



# BANK OF TANZANIA



## ANNUAL REPORT

2021/22



**BANK OF TANZANIA**

**ANNUAL REPORT 2021/22**



## Bank of Tanzania Annual Report 2021/22

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## Bank of Tanzania Annual Report 2021/22

December 2022

Hon. Dr. Mwigulu Lameck Nchemba (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 operations, in particular, the implementation and outcome of monetary policy, and other activities performed during 2021/22; and
- b) The Bank of Tanzania Balance Sheet, the Profit and Loss Accounts and associated financial statements for the year ended 30<sup>th</sup> June 2022, 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,

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



## Bank of Tanzania Annual Report 2021/22

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## Bank of Tanzania Annual Report 2021/22

### Governor's Foreword

In this annual report, we demonstrate the many ways in which our economy performed at the backdrop of global and domestic environments. We also highlight operational activities, which the Bank of Tanzania executed in support of achieving its mandates. Furthermore, as part of our statutory obligations to adherence to transparency and good governance, we have provided audited annual accounts of the Bank of Tanzania.

As shown in the pages hereinafter, the year 2021/22 was unique and required a distinct set of navigation toolbox. In the first half of the year, we witnessed continued recovery of economic activities in the wake of the re-opening of the global economy from distresses of COVID-19 pandemic. As a result, the Bank of Tanzania intensified accommodative monetary policy to steer economic growth through credit expansion. This trend turned around in the second half of the year due to heightened geopolitical tensions in Eastern Europe, which eventually culminated into war in Ukraine. The war in Ukraine, together with resurgence of COVID-19 in our trading partners, disrupted supply chain of goods and high import prices. In order to cushion the domestic economy from adverse effects of these global shocks, the Bank of Tanzania adjusted the monetary policy stance. The Government also adopted a range of policy measures.

Owing to the policy measures adopted to reduce the adverse effects of the shocks, performance of economic activities was satisfactory. Real GDP growth was 4.9 percent in 2021 and 5.2 percent in the first half of 2022. Inflation was moderate at 4 percent in 2021/22 and foreign exchange reserves remained adequate, albeit declining due to rising prices of goods imports. The exchange rate depreciated, but was stable throughout the year. Private sector credit growth rebounded to pre-pandemic levels. The financial sector remained stable, with banks having adequate capital and liquidity. Government fiscal operations were satisfactory, but faced limited space due to tightened financial conditions in international markets.

In the subsequent year, owing to the challenging global environment, the Bank of Tanzania intends to continue with a cautious risk-based monetary policy approach, which entails maintaining appropriate balance between managing inflation and safeguarding growth. In order to realize better outcomes, the Bank will expand its engagement with stakeholders.

I remain grateful for the invaluable leadership and guidance of the Bank of Tanzania Board of Directors. Finally yet importantly, I would wish to register my heartfelt gratitude to the Management and staff of the Bank for their hard work and commitment, which enabled to accomplish strategic objectives for 2021/22.

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



## Bank of Tanzania Annual Report 2021/22

### Board of Directors

The Board is at the apex of the governance structure of the Bank of Tanzania, chaired by the Governor, who is the Chief Executive Officer of the Bank. It is mainly responsible for determination of the policy of the Bank and approval of its budget. The Board is composed of the Governor; the Deputy Governors; the Permanent Secretary to the Treasury of the Government of the United Republic of Tanzania (URT); the Principal Secretary, President's Office, Finance and Planning of the Revolutionary Government of Zanzibar (RGoZ); and three non-executive Directors. The Permanent Secretary (URT) and the Principal Secretary (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 or Principal Secretary. The Director of Legal Services of the Bank of Tanzania serves as the Secretary to the Board.



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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)



**Dr. Juma M. Akil**  
Principal Secretary, President's Office,  
Finance and Planning (RGoZ)



**Mrs. Sauda K. Msemo**<sup>1</sup>  
Deputy Governor, Financial Stability and  
Deepening



**Mr. Emmanuel M. Tutuba**  
Permanent Secretary to the Treasury of  
the Government of the United Republic of  
Tanzania (URT)



**Mr. Joseph O. Haule**  
Director



**Mrs. Esther L. Manyesha**  
Director



**Mr. Joseph A. Meza**  
Director



**Prof. Nehemiah E. Osoro**  
Director



**Mr. Palloty M. Luena**  
Secretary

<sup>1</sup> Replaced Dr. Bernard Y. Kibesse who completed his office term on 31<sup>st</sup> May 2022.



## Bank of Tanzania Annual Report 2021/22

### 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 the 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:** To be a Central Bank that effectively fosters macro-economic stability and modernized financial system in sustenance of the country's middle-income status and beyond.

#### Core Values

The core values define the Bank's guiding principles and commitment to stakeholders in our work life and while executing our mandates. These are as follows:

- i. **Integrity:** We exhibit high ethical and moral standards reflected by honesty, sincerity, truthfulness, and confidentiality in executing our mandate.
- ii. **Excellence:** We execute our duties professionally with creativity and innovativeness to improve organizational performance.
- iii. **Accountability:** We are collectively and individually accountable in discharging our responsibilities.
- iv. **Transparency:** We clearly and openly execute our mandates and proactively communicate relevant information to stakeholders.
- v. **Inclusiveness:** We value broad participation, teamwork and harnessing multiple skills and experiences in discharging our duties.



## Monetary Policy Framework of the Bank of Tanzania

The monetary policy 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 described below.

### 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 percent. This target is consistent with East African Community (EAC) and Southern African Development Community (SADC) convergence criteria of a maximum of 8 percent and a range of 3-7 percent, respectively. The inflation target is considered appropriate to support the sustainable growth of the economy. To achieve the objective of monetary policy, the Bank of Tanzania focuses on maintaining adequate level of liquidity in line with demand of various activities as well as ensuring stability of interest and exchange rates.

### Intermediate Target

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

### Operating Target

To influence the growth of M3, the Bank of Tanzania controls the 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 vaults of banks and deposits of banks kept with the Bank of Tanzania in local currency.

### Monetary Policy Instruments

A variety of instruments are used to conduct monetary policy. These include open market operations, i.e., selling or buying debt securities, and sale and purchase of foreign currency in the inter-bank foreign exchange market. In addition, repurchase agreements (repo) and reverse repurchase agreements (reverse repo) are used. The statutory minimum reserve requirement ratio (SMR) and discount rate are also part of monetary policy instruments. There are also standing credit facilities— 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 or issuance of MPC Statement to the public. 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 website of the Bank.



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### **Modalities for Monetary Policy Implementation**

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



## Bank of Tanzania Annual Report 2021/22

### Executive Summary

Global economic activity improved in 2021 to 6.1 percent, after contracting in the previous year due to COVID-19 pandemic. In 2022, growth is projected to be lower, undermined by effects of the war in Ukraine and resurgence of COVID-19 in some countries. Growth in sub-Saharan Africa was 4.6 percent from a contraction of 1.6 percent in 2020, and East African Community (EAC) at 6 percent compared to zero growth. Global headline inflation edged up, reaching 4.7 percent in 2021, up from 3.2 percent in 2020, due to rising aggregate demand amidst supply chain disruptions caused by the pandemic. In 2022, inflation is projected to increase, due to high commodity prices. In the Southern African Development Community (SADC) region, inflation dropped to 14.4 percent in 2021 from 43.1 percent in 2020, while in the EAC region remained below the convergence benchmark of not more than 8 percent, averaging 4.2 percent.

The conduct of monetary policy in Tanzania was influenced by two distinct economic episodes in 2021/22. The first half was characterized by a firm recovery of economic activities, as the global economy reopened from COVID-19 pandemic. Inflation was also low, within the target of 3-5 percent. This prompted the Bank of Tanzania to intensify accommodative monetary policy strategy that was on course to facilitate the recovery of economic activities through bank lending to private sector. The policy stance was implemented by scaling up the quantum of the usual monetary policy instruments, which were later on in July 2021, complemented by additional liquidity injecting policy measures. These measures also were intended to facilitate lowering interest rates on loans, of which lending to agriculture was accorded a significant consideration.

In the second half of 2021/22, precisely beginning March 2022, the economy faced challenges of

high commodity prices and rising inflationary pressures, due to geopolitical tensions in Eastern Europe, which disrupted global supply chains, while economies were still recovering from effects of the COVID-19 pandemic. This necessitated the Bank to reduce the level of monetary policy accommodation to caution the economy from significant increase in inflation. It was also important to adopt this monetary policy strategy in order to safeguard the recovery of economic activities.

The outcome of the monetary policy implementation strategy was satisfactory. Growth of extended broad money supply (M3) averaged 12.2 percent in 2021/22, compared with the target of 10 percent, driven by private sector credit growth of around 9.9 percent, broadly in line with the target of 10.6 percent. This was a reflection of improved business conditions, despite the global effects faced. Interest rates on loans declined slightly and in a subdued manner, partly attributable to existence of structural and regulatory impediments. The impediments are being addressed through reforms. Otherwise, interest rates in the short-term money market responded promptly to the conduct of monetary policy. The value of the shilling was stable against the major trading currencies throughout 2021/22, as participants in the foreign exchange market adjusted cautiously their portfolios to the global shocks of COVID-19 pandemic and war in Ukraine. The real effective exchange rate was also stable and there was no significant misalignment.

Disruptions of supply chains globally following the outbreak of the war in Ukraine and residual effects of COVID-19, pushed import prices, which in the end, contributed to gradual rising of domestic inflation rate. Nonetheless, inflation remained within the country and regional convergence criteria. Specifically, in 2021/22, inflation averaged



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4 percent, up from 3.3 percent recorded a year earlier. The inflation rate was within the target of 3-5 percent and in line with EAC and SADC convergence benchmarks of 8 percent and 3-7 percent, respectively. The increase was largely driven by a rise in prices of food due to high demand of food from neighbouring countries and energy and fuel costs, owing to high prices in the world market. In 2022/23, inflation is projected to rise moderately, but remaining consistent with the target of 5.4 percent and regional benchmarks. This is expected to be reinforced by stable exchange rate, adequate food supply, and prudent monetary and fiscal policies. The expected decline of oil prices in the world market is expected to add impetus to the projected moderate inflation.

Economic activity continued to steadily improve, in the wake of re-opening of the global economy from COVID-19 pandemic and domestic policies and measures adopted. Real gross domestic product (GDP) grew by 4.9 percent to TZS 135,517.8 billion in 2021 compared with 4.8 percent in 2020, mostly driven by agriculture, construction, mining and quarrying, and manufacturing. Nominal GDP was TZS 161,525.8 billion, higher than TZS 151,166.4 billion in 2020. GDP per capita increased to TZS 2,798,224.2 from TZS 2,701,039.3. Gross national income (GNI) rose at an annual rate of 6.6 percent to TZS 146,400 billion, while gross national disposable income (GNDI) rose by 6.8 percent to TZS 147,672.3 billion. In 2022, the economy is projected to grow by 4.7 percent, in real terms, reflecting the adverse spillover effects of the war in Ukraine, coupled with residual effects of COVID-19 pandemic.

Fiscal performance in 2021/22 was satisfactory, as revenue collection improved and expenditure continued to be aligned with available resources. However, revenue was 94.9 percent of the budget estimate, attributable to spill-over effects of the global shocks. Revenue performance improved by 18 percent relative to that of 2020/21. Likewise,

expenditure was 95 percent of the budget estimates. The overall fiscal deficit narrowed to 3.6 percent from 3.8 percent of GDP a year earlier. National debt remained sustainable, with all external debt burden indicators being below the thresholds under baseline scenario. The national debt increased by USD 4,492.5 million over the period to USD 38,265.6 million.

The external sector of the economy remained sustainable, albeit experienced significant headwinds in the second half of 2021/22 arising from global challenges of high commodity prices, tight financial conditions, and supply-chain disruptions caused by the war in Ukraine. Reflecting these challenges, the current account deficit widened, as imports of goods, particularly petroleum products, edible oil and fertilizers increased. Foreign exchange reserves declined, but remained adequate at USD 5,110.3 million at the end of June 2022. The reserves were sufficient to cover 4.6 months of projected imports of goods and services, consistent with the country benchmark of at least 4 months.

The financial sector was sound and stable, as in the past. The banking sector, the major provider of financial services, was profitable, adequately capitalized, with a satisfactory level of liquidity. The quality of assets improved, as depicted by a decline in non-performing loans to 7.8 percent in June 2022 from 9.3 percent in June 2021.

In the payment systems, the Bank continued to implement measures to increase safety and efficiency. Efforts were also made to increase interoperability at all levels of digital financial services providers, with a goal of encouraging use of electronic payments at the national and regional level. To this end, several initiatives were implemented, including finalization of development of the Tanzania Instant Payment Systems (TIPS), introduction of an interoperable Quick Response code (QR Codes) and operationalization of the financial services registry.



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The Zanzibar economy improved significantly after facing headwinds in the preceding year due to lockdowns in tourist source countries. Real GDP grew by 5.1 percent in 2021, up from 1.3 percent in 2020, with the main growth drivers being trade, financial and insurance, transport and construction activities. In 2022, the economy is projected to grow by 5.4 percent, owing to expected increase in investment in public projects, as well as a significant resumption of the hospitality industry, particularly tourism.

In 2021/22, Zanzibar inflation remained low and stable, within the medium-term target of 5 percent. Inflation averaged 2.9 percent, compared with 1.5 percent in 2020/21, largely on account of rising fuel prices. Inflation is projected to remain within the target for 2022/23, on account of adequate food supply, coupled with prudent monetary and fiscal policies.

The Revolutionary Government of Zanzibar enhanced revenue collection efforts. Government revenue and grants were equivalent to 79.2 percent of the budget estimates, with revenue collected accounting for 19 percent of GDP. Government expenditure was 66 percent of the budget estimates. The debt stock increased, on account of new disbursements of external loans and issuance of Treasury bonds. The debt stock was 25.6 percent of GDP compared with 21.1 percent in 2020/21.

The current account deficit widened to USD 250 million in 2021/22 from USD 230.3 million in 2020/21, due to high commodity prices in the world market, that drove up imports of intermediate goods, comprising oil and industrial raw materials.



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**PART I**

**GLOBAL ECONOMY**



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### 1.1 Output

Global activity continued to recover in the first half of 2021/22, but was subsequently undermined by high commodity prices and disruptions of supply chain caused by the war in Ukraine and resurgence of COVID-19 pandemic in the first quarter of 2022. The IMF estimated global growth to be 6.1 percent in 2021, sub-Saharan Africa (4.5 percent), SADC (4.4 percent) and EAC at 6.2 percent. Due to the global challenges faced and monetary policy tightening cycle to counter inflation, growth projection for 2022 and 2023 has been revised downward to 3.6 percent in both 2022 and 2023, which is 0.8 and 0.2 percentage points lower than earlier projection. Sub-Saharan Africa is projected to grow at 3.8 percent in 2022 and 4 percent in the subsequent year, SADC (3.1 percent and 3 percent) and EAC at 5.3 percent and 5.6 percent, respectively.

**Table 1.1: Real GDP Growth and Projection**

Region/Country	Percent						
	Actual					Projection	
	2017	2018	2019	2020	2021	2022	2023
World	3.7	3.6	2.9	-3.1	6.1	3.2	2.9
Advanced economies	2.5	2.3	1.7	-4.5	5.2	2.5	1.4
United States	2.3	2.9	2.3	-3.4	5.7	2.3	1.0
Euro area	2.6	1.8	1.6	-6.3	5.4	2.6	1.2
United Kingdom	2.1	1.7	1.7	-9.3	7.4	3.2	0.5
Japan	1.7	0.6	-0.2	-4.5	1.7	1.7	1.7
EMDE	4.7	4.6	3.7	-2.0	6.8	3.6	3.9
Brazil	1.3	1.8	1.2	-3.9	4.6	1.7	1.1
Russia	1.8	2.8	2.2	-2.7	4.7	-6.0	-3.5
India	6.8	6.5	3.7	-6.6	8.7	7.4	6.1
China	6.9	6.8	6.0	2.2	8.1	3.3	4.6
Sub-Saharan Africa	3.0	3.3	3.1	-1.6	4.6	3.8	4.0
South Africa	1.2	1.5	0.1	-6.3	4.9	2.3	1.4
Nigeria	0.8	1.9	2.2	-1.8	3.6	3.4	3.2

Source: IMF, *World Economic Outlook Database, April 2022 and June 2022 Updates*

Note: EMDE denotes emerging market and developing economies

In SADC region, all countries recorded positive growth in 2021, contrasted to 2020 in which only a few countries registered positive growth (Table 1.2). The EAC region grew by 6 percent in 2021 from zero growth in the preceding year (Table 1.3).

**Table 1.2: Real GDP Growth in SADC**

Country	Percent				
	2017	2018	2019	2020	2021 <sup>p</sup>
Angola	-0.2	-2.0	-0.7	-5.6	0.7
Botswana	2.9	4.5	3.0	-8.7	12.5
DRC	3.7	5.8	4.4	1.7	5.7
Eswatini	2.0	2.4	2.6	-1.9	2.1
Lesotho	-2.7	-1.0	1.1	-4.5	2.1
Madagascar	3.9	3.2	4.4	-7.1	3.5
Malawi	4.0	4.4	5.4	0.9	3.8
Mauritius	3.8	3.8	3.0	-14.9	3.9
Mozambique	3.7	3.4	2.3	-1.2	2.1
Namibia	-1.0	1.1	-0.9	-8.5	0.9
Seychelles	5.0	3.2	3.1	-7.7	8.0
South Africa	1.2	1.5	0.1	-6.4	4.9
Tanzania	6.8	7.0	7.0	4.8	4.9
Zambia	3.5	4.0	1.4	-2.8	4.3
Zimbabwe	5.0	4.7	-6.1	5.3	6.3
SADC average	2.8	3.1	2.0	-3.8	4.4

Source: National Statistics Offices and IMF, *World Economic Outlook Database, April 2022 and June 2022 Updates*

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

**Table 1.3: Real GDP Growth in EAC**

Country	Percent				
	2017	2018	2019	2020	2021 <sup>p</sup>
Burundi	0.5	1.6	1.8	0.3	2.4
Kenya	4.8	6.3	5.4	-0.3	7.2
Rwanda	4.0	8.6	9.5	-3.4	10.2
Tanzania	6.8	7.0	7.0	4.8	4.9
Uganda	7.3	6.0	8.0	-1.4	5.1
EAC average	4.7	5.9	6.3	0.0	6.0

Source: National Statistics Offices and IMF, *World Economic Outlook Database, April 2022 and June 2022 Updates*

Note: p denotes provisional data

### 1.2 Inflation

Inflation rose in many countries due to high commodity prices in the world market, owing to demand-supply imbalances. The imbalances were caused by supply-chain disruptions due to the war in Ukraine and resurgence of COVID-19 in some countries, amidst rising aggregate demand. In advanced economies, high inflation above targets was experienced in the US, UK and Euro Area (Table 1.4). In the EAC, inflation rose but remained within the convergence criteria of not more than 8



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percent in most of the countries. In SADC, inflation also increased, with most of the countries failing to achieve the convergence criteria of 3-7 percent. Almost all central banks opted for either monetary policy tightening or taken some forms of reducing monetary policy accommodation to complement supply-side measures in controlling inflationary pressures.

The IMF projected inflation to remain high across countries in 2022, due to supply disruptions, with sub-Saharan Africa projected to experience the highest inflation of around 12.2 percent in 2022, before slowing to 9.6 percent in the subsequent year. Inflation in the EAC and SADC regions is projected at 6.2 percent and 9.9 percent in 2022 and ease to 6 percent and 7 percent in 2023, respectively. Therefore, given the need for safeguarding recovery of economic activity from pandemic levels, monetary policy tightening represented a difficult trade-off to central banks.

**Table 1.4: Inflation Outturn and Projection**

	Percent					
	2018	2019	2020	2021	Projection	
					2022	2023
World	3.6	3.5	3.2	4.7	7.4	4.8
Advanced economies	2.0	1.4	0.7	3.1	5.7	2.5
United States	2.4	1.8	1.2	4.7	7.7	2.9
EuroArea	1.8	1.2	0.3	2.6	5.3	2.3
Japan	1.0	0.5	0.0	-0.3	1.0	0.7
United Kingdom	2.5	1.8	0.9	2.6	7.4	5.3
EMDE	4.9	5.1	5.2	5.9	8.7	6.5
Brazil	3.7	3.7	3.2	8.3	8.2	5.1
Russia	2.9	4.5	3.4	6.7	21.3	14.3
India	3.4	4.8	6.2	5.5	6.0	4.8
China	2.1	3.0	2.4	0.9	2.1	1.8
Sub-Saharan Africa	8.3	8.1	10.2	11.0	12.2	9.6

Source: IMF, World Economic Outlook Database, April 2022, and June 2022 Updates

Note: EMDE denotes emerging market and developing economies

In SADC, inflation dropped to 14.4 percent in 2021 from 43.1 percent in 2020. Angola, DRC, Malawi, Seychelles, Zambia and Zimbabwe recorded inflation above the convergence criteria of between 3 and 7 percent (Table 1.5). In EAC, inflation was 4.2 percent in 2021, below the convergence benchmark of not more than 8 percent 2021 (Table 1.6).

**Table 1.5: Inflation Rates in SADC**

Country	Percent				
	2017	2018	2019	2020	2021
Angola	29.8	19.6	17.1	22.3	25.8
Botswana	3.3	3.2	2.8	1.9	6.7
DRC	35.8	29.3	4.7	11.4	9.0
Eswatini	6.2	4.8	2.6	3.9	3.7
Lesotho	4.4	4.8	5.2	5.0	6.0
Madagascar	8.6	8.6	5.6	4.2	5.8
Malawi	11.5	9.2	9.4	8.6	9.3
Mauritius	3.7	3.2	0.5	2.5	4.0
Mozambique	15.1	3.9	2.8	3.1	5.7
Namibia	6.1	4.3	3.7	2.2	3.6
Seychelles	2.9	3.7	1.8	1.2	9.7
South Africa	5.3	4.6	4.1	3.3	4.5
Tanzania	5.3	3.5	3.4	3.3	3.7
Zambia	6.6	7.0	9.2	15.7	20.5
Zimbabwe	0.9	10.6	255.3	557.2	98.5
SADC average	9.7	8.0	21.9	43.1	14.4

Source: National Statistics Offices and IMF, World Economic Outlook Database, April 2022

Note: DRC denotes Democratic Republic of the Congo

**Table 1.6: Inflation Rates in EAC**

Country	Percent				
	2017	2018	2019	2020	2021
Burundi	1.6	-4.0	-0.7	7.3	8.3
Kenya	8.0	4.7	5.2	5.3	6.1
Rwanda	4.8	1.4	2.4	7.7	0.8
Tanzania	5.3	3.5	3.4	3.3	3.7
Uganda	5.6	2.6	2.3	2.8	2.2
EAC average	5.1	1.6	2.5	5.3	4.2

Source: National Statistics Offices

### 1.3 Commodity Prices

Prices of commodities, particularly oil, fertilizers, and consumer goods increased significantly due to demand-supply imbalances, with war in Ukraine exacerbating the challenge (Table 1.7). The world market price of crude oil, in particular, was more than USD 100 per barrel, with a peak of USD 118 per barrel in April 2022. The price of oil is projected to decline to around USD 80 per barrel beginning February 2023, due to expected increase in production. Gold price remained high, ranging from USD 1,850 to USD 1,947.81 per troy ounce, but expected to decline as advanced economies tighten monetary policy to reduce inflation.



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**Table 1.7: World Commodity Prices**

Commodity	Unit of measure	2019/20	2020/21	2021/22	Percentage change
Crude oil*	USD per barrel	51.62	54.11	91.07	68.3
Crude oil**	USD per barrel	51.16	53.07	88.66	67.1
Robusta coffee	USD per kg	1.52	1.62	2.31	42.2
Arabica coffee	USD per kg	3.10	3.64	5.55	52.8
Tea (Average price)	USD per kg	2.52	2.79	2.83	1.5
Tea (Mombasa auction)	USD per kg	2.14	1.95	2.78	42.1
Cotton, "A index"	USD per kg	1.58	1.82	2.85	56.7
Wheat, SRW	USD per tonne	218.72	252.26	346.68	37.4
Wheat, HRW	USD per tonne	204.39	268.53	399.62	48.8
Palm oil	USD per tonne	647.32	938.64	1404.35	49.6
Urea	USD per tonne	228.55	287.94	714.85	---
DAP	USD per tonne	274.02	443.14	747.45	68.7
White products	USD per tonne	477.76	472.61	873.12	84.7
Gold	USD per ozt	1562.47	1850.03	1833.28	-0.9

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

Note: \*denotes U.K Brent; \*\* f.o.b Dubai; ozt, troy ounce; SRW, Soft Red Winter; HRW, Hard Red Winter, and DAP, Di-ammonium Phosphate



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**PART II**

**CONDUCT OF MONETARY POLICY**



## Bank of Tanzania Annual Report 2021/22

### Monetary Policy Targets and Performance

In 2021/22, the Bank of Tanzania aimed at implementing accommodative monetary policy in support of recovery of the economy from COVID-19 through private sector credit growth and other economic undertakings. In line with this monetary policy stance, the following monetary policy targets were set:

- i. growth of reserve money of 9.9 percent;
- ii. growth of extended broad money (M3) of 10 percent;
- iii. growth of credit to the private sector of 10.6 percent; and
- iv. foreign exchange reserves sufficient to cover at least 4 months of imports.

Alongside these targets, interest rates and exchange rate remained to be market-determined to ensure efficiency allocation of resources.

The Bank employed a range of monetary instruments to achieve the targets and ensure adequate supply of liquidity consistent with demand. Reverse repo was used as the main instrument for injecting liquidity and its quantum was TZS 2,089.6 billion, compared with TZS 3,564.1 billion in the preceding year. In the second half of the year, the Bank of Tanzania scaled-down reverse repo transactions, owing to rising inflationary pressures. The reverse repo rate was 5.78 percent, up from 5.7 percent.

Cognisant of existing structural constraints to access loans at a lower cost, the Bank adopted additional policy measures in July 2021 for lowering lending rates and increasing credit intermediation, especially for agriculture. The policy measures are summarized in Box 1.

#### Box 1: Policy Measures to Promote Credit to Private Sector and Lower Interest Rates

In order to provide great impetus for fast increase in credit to the private sector and lower interest rates, thereby hastening recovery of the economy, the Bank of Tanzania has decided to implement the following policy measures, with effect from 27<sup>th</sup> July 2021:

- i. **Reduction of Statutory Minimum Reserve (SMR) requirement.** A bank that extends credit to agriculture shall be eligible to a reduction in SMR amount, equivalent to the loan extended. In addition, a bank shall be required to submit evidence of lending to agriculture at interest rate not exceeding 10 percent per annum. This measure intends to increase lending to agriculture, which is the mainstay of Tanzanians. It also aims to reduce interest rate on loans to agriculture.
- ii. **Relaxation of agent banking eligibility criteria.** The Bank of Tanzania has removed the regulatory requirement of business experience of at least 18 months for applicants of agent banking business. Instead, applicants for agent banking business shall be required to have National ID Card or National ID Number. This policy measure is expected to contribute to increase in loanable funds to banks through deposit mobilization. The measure also intends to lower lending rates.
- iii. **Limitation of interest rate paid on mobile money trust accounts.** Mobile money trust account balances held with banks shall be eligible to interest rate not exceeding the rate offered on savings deposit account by the respective bank. This will contribute to lowering cost of funds to banks, thus helping to reduce lending rates.
- iv. **Introduction of special loan amounting to TZS 1.0 trillion to banks and other financial institutions for on-lending to private sector.** The Bank of Tanzania shall provide a special loan to banks and other financial institutions at 3 percent per annum for pre-financing or re-financing of new loans to the private sector. A bank wishing to access the special loan facility shall be required to charge interest rate not exceed 10 percent per annum on loan extended to the private sector. This measure intends to increase liquidity to banks and reduce lending rates.
- v. **Reduction of risk weight on loans.** The Bank of Tanzania shall reduce risk weight on different categories of loans in computation of regulatory capital requirement of banks. This measure will provide opportunity to banks to extend more credit to the private sector than before.



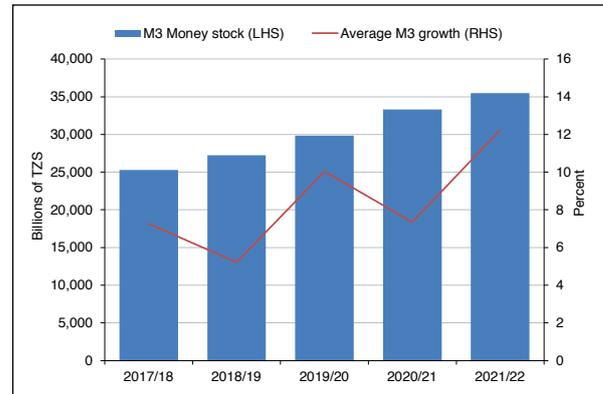
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The implementation of the liquidity easing monetary policy stance and supportive fiscal measures resulted in adequate levels of liquidity throughout the year, providing much needed impetus for provision of credit to various economic activities. Consistent with adequate supply of liquidity, money market interest rates stabilized at low levels and banks lowered lending rates to agriculture.

However, in the second half of 2021/22 monetary policy implementation faced challenges, owing to high commodity prices in the world market, which led to rising inflationary pressures. These global developments were due to war in Ukraine and sanctions on Russia, which disrupted supply chains. In response, the Bank began gradually reducing the pace of accommodative monetary policy to contain inflation within the target, while safeguarding growth of economic activities. This was done primarily by reducing amount of reverse repo.

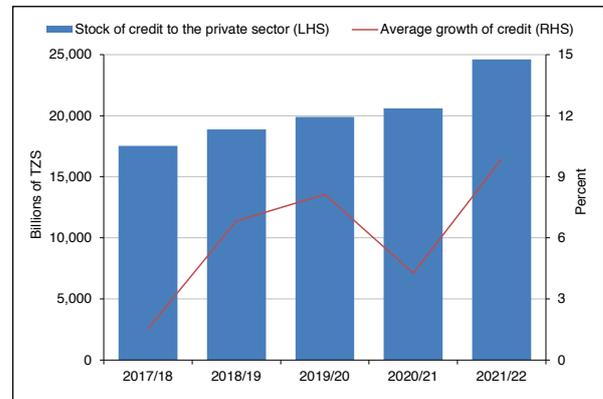
The outcome of monetary policy was satisfactory, despite the global challenges faced. Money supply (M3) was broadly in line with target, having expanded by 12.2 percent in 2021/22 relative to 7.3 percent in the preceding year, and the target of 10 percent (Chart 1.1). The outturn was mostly driven by growth of credit to the private sector, whose growth more than doubled of the previous year level to 9.9 percent. The credit growth was in line with the target of 10.6 percent (Chart 1.2). This is a reflection of a recovery of economic activities from the effects of COVID-19, following implementation of policy measures adopted and reforms for improving the business environment.

### Chart 1.1: Money Supply



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

### Chart 1.2: Credit to Private Sector



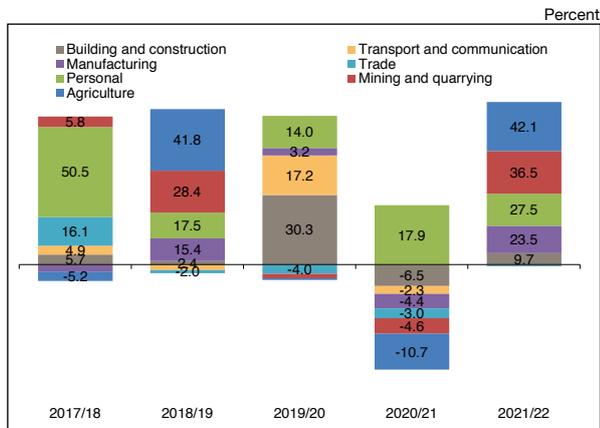
Source: Bank of Tanzania and banks  
Note: RHS denotes right-hand side; and LHS, left-hand scale

The improvement in private sector credit growth manifested in almost all economic activities. Credit extended to agriculture recorded impressive growth, partly attributable to the specific monetary policy measures rolled out by the Bank in July 2021 (Chart 1.3a). Credit to mining and quarrying, personal business undertakings and manufacturing also recorded significant improvement. In terms of share of outstanding credit, personal loans, trade, manufacturing and agriculture remained dominant (Chart 1.3b).



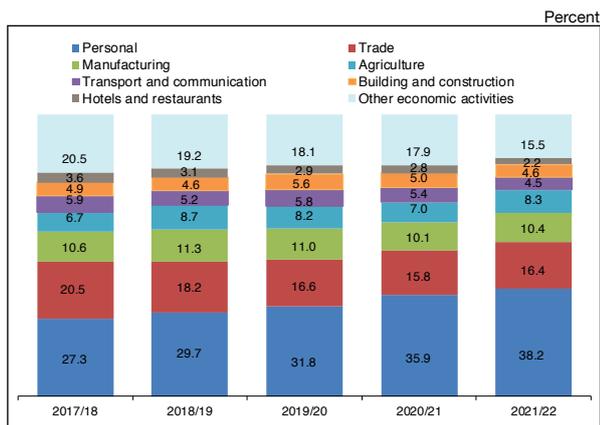
## Bank of Tanzania Annual Report 2021/22

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



Source: Banks and Bank of Tanzania computations

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



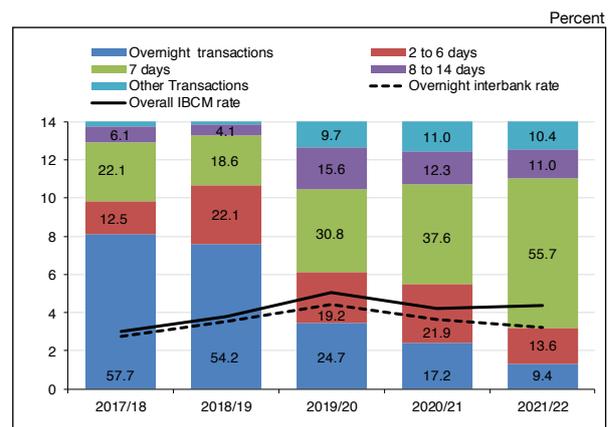
Source: Banks and Bank of Tanzania computations

Note: Other economic activities include fishing, forestry, hunting, financial intermediaries, mining and quarrying, real estate, mortgage, leasing, tourism, warehousing and storage, gas, water, education and health

Inter-bank interest rates responded to monetary policy actions. Transactions increased significantly from TZS 16,755.9 billion in 2020/21 to TZS 21,531.2 billion in 2021/22, with 7-day tenure accounting for more than a half of the market turnover. Overnight interest rate eased to 3.22 percent in 2021/22, compared with 3.63 percent in the preceding year (Chart 1.4). Interest rates charged by banks on loans continued to respond passively to accommodative monetary policy,

suggesting existence of hindrances to monetary policy transmission and reform measures implemented. As in the past five years, overall lending rate declined was around 16 percent in 2021/22, same for one-year loan (Table 1.1). Lending rates to prime customers averaged 14 percent, almost unchanged from the preceding year. The overall time deposit interest rate remained unchanged at around 7 percent, and the one-year deposit rate at 8 percent. Negotiated deposit rate averaged 9 percent. Going forward, lending rates are expected to ease, owing to implementation of reform measures, including initiatives by the Bank of Tanzania to increase efficiency of banks.

**Chart 1.4: Inter-Bank Cash Market Transactions**



Source: Bank of Tanzania

**Table 1.1: Selected Interest Rates**

	Percent				
	2017/18	2018/19	2019/20	2020/21	2021/22
Savings deposit rate	2.69	2.55	2.35	2.35	1.55
Overall time deposits rate	9.29	7.58	6.98	6.75	6.80
12 months deposit rate	10.50	8.33	8.65	8.43	8.03
Negotiated deposit rate	10.63	8.97	9.20	9.18	9.66
Overall lending rate	17.86	17.14	16.80	16.60	16.41
One-year lending rate	18.48	17.61	16.22	15.80	16.73
Negotiated lending rate	16.59	15.21	13.93	13.75	13.99
Margin between one year lending and deposit rates	7.98	9.28	7.57	7.37	8.70

Source: Banks and Bank of Tanzania computations



**Bank of Tanzania Annual Report 2021/22**

**PART III**

**DOMESTIC ECONOMIC PERFORMANCE**



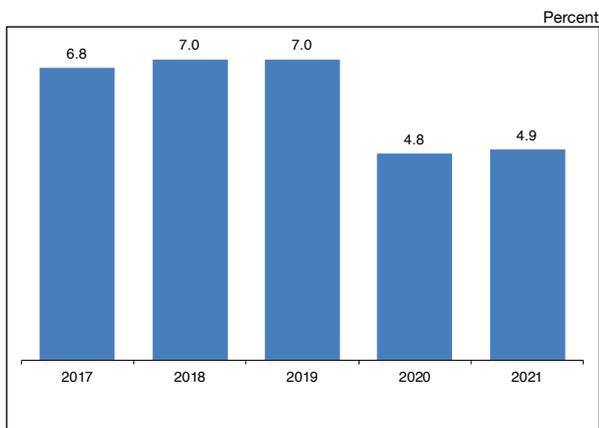
## 1.0 Economic Developments

### 1.1 Output and Prices

In Tanzania Mainland, economic activity improved from the effects of COVID-19 pandemic, although at a slower pace compared to pre-pandemic period. Real GDP growth was 4.9 percent in 2021 compared with 4.8 percent in 2020 (Chart 1.1a). In volume, real GDP improved to TZS 135,517.8 billion from TZS 129,130.2 billion in 2020. The growth was mainly driven by agriculture, construction, mining and quarrying, manufacturing and trade (Chart 1.1b). The economy is projected to grow by 4.7 percent in 2023, due to the impact of global shocks, war in Ukraine and resurgence of COVID-19 pandemic in some trading partners.

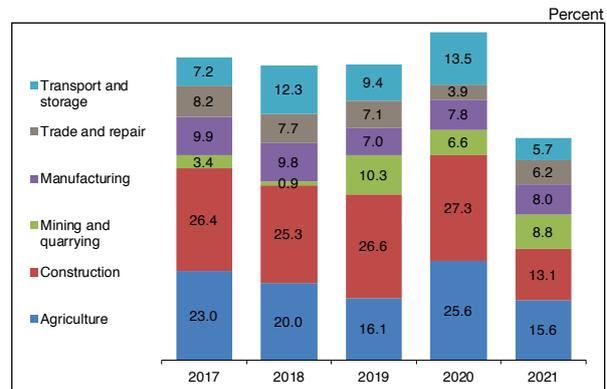
As regards growth rate of activities, the dominant were arts, entertainment and recreation; electricity; mining and quarrying; and information and communication (Chart 1.1c). The growth of arts, entertainment and recreation was partly a reflection of resumption of these activities from the pandemic. The share of agriculture in GDP was dominant, followed by construction, and trade (Chart 1.1d). In nominal terms, GDP amounted to TZS 161,525.8 billion, higher than TZS 151,166.4 billion in 2020, which translated to GDP per capita increase to TZS 2,798,224.2 from TZS 2,701,039.3.

Chart 1.1a: Real GDP Growth



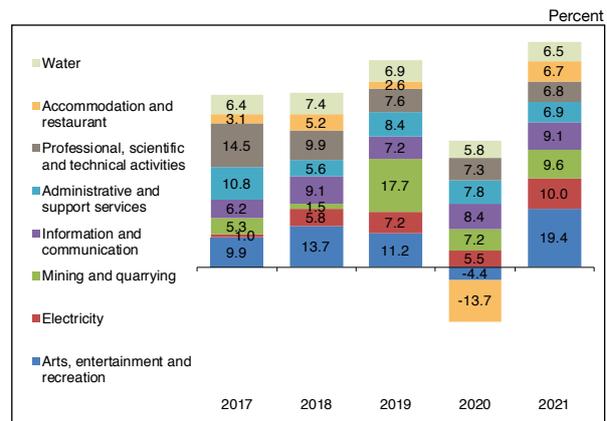
Source: National Bureau of Statistics

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



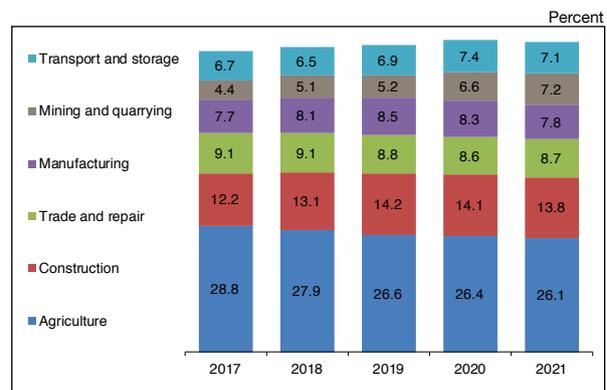
Source: National Bureau of Statistics

Chart 1.1c: Growth by Selected Activities at Constant 2015 Prices



Source: National Bureau of Statistics

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



Source: National Bureau of Statistics



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### Agriculture

Agriculture, which comprises crops, livestock, forestry, fishing, and agricultural support services grew by 3.9 percent in 2021, lower than 4.9 percent in 2020 due to unfavourable weather. Growth of all the activities making up the agriculture activity decreased, except forestry.

### Industry and Construction

Industry and construction activity, which comprises mining and quarrying, manufacturing, construction, electricity and gas supply, water supply and sewage, grew by 5.5 percent in 2021 compared with 7.3 percent in 2020, mainly due to effects of the COVID-19 pandemic. Growth in manufacturing was mainly associated with increased demand from the neighbouring countries, particularly for ceramics, steel, and cement. As for mining and quarrying, the increase was from gold, salt, coal, gypsum and natural gas. Growth of water supply sub-activity was due to value added through development in water supply infrastructure. The growth of electricity supply, which comprises generation, transmission and distribution, almost doubled to 10 percent, due to increase in capacity utilization of gas-fired power plants. The share of electricity generated from gas-fired power plants rose to 61.7 percent of the total generation in 2021 from 57.3 percent in 2020. Electricity distributed for consumption increased to 8,690.1 GWh from 7,862.9 GWh, of which 1.5 percent was imported from Uganda and Zambia (Table 1.1).

**Table 1.1: Electricity Generation and Imports**

Source	'000' kWh				
	2017	2018	2019	2020	2021
Domestic production	7,008,162.2	7,258,730.0	7,690,893.9	7,748,647.9	8,561,083.3
Hydropower	2,370,623.0	2,254,656.2	2,480,005.4	3,139,153.6	3,084,610.3
Thermal power	4,616,440.4	4,989,479.5	5,196,536.8	4,590,716.2	5,459,758.9
Diesel	294,401.1	119,946.9	82,316.6	81,583.0	96,512.7
Gas	4,322,039.3	4,869,532.6	5,114,220.3	4,509,133.2	5,363,246.2
Biomass	21,098.9	14,594.4	14,351.7	18,778.1	16,714.1
Imports	27,129.7	117,531.6	113,242.0	114,275.5	128,972.5
Uganda	19,553.2	87,954.4	81,123.0	79,674.5	90,865.0
Zambia	7,105.0	29,153.5	32,119.0	34,601.0	38,107.5
Kenya	471.5	423.7	0.0	0.0	0.0
Total electricity available for distribution	7,035,292.0	7,376,261.6	7,804,135.9	7,862,923.3	8,690,055.9

Source: Tanzania National Electricity Supply Company

### Services

Activities in the service sector picked up, following recovery of the economy from the effects of the pandemic. The services activity<sup>2</sup> grew by 5 percent in 2021 from 4.3 percent in 2020, largely driven by recovery of activities in the hospitality industry from the impact of COVID-19<sup>3</sup>. Trade and repairs grew by 3.5 percent in 2021 from 2.1 percent in 2020.

### Gross National Income

Gross national income (GNI) recorded annual growth of 6.6 percent at current prices in 2021 compared with 8.7 percent in 2020<sup>4</sup>. In nominal levels, GNI was TZS 146,400 billion compared with TZS 137,335 billion (Table 1.2).

Gross national disposable income (GNDI), estimated by adjusting GNI for net current transfers, increased by 6.8 percent to TZS 147,672.3 billion in 2021<sup>5</sup>.

**Table 1.2: Gross National Income at Current Market Prices**

	Billions of TZS				
	2017	2018	2019	2020	2021 <sup>p</sup>
Gross national income (GNI)	106,894.0	117,465.6	126,288.7	137,335.0	146,400.0
GDP (at current basic price)	108,956.8	118,874.2	128,554.3	140,135.4	149,096.9
Net primary income from ROW	-2,062.8	-1,408.6	-2,265.6	-2,800.4	-2,696.9
Primary income receivable	279.5	353.2	486.1	254.9	235.6
Less: primary income payable	2,342.3	1,761.8	2,751.7	3,055.3	2,932.5
Net current transfers from abroad	896.2	1,060.6	957.7	920.4	1,272.3
Current transfers receivable	1,081.6	1,212.7	1,086.8	1,041.3	1,470.8
Less: current transfer payable	185.4	152.1	129.1	120.9	198.5
Gross national disposable income (GNDI)	107,790.1	118,526.2	127,246.4	138,255.4	147,672.3
GDP (at current market price)	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8

Source: National Bureau of Statistics

Note: p denotes provisional data; GDP, gross domestic product; and ROW, rest of the world

- Services activity includes wholesale and retail trade, repairs, transport and storage, accommodation and food services, information and communication, financial and insurance, real estate, education, health and social works, arts, entertainment and recreation, professional, scientific, technical, administrative and support activities, public administration and defense.
- Hospitality industry include restaurants, hotels, casinos, amusement parks, events, cruises, entertainment, and tourism related services.
- GNI is total domestic and foreign output claimed by residents of a country, consisting of gross domestic product, plus factor incomes earned by foreign residents, minus income earned in the domestic economy by non-residents.
- Current transfers cover transactions in which goods, services and financial items are transferred between units without something of economic value being received in return.

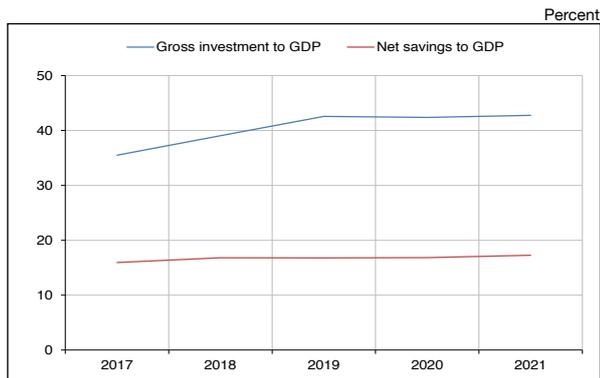


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### Savings

Net national savings of the economy at current prices rebounded in 2021, growing at 17.3 percent of GDP in 2021 from 16.8 percent in the preceding year (Chart 1.2). Further, the national savings-investment gap was 25.5 percent of GDP in 2021, similar to the preceding year.

**Chart 1.2: Savings and Investment Ratios**



Source: National Bureau of Statistics

### Expenditure

Gross Domestic Product (GDP) by expenditure indicated domestic final consumption to have increased by 7 per cent in 2021 and accounted for the largest share (66.7 percent), while investment expenditure grew by 9.2 percent (Table 1.3). Consumption of imported goods and services (net exports), rose by more than 100 percent in 2021 from a contraction of 48.7 percent in 2020. This was mainly due to resumption of economic activities as the world continues to recover from COVID-19 pandemic.

**Table 1.3: Consumption, Investment and Savings at Current Market Prices**

	Billions of TZS				
	2017	2018	2019	2020	2021 <sup>p</sup>
Final consumption	81,577.2	87,732.0	93,002.3	100,644.1	107,720.4
Government	10,097.4	10,468.8	10,978.6	11,115.2	11,864.5
Households	71,211.5	76,966.7	81,712.0	89,204.3	95,489.3
Non-profit institutions serving households	268.3	296.5	311.7	324.6	366.6
Gross capital formation (Investment)	40,427.4	49,493.6	55,762.4	59,652.2	65,122.3
Fixed capital formation	42,141.9	50,387.1	59,440.5	64,048.5	69,050.9
Changes in valuables	1,006.2	1,215.1	1,273.3	1,838.3	1,954.2
Changes in inventories	-2,720.7	-2,108.6	-4,951.5	-6,234.6	-5,882.8
Net external demand/exports	-2,327.4	-3,943.2	-1,992.3	-1,023.0	-3,791.3
Exports of goods and services	17,993.3	19,160.1	22,160.0	20,028.4	23,166.0
Imports of goods and services	20,320.7	23,103.3	24,152.3	21,051.4	26,957.3
Savings	18,921.2	21,703.1	23,419.2	25,457.4	27,874.7
Saving - Investment gap	-23,220.7	-28,684.0	-36,021.4	-38,591.1	-41,176.3
GDP (at current market price)	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8
Memorandum:					
Gross capital formation to GDP	35.5	39.0	42.6	42.4	42.7
Savings to GDP	15.9	16.8	16.8	16.8	17.3
Consumption to GDP	68.7	68.0	66.6	66.6	66.7
Saving-Investment gap to GDP	-19.6	-22.2	-25.8	-25.5	-25.5

Source: National Bureau of Statistics

Note: Memorandum items are in percent; p denotes provisional data

### Inflation

Supply-chain disruptions caused by the war in Ukraine and residual effects of the COVID-19 pandemic contributed to increase in commodity prices in the world market. Prices of goods, particularly food and oil rose substantially. As a result, domestic inflation rose to 4 percent in 2021/22, up from 3.3 percent in the preceding year (Table 1.4). Despite the rise, inflation has remained within the country and regional benchmarks<sup>6</sup>.

