



BANK OF TANZANIA



ANNUAL REPORT

2019/20



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Bank of Tanzania Annual Report 2019/20

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ISSN 0067-3757



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December 2020

Hon. Dr. Philip I. Mpango (MP)
Minister of Finance and Planning
United Republic of Tanzania
Government City – Mtumba
Hazina Street
P.O. Box 2802
40468 Dodoma
TANZANIA

Honourable Minister,

LETTER OF TRANSMITTAL

In accordance with Section 21 (1) of the Bank of Tanzania Act, 2006 Cap. 197 as amended, I hereby submit:

- a) The report on economic developments and the Bank of Tanzania's operations, in particular, the implementation and outcome of monetary policy, and other activities during the fiscal year 2019/20; and
- b) The Bank of Tanzania Balance Sheet, the Profit and Loss Accounts and associated financial statements for the year ended 30th June 2020, together with detailed notes to the accounts for the year and the previous year's comparative data certified by external auditors along with the auditors' opinion.

Yours sincerely,

Prof. Florens D.A.M. Luoga
Governor
Bank of Tanzania



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Governor's Foreword

This report covering among others annual economic developments in the country for the period ending June 2020, was written when the global environment was still uncertain owing to the negative effects of the COVID-19 pandemic on global economies. Mindful of this, the Bank and the Governments took several measures to lessen or eliminate possible negative impact of the pandemic on our economy. Indeed, these measures, some of which are elaborated in the report, helped significantly to cushion Tanzania's economy from the shock.

It is encouraging to note that, the country continues to be among the fastest growing economies in sub-Saharan Africa, with a real GDP growth of 7.0 percent in 2019, and moderate inflation averaging 3.5 percent in 2019/20. Achievements are also evident in other key macroeconomic indicators as well. Worthy mentioning, credit to the private sector continues to grow amidst softening short-term interest rates; and stable, profitable, and adequately capitalized banking sector. Fiscal policy remains on track leveraging technology on revenue mobilization, and streamlined expenditure towards financing strategic development projects. At the same time, increases in exports have helped built resilience in the external sector.

To preserve these gains in the economy, the Bank seeks to maintain accommodative monetary policy stance, while ensuring inflation remains within a range of 3 to 5 percent. Policy direction will also be geared towards smooth functioning and stability of the financial sector and exchange rate, as well as strong growth of credit to the private sector. Equally important is working with other stakeholders to take forward efforts to advance and accelerate financial development geared at enhancing access to and usage of financial services.

I sincerely thank the Bank of Tanzania Board of Directors for their stewardship in implementing and fulfilling the Bank's mandate. I would also like to extend my appreciation to the Management team and staff for their tireless commitment and dedication in attaining country's financial and economic objectives. Now that Tanzania is a middle-income country, we look forward to sustaining the collaboration with all our stakeholders for even greater achievements.

It is my sincere hope that you will find this Report useful.

Prof. Florens D.A.M. Luoga
Governor
Bank of Tanzania



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Board of Directors

The Board is at the apex of the governance structure of the Bank of Tanzania, and is chaired by the Governor of the Bank of Tanzania, who is also the Chief Executive Officer of the Bank. The Board is mainly responsible for determination of the policy of the Bank and approval of its budget. Bank of Tanzania Board of Directors is composed of the Governor; Deputy Governors; the Permanent Secretary to the Treasury of the Government of United Republic of Tanzania (URT); the Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar (RGoZ); and four non-executive Directors. The Permanent Secretary, Ministry of Finance and Planning of the URT and the Principal Secretary, Ministry of Finance and Planning of the RGoZ may appoint, in writing, persons in the public service to be their representatives. In their capacities as members of the Board, the appointed persons have the powers of the Permanent Secretary or Principal Secretary.



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Board of Directors



Prof. Florens D.A.M. Luoga
Governor, Chairman



Dr. Yamungu M. Kayandabila
Deputy Governor, Economic and
Financial Policies (EFP)



Dr. Bernard Y. Kibesse
Deputy Governor, Financial Stability and
Financial Deepening (FSD)



Mr. Julian B. Raphael
Deputy Governor, Administration and
Internal Controls (AIC)



Mr. Khamis M. Omar
Principal Secretary to the Treasury,
RGoZ



Mrs. Mary N. Maganga
Representative of the Permanent
Secretary to the Treasury of the
Government of URT



Prof. Nehemiah E. Osoro
Director



Mr. Geoffrey I. Mwambe
Director



Mr. Joseph O. Haule
Director



Mr. Joseph A. Meza
Director



Mr. Palloty M. Luena
Secretary



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Bank of Tanzania Mandate, Mission, Vision and Core Values

Mandate:

The primary objective of the Bank of Tanzania, as enshrined in the Bank of Tanzania Act 2006, Cap. 197, is to formulate, define and implement monetary policy directed to the economic objective of maintaining domestic price stability conducive to a balanced and sustainable growth of the national economy. Without prejudice to aforementioned, the Bank also ensures the integrity of the financial system, supports the general economic policy of the Governments, and promotes sound monetary, credit and banking conditions conducive to the development of the economy.

Mission:

Maintain price stability and integrity of the financial system for inclusive economic growth.

Vision:

Attained macro-economic stability, modernized financial system and expanded financial inclusion that supports Tanzania's inclusive industrial economic growth.

Core Values:

The Bank embraces the following core values:

- i. **Integrity:** We uphold high ethical and moral standards in our conduct reflected by honesty, sincerity, truthfulness, and confidentiality in executing our duties;
- ii. **Inclusiveness:** We embrace broad participation, team work and harnessing multiple skills and experiences in discharging our work objectives;
- iii. **Excellence:** We seek to execute our duties professionally, with creativity, innovativeness and continuously striving to improve organizational performance; and
- iv. **Accountability:** We are collectively and individually accountable in discharging our responsibilities



Monetary Policy Framework of the Bank of Tanzania

The monetary policy of framework of the Bank of Tanzania focuses on maintaining domestic price stability by targeting growth rate of money supply. The mainstays of the monetary policy framework are as follows:

Objective of the Monetary Policy

The primary objective of the monetary policy is to maintain price stability, which is defined as low and stable inflation rate over time. The medium-term target is set at 5.0 percent. This target is consistent with the East African Community (EAC) and Southern African Development Community (SADC) convergence criteria of 8.0 percent (set as maximum) and 3.0 to 7.0 percent, respectively. The inflation target is considered appropriate to support a sustainable growth of the economy. To achieve the objective of monetary policy, the Bank focuses on maintaining adequate level of liquidity in the economy and ensuring the stability of short-term interest rates and exchange rate.

Intermediate Target

The Bank of Tanzania controls inflation by managing the growth of extended broad money supply (M3). This is used as an intermediate target variable because it is estimated to have the closest relationship with the rate of inflation. M3 comprises of currency in circulation outside the banking system and deposits of residents with banks, including foreign currency deposits.

Operating Target

To influence growth of M3, the Bank of Tanzania controls growth of reserve money, elsewhere referred to as base money or high powered money. Reserve money is related to money supply through the money multiplier. It comprises currency in circulation outside the banking system, cash held in the vaults of banks and deposits of banks kept with the Bank of Tanzania in local currency.

Monetary Policy Instruments

A number of instruments are used to conduct monetary policy, including open market operations, i.e., selling or buying debt securities, and sale and purchase of foreign currency in the inter-bank foreign exchange market. Other instruments are repurchasing agreements (repo), reverse repurchase agreements (reverse repo), statutory minimum reserve requirement ratio (SMR) and discount rate. There are also standby intraday and Lombard loan facilities.

Communication

The Bank of Tanzania exercises a high degree of transparency in its decisions. The decisions of the Monetary Policy Committee (MPC) are communicated to banks through post-MPC engagements with Chief Executive Officers (CEOs) of banks, and to the public through the media. In addition, the Bank publishes various periodic reports, which highlight monetary policy stance, the outcome of monetary policy implementation, and developments of the economy at large. The reports are available on the Bank of Tanzania website.



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Modalities for Monetary Policy Implementation

- i. At the beginning of every fiscal year, the Bank sets annual monetary policy targets in its Monetary Policy Statement, in accordance with the broader macroeconomic policy objectives of the Governments.
- ii. The Monetary Policy Statement is approved by the Bank's Board of Directors and submitted to the Minister of Finance and Planning, URT, who in turn submits it to the National Assembly.
- iii. The same procedure is applied in the mid-year review of the Monetary Policy Statement, which reports progress on the implementation of the monetary policy, and provides the outlook for the remaining period of the year and measures to be undertaken to achieve the policy objectives.
- iv. The Monetary Policy Committee (MPC) of the Board of Directors of the Bank, which is chaired by the Governor, is responsible for setting the monetary policy direction bi-monthly, in line with the targets set in the Monetary Policy Statement.
- v. The Surveillance Committee of the Bank's Management meets daily to evaluate daily liquidity developments and decide on the measures to be taken in order to keep liquidity within the desired path.



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Executive Summary

The conduct of monetary policy during 2019/20 remained accommodative in order to support the growth of credit to the private sector for supporting economic growth, while ensuring stability in money market interest rates. This policy stance was strengthened by moderate inflation expectations and ongoing investments. The monetary policy measures were amplified in the second half of 2019/20 to cushion the economy from the negative impact of COVID-19 by lowering the statutory minimum reserve (SMR) requirement ratio by 100 basis points to 6.0 percent and cutting discount rate by 200 basis points to 5.0 percent. These measures were augmented by reduction of haircuts on government securities pledged by banks for borrowing from the central bank window. The Bank will sustain accommodative monetary policy in 2020/21 leveraging from the expected low inflation.

Responding to the accommodative monetary policy, credit to the private sector grew at an average of 8.1 percent in 2019/20, compared with 6.8 percent in 2018/19. Following developments in credit growth, extended broad money supply (M3) expanded at an average rate of 10.0 percent compared with 5.2 percent in the preceding year. Overnight interbank cash market interest rate remained low and stable, averaging at 4.4 percent, compared to 3.5 percent recorded in 2018/19. Rates offered and charged by banks on deposits and lending declined, albeit at varying magnitudes across maturities, partly responding to sustained accommodative monetary policy measures.

In general, government securities auctions were oversubscribed with preference skewed towards long-term maturity, especially 15- and 20- year bonds. Reflecting an adequate level of liquidity in the system, the overall Treasury bills

weighted average yield eased to 5.85 percent in 2019/20 compared to 8.16 percent in the preceding year. Likewise, yields across all Treasury bond maturity spectrum were lower in 2019/20, compared with yields in the preceding year.

Inflation remained at single-digit and below the medium-term target of 5.0 percent throughout 2019/20. The rate was also in line with the East African Community (EAC) and Southern African Development Community (SADC) convergence criteria of not more than 8.0 percent and 3.0 to 7.0 percent, respectively. Annual headline inflation averaged 3.5 percent compared with 3.2 percent in 2018/19, owing to an increase in prices of some food items. Inflation is expected to be subdued and below the medium-term target of 5.0 percent in 2020/21, supported by anticipated adequate food supply in the country, adequate power supply, low oil prices in the world market, and prudent monetary and fiscal policies.

Tanzania continued to record strong economic growth and remained among the fastest growing economies in sub-Saharan Africa. Real gross domestic product (GDP) grew by 7.0 percent in 2019 same as in 2018, underpinned by strong performance in construction, agriculture, mining and quarrying, and transport and storage activities. Activities that recorded the highest growth were mining and quarrying, construction, transport and storage, and administrative and support services. Agriculture continued to account for the largest share in GDP, at 26.5 percent, followed by construction (14.3 percent), wholesale and retail trade (8.8 percent) and manufacturing (8.5 percent). GDP growth is projected to remain fairly strong in 2020, but lower than in 2019, reflecting the adverse impact of COVID-19 on some sectors of the economy, particularly tourism, hotels and accommodation, wholesale and retail



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trade, education, international travel and social activities.

The Government continued to rationalize its fiscal policy by strengthening measures to improve revenue collection and streamline expenditure based on budget estimates, available resources and priorities. During 2019/20 domestic revenue was higher than in the preceding year by 13.5 percent and was equivalent to 14.6 percent of GDP. Government expenditure was equivalent to 16.8 percent of GDP. During the year, government budgetary operations registered an overall deficit that was equivalent to 1.4 percent of GDP and was within the EAC and SADC convergence threshold of not more than 3.0 percent. The deficit was financed through foreign and domestic borrowing.

The stock of national debt recorded an annual increase of 4.6 percent in 2019/20 but remained below sustainability thresholds, implying low risk of debt distress. Public and public guaranteed debt remained dominant, accounting for 82.6 percent of the debt stock and was equivalent to 39.1 percent of GDP, lower than 39.9 percent recorded in the preceding year.

The balance of payments improved to a surplus, owing to narrowing of current account deficit. During 2019/20, current account deficit was equivalent to 1.4 percent of GDP compared with 3.5 percent in the preceding year on account of increase in the value of goods export and a decline in import bill. Gross official reserves were USD 5,184.7 million at the end of June 2020 sufficient to cover about 6 months of projected imports of goods and services. The import cover was above the country's benchmark of at least 4 months and EAC convergence benchmark of not less than 4.5 months.

The shilling remained stable against the US dollar throughout 2019/20, supported by low and stable inflation, moderate current account

deficit, prudent monetary and fiscal policies and measures taken to ensure orderly functioning of the foreign exchange market. Likewise, the trade price index, a measure of terms of trade, remained favorable in 2019/20, exhibiting an upward trend since the fourth quarter of 2018.

The financial sector expanded and remained sound and stable. The banking sector, which dominates provision of financial services, remained profitable, adequately capitalized, with a satisfactory level of liquidity and improved asset quality, despite challenges of relatively high non-performing loans. All banking sector performance indicators were within the regulatory requirements. The ratios of core capital and total capital to total risk weighted assets and off-balance sheet exposures, were 16.9 percent and 17.9 percent at the end of June 2020, compared with regulatory requirements of 10 percent and 12 percent, respectively. The ratio of non-performing loans (NPLs) to gross loans was 10.8 percent at the end of June 2020, compared to 10.7 percent at the end of June 2019. The Bank of Tanzania in collaboration with banks has taken several measures to contain NPLs at not more than 5 percent. The measures include improvement of credit-underwriting process, use of credit reference system to reduce exposure to credit risk, and enhancement of loan recovery efforts.

In ensuring broader access and usage of financial services, the Bank issued the Microfinance Regulations, 2019, and Bank of Tanzania Financial Consumer Protection Regulations, 2019. The aim was to implement the Microfinance Act, 2018 and protect consumers from unfair banking services and misconduct in the banking sector, respectively. Agent banking business continued to grow in terms of number of agents as well as volume and value of transactions. This has facilitated deposits mobilization and increased proportion of the bankable population.



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Payment systems in the country continued to operate smoothly with a significant increase in the volume of transactions in the Tanzania Interbank Settlement System (TISS) and Tanzania Automated Clearing House (TACH). Usage of financial services that includes merchants' payment using Quick Response (QR) code, virtual prepaid cards, MasterPass and MVisa have increased. Mobile money transactions recorded an annual growth of 21.8 percent in volume and 8.9 percent in value from 2018/19 levels. The number of active accounts in mobile money system reached 27.2 million at the end of June 2020 from 22.3 million at the end of June 2019, with more than 623,867 agents. To enhance and broaden interoperability, the Bank is working with stakeholders to facilitate interoperability at the level of digital financial services providers.

Zanzibar economy continued to perform well, growing by 7.0 percent in 2019, mainly driven by accommodation and food services, manufacturing and livestock. Activities that recorded strong performance were manufacturing, livestock, public administration and accommodation and food services. Projections for 2020 point to a slowdown in the growth, largely attributed to the impact of COVID-19 pandemic on tourism related activities.

Inflation in Zanzibar remained low in 2019/20 and below the medium-term target of 5.0 percent. Annual headline inflation averaged 3.8 percent in 2019/20, above 3.3 percent in 2018/19 due to increase in food inflation. Inflation is projected to remain low in 2020/21, owing to expected satisfactory food supply and moderation of fuel prices in the world market.

The Revolutionary Government of Zanzibar continued to enhance revenue collection efforts and expenditure management based on available resources and priorities. Domestic revenue grew by 5.2 percent from the amount

collected in 2018/19 and was equivalent to 19.1 percent of GDP, same as in 2018/19. Government fiscal operations recorded an overall deficit of 3.8 percent of GDP, lower than 8.4 percent in 2018/19. The deficit was financed by borrowing from external and domestic sources.

Zanzibar's debt stock, which includes domestic and external debt, at the end of June 2020 was higher than the stock recorded in the corresponding period in 2019 attributed to new loans contracted and disbursed. However, the debt stock was 20.0 percent of GDP, lower than 22.0 percent in 2018/19.

The current account deficit in Zanzibar narrowed to USD 18.6 million in 2019/20 from a deficit of USD 60.1 million in 2018/19. This was largely due to an increase in the value of exports and official inflows.

In 2019, the global economy recorded the weakest growth since the 2008 global financial crisis. The slower growth was largely intensified by trade tensions between US and China, geopolitical tensions, tighter financial conditions and social unrest. Global economic activity slowed to 2.9 percent from 3.6 percent in 2018.

Global average headline inflation was 3.6 percent in 2019, same as in the preceding year, due to subdued global demand in the midst of geopolitical and trade tensions. Global inflation is projected to slow down further to 3 percent in 2020.

In the sub-Saharan Africa, output grew by 3.1 percent in 2019, below 3.2 percent in 2018. The slowdown was mainly due to weak performance in resource-intensive countries. In the SADC region, real GDP growth averaged 2.0 percent in 2019 compared with 3.5 percent in 2018. All member countries recorded positive growth rates except Angola, Namibia and Zimbabwe. Highest growing economies were Tanzania, Madagascar



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and Malawi. Annual headline inflation averaged 12.1 percent in 2019, higher than 8.2 percent in 2018, attributed to higher food prices and currency instability in Angola, Malawi, Zambia and Zimbabwe. Tanzania's intra-SADC trade grew by 19.1 percent to USD 1,914.5 million in 2019.

Economic growth in the EAC region averaged 5.9 percent in 2019 compared with 6.0 percent in 2018. Rwanda was the fastest growing economy, while Burundi was the least growing economy.

Annual headline inflation averaged 2.6 percent in 2019 compared with 1.9 percent in 2018. The increase was mainly due to rise in prices of some food items. Nevertheless, all countries in the region recorded annual headline inflation below the EAC convergence ceiling of 8.0 percent. Tanzania's intra-EAC trade increased to USD 937.8 million in 2019 from USD 727.4 million in 2018.



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PART I

CONDUCT OF MONETARY POLICY



CONDUCT OF MONETARY POLICY

1.1 Monetary Policy Targets and Performance

In support of 2019/20 broader macroeconomic objectives of the Governments, the Bank continued to pursue accommodative monetary policy focusing on maintaining the targeted single digit headline inflation rate, while supporting growth of credit to the private sector and ensuring stability in the money market interest rates. In this regard, the Bank aimed at achieving the following monetary policy targets by the end of June 2020:

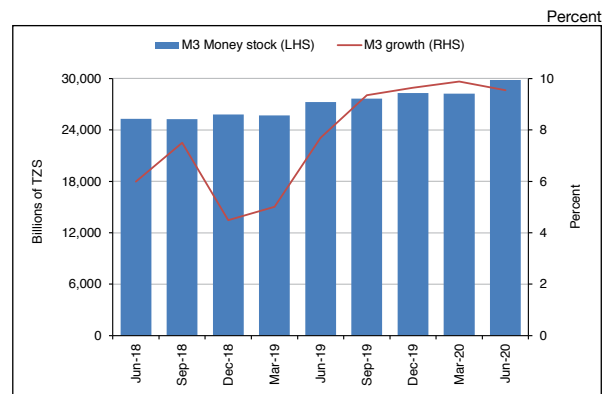
- i. annual growth of reserve money of 9.0 percent;
- ii. annual growth of extended broad money (M3) of 10.0 percent;
- iii. annual growth of private sector credit of 13.5 percent; and
- iv. adequate foreign exchange reserves of at least 4.0 months of projected imports of goods and services.

In 2019/20, the Bank of Tanzania ensured sufficient supply of liquidity in the banking system, benefiting from the subdued inflation rate that remained below the medium-term target for the entire review period. Liquidity easing policy actions that were taken include lowering the Statutory Minimum Reserves (SMR) on private sector deposit liabilities from 8.0 percent to 7.0 percent and widening the reserve averaging band from 10.0 percent to 20.0 percent from July 2019. The liquidity easing stance was intensified in the second half of 2019/20, to cushion the economy from the adverse impact of COVID-19 by an additional cut of the SMR requirement ratio and the discount rate to 6.0 percent and 5.0 percent, respectively. The measures were augmented by reduction of haircuts on government securities pledged by banks for borrowing from the central bank windows, from 10.0 percent to 5.0 percent for securities maturing within one year, and from 40.0 percent to 20.0 percent for securities with

remaining maturity of more than a year. Alongside these policy measures, the Bank deployed instruments for injection of liquidity including auctioning of reverse repo, forex purchase from the interbank foreign exchange market and providing standby credit facilities.

Consistent with the monetary policy measures pursued during the year, annual growth of extended broad money supply (M3) picked up in 2019/20, growing at an average of 10.0 percent in line with the target, and was above 5.2 percent recorded in the corresponding period in 2018/19 (**Chart 1.1**).

Chart 1.1: Money Supply



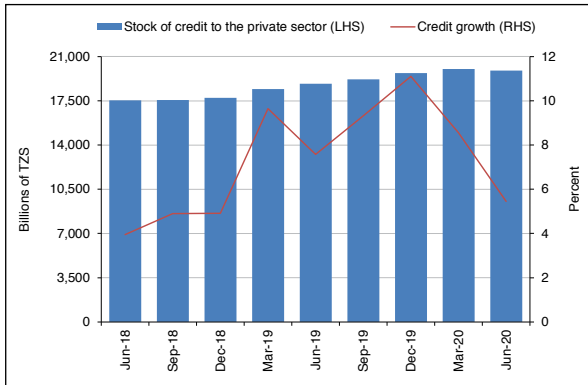
Source: Bank of Tanzania and banks
Note: RHS denotes right-hand scale; and LHS, left-hand scale

Total credit by the banking system, comprising of credit to the Government and private sector, increased by 2.5 percent in 2019/20, slower than 17.4 percent in the preceding year, driven mainly by decline in government borrowing from the banking system. Private sector credit growth was fairly strong at an average of 8.1 percent in 2019/20, compared with 6.8 percent in 2018/19 (**Chart 1.2**). The average growth was strong relative to many peer countries in sub-Saharan Africa, notwithstanding the impact of COVID-19 outbreak that led to a decline in new loans in the second half of 2019/20.



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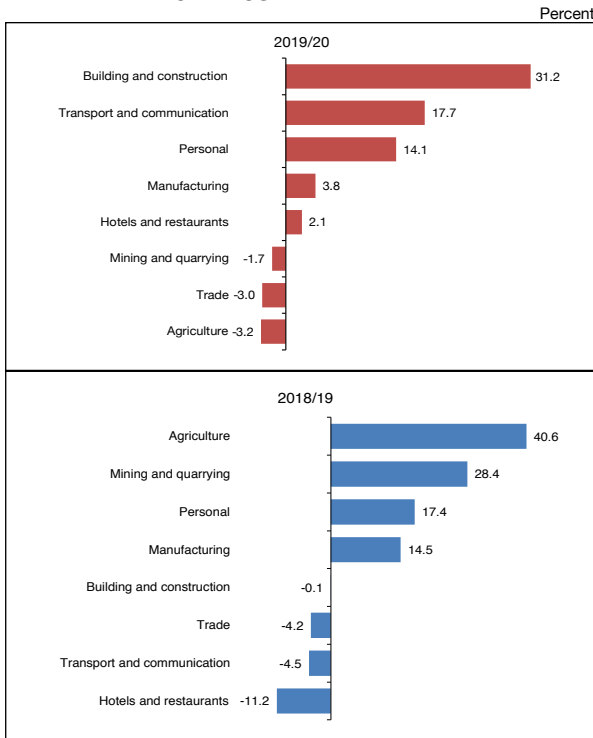
Chart 1.2: Credit to Private Sector



Source: Bank of Tanzania and banks
Note: RHS denotes right-hand side; and LHS, left-hand scale

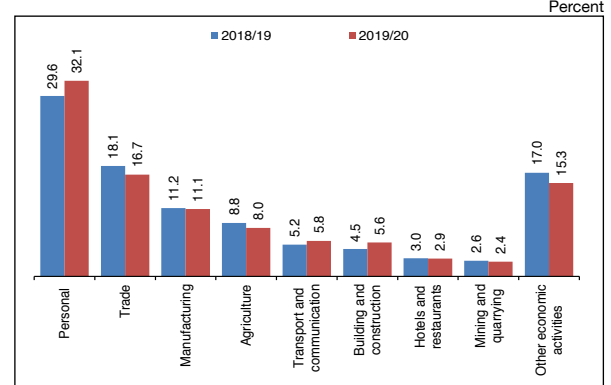
During the review period, expansion of credit to private sector was more pronounced in building and construction, transport and communication, and personal related activities (small and medium enterprises) (**Chart 1.3a**). Personal related activities, trade and manufacturing continued to account for the largest share of the outstanding credit at 32.1 percent, 16.7 percent and 11.1 percent, respectively (**Chart 1.3b**).

Chart 1.3a: Annual Growth Rates of Banks' Credit to Major Economic Activities



Source: Banks and Bank of Tanzania computations

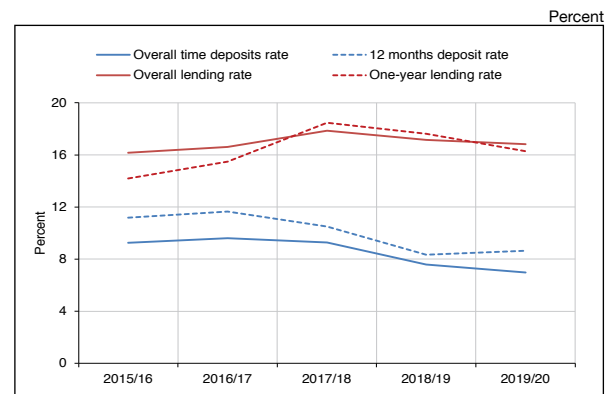
Chart 1.3b: Share of Outstanding Credit by Banks to Major Economic Activities



Source: Banks and Bank of Tanzania computations
Note: Other economic activities include fishing, forest, hunting, financial intermediaries, mining and quarrying, real estate, mortgage, leasing, tourism, warehousing and storage, gas, water, education and health

In 2019/20, banks' deposit and lending rates recorded a downward trajectory, albeit at varying magnitudes across maturities, responding to sustained accommodative monetary policy measures. Specifically, overall time deposit rate averaged 6.98 percent, compared with 7.58 percent in the preceding year, while overall lending rate averaged 16.82 percent, compared with 17.14 percent. One-year deposit and lending rates averaged 8.65 percent and 16.27 percent, compared with 8.33 percent and 17.61 percent respectively. In line with the developments, interest rate spread between one-year lending rate and deposit rate narrowed to an average of 7.62 percentage points from 9.28 percentage points recorded in 2018/19 (**Chart 1.4**).

Chart 1.4: Selected Banks' Interest Rates



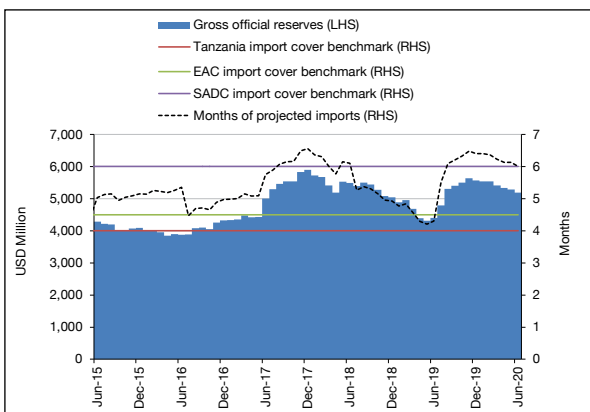
Source: Banks and Bank of Tanzania computations



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Gross foreign exchange reserves remained adequate, amounting to USD 5,184.7 million at the end of June 2020, higher than USD 4,432.6 million at the end of June 2019. The increase was on account of purchase of foreign exchange from the Government and banks following higher official inflows and export earnings, particularly from gold, manufactured goods and cashew nuts. The reserves were sufficient to cover 6.0 months of projected imports of goods and services, above the country benchmark of at least 4.0 months and East African Community (EAC) benchmark of a minimum of 4.5 months (**Chart 1.5**).

Chart 1.5: Gross Foreign Exchange Reserves Development

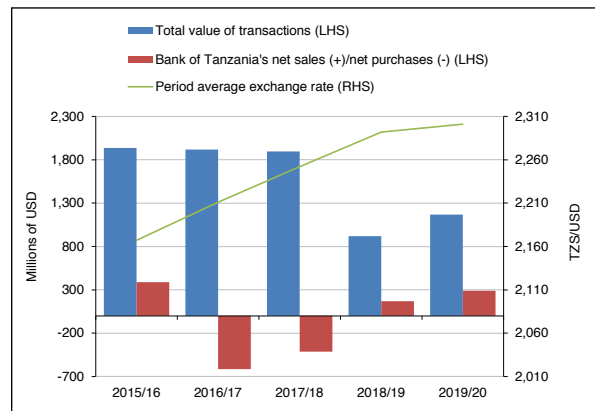


Source: Bank of Tanzania

1.2 Exchange Rates

The shilling was fairly stable against the US dollar throughout 2019/20, supported by low and stable inflation, moderate current account deficit, prudent monetary and fiscal policies, and measures taken to ensure orderly functioning of the foreign exchange market. On average, the shilling traded at TZS 2,305.10 per US dollar, compared with TZS 2,293.08 per US dollar in 2018/19; equivalent to a depreciation of 0.4 percent, compared with a depreciation of 1.8 percent in 2018/19. The Bank of Tanzania participated in the interbank foreign exchange market mainly for liquidity and reserve management purposes with a net purchase of USD 288.35 million, equivalent to 24.6 percent of the total market turnover (**Chart 1.6**).

Chart 1.6: Inter-Bank Foreign Exchange Market Transactions

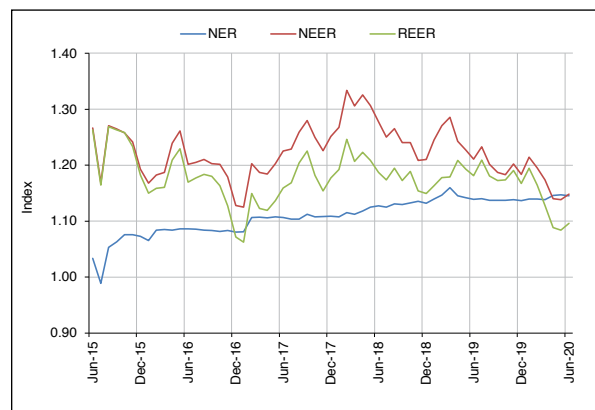


Source: Bank of Tanzania

Note: LHS denotes left-hand scale; and RHS, right-hand scale

Likewise, trade-weighted exchange rates—nominal effective exchange rate (NEER) and real effective exchange rate (REER)—remained stable during the financial year reflecting the stability of the nominal exchange rate and low inflation differential with main trading partners (**Chart 1.7**).

Chart 1.7: Trade-Weighted Exchange rates Movement



Source: Bank of Tanzania

1.3 Inter-Bank Cash Market

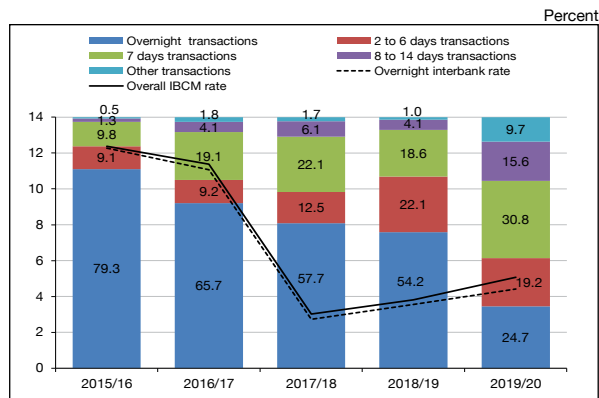
The inter-bank cash market (IBCM) remained vibrant with higher volume of transactions compared to 2018/19, reflecting increased demand for shilling liquidity to support various economic activities. Total market transactions amounted to TZS 14,988.3 billion up from TZS 12,205.7 billion, with transactions of 7-day maturity accounting for 30.8 percent of the total. Overnight placements,



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which used to hold the largest share in the IBCM transactions, accounted for 24.7 percent of total transactions. In line with market developments, overnight IBCM rate remained low and stable at an average of 4.42 percent compared with 3.55 percent recorded in the preceding year (**Chart 1.8**).

Chart 1.8: Inter-bank Cash Market Transactions

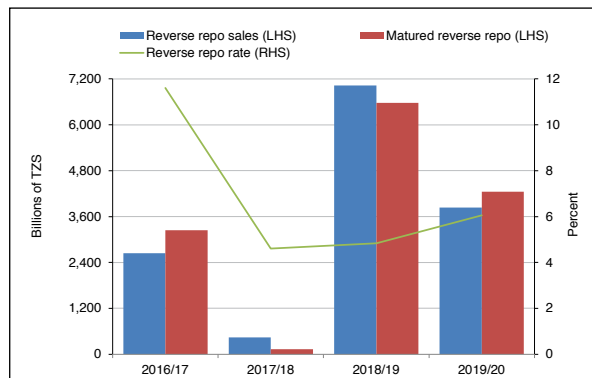


Source: Bank of Tanzania

1.4 Repurchase Agreements

In line with the monetary policy stance, the Bank of Tanzania maintained reverse repo operations to fine-tune short-term liquidity fluctuations among banks. The Bank auctioned reverse repurchase agreements (reverse repo) worth TZS 3,835.6 billion in line with demand for shilling liquidity in the money market. The amount was lower than TZS 7,032.8 billion traded in 2018/19. Reverse repo rate averaged 6.06 percent in 2019/20 compared with 4.83 percent in the preceding year.

Chart 1.9: Reverse Repo Transactions



Source: Bank of Tanzania

Note: LHS denotes left-hand scale; and RHS, right-hand scale



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PART II

ECONOMIC PERFORMANCE



1.0 Domestic Economic Developments

1.1 Output, Prices and Food Supply

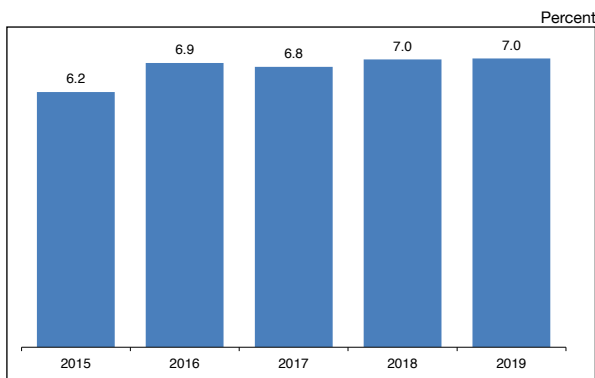
Aggregate Supply

The Tanzania economy continued to be among the fastest growing economies in sub-Saharan Africa. In 2019, the economy performed strongly with a real Gross Domestic Product (GDP) growth of 7.0 percent as projected and same as in 2018 (**Chart 1.1a**). The main growth drivers were construction, agriculture, mining and quarrying, and transport and storage activities (**Chart 1.1b**). The fastest growth rates were registered in mining and quarrying, construction, transport and storage, and administrative and support services (**Chart 1.1c**). Agricultural activity accounted for the largest share of GDP at 26.5 percent followed by construction (14.3 percent), trade and repair (8.8 percent) and manufacturing (8.5 percent) (**Chart 1.1d**)¹.

In nominal terms, GDP was TZS 139.9 trillion in 2019, up from TZS 129.0 trillion in 2018. Income per capita increased to TZS 2,502,986.6 from TZS 2,452,405.8 during the same period.

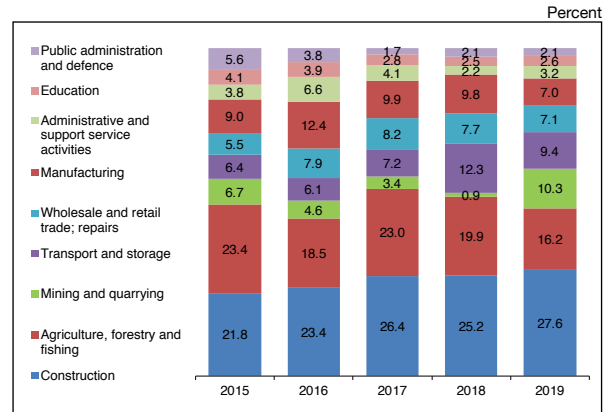
Following good economic performance over years, the World Bank announced Tanzania to be a lower-middle income economy in July 2020, a target which was planned to be attained in 2025.

Chart 1.1a: Real GDP Growth



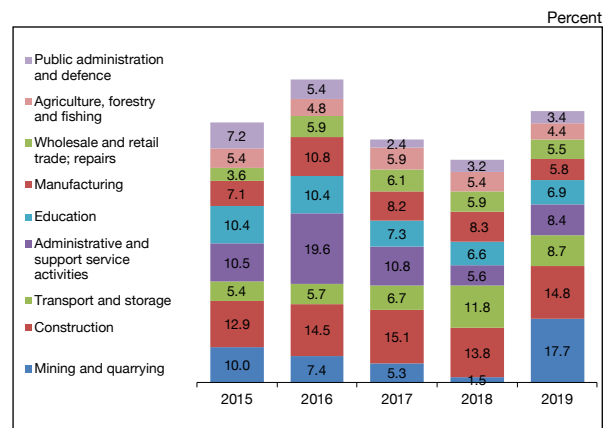
Source: National Bureau of Statistics

Chart 1.1b: Contribution to GDP Growth by Activity at Constant 2015 Prices



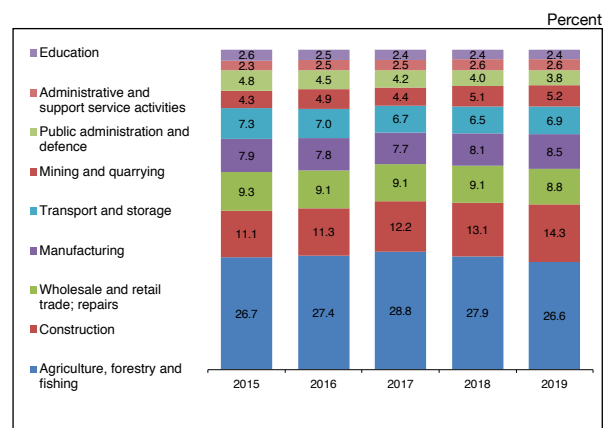
Source: National Bureau of Statistics

Chart 1.1c: Growth by Activities at Constant 2015 Prices



Source: National Bureau of Statistics

Chart 1.1d: Shares of GDP by Activities at Current Prices



Source: National Bureau of Statistics

¹ Full details of contribution to GDP Growth, growth, and share of GDP by activity at current prices are in the statistical annex tables



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BOX 1: Tanzania Attains Middle Income Status

The World Bank classifies the world's economies into four income groups: high, upper-middle, lower-middle, and low. The classification/threshold is based on Gross National Income (GNI) per capita (current USD) calculated using the World Bank Atlas method. New thresholds are determined at the start of the World Bank's fiscal year in July and remain fixed for 12 months regardless of subsequent revisions of growth estimates. The income classifications are based on the GNI of the previous calendar year. The classification of countries is determined by two factors:

- a. A country's GNI per capita, which can change with economic growth, inflation, exchange rates, and population. Revisions to national accounts methods and data can also influence GNI per capita.
- b. Classification threshold: The thresholds are adjusted for inflation annually using the SDR deflator.

In July 2020, the World Bank published new thresholds for income classification, which have increased from last year owing to Special drawing rights (SDR) inflation. The new thresholds for classification by income are:

Threshold	July 2019 (Old in USD)	July 2020 (New in USD)
Low income	< 1,026	< 1,036
Lower-middle income	1,026 – 3,995	1,036 – 4,045
Upper-middle income	3,995 – 12,375	4,046 – 12,535
High income	> 12,375	> 12,535

Source: World Bank

According to GNI per capita data for 2019 released by the World Bank, Tanzania's GNI per capita is USD 1,080. Other sub-Saharan countries which have achieved the middle income status are: Angola, Benin, Botswana, Cape Verde, Cameroon, Comoros, Republic of the Congo, Cote d'Ivoire, Equatorial Guinea, Eswatini, Gabon, Ghana, Kenya, Lesotho, Mauritania, Mauritius, Namibia, Nigeria, Sao Tome and Principe, Senegal, Seychelles, South Africa, Zambia and Zimbabwe.

Implications on Tanzania Economy:

- a. Increase in non-concessional loans which will be used to finance development projects timely. Tanzania can access more of commercial loans depending on terms and ability to repay back. With this in mind, the country can now borrow from the International Bank for Reconstruction and Development (IBRD) and ADB windows of World Bank and AfDB, respectively.
- b. The country will have more independence in using the non-concessional loans without any conditionality and be able to implement development projects using contractors of her choice, while observing management of funds.
- c. Reduction in dependency syndrome where the Government is free to propose, plan and implement development projects geared towards poverty reduction and increased country's wellbeing.



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The economy is projected to grow by 5.5 percent in 2020, lower than in 2019, reflecting the impact of COVID-19 on some activities of the economy, particularly tourism, hotels and accommodation, wholesale and retail trade, education, and international travel. The projected growth is relatively higher compared to our peers following government policy decision of not imposing lockdown on economic activities during the outbreak of the disease and accommodative monetary conditions. Activities expected to drive the economy include agriculture, mining and construction. The growth in agriculture is projected to be influenced by favourable weather conditions, while growth in mining activities is attributed to higher world market prices of gold and enhanced management of the sector. Growth momentum is projected to recover in 2021 and beyond.

Agriculture

Agriculture, comprising of crops, livestock, forestry, fishing and agricultural support services, grew by 4.4 percent in 2019, slower than 5.3 percent of 2018 due to unfavourable weather conditions. Growth is projected to improve as result of good weather conditions, improved management and sustainable harvesting of forestry products, coupled with increased number of livestock products as well as fish and fish products produced. Crops sub-activity grew by 4.4 percent slightly lower than 5.1 percent in 2018.

Value addition in livestock production and its products rose to TZS 8.7 trillion in 2019 from TZS 8.3 trillion in the previous year, equivalent to 5.0 percent growth. This outturn was largely attributed to increase in production of beef, milk, hides and skins following improvement and investment in modern animal husbandry.

Value addition in fishing sub-activity increased by 1.5 percent to TZS 2.2 trillion in 2019 from the level recorded in 2018. This development was

attributed to the increase in the number of fish and fish products harvested following improvement in fishing infrastructure and management.

Forestry grew by 4.8 percent in 2019 attributed to continued government efforts in ensuring proper management, security and sustainable harvesting of forestry products.

Industry and Construction

Industry and construction activity, which includes mining and quarrying, manufacturing, construction, electricity and gas supply, as well as water supply and sewage, grew by 11.8 percent in 2019 compared with 9.7 percent in 2018. Construction, which contributed 27.5 percent of GDP, grew by 14.1 percent in 2019, mainly associated with on-going infrastructural projects including: Standard Gauge Railway (SGR); Ubungu interchange; construction and expansion of ports, airports, roads and bridges; and building of ships and ferries in major lakes.

Manufacturing² sub-activity grew by 5.8 percent in 2019 compared with 8.3 percent in 2018, supported by stability in power supply and availability of raw materials, coupled with expansion in market outreach including regional markets. Major industrial products whose production increased during the review period were food items including soft drinks, cooking oil, wheat flour, sugar; and building materials—cement, timber, iron sheets, paints and sisal ropes. The highest increase was registered in cement production, with a 36.7 percent growth.

In 2019, value added in mining and quarrying³ sub-activity was higher than in 2018, expanded by 17.7 percent in real terms compared with 1.5 percent. This growth was largely driven by an increase in production of natural gas to meet demand by Tanzania National Electricity Supply

² It includes physical or chemical transformation of materials, substances, or components into final or semi-processed goods.

³ Mining and quarrying includes activities of extraction of minerals occurring natural as solids (coal and ores), liquids (petroleum) or gases (natural gas).



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Company for electricity generation and industries as source of power. Production of natural gas grew by 8.3 percent to 63,821 million standard cubic feet in 2019. Moreover, the recorded growth in this sub-activity was attributed to measures taken to improve management of mining activities and to curb smuggling, which include establishment of mineral trading centres, and promoting use of locally produced coal. Production of coal increased to 712,136 tonnes in 2019 from 627,652 tonnes in the preceding year.

Electricity sub-activity which involves generation, transmission and distribution, increased by 7.2 percent in 2019 higher than 5.8 percent in 2018, following major investments undertaken by the Government in power generation and natural gas transportation infrastructure and sufficient rainfall experienced during the period under review.

Electricity generated for consumption in 2019 was 7,749.0 million kWh compared with 7,425.2 million kWh in 2018 (**Table 1.1**). Hydropower generation accounted for 31.4 percent of total power available for distribution, while thermal power generation accounted for 45.2 percent. Out of thermal power generated, 99.1 percent was from gas-powered turbines. Following increase in power generation, the share of imported electricity to total power supply declined to 1.5 percent from 1.6 percent in 2018.

Table 1.1: Electricity Generation and Imports

Source	2015	2016	2017	2018	2019
'000' kWh					
Domestic production	6,580,105.7	8,645,692.0	7,199,581.5	7,307,623.3	7,635,737.4
Hydropower	2,107,622.0	2,355,632.5	2,326,541.0	2,204,758.6	2,431,756.9
Thermal power	1,721,687.4	4,254,341.6	3,099,243.0	3,340,664.5	3,505,556.6
Diesel-grid	802,509.5	3,441.7	148,759.0	30,765.8	821.2
Gas	721,337.9	4,060,047.7	2,761,343.0	3,309,898.7	3,504,735.4
Isolated units	197,840.0	190,852.2	189,141.0	179,940.3	122,986.4
Hydropower	0.0	17,472.0	0.0	0.0	0.0
Diesel	102,067.5	78,901.4	93,456.0	88,507.2	43,220.0
Gas (Mtwara and Somanga)	95,772.6	93,984.0	95,685.0	91,433.1	79,766.4
Biomass	0.0	494.8	0.0	0.0	0.0
Integrated power projects	2,552,956.3	1,844,865.7	1,584,656.5	1,582,259.9	1,575,437.6
Biomass	14,512.9	29,093.4	22,840.5	14,594.4	14,121.0
Diesel	961,662.1	170,609.0	52,427.7	49,732.4	1,016.7
Hydropower	16,654.3	41,559.0	44,376.2	49,732.4	46,380.5
Gas	1,560,127.0	1,603,604.3	1,465,012.1	1,468,200.8	1,513,919.4
Imports	71,317.3	101,537.9	105,793.0	117,531.6	113,242.0
Uganda	62,080.0	72,809.2	79,317.0	87,954.4	81,123.0
Zambia	7,108.3	8,033.8	2,456.0	29,153.5	32,119.0
Kenya	2,129.0	20,694.9	24,020.0	423.7	0.0
Total electricity available for distribution	6,651,423.0	8,747,229.9	7,305,374.5	7,425,154.9	7,748,979.4

Source: Tanzania National Electricity Supply Company

Services

Services activity⁴ grew by 6.1 percent in 2019 driven by growth in administrative and support services (8.4 percent), education (6.9 percent), and financial and insurance (4.5 percent). The three sub-activities accounted for 22.6 percent of this activity.

The good performance in the financial and insurance services was mainly attributed to the reduction of the discount rate and SMR. Performance in administrative and support services, which involve transport services, tourism services, security and support services in government offices, was attributed to improvement in coordination of transport and tourism services.

Gross National Income

Gross National Income (GNI) increased to TZS 126,313.9 billion in 2019 from TZS 117,458.8 billion in the preceding year, driven by gross domestic product.

Gross national disposable income (GNDI)⁵ increased to TZS 127,271.5 billion from TZS

⁴ Services activity includes wholesale and retail trade, transport and storage, accommodation and food services, information and communication, financial and insurance, real estate, education, health, arts and entertainment, professional and administrative activities.

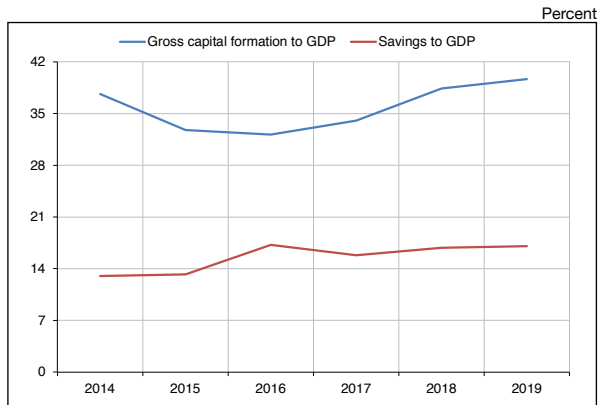
⁵ GNDI comprises compensation of employees, property income, current transfers, and operating surplus.



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118,519.5 billion. Final consumption expanded by 5.7 percent and accounted for 72.9 percent of GNDI. It is worth noting that savings ratio to GDP increased to 17.1 percent from 16.8 percent, mainly explained by higher levels of domestic saving attributed to increase in domestic revenue collection. Likewise, investment ratio to GDP was 39.7 percent, higher than 38.4 percent in 2018, attributed to increase in income levels that stirred an upsurge in investment projects particularly in construction and transportation (**Chart 1.2**). **Table 1.2** provides details of GNI and its components.

Chart 1.2: Savings and Investment Ratios



Source: National Bureau of Statistics

Table 1.2: Gross National Income at Current Market Prices

	Billions of TZS				
Nominal	2015	2016	2017	2018	2019
Gross national income (GNI)	85,046.6	97,344.4	106,772.4	117,458.8	126,313.9
GDP (at basic price)	86,484.7	99,423.7	108,956.8	118,874.2	128,608.3
Net primary income from ROW	-1,438.0	-2,079.3	-2,184.5	-1,415.5	-2,294.6
Primary income receivable	218.9	214.5	279.4	353.1	486.2
Less primary income payable	1,656.9	2,293.8	2,463.8	1,768.6	2,780.8
Gross national disposable income (GNDI)	85,999.6	98,174.8	107,668.3	118,519.5	127,271.5
Final consumption	69,619.6	74,761.7	81,577.2	87,737.9	92,780.3
Government	9,366.3	9,824.7	10,097.4	10,468.8	10,867.5
Households	60,047.1	64,699.5	71,211.5	76,972.6	81,601.1
Non-profit institutions serving household	206.1	237.5	268.3	296.5	311.7
Savings	12,487.2	18,682.1	18,799.3	21,696.4	23,864.2
Gross capital formation (Investment)	30,907.6	34,865.3	40,427.4	49,522.6	55,474.7
Fixed capital formation	30,070.2	35,492.8	42,141.9	50,390.1	59,530.0
Changes in valuables	903.0	1,105.4	1,006.2	1,215.1	1,273.3
Changes in inventories	-65.6	-1,732.9	-2,720.7	-2,082.6	-5,328.6
Saving-investment gap	-18,420.4	-16,183.2	-21,628.1	-27,826.2	-31,610.5
GDP (at market price)	94,349.3	108,362.3	118,744.5	129,043.9	139,893.8
Memorandum:					
Gross capital formation to GDP	32.8	32.2	34.0	38.4	39.7
Savings to GDP	13.2	17.2	15.8	16.8	17.1
Consumption to GDP	73.8	69.0	68.7	68.0	66.3
Saving-investment to GDP	-19.5	-14.9	-18.2	-21.6	-22.6

Source: National Bureau of Statistics

Note: p denotes provisional data; and ROW, rest of the world

Inflation

Headline inflation remained subdued, below the country medium-term target of 5.0 percent, and East African Community (EAC) and Southern African Development Community (SADC) convergence criteria of not more than 8.0 percent and 3.0 to 7.0 percent, respectively. This was largely due to stability of the exchange rate, subdued oil prices in the world market amid challenges posed by COVID-19 outbreak, and implementation of prudent monetary and fiscal policies. Headline inflation averaged 3.5 percent in 2019/20 compared with 3.2 percent in the preceding year. The increase was on account of food inflation, which rose to an average of 4.8 percent from 1.3 percent in 2018/19. Core inflation—inflation that excludes food and energy prices—averaged 2.4 percent compared with 2.8 percent in the preceding year (**Table 1.3**).

Table 1.3: Average Headline Inflation and its components

Main groups	Weight	2016/17	2017/18	2018/19	2019/20
Headline/All items	100.0	5.3	4.3	3.2	3.5
Food and non-alcoholic beverages	38.5	8.4	6.2	1.3	4.8
Alcoholic, tobacco and narcotics	3.7	4.7	2.1	2.4	0.8
Clothing and footwear	8.3	3.7	3.0	3.3	2.3
Housing, water, electricity, gas and other fuel	11.6	7.6	9.6	11.9	5.6
Furnishing, housing equipment and routine maintenance of the house	6.3	3.6	2.2	3.6	2.8
Health	2.9	4.4	1.8	1.4	1.2
Transport	12.5	0.6	0.7	3.8	1.9
Communication	5.6	-0.7	-0.8	-1.9	0.6
Recreation and culture	1.6	1.6	1.3	0.5	1.0
Education	1.5	1.9	1.6	2.2	1.5
Restaurants and hotels	4.2	3.4	0.5	3.0	2.7
Miscellaneous goods and services	3.1	3.3	2.4	2.1	1.7
Other selected groups					
Food - combining food consumed at home and food consumed in restaurants	37.1	8.7	6.6	2.8	5.7
Energy and fuels - combining electricity and other fuels for use at home with petrol and diesel	8.7	9.2	13.1	16.0	4.2
All items less food (non-food)	62.9	3.3	3.3	5.0	2.7
All items less food and energy	54.3	2.4	1.6	2.8	2.4

Source: National Bureau of Statistics and Bank of Tanzania computations

Inflation is projected to remain low and below the medium-term target of 5.0 percent in 2020/21; supported by expected adequate food supply in the country, adequate power supply, low energy prices in the world market, coupled with prudent monetary and fiscal policies.



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Producer Price Index

Producer Prices Index (PPI) which measures the average prices received by domestic producers for their output increased to 104.2 in the year ending June 2020 from 100.7 in the year ending June 2019 (**Table 1.4** and **Chart 1.3**). Much of the increase was recorded in producer prices for mining and quarrying, manufacturing of paper and paper products, manufactured of basic metals and manufacture of chemical and chemical products. During the year producer price for utility declined from 104.3 to 102.0.

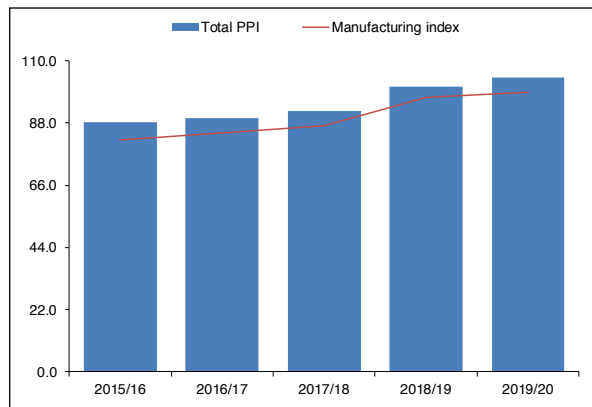
Table 1.4: Producer Price Index

Description	2015/16	2016/17	2017/18	2018/19	2019/20
Mining and quarrying	144.9	101.0	115.5	116.3	123.5
Manufacturing	82.0	84.5	87.1	97.0	98.9
o/w: Food products	72.2	83.4	85.4	98.3	98.0
Paper and paper products	57.4	63.2	63.0	93.1	100.1
Chemicals and chemical products	73.8	79.9	82.8	96.4	101.2
Basic metals	67.3	63.1	78.1	94.3	95.9
Utility	112.4	118.2	117.8	104.3	102.0
Overall producer price index	88.4	89.8	92.4	100.7	104.2

Source: National Bureau of Statistics

Note: Utilities includes electric power generation, transmission and distribution, gas, steam and air conditioning supply, and water collection, treatment and supply

Chart 1.3: Producer Price Index



Source: National Bureau of Statistics

Note: PPI denotes producer price index

Food Supply

Food production in 2019/20 crop season is estimated at 17.7 million tonnes, a 7.5 percent increase compared with the preceding year. This was partly on account of favourable weather condition, acreage expansion, availability of farm inputs coupled with construction and rehabilitation

of irrigation schemes. Meanwhile, the national food requirement in 2020/21 is estimated at 14.3 million tonnes, resulting in a surplus of 3.3 million tonnes when compared with production. This implies a food self-sufficiency ratio (SSR) of 124.0 percent. The food produced comprised of cereals amounting to 10.4 million tonnes and non-cereals 7.3 million tonnes (**Table 1.5**). Food production and requirement by major crops are depicted in **Table 1.6**.

Table 1.5: Food Production

		2015/16	2016/17	2017/18	2018/19	2019/20 ^p
Cereals	Production	9,457,108.0	9,388,771.6	9,537,858.0	9,007,909.0	10,453,823.0
	Requirement	8,355,767.0	8,457,558.0	8,627,272.0	8,754,119.0	9,131,803.0
	Gap/surplus	1,101,341.0	931,213.6	910,586.0	253,790.0	1,322,020.0
	SSR	113.2	111.0	110.6	102.9	114.0
Non-cereals	Production	6,715,733.0	6,512,092.4	7,354,118.0	7,400,400.0	7,288,565.0
	Requirement	4,803,560.0	4,842,476.0	4,942,014.0	5,088,417.0	5,216,152.0
	Gap/surplus	1,912,173.0	1,669,616.4	2,412,104.0	2,311,983.0	2,072,413.0
	SSR	139.8	134.5	148.8	145.4	140.0
Total food	Production	16,172,841.0	15,900,864.0	16,891,974.0	16,408,309.0	17,742,388.0
	Requirement	13,159,326.0	13,300,034.0	13,569,286.0	13,842,536.0	14,347,955.0
	Gap/surplus	3,013,515.0	2,600,830.0	3,322,688.0	2,565,773.0	3,394,434.0
SSR	122.9	119.6	124.5	118.5	124.0	

Source: Ministry of Agriculture

Note: SSR stands for self-sufficiency ratio; and p denotes provisional data; production data are for 2019/20; and food requirement data are for 2020/21

Table 1.6: Food Production in 2019/20 and Requirement for 2020/21 by Major Crops

		Tonnes				
Cereals	Maize	Surghum/ millet	Rice	Wheat	Total	
Production	6,388,446.0	1,043,480.0	2,942,895.0	79,002.0	10,453,823.0	
Requirement	5,737,132.0	2,032,410.0	1,087,646.0	274,615.0	9,131,803.0	
Gap/surplus	651,314.0	-988,930.0	1,855,249.0	-195,613.0	1,322,020.0	
SSR	111.4	51.3	270.6	28.8	114.5	
Percentage share	61.1	10.0	28.2	0.8	100.0	
Non-cereals	Pulses	Banana	Cassava	Potatoes	Total	
Production	1,858,720.0	1,315,608.0	2,485,167.0	1,629,071.0	7,288,566.0	
Requirement	822,568.0	963,064.0	2,404,512.0	1,026,009.0	5,216,153.0	
Gap/surplus	1,036,152.0	352,544.0	80,655.0	603,062.0	2,072,413.0	
SSR	226.0	136.6	103.4	158.8	139.7	
Percentage share	25.5	18.1	34.1	22.4	100.0	

Source: Ministry of Agriculture

Note: SSR stands for self-sufficiency ratio

The stock of food held by the National Food Reserve Agency (NFRA) was 52,725 tonnes at the end of June 2020 (**Table 1.7**). It is worth noting that the stock comprised of maize grain, paddy and sorghum compared with maize only



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stocked in the previous year. During 2019/20, the NFRA sold 35,090.1 tonnes of maize to Prisons Department, World Food Programme, and private traders. NFRA purchased 17,649.6 tonnes of maize, 650.2 tonnes of paddy and 307.2 tonnes of sorghum from farmers.

Table 1.7: Food Stocks Held by NFRA

Period	Tonnes				
	2016	2017	2018	2019	2020
January	125,668.0	86,833.5	91,947.0	93,037.2	43,596.7
February	88,414.0	86,444.0	91,312.7	85,524.5	41,231.0
March	68,727.0	86,443.8	83,650.3	78,336.3	39,597.0
April	64,825.0	86,278.0	73,467.7	68,747.8	38,053.0
May	63,341.0	74,826.0	68,893.4	68,057.7	38,290.5
June	61,837.5	70,393.0	63,843.9	67,335.9	52,724.7
July	49,632.0	68,697.0	62,288.0	67,410.1	
August	59,832.0	78,434.0	62,317.3	68,407.0	
September	86,545.0	85,403.0	78,224.0	61,710.8	
October	90,905.0	89,248.0	87,435.0	55,852.5	
November	90,900.0	93,353.7	92,402.0	52,726.9	
December	89,691.8	92,074.0	95,534.1	52,498.1	

Source: National Food Reserve Agency

Prices of Food and Cash Crops

Wholesale prices of all major food crops were higher in 2019/20 compared to the preceding year, save for finger millet and round potatoes. The increase in prices was attributed to high demand for the crops in the neighboring countries and to some extent domestic demand owing to production shortfalls experienced in Northern and Lake zones during the 2018/19 crop-season.

Table 1.8: Average Wholesale Prices of Food Crops

Item	TZS per 100Kg				
	2015/16	2016/17	2017/18	2018/19	2019/20
Maize	59,777.8	80,861.5	52,655.6	47,745.0	71,261.5
Rice	168,320.5	158,726.0	181,584.6	158,742.4	174,387.9
Beans	161,686.7	168,453.0	170,044.1	160,143.2	188,453.7
Sorghum	83,240.3	104,310.1	85,552.2	75,527.5	102,682.2
Finger millet	112,326.6	124,022.9	146,681.0	77,544.4	74,121.3
Round potatoes	80,599.1	81,355.0	71,068.1	134,706.5	130,235.4

Source: Ministry of Industry and Trade

In 2019/20, average producer prices of traditional cash crops showed mixed trends. Average producer prices of Arabica coffee, green tea, raw cashew nut remained the same as in the preceding year, while those of Robusta coffee and seed cotton increased, and those of sisal and tobacco decreased (**Table 1.9**). The decline in prices of tobacco and sisal reflects subdued demand following disruption of global value chains owing to containment measures adopted by many countries against the spread of COVID-19.

Table 1.9: Producer Prices of Cash Crops

Period	TZS/Kg						
	Coffee		Seed cotton	Green tea	Raw cashew nut	Tobacco VFC	Sisal* UG
2015/16	3,000.0	1,100.0	800.0	232.0	2,000.0	4,548.2	1,800.0
2016/17	4,000.0	1,600.0	1,000.0	264.0	3,500.0	4,663.0	1,800.0
2017/18	3,000.0	1,500.0	1,200.0	302.0	3,797.1	3,930.5	1,750.0
2018/19	2,500.0	1,000.0	1,100.0	314.0	3,300.0	3,496.0	1,710.0
2019/20	2,500.0	1,500.0	1,200.0	314.0	3,300.0	3,230.9	1,700.0

Source: Ministry of Agriculture and Crop Boards

Note: VFC denotes Virginia flue cured; and UG, under Grade; *prices are in USD per tonne

1.2 Financial Markets

In 2019/20, government securities were issued mainly for budgetary operations and financial market development. Government securities auctions were oversubscribed with preference skewed towards long-term maturity, especially 15- and 20- year bonds. This was in line with liquidity conditions in the economy and investors' preferences on Treasury securities following uncertainties in other investment avenues due to outbreak of COVID-19 pandemic. Against this backdrop, money and capital markets rates eased compared to the preceding year.

Government Securities Market

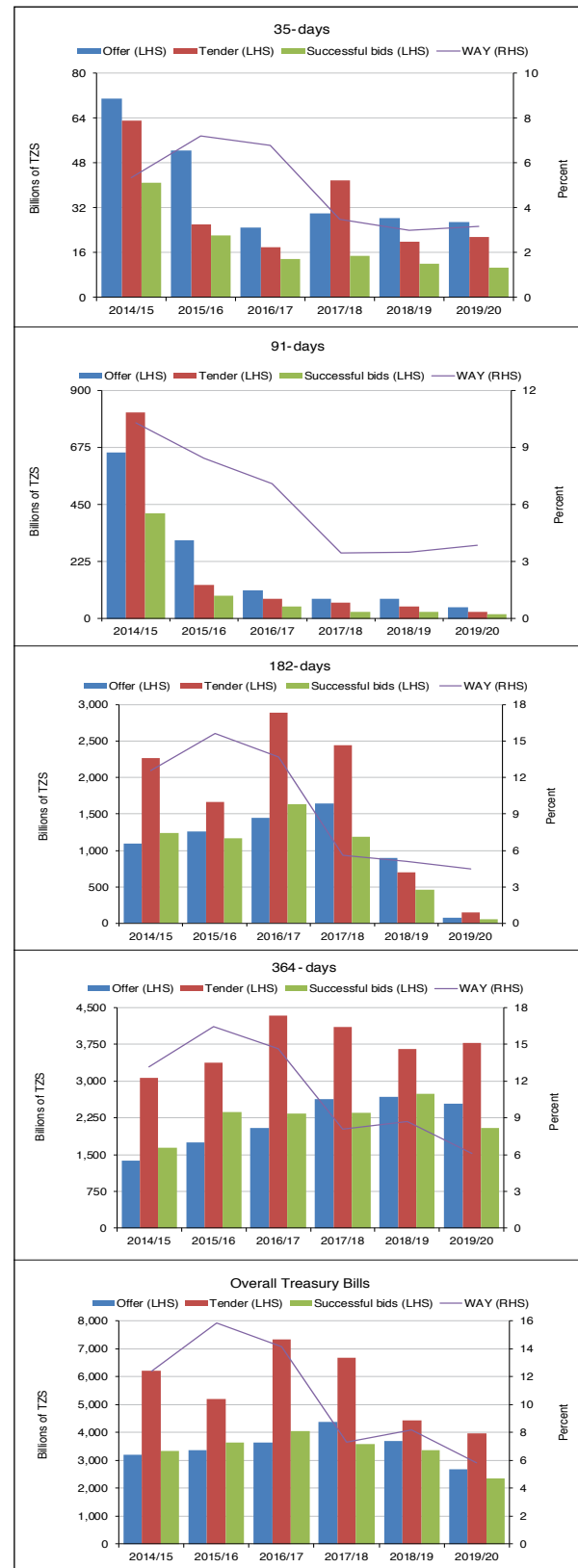
The Bank of Tanzania continued to issue Treasury bills and Treasury bonds in the primary market on behalf of the Government. Subsequently, sales and purchases of Treasury bonds were conducted in the secondary market at Dar es Salaam Stock Exchange and over-the-counter.



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During 2019/20, the Bank of Tanzania reduced Treasury bills⁶ tender size from TZS 141.7 billion per auction to TZS 101.7 billion, in line with the Government Issuance Plan. As a result, the amount of Treasury bills offered declined to TZS 2,684.6 billion from TZS 3,683.0 billion in 2018/19. Bids worth TZS 3,972.2 billion were received, out of which bids valued TZS 2,348.6 billion were successful. Treasury bills worth TZS 3,449.9 billion matured during the year, suggesting less pressure on liquidity through Treasury bills operations as there was net injection of TZS 1,101.3 billion in the economy. Average yields for 182- and 364- day Treasury bills declined, while average yields for 35- and 91- day increased, reflecting investors' appetite (**Chart 1.4**).

Chart 1.4: Developments in Treasury Bills Market



⁶ Treasury bills are money market instruments mostly held by banks (more than 97 percent), which can be traded in the secondary market over the counter or through the Bank of Tanzania re-discount window.

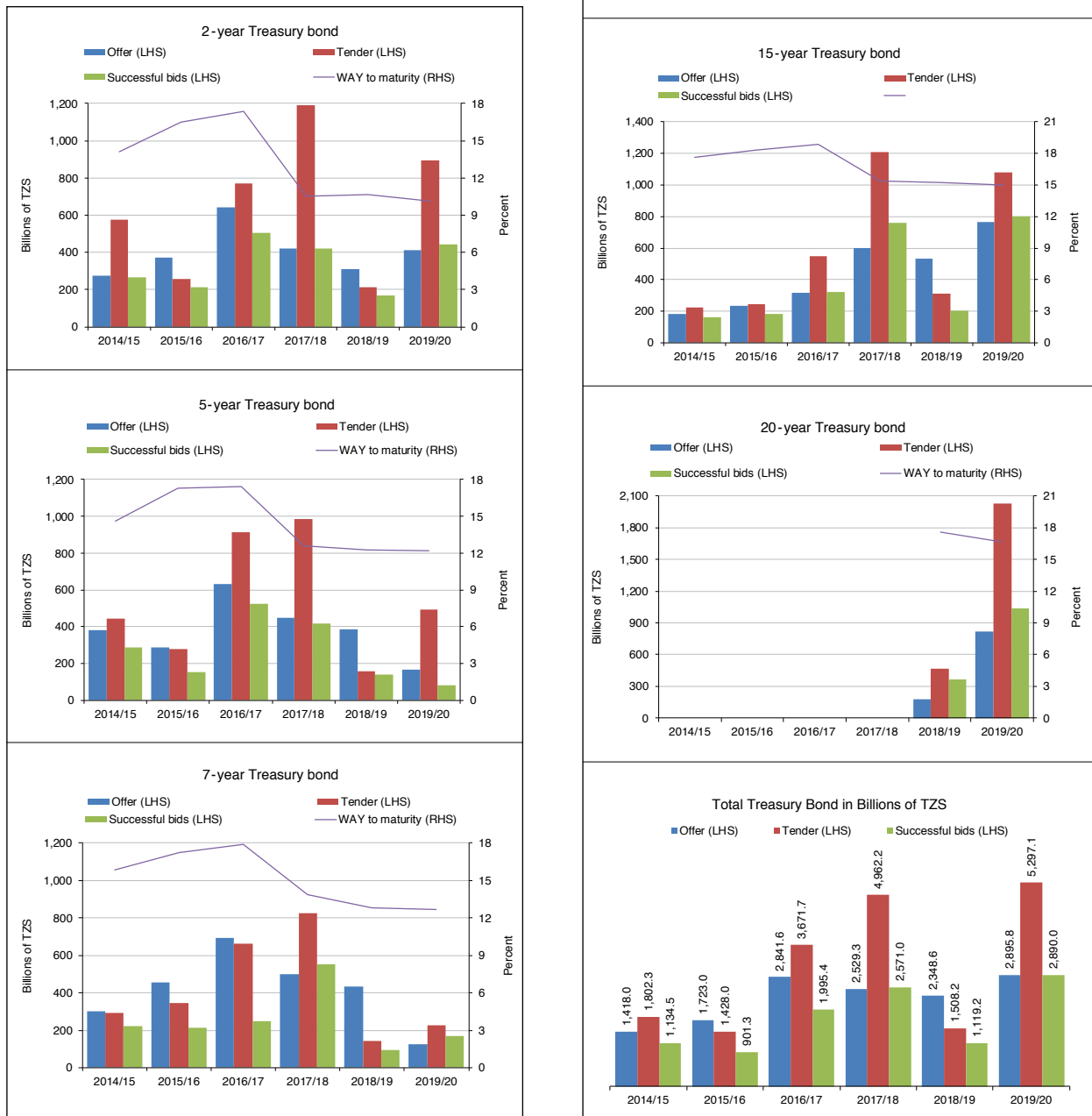
Source: Bank of Tanzania
 Note: LHS denotes left hand scale; RHS, right hand scale; and WAY, weighted average yield



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During 2019/20, the Bank also offered 2-, 5-, 7-, 15- and 20-year Treasury bonds worth TZS 2,895.8 billion in the primary market for government budgetary operations. On average, the auctions were over-subscribed across all maturities, except for the 10-year bond. Bids received amounted to TZS 5,297.1 billion, out of which bids worth TZS 2,890.0 billion were successful (Chart 1.5).

Chart 1.5: Treasury Bonds Performance



Source: Bank of Tanzania
 Note: LHS denotes left hand scale; RHS, right hand scale; and WAY, weighted average yield



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Value of Treasury bonds transacted in the secondary market increased by 94.7 percent, year-on-year, to TZS 1,848.30 billion in 2019/20. The 10-year bond was the most traded, accounting for 28.1 percent of the total transactions, followed by the 20-year bond (26.1 percent), 15-year bond (23.7 percent), 7-year bond (11.8 percent) and 5-year bond at 9.3 percent. The 2-year bond was the least traded, accounting for 0.9 percent of total Treasury bonds transactions in the secondary market. Secondary market activities were stimulated by increased public awareness to participate in government securities investment and trading.

Corporate Bond and Equity Markets

The Dar es Salaam Stock Exchange (DSE) market experienced a decline in the value of traded corporate bonds to TZS 568.9 million in 2019/20 from TZS 1,007.1 million in the preceding year. The change was on account of shift of local investors' appetite towards Treasury bonds. In the equity market, total turnover of shares traded at the DSE increased to TZS 673.6 billion in 2019/20 from TZS 134.4 billion in 2018/19. The performance was attributed to Vodacom buyback of its 26 percent shares from one of the group shareholders coupled with increased foreigners' participation (whose ownership of issued shares was between 80 percent and 90 percent of floated shares).

1.3 Public Finance

Government Budgetary Operations

The Governments continued to leverage technology in tax administration, maintaining discipline in the use of public funds, and aligning expenditure with available resources. Also, the Government enhanced monitoring and evaluation of development projects to, among others, ensure value for money and timely implementation of projects.

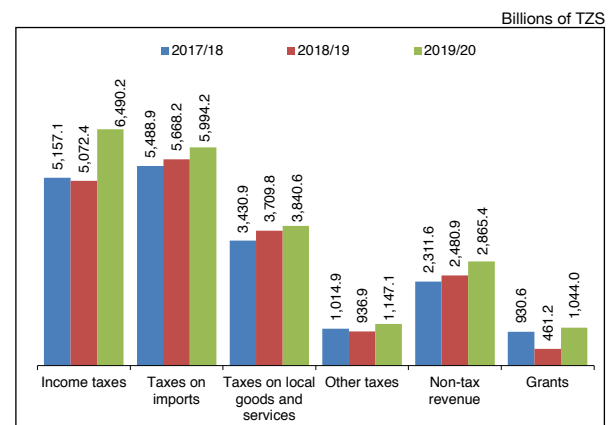
Revenue and Grants

During 2019/20, domestic revenue amounted to TZS 21,036.6 billion, 13.5 percent higher than the

amount collected in 2018/19 implying a muted effect from COVID-19 pandemic. The collections were equivalent to 14.6 percent of GDP. Central government revenue accounted for 96.7 percent of the domestic revenues and the balance was collections by local government authorities.

Tax revenue, which accounted for 85.9 percent of central government collections, increased by 13.5 percent year on year to TZS 17,472.1 billion. The amount was equivalent to 12.0 percent of GDP. Non-tax revenue increased by 14.9 percent to TZS 2,850.5 billion, equivalent to 2.0 percent of GDP. During the year, external grants⁷ received by the Government more than doubled to TZS 1,043.9 billion from the amount received in the preceding year, signalling improved cooperation between Tanzania and development partners (**Chart 1.6**). External grants were equivalent to 0.7 percent of GDP, higher than 0.3 percent of GDP in 2018/19.

