers	-Incorporation -Information -Principal activities
4. Share Capital and Assets	-Authorized issued and fully paid up capital of Rwf 500 million

³³ http://cmac.org.rw/securities_desclosure.php

	-Net assets of Rwf 1 (one) billion
5. Statistics on the Offer/Issue	-Amount of debt to be issued -Features of the bond -Purpose of the issue and intended application of the proceeds
6. Track record and profitability	Adequate track record, at least two financial years of positive profits.
7. Transferability	Fully negotiable and freely transferable.
8. Minimum size of a bond issue	Rwf 550 million
9. Disclosures in the Audited Annual reports and accounts and the Information Memorandum	-3 years annual reports and accounts. -Internationally acceptable accounting standards.
10. Status of the business	Recent business trends, production, costs, prices etc
11. Major shareholders and related party transactions	Names and amount of shares held by each
12. Working capital	Sufficient
13. Loan subordination	Whether the loan is subordinated to other debts of the issuer already contracted or to be contracted
14. Convertible debt	Where the debt is convertible – information concerning nature of shares offered, rate of conversion and the rights of the bond holders
15. Taxation	Tax implication on income to the bondholders

Other Types of Finance

The government has embraced an expansionary fiscal policy to reduce poverty by improving education, infrastructure, and foreign and domestic investment and pursuing market-oriented reforms, although energy shortages, instability in neighboring states, and lack of adequate transportation linkages to other countries continue to handicap growth³⁴. As part of its economic policy development and poverty reduction strategies, the Government of Rwanda put in place different facilities and lines which serve as financial instruments to stimulate investments in priority sectors to eradicate poverty among Rwandans. These lines are Agriculture Guarantee Facility, Guarantee Fund and Credit Line for the retrenched civil servant of republic of Rwanda, Rural Investment Facility, Preferential Refinancing Facility for medium and long term loans for Agriculture exports and Agro- business Activities and a Women’s Guarantee Fund.

³⁴ CIA Factbook Website: <https://www.cia.gov/library/publications/the-world-factbook/geos/rw.html>

In order to combat poverty, it has furthermore put in line special lending facilities and lines of credit, such as the Agriculture Guarantee Facility, the Guarantee Fund and Credit Line for retrenched civil servants, the Rural Investment Facility, Preferential Refinancing Facility for medium and long term loans, and the Women Guarantee Fund³⁵.

The **Agricultural Guarantee Facility (FGA)** helps to stimulate bank loans for development activities in Agriculture, with the aim of reducing bank risks related to agricultural loans, and

overcoming insufficiency of guarantees for promoters of economically cost-effective and financially viable projects that do not have a negative impact on the environment. The initial grant is \$2.9 billion RWF, of which \$1.1 billion RWF is from the Government Budget and RWF \$1,760,562,000 from the Netherlands Cooperation, through the Dutch Embassy Kigali³⁶.

In 2007, 69 projects were evaluated within the framework of the Agricultural Guarantee Facility. As of the date of the Bank's 2007 Annual Report publication, 183 projects had been supported³⁷.

The **Guarantee Fund for the Retrenched Civil Servants** is meant to partially cover the financial risks of the different Participating Financial Institutions (PFI) that give loans to the beneficiaries of this scheme. For all income generating activities, the Fund covers 50% of the loan issued to an individual and 70% of the loan issued to a group (association) of two or more retrenched civil servants. According to Rwanda's Minister of Agriculture, importers and end users of chemical fertilizers requested that the Agricultural Guarantee Facility increase their guarantee from 50% to 60%, in order to provide further incentives for many people to engage in fertilizer trade hence availing it in large quantities, which may reduce its price. It may also facilitate farmers to access credit³⁸. The Line of credit is used by PFI to finance micro-projects elaborated by retrenched civil servants. In order to serve as many beneficiaries as possible, a maximum of 5.000.000 Rwf is fixed for an individual and 10.000.000 RWF for a group (association) of two or more. The initial allocation for the project was \$200 million RWF and \$1.05 billion RWF for the Guaranty and Line of Credit, respectively³⁹.