Core inflation, which accounts for 73.9 percent of the consumer price index, decrease to 3.8 percent from 4.8 percent. A significant decrease occurred in the second half of the year, driven by prices of building materials, transport, and rent. Energy and fuel inflation averaged 6.8 percent, up from 2.2 percent due to increase in domestic pump prices, which were in tandem with high prices of oil in the world market. Food inflation averaged 5.2 percent from 3.8 percent, largely driven by prices of food, particularly maize, rice, wheat and cooking oil. The increase prices of maize and rice was largely due to high demand for food from neighbouring, while that of wheat and cooking oil was because of global supply-chain disruptions.

<sup>6</sup> The country inflation target for 2021/22 ranges from 3-5 percent, EAC ceiling of not more than 8 percent and SADC range of 3-7 percent.



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In 2022/23, inflation is projected to increase moderately to 5.4 percent, despite high prices of goods in the world market, particularly oil, wheat and edible oil. Stable exchange rate, as well as prudent monetary and fiscal policies would contribute to aligning inflation expectations to the target of 5.4 percent.

**Table 1.4: Average Headline Inflation and its Components**

Inflation components	Percent				
	2017/18	2018/19	2019/20	2020/21	2021/22
Headline inflation	4.3	3.2	3.5	3.3	4.0
Core inflation	1.6	2.8	2.4	3.1	3.8
Food inflation	6.2	1.3	4.8	3.8	5.2
Non-food inflation	3.3	5.0	2.8	3.1	3.5
Energy and fuel inflation	13.0	16.2	4.3	3.8	6.8

Source: National Bureau of Statistics and Bank of Tanzania computations

### Food Supply

Food production in 2021/22 decreased by 5.5 percent compared with the preceding year, owing to unfavourable weather in some parts of the country. Despite the decrease, production was estimated at 17.4 million tonnes, against national requirement of 15.1 million tonnes for 2022/23, which implies a food self-sufficiency ratio (SSR) of 115.5 percent (Table 1.5). Cereals production accounted for 54.6 percent of the food produced in 2021/22. Food production and requirement by major crops are depicted Table 1.6

**Table 1.5: Food Production**

		Tonnes				
		2017/18	2018/19	2019/20	2020/21	2021/22 <sup>p</sup>
Cereals	Production	9,537,858	9,007,909	10,869,596	10,639,990	9,493,410
	Requirement	8,627,272	8,754,119	8,754,119	9,417,888	9,537,752
	Gap/Surplus	910,586	253,790	2,115,477	1,222,102	-44,342
Non-cereals	Production	7,354,118	7,400,400	7,327,137	7,785,260	7,910,470
	Requirement	4,942,014	5,088,417	5,088,417	5,378,864	5,536,113
	Gap/Surplus	2,412,104	2,311,983	2,238,720	2,406,396	2,374,357
Total food	Production	16,891,974	16,408,309	18,196,733	18,425,250	17,403,880
	Requirement	13,569,286	13,842,536	13,842,536	14,796,751	15,073,865
	Gap/Surplus	3,322,688	2,565,773	4,354,197	3,628,499	2,330,015
	SSR	124.5	118.5	131.5	124.5	115.5

Source: Ministry of Agriculture

Note: SSR denotes self-sufficiency ratio; p, provisional data; and production data.

**Table 1.6: Food Production in 2021/22 and Requirement for 2022/23 by Major Crops**

Cereals	Tonnes				
	Maize	Sorghum/ Millet	Rice	Wheat	Total
Production	6,537,203	1,033,408	1,856,731	66,068	9,493,410
Requirement	6,034,943	2,147,526	1,065,534	289,749	9,537,752
Gap/Surplus	502,260	-1,114,118	791,198	-223,681	-44,342
SSR	108.3	48.1	174.3	22.8	99.5
Non-cereals	Pulses	Banana	Cassava	Potatoes	Total
Production	2,302,238	1,413,070	2,348,879	1,846,283	7,910,470
Requirement	886,363	1,019,214	2,544,705	1,085,830	5,536,113
Gap/Surplus	1,415,874	393,856	-195,827	760,453	2,374,357
SSR	259.7	138.6	92.3	170.0	142.9

Source: Ministry of Agriculture

Note: SSR denotes self-sufficiency ratio

Food stock held by the National Food Reserve Agency (NFRA) comprising maize, paddy and sorghum, was 141,575.9 tonnes at the end of June 2022, compared with 107,384.1 tonnes in the corresponding period in 2021 (Table 1.7). The NFRA sold 76,580.1 tonnes of maize to traders, millers as well as Cereals and Other Produce Board (CPB). Further, the Agency offered about 4.1 tonnes of maize as corporate social responsibilities and purchased 110,713.3 tonnes of maize and 58.7 tonnes of sorghum.

**Table 1.7: Food Stocks Held by NFRA**

	Tonnes				
	2018	2019	2020	2021	2022
January	91,947	93,037	43,597	110,398	207,899
February	91,313	85,525	41,231	110,389	203,297
March	83,650	78,336	39,597	109,231	200,626
April	73,468	68,748	38,053	109,231	190,366
May	68,893	68,058	38,291	108,284	149,402
June	63,844	67,336	52,725	107,384	141,576
July	62,288	67,410	90,255	107,384	
August	62,317	68,407	92,991	123,635	
September	78,224	61,711	109,733	150,057	
October	87,435	55,853	110,895	192,408	
November	92,402	52,727	110,289	209,057	
December	95,534	52,498	110,398	214,968	

Source: National Food Reserve Agency

### Prices of Food and Cash Crops

Wholesale prices of the main food crops were higher in 2021/22 relative to 2020/21, except



## Bank of Tanzania Annual Report 2021/22

for beans and round potatoes (Table 1.8). The increase was mainly due to unfavourable weather and high demand from neighbouring countries.

**Table 1.8: Wholesale Prices of Food Crops**

Food crop	TZS per 100Kg				
	2017/18	2018/19	2019/20	2020/21	2021/22
Maize	51,760.6	47,745.0	72,212.4	52,427.0	57,264.3
Rice	182,986.8	158,742.4	175,175.6	141,316.4	169,257.4
Beans	170,446.8	160,143.2	190,591.4	192,207.9	179,894.5
Sorghum	85,894.0	75,527.5	104,442.6	92,482.7	108,534.2
Round potatoes	70,648.2	77,544.4	74,083.2	72,585.9	71,544.9
Finger millet	146,681.0	134,706.5	129,901.2	137,718.4	162,609.2

Source: Ministry of Industry and Trade

Producer prices of traditional cash crops were somewhat mixed in 2021/22, due to demand and supply factors. Prices of coffee, seed cotton, green tea and tobacco increased, whereas prices of cashew nuts and sisal decreased (Table 1.9).

**Table 1.9: Producer Prices of Cash Crops**

Period	Coffee		Seed cotton	Green tea leaf	Raw cashew nuts	Tobacco VFC	Sisal* UG
	Arabica	Robusta					
2017/18 <sup>r</sup>	2,980	2,980	1,100	299	3,797	3,931	1,750
2018/19 <sup>r</sup>	2,210	2,210	1,200	312	3,300	3,496	1,710
2019/20 <sup>r</sup>	4,644	3,180	1,200	312	3,300	3,231	1,700
2020/21 <sup>r</sup>	5,207	3,065	900	312	2,707	3,544	1,675
2021/22 <sup>p</sup>	5,217	3,703	1,560	320	2,116	3,563	1,660

Source: Ministry of Agriculture and Crop Boards

Note: VFC denotes Virginia flue cured; UG, under grade; r, revised data; p, provisional data; and \*sisal prices are in USD per tonne

### 1.2 Financial Markets

The Bank of Tanzania continued to support development of money and capital markets for smooth conduct of monetary policy, financing and portfolio investment. Accordingly, various initiatives for development of the financial markets were undertaken by the Bank. They include commencement of Treasury bond reopening program to improve depth and liquidity as well as price discovery in the secondary market, and adjustment of coupon rates on Treasury bonds to align them with prevailing market interest rates. In addition, Foreign Exchange Regulations, 2022 were issued, permitting SADC residents, to participate in government securities market. The

regulations also permitted Tanzania residents to invest in SADC countries without seeking waiver from the Bank of Tanzania. Participation of both EAC and SADC residents is expected to increase the investor base and competition in government securities market.

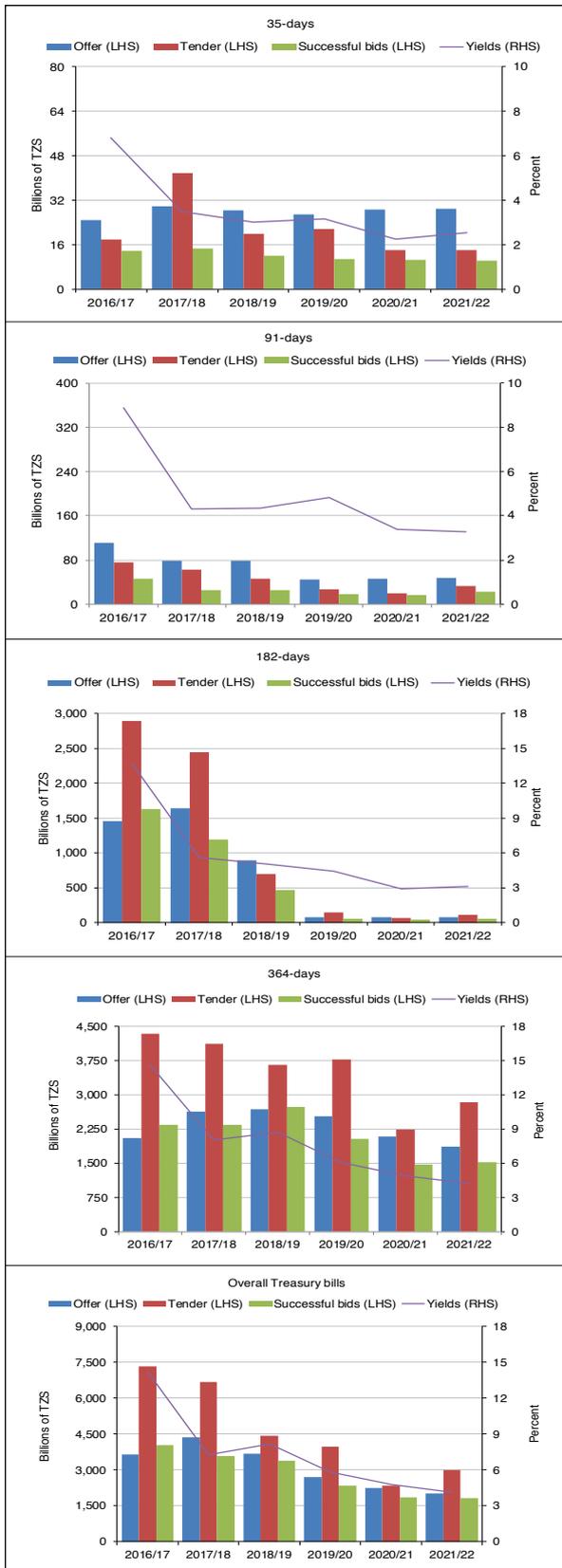
### Debt Securities Market

Treasury securities continued to dominate the debt securities market. The auctions of these securities were generally oversubscribed, with preference skewed towards longer term maturities. The oversubscription was attributable to high return relative to competing investment, particularly for bonds with longer tenure. Specifically, in 2021/22, Treasury bills worth TZS 2,025.6 billion were offered for sale compared with TZS 2,236.9 billion in 2020/21. Bids worth TZS 2,994.5 billion were tendered, of which TZS 1,828.2 billion were successful. Meanwhile, Treasury bills amounting to TZS 1,855.4 billion matured compared with TZS 2,405.1 billion in the preceding year. Yields on Treasury bills slightly decreased to 4.16 percent from 4.75 percent (Chart 1.3).



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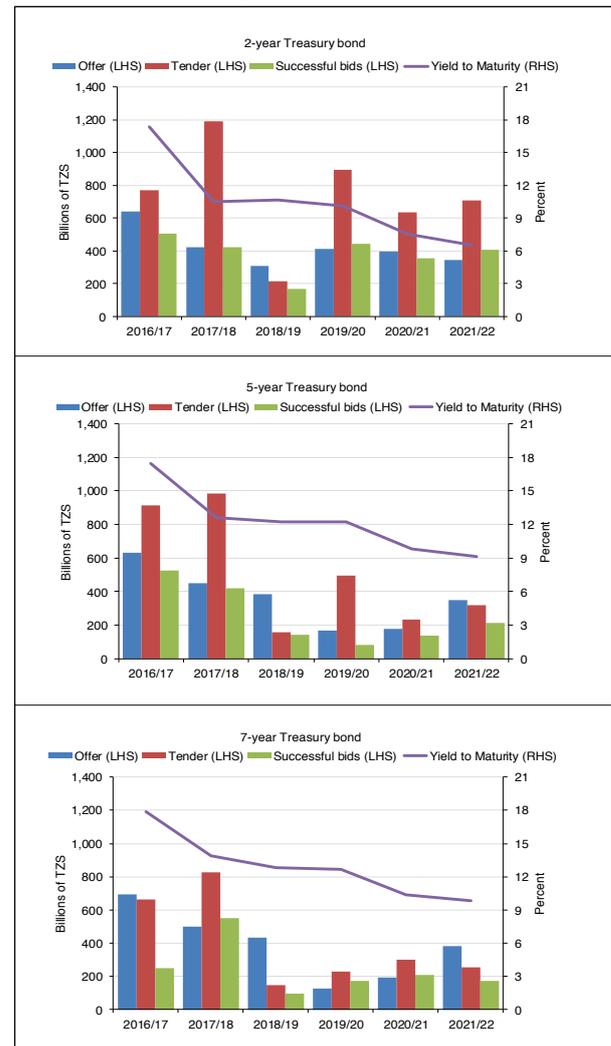
**Chart 1.3: Performance of Treasury Bills**



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

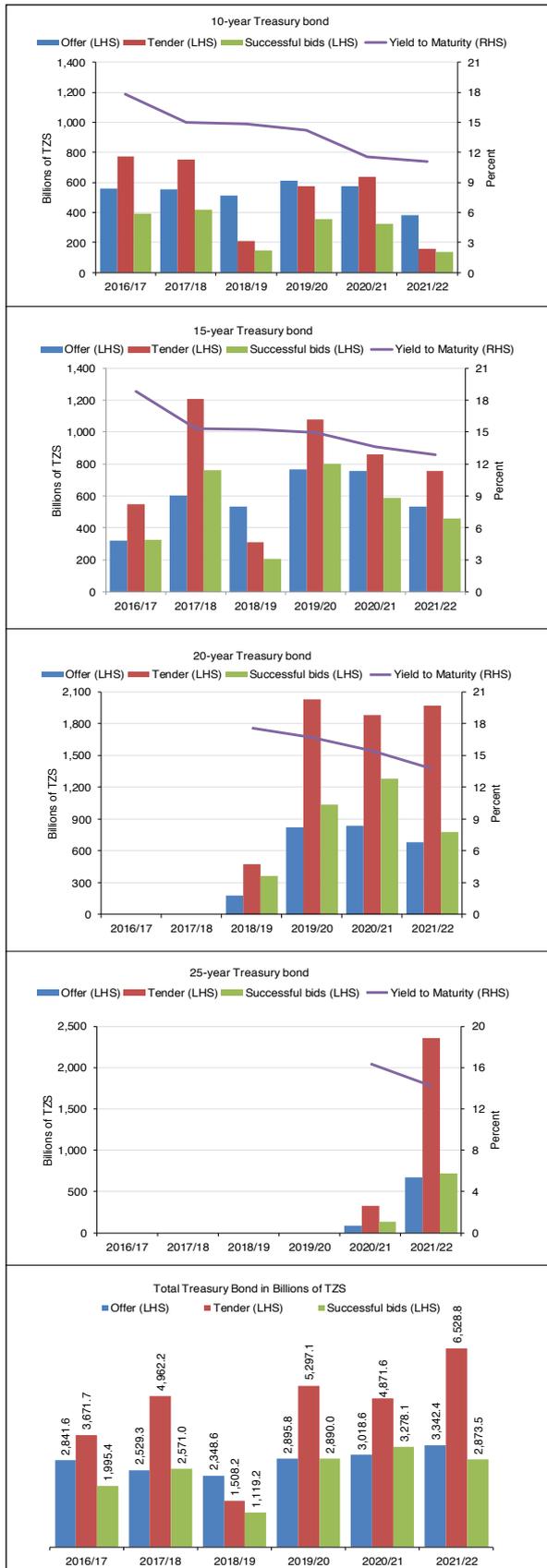
Along with Treasury bills, Treasury bonds were issued in distinct auctions for fiscal operations. Amount offered was TZS 3,342.4 billion, while bids were almost two-fold of the offer at TZS 6,528.8 billion, of which successful were TZS 3,115.9 billion. In line with the high demand, yields declined across maturities (Chart 1.4). In the secondary market of Treasury bonds, turnover increased by 49.4 percent to TZS 3,325.7 billion in 2021/22, partly attributable to elevated risk on alternative investments due to uncertainties caused by the COVID-19 pandemic and war in Ukraine. The 15-year bond was the most traded, accounting for 37.2 percent of total transactions, followed by 20-year bond at 26 percent. The 2-year bond was the least traded.

**Chart 1.4: Treasury Bonds Performance**





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

### Corporate Bond and Equity Markets

The corporate bond and equity markets remained resilient and sound. The value of corporate bonds traded at the Dar es Salaam Stock Exchange (DSE) significantly decreased to TZS 821 million in 2021/22 from TZS 1,713.7 million recorded in the preceding year. The decrease is associated with investors' tendency to hold bonds to maturity and the shift towards Treasury bonds and collective investment schemes. In the equity market, the total turnover of shares traded at the DSE dropped to TZS 126.6 billion in 2021/22 from TZS 521.9 billion due to a shift in investor preference from equity to fixed income securities, including government bonds, which paid relatively higher return.

Market capitalization was TZS 16,634.1 billion compared with TZS 15,514.7 billion in June 2021, of which 62.5 percent was domestic market capitalization. The increase in market capitalization over the year reflects investors' confidence on the performance of listed companies and strong domestic macroeconomic environment. The DSE share index closed at 1,875.5 points from 1,985.8 points, on account of a decrease in share price of cross listed companies. The Tanzania share index increased by 7.5 percent to 3,928.6 points.

### Foreign Exchange Market

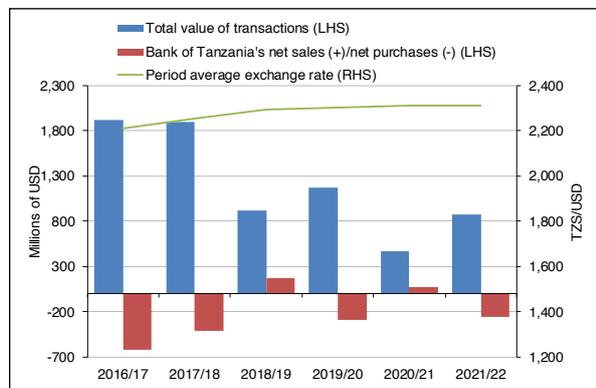
The interbank foreign exchange market was active, but characterised by low volume, due to global shocks (COVID-19 pandemic and war in Ukraine), which adversely affected financial flows (Chart 1.5). The volume in the retail market decreased, but much more than in the interbank market. The Bank of Tanzania participated in the interbank foreign exchange market, to support import demand, ensure orderly foreign exchange market operations, and building of foreign exchange reserves during periods of high foreign exchange supply. Consequently, a net purchase of USD 254 million, equivalent to 29 percent of the total market turnover, was realized. The value



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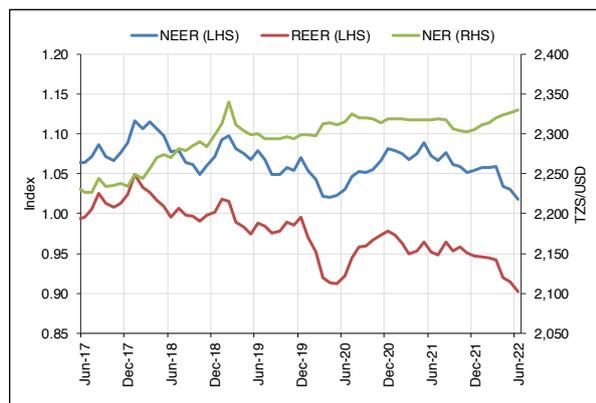
of the shilling against the major trading currencies remained stable throughout 2021/22, due to low and stable domestic inflation, moderate current account deficit, adequate foreign exchange reserves, coupled with prudent monetary and fiscal policies. Stability was also observed in nominal effective exchange rate (NEER) and Real Effective Exchange Rate (REER) (Chart 1.6a). The real effective exchange rate was also stable and close to its long-run path (Chart 1.6b).

**Chart 1.5: Inter-Bank Foreign Exchange Market Transactions**



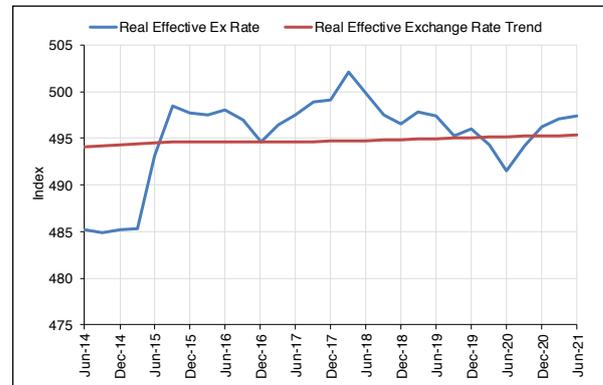
Source: Bank of Tanzania  
Note: LHS denotes left-hand scale; and RHS, right-hand scale

**Chart 1.6a: Trade-Weighted Exchange Rates Movement**



Source: Bank of Tanzania  
Note: LHS denotes left-hand scale; RHS, right-hand scale; NEER, nominal effective exchange rate; REER, real effective exchange rate; and NER, Nominal exchange rate

**Chart 1.6b: REER Movement and Long-Term Trend**



Source: Bank of Tanzania  
Note: REER denote real effective exchange rate

### 1.3 Government Fiscal Performance

Government budget execution in 2021/22 performed well, supported by satisfactory revenue collection, despite challenges associated with the COVID-19 pandemic, war in Ukraine and tightened financial conditions in global markets. Expenditure was aligned with resources envelope.

#### Revenue and Grants

Revenue amounted to TZS 24,389.5 billion, or 94.9 percent of the budget estimate in 2021/22 and 14.6 percent of GDP<sup>7</sup>. The performance was 18.4 percent higher than collection of the preceding year, indicating recovery of some activities from the adverse effects of COVID-19 pandemic. The performance was also reinforced by improved revenue administration, which included leveraging technology in revenue collection. Revenue collection by the Central Government amounted to TZS 23,500.1 billion and accounted for 96.4 percent of the total revenue collection, while collection by local government authorities from their own sources amounted to TZS 889.5 billion.

Tax revenue collection was TZS 20,029.2 billion, or 98.7 percent of the budget estimates and 15.7 percent higher than collection of the preceding year. Tax revenue collection was 12 percent of GDP, almost the same as in the previous year.

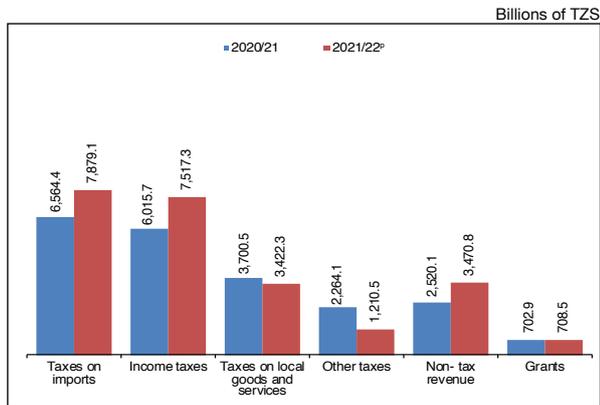
<sup>7</sup> Provisional GDP for 2021/22 is TZS 167,286,243 million.



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Non-tax revenue amounted to TZS 3,470.8 billion. External loans and grants were TZS 5,926.3 billion and TZS 708.5 billion, respectively (Chart 1.7)<sup>8</sup>.

**Chart 1.7: Government Resources**

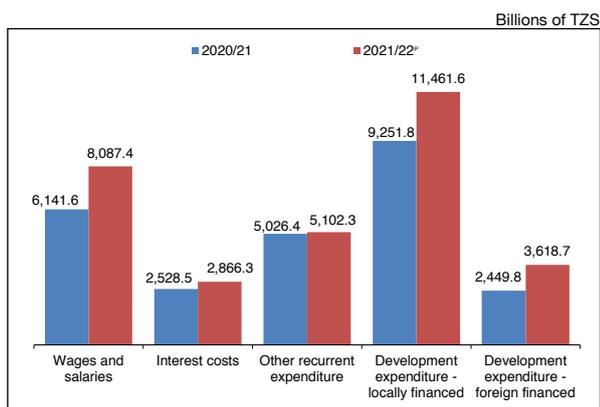


Source: Ministry of Finance and Planning  
Note: p denotes provisional data

## Expenditure

In 2021/22, expenditure was TZS 31,136.3 billion, equivalent to 95 percent of the budget estimates and 18.6 percent of GDP<sup>9</sup>. Recurrent expenditure was 51.6 percent of the total expenditure, the remaining was development expenditure of which domestic resources accounted for 76 percent (Chart 1.8).

**Chart 1.8: Government Expenditure**



Source: Ministry of Finance and Planning  
Note: p denotes provisional data

## Financing of Budget Deficit

Government budget operations registered overall deficit of TZS 6,117.6 billion, financed by foreign

<sup>8</sup> Includes project, program, and basket funds.  
<sup>9</sup> Expenditure excludes amortisation.

and domestic borrowing amounting to TZS 3,267.6 billion and TZS 2,850 billion, respectively. Fiscal deficit was 3.6 percent of GDP, an improvement from 3.8 percent recorded in the preceding year.

## National Debt

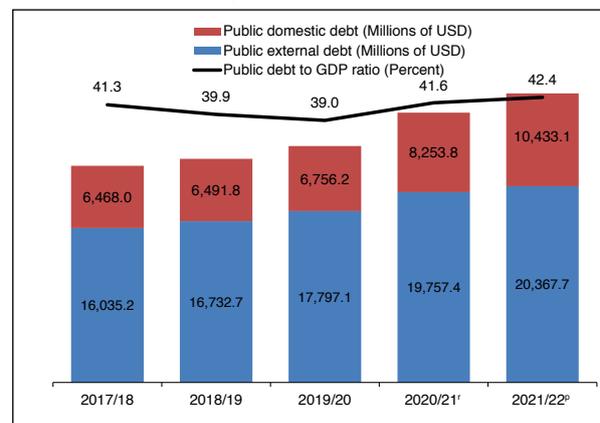
Debt sustainability analysis conducted in November 2021 indicates that national debt (public and private sector debt) remained sustainable, with all external debt burden indicators falling below sustainability thresholds under baseline assumptions (Table 1.10). In levels, national debt increased by USD 4,492.5 million to USD 38,265.6 million at the end of June 2022 from corresponding period in 2021. The increase was mainly on account of loan from IMF under Rapid Credit Facility, securitization of pension funds obligation in arrears, and domestic financing of fiscal operations. Public debt (external and domestic debt) amounted to USD 30,891.7 million, or 80.7 percent of national debt.

**Table 1.10: Selected Public Debt Sustainability Indicators**

Indicators	Threshold	Percent				
		2020/21	2021/22	2022/23	2023/24	2024/25
PV of external debt-to-GDP ratio	40	18.8	18.8	18.7	18.8	18.8
PV of total public debt-to-GDP ratio	55	31.0	31.8	31.8	31.5	30.7
PV of debt-to-exports ratio	180	142.4	132.9	117.4	108.5	102.8
Debt service-to-exports ratio	15	14.8	14.9	11.5	9.4	9.2
Debt service-to-revenue ratio	18	14.6	14.2	12.1	10.6	10.9

Source: Ministry of Finance and Planning, Tanzania National Debt Sustainability Analysis, November 2021  
Note: PV denotes present value

**Chart 1.9: Developments in Public Debt**



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



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### External Debt

External debt, public and private sector, increased to USD 27,832.5 million from USD 25,519.3 million, with public sector debt accounting for 73.5 percent of the total (Table 1.11). A large proportion of public external debt was owed to multilateral institutions and commercial creditors at about 46 percent and 29 percent, respectively (Table 1.12). Disbursements during the year amounted to USD 2,884 million, of which 89 percent was received by the Government and the balance by the private sector. External debt service payments amounted to USD 1,661.5 million, or 15 percent of exports. Out of the external debt service payments, 79.5 percent was principal repayments and the balance was interest payments.

**Table 1.11: External Debt by Borrower**

Borrower	Jun-20		Jun-21		Jun-22 <sup>P</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	17,734.5	77.3	19,703.1	77.2	20,428.9	73.4
DOD	16,764.6	73.0	18,640.1	73.0	19,330.0	69.5
Interest arrears	969.9	4.2	1,063.0	4.2	1,098.9	3.9
Private sector	5,155.6	22.5	5,761.9	22.6	7,374.0	26.5
DOD	4,144.6	18.1	4,573.6	17.9	6,039.2	21.7
Interest arrears	1,011.0	4.4	1,188.3	4.7	1,334.8	4.8
Public corporations	62.6	0.3	54.3	0.2	29.7	0.1
DOD	49.2	0.2	37.2	0.1	23.7	0.1
Interest arrears	13.4	0.1	17.1	0.1	6.0	0.0
External debt stock	22,952.7	100.0	25,519.3	100.0	27,832.5	100.0

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

Note: DOD denotes disbursed outstanding debt; and p, provisional data

**Table 1.12: External Debt by Creditor Category**

Creditor	Jun-20		Jun-21		Jun-22 <sup>P</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	10,741.8	46.8	11,835.3	46.4	12,770.7	45.9
DOD	10,703.3	46.6	11,775.8	46.1	12,707.0	45.7
Interest arrears	38.5	0.2	59.5	0.2	63.7	0.2
Bilateral	2,083.3	9.1	2,231.0	8.7	2,264.7	8.1
DOD	1,113.4	4.9	1,168.0	4.6	1,165.8	4.2
Interest arrears	969.9	4.2	1,063.0	4.2	1,098.9	3.9
Commercial	7,573.4	33.0	8,688.9	34.0	8,130.4	29.2
DOD	7,051.8	30.7	8,056.5	31.6	7,406.0	26.6
Interest arrears	521.6	2.3	632.4	2.5	724.4	2.6
Export credit	2,554.2	11.1	2,764.1	10.8	4,666.7	16.8
DOD	2,089.9	9.1	2,250.6	8.8	4,114.0	14.8
Interest arrears	464.3	2.0	513.5	2.0	552.7	2.0
External debt stock	22,952.7	100.0	25,519.3	100.0	27,832.5	100.0

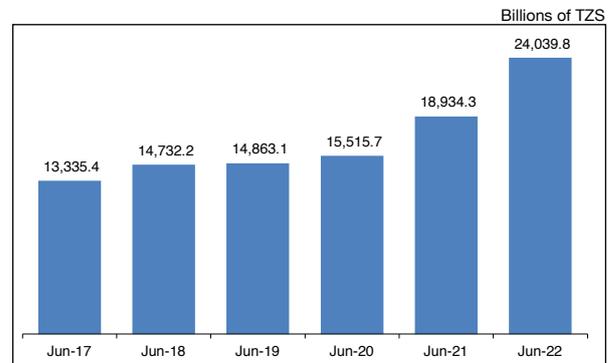
Source: Ministry of Finance and Planning, and Bank of Tanzania

Note: DOD denotes disbursed outstanding debt; and p, provisional data

### Domestic Debt

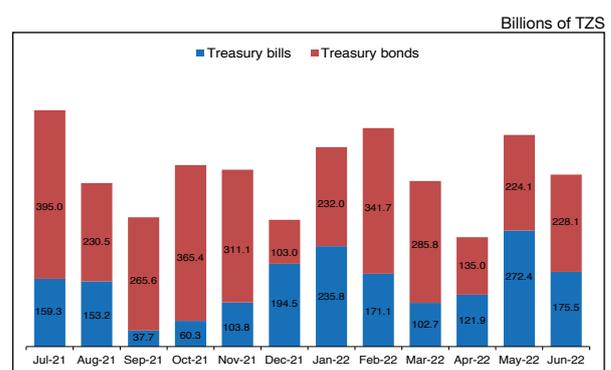
Domestic debt was TZS 24,039.8 billion at the end of June 2022, an increase of TZS 5,105.5 billion from the end of June 2021, mainly on account of securitization of pension funds obligation in arrears and financing of budget operations (Chart 1.10). In terms of debt flow, about TZS 4,905.6 billion was raised from the domestic debt market, of which TZS 3,117.3 billion was through treasury bonds and TZS 1,788.3 billion through treasury bills.

**Chart 1.10: Domestic Debt Stock**



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

**Chart 1.11: Domestic Debt Issued in 2021/22**



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

Long-term instruments (Treasury bonds and stocks) constituted the largest part of the debt, accounting for 83.8 percent (Table 1.13). Much of the debt was owed to pension funds at 31.3 percent of domestic debt stock and commercial banks at 27.9 percent (Table 1.14). Domestic debt that fell due for payment in 2021/22 was TZS 5,174.6 billion, out of which TZS 3,240.6 billion was rolled over.



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**Table 1.13: Domestic Debt by Instruments**

Instrument	Billions of TZS					
	Jun-20		Jun-21		Jun-22	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	14,715.7	99.9	16,579.4	87.6	21,894.4	91.1
Treasury bills	2,236.5	17.1	1,774.9	9.4	1,757.8	7.3
Government stocks	252.7	1.7	252.7	1.3	252.7	1.1
Government bonds	12,226.4	81.1	14,551.8	76.9	19,883.9	82.7
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-secured debt	800.0	0.1	2,354.9	12.4	2,145.4	8.9
Other liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	781.7	0.0	2,336.5	12.3	2,127.0	8.8
Domestic debt stock (without liquidity papers)	15,515.7	100.0	18,934.3	100.0	24,039.8	100.0

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

Note: \* includes NMB bank Plc standard loan and duty drawback

**Table 1.14: Domestic Debt by Creditor**

Holders	Billions of TZS					
	Jun-20		Jun-21		Jun-22	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Pension funds	4,413.2	28.4	4,774.8	25.2	7,513.5	31.3
Commercial banks	5,304.7	34.2	5,840.2	30.8	6,715.2	27.9
Bank of Tanzania	2,064.9	13.3	3,481.7	18.4	4,722.2	19.6
Others	2,215.5	14.3	2,977.5	15.7	3,225.7	13.4
Insurance	1,201.2	7.7	1,484.0	7.8	1,458.0	6.1
BOT's special funds	316.3	2.0	376.2	2.0	405.2	1.7
Total	15,515.7	100.0	18,934.3	100.0	24,039.8	100.0

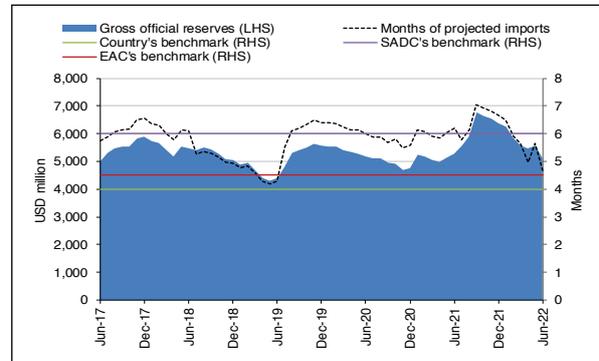
Source: Ministry of Finance and Planning, and Bank of Tanzania

### 1.4 External Sector Performance

In 2021/22, the external sector of the economy remained sustainable, despite the challenges of high commodity prices, tight financial conditions, high inflation in trading partners, and supply-chain disruptions caused by resurgence of COVID-19 and war in Ukraine. The overall balance of payments was a surplus of USD 65.6 million compared to a deficit of USD 132.7 million in 2020/21, largely because of disbursements of loans and grants in favour of the central government. However, due to increase in imports, particularly petroleum products owing to high prices in the world market, the current account deficit widened to USD 3,386.3 million from USD 1,825.6 million (Table 1.15). The deficit was 4.6 percent of GDP compared with 2.7 percent in the preceding year. Foreign exchange reserves amounted to USD 5,110.3 million at the end of June 2022 from USD 5,209.4 million in the corresponding period in 2021. Despite the decline, the reserves were adequate, covering about 4.6 months of projected imports of goods and

services, consistent with the country benchmark of at least 4 months (Chart 1.12).

**Chart 1.12: Foreign Exchange Reserves, Targets and Import Cover**



Source: Bank of Tanzania

Exports of goods and services are projected to scale up in line with the continued rebounding of the tourism sector and growth of manufacturing activities alongside with increase of intra-regional trade. Imports of goods and services are also projected to increase, owing to an extended period of high commodity prices in the world market and increase in travel and transportation payments.

**Table 1.15: Current Account**

	Millions of USD				
	2017/18	2018/19	2019/20	2020/21 <sup>1</sup>	2021/22 <sup>P</sup>
Balance on goods account	-3,168.2	-4,132.8	-2,466.0	-2,100.1	-4,616.4
Exports	4,582.2	4,562.8	5,868.7	6,446.4	7,097.0
Traditional	1,018.8	507.9	995.9	578.4	737.8
Non-traditional	3,146.9	3,640.1	4,574.9	5,557.4	5,959.1
o/w Gold	1,477.2	1,754.1	2,591.3	3,028.8	2,695.7
Unrecorded trade	416.6	414.8	297.9	310.7	400.1
Imports f.o.b.	-7,750.4	-8,695.6	-8,334.7	-8,546.6	-11,713.4
Balance on services account	1,874.5	2,341.8	1,797.6	1,069.7	1,917.4
Receipts	3,941.8	4,093.5	3,478.7	2,364.5	3,919.7
Payments	-2,067.3	-1,751.7	-1,681.1	-1,294.9	-2,002.4
Balance on goods and services	-1,293.7	-1,791.0	-668.4	-1,030.5	-2,699.0
Exports of goods and services	8,524.0	8,656.3	9,347.4	8,811.0	11,098.6
Imports of goods and services	-9,817.7	-10,447.3	-10,015.8	-9,841.4	-14,135.0
Balance on primary income account	-789.8	-804.0	-1,113.0	-1,247.3	-1,277.0
Receipts	138.6	187.7	194.4	67.4	153.5
Payments	-928.3	-991.7	-1,307.4	-1,314.7	-1,430.5
o/w interest by the Government	-263.0	-325.1	-367.1	-296.7	-491.5
Balance on secondary income account	434.4	376.3	464.4	452.1	589.7
Receipts	521.1	435.6	518.0	513.5	700.2
o/w official inflows	155.3	68.2	203.0	76.7	122.4
Payments	-86.6	-59.3	-53.6	-61.4	-110.5
Current account balance	-1,649.0	-2,218.8	-1,317.1	-1,825.6	-3,386.3

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

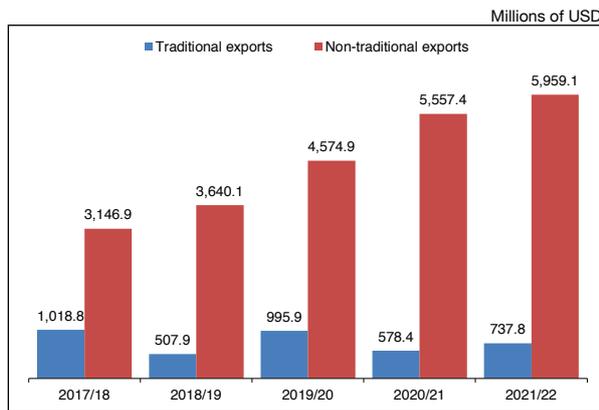


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### International Trade

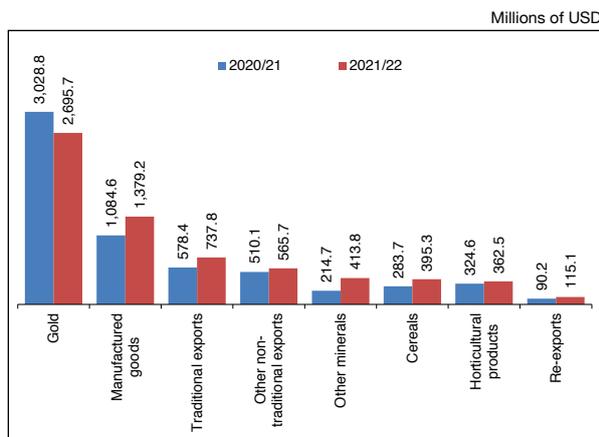
Exports of goods increased by 10 percent to USD 7,097 million in 2021/22 from the preceding year, driven mostly by exports of non-traditional goods, particularly manufactured goods and cereals. Exports of non-traditional goods amounted to USD 5,959.1 million, while traditional exports were valued at USD 737.8 million (Chart 1.13). Export of gold remained dominant in the performance of non-traditional exports, despite decreasing to USD 2,695.7 million from USD 3,028.8 million because of price effect in the world market (Chart 1.14).

**Chart 1.13: Export Performance**



Source: Tanzania Revenue Authority, and Bank of Tanzania computations

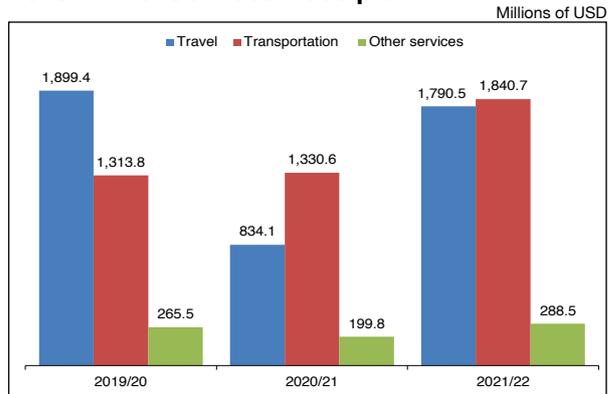
**Chart 1.14: Composition of Goods Exports**



Source: Tanzania Revenue Authority, and Bank of Tanzania computations  
 Note: 'other minerals' comprise Tanzanite, concentrates, and minerals other than concentrates.

Services receipts amounted to USD 3,919.7 million in 2021/22, an increase of 65.7 percent from the preceding year, driven by earning from tourism (travel) and transport services (Chart 1.15). The increase in receipts from tourism more than doubled to USD 1,790.5 million from the preceding year, as tourist arrivals rose to 1,123,130 from 537,190.

**Chart 1.15: Services Receipts**



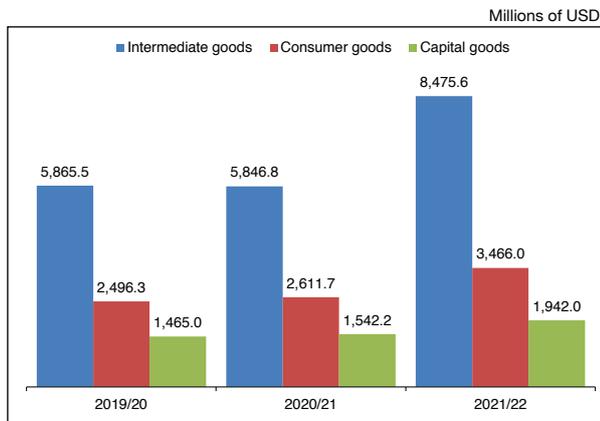
Source: Banks, and Bank of Tanzania computations

Goods worth USD 11,713.4 million were imported during 2021/22, higher than USD 8,546.6 million in the preceding year, dominated by imports of intermediate goods particularly, white petroleum products, iron and steel, and plastic products (Chart 1.16). Notably, imports of white petroleum products surged by 67.8 percent to USD 2,447.2 million from USD 1,458.5 million, on account high price in the world market attributable to supply disruptions during the war in Ukraine. This occurred amidst rising demand in the wake of re-opening of economies from COVID-19 related lockdowns. Import volume of petroleum products marginally increased. Imports of edible oil, wheat grain and fertilizers also increased due to the war in Ukraine. Services payments almost doubled over the year to USD 2,002.4 million owing to a rise in freight payments, consistent with increase in imports (Chart 1.17).



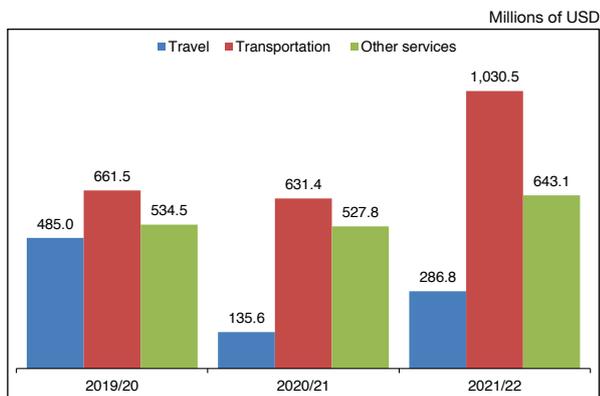
## Bank of Tanzania Annual Report 2021/22

**Chart 1.16: Composition of Goods Imports**



Source: Tanzania Revenue Authority, and Bank of Tanzania computations

**Chart 1.17: Services Payments**



Source: Banks, and Bank of Tanzania computations

### Income and Capital Transfers

The primary income account widened to a deficit of USD 1,277 million in 2021/22, from USD 1,247.3 million, owing to a rise in interest payments, while secondary income account recorded a surplus of USD 589.7 million from a surplus of USD 452.1 million, on account of an increase in private transfers. The capital account recorded a surplus of USD 373.6 million, lower than USD 398.7 million.

### Financial Account

The financial account recorded a net balance of USD 3,136.3 million in 2021/22 compared with USD 2,434.9 million in 2020/21, following receipt of loans in favour of the central government amounting to USD 1,242 million compared with

USD 1,031.2 million. Consistent with the global trend, inflows of foreign direct investment (FDI) declined to USD 943.7 million in 2020 from USD 1,217.2 million in 2019. FDI are expected to increase as the global economy normalizes, supported by initiatives on course to improve investment climate.

### Direction of Trade

The terms of trade continued to be favourable in 2021/22, indicating improvement in export competitiveness (Chart 1.18)<sup>10</sup>. A large share of exports was destined to the United Arab Emirates, India, South Africa and Switzerland, which altogether accounted for more than half of the total exports in 2021/22. Also, the main 15 export destinations accounted for 86.8 percent of total exports, while imports sourced from the top 15 countries accounted for 80.4 percent. China, the United Arab Emirates and India, combined, accounted for 48.7 percent of total imports (Table 1.16a and Table 1.16b).

**Table 1.16a: Shares in Exports Destinations**

Country	2017	2018	2019	2020	2021
United Arab Emirates	2.5	2.3	7.9	12.4	16.5
India	24.5	19.1	17.4	8.7	15.8
South Africa	17.2	19.2	19.4	19.1	14.3
Switzerland	6.4	6.9	6.5	14.3	8.2
Kenya	4.7	5.6	5.4	3.8	6.2
Uganda	0.9	2.7	2.5	3.2	4.9
China	3.5	3.8	4.7	3.9	4.3
Rwanda	1.7	1.9	3.8	3.4	4.3
Democratic Republic of the Congo	2.8	4.3	3.3	2.4	3.2
Burundi	1.3	1.2	1.8	3.0	2.6
Vietnam	7.7	1.8	6.2	3.8	1.6
Belgium	4.8	6.2	3.7	2.1	1.6
Netherlands	1.9	2.0	1.6	1.1	1.2
Japan	1.8	1.7	1.3	0.9	1.1
Malawi	1.1	1.6	1.1	0.8	1.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations

<sup>10</sup> Terms of Trade refer to the number of units of exports required to purchase one unit of imports. It is calculated as the ratio between index of export prices and the index of import prices.