Chart 1.6: Government Resources



Source: Ministry of Finance and Planning
Note: 2019/20 data are provisional

Expenditure

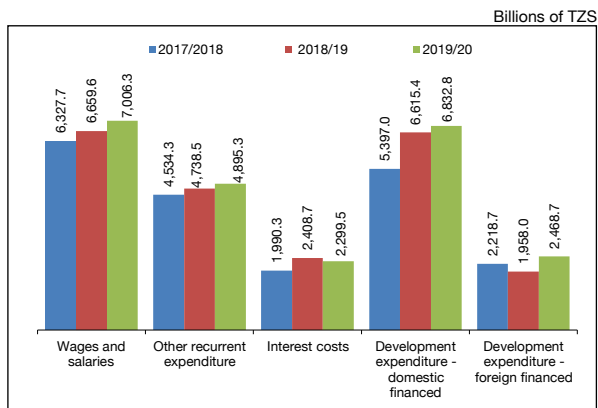
The Government spent a total of TZS 23,502.7 billion in 2019/20, of which TZS 14,201.1 billion was recurrent expenditure, and TZS 9,301.5 billion financed development projects. Resources from domestic sources accounted for 73.5 percent of total development expenditure (**Chart 1.7**). Government expenditure was equivalent to 16.8 percent of GDP in 2019/20.

⁷ Includes project, program and basket funds.



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Chart 1.7: Government Expenditure



Source: Ministry of Finance and Planning
Note: 2019/20 data are provisional

Financing

During the review period, government budget operations registered an overall deficit of TZS 1,988.9 billion. Like in the previous years, the deficit was financed through foreign and domestic borrowing of TZS 1,612.0 billion and TZS 376.9 billion on net basis, respectively. The deficit was equivalent to 1.4 percent of GDP, which was within the EAC and SADC convergence threshold of not more than 3.0 percent of GDP.

Debt Management

The national debt remained sustainable, with all sustainability indicators remaining below international thresholds. Findings of debt sustainability analysis conducted in December 2019 are summarized in **Table 1.10**.

Table 1.10: Selected Public Debt Sustainability Indicators

Indicators	Threshold	Percent			
		2019/20	2020/21	2021/22	2022/23
PV of debt-to GDP ratio	70	27.1	27.5	28.1	29.2
PV of debt-to GDP ratio	55	16.3	16.8	17.6	18.2
PV of debt-to-exports ratio	240	103.9	105.5	110.9	116.7
Debt service-to-exports ratio	21	11.9	11.1	9.5	10.3
Debt service-to-revenue ratio	23	11.9	11.9	10.1	10.7

Source: Ministry of Finance and Planning, *Tanzania National Debt Sustainability Analysis, December 2019*

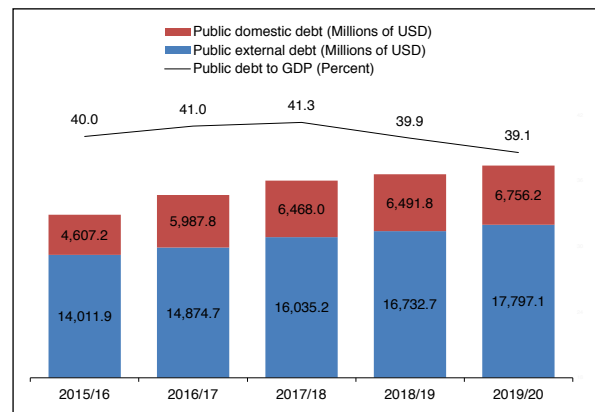
Note: DSA denotes debt sustainability analysis; and PV, present value

Debt stock, comprising external⁸ and domestic debt, increased by 4.6 percent from the end of June 2019 to USD 29,708.9 million at the end of

⁸ Disbursed outstanding debt and interest arrears

June 2020. This outturn was mainly on account of new disbursements to finance major development projects. Out of the debt stock, USD 22,952.7 million was external debt and USD 6,756.2 million was domestic debt. Public debt remained dominant, accounting for 82.6 percent of the debt stock and was equivalent to 39.1 percent of GDP (**Chart 1.8**).

Chart 1.8: Developments in Public Debt



Source: Ministry of Finance and Planning, and Bank of Tanzania

External Debt

The stock of external debt, comprising of public and private sector debt, increased to USD 22,952.7 million at the end of June 2020 from USD 21,921.0 million in the corresponding period in 2019. Central government debt remained dominant and grew by 6.7 percent, year-on-year, to USD 17,734.5 million at the end of June 2020 (**Table 1.11**).

Table 1.11: External Debt Stock by Borrower Category

Borrower	Millions of USD					
	Jun-18		Jun-19 ^r		Jun-20 ^p	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	15,823.5	77.2	16,628.6	75.9	17,734.5	77.3
DOD	14,978.8	73.1	15,727.2	71.7	16,764.6	73.0
Interest arrears	844.7	4.1	901.4	4.1	969.9	4.3
Private sector	4,467.8	21.8	5,188.3	23.7	5,155.6	22.5
DOD	3,605.9	17.6	4,207.1	19.2	4,144.6	18.1
Interest arrears	861.9	4.2	981.2	4.5	1,011.0	4.4
Public corporations	211.7	1.0	104.1	0.5	62.6	0.3
DOD	180.4	0.9	95.0	0.4	49.2	0.2
Interest arrears	31.3	0.2	9.1	0.0	13.6	0.1
External debt stock	20,503.0	100.0	21,921.0	100.0	22,952.7	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania
Note: DOD denotes disbursed outstanding debt; r, revised data; and p, provisional data



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Multilateral institutions and commercial creditors remained the main creditors. Debt owed to all creditors increased, except for bilateral creditors (**Table 1.12**).

Table 1.12: External Debt by Creditor Category

Creditor	Millions of USD					
	Jun-18		Jun-19 ^r		Jun-20 ^p	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	9,538.6	46.5	9,991.6	45.6	10,741.8	46.8
DOD	9,509.2	46.4	9,966.4	45.5	10,703.3	46.6
Interest arrears	29.4	0.1	25.2	0.1	38.5	0.2
Bilateral	1,822.6	8.9	1,958.5	8.9	2,083.3	9.1
DOD	981.7	4.8	1,057.1	4.8	1,113.4	4.9
Interest arrears	840.9	4.1	901.4	4.1	969.9	4.2
Commercial	6,858.4	33.5	7,459.0	34.0	7,573.4	33.0
DOD	6,498.5	31.7	6,922.8	31.6	7,051.8	30.7
Interest arrears	359.9	1.8	536.2	2.4	521.6	2.3
Export credit	2,283.4	11.1	2,511.9	11.5	2,554.2	11.1
DOD	1,775.7	8.7	2,083.0	9.5	2,089.9	9.1
Interest arrears	507.7	2.5	428.9	2.0	464.3	2.0
External debt stock	20,503.0	100.0	21,921.0	100.0	22,952.7	100.0

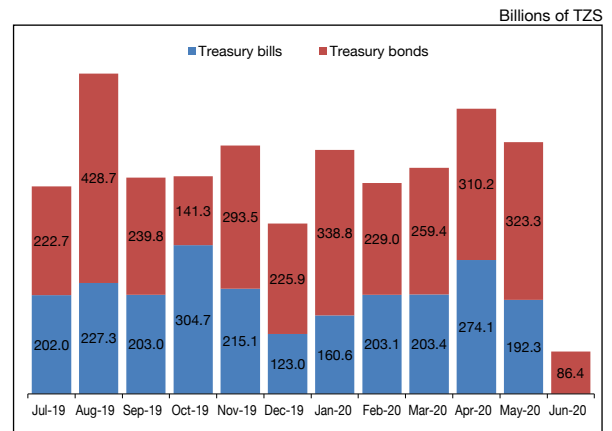
Source: Ministry of Finance and Planning, and Bank of Tanzania
Note: DOD denotes disbursed outstanding debt; r, revised data; and p, provisional data

During 2019/20, external debt worth USD 2,196.8 million was disbursed, of which USD 1,869.3 million was received by the Government and the balance by the private sector. External debt service amounted to USD 1,617.6 million, of which USD 1,263.0 million was principal repayments and the balance was interest payments. External debt service was equivalent to 17.6 percent of exports, below the sustainability threshold of 21.0 percent.

Domestic Debt

In 2019/20, Treasury bills and bonds worth TZS 5,407.5 billion (equivalent to TZS 5,028.7 in cost value) were issued to finance government budgetary operations, of which 57.3 percent was Treasury bonds (**Chart 1.9**). The performance was 97.5 percent of the issuance plan. Out of the borrowed amount, TZS 3,888.4 billion was for rolling over maturing obligations and TZS 1,140.3 billion was for budget financing.

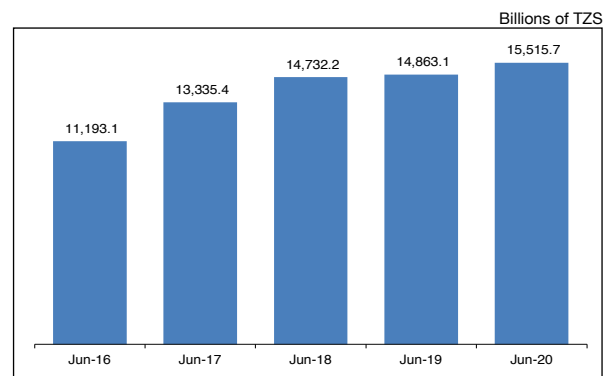
Chart 1.9: Domestic Debt Issued During 2019/20



Source: Ministry of Finance and Planning, and Bank of Tanzania

Domestic debt stock recorded annual increase of TZS 652.7 billion to TZS 15,515.7 billion at the end of 2019/20 (**Chart 1.10**). Long-term instruments (Treasury bonds and stocks) constituted the largest part of the debt, at 82.7 percent, in line with government initiative of lengthening time to maturity of domestic debt (**Table 1.13**).

Chart 1.10: Domestic Debt Stock



Source: Ministry of Finance and Planning, and Bank of Tanzania

Table 1.13: Domestic Debt by Instruments

Instrument	Billions of TZS					
	Jun-18		Jun-19		Jun-20	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	12,776.4	86.7	13,603.1	91.5	14,715.7	94.8
Treasury bills	2,659.0	18.0	3,075.0	20.7	2,236.5	14.4
Government stocks	257.1	1.7	252.7	1.7	252.7	1.6
Government bonds	9,860.3	66.9	10,275.3	69.1	12,226.4	78.8
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-secured debt	1,955.7	13.3	1,280.0	8.5	800.0	5.2
Other liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	1,937.4	13.2	1,241.7	8.4	781.7	5.0
Domestic debt stock (excluding liquidity papers)	14,732.2	100.0	14,863.1	100.0	15,515.7	100.0

*Includes NMB Standard loan and Duty Draw backs

Source: Ministry of Finance and Planning, and Bank of Tanzania
Note: * includes NMB bank Plc standard loan and duty draw back



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In terms of creditor category, commercial banks continue to dominate, accounting for 34.2 percent of domestic debt stock at the end of 2019/20, followed by pension funds, at 28.4 percent (**Table 1.14**).

Table 1.14: Domestic Debt by creditor

Holder	Billions of TZS					
	Jun-18		Jun-19		Jun-20	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	5,297.2	36.0	5,340.1	35.9	5,304.7	34.2
Pension funds	3,272.6	22.2	3,868.5	26.0	4,413.2	28.4
Bank of Tanzania	3,641.2	24.7	2,529.9	17.0	2,064.9	13.3
Others	265.0	1.8	1,476.5	9.9	2,215.5	14.3
Insurance	1,074.4	7.3	1,363.9	9.2	1,201.2	7.7
BOT's special funds	1,181.8	8.0	284.4	1.9	316.3	2.0
Domestic debt stock (excluding liquidity papers)	14,732.2	100.0	14,863.1	100.0	15,515.7	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania

Domestic debt, excluding overdraft, worth TZS 5,431.1 billion was due for payment during 2019/20. Of the amount, TZS 3,976.8 billion was principal repayment that was rolled over and the balance was interest payment.



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2.0 External Sector

Tanzania external sector registered a strong performance amid the outbreak of COVID-19 pandemic across the world. The overall balance of payments improved to a surplus of USD 755.0 million from a deficit of USD 990.7 million in 2018/19, mainly on account of narrowing of current account deficit to USD 774.9 million from a deficit of USD 2,029.7 million (**Table 2.1**). This outturn was largely on account of increase in the value of exports coupled with the decrease in import bill. The current account deficit was equivalent to 1.2 percent of GDP in 2019/20, compared with 3.5 percent of GDP in 2018/19. The current account deficit is projected to remain moderate in the outer years on account of anticipated gains from rising gold prices and subdued oil prices in the world market.

Table 2.1: Current Account

	Millions of USD				
	2015/16	2016/17	2017/18	2018/19 ^r	2019/20 ^p
Goods account	-4,189.3	-3,060.4	-3,066.8	-3,992.0	-2,290.3
Exports	4,728.7	4,646.7	4,698.7	4,598.8	5,901.2
Traditional	782.4	937.8	1,020.3	518.0	1,020.9
Non-traditional	3,516.4	3,286.5	3,251.2	3,662.7	4,579.4
o/w Gold	1,431.3	1,596.3	1,468.7	1,744.9	2,591.3
Unrecorded trade	429.9	422.4	427.2	418.1	300.9
Imports (f.o.b)	-8,918.0	-7,707.2	-7,765.5	-8,590.7	-8,191.5
Services account	919.7	1,775.3	1,817.5	2,386.8	2,050.2
Receipts	3,396.2	3,769.2	3,896.6	4,117.3	3,671.1
Payments	-2,476.5	-1,994.0	-2,079.1	-1,730.6	-1,620.8
Goods and services	-3,269.6	-1,285.2	-1,249.3	-1,605.2	-240.1
Exports of goods and services	8,124.9	8,416.0	8,595.2	8,716.1	9,572.3
Imports of goods and services	-11,394.5	-9,701.1	-9,844.6	-10,321.3	-9,812.4
Primary income account	-951.6	-907.4	-830.4	-800.8	-959.6
Receipts	100.8	105.6	138.6	187.7	192.3
Payments	-1,052.5	-1,013.0	-969.0	-988.5	-1,152.0
o/w Interest by the Government	-420.5	-309.9	-348.2	-337.0	-392.2
Secondary income account	333.1	456.7	434.4	376.3	424.8
Receipts	411.0	520.4	521.1	435.6	473.8
o/w Official inflows	41.3	157.9	155.3	68.2	203.0
Payments	-78.0	-63.7	-86.6	-59.3	-49.0
Current account balance	-3,888.2	-1,735.8	-1,645.3	-2,029.7	-774.9

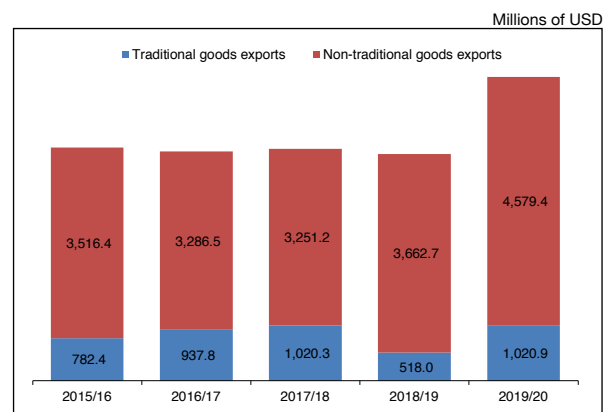
Source: Tanzania Revenue Authority, Bank of Tanzania, banks and Bank of Tanzania computations

Note: r denotes revised data; p, provisional data; f.o.b, free on board; and o/w, of which

Trade

Trade account deficit narrowed to USD 240.1 million from USD 1,605.2 in 2018/19, owing to increase in the value of goods exports, coupled with a decrease in imports bill. The value of goods exports grew by 28.3 percent to USD 5,901.2 million, owing to increase in the value of both traditional and non-traditional goods exports (**Chart 2.1** and **Chart 2.2**). All traditional goods exports recorded increase in value, except coffee, tea and tobacco. Significant growth was registered in the value of cashew nuts exports to USD 500.1 million from USD 2.1 million in 2018/19, largely on account of volume increase due to backlog from the previous year's harvest. Likewise, non-traditional exports rose by 25.0 percent to USD 4,579.4 million, largely driven by gold. The value of gold export increased to USD 2,591.3 million in 2019/20 from USD 1,744.9 million in 2018/19, mostly on account of price effect and government's continued efforts to enhance transparency in production and marketing of minerals.

Chart 2.1: Export Performance

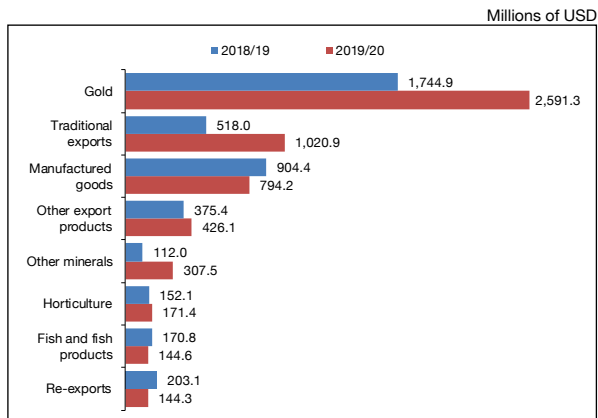


Source: Tanzania Revenue Authority, and Bank of Tanzania computations



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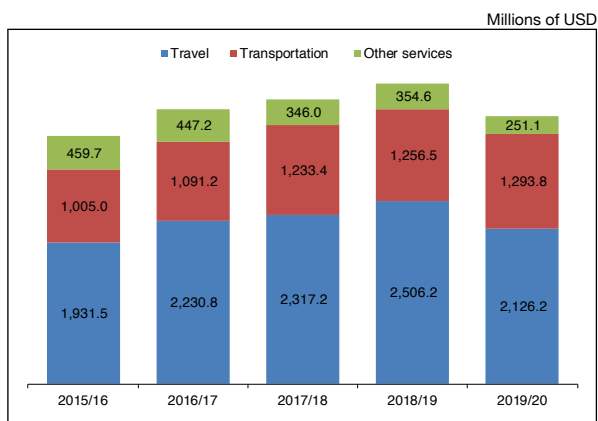
Chart 2.2: Composition of Goods Exports by Category



Source: Tanzania Revenue Authority, and Bank of Tanzania computations

Services receipts declined by 10.8 percent to USD 3,671.1 million in 2019/20, driven by decrease in travel proceeds following fall in the number of tourist arrivals associated with suspension of international flights and lockdowns in major tourist source markets due to outbreak of COVID-19 (Chart 2.3). Nevertheless, travel receipts remained dominant accounting for 58.8 percent of total services receipts in 2019/20.

Chart 2.3: Services Receipts

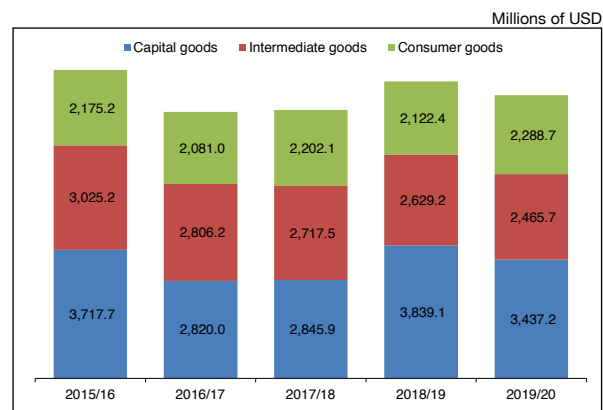


Source: Banks, and Bank of Tanzania computations

The imports bill decreased to USD 9,812.4 million in 2019/20 from USD 10,321.3 million in 2018/19, with both goods and services recording declines. All major categories of goods import recorded declines, except consumer goods. Much of the decrease was registered in capital goods—which accounted for 42.0 percent of goods imports bill

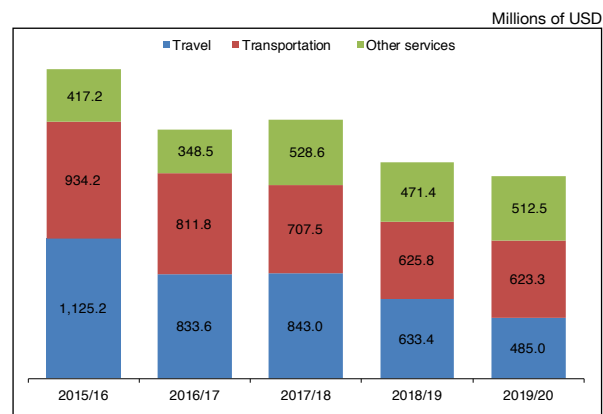
(Chart 2.4). Value of oil imports, which accounted for 19.0 percent of goods import, declined to USD 1,553.5 million consistent with fall in prices of oil in the world market. Similarly, services payment decreased to USD 1,620.8 million in 2019/20 from USD 1,730.6 million in the preceding year, mainly due to a decline in travel payments (Chart 2.5).

Chart 2.4: Composition of Goods Imports



Source: Tanzania Revenue Authority, and Bank of Tanzania computations

Chart 2.5: Services Payments



Source: Banks, and Bank of Tanzania computations

Net Income and Capital Transfers

Primary income account, which comprises income from capital related transactions and compensation of employees, recorded a deficit of USD 956.6 million in 2019/20 compared with a deficit of USD 800.8 million in the preceding year. Widening of the deficit was due to increase in payments with respect to direct investment income and scheduled interest payment. Conversely, the balance in secondary income account—that captures unilateral current transfers—improved



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to USD 413.5 million from USD 376.3 million in 2018/19, due to an increase in official inflows to USD 303.0 million from USD 68.2 million.

Net capital transfers amounted to USD 301.5 million compared with USD 368.2 million in 2018/19, largely on account of a decline in investment grants received by the Government to USD 229.1 million from USD 303.8 million.

Financial Account

The financial account—which covers claims on or liabilities to non-residents with regard to financial assets—recorded a net balance of USD 1,796.1 million in 2019/20 compared with USD 1,439.1 million in 2018/19. This outturn was due to increase in net inflows with respect to other investments⁹, which more than doubled to USD 899.3 million from USD 437.4 million.

Direction of Trade

Tanzania recorded improvement in direction of trade in terms of exports and imports markets. The share of exports to EAC, the Middle East and ASEAN¹⁰ countries has been increasing over time, which can contribute in enhancing country's resilience to shocks.

South Africa and India remained the main destinations of Tanzania's exports, altogether accounting for 36.8 percent of goods exports. Meanwhile, China, India and the United Arab Emirates continued to be the main sources of imports, accounting for 46.3 percent of goods imports in aggregate (**Table 2.2a** and **Table 2.2b**).

Table 2.2a: Share of Tanzania's Exports, Top 15 Countries

Country	Percent			
	2016	2017	2018	2019
South Africa	14.6	17.2	19.2	19.4
India	17.2	24.5	19.1	17.4
United Arab Emirates	1.9	2.5	2.3	7.9
Switzerland	14.1	6.4	6.9	6.5
Vietnam	3.4	7.7	1.8	6.2
Kenya	4.4	4.7	5.6	5.4
China	8.2	3.5	3.8	4.7
Rwanda	1.5	1.7	1.9	3.8
Belgium	6.5	4.8	6.2	3.7
Democratic Republic of Congo	3.3	2.8	4.3	3.3
Uganda	0.6	0.9	2.7	2.5
Burundi	1.2	1.3	1.2	1.8
Netherlands	1.5	1.9	2.0	1.6
Japan	3.2	1.8	1.7	1.3
Malawi	0.9	1.1	1.6	1.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Table 2.2b: Share of Tanzania's Imports, Top 15 Countries

Country	Percent			
	2016	2017	2018	2019
China	21.6	19.3	20.7	22.0
India	14.3	15.0	14.3	13.9
United Arab Emirates	7.8	7.6	10.2	10.5
Japan	4.9	5.3	4.7	5.4
South Africa	6.2	5.3	5.1	4.9
Saudi Arabia	2.9	6.0	6.7	4.7
United States	3.3	2.6	2.8	3.5
Kenya	3.5	2.6	2.9	2.9
Germany	2.5	3.0	2.6	2.5
Indonesia	0.9	1.8	1.6	1.9
Turkey	0.9	1.0	2.0	1.8
Switzerland	1.7	2.6	1.5	1.8
Australia	0.8	0.8	0.7	1.7
Oman	0.2	0.2	0.6	1.7
United Kingdom	2.0	1.7	1.9	1.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations

⁹ Other investments include other equity; currency and deposits; loans; trade credit and advances; other accounts receivable/payable from unrelated parties; and SDR allocations.

¹⁰ Association of Southeast Asian Nations.

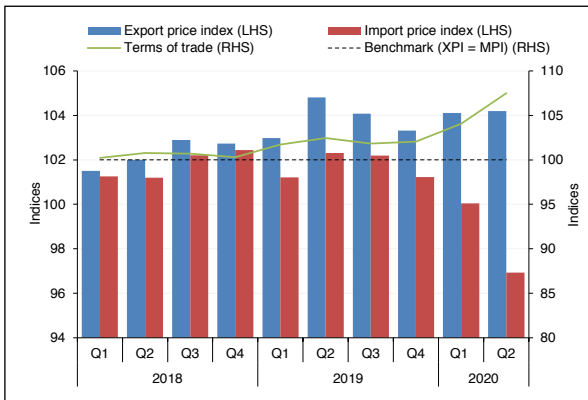


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Terms of trade

The overall terms of trade¹¹ remained favourable, registering an average index above the benchmark of 100.0 in the past two years (**Chart 2.6**). This implies there is an increase in purchasing power and country's competitiveness. Every unit value of good exports can now buy more unit value of imported goods. This development was mainly supported by stability of exchange rate, strengthened gold prices and subdued oil prices.

Chart 2.6: Developments in Terms of Trade



Source: National Bureau of Statistics and Bank of Tanzania computations
Note: LHS denotes left hand scale; and RHS, right hand scale

World Commodity Prices

World market prices of selected commodities relevant to Tanzania were lower in 2019/20 than in the preceding year, save for gold and Arabica coffee (**Table 2.3**). The declines reflected weak global demand for commodities following mitigation measures taken to slow the spread of COVID-19. The increase in gold price was attributable to strong investors demand for gold as an alternative asset owing to high level of uncertainty in financial markets. As for the price of Arabica coffee, the increase was due to weak supply following low production in major producing countries.

Table 2.3: World Commodity Prices

Commodity	Unit of measure	2017/18	2018/19	2019/20	Percentage change
Robusta coffee	USD per kg	2.05	1.73	1.52	-12.01
Arabica coffee	USD per kg	3.08	2.81	3.10	10.27
Tea (Average price)	USD per kg	3.06	2.63	2.52	-4.12
Tea (Mombasa auction)	USD per kg	2.74	2.31	2.14	-7.39
Cotton, "A Index"	USD per kg	1.92	1.90	1.58	-16.73
Sisal (UG)	USD per kg	1.73	1.71	1.70	-0.58
Cloves	USD per kg	8.39	7.50	5.83	-22.27
Crude oil*	USD per barrel	63.66	68.61	51.62	-24.76
Crude oil**	USD per barrel	61.41	67.80	51.16	-24.54
White products	USD per tonne	599.14	620.05	477.76	-22.95
Gold	USD per ozt	1,297.14	1,263.80	1,562.47	23.63

Source: <http://www.Worldbank.org/Prospects/commodities>, *World Bank Public Ledger, Bloomberg*

Note: * denotes U.K Brent; ** f.o.b Dubai; ozt, troy ounce; and UG, under grade

According to the World Bank commodity price forecast of April 2020, oil prices are projected to decline to an average of USD 35 per barrel in 2020 from USD 61.4 per barrel in 2019. However, based on a gradual recovery of economies from the negative impacts of COVID-19, the price of crude oil is forecasted to an average of USD 42 per barrel in 2021. The World Bank projects price of gold to increase to an average of USD 1,600 per troy ounce in 2020 from USD 1,390 per troy ounce in 2019 due to strong demand following elevated uncertainty in financial markets. However, it is expected gold price will slow to USD 1,590 per troy ounce in 2021 on expectation of improvement in yields from government securities.

Prices of most agricultural commodities are projected to decline in 2020 on account of subdued demand due to COVID-19 containment measures. Prices of sugar and rice, however, are projected to increase to an average of USD 320 and USD 450 per tonne in 2020, respectively, and thereafter settle at USD 330 and USD 453 per tonne in 2021, respectively (**Table 2.4**).

¹¹ Terms of trade is the ratio of export price index (XPI) and import price index (MPI).



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**Table 2.4: Outlook for World Market
Commodity Prices**

Commodity	Unit of measure	Actual			Projections	
		2017	2018	2019	2020	2021
Crude oil ^a	USD per barrel	52.81	68.35	61.41	35.00	42.00
Gold	USD per ozt	1,257.56	1,269.23	1,392.50	1,600.00	1,590.00
Robusta coffee	USD per kg	2.23	1.87	1.62	1.50	1.54
Arabica coffee	USD per kg	3.32	2.93	2.88	2.80	2.85
Cotton, "A Index"	USD per kg	1.84	2.01	1.72	1.60	1.64
Tea ^a	USD per kg	3.15	2.85	2.57	2.30	2.36
Tobacco	USD per kg	4.68	4.86	4.58	4.65	4.67
Maize	USD per tonne	154.53	164.41	170.07	160.00	164.41
Rice	USD per tonne	398.92	420.67	418.00	450.00	452.91
Wheat	USD per tonne	174.20	209.93	201.69	195.00	198.25
Sugar	USD per tonne	353.13	275.61	280.02	320.00	325.55

Source: World Bank, *Commodity Price Forecast*, April 2020

Note: "a" denotes average price; and ozt, troy ounce



3.0 Financial Sector

The Bank of Tanzania continued to license, regulate and supervise banks and financial institutions, including financial leasing and mortgage financing companies, credit reference bureau, representative offices of foreign banks, bureaux de change and non-deposit taking microfinance service providers. Also, the Bank regulate and supervise financial matters of social security schemes.

Banking Sector Performance

The banking sector remained profitable, adequately capitalized, with satisfactory level of liquidity and improved asset quality. Also, the branch network expanded to 960 from 878 in 2018/19. Despite the widening of branch network, the number of supervised banks and other financial institutions decreased to 59 in 2019/20 from 61 in 2018/19, of which 50 were banks and 9 non-bank financial institutions. The decline in the number of banks and financial institutions was due to acquisition of UBL Bank Tanzania Ltd by Exim Bank (T) Limited, and merger of TIB Corporate Bank Limited and TPB Bank Plc.

Table 3.1: Licensed Banks

Type of bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Commercial banks	37	11	26	5	32
Community banks	6	6	0	2	4
Microfinance banks	5	2	3	1	4
Development finance banks	2	2	0	0	2
Total	50	21	29	8	42

Source: Bank of Tanzania

Table 3.2: Licensed Non-Banks Financial Institutions

Type of non-bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Financial leasing	3	1	2	0	3
Mortgage financing	2	2	0	0	2
Credit reference bureau	2	0	2	0	2
Representative offices	2	0	2	0	2
Total	9	3	6	0	9

Source: Bank of Tanzania

The sector performed satisfactorily, with all regulatory financial soundness indicators meeting the requirements. The ratios of core capital and total capital to total risk weighted assets and off-balance sheet exposures, were 16.9 percent and 17.9 percent, respectively, in June 2020 compared with 16.5 percent and 18.4 percent in June 2019. The ratios exceeded the minimum regulatory requirement of 10 percent and 12 percent, respectively. The liquidity level was also above the minimum regulatory requirement of 20 percent. The ratio of liquid assets to demand liabilities was 33.4 percent compared with 34.8 percent implying sustained ability of banks to meet maturing obligations. Assets grew by 5.4 percent to TZS 34,226.1 billion at the end of June 2020, mainly driven by deposits that increased by 5.4 percent to TZS 24,907.1 billion. The observed increase in deposits was largely due to mobilization efforts by banks through agent banking and digital platforms. Loans, advances and overdrafts continued to constitute a significant share of assets, at 53.3 percent.

The ratio of non-performing loans (NPLs) to gross loans was above the desirable ceiling of 5.0 percent, averaging 10.8 percent at the end of June 2020 compared with 10.7 percent in the corresponding period in 2019. NPLs are expected to lessen going forward facilitated by measures taken to improve credit-underwriting process, use of credit reference system to reduce exposure to credit risk, and enhancement of loan recovery efforts. In addition, banks were required to adhere to the Tanzania Banker's Association Code of Conduct to, among others, enhance staff integrity.

Financial Deepening

Provision of financial services in the country improved further, reflecting efforts taken by the Government and Bank of Tanzania to address structural impediments to bank lending, improve



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access to financial services, and create an environment more conducive to lending and financial sector development. During 2019/20, the ratio of money supply to GDP (a measure of financial deepening), increased to 20.1 percent from 19.5 percent in the preceding year. The ratio of banks credit to the private sector to GDP remained stable at around 13 percent.

Financial Inclusion

In ensuring broader access and usage of financial services, the country is implementing the Second National Financial Inclusion Framework (NFIF 2018-2022). The NFIF 2018-2022 aims at increasing the percent of adult Tanzanians using formal financial services to 75 percent by 2022 from 65 percent in 2017.

During 2019/20, the Bank in collaboration with other stakeholders implemented various initiatives to advance and accelerate financial inclusion in the country. These include, launching of Financial Services Registry (FSR) System to register and map all existing financial services access points across the country. The financial services access points include ATMs, bank branches, microfinance institutions and their branches, SACCOs, merchants, agents, insurance brokers and health insurance centres.

FSR will facilitate gauging of the potential areas that are attractive for policy makers, regulators and investors; also allow consumers of financial services to locate access points/services that can be easily reached and make informed decisions. In addition, implementation of FSR will enable compliance with the National Payment Systems Act, 2015.

Other initiatives implemented were development of interoperability in mobile money platforms (peer-to-peer) to enhance mobile money accessibility and affordability. In addition, the Bank issued microfinance regulations to govern

microfinance business in Tanzania; and the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 to protect consumers from unfair banking services and misconduct in the banking sector. Moreover, other initiatives that are in progress include development of Consumers Financial Education Strategy, a guide for proper approaches to deliver financial education to different segments of the population, and National Financial Consumer Protection Framework, which will be completed in 2020/21.

Credit Reference Operations

The Bank continued to regulate and supervise credit reference system in the country, which is composed of lenders, credit reference databank and credit reference bureaus.

Stakeholders were sensitized on the importance of submitting data to the Credit Reference Bureau and use credit reports during lending process. With this, credit reference system improved in terms of data submission and quality. During the period under review, the number of non-regulated institutions that shared credit information through credit reference bureaus increased to 99 from 97 in the previous year. The number of credit enquiries also increased by 3.4 percent to 1,847,379 in 2019/20.

Bureau De Change Operations

Bureau de change services were provided by both banks and bureau de change companies. The Bank undertook several measures to strengthen supervision of bureaus de change through enhancement of compliance with legal and regulatory requirements. The measures include revocation of licenses of bureaus de change which were not complying with governing laws and regulations, enhancing supervision function and revision of regulations governing the operations of bureaus de change. As at the end of June 2020, there were three bureaus de change with 38 branches operating in Tanzania.



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Agent Banking Operations

Agent banking business continued to grow in terms of the number of agents as well as volume and value of transactions. The number of banks approved to engage in agent banking increased to 24 as at the end of June 2020, from 20 a year earlier, and agents increased to 35,513 from 22,481. This has facilitated deposits mobilization and increased proportion of bankable population. Volume and value of transactions through agent banking are presented in **Table 3.3**.

Table 3.3: Agent Banking Transactions

	Unit	2018/19	2019/20	Percentage change
Cash deposits	Number	23,393,557.0	31,015,883.0	32.6
	Value in millions of TZS	14,483,692.2	20,887,730.8	44.2
Cash withdrawals	Number	13,403,510.0	20,777,698.0	55.0
	Value in millions of TZS	4,376,212.3	7,175,580.4	64.0

Source: Bank of Tanzania

Social Security Schemes

The Bank continued to regulate and supervise financial matters of social security schemes as mandated by the Social Security (Regulatory Authority) Act, 2015, section 48 (2). As at the end of June 2020, there were four mandatory social security schemes, namely, Public Sector Social Security Fund (PSSSF), which serves public servants; National Social Security Fund (NSSF) that serves workers from the private sector; National Health Insurance Fund (NHIF) and Workers Compensation Fund (WCF). In addition, there were 10 supplementary schemes, of which five were independent, and the remaining five were embedded in the mandatory social security schemes.

Non-deposit Taking Microfinance Service Providers

Bank of Tanzania was mandated to license, regulate and supervise microfinance service providers following operationalization of the Microfinance Act, 2018. Subsequently, the Bank developed and issued three regulations to foster proper understanding and implementation thereof. These are the Microfinance (Non-Deposit Taking Microfinance Service Providers) Regulations, 2019, the Microfinance (Savings and

Credit Cooperative Societies) Regulations, 2019, and the Microfinance (Community Microfinance Groups) Regulations, 2019. The Regulations were published in the Government Gazette on 13th September 2019.

The Bank also developed necessary frameworks for effective supervision of Tier II microfinance service providers (non-deposit taking microfinance institutions). Issuance of license to non-deposit taking microfinance institutions has started.

Notices of Delegation of Powers and Functions over Tier III and Tier IV microfinance service providers were done to Tanzania Cooperative Development Commission and Local Government Authorities, respectively as per requirement of the Microfinance Act, 2018. The Notices were published in the Government Gazette on 22nd November 2019.

Financial Stability Review

Results from selected analytical tools suggest that financial sector is stable and resilient to short-term internal and external shocks, underpinned by stable macroeconomic environments. In particular, Financial System Stability Index (FSSI) was -0.7 in 2019/20 compared with -0.6 in the preceding year. The stability was partly on account of improvement in capital adequacy ratio to 16.93 percent from 16.47 percent, and increase in return on assets to 2.19 percent from 1.75 percent. This implies that, the likelihood of major disruptions in the financial system has declined during the period.

Further assessment of the financial system stability covering global environment and real economy (including household, real estate, corporate and financial system) revealed that there was no significant risks exposure. However, some vulnerabilities were noticed in debt servicing capacity stemming from a decline in property prices and fluctuations in occupancy rates.

Regulators of financial sector under the Tanzania Financial Stability Forum (TFSF) continued to enhance coordination and surveillance of the sector to mitigate any contagion risk that may arise.



4.0 Payment Systems

4.1 National Payment Systems

In 2019/20, the payments, clearing and settlement systems operated smoothly with increased use of digital financial services. The Bank issued licenses to two non-bank institutions, namely (Transsnet Financial Tanzania Limited and Mahali Sokoni Trading Company Limited), to provide payment system services, bringing the number to 17. Meanwhile, the number of banks licensed as payment systems providers remained 43 as at the end of June 2020.

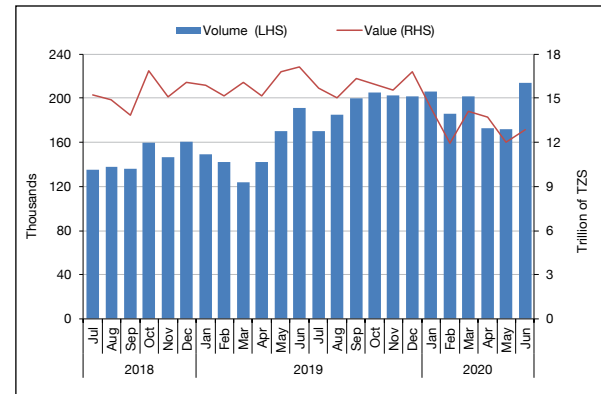
The number of active accounts in mobile money system reached 27.2 million at the end of June 2020 from 22.3 million at the end of June 2019, with more than 623,867 agents. The interoperability of mobile financial services contributed to growth of mobile money transactions which increased by 21.8 percent in volume and 8.9 percent in value compared with 2018/19. To enhance and broaden interoperability, the Bank is working with stakeholders to facilitate interoperability at the level of all digital financial services providers.

The development of the Tanzania Instant Payment System (TIPS) is in progress. The system will address limitations of current service offerings, with regard to interoperability by enabling the Government, individuals and businesses to be able to transact with each other regardless of service provider or sector, bank or non-bank payment service providers. TIPS will facilitate instant payments, easy connections by multiple participating institutions and low-cost payments. It will also provide a single national switch that will facilitate Bank of Tanzania oversight supervision of payment systems, improve financial inclusion through usage of electronic payments platforms and promote cash-lite economy.

The volume of transactions through the Tanzania Interbank Settlement System (TISS) increased to

2,318,341 from 1,829,498 in the preceding year. The value of transactions was TZS 184.7 trillion compared with TZS 190.3 trillion in 2018/19. There were 51 TISS participants that include 46 commercial banks, 4 East Africa central banks (Bank of Tanzania, Central Bank of Kenya, Bank of Uganda and National Bank of Rwanda) and Tanzania Revenue Authority.

Chart 4.1: TISS Transactions



Source: Bank of Tanzania

Yetu Microfinance Bank Plc joined the Tanzania Automated Clearing House (TACH), bringing the number of clearing house participants to 44. The volume of electronic funds transactions through TACH increased by 3.7 percent to 14,131,346 and value by 8.6 percent to TZS 9,045.5 billion.

4.2 Regional Payment Systems

The East African Payment System (EAPS), a bank-to-bank funds transfer (payment) platform within the East African Community countries in local currencies, continued to perform satisfactorily. The volume and value of transactions denominated in Tanzania shilling, incoming and outgoing, increased by 5.1 percent and 34.8 percent over the year to 2,939 and TZS 168.2 billion, respectively. Kenyan shilling (KES) denominated transactions decreased by 0.7 percent to 2,771 in volume and by 7.6 percent to KES 4.8 billion in value. Transactions denominated in Ugandan shilling (UGX) amounted to 408, valued at UGX



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12.9 billion, an increase in volume by 23.3 percent and decrease in value by 49.8 percent. The value of transactions between Tanzania and Rwanda (incoming and outgoing) decreased to Rwanda Franc (RWF) 2.9 million from RWF 347.9 million. There were no transactions with other EAC members (Burundi and South Sudan) as they have not yet joined EAPS. Out of 46 banks registered in EAPS, 37 were active participants.

The SADC Integrated Regional Electronic Settlement System (SADC-RTGS), a payment and settlement system that facilitates funds transfer for cross-border payment in the SADC region, processed 371,259 transactions in 2019/20 valued at South African Rand (ZAR) 2,381.7 billion. This was an annual increase of 7.5 percent in volume and 87.5 percent in value. Tanzania outgoing and incoming SADC-RTGS transactions were 3,833 valued at ZAR 990.0 million, which is a decrease in volume and value by 4.4 percent and 19.4 percent, respectively. During 2019/20, the system was operational in all SADC member states, except Madagascar and the Comoros. The number of participating banks was 83, including seven central banks.

In Tanzania, banks that participated in SADC-RTGS were six: Stanbic Bank (Tanzania) Limited, National Bank of Commerce Limited, Standard Chartered Bank (Tanzania) Limited, Absa Bank (Tanzania) Limited, Ecobank (Tanzania) Limited and First National Bank (Tanzania) Limited.



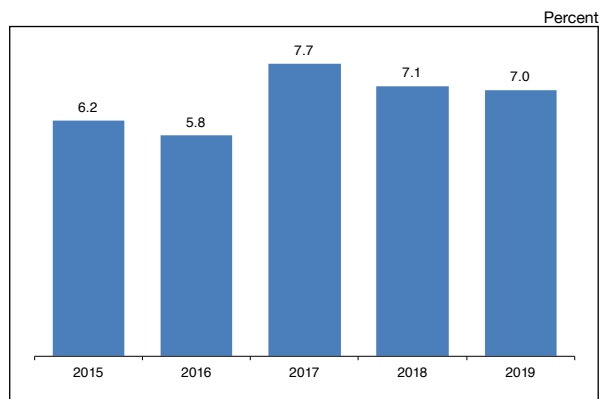
5.0 Zanzibar Economic Performance

Implementation of economic policies in Zanzibar continued to be guided by long-term development plans and Zanzibar Development Vision 2020. As the Vision 2020 comes to an end, the Revolutionary Government of Zanzibar is in the process of developing a new development vision, the Zanzibar Vision 2020-2050, which is designed to, among other things, tap into opportunities provided by blue economy, i.e. sustainable use of ocean resources for economic growth.

5.1 Output

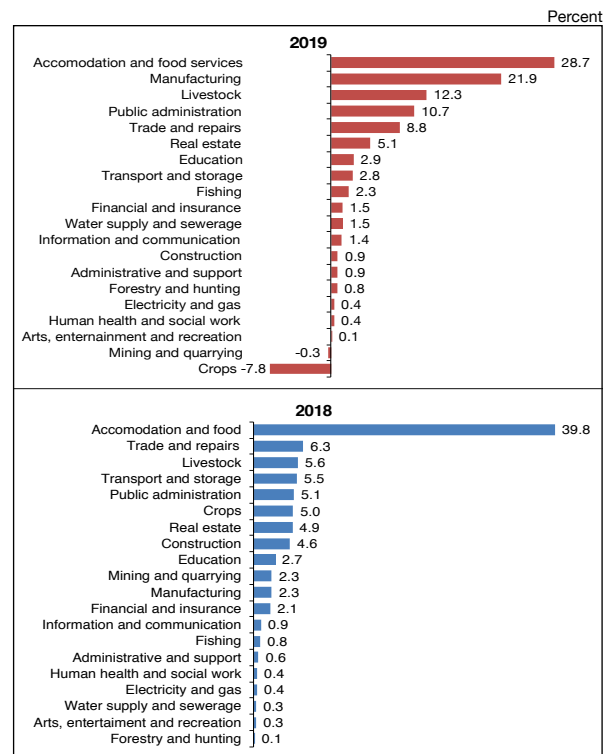
Zanzibar economy continued to record strong performance with real GDP growth of 7.0 percent in 2019 compared with 7.1 percent recorded in 2018. Main contributors to the growth were accommodation and food services, which accounted for 28.7 percent, manufacturing (21.9 percent) and livestock (12.3 percent). Activities that recorded strong performance were manufacturing, at 20.5 percent, followed by livestock, public administration and accommodation and food services (Chart 5.1, Chart 5.2a and Chart 5.2b). The growth of the economy is projected to slowdown in 2020 owing to the impact of COVID-19 pandemic on tourism.

Chart 5.1: Real GDP Growth Rate



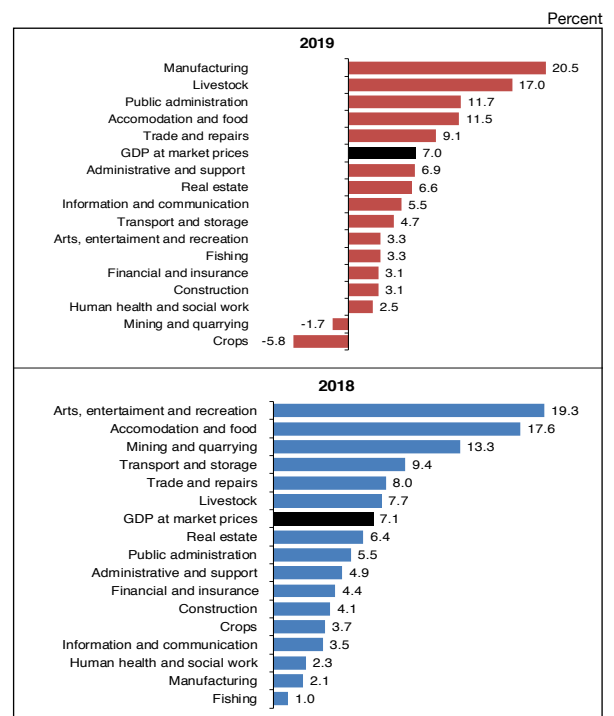
Source: Office of the Chief Government Statistician

Chart 5.2a: Contribution to Real GDP Growth



Source: Office of the Chief Government Statistician

Chart 5.2b: Real GDP Growth by Economic Activity



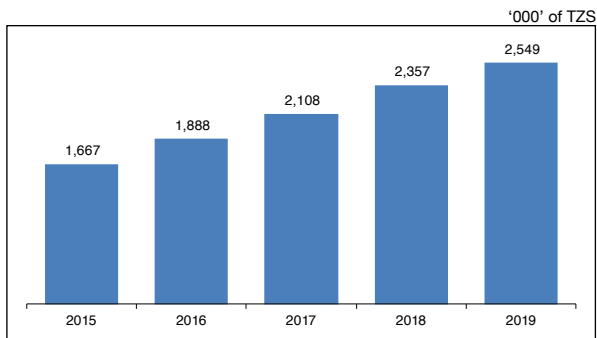
Source: Office of the Chief Government Statistician



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Nominal GDP increased to TZS 4,132.0 billion in 2019 from TZS 3,663.0 billion in 2018. Services activity remained dominant, accounting for 51.7 percent of GDP, followed by agriculture and industry¹ at 21.2 percent and 18.3 percent, respectively. Accordingly, GDP per capita increased by 8.2 percent to TZS 2.5 million in 2019 (**Chart 5.3**).

Chart 5.3: Nominal GDP per Capita



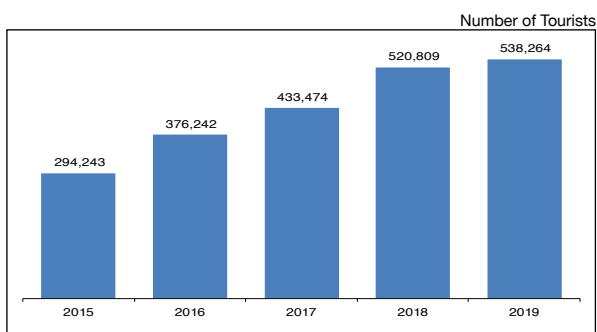
Source: Office of the Chief Government Statistician

Performance of Economic Activities

Services

Services activity, Zanzibar's major economic activity, grew by 8.6 percent in 2019 compared with 10.2 percent in 2018. Sub-activities which recorded the fastest growth were public administration, and accommodation and food services. Growth of the latter was associated with increase in tourist arrivals by 3.4 percent to 538,264 (**Chart 5.4**).

Chart 5.4: Tourist Arrivals in Zanzibar



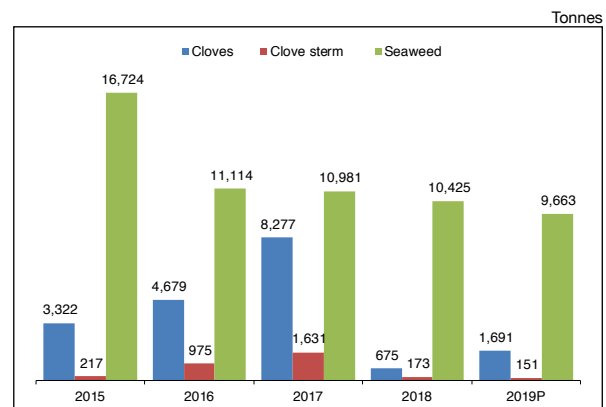
Source: Office of the Chief Government Statistician; Zanzibar Commission for Tourism; and Department of Immigration Zanzibar

Agriculture, Forestry and Fishing

Agriculture, forestry and fishing activity grew by 2.6 percent in 2019, driven by livestock sub-activity.

Procurement of cloves more than doubled from 675 tonnes in 2018 to 1,691 tonnes in 2019, following good harvests associated with cyclical nature of the crop and the ongoing government efforts to improve cloves production. Efforts taken include supply of seedlings and soft loans to farmers. Meanwhile, Seaweeds procurement declined to 9,663 tonnes from 10,425 tonnes on account of unfavourable weather and low price offered (**Chart 5.5**).

Chart 5.5: Procurement of Major Export Crops



Source: Office of the Chief Government Statistician
Note: p denotes provisional data

Industry

Industry activity grew by 10.6 percent in 2019, above 3.8 percent in 2018, driven by manufacturing sub-activity. Manufacturing expanded by 20.5 percent owing to an increase in production of food products including sugar, noodles, wheat flour, beverages and bread (**Table 5.1**).

¹²According to International Standard Industrial Classification (ISIC), it comprises of mining and quarrying, manufacturing, electricity and gas, water supply and sewerage, and construction.



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Table 5.1: Production of Selected Manufactured Products

Commodity	Units	2015	2016	2017	2018	2019 ^p	Percentage change (2018 to 2019)
Beverages*	'000 Liters	16,972.0	19,811.0	21,699.0	20,166.0	22,031.0	9.2
	Mill. of TZS	5,315.0	7,232.2	7,921.6	7,362.0	8,043.0	9.3
Bread	'000 pcs	161,911.0	174,350.0	194,893.0	209,439.0	231,540.0	10.6
	Mill. of TZS	19,720.2	20,852.9	23,192.2	24,923.2	34,731.0	39.4
Wheat flour	Tonnes	27,749.0	23,834.0	25,196.0	26,963.0	30,230.0	12.1
	Mill. of TZS	23,836.0	23,085.2	23,939.3	24,711.8	29,156.0	18.0
Diary products	'000 Liters	7,745.0	10,475.5	8,174.3	7,709.3	7,874.0	2.1
	TZS Mil	12,552.9	13,061.3	7,751.0	8,702.2	8,888.0	2.1
Noodles	Kgs	277,990.0	181,872.0	247,350.0	295,701.0	373,053.0	26.2
	Mill. of TZS	500.4	327.4	455.2	532.3	728.0	36.8
Door UPVC	Pcs	229.0	93.0	121.0	239.0	222.0	-7.1
	Mill. of TZS	31.5	13.3	17.4	33.9	31.0	-8.7
Window UPVC	Pcs	320.0	149.0	71.0	121.0	111.0	-8.3
	Mill. of TZS	42.0	17.7	13.3	21.7	21.0	-3.3
Sugar	Tonnes	0.0	4,814.0	677.0	3,339.0	6,467.0	93.7
	Mill. of TZS	0.0	6,258.2	1,211.2	5,969.5	10,994.0	84.2
Garments dash dash	Pcs	3,419.0	3,674.0	3,119.0	2,973.0	2,971.0	-0.1
	Mill. of TZS	98.3	110.8	104.6	103.6	91.0	-12.2
Jewellery (gold/silver)	Gms	7,032.0	5,915.0	5,060.0	5,684.0	5,282.0	-7.1
	Mill. of TZS	15.3	15.1	12.3	12.1	18.0	49.2
Essential oil products	Liters	0.0	0.0	227,088.0	224,045.0	230,318.0	2.8
	'000 TZS	0.0	0.0	811,832.0	800,955.0	850.0	-99.9

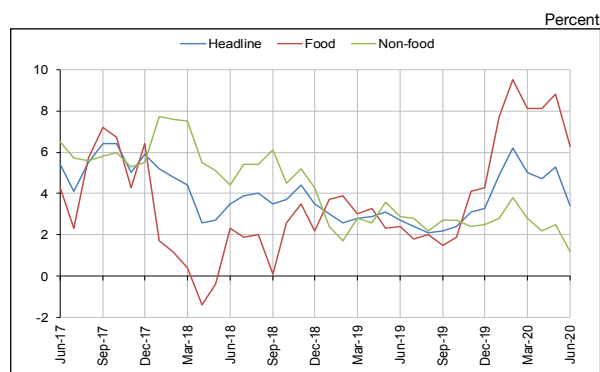
Source: Office of the Chief Government Statistician

Note: * includes mineral water, soft drinks and juice; and p, denotes provisional data

5.2 Inflation

Zanzibar experienced subdued inflation throughout 2019/20. Headline inflation averaged 3.8 percent in 2019/20, slightly above 3.3 percent in 2018/19, driven by food inflation. Food inflation averaged 5.3 percent, higher than 2.6 percent in 2018/19 following increase in prices of major food items including rice, sugar, bananas and maize flour. Conversely, non-food inflation eased to an average of 2.6 percent from 3.9 percent, mainly due to a decline in fuel prices, particularly in the third quarter of the 2019/20 (Chart 5.6). It is expected that inflation will remain below the medium term target of 5.0 percent in 2020/21 attributed to adequate food supply and moderation of fuel prices in the world market.

Chart 5.6: Inflation Developments



Source: Office of the Chief Government Statistician

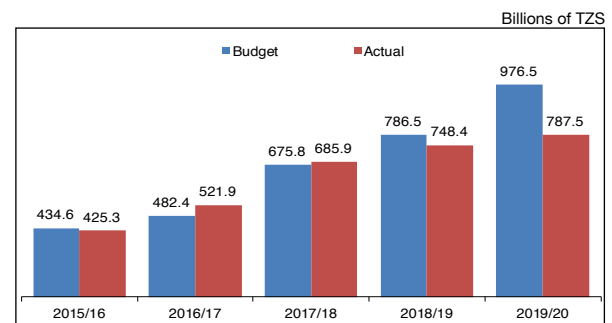
5.3 Public Finance

Government Budgetary Operations

The Government continued to enhance revenue collection efforts and expenditure management based on available resources and priorities. Revenue mobilization in 2019/20 was satisfactory despite challenges related to the outbreak of COVID-19 pandemic, which led to slowdown in tourism activities—the major source of tax revenue. Resource envelope (revenue and grants) increased to TZS 821.6 billion in 2019/20 from TZS 791.1 billion in the preceding year. Of the envelope, TZS 787.5 billion was domestic revenue and TZS 34.2 billion was grants (Chart 5.7a). Domestic revenue was equivalent to an increase of 5.2 percent over the collections in the preceding year and 19.1 percent of GDP, same as in 2018/19.

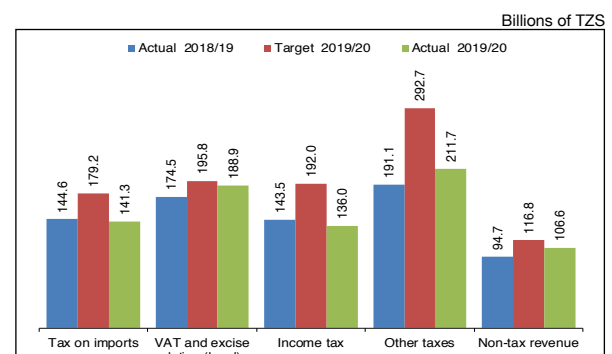
Tax revenue collections amounted to TZS 677.9 billion, while non-tax revenue was TZS 109.6 billion. All major categories of tax revenue performed below the target (Chart 5.7b).

Chart 5.7a: Revenue Performance



Source: Ministry of Finance and Planning, Zanzibar

Chart 5.7b: Revenue Sources



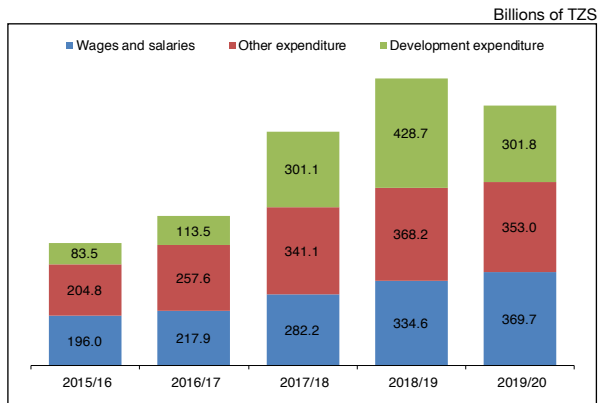
Source: Ministry of Finance and Planning, Zanzibar



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During 2019/20, the Government spent a total of TZS 1,024.5 billion, of which TZS 722.7 billion was recurrent expenditure and TZS 301.8 billion was expenditure on development projects (**Chart 5.8**). Domestic funds accounted for 46.1 percent of the amount spent on development projects.

Chart 5.8: Expenditure Components



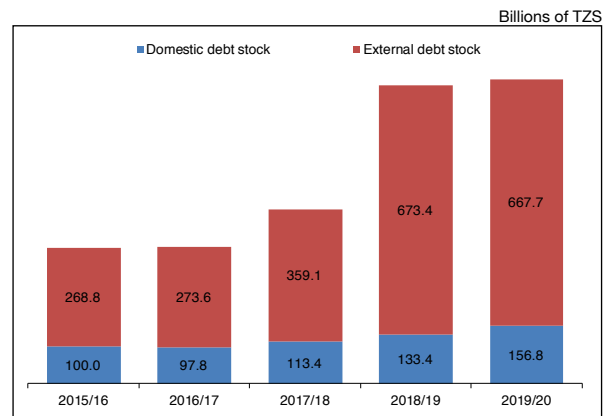
Source: Ministry of Finance and Planning, Zanzibar

Fiscal operations resulted in an overall deficit of TZS 158.5 billion that was financed through borrowing from external and domestic sources, TZS 115.6 billion and 42.9 billion, respectively. The overall deficit was equivalent to 3.8 percent of GDP, lower than 8.4 percent in 2018/19.

Debt Developments

Zanzibar domestic and foreign debt stock increased to TZS 824.5 billion at the end of June 2020 from TZS 806.8 billion at the end of the corresponding period in 2019. The increase was largely on account of new domestic loans contracted. The debt stock was 20.0 percent of GDP, lower than 22.0 percent in 2018/19. Out of the debt stock, 81.0 percent was external debt (**Chart 5.9**).

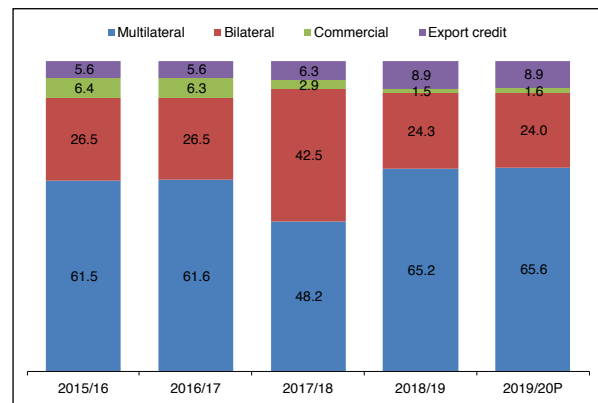
Chart 5.9: Zanzibar Debt Stock



Source: Ministry of Finance and Planning, Zanzibar

External debt stock decreased to USD 290.8 million at the end of June 2020 from USD 294.1 million in the previous year. About 96 percent of the external debt was guaranteed by the Government of United Republic of Tanzania. Multilateral institutions remained the main creditors, accounting for 65.6 percent of the debt stock (**Chart 5.10**).

Chart 5.10: External Debt by Creditors, Percentage Share of Total



Source: Ministry of Finance and Planning, Zanzibar

Note: p denotes provisional data

Domestic debt stock was TZS 156.8 billion at the end of June 2020, 17.6 percent higher than the stock at the end of June 2019, owing to a new loan amounting to TZS 28.5 billion. The composition of domestic debt stock in terms of borrowing instruments remained the same as in the previous year, where government securities, particularly Treasury bonds, dominated (**Table 5.2**).



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Table 5.2: Domestic Debt by Borrowing Instrument

Instrument	Millions of TZS				
	2015/16	2016/17	2017/18	2018/19	2019/20
Government securities	62,004.2	60,259.0	80,259.2	108,148.3	108,148.3
Zanzibar Social Security Fund	20,000.0	22,875.0	22,875.0	21,315.2	47,362.7
People's Bank of Zanzibar	14,032.0	10,760.5	6,287.8	3,902.8	1,290.6
Zanzibar Port Company	3,287.9	3,287.9	3,287.9	0.0	0.0
Others	654.2	654.2	654.2	0.0	0.0
Total	99,978.3	97,836.6	113,364.0	133,366.3	156,801.6

Source: Ministry of Finance and Planning, Zanzibar

5.4 External Sector Performance

During 2019/20, current account recorded a deficit of USD 18.6 million, an improvement from a deficit of USD 60.1 million in 2018/19. This improvement was largely explained by increase in exports and official inflows (Table 5.3).

Table 5.3: Current Account

Item	Millions of USD				
	2015/16	2016/17	2017/18	2018/19	2019/20 ^p
Goods account	-92.4	-95.4	-124.5	-218.1	-235.6
Exports	67.8	24.0	73.4	11.1	29.5
Imports (fob)	160.2	119.4	197.9	229.2	265.1
Services account	84.8	89.5	97.2	107.7	100.3
Receipts	134.0	146.7	164.7	178.6	204.7
Payments	49.2	57.3	67.4	70.8	104.5
Goods and services	-7.6	-5.9	-27.3	-110.4	-135.3
Exports of goods and services	201.8	170.8	238.0	189.6	234.2
Imports of goods and services	209.4	176.7	265.3	300.0	369.6
Income account	1.8	7.7	9.1	11.5	15.6
Receipts	10.0	12.3	13.8	17.4	24.8
Payments	8.2	4.6	4.7	5.8	9.2
Current transfers	16.5	26.2	32.0	38.8	101.2
Inflows	16.5	27.2	34.1	47.6	110.5
Outflows	0.0	1.0	2.1	8.8	9.3
Current account balance	10.7	28.0	13.8	-60.1	-18.6

Source: Tanzania Revenue Authority, Bank of Tanzania, banks and Bank of Tanzania computations

Note: p denotes provisional data

Goods and services worth USD 234.2 million were exported during 2019/20, higher than USD 189.9 million in 2018/19. The value of goods exports more than doubled to USD 29.5 million from USD 11.1 million in 2018/19, owing to increase in the value of cloves and seaweeds exports. The value of cloves exports rose significantly to USD 18.6 million from USD 1.2 million in 2018/19 on account of increase in volume. During 2019/20, 3,851.0 tonnes of cloves were exported compared with 180 tonnes in the preceding year. The value of seaweeds exported grew by 23.6 percent to USD

5.0 million driven by higher world market prices (Table 5.4).

Foreign exchange earnings from services, mostly tourism and transport (air and sea), increased by 14.7 percent year-on-year to USD 204.7 million in 2019/20. Tourism remained the main driver of the growth.

Table 5.4: Goods Exports by Major Categories

Item	Unit	2015/16	2016/17	2017/18	2018/19	2019/20 ^p
Traditional:						
Cloves						
Value	'000' of USD	46,204.8	17,400.2	59,178.6	1,224.0	18,633.6
Volume	'000' tonnes	5.7	2.2	7.5	0.2	3.9
Unit price	USD/tonne	8,067.9	7,757.6	7,939.2	6,800.0	4,838.6
Non-traditional:						
Seaweeds						
Value	'000' of USD	2,586.4	1,631.7	4,591.0	4,032.8	4,985.4
Volume	'000' tonnes	6.7	3.5	12.0	9.0	7.4
Unit price	USD/tonne	386.1	470.5	389.4	448.8	677.5
Manufactured goods	'000' of USD	9,352.8	4,245.4	7,017.9	4,491.2	2,415.4
Fish and fish products	'000' of USD	40.7	34.1	259.5	777.9	980.1
Others exports	'000' of USD	9,603.9	721.4	2,320.3	549.3	1,731.1
Total value of exports	'000' of USD	67,788.6	24,032.8	73,367.2	11,075.2	28,745.6

Source: Tanzania Revenue Authority, and Bank of Tanzania computations
Note: Other exports mainly include souvenirs and spices; and p denotes provisional data

Imports bill rose to USD 369.6 million in 2019/20 from USD 300.0 million in the preceding year, with both goods and services recording increases. The value of goods imports grew by 15.6 percent to USD 265.1 million, while services payments increased by 47.5 percent to USD 104.5 million. The increase in goods import bill was driven by capital and consumer goods. As for services, payments with respect to transport remained the main driver (Table 5.5).

Table 5.5: Goods Imports by Major Categories

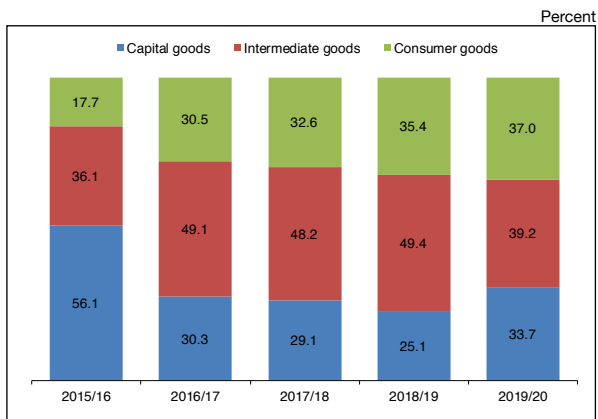
Category	Millions of USD				
	2015/16	2016/17	2017/18	2018/19	2019/20 ^p
Capital goods	89.9	36.2	54.7	56.7	89.3
Transport equipment	57.9	17.1	22.3	17.8	15.4
Building and construction	7.3	6.4	8.1	13.6	25.3
Machinery	24.7	12.7	24.3	25.3	48.6
Intermediate goods	57.8	58.6	90.7	111.8	103.8
Oil imports	41.6	44.9	62.0	77.3	79.8
Industrial raw materials	16.2	13.7	28.7	34.5	24.0
Consumer goods	28.4	36.4	61.3	80.1	98.2
Food and food stuffs	0.5	13.2	24.0	36.9	52.0
All other consumer goods	27.9	23.2	37.3	43.2	46.2
Grand total (c.i.f)	176.1	131.2	206.6	248.6	291.3
Grand total (f.o.b)	160.2	119.4	188.0	226.2	265.1

Source: Tanzania Revenue Authority, and Bank of Tanzania computations
Note: p denotes provisional data



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Chart 5.11: Composition of Goods Imports



Source: Tanzania Revenue Authority, and Bank of Tanzania computations



6.0 Global and Regional Economic Performance

6.1 Output

According to the World Economic Outlook Report June 2020, growth of global economic activity slowed to 2.9 percent in 2019 from 3.6 percent in 2018, the weakest pace since the 2008/09 global financial crisis¹³ (Table 6.1). The slower growth was escalated by trade tensions between USA and China, geopolitical tensions, increased social unrest coupled with distinctive stress in key emerging market economies, notably China and India.

Advanced economies grew by 1.7 percent in 2019, slower than 2.2 percent in 2018. The United States grew by 2.3 percent from 2.9 percent owing to productivity and labour supply challenges. The Euro area grew by 1.3 percent from 1.9 percent mainly driven by recession in Germany and output contraction in Italy and France—major economies in the Euro area. In the emerging markets and developing economies, the growth slowed to 3.7 percent from 4.5 percent in 2018, mainly due to debt concerns and aging population in China, which recorded a growth of 6.1 percent in 2019 from 6.7 percent in 2018, the lowest growth ever recorded since 1992. The growth in India was also moderate at 4.2 percent, down from 6.1 percent in 2018 due to deceleration in manufacturing activities, output and subdued farm sector activity. On the other hand, sub-Saharan Africa, had a slight decline to 3.1 percent from 3.2 percent in 2018, and this was mainly due to weak performance in resource-intensive countries such as Angola and Nigeria.

The global output is projected to contract by 4.9 percent in 2020 due to severe impact of COVID-19 on economic activity in the first half of 2020. However, the growth is expected to rebound to 5.4 percent in 2021 as economic activity normalizes,

assisted by policy support. sub-Saharan Africa output growth is projected at -3.2 percent in 2020, on account of weaker external environment and measures to contain the spread of COVID-19 outbreak. Growth is, however, projected to recover to 3.4 percent in 2021 depending on the continued gradual easing of restrictions associated with COVID-19 pandemic.

Table 6.1: Global Real GDP Growth

Region/Country	Actual					Projections	
	2015	2016	2017	2018	2019	2020	2021
World	3.5	3.4	3.9	3.6	2.9	-4.9	5.4
Advanced economies	2.3	1.7	2.5	2.2	1.7	-8.0	4.8
United States	2.9	1.6	2.4	2.9	2.3	-8.0	4.5
Euro area	2.1	1.9	2.5	1.9	1.3	-10.2	6.0
United Kingdom	2.4	1.9	1.9	1.3	1.4	-10.2	6.3
Japan	1.2	0.5	2.2	0.3	0.7	-5.8	2.4
EMDE	4.3	4.6	4.8	4.5	3.7	-3.0	5.9
China	6.9	6.8	6.9	6.8	6.1	1.0	8.2
India	8.0	8.3	7.0	6.1	4.2	-4.5	6.0
Sub-Saharan Africa	3.2	1.4	3.0	3.3	3.1	-3.2	3.4

Source: IMF, *World Economic Outlook Update, June 2020*

Note: p denotes provisional data; and EMDE, emerging market and developing economies

In the Southern African Development Community (SADC) region, all countries recorded positive growth in 2019 except Angola, Namibia and Zimbabwe (Table 6.2). As in the past three years, Tanzania was the fastest growing economy in the region, followed by Madagascar and Malawi. The growth in Tanzania was highly supported by construction, transport, agriculture and manufacturing; while for Malawi and Madagascar it was driven by agriculture and extractive industries, respectively.

The contraction in output in Angola was on account of poor performance of oil sector partly due to decline in oil prices in the world market. As for Namibia, the contraction was attributed to shrinkage in manufacturing and mining activities following shortage of electricity supply due to drought. Meanwhile, decline in output in Zimbabwe

¹³IMF's World Economic Outlook of April 2020 and June 2020 updates.



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was due to weak performance in mining, tourism and agriculture.

Real GDP growth in Mozambique and South Africa slowed in 2019 from the rate recorded in the preceding year. Growth slowdown in Mozambique was attributed to weak performance in agriculture and mining—coal industry. As for South Africa, the region's giant economy, the slowdown was due to contraction in agriculture and mining along with prolonged political uncertainty in the country.

Table 6.2: Real GDP Growth in SADC Region

Country	Percent				
	2015	2016	2017 ^r	2018 ^r	2019 ^p
Angola	0.9	-2.6	-0.1	3.0	-0.9
Botswana	-1.7	4.3	2.9	4.5	3.0
DRC	6.9	2.4	3.7	5.8	4.4
Eswatini	2.3	1.3	2.0	2.4	1.3
Lesotho	3.3	5.0	-1.3	-0.5	1.5
Madagascar	3.1	4.0	3.9	4.6	5.0
Malawi	3.0	2.7	5.2	3.9	5.0
Mauritius	3.6	3.8	3.8	3.8	3.0
Mozambique	6.7	3.3	3.7	3.4	2.2
Namibia	4.5	-0.3	-0.3	0.7	-1.1
Seychelles	4.9	4.6	4.4	3.8	3.9
South Africa	1.2	0.4	1.4	0.8	0.2
Tanzania	6.2	6.9	6.8	7.0	7.0
Zambia	2.9	3.6	3.7	4.0	1.4
Zimbabwe	1.8	0.8	0.8	4.8	-6.5
SADC average	3.3	2.7	2.7	3.5	2.0

Source: National Statistics Offices and IMF, World Economic Outlook, April 2020 and June 2020 updates
 Note: r denoted revised data; p, provisional data; and DRC, Democratic Republic of the Congo

During 2019, the East African Community (EAC) region recorded a real GDP growth of 5.7 percent compared with 6.0 percent in 2018. The highest growth was recorded in Rwanda owing to improvement in services sector, while Burundi had the least growth, explained by political instability in the country. Meanwhile, in Kenya and Uganda economic activity slowed down, mainly driven

by low performance in agriculture, building and construction, manufacturing; and moderate external and domestic demand, respectively (Table 6.3).

Table 6.3: Real GDP Growth in EAC Region

Country	Percent				
	2015	2016	2017	2018	2019 ^p
Burundi	-3.9	-0.6	0.5	1.6	1.8
Kenya	5.7	5.9	4.9	6.3	5.6
Rwanda	8.9	6.0	6.1	8.6	10.1
Tanzania	6.2	6.9	6.8	7.0	7.0
Uganda	5.7	2.3	5.0	6.3	4.9
EAC average	4.5	4.1	4.7	6.0	5.9

Source: National Statistics Offices and IMF, World Economic Outlook, April 2020
 Note: p denotes provisional data

6.2 Inflation

Global headline inflation remained subdued, averaging 3.6 percent in 2019, same as in 2018, owing to low global demand in the midst of geopolitical and trade tensions. Inflation in advanced economies eased to 1.4 percent in 2019 from 2.0 percent in 2018. This was attributed to lower energy prices in most advanced economies. Global average inflation is projected to slow down to 3.0 percent, while that of advanced economies is projected at 0.5 percent in 2020.