The **Rural Investment Facility** is used to refinance partially medium and long-term loans granted by Participating Financial Institutions (PFI) in favor of Rural Development Projects. By December 31st 2007, 4,330 projects had been refinanced with a total amount of USD \$10.7 million⁴⁰.

³⁵ National Bank of Rwanda, Annual Report 2007, pg 12.

³⁶ Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

³⁷ Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

³⁸ Rwanda Minister of Agriculture:

http://www.minagri.gov.rw/IMG/doc/Fertilizer_final_to_put_in_publication.doc

³⁹ Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

⁴⁰ Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

The Preferential Refinancing Facility for Medium and Long-term Loans for Agricultural Exportation and Agro-business Activities has resources that originate from the repayment of the Government consolidated debt with the National Bank of Rwanda. Eligible for financing from this Fund are medium and long-term projects operating in agriculture and agro-business (including livestock) that participating banks consider bankable. The projects must show an easily measurable net foreign exchange saving, including import substitution activities that are financially viable. However, in case funds are not sufficient to cover potential demands, priority is given to export oriented projects⁴¹.

In order to extend this facility to many entrepreneurs, the maximum is fixed at \$200 million RWF for any eligible project. Nevertheless, the NBR may give exceptions depending on the resources available and the nature of the project. First come, first served procedures are followed while examining refinancing demands. As of 12/31/07, 24 projects had benefited from this Facility with a total of \$2.3 billion RWF⁴².

According to Rwanda's Minister of Public Service, Skills Development, and Labor, the Program for the Retrenchment and Reintegration of Civil Servants in Rwanda, this program provides easy access to credit for retrenched workers, in addition to coaching them through individual, need-based training modules⁴³.

The Guarantee Fund for Women was designed as an investment instrument for the Government in the implementation of development goals by focusing on income generating activities undertaken by women who are often excluded from the banking system due to lack of guarantees.

The resources are derived from the development budget allocated to the Ministry of Gender and Family Promotion (MIGEPROF). The initial 2007 provision was \$255.2 million RWF. The Guarantee Fund covers all income generating micro-projects by women (individual, association and cooperatives) whose loan is less than \$5.0 million RWF for individuals and \$10 million RWF for women's associations. The Fund covers 50% of the bank risk—the principal plus 3 years interests⁴⁴.

The NBR continues to manage all these facilities as part of a support policy to the Government of Rwanda to continue fighting poverty and strengthening the national economy.

⁴¹ Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

⁴² Extracted from National Bank of Rwanda, Annual Report 2007, pg 77-82.

⁴³ Programme for the Retrenchment and Reintegration of Civil Servants in Rwanda. Minister of Public Service, Skills Development, and Labor, *Strategic Paper*, July 2004.

www.mifotra.gov.rw/documents/Programmes/Programme%20for%20the%20Retrenchment.pdf

⁴⁴ Programme for the Retrenchment and Reintegration of Civil Servants in Rwanda. Minister of Public Service, Skills Development, and Labor, *Strategic Paper*, July 2004.

www.mifotra.gov.rw/documents/Programmes/Programme%20for%20the%20Retrenchment.pdf

Appendix A

2003 World Bank Survey⁴⁵

	Question	Rwanda
1. Entry into Banking		
1.1	What body/agency grants commercial banking licenses?	National Bank Of Rwanda
1.1.1	Is there more than one body/agency that grants licenses to banks?	No
1.1.2	Is more than one license required (e.g., one for each banking activity, such as commercial banking, securities operations, insurance, etc.)?	Yes
1.2	How many commercial banks were there at year-end 2001?	Six
1.2.1	What are the total assets of all commercial banks at year-end 2001?	\$294M
1.2.2	What are the total deposits of all commercial banks at year-end 2001?	\$216M
1.3	What is the minimum capital entry requirement? (in US\$ and/or domestic currency, state which)	\$3M
1.3.1	Is this minimum capital entry requirement the same for a foreign branch and subsidiary?	Yes
1.4	Is it legally required that applicants submit information on the source of funds to be used as capital?	Yes
1.5	Are the sources of funds to be used as capital verified by the regulatory/supervisory authorities?	Yes
1.6	Can the initial disbursement or subsequent injections of capital be done with assets other than cash or government securities?	No
1.7	Can initial disbursement of capital be done with borrowed funds?	No
1.8.1		Draft by-laws? Yes
1.8.2		Intended organization chart? Yes
1.8.3	1.8 Which of the following are legally required to be submitted before issuance of the banking license?	Financial projections for first three years? Yes
1.8.4		Financial information on main potential shareholders? Yes