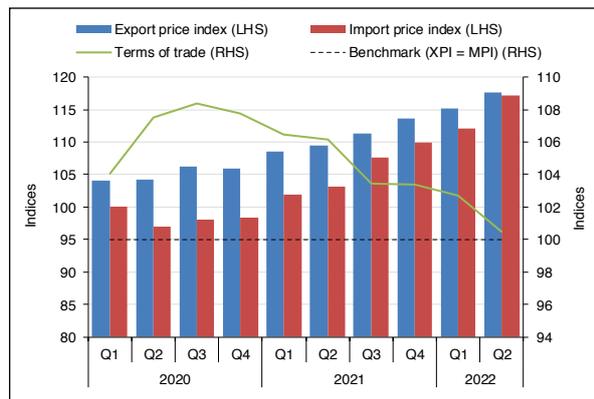
## Bank of Tanzania Annual Report 2021/22

**Table 1.16b: Shares in Source of Imports**

Country	Percent				
	2017	2018	2019	2020	2021
China	19.3	20.7	22.0	25.3	24.9
United Arab Emirates	7.6	10.2	10.5	9.7	12.7
India	15.0	14.3	13.9	12.8	11.1
Saudi Arabia	6.0	6.7	4.7	4.0	6.2
Japan	5.3	4.7	5.4	4.4	4.3
South Africa	5.3	5.1	4.9	4.1	4.0
Kenya	2.6	2.9	2.9	2.9	3.8
United States	2.6	2.8	3.5	2.8	2.4
Germany	3.0	2.6	2.5	2.8	2.2
Turkey	1.0	2.0	1.8	2.6	2.2
Indonesia	1.8	1.6	1.9	1.5	2.0
Oman	0.2	0.6	1.7	1.1	2.0
United Kingdom	1.7	1.9	1.5	1.4	1.1
Australia	0.8	0.7	1.7	0.6	0.8
Switzerland	2.6	1.5	1.8	1.2	0.7

Source: Tanzania Revenue Authority and Bank of Tanzania computations

**Chart 1.18: 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

During 2021, Tanzania exported goods worth USD 1,460 million to SADC member countries, slightly lower than USD 1,544.7 million in 2020. South Africa and the Democratic Republic of the Congo continued to be the main trading partners of Tanzania, accounting for 14.3 percent and 3.2 percent of total exports, respectively. The main exports to SADC included gold, textile, glassware as well as iron and steel. Share of imports from SADC was equivalent to 5 percent of the total exports in 2021, South African being the major source of imports within SADC.

Exports of Tanzania to the EAC region recorded annual increase of 30.7 percent to USD 1,057.5 million in 2021. Imports also grew by 43.7 percent to USD 468.3 million. Overall, Tanzania recorded a trade surplus of USD 589.2 million in 2021, higher than a surplus of USD 340.2 million in 2020 (Table 1.17). Exported goods to EAC countries mainly comprised rice, mineral water, cooking oil, maize, cosmetics and iron and steel, while major imports included imported refined white products, crown corks, salt, iron and steel, soap and detergents and pharmaceutical products.

**Table 1.17: Tanzania Intra-EAC Trade**

	Millions of USD				
	2017	2018	2019	2020	2021
<b>Burundi</b>					
Exports	50.8	47.7	87.5	178.6	168.5
Imports	0.2	1.0	0.4	0.3	0.6
Balance	50.6	46.6	87.1	178.4	167.9
<b>Kenya</b>					
Exports	175.3	213.0	268.7	229.4	395.2
Imports	202.0	248.7	268.5	249.0	355.3
Balance	-26.8	-35.7	0.2	-19.6	39.9
<b>Uganda</b>					
Exports	24.1	105.5	123.0	190.4	274.8
Imports	34.3	53.0	60.6	74.4	110.1
Balance	-10.3	52.5	62.4	116.0	164.7
<b>Rwanda</b>					
Exports	60.4	79.4	190.0	207.2	210.1
Imports	1.3	1.4	1.5	2.3	2.2
Balance	59.1	78.0	188.5	205.0	207.9
<b>South Sudan</b>					
Exports	0.0	1.0	2.0	3.4	8.9
Imports	0.0	0.2	0.1	0.0	0.1
Balance	0.0	0.8	1.9	3.4	8.8
<b>Total exports</b>	<b>310.6</b>	<b>446.5</b>	<b>671.3</b>	<b>809.1</b>	<b>1,057.5</b>
<b>Total imports</b>	<b>237.9</b>	<b>304.3</b>	<b>331.1</b>	<b>325.9</b>	<b>468.3</b>
<b>Trade balance</b>	<b>72.7</b>	<b>142.2</b>	<b>340.2</b>	<b>483.2</b>	<b>589.2</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Kenya remains Tanzania's major trading partner within EAC, accounting for 37.4 percent of the intra-EAC exports in 2021, up from 28.4 percent in 2020. Similarly, imports from Kenya were higher compared with other EAC member countries, accounting for 75.9 percent of total imports, slightly lower than 76.4 percent in 2020 (Table 1.18).



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**Table 1.18: Tanzania Shares of Trade with EAC  
Partner States**

	Percent				
	2017	2018	2019	2020	2021
Exports shares:					
Burundi	16.4	10.7	13.0	22.1	15.9
Kenya	56.4	47.7	40.0	28.4	37.4
Uganda	7.7	23.6	18.3	23.5	26.0
Rwanda	19.5	17.8	28.3	25.6	19.9
South Sudan	0.0	0.2	0.3	0.4	0.8
Imports shares:					
Burundi	0.1	0.3	0.1	0.1	0.1
Kenya	84.9	81.7	81.1	76.4	75.9
Uganda	14.4	17.4	18.3	22.8	23.5
Rwanda	0.5	0.4	0.5	0.7	0.5
South Sudan	0.0	0.1	0.0	0.0	0.0

Source: Tanzania Revenue Authority and Bank of Tanzania computations



## 2.0 Financial Sector Performance

The Bank is mandated to licence, regulate and supervise banks and other financial institutions in the country, including financial leasing companies, credit reference bureaux, mortgage finance institutions, bureaux de change and microfinance service providers. Representative offices of foreign banks and financial matters of the social security schemes also fall under the regulatory and supervisory mandate of the Bank.

### Banking Sector Performance

During 2021/22, the soundness and stability of the banking sector was maintained as reflected by adequate capital and liquidity levels. The sector's profitability and asset quality also improved. The number of supervised institutions increased to 61, of which 46 were banking institutions and 15 were non-banks financial institutions. The categories of banking and non-banking institutions are provided in Table 2.1 and Table 2.2, respectively. The number of branches in the banking institutions also increased to 993 from 989 in June 2021.

**Table 2.1: Licenced Banks**

Type of non-bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Financial leasing	5	3	2	0	5
Mortgage financing	2	2	0	0	2
Credit reference bureau	2	0	2	0	2
Bureau de change	4	3	1	0	4
Representative offices	2	0	2	0	2
Total	15	8	7	0	15

Source: Bank of Tanzania

**Table 2.2: Licenced Non-Banks Financial Institutions**

Type of non-bank	Number	Ownership structure		Stock exchange listing	
		Domestic	Foreign	Listed	Not listed
Financial leasing	5	3	2	0	5
Mortgage financing	2	2	0	0	2
Credit reference bureau	2	0	2	0	2
Bureau de change	4	3	1	0	4
Representative offices	2	0	2	0	2
Total	15	8	7	0	15

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 19 percent and 20.1 percent, respectively, in June 2022 compared with 17.2 percent and 17.9 percent in June 2021. The ratios were above the minimum regulatory requirement of 10 percent and 12 percent, respectively. The ratio of liquid assets to demand liabilities was 28.1 percent compared to 33.3 percent in June 2021 attributed to portfolio shift to more profitable investments. The liquidity level was above the minimum regulatory requirement of 20 percent. Assets grew by 16.1 percent to TZS 42,337.5 billion at the end of June 2022, mainly driven by improved liquidity due to increase in deposits. The deposits increased by 13.5 percent to TZS 30,110.1 billion, 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 57.6 percent.

Asset quality improved as reflected by the decrease in the ratio of non-performing loans (NPLs) to gross loans to 7.8 percent in June 2022 from 9.3 percent in the corresponding period in 2021. However, the ratio was above the desired level of 5 percent. The Bank continues to take measures to ensure that banks and financial institutions tighten their credit risk management policies and execute corrective measures in order to keep NPLs at the desired level. These include enhancing loan recovery operations and improving the credit underwriting process. Credit reference systems are also used to limit exposure to credit risk.

### Financial Inclusion

In ensuring broader access and usage of financial services, the country continued to implement the



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Second National Financial Inclusion Framework (NFIF 2018-2022). The NFIF 2018-2022 targets to increase the percent of adult Tanzanians using formal financial services to 75 percent by 2022 from 65 percent in 2017, through implementation of various initiatives to support innovation and provision of financial services.

During 2021/22, the Bank in collaboration with other stakeholders continued to implement various initiatives to advance and accelerate financial inclusion in the country with a greater focus on women, youth, and small and medium enterprises. These initiatives include, development of Tanzania Instant Payment System, which is a single payment platform aimed at increasing interoperability of financial services providers, and completion of mass registration of financial service access points for the financial service registry, which tracks and measures access to financial services as a dimension to financial inclusion. The initiatives also included provision of financial education to the public on budgeting, saving, credits, investment, insurance, life after retirement, and consumer protection. Furthermore, Business Registrations and Licensing Agency (BRELA) continued to enhance business registration process through online business registration, while Tanzania Communications Regulatory Authority encouraged enhancement of SIM card registration process, whereby SIM cards owned by subscribers were biometrically registered.

### Credit Reference Operations

The credit reference operations continued to improve as depicted by an increase in both the number of banks and non-bank credit providers that shared information in the system and credit inquiries. During the period under review, the number of non-regulated institutions that shared credit information through credit reference bureaus increased to 114 from 103 in the preceding year. The number of credit enquiries also increased by 80.9 percent to 3,675,641 in 2021/22. The Bank continued to sensitize banks and financial

institutions on the importance of sharing accurate credit information and usage of credit reference bureau services to reduce information asymmetry in credit underwriting processes and eventually reduce the level of NPLs, and support growth of credit to private sector.

### Bureaux de Change Operations

Bureaux de change activities increased in terms of purchases and sales transactions. The total foreign currency purchased and sold in the retail market were equivalent to USD 9,347.1 million and USD 7,431 million, respectively. In 2021/22, the number of commercial banks was 34, with 904 branches and four bureaux de change with 42 branches. The Bank received nine new licence applications for bureaux de change services, which reflects an increase in private sector's interest in taking part in the business.

### Agent Banking Operations

Agent banking operations outreach continued to expand in terms of the number of agents, as well as volume and value of transactions (Table 2.3). Number of banks approved to engage in agent banking increased to 26 at the end of June 2022, from 23 in the corresponding period in 2021, and agents increased to 59,291 from 45,532. The increase in usage of these channels has enhanced financial inclusion, facilitated deposits mobilization and increased the proportion of the bankable population.

**Table 2.3: Agent Banking Transactions**

Nature of transactions	Units	2019/20	2020/21	2021/22	Percentage change
Cash deposit	Number	31,015,883	41,365,815	67,510,618	63.2
	Value in million of TZS	20,887,730.8	28,626,505.9	46,161,772	61.3
Cash withdrawals	Number	20,777,698	25,974,187	40,086,794	54.3
	Value in million of TZS	7,175,580.4	9,738,246.3	14,221,938	46.0

Source: Bank of Tanzania

### Social Security Schemes

The Social Security Act (CAP. 135) mandates the Bank of Tanzania to regulate and supervise financial matters of social security schemes.



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There were four mandatory social security schemes, namely, Public Service Social Security Fund (PSSSF), National Social Security Fund (NSSF), National Health Insurance Fund (NHIF) and Workers Compensation Fund (WCF) as well as 25 supplementary schemes serving public and private sectors.

Performance of social security schemes improved as indicated by increase in total assets, members' contribution and investment income. Assets increased by 21.1 percent to TZS 15,661.3 billion from the amount recorded in the year ending June 2021. Contributions from members increased to TZS 3,169.8 billion from TZS 2,980.6 billion. Following changes to more profitable investment avenues, income from investments also increased to TZS 1,083.4 billion from TZS 933.2 billion.

### **Non-deposit Taking Microfinance Service Providers**

The Bank in collaboration with delegated authorities continued to discharge its licensing, regulatory and supervisory roles for microfinance service providers in line with the Microfinance Act (CAP. 407). The delegated authorities are Local Government Authorities (LGAs) and Tanzania Cooperative Development Commission (TCDC).

During the period under review, the Bank received a total of 1,314 applications for licences from non-deposit taking microfinance service providers, out of which 856 were granted licences, 448 are at different stages of evaluation, nine were withdrawn and one closed business.

During 2021/22, TCDC received 1,157 applications for licences from Savings and Credit Cooperative Societies (SACCOS), of which 692 were granted licences. In addition, 32,645 community microfinance groups applications were received and processed through the online Community Microfinance Groups (CMGs) system. Out of these applications, 29,293 were issued with registration certificates.

Further, the Bank continued to build capacity of delegated authorities (LGAs and TCDC) for effective discharge of the mandated functions. In addition, the Bank continued to conduct awareness sessions through the media, exhibitions and attending workshops to sensitize the public on the provisions of microfinance law.

### **Financial Stability**

In 2021/22, the domestic financial system remained strong, resilient, efficient, and effective, albeit challenges posed by effects from resurgence of COVID-19, the war in Ukraine, and global inflation and tight financial conditions.

The assessment on vulnerability and financial soundness in 2021/22 as depicted by the financial stability index moderated to -0.1 compared to -0.3 in previous year. This was mainly attributed to increase in capital adequacy ratio and decrease in the level of NPLs, hence providing a buffer against credit risk.

Risks emanating from households remained subdued, owing to increased disposable income, and eased credit terms and conditions. This led to increased ability to borrow and debt servicing capacity, attested by the Household Financial Condition Survey (HFCS) 2021 and general growth of credit to the private sector.

The non-financial corporate sector (NFCs) experienced a slowdown of economic activities and profitability, partly contributed by the disruption of the global supply chains, as attested by the NFCs survey of 2021. However, the sector is expected to improve in 2022, based on anticipated increase in Government investment in infrastructure, improvement in business environment, and recovery in global economy.

In 2021, the real estate sector continued to grow reflecting recovery of businesses, easing of COVID-19 containment measures as well as



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increased household disposable income. Going forward, the real estate market is anticipated to continue to improve thus providing a cushion for ensuring financial stability.

The Bank issued macro prudential policy tools including Stress Testing Guidelines for Banks and Financial Institutions, 2021 and Framework for Identification of Domestic Systemically Important Banks, 2021 to enhance macro-prudential surveillance. The Bank will continue to monitor their implementation and ensure compliance. This is expected to enhance supervision of the financial sector and mitigate risk exposures emanating from the financial system and the real economy.



### 3.0 Payment Systems

The Bank continued to implement policy actions and initiatives to increase safety and efficiency of payment, clearing and settlement systems, and increase interoperability at all levels of digital financial services providers, with a view to foster increased use of electronic payments at the national and regional level. These include: continued development of the Tanzania Instant Payment Systems, introduction of an interoperable QR Codes and operationalization of the Financial Services Registry (FSR).

#### Payment Systems Developments

In 2021/22, the Bank continued with development of an interoperable switch for retail payments known as Tanzania Instant Payment System (TIPS). The system is expected to reduce costly existing challenges in bilateral interoperability among participants, and improve the efficiency of the retail payments in Tanzania. A pilot phase of the system was initiated in August 2021 involving five Financial Service Providers (FSPs) namely CRDB Bank Plc, Exim Bank Tanzania Limited, NMB Bank PLC, Millicom Tanzania Mobile Solutions Limited and Airtel Money Tanzania Limited. A total of 4,062,804 transactions valued at TZS 744.5 billion were processed. In addition, the rules for participation were developed and an exercise to enroll all eligible financial service providers was in progress. Following the completion of mass registration of financial service access points through the FSR initiatives, which covered all regions, the number of registered financial service access points reached 116,949. The Bank plans to develop business intelligence tools and reports in January 2023. In addition, the Bank will continue to engage with FSPs to update the FSR.

#### Oversight of Payment Systems

Payments, clearing and settlement systems operated safely and efficiently, in tandem with increase in use of digital financial services. The

number of payment systems providers were 62, composed of 37 banks and 25 non-banks, with the latter having increased from 22 in previous year. The three new licenced non-bank payment system providers were Flutter Technology Ltd, Virtual Pay (TZ) Limited and Digicash (T) Limited.

The Bank also carried out offsite and onsite oversight of payment service providers to ensure safety and efficiency of payment systems. In the review period, Millicom Tanzania Mobile Solutions Limited was acquired by Honora Holdings Limited of Mauritius. In addition, MIC Tanzania PLC completed the merger with Zanzibar Telecommunication Limited. Subsequently, the merger between Millicom Tanzania Mobile Solutions Limited and Ezy Pesa remains in progress.

During the same period, the Government issued a new regulation named The National Payment Systems (Electronic Transactions Levy) Regulations, 2021 that introduced levy on electronic money transfer services. The Bank commenced reviews of various legislation, regulations and guidelines to enhance oversight of payment systems. A number of Circulars were also issued including Daily Reconciliation of Trust Accounts and Electronic Money Balances, Regulatory Measures on Tariffs Charged on Mobile Financial Services, and Measures to Promote Adoption and Usage of Digital Channels.

#### Large Payments

Tanzania Interbank Settlement System (TISS), continues to facilitate smooth and efficient interbank transfers for high value and time sensitive payments. The system currently supports five currencies namely, Tanzanian Shilling (TZS), United States Dollar (USD), Kenyan Shilling (KES), Ugandan Shilling (UGX) and Rwandan Franc (RWF). The system has reduced transactions processed through cheque system and settlement delays.



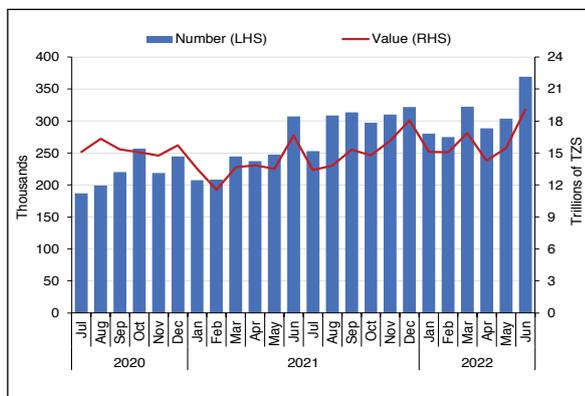
## Bank of Tanzania Annual Report 2021/22

During the year 2021/22, the Bank introduced Virtual Public Network (VPN) channels for TISS message type with the objective of having an alternative communication channel between TISS system and participants. The alternative channel reduces domestic TISS transaction costs and enhances business continuity in the event of disruption on SWIFT<sup>11</sup>.

During the period under review, the system operated smoothly with the volume of interbank transactions increasing by 31 percent to 3,644,303 from the preceding year. The value of transactions increased to TZS 187,413.1 billion from with TZS 175,087.6 billion in 2020/21. Number and value of transactions denominated in USD increased by 41 percent and 27 percent to 342,010 and USD 23 billion, respectively relative to the preceding year.

There were 51 TISS participants, which include 42 banks, four East Africa central banks (Bank of Tanzania, Central Bank of Kenya, Bank of Uganda, and National Bank of Rwanda) and five domestic and international non-bank participants (i.e., Dar es Salaam Stock Exchange, Tanzania Revenue Authority, UMOJA SWITCH, MasterCard Worldwide and VISA International).

**Chart 3.1: TISS Transactions**



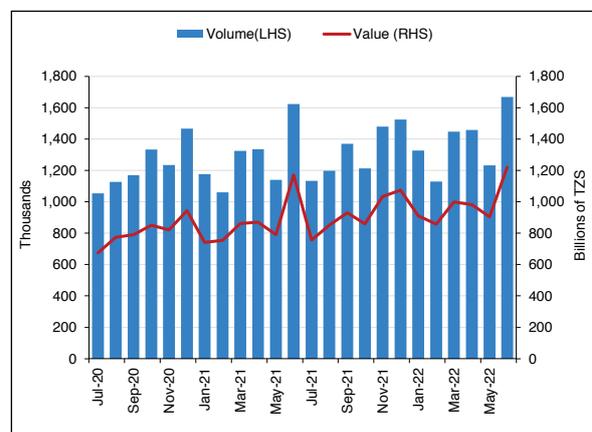
Source: Bank of Tanzania  
Note: LHS denotes left hand scale; and RHS, right hand scale

<sup>11</sup> SWIFT charges for every financial and non-financial message exchanged between participant or participant with RTGS. As for the VPN since it is locally developed then there is no cost of transferring message hence in comparison then cost of transferring 1 financial message over swift is higher compared to VPN.

### Low Value Payments

Tanzania Automated Clearing House (TACH) facilitates government, bulk and low-value interbank payments. Through TACH transactions related to Electronic Fund Transfer (EFT) and Cheque transactions are processed. During the year, there were 43 TACH participants, comprising licenced banks and financial institutions. The volume and value of electronic funds transactions through TACH increased by 7.5 percent and 13.2 percent to 16.2 million and TZS 11,377.1 billion, respectively.

**Chart 3.2 EFT Transactions**



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

Cheque transactions denominated in TZS decreased to 580,542 from 614,375 transactions processed in 2020/21, while the value increased by 2 percent to TZS 2,016,723 million.

### Regional Payment Systems

The East African Payment System (EAPS), a bank-to-bank funds transfer payment platform within the East African Community, continued to perform satisfactorily. Out of 44 Tanzania banks registered in EAPS, 43 were active participants. The volume of transactions denominated in TZS, incoming and outgoing, tripled to 16,353 from 4,455 in the previous year. The corresponding value increased by 60 percent to TZS 168.8 billion.



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Transactions denominated in KES decreased by 20 percent to 3,624 with an increase in value by 1 percent to KES 7.1 billion from 2020/21. Transactions denominated in UGX amounted to 371, valued at UGX 33.1 billion, a decrease in volume by 27 percent and an overall increase in value by 66 percent. During the year, there were no transactions conducted in RWF. There were no transactions with Burundi and South Sudan, as they have not yet joined EAPS.

The SADC Integrated Regional Electronic Settlement System (SADC-RTGS), which facilitates funds transfer for cross-border payments in the SADC region comprise 8 central banks and 76 commercial banks. The SADC-RTGS processed 406,464 transactions in 2021/22 valued at South African Rand (ZAR) 1,449.9 billion, reflecting annual increases of 15 percent and 12 percent, respectively. For Tanzania,<sup>12</sup> 4,066 outgoing and incoming SADC-RTGS transactions were recorded, valued at ZAR 2,999.8 million. This indicates an increase in volume by 5 percent and a decrease in value by 68 percent. During 2021/22, the system was operational in all SADC member states, except Madagascar and the Comoros.

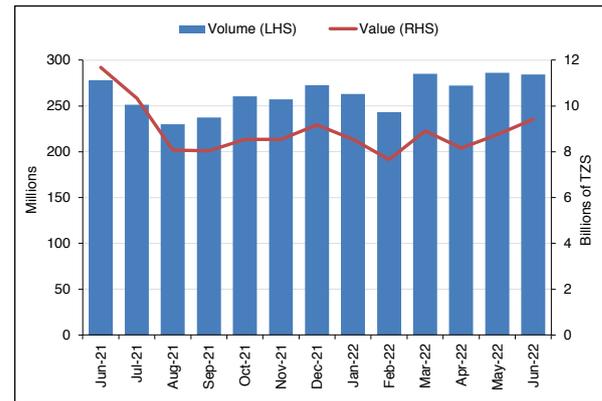
### Mobile Payments

The number of active mobile money wallet accounts increased to 34,971,596 in 2021/22 from 31,545,269, recorded in the previous year. The size of mobile money market as reflected by trust account balance, remained almost unchanged at TZS 1,158.5 billion. Agents engaged in the provision of mobile money increased by 22 percent to 935,710 from the preceding year.

The volume of mobile payment transactions was 3,143,973,325 compared with 3,216,432,114 reported in the previous year. The corresponding value of mobile payment was TZS 104.1 billion relative to TZS 123.4 billion in 2020/21.

Mobile banking involving transfer of funds between bank accounts and mobile wallets, increased by 23.5 percent reaching 77,029,387 transactions. However, the related transaction value declined by 1.9 percent to TZS 18.9 billion.

**Chart 3.3 Mobile Payments**



Source: Bank of Tanzania

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

<sup>12</sup> Seven banks that participated in SADC-RTGS in 2021/22 in Tanzania are Stanbic Bank (Tanzania) Limited, National Bank of Commerce Limited, Standard Chartered Bank (Tanzania) Limited, ABSA Bank (Tanzania) Limited, Ecobank (Tanzania) Limited, First National Bank (Tanzania) Limited and Equity Bank (Tanzania) Limited.

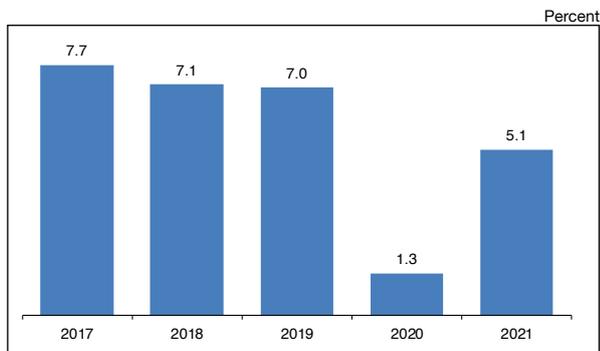


## 4.0 Zanzibar Economic Performance

### 4.1 Output

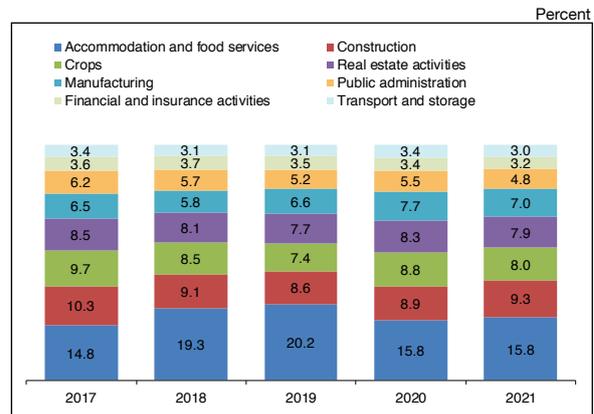
The Zanzibar economy improved from the adverse effect of COVID-19 pandemic, owing to the re-opening of the global economy, particularly tourism activity. The economy grew by 5.1 percent in 2021, much higher than 1.3 percent in the preceding year (Chart 4.1). The main growth drivers were trade and repairs, mining and quarrying, financial and insurance, transport and storage and construction. Meanwhile economic activities that recorded the highest growth were trade and repairs, mining and quarrying, financial and insurance services, transport and storage, construction, electricity and gas, real estate, water supply and sewage, and accommodation and food services. In 2022, the economy is projected to grow by 5.4 percent, due to increased public and private investment, supported by growth in tourism and trade activities.

**Chart 4.1: Real GDP Growth Rate**



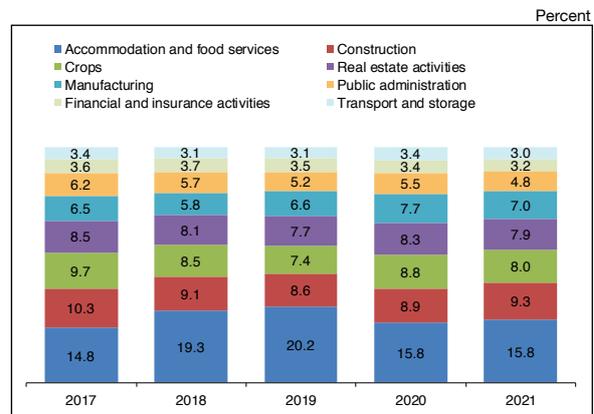
Source: Office of the Chief Government Statistician

**Chart 4.2a: Contribution to Real GDP Growth by Selected Economic Activities**



Source: Office of the Chief Government Statistician

**Chart 4.2b: Real GDP Growth by Selected Economic Activities**



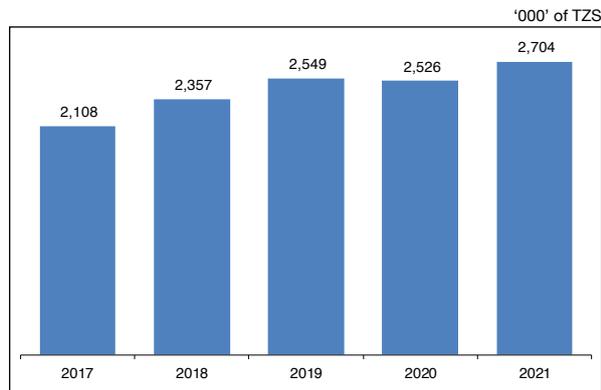
Source: Office of the Chief Government Statistician

In nominal terms, GDP increased to TZS 4,632.8 billion from TZS 4,208.9 billion in 2020. As a result, per capita nominal GDP increased to TZS 2.7 million from TZS 2.5 million in 2020 (Chart 4.3). In term of share to GDP, services activity continued to dominate, accounting for 47.1 percent, followed by agriculture, forestry, and fishing (24.6 percent), and industry by 19.3 percent.



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**Chart 4.3: Nominal GDP per Capita**



Source: Office of the Chief Government Statistician

### Performance of Economic Activities

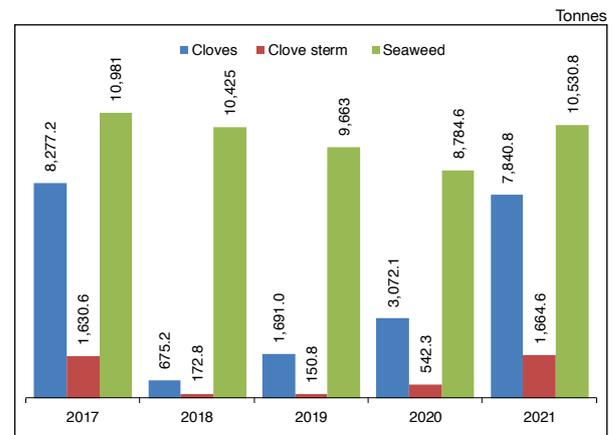
#### Services

Services, mainly comprising accommodation and food services, real estate, public administration, trade and repairs; grew by 6.9 percent compared to a contraction of 1 percent in 2020, as tourist arrivals increased following re-opening of the global economy from COVID-19 lockdowns. The number of tourist arrivals increased by 51.2 percent to 394,185, with Europe and the United States of America dominating the tourism source market.

#### Agriculture, Forestry and Fishing

Agriculture, forestry and fishing activity grew by 2.6 percent in 2021 compared with 3.3 percent in 2020. The slowdown in growth manifested in livestock and fishing sub-activities, whose growth declined to 3 percent and 2.3 percent from 8.2 percent and 3.5 percent, respectively. Crops sub-activity expanded by 2.2 percent, up from 1.3 percent, driven by cloves and seaweeds. Procurement of cloves more than doubled to 7,840.8 tonnes in 2021, due to bumper harvest associated with efforts to improve cloves production (Chart 4.4). During the review period, the Government supplied seedlings and provided soft loans to cloves farmers. Likewise, the volume of seaweed procured increased to 10,530.8 tonnes in 2021 from 8,784.6 tonnes in 2020, owing to favourable weather and measures implemented to improve farming methods through extension services and supply of tools.

**Chart 4.4: Procurement of Major Export Crops**



Source: Office of the Chief Government Statistician

#### Industry

Industry activity grew by 5.1 percent in 2021, albeit slightly at slower pace compared with 5.2 percent in 2020, owing to a decline in production of industrial products, particularly dairy products, door and window UPVC, and essential oil products (Table 4.1). Much of the growth occurred from mining and quarrying, and construction sub-activities. Mining and quarrying improved to 9.9 percent from a contraction of 6 percent in the preceding year, while construction increased to 8.9 percent from 6.5 percent.

**Table 4.1: Production of Selected Manufactured Products**

Commodity	Unit of measure	2017	2018	2019 <sup>p</sup>	2020	2021	Percentage change, 2020 to 2021
Beverages*	Liters in '000'	21,699.0	20,166.0	22,031.0	22,291.0	22,269.0	-0.1
	Million TZS	7,921.6	7,362.0	8,043.0	8,204.0	8,130.0	-0.9
Bread	Pieces in '000'	194,893.0	209,439.0	231,540.0	237,918.0	239,242.0	0.6
	Million TZS	23,192.2	24,923.2	34,731.0	35,688.0	35,886.0	0.6
Wheat flour	Tonnes	25,196.0	26,963.0	30,230.0	35,513.0	36,843.0	3.7
	Million TZS	23,939.3	24,711.8	29,156.0	33,717.0	37,980.0	12.6
Dairy products	Liters in '000'	8,174.3	7,709.3	7,874.0	8,041.0	2,242.0	-72.1
	Million TZS	7,751.0	8,702.2	8,888.0	9,077.0	4,925.0	-45.7
Noodles	Kilograms	247,350.0	295,701.0	373,053.0	387,414.0	380,182.0	-1.9
	Million TZS	455.2	532.3	728.0	774.0	760.0	-1.8
Door UPVC	Pieces	121.0	239.0	222.0	40.5	0.0	-100.0
	Million TZS	17.4	33.9	31.0	11.0	0.0	-100.0
Window UPVC	Pieces	71.0	121.0	111.0	150.0	0.0	-100.0
	Million TZS	13.3	21.7	21.0	17.0	0.0	-100.0
Sugar	Tonnes	677.0	3,339.0	6,467.0	0.0	7,262.0	N/A
	Million TZS	1,211.2	5,969.5	10,994.0	0.0	12,684.0	N/A
Garments dash dash	Pieces	3,119.0	2,973.0	2,971.0	1,392.0	4,125.0	---
	Million TZS	104.6	103.6	91.0	29.0	126.0	---
Jewellery (gold/silver)	Grams	5,060.0	5,684.0	5,282.0	8,315.0	20,369.0	---
	Million TZS	12.3	12.1	18.0	39.0	90.0	---
Essential oil products	Liters	227,088.0	224,045.0	230,318.0	234,924.0	289.9	-99.9
	TZS in '000'	811,832.0	800,955.0	850.0	955.0	10.0	-99.0

Source: Office of the Chief Government Statistician

Note: \* includes mineral water, soft drinks and juice; UPVC denotes unplasticised polyvinyl chloride; p denotes provisional data; N/A, not applicable; and "----", change that exceeds 100 percent



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### 4.2 Inflation

Twelve-month inflation rose somewhat, but remained stable and consistent with the medium-term target of 5 percent. Specifically, headline inflation averaged 2.9 percent in 2021/22, up from 1.5 percent in 2020/21, driven by prices of white petroleum products. Non-food inflation rose to 3.9 percent from 1 percent, while food inflation eased to 1.5 percent from 2.2 percent due to improved food supply (Table 4.2).

**Table 4.2: Inflation Developments**

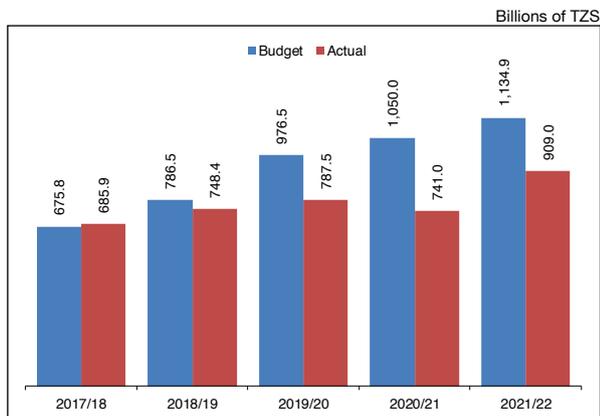
Inflation components	2017/18	2018/19	2019/20	2020/21	2021/22
Headline	4.7	3.3	3.8	1.5	3.1
Food	3.0	2.6	5.3	2.2	1.7
Non-food	5.9	3.9	2.6	1.0	4.0

Source: Office of the Chief Government Statistician

### 4.3 Government Budgetary Operations

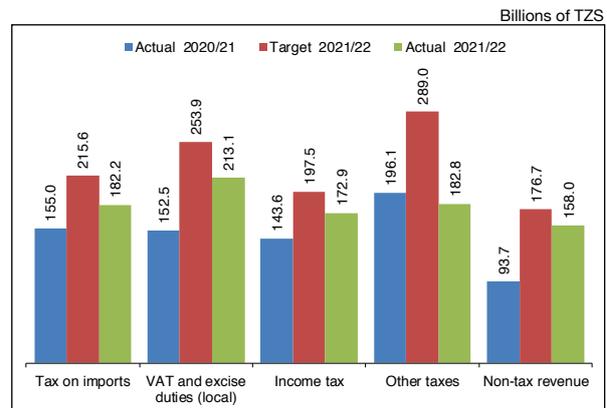
Revenue and grants amounted to TZS 956 billion, of which revenue was TZS 909 billion (Chart 4.5a). The revenue collection was equivalent to 19 percent of GDP, higher than 16.8 percent in 2020/21, attributable to recovery of the economy from the impact of the pandemic. Tax revenue, which accounted for 82.6 percent of the revenue, was TZS 751 billion, below the target by 21.7 percent while non-tax revenue was TZS 158 billion, equivalent to 89.9 percent of the target (Chart 4.5b).

**Chart 4.5a: Annual Revenue Performance**



Source: President's Office, Finance and Planning, Zanzibar

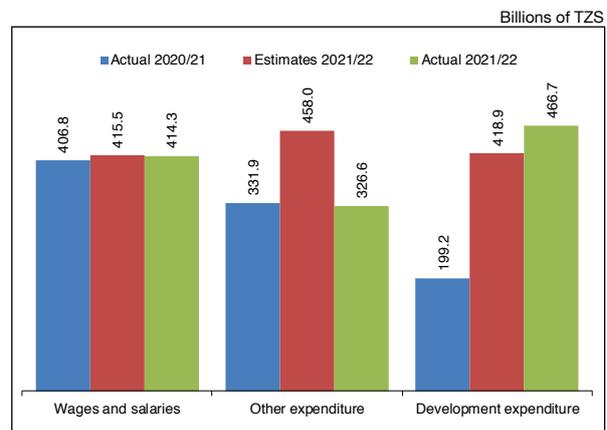
**Chart 4.5b: Revenue by Source**



Source: President's Office, Finance and Planning, Zanzibar

Government expenditure was TZS 1,207.6 billion or 66 percent of the budget estimates, of which TZS 740.9 billion was recurrent and TZS 466.7 billion was spent for development projects. Foreign financing of development projects was TZS 305.9 billion, above the estimates by 10.7 percent and accounted for 65.5 percent of the total resources spent on development projects. The balance was local financing (Chart 4.6).

**Chart 4.6: Expenditure Components**



Source: President's Office, Finance and Planning, Zanzibar

### Debt Developments

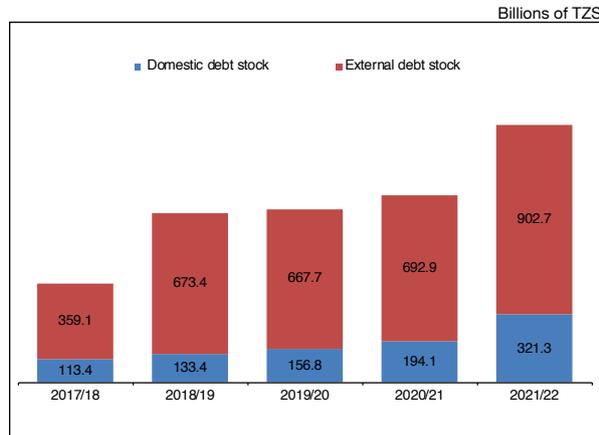
Zanzibar debt stock, external and domestic debt, amounted to TZS 1,224.1 billion at the end of June 2022 compared with TZS 887 billion in the corresponding period in 2021. The increase was on account of new disbursements of external loans and new issuance of Treasury bonds. The debt



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stock was 25.6 percent of GDP compared with 21.1 percent in 2020/21. External debt accounted for 73.8 percent of the debt stock (Chart 4.7)

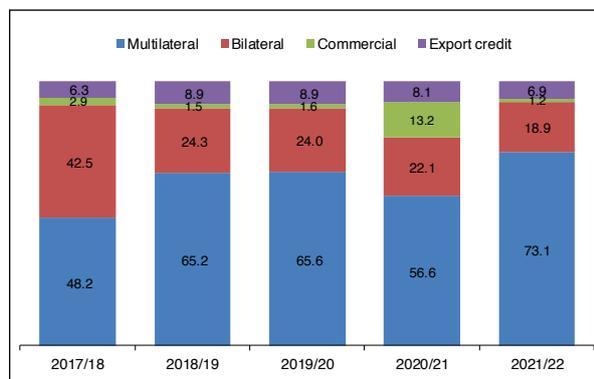
**Chart 4.7: Zanzibar Debt Stock**



Source: President's Office, Finance and Planning, Zanzibar

External debt stock increased by 30.3 percent to USD 391.8 million (equivalent to TZS 902.7 billion) at the end of June 2022, of which 96.9 percent of the stock was guaranteed by the Government of United Republic of Tanzania. The increase was explained by new disbursements funds from the IMF Rapid Credit Facility. The external debt stock was dominated by multilateral and bilateral debt (Chart 4.8).

**Chart 4.8: External Debt by Creditors, Percentage Share of Total**



Source: President's Office, Finance and Planning,

Domestic debt stock was TZS 321.3 billion in June 2022 compared with TZS 194.1 billion in the corresponding period in 2021, following

new borrowing through issuance of Treasury bonds. The profile of domestic debt stock in terms of borrowing instruments was dominated by government securities, particularly Treasury bonds, same as in the previous year (Table 4.3).

**Table 4.3: Domestic Debt by Borrowing Instrument**

Creditor	Millions of TZS				
	2017/18	2018/19	2019/20	2020/21	2021/22
Zanzibar Social Security Fund	22,875.0	21,315.2	47,362.7	54,576.5	41,822.9
People's Bank of Zanzibar	6,287.8	3,902.8	1,290.6	0.0	0.0
Government securities	80,259.2	108,148.3	108,148.3	139,522.4	279,522.4
Zanzibar Port Company	3,287.9	0.0	0.0	0.0	0.0
Others	654.2	0.0	0.0	0.0	0.0
Total	113,364.0	133,366.3	156,801.6	194,098.9	321,345.3

Source: President's Office, Ministry of Finance and Planning, Zanzibar

### 4.4 External Sector Performance

The current account balance was a deficit of USD 250 million in 2021/22, compared with a deficit of USD 230.3 million recorded in 2020/21 (Table 4.4). Widening of the current account deficit was mainly driven by intermediate goods imports, comprising oil and industrial raw materials, which were mostly affected by high commodity prices in the world markets following spillover effects of COVID-19 and the war in Ukraine which significantly disrupted the global supply chain.

**Table 4.4: Current Account**

Item	Millions of USD					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 <sup>p</sup>
Goods account	-95.4	-124.5	-218.1	-194.9	-256.0	-299.6
Exports	24.0	73.4	11.1	29.8	25.3	88.5
Imports (fob)	119.4	197.9	229.2	224.6	281.4	388.1
Services account	89.5	97.2	107.7	30.0	-26.5	36.5
Receipts	146.7	164.7	178.6	161.4	84.0	139.7
Payments	57.3	67.4	70.8	131.4	110.5	103.2
Goods and services	-5.9	-27.3	-110.4	-164.9	-282.6	-263.1
Exports of goods and services	170.8	238.0	189.6	191.1	109.3	228.2
Imports of goods and services	176.7	265.3	300.0	356.0	391.9	491.3
Income account	7.7	9.1	11.5	15.5	5.1	2.2
Receipts	12.3	13.8	17.4	24.8	10.5	5.3
Payments	4.6	4.7	5.8	9.3	5.4	3.1
Current transfers	26.2	32.0	38.8	105.9	47.2	11.0
Inflows	27.2	34.1	47.6	126.1	55.5	14.4
Outflows	1.0	2.1	8.8	20.2	8.4	3.5
Current account balance	28.0	13.8	-60.1	-43.5	-230.3	-250.0

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

Note: p denotes provisional data; and fob, free on board



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Exports of goods and services increased to USD 228.2 million from USD 109.3 million in 2020/21, driven by cloves export. High commodity prices in the world market and recovery of tourism activities also contributed to the improvement of exports (Table 4.4). Earnings from cloves exports rose to USD 62.8 million from USD 1 million, owing to volume increase following bumper harvest, and price effect in the world market. Foreign exchange earnings from export of seaweeds amounted to USD 7 million, down from USD 13.2 million (Table 4.5). Earnings from services, which include tourism and transport (air and sea), grew by 66.4 percent to USD 139.7 million, contributed mostly by tourism-related activities.

**Table 4.5: Goods Exports by Major Categories**

Category	Unit of measure	2017/18	2018/19	2019/20	2020/21	2021/22 <sup>p</sup>
<b>Traditional:</b>						
<b>Cloves</b>						
Value	'000' of USD	59,178.6	1,224.0	18,273.7	1,032.8	62,767.2
Volume	'000' Tonnes	7.5	0.2	3.8	0.2	9.5
Unit price	USD/Tonne	7,939.2	6,800.0	4,808.9	6,110.5	6,591.7
<b>Non-traditional:</b>						
<b>Seaweeds</b>						
Value	'000' of USD	4,591.0	4,032.8	5,177.8	13,233.3	6,953.0
Volume	'000' Tonnes	12.0	9.0	7.6	17.7	15.9
Unit price	USD/Tonne	381.6	448.8	681.3	747.7	438.2
<b>Manufactured goods</b>						
Fish and fish products	'000' of USD	259.5	777.9	993.7	1,790.0	1,578.0
Others exports	'000' of USD	2,320.3	549.3	1,472.7	2,199.0	6,219.1
Sub total	'000' of USD	14,188.6	9,851.2	10,676.2	24,308.2	25,771.2
Grand total	'000' of USD	73,367.2	11,075.2	28,949.9	25,341.1	88,538.4

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

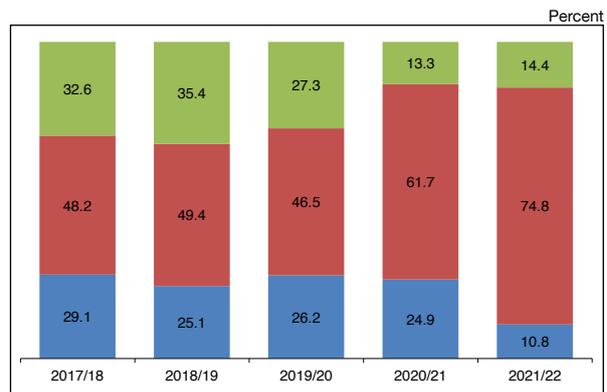
Imports of goods and services on f.o.b. basis, increased to USD 491.3 million in 2021/22 from USD 391.9 million in 2020/21 (Table 4.4). Goods imports increased by 37.9 percent to USD 388.1 million (Table 4.6), while services payments decreased by 6.6 percent to USD 103.2 million. The increase in goods imports was driven by high prices of imports, particularly intermediate and consumer goods. Much of the increase in intermediate goods imports was observed in industrial supplies and oil, while food and beverages contributed to the rise in consumer goods.

**Table 4.6: Goods Imports by Major Categories**

Category	Millions of USD				
	2017/18	2018/19	2019/20	2020/21	2021/22 <sup>p</sup>
Capital goods	54.7	56.7	58.9	70.2	41.8
Transport equipment	22.3	17.8	17.6	13.5	8.0
Building and construction	8.1	13.6	13.9	23.3	17.7
Machinery	24.3	25.3	27.3	33.4	16.1
Intermediate goods	90.7	111.8	104.4	173.7	290.3
Oil imports	62.0	77.3	42.0	47.0	107.2
Industrial raw materials	28.7	34.5	62.4	126.7	183.1
Consumer goods	61.3	80.1	61.3	37.5	56.1
Food and food stuffs	24.0	36.9	26.3	9.3	13.5
All other consumer goods	37.3	43.2	35.0	28.2	42.6
Grand total (c.i.f)	227.1	273.2	246.8	309.2	426.5
Grand total (f.o.b)	206.6	248.6	224.6	281.4	388.1

Source: Tanzania Revenue Authority, and Bank of Tanzania computations  
 Note: p denotes provisional data; c.i.f, cost, insurance and freight; and f.o.b, free on board

**Chart 4.9: Composition of Goods Imports**



Source: Tanzania Revenue Authority, and Bank of Tanzania computations



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**PART IV**

**BANK OF TANZANIA OPERATIONS**



## Bank of Tanzania Annual Report 2021/22

### Corporate Governance

The Board of Directors of the Bank of Tanzania conducted its operations to fulfill its statutory role of making policy decisions. Four committees assisted the Board in discharging its functions: Monetary Policy Committee, Audit Committee, Banking Supervision Committee, and Finance and Investment Committee. The Board and its Committees met to discuss and decide on various business activities. The Monetary Policy Committee (MPC) is responsible for making decisions about monetary policy stance and implementation strategies. The Audit Committee assists the Board in its oversight responsibility with respect to audit and implementation of the financial reporting system and in compliance with laws and regulations, and accounting standards. The Banking Supervision Committee oversees monitoring performance of the financial sector, resilience, and integrity of the financial systems, and ensuring compliance with the relevant legislations. The Finance and Investment Committee assists the Board in its oversight responsibility with respect to finance and investments.

### Financial Consumer Protection

The Bank continued to address customers complains through its Complaints Resolution Desk in order to protect financial sector consumers. In 2021/22, the Desk received 285 complaints, of which 62 were eligible, while 223 were considered ineligible as per guidelines. Six complaints were resolved, while 56 complaints were still in progress.