In emerging markets and developing economies, inflation picked up to 5.0 percent in 2019 from 4.8 percent in the preceding year, mostly due to increased food prices, particularly in China and India. Lower energy prices are expected to lower inflation to 4.6 percent in 2020. sub-Saharan Africa recorded average headline inflation of 8.4 percent compared with 8.3 percent in 2018. The inflation is projected to increase further to 9.3 percent in 2020 due to anticipated higher food prices following supply shortfall in some countries in the region (Table 6.4).



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Table 6.4: Global Inflation

Region/Country	Percent					
	2015	2016	2017	2018	2019 ^p	2020 ^{Projection}
World	2.8	2.8	3.2	3.6	3.6	3.0
Advanced economies	0.3	0.8	1.7	2.0	1.4	0.5
United States	0.1	1.3	2.1	2.4	1.8	0.6
Euro Area	0.2	0.2	1.5	1.8	1.2	0.2
Japan	0.8	-0.1	0.5	1.0	0.5	0.2
United Kingdom	0.1	0.7	2.7	2.5	1.8	1.2
EMDE	4.7	4.3	4.3	4.8	5.0	4.6
China	1.4	2.0	1.6	2.1	2.9	3.0
India	4.9	4.5	3.6	3.4	4.5	3.3
Sub-Saharan Africa	6.9	10.7	10.7	8.3	8.4	9.3

Source: IMF, World Economic Outlook April 2020

Note: ^p denotes provisional data; and and EMDE, emerging market and developing economies

In the SADC area, headline inflation averaged 12.1 percent in 2019, higher than 8.2 percent in 2018. The increase was largely on account of hyperinflation in Zimbabwe due to rapid local currency devaluation and large current account deficit. Angola, Malawi, Zambia and Zimbabwe recorded headline inflation above the ceiling of SADC convergence criteria of 7.0 percent (**Table 6.5**).

EAC region continued to record moderate inflation, below the convergence criteria of not more than 8.0 percent. Twelve-month headline inflation averaged 2.6 percent in 2019, slightly higher than 1.9 percent in the preceding year. All EAC member states recorded increase in inflation, save for Tanzania (**Table 6.6**).

Table 6.5: Inflation Rates in SADC Region

Country	Percent				
	2015	2016	2017	2018	2019 ^P
Angola	9.2	30.4	30.4	19.7	17.1
Malawi	21.9	21.7	11.6	9.2	9.4
Zambia	10.1	18.2	6.6	7.5	9.1
Madagascar	7.4	6.7	8.6	8.6	5.6
Lesotho	4.3	6.6	5.2	4.7	5.2
DRC	0.7	3.2	35.8	31.0	4.9
South Africa	4.6	6.3	5.3	4.7	4.1
Namibia	3.4	6.7	6.2	4.3	3.7
Tanzania	5.6	5.2	5.3	3.5	3.4
Botswana	3.1	2.8	3.3	3.2	2.8
Mozambique	3.6	19.9	15.1	3.9	2.8
Eswatini	5.0	7.8	6.2	4.8	2.6
Seychelles	4.0	-1.0	2.9	3.7	1.8
Mauritius	1.3	1.0	3.7	3.2	0.5
Zimbabwe	-2.4	-1.6	0.9	10.6	109.0
SADC average	5.4	8.9	9.8	8.2	12.1

Source: National Statistics Offices and IMF, *World Economic Outlook Database, April 2020*

Note: ^p denotes provisional data; and DRC, Democratic Republic of the Congo

Table 6.6: Inflation Rates in EAC Region

Country	Percent				
	2015	2016	2017	2018	2019 ^P
Burundi	5.6	5.5	16.6	-2.8	-0.7
Kenya	6.6	6.3	8.0	4.7	5.2
Rwanda	2.5	5.7	4.8	1.4	2.4
Tanzania	5.6	5.2	5.3	3.5	3.4
Uganda	5.4	5.5	5.6	2.6	2.9
EAC average	5.1	5.6	8.1	1.9	2.6

Source: National Statistics Offices

6.3 Intra-Regional Trade

Intra-regional trade has been steadily increasing in the past five years. SADC and EAC member states continued to be among the important trading partners of Tanzania. During 2019, Tanzania's exports to SADC countries increased by 31.6 percent to USD 1,313.8 million from the amount registered in 2018, while imports declined slightly to USD 600.8 million from USD 609.2 million. Consequently, the trade balance was a surplus of USD 713.0 million in 2019, an increase of 83.1 percent from a surplus of USD 389.4 million recorded in the preceding year. Tanzania was a net exporter to most of the SADC member countries.



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South Africa continued to be the major trading partner of Tanzania, accounting for 73.6 percent of the country's total intra-SADC trade in 2019, followed by Democratic Republic of Congo (12.5 percent). Tanzania's major exports to SADC were gold, cigarettes, wheat flour, juice, ceramic products, fish, glass and cement, while the major imports were motor vehicles, maize seeds, iron sheets, lubricants, beer and apples.

Tanzania's exports to EAC increased to USD 673.4 million in 2019 from USD 459.0 million in 2018, while imports declined by 1.5 percent to 264.4 million. Accordingly, Tanzania recorded a trade surplus of USD 409.1 million in 2019, more than twice of the surplus recorded in 2018 (Table 6.7).

Table 6.7: Tanzania's Intra-EAC Trade

	Millions of USD				
	2015	2016	2017	2018 ^r	2019 ^p
Kenya					
Exports	731.4	313.8	291.5	225.3	270.4
Imports	238.6	267.7	201.3	219.5	229.6
Trade balance	491.7	46.1	90.2	5.8	40.8
Uganda					
Exports	50.3	58.2	27.5	109.7	123.8
Imports	39.4	30.7	34.1	46.8	33.2
Trade balance	10.8	27.5	-6.6	62.9	90.7
Burundi					
Exports	39.1	52.1	50.8	48.3	88.0
Imports	1.1	0.8	0.2	0.9	0.3
Trade balance	38.0	51.3	50.6	47.4	87.7
Rwanda					
Exports	41.2	6.5	60.5	75.7	191.2
Imports	1.1	1.1	1.3	1.2	1.3
Trade balance	40.0	5.4	59.2	74.5	189.9
Total exports to EAC	862.0	430.6	430.3	459.0	673.4
Total imports from EAC	280.2	300.3	237.0	268.4	264.4
Trade balance	581.7	130.3	193.3	190.5	409.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations
Note: r denotes revised data; and p, provisional data

Kenya remained the major market and source of Tanzania's intra-EAC exports and imports, accounting for 40.2 percent of total exports to EAC and 86.9 percent of total imports (Table 6.8).

Table 6.8: Tanzania's Shares of Trade with EAC Partner States

	Percent				
	2015	2016	2017	2018 ^r	2019 ^p
Exports shares:					
Kenya	84.8	72.9	67.7	49.1	40.2
Uganda	5.8	13.5	6.4	23.9	18.4
Burundi	4.5	12.1	11.8	10.5	13.1
Rwanda	4.8	1.5	14.1	16.5	28.4
Imports shares:					
Kenya	85.1	89.1	84.9	81.8	86.9
Uganda	14.1	10.2	14.4	17.4	12.5
Burundi	0.4	0.3	0.1	0.3	0.1
Rwanda	0.4	0.4	0.5	0.5	0.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations
Note: r denotes revised data; and p, provisional data



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PART III

BANK OF TANZANIA OPERATIONS



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Corporate Governance

Bank of Tanzania Board of Directors¹⁴ conducted its operations effectively to fulfil its statutory role of policy decision-making. Four committees established under Section 12(1) of the Bank of Tanzania Act 2006, assisted the Board in discharging its functions. These are Monetary Policy Committee, Audit Committee, Bank Supervision Committee, and Finance and Investment Committee.

The Monetary Policy Committee (MPC) comprises four executive members and four non-executive members and is Chaired by the Governor. The MPC, among others, is responsible for formulating the monetary policy of the Bank; determining principles and strategies of the Bank's monetary policy; and deciding on the application of the Bank's monetary policy instruments. During 2019/20, the Committee adequately discharged its advisory role to the Board.

The Audit Committee, which consists of five members—one executive member and four non-executive—is responsible for assisting the Board in its oversight responsibility with respect to audit and implementation of financial reporting system and in compliance with the relevant legislation and international accounting practice. The Chairman of the Audit Committee is elected annually on rotational basis from the non-executive members of the Committee.

During 2019/20, the Committee performed a number of activities and reported its deliberations to the Board of Directors, in line with the requirements of the provisions of section 12(2) of the Bank of Tanzania Act 2006. These include: reviewing internal audit plan of the Bank for 2019/20, construction projects and credit guarantee schemes; and reports on year-

end stock verification and Mwanza branch new building quality assurance. The committee also received and reviewed audit reports on various Bank's operations.

In addition, the audit committee considered the External Audit Plan for 2019/20 and Proposed Audit Fees; Management Audit Report on the Audited Financial Statements for the year ended 30th June 2019; and reviewed Housing Finance Project Financial Statement for 2019/20. It also reviewed Bank of Tanzania Financial Statements for 2018/19; Housing Finance Project Financial Statements for 2018/19; and the Bank Interim Accounts for 2019/20.

The Banking Supervision Committee that comprises of all Board Directors is in charge of monitoring performance of financial sector, resilience and integrity of the financial systems, and ensuring compliance with the relevant legislation. Chairman of this committee is the Governor of Bank of Tanzania. During 2019/20, the Banking Supervision Committee discharged its supervisory adequately including reviewing performance of the banking sector in the quarter ending 30th June and 31st December, 2019. It also reviewed onsite examination reports as well as progress reports of banks under liquidation.

The Finance and Investment Committee assisted the Board in its oversight responsibility with respect to finance and investments. This committee is made up of eight members, four executive members and four non-executive members, and the Governor is the Chairman. In discharging its responsibilities, during 2019/20 the Committee received and reviewed matters related to Bank of Tanzania's budget and management of investments, projects, assets and risks. It also reviewed the revised Bank of Tanzania Financial Regulations, 2020 and Bank of Tanzania Staff By-Laws, 2020.

¹⁴ Comprises of the Executive directors (Governor, who is the Chairman, and three Deputy Governors), a Representative of the Permanent Secretary to the Treasury of the Government of United Republic of Tanzania, the Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar and four non - executive Directors.



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The Bank organized awareness sessions and capacity building initiatives for Board members to keep them up-to-date on developments in areas of interest to the mandate of the Bank and to facilitate their oversight function.

The Bank of Tanzania Complaints Resolution Desk received 94 complaints in 2019/20, out of which 43 complaints were eligible and 51 complaints were ineligible as required by the guidelines. During the period, the Desk resolved 17 complaints, 2 complaints were withdrawn by complainants and 24 complaints are in progress.

Corporate Strategic Planning and Performance

During the year, the Bank enhanced its Corporate Plan Information System to facilitate efficient linkage between the plan and budget processes as well as ensuring easy tracking of plan implementation across all functional units. This was done to ensure smooth implementation of Bank's two-year Corporate Strategic Plan (2019/20–2020/21).

The Bank also strengthened monitoring and evaluation of implementation of its strategic plan by providing training to functional unit plan coordinators on how to monitor, evaluate and report performance. In the same vein, quarterly performance assessment initiative was introduced in order to analyse the extent of implementation at various levels, success stories and encountered challenges that were found to hinder smooth attainment of intended results. This initiative has enhanced efficiency in terms of early warning and evidenced-based decision making.

In addition, the Bank developed a corporate results-based monitoring and evaluation framework to enable the Bank to easily measure and report its performance to stakeholders. The Bank continued to train employees at professional staff level on strategic thinking and planning as well as monitoring and evaluation.

Credit Guarantee Schemes

The Bank continued to monitor ongoing projects with long-term loans that were guaranteed by Credit Guarantee Scheme (CGS) on behalf of the Government. The CGS has two facilities, Export Credit Guarantee Scheme (ECGS) and Small and Medium Enterprises Credit Guarantee Scheme (SME-CGS).

Cognisant of changes in business environment, the Bank took a number of initiatives to improve CGS operations. These include reviewing of the ECGS and SME-CGS Policies and Operational Guidelines, and preparing draft CGS Risk Management Guidelines and CGS Investment Policy and Guidelines.

The outstanding guarantees under ECGS and SME-CGS amounted to TZS 48.1 billion and TZS 371.2 million at the end of June 2020, compared with TZS 62.1 billion and TZS 731.3 million at the end of June 2019, respectively.

Banking and Currency Services

Banking services were provided to the Governments, government institutions, banking institutions and the public. Stakeholders were engaged through meetings and outreach programmes with a view to ensuring efficient delivery of currency services, promoting better understanding of the Bank's role and functions, strengthening collaboration between the Bank and banks in the delivery of banking and currency services, and obtaining relevant feedback.

As part of implementation of clean money policy, during 2019/20 provision of coins, change to public and exchange of mutilated banknotes were transferred to banks and financial institutions. The changes aim at enhancing service delivery by tapping on the closer geographical proximity of banking institutions to the public.



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During 2019/20, Tanzania Revenue Authority in collaboration with Bank of Tanzania adopted Treasury Single Account (TSA) and Electronic Funds Transfer (EFT), and migrated its revenue collection accounts from TISS platform to Central Banking System (CBS) as part of measures to enhance efficiency in revenue collection. The Bank continued with its role of issuing and distributing currency through head office, branches and safe custody centres¹⁵. Morogoro, Musoma and Iringa safe custody centres came into operation in the first half of 2019/20 to enhance efficiency in currency distribution.

To enhance regional cross-border trade, Tanzania and Zambia signed a memorandum of understanding (MOU) on currency convertibility and repatriation. Operationalisation of the MOU commenced on 28th February 2020 where commercial banks of both sides accept cash deposit and convert to respective country's currency.

As of 31st May 2020, implementation of the MOU was broadly in line with the objectives. Some of the notable achievements are:

1. Increased usage of the banking system and degree of convertibility of the Kwacha (i.e. usability and exchangeability). This development is evidenced by the surge in banks' purchases of Zambian currency of Kwacha 158,731,270 (TZS 12.8 billion) from zero in the launching date on 28th February 2020. This outturn was explained by secure services and favourable exchange rates that banks offer.
2. Weakening of the informal market reflected by the plunge of the informal market Kwacha rate to TZS 127 per Kwacha from TZS 154 per Kwacha as Bank of Tanzania intervention suppressed the overvalued informal Kwacha

rates. This implies reduced premium to dealers, speculators and the entire chain engaging in the informal Kwacha business.

3. The number of participating commercial banks rose from three during the launch of MOU to five, implying increased awareness and confidence in the arrangement.
4. The arrangement has eased business operations and increased convenience and safety. This is manifested by the outstanding turnout of traders with huge holdings of Kwacha enticed by safety and convenience.

Research and Publications

To provide updates of economic developments in the country, inform the public on Bank's monetary policy stance and share knowledge with the community, the Bank of Tanzania continued to produce and disseminate various economic reports and publications. The reports include monetary policy statements; monthly, quarterly and annual economic reviews¹; and report of the 19th Conference of Financial Institutions.

To provide conceptual and empirical basis for policy and decision-making, a number of studies were undertaken mainly focusing on monetary policy and exchange rates, financial and real sector development, technology and innovations, and global economic developments.

Some completed research papers were published in the Bank of Tanzania Working Paper Series, which are available on the website. Correspondingly, the Bank organized research seminars where various research papers were discussed.

Visitors exit and enterprise surveys were conducted to improve balance of payments and national accounts statistics. Further, quarterly surveys on Trade Price Index were carried out to monitor developments in Tanzania terms of trade.

¹⁵ The Bank of Tanzania branches are Arusha, Dodoma, Mbeya, Mtwara, Mwanza and Zanzibar. Safe custody centres are located in Bukoka, Iringa, Kigoma, Morogoro, Musoma, Pemba, Shinyanga, Songea, Sumbawanga, Tabora and Tanga.



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Human Resource Development

As part of enhancing employee relations, employee welfare and retain high caliber employees, the Bank renewed a voluntary agreement with Tanzania Trade Union of Industrial and Commercial Workers in January 2020. The Voluntary agreement will run for three years.

To impart knowledge and skills, some staff were trained at the Bank's training institute and other training providers. The number of staff who benefited from the training during 2019/20 were 628.

To achieve the Bank's mission and vision in a broader perspective, 342 staff of financial institutions in the country were trained at the Bank's Institute in different disciplines, including Advanced Credit Risk Management, Digital Finance and Operational Risk, and Forensic Accounting. Training opportunities were also extended to 27 staff from SADC central banks on Anti Money Laundering.

Stakeholders Engagement and Corporate Social Responsibility

The Bank continued to engage with stakeholders and the general public by utilizing various communication channels. The Bank also participated in different trade exhibitions and investment forums organized within the country.

Public awareness programs were conducted for various groups in the society with the aim of educating them on Bank's core functions. The groups include Parliamentary committees, journalists, students from colleges and secondary schools, government officials and people with disability.

To fulfil its commitment to corporate social responsibility, the Bank also continued to offer scholarships to Tanzanian students and donations to various needy groups in the society.

In 2019/20, the Bank granted full scholarships to four undergraduate students and two master's degree students under the Mwalimu Julius Nyerere Memorial Scholarship Fund¹⁶. This brought the total number of beneficiaries of the Fund to 46, of which 30 scholarship recipients pursued undergraduate degree programs and 16 master's programs. As at the end of 2019/20, a total of 33 beneficiaries of the Fund graduated and 13 are continuing students.

The Bank also offered two scholarships under the Gilman Rutihinda Memorial Fund (GRMF). The GRMF provides sponsorship to Tanzanian students who have excelled in their bachelor's degree programs in economics and finance to pursue master's degree in similar fields at the University of Dar es Salaam. To date, 37 students have benefited with the scholarship under the Fund.

Furthermore, donations amounting to TZS. 1.8 billion were extended to various institutions and charities in the country during the period under review. Focus areas were education, health and people with disabilities.

Regional Cooperation and Integration Initiatives

The Government continued to enhance and strengthen participation in international and regional fora, and cooperation with international bodies to take advantage of their facilities, resources and experiences. Accordingly, the Government has signed and ratified a number of protocols with issues relating to the banking sector, which among others, require Member States to harmonize their policies, laws and systems pertaining to the financial sector.

¹⁶ Established in 2009, the Fund grant scholarships to best female Tanzanian students to pursue undergraduate studies in mathematics and science in Tanzania's accredited universities. It is also partly used to sponsor both male and female Tanzanians top students to pursue undergraduate studies in economics, information technology, accounting and finance as well as best students intending to pursue Master's programmes in those fields.



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During 2019/20, the Bank participated in regional and international fora, focusing on areas within its supervisory mandate. These include the East African Community (EAC) Monetary Affairs Committee (MAC) meetings to among others, review progress made by EAC Partner States' Central Banks in harmonizing monetary and exchange rate policies formulation and implementation, supervisory rules and practices. The Bank also took part in Community of African Banking Supervisors workshop, where challenges faced by central banks in implementing Basel II and III were discussed. It also participated in Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) meeting, which deliberated on proportional implementation of Basel standards for non-Basel committee member countries to strengthen supervision of the banking sector in the region.

In addition, the Bank partook in activities of Southern African Development Community Committee of Central Bank Governors (SADC-CCBG) and other SADC forums, including the SADC Peer Review Panel, and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLAG) meetings and mutual evaluation exercise. In particular, the Bank participated in the ESAAMLAG's second mutual evaluation exercise on anti-money laundering and combating financing of terrorism for Tanzania that took place in July 2019.

Furthermore, the Bank made subscriptions and contributions to regional boards and organizations, including the African Rural and Agricultural Credit Association (AFRACA), African Association of Central Banks (AACB), MEFMI, SADC-CCBG and African Economic Research Consortium (AERC).

Branch Activities

The Bank through its branches in Arusha, Dodoma, Mbeya, Mtwara, Mwanza and Zanzibar;

continued to provide banking, currency and settlement services to the Governments, public institutions, financial institutions and the general public, as well as monitor economic developments in assigned regions. Branches keep on with managing safe custody centres in the designated regions, conducted studies on economic issues, and carried out public awareness programs on the role of the Bank of Tanzania and its contribution to Tanzania's economic growth. The awareness sessions also included public education on currency handling and security features of banknotes, services offered by the deposit insurance board, the Microfinance Act 2018 and its regulations, and sensitisation of available investment opportunities in government securities.

Branches also participated in Regional Consultative Committee meetings and sub-sector stakeholders' forums with a view to inform policy makers on economic and financial sector developments, provide necessary recommendations for policy decision and offer technical support. In particular, Mbeya branch offered technical support to Iringa region on the operationalization of a concept of Special Purpose Vehicle (SPV) as a means to scale up investments in the region. Mtwara branch also participated in the exercise to review sesame and cashew nut production and marketing guidelines, while Mwanza branch was involved in forums that aimed at coming-up with the cotton procurement solutions following dramatic fall in cotton prices in the world market.

Moreover, branches conducted studies covering key areas of interest to the Bank. These were Assessment of Competitiveness in Tanzania Tea; Prospects for Development of Textiles and Garment Industry in Tanzania; and Tourism Development in Northern Circuit of Tanzania and its Contribution in Improving People's Livelihood.



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PART IV

ANNUAL ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2020



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**REPORT OF THE AUDITORS
DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



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DIRECTORS REPORT AND ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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BANK INFORMATION

Registered office	Bank of Tanzania Head Office P.O.Box 2939 2 Mirambo Street, 11884 Dar es Salaam Tanzania
Governor	Prof. Florens D A.M. Luoga Bank of Tanzania Head Office P.O.Box 2939 2 Mirambo Street, 11884 Dar es Salaam Tanzania
Secretary to the Board	Mr. Palloty M. Luena Bank of Tanzania Head Office P.O.Box 2939 2 Mirambo Street, 11884 Dar es Salaam Tanzania

BRANCHES AND INSTITUTE

Arusha Bank of Tanzania building Makongoro Road P.O. Box 3043, Arusha, Tanzania	Bank of Tanzania Training Institute Capri Point Street P.O. Box 131, Mwanza Tanzania
Dodoma Bank of Tanzania building 2 NCC LINK P.O. Box 2303, Dodoma, Tanzania	Mbeya Bank of Tanzania building Kadege Road P.O. Box 1203, Mbeya, Tanzania
Mtwara Bank of Tanzania building Mikindani Area P.O. Box 1446, Mtwara, Tanzania	Mwanza Bank of Tanzania building Nyerere Road P.O. Box 1362, Mwanza, Tanzania
Zanzibar Bank of Tanzania building Gulioni Area P.O. Box 568, Zanzibar, Tanzania	

AUDITOR

Controller and Auditor General
National Audit Office
Audit house, Ukaguzi Road
P.O. Box 950
41104 Tambukareli Dodoma Tanzania



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020

1. INTRODUCTION

The Directors present this report together with the audited financial statements for the financial year ended 30 June 2020, which disclose the state of financial affairs of the Bank of Tanzania (the “Bank, BoT”).

During the year, the Bank continued to implement its mandate as provided in the Bank of Tanzania Act, 2006 to ensure sustainable national economic growth. The Bank carried out its mandate to issue and distribute currency to the economy through its branch network and custody centres in some parts of the country. During the year, the Bank operated six branches, a training institute and eleven safe custody centres. Three safe custody centres in Iringa, Morogoro and Musoma regions were added during the year.

The Bank provided information and data on economic activities in the country which included periodic economic reports to its stakeholders.

ESTABLISHMENT

The Bank of Tanzania was established under the Bank of Tanzania Act, 1965 which was repealed in 1995 and 2006. The Bank currently operates under the Bank of Tanzania Act, 2006.

BANK’S VISION

The vision of the Bank is “attained macro-economic stability, modernized financial system and expanded financial inclusion that supports Tanzania’s inclusive industrial economic growth.”

BANK’S MISSION

The Bank’s mission is “To maintain price stability and integrity of the financial system for inclusive economic growth”.

2. STATUTE AND PRINCIPAL ACTIVITIES

Bank of Tanzania is the Central Bank of the United Republic of Tanzania comprising Tanzania Mainland and Zanzibar and is wholly owned by the Government of the United Republic of Tanzania. The Bank discharged its obligations as provided in the Bank of Tanzania Act, 2006.

Functions and objectives of the Bank are to:

- (a). Formulate, implement and be responsible for monetary policy, including foreign exchange rate policy, issue currency, regulate and supervise banks and financial institutions including mortgage financing, development financing, lease financing, licensing and revocation of licenses and to deal, hold and manage foreign exchange reserves of Tanzania;
- (b). Compile, analyse and publish the monetary, financial, balance of payments statistics and other statistics covering various sectors of the national economy;
- (c). Regulate, monitor and supervise the payment, clearing and settlement systems;
- (d). Act as a banker and fiscal agent of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar (the “Governments”); and
- (e). Ensure the integrity of the financial system, support the general economic policies of the Government, and promote sound monetary, credit and banking conditions conducive to sustainable development of the national economy.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. RESOURCES AND STRENGTHS

The Bank possesses adequate resources and human capacity to implement its mandates as provided in the Bank of Tanzania Act, 2006. The Bank uses its human, financial and technological resources to achieve its strategic objectives.

The Bank has highly skilled, committed, motivated and competent staff dedicated to a long-term career. Management adheres to good governance principals and promotes good labour relations that provides conducive environment to discharge its mandates.

The Bank has adequate financial resources to perform its mandates. It develops Corporate Plan which identifies strategic objectives to effectively direct resources and guide the performance. From its strategic perspective, the Bank enhances its financial performance by improving management of its resources through prioritisation of initiatives, implementing initiatives within the available financial resources to generate adequate income to support its operations. The Bank has been generating revenue that covered all operating expenses and other support provided to stakeholders. This has enabled the Bank to discharge its mandates without seeking support from shareholder. The profitable operations have helped the Bank to accumulate adequate reserves while paying adequate return to its shareholder through dividend payments.

On technological side, the Bank has modernized its operations by adopting modern technology to improve its day-to-day operations. Further, the Bank has strategically located branches and safe custody centres, which facilitate efficient banking and currency services.

In addition, the Bank has undertaken various reforms that contribute to the attainment of its objectives. These include enhancing Bank's operational and leadership capacity by instilling sound management practices, innovative human resource policies, building capacity in core competencies, optimizing business processes, application of modern and secure technologies, and acquisition of adequate resources for sustainable operational excellence.

The Bank has also undertaken on-going modernisation of the monetary policy framework and payment systems to improve efficiency and effectiveness of the monetary policy implementation and reduce costs to customers thus improving the financial services access.

4. REVIEW OF THE BANK'S PERFORMANCE

During the year, the Bank implemented its Strategic Plan for 2019/20 – 2020/21. The Plan was built on three themes of Leadership, Innovation and Excellence. The Plan contained six strategic objectives that were formulated to enhance achievement of the Bank's statutory mandate as stipulated in the Bank of Tanzania Act of 2006 of maintaining price stability and promoting stability of the financial system.

The Plan was also developed to support and facilitate attainment of broad Government macroeconomic objectives. The Bank's performance on accomplishment of its mission and vision based on strategic objectives was as follows:

(a) Enhance Effectiveness of Monetary Policy.

This entailed keeping monetary conditions consistent with low and stable core inflation. The target was to attain and maintain a single digit and stable core and headline inflation. The Bank had set the target to maintain core inflation not exceeding 5 percent and headline inflation not exceeding 8.0 percent throughout the period.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. REVIEW OF THE BANK'S PERFORMANCE (Continued)

Annual inflation for all consumers' goods and services excluding food and energy (core inflation) in June 2020 slowed down to 2.6 percent from 3.4 percent recorded in June 2019. Core inflation continued to be low and stable, explained largely by stability in the value of Tanzanian Shilling against major currencies, prudent monetary policy and fiscal consolidation.

Headline inflation was 3.2 percent a slight decrease from 3.7 percent recorded in June 2019 and remained below the medium target of 8.0 percent.

The objective also aimed at maintaining official foreign reserves sufficient to cover at least 4.0 months of projected imports of goods and services.

As at the end of June 2020, the Bank foreign official reserves remained high and sufficient to cover 6.0 months of imports of goods and services, which is above 4.3 months recorded at the end of June 2019 and above the target of 4.0 months. The observed increase in the level of official foreign reserves was mainly attributed to purchase of forex from the Inter-bank Foreign Exchange Market (IFEM) consistent with improved current account balance amidst accommodative monetary policy.

(b) Enhance Stability, Safety and Inclusiveness of Financial Systems.

The Bank aimed at increasing access and usage of formal financial services. In this regard, the Bank developed and implemented consumer protection framework; a system for registration of physical financial access points and a system for accessing real-time data from banks and financial institutions. Also, the Bank strengthened legal, regulatory and supervisory frameworks for ensuring resilient banking system through alignment of the frameworks with best international standards and practices; and adopted appropriate tools for monitoring resilience of the financial system.

The number of adult population accessing financial services through mobile phones has increased to 78.4 percent from 74.3 percent attained in March 2019. Further, the Bank of Tanzania (Consumer Protection) Framework and Regulations, 2019 was developed to enhance consumer confidence.

The Bank launched the Financial Services Registry (FSR), which aims at mapping financial services access points in the country. FSR was also launched to provide near real time information of geo-location of financial services access points. The initiative was conducted in order to assist relevant stakeholders in allocation of financial service access points within 5 kilometres.

The Financial System Stability Index (FSSI) was -0.7 points as at the end of June 2020 (June 2019: -0.6 points), which was within the band of -3 and +3 points; and Capital Adequacy Ratio for banking sector was 16.9 percent surpassing the minimum regulatory requirement of 10.0 percent. The ratio of liquid assets to demand liabilities was 33.4 percent suggesting that, on average there was insignificant liquidity risk in the banking sector. Non-performing Loans (NPLs) ratio was 10.8 percent, which was above the acceptable target of not more than 5.0 percent. The increase in NPLs was mainly a result of decline in repayment of loans caused by impact of COVID-19 to the economy.

It is expected that NPLs will be contained through the various regulatory measures instituted by the Bank. Such measures included directing banks and financial institutions to:

- i. Implement non-performing loans reduction strategies and report progress on quarterly basis for close monitoring;
- ii. Improve credit-underwriting processes by using credit reference reports in loan application assessment and granting process;
- iii. Enhancing loan recovery efforts; and
- iv. Adhering to the Tanzania Banker's Association Code of Conduct to, among others, enhance staff integrity.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. REVIEW OF THE BANK'S PERFORMANCE (Continued)

(c) Enhance Banking and Currency Services

During the period the Bank continued to promote banking and currency services that were safe, convenient, timely and affordable. Cheques and Electronic Fund Transfers were received and processed within the required time of not more than a day after receiving (T + 1) and within a day (T + 0), respectively.

The achievement was attributed to continuation of clearing activities under the Tanzania Automated Clearing House (TACH) system and the Treasury Single Account (TSA), which increased the use of electronic funds transfer (EFT) as settlement instrument in Government payments.

Whereas for currency services, the processing lag was one month for higher denomination banknotes, which was within the target of one month. However, for lower denomination, the processing lag was more than six months, which was above the set target of three months.

(d) Strengthen Institutional Capacity and Operational Efficiency

This objective aimed at enhancing Bank's leadership capacity by instilling sound management practices, innovative human resource policies, optimized business processes, modern and secure technologies, and acquisition of adequate resources for sustainable operational excellence. The objective also aimed at enhancing stakeholders' engagement to improve their understanding, support, and feedback on the Bank's undertakings.

During the period under review, the Bank conducted capacity-building programs on strategic thinking and planning to Management and professional staff. It also enhanced monitoring and evaluation over implementation of the strategic plan.

The Bank launched a corporate-wide skills audit exercise to identify skills gaps that need to be addressed in order to improve the Bank operational performance, thereby according staff learning opportunities with a view to enhance their competences to execute the Bank's core functions. Also, the Bank continued to attract and retain highly skilled, committed, motivated, and competent staff. The level of employee satisfaction with the work environment is expected to continue rising up as per the Bank survey findings of July 2019 and March 2020. In addition, 40 (forty) level one end-to-end business processes were identified as part of the process improvement initiatives.

During the year financial performance improved, where corporate expenditure coverage ratio stood at an average of 1.5 times (2019:1.4 times), signifying continued ability to generate revenue sufficient to cover expenditure obligations

The Bank enhanced stakeholders' engagement as evidenced by the results of stakeholders' perception Bank survey conducted in the first half of 2019/20. The survey indicated that 93.5 percent of our stakeholders consider the image of the Bank to be good. In addition, the Bank continued with public education programs by participating in various fora including Saba Saba and Nane Nane exhibitions to disseminate information and provide public awareness on its operations in areas of roles and functions of the Bank including awareness on the bank notes and coins handling and their respective security features.

Further, Information and Communication Technology (ICT) performance was impressive whereby availability of the systems stood at an average of 98.0 percent for databases and at 98.8 percent for servers. The overall Bank's ICT maturity level grew from level 2.0 to 3.0 based on the EVAL tool used by SADC central banks to evaluate IT maturity.



Bank of Tanzania Annual Report 2019/20

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. REVIEW OF THE BANK'S PERFORMANCE (Continued)

(e) Enhance Good Governance

The Bank strengthened corporate governance through effective risk management and enhanced internal controls. The Bank identified and assessed the financial, operational, strategic and reputational risks that can expose it to inefficiency.

Overall, the Bank's risk exposure was ranked under yellow zone, which indicates moderate and tolerable level. The achievement was attributed to implementation of risk mitigation strategies, risk reviews and awareness sessions as well as compliance checks conducted by internal audits.

5. CORPORATE GOVERNANCE

Members of the Board of Directors other than the Governor and Deputy Governors are appointed by the Minister for Finance of the United Republic of Tanzania, while the latter are appointed by the President of the United Republic of Tanzania. The following Directors served in the Board during the year.

No.	Name	Position	Age	Discipline	Date of Appointment	Nationality
1.	Prof. Florens D.A.M. Luoga	Governor and Chairman of the Board	61	Lawyer	4 January 2018	Tanzanian
2.	Mr. Julian B. Raphael	Deputy Governor	64	Economist	26 January 2016	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Deputy Governor	48	Economist	31 May 2017	Tanzanian
4.	Dr. Bernard Y. Kibesse	Deputy Governor	53	Economist	31 May 2017	Tanzanian
5.	Mr. Khamis M. Omar	Member	54	Finance	20 April 2006	Tanzanian
6.	Ms. Mary N. Maganga	Member	53	Economist	1 June 2017	Tanzanian
7.	Prof. Nehemia E. Osoro	Member	73	Economist	1 June 2017	Tanzanian
8.	Mr. Joseph O. Haule	Member	64	Economist	1 June 2017	Tanzanian
9.	Mr. Geoffrey I. Mwambe	Member	45	Economist	1 June 2017	Tanzanian
10.	Mr. Joseph A. Meza	Member	62	Economist	5 April 2019	Tanzanian
11.	Mr. Palloty M. Luena	Secretary	56	Lawyer	3 September 2018	Tanzanian

In accordance with Section 9(2) (c) of the Bank of Tanzania Act, 2006, a representative of the Ministry of Finance and Planning of the United Republic and Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar are ex-officio members.

Bank of Tanzania ascribes to the highest standards of corporate governance. The Bank through the Board of Directors and Management upholds and practices the principles of sound corporate governance.

To this end, the Bank of Tanzania Act, 2006, has provided a framework for ensuring application of sound corporate governance principles and best practices by the Bank's Board of Directors and its Committees and Management in the course of managing the day to day affairs/operations of the Bank as summarised below:

- (i) In terms of the provisions of Section 9(1) of the Bank of Tanzania Act, 2006, the Board of Directors of the Bank is the supreme policy making body, and the approving authority of the corporate plan and budget of the Bank;
- (ii) Four Committees are currently assisting the Bank's Board of Directors in the discharge of its functions. These are the Monetary Policy Committee, Audit Committee, Banking Supervision Committee and Finance and Investment Committee.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

5. CORPORATE GOVERNANCE (CONTINUED)

(a) Monetary Policy Committee

The Monetary Policy Committee was established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Its membership comprises of the Governor as Chairman, the Deputy Governors, and six Non-Executive Directors. The Monetary Policy Committee assists the Board in the review of monetary policy targets; review of research papers and major economic and monetary policy changes before adoption by the Board. The Committee's mandate also covers review of the Governments' revenue and expenditure patterns; review of debt management operations and statutory reports of the Bank related to implementation of monetary and financial policies.

The Members of the Monetary Policy Committee that served during the year ended 30 June 2020 were as follows:

No	Name	Position	Discipline	Nationality
1.	Prof. Florens D.A.M. Luoga	Chairman	Lawyer	Tanzanian
2.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
4.	Dr. Bernard Y. Kibesse	Member	Economist	Tanzanian
5.	Ms. Mary N. Maganga ¹	Member	Economist	Tanzanian
6.	Mr. Khamis M. Omar ¹	Member	Finance	Tanzanian
7.	Prof. Nehemia E. Osoro	Member	Economist	Tanzanian
8.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
9.	Mr. Geoffrey I. Mwambe	Member	Economist	Tanzanian
10.	Mr. Joseph A. Meza	Member	Economist	Tanzanian
11.	Mr. Paloty M. Luena	Secretary	Lawyer	Tanzanian

KEY

1. Attends by invitation

(b) The Audit Committee

Established under the provision of Section 12(1) of the Bank of Tanzania Act 2006, the Audit Committee is largely composed of Non-Executive Directors. The Chairman of the Committee is a Non-Executive Director. The Deputy Governor-Administration and Internal Control is the only Executive member of the Committee. The Terms of Reference for the Audit Committee cover four major areas, namely, Internal Control, Financial Reporting, Internal Audit and External Audit.

The Audit Committee's mandate under Internal Control covers evaluation of control environment and culture; the adequacy of the internal control systems and compliance with International Financial Reporting Standards ("IFRS") in the preparation of financial statements; the overall effectiveness of the internal control and risk management framework. The Committee also reviews Management requests for write off/ write back of items from the books of accounts and reviews the effectiveness of the system for monitoring compliance with laws and regulations.

The mandate relating to financial reporting requires the Audit Committee to review significant accounting and reporting issues and their impact on the financial reports and ensure current financial risk areas are managed appropriately. The Committee also ensures adequacy of the financial reporting process, reviews draft financial statements before submission to the external auditors for audit and the audited financial statements before approval and adoption by the Board. With regards to External Audit, the Audit Committee is informed by the independent external auditor (National Audit Office of Tanzania) about the scope, approach and audit deliverables as well as reviews and approves the proposed audit fee.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

5. CORPORATE GOVERNANCE (CONTINUED)

(b) The Audit Committee (continued)

The Committee's mandate on Internal Audit covers review of the activities and resources of the internal audit function; effectiveness, standing and independence of internal audit function within the Bank; review of the internal audit plan; and follow up on implementation of internal audit findings and recommendations. The Audit Committee reports to the Board of Directors.

The Members of the Audit Committee that served during the year ended 30 June 2020 were as follows:

No	Name	Position	Discipline	Nationality
1.	Mr. Joseph O. Haule	Chairman	Economist	Tanzanian
2.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
3.	Prof. Nehemia E. Osoro	Member	Economist	Tanzanian
4.	Mr. Joseph A. Meza	Member	Economist	Tanzanian
5.	Mr. Geoffrey I. Mwambe	Member	Economist	Tanzanian
6.	Mr. Palloty M. Luena	Secretary	Lawyer	Tanzanian

(c) Banking Supervision Committee

The Banking Supervision Committee was also established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Members of the Committee comprise the Governor who is the Chairman, the Deputy Governors, Representative of the Ministry of Finance and Planning, Government of the United Republic of Tanzania and Principal Secretary to the Treasury, Revolutionary Government of Zanzibar and two Non-Executive Directors.

The Banking Supervision Committee is responsible for review of internal control and systems in banks and other financial institutions; the banking supervision function; adequacy of the prevailing legal and regulatory framework; operating performance of banks, financial institutions, microfinance service providers and bureau de change with a view to ensuring safety and soundness in the banking system; financial stability reports before publication; and on emerging supervisory issues. The Committee advises the Board on appropriate policy, legislative and regulatory measures that promote a safe banking system and high supervisory standards and practices.

The Members of the Banking Supervision Committee that served during the year ended 30 June 2020 were as follows:

No	Name	Position	Discipline	Nationality
1.	Prof. Florens D.A.M. Luoga	Chairman	Lawyer	Tanzanian
2.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
4.	Dr. Bernard Y. Kibesse	Member	Economist	Tanzanian
5.	Mr. Khamis M. Omar	Member	Finance	Tanzanian
6.	Ms. Mary N. Maganga	Member	Economist	Tanzanian
7.	Prof. Nehemia E. Osoro	Member	Economist	Tanzanian
8.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
9.	Mr. Geoffrey I. Mwambe	Member	Economist	Tanzanian
10.	Mr. Joseph A. Meza	Member	Economist	Tanzanian
11.	Mr. Palloty M. Luena	Secretary	Lawyer	Tanzanian



Bank of Tanzania Annual Report 2019/20

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

5. CORPORATE GOVERNANCE (CONTINUED)

(d) The Finance and Investment Committee

The Finance and Investment Committee was established under the provision of Section 12 (1) of the Bank of Tanzania Act, 2006. Members of the Committee include the Governor who is the Chairman, the Deputy Governors and four Non-Executive Members of the Board.

The Finance and Investment Committee is responsible for review of the proposed budgets, reallocation of funds involving capital expenditure and supplementary budget requests; quarterly budget performance reports; Financial Regulations and Staff By-Laws; requests for disposal of immovable assets; and Bank's Annual Corporate Plan. The Committee also reviews the appropriateness of the Bank's investment policy and assets allocation strategy, Risk Management Framework for the Bank's operations and Project Management framework.

The Members of the Finance and Investment Committee that served during the year ended 30 June 2020 are as follows:

No	Name	Position	Discipline	Nationality
1.	Prof. Florens D.A.M. Luoga	Chairman	Lawyer	Tanzanian
2.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
3.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
4.	Dr. Bernard Y. Kibesse	Member	Economist	Tanzanian
5.	Prof. Nehemia E. Osoro	Member	Economist	Tanzanian
6.	Mr. Joseph A. Meza	Member	Economist	Tanzanian
7.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
8.	Mr. Geoffrey I. Mwambe	Member	Economist	Tanzanian
9.	Mr. Palloty M. Luena	Secretary	Lawyer	Tanzanian

6. MEETINGS

The Board held six (6) meetings during the year ended 30 June 2020. In addition, there were various meetings of the Board Committees. All members of the Board were able to substantially devote their time required for the Board and Committee meetings. Below is a summary indicating the number of meetings attended by each members of the Board from 1 July 2019 to 30 June 2020.

No	Number of meetings	Number of meetings					KEY
		Board	MPC	BSC	AC	FIC	
	Names	5	8	5	4	5	Board: Board of Directors
1.	Prof. Florens D.A.M. Luoga	4	4	3	N/A	5	MPC: Monetary Policy Committee
2.	Mr. Julian B. Raphael	4	6	2	4	2	BSC: Banking Supervision Committee
3.	Dr. Yamungu M. Kayandabila	5	6	4	N/A	5	AC: Audit Committee
4.	Dr. Bernard Y. Kibesse	4	6	5	N/A	5	FIC: Finance and Investment Committee
5.	Ms. Mary N. Maganga	4	3	3	N/A	N/A	
6.	Mr. Khamis M. Omar	3	4	0	N/A	N/A	
7.	Prof. Nehemia E. Osoro	5	7	4	4	4	
8.	Mr. Joseph O. Haule	5	4	2	4	4	
9.	Mr. Geoffrey I. Mwambe	2	6	3	4	4	
10.	Mr. Joseph A. Meza ¹	5	4	3	4	5	N/A: Not applicable
11.	Mr. Palloty M. Luena	5	8	4	4	4	

The Board and its committees meet after every two months with additional meetings convened as and when necessary. During the year, the Board and its committees met to discuss and decide on various business activities. The Board's Committees recommend key business decisions to the Board for approval.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

7. INDEPENDENCE

All Non-Executive Directors are considered by the Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

8. CAPITAL STRUCTURE

Section 17 of the Bank of Tanzania Act, 2006 provides the level of authorised share capital of the Bank to be TZS 100,000,000,000, (one hundred billion Tanzanian Shillings). This amount may be increased by such amount as may be determined by the Board and authorised by the Minister of Finance and Planning by Notice published in the Government Gazette. The share capital of the Bank is subscribed and held only by the Government of the United Republic of Tanzania.

Due to the nature of the Bank's business and statutory requirements, the whole capital is held in the form of equity. Different classes of reserves have been prescribed under section 18(1) of the Bank of Tanzania Act, 2006 and **Note 40** to these financial statements. The movement of the capital during the year is reflected under the Statement of Changes in Equity.

9. RELATIONSHIP WITH STAKEHOLDERS

The Bank recognises the importance of addressing the needs of its key stakeholders in order to add value, satisfy their needs and expectations to fulfil its mission. The Bank's key stakeholders include the Governments, banks and non-bank financial institutions, development partners, general public and staff. The Bank is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagements.

Accordingly, the Bank fulfils its mandate by delivering the following services to meet its stakeholders' needs and expectations:

- (a) Issuance of bank notes and coins: The Bank provides secure, adequate, durable and portable bank notes and coins; ensure prompt circulation of currency through its network of branches and safe custody centres throughout the country; and promote public awareness on the currency handling and security features;
- (b) Banking services: The Bank promptly facilitates payments, settlements and clearing of payment instruments for the Governments and financial institutions. Further, the Bank provides safe deposit custody for the Governments and financial institutions; and
- (c) Price stability: The Bank formulates and executes monetary policy that leads to stable domestic prices; provide policy advice to the governments; disseminate economic reports; ensure stable exchange rates; and conduct government securities auctions;
- (d) Financial stability: The Bank promotes the stability of the financial system through effective regulation and supervision of banking system; provide safe and efficient payment systems; and promote public access to the financial services; and
- (e) Internal customer requirements: The Bank attracts and retains high calibre staff with integrity, competency and accountability and provides conducive working environment and career development opportunities to its staff.

10. CASH FLOW PROJECTION

Due to the nature of the Bank's operations most of the cash projections indicate that future cash flows will mostly be generated from operating, investing and financing activities and that the Bank will continue to be a going concern within the foreseeable future.



Bank of Tanzania Annual Report 2019/20

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

11. MANAGEMENT

Section 13(1) of the Bank of Tanzania Act, 2006 vests the Management of the Bank and the direction of its business and affairs to the Governor. The Governor is required to discharge such functions and direction, in conformity with the policies and other decisions made by the Board.

The law further provides that the Governor to be assisted by three Deputy Governors. The Deputy Governors head various functions under them, which involve thirteen directorates, five independent departments, six branches and the Bank's Training Institute.

12. FUTURE DEVELOPMENT PLANS

In its strategic plan, the Bank aligns its vision and strategic objectives with the national priorities outlined in the National Development Vision 2025, the Zanzibar Vision 2020, National Five-Year Development Plan II (2016/17 – 2020/21), and Zanzibar Strategy for Growth and Reduction of Poverty III (ZSGRP III - 2016/17-2020/21). The Bank recognises the main agenda of the Governments to transform the country to upper middle income industrialized economy. Among others, the agenda can be attained through having macro-economic and financial stability, and widened and deepened access to financial services for enhanced investments in the productive sectors leveraging technological advancement. In executing its mandate and achieve its expected results, the Bank intends to do the following in the coming year:

- (a) The Bank will sustain liquidity easing monetary policy owing to low inflation expectations and a need to address possible negative impacts of COVID-19 on various economic activities. Simultaneously, the Bank will continue to develop financial markets platforms in order to increase transparency and efficiency in the money market and modernize its monetary policy framework for effective liquidity management.
- (b) The Bank will continue to monitor risks to core inflation that may arise and take appropriate actions to ensure that core inflation remains within the set targets. Headline inflation is expected to remain around the medium-term target of 5 percent. The projection is supported by adequate food supply given prospects for bumper harvests in 2019/20, stable power supply and prudent monetary and fiscal policies.
- (c) The Bank will also continue to accumulate foreign exchange reserves from various sources above the country's benchmark of a minimum of 4 .0 months of imports of goods and services.
- (d) The Bank shall collaborate with other stakeholders to ensure that the remaining unbanked population have access to financial services. The priority areas for implementation include increasing proximity, ensuring robust electronic platforms, keeping customers informed and protected.
- (e) As regards to financial system stability, the Bank will continue taking measures to address potential credit and liquidity risks in order to minimize probability of financial distress. The measures include engaging banks to apply sound credit underwriting standards and risk management practices to reduce NPLs level, which is the source of capital erosion. Additionally, the Bank, in collaboration with the Tanzania Bankers Association, will continue to execute policy interventions to mitigate the impact of the COVID-19 pandemic to the banking sector.
- (f) The Bank will continue to modernize the currency operations in order to improve distribution of fit banknotes and coins and expeditious withdrawal of the unfit ones. In addition, the Bank intends to continue with development of a more efficient central banking system (CBS) and spearhead finalization and operationalization of the TSA Operational Rules in order to enhance quality of service delivery to customers and stakeholders. Furthermore, the Bank will continue devising mechanisms and incentives for less cash transactions.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

12. FUTURE DEVELOPMENT PLANS (CONTINUED)

- (g) The Bank will strengthen corporate governance through risk awareness sessions, conducting periodic risk assessment and controls, development of risk and audit system, following up on action plans for implementation of risk mitigation strategies and enhancement of risk monitoring mechanisms. The Bank will also continue to monitor both emerging and existing risks to ensure they are reduced to tolerable Bank risk levels.
- (h) The Bank will enhance its staffing complement and fill the staff skill gaps. It is also envisaged that the Bank will finalize streamlining business processes at all levels and developing of operation and procedure manuals for key functions. On the other hand, the Bank shall put more efforts in building capacity to effectively manage cyber security threats and modernization of the IT systems.
- (i) The Bank will continue to take measures to address high level of NPLs, including following -up implementation and conduct impact assessment of the NPL guidance issued to banks in February 2018. Close monitoring of Banks will be intensified to ensure that banks applies sound lending standards and risk management practices to further reduce NPLs level, which is the source of capital erosion
- (j) In collaboration with Tanzania Bankers Association the Bank has developed a code of conduct, which imposes self-regulatory mechanism to bankers, facilitating blacklisting of fraudulent bank officials, which are source of bad loans; and will continue to encourage small and medium sized banks to merge in order to overcome capital and operational challenges
- (k) To improve business processes management with a view to increase organizational efficiency, productivity, control and transparency in business operations. Business Process Management (BPM) initiatives are ongoing at Identification stage; 40 level one processes have been identified.

13. RESULTS AND DIVIDENDS

During the year, the Bank operations registered an overall total comprehensive income of TZS 209,794.0 million (2019: TZS 182,928.8 million). The amount includes net unrealized gains on marketable securities of TZS 125,476.5 million (2019: TZS 46,887.7 million) and net revaluation gain on equity investments of TZS 579.9 million (2019: TZS 3,869.0 million). The Bank recorded an operating profit of TZS 88,279.1 million (2019: TZS 122,591.0 million). The Bank's accounting policy requires transfer of net unrealized revaluation gains or losses on foreign exchange and financial assets measured at FVTPL to the foreign exchange revaluation reserve and Securities revaluation reserve respectively. After appropriate accounting adjustments of various funds/appropriations (statement of changes in equity), the dividend amounting to TZS 150,000.0 million (2019: TZS 250,000.0 million) is payable to the Government in compliance with the requirements of the Bank of Tanzania Act, 2006.

14. FINANCIAL PERFORMANCE AND POSITION

(a) Financial results

The performance of the Bank is measured on the basis of achievements in implementing its core functions as detailed in the Bank of Tanzania Act, 2006. The Bank needs to generate adequate resources in order to support its operations and maintain its independence.

In the course of its operations, the Bank made a total comprehensive income of TZS 209,794.0 million (2019: TZS 182,928.8 million). The increase in total comprehensive income of 14.7 percent is mainly attributed to income arising from increase in price valuation of Bank's foreign investments. Whereas net profit of TZS 88,279.1 million (2019: TZS 122,591.0 million) was generated. The decrease in net profit of 28.0 percent was mainly on account of effects of foreign exchange rates following strengthening of Tanzania Shillings relative to major currencies.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

14. FINANCIAL PERFORMANCE AND POSITION (CONTINUED)

(b) Financial position

Bank total assets increased by TZS 975,152.6 million (6.2 percent) during the year compared to an increase of TZS 1,702,695.2million (10.1 percent) in the previous year. The major areas of increase include: Cash and balances with central and other banks and foreign currency marketable securities by TZS 784,456.8 million (16.2. percent) and TZS 1,136,250.1 million (22.4 percent), respectively. Those increases were reduced by decrease in advance to the Government following increased revenues and discipline in spending The increase in total liabilities is explained by corresponding increases in foreign currency financial liabilities and other deposits.

(c) Capital

The capital has demonstrated strong position over the period. The capital is composed of paid up capital and other reserves in line with the requirement of BoT Act 2006. The entire capital is available to absorb shocks arising from operation and adequately covers the monetary liabilities

15. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for risk management and internal control systems in the Bank. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- (a). The effectiveness and efficiency of operations;
- (b). The safeguarding of the Bank's assets;
- (c). Compliance with applicable laws and regulations;
- (d). The reliability of accounting records;
- (e). Business sustainability under normal as well as adverse conditions; and
- (f). Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Bank's system is designed to provide the Board with reasonable assurance that procedures in place are operating effectively. The Bank ensures that existing and emerging risks are identified and managed within acceptable risk tolerances.

16. KEY RISKS AND UNCERTAINTIES

The key risks that may significantly affect the Bank's strategies and development are mainly financial, operational and strategic. Below we provide a description of the operational and strategic risks facing the Bank. The risks related to financial instruments have been disclosed under Note 43 of the financial statements:

(a). Operational risk

Includes both financial and non-financial resulting from inadequate human resource and systems, management failures, ineffective internal control processes, non-compliance, inadequate security and adverse legal judgements. The main operational risks of the Bank during the year were:

i. Human resource risk

The particular nature of the activities of the Bank necessitates specialised knowledge in many areas. This risk relates to possibility of having inadequate and unspecialized human resource. The Bank ensures that there is an adequate knowledge base for all specialised job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organises workshops, seminars, conferences and job attachments to its staff to improve its human resource requirements. It also revises regularly its staff retention scheme to compete with the prevailing labour market.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

16. KEY RISKS AND UNCERTAINTIES (CONTINUED)

ii. Business disruption and security risks

Risks related to failure to execute business processes and events that compromise the assets, operations and objectives of the Bank. The risks might be due to lack of business continuity management, lack of good practices or controls on the Bank's activities.

The Bank addresses these risks inter alia through ensuring existence of Business Continuity Management ("BCM") plan and sound internal control system, which include operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the Bank is an integral part of day-to-day operations by the management. Management, Internal Audit Function, Audit Committee and the Board, closely monitor this risk.

iii. Legal risk

Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counter parties. The Bank aims at minimizing such uncertainties through continuous consultations with all relevant parties.

In mitigating this type of risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. International Swaps and Derivatives Association ("ISDA"), International Securities Markets Association ("ISMA"), etc. Where substantially different contracts and substantive changes to existing contracts are entered into, external lawyers are contracted. The Bank has in place a clear procedure of the delegation of authorities. In addition, strict code of conduct and ethics is used to minimise chances of causing legal disputes between the Bank and its counterparts.

(b). Strategic risk

This covers analytical and policy risks which are associated with economic and monetary policy formulation; business risk which refers to the probability of loss inherent in the Bank's operations and environment; performance risk which is associated with formulation and execution of business plans and strategies; and external risks which refer to threats from the external environment such as infrastructure disruption, financial crime and computer viruses, political, social and economic changes. Similar to operational risk, strategic risk may result into damage of the Bank's reputation.

The Bank has an obligation to ensure that it performs its functions and maintains its reputation as a Central Bank in line with requirements of the provision of Section 5(1) of the Bank of Tanzania Act, 2006.

In view of the above, the Bank's Management ensures that it fulfils its fiduciary responsibilities. The Bank adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principles of good governance.

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

The top Management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of good governance and having regard to a proper balance between accountability and the best interests of the Bank and its various stakeholders.

The function of the Bank of overseeing and ensuring the integrity of the financial system exposes it to severe criticism whenever there is an incident of bank failure or systemic difficulty. The responsibilities of the Bank regarding monetary policy, the National Payment System ("NPS") and the issuing of notes and coins also expose the Bank to a significant risk. The Bank adheres to international best practices and, to this end,



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

16. KEY RISKS AND UNCERTAINTIES (CONTINUED)

maintains close liaison with international peers. The Bank strives towards full compliance with the principles for effective banking supervision as well as the core principles for systemically important payment systems. The Board assessed the internal control systems throughout the financial year ended June 2020 and is of the opinion that they met accepted criteria.

17. SOLVENCY

The Board of Directors confirms that IFRS's have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Bank of Tanzania has adequate resources to continue carrying out its statutory activities for the near future.

18. EMPLOYEES WELFARE

(a). Management and employee's relationship

The relationship between the Bank and its employees continued to be good. Employees complaints raised during the year were resolved mainly through the use of consultative meetings/fora involving the management, trade union and employees through worker's council. As a result, healthy relationship continued to exist between management and the trade union.

Complaints are resolved through meetings and discussions. Work morale is good and there were no unresolved complaints from employees. The Bank provides a number of facilities aiming at improving the working environment and living standards of its employees. Such facilities include medical services, gym facilities, transport to and from work, housing facilities, employee training and development, leave travel assistance and long service awards for employees as stipulated in the Staff By-Laws.

(b). Training facilities

The Bank has training facilities at the Bank of Tanzania Training Institute in Mwanza region. During the year, the Training Institute conducted 59 (2019: 93) courses for the Bank of Tanzania Staff and banks and financial institutions. The Training Institute prepares annual training programs according to the Bank's Corporate Training Plan that caters for Bank's staff. The Training Institute also designs and implements courses for East African Monetary Union (EAMU) and banks and financial institutions in order to address gaps identified in the performance of their staff that require training intervention. The Institute is also bestowed with training of specified courses for Southern African Development Community (SADC).

(c). Medical Assistance

All members of staff with a maximum number of five beneficiaries for each employee were availed with medical insurance services. During the year ended 30 June 2020 and 2019, National Health Insurance Fund provided these services.

(d). Health and safety

Effective health, safety and risk management are priorities for the Bank. The Bank's safety management system delivers a safe working environment by continuous and effective assessment. The Bank's Medical Committee and Bank's Business Recovery Team ("BBRT"), respectively monitor health and safety incidences of the Bank.

(e). Financial assistance to staff

The Bank provides various loans to employees in accordance with the Staff Bylaws and Financial Regulations in force. These include house loans, motor vehicle loans, personal loans and computer loans.



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

18. EMPLOYEES WELFARE (CONTINUED)

(f). Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Bank continues and appropriate training is arranged. It is the policy of the Bank that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

(g). Employee's pension plan

The Bank has an arrangement whereby the employer and employees make monthly contributions to pension schemes. Such contributions are mandatory and aggregate to twenty percent of the employee's basic salary. The detail of benefits plan is provided under Summary of Significant Accounting Policies in **Note 3** to the financial statements.

(h). Voluntary agreement and worker's council

The Bank has a voluntary agreement with Tanzania Trade Union of Industrial and Commercial Workers to enhance good industrial relation, employee welfare and retain high calibre employees.

19. GENDER PARITY

The Bank is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability, that does not impair ability to discharge duties. As at 30 June 2020 and 2019, the Bank had the following distribution of employees by gender.

Gender	2020	%	2019	%
Male	756	63.1	756	61.1
Female	442	36.9	467	38.9
Total	1,198	100.0	1,223	100.0

20. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in **Note 49** to these financial statements. The directors' emoluments and key management personnel have been disclosed in **Note 49** to the financial statements.

21. ENVIRONMENTAL CONTROL PROGRAM

The Bank monitors the impact of its operations on the environment, which is mainly with power, water and the generation of waste. The Bank minimises the impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

22. CONTRIBUTION AND SUBSCRIPTIONS

The Bank made various subscriptions and contributions to various organisations which included the African Rural and Agricultural Credit Association (AFRACA); African Association of Central Banks (AACB); Macroeconomic and Financial Management Institute (MEFMI); Capital Markets and Securities Authority (CMSA); Deposit Insurance Board (DIB); Financial Institutions Development Project (FIDP II); charities and subscription to Professional Associations. During the year ended 30 June 2020, such contributions and



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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

22. CONTRIBUTION AND SUBSCRIPTIONS (CONTINUED)

subscriptions amounted to TZS 3,649.4 million (2019: TZS 4,094.9 million). There was no donation made to any political party during the year.

23. CORPORATE SOCIAL RESPONSIBILITY

The Bank is committed to fulfilling part of its Corporate Social Responsibility (CSR) through supporting national activities and other areas of interest to the Bank in the United Republic of Tanzania. In this endeavour, the Bank has in place Donation Guidelines that assist in the implementation of CSR. During the year, the Bank donated a total of TZS 1,406.8 million (2019: 1,429.2 million) to various community groups.

24. SECRETARY TO THE BANK

The Secretary to the Bank is responsible for advising the Board on legal and corporate governance matters and, in conjunction with the Chairman, for ensuring good information flows between the Board, its Committees and Management. All members of the Board and Management have access to his legal advice and services.

25. COMPLIANCE WITH LAWS AND REGULATIONS

In performing the activities of the Bank, various laws and regulations having the impact on the Bank's operations were observed.

26. SERIOUS PREJUDICIAL MATTERS

During the year ended 30 June 2020, there were no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No. 1 - Directors' Report.

27. STATEMENT OF COMPLIANCE

The Directors' Report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No. 1 - Directors' Report.

28. AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor for the Bank of Tanzania pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 – 33 of the Public Audit Act No. 11 of 2008 and Section 20(6) of the Bank of Tanzania Act, 2006.

Approved by the Board of Directors on 20 December, 2020 and signed on its behalf by:

Prof. Florens D.A.M Luoga
The Governor and Chairman of the Board

Prof. Nehemia E. Osoro
Director and Chairman of the Audit Committee



Bank of Tanzania Annual Report 2019/20

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2020

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), National Board of Accountants and Auditors' (NBAA) Pronouncements and the requirements of the Bank of Tanzania Act, 2006 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, NBAA's Pronouncements and in the manner required by the Bank of Tanzania Act, 2006. The Directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Bank and its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Approved by the Board of Directors on ^{18th}..... December 2020, and signed on its behalf by:

Prof. Florens D.A.M Luoga
The Governor and Chairman of the Board

Prof. Nehemia E. Osoro
Director and Chairman of the Audit Committee



Bank of Tanzania Annual Report 2019/20

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2020

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the Bank.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the Bank showing true and fair view of the Bank's financial position and financial performance in accordance with applicable International Financial Reporting Standards, NBAA's pronouncements and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the statement of directors' responsibilities on page 68.

I, Jamhuri Joseph Ngelime, being the Head of Finance of the Bank of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2020 have been prepared in compliance with International Financial Reporting Standards, NBAA's Pronouncements and the Bank of Tanzania Act, 2006.

I thus confirm that the financial statements give a true and fair view position of the Bank of Tanzania as on that date and that they have been prepared based on properly maintained financial records.

.....
Director of Finance
NBAA Membership No.: ACPA 1497

18th
.....December 2020



Bank of Tanzania Annual Report 2019/20

INDEPENDENT AUDITOR'S REPORT

Board Chairman
Bank of Tanzania
P.O. Box 2939
2 Mirambo St, 11884
Dar es Salaam, Tanzania

REF: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF BANK OF TANZANIA FOR THE YEAR ENDED 30 JUNE 2020

Report on the financial statements:

Unqualified Opinion

I have audited the financial statements of Bank of Tanzania (the "Bank"), which comprise the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies set out from page 73 to 173

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Bank of Tanzania as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and in compliance with the requirements of the Bank of Tanzania Act, 2006.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in Responsibilities of the Controller and Auditor General for the audit of the financial statements section of my report. I am independent of Bank of Tanzania in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to my audit of the financial statements in Tanzania. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence

I am independent of Bank of Tanzania in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to my audit of the financial statements in Tanzania. I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Information

The Directors are responsible for the other information, including the Directors' report. The other information does not include the financial statements and auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Bank of Tanzania Act, 2006 and for such internal controls as Directors determine are 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 Bank's 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 Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Responsibilities of the Controller and Auditor General on the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of the Controller and Auditor General on the Audit of the Financial Statements (continued)

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that the financial statements have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Section 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Act and its Regulations.

Compliance with Public Procurement Act

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I reviewed as part of this audit, I state that the Bank of Tanzania is generally in compliance with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013 as amended in 2016.

CPA Charles E. Kichere,
Controller and Auditor General
National Audit Office,
Dodoma, Tanzania

23rd
..... December 2020





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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30.06.2020	30.06.2019
		TZS '000	TZS '000
Operating income			
Interest income	5	330,038,192	326,812,853
Interest expenses	6	<u>(10,686,025)</u>	<u>(20,301,913)</u>
Net interest income		<u>319,352,167</u>	<u>306,510,940</u>
Net foreign exchange revaluation gains	7	-	8,437,013
Net realised/unrealized gain on Financial Assets	8	23,674,912	67,208,365
Fees and commissions	9	67,485,483	51,192,597
Other operating income	10	<u>24,338,290</u>	<u>28,429,273</u>
		<u>115,498,685</u>	<u>155,267,248</u>
Total operating income		<u>434,850,852</u>	<u>461,778,188</u>
Operating expenses			
Net foreign exchange revaluation losses	7	(28,810,880)	-
Administrative expenses	11	(61,172,176)	(66,386,120)
Currency issue and related expenses	12	(62,971,045)	(55,838,123)
Personnel expenses	13	(122,802,773)	(124,689,668)
Other operating expenses	14	(47,017,517)	(66,875,265)
Depreciation and impairment of property and equipment	29	(22,424,938)	(23,847,390)
Loss on disposal of property and equipment	29	(20,730)	(8,840)
Amortisation of intangible assets	30	<u>(1,351,648)</u>	<u>(1,541,829)</u>
Total operating expenses		<u>(346,571,707)</u>	<u>(339,187,235)</u>
Profit before tax		88,279,145	122,590,953
Income tax expense		<u>-</u>	<u>-</u>
Profit for the year		<u>88,279,145</u>	<u>122,590,953</u>
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Net unrealized gains on marketable securities-FVOCI	15	125,476,503	46,887,747
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial valuation (loss)/ gain	15	(4,541,485)	9,581,148
Net revaluation gain on equity investments	15	579,873	3,868,954
Total other comprehensive income		<u>121,514,891</u>	<u>60,337,849</u>
Total comprehensive income		<u>209,794,036</u>	<u>182,928,802</u>



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	30.06.2020 TZS '000	30.06.2019 TZS '000
Assets			
Cash and balances with central banks and other banks	16	5,601,157,009	4,816,700,214
Escrow accounts	17	11,253,547	11,218,286
Holdings of Special Drawing Rights (SDRs)	19	20,100,182	67,392,346
Quota in International Monetary Fund (IMF)	19	1,257,328,887	1,266,185,402
Foreign currency marketable securities	20	6,201,955,789	5,065,705,728
Government securities	22	1,230,069,507	1,257,650,150
Advances to the Government	23	844,033,745	1,238,447,385
Loans and receivables	24	386,261,716	422,520,721
Equity investments	21	38,479,418	37,073,235
Inventories	25	7,068,403	8,404,147
Deferred currency cost	26	34,035,017	41,375,635
Other assets	27	102,871,891	522,014,822
Retirement benefit asset	28	786,522	8,227,657
Property and equipment	29	989,956,209	986,294,928
Intangible assets	30	2,859,052	3,853,665
Total assets		16,728,216,894	15,753,064,321
Liabilities			
Currency in circulation	31	5,225,320,820	4,965,202,559
Deposits - Banks and non-bank financial institutions	32	3,541,963,084	3,457,134,887
Deposits - Others	34	2,621,351,304	2,148,235,048
Items in course of settlement	18	17,730,881	25,755,244
Foreign currency financial liabilities	35	1,412,490,402	919,256,948
Poverty reduction and growth facility	36	26,198,739	130,856,840
BoT liquidity papers	37	118,788,633	330,753,832
Provisions	38	8,512,789	6,062,277
Other liabilities	39	119,892,509	72,990,052
IMF related liabilities	19	1,068,555,548	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	19	602,150,585	606,392,081
Total liabilities		14,762,955,294	13,738,722,133
Equity			
Authorised and paid up share capital	40	100,000,000	100,000,000
Reserves	41	1,865,261,600	1,914,342,188
Total equity		1,965,261,600	2,014,342,188
Total equity and liabilities		16,728,216,894	15,753,064,321

The financial statements on page 73 to 173 were approved and authorised by the Board of Directors for issue on 18 December 2020 and signed on its behalf by:

Prof. Florens D.A.M. Luoga
The Governor and Chairman of the Board

Prof. Nehemia E. Osoro
Director and Chairman of the Audit Committee



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2020 (Amounts in TZS '000)	Share capital Note 40	General reserve Note 41 (a)	Retained earnings	Capital reserve Note 41 (b)	Equalisation reserve Note 41 (c)	Reserve for projects Note 41 (d)	Staff housing fund Note 41 (e)	Assets revaluation reserve Note 41 (f)	Financial Sector Development fund Note 41 (g)	Securities revaluation reserve Note 41 (h)	Foreign exchange revaluation reserve Note 41 (i)	Reserve for dividends Note 41 (j)	Defined benefit reserves Note 41 (k)	Total
At 1 July 2019	100,000,000	457,166,248	-	99,262,908	413,567,609	210,000,000	131,893,926	260,246,145	38,699,077	61,777,172	3,077,265	250,000,000	(11,348,162)	2,014,342,188
Profit for the year	-	-	88,279,145	-	-	-	-	-	-	-	-	-	-	88,279,145
Other comprehensive income	-	-	-	-	-	-	-	-	-	126,056,376	-	-	(4,541,485)	121,514,891
Transfer of realised gains from OCI*	-	-	88,279,145	99,262,908	413,567,609	210,000,000	131,893,926	260,246,145	38,699,077	187,833,548	3,077,265	250,000,000	(15,889,647)	2,224,191,154
Transfer of unrealised gains to foreign exchange revaluation reserve	-	-	(5,754,740)	-	-	-	-	-	-	(8,874,624)	-	-	-	(8,874,624)
Transfer of net realised gains to equalization reserve and retained earnings**	-	-	79,023,137	-	(13,425,901)	-	-	-	-	(65,597,236)	5,754,740	-	-	-
Transfer of unrealised gain FVTPL to securities revaluation reserve	-	-	(10,197,307)	-	-	-	-	-	-	10,197,307	-	-	-	-
Transfer of realised gain on foreign exchange revaluation reserve to retained earnings	-	-	11,982,102	-	(11,982,102)	-	-	-	-	-	-	-	-	-
Staff housing fund	-	-	(4,504,422)	-	-	-	4,504,422	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(250,000,000)	-	(250,000,000)
Appropriation of 2019/20 net profit	-	8,827,915	(158,827,915)	-	-	-	-	-	-	-	-	150,000,000	-	-
At 30 June 2020	100,000,000	465,994,163	-	99,262,908	388,159,606	210,000,000	136,398,348	260,246,145	38,699,077	123,558,995	8,832,005	150,000,000	(15,889,647)	1,965,261,600

* Transfer of realised gains includes amount relating to price valuation and amortization premium on foreign marketable securities that are measured at FVOCI recycled to profit or loss statement.

** Net realised gains from previous years on securities revaluation reserve includes gains of TZS 88,242.8 million and loss of TZS 22,645.5 million



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital Note 40	General reserve Note 41 (a)	Retained earnings	Capital reserve Note 41 (b)	Equalisation reserve Note 41 (c)	Reserve for projects Note 41 (d)	Staff housing fund Note 41 (e)	Assets revaluation reserve Note 41 (f)	Financial Sector Development fund Note 41 (g)	Securities revaluation reserve Note 41 (h)	Foreign exchange revaluation reserve Note 41 (i)	Reserve for dividends Note 41 (j)	Defined benefit reserves Note 41 (k)	Total
Year ended 30 June 2019	100,000,000	444,907,153	*** (3,726,914) 122,590,953	99,262,908	360,888,713	210,000,000	126,710,166	260,246,145	38,700,082	2,383,761	212,970,682	350,000,000	(20,929,310)	2,181,413,386
At 1 July 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	122,590,953
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	50,756,701	-	-	9,581,148	60,337,849
Transfer of unrealised gain to foreign exchange revaluation reserve*	-	-	(3,077,265)	-	-	-	-	-	-	-	3,077,265	-	-	-
Transfer of realised gain on foreign exchange revaluation to retained earnings*	-	-	212,970,682	-	-	-	-	(212,970,682)	-	-	-	-	-	-
Transfer of unrealised gain to securities revaluation reserve	-	-	(8,636,710)	-	-	-	-	-	-	8,636,710	-	-	-	-
Transfer of excess realised gains from equalization reserve	-	-	-	-	(6,672,957)	-	-	-	-	-	6,672,957	-	-	-
Transfer of excess realised gain on foreign exchange revaluation reserve to retained earnings**	-	-	6,672,957	-	-	-	-	-	-	-	(6,672,957)	-	-	-
Financial sector development fund income	-	-	1,005	-	-	-	-	-	(1,005)	-	-	-	-	-
Staff housing fund	-	-	(5,183,760)	-	-	-	5,183,760	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(350,000,000)	-	(350,000,000)
Appropriation of 2018/19 net profit	-	-	(321,610,948)	-	59,351,853	-	-	-	-	-	-	250,000,000	-	-
At 30 June 2019	100,000,000	457,166,248	-	99,262,908	413,567,609	210,000,000	131,893,926	260,246,145	38,699,077	61,777,172	3,077,265	250,000,000	(11,348,162)	2,014,342,188

* Realised gains on foreign currency revaluation reserve included in distributable profit and unrealised gains excluded from computation of distributable profit, please refer Note 7.

** Realised losses on securities revaluation reserve included in distributable profit and unrealised losses excluded from computation of distributable profit.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF CASH FLOWS

	Notes	30.06.2020 TZS '000	30.06.2019 TZS '000
Cash flows from operating activities			
Net cash generated / (used in) from operating activities	42	<u>1,570,001,079</u>	<u>(1,733,823,100)</u>
Cash flows from investing activities			
Purchase of property and equipment	29	(23,012,714)	(19,231,724)
Proceeds from disposal of property and equipment	29	-	6,910
Purchase of intangible assets	30	(357,035)	(138,354)
(Increase)/decrease in foreign currency marketable securities		(1,019,648,182)	1,493,597,434
Decrease in Government securities		27,580,643	104,078,141
Acquisition of equity shares		(826,310)	(1,000,536)
Decrease in quota in International Monetary Fund (IMF)		8,856,515	2,107,283
Decrease/(increase) in holdings of SDRs		<u>47,292,164</u>	<u>(64,160,186)</u>
Net cash flows from investing activities		<u>(960,114,919)</u>	<u>1,515,258,968</u>
Cash flows from financing activities			
Increase in currency in circulation		260,118,261	318,239,662
Decrease in IMF related liabilities and PRGF		(112,184,918)	(194,375,261)
Increase/(decrease) in foreign currency financial liabilities		493,233,454	(260,883,364)
Decrease in allocation of SDRs		(4,241,496)	(1,009,205)
Decrease in BoT liquidity papers		(211,965,199)	(249,944,804)
Dividends paid to the Government		(250,000,000)	(350,000,000)
Lease principal payments		<u>(400,752)</u>	<u>-</u>
Cash generated from financing activities		<u>174,559,350</u>	<u>(737,972,972)</u>
Net increase in cash and cash equivalents		<u>784,445,510</u>	<u>(956,537,104)</u>
Cash and cash equivalents			
At the beginning of the year		<u>4,816,976,998</u>	<u>5,773,514,102</u>
At the end of the year	16	<u>5,601,422,508</u>	<u>4,816,976,998</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. REPORTING ENTITY

Legal framework

The Bank of Tanzania operates under the Bank of Tanzania Act, 2006, to act as the Central Bank for the United Republic of Tanzania. Its principal place of business is at 2 Mirambo Street, Dar es Salaam, Tanzania and it operates branches in Arusha, Dodoma, Mbeya, Mwanza, Mtwara and Zanzibar. The Bank is an independent institution with its own legal personality and submits its reports to the Minister for Finance and Planning.