⁴⁵ http://siteresources.worldbank.org/INTRES/Resources/469232-1107449512766/Caprio_2003_rwanda.xls

1.8.5	Background/experience of future directors?	Yes
1.8.6	Background/experience of future managers?	Yes
1.8.7	Sources of funds to be disbursed in the capitalization of new bank?	Yes
1.8.8	Market differentiation intended for the new bank?	Yes
1.9	In the past five years, how many applications for commercial banking licenses have been received from domestic entities?	1
1.9.1	How many of those applications have been denied?	1
1.10	In the past five years, how many applications for commercial banking licenses have been received from foreign entities?	2
	How many of those applications have been denied?	1
1.10.1	Number of applications from foreign entities to enter through the acquisition of domestic bank?	Received 0
1.10.2	Number of applications from foreign entities to enter through new, capitalized subsidiary?	Received Denied 0
1.10.3	Number of applications from foreign entities to enter through opening a branch?	Received Denied 1
1.10.4	Number of applications from foreign entities to enter through some other means?	Received Denied 0
1.11.1	What were the primary reasons for denial of the applications in 1.9.1 and	Capital amount or quality? Yes
1.11.2		Banking skills? Yes

1.11.3	1.10.1?	Reputation?	No
1.11.4		Incomplete application?	Yes
1.11.5		Other reason(s). Please list.	
1.12.1	1.12 Are foreign entities	Acquisition	Not prohibited
1.12.2	prohibited from entering	Subsidiary	Not prohibited
1.12.3	through	Branch	Not prohibited
2. Ownership			
2.1	Is there a maximum percentage of bank capital that can be owned by a single owner?		No
2.1.1	If yes, what is the percentage?		
2.2	Can related parties own capital in a bank?		Yes
2.2.1	If yes, what are the maximum percentages associated with the total ownership by a related party group (e.g., family, business associates, etc.)?		No ceiling
2.2.2	Are there penalties for violating this rule?		No
2.3	Can nonfinancial firms own shares in commercial banks?		Permitted
2.4	What fraction of capital in the largest 10 banks is owned by commercial/industrial and/or financial conglomerates? If there are fewer than 10 banks, use that number in your answer.		6 commercial Banks with \$19M in Capital
2.5	Can non-bank financial firms (e.g. insurance companies, finance companies, etc.) own commercial banks?		Permitted
2.6.1	2.6 Of commercial banks in your country, what fraction of:	deposits is held by the five (5) largest banks at year-end 2001?	96%
2.6.2		assets is held by the five (5) largest banks at year-end 2001?	96%
2.7	Of all deposit-taking institutions in your country, what fraction of their assets is held by just commercial banks?		92%
3. Capital			
3.1	What is the minimum capital-asset ratio requirement?		8%
3.1.1	Is this ratio risk weighted in line with the Basle guidelines?		Yes
3.2	Does the minimum ratio vary as a function of an individual bank's credit risk?		No
3.3	Does the minimum ratio vary as a function of market risk?		No