### Corporate Strategic Planning and Performance

During the year, the Bank formulated its five years Strategic Plan for 2022/23-2026/27 to enable the Bank to continue discharging its mandates in a well-organized and effective manner. The Plan aligns with Government development goals, as

enshrined in the Tanzania Development Vision 2025, The National Five Year Development Plan 2021/22 – 2025/26; Zanzibar Development Vision 2050; Zanzibar Development Plan 2021-2026, Financial Sector Development Master Plan 2021/22–2029/30 and CCM Election Manifesto 2020.

The Bank also enhanced efforts in monitoring and evaluating the implementation of its strategic and action plans on quarterly basis. As a result, during the reporting period, the average corporate performance increased to 91.3 percent from an average of 87.3 percent in 2020/21. The improved performance was a result of enhanced knowledge and skills in strategic thinking and planning, as well as heightened commitment by leaders at all levels.

### Credit Guarantee Schemes

The Bank, on behalf of the Government, manages two Credit Guarantee Schemes (CGS), Export Credit Guarantee Scheme (ECGS), and Small and Medium Enterprises Credit Guarantee Scheme (SME-CGS). The Government established the schemes in order to stimulate and support development of key projects in the export sector that would promote economic growth and reduce poverty. In 2021/22, the Bank continued to monitor ongoing guaranteed projects with long-term loans. Guarantees outstanding under ECGS amounted to TZS 32.9 billion in June 2022 compared with TZS 36.1 billion in June 2021. Meanwhile, the Ministry of Finance and Planning was evaluating the guarantee schemes with a view to determine the best modality of administering them.

### Banking and Currency Services

The Bank of Tanzania provided banking services to its stakeholders, which include the Governments and their institutions, banks and public. To this end, the Bank conducted meetings and outreach programs to stakeholders in order to ensure efficient delivery of currency services,



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promote better understanding of the Bank's role and functions, and obtaining relevant feedback on Bank's operations.

Government Ministries, Departments and Agencies, and Tanzania Revenue Authority continued to use Government Electronic Payment Gateway (GePG) for revenue collection. The Government also continued operating through Treasury Single Account through which various payments transactions were channelled to banks. Furthermore, the Government in collaboration with the Bank, continued to on-board public institutions for electronic funds transfers through its integrated financial management system (IFMS) from Epicor to *Mfumo wa Uhasibu Serikalini* (MUSE).

On the other hand, the Bank continued to issue and distribute currency through its head office, sub-head offices, branches and safe custody centers in order to ensure sufficient circulation of currency in the economy<sup>13</sup>. Safe destruction of unfit currency was executed in accordance with guidelines, and over-the-counter change and exchange of mutilated banknotes services were provided to the public through banks. This has enhanced service delivery by tapping on the geographical proximity of banking institutions to the public.

The Bank continued with warehousing of minerals owned by the Government as well as minerals that are a subject to pending court cases<sup>14</sup>. Furthermore, regulations for transporting, depositing and withdrawing minerals from the Government Minerals Warehouse hosted at the Bank's offices were finalized. During the review period, the Memorandum of Understanding (MOU) on currency convertibility and repatriation between the Bank of Tanzania and Bank of Zambia was temporarily suspended. This was in order to address the observed operational challenges which have been impeding smooth implementation of the MOU.

<sup>13</sup> Safe custody centers are located in Songea, Sumbawanga, Tanga, Pemba, Shinyanga, Morogoro, Iringa, Musoma, Bukoba, Tabora and Kigoma.

<sup>14</sup> The warehousing is done under the Mining Act 2010 as amended in 2017 and 2019.

### Research and Publications

In 2021/22, the Bank carried out various research studies to generate knowledge and information that enabled the Bank to conduct its functions more effectively and efficiently. In addition, the Bank prepared and disseminated various publications on the performance of the economy, as well as the banking and financial sectors. These include Monetary Policy Statements, Monthly Economic Reviews, Quarterly Economic Bulletins, Zonal Economic Performance Reports, Annual Report for 2020/21, booklet for Conference of Financial Institution event 2021, and Financial Sector Supervision Annual Report, 2021. The Bank also began undertaking a research study on the blue economy and continued working on research studies on areas pertaining to leather, cement, horticulture and tourism sub-sectors, financial inclusion and regional integration. Furthermore, the Bank continued to undertake periodic economic surveys, some of which in collaboration with stakeholders. The surveys include Market Perception Surveys, Tourism Survey, and Private Capital Flows.

### Human Resource and Administration

In 2021/2022, the Bank undertook various initiatives with a view to improve delivery of its services in various areas of its operations. The initiatives include review of the Bank's organizational structure, policies and guidelines, recruitment of staff, and capacity building for staff in the Bank and financial institutions. The organizational structure of the Bank was reviewed and approved for implementation in order to improve work efficiency, among other considerations. Human resource and administrative policies and guidelines also were reviewed. These include Staff By-Laws 2022, Financial Regulations 2022, Business Process Management Policy, and operations and procedures manuals for various functions.



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### **Stakeholders Engagement and Corporate Social Responsibility**

To fulfill corporate social responsibility, the Bank continued to offer scholarships to Tanzanian students and donations to various groups in the society. In 2021/2022, the Bank granted full scholarships to seven undergraduate students and three master's degree students under the Mwalimu Julius Nyerere Memorial Scholarship Fund (MJNMSF). This brought a number of beneficiaries since its establishment to 62, of which 43 were for undergraduate degree programmes and 19 for master's programmes.

By the end of June 2022, 37 beneficiaries of the Fund had graduated with excellent achievements and are currently serving the country in various capacities. Some have been employed as academic members of staff and others enrolled into PhD programs. Out of the beneficiaries, 25 are continuing students.

The Bank also offered two scholarships under the Gilman Rutihinda Trust Fund (GRTF) during 2021/22. The GRTF 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, 41 students have benefited from this scholarship programme whereas 38 have successfully completed their programmes, while three students are continuing with master's studies in Finance and Economics at the University of Dar es salaam.

Investing in our communities is an integral part of the Bank's Corporate Social Responsibility (CSR) strategy. In 2021/22, the Bank donated TZS 175.7 million to various community programs. As part of CSR, the Bank donated computers and printers to stakeholders. In addition, the Bank employees participated in community works such as public cleanliness, visiting elders and orphans, and charity walks. To mark 56 years of the Bank,

various communities were provided support across the country.

### **Public Relation and Communication**

Engagement with the public continued using various communication channels. The Bank participated in different exhibitions and investment forums organized within the country. In addition to the customary Nanenane and Sabasaba trade fairs, the Bank participated in Financial Services Week, Union Exhibitions and the exhibition towards the commemoration of the Zanzibar Revolutionary Day.

In 2021/22, the Bank continued with its regular 30-minute TV programme on TBC1 with programs based on the Bank's mandate and undertakings, as part of public awareness efforts. Other public awareness programs were conducted for specific groups including members of the National Assembly and House of Representatives, journalists, students from colleges and secondary schools, bankers, persons with disabilities, public servants, members of police and defence forces and engineers. Special public education programmes were conducted on currency handling and security features of banknotes, the microfinance (non-deposit taking microfinance service providers) regulations, 2019, and government securities.

Awareness about different scholarship funds provided by the Bank (GRTF and MJNMSF) continued to be made through various media, including television, radio stations, Bank of Tanzania website and exhibitions conducted annually in the country.

### **Regional Cooperation and Integration Initiatives**

During 2021/22, the Bank participated in the fora organized at regional and international levels. On regional economic blocs (RECs), the Bank in collaboration with other member countries



## Bank of Tanzania Annual Report 2021/22

deliberated on issues related to monetary and financial harmonization with a view to deepening integration not only in RECs but also Africa in general. Other aspects deliberated in the meetings include:

- The impact of the war in Ukraine on economies as a result of disruption of production, trade, food, energy and other commodities, which led to steep increases in prices of these products.
- Innovative ways through which central banks can further broaden and deepen access to foreign exchange markets with a view to have an adequate level of foreign exchange liquidity.
- Ways in which financial stability, monetary policy and supervisory frameworks can be tailored to duly incorporate climate change risks and how green bond issuance can be promoted.
- Need for innovations initiatives, their implications and design. Such initiatives include issuance of a central bank digital currency; setting up of sandboxes or innovation hubs for testing of innovative technologies; licensing of digital banks; and implementation of enabling frameworks for such innovations

Also, in collaboration with the Alliance for Financial Inclusion (AFI), the Bank hosted the African Financial Inclusion Policy Initiative (AfPI) 2022 meeting.

Furthermore, the Bank made subscriptions and contributions to regional boards and organizations, including the African Association of Central Banks (AACB), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, AFI and SADC-Committee of Central Bank Governors.

### **Bank of Tanzania Academy**

The Bank through its Academy continued to provide training courses to staff of the Bank of Tanzania, other central banks, and banks and financial institutions within the country as well as the EAC and SADC. In 2021/22 the Academy was granted a full accreditation by NACTE. Therefore, currently, the Academy not only provides short-term courses as previously practiced, but also confer academic awards for long-term courses and certifications, which are recognized locally and internationally. The Academy also offers Ordinary Diploma in banking practice and supervision.

During the review period, the Academy admitted the second cohort of first year students for National Technical Awards (NTA) level 5, while students for NTA level 6 admitted during the 2020/21 academic year continued with their studies. On the short-term programmes, 38 courses were offered to the Bank of Tanzania staff in a bid to continue enhancing the knowledge and skills of the Bank's workforce. A total of 770 the Bank staff were trained at the Academy during the year. The Academy also conducted 16 general and five tailor-made courses for Banks and Financial Institutions (BFIs) in both regulatory and non-regulatory aspects, which attracted a total of 482 BFIs staff.

In addition, the Academy established key strategic partnerships with other local and international training institutions. Strategic alliances leverage training institutions in various aspects such as teaching, research and consultancy, resource sharing, and staff exchange. In this aspect, the Academy managed to sign the Memoranda of Understanding (MoUs) with the Institute of Finance Management (IFM), Institute of Accountancy Arusha (IAA), Tanzania Institute of Bankers (TIOB), and the Egyptian Banking Institute (EBI).



## Bank of Tanzania Annual Report 2021/22

The Academy management secured and signed a consultancy contract with the Tanzania Agricultural Development Bank (TADB). The contract is dwelled on providing consultancy services in developing and operationalizing the TADB agricultural finance program to support the capacity building of current and prospective Smallholder Credit Guarantee Schemes (SCGS) for Partner Financial Institutions (PFIS). The Academy is collaborating with Sokoine University of Agriculture (SUA) and St. Augustine University of Tanzania to deliver the service.

### **Branch Activities**

The Bank continued to offer banking, currency, and settlement services to Governments, public institutions, financial institutions, and the general public through its head office in Dodoma, sub head offices in Dar es Salaam and Zanzibar and branches in Arusha, Mbeya, Mtwara and Mwanza. Distribution of currencies through branch offices and safe custody centre was done in implementing a clean money policy. The Bank branches also continued to monitor the state of the economy in their designated regions.

Other activities performed at branch level include:

- Automation of the operations of the Safe Custody Centres (SCC) managed by Mbeya and Dodoma branches, which aimed at reducing paperwork, streamlining activities and enhancing accuracy and real time reporting of transactions performed at the currency centres.
- Production of Zonal Economic Performance reports, which were shared at regional consultative fora and the public in general.
- Conducting various studies including drafting of a policy brief on the Impact of Power Rationing Episodes on Economic Activities in the regions in Southern Highlands zone.
- Serving as focal points for treasury single account and electronic funds transfer transactions to facilitate government revenue collection and payment of obligations.



**Bank of Tanzania Annual Report 2021/22**

**PART V**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2022**





**Bank of Tanzania Annual Report 2021/22**

**REPORT OF THE AUDITORS  
THE REPORT BY THOSE CHARGED WITH GOVERNANCE  
AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**



## Bank of Tanzania Annual Report 2021/22

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### BANK INFORMATION

Registered office	Bank of Tanzania Head Office 16 Jakaya Kikwete Road 40184 P.O. Box 2303, Dodoma, Tanzania
Governor	Prof. Florens D.A.M. Luoga Bank of Tanzania Head Office P.O. Box 2303, Dodoma, Tanzania
Secretary to the Board	Mr. Palloty M. Luena Bank of Tanzania Head Office 16 Jakaya Kikwete Road 40184 P.O. Box 2303, Dodoma, Tanzania

### SUB HEAD OFFICES

Dar es Salaam Bank of Tanzania Sub Head Office P.O. Box 2939 2 Mirambo Street, 11884 Dar es Salaam, Tanzania	Zanzibar Bank of Tanzania Sub Head Office Gulioni Area P.O. Box 568, Zanzibar, Tanzania
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### BRANCHES AND ACADEMY

Arusha Bank of Tanzania Makongoro Road P.O. Box 3043, Arusha, Tanzania	Bank of Tanzania Academy Capri Point Street P.O. Box 131, Mwanza Tanzania
Mbeya Bank of Tanzania Mahakama Avenue P.O. Box 1203, Mbeya, Tanzania	Mtwara Bank of Tanzania Makonde Rd/Uchumi St P.O. Box 1446, Mtwara, Tanzania
Mwanza Bank of Tanzania Makongoro Road P.O. Box 1362, Mwanza Tanzania	



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022

#### 1. INTRODUCTION

Those Charged with Governance (TCWG) at the Bank of Tanzania (BoT) is the Board of Directors. The Board of Directors presents this report together with the financial statements for the year ended 30 June, 2022, which provides the results of the Bank's operations and its state of affairs. The report was prepared in compliance with Tanzania Financial Reporting Standard 1 (TFRS 1)- Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January, 2021.

The report is addressed to internal and external stakeholders who are both primary and secondary users of financial reports. It sets out analysis of the Bank's operations and financial review, with a forward-looking orientation in order to assist stakeholders to assess the strategies adopted by the Bank and the potential for those strategies to succeed toward creating value over the short, medium and long-term periods.

The Bank's internal stakeholders include the Board of Directors and employees; external stakeholders comprise of Government of the United Republic of Tanzania (URT) and the Revolutionary Government of Zanzibar (RGOZ); the Parliament of Tanzania and Zanzibar House of Representatives; Ministries, Independent Departments and Agencies (MDA's); Parastatals; banks and other financial institutions, World Bank and International Monetary Fund (IMF). Other external stakeholders include; development partners, other multilateral and bilateral organizations, other central banks, Non-Government Organizations (NGOs), regional organizations civic societies, regulatory authorities, services providers, researchers, media, academia, private sector, professional associations and the general public.

The objective of the report is to provide users with understanding of the Bank's culture, nature of operations, objectives, strategies, operating model, performance and future developments, resources, corporate governance matters, stakeholder's analysis, risk management, employee's welfare, liquidity management, environmental control program, corporate social responsibility, responsibility of the auditor and statement of responsibility by Those Charged with Governance.

#### 2. CORPORATE CULTURE

The Bank's culture consists of vision, mission and core values as provided hereunder;

##### a) Vision

The Bank's vision is "To be a Central Bank that effectively fosters macro-economic stability and modernized financial system in sustenance of country's middle-income status and beyond."

##### b) Mission

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

##### c) Core Values

The Bank embraces the following core values, which are upheld by members of the Board of Directors and employees;

- i. Integrity: To exhibit high ethical and moral standards reflected by honesty, sincerity, truthfulness, and confidentiality in executing the Bank's mandate.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 2. CORPORATE CULTURE (CONTINUED)

- ii. Excellence: To execute duties professionally with creativity and innovativeness to improve organizational performance.
- iii. Accountability: To be collectively and individually accountable for discharging responsibilities.
- iv. Transparency: To clearly and openly execute the Bank's mandates and proactively communicate relevant information to stakeholders.
- v. Inclusiveness: To value broad participation, teamwork, diversity and harnessing multiple skills and experiences in discharging duties.

#### 3. NATURE OF OPERATIONS

##### Legislative and Regulatory Environment

The Bank of Tanzania exercise its mandates as provided in the Bank of Tanzania Act, 2006. It is the central bank and regulatory authority entrusted with the duty of maintaining price and financial stability, issuing of currency and an overall regulatory and supervisory role to banks and financial institutions in the country. Further, the Bank regulates, monitors, and supervises the payment, clearing and settlement systems for both products and services.

##### Principal Functions

The principal functions of the Bank are to;

- a) formulate, implement and be responsible for monetary policy, including foreign exchange rate policy;
- b) issue currency and deal, hold and manage foreign exchange reserves of Tanzania;
- c) regulate and supervise banks and financial institutions including mortgage financing, development financing, lease financing, microfinance business and licensing and revocation of licenses;
- d) compile, analyse and publish the monetary, financial, balance of payments statistics and other statistics covering various sectors of the national economy;
- e) regulate, monitor and supervise the payment, clearing and settlement systems;
- f) 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
- g) ensure the financial system's integrity, support the general economic policies of the Governments, and promote sound monetary, credit and banking conditions conducive to the sustainable development of the national economy.

##### Current Situation and Outlook

The current situation and outlook entails examining current global and national trends in inflation and the financial system for a period of one year and its projection for the next period. The analysis lays the foundation for the Bank's current strategic direction in achieving the Bank's vision and mission. Through this analysis the Bank diagnose needs, establishes priorities, indicates areas for improvement, and takes advantage of identified opportunities.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. NATURE OF OPERATIONS (CONTINUED)

##### a) Global

Inflation remained elevated in most of advanced and emerging market economies, triggered by the rising commodity prices amid supply shortages, escalated by the war in Ukraine. Elevated inflation rates in the United States, United Kingdom and Euro area were largely driven by rising energy prices, particularly gasoline. In China, the rise in inflation was due to a recovery in aggregate demand.

Likewise, inflation remained high in most of the EAC countries, due to a surge in world commodity prices, but remained within the convergence criteria of not more than 8 percent. Elevated inflation in Rwanda was driven by the higher cost of utilities, while in Kenya and Uganda was due to higher food prices. In the SADC region, inflation was above the convergence criteria of 3-7 percent, save for South Africa, Seychelles, Eswatini, Namibia and Tanzania.

The IMF World Economic Outlook of April 2022 projects inflation to remain elevated for longer than in the previous forecast, reflecting war-induced commodity price increases and broadening price pressures in 2022. Inflation in advanced economies is projected at 5.7 percent in 2022, before easing to 2.5 percent in 2023, while in the emerging and developing economies, it is projected at 8.7 percent and 6.5 percent for 2022 and 2023, respectively. Inflation in sub-Saharan Africa is projected at 12.2 percent in 2022, before slowing to 9.6 percent in 2023. Inflation in the EAC and SADC regions is projected at 6.2 percent and 9.9 percent in 2022 and ease to 6 percent and 7 percent in 2023, respectively.

##### b) National

Inflation remained low, at a single digit, averaging at 4.0 percent that was below the medium-term target of 5.0 percent and is projected to range from 3.0 - 5.0 percent in the medium term. However, uncertainty in short rain season harvests and effect of geopolitical war between Russia and Ukraine might exert upward pressure on inflation. The shilling remained stable, depreciating marginally by less than 1.0 percent against the USD, in 2021/2022 and is expected to remain stable in the medium term. The stability of the shilling was a result of low inflation, prudent monetary and fiscal policies, and moderate current account deficit. Foreign exchange reserves remained adequate and are projected to be above the national benchmark on 4 months of imports and regional convergence criteria.

Notwithstanding the challenges of residual effects of the COVID-19 pandemic and high commodity prices in the world market, the financial sector remained stable, and profitable, with capital and liquidity levels exceeding minimum regulatory requirements. The sector also remained resilient to shocks and registered strong growth in deposits and assets. The quality of assets also improved, with non-performing loans (NPLs) declining to 7.8 percent in June 2022 from 9.3 percent in June 2021. This was bolstered by measures taken by the Bank of Tanzania to reduce NPLs close to the desired level of not more than 5.0 percent. The measures included enforcement of credit related prudential requirements and requiring banks to improve credit underwriting standards by using reports from credit reference bureaus in loan application assessment and ensuring adequate segregation of duties in the credit function. In addition, the Bank instituted mechanisms of monitoring banks in the implementation of strategies to reduce NPLs, directed banks to submit credit information to the credit reference databank and adhere to code of conduct to enhance staff integrity.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. NATURE OF OPERATIONS (CONTINUED)

The country has achieved significant strides in implementing financial inclusion initiatives that are among the key pillars for inclusive economic growth. The implementation of these initiatives, as guided in the National Financial Inclusion Framework, among others: led to increased access and usage of financial products and services to the unbanked population, technology and skills transfer to a broader range of stakeholders, growth and expansion of Micro, Small and Medium Enterprises, employment creation and improved contribution to the growth of the economy. The Bank, in collaboration with other stakeholders will continue to develop and implement initiatives that contribute to the attainment of the fundamental objectives of the National Financial Inclusion Framework.

The country evidences a digital revolution in terms of the rapidly growing range of new technologies based on digital applications accelerating efficiency in production, services delivery and governance systems. Rapid technological innovations are making ICTs both less expensive and easier to use, thereby bringing the power of ICTs within reach of a more significant number of people. These facts point to ICT's potential to spur inclusive economic growth and expand the reach and effectiveness of development initiatives. The Bank will embrace and implement nationally coordinated strategies for enabling ICT development and provide a supportive environment for increased utilization of digital technologies in advancing efficiency and resilience of the financial system while adhering to the e-Government Agency's standards and guidelines.

#### 4. OBJECTIVES AND STRATEGIES

During the year under review, the Bank completed its first year of the five-year Strategic Plan 2021/22 – 2025/26. The Plan has six objectives with strategic initiatives implementable within 5 years.

To facilitate the implementation of the five-year Strategic Plan (Medium Term), corporate plan strategies and objectives were cascaded down to the departmental level where short-termed action plans were developed in accordance with the departments' mandate. Departments formulated objectives and specific tasks that were implementable within one year to support achievement of medium term corporate objectives and strategies. Departmental activities and tasks were monitored and evaluated quarterly to ascertain the achievement of the corporate objectives. Medium term objectives and strategies as provided by the five-year Strategic Plan 2021/22 - 2025/26 are as follows:

- a) Enhance effectiveness of Monetary Policy:** This objective aims to improve the monetary policy formulation and implementation process in a way that will best contribute to macroeconomic stability and support financial markets' growth and access.

**Strategies executed to achieve the strategic objective were as follows:**

- (i) implement interest rate based monetary policy framework;
- (ii) deepen domestic financial markets for effective monetary policy transmission;
- (iii) design and implement effective strategies to promote transparency, communication, and public education in monetary policy and financial markets; and



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 4. OBJECTIVES AND STRATEGIES (CONTINUED)

(iv) conduct research to promote a cash-lite economy and preparedness towards the adoption of digital currencies.

**b) Enhance Foreign Reserves:** This ensures there are adequate foreign reserves to meet the country's foreign exchange demands and management of monetary and exchange rate policies. It also intends to enhance the country's resilience to external shocks.

Strategies executed to achieve the strategic objective were as follows:

- (i) broaden avenues for the accumulation of foreign reserves; and
- (ii) enhance management of risks on foreign reserves.

**c) Enhance Safety, Soundness and Inclusiveness of the Financial Sector:** This aims at ensuring the availability of a macro-prudential framework for a resilient financial sector supportive of new product development and risk management. It also aims at having sound infrastructure and resolution frameworks that prevent macroeconomic shocks from disrupting the financial sector. Further, it includes facilitating the public with easy access to affordable financial services.

**Strategies executed to achieve the strategic objective were as follows:**

- (i) enhance protection of consumers of financial services;
- (ii) enhance Bank's legislation and regulatory tools;
- (iii) develop and Implement a retail payment platform;
- (iv) develop and implement system for banks and financial institutions to submit real-time data; and
- (v) enhance financial crisis preparedness and management capability.

**d) Enhance Banking and Currency Services:** This entails the provision of banking and currency services that are safe, convenient, reliable, timely and affordable. The Bank endeavours to achieve this by modernizing banking (including payment) services and currency management operations.

**e) Strengthen Institutional Efficiency:** This entails improving organization performance through effective allocation of resources, optimization of human capital, enhancement of corporate culture, infrastructure as well as leveraging on technology and research.

**Strategies executed to achieve the strategic objective were as follows:**

- (i) develop and implement effective resources management strategies;
- (ii) develop and implement corporate culture improvement programs;
- (iii) enhance research, innovation and data management;
- (iv) streamline internal business processes;
- (v) enhance the efficiency of information and technology, including cyber resilient tools;
- (vi) modernize the Bank of Tanzania Academy; and
- (vii) upgrade properties and facilities for effective service delivery.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 4. OBJECTIVES AND STRATEGIES (CONTINUED)

- f) **Enhance Organizational Effectiveness:** This entails enhancing compliance with national and international legislations, regulations, standards, internal policies, and guidelines. It also aims at putting in place appropriate internal controls and mitigation measures to manage risks and crisis. Further, it points to a need for the Bank to proactively ensure there is effective communication with stakeholders.

**Strategies executed to achieve the strategic objective were as follows:**

- (i) develop and implement corporate wide risk management strategies;
- (ii) strengthen security and safety of the bank's assets;
- (iii) enhance collaboration with international and regional counterparts; and
- (iv) enhance engagement with stakeholders.

#### 5. BANK'S OPERATING MODEL

The ultimate goal of the Bank of Tanzania is to ensure sustainable macroeconomic stability and growth in the country. To achieve this goal, the Bank formulates and implements medium and short-term strategies. The Bank's bedrock for the continued impressive performance lies in its model of operations, that embraces a philosophy of giving utmost priority of strengthening its internal capacity, hiring highly qualified staff, providing learning and development opportunities, optimizing the use of technology and ensuring adequate availability of working tools.

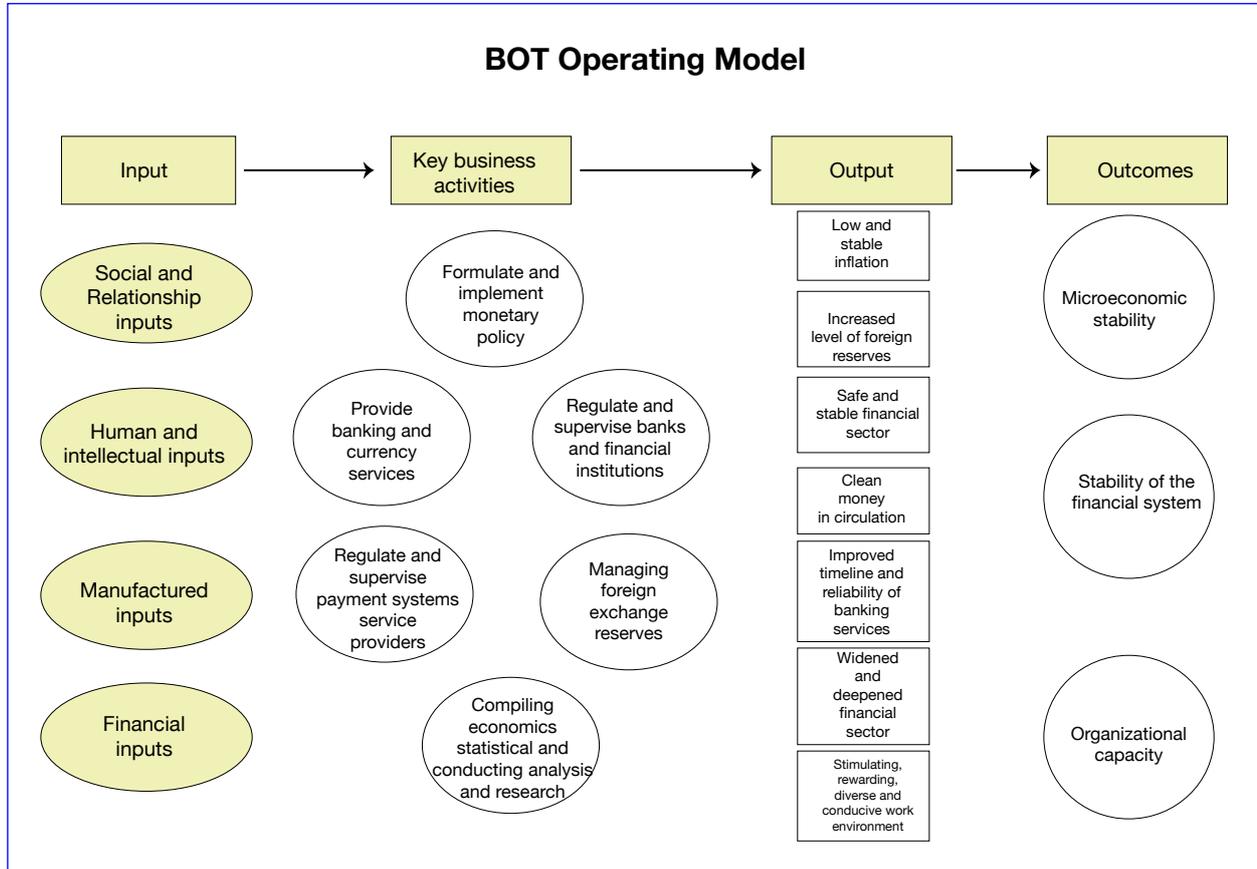
The Bank invests in streamlining of its internal processes that results in improved effectiveness of monetary policy, improved efficiency of financial services, enhanced compliance with international, regional and national legislations, improved financial affairs, improved organizational efficiency and engagement with stakeholders. Effective internal processes have always enhanced the Bank's ability to maintain price stability, ensure financial stability, enhance usage of financial services as well as converge policies with regional and international parties. The following is the relationship between inputs, key business activities, outputs and outcomes;



Bank of Tanzania Annual Report 2021/22

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022  
(CONTINUED)

5. BANK'S OPERATING MODEL (CONTINUED)



**INPUTS**

Inputs consist of resources which the Bank uses to accomplish its tasks as provided hereunder;

**Social and Relationship Inputs**

- i. Continual engagement with Governments, Banks and Non-Bank Financial Institutions, the general public and Bank staff to build knowledge and understanding around the benefits of price and financial stability.
- ii. Collaborative relationships with Governments, Ministries and Agencies especially; the Ministry of Finance and Planning and the President's Office- Finance and Planning (Zanzibar).
- iii. Constructive relationships with financial institutions and financial regulatory bodies including Tanzania Insurance Regulatory Authority (TIRA) and Capital Markets and Security Authority (CMSA) that provide the information needed to properly assess risks to financial stability and exercise regulatory oversight of the financial sector.
- iv. Relationships with research and academic institutions to enhance the Bank's own research capability and inform its decision-making.
- v. Active participation in international and regional fora to contribute to the development and promotion of regional integration and harmonize financial sector regulatory frameworks.
- vi. Broader stakeholder engagements that strengthen the Bank's accessibility and accountability.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 5. BANK'S OPERATING MODEL (CONTINUED)

##### Human and Intellectual Inputs

- i. Experienced and capable leaders and specialist teams with a deep understanding of local and international economic and financial fundamentals and systems.
- ii. Presence of competent, experienced, motivated and skilled staff who are committed and adaptive to changes.
- iii. Investment in training and development, supporting careers and enhancing the skills base.
- iv. An employee value proposition that attracts and enables the Bank to retain critical skills, built on a culture that is empowering, agile, caring and collaborative.
- v. Existence of robust Information and Communication Technology (ICT) infrastructure for continuous improvement of the work process.

##### Manufactured Inputs

- i. Strategically located head office, 2 sub-head offices, 4 branches and 11 safe custody centres that enable effective discharge of the Bank's mandate.
- ii. A dedicated Bank Academy which offers short-term courses to the staff of the Bank of Tanzania, staff from central banks, banks and financial institutions in EAC and SADC, the Academy is now offering long-term professional programs.
- iii. A reliable energy farm system for supporting Bank operations especially ICT infrastructure (servers) and other facilities during a power outage for business continuity.
- iv. Data centres, Business Work Area Recovery (BWAR) and disaster recovery sites, to support business continuity of critical processes.

##### Financial Inputs

- i. Sound financial and budgetary controls.
- ii. Authorized and paid up capital.
- iii. Capital reserves.
- iv. Income from investments.

##### PROCESSES

Processes consist of Bank's key business activities as defined in the Bank of Tanzania Act, 2006. These activities are highlighted in the Bank's Strategic Plan and include the following;

- i. Formulating and implementing monetary policy.
- ii. Conducting research and compiling economic statistics.
- iii. Regulating and supervising National Payment System (NPS) and electronic payment instruments.
- iv. Regulating and supervising banks and financial institutions.
- v. Managing foreign exchange reserves of the country.
- vi. Providing banking and currency services.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 5. BANK'S OPERATING MODEL (CONTINUED)

##### OUTPUTS AND OUTCOMES

Outcomes and related outputs consist of key products and services as provided hereunder;

##### Macroeconomic Stability

- i. Low and stable inflation - inflation rate within a target of 3 – 5 percent;
- ii. Increased level of foreign reserves- maintaining foreign reserves adequate to cover a target of more than 5.5 months of imports;
- iii. Deepened financial markets - Volatility of IBCM rate evolved within the range of  $\pm 2.0$  percent.

##### Stability of the Financial System

##### Stable and safe financial system

- i. Ensured capital adequacy and liquidity ratios above the minimum regulatory requirement of 10 percent and 20 percent respectively;
- ii. Reduced level of non-performing loans to 7.5 percent; and
- iii. Financial sector stability index within the range of  $\pm 3$ .

##### Widened and deepened financial sector and payment system

- i. Access to formal financial services through mobile phones reached 80.2 percent; and
- ii. The usage of digital financial services reached 90% of the customers with access to mobile financial services.

##### Improved timeliness, safety and reliability of banking (including payment) services

- i. Settlement period for cheque & SWIFT within two working days (T+1) and EFT within a working day (T+0).

##### Increased adequacy of clean currency in circulation

- i. Reaching customers satisfaction on banking and currency services of 80 percent corporate desired level.

##### Organizational Capacity

- i. Regulatory and supervisory frameworks that support priorities such as transformation, competition, financial inclusion and the integrity of the financial system.
- ii. A reputable Bank, trusted and respected by the public, banks and financial institutions as well as international counterparts, regulators and Governments
- iii. A stimulating, rewarding, diverse and conducive work environment
- iv. A high employee retention rate of 99.0 percent.
- v. A central bank with the technical and digital know-how to appropriately oversee and regulate the advancements being made by banks, financial institutions and payment system service providers.
- vi. A financially sound central bank.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT

##### Review of Current Performance

The Bank commenced implementation of the 2021/22 – 2025/26 Strategic Plan which contains six strategic objectives geared towards achieving the Bank mandate of maintaining price stability and promoting the financial system's stability. During the implementation of the first year, the overall evaluation revealed considerable achievements as detailed in three thematic areas based on the strategic objectives, intended results, Key Performance Indicators (KPI's), the set targets and budget utilization.

##### Theme 1: Macroeconomic Stability

The macroeconomic stability thematic area contains two strategic objectives namely: Enhance the Effectiveness of Monetary Policy and Enhance Foreign Reserves.

##### Strategic Objective 1.1: Enhance the Effectiveness of Monetary Policy

This objective aimed at improving the process of monetary policy formulation and implementation in a way that will best contribute to macroeconomic stability and support financial markets growth and access.

Two intended results were; low and stable inflation and deepened financial markets.

Four KPIs were designed to track the achievement of results; core inflation with a target of 3.8 percent, headline inflation of 5.0 percent, reserve money growth of 9.9 percent and volatility of IBCM within the target range of  $\pm 2.0$  percent by June 2022.

##### a. Core inflation rate

This is a measure of price movements caused by factors other than unprocessed food and energy prices over a specified period. The measure intends to indicate the effectiveness of monetary policy by assessing variability of prices.

During the year under review, inflation remained low and stable within the country and regional benchmarks. Core inflation averaged 3.8 percent compared to 3.1 percent in the corresponding period of 2020/21. The increase in core inflation was driven by prices of building materials, transport and rent.

Despite the increase, core inflation remained within the targets, implying that the amount of money supplied to the economy was in line with the demands of various productive sectors of the economy.

##### b. Headline inflation rate

This is a measure of price movements of all items in the consumer basket in a specified period. The purpose of the measure is to determine the extent of variability in general price level to assess whether the economy is operating in stable conditions.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

During the year under review, inflation averaged 4.0 percent, up from 3.3 percent recorded in the corresponding period in 2020/21. This attributed to the increase in prices of energy, food and non-food consumer goods and services. It is worth noting that inflation took a rising trend since July 2021 mainly on an account of the increase in commodity prices in the world market. However, inflation remained within the country and regional benchmarks, despite this increase.

##### c. Reserve money growth

This measure intends to determine if liquidity in the economy is adequate. It is measured as a percentage of growth in liabilities of the Bank consisting of currency outside the Bank and banks' deposits at the Bank.

The growth of reserve money continued to respond to the implementation of accommodative monetary policy growing broadly in line with the target set for 2021/22. Specifically, during the period between July 2021 and June 2022, reserve money grew at an average rate of 13.6 percent compared with 2.8 percent in the corresponding period of 2020/21 and a target of 9.9 percent by end of June 2022.

##### d. Volatility of the IBCM rate

This KPI measures variation of the weighted average overnight inter-bank cash market interest rate at which banks lend to each other. The measure is intended to monitor the adequacy of liquidity in the economy in line with demands of various economic activities and stability of money market interest rates consistent with stability of prices.

During the year under review, the actual volatility of the Inter-Bank Cash Market (IBCM) was 0.97 percent (2021:0.43 percent) which was within the target range of  $\pm 2.0$  percent. The achievement was largely attributed to the implementation of initiatives that were geared to promote transparency (the IBCM portal), communication and public awareness programmes.

**Budget estimated** to implement this objective was TZS 9,482.9 million and the actual expenditure as at (30 June 2022) the end of financial year 2021/22 was TZS 9,029.0 million. The variation on actual expenditure from the budget is attributed to improvement in liquidity in the market calling for less issuance of liquidity papers.

#### **Strategic Objective 1.2: Enhance Foreign Reserves.**

This objective entails ensuring adequate foreign reserves to meet the country's foreign exchange demands and management of monetary and exchange rate policies. It also intended to enhance country's resilience to external shocks.

Its intended result was increased level of foreign reserves. The KPI for this result was months of import cover with a target of greater or equal to 5.5 months by June 2022.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

##### Months of Import Cover

This measure reflects the number of months for which available official foreign exchange reserves can cover importation of goods and services, and is intended to gauge the extent to which the level of foreign exchange reserves can cover and sustain imports.

During July 2021 to June 2022, the level of reserves was USD 5,110.3 million compared to USD 5,209.8 million recorded in June 2021 due to settlement of some strategic government obligations. Nevertheless, this reserve level was adequate to cover approximately 4.6 months of imports, which is below the set target but above the statutory benchmark of not less than 4.0 months of import cover.

In addition, during the period under review, the Bank generated an income of USD 105.58 million, which is 12.03 percent above the targeted budget for the reviewed period. The outperformance was mainly attributed to increased commission on foreign operations and increased interest income from the CNY money market investments.

Budget estimated to implement this objective was TZS 1,554.9 million and actual expenditure as at 30 June, 2022 was TZS 1,541.0 million.

##### Theme 2: Stability of Financial Sector

The stability of financial sector thematic area contains two strategic objectives namely: enhance safety, soundness and inclusiveness of the financial sector and enhance banking and currency services.

##### Strategic Objective 2.1: Enhance Safety, Soundness and Inclusiveness of the Financial Sector.

This aimed at ensuring availability of macro-prudential framework for resilient financial sector supportive to new product development and risk management. It also referred to having sound infrastructure and resolution frameworks that prevent macroeconomic shocks from disrupting the financial sector. Further, it included facilitating public with easy access to affordable financial services.

Two intended results were; increased safety, reliability, and integrity of the financial sector and widened and deepened financial and payment systems.

Six KPI's were designed to track the achievement of these results; capital adequacy ratio with a target of 14.5 percent, asset quality with a target of less or equal to 5 percent, liquidity ratio with a target of greater of equal to 20 percent, financial sector stability index with a target of  $\pm 3$ , access to formal and usage of formal financial services with a target of 79 and 78.5 percent respectively by June 2022.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

##### a. Capital Adequacy

As at the end of June 2022, the ratio of total capital to total risk weighted assets and off-balance sheet exposures was 20.17 percent compared to 17.91 percent that was recorded in June 2021. The ratio was above the minimum legal and regulatory requirement of 12 percent and a baseline of 14.5 percent. The increase in capital adequacy ratio was mainly attributed to increase in profitability of banks and decline of the level of non-performing loans.

##### b. Asset Quality

As at the end of June 2022, the ratio of non-performing loans to gross loans was 7.75 percent, declining from 9.32 percent that was recorded in June 2021. However, the ratio was still above the desired benchmark of 5.00 percent. The improvement in asset quality was attributed to increase in recovery of NPLs, prudent credit risk management practices by banks and financial institutions and increased lending that resulted into increase in gross loans.

##### c. Liquidity Ratio

As at the end of June 2022, the ratio of Liquid Assets to Demand Liabilities was 28.09 percent, which was above the minimum regulatory requirement of 20 percent, signifying the ability of banks and financial institutions to meet maturing obligations and fund increases in assets. The ratio had declined from 33.3 percent that was recorded in June 2021, due to increase in lending to the private sector as the economy started to recover from the impact of the COVID-19 pandemic, coupled with policy measures taken by the Bank.

##### d. Financial Sector Stability Index (FSSI)

The Financial System Stability Index (FSSI) is a composite index related to financial system development indicators, vulnerability indicators, financial soundness indicators and other indicators which characterize national, regional and global economic climate. The Bank uses FSSI as an early warning indicator in assessing the resilience of the financial sector to internal and external shocks. The index stood at 0.2 as at the end of June 2022, which was within the target of  $\pm 3$  indicating financial system remained stable and resilient against short-term vulnerabilities.

##### e. Access and Usage of formal Financial Services

Access to Formal Financial Services is a proportion of all active registered accounts of all products and services in the financial system to adult population with a purpose to enable the Bank understand the progress of interventions for enhancing financial inclusion and therefore effectively allocate resources and set priorities for interventions. Usage of Formal Financial Services is a proportion of all registered active accounts using formal financial services in relation to adult population with a purpose to enable the Bank understand the progress of interventions for enhancing financial inclusion and therefore effectively allocate resources and set priorities for intervention.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

By the end of June 2022, access to formal financial services through mobile phones reached 80.42 percent, which was above the target of 79 percent. This was mainly attributed to technological advancement, financial innovations especially appealing products, improved public awareness on mobile financial services as well as presence of effective oversight.

In June 2022, the usage of digital financial services reached 82.07 percent, which was above the target of 78.5 percent. That growth in usage was due to innovations in formal financial services including GePG, which continued to play a great role in revenue collection. In addition, new digital products on saving and credit for community based groups such as Changisha, M-Koba, and Kibubu have increased the use of mobile financial services. Apart from enhancement of transaction limits during the COVID-19 Pandemic, the growth of remittance business facilitated by emergence of global payment hubs such as TerraPay, MFS Africa, TransferTo, and HomeSend further enhanced usage of financial services.

**Budget estimated** to implement this Objective was TZS 5,340.2 million and the actual expenditure as at the end of financial year 2021/22 was TZS 4,200.8 million. The variance was due to changes of prioritisation of implementation activities in order to address gaps identified during implementation.

#### **Strategic Objective 2.2: Enhance Banking and Currency Services**

This entailed provision of banking and currency services that are safe, convenient, available, timely and affordable.

Intended results were; improved timeliness, safety and reliability of banking (including payment) services and increased adequacy of clean currency in circulation.

Two KPI's were designed to track achievements; Settlement period of (Cheque, SWIFT and EFT) with a targets of T+1 for cheque and SWIFT and for EFT with a target of T+0. Secondly, was measured by percentage of perception on quality of currency in circulation with a target of 80 percent by June 2022.

##### **a. Settlement period (Cheque and EFT)**

This is time taken for a payment instrument (cheque or EFT) to be cleared, counted from the time is received to when a beneficiary account is credited. This measure shows that all incoming and outgoing payment instructions in favour of Bank's customers are settled on time. Its purpose is to ensure that Bank's customers (intended beneficiaries) get their values on time.

During the period under review, Cheque and EFTs received were processed within the specified time of T+1 and T+0, respectively. This was made possible using the Central Banking System (CBS), Tanzania Automated Clearing House (TACH) system as well as adoption of the Treasury Single Account (TSA) which increased the use of electronic funds transfer (EFTs) as settlement instrument for most of the government payments. Moreover, settlement period for SWIFT was T+0 for pressing transactions and T+1 for value date transactions.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

The achievement recorded was further attributed to updated operations and procedures manuals (OPMs), adopted government and parastatal accounts regulations, new staff accounts guidelines, adopted dormant account guidelines and fixed painful areas in the current CBS.

##### b. Percentage perception on quality of currency in circulation

This measures perception of stakeholders on quality of currency in circulation in implementing clean currency policy. The target for the year 2021/22 was 80 percent.

The survey to ascertain the percentage perception of quality of currency in circulation was not conducted for the year 2021/22. However, the Bank improved currency management process to ensure that currency services meet customers' expectations. Some of these include timely distribution of currency stock, improved servicing of commercial banks for deposits and withdrawals; minimization of time taken in clearance of currency consignments from the port; and automation of safe custody centres which has significantly reduced human errors in interpreting requirement of safe custody centres, provide real time data of stock position and improved record keeping.

**Budget estimated** to implement this objective was TZS 171,633.3 million and actual expenditure as at 30 June 2022 was TZS 144,765.1 million. The variation was on account of delays in delivery of currency machines, which resulted in less capital expenditure incurred.

#### Theme 3: Organizational Capacity

The organizational capacity thematic area contains two strategic objectives namely: strengthen institutional efficiency and enhance good governance.

##### Strategic Objective 3.1: Strengthen Institutional Efficiency

This entailed improving organization performance through effective allocation of resources, developing human resource, meliorating employees' culture and infrastructure, while leveraging on technology and research to improve institutional efficiency.

Intended results were; improved management of Bank's resources, improved organization performance, improved technology and security of IT infrastructure and improved work environment.

Five KPI's were put forward to track the results; expenditure coverage ratio with a target of 1, Strategic Management Maturity Level (SMML) with a target of level three, IT maturity level with a target of level 3, system availability of 97.5 percent, and employee's satisfaction with work environment with a target of 90 percent by June 2022.

##### a. Expenditure Coverage Ratio.

This is the level at which total expenditure for a given period is covered by the revenue generated in the same period. The intent of this measure is to gauge the extent at which the Bank's expenditures are financed by income generated within the same period. It assists in allocation and utilization of resources.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

The Expenditure Coverage Ratio stood at an average of 1.1 for the period covering July 2021 to June 2022 signifying continued ability to generate revenue sufficient to cover expenditure obligations.

##### b. Strategic Management Maturity Level (SMML).

SMML measures progress that the Bank is making in strategic management and performance measurements efforts. Assessment is based on 7 dimensions of maturity and measured at scale of 0 (being lowest) to 5 (being highest). SMML assessment is conducted periodically to inform management of where the Bank stands in terms of strategic management. It also allows management to monitor progress in improving maturity of strategic management and to allow benchmarking the Bank against other high performing organisations.

According to a survey that was conducted in December 2021, the Bank's overall average strategic management maturity level increased from 2.5 in December 2020 to 2.8, slightly missing a target of 3 by 0.3. That score implies that the Bank has a structured and comprehensive strategic plan with formal formulation processes and procedures; employees across functional units are regularly engaged in strategic management activities; top management and management are regularly informed about the pursuit of strategies; vision, goals, and values are communicated effectively; there is no efficient linkage between organizational culture and strategy.

##### c. IT Maturity Level

The desired level of IT processes maturity recommended in good practices of IT governance in accordance with COBIT 19 Framework. The purpose is to determine the level of IT governance in the Bank.

During the period under review, the Bank improved from level 2 to level 3, consistent with the set target. To a large extent, that improvement emanated from improved compliance and governance aspects, whereby important policy documents and guidelines including an Information and Technology (I&T) Governance Framework; Information and Technology (I&T) Policy; Information Security Policy and Information and Technology (I&T) Disaster Recovery Plan, were developed and adopted. In addition, the Bank deployed an external customer service management system to manage IT incidents from the Bank's external users and adopted a unified mobility technology strategy in-line with SADC/EAC for IT harmonization.

##### d. System Availability

This measure determines availability of critical systems to deploy appropriate measures whenever required. The purpose of the measure is to determine availability of critical systems to deploy appropriate measures whenever required.

In the review period, the Bank maintained the level of system availability at an average of 99.47 percent against the set target of 97.5 percent. This performance was mainly attributed to enhanced resilience and monitoring of the IT Infrastructure, replacement of substantial number of obsolete technologies, deployment of new servers and data storages.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

##### e. Employee's Satisfaction with Work Environment

This measures the extent to which staff are satisfied with perceiving policies, systems, facilities, services, development opportunities, welfare issues and the overall working environment in the Bank. The aim of the KPI is to understand employees' satisfaction on the work environment in the Bank and take appropriate actions. The target for the ending financial year was to raise the employees' satisfaction from 69 percent to 90 percent by June 2022.