The Bank's principal responsibilities are to:

- (a). Conduct monetary policy and manage the exchange rate policy of the Tanzania Shillings aimed at supporting orderly, balanced and sustainable economic growth of Tanzania;
- (b). Regulate and supervise financial institutions carrying on activities in, or from within, Tanzania, including mortgage financing, lease financing, development financing and licensing and revocation of licenses;
- (c). Manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Tanzania;
- (d). Collect, compile, disseminate, on a timely basis, monetary and related financial statistics; and
- (e). Hold and manage gold and foreign exchange reserves of Tanzania.

Section 17 of the Bank of Tanzania Act, 2006, (the Act) provides that the authorised capital of the Bank to be one hundred billion Tanzanian Shillings (TZS 100 billion). The capital may be increased by transfer from the General Reserve established by the Act such amount as may be determined by the Board, and authorised by the Minister of Finance and Planning, by notice published in the government Gazette.

The paid up capital of the Bank shall not be reduced. The capital of the Bank shall be subscribed and held solely by the Government of the United Republic of Tanzania.

Section 18(1) of the Bank of Tanzania Act, 2006 provides that, the Bank shall establish and maintain:

- (a) A General Reserve Fund;
- (b) A Foreign Exchange Revaluation Reserve;
- (c) Other appropriate assets revaluation reserves or retained net unrealised gains reserves, set up under a decision of the Board to reflect changes in market values of the Bank's major assets and in accordance with the best international accounting practice; and
- (d) Other special reserves or funds from time to time from appropriation of net profit.

Under Section 18(2) of the Act, the Bank shall transfer to the General Reserve Fund twenty-five per centum of the net profits until such time that the total capital of the Bank reaches a sum equivalent to at least ten per centum of the total assets of the Bank less its assets in gold and foreign currencies, thereafter the Bank shall transfer not less than ten percent of its net profits to the General Reserve Fund.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

Legal Framework (continued)

In terms of Section 18(3) of the Act, the Board shall determine, whenever the authorised capital, the General Reserve Fund, the Foreign Exchange Revaluation Reserve and other appropriate asset revaluation reserves or retained net unrealised gains reserves set up by the Board are below five per cent of monetary liabilities all profits shall be retained to the General Reserve Fund, the Foreign Exchange Revaluation Reserve and to any other asset revaluation reserve.

Section 18(4) of the Act provides that; unrealised profits or losses from any revaluation of the Bank's net assets or liabilities in gold, foreign exchange, foreign securities or any internationally recognised reserve asset as a result of any change in the par or other value of any currency unit shall be transferred to a special account to be called the Foreign Exchange Revaluation Reserve Account; the same procedure shall be applied to market value movements in relation to the Bank's other major assets when any of the underlying asset is eventually sold, any resultant realised components shall be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

Section 18(5) of the Act, requires both realised and unrealised gains and losses to be included in the profit calculation but only the residual of any net realised profits of the Bank to be paid, within three months of the close of each financial year, into the Consolidated Fund; subject to the condition that if at the end of any financial year any of the Governments (The Government of the United Republic and the Revolutionary Government of Zanzibar) is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the indebtedness and thereafter such amount as relates to the net realised profits of the Bank in the relevant financial year shall be paid out of the Consolidated Fund to the Treasury of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar in accordance with the formula agreed upon by the Governments.

Section 19(1) of the Act, provides that, where the Bank's Statement of Financial Position indicates that the amount of its assets is less than the amount of its liabilities and the statutory fund, the Minister of Finance and Planning shall, on behalf of the United Republic, issue to the Bank negotiable interest-bearing securities at market determined interest rates with a fixed maturity date to the amount necessary to restore the Bank's level of paid up capital.

In terms of Section 20(1) of the Act, the financial year of the Bank shall be the period commencing on 1 July of each year and the accounts of the Bank shall be closed on 30th June of each financial year. Furthermore, Section 20(2) of the Act provides that, the Bank's accounting policies, procedures and associated accounting records shall be consistent at all times with the best international accounting standards.

Section 20 (6) of the Act, provides the annual external audit of the Bank to be performed by the Controller and Auditor General in accordance with International Accounting and Auditing Standards and in compliance with the Public Finance Act.

Section 23 of the Act provides that the Bank shall only be placed in liquidation or wound up pursuant to the procedure prescribed in an enactment of Parliament but the provisions of the Companies Act and the Companies Decree shall not apply in relation therewith.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

(a) New and revised IFRSs that are mandatorily effective for the year

IFRS 16 LEASES

IFRS 16 resulted in a significant change for lessee accounting, there is no longer a distinction between operating and finance leases, IFRS 16 supersedes IAS 17 Leases. The standard introduces a single lease account model that requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless underlying asset is of low value. The standard set out the principles for the recognition, measurement, presentation and disclosure of leases on the statement of financial position.

On 01 July 2019, the Bank adopted the requirements of IFRS 16 using modified retrospective approach by recognising lease liability at the date of initial application for leases previously classified as an operating lease under IAS 17 and right -of -use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position before the date of initial application.

The adoption of the standard increased assets and liabilities by TZS 3,094.2 million with no effect on opening balance of retained earnings. Right of use for land was adjusted by a premium of TZS 1,971.5 million to align with transition requirements IFRS 16 Leases for the Bank covers land and fibre optic as recognised on the statement of financial position, amounted to TZS 2,432.1 million and TZS 2,633.6 respectively. The lease policy for the Bank covers recognition, measurement and disclosure of right to use assets and lease liabilities.

i. Recognition

The Bank assesses whether the contracts contain lease element and recognize assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value as guided by IFRS 16. Leases are recognised as right-of-use assets and liabilities at the date at which the leased assets are available for use by the Bank.

ii. Initial Measurement

(a). Right of use asset

The Bank measures right of use asset using cost model. Amount recognized as right of use asset at initial recognition takes into consideration; estimated incremental borrowing rate as a discount rate, any initial direct costs, disposal costs to be incurred during dismantling and removing of the underlying asset.

(b). Lease liabilities

The Bank measures the lease liability at the present value of all outstanding payments at the initial date including all lease payments to be settled in the future. At the initial recognition the Bank will apply incremental borrowing rate to ascertain present value of the lease payments. The lease payments are discounted using the incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. Payments associated with all short-term leases and leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss

iii. Subsequent measurement

(a). Right to use asset

Subsequently the Bank will measure right to use asset assets at cost, this accommodates all adjustments including accumulated depreciation and any accumulated impairment losses that may arise during the lifetime of the lease.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

The right-of-use assets are depreciated over the shorter of the remaining contractual time at recognition date, and the lease term on a straight-line basis. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated. The amortisation periods for the right-of-use assets are as follows:

- Right of use for the land plots is up to 99 years
- Right of use for the fibre optic cables is 5 years

(b). Lease liabilities

After commencement date the Bank will measure lease liability by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring carrying amount to reflect lease modification, revised payments or other assessments.

iv. Presentation and disclosure

The Bank presents the right of use assets and liability as line items in the notes of the financial statements. Lease interest expense is presented in profit or loss statement separate from other interest expenses. Cash payments for the carrying amount of lease assets are presented in cash flow statements as financing cost. Other information that gives the user of financial statement the basis for assessing effect of the lease is disclosed in the statement of cash flows and notes. Such information for the Bank as a lessee includes:

- (a). Depreciation charge for right-of -use assets by class of underlying asset;
- (b). Interest expense on lease liabilities;
- (c). Total cash outflow for leases;
- (d). Additions to right-of-use assets;
- (e). The carrying amount of right-of-use assets at the end of the reporting period by class of underlying assets

v. Transition accounting on adaption of IFRS 16

The Bank has opted for (modified retrospective approach) by recognizing lease liability at the date of initial application for leases previously classified as an operating lease under IAS 17 and right -of -use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position before the date of initial application:

- (a). A single discount rate is applied to a portfolio of leases with reasonably similar characteristics;
- (b). Not to apply the new lessee accounting model to leases for which the lease term ends within 12 months after the date of initial application. and
- (c). Recognition period for value in use assets starts on the application date.

Management noted but did not apply the standards or amendments that are not applicable to the Bank's business and accounting framework. The unapplied standards amendments include, IAS 41 Agriculture and IFRS 3 Business combinations.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

(b) Amended standards in issue but not yet effective for the year

The Bank has not early adopted any of the following new and revised IFRSs that have been issued but are not yet effective. Commentary is provided for the amendments and standards that are applicable to the Bank's operations:

Amended standards:	Effective for annual periods beginning on or after
IAS 1- Presentation of Financial Statements	1-Jan-22
IAS 16 – Property, Plant and Equipment	1-Jan-22
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	1-Jan-22
IAS 41 – Agriculture	1-Jan-22
IFRS 3- Business Combinations	1-Jan-22
IFRS 1 – First-time Adoption of International Financial Reporting Standards	1-Jan-22
IFRS 9 – Financial Instruments	1-Jan-22
IFRS 17 – Insurance Contracts	1-Jan-23

i. IAS 1 Presentation of Financial Statements

The amendments give introduction of classification of liabilities as current and non-current, this will affect only the presentation of liabilities in the statements of financial position, the classification of liabilities as current and non-current should base on rights that are in existence at the end of the reporting period.

The proposed date for application of this amendment is annual reporting period beginning on or after 01 January 2023. Management is still evaluating the requirements of these amendment its impact on the Bank's financial reporting framework when they fall due.

ii. Amendments on IAS 16 Property, Plant and Equipment

The IASB issued amendment of IFRS on May 2020, Property, Plant and Equipment on proceeds before intended use. These amendments prohibit a company from deducting the cost of property, plant and equipment from amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company should recognize such sales proceeds and related cost in profit or loss. The proposed date for application of this amendment is annual reporting period beginning on or after 01 January 2023.

Management has assessed the requirements of these amendments and their impact on the Bank's financial reporting framework and is of the opinion that the amendments will have insignificant impact on the measurement of financial assets due to the nature of the Bank's financial assets.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

Presentation of financial statements

The Bank presents its Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date and more than 12 months after the statement of financial position date is presented in **Note 43**.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense is not offset in the profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise stated or as required by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities to be stated at their fair value as disclosed in the accounting policies hereafter. The financial statements are presented in thousands of Tanzanian Shillings (TZS '000) except where explicitly stated.

Statement of compliance

The financial statements of Bank of Tanzania have been prepared in accordance with International Financial Reporting Standards as far as they are practically applicable to the Bank and comply with the requirements of the Bank of Tanzania Act, 2006. The Directors Report is presented together with financial statements in compliance with Tanzania Financial Reporting Standards.

Revenue recognition

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

Interest income

For all financial instruments measured at amortised cost, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental cost that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of receipts or payments. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been rendered. The recognition is when or as performance obligations within contract with customer are satisfied. Loan commitment fees for loans that are likely to be drawn down are deferred (together



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

with related direct cost) and recognised as an adjustment to the effective interest rate on the loan. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

Other income falling under IFRS 15 is recognized after satisfaction of performance obligations at a point in time or over time. Except for rental income from staff quarters covered by IAS 17 Leases, the remaining other income not under IFRS 15 or other standard is recognized in the period in which it is earned on accrual basis.

Dividend income

Dividend is recognised when the Bank's right to receive the payment is established.

Other income

Other income falling under IFRS 15 is recognized after satisfaction of performance obligations at a point in time or over time. These include income from hire of conference facility and fees and commission. Other income out of the scope of IFRS 15 is recognised in the period in which it is earned.

Dividend payable

Dividend is recognised as a liability in the period in which it is declared. Proposed dividend is disclosed as a separate component of equity.

Expenses

These are losses and other expenses that arise in the course of Bank's ordinary activities. They include interest and administrative expenses. Generally, expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

Interest expenses

Interest expense is the cost of debt that has accrued during a specified accounting period regardless of the time of spending the cash. These include interests on liquidity papers, repurchase agreements and IMF drawings. Interest expenses are recorded using the effective interest rate method.

Since interest on debt is not paid daily, the Bank passes adjusting entries periodically to recognise interest expense within the accounting period that the expense has been accrued.

Administrative expenses

This includes expenses that produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset. Such expenses are recognised immediately in the income statement in the accounting period that the cost has been incurred. These include maintenance, transport and travelling, meetings, conference and seminars, water and electricity, fees, rates and security expenses, telecommunication and postage, board expenses, audit fees, budget and annual accounts preparation, loss on disposal of property and equipment, hospitality, legal and investigation expenses.

In addition, administrative expenses include expenses whose economic benefits are expected to arise over several accounting periods and the association with benefit can only be broadly or indirectly determined. Such expenses are recognised in the income statement in the accounting period in which the economic benefits are consumed or have expired. They may include stationery and office supplies.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other expenses

Other expenses are recognised in the statement of profit or loss and other comprehensive income when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

Employees' benefits including post-employment benefits

Short-term employment benefits such as salaries, social security contributions, and leave fare assistance are recognised in Statement of Profit or Loss and Other Comprehensive Income when they fall due.

Retirement benefits

The Bank has a statutory obligation to contribute for retirement benefits to its employees. All eligible employees of the Bank are currently members of the social security schemes operating in Tanzania. The fund where employees are members is Public Sector Social Security Fund (PSSF) Under this scheme, the Bank and employee contribute an agreed rates of employee's basic salary every month. The Bank signed a Voluntary Agreement (VA) with the Tanzania Union of Industrial and Commercial Workers (TUICO), which provides for a number of benefits on retirement upon attaining a number of years in service with the Bank as specified in the Bank's Staff Bylaws. The provisions in the VA and Staff By-Laws constitute a defined benefits plan, which has been accounted and disclosed in accordance with the requirements of International Accounting Standard 19 Employee Benefits.

The plan is partly funded through employees' contribution. There are two categories of benefits to Bank's staff. The first is payable to staff employed for unspecified period and second is to executive management who are under specific contracts. Benefits are paid upon end of contract, retirement, withdrawal or death as specified in the Staff By-Laws.

The total accumulated obligation to the Bank relating to this arrangement is based on assessments made by independent actuaries. The actuarial valuation was carried out as at 30 June 2020 by Actuarial and Risk Consultants Limited based in Tanzania. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Under IAS 19, measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic and financial assumptions, including future salary growth. The assumptions used are applied for the purposes of compliance with the IAS 19 only.

Re-measurement comprising of actuarial gains and losses are reflected immediately in the statement of the financial position with a charge or credit recognised in Other Comprehensive income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and not reclassified to profit or loss.

Past service, cost is recognised in the profit or loss in the period of plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined beginning obligation. In the absence of a deep corporate bond market in Tanzania, the Bank has used the discount rate for Tanzania long-term bond yields as published in the Bank Monthly Economic Reviews.

The Bank presents current service cost and net interest cost in personnel expenses. Curtailment gains and losses are accounted for as past service cost.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

The Bank provides free medical treatment to its employees and their dependants through medical insurance scheme. Exclusions are met by the Bank as medical expenses. The cost is charged to profit or loss. The estimated monetary liability for employees' earned but not taken leave entitlement at the end of the reporting period is recognised as an accrued expense.

Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Income Tax

No provision for income tax is made in the Financial Statements as Section 10 Second Schedule of the Income Tax Act, 2004 exempts the Bank from taxation imposed by law in respect of income or profits.

Further, according to Section 22(1) and (2) of the Bank of Tanzania Act, 2006, the Bank is exempt from payment of any taxes, levies or duties in respect of its profits, operations, capital, property or documents or any transaction, deed, agreement or promissory note to which it is a party. The Bank is also exempt from payment of stamp duty or other duties in respect of notes and coins issued as currency under the Act.

The Bank pays Value Added Tax (VAT) on goods or services provided to the Bank at a rate of 18 percent of the value of goods and service. This excludes goods and services not related to the Bank's primary functions. The Bank is also required to pay import and customs duties in accordance with the provisions of the East African Customs Management Act, 2004.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions during the year and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in profit or loss.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign exchange revaluation reserve under the legal framework

The realised foreign exchange gains/losses are separated from the total revaluation gains/losses. The unrealised part is excluded from computation of distributable profits for the year and is carried in foreign currency revaluation reserve until realised in subsequent years thereby becoming part of the distributable profits. These are determined as follows:

- (a) For each foreign currency account or security for the case of securities accounts, cash inflows and outflows are determined.
- (b) Each inflow is valued using the prevailing exchange rate.
- (c) Each outflow is revalued using the prevailing exchange rate and compared with the rate at which the outflow was recognised in the books of accounts. Where specific originating rate cannot be identified, the applicable is determined on First in First out (FIFO) basis. The difference between the two entries represent realised revaluation gains or losses.
- (d) All balances in foreign currencies are revalued using prevailing exchange rates. The differences between the values at the time when the related instrument was recognised, and the current values represent unrealised losses or gains as the case may be.

Property and equipment

Property and equipment are initially recorded at construction, acquisition or purchase cost plus direct attributable cost. Where an item of property and equipment comprises, major components having different useful lives, they are accounted for separately. Property that is being constructed or developed for future use to support operation is classified as Work in Progress (WIP) and stated at cost until construction or development is complete and is available for use, at which time it is reclassified as property and equipment in use.

The Bank's immovable properties (buildings) are subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. The valuation is performed by external independent valuers.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the Asset Revaluation Reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Revaluation of the Bank's immovable property is conducted every five years. M/S M & R Agency Limited, professional and independent valuers carried out the valuation of the Bank's immovable properties as at 30 June 2016. The valuation of the Bank's immovable assets was made based on open market values. However, where market data were not easily available, reliable depreciated replacement cost was adopted. This basis is in line with International Valuation Standards.

Depreciation is charged to profit or loss on a straight-line basis to write off the cost of property and equipment to their residual values over their expected useful lives. These residual values and expected useful lives are re-assessed on an annual basis and adjusted for prospectively, if appropriate. The review of residual values takes into account the amount that the Bank would currently obtain on disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful or economic life (whichever is earlier).



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (Continued)

Depreciation rates applicable as at 30 June 2020 and 2019 were as follows:

Asset classification	Annual depreciation rate	Useful life
Office Premises	1.0%	100 years
Staff Club Premises	1.5%	67 years
Residential Premises	1.5%	67 years
Computer Servers	25.0%	4 years
Computer Printers	25.0%	4 years
Personal Computers	25.0%	4 years
Network Equipment	25.0%	4 years
Bullion Trucks and Armoured Vehicles	10.0%	10 years
Motor Vehicles	20.0%	5 years
Currency Processing Machines	10.0%	10 years
Machinery and Equipment	20.0%	5 years
Security Monitoring, Fire Detection and Fire Fighting Systems	25.0%	4 years
Office Furniture	20.0%	5 years

No depreciation is charged to Capital Work-in-Progress. Property and equipment acquired during the year are depreciated from the date when they are available for use and cease to be depreciated at earlier of the date that the asset is classified as held for sale or the date that the assets are derecognised.

Property and equipment are derecognised when no economic benefits are expected from its use or disposal. The disposal methods applied include; sale, donation or scrapping. Gains or losses on disposal of property and equipment are determined by comparing net disposal proceeds if any with the carrying amount and are taken into account in determining operating profit or loss.

Intangible assets

Intangible assets consist of computer application software and computer application licence packages. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment at the reporting date to ascertain if there is an indication that the intangible asset may be impaired. Generally, cost associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally developed intangible assets are not capitalised unless they meet certain criteria.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Internally developed software products include direct cost incurred by the Bank and are recognised as intangible assets upon meeting the following criteria:

- (a) It is technically feasible to complete the software product so that it will be available for use;
- (b) Management intends to complete the software product and use it;
- (c) There is ability to use the software product;
- (d) It can be demonstrated how the software product will generate probable future economic benefits;
- (e) Adequate technical, financial and other resources to complete the development and to use the software product are available; and
- (f) The expenditure attributable to the software product during its development can be measured reliably.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation, which has been consistently applied, is 25 percent. The amortisation period and the amortisation method for an intangible asset are reviewed at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Capital grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released as income in equal instalments over the expected useful life of the related asset.

When the Bank receives non-monetary grants, the asset and the grant are recorded at gross amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

Currency printing and minting expenses

These expenses include ordering, printing, minting, freight, carriage insurance and handling expenses which are first deferred. Based on the currency issued into circulation, the respective proportional actual cost expenses incurred are released to profit or loss from the deferred currency expenses account.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Currency in circulation

This represents Tanzanian currency that has been issued into the Tanzanian economy by the Bank since inception. Currency in circulation is measured at the face value of notes and coins issued. Currency in circulation is determined by netting off notes and coins issued against the balance held in the Bank of Tanzania vaults, safe custody centres and notes and coins destroyed.

Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether or not there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Repurchase and Resale Agreements (REPOs and Reverse REPOs)

Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to purchase the same securities at a specified future date at a fixed price. Resale agreements are contracts under which a party purchases security and simultaneously agrees to resell the same securities at a future date at a fixed price.

It is the Bank's policy to take possession of securities purchased under resale agreements, which are primarily liquid government securities. The market value of these securities is monitored and, within parameters defined in the agreements, additional collateral is obtained when their fair value declines. The Bank also monitors its exposure with respect to securities sold under repurchase agreements and, in accordance with the terms of the agreements, requests the return of excess securities held by the counter party when fair value increases.

Repurchases and resale agreements are accounted for as collateralised financing transactions and recorded at the amount at which the securities were acquired or sold plus accrued interest.

REPOs continue to be recognised in the Statement of Financial Position and are measured in accordance with policies for financial liabilities.

The difference between sale and purchase price is treated as interest income or expense and is recognised in profit or loss.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Exchange Revaluation Reserve

The Bank has a policy whereby both net realised, and unrealised foreign exchange gains and losses are firstly recognised in profit or loss in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The net realised foreign exchange gains (losses) for the year arising from daily revaluation of foreign assets and liabilities form part of the distributable profits while the net unrealised foreign exchange revaluation gains (losses) are transferred to the Foreign Exchange Revaluation Reserve.

Reserve for Dividend

This reserve accommodates the amount of proposed dividend to the Governments as at end of the accounting period or declared dividend if the declaration is made after the end of the period but before the financial statements are signed. In accordance with Section 18 (5) of the Bank of Tanzania Act, 2006, the remainder of the net profits of the Bank is paid to the Governments as dividend. However, this is subject to the condition that if at the end of any financial year any of the Governments is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the Governments indebtedness.

Financial instruments

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities.

Date of recognition

The Bank recognises financial instruments on the trade date, that is the date that the Bank commits to purchase or sell the asset. Such purchases or sales of financial assets would require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial recognition and subsequent measurement

All financial instruments under IFRS 9 are initially measured at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental cost of acquisition or issue. subsequent to measurement of the instrument.

Classification of financial instruments

IFRS 9 classification is based on two aspects: the business model within which the asset is held (the business model test) and the contractual cash flows of the asset which meet the Solely Payments of Principal and Interest ('SPPI') test.

Classification of financial assets

Under IFRS 9 there are three principal classification categories for financial assets: measured at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL).

Amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition).

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Bank of Tanzania Annual Report 2019/20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These includes all other financial assets with an exclusion of foreign currency marketable securities and investments in Equity

Financial assets measured at FVOCI-debt instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at fair value through profit or loss on initial recognition and are subsequently measured at fair value with gains or losses recognised in other comprehensive income

- The asset is held within a business model whose objective is both to hold assets in order to collect contractual cash flows and sale; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These are foreign currency marketable securities that are internally managed

Financial assets designated as measured at FVTPL

Financial assets designated as FVTPL are measured at fair value. Gains and losses that arise as a result of changes in fair value are recognised in profit or loss, gains and losses that arise between the end of the last annual reporting period and the date an instrument is derecognised do not constitute a separate profit or loss on disposal. Such gains and losses will have arisen prior to disposal, while the item is still being measured at FVTPL, and are recognised in profit or loss when they occur. These are foreign currency marketable securities that are externally managed.

Fair Value through Other Comprehensive Income (FVTOCI)-Investments in Equity

On initial recognition, the Bank made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. These are equity investment in Afreximbank and Society for Worldwide Interbank Financial Telecommunication (SWIFT).

Effective Interest Rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, and all other transaction cost and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or liability on initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, and any revisions to these estimates are recognised in the income statement. Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. These include government securities, Loans and Advances. Interest income is recognised in profit or loss.

Financial liabilities

This represents issued financial liabilities or their components, which are not held at fair value through profit or loss, financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or when the continuing involvement approach applies, commitments to provide a loan at below market interest rate and hedged items are classified at amortised cost. All Bank's financial liabilities are classified as measured at amortised cost using the effective interest rate method.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Bank of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either
 - (a) the Bank has transferred substantially all the risks and rewards of the asset, or
 - (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Bank's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are derecognised when the obligation to pay cash flows relating to the financial liabilities has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

Determination of fair value

The fair value for financial instruments traded in active markets at reporting date is based on their quoted market price or dealer price quotations without any deduction for transaction cost. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The impairment of financial assets is based on expected credit losses. The Bank uses the general approach in determining the impairment of financial assets. A loss allowance is always recognized for expected credit losses and is re-measured at each reporting date for changes in those expected credit losses. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

The Bank recognizes loss allowances for Expected Credit Losses (ECL) on all financial assets except those that are measured at FVTPL and equity investments measured at FVOCI:

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

Debt investment securities, advances to the government and other government securities that are determined to have low credit risk at the reporting date; and other financial instruments on which credit risk has not increased significantly since their initial recognition. The Bank considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Bank recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Bank measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the Effective Interest Rate (EIR) multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

Significant Increase in credit risk (SICR)

The Bank decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Bank uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

For all financial instruments the Bank considers that financial instruments for which default patterns are not concentrated at a specific point during the expected life of the financial instrument, changes in the risk of a default occurring over the next 12 months may be a reasonable approximation of the changes



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

in the lifetime risk of a default occurring and could be used to determine whether credit risk has increased significantly since initial recognition.

The appropriateness of using changes in the risk of a default occurring over the next 12 months to determine whether lifetime expected credit losses should be recognized depends on the facts and circumstances. The Bank applies qualitative and quantitative criteria for stage classification and for its forward and backward migration.

Quantitative Criteria

The quantitative criteria are based on relative and not absolute changes in credit quality by ratings and days past due depending on the types of instruments as detailed below:

Cash and balances with Central Banks and other banks, Holdings of Special Drawing Rights (SDRs), Quota in International Monetary Fund (IMF) and foreign currency marketable securities: the SICR indicator is determined by comparing the movement in credit rating at origination date and credit rating at the reporting date.

Notch movements give an indicator of the number of downgrades required in order for the asset to be considered to have a significant change in the credit rating. Therefore, highly rated assets for example those in the AAA category would need to move down three notches to AA- (or below) for it to be considered a significant increase in credit risk whereas an asset rated B- would only need to move down one notch.

Staff loans: staff who are still in employment with the Bank, there is no increase in credit risk at any point in time as the cash flow for staff loan is deducted from the payroll directly hence no increase in credit risk.

For staff who are no longer employees of the Bank of Tanzania, the increase in credit risk is determined by using the backstop indicator of 30 days past due of instalments (as prescribed in the IFRS 9 standard) is used to determine significant increase in credit risk.

Government securities and Advances to the Government: The Bank considered all government securities and short-term advances to the Government of United Republic of Tanzania to be low credit risk assets.

Qualitative Criteria

Other factors are considered by the Bank policies in the determination of significant increase in credit risk. They include but not limited to the following:

- (a). Significant changes in the terms of the same instrument if it were issued at the reporting date that indicate a change in credit risk since initial recognition, e.g.: increase in credit spread; more stringent covenants; increased amounts of collateral or guarantees; or higher income coverage.
- (b). Significant changes in external market indicators of credit risk for the same financial instrument (or similar instrument of the borrower), e.g.: credit spread; credit default swap prices; length of time or the extent to which the fair value of a financial asset has been less than its amortized cost; other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments; or external credit rating (actual or expected).
- (c). Changes in the Bank's credit management approach in relation to the financial instrument (e.g. based on emerging indicators of changes in the credit risk of the financial instrument, the bank's credit risk management practice is expected to become more.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (d). Active or focused on managing the instrument, including the instrument becoming more closely monitored or controlled, or the bank specifically intervening with the borrower.
- (e). Actual or expected adverse changes in business, financial or economic conditions significantly affecting borrower's ability to meet its debt obligations (e.g. increase in interest rates or unemployment rates); operating results of the borrower e.g. declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet its debt obligations; or regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology).
- (f). Significant decrease in the value of collateral or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to pay or otherwise effect the probability of default (e.g. if the value of collateral declines because house prices decline, borrowers in some jurisdictions have a greater incentive to default on their mortgages); or quality of a guarantee provided by a shareholder (or an individual's parents) if the shareholder (or parents) have an incentive and financial ability to prevent default by capital or cash infusion.
- (g). Expected changes in the loan documentation (e.g. breach of contract leading to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees).
- (h). Significant decrease in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group.

Loss allowances for ECL are presented in the statement of financial position as follows:

- (a). Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- (b). Loan commitments and financial guarantee contracts: generally, as a provision;
- (c). Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- (d). Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value.

General approach to collective or individual assessment

The Bank's measurement of expected credit losses is based on the weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis although measurement on a collective basis is accepted by the Bank if more practical for large portfolios of items.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The assessment of whether there has been a significant increase in credit risk may be on a collective basis where the Bank is not able to identify significant changes in credit risk on individual financial instruments before the financial instrument becomes past due.

Collateral

The Bank obtains collateral where appropriate, from Staff to manage their credit risk exposure to the Bank staff. The collateral forms a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future customers in the event that the customer default.

Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

- (a). 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.
- (b). EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- (c). Loss Given Default (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 exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month 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 discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Other liabilities

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

Items in course of settlement, Advance to the Government and Other assets

These are measured at carrying amounts which approximates their fair value due to the short period between reporting date and settlements of these assets.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash equivalent

Cash and cash equivalent comprise of demand and time deposit with central banks and commercial banks and holding of notes denominated in foreign currency. Cash and cash equivalent is carried at amortised cost in the statement of financial position. Due to their short-term nature, the carrying amount approximates the fair value.

Escrow Accounts

These represent funds held by the Bank in foreign exchange, as funds deposited by the United Republic of Tanzania following a memorandum of economic and financial policies arrangement pending agreement with creditors.

The escrow fund is both an asset and a liability in the Bank's books. However, the accounts cannot be netted against each other because they must be visible as both asset and liability according to accounting standards.

Periodically the BoT Escrow balance is reviewed to ensure that sufficient funds will be available when payments are due.

Both assets and liabilities representing these funds are initially measured at fair value and subsequently measured at amortised cost where they have specific dates of maturity. Details of the accounts have been shown under **Note 17** of the accounts.

Derivatives

A derivative is a financial instrument or other contract within the scope of IFRS with all three of the following characteristics:

- Its value changes in response to the change in a specified variable such as interest rate, financial instrument price or foreign exchange rate.
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from market observable prices including recent market transactions, or valuation techniques which incorporate market observable input, such as discounted cash-flow models. Generally, the best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Bank uses derivatives mostly for hedging in risk management and liquidity support in monetary implementation. The Bank does not apply the optional hedge accounting rules of IFRS 9.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

International Monetary Fund (IMF) related balances

Relationship

The Bank is the fiscal and depository agent of United Republic of Tanzania for transactions with the International Monetary Fund (IMF). Financial resources availed to Tanzania by the Fund are channelled through the Bank. Repayment of the IMF loans as well as charges is the responsibility of the Bank.

Currency of Transactions with the IMF

Borrowings from and repayments to the IMF are denominated in Special Drawings Rights (SDRs). The SDR balances in IMF accounts are translated into TZS and any unrealised gains or losses are accounted for in profit and loss account in accordance with IAS 21 – Effects of changes in foreign exchange rates.

Quota in IMF, Interest and Charges

Borrowings from the related Tanzania's quota are non-interest bearing with no stated maturity, while borrowings from the General Resources Account of the IMF bears interest at rates set by the IMF on a weekly basis and are repayable according to the repayment schedules of the agreement.

Inventories

The Bank owns all inventories stated in the statement of financial position. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Writing down of values of inventories is made for slow moving and obsolete inventories.

Credit Guarantee Schemes

These are schemes operated in accordance with the rules governing them and administered by the Bank on behalf of the URT Government as stipulated in their respective agency agreements. The primary objective of the schemes is to facilitate access to the credit facilities by guaranteeing loans granted by the participating financial institutions to small and medium enterprises, exporters and development projects.

The rules of the schemes include a requirement for the financial institutions to properly assess the projects' viability, as to adequacy of loan security and approve the loan prior to applying for the guarantee. Because of the nature of the loan transactions, contingent liabilities exist in respect of possible default.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgment that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant use of judgement and estimates are as follows:

(a) Going concern

The Bank's Management has made an assessment of the Bank's ability to continue as a going concern. Management is satisfied that the Bank has resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

(b) Impairment of assets carried at amortised cost

Impairment losses on items in cash and balances with central banks, escrow account, items in course of settlement, holdings of Special Drawing Rights (SDR), quota in International Monetary Fund (IMF) government securities, advances to the Governments, loans and receivables and other assets.

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

The Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

(c) Impairment of other financial assets

Impairment exists when the carrying amount exceeds its recoverable amount and the asset is written down to the recoverable amount. Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(d) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates. Details have been provided under **Note 44** to these accounts.

(e) Useful lives of property and equipment

Pursuant to the requirements of IAS 16 (Property, Plant and Equipment) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) the Bank makes accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits and reviews its depreciation rates at each reporting date.

(f) Retirement benefits

Under IAS 19 measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic, financial and future salary growth assumptions. A degree of judgement is required in establishing market yields, long term expectations, the notional contribution rate and other inputs used in the actuarial valuation. Details have been provided under **Note 45** to these accounts.

(g) Contingent liabilities

The Bank has provided for the liabilities arising out of contractual obligations. Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgments than other types of provisions. When cases are at an early stage, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases. Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognised, and the estimated amounts of any such provisions, revising previous judgments and estimates as appropriate.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

5. INTEREST INCOME

Interest income from foreign operations relates to interest earned from investments in foreign fixed income securities, money market operations and foreign deposits. Interest on domestic investments relates to interest earned from investments in United Republic of Tanzania government bonds, stocks and discounted treasury bills.

	30.06.2020			30.06.2019		
	Received TZS '000	Accrued TZS '000	Total TZS '000	Received TZS '000	Accrued TZS '000	Total TZS '000
From foreign operations						
GBP investments	8,648,919	4,736,064	13,384,983	6,653,335	5,284,108	11,937,443
USD investments	138,391,544	23,708,952	162,100,496	109,740,100	25,533,333	135,273,433
EUR investments	-	-	-	(1,403,562)	-	(1,403,562)
AUD investments	3,980,413	1,874,037	5,854,450	8,067,517	2,293,193	10,360,710
CNY investments	12,635,495	3,273,910	15,909,405	14,512,656	1,808,279	16,320,935
Other foreign interest income	1,555,576	-	1,555,576	2,394,208	-	2,394,208
	165,211,947	33,592,963	198,804,910	139,964,254	34,918,913	174,883,167
From domestic operations						
Interest on domestic investments	84,743,447	34,452,390	119,195,837	101,782,982	28,044,450	129,827,432
Interest on loans and advances	-	2,324,898	2,324,898	7,123,473	-	7,123,473
Interest on staff loans	345,789	364	346,153	355,178	-	355,178
Interest on Repurchase Agreements (Reverse REPO)	9,366,394	-	9,366,394	14,623,603	-	14,623,603
	94,455,630	36,777,652	131,233,282	123,885,236	28,044,450	151,929,686
	259,667,577	70,370,615	330,038,192	263,849,490	62,963,363	326,812,853



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

5. INTEREST INCOME (CONTINUED)

Classification of interest income arising from financial instruments is indicated below:

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Income from instruments measured at fair value	112,769,422	74,207,101
Income from instruments measured at amortised cost	<u>217,268,770</u>	<u>252,605,752</u>
	<u>330,038,192</u>	<u>326,812,853</u>

6. INTEREST EXPENSES

	30.06.2020		30.06.2019	
	Paid	Accrued	Paid	Accrued
	TZS '000	TZS '000	TZS '000	TZS '000
Interest on BoT liquidity papers	5,880,411	1,196,442	10,111,150	3,727,279
Interest on repurchase agreements	-	-	71,342	-
Charges on IMF Drawings	<u>3,609,172</u>	<u>-</u>	<u>6,392,142</u>	<u>-</u>
	<u>9,489,583</u>	<u>1,196,442</u>	<u>16,574,634</u>	<u>3,727,279</u>
		<u>10,686,025</u>		<u>20,301,913</u>

The Bank issues 35-Day, 91-Day, 182-Day and 364-Day Treasury Bills to mop up excess liquidity in the economy. The interest expense arising from liquidity mop up activities is shared between the Bank and the Government of the United Republic of Tanzania in accordance with the sharing ratios agreed in Memorandum of Understanding (MOU) in force.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

7. FOREIGN EXCHANGE REVALUATION GAINS/(LOSS)

During the year, the Bank recorded a total net foreign exchange revaluation loss amounting to TZS 28,872 million (2019: TZS 8,437.0 million). 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. Out of the total net foreign exchange revaluation loss, an amount of TZS 5,754.7 million (2019: 3,077.3 million) relating to unrealised gain is not available for distribution of dividend and according to the Bank of Tanzania Act, 2006 has been transferred to the foreign exchange revaluation reserve (refer to **Note 41 (g)**).

Analysis of foreign exchange valuation	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Net realised foreign exchange revaluation (loss)/ gain during the year	(34,565,620)	5,359,748
Net unrealised foreign exchange revaluation gains during the year	<u>5,754,740</u>	<u>3,077,265</u>
	<u>(28,810,880)</u>	<u>8,437,013</u>

8. NET GAINS/ (LOSSES) ON FINANCIAL ASSETS

	<u>30.06.2020</u>			<u>30.06.2019</u>		
	<u>Realised</u>	<u>Unrealised</u>	<u>Total</u>	<u>Realised</u>	<u>Unrealised</u>	<u>Total</u>
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
USD	11,504,916	10,197,307	21,702,223	62,448,500	8,636,710	71,085,210
GBP	427,265	-	427,265	(5,801,817)	-	(5,801,817)
EUR	-	-	-	751,940	-	751,940
AUD	1,467,441	-	1,467,441	1,878,458	-	1,878,458
CNY	77,983	-	77,983	(705,426)	-	(705,426)
Total	<u>13,477,605</u>	<u>10,197,307</u>	<u>23,674,912</u>	<u>58,571,655</u>	<u>8,636,710</u>	<u>67,208,365</u>

This represents the net increase in fair value of the foreign financial assets. The value of this balance aggregated to a gain of TZS 23,674.9 million (2019: gain of TZS 67,208.4 million).

9. FEES AND COMMISSIONS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Commission on foreign operations	60,036,995	47,227,212
Tanzania Interbank Settlement System (TISS) fees and charges	3,115,494	2,501,915
Bureau de change application fees	8,000	43,000
Bureau de change registration fees	12,000	9,000
Bureau de change penalty fees	4,164,696	1,325,000
Clearing House fines and penalties and other fees	-	20
Tender application fees	16,900	35,450
Banks and financial institutions applications/licensing fees	131,398	51,000
	<u>67,485,483</u>	<u>51,192,597</u>

Commission on foreign operations relates to income received from buying or selling foreign currency, and funds transfers by SWIFT and TISS.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

10. OTHER OPERATING INCOME

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Foreign operations		
Miscellaneous income	215,262	-
Interest from FVTPL investments	14,255,166	13,863,314
Commission and fees on foreign operations	-	2,566,642
Realised gains on de-recognition of foreign currency marketable securities	103	-
Dividend from equity investment	1,794,843	722,223
	<u>16,265,374</u>	<u>17,152,179</u>
Other income from foreign operations		
Domestic operations		
Miscellaneous income	1,790,229	4,420,451
Income - domestic operations	844,924	755,331
Net income from staff housing fund *	4,504,422	5,183,760
Rental income from staff quarters	767,383	804,480
Income from hostel accommodation	108,579	73,628
Income from cafeteria operations	57,379	39,444
	<u>8,072,916</u>	<u>11,277,094</u>
Other income from domestic operations		
Total other income	<u>24,338,290</u>	<u>28,429,273</u>

*Net contribution to Staff Housing Compensatory Fund

11. ADMINISTRATIVE EXPENSES

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Maintenance - computer, software and related expenses	11,897,560	13,044,111
Transport and traveling expenses	10,066,968	11,681,588
Meetings, conferences and seminars	3,660,372	4,652,888
Water and electricity	5,496,002	5,951,565
Maintenance - bank premises	6,556,001	7,383,074
Insurance expenses	5,037,468	4,289,390
Fees, rates and security expenses	2,507,117	2,813,254
Printing, stationery and office supplies	1,023,704	1,443,109
Telecommunication and postage	1,776,846	2,132,100
Board expenses	821,541	716,312
Other administrative expenses	8,191,461	7,958,171
Maintenance - furniture, machinery and equipment	1,601,084	2,002,685
Audit fees	491,998	491,998
Budget and annual accounts preparation expenses	471,065	888,952
Hospitality	194,578	221,768
Audit related expenses	124,608	168,596
Legal and investigation expenses	1,253,803	546,559
	<u>61,172,176</u>	<u>66,386,120</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

12. CURRENCY AND RELATED EXPENSES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Notes printing and related expenses (Note 26)	47,953,937	43,143,861
Coins minting and related expenses (Note 26)	5,321,383	4,661,779
Cost of currency issued into circulation	53,275,320	47,805,640
Maintenance of currency machines	2,486,969	3,010,691
Currency transport, storage and handling	6,421,413	4,097,315
Other currency expenses	787,343	924,477
Other currency related costs	9,695,725	8,032,483
Total currency and related expenses	62,971,045	55,838,123

The amount of TZS 53,275.3 million (2019: TZS 47,805.6 million) is in respect of notes printing and coins minting and related expenses, refers to the proportionately amortised portion of deferred notes printing and coins minting cost for the new currency notes and coins that were issued into circulation during the year.

A total of TZS 2,487.0 million (2019: TZS 3,010.7 million) was incurred during the year in respect of currency machines maintenance expenses. The amount of TZS 6,421.4 million (2019: TZS 4,097.3 million) relates to currency distribution expenses that include; transportation, handling, storage, and other related expenses incurred during the year. Other currency related expenses aggregated to TZS 787.3 million (2019: TZS 924.5 million).

13. PERSONNEL EXPENSES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Staff salaries and related expenses	76,102,308	76,936,922
Contribution to social security schemes	10,263,631	10,713,574
Staff medical expenses	8,014,832	7,939,752
Travel on leave expenses	7,699,450	5,482,463
Management car maintenance and other related expenses	6,008,215	6,880,963
Staff retirement benefit	3,896,652	4,221,867
Staff training expenses	2,769,057	3,920,567
Motor vehicles expenses	835,114	912,893
HR planning policies expenses	1,490,450	2,825,332
Workers Council expenses	1,092,968	1,119,856
Furniture grant expenses	1,120,017	828,349
Cafeteria expenses	2,339,309	1,730,436
Tanzania Union for Industrial and Commercial (TUICO) expenses	672,085	695,763
Staff uniforms expenses	200,060	288,692
Condolence and related expenses	294,635	185,096
Course functions and field trips expenses	3,990	7,143
	122,802,773	124,689,668



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

14. OTHER OPERATING EXPENSES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Foreign operations		
Foreign reserve management expenses	7,365,952	1,531,779
Financial markets development expenses	1,737,856	1,620,750
Commission and fees on foreign operations	1,006,247	130,770
	<u>10,110,055</u>	<u>3,283,299</u>
Domestic operations		
Contribution to professional associations, charities	3,649,376	4,094,912
Other expenses & fair value changes on Governments securities	32,614,086	58,515,371
Contribution to national development programs/projects	400,561	725,900
Subscriptions	146,034	183,723
	<u>36,810,057</u>	<u>63,519,906</u>
Cheques issued expenses	97,405	72,060
	<u>97,405</u>	<u>72,060</u>
	<u>47,017,517</u>	<u>66,875,265</u>

*The amount of fair valuation of government securities is to align with IFRS 9 requirement on initial recognition

Analysis of donations, contributions and subscriptions

Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	963,734	903,703
Second Generation of Financial Sector Reforms	-	311,997
Capital Markets and Securities Authority	531,563	708,750
Tanzania Institute of Bankers	-	612,400
Subscription to National Board of Accountants and Auditors (NBAA) and National Board of Material Management (NBMM)	701,203	605,530
Deposit Insurance Board	193,677	305,362
Contribution to African Research Consortium	228,930	227,600
Contribution - Committee of Central Bank Governors (CCBG)	42,051	41,317
African Association of Central Banks and African Rural and Agriculture Credit Association	119,459	113,253
Donations and other contributions	868,759	265,000
	<u>3,649,376</u>	<u>4,094,912</u>

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Actuarial (loss)/ gain	(4,541,485)	9,581,148
Net revaluation gains on equity investments	579,873	3,868,954
Net unrealised gains on marketable securities-FVOCI	125,476,503	46,887,747
Total other comprehensive Income	<u>121,514,891</u>	<u>60,337,849</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

Other comprehensive income includes TZS 125,476.5 million which represents changes in prices of marketable securities portfolio that are classified to Fair Value Through Other Comprehensive Income (2019: TZS 46,887.7 million). The gain of TZS 579.9 million (2019: gain of TZS 3,869.0 million) is in respect of revaluation on the Bank's shares in Afrexim bank and SWIFT measured at FVTOCI. Except for net realised gains on marketable securities, other gains/ losses under OCI are not recycled to profit or loss. The computation of actuarial gain/loss is reported under **Note 45**.

16. CASH AND BALANCES WITH CENTRAL BANKS AND OTHER BANKS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Cash balances with Central Banks	544,099,723	562,188,929
Demand, time deposits with commercial banks	4,214,050,137	4,176,698,479
Foreign Currency notes and coins	834,852,232	69,765,367
Accrued interest on deposits	8,420,416	8,324,223
Provision for impairment	(265,499)	(276,784)
	<u>5,601,157,009</u>	<u>4,816,700,214</u>

Cash and cash equivalents consist of demand deposits; two-day notice accounts and time deposits with maturities of less than three months and carry interest at market rates.

17. ESCROW ACCOUNTS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Bank of Tanzania Escrow	<u>11,253,547</u>	<u>11,218,286</u>

This account was opened under the memorandum of economic and financial policies arrangement of the United Republic of Tanzania Government. The agreement was to establish an external escrow account into which the URT Government would pay a significant portion of the estimated debt service due to the relevant group of non-Paris creditors. The URT Government Deposits the funds into the account pending agreement with creditors. In line with the arrangement, the funds are available to confirmed creditors.

The Government deposited funds into this account once in March 2003 of USD 5.0 million that was equivalent to TZS 5,256.0 million. Some of the funds were utilised to settle due obligations before financial crises. The balance on the account earns interest. As at 30 June 2020, the account had a balance of USD 4.9 million equivalent to TZS 11,253.5 million. (2019: USD 4.9 million equivalent to TZS 11,218.3 million).

18. ITEMS IN COURSE OF SETTLEMENT

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
BoT net clearing account	<u>(17,730,881)</u>	<u>(25,755,244)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

18. ITEMS IN COURSE OF SETTLEMENT (CONTINUED)

This balance represents values of outward and inward clearing instruments, held by the Bank while awaiting clearance in the normal course of business. This includes values of clearing instruments both as inward and outward items and cheques deposited into Government accounts for settlement of various obligations in accordance with the rules and regulations as set in the clearing house.

19. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	30.06.2020		30.06.2019	
	SDR '000	Equivalent TZS '000	SDR '000	Equivalent TZS '000
Assets				
Holdings of SDR's	6,359	20,100,182	21,173	67,392,346
Quota in IMF	397,800	1,257,328,887	397,800	1,266,185,402
	404,159	1,277,429,069	418,973	1,333,577,748
Liabilities				
IMF Account No.1	338,071	1,068,544,503	338,071	1,076,071,239
IMF Account No.2	3	11,046	3	11,126
	338,074	1,068,555,549	338,074	1,076,082,365
Allocation of SDRs	190,511	602,150,585	190,527	606,392,081

The Tanzania's quota in IMF stood at SDR 397.8 million equivalent to TZS 1,257,328.9 million (2019: SDR 397.8 million equivalent to TZS 1,266,185.4 million). On a quarterly basis, the IMF pays interest (remuneration) to those members who have a remunerated reserve tranche position at the adjusted rate of remuneration. As at 30th June 2020, reserve tranche stood at SDR 59.7 million (2019: SDR 59.7 million) whereas the adjusted rate of remuneration was 0.5 percent (2019: 0.5 percent).

20. FOREIGN CURRENCY MARKETABLE SECURITIES

These are financial assets consisting of foreign currency marketable securities that are internally managed, and portfolio externally managed by the World Bank Treasury under a special program known as Reserve Advisory Management Program (RAMP). Majority of such securities are sovereign issues with a minimum credit rating of AA, bearing fixed interest and specified maturities. The balance of this reserve was as follows:

	30.06.2020 TZS '000	30.06.2019 TZS '000
Internally Managed Portfolio in Foreign Currency Marketable Securities- FVOCI	5,489,894,595	4,397,172,500
Marketable securities- FVTPL	684,192,137	638,468,831
Accrued interest	27,869,057	30,064,397
	6,201,955,789	5,065,705,728



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

20. FOREIGN CURRENCY MARKETABLE SECURITIES (CONTINUED)

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities by fair values:

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Sovereign Issues		
USD	4,507,506,441	3,224,015,008
GBP	708,710,393	645,317,558
AUD	295,587,055	314,452,457
CNY	192,247,838	198,866,960
	<u>5,704,051,727</u>	<u>4,382,651,983</u>
Supranational Securities		
USD	353,051,203	275,010,130
AUD	-	7,123,155
	<u>353,051,203</u>	<u>282,133,285</u>
Agency Securities		
USD	125,698,450	358,939,298
	<u>125,698,450</u>	<u>358,939,298</u>
Corporate Securities		
USD	19,154,409	41,981,162
	<u>19,154,409</u>	<u>41,981,162</u>
Total Investments		
USD	5,005,410,504	3,878,409,248
GBP	708,710,393	640,145,900
AUD	295,587,055	319,365,074
CNY	192,247,838	197,721,108
Accrued Interest	-	30,064,397
	<u>6,201,955,789</u>	<u>5,065,705,728</u>

21. EQUITY INVESTMENTS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Investment in equity are measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Equity investment in Afreximbank	37,232,149	35,930,454
Equity investment in SWIFT	1,247,269	1,142,781
	<u>38,479,418</u>	<u>37,073,235</u>

Equity investment in Afreximbank

The African Export-Import Bank (Afreximbank) is a supranational institution, established on 27 October 1993. The Bank holds an investment in the equity of Afreximbank. Afreximbank is a grouping of regional central banks and financial institutions designed to facilitate intra and extra African trade. During the year, the Bank's acquired 20 share from Afreximbank hence as at June 2020 equity investment in Afreximbank is 796 ordinary shares (2019: 776) of par value of USD 10,000 each. As at



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

21. EQUITY INVESTMENTS

30 June 2020, the Bank's equity aggregated to USD 3,184,000 representing two fifth of the Bank's paid up shares in Afreximbank (2019: USD 3,104,000). The proportion of the Banks equity interest to the total holding in this bank is 0.60 percent. These shares are measured at FVTOCI.

Equity Investment in SWIFT

Society for Worldwide Interbank Financial Telecommunications (SWIFT) (the "Company") is a company founded in Brussels in 1973 to provide a secured network that enables financial institutions worldwide to send and receive information related to financial transactions in a secure, standardised and reliable environment.

SWIFT members hold interest in the cooperatives through shares. The Company manages the shares through the reallocation principle defined in its By-laws and general membership rules.

The number of shares allocated to each member is determined at least after every three years according to the Bylaws of the Company and is proportional to the annual contributions paid for the network-based services to the Company. The members have the obligation to give up or take up the resulting change in shares. The By-laws of the Company state that shares are only reimbursed when a member resigns, or when a member has to give up shares following reallocation. This investment is measured at fair value through other comprehensive income. During the year, under review the Bank had a total of 85 shares (2019: 85).

22. GOVERNMENT SECURITIES

Amortised cost:

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Stocks	-	51,333,308
Treasury Bills	2,635,416	7,545,065
Special Treasury Bonds	991,590,579	969,336,205
Treasury EPA Stock	<u>201,391,122</u>	<u>201,391,122</u>
Sub-total	<u>1,195,617,117</u>	<u>1,229,605,700</u>
Accrued interest	<u>34,452,390</u>	<u>28,044,450</u>
Total	<u>1,230,069,507</u>	<u>1,257,650,150</u>

The Bank holds various government fixed income securities issued by the United Republic of Tanzania Government. Treasury special stocks and bonds are issued at face value, discount or premium. Treasury stocks are issued at a fixed coupon.

Treasury Bills

This represents treasury bills discounted by commercial banks to the Bank. As at 30 June 2020, the value of treasury bills discounted was TZS 2,635.4 million (2019: TZS 7,545.1 million).

Stocks

Advances granted to the Government which were to be repaid at the end of financial year 1994 were converted into five years 25% Special Stock 1993/98 of TZS 42,243.0 million. Thereafter in 1999, the stock plus the earned interest were restructured into two stocks namely 15% Special Treasury Stock 2018/19 with face value of TZS 51,333.3 million. As at June 2020 the value of stock had a nil balance (2019: TZS 51,333.3 million). On its maturity this stock was rolled over to special bond with 6 years' maturity



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

22. GOVERNMENT SECURITIES (CONTINUED)

Special Treasury Bonds

Treasury Special Bonds are long-term instruments issued at fixed coupon for Government financing. The balance includes:

Matured stocks that was converted into 5.75% 6-Year Special Bond 2019/2025 and the 10 Year Special Government Bond 2009/19 that matured 2 July 2019 that was rolled over 2 October 2019 into 6% 7 Year Special bond 2019/2026 with face value of TZS 50,000.0 million. The market value of these bonds stood at TZS 37,571.5 million and TZS 34,682.9 million respectively.

The 10 Year Special Government Bonds 2009/2019 with a face value of TZS 150,000.0 million had partial redemption of TZS 50,000.0 million paid on 3 July 2017 and 1 July 2018 and the remainder balance was rolled over to 5.15% 3 Years special government bond. As at 30 June 2020, the balance stood at TZS 46,490.6. million (2019: TZS 50,000.0 million).

A 10 Years 8% special bond 2009/19 with face value of TZS 323,000.0 million was issued on 2 June 2009 and is payable semi-annually. Upon its maturity the bond was rolled over and was divided into three maturities of 5 years at coupon of 5.5 percent with market value of TZS 85,504.8 million, 6 years at coupon of 5.75 percent with market value of TZS 84,441.8 million and 7 years at coupon 6.0 percent with market value of TZS 98,225.7 million each interest payable semi-annually. The initial purpose of the two bonds was to bridge Government revenue shortfall mainly attributed to the impact of the global financial crisis.

The 5-year special bond of TZS 155,000.0 million with floating interest rate based on the prevailing average yield to maturity of 14.92 percent issued by the Government to finance horticultural expansion project in Arusha matured on 28 December 2015. This bond was rolled over upon its maturity and was divided into three bonds as follows TZS 55,000.0 million 2 years' special bond with a coupon of 7.82 percent and TZS 50,000.0 million special bond with a coupon of 8.27 percent matured and repaid and TZS 50,000.0 million special bond with a coupon of 9.18 percent is yet to mature.

The Government issued a 10-year bond of face value TZS 85,188.8 million which was rolled over from Loan Advances Realisation Trust (LART) Bonds on 30 June 2011. It carries 11.0 percent interest payable semi-annually on 30 June and 31 December.

On 12 October 2012, the Government issued a 10-Year 2012/2022 Special Bond with face value of TZS 469,484.4 million with coupon of 11.44 payable semi-annually. The bond was issued to replace the accumulated deficit position of the United Republic of Tanzania Government as at 30 June 2012. The bond bears an interest rate of 11.44 percent payable semi-annually.

The value of Special Bonds as at 30 June 2020 was TZS 991,590.6 million (2019: TZS 969,336.2 million).

Treasury EPA Stock

Treasury EPA Stocks represent External Payment Arrears (EPA) that date back to 1980's when the defunct National Bank of Commerce (NBC) had external commercial obligations that were in arrears for lack of foreign exchange. These were later on transferred to the Bank to facilitate their administration and control. According to the arrangement, the externalisation of EPA obligations was done based on agreed exchange rates. The exchange rate differential between the exchange rate prevailing when the beneficiaries are paid and the agreed rate resulted into exchange losses, which are recoverable from the Government. Funding of the resulting obligations was obtained through issuance of EPA stocks.

The Government effective from 01 August 2008 reissued two EPA Special Stocks namely EPA Special Stock 2002/2052 and EPA Special Stock 2005/2055 with values of TZS 4,352.8 million and TZS 65,646.1.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

22. GOVERNMENT SECURITIES (CONTINUED)

million and replaced them with EPA Special Stock 2008/18 and EPA Special Stock 2008/23 respectively. Their tenures were reviewed from 50 years and 55 years to 10 years and 15 years with annual coupons of 7.5 percent and 8.0 percent payable semi-annually respectively. The EPA special Stock 2008/18 valued at TZS 4,352.8 matured and was repaid. Furthermore, on 1 August 2008 the Government issued EPA Special Stock with face value of TZS 135,745.1 million to accommodate external payment arrears exchange losses incurred up to 31 December 2007. The stock has a maturity of 20 years with annual coupon of 8.5 percent payable semi-annually. As at 30 June 2020, the aggregate position of Special EPA stocks stood at TZS 201,391.1 million (2019: TZS 201,391.1 million).

23. ADVANCES TO THE GOVERNMENT

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Advances to the Governments (URT)- Note 33	780,154,647	1,241,662,763
Advances /(deposit) to the Governments (RGOZ)	63,879,098	(3,215,378)
Net advance to the Governments	<u>844,033,745</u>	<u>1,238,447,385</u>

Advances to the Governments represent temporary financial accommodation to finance short term financial gap between the receipts from budgeted revenue and Governments expenditure. The interest chargeable for advances granted to the Governments is three percent per annum. Total advance outstanding at the year-end amounted to, TZS 844,033.7 million (2019: TZS 1,238,447.4 million) as summarised under **Note 33**.

24. LOANS AND RECEIVABLES

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS "000"	TZS "000"
Accounts receivable	313,808,580	356,816,290
Staff loans and advances	77,070,246	75,781,027
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
	396,022,826	437,741,317
Provision for impairment	(9,761,110)	(15,220,596)
	386,261,716	422,520,721
<i>Analysis of impairment by line items</i>		
Interest recoverable from government	-	5,241,621
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Staff loans and advances	3,948,670	3,406,287
Accounts receivable	668,440	1,428,688
	9,761,110	15,220,596
<i>Movement in provision for impairment</i>		
Balance at the beginning of the year	15,220,596	12,193,689
Impairment on staff loans and advances	542,383	1,565,511
(Reversal)/ Impairment of account receivables	(760,248)	1,461,396
Write-off	(5,241,621)	-
Balance at the end of the year	9,761,110	15,220,596



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

24. LOANS AND RECEIVABLES (CONTINUED)

The Bank did not pledge any loans and receivables as securities against liabilities in 2020 and 2019. Accounts receivable represent short term claims which are expected to be recovered within a period not exceeding twelve months and outstanding transactions made on trade date.

a) **Accounts Receivable:**

Major components under accounts receivable include the following:

(i) **Interest receivable on Liquidity Management:**

Included under accounts receivable is TZS 18,711.2 million (2019: TZS 19,909.1 million) relating to 2019/20 URT Government share in respect of interest on liquidity management costs. The URT Government and Bank of Tanzania share liquidity management cost based on the formula contained in the Memorandum of Understanding between BoT and the Government.

(ii) **Interest receivable on overdrawn Government accounts:**

During the year, the URT Government net position was overdrawn by TZS 844,033.7 million (2019: TZS 1,238,447.4 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, an amount of TZS 2,324.8 million (2019: TZS 7,123.4 million) was charged to the Government as interest on overdrawn position. Where interest repayment during the year amounted to TZS 7,116.7 million thus as at 30 June 2020 interest outstanding amounted to TZS 228,103.3 million (2019: TZS 232,888.4 million).

(iii) **Standby credit facility:**

The commercial banks have access to the standby credit facility with a maturity of one day to settle their obligations in their clearing balances to avoid systematic risk when their balances are not sufficient to cover their obligations. Such facility is available at market rate prevailing on that particular date subject to provision of allowable securities as collateral. At 30 June 2020, the facility had a balance of TZS 12,597.9 million as compared to TZS 1005.6 million balance as at 30 June 2019.

b) **Staff Loans and Advances:**

Employees of the Bank are entitled to loans and advances as approved in accordance with the Bank's Staff Bylaws and Financial Regulations in force. Staff loans are granted to employees to assist them in acquisition of residential houses, motor vehicles, computers, furniture and short-term needs. The advances/loans are granted at preferential rates of interest determined by the Bank presently at 5.0 percent fixed over the period of the loan. These loans and advances are recovered from the employees' monthly salaries. The facilities are secured against the borrowers' employment and terminal benefits. As at 30 June 2020, the balance of staff loans and advances was TZS 77,070.2 million (2019: TZS 75,781.0 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

25. INVENTORIES

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
The inventory balance consists of the following:		
Currency machine spare parts	5,133,459	6,394,718
Building, machinery and maintenance consumables	904,017	969,970
Stationery	532,058	597,334
ICT accessories and consumables	585,751	623,009
Cheque books	393,596	348,640
Copier parts and consumables	396,522	357,686
Drugs and medicines	103,914	93,704
Inventory in Transit	55	55
Less: Inventory impairment	<u>(980,969)</u>	<u>(980,969)</u>
	<u>7,068,403</u>	<u>8,404,147</u>

All inventories held by the Bank as at 30 June 2020 were for the internal consumption to support Bank's operations and not intended for sale

26. DEFERRED CURRENCY COST

This account represents direct cost relating to notes printing and coins minting held by the Bank. During financial year 2019/20, the movement on deferred currency cost account was as follows:

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Balance as at the beginning of the year	41,375,635	87,832,613
Add: Cost of currency received during the year	45,934,702	1,348,662
Less: Cost of currency issued in circulation (Note 12)	(53,275,320)	(47,805,640)
Balance as at the end of the year	<u>34,035,017</u>	<u>41,375,635</u>

27. OTHER ASSETS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Prepayments	51,465,733	54,332,709
Reverse REPO	19,714,804	438,272,049
Financial Sector Development Fund	373,108	373,108
Staff imprest	300,790	522,748
Staff Housing Fund investments	26,024,464	26,029,331
Petty cash balances	138,500	133,500
Sundry receivables	4,854,492	2,351,377
	<u>102,871,891</u>	<u>522,014,822</u>

(i) Prepayment:

The balance under prepayment for the year ended 30 June 2020 mainly covers; TZS 50,937.5 million paid as advance payment in respect of notes printing. As at 30 Jun 2020 the balance of prepayment was TZS 51,718.6 million (2019: 54,332.7 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

27. OTHER ASSETS

(ii) Reverse REPO:

The balance represents short term advance granted to commercial banks under reverse REPO contracts, where commercial banks sell securities to the Bank and simultaneously agree to purchase the same securities at a specified future date at a fixed price. The difference between sale and repurchase price is treated as interest income and is recognised in profit or loss. As at 30 Jun 2020 the balance of reverse REPO contracts was TZS 19,714.8 million (2019: 438,272.0 million).

(iii) Staff housing fund:

The balance represents staff housing fund investments in government securities including treasury bills and treasury bonds. The operation of the fund is as explained under Note 41 (e).

(iv) Financial Sector Development Fund

The balance represents the Financial Sector Development fund's investments in government securities. The operation of the fund is as explained under Note 41 (i).

28. RETIREMENT BENEFIT ASSETS (OBLIGATION)

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000'	TZS '000'
Retirement benefit asset	786,522	8,227,657
	<u>786,522</u>	<u>8,227,657</u>

During the year the retirement benefit recorded surplus of TZS 786.5 million (2019: TZS 8,227.7 million), details shown on staff benefits scheme under note 46.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

29. PROPERTY AND EQUIPMENT

Year ended 30 June 2020	Buildings TZS '000	Lease TZS '000	Machinery and equipment TZS '000	Motor vehicles TZS '000	Fixtures and fittings TZS '000	Computers, servers and printers TZS '000	Capital work in progress TZS '000	Total TZS '000
Cost/valuation								
At 30 June 2019	908,931,604	-	266,999,727	25,228,295	10,423,492	26,565,145	43,349,261	1,281,497,524
Lease recognition at 01 July 2019	-	5,065,733	-	-	-	-	(1,971,498)	3,094,235
Balance As at 01 July 2019	908,931,604	5,065,733	266,999,727	25,228,295	10,423,492	26,565,145	41,377,763	1,284,591,759
Additions	4,369,505	-	10,402,793	270,188	190,755	2,263,856	5,515,617	23,012,714
Disposal	-	-	(207,295)	-	-	-	-	(207,295)
Transfers	1,047,330	-	(20,836)	-	285,832	-	(1,312,326)	-
At 30 June 2020	914,348,439	5,065,733	277,174,389	25,498,483	10,900,079	28,829,001	47,552,554	1,307,397,178
Accumulated depreciation								
At 01 July 2019	22,402,150	-	227,061,628	15,382,534	8,012,331	22,328,953	15,000	295,202,596
Charges for the year	7,639,100	576,805	10,764,787	1,586,086	635,432	1,136,859	-	22,339,069
Transfer/ Reclassifications	-	-	(240,879)	-	12,821	228,058	-	-
Impairment	-	-	-	85,869	-	-	-	85,869
Disposal	-	-	(186,565)	-	-	-	-	(186,565)
At 30 June 2020	30,041,250	576,805	237,398,971	17,054,489	8,660,584	23,693,870	15,000	317,440,969
Net book value								
At 30 June 2020	884,307,189	4,488,928	39,775,418	8,443,994	2,239,495	5,135,131	45,566,054	989,956,209

In addition to the active assets valued at TZS 986,956.2 million, the Agency continues to utilize fully depreciated assets with a gross carrying value of 316,864.2 million.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

29. PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 30 June 2019	Buildings		Machinery and equipment		Motor vehicles		Fixtures and fittings		Computers, servers and printers		Capital work in progress		Total TZS '000
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
At 01 July 2018	904,471,864	257,952,778	25,231,163	10,248,012	26,535,191	37,980,635	1,262,419,643						
Additions	4,206,217	2,933,239	-	190,419	59,557	11,842,292	19,231,724						
Disposal	-	(106,433)	(2,868)	(14,939)	(29,603)	-	(153,843)						
Transfers	253,523	6,220,143	-	-	-	(6,473,666)	-						
At 30 June 2019	908,931,604	266,999,727	25,228,295	10,423,492	26,565,145	43,349,261	1,281,497,524						
Accumulated depreciation													
At 01 July 2018	14,226,526	216,505,366	13,415,078	7,409,674	19,865,134	15,000	271,436,778						
Charges for the year	7,052,563	11,660,501	1,970,324	629,488	2,326,618	-	23,639,494						
Transfer/Reclassifications	589,857	(589,857)	-	-	124,132	-	124,132						
Reversal of impairment loss	533,204	(600,468)	-	-	-	-	(67,264)						
Impairment	-	182,491	-	(36)	25,441	-	207,896						
Disposal	-	(96,405)	(2,868)	(26,795)	(12,372)	-	(138,440)						
At 30 June 2019	22,402,150	227,061,628	15,382,534	8,012,331	22,328,953	15,000	295,202,596						
Net book value													
At 30 June 2019	886,529,454	39,938,099	9,845,761	2,411,161	4,236,192	43,334,261	986,294,928						

In addition to the active assets valued at TZS 986,294.9 million, the Agency continues to utilize fully depreciated assets with a gross carrying value of 269,402.4 million.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

29. PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment (movable) are stated at cost less subsequent accumulated depreciation and impairment losses if any. Bank's immovable properties (buildings) are stated in the financial statements at revalued amounts less accumulated depreciation and impairment losses if any. If were measured using the cost model, the carrying amounts of buildings would be as follows.

Details	30.06.2020	30.06.2019
	TZS '000	TZS '000
Cost	643,668,718	638,251,883
Accumulated depreciation and impairments	(103,699,420)	(96,646,857)
Carrying amount	539,969,298	541,605,026

The Bank's immovable properties were revalued during the year ended 30 June 2016 by M/S M & R Agency Limited, a professional registered valuation firm.

Work-in-progress relates to capital expenditure incurred in the extension of Mbeya Branch, New Office building Mwanza Branch and Executive Hostel Training Institute. No depreciation is charged on capital work in progress until it is substantially completed.

Reconciliation of items disposed during the period by class of assets.

Class of asset	30.06.2020		30.06.2019	
	Cost TZS '000	Accumulated depreciation TZS '000	Cost of disposal TZS '000	Net gains/ (loss) TZS '000
Gain or (loss) on disposal of property and equipment			Cash proceeds TZS '000	Net gains/ (loss) TZS '000
Machinery & equipment	207,295	186,565	-	(8,138)
Motor vehicles	-	-	-	-
Fixtures & fittings	-	-	-	14,886
Computers, servers & printers	-	-	-	(15,588)
	207,295	186,565	-	(8,840)



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

29. PROPERTY AND EQUIPMENT (CONTINUED)

LEASE

Following adoption of IFRS 16, the following items were affected by the adjustments and reclassifications made with respect to the amounts recognised at the date of initial application – 1 July 2019:

Amounts recognised in Statement of Financial Position

	IAS17 30-Jun-19 TZS '000	IFRS16 Adjustments TZS '000	IFRS16 01-Jul-19 TZS '000
Right-of-use assets	-	5,065,733	5,065,733
Lease liabilities	-	3,094,235	3,094,235

Amounts recognised in Statement of Comprehensive Income

	IAS17 30-Jun-19 TZS '000	IFRS16 Adjustments TZS '000	IFRS16 01-Jul-19 TZS '000
Depreciation for Right-of-use Asset	-	576,805	576,805
Finance cost for lease liability	-	398,351	398,351

Maturity Analysis of Lease Liabilities (Undiscounted) as at 30 June 2020

	Fiber Optic Cables TZS '000	Land TZS '000
Up to 1 year	718,438	80,665
From 1 to 2 years	718,438	80,665
From 2 to 3 years	718,438	80,665
From 3 to 4 years	718,438	80,665
From 4 to 5 years	-	80,665
From 5 to 33 years	-	1,727,695
Above 33 years	-	4,263,831
Total	2,873,752	6,394,851



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

30. INTANGIBLE ASSETS

<u>2020</u>	<u>Computer software TZS '000</u>	<u>Computer software - WIP TZS '000</u>	<u>Total TZS '000</u>
Cost			
At 1 July 2019	32,339,374	941,342	33,280,716
Additions	357,035	-	357,035
Transfer in/(out)	-	-	-
At 30 June 2020	<u>32,696,409</u>	<u>941,342</u>	<u>33,637,751</u>
Accumulated amortisation			
At 1 July 2019	29,404,360	22,691	29,427,051
Charge for the year	1,351,648	-	1,351,648
Transfers	-	-	-
At 30 June 2020	<u>30,756,008</u>	<u>22,691</u>	<u>30,778,699</u>
Net book value At 30 June 2020	<u>1,940,401</u>	<u>918,651</u>	<u>2,859,052</u>
<u>2019</u>	<u>Computer software TZS '000</u>	<u>Computer software - WIP TZS '000</u>	<u>Total TZS '000</u>
Cost			
At 1 July 2018	31,984,669	1,157,693	33,142,362
Additions	138,354	-	138,354
Transfer in/(out)	216,351	(216,351)	-
At 30 June 2019	<u>32,339,374</u>	<u>941,342</u>	<u>33,280,716</u>
Accumulated amortisation			
At 1 July 2018	27,986,663	22,691	28,009,354
Charge for the year	1,541,829	-	1,541,829
Transfers	(124,132)	-	(124,132)
At 30 June 2019	<u>29,404,360</u>	<u>22,691</u>	<u>29,427,052</u>
Net book value At 30 June 2019	<u>2,935,014</u>	<u>918,651</u>	<u>3,853,665</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

31. CURRENCY IN CIRCULATION

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Notes		
Notes issued	7,664,544,958	7,167,655,667
Less: Notes in Custody	<u>(2,571,256,561)</u>	<u>(2,322,461,861)</u>
Notes in Circulation	<u>5,093,288,397</u>	<u>4,845,193,806</u>
Coins		
Coins issued	161,136,567	155,016,322
Less: Coins in Custody	<u>(29,104,144)</u>	<u>(35,007,569)</u>
Coins in Circulation	<u>132,032,423</u>	<u>120,008,753</u>
Total currency in circulation	<u>5,225,320,820</u>	<u>4,965,202,559</u>

Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vault and cashier/teller at the end of financial year have been deducted from notes and coins issued to reflect actual liability for notes and coins in circulation.

The notes and coins in circulation figure of TZS 5,225,320.8 million (2019: TZS 4,965,202.6 million) includes banknotes that were phased out in 2003 with the face value of TZS 99,386.9 million (2019: TZS 99,386.9 million) still in circulation.

32. DEPOSITS – BANKS AND NON-BANK FINANCIAL INSTITUTIONS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Deposits - commercial bank deposits		
Domestic banks local currency deposits	3,124,937,065	2,976,548,579
Domestic banks foreign currency deposits	<u>393,361,331</u>	<u>432,187,017</u>
Sub total	<u>3,518,298,396</u>	<u>3,408,735,596</u>
Deposits – Non-bank financial institutions		
Clearing	23,664,688	48,399,290
SMR	-	-
Domestic Non-banks foreign currency deposits	<u>-</u>	<u>-</u>
Sub total	<u>23,664,688</u>	<u>48,399,291</u>
Total deposits	<u>3,541,963,084</u>	<u>3,457,134,887</u>

Domestic deposits include, general purpose deposits, clearing balances and Statutory Minimum Reserve (SMR). SMR deposits are based on a ratio determined by the Bank to the total deposits of the banks and non-bank financial institution for monetary policy purposes. Banks and non-bank financial institutions are required to hold at the Bank of Tanzania a prescribed percentage of their total deposits as prescribed in circular No.1 issued on 30 April 2015 in accordance with Section 44 of the Bank of Tanzania Act, 2006 and Sections 4 and 71 of the Banking and Financial Institutions Act, 2006.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

33. DEPOSITS – GOVERNMENTS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Voted accounts		
URT Government	(3,632,297,756)	(4,148,880,225)
SMZ Government	381,245	21,177
Sub Total	<u>(3,631,916,511)</u>	<u>(4,148,859,048)</u>
Un-voted accounts		
URT Government	2,852,143,109	2,907,217,462
SMZ Government	(64,260,343)	3,194,201
Sub total	<u>2,787,882,766</u>	<u>2,910,411,663</u>
Total (Advance) URT Government	<u>(780,154,647)</u>	<u>(1,241,662,763)</u>
Total (Advance) / Deposit SMZ Government	<u>(63,879,098)</u>	<u>3,215,378</u>
Net (Advance) / Deposit Governments	<u>(844,033,745)</u>	<u>(1,238,447,385)</u>

As at 30 June 2020 the position of the Government of the United Republic of Tanzania (URT) accounts were overdrawn by TZS 844,033.7 million (2019: TZS 1,238,447.4 million). Pursuant to the provision of Section 34 of the Bank's Act, a total of TZS 2,324.8 million (2019: TZS 7,123.5 million) was charged during the year ended 30 June 2020 as interest on overdrawn Governments position in various periods at the interest rate equal to the average monthly rates charged on treasury bills. Government deposit balances are non-interest earning.