3.4	What is the actual risk-adjusted capital ratio in banks as of year-end 2001, using the 1988 Basle Accord definitions?	Average of risk-adjusted capital ratio of the 6 commercial banks	6,5%
3.4.1	What is the actual capital ratio (i.e., not risk-adjusted) of banks as of year-end 2001?		
3.5	Is subordinated debt allowable as part of capital?	No	
3.6	Is subordinated debt required as part of capital?	No	
3.7	What fraction of revaluation gains is allowed as part of capital?		24%
3.8.1	3.8 What fraction of the banking system's assets is in banks that are:	50% or more government owned as of year-end 2001?	6.60%
3.8.2		50% or more foreign owned as of year-end 2001?	Non is 50% or more foreign owned
3.9.1	3.9 Before minimum capital adequacy is determined, which of the following are deducted from the book value of capital?	Market value of loan losses not realized in accounting books?	Yes
3.9.2		Unrealized losses in securities portfolios?	Yes
3.9.3		Unrealized foreign exchange losses?	Yes
3.10	Are accounting practices for banks in accordance with International Accounting Standards (IAS)?	Yes	
3.11	Are accounting practices for banks in accordance with U.S. Generally Accepted Accounting Standards (GAAS)?	No	
4. Activities			
4.1	Securities	Unrestricted	
4.2	Insurance	Unrestricted	
4.3	Real Estate	Prohibited	
4.4	Bank Owning Nonfinancial Firms	Restricted	
5. External Auditing Requirements			
5.1	Is an external audit a compulsory obligation for banks?	Yes	
5.2	Are specific requirements for the extent or nature of the audit spelled out?	Yes	
5.3	Are auditors licensed or certified?	Yes	
5.4	Do supervisors get a copy of the auditor's report?	Yes	
5.5	Does the supervisory agency have the right to meet with external auditors to discuss their report without the approval of the bank?	Yes	

5.6	Are auditors required by law to communicate directly to the supervisory agency any presumed involvement of bank directors or senior managers in illicit activities, fraud, or insider abuse?	Yes
5.7	Can supervisors take legal action against external auditors for negligence?	Yes
5.8	Has legal action been taken against an auditor in the last 5 years?	No

6. Internal Management/Organizational Requirements

6.1	Can the supervisory authority force a bank to change its internal organizational structure?	No
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6.2	Has this power been utilized in the last 5 years?	No
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7. Liquidity & Diversification Requirements

7.1	Are there explicit, verifiable, and quantifiable guidelines regarding asset diversification? (for example, are banks required to have some minimum diversification of loans among sectors, or are their sectoral concentration limits)?	No
7.2	Are banks prohibited from making loans abroad?	Yes
7.3	Are banks required to hold either liquidity reserves or	Yes

	any deposits at the Central Bank?	
7.3.1	If so, what are these requirements?	Obligatory reserves 8%
7.4	Do these reserves earn any interest?	No
7.4.1	What interest is paid on these reserves?	Non
	Are banks allowed to hold reserves in foreign denominated currencies or other foreign denominated instruments?	Yes
7.5	If yes, please state the ratio	26,6 % as at 31/12/2001
	Are banks required to hold reserves in foreign denominated currencies or other foreign denominated instruments?	Yes
7.6	If yes, please state the ratio	8%
7.7	What percent of the commercial banking system's assets is foreign-currency denominated?	30%
7.8	What percent of the commercial banking system's liabilities is foreign-currency denominated?	26%
7.9	What percent of the commercial banking system's assets is in central government bonds?	8.60%
7.10	What percent of the commercial banking system's assets is funded with deposits?	83%
7.10.1	What percent of the commercial banking system's assets is funded with insured deposits?	N/A

8. Depositor (Savings) Protection Schemes

8.1	Is there an explicit deposit insurance protection system? If no, you may skip to question 8.2. If yes:	No
8.1.1	Is it funded by (check one) : the government, the banks, or both ?	N/A
8.1.2	Are premiums collected	N/A