Nevertheless, the Bank has implemented various initiatives with the focus to improve work life and environment by reviewing and adoption of policies, procedures and guidelines. The policies reviewed and implemented are Staff By-Laws 2022, Financial Regulations 2022, BPM Policy; OPMs Standard Operating Procedures (SOPs) for Bank's Clinics and Guide for Facilitation of Funeral Events.

In terms of capacity building the Bank addressed identified skills gap by 83 percent. This has greatly improved skills and delivery of work with ease as well as employee morale in individual development goals.

Further, the bank recruited new staff, which has reduced staff shortage and excessive workload. **Budget estimated** to implement this objective was TZS 70,966.3 million and the actual expenditure as at 30 June 2022 was TZS 69,148.9 million. Budget variance was mainly on account of low fixed asset capitalisation arising from delay in completion of major construction, procurement of properties and equipment earmarked for the period.

##### **Strategic Objective 3.2: Enhance Good Governance**

This entailed enhancing compliance to national and international legislations, standards, regulations, internal policies, and guidelines. It also aimed at putting in place appropriate internal controls and mitigation measures to manage risks and crisis. Further, it points to a need for the Bank to proactively ensure there is effective communication with stakeholders coupled with sense of accountability, transparency and quality disclosures.

The intended results were; improved risk and crisis management, improved compliance to international and national standards and improved stakeholders' understanding of Bank's undertakings.

Three KPI's were designed to track results; risk maturity level with the target of level four, organizational rating by relevant authorities with a target of 100 percent and percentage of customer's satisfaction of 95 percent by June 2022.

##### a. Risk Maturity Level

This assesses the Bank's risk culture and the development of the risk management program. It evaluates the extent to which risk management is embedded within the Bank where a high maturity level translates into effective risk management.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

The Bank uses Deloitte Risk Maturity Model and according to the recent assessment, the Bank remained at maturity of level 3 which was below the targeted level 4. Level 4 Risk Maturity requires developing Key Risk Indicators (KRIs) to be applied in risk monitoring and also automation of risk management processes. During the period under review, the process of developing KRIs for significant risks was not finalized and automation of risk management process just started. The Bank will finalize developing KRIs for significant risks next financial year while the project of automation of risk management process is on-going.

During the period, the Bank conducted knowledge and awareness sessions on risk management that resulted in improved employees' appreciation of the importance of having in place a robust enterprise risk management framework. Also, the Bank Reviewed Risk Management Framework and Guidelines in line with Risk Management standards, industry changes and challenges; defined risk appetite statements; developed Key Risk Indicators for some significant corporate risks; and reviewed EAC central banks risk assessment tool to be used among the Banks during the peer review program in the year 2022/23.

##### b. Organizational compliance to national and international legislations.

This measures the Bank compliance to all the guiding principles, standards and legislations during execution of its mandate. The assessment is conducted periodically either by regulatory authorities or the Bank.

During the period under review, the Bank engaged a Consultant to conduct a quality assurance assessment and determine the Bank's level of conformance with the Institute of Internal Auditors' (IIA's) International Standards for the Professional Practice of Internal Auditing. In general terms, the Bank was found to be embracing acceptable leading practices in areas of Positioning, People and Processes, hence obtaining the rating of generally conforms.

##### c. Stakeholders' Satisfaction

This measure stakeholders' satisfaction on their interaction with the Bank. Findings on Stakeholders Satisfaction Survey conducted in June 2022 indicated that 90 percent of stakeholders were satisfied compared to the set target of 95 percent.

The achievement towards the target was attributed to intensive public education and awareness programmes through print and electronic media, exhibitions, lectures, seminars, workshops and meetings covering various topics on Bank operations and provision of conference management services to internal and external events.

**Budget estimated** to implement this objective was TZS 181,148.6 million and actual expenditure as at 30 June 2022 was TZS 165,138.4 million. Variation noted on actual expenditure was on account of low depreciation charges on planned capital expenditures due to implementation delay in some of the capital assets.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

##### Future Developments

In its five-Year Strategic Plan 2022/23 – 2026/27, the Bank aligns its vision and strategic objectives with the national priorities outlined in the National Development Vision 2025, the Zanzibar Development Vision 2050, Zanzibar Development Plan 2021-2026, National Five-Year Development Plan III (2021/22 – 2025/26), and National Financial Sector Development Masterplan 2020/21–29/30. The Bank recognizes the main agenda of the Governments to sustain the country in the middle-income status and above. 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 achieve and accomplish the following in the coming five years:

##### (a) Enhance effectiveness of monetary policy:

The Bank will continue to improve the process of monetary policy formulation and implementation such that will contribute to macroeconomic stability and support financial markets growth and access. Through this objective, the Bank will implement an interest rate-based monetary policy framework, deepen domestic financial markets for effective monetary policy transmission and conduct research to promote a cash-lite economy, transformation into a blue economy and preparedness towards the adoption of digital currencies. The Bank will also design and implement effective strategies to promote regional and international integration, climate change and public education in monetary policy and financial markets.

Five KPI's and targets have been set to realize success of this objectives; core inflation with a target of 3.8 percent, headline inflation of 5.0 percent, money supply growth of 10.3 percent and volatility of IBCM to be within the target range of  $\pm 2.0$  percent by June 2023.

##### (b) Enhance foreign reserve:

The Bank will continue to maintain adequate foreign reserves to meet the country's foreign exchange demands, management of monetary and exchange rate policies and enhance the country's resilience to external shocks. The Bank will achieve this objective by broadening avenues for the accumulation of foreign reserve and improving the management of risk on foreign reserves.

To track and realize this achievement, one KPI of months of import cover is used with a target of greater or equal to 5.5 months by June 2023.

##### (c) Enhance safety, soundness and inclusiveness of the financial sector:

The Bank will ensure the availability of a macro-prudential framework for a resilient financial sector supportive to new product developments, risk management and facilitating access to affordable financial services. Through this objective, the Bank will enhance the protection of consumers of financial services, banks' legislation and regulatory tools, develop and implement a retail payment platform, a system for accessing real-time data from banks and financial institutions and enhance financial crisis preparedness and management capability.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

The Bank will continue to use the following KPI's in measuring the results, which are; capital adequacy ratio with a targeted of 14.5 percent, asset quality with NPL target of less or equal to 5 percent, liquidity ratio with a target of greater of equal to 20 percent. Financial sector stability index with a target of  $\pm 3$ , access to formal financial services with targets of 85.5 percent and 85 percent respectively by June 2023.

##### (d) Enhance banking and currency service:

The Bank will continue to provide banking and currency services that are safe, convenient, available, timely and affordable. Whereas the Bank will modernize banking service and enhance currency management operations.

In order to track achievements two KPI's have been maintained which are; settlement period of (Cheque, SWIFT and EFT) with a target of T+1 for cheque and SWIFT and for EFT with a target of T+0. The Bank will also track achievements of this objective by measuring customer's satisfaction level on banking and currency services quality with a target of reaching 75 percent by June 2023.

##### (e) Strengthen institutional efficiency:

The Bank will improve organization performance through effective allocation of resources, optimization of human capital, enhancement of corporate culture and refining infrastructure while leveraging technology and research to improve institutional efficiency. Through this objective, the Bank will develop and implement effective resources management strategies, redefine corporate culture to align with Bank Strategy, develop a robust research and innovation agenda, and data management, streamline internal business processes. The Bank will also adopt new technologies, innovations, cyber-resilient tools and upgrade data centers, modernize the Bank of Tanzania Academy and upgrade properties and facilities for effective service delivery.

Five KPI's have been placed to track the results; expenditure coverage ratio with a target of 1, SMML with a target of reaching level three; IT maturity level with a target of reaching level 3, system availability of 96 percent, and employee's satisfaction with work environment with a target of 95 percent, and implementation of corporate training plan with target of 88 percent by June 2023.

- (f) **Enhance organizational effectiveness:** The Bank will enhance compliance with national and international legislations, standards, regulations, internal policies, and guidelines, putting in place appropriate internal controls and mitigation measures to manage risks and crisis. Further, the Bank aims at ensuring there is effective communication with stakeholders. To achieve this objective, the Bank will develop and implement corporate wide risk management strategies, strengthen the security and safety of the Bank's assets, enhance collaboration with international and regional counterparts and enhance engagement with stakeholders.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 6. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT (CONTINUED)

Three KPI's have been designed to track results; risk maturity level with a target of reaching level four, net risk levels with a target of yellow level category, Compliance to Public Procurement Regulatory Authority (PPRA) criteria with a target of 100 percent and percentage of stakeholder's satisfaction of 95 percent by June 2023.

#### 7. RESOURCES

The Bank has adequate resources, including human capacity, to implement its mandates as set out in the Bank of Tanzania Act 2006. In order to achieve its strategic goals, the Bank uses its human, financial, intellectual, social and relationship and natural resources efficiently and effectively.

- i. **Financial Resources:** The Bank has adequate financial resources to support its strategic and operational initiatives. The financial resources comprise capital TZS 100.00 billion and reserves TZS 1,331.87 billion. The Bank generated revenue that covered all operating expenses and support provided to its stakeholders. This has enabled the Bank to continue fulfilling its mandates without seeking shareholder's support. The profitable operations have helped the Bank accumulate adequate reserves while paying reasonable dividends to its shareholder. From a strategic perspective, the Bank seeks to improve its financial performance by improving resource management, prioritizing initiatives, implementing initiatives within available financial resources and generating adequate revenue to support its operations.
- ii. **Human Resources:** The Bank has 1,277 employees who are qualified, motivated, competent and committed for a long-term career, of which 819 are male and 458 are female. Management adheres to sound principles of governance and promotes good working relationships that provide an enabling environment for the performance of its mandates. The Bank is committed to continuing to set aside budget for talent nurturing and engagement programmes to ensure they continue delivering value to stakeholders.
- iii. **Intellectual Resources:** The Bank staff knowledge is a very significant strategic resource that has played a great role in modernizing its operations by developing in house modern technology to improve its day-to-day operations. The Bank staff has developed TIPS - an interoperable digital payment platform which allows the transfer of payments between different Digital Financial Service Providers (DFSPs), both banks and other financial institutions such as e-money issuers.
- iv. **Social and Relationship Resources:** The Bank maintains strong relationships with its stakeholders with the aim of understanding their expectations and creating values that ensure satisfaction. To maintain good relationships with the communities in which the Bank operates, we provide support in the form of public education, scholarships and charitable contributions to good causes. During the year, the Bank donated a total of TZS 201.2 million to various community groups and TZS 3,319.9 million in respect of subscriptions and contributions to various organizations. The Bank shall continue engaging its stakeholders and contribute to improving their welfare.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 7. RESOURCES (CONTINUED)

- v. **Natural Resources:** This forms the basis for other forms of capital which together make up the productive capacity of the organization. While the Bank does not use natural resources for its productivity, its operations are sensitive to the ecosystem to sustain life and economic activity. Recognizing the loss of ecosystems such as the atmosphere's ability to absorb carbon dioxide without becoming dangerously unstable and threatening to the economy, the bank considers the impact of its operations on the environment and thus promotes the green environment agenda. The Bank currently uses energy serving systems; has set its motor vehicles mileage and age limits; and has instituted a near-paperless office policy in its efforts to use modern, environmentally friendly systems that use water, land, and energy sparingly; and minimize air pollution.

#### 8. CORPORATE GOVERNANCE MATTERS

##### Corporate Governance Statement

A good corporate governance requires legal, regulatory and institutional basis that is appropriate and efficient. Clear governance rules as well as the necessity of accountability in its actions allow management to be carried out focusing the priorities defined by the organization, and decision-makers to have their actions assured by a formally established institutional structure, among other benefits.

Governance is associated with setting of rules for the decision-making process; it defines who makes decisions, who is responsible for them, and how decisions have to be made. In essence, it defines roles and responsibilities. Management has to do with the execution of rules set by governance, and the operational routine of the organization. Good corporate governance is critical in the public sector entities, and Bank of Tanzania in particular, is committed to adhering to the highest standards of corporate governance. This commitment is rooted in the reputation built on a solid foundation of integrity, excellence, accountability, transparency, fairness and inclusiveness.

In view thereof, during the year under review, the Bank complied with aspects of good corporate governance principles which include:

- (i) **Accountability:** The Bank has been accountable at all times to the stakeholders including the Government by maintaining price stability and integrity of the financial system for inclusive economic growth. In accordance with section 21, subsection (3) to (6) of the Bank of Tanzania Act, Cap. 197, the Governor submitted the Monetary Policy Statement to the Minister of Finance and Planning for 2021/22 which subsequently was submitted to the Parliament.
- (ii) **Transparency:** The Bank of Tanzania exercises a high degree of transparency on its decisions. The decisions of the Monetary Policy Committee (MPC) are communicated to banks through post-MPC engagements with Chief Executive Officers of banks, and to the public through the media. In addition, the Bank regularly 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. The Bank regularly organize and conduct awareness and sensitization programs to enable the general public to understand its roles and operations.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

- (iii) **Fairness:** The Bank has been fair to banks and financial institutions, payment systems service providers and microfinance service providers while discharging its primary functions of supervising and regulating as per section 5 of the Bank of Tanzania Act, 2006. The Bank of Tanzania improved legal and regulatory frameworks which eased licensing requirements, promoted innovations in the financial sector and developed proportional prudential requirements while maintaining an appropriate balance between financial inclusion objectives and other policies, such as financial stability and consumer protection as provided for under the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019.
- (iv) **Responsibility:** The primary function of the Bank is to control the money supply in the economy. Therefore, the Bank has been responsible for issuing currency on behalf of the government. In addition to this primary function, the Bank performed the following responsibilities in the year 2021/22: receipt of the state revenues, kept deposits of various departments and made payments on behalf of the government; it kept the cash reserves of the commercial banks; acted as a clearinghouse for the inter-bank transactions and as a lender of last resort. It supervised the commercial banking system and ensured its smooth running; it controlled the money and capital markets by changing the supply of money and thereby the rate of interest; it acted as the custodian of the foreign exchange, and it advised the government in all the monetary affairs.
- (v) **Independence:** The Bank has been exercising independence in the formulation and implementation of the monetary policy, management of currency and banking operations, supervision of the financial sector as well as managing its resources. This has led to a greater transparency of decision-making, accountability and the capability of the Bank to pursue its mandate.

#### Membership and Committees of Those Charged with 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 financial year 2021/22.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

**Table 1: Members of the Board of Directors**

No.	Name	Position	Age	Gender	Discipline	Date of Appointment	Nationality
1.	Prof. Florens D.A.M. Luoga	Governor and Chairman of the Board	63	Male	Lawyer	4 <sup>th</sup> January 2018	Tanzanian
2.	Mr. Julian B. Raphael	Deputy Governor	66	Male	Economist	26 <sup>th</sup> January 2016	Tanzanian
3.	Dr. Yamungu M. Kayandabila <sup>1</sup>	Deputy Governor	50	Male	Economist	31 <sup>st</sup> May 2017	Tanzanian
4.	Dr. Bernard Y. Kibesse <sup>2</sup>	Deputy Governor	55	Male	Economist	31 <sup>st</sup> May 2017	Tanzanian
5.	Ms. Sauda K. Msemu <sup>3</sup>	Deputy Governor	49	Female	Economist	1 <sup>st</sup> June 2022	Tanzanian
6.	Dr. Juma M. Akil	Member	58	Male	Agricultural Economist	23 <sup>rd</sup> January 2021	Tanzanian
7.	Prof. Nehemiah E. Osoro	Member	75	Male	Economist	1 <sup>st</sup> June 2017	Tanzanian
8.	Mr. Joseph O. Haule	Member	66	Male	Economist	1 <sup>st</sup> June 2017	Tanzanian
9.	Mr. Joseph A. Meza <sup>4</sup>	Member	64	Male	Economist	5 <sup>th</sup> April 2019	Tanzanian
10.	Ms. Esther L.J. Manyesha <sup>5</sup>	Member	63	Female	Lawyer	14 <sup>th</sup> February 2022	Tanzanian

Key:

<sup>1</sup> Reappointed for five years effective 1<sup>st</sup> June 2022.

<sup>2</sup> Appointment ceased on 31<sup>st</sup> May 2022

<sup>3</sup> Appointed for five years effective 1<sup>st</sup> June 2022.

<sup>4</sup> Appointment ceased on 14<sup>th</sup> April 2022.

<sup>5</sup> Appointed on 14<sup>th</sup> February 2022.

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 the 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 summarized 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 discharging its functions. These are the Monetary Policy Committee, Audit Committee, Banking Supervision Committee and Finance and Investment Committee.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (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, 2022 were as follows:

**Table 2: Monetary Policy Committee**

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 <sup>1</sup>	Member	Economist	Tanzanian
5	Ms. Sauda K. Msemo <sup>2</sup>	Member	Economist	Tanzanian
6.	Prof. Nehemiah E. Osoro	Member	Economist	Tanzanian
7.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
8.	Ms. Esther L.J. Manyesha <sup>3</sup>	Member	Lawyer	Tanzanian
9.	Mr. Joseph A. Meza <sup>4</sup>	Member	Economist	Tanzanian

Key:]

<sup>1</sup> Appointment ceased on 31<sup>st</sup> May 2022

<sup>2</sup> Appointed on 1<sup>st</sup> June 2022

<sup>3</sup> Appointed on 14<sup>th</sup> February 2022

<sup>4</sup> Appointment ceased on 4<sup>th</sup> February 2022

##### (b) Audit Committee

Established under the provision of Section 12(1) of the Bank of Tanzania Act 2006, the Audit Committee is composed mainly 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<sup>3</sup>, Internal Audit and External Audit.

The Audit Committee's mandate under Internal Control covers evaluation of the 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.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

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.

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 2022 were as follows:

**Table 3: Audit Committee**

No	Name	Position	Discipline	Nationality
1.	Prof. Nehemiah E. Osoro <sup>1</sup>	Ag. Chairman/ member	Economist	Tanzanian
2.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Mr. Joseph A. Meza <sup>2</sup>	Member	Economist	Tanzanian
5.	Ms. Esther L.J. Manyesha <sup>3</sup>	Member	Lawyer	Tanzanian

Key:

<sup>1</sup> Chairman position still vacant since 4<sup>th</sup> April 2022.

<sup>2</sup> Appointment ceased on 4<sup>th</sup> April 2022.

<sup>3</sup> Appointed on 14<sup>th</sup> February 2022.

#### (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 Non-Executive Director 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 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.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

The Members of the Banking Supervision Committee that served during the year ended 30 June 2022 were as follows.

**Table 4: Banking Supervision Committee**

No	Name	Position	Discipline	Nationality
1.	Mr. Joseph O. Haule <sup>1</sup>	Chairman	Economist	Tanzanian
2.	Prof. Florens D.A.M. Luoga <sup>2</sup>	Member	Lawyer	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
5.	Dr. Bernard Y. Kibesse <sup>3</sup>	Member	Economist	Tanzanian
6.	Ms. Sauda K. Msemu <sup>4</sup>	Member	Economist	Tanzanian
7.	Dr. Juma M. Akil	Member	Agricultural Economist	Tanzanian
8.	Prof. Nehemiah E. Osoro	Member	Economist	Tanzanian
9.	Mr. Joseph A. Meza <sup>5</sup>	Member	Economist	Tanzanian
10.	Ms. Esther L.J. Manyesha <sup>6</sup>	Member	Lawyer	Tanzanian

Key:

<sup>1</sup> Appointed as Chairman since 1<sup>st</sup> October 2021.

<sup>2</sup> Appointment as Chairman ceased on 1<sup>st</sup> October 2021.

<sup>3</sup> Appointment ceased on 31<sup>st</sup> May 2022.

<sup>4</sup> Appointed on 1<sup>st</sup> June 2022.

<sup>5</sup> Appointment ceased on 4<sup>th</sup> April 2022.

<sup>6</sup> Appointed on 14<sup>th</sup> February 2022.

#### (d) 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 comprise Non-Executive Director 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 2022 are as follows:



Bank of Tanzania Annual Report 2021/22

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022  
(CONTINUED)

8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 5: Finance and Investment Committee

No	Name	Position	Discipline	Nationality
1.	Prof. Nehemiah E. Osoro <sup>1</sup>	Chairman	Economist	Tanzanian
2.	Prof. Florens D.A.M. Luoga <sup>2</sup>	Chairman	Lawyer	Tanzania
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
5.	Dr. Bernard Y. Kibesse <sup>3</sup>	Member	Economist	Tanzanian
6.	Ms. Sauda K. Msemo <sup>4</sup>	Member	Economist	Tanzanian
7.	Mr. Joseph A. Meza <sup>5</sup>	Member	Economist	Tanzanian
8.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
9.	Ms. Esther L.J. Manyesha <sup>6</sup>	Member	Lawyer	Tanzanian

Key:

<sup>1</sup> Appointed as Chairman on 1<sup>st</sup> October 2021.

<sup>2</sup> Appointment as Chairman Ceased on 1<sup>st</sup> October 2021.

<sup>3</sup> Appointment ceased on 31<sup>st</sup> May 2022.

<sup>4</sup> Appointed on 1<sup>st</sup> June 2022.

<sup>5</sup> Appointment ceased on 4<sup>th</sup> April 2022.

<sup>6</sup> Appointed on 14<sup>th</sup> February 2022.

Meetings of Those Charged with Governance

The Board held (5) ordinary meetings and (7) extra ordinary during the year ended 30 June 2022. 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 2021 to 30 June 2022.

Table 6: Meetings of Those Charged with Governance

No	Number of meetings	Number of meetings					KEY
		Board	MPC	BSC	AC	FIC	
	Names	9	8	5	8	11	<b>Board:</b> Board of Directors
1.	Prof. Florens D.A.M. Luoga	9	6	2	N/A	N/A	<b>MPC:</b> Monetary Policy Committee <b>BSC:</b> Banking Supervision Committee <b>AC:</b> Audit Committee <b>FIC:</b> Finance and Investment Committee <b>N/A:</b> Not applicable
2.	Mr. Julian B. Raphael	8	8	5	5	8	
3.	Dr. Yamungu M. Kayandabila	7	7	4	N/A	9	
4.	Dr. Bernard Y. Kibesse	5	6	5	3 <sup>1</sup>	5	
5.	Ms. Esther L.J. Manyesha	5	3	1	1	5	
6.	Prof. Nehemiah E. Osoro	8	7	4	8	11	
7.	Ms. Sauda K. Msemo	2	2	-	N/A	3	
8.	Mr. Joseph O. Haule	7	5	5	8	11	
9.	Dr. Juma I. Akil	4	1	1	N/A	N/A	
10.	Mr. Joseph A. Meza	4	4	4	7	6	

Key:

<sup>1</sup> Represented Deputy Governor-AIC.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 8. CORPORATE GOVERNANCE MATTERS (CONTINUED)

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.

##### **Independence of the Non-Executive Directors**

The Board considers all Non-Executive Directors to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

##### **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 directions, in conformity with the policies and other decision 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 are managed by seventeen directors, five managers of independent departments and the principal of Bank of Tanzania Academy.

##### **Secretary to the Bank**

The Director of Legal Services is the secretary to the Bank, and is responsible for advising the Board on legal and corporate governance matters and, in liaison 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.

#### 9. RELATIONSHIP WITH STAKEHOLDERS

The Bank's Five Years Strategic Plan 2021/22 - 2025/26 provides a comprehensive analysis of the Bank's key stakeholders. The Bank recognises the importance of addressing the needs of its key stakeholders in order to add value and satisfy their needs and expectations. The Bank's key stakeholders include the Government, banks and other financial Institutions, staff and the public. The Bank is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagements. The Bank's key stakeholders and their concerns and values created by the Bank is as follows:

##### a) **The Governments:**

URT and RGoZ, as the main stakeholders, expect timely and reliable economic and financial services, banking services and dividend from the Bank. During the year under review, the Bank provided the two governments with its advice on monetary and financial matters through the Monetary Policy Statements, which review recent global and domestic macroeconomic developments and the outcome of monetary policy implementation during 2020/21 against targets. It also provided timely, safe and reliable banking services including payments and



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 9. RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

led to an increase in the adequacy of clean currencies in circulation. The Bank also reduced the settlement time of instruments (cheque, EFT and SWIFT) to T+0 to improve stakeholders' satisfaction with its banking services. As part of return to its shareholder, the directors proposed and declared dividend amounting to TZS 100 billion. The Bank strives to meet the expectations of its shareholders and to serve their interests through open communication.

- b) **Banks and Other Financial Institutions:** The Bank provides banking and currency related services, supervisory and regulatory services and the payment and settlement systems infrastructures to these stakeholders. These services have to be provided in a timely and reliable manner. During the period under review, the Bank provided banking services and currency that met their expectations. Further, the Bank continue to play its supervisory role to enhance safety, soundness, and inclusiveness of the financial sector through risk based supervision (onsite and offsite examination) through systems (OES, BSIS, CRD and BDCS). In addition, the Bank kept pace with the speed of innovation and technology changes in payment systems by putting in place and improving payment systems including Tanzania Instant Payment System (TIPS) and Core Banking Systems (CBS) that are supportive of economic growth.
- c) **The General Public:** This is another key stakeholder whose needs from the Bank include clean cash in circulation and reliable economic and financial information. The Bank issues currency to the public through commercial banks. In order to ensure the supply of cash in the economy, the Bank distributes currency through its branches and its safe custody centers. To inform the public on economic and financial developments, the Bank issues monthly, quarterly and annual economic reports. Further, the Bank uses national exhibitions such as Saba Saba and Nane Nane for raising awareness and outreach to the public about its activities. TV/radio programs as well as social media and the Bank's website are also used to inform the public.

The Bank will continue to provide information to stakeholders to minimize misunderstandings among stakeholders about the Bank's operations and reduce reputational damage through TV/radio programs, social media, website, trade fairs and outreach programs.

- d) **The Bank Staff:** Staff is the most valuable asset as the Bank performance and growth is largely dependent on staff commitment in delivering its mandates. The staff expect a conducive working environment, optimal utilization of their skills and knowledge, and fair compensation. As at the end of the year, the total staff stood at 1,277 employees, where 819 (64%) were males and 458 (36%) females. During the period under review, the Bank set aside 27.6% of its budget to cater for personnel and related expenses. The Bank prouids itself of experienced and competent leadership team, well trained and engaged staff with proper mix of skills, knowledge and attitudes necessary for execution of its mandates.

The Bank will continue to take deliberate efforts to develop its staff and ensure their knowledge and skills remain relevant to meet the current and future needs of its business.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 10. CAPITAL STRUCTURE AND TREASURY POLICIES

##### Capital Structure

The capital structure of the Bank as at 30 June 2022 consists of authorized share capital of TZS 100.00 billion (2021: TZS 100.00 billion) and Reserves of TZS 1,331.87 billion (2021: TZS 1,862.49 billion). Section 17 of the Bank of Tanzania Act, 2006 provides the level of authorized share capital of the Bank to be TZS 100.00 billion. The paid up capital is TZS 100.00 billion. This amount may be increased by such amount as may be determined by the Board and authorized by the Minister of Finance and Planning by Notice published in the Government Gazette. The share capital of the Bank is subscribed to and held 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.

The Bank establishes and maintains different classes of reserves as stipulated by section 18 of the Bank of Tanzania Act, 2006. As at 30 June 2022, the Bank's main reserves include General Reserve, Foreign Exchange Revaluation Reserve, Foreign Exchange Equalization Reserves, Capital Reserve, Asset Revaluation Reserve, Reserve for Projects and Security Revaluation Reserves. Details of movement of the capital during the year is provided under the Statement of Changes in Equity.

##### Treasury Policies and Objectives

The Bank engages in treasury transactions mainly in managing foreign exchange reserves, implementing monetary policy, and managing liquidity in the banking sector. The Bank has put in place Foreign Exchange Reserves Management Policy to govern the foreign reserves management function. The Policy defines the approach and framework governing the reserves management and outlines the governance structure, roles and responsibilities pertaining to reserve management.

Each year, the Bank uses Strategic Asset Allocation (SAA) process to determine an optimal mix of its foreign assets that meets its long-term investment objectives. The process incorporates approved risk tolerance, Bank strategic objectives and global macroeconomic and financial market conditions. Further, the Bank has Foreign Exchange Reserves Investment Guidelines that directs reserve management operations and serves as the basis for monitoring performance and compliance of its investments to the benchmarks and limits approved by the Board. Adherence to the Investment Guidelines is critical for the full attainment of the Bank's foreign exchange reserves management objectives of preservation of value, liquidity, and return generation.

In addition, the Bank uses Monetary Policy Statements to provide guidance on managing market liquidity. The statement serves as the basis for injecting or mopping up liquidity in the financial system through buying or selling monetary policy instruments to the market. The instruments used for liquidity management include repo, reverse repo, Treasury bills, and FX transactions.

Lastly, the Bank has put in place guidelines to provide loans and advances to commercial banks as mandated by the Bank of Tanzania Act 2006. The guidelines provide guidance on issuing special loans and standing facilities (Intraday and Lombard) to commercial banks.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 11. FINANCIAL PERFORMANCE AND POSITION

##### Significant Aspects of the Statement of Financial Performance

###### i. Operating Income

During the year operating income was TZS 484.30 billion (2021: TZS 579.27 billion), which is a decrease of TZS 94.94 billion from previous year and equivalent to 16.39%. The decrease was mainly attributed to decline in foreign exchange revaluation gain following strengthening of Tanzania Shillings relative to major currencies.

###### ii. Operating Expenses

During the year under review operating expenses was TZS 543.94 billion (2021: TZS 332.53 billion), which is an increase of TZS 211.41 billion from previous year and equivalent to 63.58%. The increase related to fair valuation of government securities in alignment with IFRS requirement on initial recognition.

###### iii. Other Comprehensive Loss

The Bank recorded other comprehensive loss of TZS 230.09 billion (2021: TZS 88.68 billion), which is an increase of TZS 141.41 billion from previous year and equivalent to 160.42%. The increase in loss was on account of a fall in market prices of financial instruments following the tightening of global financial conditions.

##### Significant Aspects of Statement of Financial Position

###### i. Cash and balances with central banks and other banks

Cash and balances with central banks and other banks as at 30 June, 2022 was TZS 4,471.11 billion (2021: TZS 5,834.32 billion), which is a decrease by TZS 1,363.21 billion, equivalent to 23.37%. The decrease was attributed to a decline in demand and time deposits and foreign currency notes as Bank shifted to higher earning long-term investments.

###### ii. Foreign currency marketable securities

The Bank's foreign currency marketable securities as at 30 June, 2022 was TZS 7,606.90 billion (2021: TZS 6,255.04 billion), which is an increase of TZS 1,351.86 billion, equivalent to 21.61%. The increase was on account of increase in investment of foreign currency marketable securities due to a shift from short term investments

###### iii. Government Securities

The Bank's Government securities as of 30 June, 2022 was TZS 2,479.51 billion (2021: TZS 1,094.88 billion), which is an increase by TZS 1,384.63 billion, equivalent to 126.46%. This was attributed to increase in Government bonds.

###### iv. Currency in Circulation

The currency in circulation as at 30 June, 2022 was TZS 6,618.85 billion (2021: TZS 5,704.68 billion), which is an increase by TZS 914.17 billion, equivalent to 16.02%. The increase was attributed to increase in currency issued to the public.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 11. FINANCIAL PERFORMANCE AND POSITION

##### v. Deposits - Banks and Non-Bank Financial Institutions

The deposits - banks and non-bank financial institutions as at 30 June, 2022 was TZS 3,651.67 billion (2021: TZS 3,548.41 billion), which is an increase of TZS 103.26 billion, equivalent to 2.91%. The increase was attributed to deposits made to the Bank by commercial banks to fund their current and settlements accounts.

##### vi. Deposits – Others

The deposits – others as at 30 June 2022 was TZS 2,701.16 billion (2021: TZS 3,668.29 billion), which is a decrease by TZS 967.13 billion, equivalent to 26.36%. The decrease was attributed to withdrawal and transfers made by parastatals.

##### Capital

The capital position of the Bank as at 30 June 2022 was TZS 1,431.87 billion (2021: TZS 1962.50 billion), a decrease by TZS 530.63 billion equivalent to 27.03%. The decrease was on account of paid dividend and unrealized losses due to fall in prices of financial instruments following the tightening of global financial conditions.

##### Results and Dividends

During the year ended 30 June 2022, the Bank operations registered an overall total comprehensive loss of TZS 289.71 billion (2021: profit of TZS 158.06 billion). The loss incurred mainly resulted from unrealized loss on marketable securities, and the increase in other operating expenses due to accounting loss on initial recognition of Government securities at fair value as per IFRS.

The Bank of Tanzania Act, 2006 requires transfer of net unrealized gains or losses to a separate reserve account until realized and available for distribution. In line with section 17 of the Act, special purpose reserves have been set to cater for specific needs and the balance is distributed as dividend to the Government. As a result, a dividend amounting to TZS 100.0 billion (2021: TZS 200.0 billion) is payable to the Government.

##### Cash Flows

The cash flows statement for the Bank is presented using indirect method whereby it is classified and presented into cash flows from operating, investing and financing activities. The cash flow analyses changes in cash and cash equivalent during the year ended 30 June 2022. Cash and cash equivalent for the Bank includes, fixed deposits, account balances with foreign banks and holding of foreign currency in Bank's strong room, in overall terms the Bank utilized its cash and cash equivalent which caused a decrease from TZS 5,834.32 billion to TZS 4,471.11 billion due to investments made in long term financial instruments in order to maximize return. Similarly, financing activities provided for additional foreign reserves providing comfort to finance major Government projects.

The changes in cash flow have been summarized below:



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 11. FINANCIAL PERFORMANCE AND POSITION (CONTINUED)

##### (a) Operating Activities

Operating activities for the year ended 30 June 2022 resulted in net outflow of TZS 692.30 billion (2021: TZS 95.26 billion). Decrease in cash flow from operating activities during the year was on account of improved revenue collection from the Government, withdraws by parastatals to finance their operations and disbursement of loans and advances to commercial banks as part of managing the lending rate.

##### (b) Investing Activities

Investing activities during the year resulted in net cash outflows of TZS 3,255.67 billion (2021: TZS 130.38 billion). Major activities during the year included investment in Government and marketable securities as part of investment strategy.

##### (c) Financing Activities

Financing activities during the year resulted in net cash inflows of TZS 2,504.59 billion (2021: TZS 443.19 billion). Increase in cash flows during the year was a result of increase in currency in circulation, increase in foreign currency financial liabilities and allocation of Special Drawing Right (SDR). These items provided additional funding for operating and investing activities.

#### 12. RISK MANAGEMENT AND INTERNAL CONTROLS

Effective risk management and controls are an integral element in the Bank's strategic objectives in meeting its policy responsibilities. The Board accepts final responsibility for risk management and internal control systems in the Bank. Accordingly, risk management and internal control frameworks are embedded in all processes of the Bank 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 risk management process is guided by the Corporate Risk Management Framework (CRM) and Guidelines that nurture an integrated approach to the management of all risks inherent in the operations so that the Bank can in turn attain its strategic objectives.

The CRM framework provides guidance on identifying and managing multiple and cross-enterprise risks; determining appropriate risk response decisions; aligning risk appetite with corporate strategy; allocating resources effectively; minimizing unexpected events which might result in financial losses and reputational damage, and seizing opportunities in a timely manner.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 12. RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

The risks that the Bank is exposed to emanate from fulfilling its responsibilities, such as formulation and 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.

#### KEY RISKS AND UNCERTAINTIES

The risks that may affect the implementation of the Bank's strategies are categorized as financial, operational, and strategic risks. Below is a description of the operational and strategic risks facing the Bank. The risks related to financial instruments have been disclosed under Note 42 of the financial statements:

**(a) Operational risk:** This is a risk resulting from inadequate or failed internal processes, people, and systems or from external events. In order to effectively manage operational risk, the Bank has put in place mechanism that assist in operational risk assessment, evaluation, treatment, monitoring, and reporting across all organisational levels. The main operational risks of the Bank are:

##### i. Human Resource Risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas. This risk relates to the possibility of having inadequate and unspecialized resources. Materialization of the risk is likely to cause business disruption and inefficiencies, ultimately exerting an adverse impact on the achievement of the Bank's objectives.

The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes workshops, seminars, conferences, and job attachments to its staff to improve their competencies. It regularly revises its staff retention scheme to compete with the prevailing labour market. The Bank has Staff By-Laws, Financial Regulations, and Code of Ethics that guide staff behaviour and foster staff integrity.

##### 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. This risk may result in the loss of the Bank's properties injuries and loss of life as well as jeopardizing the Bank's reputation.

The Bank addresses these risks inter alia by ensuring the existence of a Business Continuity Management (BCM) plan and sound internal control system, which include operational and procedural manuals, Information and Communication Technology (ICT) security policies, backup facilities, contingency planning, and independent risk management function.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 12. RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

##### iii. Project Risks

The risk associated with the mismanagement of projects leading to an adverse impact on the achievement of the project objectives. This risk may lead to delays in project completion, project cost overrun, legal disputes from infringement of terms of conditions and ultimately damage the Bank's reputation.

The Bank addresses these risks by putting place Projects Management Framework and Operational Manuals which provide mandate, methodology and governance mechanism to ensure common and consistent application of project management principles and practices across the Bank.

##### iv. Information Technology Risks

Risks arising from failure of software, hardware and IT infrastructure and other risks related to confidentiality, integrity and availability of information technology, and IT support services. The risk may result in failure of critical business applications, malicious software attacks and unauthorized access to Bank's IT assets and consequently disrupting business processes and adversely affecting the Bank's reputation.

In managing these risks, the Bank has put in place committees, policies and guidelines, which govern the usage and operations of IT systems and infrastructure by providing guidance on the protection of IT assets, business continuity management of its operations and internal controls against potential damage caused by technology risk events. Further, continuous assessment and monitoring of controls is done by IT team and reviewed by the risk and internal audit teams.

##### v. External Stakeholders Risk

Risks arising due to the failure of stakeholders to meet obligations to the Bank or potential failure of the Bank to meet stakeholders' needs. This risk may potentially tarnish the reputation of the Bank if it materializes.

The Bank manages these risks through strong involvement of stakeholders in carrying out its undertakings and conducting constant public education through training, press conferences, circulars and direct engagement via social media accounts.

##### vi. Compliance and Business Practice Risks

Risks related to non-adherence to legislations, regulations, Government directives, and public or internal policies. This risk exposes the bank to legal disputes which may result in the loss of the Bank's financial resources and reputational damage.

The Bank ensures the risk is mitigated through a high level of compliance with laws and regulations and code of conduct. Further, compliance reviews and monitoring in various departments are conducted to ensure that operations are in line with all applicable laws, regulations, standards, policies and procedures.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 12. RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

##### vii. 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 counterparties. 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 for the delegation of authorities. In addition, a strict code of conduct and ethics is used to minimize the chances of causing legal disputes between the Bank and its counterparts.

##### (b). Strategic Risk

This entails policy, business, performance and external risks facing the Bank in course of its operations. Policy risks are associated with economic and monetary policy formulation, while business risk refers to the probability of loss inherent in the Bank's operations and environment. On the other hand, performance risk is associated with the formulation and execution of business plans and strategies, and external risks 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 in damage to the Bank's reputation.

In managing strategic risk, the Bank adheres to the best practices and applies the principle of sound corporate governance. It also ensures that all relevant employees have a clear understanding of the appropriate processes in respect to the best practices and principles of good governance. Further, the Bank sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines is periodically reported to 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 Board assessed the internal control systems throughout the financial year ended June 2022 and is of the opinion that they met the accepted criteria.

#### 13. LIQUIDITY MANAGEMENT

The liquidity management ensures at all times the Bank is able to discharge its mandate. This is achieved through setting annual budget for the implementation of departmental action plans derived from the set objectives. The budget allocation is based on approved ceiling, which is based on available resource envelope. The budget process ensures adequate allocation of funds is made in terms of both timing and adequacy. The resulting budget is then approved by the Board of Directors and acts as an expenditure limit.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 14. EMPLOYEES WELFARE

##### (a) Management and Employees' Relationship

The relationship between the Bank and its employees continued to be very good. Employee complaints raised during the year were resolved mainly through the use of consultative meetings/ fora involving the management, trade union, and employees through the worker's council. There is a grievances handling mechanism and the Bank encourages amicable complaints resolution through meetings and discussions. As a result, a healthy relationship continued to exist between management and the trade union.

##### (b) Staff Training and Development

The Bank recognizes the role of its staff knowledge and skills in its operations and thus allocates resources in its budget to train and develop its staff through short and long term programmes. The Bank has a training institute (the Bank of Tanzania Academy) in Mwanza as well as several facilities at its premises to enable in-house trainings. The Bank has several development programmes including leadership programmes where it provides full or partial sponsorship that enables staff improve performance in their jobs and prepare them for career development.

##### (c) Medical Assistance

The Bank provides medical assistance to its staff and their dependents as well as retirees and their spouses through the National Health Insurance Fund. During the year ended 30 June 2022, the 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 through continuous and effective assessment. The Bank ensures the working environment is safe by monitoring the health and safety incidences in compliance with the occupational Osha Act, 2003 and Regulations.

##### (e) Financial assistance to staff

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

##### (f) 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 the benefits plan is provided under the Summary of Significant Accounting Policies in Note 3 to the financial statements.

##### (g) Voluntary agreement

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



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 15. DISABLED PERSONS AND GENDER PARITY

##### 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.

##### Gender balance

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, tribe, religion, and disability, which do not impair the ability to discharge duties. As of 30 June 2022 and 30 June 2021, the Bank had the following distribution of employees by gender.

Gender	2022	%	2021	%
Male	819	64.0	759	63.5
Female	458	36.0	436	36.5
<b>Total</b>	<b>1,277</b>	<b>100.0</b>	<b>1,195</b>	<b>100.0</b>

#### 16. 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 minimizes the impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management. Further, the Bank ensures compliance with requirements of environmental impact assessment in its construction projects.

Notwithstanding the impact of the Bank's operation on the environment, the Bank as a regulator has an important role to play in adapting and mitigating environmental and climate-related financial risks. Its immediate task is to improve information flows within financial markets so that climate-related financial risks are considered accordingly in policy formulation, investment decisions and for disclosure purposes. As such, the Bank is building internal capacity to understand the regulatory remedies appropriate for addressing environmental and climate-related financial risks.

Moreover, the Bank is in the process to put in place guidelines on climate-related financial risks management to assist banks and financial institutions in incorporating sound governance and risk management frameworks within their existing risk management frameworks.

#### 17. POLITICAL, CHARITABLE CONTRIBUTIONS AND SUBSCRIPTIONS

The Bank made various subscriptions and contributions to various organizations 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), Government for promoting Tanzania economy,



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 17. POLITICAL, CHARITABLE CONTRIBUTIONS AND SUBSCRIPTIONS (CONTINUED)

charities and subscription to Professional Associations. During the year ended 30 June 2022, such contributions and subscriptions amounted to TZS 3,320 million (2021: TZS 3,557.5 million). There was no donation made to any political party during the year.

**Table 7: Beneficiaries of Contributions and Donations**

S/N	BENEFICIARY	AMOUNT 'TZS MILLION'	% OF TOTAL CONTRIBUTION
1	Government- for Promoting Tanzania Economy	250.0	7.53%
2	Committee of Central Bank Governors	45.9	1.38%
3	Research Development Fund	119.9	3.61%
4	African Economic Research Consortium	229.8	6.92%
5	Association of African Central Banks	14.0	0.42%
6	Macro-Economic and Financial Management Institute	905.8	27.28%
7	Capital Markets and Security Authority	708.8	21.35%
8	Deposit Insurance Board	292.4	8.81%
9	Institute of Bankers	340.0	10.24%
10	Donation and other contributions	249.1	7.50%
11	Subscription to Various Entities	164.4	4.95%
	<b>TOTAL</b>	<b>3,320.0</b>	<b>100.0%</b>

#### 18. 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 endeavor, the Bank has in place Donation Guidelines, 2009 that assist in the implementation of CSR. During the year, the Bank donated a total of TZS 249.1 million (2021: TZS 232.3 million) to various community groups.

#### 19. PREJUDICIAL ISSUES

During the year ended 30 June 2022, there were no prejudicial issues to report as required by Tanzania Financial Reporting Standard No. 1 – The Report by Those Charged with Governance.

#### 20. APPOINTMENT OF AUDITORS

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 mandates the Controller and Auditor General (CAG) as the statutory auditor of the Bank of Tanzania.

In addition, Section 20(6) of the Bank of Tanzania Act, 2006 earmarked that the annual external audit of the Bank shall be performed by the Controller and Auditor General in accordance with international accounting and audit standards and in compliance with the Public Finance Act.



## Bank of Tanzania Annual Report 2021/22

### THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 20. APPOINTMENT OF AUDITORS (CONTINUED)

In addition, Section 20(6) of the Bank of Tanzania Act, 2006 earmarked that the annual external audit of the Bank shall be performed by the Controller and Auditor General in accordance with international accounting and audit standards and in compliance with the Public Finance Act.

The contact and other details about the Controller and Auditor General are as provided below:

National Audit Office,  
Audit House, 4 Ukaguzi Road,  
P.O. Box 950,  
41101 Tambukareli,  
DODOMA, TANZANIA.  
TIN Number: 104-961-444  
Tel: 255 (026) 216 1200,  
Fax: 255 (026) 211 7527,  
E-mail: ocag@nao.go.tz  
Website: www.nao.go.tz

#### 21. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Bank present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard, the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Bank of Tanzania Act, 2006. And whether the procurement transactions and processes have complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013 as amended in 2016.

#### 22. STATEMENT OF COMPLIANCE BY THOSE CHARGED WITH GOVERNANCE

In performing the activities of the Bank, various laws and regulations having the impact on the Bank's operations were observed. Moreover, this report has been prepared in full compliance with the Tanzania Financial Reporting Standard No. 1 requirements - The Report by Those Charged with Governance.

#### 23. APPROVAL

This Report was approved and authorized for issue by the Board of Directors during its Extra-Ordinary Meeting held on **08 December, 2022** and signed on its behalf by

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

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



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of 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 Board of 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 Board of 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 **08 December 2022** and signed on its behalf by:

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

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



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2022

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 **89**.

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 2022 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

**08 December 2022**



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairman,  
Bank of Tanzania,  
16 Jakaya Kikwete Road 40184  
P.O. Box 2303  
Tanzania.

#### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

##### Unqualified Opinion

I have audited the financial statements of Bank of Tanzania, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Bank of Tanzania as at 30 June 2022, and its financial performance and its 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 the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". 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) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

##### 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. I have determined that there are no key audit matters to communicate in my report.

##### Other Information

Management is responsible for the other information. The other information comprises the Director's Report, Declaration by the Head of Finance and Statements of Directors Report but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

### INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

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 audit 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.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS's and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management 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 management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

#### **Responsibilities of the Controller and Auditor General for 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 audit 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 judgment 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;



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

- 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 entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Director's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED) INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

#### **Compliance with the Public Procurement laws**

##### **Subject matter: Compliance audit on procurement of works, goods and services**

I performed a compliance audit on procurement of works, goods and services in the Bank of Tanzania for the financial year 2021/22 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of goods, works and services of Bank of Tanzania is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

#### **Compliance with the Budget Act and other Budget Guidelines**

##### **Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the Bank of Tanzania for the financial year 2021/22 as per the Budget Act and its Regulations and Guidelines.

#### **Conclusion**

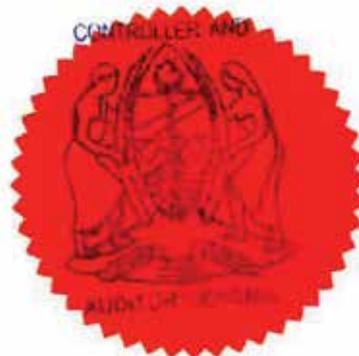
Based on the audit work performed, I state that Budget formulation and execution of Bank of Tanzania is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Charles E. Kichere

Controller and Auditor General,

Dodoma, United Republic of Tanzania.

.P.S./ December 2022.