34. DEPOSITS – OTHERS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Deposits-Parastatals United Republic of Tanzania	2,103,904,503	1,458,004,178
Export Credit Guarantee Fund	5,583,373	192,442
Staff Benefit Deposit	11,258,805	3,773,594
Government obligations settlements	33,063,456	105,147,651
Deposit staff	21,643,816	19,282,283
Small and Medium Enterprises Guarantee Fund	1,496,712	271,173
Deposit Insurance Fund	60,528,720	4,219,043
Miscellaneous deposits*	373,997,721	548,077,990
Mwalimu Julius K Nyerere Memorial Scholarship Fund	931,054	62,104
External Payment Arrears - NBC	2,288,419	2,288,419
Debt Conversion Scheme	2,098,960	2,098,960
Debt Service cash cover	1,937,640	2,286,170
Economic Empowerment Programme	2,019,005	2,019,005
Bank drafts issued	560,510	481,286
Redemption of Government Stock/Bonds	38,610	30,750
	<u>2,621,351,304</u>	<u>2,148,235,048</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

34. DEPOSITS – OTHERS (CONTINUED)

* Included in miscellaneous is TZS 120,832.0 million (2019: TZS 128,316.7 million) in respect of Federal Bank of Middle East (FBME) funds transferred from FBME clearing accounts to cater for bank liquidation process.

Development Finance Guarantee Fund:	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Development finance guarantee fund consists of the following:		
Capital contribution by the Government	56,500,000	56,500,000
Less: Transfer of loans proceeds to ECGF, SME-CGS	(4,103,928)	(3,842,148)
Net capital contribution	52,396,072	52,657,852
Interest on refinancing and structured loans	32,753,300	32,753,300
Sub Total	85,149,371	85,411,151
Less: Loans issued for refinancing facility	<u>(85,149,371)</u>	<u>(85,411,151)</u>
Net balance	<u>-</u>	<u>-</u>

The Fund was established by the Government of the United Republic of Tanzania with the purpose of financing development projects that manufacture products for export purposes. The Government supports development efforts by business with potential to export their products by providing required guarantee to finance the infrastructure in those businesses.

As at 30 June 2020, Government Capital contribution made in financial years 2002/03 and 2003/04 to the Fund amounted to TZS 56,500.0 million. Interest received and accrued on refinancing and restructured loans aggregated to TZS 32,753.3 million (2019: TZS 32,753.3 million). The total accumulated fund as at 30 June 2020 amounted to TZS 85,149.4 million (2019: TZS 85,411.2 million) which represented the total loans issued for refinancing facilities to flowers and vegetable export companies on the same.

Government Obligations Settlement:

This represents Government cash cover in order to settle outstanding foreign currency obligations. The balance as at 30 June 2020 amounted to TZS 33,063.5 million (2019: TZS 105,147.7 million).

Export Credit Guarantee Fund:

The balance under this fund consists of the following:	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Export Credit Guarantee Fund	1,255,186	6,646,117
Less: ECGS receivable/ impairment	<u>(6,838,559)</u>	<u>(6,838,559)</u>
	<u>(5,583,373)</u>	<u>(192,442)</u>

The Export Credit Guarantee Fund (the "Fund") was established by the Government of the United Republic of Tanzania in 2001 under the export credit guarantee scheme, in a bid to promote exports. The Fund provides guarantees to commercial banks to cover risk of default for the loans issued.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

34. DEPOSITS – OTHERS (CONTINUED)

As at 30 June 2020, the Fund had a net balance of TZS 5,583.4 million (2019: TZS 192.4 million). It is a net of Government and the Bank's contributions, accumulated income from investment in treasury bills and guarantee fees and impairments.

Debt Service Cash Cover:

The amount represents URT Government funds deposited with the Bank equivalent to the foreign URT Government obligations and other services awaiting externalisation. As at 30 June 2020 the balance stood at TZS 1,937.6 million (2019: TZS 2,286.2 million)

Debt Conversion Scheme:

These are balances of debt conversion funds that are blocked in the account pending submission of progress reports by beneficiaries in respect of utilisation of previous disbursements, so as to justify further disbursements. The balance has remained at the same level for the three years since no report has been received to facilitate disbursements.

Mwalimu Julius K Nyerere Memorial Scholarship Fund:

Included in Deposit Others is the Mwalimu Julius K. Nyerere Memorial Scholarship Fund. The Fund was established by the Bank of Tanzania on 12 October 2009 in honour of the life of the Father of the Nation, Mwalimu Julius Kambarage Nyerere. The objective of the Fund is to sponsor best performing students pursuing mathematics, science, accounting, finance and information technology degrees at the University level in Tanzania. As at 30 June 2020, a total of TZS 3,674.2 million (2019: TZS 4,201.6 million) in respect of the Fund's resources had been invested in Government treasury bills and treasury bonds. As a result, the Fund had a net balance of TZS 931.0 million (2019: TZS 62.1 million).

35. FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign Currency Financial Liabilities consist of the following:

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Special Projects	1,346,115,508	841,851,324
Other Foreign Currency Deposits	36,838,811	47,989,654
Multilateral Debt Relief Initiative Fund	18,282,535	18,219,112
Non-Paris Club Liabilities Escrow	11,253,548	11,196,862
	<u>1,412,490,402</u>	<u>919,256,952</u>

Special Projects Funds:

These are United Republic of Tanzania Government funds received from donors for financing various Government projects. The projects are managed and monitored by the Ministry of Finance and Planning or other appointed project implementation agency. As at 30 June 2020, the total balance in respect of Special Project accounts aggregated to TZS 1,346,115.5 million (2019: TZS 841,851.3million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

35. FOREIGN CURRENCY FINANCIAL LIABILITIES (CONTINUED)

Non Paris Club Liabilities Escrow:

This account represents funds deposited by the United Republic of Tanzania Government under memorandum of economic and financial policies arrangement pending agreement with the relevant group of non-Paris creditors. As at 30 June 2020, the account had a balance of TZS 11,253.5 million (2019: TZS 11,196.8 million).

Multilateral Debt Relief Initiative Funds:

Multilateral debt initiative funds relate to debt relief relating to cancellation of Government of the United Republic of Tanzania indebtedness to the IMF under the IMF-Multilateral Debt Relief Initiative (MDRI). As at 30 June 2020, the fund had a balance amounting to TZS 18,282.5 million (2019: TZS 18,219.1 million).

36. POVERTY REDUCTION AND GROWTH FACILITY (PRGF)

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
IMF Drawings	<u>26,198,739</u>	<u>130,856,840</u>

This relates to funds disbursed by International Monetary Fund (IMF) to the Bank on behalf of the Government to support balance of payments. Repayment of these funds to IMF is effected in line with IMF repayment schedule. The funds attract charges, which are paid on quarterly basis and borne by the Bank.

The Government of United Republic of Tanzania (URT) entered into an Exogenous Shocks Facility - (ESF) arrangement with the IMF for SDR 218.79 million (USD 318.17 million) on 29 May 2009. Following approval, the Bank had on 12 June 2009 received a total of SDR 159.1 million (USD 245.8 million) equivalent to TZS 318,195.1 million being the first tranche. The Bank further received SDR 39.8 million (USD 63.4 million) equivalent to TZS 83,288.1 million and SDR 19.9 million (USD 29.0 million) equivalent to TZS 40,200.3 million on 10 December 2009 and 14 June 2010 respectively.

The first tranche is repayable in ten years, including five and half year's grace period, payable semi-annually in ten equal instalments on 14 December and 14 June beginning 14 December 2014. The loan carries an interest of 0.5 percent per annum payable semi-annually beginning on 14 December 2009. On 20 February 2013, the Government received a loan facility of SDR 74.6 million equivalent to TZS 181,472.8 million

As at 30 June 2020, the balance of PRGF account was TZS 26,198.7 million (2019: TZS 130,856.8 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

37. BOT LIQUIDITY PAPERS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
BOT liquidity papers	117,592,191	327,026,553
Accrued interest	<u>1,196,442</u>	<u>3,727,279</u>
	<u>118,788,633</u>	<u>330,753,832</u>

As at 30 June 2020 the maturities profile of BOT Liquidity Papers held to maturity were as follows:

	Cost	Accrued	Cost	Accrued
35-Day Treasury Bills	1,995,408	3,581	37,990,119	432,991
91-Day Treasury Bills	7,909,898	32,373	9,060,572	103,268
182-Day Treasury Bills	31,504,589	312,786	252,297,422	2,875,555
364-Day Treasury Bills	<u>76,182,296</u>	<u>847,802</u>	<u>27,678,440</u>	<u>315,465</u>
	<u>117,592,191</u>	<u>1,196,442</u>	<u>327,026,553</u>	<u>3,727,279</u>

These are financial instruments issued by the Bank under the open market operations to manage liquidity levels in the economy. Interest incurred on these instruments is accrued and recognised in profit and loss account as interest expenses.

38. PROVISIONS

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Provision for leave pay	<u>8,512,789</u>	<u>6,062,277</u>

Relates to the estimated monetary liability for employees' earned but not taken leave entitlement at the end of the reporting period. The maximum allowance for number of leaves days accumulated is 56 days. Only leave falling under this period are accumulated. The movements between the two periods are recognised in the profit and loss accounts.

<i>Movement in provisions</i>	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
<i>Leave pay</i>		
Carrying amount at the beginning of the year	6,062,277	5,963,678
Increase in provision	<u>2,450,512</u>	<u>98,599</u>
Carrying amount at the end of the year	<u>8,512,789</u>	<u>6,062,277</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

39. OTHER LIABILITIES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Accounts payable	47,738,727	70,010,333
Stale draft payables	108,330	108,330
Other employee cost payable	89,981	599,930
Sundry payables	69,207,059	2,271,459
Lease liability	2,693,483	-
	<u>119,837,580</u>	<u>72,990,052</u>

40. AUTHORIZED AND PAID UP SHARE CAPITAL

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Authorised and paid up share capital	<u>100,000,000</u>	<u>100,000,000</u>

The Authorised and paid up capital of the Bank is determined in accordance with Section 17(i) of the Bank of Tanzania Act, 2006.

41. RESERVES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
General Reserve	465,994,163	457,166,248
Capital Reserve	99,262,908	99,262,908
Equalisation Reserve	388,159,606	413,567,609
Reserve for Projects	210,000,000	210,000,000
Staff Housing Fund	136,398,348	131,893,926
Assets Revaluation Reserve	260,246,145	260,246,143
Foreign Exchange Revaluation Reserve	8,832,005	3,077,265
Securities Revaluation Reserve	123,558,995	61,777,172
Financial Sector Development Fund	38,699,077	38,699,077
Reserve for Dividend	150,000,000	250,000,000
Defined Benefit Reserves	(15,889,647)	(11,348,162)
	<u>1,865,261,600</u>	<u>1,914,342,188</u>

(a) General Reserve

In accordance with Section 18(1) of the Bank of Tanzania Act, 2006, the Bank is required to maintain a General Reserve Fund. The amount maintained in this account relates to annual appropriation of distributable profits determined by virtue of Section 18(2) of the aforesaid Act. The Act requires the Bank to transfer to the General Reserve Fund twenty-five percent of the net profits until such time that the total capital of the Bank reach a sum equivalent to at least ten per centum of the total assets of the Bank less its assets in gold and foreign currencies. Thereafter, the Bank transfers not less than ten percent of profits to the General Reserve Fund. As at 30 June 2020 the reserve had a balance of TZS 465,994.2 million (2019: TZS 457,166.2 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

41 RESERVES (Continued)

(b) Capital Reserve

The Capital Reserve was established on 30 June 2002. On an annual basis the amount spent to finance capital projects from the Reserve for Projects account is transferred to this reserve. The reserve is permanent in nature and can only be available for enhancement of share capital when need arises. As at 30 June 2020, the reserve had the same balance as it was on 30 June 2019 of TZS 99,262.9 million.

(c) Equalisation Reserve

The reserve was established on 30 June 2006 as foreign exchange equalisation reserve and amended on 30 June 2015 to include cushion for future losses on fair value movements on securities. The reserve acts as a cushion against any significant future losses, which may arise from significant appreciation of Tanzanian Shilling compared to other international currencies, and unfavourable movement in market prices of financial instruments measured at fair value. The reserve is also available to absorb unrealised losses that cannot be absorbed by the opening balances in that account.

The justification for the establishment of the aforesaid reserve as part of the equity of the Bank centres on the requirement of the Bank, among other business entities requiring management to ensure preservation of capital, in terms of mitigating risks that can cause capital impairment or impairment of the entity's assets. As at 30 June 2020, the reserve had a balance of TZS 388,159.6 million (2019: TZS 413,567.6 million).

(d) Reserve for Projects

This reserve was established by a resolution of the Bank's Board of Directors on 30 June 1992. The purpose of the reserve is to provide funds for financing major capital projects of the Bank. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. The Board considered the balance available in this account as at 30 June 2016 to be adequate to meet current and future projects. As at 30 June 2020 the reserve had a balance of TZS 210,000.0 million (2019: TZS 210,000.0 million).

(e) Staff Housing Fund

The Staff Housing Fund was established by a resolution of the Board of Directors on 30 June 1990. The purpose of this Fund is to finance housing loans to Bank's employees. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. As at 30 June 2020, the Fund had a balance of TZS 136,398.3 million (2019: TZS 131,893.9 million). The increase during the year was on account of interest earned from Fund's investments.

(f) Assets Revaluation Reserve

The Bank maintains Assets Revaluation Reserve to account for revaluation surpluses or deficits. To ensure compliance with requirement of International Accounting Standard (IAS 16), Property, Plant and Equipment if an asset-carrying amount increases as a result of revaluation, the increase is credited directly to other comprehensive income. However, this amount is not available for distribution. Accordingly, it is retained in the asset revaluation reserve. If an asset's carrying amount decreases on account of revaluation, the decrease is recognised in profit or loss to the extent that it exceeds credit balance existing in the asset revaluation reserve in respect of that asset. As at 30 June 2020, the reserve had a balance of TZS 260,246.1 million (2019: TZS 260,246.1 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

41 RESERVES (Continued)

(g) Foreign Exchange Revaluation Reserve

In accordance with Section 18(4) of the Bank of Tanzania Act, 2006, unrealised gains or losses on foreign exchange are transferred to this reserve account. In accounting for unrealised gains or losses the Bank complies with the requirements of both IFRS and the Bank of Tanzania Act (2006). Pursuant to the requirements of the International Accounting Standard (IAS – 21) the Effects of Changes in Foreign Exchange Rates, all realised and unrealised foreign exchange valuations should be taken to the profit or loss. As at 30 June 2020, the reserve had a total balance of TZS 8,832.0 million (2019: TZS 3,077.3 million).

Both realised and unrealised foreign exchange gains or losses are taken to profit or loss for the purposes of determination of profit or loss for the year. Until such gains or losses are realised, they are not available for distribution; in the interim, the unrealised amounts are reflected in the Foreign Exchange Revaluation Reserve. The separation of realised from unrealised exchange gains and losses is done by use of an “inventory accounting for foreign exchange assets and liabilities”.

(h) Securities Revaluation Reserve

The Bank maintains Securities Revaluation Reserve to account for unrealised gains and losses arising from changes in fair value of financial instruments measured at fair value. As at 30 June 2020, the reserve had a total balance of TZS 123,559.0 million (2019: TZS 61,777.2 million).

(i) Financial Sector Development Fund.

This is a Fund established by the Board on 30 June 2016 pursuant to Section 18(1) (d) of the Bank of Tanzania Act, 2006 to foster execution of the Bank’s mandate on financial sector development. The fund complements donor funds directed towards financial sector reforms. As at 30 June 2020, the fund had TZS 38,699.1 million (2019: TZS 38,699.1 million). The increase is on account of interest income earned from the Fund’s investments.

(j) Reserve for Dividend

This reserve accommodates the amount declared as dividend payable to the Governments after end of the accounting period. During the year ended 30 June 2020, the Bank declared dividend of TZS 150,000.0 million. As at 30 June 2020, the dividend reserve had a balance of TZS 150,000.0 million (2019: TZS 250,000 million).

(k) Defined Benefit Reserve

This reserve was established in June 2013 in order to accommodate re-measurements arising from change in actuarial assumptions to ensure compliance with International Accounting Standard (IAS 19 as revised in 2011)- Employee Benefits. During the year ended 30 June 2020 an actuarial loss of TZS 4,541.5 million (2019: TZS 9,581.0 million gain) was recorded following revision of actuarial assumptions. As at 30 June 2020, the reserve had a loss balance of TZS 15,889.6 million (2019: TZS 11,348.2 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

42. CASH GENERATED FROM/USED IN OPERATING ACTIVITIES

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Profit before tax	88,279,145	122,590,953
Adjustment for:		
Depreciation and impairment of property and equipment	22,424,938	23,847,390
Amortisation of intangible assets	1,351,648	1,541,829
Net loss on disposal of property and equipment	20,730	8,840
Reversal for Impairment loss	(229,149)	(490,833)
Provision for retirement benefit	2,899,650	1,353,491
Employer's contribution in retirement benefit (Note 45)	-	(18,985,000)
	114,746,962	129,866,670
Changes in working capital		
Increase in escrow assets	(35,261)	(173,629)
(Decrease)/increase in items in course of settlement	(8,024,363)	25,203,697
Decrease in items in advances to Government	394,413,640	705,374,883
(Increase)/decrease in loans and receivables	36,476,869	(7,428,486)
(Increase)/decrease in inventories	1,335,744	(1,857,755)
Decrease in deferred currency costs	7,340,618	46,456,978
(Increase)/decrease in other assets	419,142,931	(389,680,145)
Increase/(decrease) in deposits	557,944,453	(2,260,945,119)
Increase in other liabilities and provisions	46,659,486	19,359,806
Net changes in working capital	1,455,254,117	(1,863,689,770)
Net cash generated / (used in) from operating activities	<u>1,570,001,079</u>	<u>(1,733,823,100)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT

43.1 Introduction

Risk management process in the Bank is based on the Corporate Risk Framework (CRM), policy and guidelines that call for an integrated approach to ensure that all risks inherent in the operations are effectively managed; so that the Bank can in turn attain its strategic goals and objectives.

While fulfilling its legal obligations, such as implementing monetary and exchange rate policies, managing foreign exchange reserves and rendering banking services to the banking sector and the Government of the United Republic of Tanzania, the Bank is exposed to a myriad of financial risks namely market, credit and liquidity

Bank's activities necessitate the use of financial instruments which include both assets and liabilities. The instruments related to assets comprise of; foreign exchange deposits, foreign currency marketable securities, holding of Special Drawing Rights (SDR), equity investments and Government securities. The Bank holds foreign exchange reserves for the purposes of servicing foreign debts and other Government obligations as a fiscal agent of the Government of the United Republic of Tanzania, and for servicing its own foreign exchange obligations. The Bank also holds foreign exchange reserves for implementation of monetary and exchange rate policies and providing confidence to the financial markets. In view of the Bank's priorities of safety, liquidity and return, as stipulated by the Bank of Tanzania Act, 2006, the Bank with a prudent approach, subjects its foreign exchange reserves to investments in international markets.

The liabilities instruments include; currency in circulation, deposits from financial institutions, Governments and its entities and IMF related liabilities. It also accepts or places short-term funds/ securities through open market operations in order to achieve the reserve target and influence the short-term interest rates; the primary tool of monetary policy tools to establish price stability.

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

The Bank's risks are measured to reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on quantitative factors. The quantitative factors use models which make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

The financial risk is analysed and reported to management on timely basis. As part of its financial risk management, the Bank uses various limits specified in the policy and guidelines to manage exposures to various risks.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

43.2 Risk management structure

The Bank's management seeks to ensure that effective risk management processes exist for assessing, managing and monitoring risk, within clear risk policies and frame work.. The Bank identifies, assesses and manages risk at both Corporate ('top-down') and business ('bottom-up') level, thus risk management is the responsibility of all employees. Heads of business units have a responsibility to evaluate their risk environment, put in place appropriate controls and monitor the effectiveness of these controls.

There are governance arrangements within the Bank as set out in a Corporate Risk Management Framework (approved by the Board of Directors) and documented authorities for implementation of risk management and oversight of the Bank's operations.

Finance and Investment Committee oversee corporate risk management as implemented by the Bank's management in ensuring that agreed standards and policies are followed.

The Risk Management Department in the Bank's is responsible for analysing the financial and operation risks faced by the Bank in its operations, and exercising control on these risks as they are taken through those operations. The Internal Audit function is responsible for providing an independent evaluation of risk management, implementation and reviewing corporate risk profile.

Classification and measurement of financial instruments

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. After the assessment the Bank did not make any changes on the business model.

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities

Financial instruments are initially recognised when an entity becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument.

IFRS 9 classification is based on two aspects: the business model within which the asset is held (the business model test) and the contractual cash flows of the asset which meet The Solely Payments of Principal and Interest ('SPPI') test.

(a) Credit risk

Credit risk is the risk of loss arising from the probability of a complete or partial failure of counterparty to meet its financial obligations to the Bank. The Bank credit risk exposure includes both direct exposures and contingent exposures. Direct credit exposure can arise from open market operations carried out in order to provide short term liquidity to banks within the framework of monetary policy implementation and from the investments made during foreign exchange reserve management. Whereby contingent credit exposures relate to banknote issuance and circulation activities.

The credit risk may arise as a result of the Bank providing liquidity to financial institutions via the short term funding and intraday in the Bank's provision of liquidity to facilitate banks operation; and elsewhere in the Bank's management of its financial reserve. In addition, the Bank incurs credit risk in connection with any support operations it may undertake.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

43.2 Risk management structure (Continued)

The management of the credit risk that the Bank is exposed to in the foreign exchange reserve management is based on the principal of minimizing default probabilities of the counter-parties and the financial loss in case of default. The Bank confines its investment to leading international financial institutions and debtors that meet the minimum rating criteria specified in the Investment Policy. The Bank uses credit ratings assigned by the International Credit Rating Agencies. The specified minimum rating criteria depends on whether the investment is short or long term in nature.

Accordingly, for short term investments, the Bank takes on exposure to issuers/issues having at least F2, A-2 and P-2 according to Fitch Ratings, Standard and Poor's (S&P) Financial Services LLC and Moody's respectively. The Bank can also invest in securities issued or directly guaranteed by foreign governments and Supranational which have a long-term rating of at least 'A' according to the above stated credit rating agencies. By settling this overall credit risk limit within the scope of Investment Guidelines, the Bank aims to prevent credit risk from exceeding its risk tolerance.

The institutions eligible for transactions are chosen among those institutions meeting the minimum credit rating limitation set in the guidelines. In all transactions executed with these institutions, credit risk exposure amounts that are calculated on the basis of transactions type are immediately reflected on their limits, and the use of these limits are regularly monitored and reported. Overall, the credit risk assumed during financial year 2019/20 operations remained at quite low levels as a great portion of reserves are invested in assets issued or directly guaranteed by the respective governments as well as by supranational institutions such as the World Bank, the European Investment Bank and Bank for International Settlements.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Total assets of the Bank exposed to credit risk as of 30 June 2020 with its comparative figures are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's).

Description	30.06.2020		30.06.2019	
	TZS '000	Share (%)	TZS '000	Share (%)
Central Banks				
AAA to A	543,185,586	3.48%	560,766,547	3.86%
B+ to B	914,137	0.01%	1,422,381.5	0.01%
Foreign Commercial Banks				
AAA to A	4,213,037,416	27.00%	4,174,310,678	28.72%
B+ to B	1,012,721	0.01%	1,634,454	0.01%
Foreign currency Operation	834,852,232	5.35%		
Accrued interest on deposits	8,420,416	0.05%		
NR				
Escrow accounts				
A+	11,253,547	0.07%	11,218,286	0.08%
Loans, receivables & advances to the government				
NR	1,230,295,461	7.88%	1,660,968,106	11.43%
Investment in securities				
Marketable securities	6,201,955,789	39.75%	5,065,705,728	34.85%
AAA	5,122,519,152		1,167,382,355	
AA+	103,140,912		2,966,056,847	
AA	750,835,847		673,006,575	
AA-	33,212,041		28,417,868	
A+	192,247,838		230,527,130	
Government securities				
NR	1,230,069,507	7.88%	1,257,650,150	8.65%
Other assets (excluding prepayments)				
NR	51,406,158	0.33%	467,682,113	3.22%
Holdings of Special Drawing Rights (SDRs)				
NR	20,100,182	0.13%	67,392,346	0.46%
Quota in International Monetary Fund (IMF)				
NR	1,257,328,887	8.06%	1,266,185,402	8.71%
	15,603,832,039	100.00%	14,534,936,192	100.00%



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2020 is as follows:

Details	Foreign Central Banks		Supranational		Domestic		Foreign		Government		Total
	Central Banks & Treasury	Institutions	Supranational	Institutions	Domestic	Financial	Foreign	Financial	Guaranteed	Tanzania	
2020	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	Institutions	Institutions	Institutions	Agencies	Treasury	TZS '000
Central Banks, Foreign Commercial Banks and Escrow accounts											
Cash with Central Banks	544,099,723	-	-	-	-	-	-	-	-	-	544,099,723
Demand, time deposits and foreign currency notes and coins	905,646,315	538,095,918	-	2,778,462,821	-	-	-	-	-	-	4,222,205,054
Foreign currency operations	-	-	-	-	-	-	-	-	-	834,852,232	834,852,232
Escrow accounts	-	-	-	-	-	-	11,253,547	-	-	-	11,253,547
Investment in securities											
Foreign Currency Marketable securities	-	339,976,145	-	-	-	-	39,159,747	-	5,822,819,897	-	6,201,955,789
Government securities	-	-	-	-	-	-	-	-	-	1,230,069,507	1,230,069,507
Others											
Loans, receivables and advances	-	-	-	386,261,716	-	-	-	-	-	844,033,745	1,230,295,461
Other assets (excluding prepayments)	-	-	-	-	-	-	-	-	-	51,406,158	51,406,158
Holdings of Special Drawing Rights (SDRs)	-	-	20,100,182	-	-	-	-	-	-	-	20,100,182
Quota in International Monetary Fund (IMF)	-	1,257,328,887	-	-	-	-	-	-	-	-	1,257,328,887
	1,449,746,038	2,155,501,132	386,261,716	2,828,876,115	5,822,819,897	2,960,361,642	15,603,566,540				



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

3. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2019 is as follows:

Details	Foreign Country Treasury TZS '000	Supranational Institutions TZS '000	Domestic Financial Institutions TZS '000	Foreign Financial Institutions TZS '000	Government Guaranteed Agencies TZS '000	Tanzania Treasury TZS '000	Total TZS '000
Central Banks, Foreign Commercial Banks and Escrow accounts							
Central Banks	561,519,866	1,422,382	-	-	-	-	562,942,247
Commercial Banks	-	-	-	4,253,757,966	-	-	4,253,757,967
Escrow accounts	-	-	-	11,218,286	-	-	11,218,286
Investment in securities							
Foreign Currency Marketable securities	4,036,795,712	252,403,877	-	688,036,746	88,469,393	-	5,065,705,728
Equity investments	-	-	-	37,073,235	-	-	37,073,235
Government securities	-	-	-	-	-	1,257,650,150	1,257,650,150
Others							
Loans, receivables and advances	-	-	422,520,721	-	-	1,238,447,385	1,660,968,106
Other assets (excluding prepayments)	-	-	-	-	-	467,682,113	467,682,113
Holdings of Special Drawing Rights (SDRs)	-	67,392,346	-	-	-	-	67,392,346
Quota in International Monetary Fund (IMF)	-	1,266,185,402	-	-	-	-	1,266,185,402
Total	4,598,315,578	1,587,404,007	422,520,721	4,990,086,233	88,469,393	2,963,779,648	14,650,575,580



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2020 is as follows:

Details	Tanzania	USA	UK	Other European	Other Countries	Total
	TZS '000	TZS '000	TZS '000	Countries TZS '000	TZS '000	TZS '000
2020						
Assets						
Cash and balances with central banks & other banks	835,370,222	450,391,142	80,606,204	132,166,510	57,802,977	1,556,337,055
Foreign Time Deposits	-	-	284,819,469	1,984,051,455	1,775,949,030	4,044,819,954
Escrow accounts	-	-	11,253,547	-	-	11,253,547
Holdings of Special Drawing Rights (SDRs)	-	20,100,182	-	-	-	20,100,182
Quota in International Monetary Fund (IMF)	-	1,257,328,887	-	-	-	1,257,328,887
Foreign currency marketable securities	-	4,433,766,350	708,710,393	194,519,924	864,959,122	6,201,955,789
Government securities	1,230,069,507	-	-	-	-	1,230,069,507
Advances to the Government	844,033,745	-	-	-	-	844,033,745
Loans and receivables	386,261,716	-	-	-	-	386,261,716
Other assets (excluding prepayments)	51,406,158	-	-	-	-	51,406,158
Total assets	3,347,141,348	6,161,586,561	1,085,389,613	2,310,737,889	2,698,711,129	15,603,566,540
Liabilities						
Currency in circulation	5,225,320,820	-	-	-	-	5,225,320,820
Deposits - banks and non-banks financial institutions	3,541,963,084	-	-	-	-	3,541,963,084
Deposits - others	2,621,351,304	-	-	-	-	2,621,351,304
Foreign currency financial liabilities	1,412,490,402	-	-	-	-	1,412,490,402
Poverty deduction and growth facility	-	26,198,739	-	-	-	26,198,739
BoT liquidity papers	118,788,633	-	-	-	-	118,788,633
Other liabilities	117,199,026	-	-	-	-	117,199,026
Lease Liability	2,693,483	-	-	-	-	2,693,483
IMF related liabilities	1,068,555,548	-	-	-	-	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	-	602,150,585	-	-	-	602,150,585
Total liabilities	14,108,362,300	628,349,324	--	-	-	14,736,711,624



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2019 is as follows:

Details	Tanzania	USA	UK	Other European Countries	Other Countries	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
2019						
Assets						
Cash and balances with central banks & other banks	70,376,711	1,148,271,851	387,067,480	2,643,776,782	567,207,390	4,816,700,214
Escrow accounts	-	-	11,218,286	-	-	11,218,286
Holdings of Special Drawing Rights (SDRs)	-	67,392,346	-	-	-	67,392,346
Quota in International Monetary Fund (IMF)	-	1,266,185,402	-	-	-	1,266,185,402
Foreign currency marketable securities	-	3,599,022,038	645,317,555	100,621,902	720,744,233	5,065,705,728
Equity investment	-	-	-	1,142,781	35,930,454	37,073,235
Government securities	1,257,650,150	-	-	-	-	1,257,650,150
Advances to the Government	1,238,447,385	-	-	-	-	1,238,447,385
Loans and receivables	422,520,721	-	-	-	-	422,520,721
Other assets (excluding prepayments)	467,682,113	-	-	-	-	467,682,113
Total assets	3,456,677,080	6,080,871,637	1,043,603,321	2,745,541,465	1,323,882,077	14,650,575,580
Liabilities						
Currency in circulation	4,965,202,559	-	-	-	-	4,965,202,559
Deposits - banks and non-banks financial institutions	3,457,134,887	-	-	-	-	3,457,134,887
Deposits - Government	-	-	-	-	-	-
Deposits - others	2,148,235,048	-	-	-	-	2,148,235,048
Foreign currency financial liabilities	919,256,948	-	-	-	-	919,256,948
Poverty deduction and growth facility	-	130,856,840	-	-	-	130,856,840
BoT liquidity papers	330,753,832	-	-	-	-	330,753,832
Other liabilities	72,990,052	-	-	-	-	72,990,052
IMF related liabilities	1,076,082,365	-	-	-	-	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	-	606,392,081	-	-	-	606,392,081
Total liabilities	12,969,655,691	737,248,921	-	-	-	13,706,904,612



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Credit quality per class of financial assets

The credit quality per class of financial assets is managed by the Bank using internal ratings system. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Bank's credit rating system. The amount presented is gross of impairment allowances.

Details	Neither past due nor impaired TZS '000	Past due but not impaired TZS '000	Individually impaired TZS '000	Total TZS '000
30.06.2020				
Cash and cash equivalents	5,601,157,009	-	265,499	5,601,422,508
Escrow accounts	11,253,547	-	-	11,253,547
Foreign currency marketable securities	6,201,955,789	-	-	6,201,955,789
Government securities	1,230,069,507	-	-	1,230,069,507
Loans, receivables and advances	1,230,295,461	-	9,761,110	1,240,056,571
Other assets (excluding prepayments)	51,406,158	-	-	51,406,158
Holdings of Special Drawing Rights (SDRs)	20,100,182	-	-	20,100,182
Quota in International Monetary Fund	1,257,328,887	-	-	1,257,328,887
	15,603,566,540	-	9,761,110	15,613,593,149
30.06.2019				
Cash and cash equivalents	4,816,700,214	-	276,784	4,816,976,998
Escrow accounts	11,218,286	-	-	11,218,286
Items in course of settlement	-	-	-	-
Foreign currency marketable securities	5,065,705,728	-	-	5,065,705,728
Equity investments	37,073,235	-	-	37,073,235
Government securities	1,257,650,150	-	-	1,257,650,150
Loans, receivables and advances	1,648,580,688	12,387,418	15,220,596	1,676,188,702
Other assets (excluding prepayments)	467,682,113	-	-	467,682,113
Holdings of Special Drawing Rights (SDRs)	67,392,346	-	-	67,392,346
Quota in International Monetary Fund	1,266,185,402	-	-	1,266,185,402
	14,638,188,162	12,387,418	15,497,380	14,666,072,960

Details on provision for impairment losses on loans and receivables have been provided under **Note 24**. The Bank does not hold collateral for financial liabilities pledged as security.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Credit quality per class of financial assets (continued)

Individually assessed allowances:

The Bank determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficult has arisen, projected receipts and the expected pay-out should bankruptcy ensure, the availability of other Financial support, the realisable value of collateral and timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

	<u>30.06.2020</u>	<u>30.06.2019</u>
	<u>Gross Maximum</u>	<u>Gross Maximum</u>
	<u>Exposure</u>	<u>Exposure</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Cash and cash equivalents	5,601,422,508	4,816,976,998
Escrow accounts	11,253,547	11,218,286
Foreign currency marketable securities	6,201,955,789	5,065,705,728
Government securities	1,230,069,507	1,257,650,150
Loans, receivables and advances	1,245,298,193	1,676,188,702
Other assets (Excluding prepayments)	51,406,158	467,682,113
Holdings of Special Drawing Rights (SDRs)	20,100,182	67,392,346
Quota in International Monetary Fund	1,257,328,887	1,266,185,402

The Bank's maximum exposure to credit risk for each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The maximum exposure to credit risk for derivatives at the reporting date is detailed below. Futures are settled and recorded on net terms while swaps are settled on gross terms but recorded on net basis. The net values of derivatives are as follows:

	<u>Asset</u>
	<u>TZS '000</u>
2020	
Futures	913,420
Swaps	-
2019	
Futures	595,475
Swaps	214,692



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

Expected Credit Loss allowance disclosure

The following tables explain the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors:

Loss allowance-Cash and balances with central banks and other banks

	Stage 1 12-month ECL TZS 000s	Stage 2 Lifetime ECL TZS 000s	Stage 3 Lifetime ECL TZS 000s	Total TZS 000s
Loss allowance as at 30 June 2019	276,784	-	-	276,784
Movements with impact in the Statement of Profit or Loss				
New financial assets originated or purchased	762	-	-	762
Financial assets that have been derecognised	(1,908)	-	-	(1,908)
Changes in risk parameters	(10,139)	-	-	(10,139)
Loss allowance as at 30 June 2020	265,499	-	-	265,499

Loss allowance – Loans and receivables

	Stage 1 12-month ECL TZS '000	Stage 2 Lifetime ECL TZS '000	Stage 3 Lifetime ECL TZS '000	Total TZS '000
Loss allowance as at 30 June 2019	3,575,304	10,661	11,634,631	15,220,596
Changes in the loss allowance				
Transfer to stage 1	71,667	-	(71,667)	-
Transfer to stage 2	(21,715)	21,715	-	-
Transfer to stage 3	(99,826)	-	99,826	-
Total movement	49,874	(21,715)	(28,159)	-
Movements with Impact in the Statement of Profit or loss				
Write offs	-	-	(5,241,621)	(5,241,621)
New financial assets originated or purchased	51,820	-	655,170	706,990
Financial assets that have been derecognised	(1,049,786)	(10,661)	(510,996)	(1,571,443)
Changes in risk parameters	(1,909,659)	444,683	2,111,564	646,588
Total loss movement	(2,907,625)	434,022	(2,985,883)	(5,459,486)
Loss allowance as at 30 June 2020	667,679	444,683	8,648,748	9,761,110



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

Cash and balance with central and other banks at amortised cost stage movement	Stage 1		Stage 2		Stage 3		Total
	12-month ECL TZS '000s	Lifetime ECL TZS '000s	Lifetime ECL TZS '000s	Lifetime ECL TZS '000s	Lifetime ECL TZS '000s	Lifetime ECL TZS '000s	
Gross carrying amount-Cash and balances with central banks and other banks							
Gross carrying as at 30 June 2019	4,828,195,284	-	-	-	-	-	4,828,195,284
Movements with impact in the Statement of Financial Position							
New financial assets originated or purchased	54,171,596	-	-	-	-	-	54,171,596
Financial assets that have been derecognised	(184,680,971)	-	-	-	-	-	(184,680,971)
Other changes	914,990,146	-	-	-	-	-	914,990,146
Gross carrying as at 30 June 2020	5,612,676,055	-	-	-	-	-	5,612,676,055
Loans and receivable at amortised cost stage movement							
Gross carrying amount Loans and receivables	12-month ECL TZS '000	Lifetime ECL TZS '000	Lifetime ECL TZS '000	Lifetime ECL TZS '000	Lifetime ECL TZS '000	Lifetime ECL TZS '000	Total TZS '000
Gross carrying as at 30 June 2019	425,850,528	86,472	11,770,143	437,707,143			
Changes in the loss allowance							
Transfer to stage 1	81,381	-	(81,381)	-	-	-	-
Transfer to stage 2	(577,849)	577,849	-	-	-	-	-
Transfer to stage 3	(2,964,210)	-	2,964,210	-	-	-	-
<i>Total movement</i>	<i>(3,460,678)</i>	<i>577,849</i>	<i>2,882,829</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Movements with Impact in the Statement of Financial Position							
Write offs	-	-	(5,241,621)	-	-	-	(5,241,621)
New financial assets originated or purchased	35,387,381	-	1,438,214	-	-	-	36,825,595
Financial assets that have been derecognised	(350,501,138)	(86,472)	(546,474)	-	-	-	(351,134,084)
Other Changes	16,899,106	(78,667)	(253,646)	-	-	-	16,566,793
Gross carrying amount Loans and receivables as at 30 June 2020	124,175,199	499,182	10,049,445	134,723,826			



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

Write-off policy

- The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (a) ceasing enforcement activity and (b) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.
- The Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 30 Jun 2020- Nil (30 June 2019 – Nil). The Bank will seek to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery

Exposure to Credit Risk

Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amounts of financial asset below also represent the Bank's maximum exposure to credit risk on these assets.

				30 June 2020	30 June 2019
	Stage 1	Stage 2	Stage 3	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Investment grade	14,807,336,984	-	-	14,807,336,984	113,548,310,920
Standard monitoring	-	995,373	4,905,447	5,900,820	428,148,104
Default	-	-	5,144,000	5,144,000	10,602,164
Gross carrying amount	14,807,336,984	995,373	10,049,447	14,818,381,804	13,987,061,188
Loss allowance	(933,179)	(444,683)	(8,648,748)	(10,026,610)	(15,497,380)
Net Carrying amount	14,806,403,805	550,690	1,400,699	14,808,355,194	13,971,563,808

Collateral and other credit enhancements . The Bank obtains collateral where appropriate, from Staff to manage their credit risk exposure to the Bank staff. The collateral is in the form of staff properties and staff internal terminal benefits.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

This arises from inability of the Bank to meet its own foreign exchange and government obligations without incurring huge price concession. The Bank does not have liquidity risk for financial liabilities denominated in Tanzanian shillings as the Bank can meet these liabilities through market operations

Due to its nature of business (externalisation of the government obligations), a huge amount of expected foreign cash flows is not reflected in the Statement of Financial Position. As a result, assets-liabilities management may not be effective. Thus, to manage this risk, the Bank categorizes its foreign exchange reserves into Liquidity, Investment, Stable, Special Purposes and Investment tranches. The liquidity tranche is intended to meet both anticipated and unanticipated monthly cash requirements thus matching both on and off Statement of Financial Position foreign assets and liabilities. The tranche is monitored on a daily basis. It is comprised of highly liquid short-term financial instruments

The table below analyses the assets and liabilities of the Bank into relevant maturity based on the remaining period at Statement of Financial Position date to contractual maturity date.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

By contractual maturity analysis of financial instruments

Details	Up to 1	From 1 to 3	From 3 to 12	From 1 to 5	Total
	Month	Months	Months	Years	
2020	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Assets					
Cash and balances with central banks & other banks	2,228,782,754	1,272,157,779	2,100,216,476	-	5,601,157,009
Escrow accounts	-	-	-	-	11,253,547
Items in course of settlement	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	20,100,182	-	-	-	20,100,182
Quota in International Monetary Fund (IMF)	-	-	-	-	1,257,328,887
Foreign currency marketable securities	1,910,664	387,050,141	1,205,660,303	4,607,334,681	6,201,955,789
Equity investment	-	-	-	-	38,479,418
Government securities	-	-	163,471,309	769,477,801	1,230,069,507
Advance to the Government	-	-	844,033,745	-	844,033,745
Loans and receivables	26,572,632	134,594	279,111,436	22,678,056	386,712,642
Other assets (excluding prepayments)	51,033,050	373,108	-	-	51,406,158
Total assets	2,328,399,282	1,659,715,622	4,592,493,268	5,399,490,538	15,642,045,958
Liabilities					
Currency in circulation	5,225,320,820	-	-	-	5,225,320,820
Deposit - banks and non-banks financial institutions	3,541,963,084	-	-	-	3,541,963,084
Deposit others	2,621,351,304	-	-	-	2,621,351,304
Foreign currency financial liabilities	1,412,490,402	-	-	-	1,412,490,402
Items in course of settlement	17,730,881	-	-	-	17,730,881
Poverty Reduction and Growth Facility	-	103,260	26,609,315	-	26,712,575
BOT liquidity papers	10,979,382	18,794,963	89,014,288	-	118,788,633
Other liabilities	117,199,026	-	-	-	117,199,026
Lease liability	-	-	799,103	2,477,974	9,268,603
IMF Related Liabilities	1,068,555,549	-	-	-	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	602,150,585
Total liabilities	14,015,590,447	18,898,223	116,422,706	2,477,974	14,761,531,461
Net liquidity gap	(11,687,191,165)	1,640,817,399	4,476,070,562	5,397,012,564	880,514,497



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43 RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

By contractual maturity analysis of financial instruments

Details	Up to 1	From 1 to 3	From 3 to 12	From 1 to 5	Over 5 Years	Total
	Month	Months	Months	Years	Years	Total
2019	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Assets						
Cash and balances with central banks & other banks	2,319,388,230	2,497,311,984	-	-	-	4,816,700,214
Escrow accounts	-	-	-	-	11,218,286	11,218,286
Items in course of settlement	-	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	67,392,346	-	-	-	-	67,392,346
Quota in International Monetary Fund (IMF)	-	-	-	-	1,266,185,402	1,266,185,402
Foreign currency marketable securities	20,283,698	221,090,519	1,080,981,008	3,739,813,161	3,537,342	5,065,705,728
Equity investment	-	-	-	-	37,073,235	37,073,235
Government securities	-	27,252,492	474,333,308	620,319,280	135,745,070	1,257,650,150
Advance to the Government	-	-	1,238,447,385	-	-	1,238,447,385
Loans and receivables	20,175,814	1,785,010	320,782,332	17,645,681	62,131,884	422,520,721
Other assets (excluding prepayments)	439,452,360	-	133,500	-	28,096,253	467,682,113
Total assets	2,866,692,448	2,747,440,005	3,114,677,533	4,377,778,122	1,543,987,472	14,650,575,580
Liabilities						
Currency in circulation	4,965,202,559	-	-	-	-	4,965,202,559
Deposit - banks and non-banks financial institutions	3,457,134,887	-	-	-	-	3,457,134,887
Deposits - Governments	-	-	-	-	-	-
Deposit others	2,148,235,048	-	-	-	-	2,148,235,048
Foreign currency financial liabilities	919,256,948	-	-	-	-	919,256,948
Items in course of settlement	25,755,244	-	-	-	-	25,755,244
Poverty Reduction and Growth Facility	-	27,508,490	55,066,670	72,960,318	45,984,597	201,520,075
BOT liquidity papers	37,990	960,572	329,755,270	-	-	330,753,832
Other liabilities	72,990,052	-	-	-	-	72,990,052
IMF Related Liabilities	-	-	-	-	1,076,082,365	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	606,392,081	606,392,081
Total liabilities	11,588,612,728	28,469,062	384,821,940	72,960,318	1,728,459,043	13,803,323,091
Net liquidity gap	(8,721,920,280)	2,718,970,943	2,729,855,593	4,304,817,804	(184,471,571)	847,252,489



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2020	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	5,601,157,009	-	5,601,157,009
Escrow accounts	-	11,253,547	11,253,547
Holdings of Special Drawing Rights (SDRs)	20,100,182	-	20,100,182
Quota in International Monetary Fund	-	1,257,328,887	1,257,328,887
Foreign Currency Marketable securities	1,594,621,108	4,607,334,681	6,201,955,789
Equity investment	-	38,479,418	38,479,418
Government securities	163,471,309	1,066,598,198	1,230,069,507
Advance to the Government	844,033,745	-	844,033,745
Loans and receivables	305,818,661	80,443,055	386,261,716
Other assets (excluding prepayments)	51,406,158	-	51,406,158
	8,580,608,172	7,061,437,786	15,642,045,958
Liabilities			
Currency in circulation	5,225,320,820	-	5,225,320,820
Deposit - banks and non-banks financial institutions	3,541,963,084	-	3,541,963,084
Deposit - Others	2,621,351,304	-	2,621,351,304
Foreign currency financial liabilities	1,412,490,402	-	1,412,490,402
Items in course of settlement	17,730,881	-	17,730,881
Poverty reduction and growth facility	26,198,739	-	26,198,739
BOT liquidity papers	118,788,633	-	118,788,633
Other liabilities	117,199,026	-	117,199,026
Lease liability	127,927	2,565,556	2,693,483
IMF related liabilities	1,068,555,548	-	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	-	602,150,585	602,150,585
Total liabilities	14,149,726,364	604,716,141	14,754,442,505
Net Liquidity gap	(5,569,118,192)	6,456,721,645	887,603,453



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The following tables detail the Bank's maturity profiles of both financial assets and liabilities

2019	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,816,700,214	-	4,816,700,214
Escrow accounts	-	11,218,286	11,218,286
Items in course of settlement	-	-	-
Holdings of Special Drawing Rights (SDRs)	67,392,346	-	67,392,346
Quota in International Monetary Fund	-	1,266,185,402	1,266,185,402
Foreign Currency Marketable securities	1,322,355,226	3,743,350,502	5,065,705,728
Equity investment	-	37,073,235	37,073,235
Government securities	501,585,800	756,064,350	1,257,650,150
Advance to the Government	1,238,447,385	-	1,238,447,385
Loans and receivables	342,743,155	79,777,566	422,520,721
Other assets (excluding prepayments)	439,585,860	28,096,253	467,682,113
	8,728,809,986	5,921,765,594	14,650,575,580
Liabilities			
Currency in circulation	4,965,202,559	-	4,965,202,559
Deposit - banks and non-banks financial institutions	3,457,134,887	-	3,457,134,887
Deposit – Others	2,148,235,048	-	2,148,235,048
Foreign currency financial liabilities	919,256,948	-	919,256,948
Items in course of settlement	25,755,244	-	25,755,244
Poverty reduction and growth facility	41,911,849	88,944,991	130,856,840
BOT liquidity papers	330,753,832	-	330,753,832
Other liabilities	72,990,052	-	72,990,052
IMF related liabilities	1,076,082,365	1,076,082,365	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	-	606,392,081	606,392,081
Total liabilities	13,037,322,784	695,337,072	13,732,659,856
Net liquidity gap	(4,308,512,798)	5,226,428,522	917,915,724



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of movements in market interest rates. The price of marketable securities rises when market interest rates decline, and it falls if market rates rise. Interest rate risk increases with the maturity of a security. Interest rate risk on foreign assets is controlled through limits on the duration of these portfolios. Interest rate risk on Bank's assets is relatively low as most of the portfolio is held in short-term. As of 30 June 2020, portfolio duration stood at 2.06 years while that of 30 June 2019 was 1.57 years. The tables below show duration and other characteristics for all portfolios;



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk continued

Portfolio Characteristics

USD

Asset Type	30.06.2020			30.06.2019		
	Number of Securities	Duration (Years)	USD	Number of Securities	Duration (Years)	USD
Market value of Marketable Securities	169	2.04	2,178,605,543	165	1.39	1,717,747,036
Money Markets placements	33	0.30	1,483,319,325	57	0.13	1,276,261,190
			5,030,337,382			3,932,883,459
			3,407,969,906			2,922,075,496

GBP

Asset Type	30.06.2020			30.06.2019		
	Number of Securities	Duration (Years)	USD	Number of Securities	Duration (Years)	USD
Market value of Marketable Securities	10	2.16	308,466,286	14	2.04	281,864,553
Money Markets placements	-	-	-	4	0.23	49,583,007
			708,710,393			645,345,568
			-			113,523,228

AUD

Asset Type	30.06.2020			30.06.2019		
	Number of Securities	Duration (Years)	USD	Number of Securities	Duration (Years)	USD
Market value of Marketable Securities	8	2.56	128,654,302	11	2.76	140,609,128
Money Markets placements	2	0.09	36,440,901	4	0.06	26,666,495
			295,587,055			321,932,918
			83,724,045			61,054,519

CNY

Asset Type	30.06.2020			30.06.2019		
	Number of Securities	Duration (Years)	USD	Number of Securities	Duration (Years)	USD
Market value of Marketable Securities	14	1.48	83,675,895	17	1.64	86,801,239.68
Money Markets placements	15	0.16	249,643,140	12	0.11	132,919,977
			192,247,838			198,736,573
			573,562,479			304,328,150



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk (continued)

Portfolio Value-at-Risk

The Bank also uses Value-at-Risk (VaR) to measure and monitor interest rate risk. VaR is a probabilistic measure of risk, which provides an estimate of the maximum potential loss in the value of the Bank's positions due to adverse interest rate movements over a defined time horizon with a specified confidence level. The Bank applies a one-month time horizon and a 95 percent confidence level to calculate VaR. This means if the portfolio incurs loss under normal conditions, then there is 95 percent chance the maximum expected loss will not exceed the VaR. The amount of VaR for major currencies is as follows;

Details	30.06.2020		30.06.2019	
	95% VaR		95% VaR	
		TZS '000		TZS '000
USD	8,760,375	20,127,220	7,349,012	16,825,998
GBP	1,124,250	3,169,986	939,592	2,732,736
AUD	738,081	1,161,768	1,285,880	2,063,520
CNY	1,997,629	648,761	1,588,996	529,621

Sensitivity to interest rate risk

For measuring the sensitivity of the Bank's foreign exchange reserves to interest rate risk, the portfolios are shocked with +/-1 percent parallel change in the respective government yield curves. The figures below show the effect on the Bank's profit and equity of a movement of +/-1 percentage point in interest rates, given the level, composition and modified duration of the Bank's foreign reserve as at 30 June 2020.

		30.06 2020		"30.06.2020
		TZS'000		TZS'000
USD	(33,032,984)	(75,894,255)	(22,776,665)	(52,148,523)
GBP	(5,303,908)	(14,955,137)	(1,847,970)	(5,374,689)
CNH	(2,885,063)	(936,970)	(2,866,316)	(955,359)
AUD	(2,885,063)	(7,205,861)	(5,295,045)	(8,497,240)

Stress Testing

The Bank performs stress testing to analyse the resilience of its portfolios to extreme volatility changes caused by potential shocks in the market. Portfolios are simulated with extreme events which likely lead to high volatility in the market. The portfolios are shocked with past market events that exerted significant volatility in the market in order to estimate the potential decrease in income generated by the portfolio if the similar events are to re-occur. Likewise, the Bank applies interest rate shocks to the portfolio that stem from potential interest rate cut/hike by central banks in its investment universe. As bond prices have inverse relation with interest rate, portfolio values will increase when interest



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk (continued)

Stress Testing (Continued)

rate fall and decrease when interest rate rises. In that regard, interest rate hikes of 25bps, 50bps and 100bps constitute the potential worst case scenarios whereas interest rate cut of 25bps is considered as positive scenarios. The results of stress testing are provided in Table.

Amounts in USD equivalent

Worst case scenarios	CNY-Portfolio	AUD-portfolio	GBP-Portfolio	USD-Portfolio
Bear Market - SPX Down 20%, Oil down 20% and VIX Up 150%	(31,735)	178,073	449,653	5,867,407
Brexit 2016	36,653	414,756	2,666,204	5,857,703
Debt Ceiling Crisis & Downgrade in 2011	150,335	1,935,511	2,343,093	9,779,166
Lehman Default - 2008	(290,751)	2,827,655	2,127,929	10,919,657
Interest rate scenarios				
25 rate cut	115,029	958,298	1,046,093	9,572,928
25 rate hike	(102,063)	(64,494)	(1,118,448)	(9,491,456)
50 rate hike	(230,058)	(570,327)	(2,187,543)	(18,902,342)
100 rate hike	(408,250)	(1,571,037)	(4,299,814)	(37,485,939)

30.06.2019						
Spread widening by 50	(8,129,679)	-	(1,842,425)	(2,646,435)	(294,750)	(28,317,061)
Curve Steepening by 50	(8,224,208)	-	(1,905,349)	(2,391,138)	(1,182,092)	(28,602,567)
Curve flattening by 50	8,247,468	-	2,022,537	2,239,373	1,182,092	28,753,110

The results of stress testing provided in the above table indicate that except for CNY portfolio which is slightly vulnerable to high market volatility and extreme shocks in stocks and oil markets due to safe haven stance, other portfolios show high resilience to these shocks. Similarly, the interest rate scenarios indicate that all portfolios are likely to benefit with potential interest rate cuts nevertheless showing high sensitivity to extreme interest rate rise with USD-portfolio being the most exposed to potential interest rate rises given its size.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(d) Currency Risk

The exchange rate risk (or currency risk) refers to the loss of the portfolio value or purchasing power of the portfolio occasioned by adverse foreign exchange rate movements. The Bank foreign reserves portfolio is denominated in a number of currencies whose exchange rates are subject to fluctuation on international foreign exchange market.

Based on the sensitivity of the ten per cent deviation of the exchange rate against major currencies the impact on the Banks profit and equity was TZS 1,052,361.4 million (2019: TZS 882,46.1 million).

The Bank is exposed to this risk in the context of its holding of foreign exchange reserves, intervention in the local inter-bank foreign exchange market (IFEM) and foreign exchange transactions in the international foreign exchange market. Often, currency exposures are not out rightly hedged, but the currency risk is controlled through a target currency composition whose criteria are specified in the Investment Policy and stated in the Investment Guidelines. The target currency composition attempts to match the composition of on and off balance sheet foreign denominated obligations, thereby managing adverse currency movement at the national level. The currency positions of the Bank as of 30 June 2020 and 2019 which provides the Bank's assets, liabilities and equity at carrying amounts, categorised by currency is summarised below.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(d) Currency Risk (Continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
2020							
Assets							
Cash and balances with central banks & other banks	74,031,490	4,648,385,906	135,559,411	-	8,420,416	734,759,786	5,601,157,009
Escrow accounts	-	11,253,547	-	-	-	-	11,253,547
Items in course of settlement	-	-	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	-	-	-	20,100,182	-	-	20,100,182
Quota in International Monetary Fund (IMF)	-	-	-	1,257,328,887	-	-	1,257,328,887
Foreign currency marketable securities	703,977,699	4,987,838,661	-	-	25,172,547	484,966,882	6,201,955,789
Equity investments	-	37,232,149	1,247,269	-	-	-	38,479,418
Government securities	-	-	-	-	1,230,069,507	-	1,230,069,507
Advances to the Government	-	-	-	-	844,033,745	-	844,033,745
Loans and receivables	-	28,449,187	-	-	357,812,529	-	386,261,716
Other assets (Excluding prepayments)	-	-	-	-	51,406,158	-	51,406,158
Total financial assets	778,009,189	9,713,159,450	136,806,680	1,277,429,069	2,516,914,902	1,219,726,668	15,642,045,958
Liabilities							
Currency in circulation	-	-	-	-	5,225,320,820	-	5,225,320,820
Deposits - banks and non-bank financial institutions	-	391,517,447	-	-	3,148,544,472	1,901,165	3,541,963,084
Deposits - Governments	-	-	-	-	-	-	-
Deposits - Others	15,640,336	68,838,726	77,473,668	-	2,459,398,574	-	2,621,351,304
Items in course of settlement	-	5,299,029	-	-	12,425,386	6,466	17,730,881
Foreign currency financial liabilities	25,533	1,354,999,416	57,194,358	-	-	271,095	1,412,490,402
Poverty reduction and growth facility	-	-	-	26,198,739	-	-	26,198,739
BoT liquidity papers	-	-	-	-	118,788,633	-	118,788,633
Other liabilities	-	64	-	-	117,198,962	-	117,199,026
Lease liability	-	-	-	-	2,693,483	-	2,693,483
IMF related liabilities	-	-	-	-	1,068,555,548	-	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	-	-	-	602,150,585	-	-	602,150,585
Net liquidity gap	15,665,869	1,820,654,682	134,668,026	628,349,324	12,152,925,878	2,178,726	14,754,442,505
Scenario of 10% appreciation/depreciation	762,343,320	7,892,504,768	2,138,654	649,079,745	N/A	1,217,547,942	N/A
	76,234,332	789,250,477	213,865	64,907,975	N/A	121,754,794	N/A



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

(d) Currency Risk (Continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
2019							
Assets							
Cash and balances with central banks & other banks	172,603,493	4,146,026,035	8,425,680	-	-	489,645,005	4,816,700,214
Escrow accounts	-	11,218,286	-	-	-	-	11,218,286
Items in course of settlement	-	-	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	-	-	-	67,392,346	-	-	67,392,346
Quota in International Monetary Fund (IMF)	-	-	-	1,266,185,402	-	-	1,266,185,402
Foreign currency marketable securities	645,317,555	3,899,945,550	-	-	-	520,442,623	5,065,705,728
Equity investments	-	35,930,454	1,142,781	-	-	-	37,073,235
Government securities	-	-	-	-	1,257,650,150	-	1,257,650,150
Advances to the Government	-	-	-	-	1,238,447,385	-	1,238,447,385
Loans and receivables	-	29,356,330	-	-	369,093,094	-	422,520,721
Other assets (Excluding prepayments)	-	-	-	-	467,682,113	24,071,297	467,682,113
Total financial assets	817,921,049	8,122,476,655	9,568,461	1,333,577,748	3,332,872,742	1,034,158,925	14,650,575,580
Liabilities							
Currency in circulation	-	-	-	-	4,965,202,559	-	4,965,202,559
Deposits - banks and non-bank financial institutions	-	432,187,017	-	-	3,024,947,870	-	3,457,134,887
Deposits - Others	764,830	396,862,096	1,886,197	-	1,748,677,391	44,534	2,148,235,048
Items in course of settlement	-	25,534,151	-	-	221,093	-	25,755,244
Foreign currency financial liabilities	-	890,776,395	8,890,541	-	18,836,695	753,317	919,256,948
Poverty reduction and growth facility	-	-	-	130,856,840	-	-	130,856,840
BoT liquidity papers	-	-	-	-	330,753,832	-	330,753,832
Other liabilities	-	293,172	-	-	72,696,880	-	72,990,052
IMF related liabilities	-	-	-	-	1,076,082,365	-	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	-	-	-	606,392,081	-	-	606,392,081
Net liquidity gap	764,830	1,745,652,831	10,776,738	737,248,921	11,237,418,685	797,851	13,732,659,856
Scenario of 10% appreciation/depreciation	817,156,218	6,376,823,825	(1,208,277)	596,328,827	N/A	1,033,361,074	N/A
	81,715,622	637,682,382	(120,828)	59,632,883	N/A	103,336,107	N/A



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

Non-financial risks

Operational risk

This risk stems from inadequate or failed internal processes, people and systems, or from external events. The risk can potentially disrupt continuity of critical business operations and processes and thereby impede attainment of strategic goals and objectives.

The Bank addresses this risk inter alia through ensuring existence of Business Continuity Management (BCM) and sound internal control system which includes: operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the Bank is an integral part of day-to-day operations by the management. Risk management function, Risk Management Committee, Internal Audit Function, Management, Finance and Investment Committee of the Board and the Board, closely monitor this risk.

The Bank has taken various measures such as segregation of duties, instituting codes of conduct and ethics and setting out benchmark limits. The Bank understands the fact that the lower the human intervention, the lower the operational risk. In view of this fact, the Bank has automated most of its major operations.

Human resource risk

This risk relates to unavailability of skilled manpower, training and development programs, compensation, benefits, mis-aligned HR policies, work life imbalance and policy constraints. The Bank is prone to human resource risk due to its particular nature of the activities which, necessitates specialised knowledge in many areas

The Bank ensures that there is an adequate knowledge base for all specialised job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organises workshops, seminars, conferences and job attachments to its staff as an effort to improve its human resource requirements. It also revises its staff retention scheme to compete with the prevailing labour market.

Legal risk

Legal risk arises out of adverse judgment, risks associated with failure of processes, systems and resources to support legal and regulatory requirements, or actions that can result into legal dispute against the organisation.

In mitigating this type of the risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. ISDA, ISMA, etc. Where new contracts and substantive changes to existing contracts are entered to, external lawyers are contracted. The Bank has in place procedures for delegation of responsibilities. Also, Code of Conduct and Ethics and continuous consultations with all relevant parties are used to minimise chances of causing legal disputes between the Bank and its counterparts.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

43. RISK MANAGEMENT (CONTINUED)

Reputational risk

Reputational risk arises from the failure of an organisation to meet the expectations of its clients, stakeholders and the general public. The risk also emanates from failure to comply with relevant laws and contractual agreements.

The Bank has an obligation to ensure that it performs its functions and maintains its reputation as a Central Bank in line with requirements of the provision of Section 5(1) of the Bank of Tanzania Act, 2006 and other laws and regulations.

In view of the above, the management ensures that to the best of Bank's ability fulfils its fiduciary responsibilities. The Bank adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principals of good governance.

The Bank therefore sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines are periodically reported to different levels of the Bank's management for control and compliance monitoring.

The top management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of fiduciary duties of good governance and by ensuring a proper balance between accountability and the best interests of the Bank and its various stakeholders.

The function of the Bank of overseeing and ensuring the integrity of the country's banking system exposes it to severe criticism whenever there is an incident of bank failure or systemic difficulty. The responsibilities of the Bank regarding monetary policy, the national payment system and the issuing of notes and coins also expose the Bank to significant reputation risk. The Bank adheres to international best practice and, to this end, maintains close liaison with international peers. The Bank strives towards full compliance with the principles for effective banking supervision as well as the core principles for systemically important payment systems.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost. A summary of significant accounting policies in **Note 3** describes how classes of financial instruments are measured and how income and expenses, including fair value gains are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category:

2020	Amortised		FVOCI	FVTPL	Total	Fair values
	Cost					
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Financial assets						
Cash and balances with central banks & other banks	5,601,157,009	-	-	-	5,601,157,009	5,601,157,009
Escrow accounts	11,253,547	-	-	-	11,253,547	11,253,547
Items in course of settlement	-	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	20,100,182	-	-	-	20,100,182	20,100,182
Quota in International Monetary Fund (IMF)	1,257,328,887	-	-	-	1,257,328,887	1,257,328,887
Foreign currency marketable securities	-	686,888,647	5,515,067,142	-	6,201,955,789	6,201,955,789
Equity investment	-	-	38,479,418	-	38,479,418	38,479,418
Government securities	1,230,069,507	-	-	-	1,230,069,507	1,230,069,507
Advances to the Government	844,033,745	-	-	-	844,033,745	844,033,745
Loans and receivables	386,261,716	-	-	-	386,261,716	386,712,641
Other assets (Excluding prepayments)	51,406,158	-	-	-	51,406,158	51,406,158
	9,401,610,751	686,888,647	5,553,546,560	686,888,647	15,642,045,958	15,642,045,958
Financial liabilities						
Currency in circulation	5,225,320,820	-	-	-	5,225,320,820	5,225,320,820
Deposits - banks and non-banks financial institutions	3,541,963,084	-	-	-	3,541,963,084	3,541,963,084
Deposits - others	2,621,351,304	-	-	-	2,621,351,304	2,621,351,304
Deposits - Government	-	-	-	-	-	-
Foreign currency financial liabilities	1,412,490,402	-	-	-	1,412,490,402	1,412,490,402
Items in course of settlement	-	-	-	-	-	-
Poverty deduction and growth facility	26,198,739	-	-	-	26,198,739	26,198,739
BoT liquidity papers	118,788,633	-	-	-	118,788,633	118,788,633
Other liabilities	117,199,026	-	-	-	117,199,026	117,199,026
Lease Liability	2,693,483	-	-	-	2,693,483	2,693,483
IMF related liabilities	1,068,555,548	-	-	-	1,068,555,548	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	602,150,585	-	-	-	602,150,585	602,150,585
	14,736,711,624	686,888,647	5,553,546,560	686,888,647	14,736,711,624	14,736,711,624



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2019	Amortised Cost		FVTPL		FVOCI		Total		Fair values	
	TZS '000		TZS '000		TZS '000		TZS '000		TZS '000	
Financial assets										
Cash and balances with central banks & other banks	4,816,700,214	-	-	-	-	-	4,816,700,214	-	4,816,700,214	4,816,700,214
Escrow accounts	11,218,286	-	-	-	-	-	11,218,286	-	11,218,286	11,218,286
Holdings of Special Drawing Rights (SDRs)	67,392,346	-	-	-	-	-	67,392,346	-	67,392,346	67,392,346
Quota in International Monetary Fund (IMF)	1,266,185,402	-	-	-	-	-	1,266,185,402	-	1,266,185,402	1,266,185,402
Foreign currency marketable securities	-	641,938,537	-	-	4,423,767,191	-	5,065,705,728	-	5,065,705,728	5,065,705,728
Equity investment	-	-	-	-	37,073,235	-	37,073,235	-	37,073,235	37,073,235
Government securities	1,257,650,150	-	-	-	-	-	1,257,650,150	-	1,257,650,150	1,257,650,150
Advances to the Government	1,238,447,385	-	-	-	-	-	1,238,447,385	-	1,238,447,385	1,238,447,385
Loans and receivables	422,520,721	-	-	-	-	-	422,520,721	-	422,520,721	422,520,721
Other assets (Excluding prepayments)	467,682,113	-	-	-	-	-	467,682,113	-	467,682,113	467,682,113
	9,547,796,617		641,938,537		4,460,840,426		14,650,575,580		14,650,575,580	14,650,575,580
Financial liabilities										
Currency in circulation	4,965,202,559	-	-	-	-	-	4,965,202,559	-	4,965,202,559	4,965,202,559
Deposits - banks and non-banks financial institutions	3,457,134,887	-	-	-	-	-	3,457,134,887	-	3,457,134,887	3,457,134,887
Deposits - others	2,148,235,048	-	-	-	-	-	2,148,235,048	-	2,148,235,048	2,148,235,048
Foreign currency financial liabilities	919,256,948	-	-	-	-	-	919,256,948	-	919,256,948	919,256,948
Items in course of settlement	25,755,244	-	-	-	-	-	25,755,244	-	25,755,244	25,755,244
Poverty deduction and growth facility	130,856,764	-	-	-	-	-	130,856,764	-	130,856,764	130,856,764
BoT liquidity papers	330,753,832	-	-	-	-	-	330,753,832	-	330,753,832	330,753,832
Other liabilities	72,990,052	-	-	-	-	-	72,990,052	-	72,990,052	72,990,052
IMF related liabilities	1,076,082,365	-	-	-	-	-	1,076,082,365	-	1,076,082,365	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	606,392,081	-	-	-	-	-	606,392,081	-	606,392,081	606,392,081
	13,732,659,856						13,732,659,856		13,732,659,856	13,732,659,856



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY

Financial instruments recorded at fair value

Estimated fair value is the amount at which an instrument could be exchanged in a current transaction between willing parties other than enforced or liquidation sale. The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

Foreign currency marketable securities

The marketable securities are quoted in actively traded markets which is the best evidence of fair value. The valuation techniques employ only observable market data.

Fair value of derivatives

The Bank values over the counter derivative instruments like swaps using a valuation technique with market-observable inputs. Swap models use present value calculations and include market determined foreign exchange rates. For listed derivatives like futures, the Bank uses prices quoted in the active markets.

Long dated derivative contracts are valued using a valuation technique with significant non-market-observable. These derivatives are valued using models that calculate the present value and incorporate various non-observable assumptions that include market rate volatilities.

Unquoted equities securities.

These Investments are valued using the market approach. The inputs to this methodology are observable inputs based on recent transactions. The data used were from recently published accounts of these entities. These were then corroborated to arrive at the fair values at the reporting date.

Fair value of financial assets and liabilities not carried at fair value

Below are the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

Assets and liabilities for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to cash and cash equivalent, escrow accounts, items in course of settlements, deposits, repurchase agreements and BoT liquidity papers and other liabilities without a specific maturity.

Government securities

The fair value of Government securities carried at amortised cost is estimated by using the interest rates that discount future cash flows to zero.

Fair value of financial assets and liabilities

Financial instruments are grouped into 3 levels based on the degree to which fair value data / input is observable.

- **Level 1 fair value measurements:** are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments on exchanges for example Foreign Currency Marketable securities.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44 DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (Continued)

Fair value of financial assets and liabilities (continued)

- **Level 2 fair value measurements:** are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Input data for this category is sourced mainly from Bloomberg and the Dar es Salaam Securities Exchange.
- **Level 3 fair value measurements:** are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Fair value hierarchy

The following table analyses within the value hierarchy the Bank are measured at fair value as at:

30.06.2020

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	6,201,955,789	-	-
Equity investments	-	38,479,418	-
Total	6,201,955,789	38,479,418	-

30.06.2019

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	5,065,705,728	-	-
Equity investments	-	37,073,235	-
Total	6,512,415,415	32,203,745	-

There were no transfers between levels 1, 2 and 3 in the period. If below observable inputs to valuation model were 10 per cent higher or lower while other variables were held constant, carrying amount of TZS 6,201,955.8 million and TZS 38,497.4 million Foreign Currency Marketable Securities and Equity Investments would have been higher or lower by TZS 6,201,955.8 million and TZS 38,497.4 million respectively. Futures would change by 913 million respectively.

The following table gives information about how the fair value of these financial assets and liabilities are determined.

	Fair value at		Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2020 TZS '000	2019 TZS '000				
Foreign currency marketable securities (Excluding futures)	6,201,955,789	5,065,705,728	1	Prices of listed securities	N/A	N/A
Equity investments	38,479,418	37,073,235	2	Prices of recent transactions	N/A	N/A
Derivatives:						
Swap Asset	-	214,691	2	Discounted Cash-flows, using market exchange and interest rate	N/A	N/A



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44 DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (Continued)

Fair value hierarchy (Continued)

The following table analyses within the fair value hierarchy the Bank's assets and liabilities not measured at fair value.

2020	Level 1	Level 2	Level 3	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Assets				
Cash and balances with central banks & other banks	5,601,157,009	-	-	5,601,157,009
Escrow accounts	-	11,253,547	-	11,253,547
Holdings of Special Drawing Rights (SDRs)	-	20,100,182	-	20,100,182
Quota in International Monetary Fund (IMF)	-	1,257,328,887	-	1,257,328,887
Foreign currency marketable securities	6,201,955,789	-	-	6,201,955,789
Equity investment	-	38,479,418	-	38,479,418
Government securities	-	1,230,069,507	-	1,230,069,507
Advances to the Government	-	844,033,745	-	844,033,745
Loans and receivables	-	386,261,716	-	386,261,716
Other assets (Excluding prepayments)	-	51,406,158	-	51,406,158
	11,803,112,798	3,838,933,160	-	15,642,045,958
Liabilities				
Currency in circulation	-	5,225,320,820	-	5,225,320,820
Deposits - banks and non-banks financial institutions	-	3,541,963,084	-	3,541,963,084
Deposits - others	-	2,621,351,304	-	2,621,351,304
Foreign currency financial liabilities	-	1,412,490,402	-	1,412,490,402
Items in course of settlement	-	17,730,881	-	17,730,881
Poverty deduction and growth facility	-	26,198,739	-	26,198,739
BoT liquidity papers	-	118,788,633	-	118,788,633
Other liabilities	-	117,199,026	-	117,199,026
Lease Liability	-	2,693,483	-	2,693,483
IMF related liabilities	-	1,068,555,548	-	1,068,555,548
Allocation of Special Drawing Rights (SDRs)	-	602,150,585	-	602,150,585
	-	14,736,711,624	-	14,736,711,624



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

44 DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (Continued)

Fair value hierarchy (Continued)

2019	Level 1	Level 2	Level 3	Total
Assets	TZS '000	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,816,700,214	-	-	4,816,700,214
Escrow accounts	-	11,218,286	-	11,218,286
Items in course of settlement	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	-	67,392,346	-	67,392,346
Quota in International Monetary Fund (IMF)	-	1,266,185,402	-	1,266,185,402
Foreign currency marketable securities	5,065,705,728	-	-	5,065,705,728
Equity investment	-	37,073,235	-	37,073,235
Government securities	-	1,257,650,150	-	1,257,650,150
Advances to the Government	-	1,238,447,385	-	1,238,447,385
Loans and receivables	-	422,520,721	-	422,520,721
Other assets (Excluding prepayments)	-	467,682,113	-	467,682,113
	9,882,405,942	4,768,169,638	-	14,650,575,580
Liabilities				
Currency in circulation	-	4,965,202,559	-	4,965,202,559
Deposits - banks and non-banks financial institutions	-	3,457,134,887	-	3,457,134,887
Deposits - others	-	2,148,235,048	-	2,148,235,048
Deposits - Government	-	-	-	-
Foreign currency financial liabilities	-	919,256,948	-	919,256,948
Items in course of settlement	-	25,755,244	-	25,755,244
Poverty deduction and growth facility	-	130,856,840	-	130,856,840
BoT liquidity papers	-	330,753,832	-	330,753,832
Other liabilities	-	72,990,052	-	72,990,052
IMF related liabilities	-	1,076,082,365	-	1,076,082,365
Allocation of Special Drawing Rights (SDRs)	-	606,392,081	-	606,392,081
	-	13,732,659,856	-	13,732,659,856



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

45 RETIREMENT BENEFIT PLAN

Defined Benefit Plan

The Bank operates a funded lump sum end of service and Long Service Award Benefit Fund. The Scheme was registered effective 13 April 2017 by Social Security Regulatory Authority. Under the plan employees are entitled to benefits upon meeting requirements as stipulated in the Bank's Financial Regulations, 2011 and Staff Bylaws, 2015 and the Scheme rules.