8.1.3	Do deposit insurance fees charged to banks vary based on some assessment of risk?	N/A
8.1.4	If pre-funded, what is the ratio of accumulated funds to total bank assets?	N/A
8.1.5.1	8.1.5 What is the deposit insurance limit per account (in US\$ and local currency)?	US\$: N/A
8.1.5.2		Domestic currency: N/A
8.1.6	Is there a limit per person?	N/A
8.1.6.1	If yes, what is that limit (in domestic currency)?	N/A
8.1.7	Is there formal co-insurance, that is, are depositors only insured for some percentage of their deposits, either absolutely or above some floor and/or up to some limit?	N/A
8.1.8	Does the deposit insurance scheme also cover foreign currency deposits?	N/A
8.1.9	Are interbank deposits covered?	N/A
8.1.10	Does the deposit insurance authority make the decision to intervene a bank?	N/A
8.1.10.1	If no, who does?	N/A
8.1.11	Does the deposit insurance authority have the legal power to cancel or revoke deposit insurance for any participating bank?	N/A
8.2	As a share of total assets, what is the value of large denominated debt liabilities of banks-subordinated debt, bonds, etc.-that are definitely not covered by any explicit or implicit savings protection scheme?	100%
8.3	As part of failure resolution, how many banks closed or merged in the last 5 years?	Non

8.4	Were depositors wholly compensated (to the extent of legal protection) the last time a bank failed?	No
8.4.1	On average, how long does it take to pay depositors in full?	N/A
8.4.2	What was the longest that depositors had to wait in the last 5 years?	N/A
8.5	Were any deposits not explicitly covered by deposit insurance at the time of the failure compensated when the bank failed (excluding funds later paid out in liquidation procedures)?	No
8.6	Can the deposit insurance agency/fund take legal action against bank directors or other bank officials?	N/A
8.7	Has the deposit insurance agency/fund ever taken legal action against bank directors or other bank officials?	N/A
8.8	Are non-residents treated differently than residents with respect to deposit insurance scheme coverage?	N/A
8.9	Who manages the insurance fund? Is it managed:	(a) solely by the private sector (b) jointly by private-public officials (c) solely by public sector
8.10	Is participation in the deposit insurance system compulsory for all banks?	N/A
9. Provisioning Requirements		
9.1	Is there a formal definition of a "non-performing loan" ?	Yes
9.1.1	The primary system for loan classification is based on (please pick one):	the number of days a loan is in arrears a forward looking estimate of the probability of default Other
9.2.1	9.2 After how many days is a loan in arrears classified as:	Sub-standard ? Doubtful? Loss?
9.2.2		90 days
9.2.3		180 days
9.3.1	9.3 What is the minimum provisioning required as loans become:	Sub-standard ? Doubtful? Loss?
9.3.2		20%
9.3.3		50%
		100%

9.4	What is the ratio of non-performing loans to total assets as of year-end 2001?	20%
9.5	If a customer has multiple loans and one loan is classified as non-performing, are the other loans automatically classified as non-performing?	Yes
9.6	What is the aggregate net interest margin-to-asset ratio as of year-end 2001?	5.70%
9.7	What is the aggregate overhead costs-to-asset ratio as of year-end 2001?	8.40%
9.8	What is the tax deductibility of provisions: 9.8.1. Specific provisions can be deducted 9.8.2 General provisions can be deducted 9.8.3 Provisions cannot be deducted	Specific provisions can be deducted

10. Accounting/Information Disclosure Requirements

10.1	Does accrued, though unpaid, interest/principal enter the income statement while the loan is still performing?	Yes
10.1.1	Does accrued, though unpaid, interest/principal enter the income statement while the loan is still non-performing?	No
10.2	After how many days in arrears must interest income accrual cease?	90 days
10.3	Are financial institutions required to produce consolidated accounts covering all bank and any non-bank financial subsidiaries?	Yes
10.4	Are off-balance sheet items disclosed to supervisors?	Yes
10.4.1	Are off-balance sheet items disclosed to the public?	No
10.5	Must banks disclose their risk management procedures to the public?	No
10.6	Are bank directors legally liable if information disclosed is erroneous or misleading?	Yes
10.6.1	What are the penalties, if applicable?	The bank is fined
10.6.2	Have they been enforced?	Yes
10.7	Do regulations require credit ratings for commercial banks?	No
10.7.1	How many of the top ten banks are rated by international credit rating agencies (e.g. Moody's, Standard and Poor)?	Non
10.7.2	How many of the top ten banks are rated by domestic credit rating agencies?	Non
10.7.3.1	10.7.3 Which bank activities	Bonds issuance?
10.7.3.2	are rated?	Commercial paper issuance?