Bank of Tanzania Annual Report 2021/22

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	<b>Notes</b>	<b>30.06.2022</b> <b>TZS '000</b>	<b>30.06.2021</b> <b>TZS '000</b>
<b>Operating income</b>			
Interest income	5	318,752,271	294,007,068
Interest expenses	6	(5,224,168)	(4,458,203)
Net interest income		<b>313,528,103</b>	<b>289,548,865</b>
Net foreign exchange revaluation gains	7	54,433,746	202,455,504
Fees and commissions	8	76,591,085	64,138,590
Other operating income	9	39,777,244	23,130,631
		<b>170,802,075</b>	<b>289,724,725</b>
<b>Total operating income</b>		<b>484,330,178</b>	<b>579,273,590</b>
<b>Operating expenses</b>			
Net realised/unrealized loss on Financial Assets	10	(10,164,024)	(26,994,554)
Administrative expenses	11	(77,426,726)	(64,391,548)
Currency issue and related expenses	12	(64,548,016)	(72,897,384)
Personnel expenses	13	(121,704,029)	(124,108,057)
Other operating expenses	14	(239,513,654)	(20,257,026)
Depreciation of property and equipment	29	(28,491,796)	(22,657,547)
Loss on disposal of property and equipment	29	(48,553)	-
Amortisation of intangible assets	30	(2,045,101)	(1,226,703)
<b>Total operating expenses</b>		<b>(543,941,899)</b>	<b>(332,532,819)</b>
<b>Profit/(loss) before tax</b>		<b>(59,611,721)</b>	<b>246,740,771</b>
Income tax expense		-	-
<b>Profit/(loss) for the year</b>		<b>(59,611,721)</b>	<b>246,740,771</b>
<b>Other comprehensive profit/(loss)</b>			
<i>Items that will be reclassified to profit or loss</i>			
Net unrealized loss on marketable securities-FVOCI	15	(238,188,226)	(84,113,602)
<i>Items that will not be reclassified to profit or loss</i>			
Loss on re-measurement of Defined Benefit Scheme	15	(8,469,745)	(9,753,241)
Net revaluation gain on equity investments	15	16,563,771	5,183,480
<b>Total other comprehensive profit/(loss)</b>		<b>(230,094,200)</b>	<b>(88,683,363)</b>
<b>Total comprehensive profit/(loss)</b>		<b>(289,705,921)</b>	<b>158,057,408</b>



Bank of Tanzania Annual Report 2021/22

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	30.06.2022 TZS '000	30.06.2021 TZS '000
<b>Assets</b>			
Cash and balances with central banks and other banks	16	4,471,112,672	5,834,322,961
Escrow accounts	17	11,278,779	11,257,016
Holdings of Special Drawing Rights (SDRs)	19	21,177,737	22,217,849
Quota in International Monetary Fund (IMF)	19	1,217,187,495	1,304,531,756
Foreign currency marketable securities	20	7,606,900,473	6,255,042,431
Government securities	22	2,479,507,487	1,094,883,220
Advances to the Government	23	2,022,036,054	2,393,706,756
Loans and receivables	24	430,404,969	132,403,424
Equity investments	21	111,721,028	44,254,186
Inventories	25	6,682,138	6,539,063
Deferred currency cost	26	92,991,489	52,103,739
Other assets	27	130,923,942	203,070,840
Property and equipment	29	1,023,189,769	995,657,377
Intangible assets	30	3,061,646	4,800,382
<b>Total assets</b>		<b>19,628,175,678</b>	<b>18,354,791,000</b>
<b>Liabilities</b>			
Currency in circulation	31	6,618,845,966	5,704,677,413
Deposits - Banks and non-bank financial institutions	32	3,651,670,348	3,548,412,774
Deposits - Others	34	2,701,166,785	3,668,295,459
Items in course of settlement	18	3,837,283	3,408,577
Foreign currency financial liabilities	35	2,300,452,450	1,569,043,226
BoT liquidity papers	36	47,058,358	40,010,514
Provisions	37	5,841,897	8,537,729
Other liabilities	38	63,071,731	102,644,984
Retirement benefit obligation	28	18,445,849	13,835,705
IMF related liabilities	19	1,034,440,924	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	19	1,751,474,416	624,756,632
<b>Total liabilities</b>		<b>18,196,306,007</b>	<b>16,392,294,470</b>
<b>Equity</b>			
Authorised and paid up share capital	39	100,000,000	100,000,000
Reserves	40	1,331,869,671	1,862,496,530
<b>Total equity</b>		<b>1,431,869,671</b>	<b>1,962,496,530</b>
<b>Total equity and liabilities</b>		<b>19,628,175,678</b>	<b>18,354,791,000</b>

The financial statements on page 95 to 196 were approved and authorised by the Board of Directors for issue on 08 December 2022 and signed on its behalf by:

Prof. Florens D.A.M. Luoga

The Governor and Chairman of the Board

Prof. Nehemiah E. Osoro

Director and Chairman of the Audit Committee



## Bank of Tanzania Annual Report 2021/22

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED) STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

Year ended 30 June 2022 (Amounts in TZS '000)	Share capital Note 44	General reserve Note 40 (a)	Retained earnings Note 40 (b)	Capital reserve Note 40 (b)	Equalisation reserve Note 40 (c)	Reserve for projects Note 40 (d)	Staff housing fund Note 40 (e)	Development fund Note 40 (f)	Sector fund Note 40 (g)	Foreign exchange revaluation reserve Note 40 (h)	Reserve for dividends Note 40 (i)	Defined benefit reserves Note 40 (j)	Total
At 1 July 2021	100,000,000	750,914,385	-	99,262,908	372,815,082	210,000,000	140,851,098	38,698,854	12,495,637	63,101,454	200,000,000	(25,642,888)	1,962,496,530
Profit/(loss) for the year	-	-	(59,611,721)	-	-	-	-	-	-	-	-	-	(59,611,721)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(221,624,455)	-	-	(8,469,745)	(230,094,200)
Transfer of realised gains from OCI securities to P&L*	100,000,000	750,914,385	(59,611,721)	99,262,908	372,815,082	210,000,000	140,851,098	38,698,854	(209,128,818)	63,101,454	200,000,000	(34,112,633)	1,672,790,609
Transfer of unrealised gains to foreign exchange revaluation reserve	-	-	-	-	-	-	-	-	(40,920,938)	-	-	-	(40,920,938)
Transfer of unrealised loss FVTPL to securities revaluation reserve	-	-	(90,857,809)	-	-	-	-	-	-	90,857,809	-	-	-
Transfer of realised gain on foreign exchange revaluation reserve to retained earnings	-	-	30,147,777	-	-	-	-	-	(80,147,777)	-	-	-	-
Transfer of realised loss from previous years to retained earnings (RAMIP)	-	-	(6,827,778)	-	-	-	-	-	6,827,778	-	-	-	-
Staff housing fund	-	-	(5,466,783)	-	-	-	5,466,783	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(200,000,000)	-	(200,000,000)
Transfers to financial sector development fund	-	-	(7,106,091)	-	-	-	-	7,106,091	-	-	-	-	-
Transfers from reserve for Projects to retained earnings	-	-	186,190,814	-	-	(186,190,814)	-	-	-	-	-	-	-
Appropriation of 2021/22 net profit	-	-	(100,000,000)	-	-	-	-	-	-	-	100,000,000	-	-
<b>At 30 June 2022</b>	<b>100,000,000</b>	<b>750,914,385</b>	<b>0</b>	<b>99,262,908</b>	<b>372,815,082</b>	<b>23,809,186</b>	<b>146,317,881</b>	<b>45,804,945</b>	<b>(273,369,755)</b>	<b>100,427,672</b>	<b>100,000,000</b>	<b>(34,112,633)</b>	<b>1,431,869,671</b>

\* 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.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

STATEMENT OF CHANGES IN EQUITY as at 30 June 2021

	Share capital Note 39	General reserve Note 40 (a)	Retained earnings	Capital reserve Note 40 (b)	Equalisation reserve Note 40 (c)	Reserve for projects Note 40 (d)	Staff housing fund Note 40 (e)	Assets revaluation reserve	Financial Sector Development fund Note 40 (f)	Securities revaluation reserve Note 40 (g)	Foreign exchange revaluation reserve Note 40 (h)	Reserve for dividends Note 40 (i)	Defined benefit reserves Note 40 (j)	Total
At 1 July 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
Profit for the year	-	-	246,740,771	-	-	-	-	-	-	-	-	-	-	246,740,771
Other comprehensive income	-	-	-	-	-	-	-	-	(78,950,122)	(9,753,241)	-	-	(9,753,241)	(88,683,363)
Transfer of realised gains from OCI securities to P&L*	-	-	-	-	-	-	-	-	38,699,077	44,628,873	8,832,005	150,000,000	(25,642,888)	2,123,319,008
Transfer of unrealised gains to foreign exchange revaluation reserve	-	-	(71,919,509)	-	-	-	-	-	-	-	71,919,509	-	-	-
Transfer of realised gains from previous years to retained earnings	-	-	32,984,584	-	(15,344,524)	-	-	-	-	-	(17,650,060)	-	-	-
Transfer of unrealised loss FVTPL to securities revaluation reserve	-	-	12,447,493	-	-	-	-	-	-	(12,447,493)	-	-	-	-
Transfer of realised loss on securities revaluation reserve to retained earnings	-	-	(3,003,017)	-	-	-	-	-	-	3,003,017	-	-	-	-
Transfer of realised gain from previous years to retained earnings (RAMF)	-	-	11,866,282	-	-	-	-	-	-	(11,866,282)	-	-	-	-
Re-allocation of asset revaluation to general reserve	-	260,246,145	-	-	-	-	-	(260,246,145)	-	-	-	-	-	-
Staff housing fund	-	-	(4,452,750)	-	-	-	4,452,750	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(150,000,000)	-	(150,000,000)
Transfers to financial sector development fund	-	-	223	-	-	-	-	-	(223)	-	-	-	-	-
Appropriation of 2020/21 net profit	-	2,467,407	(224,674,077)	-	-	-	-	-	-	-	-	200,000,000	-	-
<b>At 30 June 2021</b>	<b>100,000,000</b>	<b>750,914,385</b>	<b>-</b>	<b>99,262,908</b>	<b>372,815,082</b>	<b>210,000,000</b>	<b>140,851,098</b>	<b>-</b>	<b>38,698,854</b>	<b>12,495,637</b>	<b>63,101,454</b>	<b>200,000,000</b>	<b>(25,642,888)</b>	<b>1,962,496,530</b>

\* 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.



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30.06.2022 TZS '000	30.06.2021 TZS '000
<b>Cash flows from operating activities</b>			
<b>Net cash (used in)/ generated from operating activities</b>	41	<b>(692,297,241)</b>	<b>(95,257,871)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	29	(56,079,723)	(28,456,995)
Proceeds from disposal of property and equipment	29	6,982	115,827
Purchase of intangible assets	30	(306,365)	(3,168,033)
Increase in foreign currency marketable securities		(1,630,439,488)	(175,038,630)
(Increase)/decrease in Government securities		(1,606,329,077)	126,081,509
Acquisition of equity shares		(50,903,071)	(591,288)
(Increase)/decrease in quota in International Monetary Fund (IMF)		87,344,261	(47,202,869)
(Increase)/decrease holdings of SDRs		1,040,112	(2,117,667)
<b>Net cash flows from investing activities</b>		<b>(3,255,666,369)</b>	<b>(130,378,146)</b>
<b>Cash flows from financing activities</b>			
Increase in currency in circulation		914,168,553	479,356,593
Increase/(decrease) in IMF related liabilities and PRGF		(74,230,533)	13,917,170
Increase in foreign currency financial liabilities		731,409,224	156,552,824
Increase in allocation of SDRs		1,126,717,784	22,606,047
Increase/(decrease) in BoT liquidity papers		7,047,843	(78,778,119)
Dividends paid to the Government		(200,000,000)	(150,000,000)
Lease principal payments		(518,567)	(455,833)
<b>Cash generated from financing activities</b>		<b>2,504,594,304</b>	<b>443,198,682</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1,443,369,306)</b>	<b>217,562,665</b>
Unrealized gains on foreign exchange revaluation		80,132,972	15,408,768
<b>Cash and cash equivalents</b>			
At the beginning of the year		5,834,393,941	5,601,422,508
<b>At the end of the year</b>	16	<b>4,471,157,607</b>	<b>5,834,393,941</b>



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### 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 16 Jakaya Kikwete Road 40184, Dodoma, Tanzania and it operates sub head offices in Dar es Salaam and Zanzibar and four branches in Arusha, Mbeya, Mtwara and Mwanza. 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (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 30<sup>th</sup> 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### 1. REPORTING ENTITY (CONTINUED)

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.

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

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

Management noted but did not apply the standards or amendments that are not applicable to the Bank's current business and accounting policy. The unapplied amendments include those related to Covid-19-Related Rent Concessions beyond 30 June 2021 leading to changes in IFRS 16 Lease and Interest Rate Benchmark Reform- Phase 2 leading to changes in IFRS 9, IFRS 7, IFRS 4 and IFRS 16.

##### (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-23
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	1-Jan-23
IAS 12 – Income Taxes	1-Jan-23
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 1 - First-time Adoption of International Financial Reporting Standards	1-Jan-22
IFRS 3 - Business Combinations	1-Jan-22
IFRS 4 - Insurance Contracts	1-Jan-23
IFRS 9 - Financial Instruments	1-Jan-22
IFRS 16 – Lease	1-Jan-22
IFRS 17 - Insurance Contracts	1-Jan-23
IFRS 41 – Agriculture	1-Jan-22

##### i. IAS 1- Presentation of Financial Statements

The IASB issued two amendments under IAS 1. In July 2020, amendment of classification of liabilities as current and non-current and on February 2021, amendment of disclosure of accounting policies.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

The amendment of classification of liabilities as current and non-current will only affect 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 amendment of disclosure of accounting policies will assist preparers in deciding which accounting policies to disclose in the financial statements, that is entities to disclose material accounting policies rather than significant accounting policies.

Management is still evaluating the requirements of this amendment and its impact on the Bank's financial reporting when it falls due.

##### ii. IAS 16 - Property, Plant and Equipment

The IASB issued amendment to IAS 16, Property, Plant and Equipment on proceeds before intended use. This amendment prohibits an entity from deducting the cost of property, plant and equipment amounts received from selling items produced while an entity is preparing the asset for its intended use. Instead, an entity should recognize such sales proceeds and related cost in profit or loss.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.

##### iii. IAS 37- Provisions, Contingent Liabilities and Contingent Assets

The IASB developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling the contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts for which the entity has not yet fulfilled its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.

##### iv. IFRS 9 - Financial Instruments

The amendment clarifies fees that an entity includes when applying the 10 percent test in de-recognition of financial liabilities. An entity includes only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

##### v. IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment introduces a new definition of accounting estimates which states that accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. This is in order to help entities to distinguish between accounting policies and accounting estimates.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.

##### vi. IFRS -16 Leases

The amendment removes from the example 13 of (IFRS 16) the illustration of the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Management has assessed the requirements in this amendment and its impact on the Bank's financial reporting when they fall due and believes that their impact will be insignificant.

#### 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 42**.

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 are 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



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the requirements of the Bank of Tanzania Act, 2006. The Report by Those Charged with Governance 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*

Interest income is recognised in the statement of comprehensive income using the effective interest method for all interest bearing financial instruments except for assets measured at fair value through profit or loss (FVTPL)

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 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.

##### *Dividend income*

Dividend on equity investments that are measured at fair value through other comprehensive income (FVOCI) are recognised in the statement of comprehensive income when the Bank's right to receive the payment is established



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *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.

##### *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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **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 (PSSSF) Under this scheme, the Bank and employee contribute agreed rate 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 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 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (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 pay Value Added Tax (VAT), as per the VAT legislations, on goods or services provided to the Bank. 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *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.

##### **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 cost less accumulated depreciation on buildings and impairment losses. 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 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation rates and useful life applied for the year ended 30 June 2022 were as follows:

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

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.

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

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (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.

#### **Lease**

The lease policy for the Bank covers recognition, measurement and disclosure of right of use assets and lease liabilities, as per IFRS 16 Leases

#### *Date of 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.

#### *Initial recognition and subsequent measurement*

#### **Lease assets**

The Bank recognises right of use in respect of land plot and fibre optic cables. 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. 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

Subsequently the Bank measures right of 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 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (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 up to 99 years for land plots and up to 5 years for fibre optic cables.

##### ***Lease liabilities***

Lease liabilities are recognized in the balance sheet and are measured at the present value of the remaining lease payments discounted at the weighted average Bank's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

After commencement date the Bank measures 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.

##### ***Presentation and disclosure***

The Bank presents the right of use assets and liability as line items in the notes of the financial statements under property, plant and equipment. Lease interest expense is presented in the statement of comprehensive income as operating expense separate from other interest expenses. Cash payments for the principal portion of lease liabilities are presented in the cash flow statements under financing activities.

##### ***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 after delivery. 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 on weighted average cost basis.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (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**

Non-financial assets include Property and equipment, Intangible assets and Right of use leased assets. The Bank assesses at each reporting date whether there is an indication of impairment and whenever events or changes in circumstances indicate that the carrying amount of non-financial assets exceeds their recoverable amount. 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 fair value less cost to sell and its value in use and is determined for an individual asset. 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

##### **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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *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);

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (b) 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 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;

- (a) 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
- (b) 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 includes all 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *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).

##### **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.

##### **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:

- (a) the rights to receive cash flows from the asset have expired; or
- (b) 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
  - (i) the Bank has transferred substantially all the risks and rewards of the asset, or
  - (ii) 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



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

##### **Impairment of financial assets**

The impairment of financial assets is based on expected credit losses. 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 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 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'.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *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 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:



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- (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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

##### **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:

- (a) Its value changes in response to the change in a specified variable such as interest rate, financial instrument price or foreign exchange rate.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (b) 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.
- (c) 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.

#### **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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **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

#### 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

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.

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 42** 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

##### (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 43** 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.

#### 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



Bank of Tanzania Annual Report 2021/22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

5. INTEREST INCOME (CONTINUED)

	30.06.2022			30.06.2021		
	Received	Accrued	Total	Received	Accrued	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>From foreign operations</b>						
GBP investments	9,516,198	1,065,553	10,581,751	18,390,445	2,680,093	21,070,538
USD investments	41,561,377	16,976,769	58,538,146	60,933,006	15,693,756	76,626,762
EUR investments	9,901	-	9,901	2,519	-	2,519
AUD investments	1,551,939	1,433,615	2,985,554	5,702,824	1,562,276	7,265,100
CNY investments	42,940,284	29,478,206	72,418,490	34,956,051	7,464,233	42,420,284
Other foreign interest income	3,053,002	189,178	3,242,180	2,048,520	-	2,048,520
	<b>98,632,701</b>	<b>49,143,321</b>	<b>147,776,022</b>	<b>122,033,365</b>	<b>27,400,358</b>	<b>149,433,723</b>
<b>From domestic operations</b>						
Interest on domestic investments	44,500,873	79,014,800	123,515,673	75,311,187	46,194,524	121,505,711
Interest on loans and advances	25,538,430	16,812,145	42,350,575	10,748,607	2,987,119	13,735,726
Interest on staff loans	349,892	-	349,892	313,353	364	313,717
Interest on Repurchase Agreements (Reverse REPO)	4,748,396	11,714	4,760,109	8,881,555	136,636	9,018,191
	<b>75,137,590</b>	<b>95,838,659</b>	<b>170,976,249</b>	<b>95,254,702</b>	<b>49,318,643</b>	<b>144,573,345</b>
	<b>173,770,291</b>	<b>144,981,980</b>	<b>318,752,271</b>	<b>217,288,067</b>	<b>76,719,001</b>	<b>294,007,068</b>

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

	30.06.2022	30.06.2021
	TZS '000	TZS '000
Income from instruments measured at fair value	101,125,294	108,246,253
Income from instruments measured at amortised cost	217,626,977	185,760,815
	<b>318,752,271</b>	<b>294,007,068</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

6. INTEREST EXPENSES

	30.06.2022			30.06.2021		
	Paid	Accrued	Total	Paid	Accrued	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Interest on BoT liquidity papers	892,491	352,055	1,244,546	3,716,267	186,302	3,902,569
Interest on repurchase agreements	-	-	-	85,036	-	85,036
Charges on IMF Drawings	2,051,047	1,928,575	3,979,622	470,598	-	470,598
	<b>2,943,538</b>	<b>2,280,630</b>	<b>5,224,168</b>	<b>4,271,901</b>	<b>186,302</b>	<b>4,458,203</b>

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.

7. FOREIGN EXCHANGE REVALUATION GAINS/(LOSS)

During the year, the Bank recorded a total net foreign exchange revaluation gain amounting to TZS 54,433.7 million (2021: TZS 202,455.5 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 gain, an amount of TZS 90,857.8 million (2021: 59,931.6 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 40 (i)).

Analysis of foreign exchange valuation	30.06.2022 TZS '000	30.06.2021 TZS '000
Net realised foreign exchange revaluation gain/(loss) during the year	(36,424,063)	142,523,944
Net unrealised foreign exchange revaluation gains during the year	90,857,809	59,931,560
	<b>54,433,746</b>	<b>202,455,504</b>

8. FEES AND COMMISSIONS

	30.06.2022 TZS '000	30.06.2021 TZS '000
Commission on foreign operations	70,615,982	58,955,850
Tanzania Interbank Settlement System (TISS) fees and charges	4,959,936	3,940,240
Bureau de change application fees	69,300	10,000
Bureau de change registration fees	9,050	6,500
Bureau de change penalty fees	337,667	725,500
Banks and financial institutions applications/licensing fees	599,150	500,500
	<b>76,591,085</b>	<b>64,138,590</b>

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 2022 (CONTINUED)

9. OTHER OPERATING INCOME

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Foreign operations</b>		
Miscellaneous income	16,373,134	5,102,010
Interest from FVTPL investments	8,477,223	10,806,178
Dividend from equity investment	1,003,966	-
	<u>25,854,323</u>	<u>15,908,188</u>
<b>Other income from foreign operations</b>		
<b>Domestic operations</b>		
Miscellaneous income	6,661,372	531,848
Income - domestic operations	461,517	1,279,282
Income from Staff Housing Funds *	5,466,783	4,452,750
Rental income from staff quarters	824,510	738,610
Income from hostel accommodation	179,377	129,021
Expected Credit Loss on Financial instruments	275,148	-
Income from cafeteria operations	54,214	73,385
Gain on disposal of PPE	-	17,547
	<u>13,922,921</u>	<u>7,222,443</u>
<b>Other income from domestic operations</b>	<b>13,922,921</b>	<b>7,222,443</b>
<b>Total other income</b>	<b>39,777,244</b>	<b>23,130,631</b>

\*Income from investments and loans on Staff Housing Funds

10. NET GAINS/ (LOSSES) ON FOREIGN CURRENCY MARKETABLE SECURITIES

	<u>30.06.2022</u>			<u>30.06.2021</u>		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
USD	6,083,060	(30,147,777)	(24,064,717)	(5,506,260)	(12,447,493)	(17,953,753)
GBP	(9,935,549)	-	(9,935,549)	(10,064,563)	-	(10,064,563)
AUD	18,406,681	-	18,406,681	1,313,871	-	1,313,871
CNY	5,429,561	-	5,429,561	(290,109)	-	(290,109)
<b>Total</b>	<b>19,983,753</b>	<b>(30,147,777)</b>	<b>(10,164,024)</b>	<b>(14,547,061)</b>	<b>(12,447,493)</b>	<b>(26,994,554)</b>

The net realised gain or losses on foreign currency marketable securities represents the net (decrease)/ increase in the fair value of these foreign securities. The value of this balance aggregated to a loss of TZS 10,164.0 million (2021: TZS 26,994.6 million). During the year the Bank reclassified realised gain of TZS 40,954.03 million of securities measured at FVOCI from security revaluation reserve to profit or loss account as required by IAS 1 and IFRS 9.



Bank of Tanzania Annual Report 2021/22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

11. ADMINISTRATIVE EXPENSES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Maintenance - computer, software and related expenses	18,124,904	14,790,836
Transport and travelling related expenses	15,195,734	9,645,084
Meetings, conferences and seminars	4,757,288	3,487,080
Water and electricity	5,798,259	5,235,512
Maintenance - bank premises	8,871,527	6,686,557
Insurance expenses	5,505,009	5,402,528
Fees, rates and security expenses	2,976,989	2,609,402
Printing, stationery and office supplies	782,190	1,811,593
Telecommunication and postage	1,549,411	1,885,829
Board expenses	1,322,949	720,816
Other administrative expenses	4,987,635	4,273,421
Skills development levy	2,940,016	2,895,705
Maintenance - furniture, machinery and equipment	1,800,768	2,276,087
Audit fees	688,797	491,998
Budget and annual accounts related expenses	1,027,861	922,826
Hospitality	260,492	239,546
Audit related expenses	247,267	367,321
Legal and investigation expenses	589,630	649,407
	<u>77,426,726</u>	<u>64,391,548</u>

12. CURRENCY AND RELATED EXPENSES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Notes printing and related expenses (Note 26)	46,807,677	59,872,437
Coins minting and related expenses (Note 26)	4,155,886	4,292,211
<b>Cost of currency issued into circulation</b>	<u>50,963,563</u>	<u>64,164,648</u>
Maintenance of currency machines	3,882,123	1,440,050
Currency transport, storage and handling	8,961,365	6,530,774
Other currency expenses	740,965	761,912
<b>Other currency related costs</b>	<u>13,584,453</u>	<u>8,732,736</u>
<b>Total currency and related expenses</b>	<u>64,548,016</u>	<u>72,897,384</u>

The amount of TZS 50,963.6 million (2021: TZS 64,164.6 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 3,882.1 million (2021: TZS 1,440.1 million) was incurred during the year in respect of currency processing machines maintenance expenses. The amount of TZS 8,961.4 million (2021: TZS 6,530.8 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 740.9 million (2021: TZS 761.9 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

13. PERSONNEL EXPENSES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Staff salaries and related expenses	75,875,522	75,955,107
Contribution to social security schemes	9,404,907	9,818,873
Staff medical expenses	7,629,574	7,779,860
Management car maintenance and other related expenses	5,961,349	6,055,956
Travel on leave expenses	2,438,085	5,535,773
Staff retirement benefit	8,333,999	4,689,672
Staff training expenses	3,816,861	4,123,842
HR planning policies expenses	1,993,331	2,306,420
Furniture grant expenses	497,020	2,060,735
Cafeteria expenses	2,048,576	1,959,747
Workers Council expenses	1,193,412	1,194,794
Tanzania Union for Industrial and Commercial (TUICO) expenses	1,061,492	908,503
Motor vehicles expenses	604,274	836,838
Contributions to Workers Compensation Fund	363,873	361,854
Condolence and related expenses	325,564	278,897
Staff uniforms expenses	147,649	233,777
Course functions and field trips expenses	8,541	7,409
	<b><u>121,704,029</u></b>	<b><u>124,108,057</u></b>

14. OTHER OPERATING EXPENSES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Foreign operations</b>		
Foreign reserve management expenses	6,677,143	1,640,267
Financial markets development expenses	1,632,069	1,594,280
Commission and fees on foreign operations	1,389,735	4,292,477
	<b><u>9,698,947</u></b>	<b><u>7,527,024</u></b>
<b>Domestic operations</b>		
Contribution to professional associations, charities	2,510,045	2,006,842
Other expenses & initial fair valuation loss on Governments securities*	226,428,812	9,895,534
Contribution to national development programs/projects	645,577	275,872
Subscriptions	164,373	160,277
Expected Credit Loss on Financial instruments	-	335,032
	<b><u>229,748,807</u></b>	<b><u>12,673,557</u></b>
Cheques issued expenses	65,900	56,445
	<b><u>239,513,654</u></b>	<b><u>20,257,026</u></b>

\*Included in domestic operation is the amount related to fair valuation loss of government securities in alignment with IFRS requirement on initial recognition



Bank of Tanzania Annual Report 2021/22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

14. OTHER OPERATING EXPENSES (CONTINUED)

*Analysis of donations, contributions and subscriptions*

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	905,775	1,058,631
Donations and other contributions	249,136	289,611
Subscription to various entities	164,373	160,277
Capital Markets and Securities Authority	708,750	354,375
Contribution to African Research Consortium	229,773	229,901
Contribution to Research Development	119,910	-
Deposit Insurance Board	292,369	210,914
African Association of Central Banks and African Rural and Agriculture Credit Association	14,015	93,310
Contribution - Committee of Central Bank Governors (CCBG)	45,894	45,972
Tanzania Institute of Bankers	340,000	-
Promotion of Tanzania Economy Abroad and Other Foreign Institutions	250,000	-
	<u>3,319,995</u>	<u>2,442,991</u>

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME/(LOSS)

	30.06.2022	30.06.2021
	TZS '000	TZS '000
Loss on re- measurement of Defined Benefit Scheme	(8,469,745)	(9,753,241)
Net revaluation gains on equity investments	16,563,771	5,183,480
Net unrealised gains on marketable securities-FVOCI	<u>(238,188,226)</u>	<u>(84,113,602)</u>
Total other comprehensive Income/(loss)	<u>(230,094,200)</u>	<u>(88,683,363)</u>

Included in other comprehensive loss is TZS 238,188.2 million which represents changes in prices of marketable securities portfolio that are classified to Fair Value Through Other Comprehensive Income (2021: loss of TZS 84,113.6 million). The gain of TZS 16,563.8 million (2021: TZS 5,183.5 million) is in respect of revaluation on the Bank's shares in Afrexim bank and SWIFT measured at FVTOCI. The computation of actuarial gain/loss is reported under **Note 43**.



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 16. CASH AND BALANCES WITH CENTRAL BANKS AND OTHER BANKS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Demand, time deposits with commercial banks	3,360,835,818	4,900,261,580
Cash balances with Central Banks	1,049,695,430	882,357,109
Foreign Currency notes and coins	58,942,157	46,631,506
Accrued interest on deposits	1,684,202	5,143,746
Provision for Expected Credit Losses	(44,935)	(70,980)
	<u>4,471,112,672</u>	<u>5,834,322,961</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. For the purpose of recording cash flows in the Statement of Cash Flow, the Provision for Expected Credit Losses on cash and cash equivalents has been added back as it is not a cash flow.

#### 17. ESCROW ACCOUNTS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Bank of Tanzania Escrow	<u>11,278,779</u>	<u>11,257,016</u>

This account was opened under the memorandum of economic and financial policies arrangement of the United Republic of Tanzania (URT) 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 2022, the account had a balance of USD 4.9 million equivalent to TZS 11,278.8 million (2021: USD 4.9 million equivalent to TZS 11,257.0 million).

#### 18. ITEMS IN COURSE OF SETTLEMENT

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
BoT net clearing account	<u>(3,837,283)</u>	<u>(3,408,577)</u>

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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

19. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	30.06.2022		30.06.2021	
	SDR '000	Equivalent TZS '000	SDR '000	Equivalent TZS '000
<b>Assets</b>				
Holdings of SDR's	6,859	20,988,559	6,775	22,217,849
Accrued interest on Holding of SDR	8	23,135	-	-
Accrued interest on SDR Tranches	54	166,043	-	-
Quota in IMF	397,800	1,217,187,495	397,800	1,304,531,756
	<b>404,721</b>	<b>1,238,365,232</b>	<b>404,575</b>	<b>1,326,749,605</b>
<b>Liabilities</b>				
IMF Account No.1	338,071	1,034,430,230	338,071	1,108,659,994
IMF Account No.2	3	10,694	3	11,463
	<b>338,074</b>	<b>1,034,440,924</b>	<b>338,074</b>	<b>1,108,671,457</b>
Allocation of SDRs	571,785	1,749,545,841	190,511	624,756,632
Accrued interest on allocation of SDR	630	1,928,575	-	-

The Tanzania's quota in IMF stood at SDR 397.8 million equivalent to TZS 1,217,187.5 million (2021: SDR 397.8 million equivalent to TZS 1,304,531.8 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 30<sup>th</sup> June 2022, reserve tranche stood at SDR 59.7 million (2021: SDR 59.7 million) whereas the adjusted rate of remuneration was 0.89 percent (2021: 0.5 percent). In August 2021 IMF allocated SDR 397.8 million to URT being 100 percent of the Quota. The allocated SDRs form part of Bank's foreign reserves in the balance sheet to supplement other reserve assets.

During the year, IMF disbursed SDR 397.80 million as Rapid Credit Facility (RCF) and SDR 115.36 million as Extended Credit Facility (ECF). The facilities were issued to the United Republic of Tanzania as direct budget support. While the disbursements supported the Bank in addressing the balance of payment needs, the repayment liability is with the United Republic of Tanzania as the fund beneficiary. The Bank discloses and keeps the loans records off the balance sheet in recognition of its role as a fiscal agent of the Government.

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:



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

20. FOREIGN CURRENCY MARKETABLE SECURITIES (CONTINUED)

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Internally Managed Portfolio in Foreign Currency Marketable Securities-FVOCI	6,879,338,148	5,540,699,276
Marketable securities- FVTPL	678,434,082	690,480,351
Accrued coupon on marketable securities	49,128,243	23,862,804
	<u>7,606,900,473</u>	<u>6,255,042,431</u>

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities by fair values:

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Sovereign Issues</b>		
USD	3,602,795,029	4,651,037,572
GBP	10,931,705	278,855,780
AUD	194,033,920	201,260,406
CNY	730,903,782	356,150,025
	<u>4,538,664,436</u>	<u>5,487,303,783</u>
<b>Supranational Securities</b>		
USD	1,463,838,134	481,900,064
	<u>1,463,838,134</u>	<u>481,900,064</u>
<b>Agency Securities</b>		
USD	74,294,250	249,924,972
GBP	296,816,469	-
CNY	1,214,744,438	35,913,612
AUD	5,341,573	-
	<u>1,591,196,730</u>	<u>285,838,584</u>
<b>Corporate Securities</b>		
USD	13,201,173	-
	<u>13,201,173</u>	<u>-</u>
<b>Total Investments</b>		
USD	5,154,128,586	5,382,862,608
GBP	307,748,174	278,855,780
AUD	199,375,493	201,260,406
CNY	1,945,648,220	392,063,637
	<u>7,606,900,473</u>	<u>6,255,042,431</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

21. EQUITY INVESTMENTS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Investment in equity are measured at Fair Value through Other Comprehensive Income (FVTOCI):		
Equity investment in Afreximbank	110,640,285	43,245,308
Equity investment in SWIFT	1,080,743	1,008,878
	<u>111,721,028</u>	<u>44,254,186</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 1260 shares from Afreximbank hence as at June 2022 equity investment in Afreximbank is 2075 ordinary shares (2021:815) of par value of USD 10,000 each. As at 30 June 2022, the Bank's equity aggregated to USD 8,300,000 representing two fifth of the Bank's paid up shares in Afreximbank (2021: USD 3,260,000). The proportion of the Bank's equity interest to the total holding in this bank is 1.0980 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 61 shares (2021: 61).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

22. GOVERNMENT SECURITIES

Amortised cost:	<u>30.06.2022</u>	<u>30.06.2021</u>
	<b>TZS '000</b>	<b>TZS '000</b>
Treasury Bills	-	595
Special Treasury Bonds	2,199,101,565	847,296,979
Treasury EPA Stock	<u>201,391,122</u>	<u>201,391,122</u>
<b>Sub-total</b>	<b><u>2,400,492,687</u></b>	<b><u>1,048,688,696</u></b>
Accrued interest	<u>79,014,800</u>	<u>46,194,524</u>
<b>Total</b>	<b><u>2,479,507,487</u></b>	<b><u>1,094,883,220</u></b>

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.

**Special Treasury Bonds**

Treasury Special Bonds are long-term instruments issued at fixed coupon for Government financing. Interest on the bonds is payable semi-annually based on the agreed coupon rate. The balance includes:

Matured stock that was converted into 5.75% 6-Year Special Bond 2019/2025 with face value of TZS 51,333.3 million and the 10 Year Special Government Bond 2009/19 that matured on 2 July 2019 that was rolled over into 6% 7 Year Special bond 2019/2026 with a face value of TZS 50,000.0 million. The carrying amount of these bonds stood at TZS 35,992.9 million and TZS 33,824.7 million respectively in 30 June 2022.

The 10 Year Special Government Bond 2009/2019 with a face value of TZS 150,000.0 million had partial redemption of TZS 100,000.0 million. Where by, TZS 50,000.0 million paid on 3 July 2017, TZS 50,000.0 million paid on 2 July 2018, and the remained balance was rolled over to 5.15% 3 Years Special Government Bond, which matured on 29 December 2021.

A 10 Years 8% special bond 2009/19 with face value of TZS 323,000.0 million was issued on 2 June 2009. Upon its maturity, the bond was rolled over and divided into three maturities including;

- (i) 5 years' special bond 2019/24 at coupon of 5.5% with face value of TZS 100,000.0 million and whereas at 30 June 2022 the fair value stood at TZS 73,158.5 million;
- (ii) 6 years' special bond 2019/25 at coupon of 5.75% with face value of TZS 100,000.0 million and fair value of TZS 70,116.1 million as at 30 June 2022 and;
- (iii) 7 years' special bond 2019/26 at coupon of 6.0% with face value of TZS 123,000.0 million whereas at 30 June 2022 the fair value stood at TZS 83,208.8 million.

The initial purpose of the two bonds was to bridge Government revenue shortfall mainly attributed to the impact of the global financial crisis.



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 22. GOVERNMENT SECURITIES (CONTINUED)

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%. The bond was issued to replace the accumulated deficit position of the United Republic of Tanzania Government. As at 30 June 2022 the carrying amount of the bond stood at TZS 469,484.4 million.

On February, March and April 2022, the Revolutionary Government of Zanzibar issued 6.0% 20-Years special bond 2022/2042 in three tranches of TZS 40,000 million each whereby, the fair value for Tranches 1 & 2 was TZS 21,988.5 million each and TZS 22,705.5 million for Tranche 3 at 30<sup>th</sup> June 2022.

On June 2022, the Government of the United Republic of Tanzania issued six special bonds with face value of TZS 250,000 million each;

- (i) 4.00% 2 Years Special Bond 2022/2024 No. 04, 05 and 06 with fair value of TZS 233,375.3 million each;
- (ii) 4.25% 3 Years Special Bond 2022/2025 No. 07 and 08 market value of TZS 224,944.9 million each and;
- (iii) 4.50% 4 Years Special Bond 2022/2026 No. 09 market value of TZS 216,617.9 million

The value of Special Bonds as at 30 June 2022 was TZS 2,199,101.6 million (2021: TZS 847,297.0 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 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 2022, the aggregate position of Special EPA stocks stood at TZS 201,391.1 million (2020: TZS 201,391.1 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

23. ADVANCES TO THE GOVERNMENT

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Advances to the Governments (URT)- Note 33	2,127,015,634	2,336,510,828
Accrued interest (URT)		
Advance/ ( deposit) to the Governments (RGOZ)-Note 33	13,716,834	
	(121,791,724)	57,195,928
Accrued interest ( RGOZ)	3,095,310	
Net advance to the Governments	<u>2,022,036,054</u>	<u>2,393,706,756</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 2,022,036 million (2021: TZS 2,393,706.8 million) as summarised under **Note 33**.

During the year, the Governments net position was overdrawn by TZS 2,005,223.9 million (2021: TZS 2,393,706.8 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, an amount of TZS 41,643.01 million (2021: TZS 13,735.7 million) was charged to the Governments as interest on overdrawn position. Where interest repayment during the year amounted to TZS 28,559.48 million thus as at 30 June 2022 interest outstanding amounted to TZS 16,812.2 million (2021: TZS 3,728.6 million).

24. LOANS AND RECEIVABLES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS "000"	TZS "000"
Accounts receivable	358,552,469	60,902,571
Staff loans and advances	76,695,610	76,626,160
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
	<u>440,392,079</u>	<u>142,672,731</u>
Provision for impairment	(9,987,110)	(10,269,307)
<b>Net carrying amount loan and receivable</b>	<u>430,404,969</u>	<u>132,403,424</u>
	<u>30.06.2022</u>	<u>30.06.2021</u>
<b>Analysis of impairment by line items</b>	TZS "000"	TZS "000"
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Staff loans, advances and receivables	4,843,110	5,125,307
	<u>9,987,110</u>	<u>10,269,307</u>

The Bank did not pledge any loans and receivables as securities against liabilities in 2022 and 2021. 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

24. LOANS AND RECEIVABLES (CONTINUED)

a) **Accounts Receivable:**

Major components under accounts receivable include the following:

(i) **Interest receivable on Liquidity Management:**

Included under accounts receivable is TZS 310.8 million (2021: TZS 294.8 million) relating to 2021/22 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) **Advances to commercial banks:**

The Bank disbursed advances of TZS 317,000 million to commercial banks in order to reduce lending rate as a part of the implementation of monetary policy intending to increase lending to private sector.

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 2022, the balance of staff loans and advances was TZS 76,695.7 million (2021: TZS 76,626.2 million).

25. INVENTORIES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	<b>TZS '000</b>	<b>TZS '000</b>
The inventory balance consists of the following:		
Currency machine spare parts	4,776,588	4,826,078
Building, machinery and maintenance consumables	927,636	850,393
Stationery	477,135	495,233
ICT accessories and consumables	706,408	566,670
Cheque books	351,281	370,682
Copier parts and consumables	396,168	378,396
Drugs and medicines	27,836	32,525
Inventory in Transit	55	55
Less: Inventory impairment	(980,969)	(980,969)
	<u><b>6,682,138</b></u>	<u><b>6,539,063</b></u>

All inventories held by the Bank as at 30 June 2022 were for the internal consumption to support Bank's operations and not intended for sale.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)**

**26. DEFERRED CURRENCY COST**

This account represents direct cost relating to notes printing and coins minting held by the Bank. During financial year 2021/22, the movement on deferred currency cost account was as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Balance as at the beginning of the year	52,103,739	34,035,017
Add: Cost of currency received during the year	91,851,313	82,233,370
Less: Cost of currency issued in circulation (Note 12)	(50,963,563)	(64,164,648)
<b>Balance as at the end of the year</b>	<b><u>92,991,489</u></b>	<b><u>52,103,739</u></b>

**27. OTHER ASSETS**

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Reverse REPO	11,714	107,333,086
Financial Sector Development Fund	45,804,944	35,515,414
Prepayments	21,948,675	30,280,198
Staff Housing Fund investments	46,071,244	26,048,418
Sundry receivables	16,413,982	1,891,783
Staff benefit fund	-	1,751,587
Staff imprest	525,383	105,354
Petty cash balances	148,000	145,000
	<b><u>130,923,942</u></b>	<b><u>203,070,840</u></b>

**(i) Prepayment:**

The balance under prepayment for the year ended 30 June 2022 mainly covers; TZS 8,562.18 million paid as advance payment in respect of notes printing. As at 30 Jun 2022 the balance of prepayment was TZS 21,948.7 million (2021: TZS 30,280.2 million)

**(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 2022 the balance of reverse REPO contracts was TZS 11.7 million (2021: 107,333.1 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 40 (e).



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 27. OTHER ASSETS (CONTINUED)

##### (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 40 (f).

#### 28. RETIREMENT BENEFIT OBLIGATION

	<u>30.06.2022</u>	<u>30.06.2021</u>
	<b>TZS '000'</b>	<b>TZS '000'</b>
Retirement benefit obligation	18,445,849	13,835,705
	<b><u>18,445,849</u></b>	<b><u>13,835,705</u></b>

During the year the retirement benefit recorded TZS 18,445.8 million (2021: TZS 13,835.7 million), details shown on staff benefits scheme under **Note 43**.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

29. PROPERTY AND EQUIPMENT

Year ended 30 June 2022	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
<b>Cost/valuation</b>								
At 01 July 2021	958,393,185	5,065,733	280,209,955	31,183,022	11,349,850	40,495,644	8,568,774	1,335,266,163
Additions	1,026,580	-	43,632,773	241,769	285,384	6,408,888	4,484,329	56,079,723
Disposal	-	-	(114,165)	(114,849)	(52,128)	(91,996)	-	(373,138)
<b>At 30 June 2022</b>	<b>959,419,765</b>	<b>5,065,733</b>	<b>323,728,563</b>	<b>31,309,941</b>	<b>11,583,106</b>	<b>46,812,536</b>	<b>13,053,104</b>	<b>1,390,972,748</b>
<b>Accumulated depreciation and Impairment</b>								
At 01 July 2021	37,957,985	1,152,126	247,073,031	19,161,504	9,105,548	25,143,592	15,000	339,608,786
Depreciation charges for the year	8,021,952	575,322	9,412,162	1,788,679	468,018	4,400,614	-	24,666,747
Impairment	-	-	3,713,620	111,429	-	-	-	3,825,049
Disposal	-	-	(104,864)	(91,879)	(47,266)	(73,593)	-	(317,603)
<b>At 30 June 2022</b>	<b>45,979,937</b>	<b>1,727,448</b>	<b>260,093,949</b>	<b>20,969,733</b>	<b>9,526,300</b>	<b>29,470,613</b>	<b>15,000</b>	<b>367,782,979</b>
<b>Net book value</b>								
<b>At 30 June 2022</b>	<b>913,439,828</b>	<b>3,338,285</b>	<b>63,634,614</b>	<b>10,340,209</b>	<b>2,056,806</b>	<b>17,341,923</b>	<b>13,038,105</b>	<b>1,023,189,770</b>

There were neither amounts nor restrictions on title of property and equipment held by the Bank as at 30 June 2022.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

29. PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 30 June 2021	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
<b>Cost/valuation</b>								
At 30 June 2020	914,348,439	5,065,733	277,174,389	25,498,483	10,900,079	28,829,001	45,581,054	1,307,397,178
Additions	2,583,744	-	3,276,002	5,817,231	529,670	11,800,626	4,449,722	28,456,995
Disposal	-	-	(240,436)	(132,692)	(79,899)	(133,983)	(1,000)	(588,010)
Transfers	41,461,002	-	-	-	-	-	(41,461,002)	-
<b>At 30 June 2021</b>	<b>958,393,185</b>	<b>5,065,733</b>	<b>280,209,955</b>	<b>31,183,022</b>	<b>11,349,850</b>	<b>40,495,644</b>	<b>8,568,774</b>	<b>1,335,266,163</b>
<b>Accumulated depreciation and Impairment</b>								
At 01 July 2020	30,041,250	576,805	237,398,971	17,054,489	8,660,584	23,693,870	15,000	317,440,969
Depreciation charges for the year	7,916,735	575,321	9,863,419	2,213,765	517,457	1,570,850	-	22,657,547
Disposal	-	-	(189,359)	(106,750)	(72,493)	(121,128)	-	(489,730)
<b>At 30 June 2021</b>	<b>37,957,985</b>	<b>1,152,126</b>	<b>247,073,031</b>	<b>19,161,504</b>	<b>9,105,548</b>	<b>25,143,592</b>	<b>15,000</b>	<b>339,608,786</b>
<b>Net book value</b>								
<b>At 30 June 2021</b>	<b>920,435,200</b>	<b>3,913,607</b>	<b>33,136,924</b>	<b>12,021,518</b>	<b>2,244,302</b>	<b>15,352,052</b>	<b>8,553,774</b>	<b>995,657,377</b>

There were neither amounts nor restrictions on title of property and equipment held by the Bank as at 30 June 2021.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

29. PROPERTY AND EQUIPMENT (CONTINUED)

Reconciliation of items disposed during the period by class of assets.

Gain or (loss) on disposal of property and equipment					30.06.2022	30.06.2021
	Cost	Accumulated depreciation	Cost of disposal	Cash proceeds	Net gains/(loss)	Net gains/(loss)
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Class of asset</b>						
Machinery & equipment	114,165	104,864	(213)	1,645	(7,869)	(12,862)
Motor vehicles	114,849	91,879	-	-	(22,970)	34,761
Fixtures & fittings	52,128	47,266	(1,161)	6,186	162	7,413
Computers, servers & printers	91,996	73,593	(58)	583	(17,876)	(10,765)
Capital work in progress	-	-	-	-	-	(1,000)
	<b>373,138</b>	<b>317,603</b>	<b>(1,431)</b>	<b>8,414</b>	<b>(48,553)</b>	<b>17,547</b>

30. INTANGIBLE ASSETS

	Computer software	Computer software - WIP	Total
<u>2022</u>	TZS '000	TZS '000	TZS '000
<b>Cost</b>			
At 1 July 2021	32,846,966	-	32,846,966
Additions	306,364	-	306,364
Disposal	-	-	-
Transfer in/(out)	-	-	-
At 30 June 2022	<b>33,153,330</b>	<b>-</b>	<b>33,153,330</b>
<b>Accumulated amortisation</b>			
At 1 July 2021	28,046,584	-	28,046,584
Charge for the year	2,045,100	-	2,045,100
Transfers	-	-	-
At 30 June 2022	<b>30,091,684</b>	<b>-</b>	<b>30,091,684</b>
<b>Net book value</b>			
At 30 June 2022	<b>3,061,646</b>	<b>-</b>	<b>3,061,646</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

30. INTANGIBLE ASSETS (CONTINUED)

	<b>Computer software</b>	<b>Computer software - WIP</b>	<b>Total</b>
<b>2021</b>	<b>TZS '000</b>	<b>TZS '000</b>	<b>TZS '000</b>
<b>Cost</b>			
At 1 July 2020	32,696,409	941,342	33,637,751
Additions	3,168,033	-	3,168,033
Disposal	(3,936,127)	(22,691)	(3,958,818)
Transfer in/(out)	918,651	(918,651)	-
At 30 June 2021	<b>32,846,966</b>	<b>-</b>	<b>32,846,966</b>
<b>Accumulated amortisation</b>			
At 1 July 2020	30,756,008	22,691	30,778,699
Charge for the year	1,226,703	-	1,226,703
Transfers	(3,936,127)	(22,691)	(3,958,818)
At 30 June 2021	<b>28,046,584</b>	<b>-</b>	<b>28,046,584</b>
<b>Net book value</b>			
At 30 June 2021	<b>4,800,382</b>	<b>-</b>	<b>4,800,382</b>

31. CURRENCY IN CIRCULATION

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>TZS '000</b>	<b>TZS '000</b>
<b>Notes</b>		
Notes issued	13,327,902,109	10,143,314,840
Provision for Cash Loss	1,996,960	-
Less: Notes in Custody	(6,859,816,451)	(4,579,524,145)
Notes in Circulation	<b>6,470,082,618</b>	<b>5,563,790,695</b>
<b>Coins</b>		
Coins issued	167,370,657	161,135,867
Less: Coins in Custody	(18,607,309)	(20,249,149)
Coins in Circulation	<b>148,763,348</b>	<b>140,886,718</b>
<b>Total currency in circulation</b>	<b>6,618,845,966</b>	<b>5,704,677,413</b>

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, safe custody centre 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 6,618,846.0 million (2021: TZS 5,704,677.4 million) includes banknotes that were phased out in 2003 with the face value of TZS 99,386.9 million (2021: TZS 99,386.9 million) still in circulation.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

32. DEPOSITS – BANKS AND NON-BANK FINANCIAL INSTITUTIONS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Deposits - commercial bank deposits</b>		
Domestic banks local currency deposits	2,849,746,581	2,977,832,000
Domestic banks foreign currency deposits	724,035,453	522,691,067
Sub total	<u>3,573,782,034</u>	<u>3,500,523,067</u>
<b>Deposits – Non-bank financial institutions</b>		
Clearing	77,888,314	47,889,707
Sub total	<u>77,888,314</u>	<u>47,889,707</u>
<b>Total deposits</b>	<u>3,651,670,348</u>	<u>3,548,412,774</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 2 December 2016 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.