The plan provides benefits of a defined benefit nature. Therefore, one of the main risks relating to the benefits under the Scheme is the rates of salary growth. As most of the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme. Similarly, any increases to the fixed lump sum amounts that differ from the assumed escalation rates for these amounts will also have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme. The plan typically exposes the Bank to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit obligations is calculated using a discount rate determined by the yield on long term Government bond. The higher the discount rate the lower the defined benefits obligations payable by the Bank.
Interest Rate Risk	A decrease in the long term government bond interest will increase the plan liability.
Longevity Risk	The present value of the defined benefits obligations is calculated by reference to the best estimate of the mortality rate of plan members both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefits obligations is calculated by reference to the future salaries of the members. As such a change in the salary of the members will result to change in the plan's liability.

Actuarial valuation of the Scheme was carried out for the year ended 30 June 2020. The principle assumptions used for the purposes of the valuation included discount rate, expected return on Scheme assets, future salary increase, mortality rate, withdrawals, Ill-Health and compulsory retirement age as per the below:



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

45 RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

Actuarial Assumptions

	<u>30.06.2020</u>	<u>30.06.2019</u>
Discount rate (% p.a.)	12.0%	15.7%
Expected return on Scheme assets (% p.a.)	n/a	n/a
Non-Executives - Future salary increases (% p.a.)	6.0%	6.0%
Executives - Future salary increases (% p.a.)	0.0%	0.0%
Mortality (pre-retirement)	A1949-1952	A1949-1952
Mortality (post-retirement)	n/a	n/a

Withdrawals (voluntary)	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Ill - Health	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement Age	60 years	60 years

As per the fund operations and valuation, the movements in the present value of defined benefit obligation in the current year were as follows:

	<u>30.06.2020</u> TZS '000	<u>30.06.2019</u> TZS '000
Opening benefit obligation	101,984,110	120,058,076
Current service costs	3,896,652	4,221,867
Interest cost	14,789,625	11,289,778
Employee contribution	536,964	554,919
Actuarial loss/(gain) in experience	(1,864,638)	(8,205,005)
Actuarial loss in assumptions	15,675,123	(5,351,078)
Benefits paid	<u>(20,587,642)</u>	<u>(20,584,446)</u>
Closing benefits obligation	<u>114,430,194</u>	<u>101,984,110</u>

A summary of the distribution of the Scheme assets as at 30 June 2020, based on the Scheme management accounts, is shown in the table below;

	<u>30.06.2020</u> TZS '000	<u>30.06.2019</u> TZS '000
Cash	11,258,805	3,773,594
Treasury Bonds FV plus accrued Interest	92,044,606	79,440,707
Treasury Bills plus accrued Interest	13,488,847	30,011,775
Retirement Benefits Payable	<u>(1,575,542)</u>	<u>(3,014,309)</u>
Net Assets	<u>115,216,716</u>	<u>110,211,767</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

45 RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

Being a funded Scheme, the defined obligation/(asset) is presented in net terms after consideration of the Scheme assets as per the below;

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Present value of funded obligations	114,430,194	101,984,110
Fair value of Scheme assets	<u>(115,216,716)</u>	<u>(110,211,766)</u>
Present value of net obligation/ (asset)	(786,522)	(8,227,657)
Defined benefit obligation/ (asset) recognized in the balance sheet	<u>(786,522)</u>	<u>(8,227,657)</u>

Included in the computation are benefit plan expenses which are recognized in the Statement of Profit or Loss statement. Below are the components:

	<u>30.06.2020</u>	<u>30.06.2020</u>
	TZS '000	TZS '000
Service cost		
Current service cost net of employees' contributions	3,896,652	4,221,867
Past service cost	-	-
Total Service Cost	<u>3,896,652</u>	<u>4,221,867</u>
Interest Income		
Interest cost on defined benefit obligation	14,789,625	11,289,778
Interest income on plan assets	<u>(15,786,627)</u>	<u>(14,158,153)</u>
Net Interest income on Balance Sheet Asset	<u>(997,002)</u>	<u>(2,868,375)</u>
Total included in profit or loss in respect of Scheme	<u>2,899,650</u>	<u>1,353,491</u>

Re-measurement on defined benefit are measured through other comprehensive Income and it is composed of the below;

	<u>30 06 2020</u>	<u>30.06.2020</u>
	TZS '000	TZS '000
Actuarial loss/(gain) - obligation	15,675,123	(5,351,078)
Actuarial (gain) loss - experience adjustment	(1,864,638)	(8,205,005)
Return on plan assets (excluding amount in interest cost)	<u>(9,269,000)</u>	<u>3,974,935</u>
Amount recognised in OCI statement for the financial year	<u>4,541,485</u>	<u>(9,581,148)</u>

Development of net obligation

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
Net (obligation)/asset at the beginning of the year	(8,227,657)	18,985,000
Net expenses recognized in the income statement	2,899,650	1,353,491
Employer's contribution	-	-
Amount recognized in OCI	4,541,485	(9,581,148)
Settlement/Employer's contribution	-	<u>(18,985,000)</u>
Net (asset)/ liability at end of period	<u>(786,522)</u>	<u>(8,227,657)</u>

Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount and salary used, the actuarial valuation has relied on the duration of the liability. Weighted average duration of the liability as at 30 June 2020 is 5 years (2019: 4.8 years). Based on this methodology, below are the results of the sensitivity analysis



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

45 RETIREMENT BENEFIT PLAN (CONTINUED)

Sensitivity analysis (Continued)

Assumptions	Result on Financial assumptions	
	Impact of 1.0% increase	Impact of 1.0% decrease
	TZS '000	TZS '000
Discount Rate (fall)/rise	(109,670,020)	119,645,060
Salary increase rise/(fall)	117,371,770	(111,759,050)
	Results on Demographic assumptions	
Early Retirement Rate rise/(fall)	114,568,190	(114,292,200)
Withdrawal Rate rise/(fall)	115,755,620	(112,983,680)

Since the bulk of benefits payable under the arrangement are salary related, the sensitivity of a liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liability. In this case long service awards would not be affected by a change in the salary escalation rate.

Effect on Bank's cash flow

The benefits arrangement is funded, and the Bank pays benefits from the defined benefit obligation as and when they arise. The timing of the benefit payments from the arrangement will be influenced by the age at which employees leave the Bank.

Defined benefits profile

The maturity profile of the present value of define benefit obligation at valuation date for the next five years presented in the table below excludes benefits payable to top management.

Maturity Profile of the Defined Benefit Obligation is as per below

Up to 1 yr. TZS '000	1-2 yrs. TZS '000	2-3 yrs. TZS '000	3-4 yrs. TZS '000	5 yrs. and above TZS '000
18,580,438	11,912,161	20,233,156	11,963,270	50,439,266

Separation of benefits payable between vested and non-vested benefits resulted to TZS 106,413.6 million and TZS 8,016.6 million, respectively

46 CAPITAL

Section 17 of the Bank of Tanzania Act, 2006 states that "the authorised capital of the Bank shall be one hundred billion shillings, provided that it may be increased by such amount as may be determined by the Board, and authorised by the Minister, by Notice published in the Government Gazette."

The capital of the Bank is subscribed and held only by the Government of the United Republic of Tanzania. The equity of the Bank includes share capital and reserves. During the year, movement of equity is as shown below and further details are provided in the statement of changes in owners' equity on page 75.

	30.06.2020 TZS '000	30.06.2019 TZS '000
Capital	100,000,000	100,000,000
Reserves	1,965,316,529	1,914,342,188
Total	2,065,316,529	2,014,342,188



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

46. CAPITAL (CONTINUED)

The Bank is not subject to any capital adequacy regulatory requirements concerning the level of capital in relation to assets it holds, although the Bank of Tanzania Act, 2006 sets out how the statutory annual net profit for the year shall be allocated. The principal source of capital increase is through appropriations of annual profits to various reserves.

The Bank is not for profit organisation, nor does it seek profit maximisation. Instead it seeks to make profit commensurate with normal market returns in areas where it conducts normal commercial operations.

Capital is not actively managed and the relative low risk nature of most of the Bank's activities means that it is not capital intensive. Its purpose is to cover unexpected losses. The most significant unexpected losses are likely to rise out of the support operations and the Bank's role as the lender of last resort, or from losses on price movements and changes in exchange rates on the Bank's foreign investments.

47 CONTINGENT LIABILITIES

Contingent liabilities arise in the normal course of the Bank's business activities. In order to meet the financial needs of the government, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

(a) External payment arrears deposit account

In the ordinary course of business, the Bank is subject to threatened or actual legal proceedings. All such material cases are periodically reassessed to determine the likelihood of the Bank incurring a liability. In those instances, where it is concluded that it is more likely that a payment will be made, a provision is established to management's best estimate of the amount required to settle the obligation at the relevant statement of financial position date. In some cases, it will not be possible to form a view, either because the facts are unclear or because further time is needed to properly assess the merits of the case and no provisions are held against such cases. However, the Bank does not currently expect the final outcome of any such case to have a material adverse effect on its financial position.

During the 1970s and 1980s there was a shortage of foreign currencies in the country, which required the Government to control and prioritise foreign payments (forex). Tanzania importers were required to remit equivalent amount of TZS with the then National Bank of Commerce (NBC) for the required amount of forex and subject to availability of forex and priority, the forex amount would be remitted to the intended overseas suppliers.

However due to the forex shortage not all funds deposited with the then NBC by private and public importers were remitted to the overseas suppliers' accounts.

In 1985, the Government of the United Republic of Tanzania formally assumed the responsibility of handling liabilities arising from External Payment Arrears deposit account (EPA) from the then NBC. The Bank was given the responsibility to manage EPA liabilities on behalf of the Government of the United Republic of Tanzania. As at 30 June 2020 the balance in this liability account has remained at the same level as it was in the previous year of TZS 2,288.4 million since the Bank has suspended all transactions relating to EPA pending reconciliation and resolution of the remaining external payment arrears. In order to undertake the reconciliation and resolution of the remaining balance, on 14 April 2009 the Bank engaged a consultant, M/S Lazard Freres's & CIE to assist in the process.

The objectives of the exercise were:

- i. To ascertain how the remaining debt as at 2004 has been handled.
- ii. To compile and establish the current stock of the remaining EPA debts.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

47 CONTINGENT LIABILITIES (CONTINUED)

- iii. To develop, jointly with the Ministry of Finance and Planning and Bank of Tanzania, a strategy and action plan to handle the unsettled claims.

The consultant submitted an inception report in August 2009 which was not accepted by the Bank.

Further, the original contract expired on 14 January 2010 while the consultant was yet to provide the expected contract deliverables. Subsequent follow ups on the matter with the consultant's assignment proved futile. Due to non-responsiveness of the consultant to the Bank's subsequent follow ups, on 25 July 2011, the Bank wrote to the World Bank to seek for their advice on the way forward, which was not provided. On 25 August 2011, the consultant wrote to the Bank demanding renewal of the expired contract; to include:

- i. Upward revision of the price of the contract to USD 843,700 from the original amount of USD 663,950;
- ii. Implicitly complaining for not being paid initial fee amounting to USD 175,000 after submitting inception report; and
- iii. Revising some items on the original contract.

Based on the original contract, the consultant would have been paid initial fee after submitting an inception report that is acceptable to the client. However, the earlier submitted report fell short of the required standard and the consultant was notified.

On 14 April 2012, the Bank officially informed the consultant about the expired contract and that the Bank had no intention to renew the same.

The consultant was further informed that since the inception report that was submitted in August 2009 was not accepted by the client, there is no any accrued liability to the Bank.

The Bank's further efforts to solicit detailed information from the World Bank on work that was done by M/S Lazard Freres during the Debt Buyback Scheme that ended in year 2004 have proved futile. The efforts were aimed at obtaining information that would have paved way for another consultant to be engaged to perform the assignment. The Bank later sought legal advice on how to bring EPA to a close. On the basis of legal advice that was obtained, and following a Board of Directors Resolution, on 20th November 2012 the Bank officially wrote to the Minister for Finance to transfer operations and management of the External Payment Arrears Account and public debt back to the Ministry of Finance and Planning. The transfer was in line with the Bank's program for shedding-off non-core activities

(b) Export credit guarantee scheme (ECGS)

The Bank is an agent of the Government on the operationalisation of the Export Credit Guarantee Scheme. The scheme is charged with the responsibility of considering guarantee applications from financial institutions, and on behalf of the Principal, issue guarantees to financial institutions covering short and long term finance to exporters as long as the capital funds in the ECGS accounts are not leveraged more than 1:5. As a result there is a contingent liability under this scheme in respect of guarantees, limited to five times the balance of the Fund in accordance with the agency agreement in force.

(c) Small and medium enterprises - credit guarantee schemes

The Bank operates this scheme by issuing guarantees on behalf of the Government to financial institutions covering medium and long-term finance to SMEs on a pilot as long as the capital funds in the CGS-SME accounts are not leveraged more than 1:3. There is a contingent liability under this scheme in respect of guarantees, limited to three times the balance of the Fund in accordance with the Agency agreement in force. As at 30 June 2020, there was no outstanding guarantees as it was for the period ended June 2019. The balance of the fund as at 30 June 2020 was TZS 1,496.7 million (2019: TZS 271.2 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

48 OUTSTANDING COMMITMENTS

Capital commitments

As at 30 June 2020, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 106,513.5 million (2019: 72,227.5 million).

The major capital expenditure commitments item is as reflected herewith below:

<u>Particulars</u>	<u>30.06.2020</u> TZS '000	<u>30.06.2019</u> TZS '000
Office buildings	4,988,000	3,923,830
Residential buildings	2,934,056	4,793,602
Machinery and equipment	45,236,606	19,816,988
Information, communication and technology (ICT)	16,123,212	6,967,481
Motor vehicles	18,799,919	10,192,500
Furniture and fittings	829,435	700,194
Intangible assets	8,702,497	5,822,031
Club premises	-	792,700
On-going projects	8,899,827	19,218,180
Total	106,513,553	72,227,506

The above commitments have been included and approved for payment in accordance with the 2020/2021 Approved Budget Estimates.

Post employment benefits

Effective July 2008, the Bank has a medical insurance arrangement, which covers retired employees and their spouses. At the reporting date the Bank had insurance commitment amounting to TZS 462.4 million (2019: TZS 286.2 million) involving retired staff with their spouses who retired since financial year 2009/10.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

49 RELATED PARTY DISCLOSURES

In the course of its operations, the Bank enters into transactions with related parties, which include the Government of the United Republic of Tanzania, the ultimate shareholder of the Bank, the Deposit Insurance Fund and key management personnel. The related party transactions during the year are as follows:

(a) Loans and emoluments to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank's key management personnel are the Governor, Deputy Governors', Non-Executive Directors and Directors.

The Bank extends loans facilities to the Governor, the Deputy Governors and its members of staff. Loans and receivables (**Note 24**) included advances to employees that as at 30 June 2020 amounted to TZS 77,070.2 million (2019: TZS 75,781.1 million). The advances are granted at preferential rates of interest determined by the Bank presently at 5 percent fixed over the period of the loan.

The following is the breakdown of loans and emoluments granted to key management personnel except Non-Executive Directors.

	<u>30.06.2020</u>	<u>30.06.2019</u>
	TZS '000	TZS '000
i) Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)		
At start of the year	2,035,490	2,544,089
Loans granted during the year	1,210,258	732,286
Loans repaid during the year	<u>(1,531,764)</u>	<u>(1,240,885)</u>
Balance end of the year	<u>1,714,011</u>	<u>2,035,490</u>
ii) Emoluments to Senior Management Personnel (Governor, Deputy Governors and Directors)		
Salaries, allowances and benefits	4,353,456	4,730,759
Post-employment benefits	<u>759,763</u>	<u>3,381,666</u>
Total	<u>5,113,219</u>	<u>8,112,425</u>

In accordance with Section 15 of the Bank of Tanzania Act, 2006, remuneration of the Governor and Deputy Governors is determined by the President of the United Republic of Tanzania. The Board determines remuneration of Directors including Secretary to the Bank. As at 30 June 2020, the number of key management personnel was 22 (2019: 22).

(b) Directors' remunerations

During the year ending 30 June 2020, emoluments paid to the members of the Board amounted to TZS 273.9. Million (2019: TZS 273.9million). These emoluments include benefits of Non - Executive Directors. Non-Executive Directors are not entitled to loans and advances.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

49 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Government of the United Republic of Tanzania

Transactions entered into with the Government include:

- (a) No interest and no Bank charges on Government deposits accounts;
- (b) Cost sharing of liquidity management cost arising from issue and redemption of liquidity papers and Repurchase Agreements in accordance with the memorandum of understanding in force.
- (c) Settlement of foreign currency denominated obligations;
- (d) Financial accommodation on temporary short falls in Government revenue;
- (e) Other duties including agency of the Government as provided under the Bank of Tanzania Act, 2006.

As at the close of business on 30 June 2020, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	30.06.2020	30.06.2019
	TZS '000	TZS '000
Due from Governments of Tanzania (Note 22,23 and 33)	1,026,227,627	1,491,251,650
IMF funds on-lent to the Government (Note 19)	1,257,328,887	1,266,185,402
Due from Revolutionary Government of Zanzibar (Note 22 and 33)	64,620,591	3,215,378
Investments in Government Securities (Note 21)	1,230,069,507	1,257,650,150
Structured Financing Facility (Note 34)	85,411,151	85,411,151
Export Credit Guarantee Fund (Note 34)	5,583,373	192,442
Small and Medium Enterprises Guarantee Fund (Note 34)	1,496,712	271,173

The above Schemes are administered by the Bank on behalf of the Government of the United Republic of Tanzania. Funds are deposited with the Bank and no interest is paid on these balances.

The Governments of Republic of Tanzania (URT) and Revolutionary Government of Zanzibar (RGZ) deposits are governments funds held by the Bank as Governments' bank.

Deposit Insurance Fund Board

The Bank has a close working relationship with the Deposit Insurance Board, an entity incorporated under the Banking and Financial Institution Act, 1991 (as amended 2006). The Bank provides it with staff, subvention and office accommodation.

During the year, the Bank contribution to the Deposit Insurance Board amounting to TZS 200 million (2019: TZS 305.4 million). The balance outstanding from the Fund included under Deposit Others as at 30 June 2020 was TZS 60,528.7 million (2019: TZS 4,219.0 million).

50 EVENT AFTER THE REPORTING DATE

There was no event after reporting period that had material impact to the financial statements.



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PART V

CALENDAR OF IMPORTANT MONETARY AND FINANCIAL EVENTS

JUNE 2011 TO JUNE 2020



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June 2020: Pursuant to the provision of section 30(1)(a) of the Banking and Financial Institutions Act, 2006, the Bank of Tanzania authorized the merger of TPB Bank Plc and TIB Corporate Ltd effective from 1st June 2020 so as to enhance performance of public owned banks.

May 2020: The Bank reduced the discount rate from 7.0 percent to 5.0 percent effective from 12th May 2020 so as to provide additional space for banks to borrow from the Bank of Tanzania at a lower cost implying lower lending rates by banks.

May 2020: The Bank lower the Statutory Minimum Reserves (SMR) requirement from 7.0 percent to 6.0 percent effective from 8th June 2020 in order to provide additional liquidity to banks.

May 2020: The Bank of Tanzania reduced haircuts on government securities from 10.0 percent to 5.0 percent for Treasury bills, and from 40.0 percent to 20.0 percent for Treasury bonds effective from 12th May 2020 in order to increase banks' ability to borrow from the Bank of Tanzania with less collateral than before.

May 2020: The Bank of Tanzania increased mobile money operators' daily transaction limit to customers from TZS 3.0 million to TZS 5.0 million and daily balance from TZS 5.0 million to TZS 10.0 million so as to encourage customers to use digital payment platforms for transactions, hence reducing congestion in banking premises following Covid-19 pandemic.

February 2020: Official inauguration of the implementation of the memorandum of understanding on currency convertibility and repatriation between the Bank of Zambia and the Bank of Tanzania.

February 2020: The Financial Services Registry (FSR) System was officially launched on 27th February 2020.

November 2019: The Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 were published in the Government Notice No. 884 on 22nd November 2019.

November 2019: Exim Bank Tanzania officially acquired the businesses and assets of United Bank Tanzania Limited, a subsidiary of Pakistan's UBL Bank, to strengthen its existing network and expand market share.

August 2019: The Bank reduced the discount rate from 9.0 percent to 7.0 percent effective from August 27, 2019 in order to increase liquidity to banks to promote credit growth for supporting economic activities.

June 2019: The Foreign Exchange (Bureau de Change) Regulations, 2019 were published in the Government Notice No. 450 and become effective on 7th June 2019. For that reason, the Foreign exchange (Bureau de Change) Regulations, 2015 were revoked.

March 2019: The Bank introduced the interbank cash market electronic trading platform, which went live on 1st March 2019.

January 2019: The Bank of Tanzania officially revoked the license of Bank M Tanzania Plc (Bank M) and transferred its assets and liabilities to Azania Bank Limited effective from 15th January 2019.

November 2018: The Bank of Tanzania issued a banking business licence to China Dasheng Bank Limited, which allows the bank to carry out banking business in Tanzania as a commercial bank. China Dasheng Bank Limited commenced operations on 26th November 2018.

November 2018: On 16th November 2018, the National Assembly of Tanzania enacted a Microfinance Act 2018, in order to operationalize the National Microfinance Policy 2017.



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September 2018: On 21st September 2018, the Bank of Tanzania and Bank of Zambia signed a Memorandum of Understanding (MOU) on currency convertibility and repatriation to help with the smooth flow of currency and trade between the two countries.

August 2018: The Bank of Tanzania revised downwards the discount rate to 7.0 percent from the prevailing rate of 9.0 percent effective from 27th August 2018

August 2018: Pursuant to the provision of section 30(1)(a) of the Banking and Financial Institutions Act, 2006, the Bank of Tanzania authorized the merger of Tanzania Women's Bank Plc (TWB) and TPB effective from 3rd August 2018. The new bank will retain the name "TPB Bank Plc".

August 2018: Pursuant to section 56(1)(g)(iii) of the Banking and Financial Institutions Act, 2006, the Bank of Tanzania took over the administration of Bank M Tanzania Plc (Bank M) effective from 2nd August 2018, following determination that Bank M has critical liquidity problems and is unable to meet its maturing obligations. Accordingly, the Bank of Tanzania appointed a Statutory Manager to manage the affairs of Bank M and suspended its Board of Directors and Management.

May 2018: Pursuant to the provision of Section 30(1) (a) of the Banking and Financial Institutions Act, 2006, the Bank of Tanzania authorized the merger of Twiga Bancorp Limited and TPB Bank Plc effective from 17th May 2018. The merger resulted into one bank, under the name "TPB Bank Plc".

March 2018: To improve functioning of the financial market, the Bank extend eligible collateral to accommodate government securities across all maturity spectrum.

January 2018: A banking license was issued to Guaranty Trust Bank (Tanzania) Limited to carry

out banking business in Tanzania as a commercial bank.

January 2018: The Bank of Tanzania revoked licenses of Covenant Bank for Women (T) Limited, Efatha Bank Limited, Njombe Community Bank Limited, Kagera Farmers' Cooperative Bank Limited and Meru Community Bank Limited due to undercapitalization, effective from 4th January, 2018.

December 2017: On 21st December 2017, Hon. Kassim Majaliwa Majaliwa, Prime Minister of the United Republic of Tanzania, launched the second National Financial Inclusion Framework (NFIF 2018- 2022).

October 2017: H.E. Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania appointed Prof. Florens D.A.M. Luoga as Governor of the Bank of Tanzania effective from 8th January 2018 replacing Prof. Benno J. Ndulu after completion of term of office.

October 2017: The National Microfinance Policy 2017 was launched to create an enabling environment that promotes development of appropriate and innovative microfinance products and services to meet the real need of the low income population.

August 2017: The Bank reduced the discount rate from 12.0 percent to 9.0 percent effective from August 7, 2017 in order to increase liquidity to banks to stimulate growth of credit to private sector.

July 2017: Central Depository Systems of Bank of Tanzania and Dar es Salaam Stock Exchange were interlinked in to improve functioning of the financial market.

June 2017: The Foreign Exchange (Bureau de Change) (Amendment) Regulations, 2017 were gazette and became effective on 2nd June, 2017.



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May 2017: H.E. Dr. John Pombe Magufuli, President of the United Republic of Tanzania appointed Dr. Yamungu Kayandabila as Deputy Governor, Economic and Financial Policies, and Dr. Bernard Kibesse as Deputy Governor, Financial Stability and Deepening, with effect from 31st May, 2017. They replaced Dr. Natu El-Maamry Mwamba and Mr. Lila H. Mkila, respectively, after completion of terms of office.

May 2017: On 10th May 2017 the Bank of Tanzania revoked license of Mbinga Community Bank due to undercapitalization and insolvency.

May 2017: On 5th May 2017, the Bank of Tanzania revoked the business license of FBME bank and placed it under liquidation following a court ruling in the US that suspend the bank from accessing the US financial system due to money laundering charges.

April 2017: The Bank lowered the statutory minimum reserve requirement on private sector deposits to 8.0 percent from 10.0 percent, in order to increase liquidity to banks and thereby facilitate provision of credit to the private sector.

March 2017: The Bank reduced the discount rate from 16.0 percent to 12.0 percent effective from March 6, 2017 in order to increase liquidity to banks.

January 2017: The Bank adopted reserve averaging framework, which allow banks to use part of the SMR balances during the maintenance period to meet liquidity needs.

October 2016: On 28th October 2016, the Bank of Tanzania put Twiga Bancorp Ltd. in receivership for lack of adequate capital.

June 2016: The Bank marked its 50th Anniversary, during which a charity walk to raise fund for purchasing desks for primary and secondary schools was organized. Other events included

launching of books and a symposium on “Beyond Aid and Non-Concessional Loans: New Ways of Financing Development in Africa”.

January 2016: H.E. Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania appointed Mr. Julian B. Raphael as Deputy Governor effective from 26th January, 2016. He replaced Mr. Juma Reli after completion of his term in office.

January 2016: The National Bureau of Statistics released rebased National Consumer Price Indices based on December 2015 prices in which, the weight of food and non-alcoholic beverages decreased to 38.5 percent from 47.8 percent of the total consumer basket. This was the 6th revision after that of 1966, 1976, 1992, 2001, and 2010.

June 2015: The Bank of Tanzania broadened maturity profile of eligible government securities that can be pledged by banks as collateral in accessing standby loan facilities to include securities that mature within 91 days to 180 days from the date of acquisition.

May 2015, The Bank of Tanzania introduced a Bureau de Change System to monitor transactions in real time as well as accommodate money remittance line of business.

May 2015: The Bank of Tanzania revised the statutory minimum reserve rate charged on private deposit liabilities with banks and borrowings from the general public from 8 percent to 10 percent.

May 2015: Banks’ prudential limit on foreign exchange net open position was reduced from 7.5 percent to 5.5 percent of core capital.

April 2015: Complaints Resolution Desk was established at the Bank of Tanzania to handle unresolved disputes between banking institutions and their clients.



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April 2015: The National Payment System Bill was assented to an Act by the President of the United Republic of Tanzania.

April 2015: Tanzania Automated Clearing House became operational.

March 2015: Capital adequacy ratios of banks were increased from 10 percent to 12.5 percent of core capital and from 12 percent to 14.5 percent of total capital.

February 2015: Connectivity between Tanzania Inter-Bank Settlement System (TISS) and Dar es Salaam Stock Exchange (DSE) became operational.

December 2014: Statutory minimum reserve ratio on private sector deposits was reduced from 10 percent to 8 percent

June 2014: Ratification of the East African Community (EAC) Monetary Union Protocol, 25th June, 2014.

June 2014: Ratification of SADC Finance and Investment Protocol, 6th June, 2014.

May 2014: Signing of the Memorandum of Understanding amongst EAC Central Banks on currency convertibility and repatriation, 16th May, 2014.

May 2014: Further liberalization of Capital Account within the EAC region, 2nd May, 2014.

March 2014: The launch of the East African Community Payment and Settlement Systems Integration Project (EAC-PSSIP), 12th March, 2014 (Arusha).

November 2013: The signing of the East African Monetary Union Protocol by the EAC Heads of State, 30th November, 2013.

March 2013: The Deputy Minister for Finance, Janet Mbene (MP) launched the Tanzania Financial Stability Forum (TFSF) on 11th March, 2013.

January 2013: The Bank of Tanzania issued guidelines on Agency Banking. The guidelines became effective on 1st February, 2013.

November 2012: H.E. Dr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, re-appointed Prof. Benno J. Ndulu to serve in the office for the second term as the Governor of the Bank of Tanzania effective from 8th January, 2013.

November 2012: The President of the United Republic of Tanzania, His Excellency, Dr. Jakaya Mrisho Kikwete, launched the Mwalimu Nyerere Memorial Scholarship Fund.

September 2012: The Bank launched the Credit Reference Databank.

August 2012: The Bank introduced an online bidding system for Government securities auctions (GSS).

June 2011: H.E. Dr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, appointed Dr. Natu El-Maamry Mwamba as Deputy Governor with effect from 13th June, 2011 to replaced Dr. Enos Bukuku, who was appointed as Deputy Secretary General of the East African Community.



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PART VI

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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.1: Gross Domestic Product by Activity at Current Prices

	Millions of TZS					
	2014	2015	2016	2017	2018 ^r	2019 ^p
Agriculture, hunting and forestry	21,313,803.1	25,234,560.2	29,739,110.8	34,154,593.8	35,962,728.0	37,136,790.4
Crops	11,562,090.0	13,279,392.3	16,474,729.4	19,703,004.0	21,003,719.7	20,632,395.9
Livestock	5,585,210.6	7,158,456.5	8,205,006.7	8,857,939.0	9,240,099.8	10,344,726.6
Forestry and hunting	2,477,897.1	2,920,424.8	3,094,767.2	3,310,076.0	3,459,581.4	3,738,359.8
Fishing	1,658,604.9	1,843,401.0	1,929,746.8	2,245,558.1	2,218,730.9	2,379,172.3
Agriculture support services	30,000.5	32,885.5	34,860.7	38,016.7	40,596.3	42,135.8
Industry and construction	20,767,733.6	23,103,647.3	26,937,139.3	29,735,584.4	34,851,874.3	40,037,879.8
Mining and quarrying	3,097,933.4	4,055,619.4	5,299,362.4	5,206,217.1	6,573,058.9	7,219,118.3
Manufacturing	7,533,519.0	7,411,671.8	8,467,126.3	9,102,281.7	10,418,776.4	11,872,085.9
Electricity supply	818,692.8	798,801.2	472,868.3	413,350.5	348,526.7	374,002.0
Water supply, sewerage, waste management	371,581.1	390,758.1	433,132.0	519,909.3	566,562.2	628,187.2
Construction	8,946,007.4	10,446,796.8	12,264,650.4	14,493,825.8	16,944,950.1	19,944,486.4
Services	34,111,643.5	38,146,528.9	42,747,407.4	45,066,596.0	48,059,560.6	51,433,592.2
Wholesale and retail trade; and repairs	8,045,701.6	8,747,862.1	9,861,677.8	10,843,498.6	11,793,200.6	12,264,409.7
Transport and storage	6,167,365.6	6,929,894.9	7,549,483.6	7,897,993.1	8,381,276.3	9,621,651.2
Hotels and restaurants	1,330,370.9	1,421,916.1	1,523,035.2	1,602,543.2	1,653,791.9	1,770,670.0
Information and communication	1,598,596.9	1,681,098.0	1,739,555.8	1,829,360.1	1,948,179.9	2,052,241.0
Financial and insurance activities	3,614,990.5	4,189,021.5	5,268,866.1	4,789,631.8	4,947,301.4	4,927,613.3
Real estate	2,721,060.8	2,949,597.6	3,162,290.5	3,334,170.7	3,553,629.7	3,831,113.4
Professional, scientific and technical activities	433,939.2	518,122.7	617,914.3	726,706.5	817,441.6	903,234.1
Administrative and support service activities	1,914,455.6	2,183,917.0	2,661,977.9	3,027,383.8	3,306,553.6	3,640,720.4
Public administration and defence	3,973,787.5	4,548,604.4	4,846,491.0	4,986,287.4	5,131,630.0	5,357,235.2
Education	2,027,224.7	2,413,305.9	2,673,289.1	2,864,290.0	3,081,718.3	3,322,488.1
Human health and social work activities	1,233,076.8	1,419,089.9	1,540,484.1	1,681,353.3	1,816,737.8	1,932,659.2
Arts, entertainment and recreation	223,468.1	248,510.1	285,625.6	322,352.9	374,923.9	427,886.8
Other service activities	661,939.3	717,898.1	831,215.7	959,152.4	1,037,611.8	1,140,423.5
Activities of households as employers	165,666.0	177,690.7	185,500.8	201,872.3	215,563.8	241,246.3
All economic activities	76,193,180.2	86,484,736.3	99,423,657.5	108,956,774.2	118,874,162.9	128,608,262.4
Taxes on products	6,410,207.6	7,864,579.4	8,938,666.8	9,787,724.2	10,169,738.4	11,285,541.7
GDP at market prices	82,603,387.7	94,349,315.7	108,362,324.3	118,744,498.4	129,043,901.3	139,893,804.1
Population	46.4	47.9	49.5	51.0	52.6	54.3
Per capita nominal GDP	1,778,839.6	1,968,965.2	2,191,190.2	2,327,395.4	2,452,405.6	2,577,967.3

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.2: Gross Domestic Product (GDP) by Activity, Percentage Share in Total GDP at Current Prices

	2014	2015	2016	2017	2018 ^r	2019 ^p
						Percent
Agriculture, Hunting and Forestry	25.8	26.7	27.4	28.8	27.9	26.5
Crops	14.0	14.1	15.2	16.6	16.3	14.7
Livestock	6.8	7.6	7.6	7.5	7.2	7.4
Forestry and hunting	3.0	3.1	2.9	2.8	2.7	2.7
Fishing	2.0	2.0	1.8	1.9	1.7	1.7
Agriculture support services	0.0	0.0	0.0	0.0	0.0	0.0
Industry and construction	25.1	24.5	24.9	25.0	27.0	28.6
Mining and quarrying	3.8	4.3	4.9	4.4	5.1	5.2
Manufacturing	9.1	7.9	7.8	7.7	8.1	8.5
Electricity supply	1.0	0.8	0.4	0.3	0.3	0.3
Water supply, sewerage, waste management	0.4	0.4	0.4	0.4	0.4	0.4
Construction	10.8	11.1	11.3	12.2	13.1	14.3
Services	41.3	40.4	39.4	38.0	37.2	36.8
Wholesale and retail trade; repairs	9.7	9.3	9.1	9.1	9.1	8.8
Transport and storage	7.5	7.3	7.0	6.7	6.5	6.9
Hotels and restaurants	1.6	1.5	1.4	1.3	1.3	1.3
Information and communication	1.9	1.8	1.6	1.5	1.5	1.5
Financial and insurance activities	4.4	4.4	4.9	4.0	3.8	3.5
Real estate	3.3	3.1	2.9	2.8	2.8	2.7
Professional, scientific and technical activities	0.5	0.5	0.6	0.6	0.6	0.6
Administrative and support service activities	2.3	2.3	2.5	2.5	2.6	2.6
Public administration and defence	4.8	4.8	4.5	4.2	4.0	3.8
Education	2.5	2.6	2.5	2.4	2.4	2.4
Human health and social work activities	1.5	1.5	1.4	1.4	1.4	1.4
Arts, entertainment and recreation	0.3	0.3	0.3	0.3	0.3	0.3
Other service activities	0.8	0.8	0.8	0.8	0.8	0.8
Activities of households as employers	0.2	0.2	0.2	0.2	0.2	0.2
All economic activities	92.2	91.7	91.8	91.8	92.1	91.9
Add Taxes on products	7.8	8.3	8.2	8.2	7.9	8.1
Total GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.3: Gross Domestic Product by Activity at Constant 2015 Prices

Activity	Millions of TZS					
	2014	2015	2016 ^r	2017	2018 ^r	2019 ^p
Agriculture, hunting and forestry	23,952,076.8	25,234,560.2	26,436,338.3	28,008,976.2	29,504,197.9	30,801,225.7
Crops	12,344,014.1	13,279,392.3	13,996,347.7	14,895,621.8	15,659,174.9	16,351,011.5
Livestock	6,820,846.0	7,158,456.5	7,506,592.6	7,876,591.6	8,266,048.5	8,676,074.3
Forestry and hunting	2,825,341.2	2,920,424.8	3,034,569.4	3,180,379.3	3,334,791.2	3,495,187.1
Fishing	1,930,393.7	1,843,401.0	1,864,627.3	2,020,292.5	2,206,241.9	2,240,163.1
Agriculture support services	31,481.7	32,885.5	34,201.3	36,091.0	37,941.3	38,789.7
Industry and construction	21,057,206.0	23,103,647.1	25,817,954.9	28,565,774.0	31,344,128.1	35,042,890.9
Mining and quarrying	3,687,273.0	4,055,619.4	4,356,708.6	4,588,623.9	4,659,195.2	5,486,097.0
Manufacturing	6,919,794.2	7,411,671.6	8,213,364.3	8,889,818.0	9,623,500.7	10,184,558.4
Electricity supply	815,296.8	798,801.2	869,262.5	877,666.6	928,174.5	994,820.2
Water supply, sewerage, waste management	381,759.7	390,758.1	417,899.1	444,660.1	477,510.2	510,410.6
Construction	9,253,082.3	10,446,796.8	11,960,720.5	13,765,005.5	15,655,747.5	17,867,004.6
Services	35,863,738.7	38,146,528.9	40,549,564.0	42,689,010.6	45,369,788.8	48,118,368.0
Wholesale and retail trade; and repairs	8,444,242.9	8,747,862.1	9,260,703.3	9,821,247.6	10,396,690.9	10,963,963.4
Transport and storage	6,577,705.7	6,929,894.9	7,324,856.3	7,815,844.6	8,736,560.6	9,493,190.7
Hotels and restaurants	1,397,782.4	1,421,916.1	1,480,052.1	1,525,618.5	1,604,390.7	1,651,793.8
Information and communication	1,560,063.7	1,681,098.0	1,718,547.6	1,824,470.9	1,989,716.7	2,133,312.7
Financial and insurance activities	3,764,112.5	4,189,021.5	4,235,515.3	4,115,392.9	4,094,972.3	4,281,167.0
Real estate	2,828,969.9	2,949,597.6	3,077,086.1	3,211,894.9	3,354,517.7	3,505,484.8
Professional, scientific and technical activities	447,920.8	518,122.7	606,206.7	694,290.6	763,332.1	821,635.6
Administrative and support service activities	1,976,259.6	2,183,917.0	2,611,497.7	2,892,462.9	3,054,288.2	3,311,752.9
Public administration and defence	4,242,164.3	4,548,604.4	4,793,820.0	4,907,113.3	5,064,968.5	5,236,678.4
Education	2,186,259.6	2,413,305.9	2,665,336.4	2,859,170.7	3,046,789.4	3,257,865.6
Human health and social work activities	1,349,940.7	1,419,089.9	1,497,896.4	1,611,999.2	1,746,730.9	1,834,011.8
Arts, entertainment and recreation	230,651.7	248,510.1	280,130.6	307,906.8	350,027.3	389,225.2
Other service activities	685,475.1	717,898.1	814,528.8	912,404.3	971,690.0	1,037,083.3
Activities of households as employers	172,189.8	177,690.7	183,386.7	189,193.2	195,113.5	201,203.0
All economic activities	80,873,021.5	86,484,736.1	92,803,857.2	99,263,760.8	106,218,114.8	113,962,484.6
Taxes on products	8,001,090.0	7,864,579.4	8,024,535.5	8,393,644.1	8,923,214.7	9,213,354.0
Total GDP at market prices	88,874,111.5	94,349,315.6	100,828,392.7	107,657,404.9	115,141,329.5	123,175,838.5
Population	46.4	47.9	49.5	51.0	52.6	54.3
Per capita real GDP (TZS)	1,913,877.8	1,968,965.2	2,038,846.9	2,110,088.1	2,188,195.2	2,269,888.1

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.4: Gross Domestic Product by Activity, Percentage Growth Rates at Constant 2015 Prices

Economic Activity	Percent					
	2014	2015	2016	2017	2018 ^r	2019 ^p
Agriculture, hunting and forestry	6.9	5.4	4.8	5.9	5.3	4.4
Crops	9.4	7.6	5.4	6.4	5.1	4.4
Livestock	4.9	4.9	4.9	4.9	4.9	5.0
Forestry and hunting	4.8	3.4	3.9	4.8	4.9	4.8
Fishing	1.8	-4.5	1.2	8.3	9.2	1.5
Agriculture support services	6.1	4.5	4.0	5.5	5.1	2.2
Industry and construction	6.0	9.7	11.7	10.6	9.7	11.8
Mining and quarrying	6.4	10.0	7.4	5.3	1.5	17.7
Manufacturing	10.0	7.1	10.8	8.2	8.3	5.8
Electricity supply	12.7	-2.0	8.8	1.0	5.8	7.2
Water supply, sewerage, waste management	3.8	2.4	6.9	6.4	7.4	6.9
Construction	2.5	12.9	14.5	15.1	13.7	14.1
Services	9.3	6.4	6.3	5.3	6.3	6.1
Wholesale and retail trade; and repairs	9.9	3.6	5.9	6.1	5.9	5.5
Transport and storage	8.7	5.4	5.7	6.7	11.8	8.7
Hotels and restaurants	3.1	1.7	4.1	3.1	5.2	3.0
Information and communication	10.3	7.8	2.2	6.2	9.1	7.2
Financial and insurance activities	10.5	11.3	1.1	-2.8	-0.5	4.5
Real estate	4.2	4.3	4.3	4.4	4.4	4.5
Professional, scientific and technical activities	16.3	15.7	17.0	14.5	9.9	7.6
Administrative and support service activities	19.0	10.5	19.6	10.8	5.6	8.4
Public administration and defence	6.7	7.2	5.4	2.4	3.2	3.4
Education	13.4	10.4	10.4	7.3	6.6	6.9
Human health and social work activities	8.4	5.1	5.6	7.6	8.4	5.0
Arts, entertainment and recreation	8.5	7.7	12.7	9.9	13.7	11.2
Other service activities	12.0	4.7	13.5	12.0	6.5	6.7
Activities of households as employers	3.2	3.2	3.2	3.2	3.1	3.1
All economic activities	7.7	6.9	7.3	7.0	7.0	7.3
Taxes on products	-2.2	-1.7	2.0	4.6	6.3	3.3
Total GDP at market prices	6.7	6.2	6.9	6.8	7.0	7.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.5: Production of Major Agricultural Crops

	2014/15	2015/16	2016/17	2017/18	2018/19 ^f	2019/20 ^p
	'000' Tonnes					
Food crops:						
Maize	5,902.8	6,148.7	6,680.0	6,273.2	5,817.5	6,338.4
Rice	1,936.9	2,229.1	1,593.0	2,219.6	2,009.2	2,942.9
Wheat	72.5	76.4	50.0	56.7	62.4	79.0
Pulses	1,745.9	1,958.6	2,317.0	1,823.5	1,407.8	1,858.7
Cash crops:						
Coffee	42.0	59.6	48.3	48.3	66.6	59.3
Seed cotton	203.3	149.9	122.4	132.9	222.7	349.0
Tea	35.7	32.6	27.0	34.0	37.2	23.2
Cashewnuts	197.9	155.2	264.9	313.8	225.1	232.7
Tobacco	105.9	87.0	60.7	85.7	72.6	45.7
Sisal	40.3	41.0	35.6	43.5	33.3	33.2
Pyrethrum	1.8	1.8	2.4	n.a	n.a	n.a

Source: Ministry of Agriculture

Note: p denotes provisional data; r, revised data; and n.a, not available

Table A1.6: Agricultural Production Indices

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 ^p
	2013/14=100					
Food crops:						
Maize	87.6	91.3	99.2	93.1	86.4	94.1
Paddy	115.4	132.8	94.9	132.3	119.7	175.4
Wheat	43.4	45.7	29.9	33.9	37.3	47.3
Pulses	102.9	115.4	136.5	107.4	82.9	109.5
Cash crops:						
Coffee	86.1	122.3	99.1	99.0	136.6	121.6
Cotton	82.2	60.9	49.8	54.0	90.5	141.9
Tea	103.0	94.0	77.7	98.0	107.2	66.9
Cashewnuts	152.1	119.3	203.6	241.2	173.0	178.8
Tobacco	122.6	100.8	70.3	99.3	63.7	52.9
Sisal	106.4	108.3	94.3	115.0	84.9	87.8
Pyrethrum	27.0	27.0	36.0	na	na	na

Source: Ministry of Agriculture

Note: p denotes provisional data; and n.a, not available



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.7: Production of Selected Industrial Products

Commodity	Unit	2014	2015	2016	2017	2018 ^r	2019 ^P
Biscuits and pasta	Tonnes	15,964.0	15,274.0	15,551.0	16,451.0	16,911.0	18,113.0
Wheat flour	Tonnes	529,797.0	534,637.0	512,068.0	606,432.0	678,780.0	680,393.0
Sugar, refined	'000' Tonnes	270.1	252.9	286.7	320.3	315.9	439.1
Konyagi	'000' Lts	31,474.0	29,489.0	28,754.0	22,823.0	26,744.0	32,366.0
Beer	'000' Lts	379,913.0	391,742.0	393,560.0	396,864.0	444,633.0	391,299.0
Chibuku	'000' Lts	18,501.0	23,028.0	26,513.0	22,162.0	20,819.0	20,350.0
Cigarettes	Mill Pcs	8,028.0	7,837.0	8,091.0	7,412.0	7,921.0	8,369.0
Textiles	'000' Sq. Mt.	141,358.0	98,642.0	95,924.0	52,052.0	85,982.0	n.a
Sisal ropes and twines	Tonnes	7,871.0	8,851.0	9,131.0	8,188.0	8,148.0	9,287.0
Fishnet and products	Tonnes	279.0	311.0	256.0	196.0	228.0	254.0
Plywood	Cubic Mt.	1,038.0	1,021.0	788.0	993.0	1,023.0	1,177.0
Pyrethrum extract	Tonnes	199.0	118.0	126.0	134.0	139.0	71.0
Paints	'000' Lts	38,308.0	35,930.0	36,343.0	40,146.0	48,025.0	58,024.0
Cement	'000' Tonnes	2,809.1	3,134.9	4,071.4	4,199.9	4,579.0	6,514.7
Rolled steel	Tonnes	129,555.0	142,963.0	154,079.0	183,337.0	215,828.0	203,018.0
Iron sheets	Tonnes	69,825.0	91,385.0	91,109.0	84,541.0	84,132.0	100,963.0
Aluminium sheets/circles	Tonnes	27.0	32.0	0.0	0.0	0.0	0.0
Dry cells	'000' Pcs	93,000.0	87,000.0	69,000.0	122,000.0	115,000.0	76,044.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.8: Industrial Production Indices

Commodity	1985=100						
	2013	2014	2015	2016	2017	2018 ^f	2019 ^p
Biscuits and pasta	1,763.4	1,614.2	1,544.4	1,572.4	1,663.4	1,709.9	1,831.4
Wheat flour	1,328.1	1,361.6	1,374.0	1,316.0	1,558.6	1,744.5	1,748.6
Sugar, refined	215.5	241.1	225.8	256.0	286.0	282.1	394.8
Konyagi	2,149.7	3,271.7	3,065.4	2,989.0	2,372.5	2,780.0	3,364.4
Beer	494.0	501.5	517.1	519.5	523.8	586.9	516.0
Chibuku	182.4	169.3	210.7	242.6	202.8	190.5	186.2
Cigarattes	289.2	301.1	294.0	303.5	278.0	297.1	313.9
Textiles	181.7	243.4	169.9	165.2	89.6	148.1	n.a
Sisal ropes and twines	47.6	54.3	61.0	63.0	56.5	56.0	64.0
Fishnet and products	309.4	290.6	324.0	266.7	204.2	237.5	264.6
Plywood	65.6	65.3	64.3	49.6	62.5	64.4	74.1
Pyrethrum extract	289.7	510.3	302.6	323.1	343.6	356.4	372.8
Paints	2,685.0	2,808.5	2,634.2	2,664.4	2,943.3	3,520.9	4,253.0
Cement	623.8	747.1	833.8	1,082.8	1,168.9	1,218.0	1,732.8
Rolled steel	1,074.0	1,146.5	1,265.2	1,363.5	1,491.4	1,985.9	1,796.6
Iron Sheets	326.9	322.2	421.7	420.4	390.1	388.2	465.9
Aluminium sheets/circles	2.2	1.1	1.3	0.0	0.0	0.0	0.0
Dry cells	170.1	210.9	197.3	156.5	276.6	260.8	272.1

Source: National Bureau of Statistics and the Bank of Tanzania computations

Notes: p denotes provisional data; and r, revised data

Table A1.9: Mineral Recoveries

Item	Unit	2014	2015	2016	2017	2018	2019 ^p
Diamond	'000' Carats	252.9	216.5	239.9	304.5	381.3	416.7
Gold	Kilograms	40,481.2	46,008.3	45,155.4	43,489.9	39,304.0	48,408.0
Gemstone	Tonnes	3,069.2	1,878.4	2,541.0	1,138.0	284.3	1,929.7
Salt	'000' Tonnes	54.8	168.9	178.2	124.5	36.6	99.5
Gypsum	'000' Tonnes	200.2	254.8	213.7	123.6	241.3	256.5
Limestone	'000' Tonnes	1,116.8	4,443.6	4,170.1	3,300.9	2,944.0	5,527.0
Pozzolana	Tonnes	68,924.7	342,627.6	230,045.5	104,085.1	91,645.0	263,064.0
Coal	'000' Tonnes	246,127.7	257,321.0	276,030.2	558,553.1	627,652.0	712,136.4
Tanzanite	Kilograms	18,463.7	6,370.4	30,875.2	21,581.5	781.2	2,772.2
Phosphate	Tonnes	738,000.0	222,800.0	23,658.0	1,351.0	2,970.2	22,943.6
Copper	'000' Pounds	14,027.0	14,252.3	16,247.2	6,058.4	1,609.4	31,275.7

Source: Ministry of Minerals

Note: p denotes provisional data; and Tanzanite data for 2018 and 2019 are from small scale miners activities only



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10(i): National Consumer Price Index (Urban and Rural) - Main Groups

Period	Total index	Base: Sep 2010 = 100											
		Food and non-alcoholic beverages (exclude food consumed at restaurants)	Transport	Housing, water, electricity, gas and other fuel	Clothing and footwear	Furnishing, housing equipment and routine maintenance of the house	Restaurants and hotels	Miscellaneous goods and services	Alcohol and tobacco and narcotics	Education and culture	Recreation and health		
Old weights (%)	100	47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2014	149.5	164.4	126.6	166.9	132.9	129.6	137.3	128.2	144.4	97.0	119.1	113.4	112.0
2015	157.8	178.7	125.8	171.6	138.4	131.6	143.6	132.0	149.6	97.3	122.7	115.3	115.4
New weights (%)	100.0	38.5	12.5	11.6	8.3	6.3	4.2	3.1	3.7	5.6	1.5	1.6	2.9
2015	97.9	96.6	88.6	100.6	98.1	98.0	98.8	98.2	99.0	99.6	99.5	98.2	97.6
2016	102.9	103.8	99.5	107.3	102.2	101.7	103.1	101.7	103.2	99.1	102.3	101.1	103.4
2017	108.4	113.3	99.9	115.4	105.8	104.7	104.4	105.0	106.6	98.2	103.2	102.3	106.0
2018	112.2	116.6	102.5	129.2	108.9	107.4	105.7	106.7	108.4	96.6	105.8	102.8	107.4
2019	116.1	120.0	105.7	139.4	112.1	111.5	110.2	109.3	111.0	96.5	107.6	104.3	109.3
2019-Jan	113.4	116.3	104.6	133.0	111.2	109.8	107.7	108.3	110.3	95.7	107.4	103.2	108.1
Feb	114.6	117.8	104.7	137.4	111.4	110.2	109.0	108.5	110.7	96.2	107.5	103.3	108.6
Mar	116.2	119.8	105.7	141.6	111.6	111.1	110.4	109.0	111.4	97.1	107.5	103.4	109.0
Apr	116.8	121.0	105.9	141.8	111.9	111.3	110.5	109.3	111.5	97.1	107.7	103.8	109.5
May	117.2	121.7	106.2	141.9	112.2	111.8	110.5	109.6	111.5	97.1	107.7	106.0	109.5
Jun	117.0	121.9	106.2	140.0	112.0	111.7	110.3	109.5	111.5	96.5	107.7	106.0	109.5
Jul	116.6	121.0	106.2	139.5	112.0	111.8	110.4	109.6	111.5	96.5	107.7	104.2	109.5
Aug	116.0	119.6	105.5	139.5	112.5	111.9	110.4	109.5	110.6	96.2	107.7	104.6	109.6
Sep	115.9	119.2	105.7	139.7	112.5	111.9	110.8	109.6	110.6	96.2	107.7	105.0	109.6
Oct	115.8	119.3	105.3	139.3	112.4	112.1	110.6	109.5	110.6	96.3	107.7	104.0	109.5
Nov	116.4	120.3	105.6	140.1	112.5	112.2	110.7	109.5	110.7	96.3	107.7	104.0	109.5
Dec	117.1	121.9	106.3	139.3	113.1	112.4	110.7	110.0	110.8	96.6	107.7	104.3	109.5
2020-Jan	117.6	123.0	106.4	139.5	113.4	112.6	110.7	110.1	110.8	96.7	108.8	104.4	109.6
Feb	118.9	124.8	106.9	143.6	113.7	112.7	111.3	110.1	110.8	96.9	109.0	104.4	109.6
Mar	120.2	126.2	108.0	148.5	114.0	113.0	111.3	110.1	110.9	96.9	109.0	104.5	109.6
Apr	120.7	126.5	107.7	151.0	114.4	113.3	111.3	110.5	111.0	97.1	109.0	104.5	109.7
May	120.9	127.0	107.6	151.3	114.5	113.6	111.3	110.8	111.1	97.1	109.0	104.8	109.9
Jun	120.7	126.4	105.8	152.9	114.7	113.7	111.3	110.3	111.7	97.1	109.0	104.9	110.5

Source: National Bureau of Statistics



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10 (ii): National Consumer Price Index (Urban and Rural) - Other Selected Groups

Period	Food and non alcoholic beverages (Combining food consumed at home and food consumed in restaurants)	Non - food		
		Total non-food (All items less food)	All items less food and energy	Energy ang fuels (Combining electricity and other fuels for use at home with petrol and diesel)
Base: Sep 2010 = 100				
Old weights (%)	51.0	49.0	43.3	5.7
2014	163.1	135.2	127.6	190.7
2015	177.2	137.6	130.5	189.0
Base: Dec 2015 = 100				
New weights (%)	37.1	62.9	54.3	8.7
2015	96.9	99.2	98.9	101.2
2016	104.2	102.3	101.5	107.6
2017	114.2	105.6	103.5	118.9
2018	118.4	110.1	105.4	139.3
2019	123.6	114.6	108.6	151.8
2019-Jan	119.4	112.5	107.4	144.4
Feb	121.0	113.5	107.8	149.3
Mar	123.3	114.8	108.5	154.4
Apr	124.5	115.1	108.7	154.9
May	125.3	115.3	108.9	155.5
Jun	125.7	114.9	108.7	153.3
Jul	124.7	114.7	108.7	152.6
Aug	123.3	114.7	108.8	151.5
Sep	122.8	114.8	108.8	152.1
Oct	122.9	114.6	108.8	151.0
Nov	124.0	114.9	108.9	152.6
Dec	125.7	115.0	109.4	150.5
2020-Jan	127.0	115.2	109.6	150.1
Feb	129.0	116.2	110.1	154.0
Mar	130.5	117.4	110.8	158.9
Apr	131.0	117.9	111.0	161.3
May	131.8	118.1	111.2	160.9
Jun	131.6	118.3	111.5	160.5

Source: National Bureau of Statistics



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10 (iii): National Consumer Price Index (Urban and Rural), Twelve Months Percentage Change - Main Groups

Period	Total index	Base: Sep 2010 = 100											
		Food and non-alcoholic beverages (exclude food consumed at restaurants)	Transport	Housing, water, electricity, gas and other fuel	Clothing and footwear	Furnishing, housing equipment and routine maintenance of the house	Restaurants and hotels	Miscellaneous goods and services	Alcohol and tobacco	Communication	Education	Recreation and culture	Health
Old weights (%)	100.0	47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2014	6.1	7.4	3.9	10.7	3.0	1.9	2.7	6.1	5.9	0.7	5.2	0.7	3.6
2015	5.6	8.7	-0.6	1.6	4.1	1.6	4.6	2.9	3.6	0.3	2.9	1.6	3.0
New weights (%)	100.0	38.5	12.5	11.6	8.3	6.3	4.2	3.1	3.7	5.6	1.5	1.6	2.9
2016	5.2	7.5	0.9	6.6	4.2	3.9	4.4	3.6	4.3	-0.5	2.9	2.9	5.9
2017	5.3	9.1	0.5	7.6	3.5	2.9	1.2	3.2	3.3	-0.9	0.9	1.3	2.6
2018	3.5	3.0	2.5	12.0	2.9	2.5	1.3	1.6	1.6	-1.6	2.4	0.5	1.3
2019	3.4	2.9	3.1	7.9	3.0	3.9	4.2	2.4	2.4	-0.2	1.8	1.5	1.8
2019-Jan	3.0	0.7	4.0	11.7	3.7	3.9	2.6	2.5	2.2	-2.4	2.0	0.2	1.0
Feb	3.0	0.5	3.3	12.3	3.3	4.1	3.6	2.6	2.5	-2.1	1.8	0.2	1.5
Mar	3.1	0.1	4.1	13.0	3.4	4.3	4.8	3.1	3.2	-1.2	1.9	0.3	1.8
Apr	3.2	0.9	3.4	11.4	3.6	4.2	4.9	2.7	3.2	-1.1	2.1	0.6	2.2
May	3.5	2.2	4.1	8.8	3.7	4.3	4.9	2.5	3.4	-1.1	2.1	3.2	2.0
Jun	3.7	2.3	4.8	8.9	3.1	4.1	4.8	2.4	4.2	1.0	1.8	3.4	1.8
Jul	3.7	2.9	4.1	8.1	2.7	3.9	4.7	2.5	3.6	1.1	1.6	1.6	2.3
Aug	3.6	3.7	2.8	6.3	2.9	3.7	4.6	2.5	2.1	0.7	1.6	1.9	1.4
Sep	3.4	4.0	3.2	4.3	2.6	3.7	4.2	2.4	1.3	0.6	1.6	2.0	1.9
Oct	3.6	5.1	2.4	3.3	2.2	3.9	4.1	2.3	1.3	0.8	1.6	1.7	1.8
Nov	3.8	6.1	0.4	3.7	2.3	3.9	4.0	2.1	1.3	0.8	1.6	1.4	1.8
Dec	3.8	6.3	0.8	4.4	2.2	2.7	3.2	1.8	0.6	1.1	1.6	1.4	1.5
2020-Jan	3.7	5.7	1.7	4.8	2.1	2.5	2.8	1.6	0.5	1.1	1.3	1.1	1.4
Feb	3.7	5.9	2.2	4.5	2.1	2.2	2.1	1.5	0.1	0.7	1.5	1.1	0.9
Mar	3.4	5.3	-0.5	4.9	2.2	1.7	0.7	1.0	-0.5	-0.2	1.4	1.1	0.5
Apr	3.3	4.6	1.7	6.5	2.2	1.7	0.7	1.1	-0.4	0.0	1.3	0.7	0.2
May	3.2	4.4	1.3	6.7	2.1	1.7	0.7	1.2	-0.3	0.0	1.3	-1.2	0.4
Jun	3.2	3.8	-0.3	9.2	2.4	1.8	0.9	0.7	0.1	0.6	1.3	-1.0	0.9

Source: National Bureau of Statistics



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A1.0 Output and Prices Statistics, Tanzania Mainland

Table A1.10 (iv): National Consumer Price Index (Urban and Rural), Twelve Months Percentage Change - Other Selected Groups

Base: Sep 2010 = 100

Period	Food and non-alcoholic beverages (Combining food consumed at home and food consumed in restaurants)	Non-food		
		Total non-food (All items less food)	All items less food and energy	Energy and fuels (Combining electricity and other fuels for use at home with petrol and diesel)
Old weights (%)	51.0	49.0	43.3	5.7
2014	7.7	4.8	3.7	12.2
2015	8.6	1.8	2.3	-0.9

Base: Dec 2015 = 100

New weights (%)	37.1	62.9	54.3	8.7
2016	7.6	3.1	2.6	6.3
2017	9.6	3.2	2.0	10.5
2018	3.7	4.3	1.9	17.2
2019	4.3	4.0	3.0	9.0
2019-Jan	2.3	5.1	3.1	15.7
Feb	2.3	5.1	3.1	15.4
Mar	2.0	5.7	3.7	15.5
Apr	2.7	5.3	3.6	13.3
May	3.9	4.7	3.5	10.5
Jun	4.3	4.7	3.4	11.0
Jul	4.9	4.2	3.1	9.3
Aug	5.0	3.5	2.9	6.3
Sep	5.1	3.1	2.7	4.6
Oct	6.0	2.7	2.6	3.0
Nov	6.7	2.4	2.2	3.0
Dec	6.9	2.3	2.1	2.8
2020-Jan	6.4	2.4	2.1	4.0
Feb	6.6	2.4	2.2	3.2
Mar	5.9	2.2	2.1	2.9
Apr	5.2	2.5	2.1	4.1
May	5.2	2.4	2.2	3.5
Jun	4.7	3.0	2.6	4.7

Source: National Bureau of Statistics



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2.0 United Republic of Tanzania Government Finance Statistics

Table A2.1: Central Government Operations

	Millions of TZS							
Item	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 ¹	2019/20 ²
Total revenue (including LGAs)	8,442,611.2	10,182,454.7	10,957,765.3	13,906,993.4	16,639,831.5	17,944,887.0	18,527,293.2	21,036,614.6
Total revenue - central government	8,221,776.3	9,867,226.8	10,597,681.0	13,481,141.2	16,128,113.5	17,403,387.9	17,868,195.0	20,337,567.8
Tax revenue	7,729,985.9	9,294,417.0	9,891,680.3	12,410,950.8	14,055,172.6	15,091,791.4	15,387,287.9	17,472,133.5
Taxes on imports	2,915,214.6	3,535,758.5	3,928,466.7	4,898,987.8	5,092,870.6	5,488,877.4	5,668,220.5	5,994,225.3
Taxes on local goods	1,466,562.2	1,607,135.6	1,744,740.3	1,994,807.5	3,037,847.3	3,430,883.1	3,709,774.4	3,840,566.2
Income taxes	3,019,555.7	3,778,545.7	3,719,916.8	4,599,828.6	4,829,602.6	5,157,105.9	5,072,401.5	6,490,239.8
Other taxes	328,653.3	372,977.3	498,556.6	917,326.9	1,094,852.1	1,014,925.0	936,891.5	1,147,102.2
Non-tax revenue	491,790.4	572,809.8	706,000.7	1,070,190.4	2,072,940.9	2,311,596.5	2,480,907.1	2,865,434.3
LGA own sources	220,835.0	315,227.9	360,084.3	425,852.2	511,718.0	541,499.1	659,098.2	699,046.8
Total expenditure ¹	12,714,236.4	13,958,161.9	14,603,714.4	17,759,598.0	18,889,969.1	20,468,072.3	22,380,143.3	23,502,650.9
Recurrent expenditure	9,043,323.0	10,032,119.7	10,893,486.1	13,420,045.1	11,617,144.8	12,852,304.0	13,806,788.9	14,201,147.8
Wages and salaries	3,868,713.7	4,537,816.2	5,255,358.8	6,553,257.2	6,367,146.8	6,327,676.8	6,659,573.3	7,006,311.0
Interest payments	766,747.8	977,082.0	1,261,002.4	1,486,275.7	1,715,429.2	1,990,293.1	2,408,680.1	2,299,499.7
Domestic ²	589,595.0	742,728.4	917,032.8	1,009,506.3	1,215,582.1	1,317,546.0	1,622,507.9	1,458,831.0
Foreign	177,152.8	234,353.6	343,969.6	476,769.4	499,847.1	672,747.1	786,172.2	840,668.7
Other goods, services and transfers	4,407,861.4	4,517,221.5	4,377,125.0	5,380,512.2	3,534,568.8	4,534,334.2	4,738,535.5	4,895,337.1
Development expenditure and net lending	3,670,913.5	3,926,042.2	3,710,228.2	4,339,552.9	7,272,824.3	7,615,768.3	8,573,354.4	9,301,503.0
Local	2,314,717.9	2,121,211.5	2,264,506.0	2,904,529.7	5,141,450.7	5,397,033.5	6,615,395.1	6,832,823.1
Foreign	1,356,195.6	1,804,830.7	1,445,722.2	1,435,023.2	2,131,373.6	2,218,734.8	1,957,959.3	2,468,679.9
Overall balance before grants	-4,271,625.2	-3,775,707.2	-3,645,949.0	-3,852,604.6	-2,250,137.6	-2,523,185.3	-3,852,850.1	-2,466,036.2
Grants	1,378,718.2	1,587,648.6	1,024,132.7	495,356.6	1,092,495.4	930,648.4	461,201.3	1,043,950.6
Program	537,473.7	514,501.6	382,311.8	0.0	190,303.2	247,285.4	0.0	266,591.7
Project	345,214.7	670,911.5	514,184.4	409,157.2	733,208.3	566,197.5	285,340.0	565,386.5
Basket funds	276,039.0	188,623.3	127,636.6	86,199.3	168,983.8	117,165.4	175,861.3	211,972.3
HIPC relief	0.0	213,612.2	0.0	0.0	0.0	0.0	0.0	0.0
MDRI/MCA (T)	219,990.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance after grants	-2,892,907.0	-2,188,058.6	-2,621,816.3	-3,357,248.0	-1,157,642.2	-1,592,537.0	-3,391,648.8	-1,422,085.7
Expenditure float	-351,395.3	-610,630.4	-247,661.3	-69,418.3	-59,647.1	-71,767.9	-10,242.6	-15,750.3
Adjustments to cash and other items (net)	439,983.1	300,809.8	62,959.4	-1,337.5	-376,841.2	-636,424.9	-827,109.2	-551,113.0
Overall balance (cheques cleared)	-2,804,319.3	-2,497,879.2	-2,806,518.2	-3,428,003.8	-1,594,130.5	-2,300,729.7	-4,229,000.6	-1,988,949.0
Financing:	2,804,319.3	2,497,879.2	2,806,518.2	3,428,003.8	1,594,130.5	2,300,729.7	4,229,000.6	1,988,949.0
Foreign financing (net)	1,734,998.0	2,271,136.6	2,006,741.8	1,128,852.4	1,704,992.6	1,702,082.3	1,191,823.2	1,612,024.9
Loans	1,861,661.1	2,452,356.9	2,233,408.7	1,684,552.0	2,608,423.3	3,009,653.4	2,766,976.2	3,640,332.2
Program loans	357,480.9	526,157.3	374,704.3	291,381.3	152,482.1	0.0	125,396.0	126,918.0
Development project loans	1,317,844.4	1,718,534.5	1,695,527.6	1,231,328.7	2,350,950.1	2,938,575.6	2,597,299.3	3,454,848.9
o/w: Non-concessional borrowing	1,063,006.0	1,194,515.9	1,054,803.2	453,504.0	1,226,759.8	1,474,281.6	1,144,822.3	1,822,093.1
Basket support	186,335.8	207,665.0	163,176.8	161,841.9	104,991.1	71,077.8	44,280.9	58,565.3
Amortization	-126,663.1	-181,220.3	-226,666.9	-555,699.6	-903,430.8	-1,307,571.1	-1,575,153.1	-2,028,307.3
Domestic (net) ³	1,069,321.3	226,742.6	799,776.3	2,299,151.4	-110,862.0	598,647.5	3,037,177.5	376,924.0
Bank and non-bank financing	1,069,321.3	976,711.8	799,776.3	2,299,151.4	-110,862.0	598,647.5	3,037,177.5	376,924.0
Bank borrowing	667,929.9	955,495.3	487,807.9	1,522,206.6	-1,100,145.0	-343,325.5	2,383,403.3	-404,856.6
Non-bank (net of amortization)	401,391.4	21,216.5	311,968.4	776,944.9	989,283.0	941,973.0	653,774.1	781,780.6
Domestic and contingent debt amortization	-1,734,534.6	-1,528,152.7	-2,064,756.4	-3,005,788.8	4,615,670.4	4,835,199.3	3,718,008.3	3,976,811.2
Borrowing/roll over	1,734,534.6	1,528,152.7	2,064,756.4	3,005,788.8	-4,615,670.4	-4,835,199.3	-3,718,008.3	-3,976,811.2
Privatization proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On lending to TPDC (Gas pipeline)	0.0	-749,969.2	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance and Planning

Note: ¹ Exclude amortization and expenditure float, includes road fund and retention expenditures

² Domestic interest payments and amortization include cash and non-cash

³ Positive value means financing and a negative value means repayment

r denotes revised data; p, provisional data: LGA, local government authority; HIPC, heavily indebted poor countries; MDRI, multilateral debt relief initiative; MCA (T), millennium challenge account-Tanzania; and TPDC, Tanzania petroleum development corporation



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2.0 United Republic of Tanzania Government Finance Statistics

Table A2.2. Outstanding Treasury Bills by Investor

Millions of TZS

Period	Total	Bank of Tanzania	Banks	Of which				
				Depository money banks	Other banking institutions	Other financial institutions	Other official entities	Private sector
2015	2,727,771.0	111,487.0	2,022,373.0	1,982,152.6	40,220.4	373,565.0	149,789.5	70,556.5
2016	3,685,581.3	157,183.5	2,286,264.2	2,276,287.9	9,976.3	859,442.2	303,043.6	79,647.8
2017	4,158,959.0	44,904.7	3,124,187.8	3,047,446.4	76,741.4	651,029.9	200,820.7	138,015.9
2018	2,877,070.8	428,611.8	1,600,819.4	1,572,398.3	28,421.1	466,010.4	126,063.3	255,565.9
2019	3,000,267.9	166,396.0	2,054,778.0	1,991,427.5	63,350.5	464,546.4	124,522.1	190,025.5
2019-Jan	2,728,325.9	195,190.5	1,618,010.7	1,576,639.6	41,371.1	523,711.0	131,463.3	259,950.4
Feb	3,064,984.5	339,003.8	1,744,992.3	1,700,654.5	44,337.8	548,490.0	174,465.6	258,032.8
Mar	3,060,191.8	374,129.7	1,771,279.0	1,732,796.8	38,482.2	505,705.8	150,873.3	258,204.0
Apr	3,140,310.8	325,868.2	1,909,361.6	1,876,807.1	32,554.4	518,144.3	148,073.3	238,863.5
May	3,276,053.6	249,616.3	2,083,496.8	2,036,792.4	46,704.4	585,359.9	147,153.3	210,427.2
Jun	3,411,346.7	359,626.3	2,044,921.7	1,992,067.2	52,854.4	605,189.0	152,606.8	249,002.9
Jul	3,348,735.6	109,580.4	2,311,383.2	2,251,973.9	59,409.3	544,127.7	139,043.5	244,600.9
Aug	3,283,491.4	183,186.8	2,257,973.7	2,203,588.9	54,384.9	511,185.4	112,275.0	218,870.4
Sep	3,128,317.6	182,236.4	2,121,142.4	2,060,775.2	60,367.2	487,766.0	116,656.2	220,516.7
Oct	3,122,927.2	125,093.0	2,183,917.7	2,101,678.2	82,239.5	521,838.7	121,643.8	170,434.0
Nov	3,121,532.7	151,633.0	2,133,974.4	2,055,673.9	78,300.5	530,206.9	124,211.2	181,507.4
Dec	3,000,267.9	166,396.0	2,054,778.0	1,991,427.5	63,350.5	464,546.4	124,522.1	190,025.5
2020-Jan	2,919,527.9	183,794.0	2,008,240.2	1,948,253.0	59,987.2	416,253.1	123,526.0	187,714.6
Feb	2,840,792.4	83,091.1	2,049,292.0	1,988,204.8	61,087.2	401,835.1	120,023.6	186,550.6
Mar	2,730,497.0	126,461.7	1,909,906.4	1,840,919.2	68,987.2	387,495.6	125,103.6	181,529.7
Apr	2,728,774.5	65,373.2	2,012,169.8	1,951,962.6	60,207.2	341,012.4	128,325.8	181,893.3
May	2,632,556.2	51,859.6	2,005,034.3	1,939,247.7	65,786.6	338,489.8	132,315.8	104,856.7
Jun	2,358,495.6	23,335.2	1,912,512.8	1,846,917.5	65,595.3	239,487.2	121,048.8	62,111.5

Source: Bank of Tanzania

Table A2.3: Central Government Stocks, Bonds and Notes by Holder

Millions of TZS

End of period	Bank of Tanzania	Deposit money banks	Other banks	Other financial institutions	Official entities	Private sector	Others	Total
2015	1,439,750.4	2,380,214.9	71,397.5	1,688,662.2	49,417.0	64,445.0	101,519.4	5,795,406.5
2016	1,439,750.4	2,669,097.6	62,385.0	2,347,095.0	80,521.7	44,445.0	206,024.2	6,849,318.9
2017	1,334,750.4	3,837,615.1	37,607.3	3,280,296.8	127,504.1	299,509.3	74,879.6	8,992,162.6
2018	1,230,397.7	4,508,369.4	42,707.5	3,739,700.7	183,281.5	414,142.8	75,832.1	10,194,431.7
2019	1,280,397.7	4,541,583.2	54,444.5	4,711,029.4	182,421.2	605,850.6	113,143.4	11,488,869.9
2019-Mar	1,280,397.7	4,418,789.4	42,207.5	3,871,062.2	186,364.2	449,361.9	55,832.1	10,304,015.0
Jun	1,330,397.7	4,432,028.6	41,637.5	3,973,134.2	186,364.2	501,316.2	113,143.4	10,578,021.7
Sep	1,280,397.7	4,448,212.2	44,837.5	4,463,203.0	183,364.2	561,427.1	113,143.4	11,094,585.0
Dec	1,280,397.7	4,541,583.2	54,444.5	4,711,029.4	182,421.2	605,850.6	113,143.4	11,488,869.9
2020-Mar	1,280,397.7	4,881,761.4	77,944.5	4,857,802.2	182,021.2	658,829.9	113,143.4	12,051,900.1
Jun	1,280,397.7	5,021,788.5	90,729.5	5,016,132.2	186,941.2	774,454.0	108,698.4	12,479,141.3