10.7.3.3		Other activity (e.g., issuance of bank certificates of deposit, pension and mutual funds, insurance companies, financial guarantees, etc.)?	No
11. Discipline/Problem Institutions/Exit			
11.1	Are there any mechanisms of cease and desist-type orders, whose infraction leads to the automatic imposition of civil and penal sanctions on the banks directors and managers?		Yes
11.1.1	Are bank regulators/supervisors required to make public formal enforcement actions, which include cease-and-desist orders and written agreements between a bank regulatory/supervisory body and a banking organization?		Yes
11.2	Can the supervisory agency order the bank's directors or management to constitute provisions to cover actual or potential losses?		Yes
11.3.1	11.3 Can the supervisory agency suspend the directors' decision to distribute:	Dividends?	Yes
11.3.2		Bonuses?	Yes
11.3.3		Management fees?	Yes
11.4	Have any such actions been taken in the last 5 years?		Yes
11.5	Which laws address bank insolvency?		The banking Act Law n° 08/99 of 18/6/1999 relating to regulations governing banks and other financial institutions.
11.6.1	11.6 Who can legally declare - such that this declaration supersedes some of the rights of shareholders - that a bank is insolvent:	Bank supervisor	Yes
11.6.2		Court	No
11.6.3		Deposit insurance agency	No
11.6.4		Bank restructuring or Asset Management Agency	No
11.6.5		Other (please specify)	No
11.7.1	11.7 According to the Banking Law, who has authority to intervene - that	Bank supervisor	Yes
11.7.2		Court	No
11.7.3		Deposit insurance	No

11.7.4	is, suspend some or all ownership rights - a problem bank?	agency Bank restructuring or Asset Management Agency	No
11.7.5		Other (please specify)	No
11.8	Does the Law establish pre-determined levels of solvency deterioration which forces automatic actions (like intervention)?		No
11.9.1.1	11.9 Regarding bank restructuring and	Bank supervisor	Yes
11.9.1.2	reorganization, can the	Court	No
11.9.1.3	supervisory agency or any other government agency	Deposit insurance agency	No
11.9.1.4	do the following:	Bank restructuring or Asset Management Agency	No
11.9.1.5	11.9.1 Supersede shareholder rights?	Other (please specify)	No
11.9.2.1		Bank supervisor	Yes
11.9.2.2		Court	No
11.9.2.3	11.9.2 Remove and replace management?	Deposit insurance agency	No
11.9.2.4		Bank restructuring or Asset Management Agency	No
11.9.2.5		Other (please specify)	No
11.9.3.1		Bank supervisor	Yes
11.9.3.2		Court	No
11.9.3.3	11.9.3 Remove and replace directors?	Deposit insurance agency	No
11.9.3.4		Bank restructuring or Asset Management Agency	No
11.9.3.5		Other (please specify)	No
11.9.4.1		Bank supervisor	Yes
11.9.4.2		Court	No
11.9.4.3	11.9.4 Forbear certain prudential regulations?	Deposit insurance agency	No
11.9.4.4		Bank restructuring or Asset Management Agency	No
11.9.4.5		Other (please specify)	No
11.9.5.1	11.9.5. Insure liabilities beyond any explicit deposit insurance scheme?	Bank supervisor	Not applicable - We do not have a deposit insurance scheme