33. DEPOSITS – GOVERNMENTS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Voted accounts</b>		
URT Government	(5,273,147,033)	(4,889,398,790)
SMZ Government	645,403	157,939
<b>Sub Total</b>	<u>(5,272,501,630)</u>	<u>(4,889,240,851)</u>
<b>Un-voted accounts</b>		
URT Government	3,146,131,400	2,552,887,962
SMZ Government	121,146,321	(57,353,867)
Sub total	<u>3,267,277,721</u>	<u>2,495,534,095</u>
<b>Total (Advance) URT Government</b>	<u>(2,127,015,633)</u>	<u>(2,336,510,828)</u>
<b>Total (Advance) / Deposit SMZ Government</b>	<u>121,791,724</u>	<u>(57,195,928)</u>
<b>Net (Advance) / Deposit Governments</b>	<u>(2,005,223,909)</u>	<u>(2,393,706,756)</u>
Accrued interest income on Advance to Government URT	13,716,834	2,646,032
Accrued interest income on Advance to Government SMZ	3,095,310	1,082,580
<b>Total Accrued interest on Advance to the Government</b>	<u>16,812,145</u>	<u>3,728,613</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

33. DEPOSITS – GOVERNMENTS (CONTINUED)

As at 30 June 2022 the position of the Government of the United Republic of Tanzania (URT) accounts were overdrawn by TZS 2,005,223.9 million (2021: TZS 2,393,706.7 million). Pursuant to the provision of Section 34 of the Bank's Act, a total of TZS 41,643.01 million (2021: TZS 13,743.9 million) was charged during the year ended 30 June 2022 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>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Deposits-Parastatals United Republic of Tanzania	2,016,502,324	3,154,845,187
Export Credit Guarantee Fund	2,337,533	2,798,025
Staff Benefit Deposit	1,683,204	-
Government obligations settlements	17,192,103	63,997,807
Deposit staff	22,273,076	23,270,362
Small and Medium Enterprises Guarantee Fund	695,604	147,743
Deposit Insurance Fund	39,125,278	2,687,458
Miscellaneous deposits*	591,068,109	410,412,489
Mwalimu Julius K Nyerere Memorial Scholarship Fund	35,279	26,061
External Payment Arrears – NBC	2,288,419	2,288,419
Debt Conversion Scheme	2,098,960	2,098,960
Debt Service cash cover	1,811,145	1,937,640
Economic Empowerment Programme	3,402,894	3,342,894
Bank drafts issued	614,247	403,804
Redemption of Government Stock/Bonds	38,610	38,610
	<u>2,701,166,785</u>	<u>3,668,295,459</u>

\*Included in miscellaneous is TZS 110,534.0 million (2021: TZS 122,130.7 million) in respect of Federal Bank of Middle East (FBME) funds transferred from FBME clearing accounts to cater for bank liquidation process.

<b>Development Finance Guarantee Fund:</b>	<u>30.06.2022</u>	<u>30.06.2021</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	<u>(12,793,177)</u>	<u>(4,103,928)</u>
Net capital contribution	43,706,823	52,396,072
Interest on refinancing and structured loans	<u>47,381,560</u>	<u>32,753,300</u>
Sub Total	91,088,383	85,149,371
Less: Loans issued for refinancing and structured facility	<u>(91,088,383)</u>	<u>(85,149,371)</u>
<b>Net balance</b>	<u>-</u>	<u>-</u>



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 34. DEPOSITS – OTHERS (CONTINUED)

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 2022, 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 47,381.6 million (2021: TZS 32,753.3 million). The total accumulated fund as at 30 June 2022 amounted to TZS 91,088.4 million (2021: TZS 85,149.4 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 2022 amounted to TZS 17,192.1 million (2021: TZS 63,997.8 million).

#### Export Credit Guarantee Fund:

The balance under this fund consists of the following:	30.06.2022	30.06.2021
	TZS '000	TZS '000
Export Credit Guarantee Fund	4,396,026	3,935,534
Less: ECGS receivable/ impairment	<u>(6,733,559)</u>	<u>(6,838,559)</u>
	<u><b>(2,337,533)</b></u>	<u><b>(2,903,025)</b></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.

As at 30 June 2022, the Fund had a net balance of TZS 2,337.5 million (2021: TZS 2,903.0 million). It is a net of Government and the Bank's contributions, accumulated income from investment in treasury bills, bonds, 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 2022 the balance stood at TZS 1,811.1 million (2021: TZS 1,937.6 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

34. DEPOSITS – OTHERS (CONTINUED)

**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 2022, a total of TZS 5115.6 million (2021: TZS 4,846.4 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 cash balance of TZS 35.3 million (2021: TZS 26.1 million)

35. FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign Currency Financial Liabilities consist of the following:	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS ‘000	TZS ‘000
Special Projects	2,234,884,260	1,506,017,124
Other Foreign Currency Deposits	35,950,808	33,474,753
Multilateral Debt Relief Initiative Fund	18,337,566	18,294,333
Non-Paris Club Liabilities Escrow	11,279,816	11,257,016
	<u>2,300,452,450</u>	<u>1,569,043,226</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 2022, the total balance in respect of Special Project accounts aggregated to TZS 2,234,884.3 million (2021: TZS 1,506,017.1 million).

**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 2022, the account had a balance of TZS 11,279.8 million (2021: TZS 11,257.0 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 2022, the fund had a balance amounting to TZS 18,337.6 million (2021: TZS 18,294.3 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

36. BOT LIQUIDITY PAPERS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
BOT liquidity papers	46,706,302	39,824,212
Accrued interest	352,056	186,302
	<u>47,058,358</u>	<u>40,010,514</u>

As at 30 June 2022, the maturities profile of BOT Liquidity Papers held to maturity were as follows:

	<u>30.06.2022</u>		<u>30.06.2021</u>	
	TZS'000		TZS'000	
	Cost	Accrued Interest	Cost	Accrued Interest
35-Day Treasury Bills	1,995,598	2,767	-	-
91-Day Treasury Bills	9,935,234	35,126	3,039,990	23,127
182-Day Treasury Bills	34,775,470	314,162	36,784,222	163,175
364-Day Treasury Bills	-	-	-	-
	<u>46,706,302</u>	<u>352,055</u>	<u>39,824,212</u>	<u>186,302</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.

37. PROVISIONS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Provision for leave pay	<u>5,841,897</u>	<u>8,537,729</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><b>Movement in provisions</b></i>	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<i><b>Leave pay</b></i>		
Carrying amount at the beginning of the year	8,537,729	8,512,789
(Decrease)/Increase in provision	<u>(2,695,832)</u>	<u>24,940</u>
<b>Carrying amount at the end of the year</b>	<u>5,841,897</u>	<u>8,537,729</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

38. OTHER LIABILITIES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Accounts payable	54,686,829	47,132,814
Stale draft payables	108,330	108,330
Other employee cost payable	619,880	230,990
Sundry payables	5,937,609	52,935,200
Lease liability	1,719,083	2,237,650
	<u>63,071,731</u>	<u>102,644,984</u>

Included in the accounts payable is TZS 8,942.1 million for trade date payables of foreign financial investments and TZS 36,097.7 million for other creditors

Below is the maturity analysis table in respect of lease liability, all figures are un-discounted

	Fiber Optic Cables	Land
	TZS '000	TZS '000
Up to 1 year	718,438	80,665
From 1 to 2 years	718,438	80,665
From 2 to 3 years	-	80,665
From 3 to 4 years	-	80,665
From 4 to 5 years	-	80,665
From 5 to 33 years	-	1,727,695
Above 33 years	-	4,102,501
<b>Total</b>	<b>1,436,876</b>	<b>6,233,521</b>

39. AUTHORIZED AND PAID UP SHARE CAPITAL

	<u>30.06.2022</u>	<u>30.06.2021</u>
	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.



Bank of Tanzania Annual Report 2021/22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

40. RESERVES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
(a) General Reserve	750,914,385	750,914,385
(b) Capital Reserve	99,262,908	99,262,908
(c) Equalisation Reserve	372,815,082	372,815,082
(d) Reserve for Projects	23,809,186	210,000,000
(e) Staff Housing Fund	146,317,882	140,851,098
(f) Foreign Exchange Revaluation Reserve	100,427,672	63,101,454
(g) Securities Revaluation Reserve	(273,369,755)	12,495,637
(h) Financial Sector Development Fund	45,804,944	38,698,854
(i) Reserve for Dividend	100,000,000	200,000,000
(j) Defined Benefit Reserves	(34,112,633)	(25,642,888)
	<u>1,331,869,671</u>	<u>1,862,496,530</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 2022 the reserve had a balance of TZS 750,914.4 million (2021: TZS 750,914.4 million).

(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 2022, the reserve had the same balance as it was on 30 June 2021 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 40. RESERVES (CONTINUED)

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 2022, the reserve had a balance of TZS 372,815.1 million (2021: TZS 372,815.1 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 2022 the reserve had a balance of TZS 23,809.19 million (2021: 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 2022, the Fund had a balance of TZS 146,317.9 million (2021: TZS 140,851.1 million). The increase during the year was on account of interest earned from Fund's investments.

##### (f) 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 2022, the fund had TZS 45,804.9 million (2021: TZS 38,698.9 million). The increase is on account of interest income earned from the Fund's investments.

##### (g) 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 2022, the reserve had a total loss of TZS 273,369.8 million (2021: TZS gain of TZS 12,495.6 million).

##### (h) 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 2022, the reserve had a total balance of TZS 100,427.7 million (2021: TZS 63,101.5 million).



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 40. RESERVES (CONTINUED)

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”.

##### (i) Reserve for Dividend

This reserve accommodates the amount declared a dividend payable to the Governments after end of the accounting period. During the year ended 30 June 2021, the Bank declared dividend of TZS 200,000.0 million. As at 30 June 2022, the dividend reserve had a balance of TZS 100,000.0 million (2021: TZS 200,000 million).

##### (j) 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 2022 an actuarial loss of TZS 8,469.7 million (2021: TZS 9,753.2 million) was recorded following revision of actuarial assumptions. As at 30 June 2022, the reserve had a loss balance of TZS 34,112.6 million (2021: TZS 25,642.9 million).



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

41. CASH GENERATED FROM/USED IN OPERATING ACTIVITIES

	30.06.2022	30.06.2021
	TZS '000	TZS '000
<b>Profit before tax</b>	<b>(59,611,721)</b>	<b>246,740,771</b>
<b>Adjustment for:</b>		
Depreciation and impairment of property and equipment	28,491,796	22,657,547
Unrealized gains on foreign exchange revaluation and price	(60,710,032)	(2,961,275)
Amortisation of intangible assets	2,045,101	1,226,703
Net (gain)/loss on disposal of property and equipment	48,553	(17,547)
Impairment loss/ (Reversal of Impairment loss)	(275,148)	335,032
Provision for retirement benefit	9,976,104	4,868,985
Fair valuation of Government bond(Fair valuation loss)	221,704,810	9,104,778
Net loss/ (gain)on disposal of foreign currency marketable securities	(19,983,753)	14,547,061
	<b>121,685,710</b>	<b>296,502,055</b>
<b>Changes in working capital</b>		
Increase in escrow assets	(21,763)	(3,469)
(Increase)/Decrease in items in course of settlement	428,706	(14,322,304)
(Increase)/Decrease in advances to Government	371,670,702	(1,549,673,011)
(Increase)/Decrease in loans and receivables	(297,719,348)	253,350,095
(Increase)/Decrease in inventories	(143,075)	529,340
Increase in deferred currency costs	(40,887,750)	(18,068,722)
(Increase)/decrease in other assets	72,146,898	(99,412,427)
(Increase)/decrease in deposits**	(863,871,100)	1,053,393,845
Increase in other liabilities and provisions***	(55,586,221)	(17,553,273)
<b>Net changes in working capital</b>	<b>(813,982,951)</b>	<b>(391,759,926)</b>
<b>Net cash (used)/ generated from operating activities</b>	<b>(692,297,241)</b>	<b>(95,257,871)</b>

\*\*Included in deposits is an amount in respect of other deposit, deposit banks and non-bank financial institutions

\*\*\* Included in other liabilities and provisions is an amount in respect of provisions, retirement benefit obligations and other liabilities.

42. RISK MANAGEMENT

42.1 Introduction

Risk management process in the Bank is based on the Corporate Risk Management 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 mandate, the Bank carries out a wide range of activities from implementing monetary policy to monitoring, regulating and supervising the financial system. These activities



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

include, managing foreign reserves and banking system liquidity, providing payment systems and settlement services, banking services to the government, and issuing currency.

Bank's activities in managing foreign exchange reserves, implementing monetary policy and managing liquidity in the banking sector necessitate the use of financial instruments. The majority of the Bank's financial risks arise from these activities, which involve trading in foreign and local currency assets and liabilities. In the course of carrying out these activities, the Bank is likely to encounter financial and non-financial risk the non-financial risks have been elaborated in the Report by Those Charged with Governance under the key risks and uncertainties section

The main financial risks that the Bank is exposed to include; foreign currency risk, interest rate risk, credit risk, and liquidity risk.

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.

#### 42.2 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

The Risk Management Department 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.

##### **Credit risk**

Credit risk is the risk of loss due to a borrower or counterparty failing to meet their financial obligations to the Bank in accordance with agreed terms.

The Bank credit risk exposure includes both direct exposures and contingent exposures. Direct credit exposure arises 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 Bank's maximum exposure to credit risk for each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Credit risk for Foreign Reserves Management is monitored and managed through rating agencies analysis and Internal Credit tools. Exposures are controlled through comprehensive individual counterparty credit limit and issuer credit rating by the International Credit Rating Agencies. The Bank confines its investment to high credit quality issuers and counterparties mainly comprising of foreign governments, suprationals, international financial institutions and government guaranteed agencies.

The institutions eligible for investment placements and transactions are selected based on criteria set in Investment Management Policy and Guidelines. The investment policy requires issuers/ counterparties to be considered for foreign reserve investments to have minimum credit rating



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### (a) Credit risk continued

criteria of “A” and the counterparty/issuer must be rated by at least two rating agencies among S&P Global Ratings, Moody’s Rating and Fitch Ratings. For brokerage services of fixed income and foreign exchange transactions, the counterparties must have a rating of F-2, A-2 and P-2 by at least two of rating agencies. With regard to individual counterparty exposure, the limit is set in the investment management guidelines takes into consideration Internal Credit Rating, Public Rating Agencies Analysis and strength of business relationship.

Overall, the credit risk assumed during financial year 2020/21 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.

Total assets of the Bank exposed to credit risk as of 30 June 2022 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)



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

Description	30.06.2022		30.06.2021	
	TZS '000	Share (%)	TZS '000	Share (%)
<b>Central Banks</b>				
AAA to A	1,039,401,205	5.66	695,082,456	4.04
B+ to B	10,294,225	0.06	6,898,587	0.04
CCC	-		180,376,066	1.05
<b>Foreign Commercial Banks</b>				
AAA to A	3,359,970,898	18.29	4,900,190,600	28.45
B+ to B	864,920	0.004	-	-
Foreign currency Operation	58,942,157	0.32	46,631,506	0.27
Accrued interest on deposits	1,684,202	0.01	5,143,746	0.03
<b>Escrow accounts</b>				
A+	11,278,779	0.06	11,257,016	0.07
<b>Loans, receivables &amp; advances to the government</b>				
NR*	2,452,441,023	13.35	2,526,110,180	14.67
<b>Investment in securities</b>				
Marketable securities	7,606,900,473	41.41	6,255,042,431	36.32
AAA	4,980,506,567		4,834,200,194	
AA+	330,062,470		54,528,365	
AA	22,650,386		278,855,784	
AA-	310,040,628		-	
A+	1,963,640,322		392,063,637	
<b>Government securities</b>				
NR*	2,479,507,487	13.50	1,094,883,220	6.36
<b>Other assets (excluding prepayments)</b>				
NR*	108,975,267	0.59	172,790,642	1.00
<b>Holdings of Special Drawing Rights (SDRs)</b>				
NR*	21,177,737	0.12	22,217,849	0.13
<b>Quota in International Monetary Fund (IMF)</b>				
NR*	1,217,187,495	6.63	1,304,531,756	7.57
	<b>18,368,625,868</b>	<b>100.00</b>	<b>17,221,156,055</b>	<b>100.00</b>

\* NR - Not Rated



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

The sectoral classification of the Bank's credit exposure as at 30 June 2022 is as follows:

Details	Foreign		Supranational	Domestic	Foreign	Government	Tanzania	Total
	Central	& Treasury						
2022	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Central Banks, Foreign</b>								
<b>Commercial Banks and Escrow accounts</b>								
Cash with Central Banks	1,049,695,430	-	-	-	-	-	-	1,049,695,430
Demand, time deposits and foreign currency notes and coins	449,864,753	55,586,388	-	2,857,068,880	-	-	-	3,362,520,021
Foreign currency operations	-	-	-	-	-	58,942,156	-	58,942,156
Escrow accounts	-	-	-	-	11,278,779	-	-	11,278,779
<b>Investment in securities</b>								
Foreign Currency Marketable securities	4,538,663,923	1,463,838,134	-	-	1,604,398,416	-	-	7,606,900,473
Government securities	-	-	-	-	-	2,479,507,487	-	2,479,507,487
<b>Others</b>								
Loans, receivables and advances	-	-	440,392,079	-	-	2,022,036,054	-	2,462,428,133
Other assets (excluding prepayments)	-	-	-	-	-	108,975,267	-	108,975,267
Holdings of Special Drawing Rights (SDRs)	-	21,177,737	-	-	-	-	-	21,177,737
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	-	-	-	-	1,217,187,495
	<b>6,038,224,106</b>	<b>2,757,789,754</b>	<b>440,392,079</b>	<b>2,868,347,659</b>	<b>1,604,398,416</b>	<b>4,669,460,964</b>	<b>18,378,612,978</b>	



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

The sectoral classification of the Bank's credit exposure as at 30 June 2021 is as follows:

Details	Foreign Central Banks & Treasury		Supranational Institutions		Domestic Financial Institutions		Foreign Financial Institutions		Government Guaranteed Agencies		Tanzania Treasury		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	
2021													
<b>Central Banks, Foreign Commercial Banks and Escrow accounts</b>													
Cash with Central Banks	882,357,109	-	-	-	-	-	-	-	-	-	-	-	882,357,109
Demand, time deposits and foreign currency notes and coins	2,408,844,671	642,213,923	-	1,854,275,752	-	-	-	-	-	-	-	-	4,905,334,346
Foreign currency operations	-	-	-	-	-	-	-	-	-	-	46,631,506	-	46,631,506
Escrow accounts	-	-	-	11,257,016	-	-	-	-	-	-	-	-	11,257,016
<b>Investment in securities</b>													
Foreign Currency Marketable securities	4,538,663,923	1,116,439,715	-	-	-	-	-	-	225,777,915	-	-	-	6,255,042,431
Government securities	-	-	-	-	-	-	-	-	-	-	1,094,883,220	-	1,094,883,220
Loans, receivables and advances	-	-	-	-	132,403,424	-	-	-	-	-	2,393,706,756	-	2,526,110,180
Other assets (excluding prepayments)	-	-	-	-	-	-	-	-	-	-	172,790,642	-	172,790,642
Holdings of Special Drawing Rights (SDRs)	-	-	-	22,217,849	-	-	-	-	-	-	-	-	22,217,849
Quota in International Monetary Fund (IMF)	-	1,304,531,756	-	-	-	-	-	-	-	-	-	-	1,304,531,756
	<b>8,203,445,354</b>	<b>3,085,780,703</b>	<b>132,403,424</b>	<b>1,865,532,768</b>	<b>132,403,424</b>	<b>225,777,915</b>	<b>1,094,883,220</b>	<b>2,393,706,756</b>	<b>225,777,915</b>	<b>172,790,642</b>	<b>3,708,012,124</b>	<b>17,221,156,055</b>	



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2022 is as follows:

Details	Other							Total TZS '000
	Tanzania TZS '000	USA TZS '000	UK TZS '000	European Countries TZS '000	China TZS '000	Other Countries TZS '000		
<b>2022</b>								
<b>Assets</b>								
Cash and balances with central banks & other banks	63,125,625	818,214,408	636,964,817	922,860,677	1,556,692,956	473,299,124	4,471,157,607	
Foreign Time Deposits	-	-	-	-	-	-	-	
Escrow accounts	-	-	11,278,779	0	-	-	11,278,779	
Holdings of Special Drawing Rights (SDRs)	-	21,177,738	-	0	-	-	21,177,738	
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	0	-	-	1,217,187,495	
Foreign currency marketable securities	-	4,336,889,754	296,816,483	548,612,118	1,966,575,202	458,006,916	7,606,900,473	
Government securities	2,479,507,487	-	-	0	-	-	2,479,507,487	
Advances to the Government	2,022,036,054	-	-	0	-	-	2,022,036,054	
Loans and receivables	440,392,079	-	-	0	-	-	440,392,079	
Other assets (excluding prepayments)	108,975,267	-	-	0	-	-	108,975,267	
<b>Total assets</b>	<b>5,114,036,512</b>	<b>6,393,469,395</b>	<b>945,060,079</b>	<b>1,471,472,795</b>	<b>3,523,268,158</b>	<b>931,306,040</b>	<b>18,378,612,979</b>	
<b>Liabilities</b>								
Currency in circulation	6,618,845,966	-	-	-	-	-	6,618,845,966	
Deposits - banks and non-banks financial institutions	3,651,670,348	-	-	-	-	-	3,651,670,348	
Deposits - others	2,701,166,785	-	-	-	-	-	2,701,166,785	
Items in course of settlement	3,837,283	-	-	-	-	-	3,837,283	
Foreign currency financial liabilities	2,300,044,999	-	-	-	-	407,451	2,300,452,450	
BoT liquidity papers	47,058,357	-	-	-	-	-	47,058,357	
Other liabilities	61,352,648	-	-	-	-	-	61,352,648	
Lease Liability	1,719,083	-	-	-	-	-	1,719,083	
IMF related liabilities	1,034,440,924	-	-	-	-	-	1,034,440,924	
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	-	-	-	-	1,751,474,416	
<b>Total liabilities</b>	<b>16,420,136,393</b>	<b>1,751,474,416</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>407,451</b>	<b>18,172,018,260</b>	



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

An analysis of the Bank's assets and liabilities by geographical concentrations as at 30 June 2021 is as follows:

Details	Other							Total
	Tanzania	USA	UK	European Countries	China	Other Countries	Total	
2021	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
<b>Assets</b>								
Cash and balances with central banks & other banks	46,631,506	782,764,835	79,687,999	17,123,391	24,390,955	180,949,168	1,131,547,854	
Foreign Time Deposits	-	-	64,164,980	3,764,643,487	-	873,966,640	4,702,775,107	
Escrow accounts	-	-	11,257,016	0	-	-	11,257,016	
Holdings of Special Drawing Rights (SDRs)	-	22,217,849	-	0	-	-	22,217,849	
Quota in International Monetary Fund (IMF)	-	1,304,531,756	-	0	-	-	1,304,531,756	
Foreign currency marketable securities	-	4,824,779,950	29,218,895	754,630,494	445,152,686	201,260,406	6,255,042,431	
Government securities	1,094,883,220	-	-	0	-	-	1,094,883,220	
Advances to the Government	2,393,706,756	-	-	0	-	-	2,393,706,756	
Loans and receivables	132,403,424	-	-	0	-	-	132,403,424	
Other assets (excluding prepayments)	172,790,642	-	-	0	-	-	172,790,642	
<b>Total assets</b>	<b>3,840,415,548</b>	<b>6,934,294,390</b>	<b>184,328,890</b>	<b>4,536,397,372</b>	<b>469,543,641</b>	<b>1,256,176,214</b>	<b>17,221,156,055</b>	
<b>Liabilities</b>								
Currency in circulation	5,704,677,413	-	-	-	-	-	5,704,677,413	
Deposits - banks and non-banks financial institutions	3,548,412,774	-	-	-	-	-	3,548,412,774	
Deposits - others	3,668,295,459	-	-	-	-	-	3,668,295,459	
Foreign currency financial liabilities	1,569,043,226	-	-	-	-	-	1,569,043,226	
BoT liquidity papers	40,010,514	-	-	-	-	-	40,010,514	
Other liabilities	100,407,334	-	-	-	-	-	100,407,334	
Lease Liability	2,237,650	-	-	-	-	-	2,237,650	
IMF related liabilities	1,108,671,457	-	-	-	-	-	1,108,671,457	
Allocation of Special Drawing Rights (SDRs)	-	624,756,632	-	-	-	-	624,756,632	
<b>Total liabilities</b>	<b>15,741,755,827</b>	<b>624,756,632</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,366,512,459</b>	



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. 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
<b>30.06.2022</b>				
Cash and cash equivalents	4,471,112,672	-	44,935	4,471,157,607
Escrow accounts	11,278,779	-	-	11,278,779
Foreign currency marketable securities	7,606,900,473	-	33,095	7,606,933,568
Government securities	2,479,507,487	-	-	2,479,507,487
Loans, receivables and advances	2,452,441,023	-	9,987,110	2,462,428,133
Other assets (excluding prepayments)	108,975,266	-	-	108,975,266
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	21,177,737
Quota in International Monetary Fund	1,217,187,495	-	-	1,217,187,495
	<b>18,368,580,932</b>	<b>-</b>	<b>10,065,140</b>	<b>18,378,646,072</b>
<b>30.06.2021</b>				
Cash and cash equivalents	5,834,322,961	-	70,980	5,834,393,941
Escrow accounts	11,257,016	-	-	11,257,016
Foreign currency marketable securities	6,255,021,077	-	21,354	6,255,042,431
Government securities	1,094,883,220	-	-	1,107,182,334
Loans, receivables and advances	2,526,110,180	-	10,269,307	2,536,379,487
Other assets (excluding prepayments)	172,790,642	-	-	172,213,781
Holdings of Special Drawing Rights (SDRs)	22,217,849	-	-	22,260,521
Quota in International Monetary Fund	1,304,531,756	-	-	1,304,866,544
	<b>17,221,134,701</b>	<b>-</b>	<b>10,361,641</b>	<b>17,243,596,055</b>

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 2022 (CONTINUED)

42. 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>30.06.2022</u>	<u>30.06.2021</u>
	<u>Gross Maximum Exposure</u>	<u>Gross Maximum Exposure</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Cash and cash equivalents	4,471,157,607	5,834,393,941
Escrow accounts	11,278,779	11,257,016
Foreign currency marketable securities	7,606,900,473	6,255,042,431
Government securities	2,479,507,487	1,094,883,220
Loans, receivables and advances	2,462,428,133	2,536,379,487
Other assets (Excluding prepayments)	108,975,267	172,790,642
Holdings of Special Drawing Rights (SDRs)	21,177,737	22,217,849
Quota in International Monetary Fund	1,217,187,495	1,304,531,756

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 (Liabilities)</u>
	<u>TZS '000</u>
<b>2022</b>	
Futures	(25.7)
SWAP	32,745
<b>2021</b>	
Futures	175,229
SWAP	NIL



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. 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	Stage 2	Stage 3	Total
	12-month ECL TZS 000s	Lifetime ECL TZS 000s	Lifetime ECL TZS 000s	
Loss allowance as at 30 June 2021	70,980	-	-	70,980
<b>Movements with impact in the Statement of Profit or Loss</b>				
New financial assets originated or purchased	543	-	-	543
Financial assets that have been derecognised	-	-	-	-
Changes in risk parameters	(26,588)	-	-	(26,588)
<b>Loss allowance as at 30 June 2022</b>	<b>44,935</b>	<b>-</b>	<b>-</b>	<b>44,935</b>

Cash and balance with central and other banks at amortised cost stage movement

Loss allowance – Loans and receivables	Stage 1	Stage 2	Stage 3	Total
	12-month ECL TZS '000	Lifetime ECL TZS '000	Lifetime ECL TZS '000	
Loss allowance as at 30 June 2021	698,635	176,636	9,394,037	10,269,308
<b>Changes in the loss allowance</b>				
Transfer to stage 1	272,478	(133,732)	(138,745)	-
Transfer to stage 2	-	558,307	(558,307)	-
Transfer to stage 3	(12,937)	(42,904)	55,841	-
<b>Movements with Impact in the Statement of Profit or loss</b>				
New financial assets originated or purchased	336,432	-	-	336,432
Financial assets that have been derecognised	(28,494)	-	(158,997)	(187,492)
Changes in risk parameters	276,629	120,767	(828,535)	(431,138)
<b>Total loss movement</b>	<b>584,567</b>	<b>120,767</b>	<b>(987,532)</b>	<b>(282,197)</b>
<b>Loss allowance as at 30 June 2022</b>	<b>1,283,202</b>	<b>297,403</b>	<b>8,406,505</b>	<b>9,987,110</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

Cash and balance with central and other banks at amortised cost stage movement

Gross carrying amount-Cash and balances with central banks and other banks	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	TZS 000s	TZS 000s	TZS 000s	TZS 000s
Gross carrying as at 30 June 2021	5,841,549,289	4,462,530	-	5,846,011,819
<b>Movements with impact in the Statement of Financial Position</b>				
<b>Changes in the gross carrying amount</b>				
- Transfer to stage 1	4,462,530	(4,462,530)		
New financial assets originated or purchased	60,171,724	-	-	60,171,724
Financial assets that have been derecognised	-			-
Changes in risk parameters	(1,423,746,956)	-	-	(1,423,746,956)
<b>Gross carrying as at 30 June 2022</b>	<b>4,482,436,586</b>	<b>-</b>	<b>-</b>	<b>4,482,436,586</b>

Gross carrying amount Loans and receivables	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	TZS '000	TZS '000	TZS '000	TZS '000
Gross carrying as at 30 June 2021	106,692,054	225,419	10,946,423	117,863,896
<b>Changes in the loss allowance</b>				
Transfer to stage 1	343,145	(174,360)	(168,785)	-
Transfer to stage 2	-	679,183	(679,183)	-
Transfer to stage 3	(1,971,669)	(51,059)	2,022,728	-
<i>Total movement</i>	<i>(1,628,524)</i>	<i>453,764</i>	<i>1,174,760</i>	<i>-</i>
<b>Movements with Impact in the Statement of Financial Position</b>				
New financial assets originated or purchased	3,307,656	-	-	3,307,656
Financial assets that have been derecognised	(5,311,850)	-	(326,683)	(5,638,578)
Changes in risk parameters	(61,959)	(211,018)	(1,639,809)	(1,912,741)
<b>Gross carrying amount Loans and receivables as at 30 June 2022</b>	<b>102,997,376</b>	<b>468,165</b>	<b>10,154,691</b>	<b>113,620,232</b>

**Write-off policy**

- (a) 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 (i) ceasing enforcement activity and (ii) 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.
- (b) The Bank may write-off financial assets that are still subject to enforcement activity. The Bank will seek to recover amounts it is legally owed in full, but which have been fully or partially written off due to no reasonable expectation of full recovery.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(a) Credit risk continued

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 2022	30 June 2021
	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	17,148,953,592	-	-	17,251,950,969	16,329,726,013
Standard monitoring	102,997,377	468,165	5,010,691	5,478,856	10,490,372
Default	-	-	5,144,000	5,144,000	5,144,000
Gross carrying amount	<b>17,251,950,969</b>	<b>468,165</b>	<b>10,154,691</b>	<b>17,262,573,825</b>	<b>16,345,360,385</b>
Loss allowance	<b>(897,002)</b>	<b>(297,402)</b>	<b>(8,870,737)</b>	<b>(10,065,140)</b>	<b>(10,361,643)</b>
Net Carrying amount	<b>17,251,053,967</b>	<b>170,763</b>	<b>1,283,954</b>	<b>17,252,508,685</b>	<b>16,334,998,742</b>

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.

(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 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk continued

By contractual maturity analysis of financial instruments

Details	Up to 1 Month	From 1 to 3	From 3 to 12	From 1 to 5	Total
	TZS '000	Months	Months	Years	
<b>2022</b>					
<b>Assets</b>					
Cash and balances with central banks & other banks	4,471,112,672	-	-	-	4,471,112,672
Escrow accounts	11,278,779	-	-	-	11,278,779
Items in course of settlement	-	-	-	-	-
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	-	21,177,737
Quota in International Monetary Fund (IMF)	-	-	-	-	-
Foreign currency marketable securities	276,464,068	287,118,552	1,699,679,921	5,275,834,026	7,606,900,473
Equity investment	-	-	-	-	111,721,028
Government securities	-	481,077,335	-	1,812,009,259	2,479,507,487
Advance to the Government	-	-	2,022,036,054	-	2,022,036,054
Loans and receivables	43,680,943	317,270,424	1,242,301	9,521,722	430,404,969
Other assets (excluding prepayments)	17,099,079	45,804,944	-	46,071,244	108,975,267
<b>Total assets</b>	<b>4,840,813,278</b>	<b>1,131,271,255</b>	<b>3,722,958,276</b>	<b>7,143,436,250</b>	<b>18,480,301,961</b>
<b>Liabilities</b>					
Currency in circulation	6,618,845,966	-	-	-	6,618,845,966
Deposit - banks and non-banks financial institutions	3,651,670,348	-	-	-	3,651,670,348
Deposit others	2,701,166,785	-	-	-	2,701,166,785
Foreign currency financial liabilities	2,300,452,450	-	-	-	2,300,452,450
Items in course of settlement	3,837,283	-	-	-	3,837,283
BOT liquidity papers	11,655,398	19,304,779	16,098,181	-	47,058,358
Other liabilities	61,352,648	-	-	-	61,352,648
Lease liability	-	-	-	-	-
IMF Related Liabilities	1,034,440,924	-	-	1,719,083	1,719,083
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	1,034,440,924
					1,751,474,416
<b>Total liabilities</b>	<b>16,383,421,802</b>	<b>19,304,779</b>	<b>16,098,181</b>	<b>1,719,083</b>	<b>18,172,018,261</b>
<b>Net liquidity gap</b>	<b>(11,542,608,524)</b>	<b>1,111,966,476</b>	<b>3,706,860,095</b>	<b>7,141,717,169</b>	<b>308,283,700</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk continued

By contractual maturity analysis of financial instruments

Details	Up to 1 Month	From 1 to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 Years	Total
2021	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Assets</b>						
Cash and balances with central banks & other banks	3,733,499,425	1,304,548,801	796,274,735	-	-	5,834,322,961
Escrow accounts	11,257,016	-	-	-	-	11,257,016
Holdings of Special Drawing Rights (SDRs)	22,217,849	-	-	-	-	22,217,849
Quota in International Monetary Fund (IMF)	-	-	-	-	1,304,531,756	1,304,531,756
Foreign currency marketable securities	108,671,448	322,777,397	1,682,927,784	4,140,665,802	-	6,255,042,431
Equity investment	-	-	-	-	44,254,186	44,254,186
Government securities	594	-	49,368,221	871,338,341	174,176,064	1,094,883,220
Advance to the Government	-	-	2,393,706,756	-	-	2,393,706,756
Loans and receivables	25,998,542	134,594	25,827,233	22,678,056	57,764,999	132,403,424
Other assets (excluding prepayments)	137,275,228	35,515,414	-	-	-	172,790,642
<b>Total assets</b>	<b>4,038,920,102</b>	<b>1,662,976,206</b>	<b>4,948,104,729</b>	<b>5,034,682,199</b>	<b>1,580,727,005</b>	<b>17,265,410,241</b>
<b>Liabilities</b>						
Currency in circulation	5,704,677,413	-	-	-	-	5,704,677,413
Deposit - banks and non-banks financial institutions	3,548,412,774	-	-	-	-	3,548,412,774
Deposit others	3,668,295,459	-	-	-	-	3,668,295,459
Foreign currency financial liabilities	1,569,043,226	-	-	-	-	1,569,043,226
Items in course of settlement	3,408,577	-	-	-	-	3,408,577
BOT liquidity papers	7,558,680	10,470,000	22,468,179	-	-	40,496,859
Other liabilities	100,407,334	-	-	-	-	100,407,334
Lease liability	-	-	-	2,155,314	-	2,155,314
IMF Related Liabilities	1,108,671,457	-	-	-	-	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	624,756,632	624,756,632
<b>Total liabilities</b>	<b>15,710,474,920</b>	<b>10,470,000</b>	<b>22,468,179</b>	<b>2,155,314</b>	<b>626,994,282</b>	<b>16,370,325,045</b>
<b>Net liquidity gap</b>	<b>(11,671,554,818)</b>	<b>1,652,506,206</b>	<b>4,925,636,550</b>	<b>5,032,526,885</b>	<b>953,732,723</b>	<b>895,085,196</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk continued

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2022	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,471,112,672	-	4,471,112,672
Escrow accounts	11,278,779	-	11,278,779
Items in course of settlement	-	-	-
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	21,177,737
Quota in International Monetary Fund	-	1,217,187,495	1,217,187,495
Foreign Currency Marketable securities	2,263,262,541	5,343,637,932	7,606,900,473
Equity investment	-	111,721,028	111,721,028
Government securities	481,077,335	1,998,430,152	2,479,507,487
Advance to the Government	2,022,036,054	-	2,022,036,054
Loans and receivables	362,193,669	68,211,300	430,404,969
Other assets (excluding prepayments)	62,904,023	46,071,244	108,975,267
	<b>9,695,042,810</b>	<b>8,785,259,151</b>	<b>18,480,301,961</b>
<b>Liabilities</b>			
Currency in circulation	6,618,845,966	-	6,618,845,966
Deposit - banks and non-banks financial institutions	3,651,670,348	-	3,651,670,348
Deposit – Others	2,701,166,786	-	2,701,166,786
Foreign currency financial liabilities	2,300,452,450	-	2,300,452,450
Items in course of settlement	3,837,283	-	3,837,283
BOT liquidity papers	47,058,357	-	47,058,357
Other liabilities	61,352,648	-	61,352,648
Lease liability	1,719,083	-	1,719,083
IMF related liabilities	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	1,751,474,416
Total liabilities	<b>16,420,543,845</b>	<b>1,751,474,416</b>	<b>18,172,018,261</b>
<b>Net Liquidity gap</b>	<b>(6,725,501,035)</b>	<b>7,033,784,735</b>	<b>308,283,700</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk continued

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2021	Less than 12	Over 12 months	Total
	months		
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	5,834,322,961	-	5,834,322,961
Escrow accounts	11,257,016	-	11,257,016
Holdings of Special Drawing Rights (SDRs)	22,217,849	-	22,217,849
Quota in International Monetary Fund	-	1,304,531,756	1,304,531,756
Foreign Currency Marketable securities	2,114,376,629	4,140,665,802	6,255,042,431
Equity investment	-	44,254,186	44,254,186
Government securities	49,368,815	1,045,514,405	1,094,883,220
Advance to the Government	2,393,706,756	-	2,393,706,756
Loans and receivables	51,960,369	80,443,055	132,403,424
Other assets (excluding prepayments)	172,790,642	-	172,790,642
	<b>10,650,001,037</b>	<b>6,615,409,204</b>	<b>17,265,410,241</b>
<b>Liabilities</b>			
Currency in circulation	5,704,677,413	-	5,704,677,413
Deposit - banks and non-banks financial institutions	3,548,412,774	-	3,548,412,774
Deposit - Others	3,668,295,459	-	3,668,295,459
Foreign currency financial liabilities	1,569,043,226	-	1,569,043,226
Items in course of settlement	3,408,577	-	3,408,577
BOT liquidity papers	40,010,514	-	40,010,514
Other liabilities	100,407,334	-	100,407,334
Lease liability	2,237,650	-	2,237,650
IMF related liabilities	1,108,671,457	-	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	-	624,756,632	624,756,632
Total liabilities	<b>15,745,164,404</b>	<b>624,756,632</b>	<b>16,369,921,036</b>
<b>Net Liquidity gap</b>	<b>(5,095,163,367)</b>	<b>5,990,652,572</b>	<b>895,489,205</b>

(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 2022, portfolio duration stood at 2.15 years while that of 30 June 2021 was 2.12 years. The tables below show duration and other characteristics of all portfolios;



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(c) Interest risk continued

Portfolio Characteristics

**USD**

Asset Type	30.06.2022			30.06.2021			
	Number of Securities	Duration (Years)	USD	TZS '000	Duration (Years)	USD	TZS '000
Market value of Marketable Securities	191	2.12	2,236,602,851	5,154,128,478	2.18	2,341,380,721	5,382,862,608
Money Markets placements	39	0.07	965,528,071	2,225,006,431	0.05	1,445,225,876	3,322,591,776

**GBP**

Asset Type	30.06.2022			30.06.2021			
	Number of Securities	Duration (Years)	USD	TZS '000	Duration (Years)	USD	TZS '000
Market value of Marketable Securities	8	2.38	133,545,596	307,748,187	1.34	121,293,742	278,855,780
Money Markets placements	3	0.05	24,479,813	56,412,386	-	-	-

**AUD**

Asset Type	30.06.2022			30.06.2021			
	Number of Securities	Duration (Years)	USD	TZS '000	Duration (Years)	USD	TZS '000
Market value of Marketable Securities	6	2.22	86,517,892.17	199,375,733	2.72	87,542,125	201,260,406

**CNY**

Asset Type	30.06.2022			30.06.2021			
	Number of Securities	Duration (Years)	USD	TZS '000	Duration (Years)	USD	TZS '000
Market value of Marketable Securities	32	2.17	844,302,203.58	1,945,648,075	1.62	170,535,699	392,063,637
Money Markets placements	10	0.06	315,933,249.56	728,050,829	0.09	600,342,809	1,380,195,382



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(c) Interest 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 amount. The amount of VaR for major currencies is as follows;

Details	30.06.2022		30.06.2021	
	95% VaR		95% VaR	
		TZS '000		TZS '000
USD	36,355,678	83,779,665	6,949,357	15,976,656
GBP	1,846,786	5,206,993	153,255	487,826
AUD	2,619,207	4,224,470	447,642	771,645
CNY	11,326,332	3,932,577	2,530,382	900,800

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 2022.

		30.06 2022		30.06 2021	
		TZS'000		TZS'000	
USD	(43,425,827.38)	(100,072,435)	(15,602,814)	(35,871,058)	
GBP	(3,051,900.81)	(8,604,800)	(448,584)	(1,427,887)	
CNH	(14,607,524.00)	(23,560,199)	(3,569,058)	(1,270,561)	
AUD	(1,243,207.09)	(431,650)	(1,287,240)	(2,218,945)	

Stress Testing

The Bank performs stress testing to analyse the resilience of its portfolios to extreme volatility changes caused by potential market events. 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 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

(c) Interest risk continued

Amounts in USD equivalent

Worst case scenarios 2022	Portfolio			
	CNY	AUD	GBP	USD
Bear Market - SPX Down 20%, Oil down 20% and VIX Up 150%	168,719	12,370	502,516	4,322,210
Oil price shock ( Brent Crude Oil trades at \$ 120 per barrel )	(631,589)	222,976	197,649	6,423,898
Ukrainian Protest & Civil unrest	7,710,256	212,691	618,208	7,704,999
Severe Economic Slowdown	(149,977)	(235,883)	83,283	(4,294,099)
<b>Interest rate scenarios</b>				
25 rate cut	2,401,748	461,929	886,886	10,096,844
25 rate hike	(2,374,386)	(457,568)	(879,262)	(11,003,859)
50 rate hike	(4,721,409)	(910,774)	(1,750,900)	(21,909,450)
100 rate hike	(9,333,368)	(1,804,103)	(3,471,303)	(43,425,827)

Worst case scenarios 2021	Portfolio			
	CNY	AUD	GBP	USD
Bear Market - SPX Down 20%, Oil down 20% and VIX Up 150%	(59,558)	106,360	73,279	3,236,453
Brexit 2016	79,400	303,858	595,266	7,072,302
Debt Ceiling Crisis & Downgrade in 2011	325,768	1,386,286	492,266	12,435,970
Lehman Default – 2008	(630,198)	1,931,938	944,334	10,520,243
<b>Interest rate scenarios</b>				
25 rate cut	249,190	942,798	416,940	19,606,269
25 rate hike	(138,186)	170,066	(1,663)	6,140,629
50 rate hike	(498,380)	(211,718)	(208,989)	(513,481)
100 rate hike	(552,742)	(966,267)	(619,741)	(13,666,789)

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.

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 772,009.3 million (2021: TZS 1,020,817.2 million).