Source: Bank of Tanzania

A3.0. Monetary Statistics

Table A3.1: Depository Corporations Survey

End of period	Domestic assets (net)														Memorandum item:
	M3. Extended broad money														
	M2. Broad money														
	M1. Narrow money														
	Domestic credit (net)														
	Claims on other domestic sectors (net)														
	Currency in circulation outside banks														
	Foreign currency deposits														
	Other deposits*														
	Transferrable deposits														
	TOTAL sum (9,10)														
	TOTAL sum (9,11)														
	TOTAL sum (9,12)														
	2	3	4	5	6	7	8	9	10	11	12	13	14		
2015	8,244,049.2	4,881,635.3	15,492,728.5	-6,503,097.7	22,115,315.2	15,760,115.4	9,575,698.5	3,678,503.5	5,897,195.1	6,204,416.9	6,335,199.8	6,833,088.2	3,154,584.7		
2016	8,186,324.6	4,291,969.3	16,608,885.4	-6,199,313.1	22,877,866.2	16,620,327.3	10,083,812.9	3,608,710.4	6,475,102.5	6,536,514.4	6,257,538.9	6,854,370.1	3,245,659.7		
2017	11,596,110.5	3,275,708.7	16,895,440.1	-7,052,934.7	24,714,324.6	18,349,932.9	11,155,309.0	3,631,804.4	7,323,704.5	7,194,623.9	6,364,391.7	6,954,415.2	3,122,810.8		
2018	10,629,789.0	4,481,617.2	17,726,752.0	-7,014,704.9	25,823,453.2	19,040,389.4	11,723,679.1	3,666,668.4	7,857,010.7	7,316,710.3	6,783,063.8	6,992,882.1	3,126,213.7		
2019	12,034,536.6	3,893,881.8	19,695,381.1	-7,310,853.0	28,313,146.6	21,280,259.3	13,325,116.9	4,221,826.9	9,103,290.0	7,955,142.4	7,032,887.3	7,466,359.7	3,244,532.8		
2019-Jan	10,371,927.7	4,064,358.0	18,165,034.8	-6,838,201.1	25,763,119.4	18,966,447.0	11,604,121.1	3,709,232.2	7,894,888.9	7,362,325.8	6,796,672.5	6,707,175.9	2,997,943.7		
Feb	10,636,666.9	3,825,068.6	18,426,816.4	-7,019,861.4	25,868,690.5	19,277,142.0	11,713,449.1	3,733,888.0	7,979,561.1	7,563,693.0	6,591,548.5	6,840,739.5	3,106,851.5		
Mar	10,216,571.9	3,853,565.5	18,436,361.5	-6,803,668.7	25,702,829.2	18,985,498.5	11,594,927.6	3,782,775.6	7,812,152.1	7,390,570.9	6,717,330.7	6,688,376.0	2,905,600.5		
Apr	9,598,203.5	4,714,269.2	18,641,540.1	-7,324,958.4	25,629,054.4	19,335,555.5	11,948,276.0	3,772,086.9	8,176,179.1	7,387,279.5	6,293,499.0	6,764,667.3	2,992,570.4		
May	9,187,549.6	5,250,297.4	18,811,396.7	-7,303,678.9	25,945,564.8	19,627,211.0	12,197,149.9	3,925,693.6	8,271,456.3	7,430,061.1	6,318,353.8	6,973,944.1	3,048,250.6		
Jun	9,814,853.7	6,212,800.8	18,861,062.7	-7,847,927.1	27,240,790.0	21,002,135.2	13,521,724.4	4,120,987.6	9,400,736.9	7,480,410.8	6,238,654.8	7,963,798.7	3,842,811.2		
Jul	10,392,532.2	4,871,918.2	18,885,522.9	-7,219,963.7	26,990,009.7	20,398,595.4	13,018,378.9	4,115,066.0	8,903,312.9	7,380,216.5	6,531,414.2	7,282,424.8	3,147,388.8		
Aug	11,461,730.5	3,745,677.5	19,019,670.2	-7,063,925.1	27,163,153.0	20,593,178.9	12,817,067.0	4,193,327.8	8,623,739.3	7,716,111.9	6,629,974.1	7,125,645.3	2,932,317.5		
Sep	12,082,303.5	3,609,987.3	19,206,238.4	-7,257,809.4	27,640,719.9	20,429,634.3	12,677,352.4	4,130,730.7	8,546,621.6	7,752,282.0	7,211,085.5	7,218,808.7	3,088,078.0		
Oct	11,889,861.6	3,977,038.7	19,325,358.1	-7,141,347.1	28,050,911.3	20,771,328.0	13,105,458.9	4,147,267.1	8,958,191.8	7,665,869.1	7,279,583.2	7,594,206.6	3,446,939.5		
Nov	12,135,370.0	3,854,842.0	19,384,463.3	-7,210,346.1	28,164,329.2	21,067,683.1	13,192,491.3	4,211,904.4	8,980,586.9	7,875,191.9	7,096,646.0	7,411,187.0	3,199,282.6		
Dec	12,034,536.6	3,893,881.8	19,695,381.1	-7,310,853.0	28,313,146.6	21,280,259.3	13,325,116.9	4,221,826.9	9,103,290.0	7,955,142.4	7,032,887.3	7,466,359.7	3,244,532.8		
2020-Jan	11,810,950.0	3,882,302.7	19,809,669.7	-7,388,771.9	28,114,150.5	21,131,346.5	13,291,361.8	4,030,364.0	9,260,997.8	7,839,984.6	6,982,804.0	7,200,780.0	3,170,416.0		
Feb	11,958,447.4	3,695,527.3	19,903,968.9	-7,080,978.6	28,416,965.0	21,262,749.2	13,339,517.2	4,026,285.5	9,313,231.6	7,923,232.0	7,154,215.8	7,114,457.3	3,088,171.8		
Mar	12,009,063.2	3,717,402.0	20,012,814.9	-7,496,842.4	28,242,437.7	21,032,490.6	12,981,232.7	3,911,947.5	9,068,285.2	8,051,257.9	7,209,947.1	6,876,559.4	2,964,611.9		
Apr	11,724,138.1	4,664,746.1	19,714,506.4	-7,335,503.2	28,787,887.3	22,026,903.0	13,882,905.1	3,943,199.0	9,939,706.0	8,143,997.9	6,740,984.3	7,445,376.5	3,502,177.5		
May	11,444,914.6	5,131,293.2	19,771,141.6	-7,316,543.9	29,030,805.5	22,151,096.2	13,937,099.1	4,077,920.1	9,859,179.0	8,213,997.1	6,879,709.3	7,509,785.7	3,431,865.6		
Jun	11,289,245.8	5,807,944.2	19,889,188.5	-7,144,728.7	29,841,649.8	23,211,584.3	14,869,917.3	4,231,804.7	10,638,112.6	8,341,667.0	6,630,065.5	8,302,436.2	4,070,631.5		

Source: Bank of Tanzania and banks

Note: * include saving and time deposits in national currency

All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



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A3.0. Monetary Statistics

Table A3.2: Bank of Tanzania Assets

Millions of TZS

End of period	Foreign assets			Claims on government			Lending to banks	Revaluation account	Premises and equipment	Items in process of collection		Total
	Foreign exchange	SDRs	Quota in the IMF	Advances	Other securities	Total				Other assets		
2015	8,487,183.5	275,699.5	592,796.0	1,387,903.2	1,613,807.7	3,001,710.9	147,083.2	-1,039,215.7	1,047,333.2	125.3	1,253,597.8	13,766,313.6
2016	9,249,632.7	55,757.0	1,159,672.4	1,368,928.4	1,607,473.0	2,976,401.4	246,297.7	-1,520,586.5	1,210,493.0	0.0	1,722,889.6	15,100,557.4
2017	13,035,413.1	2,938.0	1,260,376.2	875,380.4	1,470,463.8	2,345,844.2	75,242.0	-1,122,935.2	1,276,018.3	17.1	1,334,131.1	18,207,044.9
2018	11,319,097.1	60,983.9	1,262,088.6	2,038,174.3	1,394,796.9	3,432,971.2	465,578.5	-1,219,882.6	1,317,859.0	0.0	1,411,649.1	18,050,344.8
2019	12,595,955.4	20,651.6	1,258,926.4	1,498,969.4	1,388,641.4	2,887,610.8	246,635.0	-1,306,469.2	1,324,591.3	3.0	1,644,384.6	18,672,289.0
2019-Jan	10,976,655.0	61,327.1	1,269,190.5	1,628,213.6	1,404,042.4	3,032,256.0	225,956.9	-1,219,893.2	1,318,120.1	0.0	1,452,577.0	17,116,189.5
Feb	11,272,901.8	33,735.0	1,272,716.8	1,203,939.6	1,391,447.1	2,595,386.6	463,004.1	-1,219,975.1	1,318,239.5	0.0	1,452,274.4	17,188,283.1
Mar	10,626,009.5	33,509.5	1,264,209.9	1,277,914.0	1,418,114.4	2,696,028.4	550,871.0	-1,220,022.9	1,322,687.9	0.0	1,412,174.1	16,685,467.4
Apr	9,911,745.4	33,619.5	1,258,969.3	1,919,693.5	1,370,191.3	3,289,884.8	439,259.4	-1,220,044.0	1,323,271.1	28.2	1,456,931.9	16,493,665.5
May	9,626,671.1	136,396.9	1,254,188.9	2,450,927.9	1,378,812.1	3,829,740.0	397,619.8	-1,220,052.7	1,323,829.5	0.0	1,440,066.3	16,788,459.7
Jun	10,005,874.3	68,061.3	1,266,184.7	2,446,853.2	1,420,109.6	3,866,962.8	508,195.4	-1,224,473.3	1,325,792.9	0.0	1,491,869.0	17,308,467.1
Jul	10,836,240.2	67,329.3	1,252,567.5	2,413,633.7	1,324,839.3	3,738,473.0	180,755.3	-1,224,711.5	1,323,454.0	0.0	1,479,880.7	17,653,988.4
Aug	11,980,383.5	40,068.8	1,247,496.2	1,667,440.2	1,325,406.3	2,992,846.5	283,039.8	-1,224,746.0	1,323,616.2	210.3	1,472,436.4	18,115,351.7
Sep	12,230,969.6	39,879.2	1,241,592.8	1,162,609.0	1,324,175.8	2,486,784.8	308,179.8	-1,224,777.5	1,324,330.4	0.0	1,521,792.6	17,928,751.7
Oct	12,443,078.4	40,261.8	1,253,505.7	1,356,562.3	1,409,145.4	2,765,707.8	217,496.7	-1,224,781.6	1,328,084.3	0.0	1,531,349.9	18,354,702.9
Nov	12,934,963.8	39,255.3	1,250,005.7	1,734,010.1	1,432,553.8	3,166,564.0	194,947.0	-1,225,370.2	1,323,599.0	0.0	1,572,736.1	19,256,700.8
Dec	12,595,955.4	20,651.6	1,258,926.4	1,498,969.4	1,388,641.4	2,887,610.8	246,635.0	-1,306,469.2	1,324,591.3	3.0	1,644,384.6	18,672,289.0
2020-Jan	12,490,093.2	47,331.5	1,253,095.1	1,615,388.1	1,391,332.9	3,006,721.0	245,482.0	-1,306,495.7	1,323,912.0	7.4	1,510,112.1	18,570,258.5
Feb	12,550,814.7	20,333.9	1,247,359.6	1,950,914.3	1,363,358.7	3,314,273.0	186,254.8	-1,299,831.6	1,323,269.1	0.8	1,510,839.2	18,853,313.4
Mar	12,284,007.3	20,267.3	1,243,273.9	2,048,808.4	1,371,255.3	3,420,063.7	221,660.8	-1,299,905.3	1,323,379.0	22.4	1,505,377.6	18,718,146.7
Apr	12,085,662.8	20,266.0	1,243,194.0	2,191,436.8	1,353,111.1	3,544,548.0	165,029.4	-1,299,626.6	1,325,615.7	23.0	1,525,504.8	18,610,217.1
May	11,999,432.2	19,952.8	1,245,004.0	2,539,128.7	1,364,733.4	3,903,862.1	135,407.0	-1,299,624.3	1,325,386.4	0.8	1,578,763.7	18,908,184.9
Jun	11,760,496.5	20,210.0	1,261,050.8	1,948,156.2	1,344,839.2	3,292,995.5	84,584.0	-1,304,019.9	1,331,092.5	0.8	1,589,040.3	18,035,450.3

Source: Bank of Tanzania

Note: SDRs denotes statutory drawing rights; and IMF, International Monetary Fund

Table A3.3 : Bank of Tanzania Liabilities

Millions of TZS

End of period	Currency in circulation	Central government deposits	Banks' deposits	Other deposits	Foreign liabilities	International Monetary Fund	Allocation of SDRs	Other liabilities	Capital and reserves	Total
2015	4,431,833.2	1,272,358.7	3,419,493.4	280,626.2	23,423.7	1,236,275.9	567,794.9	2,434,507.5	100,000.0	13,766,313.6
2016	4,305,464.2	2,305,405.0	2,998,815.6	1,085,043.8	37,514.9	1,590,752.8	555,381.7	2,117,288.5	104,891.1	15,100,557.4
2017	4,697,211.7	4,245,516.0	3,232,417.9	1,143,707.5	78,825.3	1,466,445.1	603,610.0	2,639,316.2	99,995.3	18,207,044.9
2018	4,776,238.7	3,680,063.7	2,959,505.1	1,491,826.1	41,409.5	1,304,019.5	604,430.1	3,093,003.4	99,848.8	18,050,344.8
2019	5,248,193.3	3,530,767.7	2,648,656.9	2,394,581.6	48,471.0	1,161,073.1	602,915.8	3,098,671.5	-61,041.9	18,672,289.0
2019-Jan	4,510,658.1	3,424,175.3	2,820,519.9	1,449,014.6	103,673.8	1,305,292.0	607,831.3	2,795,024.5	100,000.0	17,116,189.5
Feb	4,539,304.9	3,217,395.9	2,838,631.4	1,630,169.1	147,206.9	1,279,404.5	609,520.1	2,826,650.3	100,000.0	17,188,283.1
Mar	4,610,343.6	3,153,647.7	2,512,897.1	1,499,428.8	149,857.3	1,278,057.5	605,446.0	2,775,789.5	100,000.0	16,685,467.4
Apr	4,659,412.4	2,963,327.3	2,525,845.0	1,539,260.3	50,538.9	1,277,227.6	602,936.2	2,775,117.7	100,000.0	16,493,665.5
May	4,730,898.5	3,056,531.5	2,689,933.3	1,466,301.9	54,827.6	1,271,156.6	600,646.8	2,818,163.5	100,000.0	16,788,459.7
Jun	4,944,323.1	2,215,226.5	3,513,316.0	1,794,347.2	109,432.8	1,203,416.0	606,391.7	2,822,013.8	100,000.0	17,308,467.1
Jul	5,048,465.3	3,333,197.9	2,804,522.4	1,790,498.2	134,030.4	1,205,531.8	599,870.3	2,433,676.4	304,195.8	17,653,988.4
Aug	5,085,472.0	4,036,494.1	2,503,463.9	1,998,250.2	45,865.3	1,179,013.9	597,441.6	2,361,262.7	308,088.2	18,115,351.7
Sep	5,073,499.6	3,532,950.1	2,642,348.8	2,204,919.5	58,422.6	1,178,526.8	594,614.4	2,327,624.6	315,845.3	17,928,751.7
Oct	5,067,796.8	3,337,939.9	2,960,704.6	2,420,372.9	66,865.2	1,179,509.7	600,319.6	2,405,244.9	315,949.4	18,354,702.9
Nov	5,092,718.0	3,887,976.1	2,800,491.1	2,396,244.8	238,637.5	1,179,220.9	598,643.5	2,744,321.5	318,447.3	19,256,700.8
Dec	5,248,193.3	3,530,767.7	2,648,656.9	2,394,581.6	48,471.0	1,161,073.1	602,915.8	3,098,671.5	-61,041.9	18,672,289.0
2020-Jan	4,974,049.8	3,772,075.3	2,603,561.0	2,510,912.0	56,184.1	1,160,679.4	600,123.0	2,953,715.8	-61,041.9	18,570,258.5
Feb	4,886,716.5	4,311,311.8	2,672,019.4	2,456,044.5	77,819.2	1,134,301.2	597,376.2	2,570,837.0	146,887.7	18,853,313.4
Mar	4,839,778.9	4,483,469.5	2,451,617.6	2,531,618.4	68,339.9	1,134,110.5	595,419.5	2,513,792.4	100,000.0	18,718,146.7
Apr	4,856,439.0	3,985,603.6	2,992,102.3	2,381,358.8	39,221.6	1,134,106.8	595,381.2	2,526,003.9	100,000.0	18,610,217.1
May	4,959,090.0	3,982,409.8	2,969,629.3	2,602,025.2	67,294.0	1,134,191.2	596,248.1	2,497,297.3	100,000.0	18,908,184.9
Jun	5,163,114.1	2,559,572.2	3,589,798.6	2,420,200.7	43,979.7	1,134,940.2	603,933.0	2,419,911.6	100,000.1	18,035,450.3

Source: Bank of Tanzania

Note: SDRs denotes statutory drawing rights



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A3.0. Monetary Statistics

Table A3.4: Tanzania Notes in Circulation

End of period	Millions of TZS												Percent of Total				
	10/-	20/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	Total	10/-	20/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	
2015	99.7	497.7	1,967.4	66,216.4	141,908.3	137,161.4	664,340.2	3,011,551.7	4,023,742.8	0.0	0.0	0.0	1.6	3.5	3.4	16.5	74.8
2016	99.7	497.7	1,967.4	35,961.3	137,203.1	168,534.6	720,628.2	3,173,144.2	4,238,036.1	0.0	0.0	0.0	0.8	3.2	4.0	17.0	74.9
2017	99.7	497.7	1,967.4	24,582.1	134,552.2	199,968.1	777,637.8	3,437,348.2	4,576,653.2	0.0	0.0	0.0	0.5	2.9	4.4	17.0	75.1
2018	99.7	497.7	1,967.1	22,042.8	141,019.4	177,193.9	732,230.9	3,613,026.1	4,688,077.6	0.0	0.0	0.0	0.5	3.0	3.8	15.6	77.1
2019	99.7	497.7	1,967.0	21,262.2	154,346.2	295,019.9	639,417.7	4,041,111.8	5,153,722.2	0.0	0.0	0.0	0.4	3.0	5.7	12.4	78.4
2019-Jan	99.7	497.7	1,967.1	21,918.5	136,918.0	170,397.7	680,407.9	3,396,126.1	4,408,332.6	0.0	0.0	0.0	0.5	3.1	3.9	15.4	77.0
Feb	99.7	497.7	1,967.1	21,879.0	137,945.6	173,090.7	688,159.0	3,413,365.1	4,437,004.0	0.0	0.0	0.0	0.5	3.1	3.9	15.5	76.9
Mar	99.7	497.7	1,967.1	21,818.5	138,458.3	180,473.7	703,959.6	3,460,759.9	4,508,034.5	0.0	0.0	0.0	0.5	3.1	4.0	15.6	76.8
Apr	99.7	497.7	1,967.0	21,704.3	134,952.1	186,126.0	699,101.0	3,501,299.4	4,545,747.3	0.0	0.0	0.0	0.5	3.0	4.1	15.4	77.0
May	99.7	497.7	1,967.0	21,589.0	134,196.4	208,105.3	691,035.8	3,539,095.2	4,596,586.2	0.0	0.0	0.0	0.5	2.9	4.5	15.0	77.0
Jun	99.7	497.7	1,967.2	21,528.0	137,590.1	226,098.9	725,242.8	3,732,516.0	4,845,540.5	0.0	0.0	0.0	0.4	2.8	4.7	15.0	77.0
Jul	99.7	497.7	1,967.0	21,457.6	135,882.0	244,399.4	741,375.4	3,803,000.7	4,948,679.5	0.0	0.0	0.0	0.4	2.7	4.9	15.0	76.8
Aug	99.7	497.7	1,967.0	21,422.7	134,264.1	257,419.9	720,490.7	3,828,984.8	4,965,146.6	0.0	0.0	0.0	0.4	2.7	5.2	14.5	77.1
Sep	99.7	497.7	1,967.0	21,373.8	132,354.8	259,618.0	687,965.3	3,867,383.0	4,971,259.2	0.0	0.0	0.0	0.4	2.7	5.2	13.8	77.8
Oct	99.7	497.7	1,967.0	21,337.2	128,639.1	267,046.4	660,424.3	3,884,827.0	4,964,838.4	0.0	0.0	0.0	0.4	2.6	5.4	13.3	78.2
Nov	99.7	497.7	1,967.0	21,306.3	137,224.8	272,301.6	635,509.0	3,912,720.6	4,981,626.7	0.0	0.0	0.0	0.4	2.8	5.5	12.8	78.5
Dec	99.7	497.7	1,967.0	21,262.2	154,346.2	295,019.9	639,417.7	4,041,111.8	5,153,722.2	0.0	0.0	0.0	0.4	3.0	5.7	12.4	78.4
2020-Jan	99.7	497.7	1,967.0	21,200.7	160,857.8	286,800.8	586,160.3	3,826,648.7	4,884,232.7	0.0	0.0	0.0	0.4	3.3	5.9	12.0	78.3
Feb	99.7	497.7	1,967.0	21,147.6	162,125.1	270,844.0	562,181.6	3,762,342.7	4,781,205.4	0.0	0.0	0.0	0.4	3.4	5.7	11.8	78.7
Mar	99.7	497.7	1,967.0	21,117.8	160,347.0	260,539.1	555,212.3	3,763,623.7	4,763,404.4	0.0	0.0	0.0	0.4	3.4	5.5	11.7	79.0
Apr	99.7	497.7	1,967.0	21,061.8	161,668.9	250,718.4	565,650.7	3,770,532.2	4,772,196.5	0.0	0.0	0.0	0.4	3.4	5.3	11.9	79.0
May	99.7	497.7	1,967.0	20,991.8	162,017.7	253,779.9	582,029.9	3,859,100.5	4,860,484.2	0.0	0.0	0.0	0.4	3.3	5.2	11.9	79.1
Jun	99.7	497.7	1,967.0	20,973.2	164,390.6	259,677.8	635,844.1	4,010,142.3	5,093,592.3	0.0	0.0	0.0	0.4	3.2	5.1	12.5	78.7

Source: Bank of Tanzania



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A3.0. Monetary Statistics

Table A3.5: Tanzania Coins in Circulation/1

End of period	Millions of TZS												Percent of Total															
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/-	100/-	200/-	500/-	Total	-/05	-/10	-/20	/50	1/-	5/-	10/-	20/-	25/-	50/-	100/-	200/-	500/-	
2015	8.8	4.4	38.4	46.0	167.5	439.2	816.9	953.8	11.7	9,475.8	22,568.4	25,475.5	6,224.3	66,230.7	0.0	0.0	0.1	0.1	0.3	0.7	1.2	1.4	0.0	0.0	14.3	34.1	38.5	9.4
2016	8.8	4.4	38.4	46.0	167.5	439.2	815.4	951.0	11.7	10,449.8	25,055.8	32,681.0	15,519.7	86,188.5	0.0	0.0	0.0	0.0	0.2	0.5	0.9	1.1	0.0	0.0	12.1	29.1	37.9	18.0
2017	8.8	4.4	38.4	46.0	167.5	439.1	814.5	949.3	11.7	11,317.5	26,857.2	36,616.3	25,323.5	102,594.1	0.0	0.0	0.0	0.0	0.2	0.4	0.8	0.9	0.0	0.0	11.0	26.2	35.7	24.7
2018	8.8	4.4	38.4	46.0	167.5	439.1	814.2	948.5	11.7	11,878.6	28,616.7	40,606.6	31,329.2	114,909.6	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.3	24.9	35.3	27.3
2019	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,503.6	30,564.8	43,540.5	38,514.9	127,601.0	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.8	24.0	34.1	30.2
2019-Jan	8.8	4.4	38.4	46.0	167.5	439.1	814.2	948.5	11.7	11,902.6	28,719.4	40,727.1	31,687.3	115,515.0	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.3	24.9	35.3	27.4
Feb	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.5	11.7	11,943.1	28,828.5	40,916.0	32,026.8	116,192.9	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.3	24.8	35.2	27.6
Mar	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.5	11.7	11,983.2	28,968.6	41,077.2	32,482.6	116,990.1	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.2	24.8	35.1	27.8
Apr	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.4	11.7	12,020.4	29,062.2	41,241.3	32,956.7	117,759.2	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.2	24.7	35.0	28.0
May	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,065.4	29,225.1	41,438.3	33,589.5	118,796.6	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.2	24.6	34.9	28.3
Jun	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,107.0	29,348.2	41,635.2	34,083.8	119,652.4	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.1	24.5	34.8	28.5
Jul	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,171.2	29,535.1	41,922.4	34,965.0	121,071.9	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.1	24.4	34.6	28.9
Aug	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,247.3	29,726.6	42,240.5	35,689.3	122,381.8	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	10.0	24.3	34.5	29.2
Sep	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,309.3	29,942.6	42,624.4	36,423.0	123,777.5	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	9.9	24.2	34.4	29.4
Oct	8.8	4.4	38.4	46.0	167.5	439.1	814.1	948.3	11.7	12,375.7	30,150.3	42,939.1	37,205.9	125,149.2	0.0	0.0	0.0	0.0	0.1	0.4	0.7	0.8	0.0	0.0	9.9	24.1	34.3	29.7
Nov	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,437.1	30,353.5	43,254.2	37,911.0	126,433.1	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.8	24.0	34.2	30.0
Dec	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,503.6	30,564.8	43,540.5	38,514.9	127,601.0	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.8	24.0	34.1	30.2
2020-Jan	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,547.9	30,735.8	43,759.2	38,912.7	128,432.8	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.8	23.9	34.1	30.3
Feb	8.8	4.4	38.4	46.0	167.5	439.0	813.9	947.7	11.7	12,578.2	30,836.7	43,933.9	39,233.3	129,059.5	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.7	23.9	34.0	30.4
Mar	8.8	4.4	38.4	46.0	167.5	439.0	813.8	947.6	11.7	12,618.5	30,950.7	44,095.3	39,574.5	129,716.2	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.7	23.9	34.0	30.5
Apr	8.8	4.4	38.4	46.0	167.5	439.0	813.8	946.7	11.7	12,637.9	31,040.7	44,226.0	40,042.9	130,423.7	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.7	23.8	33.9	30.7
May	8.8	4.4	38.4	46.0	167.5	439.0	813.8	946.7	11.7	12,655.0	31,188.8	44,397.6	40,289.7	131,007.3	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.7	23.8	33.9	30.8
Jun	8.8	4.4	38.4	46.0	167.5	439.0	813.8	946.7	11.7	12,677.5	31,302.6	44,592.2	40,650.4	131,698.8	0.0	0.0	0.0	0.0	0.1	0.3	0.6	0.7	0.0	0.0	9.6	23.8	33.9	30.9

Source: Bank of Tanzania

Note: /1 excludes commemorative coins



Bank of Tanzania Annual Report 2019/20

A3.0. Monetary Statistics

Table A3.6: Commercial Banks Assets

End of period	Millions of TZS									
	Domestic assets					Foreign assets				
	Cash	Deposit with Bank of Tanzania	Treasury securities	Other securities	Loans and bills	Other	Liquid	Others	Fixed assets	
2015	753,329.7	3,254,339.0	3,727,326.7	64,553.6	15,807,127.5	1,472,816.5	1,643,062.3	531,390.3	1,205,745.3	28,459,690.9
2016	696,753.8	2,941,613.8	4,058,080.8	109,644.4	16,917,589.9	1,546,301.9	1,339,801.8	329,149.1	1,518,670.1	29,457,605.7
2017	865,607.2	3,276,960.8	5,594,444.1	87,635.7	17,201,346.7	2,084,935.9	1,359,611.9	261,080.6	1,735,929.7	32,467,552.6
2018	909,570.2	2,890,138.0	4,993,556.3	52,883.9	17,891,437.7	2,007,564.4	1,857,754.5	347,459.7	1,898,147.8	32,848,512.5
2019	1,026,366.4	2,667,139.0	5,169,348.7	100,747.5	20,380,565.8	2,397,788.0	1,938,558.4	501,205.4	2,118,896.2	36,300,615.5
2019-Jan	801,425.9	2,864,573.7	5,097,434.8	62,992.0	18,335,058.9	2,067,110.8	1,712,915.3	414,575.7	1,952,813.1	33,308,900.2
Feb	805,416.9	2,824,036.2	5,105,351.8	58,277.3	18,613,134.4	2,156,451.6	1,727,537.0	466,360.2	1,946,841.0	33,703,406.3
Mar	827,568.1	2,561,773.0	4,995,752.8	59,168.2	18,833,113.9	2,317,580.1	1,862,153.4	523,121.4	1,943,676.3	33,923,907.2
Apr	887,315.5	2,594,015.8	5,105,093.0	63,805.0	18,946,969.7	2,208,020.0	1,793,448.5	568,085.8	1,964,038.5	34,130,792.0
May	805,205.0	2,744,193.0	5,190,451.7	65,144.3	19,144,304.3	2,224,836.1	1,722,760.5	625,869.5	1,967,752.5	34,490,516.9
Jun	823,335.5	3,517,553.9	5,276,896.7	72,555.5	19,157,611.3	2,227,276.7	1,772,381.3	791,059.8	1,976,676.1	35,615,346.7
Jul	933,399.3	2,976,477.7	5,226,737.3	76,464.2	19,215,346.3	2,227,668.3	1,803,649.7	608,839.2	1,993,152.0	35,061,734.1
Aug	892,144.2	2,656,289.7	5,375,550.4	86,429.5	19,452,767.2	2,224,936.3	1,783,403.8	625,968.0	1,978,841.2	35,076,330.3
Sep	942,768.9	2,706,425.0	5,162,192.3	82,091.6	19,731,293.5	2,201,792.3	2,112,375.0	583,885.5	2,019,254.0	35,542,078.3
Oct	920,529.7	3,007,850.4	5,164,784.5	82,427.7	19,857,912.7	2,249,672.8	1,959,605.5	606,407.1	2,019,637.9	35,868,828.2
Nov	880,813.5	2,792,279.8	5,228,041.3	108,445.0	20,118,042.2	2,277,143.9	1,754,286.2	593,663.1	2,034,631.7	35,787,346.9
Dec	1,026,366.4	2,667,139.0	5,169,348.7	100,747.5	20,380,565.8	2,397,788.0	1,938,558.4	501,205.4	2,118,896.2	36,300,615.5
2020-Jan	943,685.8	2,481,760.6	5,323,870.5	103,744.0	20,440,214.7	2,436,275.2	1,854,087.2	532,946.5	2,129,332.3	36,245,916.6
Feb	860,430.9	2,640,565.3	5,337,411.8	98,192.8	20,519,765.5	2,467,492.6	1,807,612.0	524,416.6	2,130,444.9	36,386,332.4
Mar	927,831.4	2,298,646.3	5,414,490.4	101,423.2	20,503,871.9	2,292,095.2	1,774,061.0	566,532.9	2,341,219.9	36,220,172.2
Apr	913,240.0	2,985,757.9	5,528,033.9	99,195.1	20,320,928.7	2,266,849.4	1,891,628.4	350,985.1	2,381,354.2	36,737,972.6
May	881,169.9	2,979,221.9	5,629,909.0	94,179.6	20,305,110.5	2,333,147.4	1,794,492.1	439,413.6	2,380,331.9	36,776,975.9
Jun	931,309.3	3,429,065.2	5,493,839.6	72,971.5	20,398,302.0	2,502,535.2	1,637,201.1	544,647.6	2,402,860.9	37,412,732.5

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.7: Commercial Banks Liabilities

Millions of TZS

End of period	Domestic liabilities				Foreign liabilities		Capital and reserves	Total
	Deposits	Due to Bank of Tanzania	Due to other banks	Other	Foreign banks	Due to other		
2015	18,160,733.2	0.0	1,174,128.5	3,863,587.6	558,479.4	900,113.3	3,802,648.9	28,459,690.9
2016	18,188,706.3	1.0	1,466,395.4	3,730,391.4	413,906.8	1,350,132.3	4,308,072.5	29,457,605.7
2017	19,824,561.1	8,501.0	1,749,055.4	4,015,889.9	381,117.4	1,793,347.0	4,695,080.8	32,467,552.6
2018	20,562,827.0	106,750.0	1,646,188.6	3,540,200.2	473,485.7	1,794,250.1	4,724,810.8	32,848,512.5
2019	21,777,529.1	201,060.6	1,056,493.7	5,750,546.0	414,747.7	2,053,553.0	5,046,685.3	36,300,615.5
2019-Jan	20,705,679.3	114,802.3	1,094,944.0	4,596,822.0	344,677.8	1,701,261.0	4,750,713.9	33,308,900.2
Feb	20,608,463.9	72,570.5	1,172,473.6	4,986,466.9	305,524.0	1,794,928.4	4,762,979.0	33,703,406.3
Mar	20,525,039.9	66,945.0	1,327,065.1	5,213,825.5	420,239.6	1,638,831.4	4,731,960.7	33,923,907.2
Apr	20,422,920.6	71,527.5	1,047,018.6	5,718,437.9	446,318.3	1,590,644.0	4,833,925.1	34,130,792.0
May	20,640,428.5	41,000.0	1,192,973.3	5,566,740.1	420,460.2	1,831,246.1	4,797,668.7	34,490,516.9
Jun	21,406,863.8	76,476.5	1,199,753.7	5,971,380.1	474,405.6	1,695,061.4	4,791,405.6	35,615,346.7
Jul	21,109,544.1	43,000.0	930,662.5	5,905,661.1	466,851.8	1,769,809.4	4,836,205.2	35,061,734.1
Aug	21,057,545.4	62,505.5	946,854.7	5,738,722.3	419,993.2	1,973,275.9	4,877,433.4	35,076,330.3
Sep	21,385,372.3	59,550.0	1,034,997.0	5,844,938.7	424,708.5	1,870,126.3	4,922,385.3	35,542,078.3
Oct	21,561,963.0	22,000.0	1,000,969.0	5,788,041.1	419,930.5	2,146,371.9	4,929,552.9	35,868,828.2
Nov	21,634,890.4	49,750.0	1,018,760.8	5,727,400.5	415,331.3	2,004,970.9	4,936,243.0	35,787,346.9
Dec	21,777,529.1	201,060.6	1,056,493.7	5,750,546.0	414,747.7	2,053,553.0	5,046,685.3	36,300,615.5
2020-Jan	21,654,022.7	93,890.5	946,476.8	5,949,791.4	417,136.8	2,132,480.1	5,052,118.3	36,245,916.6
Feb	22,017,330.9	79,862.5	984,583.7	5,836,772.0	386,605.0	1,995,987.8	5,085,190.5	36,386,332.4
Mar	21,881,031.5	85,677.1	1,058,945.1	5,960,321.4	392,593.3	1,688,616.1	5,152,987.7	36,220,172.2
Apr	22,526,601.4	60,155.2	1,051,645.0	5,861,222.5	402,298.1	1,696,590.5	5,139,459.9	36,737,972.6
May	22,437,501.8	54,331.0	1,020,829.0	5,910,817.0	369,556.1	1,826,090.8	5,157,850.1	36,776,975.9
Jun	23,277,042.0	36,837.9	972,691.3	5,816,268.7	402,086.2	1,749,421.1	5,158,385.4	37,412,732.5

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.8: Commercial Banks Domestic Assets

Millions of TZS

End of period	Bank of Tanzania	Other financial corporation	Central government	Public non-financial corporations	State and local government	Private sector	Other assets	Total
2015	4,007,668.7	596,052.8	4,011,058.2	1,059,716.1	48,825.4	13,654,275.2	2,907,642.0	26,285,238.3
2016	3,638,367.6	497,251.5	4,190,516.1	1,229,992.1	66,672.1	14,693,432.7	3,472,422.8	27,788,654.8
2017	4,142,568.1	479,758.2	5,735,958.7	809,345.2	76,356.3	15,420,368.1	4,182,505.6	30,846,860.2
2018	3,799,708.2	654,653.9	5,089,523.4	594,853.4	84,941.3	16,300,873.2	4,118,744.9	30,643,298.3
2019	3,693,505.5	729,369.6	5,520,352.8	1,236,331.7	77,716.7	17,510,696.4	5,092,879.0	33,860,851.7
2019-Jan	3,665,999.6	517,163.1	5,184,844.4	598,879.8	85,318.5	16,870,716.3	4,258,487.5	31,181,409.2
Feb	3,629,453.1	531,034.3	5,264,801.4	561,395.5	86,666.3	17,152,966.2	4,283,192.4	31,509,509.0
Mar	3,389,341.1	896,273.4	5,180,387.5	550,614.4	86,010.3	16,809,434.8	4,626,570.8	31,538,632.4
Apr	3,481,331.4	1,661,920.0	5,289,880.3	508,878.3	88,208.8	16,237,675.2	4,501,363.7	31,769,257.7
May	3,549,397.9	968,177.3	5,382,261.6	506,691.3	81,137.3	17,115,818.3	4,538,403.1	32,141,886.9
Jun	4,340,889.4	972,549.5	5,462,987.4	526,811.8	56,800.7	17,169,006.0	4,522,860.8	33,051,905.7
Jul	3,909,877.0	920,691.3	5,412,519.5	311,704.4	40,528.5	17,479,816.5	4,574,107.9	32,649,245.2
Aug	3,548,433.9	916,314.8	5,728,817.3	483,123.3	87,025.4	17,397,882.5	4,505,361.3	32,666,958.6
Sep	3,649,193.9	895,778.9	5,512,057.9	442,000.1	85,263.7	17,644,698.6	4,616,824.7	32,845,817.7
Oct	3,928,380.1	891,640.0	5,513,563.2	1,087,718.7	84,367.7	17,078,802.1	4,718,343.8	33,302,815.6
Nov	3,673,093.3	871,732.7	5,572,722.8	1,248,103.0	84,534.4	17,042,334.8	4,946,876.5	33,439,397.5
Dec	3,693,505.5	729,369.6	5,520,352.8	1,236,331.7	77,716.7	17,510,696.4	5,092,879.0	33,860,851.7
2020-Jan	3,425,446.4	802,380.9	5,670,936.4	1,101,142.0	83,154.5	17,684,367.8	5,091,454.9	33,858,883.0
Feb	3,500,996.3	805,064.7	5,674,718.9	1,097,802.2	82,617.2	17,779,784.0	5,113,320.6	34,054,303.8
Mar	3,226,477.7	797,223.6	5,750,269.4	1,084,925.8	83,433.5	17,892,764.3	5,044,484.1	33,879,578.3
Apr	3,898,997.8	774,731.4	5,867,271.7	772,740.2	81,253.6	17,951,787.0	5,148,577.4	34,495,359.2
May	3,860,391.7	806,249.1	5,976,412.8	741,405.4	69,824.0	18,020,785.9	5,128,001.2	34,603,070.2
Jun	4,360,374.6	809,058.6	5,844,195.5	728,227.0	70,497.1	18,144,602.2	5,273,928.7	35,230,883.8

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.9: Commercial Banks Lending and Holding of Securities

Millions of TZS

End of period	Domestic lending									Lending to deposit ratio	Securities
	Loans to other depository corporations	Loans to other financial corporations	Loans Central Government	Loans state and local government	Loans public non-financial corporations	Loans other non-financial corporations	Loans to other resident sectors	Loans to non-residents	Total		
2015	425,755.9	453,104.0	283,731.4	48,825.4	1,059,669.7	7,794,112.7	5,741,928.4	530,638.0	16,337,765.5	81.4	3,727,326.7
2016	629,310.6	317,480.7	132,435.3	66,672.1	1,229,946.4	8,767,305.3	5,774,439.6	328,394.1	17,245,984.1	87.3	4,058,080.8
2017	634,245.8	255,045.6	141,514.6	76,356.3	809,299.0	9,194,921.0	6,089,964.5	260,173.3	17,461,520.0	81.9	5,594,444.1
2018	445,876.5	429,616.1	95,967.1	84,941.3	594,807.4	9,519,421.0	6,720,808.3	346,552.1	18,237,989.8	82.6	4,993,556.3
2019	854,568.9	473,492.0	351,004.1	77,716.7	1,236,328.7	9,069,779.6	8,317,675.7	486,697.2	20,867,263.0	87.8	5,160,470.1
2019-Jan	437,456.7	324,791.7	87,409.7	85,318.5	598,879.8	9,999,969.9	6,801,232.7	413,668.0	18,748,726.8	83.9	5,067,786.6
Feb	424,156.8	337,795.5	159,449.6	86,666.3	561,395.5	10,129,846.6	6,913,824.1	465,451.2	19,078,585.6	85.8	5,094,312.4
Mar	633,351.5	679,094.8	184,634.8	86,010.3	550,614.4	9,591,911.7	7,107,496.4	505,687.5	19,338,801.4	86.2	4,984,713.4
Apr	610,145.0	1,424,047.8	184,787.3	88,208.8	508,832.2	9,044,981.4	7,085,967.3	553,695.8	19,500,665.5	87.6	5,094,053.7
May	668,622.3	689,081.1	191,809.9	81,137.3	506,645.2	9,789,665.6	7,217,342.9	611,508.7	19,755,812.9	87.6	5,179,412.4
Jun	644,240.3	689,265.9	186,090.6	56,800.7	526,765.7	9,902,745.0	7,151,703.1	776,697.3	19,934,308.6	85.3	5,266,960.1
Jul	671,760.5	641,530.9	185,782.2	40,528.5	311,658.4	10,052,910.7	7,311,175.1	594,477.9	19,809,824.2	86.0	5,216,809.8
Aug	621,777.7	631,811.6	353,266.8	87,025.4	483,120.2	9,759,592.7	7,516,172.8	611,607.4	20,064,374.6	87.6	5,365,612.1
Sep	699,694.3	628,385.8	349,865.5	85,263.7	441,997.0	9,494,820.1	8,031,267.0	569,526.7	20,300,820.2	87.4	5,152,254.0
Oct	737,788.8	640,528.4	348,778.7	84,367.7	1,087,718.7	8,860,580.3	8,098,150.0	592,021.8	20,449,934.5	87.0	5,155,801.4
Nov	890,828.3	630,756.1	344,681.5	84,534.4	1,248,103.0	8,731,976.2	8,187,162.7	579,150.4	20,697,192.6	87.6	5,219,162.7
Dec	854,568.9	473,492.0	351,004.1	77,716.7	1,236,328.7	9,069,779.6	8,317,675.7	486,697.2	20,867,263.0	87.8	5,160,470.1
2020-Jan	816,373.5	527,238.6	347,065.9	83,154.5	1,101,142.0	9,259,679.2	8,305,560.9	518,373.6	20,958,588.3	88.9	5,314,991.9
Feb	821,018.3	519,296.7	337,307.1	82,617.2	1,097,802.2	9,416,495.7	8,245,228.4	509,867.7	21,029,633.2	87.9	5,328,510.0
Mar	711,170.3	514,346.1	335,779.0	83,433.5	1,084,925.8	9,290,935.9	8,483,281.4	551,189.9	21,055,061.9	88.6	5,405,553.8
Apr	792,923.4	500,116.6	339,237.8	81,253.6	772,740.2	9,261,176.4	8,573,480.7	335,636.1	20,656,564.8	85.3	5,520,145.3
May	743,159.0	497,063.1	346,503.8	69,824.0	741,405.4	9,316,866.0	8,590,289.3	424,059.6	20,729,170.1	86.1	5,622,846.8
Jun	702,997.7	496,863.5	350,355.9	70,497.1	728,227.0	9,341,912.0	8,707,448.9	529,794.5	20,928,096.5	84.0	5,486,765.2

Source: Banks and Bank of Tanzania computations



Bank of Tanzania Annual Report 2019/20

A3.0. Monetary Statistics

Table A3.10: Commercial Banks Domestic Lending by Economic Activity

End of Period	Millions of TZS																							
	Agriculture	Fishing	Forest	Hunting	Financial intermediaries	Mining and quarrying	Building and construction	Manufacturing	Real estate	Mortgage	Leasing	Transport and communication	Trade	Tourism	Hotels and restaurants	Warehouses and storage	Electricity	Gas	Water	Education	Health	Other services	Personal	Total
2015	1,174,242.9	43,515.6	25,237.1	6,782.2	404,605.8	275,233.3	1,695,767.4	741,401.0	670,305.3	0.0	59,118.4	1,231,805.7	3,077,663.0	176,626.3	514,642.0	20,645.5	439,801.0	342,376.6	15,988.4	514,186.7	123,325.3	820,204.2	2,731,740.4	15,104,844.3
2016	1,107,645.3	48,400.1	21,777.9	2,462.2	388,745.2	328,620.4	1,627,766.0	740,726.8	822,985.4	0.0	44,625.8	1,180,904.6	3,349,328.7	198,482.0	526,390.2	16,789.0	429,919.2	459,273.3	14,780.6	593,996.8	113,503.7	1,006,238.5	2,981,741.5	16,005,103.2
2017	1,134,818.7	64,603.9	19,979.2	1,366.4	292,127.7	292,647.1	1,777,572.5	837,159.1	816,350.6	0.0	9,113.4	975,551.5	3,306,914.0	176,349.3	594,867.8	11,251.8	335,175.4	266,965.0	18,334.3	454,809.4	126,850.2	1,454,067.4	3,258,724.3	16,224,469.1
2018	952,883.8	74,022.3	18,840.4	513.4	172,925.5	375,188.4	2,087,896.2	643,251.8	855,878.9	317,809.5	9,017.7	918,004.9	3,228,853.0	138,786.1	587,287.5	25,712.9	358,122.0	388,152.0	27,276.4	223,823.9	63,080.6	681,236.4	5,019,538.6	17,116,082.1
2019	1,811,394.7	55,827.5	17,865.3	328.0	201,715.5	424,546.9	2,070,758.9	1,109,990.8	806,532.8	417,122.7	5,368.5	1,052,424.6	3,375,121.9	143,860.0	533,944.1	12,635.1	182,602.1	355,655.3	30,019.2	252,166.6	75,340.7	658,014.8	5,483,905.6	19,076,963.6
2019 - Jan	1,369,684.1	71,625.7	19,822.8	467.7	166,767.6	405,392.7	2,030,816.2	697,263.3	903,603.0	396,583.3	8,598.4	909,306.2	3,237,112.4	133,923.0	580,000.4	18,920.7	362,499.0	357,128.4	27,906.0	223,137.8	68,109.0	474,344.0	5,084,720.4	17,552,932.2
Feb	1,451,731.1	71,995.2	19,213.9	443.8	163,667.5	479,040.3	2,085,360.7	754,905.7	893,688.8	405,532.0	7,944.0	929,073.1	3,318,325.5	139,671.1	575,585.5	13,831.4	363,347.7	301,995.3	27,679.2	220,867.5	60,763.1	512,786.4	5,065,064.9	17,867,319.3
Mar	1,528,821.3	47,599.9	18,509.8	420.8	218,646.7	459,254.6	2,084,241.9	804,767.9	862,184.8	387,983.8	7,224.8	945,051.9	3,284,272.9	134,477.4	566,523.3	14,686.2	274,787.0	392,500.2	27,554.0	235,723.4	61,697.2	474,502.8	5,131,665.5	17,943,118.0
Apr	1,593,372.6	44,612.1	18,734.2	406.0	207,961.4	459,260.5	2,033,099.8	787,330.0	824,014.3	325,738.7	6,655.2	959,144.4	3,365,942.7	126,656.2	542,745.8	14,809.6	229,742.3	398,969.0	27,257.4	232,116.5	60,799.5	656,096.6	5,189,080.0	18,104,544.6
May	1,579,846.1	43,398.4	18,669.5	369.6	196,885.2	477,479.1	1,998,048.2	820,348.7	812,082.0	321,461.5	6,191.7	953,475.1	3,237,329.1	131,472.2	544,439.4	13,652.5	246,241.5	377,981.2	26,868.2	233,964.0	66,619.0	606,605.9	5,372,681.5	18,086,110.4
Jun	1,571,731.4	47,829.2	19,390.6	350.8	196,887.0	462,915.0	2,034,989.5	811,191.2	820,225.1	324,503.9	5,919.8	942,942.0	3,288,932.9	134,917.6	540,703.2	13,573.8	226,263.7	362,820.6	26,309.8	233,730.3	70,704.4	618,701.8	5,374,256.3	18,129,789.9
Jul	1,604,012.1	33,856.7	19,425.3	333.6	193,184.9	443,332.3	1,955,611.7	821,997.0	814,903.9	326,431.0	5,752.6	925,102.4	3,312,183.3	133,496.6	513,985.3	13,464.3	217,813.4	356,666.1	29,634.0	232,036.0	69,294.9	719,291.4	5,414,482.8	18,155,991.5
Aug	1,612,609.7	46,950.5	19,603.3	327.0	185,625.4	468,012.7	1,980,578.3	1,032,285.1	794,882.7	327,354.8	5,099.6	920,283.4	3,350,246.7	140,051.9	506,805.1	13,605.5	230,426.3	361,747.6	30,091.7	230,857.5	73,008.1	627,220.3	5,433,489.9	18,401,143.2
Sep	1,666,426.6	50,372.2	19,445.3	355.1	215,868.7	551,160.6	1,949,849.1	1,053,557.2	809,129.4	333,200.4	8,088.1	941,420.9	3,240,641.0	132,335.3	512,896.2	13,517.4	188,685.2	369,560.8	30,016.7	235,779.5	79,350.0	632,291.7	5,558,108.4	18,592,056.2
Oct	1,762,434.4	51,613.4	18,038.2	343.4	204,119.4	525,055.5	2,002,145.6	1,052,307.8	786,692.1	327,955.0	5,472.7	959,351.8	3,287,207.5	133,846.1	509,295.5	13,091.5	186,218.3	340,931.4	29,632.3	238,204.2	75,138.8	643,862.8	5,596,650.7	18,749,608.0
Nov	1,766,916.3	53,627.4	18,089.7	289.2	198,594.4	454,778.3	2,003,593.0	1,087,065.7	779,563.4	330,488.3	5,372.6	968,082.4	3,383,045.8	137,027.6	507,539.8	13,237.3	189,869.5	341,321.7	30,023.8	240,807.0	72,659.5	665,302.2	5,652,335.3	18,869,630.4
Dec	1,811,394.7	55,827.5	17,866.3	328.0	201,715.5	424,546.9	2,070,758.9	1,109,990.8	806,532.8	417,122.7	5,368.5	1,052,424.6	3,375,121.9	143,860.0	533,944.1	12,635.1	182,602.1	355,655.3	30,019.2	252,166.6	75,340.7	658,014.8	5,483,905.6	19,076,963.6
2020 - Jan	1,785,433.8	51,705.2	16,867.8	305.5	256,528.8	421,294.9	2,093,326.0	1,116,695.5	811,442.7	345,988.9	3,096.2	1,059,831.9	3,457,868.3	142,241.9	520,412.3	12,663.6	184,649.8	382,344.0	27,465.3	238,907.9	73,579.2	576,982.9	5,703,922.4	19,283,624.8
Feb	1,771,650.2	53,655.3	16,776.8	308.7	259,240.7	420,666.9	2,014,633.1	1,127,106.6	817,592.1	338,885.7	3,053.8	1,082,791.8	3,422,354.2	148,137.0	520,382.3	12,229.2	181,527.7	415,171.9	30,527.6	238,005.5	73,354.7	622,822.3	5,757,733.1	19,327,984.0
Mar	1,763,255.0	51,987.3	15,969.1	102.2	254,518.6	435,335.0	2,079,432.7	1,151,015.5	722,995.6	337,041.4	3,093.7	1,070,511.0	3,429,319.7	152,231.5	514,984.0	12,502.4	125,006.3	460,511.8	19,344.1	243,931.7	79,001.3	642,654.8	5,863,007.3	19,427,860.1
Apr	1,483,197.1	50,808.2	16,155.0	8.9	246,515.1	443,800.1	2,101,708.7	1,087,218.1	715,075.5	343,559.3	2,585.2	1,073,911.2	3,372,275.2	160,549.8	528,930.4	12,659.3	135,797.0	447,898.1	21,032.3	242,386.6	73,163.0	410,653.9	5,963,926.1	18,933,814.0
May	1,500,205.7	54,136.4	15,754.4	119.6	239,134.2	448,912.6	2,178,028.0	1,026,967.9	771,475.7	337,811.4	2,557.2	1,081,022.8	3,275,170.7	160,792.7	541,682.5	17,971.6	140,256.3	443,035.9	34,177.2	240,319.8	72,872.6	352,016.7	6,013,161.9	18,947,583.8
Jun	1,522,094.5	53,147.7	8,001.3	7.7	231,868.0	454,898.1	2,111,927.3	1,064,364.6	756,845.6	345,407.5	6,501.7	1,110,166.9	3,192,637.9	168,479.6	551,937.9	29,582.1	141,739.8	468,863.9	30,303.7	243,693.1	76,519.3	374,207.0	6,131,645.5	19,074,740.7

Source: Banks and Bank of Tanzania computations



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A3.0. Monetary Statistics

Table A3.11: Commercial Banks Deposits

End of period	Central government	State and local government	Other financial corporations	Public non-financial corporation	Other non-financial corporation	Other residents	Other depository corporation	Deposits of non-residents	Total	of which		
										Transferrable deposits in national currency	Other deposits in national currency*	Foreign currency deposits
2015	856,925.4	423,966.8	1,444,182.1	720,606.3	253,563.6	15,318,414.5	490,131.4	558,479.4	20,066,269.4	6,511,814.5	6,167,666.1	7,386,788.8
2016	577,788.9	478,711.3	1,578,544.3	456,829.7	249,859.1	15,424,761.8	576,800.7	413,906.8	19,757,202.7	6,655,153.1	6,473,659.1	6,628,390.4
2017	560,520.3	503,797.4	1,587,087.1	427,910.7	255,090.7	17,050,675.2	551,932.1	381,117.4	21,318,130.8	7,333,191.1	7,153,062.1	6,831,877.6
2018	358,472.4	244,120.1	1,346,079.4	766,159.5	316,584.2	17,889,883.8	689,758.9	473,485.7	22,084,544.1	7,678,712.3	7,204,236.7	7,201,595.0
2019	952,302.2	203,880.0	1,456,892.8	706,711.0	294,180.4	19,115,864.9	619,905.5	414,747.7	23,764,484.6	8,575,824.7	8,415,445.8	6,773,214.1
2019-Jan	726,225.0	292,181.2	1,462,684.0	662,495.1	313,154.1	17,975,164.9	566,024.3	344,677.8	22,342,606.4	7,686,546.4	7,625,334.5	7,030,725.5
Feb	815,386.0	315,430.8	1,536,758.5	787,411.7	334,346.7	17,634,516.2	515,084.2	305,524.0	22,244,458.0	7,703,060.8	7,783,774.9	6,757,622.3
Mar	866,864.7	275,484.0	1,511,513.3	614,185.7	314,762.9	17,809,093.9	618,738.9	420,239.6	22,430,883.1	7,602,406.8	7,802,253.9	7,026,222.5
Apr	899,826.7	347,417.8	1,410,166.3	759,495.3	280,238.1	17,625,603.1	500,228.6	446,318.3	22,269,294.1	7,904,041.5	7,816,555.2	6,548,697.3
May	902,826.2	342,924.6	1,317,918.9	843,334.0	276,599.2	17,859,651.8	584,038.3	420,460.2	22,547,753.2	8,038,858.3	7,933,605.6	6,575,289.3
Jun	899,590.3	305,643.2	1,449,800.9	667,630.6	278,476.7	18,705,312.4	589,890.1	474,405.6	23,370,749.8	8,950,253.7	7,880,868.1	6,539,627.9
Jul	943,909.2	287,202.6	1,371,705.3	557,490.5	273,300.5	18,619,845.2	503,115.5	466,851.8	23,023,420.6	8,392,543.0	7,863,558.1	6,767,319.4
Aug	937,507.5	261,066.0	1,181,724.3	579,503.5	276,555.4	18,758,696.2	493,723.3	419,993.2	22,908,769.4	8,021,564.0	8,202,090.8	6,685,114.6
Sep	853,534.9	232,178.4	1,337,995.5	520,058.0	237,485.6	19,057,654.7	557,428.7	424,708.5	23,221,044.4	8,002,958.0	8,251,834.2	6,966,252.3
Oct	962,292.5	218,854.5	1,438,827.6	466,352.9	297,970.6	19,139,957.4	554,018.8	419,930.5	23,498,204.8	8,316,494.5	8,155,224.4	7,026,485.9
Nov	994,462.9	194,055.0	1,284,357.2	639,512.7	316,604.7	19,200,360.8	576,346.8	415,331.3	23,621,031.4	8,437,319.4	8,375,046.9	6,808,665.2
Dec	952,302.2	203,880.0	1,456,892.8	706,711.0	294,180.4	19,115,864.9	619,905.5	414,747.7	23,764,484.6	8,575,824.7	8,415,445.8	6,773,214.1
2020-Jan	992,210.7	272,388.9	1,452,873.7	624,929.4	312,196.7	18,991,633.9	518,910.3	417,136.8	23,582,280.5	8,591,293.0	8,298,315.2	6,692,672.3
Feb	1,009,747.3	249,223.6	1,543,089.3	923,456.6	317,351.1	18,984,210.4	504,175.0	386,605.0	23,917,858.2	8,635,165.8	8,418,547.3	6,864,145.1
Mar	967,362.0	223,901.9	1,712,368.9	578,575.0	304,395.2	19,061,790.5	529,924.5	392,593.3	23,770,911.3	8,283,765.1	8,533,758.9	6,953,387.3
Apr	759,368.0	207,552.6	1,726,065.8	778,926.4	327,455.5	19,486,601.1	532,520.5	402,298.1	24,220,788.0	8,955,156.1	8,368,594.3	6,897,037.6
May	764,470.0	192,648.2	1,702,429.4	769,599.6	341,008.4	19,431,816.1	515,982.4	369,556.1	24,087,510.2	8,874,962.1	8,459,627.2	6,752,920.9
Jun	767,539.7	334,459.2	1,871,555.8	864,343.9	297,723.1	19,908,960.0	480,163.4	402,086.2	24,926,831.2	9,607,948.6	8,531,425.5	6,787,457.2

Source: Banks and Bank of Tanzania computations

Note: * include time and saving deposits



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A3.0. Monetary Statistics

Table A3.12: Interest Rate Structure, Weighted Averages

	Percent										
	2015	2016	2017	2018	2019	2020					
						Jan	Feb	Mar	Apr	May	Jun
In Domestic currency											
1 Interbank cash market rates											
Overnight	11.10	13.39	5.48	1.99	4.73	3.90	3.99	4.40	4.83	4.19	4.32
2 to 7 days	12.29	13.73	6.34	2.46	5.27	4.91	4.88	5.22	5.37	5.24	4.75
8 to 14 days	12.89	13.50	6.91	2.82	5.66	5.41	5.59	5.62	5.34	5.56	5.07
15 to 30 days	15.70	13.58	7.87	3.73	5.99	5.21	5.59	5.29	5.68	5.25	5.05
31 to 60 days	11.42	13.82	9.34	5.00	6.24	7.18	7.35	6.85	6.80	6.19	5.73
61 to 90 days	15.00	14.97	13.73	3.75	7.88	6.50	6.00	6.00	6.00	5.30	5.30
91 to 180 days	14.92	15.00	15.00	15.00	13.01	7.25	8.70	8.70	8.70	5.75	5.36
181 days and above	12.94	12.94	12.94	12.94	11.28	7.33	7.33	7.33	7.71	7.56	7.69
Overall interbank cash market rate	11.23	13.47	6.00	2.21	5.13	4.79	4.20	5.14	5.41	5.08	4.87
2 Lombard rate	16.27	20.09	9.09	3.89	7.35	6.75	6.75	6.75	7.25	6.75	6.75
3 REPO rate	7.39	5.20	3.59	2.06	4.50	4.50	4.50	4.50	4.50	4.50	4.50
4 Reverse repo rate	22.85	14.67	6.30	4.49	5.29	6.93	7.26	7.49	6.88	5.75	4.27
5 Treasury bills rates											
35 days	5.92	7.27	5.54	2.51	3.47	2.80	2.80	2.98	2.95	2.58	2.30
91 days	8.80	7.85	5.49	2.89	4.17	3.50	3.49	3.48	3.46	3.09	2.77
182 days	13.04	15.84	10.01	4.13	5.07	4.23	4.28	4.26	4.06	3.69	3.30
364 days	13.92	16.56	11.79	7.08	8.04	5.91	5.77	5.27	4.94	4.77	4.70
Overall treasury bills rate	12.91	16.17	11.10	6.43	7.71	5.64	5.72	5.25	4.88	4.64	2.97
6 Treasury bonds rates											
2-years	14.78	17.44	14.52	9.42	11.45	10.26	10.26	8.34	8.34	8.34	8.34
5-years	15.15	17.79	15.78	11.64	12.56	11.95	11.95	11.95	11.95	11.95	11.95
7-years	16.60	17.69	16.31	12.62	13.09	12.89	12.89	12.89	12.89	11.20	11.20
10-years	17.14	18.11	16.79	14.39	15.04	14.53	14.53	12.90	12.90	12.90	12.90
15-years	17.71	18.85	17.54	14.69	15.52	15.24	14.54	14.54	14.19	14.19	14.30
20-years					17.35	16.76	16.30	16.30	15.85	15.79	15.79
7 Discount rate	16.00	16.00	11.42	8.17	7.00	7.00	7.00	7.00	7.00	5.00	5.00
8 Savings deposit rate	3.45	3.35	3.06	2.52	2.44	2.29	2.27	2.30	2.38	2.43	2.25
9 Overall time deposits rate	8.89	9.19	10.04	8.25	7.24	6.89	6.87	6.83	6.69	6.80	6.74
1 month	9.71	10.05	10.79	5.68	8.51	7.27	9.09	8.73	8.15	7.18	8.33
2 months	9.71	9.88	11.33	9.14	7.24	6.91	5.01	7.41	6.34	5.94	6.84
3 months	9.90	10.50	11.18	8.59	7.10	5.78	6.44	6.45	5.96	6.33	6.70
6 months	10.16	10.00	10.96	8.45	7.81	7.54	7.96	8.06	6.54	7.71	6.85
12 months	10.80	11.47	11.65	8.80	8.80	9.27	8.60	8.10	8.01	8.57	7.54
24 months	9.19	9.68	11.43	12.04	9.81	10.23	9.79	7.84	10.28	10.56	9.63
10 Negotiated deposit rate	10.29	11.47	11.88	9.53	8.92	9.51	9.50	9.41	9.66	9.53	9.27
11 Overall lending rate	16.10	15.96	17.62	17.38	16.97	16.81	16.84	16.78	16.91	16.83	16.51
Short-term (up to 1year)	14.25	13.66	18.10	18.21	16.68	15.51	15.84	15.83	16.37	16.86	15.99
Medium-term (1-2 years)	16.88	16.96	18.79	18.60	18.22	18.65	18.73	18.30	18.38	18.34	18.12
Medium-term (2-3 years)	16.52	16.04	17.58	17.30	17.72	17.92	17.85	17.52	17.63	17.53	17.35
Long-term (3-5 years)	15.34	15.60	17.88	17.41	16.65	16.51	16.39	16.30	16.28	16.08	15.88
Term Loans (over 5 years)	17.53	17.53	15.74	15.39	15.58	15.45	15.42	15.94	15.90	15.36	15.21
12 Negotiated lending rate	12.88	12.14	16.39	15.91	14.46	13.19	13.26	13.32	13.51	14.48	14.52
In Foreign currency											
1 Deposits rates											
Savings deposits rate	1.10	1.41	0.55	1.03	2.29	2.55	2.62	2.64	2.56	1.56	0.80
Overall time deposits rate	3.12	2.64	3.46	3.69	2.57	2.36	1.86	1.84	2.60	2.26	2.24
1-months	3.18	2.45	3.03	3.66	2.01	1.31	1.46	1.01	1.06	1.01	1.07
2-months	3.06	2.93	3.54	3.99	2.86	2.59	1.13	1.11	2.99	2.32	2.03
3-months	2.94	2.86	3.23	3.81	2.73	2.43	1.37	1.21	3.09	2.96	3.27
6-months	3.16	2.56	3.77	3.86	2.48	2.28	2.23	2.74	2.96	2.40	2.36
12-months	3.27	2.39	3.74	3.14	2.75	3.20	3.13	3.12	2.92	2.62	2.49
2 Overall lending rate	5.93	6.90	8.21	7.88	7.65	6.17	6.40	6.24	6.37	6.39	6.45
Short-term (up to 1year)	3.45	4.74	8.66	8.29	7.59	6.31	7.10	7.17	7.30	8.24	8.16
Medium-term (1-2 years)	6.75	7.84	7.80	7.89	7.92	5.03	5.11	5.38	5.56	4.81	4.67
Medium-term (2-3 years)	7.29	7.40	8.34	7.64	7.94	5.99	5.96	5.90	6.23	5.99	6.80
Long-term (3-5 years)	6.48	6.85	8.08	7.79	7.85	7.29	7.64	7.80	7.87	7.48	7.19
Term Loans (over 5 years)	5.68	7.67	8.16	7.78	6.93	6.23	6.18	4.95	4.88	5.42	5.45

Source: Bank of Tanzania, banks and Bank of Tanzania computations



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.1: Balance of Payments

Millions of USD						
Item	2014 ^f	2015 ^f	2016 ^f	2017 ^f	2018 ^f	2019 ^p
A. Current account	-5,062.0	-4,477.4	-2,739.3	-1,827.1	-1,897.8	-1,301.3
Goods: exports f.o.b.	5,160.3	4,826.7	4,873.9	4,510.8	4,445.1	5,377.6
Traditional	622.5	699.5	932.4	1,021.8	674.6	834.6
Non-traditional	3,973.1	3,688.5	3,498.4	3,078.9	3,366.4	4,169.2
o/w Gold	1,288.4	1,374.6	1,508.8	1,541.1	1,524.1	2,215.1
Unrecorded trade	564.8	438.8	443.1	410.1	404.1	373.8
Goods: imports f.o.b.	-10,917.8	-9,843.1	-8,463.6	-7,551.7	-8,298.6	-8,600.0
Balance on goods	-5,757.5	-5,016.3	-3,589.8	-3,041.0	-3,853.5	-3,222.4
Services: credit	3,396.0	3,412.4	3,599.3	3,831.9	4,014.7	4,280.6
Transport	902.6	1,024.9	1,053.6	1,141.0	1,227.5	1,355.5
Travel	2,010.1	1,902.0	2,131.6	2,250.3	2,449.4	2,604.5
Other	483.2	485.5	414.1	440.5	337.8	320.6
Services: debit	-2,648.3	-2,629.1	-2,176.4	-2,039.9	-1,902.3	-1,761.7
Transport	-1,142.6	-1,047.0	-893.7	-800.3	-592.9	-662.1
Travel	-1,101.6	-1,195.3	-922.3	-807.3	-738.1	-651.1
Other	-404.1	-386.8	-360.4	-432.3	-571.3	-448.5
Balance on services	747.7	783.3	1,422.9	1,792.0	2,112.3	2,518.9
Balance on goods and services	-5,009.8	-4,233.1	-2,166.9	-1,249.0	-1,741.2	-703.5
Primary income: credit	118.4	110.3	98.5	125.3	155.9	212.4
o/w Investment income	86.5	87.8	67.6	86.1	108.5	150.4
Compensation of employees	31.9	22.5	31.0	39.3	47.4	62.1
Primary income: debit	-647.9	-834.6	-1,053.6	-1,105.4	-781.1	-1,228.8
o/w Direct investment income	-445.0	-550.0	-625.2	-700.0	-439.0	-790.2
Interest payments	-150.9	-248.6	-379.9	-358.0	-302.1	-398.3
Compensation of employees	-49.1	-33.2	-46.1	-45.0	-37.6	-37.9
Balance on primary income	-529.5	-724.3	-955.1	-980.1	-625.2	-1,016.3
Balance on goods, services and primary income	-5,539.3	-4,957.4	-3,122.0	-2,229.0	-2,366.4	-1,719.8
Secondary income: credit	535.5	560.1	452.7	485.2	535.8	474.9
Government	177.9	194.8	81.1	121.8	170.3	103.5
o/w Miscellaneous current transfers (Multilateral HIPC relief)	0.0	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	357.6	365.3	371.6	363.4	365.5	371.4
o/w Personal transfers	357.6	365.3	371.6	363.4	365.5	371.4
Secondary income: debit	-58.2	-80.2	-70.0	-83.2	-67.3	-56.4
Balance on secondary income	477.3	479.9	382.7	402.0	468.5	418.5
B. Capital account	547.9	380.1	446.2	376.8	255.0	420.5
Capital transfers credit	547.9	380.1	446.2	376.8	255.0	420.5
General government	483.7	316.1	383.0	313.6	191.2	356.1
Other capital transfer (Investment grant)	457.9	290.3	357.3	287.8	185.2	356.1
Financial corporations, nonfinancial corporations, households and NPISHs	64.2	64.0	63.2	63.2	63.8	64.4
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-4,514.1	-4,097.3	-2,293.1	-1,450.3	-1,642.8	-880.9
C. Financial account, excl. reserves and related items	-3,022.6	-2,886.0	-1,734.9	-1,811.1	-1,668.1	-2,302.3
Direct investments	-1,416.1	-1,506.0	-864.0	-937.7	-971.6	-990.6
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	1,416.1	1,506.0	864.0	937.7	971.6	990.6
Portfolio investment	-11.5	-27.6	5.0	-2.9	3.7	-35.2
Other investment	-1,595.0	-1,052.3	-875.8	-870.5	-700.3	-1,276.5
Assets	-29.7	331.8	-129.1	-117.8	149.8	37.7
Loans (Deposit-taking corporations, except the central bank)	-24.8	186.9	-95.8	-34.5	35.2	60.8
Currency and deposits	-4.9	144.9	-33.3	-83.4	114.5	-34.9
Deposit-taking corporations, except the central bank	-87.9	69.5	-150.1	-4.9	206.9	32.4
Other sectors	83.0	75.4	116.8	-78.5	-92.4	-67.3
Other assets	0.0	0.0	0.0	0.0	0.0	11.8
Liabilities	1,565.3	1,384.1	746.7	752.6	850.1	1,314.2
Trade credits	-1.0	-0.1	0.2	9.7	21.4	-8.9
Loans	1,551.8	1,481.6	815.8	760.0	791.2	1,347.8
Monetary authority	0.0	0.0	0.0	0.0	0.0	0.0
General government	1,115.2	1,013.3	296.2	363.1	455.4	1,354.0
Drawings	1,280.3	1,232.8	768.5	895.0	1,161.9	2,117.8
Repayments	-165.1	-219.5	-472.3	-531.9	-706.5	-763.9
Deposit-taking corporations, except the central bank	14.6	97.3	209.2	176.1	-32.2	88.2
Other sectors	422.0	371.0	310.3	220.8	367.9	-94.3
Drawings	494.5	547.4	453.3	318.9	467.6	365.2
Repayments	-72.5	-176.4	-142.9	-98.1	-99.7	-459.5
Currency and deposits	14.4	-97.5	-69.3	-17.1	37.6	-24.7
Total, Groups A through C	-1,491.5	-1,511.3	-558.3	360.8	25.3	1,421.5
D. Net errors and omissions	1,239.7	1,312.2	863.8	1,308.8	-809.4	-834.4
Overall balance	-251.8	-199.1	305.5	1,669.6	-784.0	587.0
E. Reserves and related items	-251.8	-199.1	305.5	1,669.6	-784.0	587.0
Reserve assets	-307.3	-273.7	232.2	1,598.7	-871.9	525.0
Use of Fund credit and loans	55.5	74.6	73.3	70.9	87.9	62.0
Memorandum items:						
GDP(mp) millions of USD	49,986.7	47,521.7	49,774.4	53,275.9	56,994.7	61,127.5
CAB/GDP	-10.1	-9.4	-5.5	-3.4	-3.3	-2.1
CAB/GDP (excl. current official transfers)	-10.5	-9.8	-5.7	-3.7	-3.6	-2.3
Gross official reserves	4,377.2	4,093.7	4,325.6	5,900.3	5,044.6	5,567.6
Months of imports	4.2	4.6	5.4	6.9	5.8	6.4
Months of Imports(Excluding FDI related imports)	4.7	4.9	5.9	7.5	6.3	6.8
Net International reserves (year end)	3,965.9	3,763.2	4,065.0	5,701.1	4,937.9	5,516.9
Change in net international reserves	-257.8	-202.6	301.7	1,636.1	-763.2	578.9
Exchange rate (TZS per USD) (end of period)	1,725.8	2,148.5	2,172.6	2,230.1	2,281.2	2,287.9
Exchange rate (TZS per USD) (annual average)	1,652.5	1,985.4	2,177.1	2,228.9	2,264.1	2,288.6

Source: Tanzania Revenue Authority, Bank of Tanzania, banks and Bank of Tanzania computations

Note: NPISH denotes non-profit institutions serving households; HIPC, heavily indebted poor countries; MDRI, multilateral debt relief initiative; GDP, gross domestic product; CAB, current account balance; FDI, foreign direct investment; r, revised data; p, provisional data; and o/w, of which