11.9.5.2		Court	Not applicable - We do not have a deposit insurance scheme
11.9.5.3		Deposit insurance agency	Not applicable - We do not have a deposit insurance scheme
11.9.5.4		Bank restructuring or Asset Management Agency	Not applicable - We do not have a deposit insurance scheme
11.9.5.5		Other (please specify) Closure and liquidation: Number	Non
		Closure and liquidation: Percentage of banking system assets	
		Intervention and open bank assistance: Number	2
		Intervention and open bank assistance: Percentage of banking system assets	17.1% and 11.8%
11.10.1	During the last five years, how many banks have been resolved in the following way, and what was the percentage of assets of the banking system accounted for by each	Transfer of assets and liabilities (incl. purchase and assumption) or merger and acquisition: Number	Non
		Transfer of assets and liabilities (incl. purchase and assumption) or merger and acquisition: Percentage of banking system assets	
		Other (please specify)	
11.10.2.1	11.10.2 What percentage of total bank assets did each	Closure and liquidation	

11.10.2. 2	of these resolution methods account for?	Intervention and open bank assistance	
11.10.2. 3		Transfer of assets and liabilities (incl. purchase and assumption) or merger and acquisition	
11.10.2. 4		Other	
11.10.3	How many months did each of these resolution techniques take on average, from the moment of intervention by the responsible authority to the moment of resolution?		One year
11.11.1		Bank supervisor	Yes
11.11.2		Court	No
11.11.3	11.11 Who is responsible for appointing and supervising a bank liquidator/receiver:	Deposit insurance agency	No
11.11.4		Bank restructuring or Asset Management Agency	No
11.11.5		Other (Please Specify)	No; National Bank of Rwanda
11.12	Is court approval required for supervisory actions, such as superceding shareholder rights, removing and replacing management, removing and replacing director, or license revocation?		No
11.13	Is court order required to appoint a receiver/liquidator in the event of liquidation?		No
11.14	Can the bank shareholders appeal to the court against a decision of the bank supervisor?		Yes
12. Supervision			
12.1	What body/agency supervises banks?		The Central Bank of Rwanda (BNR)
12.1.1	Is there more than one supervisory body?		No
12.1.2	Is there a single financial supervisory agency for the financial sector?		Yes
		(a) the Prime Minister	No
		(b) the Finance Minister or other cabinet level official	Yes
12.2	To whom are the supervisory bodies responsible or accountable?	(c) a legislative body, such as Parliament or Congress	No
		(d) other	No

		(a) the decision of the head of government (e.g. President, Prime Minister)	Yes
		(b) the decision of the Finance Minister or other cabinet level authority	No
12.2.1	How is the head of the supervisory agency (and other directors) appointed?	(c) a simple majority of a legislative body (Parliament or Congress)	No
		(d) a supermajority (e.g, 60%, 75%) of a legislative body	No
		(e) other (Please specify)	No; By the President
12.2.2	Does the head of the supervisory agency (and other directors) have a fixed term?		Yes
	If yes, how long is the term?		The Governor has a six year term
		(a) the decision of the head of government (e.g. President, Prime Minister)	Yes
		(b) the decision of the Finance Minister or other cabinet level authority	No
12.2.3	The head of the supervisory agency can be removed by:	(c) a simple majority of a legislative body (Parliament or Congress)	No
		(d) a supermajority (e.g, 60%, 75%) of a legislative body	No
		(e) other	No
12.3	Are there important differences between what the supervisory agency is expected to do and what is mandated by law?		No
12.4	How many professional bank supervisors are there in total?		12
12.5	How many onsite examinations per bank were performed in the last five years?		15

12.6	What is the total budget for supervision in local currency or dollars(please specify) in 2002?	N/A
12.7	How frequently are onsite inspections conducted in large and medium size banks?	Every two years
12.8	How many of the total bank supervisors have more than 10 years of experience in bank supervision?	Non
12.8.1	What is the average tenure of current supervisors i.e. (what is the average number of years current supervisors have been supervisors)	5 years
12.9	If an infraction of any prudential regulation is found by a supervisor, must it be reported?	Yes
12.9.1	Are there mandatory actions in these cases?	Yes
12.9.2	Who authorizes exceptions to such actions?	Governor
12.9.3	How many exceptions were granted last year?	Non
12.10	Are supervisors legally liable for their actions (e.g., if a supervisor takes action against a bank can he/she be sued) ?	No

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