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.2: Balance of Payments

	2014	2015	2016	2017 ^r	2018 ^r	2019 ^p
Million of TZS						
A. Current account	-8,347,436.4	-8,765,706.4	-5,961,915.8	-4,065,355.4	-4,291,185.8	-2,972,037.6
Goods: exports f.o.b.	8,544,406.1	9,619,121.9	10,609,206.6	10,057,801.1	10,066,068.5	12,307,797.4
Traditional	1,033,096.7	1,404,581.9	2,027,576.9	2,279,270.0	1,525,474.7	1,910,202.4
Non-traditional	6,578,691.9	7,340,074.4	7,617,156.3	6,884,185.6	7,625,496.7	9,542,036.1
o/w Gold	2,129,868.8	2,739,220.6	3,285,022.4	3,435,296.9	3,453,049.1	5,069,644.4
Unrecorded trade	932,617.5	874,465.6	964,473.3	914,345.6	915,097.1	855,558.9
Goods: imports f.o.b.	-18,049,034.8	-19,447,709.9	-18,426,144.5	-16,834,141.5	-18,797,199.9	-19,681,869.4
Balance on goods	-9,504,628.7	-9,828,588.0	-7,816,937.9	-6,776,340.4	-8,731,131.4	-7,374,072.0
Services: credit	5,622,864.2	6,803,828.9	7,834,717.1	8,541,362.9	9,094,068.5	9,796,547.4
Transport	1,492,292.5	2,037,945.1	2,293,626.3	2,543,705.5	2,779,045.5	3,102,168.0
Travel	3,330,524.4	3,805,602.7	4,639,536.1	5,015,885.1	5,550,160.3	5,960,682.5
Other	800,047.4	960,281.1	901,554.7	981,772.2	764,862.7	733,696.9
Services: debit	-4,378,853.8	-5,227,548.3	-4,738,237.5	-4,547,618.3	-4,306,131.8	-4,031,891.3
Transport	-1,889,088.9	-2,068,777.9	-1,945,667.0	-1,784,100.4	-1,342,943.1	-1,515,385.1
Travel	-1,821,701.5	-2,387,889.8	-2,007,847.7	-1,799,550.8	-1,669,482.2	-1,490,056.0
Other	-668,063.4	-770,880.6	-784,722.8	-963,967.1	-1,293,706.4	-1,026,450.2
Balance on services	1,244,010.4	1,576,280.6	3,096,479.6	3,993,744.6	4,787,936.8	5,764,656.1
Balance on goods and services	-8,260,618.3	-8,252,307.4	-4,720,458.4	-2,782,595.8	-3,943,194.6	-1,609,415.9
Primary income: credit	195,348.9	217,069.0	214,496.6	279,457.6	353,288.7	486,193.7
o/w Investment income	142,789.3	172,542.7	147,054.7	191,878.5	245,313.2	344,103.6
Compensation of employees	52,559.6	44,526.4	67,441.9	87,579.1	107,475.5	142,090.1
Primary income: debit	-1,071,712.5	-1,661,276.9	-2,288,941.7	-2,458,385.4	-1,762,013.0	-2,806,667.2
o/w Direct investment income	-740,643.4	-1,091,981.8	-1,361,168.9	-1,560,200.3	-994,014.7	-1,808,397.6
Interest payments	-249,957.7	-503,628.6	-827,342.4	-797,842.4	-683,024.4	-911,568.7
Compensation of employees	-81,111.4	-65,666.5	-100,430.5	-100,342.6	-84,973.9	-86,700.8
Balance on primary income	-876,363.6	-1,444,207.8	-2,074,445.1	-2,178,927.8	-1,408,724.3	-2,320,473.5
Balance on goods, services and primary income	-9,136,981.9	-9,896,515.2	-6,794,903.5	-4,961,523.6	-5,351,918.9	-3,329,889.4
Secondary income: credit	885,759.8	1,088,394.7	985,394.0	1,081,601.1	1,212,870.6	1,086,933.3
Government	294,945.5	364,348.3	176,445.7	271,716.3	385,344.0	236,935.7
o/w Miscellaneous current transfers (Multilateral HIPC relief)	0.0	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	590,814.4	724,046.4	808,948.3	809,884.8	827,526.6	849,997.6
o/w Personal transfers	590,814.4	724,046.4	808,948.3	809,884.8	827,526.6	849,997.6
Secondary income: debit	-96,214.4	-157,585.9	-152,406.3	-185,433.0	-152,137.6	-129,081.5
Balance on secondary income	789,545.4	930,808.8	832,987.6	896,168.2	1,060,733.1	957,851.8
B. Capital account	906,475.1	766,524.1	914,752.7	782,943.8	563,305.2	962,519.7
Capital transfers credit	906,475.1	766,524.1	914,752.7	782,943.8	563,305.2	962,519.7
General government	800,308.6	639,542.5	777,228.5	642,148.1	418,842.7	815,061.5
Other capital transfer (Investment grant)	757,208.5	583,686.3	777,228.5	642,148.1	418,842.7	815,061.5
Financial corporations, nonfinancial corporations, households and NPISHs	106,166.4	126,981.6	137,524.2	140,795.7	144,462.5	147,458.2
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-7,440,961.4	-7,999,182.3	-5,047,163.1	-3,282,411.6	-3,727,880.6	-2,009,517.9
C. Financial account, excl. reserves and related items	-5,007,175.2	-5,095,357.5	-15,985.5	-15,985.5	621,449.1	-762,393.5
Direct investments	-2,340,094.7	-2,982,053.3	-1,881,074.7	-2,089,999.8	-2,199,784.5	-2,267,103.9
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	2,340,094.7	2,982,053.3	1,881,074.7	2,089,999.8	2,199,784.5	2,267,103.9
Portfolio investment	-19,112.5	-56,078.6	10,914.5	-6,493.4	8,329.6	-80,264.8
Other investment	-2,647,968.1	-2,057,225.6	-1,907,974.6	-1,938,139.7	-1,586,665.0	-2,949,232.6
Assets	-53,766.9	611,861.9	-280,829.1	-262,014.3	336,985.2	59,514.9
Loans (Deposit-taking corporations, except the central bank)	-41,447.7	342,308.0	-208,847.5	-77,262.9	79,324.9	139,021.8
Currency and deposits	-12,319.2	269,553.9	-71,981.5	-184,751.3	257,660.3	-79,506.9
Deposit-taking corporations, except the central bank	-147,196.5	114,577.6	-326,388.5	-9,719.4	467,421.6	74,639.1
Other sectors	134,877.2	154,976.3	254,407.0	-175,031.9	-209,761.3	-154,146.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	2,594,201.2	2,669,087.5	1,627,145.6	1,676,125.4	1,923,650.2	3,008,747.6
Trade credits	-1,660.6	-187.6	458.3	21,331.8	48,513.5	-20,467.1
Loans	2,572,302.6	2,882,315.1	1,777,951.8	1,693,565.4	1,789,420.2	3,085,284.2
Monetary authority	0.0	0.0	0.0	0.0	0.0	0.0
General government	1,854,953.7	1,998,932.0	646,394.3	808,547.2	1,030,314.6	3,099,043.6
Drawings	2,129,677.9	2,445,994.9	1,673,890.4	1,995,256.2	2,627,928.6	4,847,527.4
Repayments	-274,724.2	-447,062.9	-1,027,496.1	-1,186,709.0	-1,597,614.0	-1,748,483.8
Deposit-taking corporations, except the central bank	23,859.5	205,797.7	455,164.5	392,374.7	-71,504.2	202,177.7
Other sectors	693,489.4	677,585.4	676,393.0	492,643.4	830,609.7	-215,937.1
Drawings	814,105.9	1,050,069.4	987,905.0	711,287.3	1,055,750.0	835,692.7
Repayments	-120,616.5	-372,484.0	-311,511.9	-218,643.9	-225,140.3	-1,051,629.8
Currency and deposits	23,559.2	-213,039.9	-151,264.6	-38,771.7	85,716.5	-56,069.5
Total, Groups A through C	-12,448,136.6	-13,094,539.8	-8,825,298.0	-7,317,044.5	-7,506,000.5	-7,306,119.3
D. Net errors and omissions	2,030,869.7	2,563,812.1	5,694,897.9	7,152,383.2	2,578,370.0	2,591,834.6
Overall balance	-402,916.4	-340,012.7	631,749.4	4,015,338.4	-528,061.5	-180,076.8
E. Reserves and related Items	-402,916.4	-340,012.7	663,720.3	3,724,604.9	-1,770,959.7	1,344,710.2
Reserve assets	-496,720.3	-490,576.3	504,133.7	3,566,307.5	-1,970,473.9	1,202,814.3
Use of Fund credit and loans	93,803.8	150,563.6	159,586.5	158,297.4	199,514.2	141,895.9
Memorandum items:						
GDP(mp) Billions of TZS	82,603.4	94,349.3	108,362.3	118,744.5	129,043.9	139,893.8
CAB/GDP	-13.4	-12.9	-7.7	-4.3	-3.3	-2.1
CAB/GDP (excl. current official transfers)	-13.9	-13.4	-8.0	-4.6	-3.6	-2.3
Gross official reserves (Millions of USD)	4,377.2	4,093.7	4,325.6	5,900.3	5,044.6	5,567.6
Months of imports	4.2	4.6	5.4	6.9	5.8	6.4
Net international reserves (year end)(Millions of USD)	3,965.9	3,763.2	4,065.0	5,701.1	4,937.9	5,516.9
Change in net international reserves (Millions of USD)	-257.8	-202.6	301.7	1,636.1	-763.2	578.9
Exchange rate (TZS per USD) (end of period)	1,725.8	2,148.5	2,172.6	2,230.1	2,281.2	2,287.9
Exchange rate (TZS per USD) (annual average)	1,652.5	1,985.4	2,177.1	2,228.9	2,264.1	2,288.6

Source: Tanzania Revenue Authority, Bank of Tanzania, banks and Bank of Tanzania computations

Note: NPISH denotes non-profit institutions serving households; HIPC, heavily indebted poor countries; MDRI, multilateral debt relief initiative; GDP, gross domestic product; CAB, current account balance; FDI, foreign direct investment; r, revised data; p, provisional data; and o/w, of which



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Table A4.3: Exports by Type of Commodity

Commodity	Unit	2014	2015	2016 ^f	2017 ^r	2018 ^f	2019 ^p
Traditional exports:							
Coffee							
Value	Millions of USD	130.5	160.9	153.7	126.3	148.0	153.4
Volume	'000' Tonnes	46.7	58.7	58.7	41.8	56.7	76.5
Unit price	USD/Tonne	2,796.2	2,740.3	2,616.8	3,019.2	2,610.7	2,005.4
Cotton							
Value	Millions of USD	52.3	28.2	46.8	36.8	68.4	91.8
Volume	'000' Tonnes	81.8	30.9	33.0	25.3	47.4	79.0
Unit price	USD/Tonne	639.4	911.8	1,416.1	1,450.3	1,443.9	1,162.2
Sisal							
Value	Millions of USD	16.8	26.5	17.2	28.7	32.5	34.9
Volume	'000' Tonnes	11.5	15.2	8.6	17.0	20.3	21.1
Unit price	USD/Tonne	1,459.7	1,748.8	2,002.1	1,686.7	1,604.5	1,654.0
Tea							
Value	Millions of USD	57.1	47.2	44.8	49.1	45.8	45.7
Volume	'000' Tonnes	29.2	29.3	26.3	27.5	26.8	31.7
Unit price	USD/Tonne	1,952.9	1,611.8	1,700.8	1,783.6	1,707.3	1,444.2
Tobacco							
Value	Millions of USD	137.8	214.8	339.2	195.8	269.9	146.5
Volume	'000' Tonnes	73.2	65.9	74.3	48.3	72.2	42.6
Unit price	USD/Tonne	1,882.7	3,258.1	4,562.7	4,055.6	3,740.1	3,440.9
Cashew nuts							
Value	Millions of USD	212.1	196.4	320.2	529.7	109.6	353.1
Volume	'000' Tonnes	194.4	171.2	217.5	329.5	70.1	295.6
Unit price	USD/Tonne	1,091.0	1,147.3	1,472.4	1,607.5	1,562.5	1,194.6
Cloves							
Value	Millions of USD	15.9	25.5	10.5	55.4	0.4	9.1
Volume	'000' Tonnes	1.6	3.1	1.3	7.0	0.1	1.8
Unit price	USD/Tonne	10,227.6	8,285.0	7,989.3	7,865.1	5,305.0	5,047.8
Sub-total	Millions of USD	622.5	699.5	932.4	1,021.8	674.6	834.6
Non-traditional exports:							
Minerals	Millions of USD	1,926.3	1,893.9	1,930.0	1,694.5	1,615.4	2,326.7
Manufactured goods	Millions of USD	1,139.1	785.4	684.9	676.3	894.3	805.2
Other exports	Millions of USD	907.7	1,009.1	883.5	708.1	856.7	1,037.3
Sub-total	Millions of USD	3,973.1	3,688.5	3,498.4	3,078.9	3,366.4	4,169.2
Grand total	Millions of USD	4,595.5	4,387.9	4,430.8	4,100.7	4,041.0	5,003.8

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: Figures do not include adjustments of unrecorded trade; r denotes revised data; and p, provisional data



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Table A4.4: Exports by Type of Commodity

Commodity	Unit	2014	2015	2016 ^f	2017 ^f	2018 ^f	2019 ^p
Traditional exports:							
Coffee							
Value	Millions of TZS	215,771.2	313,905.1	334,447.4	281,202.2	334,770.1	351,006.8
Volume	'000' Tonnes	46.7	58.7	58.7	41.8	56.7	76.5
Unit price	TZS/Tonne	4,622,546.6	5,346,755.9	5,694,383.5	6,723,623.1	5,905,081.2	4,588,915.9
Cotton							
Value	Millions of TZS	86,879.0	58,710.1	101,743.7	82,085.9	155,443.5	210,065.1
Volume	'000' Tonnes	81.8	30.9	33.0	25.3	47.4	79.0
Unit price	TZS/Tonne	1,061,992.0	1,900,889.6	3,081,458.2	3,238,367.2	3,282,529.7	2,660,217.2
Sisal							
Value	Millions of TZS	27,688.8	53,926.7	37,523.9	64,076.0	73,710.1	79,930.5
Volume	'000' Tonnes	11.5	15.2	8.6	17.0	20.3	21.1
Unit price	TZS/Tonne	2,411,434.5	3,554,123.8	4,360,369.4	3,761,180.3	3,633,992.1	3,785,724.9
Tea							
Value	Millions of TZS	93,920.1	92,374.3	97,532.1	109,522.4	103,586.4	104,613.2
Volume	'000' Tonnes	29.2	29.3	26.3	27.5	26.8	31.7
Unit price	TZS/Tonne	3,211,907.0	3,153,415.5	3,703,632.9	3,975,648.2	3,859,726.9	3,304,742.9
Tobacco							
Value	Millions of TZS	228,218.6	442,703.4	737,993.1	436,228.7	612,005.2	335,328.9
Volume	'000' Tonnes	73.2	65.9	74.3	48.3	72.2	42.6
Unit price	TZS/Tonne	3,118,217.7	6,715,101.4	9,927,071.2	9,035,446.9	8,479,283.0	7,875,125.6
Cashewnuts							
Value	Millions of TZS	354,841.3	390,030.4	695,535.2	1,182,404.3	245,138.4	808,347.0
Volume	'000' Tonnes	194.4	171.2	217.5	329.5	70.1	295.6
Unit price	TZS/Tonne	1,825,362.2	2,278,126.8	3,197,835.5	3,588,365.3	3,495,903.2	2,734,586.6
Cloves							
Value	Millions of TZS	25,777.7	52,931.9	22,801.5	123,750.5	821.1	20,911.0
Volume	'000' Tonnes	1.6	3.1	1.3	7.0	0.1	1.8
Unit price	TZS/Tonne	16,574,397.8	17,206,757.0	17,393,679.2	17,563,119.0	12,013,142.6	11,552,691.4
Sub-total	Millions of TZS	1,033,096.7	1,404,581.9	2,027,576.9	2,279,270.0	1,525,474.7	1,910,202.4
Non-traditional exports:							
Minerals	Millions of TZS	3,189,246.8	3,741,971.4	4,202,188.9	3,777,125.8	3,659,775.0	5,325,013.7
Manufactured goods	Millions of TZS	1,885,280.4	1,576,165.7	1,491,160.6	1,508,388.8	2,025,832.7	1,842,825.3
Other exports	Millions of TZS	1,504,164.6	2,021,937.3	1,923,806.9	1,578,671.0	1,939,888.9	2,374,197.1
Sub-total	Millions of TZS	6,578,691.9	7,340,074.4	7,617,156.3	6,864,185.6	7,625,496.7	9,542,036.1
Grand total	Millions of TZS	7,611,788.6	8,744,656.3	9,644,733.3	9,143,455.6	9,150,971.4	11,452,238.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: Figures do not include adjustments of unrecorded trade; r denotes revised data; and p, provisional data



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Table A4.5: Imports (f.o.b) by Major Commodity Groups

Millions of USD						
Commodity	2014	2015	2016	2017	2018 ^r	2019 ^p
Capital goods	3,598.1	3,813.0	3,497.4	2,688.4	3,500.7	3,712.9
Transport equipment	1,214.8	1,096.5	907.7	694.2	1,195.3	1,064.3
Building and construction	1,032.4	908.0	817.2	581.8	860.0	998.5
Machinery	1,351.0	1,808.4	1,772.5	1,412.5	1,445.4	1,650.1
Intermediate goods	4,663.6	3,696.6	2,863.2	2,704.4	2,618.3	2,662.0
Oil	3,656.8	2,760.7	1,807.7	1,850.6	1,677.0	1,801.2
Fertilizers	122.8	145.6	118.6	124.9	166.2	118.8
Industrial raw materials	884.0	790.4	937.0	728.9	775.2	742.0
Consumer goods	2,656.1	2,333.5	2,103.0	2,158.9	2,179.6	2,225.1
Food and food stuffs	632.6	541.7	445.5	405.3	262.3	213.2
All other consumer goods	2,023.4	1,791.8	1,657.5	1,753.6	1,917.3	2,011.9
Total	10,917.8	9,843.1	8,463.6	7,551.7	8,298.6	8,600.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: r denotes revised data; and p, provisional data

Table A4.6: Imports (f.o.b) by Major Commodity Groups

Million of TZS						
Commodity	2014	2015	2016	2017	2018 ^r	2019 ^p
Capital goods	5,958,684.4	7,496,994.4	7,614,357.6	5,991,925.5	7,930,587.4	8,497,036.7
Transport equipment	2,009,435.2	2,158,354.4	1,975,936.4	1,547,780.6	2,708,264.3	2,435,247.9
Building and construction	1,708,047.0	1,792,571.4	1,779,442.5	1,296,589.5	1,948,162.7	2,285,233.5
Machinery	2,241,202.2	3,546,068.6	3,858,978.7	3,147,555.4	3,274,160.4	3,776,555.4
Intermediate goods	7,699,792.0	7,325,726.0	6,233,028.3	6,029,510.7	5,930,521.3	6,092,487.3
Oil	6,031,398.4	5,459,147.5	3,934,604.9	4,125,809.1	3,798,431.3	4,122,319.2
Fertilizers	205,157.4	300,784.1	258,071.1	278,430.2	377,083.3	272,037.4
Industrial raw materials	1,463,236.2	1,565,794.4	2,040,352.3	1,625,271.4	1,755,006.7	1,698,130.7
Consumer goods	4,390,558.4	4,624,989.5	4,578,758.7	4,812,705.3	4,936,091.2	5,092,345.3
Food and food stuffs	1,044,754.6	1,053,778.9	970,115.6	902,932.7	593,314.5	488,005.8
All other consumer goods	3,342,194.8	3,566,874.5	3,603,888.4	3,909,772.5	4,342,776.6	4,604,339.5
Total	18,049,034.8	19,447,709.9	18,426,144.5	16,834,141.5	18,797,199.9	19,681,869.4

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: r denotes revised data; and p, provisional data



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Table A4.7: Imports (c.i.f) by Major Commodity Groups

Commodity	2014	2015	2016	2017	2018 ^r	2019 ^p
Capital goods	6,548,004.8	8,238,455.4	8,367,425.9	6,584,533.5	8,714,931.3	9,337,403.0
Transport equipment	2,208,170.5	2,371,818.0	2,171,358.7	1,700,857.8	2,976,114.6	2,676,096.6
Building and construction	1,876,974.7	1,969,858.7	1,955,431.4	1,424,823.6	2,140,838.2	2,511,245.6
Machinery	2,462,859.6	3,896,778.7	4,240,635.9	3,458,852.1	3,597,978.5	4,150,060.8
Intermediate goods	8,461,309.9	8,050,248.3	6,849,481.6	6,625,835.9	6,517,056.4	6,695,041.0
Oil	6,627,910.3	5,999,063.1	4,323,741.6	4,533,856.1	4,174,100.4	4,530,021.1
Fertilizers	225,447.7	330,531.9	283,594.6	305,967.3	414,377.2	298,942.2
Industrial raw materials	1,607,951.9	1,720,653.2	2,242,145.4	1,786,012.5	1,928,578.8	1,866,077.7
Consumer goods	4,820,823.5	5,077,641.1	5,026,378.0	5,288,687.1	5,424,276.0	5,595,983.9
Food and food stuffs	1,148,081.9	1,157,998.8	1,066,061.1	992,233.8	651,994.0	536,270.1
All other consumer goods	3,672,741.5	3,919,642.4	3,960,316.9	4,296,453.3	4,772,282.0	5,059,713.8
Total	19,830,138.2	21,366,344.8	20,243,285.5	18,499,056.5	20,656,263.6	21,628,427.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: r denotes revised data; and p, provisional data



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Table A4.8: Exports by Country of Destination

	Millions of TZS					
	2014	2015	2016	2017	2018	2019 ^p
Australia	101,079.0	8,977.4	16,497.0	10,305.2	8,757.7	7,765.2
Belgium	163,403.8	295,288.5	616,178.6	429,842.1	541,542.4	425,097.7
Burundi	71,138.1	77,673.3	113,462.1	113,236.4	107,876.7	200,177.7
Canada	11,691.1	11,826.1	10,146.7	8,110.8	15,644.1	8,372.5
China	1,130,503.4	1,112,872.5	770,945.5	316,022.0	325,410.2	532,207.1
Democratic Republic of Congo	465,278.5	392,428.4	634,887.1	2,693.6	304,104.7	375,182.8
Denmark	12,403.3	5,465.7	8,497.9	8,479.8	6,164.7	9,445.5
Eire/Ireland	280.2	1,332.1	2,561.9	1,375.5	1,019.6	817.6
France	39,817.2	27,798.9	51,990.3	30,351.3	47,613.1	26,523.2
Germany	366,846.8	446,692.3	250,990.0	108,583.0	90,670.3	95,749.6
Hong Kong	58,897.4	67,259.7	65,326.8	96,193.9	87,992.7	112,919.7
India	2,073,771.5	2,274,810.2	1,530,006.5	2,182,438.4	1,654,380.5	1,975,728.5
Indonesia	10,978.5	12,730.5	37,421.7	32,286.1	52,232.8	31,211.3
Italy	86,826.8	71,182.1	91,726.5	80,982.8	63,103.4	46,402.1
Japan	409,634.7	456,063.2	301,495.8	165,609.9	150,121.0	146,042.2
Kenya	737,131.7	1,452,035.1	683,147.8	390,644.5	482,237.3	614,902.6
Malaysia	21,736.3	57,758.0	28,474.5	21,933.6	18,717.7	13,504.1
Mozambique	112,551.9	37,020.8	26,853.8	29,088.9	15,378.5	74,313.3
Netherland	84,386.0	151,448.3	139,050.4	159,738.9	171,865.9	179,820.2
New Zealand	4,027.9	4,406.9	12,185.9	6,614.0	7,511.1	735.5
Norway	6,854.1	2,845.3	1,735.6	1,048.6	1,548.7	1,211.3
Pakistan	23,939.3	39,380.7	32,338.0	26,920.3	68,689.8	111,795.1
Portugal	29,981.2	38,792.5	41,004.1	43,820.8	46,677.9	29,294.0
Singapore	26,318.3	13,112.3	22,835.8	12,083.4	6,374.6	17,241.1
Somalia	11,043.1	5,528.6	845.8	2,885.5	2,188.6	5,407.5
South Africa	1,139,124.7	1,336,621.1	1,374,237.3	1,553,437.7	1,662,185.7	2,211,922.3
Spain	23,582.6	37,034.6	34,109.8	44,945.3	37,521.1	33,186.6
Sri Lanka	3,425.4	3,472.0	1,685.4	3,489.5	1,630.9	2,342.0
St. Helena	n.a	1.9	0.0	n.a	4,613.6	0.0
Sweden	8,717.9	10,228.5	12,116.0	12,751.1	7,158.2	6,276.1
Switzerland	246,227.3	304,642.7	1,671,353.8	584,189.5	584,262.2	743,462.2
Taiwan	3,199.9	4,370.1	4,631.0	2,467.3	2,279.1	2,131.3
Thailand	23,882.7	13,119.9	19,602.7	20,571.3	26,256.5	43,504.0
Uganda	121,218.9	99,881.8	126,744.3	53,630.2	238,736.7	281,558.7
United Arab Emirates	141,266.4	311,846.4	138,158.3	195,628.3	193,172.5	899,711.3
United Kingdom	77,063.2	45,600.3	49,680.8	40,385.9	35,146.3	35,459.5
United States	236,429.6	100,478.9	123,788.9	138,266.7	135,781.2	119,358.3
USSR/Russia	11,893.8	23,085.4	24,124.3	25,306.6	29,431.2	14,033.7
Zambia	223,715.6	12,439.8	70,815.5	108,312.3	114,266.0	130,236.9
Others	121,218.9	412,087.6	596,813.9	2,895,333.6	1,761,172.8	1,887,188.3
Total	8,441,486.8	9,779,640.5	9,738,468.2	9,960,004.4	9,111,438.1	11,452,238.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: n.a denotes not available; and p, provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.9: Imports (c.i.f) by Country of Origin

	Millions of TZS					
	2014	2015	2016	2017	2018	2019 ^p
Argentina	12,161.6	34,528.6	15,396.7	53,566.3	7,404.0	4,371.5
Australia	234,399.6	205,934.2	140,445.7	145,777.0	143,092.6	353,269.2
Belgium	209,888.8	126,911.5	141,386.8	145,082.2	145,938.3	137,423.8
Brazil	24,474.9	33,932.0	60,629.3	117,490.9	45,347.0	36,755.1
Burundi	931.7	2,121.6	1,685.9	521.3	2,338.3	831.5
Canada	204,485.0	119,613.3	219,588.3	88,587.0	78,924.1	69,840.3
China	2,597,174.8	3,700,358.4	3,566,894.8	3,359,881.1	4,009,049.4	4,596,417.4
Democratic Republic of Congo	1,363.1	1,253.4	777.8	26.5	1,270.7	2,980.1
Denmark	69,106.6	131,738.8	88,470.6	95,621.2	81,594.1	69,138.0
Eire/Ireland	33,185.5	34,145.3	49,507.2	97,424.2	53,061.1	52,445.5
Finland	98,655.9	100,078.5	75,557.7	165,736.8	98,624.7	113,628.4
France	119,670.3	190,060.6	147,168.2	150,288.2	233,609.7	197,949.1
Germany, Federal	410,142.0	320,148.4	417,265.8	518,787.6	500,917.7	531,365.1
Hong Kong	87,939.5	90,589.6	112,306.3	114,845.3	136,597.6	109,920.2
India	3,055,855.5	2,512,648.4	3,110,402.5	2,610,263.5	2,769,670.5	2,911,783.6
Indonesia	154,768.5	283,642.9	140,724.0	321,368.7	302,371.7	391,490.6
Iran	68,651.6	33,583.1	22,956.9	39,373.5	56,950.3	37,853.5
Italy	131,665.5	157,773.8	190,834.7	200,995.1	218,608.4	266,091.5
Japan	924,642.3	790,187.5	807,663.4	919,901.8	905,518.5	1,127,463.3
Kenya	1,082,171.5	473,678.2	582,864.0	450,305.1	563,073.5	614,398.1
Malaysia	640,615.2	337,162.5	567,020.1	413,982.8	338,947.2	237,633.1
Mexico	4,545.3	14,677.5	10,474.7	13,742.2	18,374.1	23,406.2
Mozambique	30,332.7	66,075.2	26,026.9	20,677.0	54,600.4	19,256.7
Netherlands	291,741.5	189,505.4	229,584.5	189,519.6	193,776.4	195,145.1
New Zealand	4,765.7	7,697.3	7,841.0	6,375.3	7,638.4	5,530.2
Norway	73,186.9	9,426.9	15,286.5	26,402.1	189,274.7	103,592.8
Pakistan	101,623.6	80,888.7	70,138.4	52,770.7	89,766.7	71,522.5
Portugal	3,302.8	7,432.8	6,873.7	17,729.5	20,212.2	64,039.3
Saudi Arabia	338,854.5	4,019,058.6	479,693.6	1,051,617.0	1,292,481.2	988,243.4
Singapore	64,838.3	183,597.9	114,593.1	137,796.8	68,791.5	152,041.2
Somalia	86.2	850.6	0.0	0.0	0.0	0.0
South Africa	997,245.1	1,020,625.9	1,027,974.0	929,196.2	994,807.6	1,016,150.5
South Korea	269,999.3	450,276.3	359,878.9	315,035.1	1,569.0	253,362.8
Spain	55,883.5	63,214.4	68,590.7	78,248.8	83,651.9	137,879.2
Sri Lanka	40,385.7	21,419.7	7,042.3	7,662.1	12,317.8	8,555.4
Swaziland	77,929.3	74,138.8	89,699.7	83,154.4	87,520.8	112,169.1
Sweden	183,423.1	118,880.7	150,179.9	79,281.9	125,422.4	112,699.7
Switzerland	2,149,399.6	856,409.2	282,505.4	460,663.2	282,235.4	377,961.9
Taiwan	60,397.8	108,871.2	57,670.2	63,698.2	55,172.4	66,164.4
Thailand	173,054.1	183,744.2	171,077.9	205,054.4	268,363.9	253,988.3
Turkey	235,892.7	156,801.2	142,329.6	172,912.4	388,657.8	386,207.1
Uganda	79,316.6	78,309.9	66,848.5	76,481.8	119,947.2	138,724.5
United Arab Emirate	1,942,477.8	1,674,224.8	1,289,428.3	1,326,921.8	1,983,145.0	2,195,236.5
United Kingdom	434,709.8	361,532.2	337,544.4	293,230.7	361,990.0	323,301.4
United States	611,264.6	641,744.2	548,576.0	452,137.7	540,782.3	739,944.9
USSR/Russia	212,300.0	245,853.9	233,773.9	280,119.3	140,145.4	111,184.8
Zambia	104,719.7	64,729.4	72,926.8	120,357.5	116,033.2	109,268.9
Zimbabwe	7,896.3	11,408.7	4,520.5	2,508.9	2,803.5	2,266.4
Others	3,087,224.8	3,093,249.5	5,920,484.3	6,304,702.6	2,384,787.1	1,797,535.6
Total	21,798,746.3	23,484,736.0	22,251,110.4	22,777,823.4	20,577,177.5	21,628,427.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations
 Note: n.a denotes not available; and p, provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.10: Tanzania Exports to COMESA Countries

	Millions of TZS					
	2014	2015	2016	2017	2018	2019 ^P
Burundi	71,138.1	77,673.3	113,462.1	113,236.4	107,876.7	200,177.7
Comoro	2,682.6	371,921.3	375,192.9	11,386.0	7,338.8	10,425.9
Djibout	4,330.0	15,401.2	6,408.5	905.9	74.5	1,112.1
Ethiopia	8,918.2	293.8	1,789.4	5,720.4	7,503.5	12,839.8
Kenya	737,131.7	1,452,035.1	683,147.8	390,644.5	482,237.3	614,902.6
Lesotho	n.a	n.a	n.a	n.a	n.a	0.9
Malawi	168,249.8	111,089.8	67,007.8	80,273.7	104,454.5	130,758.1
Mauritius	4,017.3	2,514.8	3,590.6	5,343.0	5,567.8	3,255.8
Rwanda	59,177.7	81,736.7	14,188.4	134,667.9	179,647.5	434,792.0
Somalia	11,043.1	5,528.6	845.8	2,885.5	2,188.6	5,407.5
Swaziland	1,905.1	18,074.2	247.3	1,225.7	4,613.6	13,431.8
Uganda	121,218.9	99,881.8	126,744.3	53,630.2	238,736.7	281,558.7
Zambia	223,715.6	87,513.6	70,815.5	108,312.3	114,266.0	130,236.9
Zimbabwe	11,668.4	12,439.8	13,821.4	18,621.3	19,784.4	42,724.0
Total	1,425,196.4	2,336,104.0	1,477,261.7	926,852.9	1,274,290.0	1,881,623.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: n.a denotes not available; and p, provisional data

Table A4.11: Tanzania Imports from COMESA Countries

	Millions of TZS					
	2014	2015	2016	2017	2018	2019 ^P
Burundi	931.7	2,121.6	1,685.9	521.3	2,338.3	831.5
Comoro	103.3	186.7	10,153.6	37.7	67.1	8.2
Djibout	1,183.8	273.9	293.6	375.2	322.7	0.0
Ethiopia	436.6	4,677.4	283.2	432.0	549.2	714.3
Kenya	1,082,171.5	473,678.2	582,864.0	450,305.1	563,073.5	614,398.1
Lesotho	736.7	1,017.3	998.3	605.6	1,532.6	2,841.5
Malawi	19,875.5	26,999.1	57,834.7	36,965.5	41,657.8	55,263.7
Mauritius	21,037.3	49,329.4	32,900.1	17,486.4	16,840.3	19,331.3
Rwanda	5,279.0	2,210.7	2,444.0	2,905.4	3,099.2	3,449.7
Somalia	86.2	850.6	0.0	0.0	0.0	0.0
Swaziland	77,929.3	74,138.8	282,505.4	83,154.4	87,520.8	112,169.1
Uganda	79,316.6	78,309.9	66,848.5	76,481.8	119,947.2	138,724.5
Zambia	104,719.7	64,729.4	72,926.8	120,357.5	116,033.2	109,268.9
Zimbabwe	7,896.3	11,408.7	4,520.5	2,508.9	2,803.5	2,266.4
Total	1,401,703.4	789,931.6	1,116,258.8	792,136.9	955,785.4	1,059,267.3

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.12: Trade with SADC Member States

	Millions of USD					
	2014	2015	2016	2017	2018	2019 ^P
South Africa						
Exports	689.3	673.2	631.3	699.8	736.6	966.5
Imports	603.5	514.1	472.2	415.2	440.8	444.0
Trade balance	85.9	159.2	159.1	284.6	295.7	522.5
DRC						
Exports	281.6	197.7	291.6	153.6	134.8	163.9
Imports	3.3	4.9	0.4	1.0	0.6	1.3
Trade balance	278.3	192.8	291.3	152.7	134.2	162.6
Malawi						
Exports	41.3	56.0	30.8	69.1	46.3	57.1
Imports	63.4	32.6	26.6	16.5	18.5	24.1
Trade balance	-22.1	23.4	4.2	52.7	27.8	33.0
Zambia						
Exports	135.4	44.1	32.5	46.0	50.6	56.9
Imports	47.2	37.3	33.5	53.7	51.4	47.7
Trade balance	88.2	6.7	-1.0	-7.7	-0.8	9.2
Mozambique						
Exports	68.1	18.6	12.3	12.9	6.8	32.5
Imports	12.7	24.8	12.0	9.2	24.2	8.4
Trade balance	55.4	-6.2	0.4	3.6	-17.4	24.1
Namibia						
Exports	0.8	0.7	0.3	0.2	0.4	0.8
Imports	12.0	13.6	6.1	7.4	9.3	6.6
Trade balance	-11.3	-12.9	-5.8	-7.2	-9.0	-5.8
Madagascar						
Exports	2.3	3.3	1.0	4.6	6.8	5.8
Imports	18.4	33.3	5.6	10.9	13.8	8.6
Trade balance	-16.1	-30.0	-4.6	-6.3	-7.0	-2.9
Zimbabwe						
Exports	7.1	6.3	6.3	8.3	8.8	18.7
Imports	3.4	0.1	2.1	1.1	1.2	1.0
Trade balance	3.7	6.1	4.3	7.2	7.5	17.7
Mauritius						
Exports	0.0	1.3	1.6	2.4	2.5	1.4
Imports	3.4	5.7	15.1	7.9	7.5	8.4
Trade balance	-3.4	-4.5	-13.5	-5.5	-5.0	-7.0
Angola						
Exports	2.5	3.8	4.6	10.2	2.7	3.6
Imports	3.4	0.0	0.0	0.0	0.2	0.0
Trade balance	-1.0	3.8	4.5	10.2	2.4	3.6
Swaziland						
Exports	1.2	9.1	0.1	0.6	2.0	5.9
Imports	3.1	1.5	41.2	37.2	38.8	49.0
Trade balance	-1.9	7.6	-41.1	-36.7	-36.7	-43.1
Seychelles						
Exports	0.2	14.0	0.2	0.2	0.0	0.0
Imports	0.8	0.6	0.1	2.4	1.9	0.0
Trade balance	-0.6	13.4	0.2	-2.2	-1.9	0.0
Botswana						
Exports	4.2	0.1	0.0	0.4	0.4	0.6
Imports	0.4	0.5	0.3	0.2	0.3	0.1
Trade balance	3.8	-0.4	-0.3	0.2	0.1	0.5
Lesotho						
Exports	0.1	0.0	0.0	0.0	0.0	0.0
Imports	0.0	0.1	0.5	0.3	0.7	1.2
Trade balance	0.0	-0.1	-0.5	-0.3	-0.7	-1.2
Exports to SADC	1,233.9	1,028.1	1,012.7	1,008.4	998.6	1,313.8
Imports from SADC	774.9	669.2	615.5	563.1	609.2	600.8
Trade balance	458.9	358.9	397.2	445.4	389.4	713.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A4.0 Balance of Payments and Foreign Trade Statistics

Table A4.13: Tanzania's Shares of Trade with SADC Member States

	2014	2015	2016	2017	2018 ^P	Percent 2019 ^P
Exports:						
South Africa	55.9	65.5	62.3	69.4	73.8	73.6
DRC	22.8	19.2	28.8	15.2	13.5	12.5
Malawi	3.3	5.4	3.0	6.9	4.6	4.3
Zambia	11.0	4.3	3.2	4.6	5.1	4.3
Mozambique	5.5	1.8	1.2	1.3	0.7	2.5
Namibia	0.1	0.1	0.0	0.0	0.0	0.1
Madagascar	0.2	0.3	0.1	0.5	0.7	0.4
Zimbabwe	0.6	0.6	0.6	0.8	0.9	1.4
Mauritius	0.0	0.1	0.2	0.2	0.2	0.1
Angola	0.2	0.4	0.5	1.0	0.3	0.3
Swaziland	0.1	0.9	0.0	0.1	0.2	0.4
Seychelles	0.0	1.4	0.0	0.0	0.0	0.0
Botswana	0.3	0.0	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0
Imports:						
South Africa	77.9	76.8	76.7	73.7	72.4	73.9
DRC	0.4	0.7	0.1	0.2	0.1	0.2
Malawi	8.2	4.9	4.3	2.9	3.0	4.0
Zambia	6.1	5.6	5.4	9.5	8.4	7.9
Mozambique	1.6	3.7	1.9	1.6	4.0	1.4
Namibia	1.6	2.0	1.0	1.3	1.5	1.1
Madagascar	2.4	5.0	0.9	1.9	2.3	1.4
Zimbabwe	0.4	0.0	0.3	0.2	0.2	0.2
Mauritius	0.4	0.9	2.5	1.4	1.2	1.4
Angola	0.4	0.0	0.0	0.0	0.0	0.0
Swaziland	0.4	0.2	6.7	6.6	6.4	8.2
Seychelles	0.1	0.1	0.0	0.4	0.3	0.0
Botswana	0.1	0.1	0.0	0.0	0.0	0.0
Lesotho	0.0	0.0	0.1	0.0	0.1	0.2

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



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A5.0: National Debt Developments

Table A5.1: Debt Developments

	Millions of USD							
Item	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 ^r	2019/20 ^p
1. Overall total debt committed ²	17,087.4	18,804.1	20,718.9	23,118.3	25,692.9	28,063.1	29,573.9	33,072.9
Disbursed outstanding debt	11,086.4	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4
Undisbursed debt	6,001.0	6,172.0	6,170.6	7,170.2	8,441.7	9,298.0	9,544.6	12,114.5
2. Disbursed debt by creditor category ²	11,086.4	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4
Bilateral debt	1,018.9	1,057.9	923.3	1,112.5	1,155.9	981.7	1,057.1	1,113.4
Multilateral debt	6,406.1	6,997.3	7,602.6	8,044.4	8,711.1	9,509.2	9,966.4	10,703.3
Commercial debt	2,976.4	3,780.0	4,871.5	5,572.9	5,879.8	6,498.5	6,922.8	7,051.8
Export credits	685.1	796.9	1,150.8	1,218.3	1,504.4	1,775.7	2,083.0	2,089.9
3. Disbursed debt by borrower category ²	11,086.4	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4
Central government	8,993.6	10,416.3	11,986.8	12,944.5	13,901.6	14,978.8	15,727.2	16,764.6
Public corporations	454.8	491.2	427.2	337.0	282.2	180.4	95.0	49.2
Private sector	1,638.0	1,724.5	2,134.3	2,666.6	3,067.4	3,605.9	4,207.1	4,144.6
4. Disbursed debt by use of funds ²	11,086.4	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4
Balance of payments and budget support	2,627.0	2,582.7	2,383.8	2,544.3	3,053.6	2,723.7	2,836.4	2,705.4
Transport and telecommunication	1,821.7	2,953.5	3,291.0	3,649.3	3,891.6	4,077.0	4,634.0	5,733.3
Agriculture	960.3	613.7	604.1	615.7	1,118.9	1,207.0	1,256.0	1,300.0
Energy and mining	910.5	1,698.2	2,324.0	2,700.6	2,785.0	2,970.0	3,105.0	3,083.0
Industries	224.4	215.2	345.2	400.0	435.0	605.0	666.0	749.0
Social welfare and education	2,236.9	2,154.9	2,255.7	2,350.1	2,512.5	2,999.0	3,254.0	3,705.0
Finance and insurance	357.3	395.8	637.2	732.6	895.2	1,049.0	1,186.0	1,071.0
Tourism	104.3	101.5	97.5	46.9	67.3	68.0	171.0	182.0
Real estate and construction		182.2	555.0	733.4	796.2	1,096.0	1,109.0	1,012.0
Other	1,844.0	1,734.4	2,054.8	2,175.2	1,696.0	1,970.4	1,811.9	1,417.7
5. Total amount of loan contracted ¹	1,937.0	1,159.2	1,415.0	850.2	1,182.7	282.7	155.4	134.6
Central government	1,006.3	430.9	500.0	0.0	400.0	0.0	0.0	0.0
Public corporations	263.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	667.6	728.3	915.0	850.2	782.7	282.7	155.4	134.6
6. Disbursements ¹	2,351.2	2,347.4	2,584.1	1,800.0	1,634.9	1,599.3	1,469.5	2,283.6
Central government	1,949.7	1,934.7	2,033.9	1,145.2	1,310.3	1,394.7	1,351.1	1,956.1
Public corporations	114.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private Sector	287.3	412.6	550.2	654.8	324.6	204.6	118.4	327.5
7. Actual debt service ¹	148.3	489.0	565.5	880.5	854.2	1,072.3	990.5	1,617.6
Principal	54.5	326.7	334.3	529.6	544.7	760.7	693.2	1,263.0
Interest	62.8	162.3	225.1	350.8	309.6	311.6	297.2	354.6
Other payments	31.0	0.0	6.0	0.1	0.0	0.0	0.0	0.0
8. Net flows on debt ¹	2,296.6	2,020.7	2,249.8	1,270.3	1,090.2	838.6	776.3	1,020.6
9. Net transfers on debt ¹	2,202.9	1,858.4	2,018.6	919.5	780.6	526.9	479.1	666.0
10. Arrears by creditors category ²	2,770.8	3,339.2	3,146.8	2,350.5	3,142.8	4,279.5	4,789.3	4,979.7
Principal	1,375.0	1,734.4	1,811.1	1,117.7	1,742.9	2,541.6	2,897.6	2,985.4
Bilateral debt	356.5	379.0	427.3	327.7	346.8	326.0	320.7	329.7
Multilateral debt	19.8	24.2	34.6	28.1	72.0	100.7	117.2	137.1
Commercial debt	674.6	831.5	754.6	416.3	730.9	807.3	1,281.5	1,246.9
Export credits	324.0	499.8	594.6	345.6	593.2	1,307.6	1,178.2	1,271.7
Interest	1,395.8	1,604.8	1,335.7	1,232.8	1,399.9	1,737.9	1,891.7	1,994.3
Bilateral debt	767.2	835.4	678.3	730.4	784.8	840.9	901.4	969.9
Multilateral debt	5.4	10.9	11.2	7.7	14.9	29.4	25.2	38.5
Commercial debt	516.1	594.5	439.8	295.3	365.7	359.9	536.2	521.6
Export credits	107.1	163.9	206.4	199.3	234.6	507.7	428.9	464.3
11. Total debt stock	16,001.6	18,198.5	19,692.6	21,788.1	24,639.0	26,971.0	28,412.8	29,708.9
External debt stock	12,482.2	14,236.9	15,884.0	17,180.9	18,651.1	20,503.0	21,921.0	22,952.7
Domestic debt stock	3,519.4	3,961.7	3,808.6	4,607.2	5,987.8	6,468.0	6,491.8	6,756.2
Memorandum items:								
Export of goods and services	8,341.5	8,589.3	8,852.3	8,405.8	8,430.4	8,588.5	8,298.0	9,213.3
GDP at market (current) prices	41,883.2	47,155.0	43,792.6	46,517.8	50,917.5	54,464.5	58,220.8	62,809.5
External debt stock as percent of GDP	29.8	30.2	36.3	36.9	36.6	37.6	37.7	36.5
Total debt stock as percent of GDP	38.2	38.6	45.0	46.8	48.4	49.5	48.8	47.3
External debt service as percent of exports	1.8	5.7	6.4	10.5	10.1	12.5	11.9	17.6
External debt as percent of exports	149.6	165.8	179.4	204.4	221.2	238.7	264.2	249.1
Domestic debt stock as % of GDP	8.4	8.4	8.7	9.9	11.8	11.9	11.2	10.8
End of period exchange rate (TZS/USD)	1,602.7	1,649.7	2,020.3	2,178.9	2,230.1	2,277.7	2,289.5	2,296.5

Source: Ministry of Finance and Planning, and Bank of Tanzania

Note: Multilateral arrears are those owed by the private sector; ¹ denotes debt flows during the period; ² stock position at the end of period; r, revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.1: Gross Domestic Products by Activity at Current Prices

Activity	Million of TZS					
	2014	2015	2016	2017 ^r	2018 ^r	2019 ^p
Agriculture, forestry and fishing	475,700.0	519,718.9	603,033.4	694,698.3	777,912.4	875,199.9
Crops	212,950.6	227,704.6	256,455.8	312,784.6	315,521.7	306,783.5
Livestock	95,981.4	113,538.0	166,745.2	165,055.7	224,028.3	320,404.5
Forestry	38,671.1	41,251.0	42,627.8	51,377.8	48,401.7	49,980.4
Fishing	128,096.9	137,225.4	137,204.6	165,480.2	189,960.7	198,031.5
Industry	381,614.6	433,500.9	528,604.9	631,556.9	652,893.3	756,276.3
Mining and quarrying	19,632.5	23,463.6	28,885.7	36,289.3	42,661.5	43,583.4
Manufacturing	160,376.9	180,115.0	195,133.2	210,685.0	217,762.8	281,920.5
Electricity and gas	7,918.9	11,658.2	28,904.8	29,866.2	31,139.1	48,531.8
Water supply and sewerage	18,155.7	19,565.8	20,706.8	21,589.9	22,081.1	24,588.5
Construction	175,530.6	198,698.4	254,974.3	333,126.5	339,248.8	357,652.1
Services	1,084,991.7	1,197,783.8	1,368,142.3	1,613,850.1	1,940,016.8	2,137,032.3
Trade and repairs	152,001.1	162,086.3	175,084.7	200,459.4	199,982.3	205,674.5
Transport and storage	93,988.9	101,969.3	109,118.4	109,288.9	115,708.3	129,840.2
Accommodation and food services	297,840.2	331,006.3	388,084.5	479,219.7	721,688.4	833,359.5
Accommodation	236,669.3	268,136.6	318,470.5	393,954.8	601,940.4	698,061.7
Food and beverage services	61,170.9	62,869.6	69,614.0	85,264.9	119,748.0	135,297.9
Information and communication	54,301.4	52,507.0	51,159.5	37,311.6	36,746.1	56,834.0
Financial and insurance activities	62,326.7	78,575.3	90,732.9	117,506.9	139,724.9	145,665.7
Real estate activities	121,813.4	127,917.6	180,398.8	273,923.7	300,646.9	320,126.7
Professional, scientific and technical	3,117.7	3,595.5	4,285.0	4,413.3	4,831.4	4,913.6
Administrative and support services	22,000.0	25,008.0	24,936.7	28,526.3	29,528.3	33,451.4
Public administration	159,012.9	181,857.5	194,437.9	199,330.2	213,895.1	216,372.0
Education	61,196.6	69,438.5	75,266.4	80,280.9	85,343.5	92,793.9
Human health and social work	26,624.2	29,728.4	33,802.6	36,233.0	37,457.2	39,941.9
Arts, entertainment and recreation	1,673.6	1,891.7	2,321.6	2,650.9	3,074.5	3,064.4
Other service activities	24,889.9	27,002.6	33,146.8	39,166.6	45,673.8	48,257.5
Domestic services	4,205.1	5,199.8	5,366.6	5,538.7	5,716.3	6,737.1
Less: FISIM	-20,339.3	-23,938.1	-31,130.3	-38,955.3	-41,786.3	-45,860.5
GDP at basic prices	1,921,967.0	2,127,065.4	2,468,650.2	2,901,150.0	3,329,036.2	3,722,648.0
Add: Taxes on products	225,108.2	229,891.2	278,509.8	332,305.8	387,384.3	409,337.6
GDP at market prices	2,147,075.2	2,356,956.6	2,747,160.0	3,233,455.7	3,716,420.4	4,131,985.5
Population in '000'	1,394.7	1,441.2	1,488.0	1,534.3	1,579.8	1,625.6
GDP per capita in TZS '000'	1,523.7	1,635.4	1,846.2	2,103.3	2,322.1	2,541.8
Exchange rate TZS/USD, period average	1,653.3	1,997.0	2,177.2	2,228.9	2,264.0	2,289.0

Source: Office of the Chief Government Statistician
Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.2: Gross Domestic Product by Activity at Current Prices, Percentage Share in Total GDP

Activity	2014	2015	2016	2017 ^r	2018 ^r	2019 ^p
						Percent
Agriculture, forestry and fishing	22.2	22.1	22.0	21.5	20.9	21.2
Crops	9.9	9.7	9.3	9.7	8.5	7.4
Livestock	4.5	4.8	6.1	5.1	6.0	7.8
Forestry and hunting	1.8	1.8	1.6	1.6	1.3	1.2
Fishing	6.0	5.8	5.0	5.1	5.1	4.8
Industry	17.8	18.4	19.2	19.5	17.6	18.3
Mining and quarrying	0.9	1.0	1.1	1.1	1.1	1.1
Manufacturing	7.5	7.6	7.1	6.5	5.9	6.8
Electricity and gas	0.4	0.5	1.1	0.9	0.8	1.2
Water supply and sewerage	0.8	0.8	0.8	0.7	0.6	0.6
Construction	8.2	8.4	9.3	10.3	9.1	8.7
Services	50.5	50.8	49.8	49.9	52.2	51.7
Trade and repairs	7.1	6.9	6.4	6.2	5.4	5.0
Transport and storage	4.4	4.3	4.0	3.4	3.1	3.1
Accommodation and food services	13.9	14.0	14.1	14.8	19.4	20.2
Accommodation	11.0	11.4	11.6	12.2	16.2	16.9
Food and beverage services	2.8	2.7	2.5	2.6	3.2	3.3
Information and communication	2.5	2.2	1.9	1.2	1.0	1.4
Financial and insurance activities	2.9	3.3	3.3	3.6	3.8	3.5
Real estate activities	5.7	5.4	6.6	8.5	8.1	7.7
Professional, scientific and technical	0.1	0.2	0.2	0.1	0.1	0.1
Administrative and support services	1.0	1.1	0.9	0.9	0.8	0.8
Public administration	7.4	7.7	7.1	6.2	5.8	5.2
Education	2.9	2.9	2.7	2.5	2.3	2.2
Human health and social work	1.2	1.3	1.2	1.1	1.0	1.0
Arts, entertainment and recreation	0.1	0.1	0.1	0.1	0.1	0.1
Other service activities	1.2	1.1	1.2	1.2	1.2	1.2
Domestic services	0.2	0.2	0.2	0.2	0.2	0.2
Less: FISIM	-0.9	-1.0	-1.1	-1.2	-1.1	-1.1
GDP at basic prices	89.5	90.2	89.9	89.7	89.6	90.1
Taxes on products	10.5	9.8	10.1	10.3	10.4	9.9
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.3: Gross Domestic Product by Activity at Constant 2015 Prices

Activity	Millions of TZS					
	2014	2015	2016	2017	2018 ^r	2019 ^p
Agriculture, forestry and fishing	493,389.3	519,718.9	539,470.4	581,961.7	603,772.3	619,373.1
Crops	219,172.3	227,704.6	235,942.4	261,048.2	270,621.4	254,884.7
Livestock	100,236.8	113,538.0	124,643.2	136,036.8	146,732.3	171,666.1
Forestry and hunting	40,597.8	41,251.0	42,286.7	44,076.5	44,195.5	45,854.2
Fishing	133,382.4	137,225.4	136,598.0	140,800.2	142,223.0	146,968.0
Industry	394,880.4	433,501.0	466,959.2	493,084.6	511,768.5	565,815.6
Mining and quarrying	21,378.2	23,463.6	27,200.7	32,719.2	37,066.7	36,423.4
Manufacturing	162,386.9	180,115.0	194,561.1	211,321.3	215,700.7	259,876.2
Electricity and gas	10,924.6	11,658.3	12,613.4	13,147.7	13,823.2	14,538.2
Water supply and sewerage	18,112.5	19,565.8	20,913.3	22,448.9	23,077.8	26,065.0
Construction	182,078.2	198,698.4	211,670.7	213,447.5	222,100.0	228,912.9
Services	1,131,997.0	1,196,482.6	1,265,172.3	1,360,137.6	1,498,199.0	1,626,737.3
Trade and repairs	166,921.1	162,086.3	169,431.7	180,256.9	194,707.0	212,486.9
Transport and storage	98,546.0	101,969.0	107,633.1	111,365.1	121,812.1	127,504.8
Accommodation and food services	297,813.6	331,006.3	375,533.9	429,210.0	504,749.2	562,674.1
Accommodation	240,546.8	268,136.6	305,243.5	350,029.4	409,489.3	457,850.3
Food and beverage services	57,266.8	62,869.6	70,290.4	79,180.6	95,259.9	104,823.8
Information and communication	57,727.2	52,507.0	44,692.8	51,598.5	53,369.0	56,281.1
Financial and insurance activities	64,509.3	78,575.4	83,656.5	91,571.9	95,620.4	98,564.9
Real estate activities	121,392.1	128,418.7	136,157.9	144,662.6	153,990.7	164,204.9
Professional, scientific and technical	3,291.7	3,595.5	3,941.0	3,815.6	4,013.7	3,899.0
Administrative and support services	22,514.1	23,206.0	22,767.9	24,415.6	25,604.1	27,368.8
Public administration	169,740.4	181,857.5	180,874.7	175,947.2	185,600.0	207,252.8
Education	67,161.8	69,438.5	71,529.8	73,336.8	78,464.1	84,378.7
Human health and social work	29,648.1	29,728.4	30,822.1	31,249.2	31,979.5	32,767.4
Arts, entertainment and recreation	1,617.4	1,891.7	2,387.2	2,734.2	3,261.8	3,370.3
Other service activities	26,075.8	27,002.6	30,377.3	34,435.4	39,311.1	40,083.9
Domestic services	5,038.2	5,199.8	5,366.6	5,538.7	5,716.3	5,899.6
Less FISIM	-21,234.1	-23,938.1	-27,901.4	-27,660.3	-24,845.9	-25,492.8
GDP at basic prices	1,999,032.6	2,125,764.4	2,243,700.6	2,407,523.6	2,588,893.9	2,786,433.2
Add: Taxes on products	218,933.8	229,891.2	247,696.9	276,822.6	286,613.6	291,232.5
GDP at market prices	2,217,966.3	2,355,655.6	2,491,397.5	2,684,346.2	2,875,507.5	3,077,665.7

Source: Office of the Chief Government Statistician
 Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.4: Gross Domestic Product by Activity at Constant 2015 Prices, Percentage Annual Growth Rates

Economic Activity	Percent					
	2014	2015	2016	2017	2018 ^r	2019 ^p
Agriculture, forestry and fishing	0.2	5.3	3.8	7.9	3.7	2.6
Crops	-7.2	3.9	3.6	10.6	3.7	-5.8
Livestock	9.2	13.3	9.8	9.1	7.9	17.0
Forestry and hunting	1.5	1.6	2.5	4.2	0.3	3.8
Fishing	7.2	2.9	-0.5	3.1	1.0	3.3
Industry	6.9	9.8	7.7	5.6	3.8	10.6
Mining and quarrying	-0.8	9.8	15.9	20.3	13.3	-1.7
Manufacturing	9.1	10.9	8.0	8.6	2.1	20.5
Electricity and gas	4.7	6.7	8.2	4.2	5.1	5.2
Water supply and sewerage	6.9	8.0	6.9	7.3	2.8	12.9
Construction	6.2	9.1	6.5	0.8	4.1	3.1
Services	8.3	5.7	5.7	7.5	10.2	8.6
Trade and repairs	-1.0	-2.9	4.5	6.4	8.0	9.1
Transport and storage	9.4	3.5	5.6	3.5	9.4	4.7
Accommodation and food services	5.5	11.1	13.5	14.3	17.6	11.5
Accommodation	5.6	11.5	13.8	14.7	17.0	11.8
Food and beverage services	5.1	9.8	11.8	12.6	20.3	10.0
Information and communication	28.9	-9.0	-14.9	15.5	3.4	5.5
Financial and insurance activities	23.7	21.8	6.5	9.5	4.4	3.1
Real estate activities	5.5	5.8	6.0	6.2	6.4	6.6
Professional, scientific and technical	43.4	9.2	9.6	-3.2	5.2	-2.9
Administrative and support services	-5.2	3.1	-1.9	7.2	4.9	6.9
Public administration	15.4	7.1	-0.5	-2.7	5.5	11.7
Education	11.5	3.4	3.0	2.5	7.0	7.5
Human health and social work	8.0	0.3	3.7	1.4	2.3	2.5
Arts, entertainment and recreation	5.8	17.0	26.2	14.5	19.3	3.3
Other service activities	5.3	3.6	12.5	13.4	14.2	2.0
Domestic services	3.2	3.2	3.2	3.2	3.2	3.2
Less FISIM	13.7	12.7	16.6	-0.9	-10.2	2.6
GDP at basic prices	5.9	6.3	5.5	7.3	7.5	7.6
Taxes on products	11.4	5.0	7.7	11.8	3.5	1.6
GDP at market prices	6.4	6.2	5.8	7.7	7.1	7.0

Source: Office of the Chief Government Statistician

Note: r denotes revised data; and p, provisional data



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.5: Production of Major Cash Crops

Crop	Tonnes					
	2014	2015	2016	2017	2018	2019 ^P
Cloves	4,153.0	3,322.0	4,678.7	8,277.2	675.2	1,691.0
Clove stem	901.2	217.4	974.7	1,630.6	172.8	150.8
Seaweed	13,302.0	16,724.0	11,114.5	10,980.9	10,424.9	9,663.2
Rubber	204.2	25.0	10.0	0.0	0.0	0.0

Source: Zanzibar State Trading Corporation (ZSTC), Ministry of Agriculture, Natural Resources, Livestock and Fishing; and AGROTEX Company
Note: p denotes provisional data

Table A6.6: Production of Selected Commodities

Commodity	Units	2014	2015	2016	2017	2018	2019 ^P
Beverages*	Liters in '000'	12,448.0	16,972.0	19,811.0	21,699.0	20,166.0	22,031.0
	Mill. of TZS	4,081.6	5,315.0	7,232.2	7,921.6	7,362.0	8,043.0
Bread	Pcs. in '000'	143,855.0	161,911.0	174,350.0	194,893.0	209,439.0	231,540.0
	Mill. of TZS	17,981.9	19,720.2	20,852.9	23,192.2	24,923.2	34,731.0
Wheat flour	Tonnes	31,899.0	27,749.0	23,834.0	25,196.0	26,963.0	30,230.0
	Mill. of TZS	25,519.2	23,836.0	23,085.2	23,939.3	24,711.8	29,156.0
Diary products	Liters in '000'	1,528	7,745.0	10,475.5	8,174.3	7,709.3	7,874.0
	Mill. of TZS	2,668.6	12,552.9	13,061.3	7,751.0	8,702.2	8,888.0
Noodles	Kgs	222,392.0	277,990.0	181,872.0	247,350.0	295,701.0	373,053.0
	Mill. of TZS	369.9	500.4	327.4	455.2	532.3	728.0
Door UPVC	Pcs. in '000'	168.0	229.0	93.0	121.0	239.0	222.0
	Mill. of TZS	29.3	31.5	13.3	17.4	33.9	31.0
Window UPVC	No. in '000'	270.0	320.0	149.0	71.0	121.0	111.0
	Mill. of TZS	41.3	42.0	17.7	13.3	21.7	21.0
Gaments dish-dash	Pcs	3,950.0	3,419.0	3,674.0	3,119.0	2,973.0	2,971.0
	Mill. of TZS	104.9	98.3	110.8	104.6	103.6	91.0
Jewellery (gold/silver)	Gms	8,199.0	7,032.0	5,915.0	5,060.0	5,684.0	5,282.0
	Mill. of TZS	17.5	15.3	15.1	12.3	12.1	18.0
Sugar	Tonnes	0.0	0.0	4,814.0	677.0	3,339.0	6,467.0
	Mil. of TZS	0.0	0.0	6,258.2	1,211.2	5,969.5	10,994.0
Essential products	Pcs	0.0	0.0	0.0	227,088.0	224,045.0	230,318.0
	Mil. of TZS	0.0	0.0	0.0	811.8	801.0	850.0

Source: Office of the Chief Government Statistician

Note: p denoted provisional data; and * includes mineral water, soft drinks and juice; and essential products, clove stem oil, lemongrass oil, cinnamon leaf oil, eucalyptus citriodora oil, eucalyptus camaldulensis oil and sweet basi oil



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.7: Consumer Price Index

Period	Base: Aug 2012=100													
	All items	Food	Non-food	Alcoholic beverages, tobacco and narcotics	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Miscellaneous goods and services
Old weights (%)	100.0	51.7	48.3	0.3	9.3	17.1	4.6	2.8	6.3	2.6	0.8	1.3	2.1	3.2
2014	109.2	103.8	115.3	108.9	116.0	113.3	107.7	104.2	106.6	167.6	125.0	132.5	100.7	120.7
2015	115.4	111.4	119.7	113.6	123.9	116.6	112.5	110.9	102.2	192.2	128.2	137.9	113.5	126.1
2016	123.1	120.2	125.4	117.5	132.4	120.7	117.9	123.6	102.6	199.5	131.2	150.6	140.2	137.5
New weights (%)	100.0	43.6	57.3	0.2	6.9	18.4	5.5	2.1	9.6	4.2	1.3	1.9	3.9	2.3
2017	103.4	103.7	103.1	101.7	102.2	107.0	100.9	102.8	102.0	100.0	100.3	100.0	100.6	100.1
2018	107.3	105.1	109.0	106.0	105.5	113.1	114.1	105.7	112.0	99.6	105.4	105.5	101.1	102.7
2019	110.2	108.1	111.9	121.5	106.7	113.5	117.6	111.7	113.7	112.2	109.1	109.7	106.3	107.1
2019-Jan	108.3	105.5	110.4	110.4	106.9	112.6	116.4	108.9	113.9	99.1	107.7	109.7	106.3	105.6
Feb	107.8	105.4	109.7	110.2	106.7	112.0	116.1	108.9	111.4	99.1	107.7	109.7	106.3	105.6
Mar	108.2	104.5	111.0	110.2	105.2	113.1	116.0	108.9	111.5	114.8	107.7	109.7	106.3	105.6
Apr	109.1	106.3	111.2	110.2	105.2	112.6	116.7	109.4	112.2	114.8	107.5	108.7	106.3	106.0
May	110.9	109.4	112.1	110.2	107.2	114.2	117.0	109.5	113.1	114.8	108.1	109.7	106.3	106.7
Jun	111.3	110.5	111.9	110.2	107.0	113.3	117.1	109.5	113.7	114.8	109.5	109.7	106.3	107.1
Jul	110.8	108.3	112.6	121.9	106.6	113.6	117.3	113.8	116.3	114.8	110.1	109.7	106.3	107.2
Aug	111.6	110.5	112.5	134.9	107.0	113.9	117.5	114.2	114.1	114.8	110.1	109.7	106.3	107.7
Sep	110.3	107.2	112.7	134.9	107.1	113.5	118.8	114.2	115.3	114.8	110.1	109.7	106.3	108.3
Oct	110.9	108.6	112.6	134.9	107.4	114.0	118.9	114.2	113.5	114.8	110.1	109.7	106.3	108.3
Nov	111.4	109.3	113.0	134.9	107.3	114.3	119.3	114.3	114.8	114.8	110.1	109.7	106.3	108.6
Dec	112.3	111.2	113.0	134.9	107.1	114.6	119.5	114.3	114.3	114.8	110.1	109.7	106.3	108.6
2020-Jan	113.6	113.7	113.4	134.9	107.1	114.6	119.4	118.8	115.0	114.8	110.1	113.2	106.7	109.4
Feb	114.5	115.4	113.8	134.9	107.0	115.0	119.5	121.5	115.5	114.8	110.1	113.2	106.7	109.5
Mar	113.6	113.0	114.1	134.9	107.3	115.5	120.2	122.0	115.0	114.8	112.9	113.2	107.1	109.5
Apr	114.2	114.9	113.6	134.9	107.6	114.7	120.6	121.8	113.0	114.8	112.9	113.2	107.1	109.7
May	116.7	119.0	114.9	134.9	108.7	119.3	120.4	123.5	110.8	114.8	114.4	113.2	107.1	110.3
Jun	115.1	117.5	113.3	134.9	108.8	117.0	119.9	123.6	105.6	114.8	114.4	113.2	107.1	110.3

Source: Office of the Chief Government Statistician



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.8: Consumer Price Index, Twelve Months Percentage Change

Period	Base: Aug 2012=100													
	All items	Food	Non-food	Alcoholic beverages, tobacco and narcotics	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Miscellaneous goods and services
Old weights (%)	100.0	51.7	48.3	0.3	9.3	17.1	4.6	2.8	6.3	2.6	0.8	1.3	2.1	3.2
2014	5.6	4.5	6.8	1.5	5.3	5.8	3.5	1.4	2.0	38.6	13.5	14.2	0.7	6.8
2015	5.7	7.3	3.9	4.3	6.8	2.9	4.5	6.4	-4.1	14.7	2.6	4.1	12.6	4.5
2016	6.6	7.9	4.7	3.4	6.9	3.4	4.8	11.4	0.3	3.8	2.3	9.2	23.5	9.0
2019 Jan	3.0	3.7	2.4	6.9	1.8	1.5	2.9	4.0	4.1	-1.1	4.0	4.2	4.1	3.5
Feb	2.6	3.9	1.7	6.6	1.7	1.0	2.9	2.9	4.1	-1.1	2.4	4.2	4.1	3.5
Mar	2.8	3.0	2.8	6.6	0.1	1.5	2.7	4.1	1.1	14.5	2.4	4.2	4.1	3.5
Apr	2.9	3.3	2.6	6.6	0.4	0.8	3.3	4.7	0.5	14.5	2.3	4.2	4.1	4.0
May	3.1	2.3	3.6	6.6	1.8	2.8	3.0	3.4	2.2	14.2	2.9	4.2	4.1	4.9
Jun	2.7	2.4	2.9	6.6	1.6	0.4	2.5	3.1	2.7	15.8	4.2	4.2	4.1	4.3
Jul	2.4	1.7	2.8	18.0	1.0	-0.8	2.4	6.9	2.6	15.8	4.8	4.2	7.7	4.4
Aug	2.1	2.0	2.2	24.5	1.5	-1.7	2.3	7.3	0.9	15.8	4.7	4.0	6.0	4.9
Sep	2.2	1.5	2.7	22.4	1.8	-0.9	2.9	7.3	2.1	15.8	4.7	4.0	6.0	5.4
Oct	2.4	1.9	2.7	22.5	1.9	-0.4	3.5	7.3	0.5	15.8	4.8	4.1	6.0	5.3
Nov	3.1	4.1	2.4	22.4	0.3	-0.4	4.0	7.6	0.7	15.8	2.3	3.1	5.4	4.0
Dec	3.3	4.3	2.5	22.4	0.1	0.3	4.0	7.6	-0.3	15.8	2.3	3.1	5.4	4.2
2020 Jan	4.9	7.8	2.8	22.2	0.2	1.8	2.6	9.1	1.0	15.8	2.2	3.2	0.4	3.6
Feb	6.2	9.5	3.8	22.5	0.2	2.6	2.9	11.6	3.7	15.8	2.3	3.2	0.4	3.7
Mar	5.0	8.1	2.8	22.5	2.0	2.1	3.6	12.1	3.2	0.0	4.9	3.2	0.8	3.7
Apr	4.7	8.1	2.2	22.4	1.8	1.8	3.4	11.3	0.7	0.0	5.0	3.2	0.8	3.5
May	5.3	8.7	2.5	22.4	1.4	4.5	2.9	12.8	-2.1	0.0	5.8	3.2	0.8	3.3
Jun	3.4	6.3	1.3	22.4	1.7	3.3	2.4	12.9	-7.1	0.0	4.5	3.2	0.8	3.0

Source: Office of the Chief Government Statistician



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A6.0 Output, Prices and Government Finance Statistics, Zanzibar

Table A6.9: Government Operations

	Millions of TZS							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 ^P
Total revenue	266,161.3	330,715.2	362,766.0	425,349.0	521,856.8	685,871.5	748,410.9	787,457.3
Tax revenue	254,379.4	316,098.1	342,002.0	386,738.7	465,749.8	606,932.7	653,729.7	677,875.7
Tax on imports	63,753.0	87,633.1	87,903.1	102,777.7	122,332.3	142,797.5	144,644.3	141,254.7
VAT and excise duties (local)	67,868.7	85,915.4	93,554.3	92,167.2	114,032.5	166,212.7	174,515.8	188,895.8
Income tax	60,700.1	57,187.0	56,000.9	68,455.1	81,475.6	113,151.8	143,469.3	136,033.4
Other taxes	62,057.5	85,362.6	104,543.7	123,338.6	147,909.3	184,770.6	191,100.2	211,691.8
Non-tax revenue	11,782.0	14,617.1	20,764.0	38,610.3	56,107.0	78,938.9	94,681.3	109,581.6
Total expenditure	514,348.6	469,006.0	483,800.0	484,375.8	591,246.6	924,442.3	1,131,520.6	1,024,519.4
Recurrent expenditure	300,248.4	327,262.7	348,373.0	400,868.4	475,465.9	623,301.0	702,831.4	722,724.1
Wages and salaries	132,663.8	164,427.1	182,378.4	196,041.2	217,865.0	282,207.0	334,629.6	369,705.5
Interest payment	0.0	1,529.0	3,327.0	0.0	0.0	0.0	0.0	0.0
Local	0.0	1,529.0	3,327.0	0.0	0.0	0.0	0.0	0.0
Foreign	0.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0
Other expenditure	167,584.6	162,835.5	162,667.6	204,827.2	257,601.0	341,094.0	368,201.8	353,018.6
Development expenditure	214,100.1	141,743.4	135,427.0	83,507.4	113,538.8	301,141.3	428,689.1	301,795.3
Local	34,877.6	42,339.2	48,764.0	27,007.2	51,277.0	107,086.7	102,525.1	138,989.4
Foreign	179,222.6	99,404.2	86,663.0	56,500.2	62,257.7	194,054.6	326,164.1	162,805.9
Overall surplus/deficit before grants	-248,187.3	-138,290.9	-121,034.0	-59,026.8	-69,389.9	-238,570.7	-383,109.6	-237,062.1
Grants	131,873.6	76,710.2	39,121.9	28,889.9	39,004.8	40,472.1	42,708.8	34,179.1
4.5% Budget support	22,135.0	36,053.8	17,031.0	7,674.0	5,656.5	2,357.0	5,642.8	7,031.1
Program grant	109,738.6	40,656.5	22,090.9	21,215.9	33,348.3	38,115.1	37,066.0	27,148.1
Overall surplus/deficit after grants	-116,313.6	-61,580.6	-81,912.1	-30,136.9	-30,385.1	-198,098.6	-340,400.8	-202,882.9
Adjustment to cash and other items	38,647.2	-17,184.4	24,299.0	-25,892.8	1,475.7	22,159.0	11,316.8	44,355.0
Overall deficit cheques cleared	-77,666.4	-78,765.0	-57,613.1	-56,029.6	-28,909.4	-175,939.6	-329,084.0	-158,527.9
Financing	77,666.4	78,765.0	57,613.1	56,029.6	28,909.4	175,939.6	329,084.0	158,527.9
Foreign	69,483.9	58,747.7	47,541.1	32,946.6	28,909.4	155,939.4	294,484.0	115,612.0
Program loans	69,483.9	58,747.7	47,541.1	32,946.6	28,909.4	155,939.4	294,484.0	115,612.0
Amortization (foreign)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic (net)	8,182.5	20,017.3	10,072.0	23,083.0	0.0	20,000.2	34,600.0	42,915.9
Bank	8,182.5			23,083.0	0.0	0.0	0.0	0.0
Non-bank	0.0	20,017.3	10,072.0	0.0	0.0	20,000.2	34,600.0	42,915.9
Amortization (local)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance and Planning, Zanzibar

Note: p denotes provisional data



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A7.0 International Economics and Financial Statistics

Table A7.1: Economic Performance in G-7 Countries and the Euro Area

	2015	2016	2017	2018	2019	2020	
						Q1	Q2
G-7 Countries:							
Canada:							
Real GDP ¹	0.7	1.1	3.0	2.0	1.7	-2.1	-12.0
Inflation ¹	1.1	1.4	1.6	2.3	1.9	1.8	0.0
France:							
Real GDP ¹	1.1	1.2	2.3	1.8	1.5	-5.9	-13.8
Inflation ¹	0.0	0.2	1.0	1.9	1.3	1.2	0.3
Germany:							
Real GDP ¹	1.7	2.2	2.2	1.5	0.6	-2.0	-10.1
Inflation ¹	0.5	0.5	1.5	1.7	1.3	1.6	0.8
Italy:							
Real GDP ¹	0.9	1.1	1.7	0.8	0.3	-5.4	-12.4
Inflation ¹	0.0	-0.1	1.2	1.1	0.6	0.3	-0.1
Japan:							
Real GDP ¹	1.2	0.6	1.9	0.3	0.7	-0.6	-7.8
Inflation ¹	0.8	-0.1	0.5	1.0	0.5	0.5	0.1
UK:							
Real GDP ¹	2.3	1.8	1.8	1.3	1.4	-2.2	-20.4
Inflation ¹	0.4	1.0	2.6	2.3	1.8	1.7	0.8
USA:							
Real GDP ¹	2.9	1.6	2.2	2.9	2.3	-1.3	-9.5
Inflation ¹	0.1	1.3	2.1	2.4	1.8	2.1	0.4
EURO AREA:							
Real GDP ¹	2.1	2.0	2.4	1.9	1.3	-3.6	-12.1
Inflation ¹	0.2	0.2	1.5	1.8	1.3	1.1	0.2

Source: IMF, *World Economic Outlook April 2020, and June 2020 updates*; and Organization for Economic Co-operation and Development

Notes: ¹ Percentage change from the preceding year/corresponding quarter of the previous year; and Q denotes quarter



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A7.0 International Economics and Financial Statistics

Table A7.2: World Market Prices of Selected Commodities

Commodity	Unit of measure	2015	2016	2017	2018	2019	2020	
							Q1	Q2
Coffee "Arabica"	USD per kg	3.53	3.61	3.32	2.93	2.88	3.13	3.28
Coffee "Robusta"	USD per kg	1.94	1.95	2.23	1.87	1.62	1.51	1.42
Cotton "A index"	USD per kg	1.55	1.64	1.84	2.01	1.72	1.64	1.45
Sisal "UG grade"	USD per kg	1.87	1.80	1.82	1.72	1.71	1.70	1.70
Tea "Mombasa auction"	USD per kg	2.74	2.30	2.97	2.58	2.23	2.13	1.98
Cloves (Madagascan cif Singapore)	USD per kg	10.23	8.48	8.81	7.95	6.43	6.33	5.57
Maize	USD per tonne	169.75	159.16	154.53	164.41	170.07	167.64	146.27
Rice (Thailand), 5% broken	USD per tonne	386.00	396.17	398.92	420.67	418.00	465.00	531.33
Wheat (US), hard red winter	USD per tonne	204.47	166.75	174.20	209.93	201.69	216.30	207.72
Gold	USD/troy ounce	1,160.66	1,248.99	1,257.56	1,269.23	1,392.50	1,583.23	1,710.43
Crude oil*	USD per barrel	50.75	42.81	52.81	68.35	61.41	49.06	30.29
Crude oil**	USD per barrel	51.99	45.66	53.12	69.15	63.18	50.67	31.66
White products***	USD per tonne	629.47	504.56	519.32	657.71	585.58	473.28	283.25

Source: <http://www.imf.org>; worldbank.org/prospects; World Bank Public Ledger and Bloomberg

Note: * denotes average of Brent, Dubai and West Texas Intermediate; ** f.o.b. Dubai; *** Average of premium gasoline, Gas oil and Jet/Kerosene, f. o. b. West Mediterranean; Q, quarter; and UG, under grade