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### d) Currency Risk continued

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 2022 and 2021 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 2022 (CONTINUED)

42. 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
<b>2022</b>							
<b>Assets</b>							
Cash and balances with central banks & other banks	66,973,786	3,046,606,761	56,467,842	-	1,684,202	1,299,380,081	4,471,112,672
Escrow accounts	-	11,278,779	-	-	-	-	11,278,779
Items in course of settlement	-	5,211,394	-	-	-	-	5,211,394
Holdings of Special Drawing Rights (SDRs)	-	-	-	21,177,738	-	-	21,177,738
Quota in International Monetary Fund (IMF)	-	-	-	1,217,187,495	-	-	1,217,187,495
Foreign currency marketable securities	307,748,188	5,154,128,478	-	-	-	2,145,023,808	7,606,900,474
Equity investments	-	110,640,285	1,080,743	-	-	-	111,721,028
Government securities	-	-	-	-	2,479,507,487	-	2,479,507,487
Advances to the Government	-	-	-	-	2,022,036,054	-	2,022,036,054
Loans and receivables	-	9,521,455	-	-	420,883,514	-	430,404,969
Other assets (Excluding prepayments)	-	-	-	-	108,975,266	-	108,975,266
<b>Total financial assets</b>	<b>374,721,974</b>	<b>8,337,387,152</b>	<b>57,548,585</b>	<b>1,238,365,233</b>	<b>5,033,086,523</b>	<b>3,444,403,889</b>	<b>18,485,513,356</b>
<b>Liabilities</b>							
Currency in circulation	-	-	-	-	6,618,845,966	-	6,618,845,966
Deposits - banks and non-bank financial institutions	-	716,595,965	-	-	2,927,634,895	7,438,822	3,651,670,346
Deposits - Others	16,421,506	863,998,787	51,701,977	-	1,768,974,015	70,500	2,701,166,785
Items in course of settlement	-	-	-	-	9,048,677	-	9,048,677
Foreign currency financial liabilities	294,283	2,122,373,424	175,825,106	-	1,959,637	-	2,300,452,450
BoT liquidity papers	-	-	-	-	47,058,357	-	47,058,357
Other liabilities	-	8,942,101	-	-	52,383,514	27,033	61,352,648
Lease liability	-	-	-	-	1,719,083	-	1,719,083
IMF related liabilities	-	-	-	-	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	-	-	1,751,474,416	-	-	1,751,474,416
<b>Net liquidity gap</b>	<b>16,715,789</b>	<b>3,711,910,277</b>	<b>227,527,083</b>	<b>1,751,474,416</b>	<b>12,462,065,068</b>	<b>7,536,355</b>	<b>18,177,229,652</b>
<b>Scenario of 10% appreciation/(depreciation)</b>	<b>358,006,185</b>	<b>4,625,476,875</b>	<b>(169,978,498)</b>	<b>(513,109,183)</b>	<b>N/A</b>	<b>3,436,867,534</b>	<b>4,300,395,379</b>
	<b>35,800,619</b>	<b>462,547,688</b>	<b>(16,997,849)</b>	<b>(51,310,918)</b>	<b>N/A</b>	<b>343,686,753</b>	<b>430,039,540</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. 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
<b>2021</b>							
<b>Assets</b>							
Cash and balances with central banks & other banks	51,530,343	4,145,504,949	29,815,637	-	5,143,746	1,602,328,286	5,834,322,961
Escrow accounts	-	11,257,016	-	-	-	-	11,257,016
Holdings of Special Drawing Rights (SDRs)	-	-	-	22,217,849	-	-	22,217,849
Quota in International Monetary Fund (IMF)	-	-	-	1,304,531,756	-	-	1,304,531,756
Foreign currency marketable securities	278,855,780	5,382,862,608	-	-	-	593,324,043	6,255,042,431
Equity investments	-	43,245,308	1,008,878	-	-	-	44,254,186
Government securities	-	-	-	-	1,094,883,220	-	1,094,883,220
Advances to the Government	-	-	-	-	2,393,706,756	-	2,393,706,756
Loans and receivables	-	20,261,393	-	-	112,142,031	-	132,403,424
Other assets (Excluding prepayments)	-	-	-	-	167,555,426	-	167,555,426
<b>Total financial assets</b>	<b>330,386,123</b>	<b>9,603,131,274</b>	<b>30,824,515</b>	<b>1,326,749,605</b>	<b>3,773,431,179</b>	<b>2,195,652,329</b>	<b>17,260,175,025</b>
<b>Liabilities</b>							
Currency in circulation	-	-	-	-	5,704,677,413	-	5,704,677,413
Deposits - banks and non-bank financial institutions	-	520,562,094	-	-	3,025,721,707	2,128,973	3,548,412,774
Deposits - Others	902,248	561,082,291	2,023,853	-	3,104,217,406	69,661	3,668,295,459
Items in course of settlement	-	214,507	-	-	3,194,070	-	3,408,577
Foreign currency financial liabilities	53,374	1,498,208,351	68,570,109	-	2,211,392	-	1,569,043,226
BoT liquidity papers	-	-	-	-	40,010,514	-	40,010,514
Other liabilities	-	65	-	-	100,407,269	-	100,407,334
Lease liability	-	-	-	-	2,237,650	-	2,237,650
IMF related liabilities	-	-	-	-	1,108,671,457	-	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	-	-	-	624,756,632	-	-	624,756,632
<b>Net liquidity gap</b>	<b>955,622</b>	<b>2,580,067,308</b>	<b>70,593,962</b>	<b>624,756,632</b>	<b>13,091,888,296</b>	<b>2,198,634</b>	<b>16,369,921,036</b>
<b>Scenario of 10% appreciation/(depreciation)</b>	<b>329,430,501</b>	<b>7,023,063,966</b>	<b>(39,769,447)</b>	<b>701,992,973</b>	<b>N/A</b>	<b>2,193,453,695</b>	<b>N/A</b>
	<b>32,943,050</b>	<b>702,306,397</b>	<b>(3,976,945)</b>	<b>70,199,297</b>	<b>N/A</b>	<b>219,345,370</b>	<b>N/A</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

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:

2022	Amortised	FVTPL	FVOCI	Total	Fair values
	Cost				
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Financial assets</b>					
Cash and balances with central banks & other banks	4,471,112,672	-	-	4,471,112,672	4,471,112,672
Escrow accounts	11,278,779	-	-	11,278,779	11,278,779
Holdings of Special Drawing Rights (SDRs)	21,177,737	-	-	21,177,737	21,177,737
Quota in International Monetary Fund (IMF)	1,217,187,495	-	-	1,217,187,495	1,217,187,495
Foreign currency marketable securities	-	680,292,383	6,926,608,397	7,606,900,473	7,606,900,473
Equity investment	-	-	111,721,028	111,721,028	111,721,028
Government securities	2,479,507,487	-	-	2,479,507,487	2,479,507,487
Advances to the Government	2,022,036,054	-	-	2,022,036,054	2,022,036,054
Loans and receivables	430,404,969	-	-	430,404,969	430,404,969
Other assets (Excluding prepayments)	108,975,267	-	-	108,975,267	108,975,267
	<b>10,761,680,460</b>	<b>680,292,383</b>	<b>7,038,329,118</b>	<b>18,480,301,961</b>	<b>18,480,301,961</b>
<b>Financial liabilities</b>					
Currency in circulation	6,618,845,966	-	-	6,618,845,966	6,618,845,966
Deposits - banks and non-banks financial institutions	3,651,670,348	-	-	3,651,670,348	3,651,670,348
Deposits – others	2,701,166,786	-	-	2,701,166,786	2,701,166,786
Items in course of settlement	3,837,283	-	-	3,837,283	3,837,283
Foreign currency financial liabilities	2,300,452,450	-	-	2,300,452,450	2,300,452,450
BoT liquidity papers	47,058,357	-	-	47,058,357	47,058,357
Other liabilities	61,352,648	-	-	61,352,648	61,352,648
Lease Liability	1,719,083	-	-	1,719,083	1,719,083
IMF related liabilities	1,034,440,924	-	-	1,034,440,924	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	1,751,474,416	-	-	1,751,474,416	1,751,474,416
	<b>18,172,018,261</b>	<b>-</b>	<b>-</b>	<b>18,172,018,261</b>	<b>18,172,018,261</b>



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

2021	Amortised Cost	FVTPL	FVOCI	Total	Fair values
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Financial assets</b>					
Cash and balances with central banks & other banks	5,834,322,961	-	-	5,834,322,961	5,834,322,961
Escrow accounts	11,257,016	-	-	11,257,016	11,257,016
Holdings of Special Drawing Rights (SDRs)	22,217,849	-	-	22,217,849	22,217,849
Quota in International Monetary Fund (IMF)	1,304,531,756	-	-	1,304,531,756	1,304,531,756
Foreign currency marketable securities	-	692,086,542	5,562,955,889	6,255,042,431	6,255,042,431
Equity investment	-	-	44,254,186	44,254,186	44,254,186
Government securities	1,094,883,220	-	-	1,094,883,220	1,094,883,220
Advances to the Government	2,393,706,756	-	-	2,393,706,756	2,393,706,756
Loans and receivables	132,403,424	-	-	132,403,424	132,403,424
Other assets (Excluding prepayments)	172,790,642	-	-	172,790,642	172,790,642
	<b>10,966,113,624</b>	<b>692,086,542</b>	<b>5,607,210,075</b>	<b>17,265,410,241</b>	<b>17,265,369,912</b>
<b>Financial liabilities</b>					
Currency in circulation	5,704,677,413	-	-	5,704,677,413	5,704,677,413
Deposits - banks and non-banks financial institutions	3,548,412,774	-	-	3,548,412,774	3,548,412,774
Deposits – others	3,668,834,882	-	-	3,668,834,882	3,668,834,882
Foreign currency financial liabilities	1,569,043,227	-	-	1,569,043,227	1,569,043,227
Items in course of settlement	3,408,577	-	-	3,408,577	3,408,577
BoT liquidity papers	40,010,514	-	-	40,010,514	40,010,514
Other liabilities	100,407,328	-	-	100,407,328	100,407,328
Lease Liability	2,237,650	-	-	2,237,650	2,237,650
IMF related liabilities	1,108,671,457	-	-	1,108,671,457	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	624,756,632	-	-	624,756,632	624,756,632
	<b>16,370,460,454</b>	<b>-</b>	<b>-</b>	<b>16,370,460,454</b>	<b>16,370,460,454</b>

#### DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY

##### Financial instruments recorded at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market condition at the measurement date. 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

###### Foreign currency marketable securities

The marketable securities are quoted in active markets. The valuation techniques are based on quoted prices in active markets for identical assets.

###### 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 discounting the future cash flows using the market interest rates of similar instruments.

###### 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

- **Level 1 fair value measurements:** are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities. This level includes listed debt instruments on exchanges for example Foreign Currency Marketable securities.

Fair value of financial assets and liabilities

- **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:

30.06.2022

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	7,606,900,473	-	-
Government securities		2,479,507,487	
Equity investments	-	111,721,028	-
<b>Total</b>	<b>7,606,900,473</b>	<b>2,591,228,515</b>	<b>-</b>

30.06.2021

Description	Level 1	Level 2	Level 3
	TZS '000	TZS '000	TZS '000
Foreign currency marketable securities	6,255,042,431	-	-
Equity investments	-	44,254,186	-
<b>Total</b>	<b>6,255,042,431</b>	<b>44,254,186</b>	<b>-</b>

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 7,606,900.5 million, TZS 2,479,507.5 million and TZS 111,721.0 million for Foreign Currency Marketable Securities, Government Securities and Equity Investments would have been higher or lower by TZS 7,606,90 million, TZS 2,479,50.7 million and TZS 111,72.1 million respectively. Swap would change by 3.3 million respectively.

The following table gives information about how the fair value of these financial assets and liabilities are determined.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

	Fair value at		Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2022 TZS '000	2021 TZS '000				
Foreign currency marketable securities (Excluding futures)	7,606,900,780	6,255,042,431	1	Prices of listed securities	N/A	N/A
Government securities	2,479,507,487		2	Prices of the similar securities in the active market.		
Equity investments	111,721,028	44,254,186	2	Prices of recent transactions	N/A	N/A
Derivatives:						
Swap Asset	32,744.7	-	2	Discounted Cash-flows, using market exchange and interest rate	N/A	N/A
Futures Asset/ (Liability)	(25.7)	175,229	1	Quoted prices	N/A	N/A

The following table analyses within the fair value hierarchy the Bank's assets and liabilities not measured at fair value with exception of foreign currency marketable securities.

2022	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
<b>Assets</b>				
Cash and balances with central banks & other banks	4,471,112,672	-	-	4,471,112,672
Escrow accounts	-	11,278,779	-	11,278,779
Holdings of Special Drawing Rights (SDRs)	-	21,177,737	-	21,177,737
Quota in International Monetary Fund (IMF)	-	1,217,187,495	-	1,217,187,495
Foreign currency marketable securities	7,606,900,473	-	-	7,606,900,473
Equity investment	-	111,721,028	-	111,721,028
Government securities	-	2,479,507,487	-	2,479,507,487
Advances to the Government	-	2,022,036,054	-	2,022,036,054
Loans and receivables	-	430,404,969	-	430,404,969
Other assets (Excluding prepayments)	-	108,975,267	-	108,975,267
	<b>12,078,013,145</b>	<b>6,402,288,816</b>	<b>-</b>	<b>18,480,301,961</b>
<b>Liabilities</b>				
Currency in circulation	-	6,618,845,966	-	6,618,845,966
Deposits - banks and non-banks financial institutions	-	3,651,670,348	-	3,651,670,348
Deposits - others	-	2,701,166,786	-	2,701,166,786
Foreign currency financial liabilities	-	2,300,452,450	-	2,300,452,450
BoT liquidity papers	-	47,058,357	-	47,058,357
Other liabilities	-	61,352,648	-	61,352,648
IMF related liabilities	-	1,034,440,924	-	1,034,440,924
Allocation of Special Drawing Rights (SDRs)	-	1,751,474,416	-	1,751,474,416
	<b>-</b>	<b>18,166,461,895</b>	<b>-</b>	<b>18,166,461,895</b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERACHY (CONTINUED)

Fair value hierarchy (Continued)

2021	Level 1	Level 2	Level 3	Total
	TZS '000	TZS '000	TZS '000	TZS '000
<b>Assets</b>				
Cash and balances with central banks & other banks	5,834,322,961	-	-	5,834,322,961
Escrow accounts	-	11,257,016	-	11,257,016
Holdings of Special Drawing Rights (SDRs)	-	22,217,849	-	22,217,849
Quota in International Monetary Fund (IMF)	-	1,304,531,756	-	1,304,531,756
Foreign currency marketable securities	6,255,042,431	-	-	6,255,042,431
Equity investment	-	44,254,186	-	44,254,186
Government securities	-	1,094,883,220	-	1,094,883,220
Advances to the Government	-	2,393,706,756	-	2,393,706,756
Loans and receivables	-	132,951,048	-	132,951,048
Other assets (Excluding prepayments)	-	172,790,642	-	172,790,642
	<b>12,089,365,392</b>	<b>5,176,592,473</b>	<b>-</b>	<b>17,265,957,865</b>
<b>Liabilities</b>				
Currency in circulation	-	5,704,677,413	-	5,704,677,413
Deposits - banks and non-banks financial institutions	-	3,548,412,774	-	3,548,412,774
Deposits – others	-	3,668,834,882	-	3,668,834,882
Foreign currency financial liabilities	-	1,569,043,227	-	1,569,043,227
Items in course of settlement	-	3,408,577	-	3,408,577
BoT liquidity papers	-	40,010,514	-	40,010,514
Other liabilities	-	100,407,328	-	100,407,328
Lease Liability	-	2,237,650	-	2,237,650
IMF related liabilities	-	1,108,671,457	-	1,108,671,457
Allocation of Special Drawing Rights (SDRs)	-	624,756,632	-	624,756,632
	<b>-</b>	<b>16,370,460,454</b>	<b>-</b>	<b>16,370,460,454</b>

43 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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

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 2022 by NYUX Tanzania Company LTD based in Tanzania. 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 table hereunder:

Actuarial Assumptions

	<u>30.06.2022</u>	<u>30.06.2021</u>
Discount rate (% p.a.)	9.33%	10.14%
Non-Executives - Future salary increases (% p.a.)	4.0%	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 or Ill - Health)	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement Age*	60 years. Assumed that 10% of members retire early at age 55.	60 years. Assumed that 10% of members retire early at age 55.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

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>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Opening benefit obligation	118,825,235	114,430,194
Current service costs	5,135,879	4,689,672
Past service cost	3,198,120	-
Interest cost	11,955,799	12,767,663
Employee contribution	529,482	526,211
Actuarial loss/(gain) in experience	9,077,718	(1,283,405)
Actuarial loss in assumptions	4,539,470	9,810,280
Benefits paid	<u>(21,029,000)</u>	<u>(22,115,380)</u>
<b>Closing benefits obligation</b>	<b><u>132,232,703</u></b>	<b><u>118,825,235</u></b>

Reconciliation on plan asset in the current year with the comparative figures are as per the below table

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Opening market value of assets	(104,989,528)	(115,216,715)
Interest income on plan assets	(10,313,694)	(12,588,349)
Employer contributions	(13,835,705)	-
Employee contribution	(529,482)	(526,211)
Return on plan assets*	(5,147,443)	1,226,367
Benefits paid	<u>21,029,000</u>	<u>22,115,380</u>
<b>Closing market value of the assets</b>	<b><u>(113,786,852)</u></b>	<b><u>(104,989,528)</u></b>

\* Return on plan asset, excludes amount in interest income

A summary of the distribution of the Scheme assets as at 30 June 2022, based on the Scheme management accounts, is shown in the table below;

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Cash	1,535,584	-
Treasury Bonds FV plus accrued Interest	108,898,641	95,041,994
Treasury Bills plus accrued Interest	3,380,574	12,803,428
SBF receivables	5,643	-
Retirement Benefits Payable	<u>(33,590)</u>	<u>(2,855,893)</u>
<b>Net Assets</b>	<b><u>113,786,852</u></b>	<b><u>104,989,529</u></b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

43 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>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Present value of funded obligations	132,232,703	118,825,234
Fair value of Scheme assets	<u>(113,786,852)</u>	<u>(104,989,529)</u>
<b>Present value of net obligation/ (asset) recognized in the balance sheet</b>	<b><u>18,445,851</u></b>	<b><u>13,835,705</u></b>

Included in the computation are benefit plan expenses which are recognized in the Statement of Profit or Loss statement. Below are the components:

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Service cost</b>		
Current service cost net of employees' contributions	5,135,879	4,689,672
Past service cost	<u>3,198,120</u>	<u>-</u>
<b>Total Service Cost</b>	<b><u>8,333,999</u></b>	<b><u>4,689,672</u></b>
<b>Interest Income</b>		
Interest cost on defined benefit obligation	11,955,799	12,767,663
Interest income on plan assets	<u>(10,313,694)</u>	<u>(12,588,349)</u>
<b>Net Interest income on Balance Sheet Asset</b>	<b><u>1,642,105</u></b>	<b><u>179,314</u></b>
<b>Total included in profit or loss in respect of Scheme</b>	<b><u>9,976,104</u></b>	<b><u>4,868,986</u></b>

Re-measurement on defined benefit are measured through other comprehensive Income and it is composed of the below;

	<u>30 06 2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>Re-measurements (OCI)</b>		
Actuarial loss/(gain) - obligation	9,077,718	9,810,280
Actuarial (gain) loss - experience adjustment	4,539,470	(1,283,405)
Return on plan assets (excluding amount in interest cost)	<u>(5,147,443)</u>	<u>1,226,367</u>
<b>Amount recognised in OCI statement for the financial year</b>	<b><u>8,469,745</u></b>	<b><u>9,753,242</u></b>

Development of net obligation

	<u>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
Net (obligation)/asset at the beginning of the year	13,835,705	(786,522)
Net expenses recognized in the income statement	9,976,104	4,868,985
Amount recognized in OCI	8,469,747	9,753,242
Settlement/Employer's contribution	<u>(13,835,705)</u>	<u>-</u>
<b>Net (asset)/ liability at end of period</b>	<b><u>18,445,851</u></b>	<b><u>13,835,705</u></b>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

43 RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

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 2022 is 5 years (2021: 7 years). Based on this methodology, below are the results of the sensitivity analysis

As at 30 June 2022

Assumptions	Result on Financial assumptions	
	Impact of 1.0% increase	Impact of 1.0% decrease
	TZS '000	TZS '000
Discount Rate (fall)/rise	(5,434,898)	5,489,561
Salary increase rise/(fall)	3,077,898	(3,170,595)
	Results on Demographic assumptions	
Early Retirement Rate rise/(fall)	271,583	(314,289)
Withdrawal Rate rise/(fall)	1,015,949	(687,760)

As at June 2021

Assumptions	Result on Financial assumptions	
	Impact of 1.0% increase	Impact of 1.0% decrease
	TZS '000	TZS '000
Discount Rate (fall)/rise	(113,392,435)	124,832,965
Salary increase rise/(fall)	122,389,400	(115,605,696)
	Results on Demographic assumptions	
Early Retirement Rate rise/(fall)	118,929,128	(118,721,340)
Withdrawal Rate rise/(fall)	119,712,932	(117,838,006)

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 as the amount is fixed does not relate to salary.

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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 43 RETIREMENT BENEFIT PLAN (CONTINUED)

##### Defined Benefit Plan (Continued)

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
30 June 2022	21,468,566	11,926,719	12,529,924	10,397,018	75,910,474
30 June 2021	13,486,393	22,725,389	12,965,962	12,998,521	55,001,701

Separation of benefits payable between vested and non-vested benefits resulted to TZS 117,856.8 million (30 June 2021: TZS 108,294.3 million) and TZS 14,375.9 million (30 June 2021 TZS 10,530.9 million) respectively.

#### 44 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 97.

	<u>30.06.2022</u> TZS '000	<u>30.06.2021</u> TZS '000
Capital	100,000,000	100,000,000
Reserves	1,331,869,671	1,862,496,530
<b>Total</b>	<b><u>1,431,869,671</u></b>	<b><u>1,962,496,530</u></b>

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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 45 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 Tanzanian Shilling 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 2022 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.
- 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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 45 CONTINGENT LIABILITIES (CONTINUED)

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.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 45 CONTINGENT LIABILITIES (CONTINUED)

##### (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 2022, there was no outstanding guarantees as it was for the period ended June 2021. As the result on 30 June 2022, the fund had a net cash balance of TZS 695.6 million (2021: TZS 147.7 million)

#### 46 OUTSTANDING COMMITMENTS

##### Capital commitments

As at 30 June 2022, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 61,510.8 million (2021: 23,013.1 million).

The major capital expenditure commitments item is as reflected herewith below

<u>Particulars</u>	<u>30.06.2022</u> <b>TZS '000</b>	<u>30.06.2021</u> <b>TZS '000</b>
Office buildings	420,000	429,661
Residential buildings	1,077,567	1,901,644
Machinery and equipment	23,522,117	8,045,718
Information, communication and technology (ICT)	12,291,013	1,084,483
Motor vehicles	18,270,724	-
Furniture and fittings	1,169,145	190,755
Intangible assets	215,168	357,035
On-going projects	4,545,031	11,003,775
<b>Total</b>	<b>61,510,765</b>	<b>23,013,071</b>

The above commitments have been included and approved for payment in accordance with the 2022/2023 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 1,495.9 million (2021: TZS 937.7 million) involving retired staff with their spouses who retired since financial year 2009/10.

#### 47 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:



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

47 RELATED PARTY DISCLOSURES (CONTINUED)

(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 2022 amounted to TZS 76,626.2 million (2021: TZS 76,626.2 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>30.06.2022</u>	<u>30.06.2021</u>
	TZS '000	TZS '000
<b>i) Loans to Senior Management</b>		
<b>(i.e. Governor, Deputy Governors and Directors)</b>		
At start of the year	2,088,637	1,714,011
Loans granted during the year	487,155	874,547
Loans repaid during the year	<u>(982,452)</u>	<u>(499,921)</u>
<b>Balance end of the year</b>	<b><u>1,593,340</u></b>	<b><u>2,088,637</u></b>
<b>ii) Emoluments to Senior Management Personnel</b>		
<b>(Governor, Deputy Governors and Directors)</b>		
	<b>TZS '000</b>	<b>TZS '000</b>
Salaries, allowances and benefits	4,312,182	4,526,862
Post-employment benefits	<u>3,868,198</u>	<u>832,189</u>
<b>Total</b>	<b><u>8,180,380</u></b>	<b><u>5,359,051</u></b>

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 2022, the number of key management personnel was 22 (2021: 22).

(b) Directors' remunerations

During the year ending 30 June 2022, emoluments paid to the members of the Board amounted to TZS 121.9 Million (2021: TZS 122.3 million). These emoluments include benefits of Non - Executive Directors. Non-Executive Directors are not entitled to loans and advances.



## Bank of Tanzania Annual Report 2021/22

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 47 RELATED PARTY DISCLOSURES (CONTINUED)

##### (c) Government of the United Republic of Tanzania

Transactions entered into with the Government include:

- Government deposits. There are no interest and bank charges on deposits;
- 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;
- Settlement of foreign currency denominated obligations;
- Financial accommodation on temporary short falls in Government revenue;
- 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 2022, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Due from Governments of Tanzania (Note 23 and 33)	2,022,036,054	2,552,887,962
IMF funds on-lent to the Government (Note 19)	1,217,187,495	1,304,531,756
Due from Revolutionary Government of Zanzibar (Note 23 and 33)	-	157,939
Investments in Government Securities (Note 22)	2,479,507,487	1,094,883,220
Structured Financing Facility (Note 34)	91,088,382	85,411,151
Export Credit Guarantee Fund (Note 34)	2,337,533	2,798,025
Small and Medium Enterprises Guarantee Fund (Note 34)	695,604	147,743

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 2,516.1 million (2021: TZS 210.9 million). The balance outstanding from the Fund included under Deposit Others as at 30 June 2022 was TZS 39,125.3 million (2021: TZS 2,687.5 million).



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

#### 48 EVENT AFTER THE REPORTING DATE

##### **Amendment of the Bank of Tanzania Act, 2006**

The Finance Act, 2022 introduced changes to the Government borrowing limit from the Bank effective from 1 July 2022. Under the new arrangement, the total amount outstanding at any time of advances made by the Bank shall not exceed eighteen percentum of the budgeted domestic revenues of each of the Governments. As at 30 June 2022 the total amount outstanding at any time of advances made and the Treasury bills and other securities held by the Bank was not to exceed twelve and a half percentum of the average budgeted revenues of each of the Governments.

The amendment will result in different amounts of borrowing limit which may change every year depending on the amount of budgeted domestic revenues. The amendment does affect the amount of outstanding borrowing as at 30 June 2022.



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## **PART VI**

### **CALENDAR OF IMPORTANT MONETARY AND FINANCIAL EVENTS**

**JUNE 2012 TO JUNE 2022**



## Bank of Tanzania Annual Report 2021/22

**June 2022:** On 8<sup>th</sup> June 2022, the Bank of Tanzania notified the public on the new Foreign Exchange Regulations, 2022 issued under the Foreign Exchange Act, Cap. 271, through Government Notice No. 294 of 2022, published in the Government Gazette on 13<sup>th</sup> May 2022.

**May 2022:** H.E. Samia Suluhu Hassan, President of the United Republic of Tanzania re-appointed Dr. Yamungu Kayandabila as Deputy Governor, Economic and Financial Policies, with effect from 1<sup>st</sup> June 2022.

**May 2022:** H.E. Samia Suluhu Hassan, President of the United Republic of Tanzania appointed Ms. Sauda K. Msemu as Deputy Governor, Financial Stability and Deepening, with effect from 1<sup>st</sup> June 2022. She replaced Dr. Yohana Kibesse, after completion of terms of office.

**April 2022:** The Bank of Tanzania on behalf of the Government of the United Republic of Tanzania announced the new coupon rates for Treasury bonds effectively from 13<sup>th</sup> April 2022, but the changes did not affect the previously issued Treasury bonds.

**July 2021:** On 27<sup>th</sup> July 2021, the Bank of Tanzania issued Policy measures aimed at promoting credit to private sector and lower interest rates.

**July 2021:** On 6<sup>th</sup> July 2021, the Bank of Tanzania Academy was full accreditate status of the Bank of Tanzania Academy by the then National Council for Technical Education and Training (NACTE).

**April 2021:** The Bank of Tanzania on behalf of the Government of the United Republic of Tanzania is announced the launch of 25-year Treasury bond on 21<sup>st</sup> April 2021. The bond was an addition to the existing Treasury bond maturities issued by the Government.

**April 2021:** Women Affairs Committee for Financial Inclusion (WACFI) was established to oversee and coordinate the implementation of financial inclusion initiatives and program targeting women in Tanzania.

**March 2021:** Bank of Tanzania issued banking business license to Access Microfinance Bank Ltd to carry out microfinance banking business in Tanzania, after revoking fully-fledged commercial bank license issued on 1<sup>st</sup> Sep 2008.

**March 2021:** Bank of Tanzania transferred all assets and liabilities of China Commercial Bank Ltd to NMB Bank Plc effective from 4<sup>th</sup> March 2021, following a period under statutory management since November 2020.

**March 2021:** Bank of Tanzania issued a business license to Pass Leasing Company Limited to carry out financial leasing business in Tanzania.

**February 2021:** Bank of Tanzania changed the deadline for submission of regulatory returns from within 15 of the following month to within 7 days of the following month, starting with the regulatory returns for the month of February 2021.

**January 2021:** The National Bureau of Statistics released rebased National Consumer Price Indices from December 2015 base prices to 2020 base prices. The weight of core CPI increased to 73.9 percent from 54.3 percent, while those of food and non-alcoholic beverages decreased to 28.2 percent from 38.5 percent, and energy, fuel and utilities to 5.7 percent from 8.7 percent. This was the 7<sup>th</sup> revision after those of 1966, 1976, 1992, 2001, 2010 and 2015.

**January 2021:** Bank of Tanzania directed banks and financial institutions to maintain a cost to income ratio of not more than 55 percent. The ratio shall be computed by dividing operating expenses (non-interest expenses) with summation of net interest income and non-interest income.



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**January 2021:** Bank of Tanzania authorized use of hubs in provision of international money remittances/transfers.

**December 2020:** Bank of Tanzania restricted issuance of electronic money license only to licensed mobile network operators (MNOs) with a view to strengthening the oversight and stability of the financial system. The restriction does not apply to banks and non MNOs entities already issued with electronic money issuance license.

**July 2020:** Bank of Tanzania licensed Mwangi Hakika Microfinance Bank Limited and revoked the licenses of Mwangi Community Bank Limited, Hakika Microfinance Bank Limited and EFC Microfinance Bank Limited. Consequently, assets and liabilities, customers and employees of the merged banks were transferred to Mwangi Hakika Microfinance Bank Limited.

**June 2020:** Bank of Tanzania authorized the merger of TPB Bank Plc and TIB Corporate Ltd effective from 1<sup>st</sup> June 2020 so as to enhance performance of state owned banks.

**May 2020:** Bank of Tanzania reduced the discount rate from 7.0 percent to 5.0 percent effective from 12<sup>th</sup> May 2020 so as to provide additional space for banks to borrow from the Bank of Tanzania at a lower cost.

**May 2020:** Bank of Tanzania lowered the Statutory Minimum Reserve (SMR) requirement from 7.0 percent to 6.0 percent effective from 8<sup>th</sup> June 2020 to provide additional liquidity to banks.

**May 2020:** 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 12<sup>th</sup> 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, amidst Covid-19 pandemic.

**February 2020:** The implementation of the Memorandum of Understanding on currency convertibility and repatriation between the Bank of Zambia and the Bank of Tanzania was officially inaugurated.

**February 2020:** The Financial Services Registry (FSR) System was officially launched on 27<sup>th</sup> February 2020.

**November 2019:** Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 were published in the Government Notice No. 884 on 22<sup>nd</sup> November 2019.

**November 2019:** Exim Bank Tanzania officially acquired assets and liabilities of United Bank Tanzania Limited, a subsidiary of Pakistan's UBL Bank, to strengthen its existing network and expand market share.

**June 2019:** The Foreign Exchange (Bureau de Change) Regulations, 2019 were published in the Government Notice No. 450 and became effective on 7<sup>th</sup> June 2019, revoking the Foreign exchange (Bureau de Change) Regulations, 2015.

**March 2019:** Bank of Tanzania introduced the interbank cash market electronic trading platform, which went live on 1<sup>st</sup> March 2019.

**January 2019:** 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 15<sup>th</sup> January 2019.



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**November 2018:** Bank of Tanzania issued a banking business license to China Dasheng Bank Limited, as a commercial bank. China Dasheng Bank Limited commenced operations on 26<sup>th</sup> November 2018.

**November 2018:** On 16<sup>th</sup> November 2018, the National Assembly of Tanzania enacted a Microfinance Act 2018, in order to operationalize the National Microfinance Policy 2017.

**September 2018:** On 21<sup>st</sup> 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:** Bank of Tanzania revised downwards the discount rate to 7.0 percent from the prevailing rate of 9.0 percent effective from 27<sup>th</sup> August 2018.

**August 2018:** Bank of Tanzania authorized the merger of Tanzania Women's Bank Plc (TWB) and TPB effective from 3<sup>rd</sup> August 2018. The new bank retained the name "TPB Bank Plc".

**August 2018:** Bank of Tanzania took over the administration of Bank M Tanzania Plc (Bank M) effective from 2<sup>nd</sup> August 2018, following critical liquidity problems.

**May 2018:** Bank of Tanzania authorized the merger of Twiga Bancorp Limited and TPB Bank Plc effective from 17<sup>th</sup> May 2018. The merger resulted into one bank, under the name "TPB Bank Plc".

**March 2018:** Bank of Tanzania allowed banks to use government securities across all maturity spectrum as collateral in accessing the Bank's loan facilities.

**January 2018:** A banking license was issued to Guaranty Trust Bank (Tanzania) Limited to carry out banking business as a commercial bank.

**January 2018:** Bank of Tanzania, with effect from 4<sup>th</sup> January 2018, 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.

**December 2017:** On 21<sup>st</sup> 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 8<sup>th</sup> 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:** Bank of Tanzania reduced the discount rate from 12.0 percent to 9.0 percent effective from 7<sup>th</sup> August 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 to improve functioning of the financial market.

**June 2017:** The Foreign Exchange (Bureau de Change) (Amendment) Regulations, 2017 were gazetted and became effective on 2<sup>nd</sup> June 2017.

**May 2017:** H.E. Dr. John Pombe Magufuli, President of the United Republic of Tanzania



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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 31<sup>st</sup> May 2017. They replaced Dr. Natu El-Maamry Mwamba and Mr. Lila H. Mkila, respectively, after completion of terms of office.

**May 2017:** On 10<sup>th</sup> May 2017, Bank of Tanzania revoked license of Mbinga Community Bank due to undercapitalization and insolvency.

**May 2017:** On 5<sup>th</sup> May 2017, Bank of Tanzania revoked the business license of FBME bank and placed it under liquidation following a court ruling in the US that suspended the bank from accessing the US financial system due to money laundering charges.

**April 2017:** Bank of Tanzania 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:** Bank of Tanzania reduced the discount rate from 16.0 percent to 12.0 percent effective from 6<sup>th</sup> March 2017 in order to increase liquidity to banks.

**January 2017:** Bank of Tanzania adopted reserve averaging framework, which allows banks to use part of the SMR balances during the maintenance period to meet liquidity needs.

**October 2016:** On 28<sup>th</sup> October 2016, the Bank of Tanzania put Twiga Bancorp Ltd. in receivership for lack of adequate capital.

**June 2016:** Bank of Tanzania marked its 50<sup>th</sup> 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 26<sup>th</sup> 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 6<sup>th</sup> revision after those of 1966, 1976, 1992, 2001, and 2010.

**June 2015:** 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,** 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:** 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, 25<sup>th</sup> June, 2014.

**June 2014:** Ratification of SADC Finance and Investment Protocol, 6<sup>th</sup> June, 2014.

**May 2014:** Signing of the Memorandum of Understanding amongst EAC Central Banks on currency convertibility and repatriation, 16<sup>th</sup> May, 2014.

**May 2014:** Further liberalization of Capital Account within the EAC region, 2<sup>nd</sup> May, 2014.

**March 2014:** The launch of the East African Community Payment and Settlement Systems Integration Project (EAC-PSSIP), 12<sup>th</sup> March, 2014 (Arusha).

**November 2013:** The signing of the East African Monetary Union Protocol by the EAC Heads of State, 30<sup>th</sup> November, 2013.

**March 2013:** The Deputy Minister for Finance, Janet Mbene (MP) launched the Tanzania Financial Stability Forum (TFSF) on 11<sup>th</sup> March, 2013.

**January 2013:** Bank of Tanzania issued guidelines on Agency Banking. The guidelines became effective on 1<sup>st</sup> 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 8<sup>th</sup> 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:** Bank of Tanzania launched the Credit Reference Databank.

**August 2012:** Bank of Tanzania introduced an online bidding system for Government securities auctions (GSS).



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**PART VII**

**STATISTICAL TABLES**



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### A1.0 Output and Prices Statistics, Tanzania Mainland

**Table A1.1: Gross Domestic Product by Activity at Current Prices**

Activity	Millions of TZS					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, hunting and forestry	29,739,110.8	34,154,593.8	35,962,728.0	37,192,537.4	39,965,584.3	42,233,160.7
Crops	16,474,729.4	19,703,004.0	21,003,719.7	20,686,963.3	22,867,540.2	23,513,171.7
Livestock	8,205,006.7	8,857,939.0	9,240,099.8	10,345,069.2	10,609,888.5	11,256,597.0
Forestry and hunting	3,094,767.2	3,310,076.0	3,459,581.4	3,738,359.8	3,947,993.3	4,578,311.5
Fishing	1,929,746.8	2,245,558.1	2,218,730.9	2,379,172.3	2,494,161.5	2,836,934.5
Agriculture support services	34,860.7	38,016.7	40,596.3	42,972.9	46,000.8	48,146.0
Industry and construction	26,937,139.3	29,735,584.4	34,851,874.3	39,944,212.1	44,950,342.0	47,844,421.3
Mining and quarrying	5,299,362.4	5,206,217.1	6,573,058.9	7,213,402.9	9,947,971.5	11,587,501.3
Manufacturing	8,467,126.3	9,102,281.7	10,418,776.4	11,860,403.1	12,531,009.4	12,635,164.0
Electricity supply	472,868.3	413,350.5	348,526.7	369,917.1	398,084.3	380,056.8
Water supply, sewerage, waste management	433,132.0	519,909.3	566,562.2	628,187.2	745,222.1	876,939.0
Construction	12,264,650.4	14,493,825.8	16,944,950.1	19,872,301.8	21,328,054.8	22,364,760.2
Services	42,747,407.4	45,066,596.0	48,059,560.6	51,417,505.4	55,219,450.5	59,019,313.4
Wholesale and retail trade; and repairs	9,861,677.8	10,843,498.6	11,793,200.6	12,264,511.1	12,935,145.1	14,056,161.4
Transport and storage	7,549,483.6	7,897,993.1	8,381,276.3	9,622,792.0	11,172,778.3	11,527,735.6
Hotels and restaurants	1,523,035.2	1,602,543.2	1,653,791.9	1,764,897.5	1,506,710.9	1,715,764.0
Information and communication	1,739,555.8	1,829,360.1	1,948,179.9	2,052,242.4	2,196,757.6	2,375,162.4
Financial and insurance activities	5,268,866.1	4,789,631.8	4,947,301.4	4,927,613.3	5,259,756.7	5,414,784.0
Real estate	3,162,290.5	3,334,170.7	3,553,629.7	3,834,060.9	4,253,172.4	4,524,204.5
Professional, scientific and technical activities	617,914.3	726,706.5	817,441.6	903,234.1	986,132.8	1,088,001.6
Administrative and support service activities	2,661,977.9	3,027,383.8	3,306,553.6	3,640,720.4	3,992,260.2	4,408,968.9
Public administration and defence	4,846,491.0	4,986,287.4	5,131,630.0	5,354,892.6	5,530,737.9	5,876,655.1
Education	2,673,289.1	2,864,290.0	3,081,718.3	3,322,028.2	3,440,524.7	3,649,793.9
Human health and social work activities	1,540,484.1	1,681,353.3	1,816,737.8	1,920,962.6	2,060,599.6	2,213,814.5
Arts, entertainment and recreation	285,625.6	322,352.9	374,923.9	427,886.8	416,049.3	513,448.4
Other service activities	831,215.7	959,152.4	1,037,611.8	1,140,417.1	1,217,189.5	1,358,754.3
Activities of households as employers	185,500.8	201,872.3	215,563.8	241,246.3	251,635.5	296,064.8
All economic activities	99,423,657.5	108,956,774.2	118,874,162.9	128,554,254.9	140,135,376.9	149,096,895.4
Taxes on products	8,938,666.8	9,787,724.2	10,169,738.4	11,087,599.6	11,031,006.2	12,428,863.2
GDP at market prices	108,362,324.3	118,744,498.4	129,043,901.3	139,641,854.5	151,166,383.1	161,525,758.6
Population	49.5	51.0	52.6	54.3	56.0	57.7
Per capita nominal GDP	2,191,190.2	2,327,395.4	2,452,405.6	2,573,324.4	2,701,039.3	2,798,224.2

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**

Activity	Percent					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, Hunting and Forestry	27.4	28.8	27.9	26.6	26.4	26.1
Crops	15.2	16.6	16.3	14.8	15.1	14.6
Livestock	7.6	7.5	7.2	7.4	7.0	7.0
Forestry and hunting	2.9	2.8	2.7	2.7	2.6	2.8
Fishing	1.8	1.9	1.7	1.7	1.6	1.8
Agriculture support services	0.0	0.0	0.0	0.0	0.0	0.0
Industry and construction	24.9	25.0	27.0	28.6	29.7	29.6
Mining and quarrying	4.9	4.4	5.1	5.2	6.6	7.2
Manufacturing	7.8	7.7	8.1	8.5	8.3	7.8
Electricity supply	0.4	0.3	0.3	0.3	0.3	0.2
Water supply, sewerage, waste management	0.4	0.4	0.4	0.4	0.5	0.5
Construction	11.3	12.2	13.1	14.2	14.1	13.8
Services	39.4	38.0	37.2	36.8	36.5	36.5
Wholesale and retail trade; repairs	9.1	9.1	9.1	8.8	8.6	8.7
Transport and storage	7.0	6.7	6.5	6.9	7.4	7.1
Hotels and restaurants	1.4	1.3	1.3	1.3	1.0	1.1
Information and communication	1.6	1.5	1.5	1.5	1.5	1.5
Financial and insurance activities	4.9	4.0	3.8	3.5	3.5	3.4
Real estate	2.9	2.8	2.8	2.7	2.8	2.8
Professional, scientific and technical activities	0.6	0.6	0.6	0.6	0.7	0.7
Administrative and support service activities	2.5	2.5	2.6	2.6	2.6	2.7
Public administration and defence	4.5	4.2	4.0	3.8	3.7	3.6
Education	2.5	2.4	2.4	2.4	2.3	2.3
Human health and social work activities	1.4	1.4	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	91.8	91.8	92.1	92.1	92.7	92.3
Add Taxes on products	8.2	8.2	7.9	7.9	7.3	7.7
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					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, hunting and forestry	26,436,338.3	28,008,976.2	29,504,197.9	30,802,027.0	32,323,875.8	33,577,189.4
Crops	13,996,347.7	14,895,621.8	15,659,174.9	16,351,311.5	17,174,743.4	17,785,971.7
Livestock	7,506,592.6	7,876,591.6	8,266,048.5	8,676,074.3	9,107,854.1	9,562,643.2
Forestry and hunting	3,034,569.4	3,180,379.3	3,334,791.2	3,495,187.1	3,608,190.4	3,735,011.2
Fishing	1,864,627.3	2,020,292.5	2,206,241.9	2,239,891.7	2,391,612.9	2,451,430.0
Agriculture support services	34,201.3	36,091.0	37,941.3	39,562.3	41,475.0	42,133.3
Industry and construction	25,817,954.9	28,565,774.0	31,344,128.1	34,976,981.7	37,536,061.7	39,584,470.3
Mining and quarrying	4,356,708.6	4,588,623.9	4,659,195.2	5,485,112.4	5,878,341.8	6,442,881.3
Manufacturing	8,213,364.3	8,889,818.0	9,623,500.7	10,184,558.4	10,646,278.5	11,155,761.8
Electricity supply	869,262.5	877,666.6	928,174.5	994,879.2	1,049,610.1	1,154,204.3
Water supply, sewerage, waste management	417,899.1	444,660.1	477,510.2	510,410.6	540,159.2	575,213.0
Construction	11,960,720.5	13,765,005.5	15,655,747.5	17,802,021.2	19,421,672.1	20,256,409.9
Services	40,549,564.0	42,689,010.6	45,369,788.8	48,114,453.3	50,176,727.5	52,662,916.0
Wholesale and retail trade; and repairs	9,260,703.3	9,821,247.6	10,396,690.9	10,965,038.2	11,196,339.3	11,590,492.7
Transport and storage	7,324,856.3	7,815,844.6	8,736,560.6	9,493,190.7	10,293,275.6	10,658,344.0
Hotels and restaurants	1,480,052.1	1,525,618.5	1,604,390.7	1,645,950.1	1,419,653.9	1,514,711.3
Information and communication	1,718,547.6	1,824,470.9	1,989,716.7	2,133,312.2	2,313,029.4	2,524,563.8
Financial and insurance activities	4,235,515.3	4,115,392.9	4,094,972.3	4,281,167.0	4,412,967.5	4,629,490.2
Real estate	3,077,086.1	3,211,894.9	3,354,517.7	3,505,484.8	3,663,972.3	3,827,459.9
Professional, scientific and technical activities	606,206.7	694,290.6	763,332.1	821,635.6	881,833.4	942,012.5
Administrative and support service activities	2,611,497.7	2,892,462.9	3,054,288.2	3,311,752.9	3,569,799.8	3,817,046.9
Public administration and defence	4,793,820.0	4,907,113.3	5,064,968.5	5,238,490.6	5,438,145.7	5,714,547.0
Education	2,665,336.4	2,859,170.7	3,046,789.4	3,257,405.7	3,365,354.6	3,538,280.8
Human health and social work activities	1,497,896.4	1,611,999.2	1,746,730.9	1,833,514.2	1,953,479.4	2,065,677.4
Arts, entertainment and recreation	280,130.6	307,906.8	350,027.3	389,225.2	372,119.5	444,488.0
Other service activities	814,528.8	912,404.3	971,690.0	1,037,083.3	1,089,265.4	1,181,814.3
Activities of households as employers	183,386.7	189,193.2	195,113.5	201,203.0	207,491.7	213,987.3
All economic activities	92,803,857.2	99,263,760.8	106,218,114.8	113,893,462.1	120,036,665.0	125,824,575.7
Taxes on products	8,024,535.5	8,393,644.1	8,923,214.7	9,303,273.8	9,093,517.0	9,693,237.0
Total GDP at market prices	100,828,392.7	107,657,404.9	115,141,329.5	123,196,735.9	129,130,182.0	135,517,812.7
Population	49.5	51.0	52.6	54.3	56.0	57.7
Per capita real GDP (TZS)	2,038,846.9	2,110,088.1	2,188,195.2	2,270,273.2	2,306,682.2	2,347,670.3

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 A1.4: Gross Domestic Product by Activity, Percentage Growth Rates at Constant 2015 Prices**

Activity	Percent					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, hunting and forestry	4.8	5.9	5.3	4.4	4.9	3.9
Crops	5.4	6.4	5.1	4.4	5.0	3.6
Livestock	4.9	4.9	4.9	5.0	5.0	5.0
Forestry and hunting	3.9	4.8	4.9	4.8	3.2	3.5
Fishing	1.2	8.3	9.2	1.5	6.8	2.5
Agriculture support services	4.0	5.5	5.1	4.3	4.8	1.6
Industry and construction	11.7	10.6	9.7	11.6	7.3	5.5
Mining and quarrying	7.4	5.3	1.5	17.7	7.2	9.6
Manufacturing	10.8	8.2	8.3	5.8	4.5	4.8
Electricity supply	8.8	1.0	5.8	7.2	5.5	10.0
Water supply, sewerage, waste management	6.9	6.4	7.4	6.9	5.8	6.5
Construction	14.5	15.1	13.7	13.7	9.1	4.3
Services	6.3	5.3	6.3	6.0	4.3	5.0
Wholesale and retail trade; and repairs	5.9	6.1	5.9	5.5	2.1	3.5
Transport and storage	5.7	6.7	11.8	8.7	8.4	3.5
Hotels and restaurants	4.1	3.1	5.2	2.6	-13.7	6.7
Information and communication	2.2	6.2	9.1	7.2	8.4	9.1
Financial and insurance activities	1.1	-2.8	-0.5	4.5	3.1	4.9
Real estate	4.3	4.4	4.4	4.5	4.5	4.5
Professional, scientific and technical activities	17.0	14.5	9.9	7.6	7.3	6.8
Administrative and support service activities	19.6	10.8	5.6	8.4	7.8	6.9
Public administration and defence	5.4	2.4	3.2	3.4	3.8	5.1
Education	10.4	7.3	6.6	6.9	3.3	5.1
Human health and social work activities	5.6	7.6	8.4	5.0	6.5	5.7
Arts, entertainment and recreation	12.7	9.9	13.7	11.2	-4.4	19.4
Other service activities	13.5	12.0	6.5	6.7	5.0	8.5
Activities of households as employers	3.2	3.2	3.1	3.1	3.1	3.1
All economic activities	7.3	7.0	7.0	7.2	5.4	4.8
Taxes on products	2.0	4.6	6.3	4.3	-2.3	6.6
Total GDP at market prices	6.9	6.8	7.0	7.0	4.8	4.9

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**

	2017/18	2018/19	2019/20	2020/21 <sup>r</sup>	2021/22 <sup>P</sup>
	'000' Tonnes				
Food crops:					
Maize	6,273.2	5,817.5	6,711.0	6,908.3	6,537.2
Rice	2,219.6	2,009.2	3,038.1	2,629.5	1,856.7
Wheat	56.7	62.4	79.0	70.3	66.1
Pulses	1,823.5	1,407.8	1,858.7	2,135.5	2,302.2
Cash crops:					
Coffee	48.3	66.6	59.3	73.0	66.5
Seed cotton	222.0	349.0	349.0	122.8	144.8
Tea	34.0	37.2	28.7	27.5	24.8
Cashewnuts	313.8	225.1	232.7	210.8	240.1
Tobacco	50.5	72.6	37.5	58.5	60.9
Sisal	40.6	33.3	36.4	39.3	43.6
Pyrethrum	2.4	2.0	2.5	2.4	1.9

Source: Ministry of Agriculture

Note: p denotes provisional data; r, revised data; and n.a, not available

**Table A1.6: Agricultural Production Indices**

	2017/18	2018/19	2019/20	2020/21 <sup>r</sup>	2021/22 <sup>P</sup>
	2013/14=100				
Food crops:					
Maize	93.1	86.4	99.7	102.6	97.1
Paddy	132.3	119.7	181.0	156.7	110.6
Wheat	33.9	37.3	47.3	42.1	39.6
Pulses	107.4	82.9	109.5	125.8	135.6
Cash crops:					
Coffee	99.0	136.6	121.6	149.3	136.4
Cotton	54.0	90.5	141.9	98.3	58.9
Tea	98.0	107.2	82.7	79.2	71.5
Cashewnuts	241.2	173.0	178.8	158.8	184.5
Tobacco	99.3	84.1	52.9	64.5	70.5
Sisal	115.0	88.1	87.8	80.9	115.3
Pyrethrum	36.4	30.5	38.0	36.5	28.7

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	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Biscuits and pasta	Tonnes	15,551.0	16,451.0	16,911.0	18,113.0	22,991.0	26,593.0
Wheat flour	Tonnes	512,068.0	606,432.0	678,780.0	680,393.0	763,461.0	731,806.0
Sugar, refined	'000' Tonnes	286.7	320.3	315.9	439.1	460.6	420.0
Distilled spirit	'000' Lts	28,754.0	22,823.0	26,744.0	32,366.0	33,287.0	22,066.0
Beer	'000' Lts	393,560.0	396,864.0	444,633.0	391,299.0	378,349.0	383,613.0
Chibuku	'000' Lts	26,513.0	22,162.0	20,819.0	20,350.0	21,712.0	23,266.0
Cigarattes	Mill Pcs	8,091.0	7,412.0	7,921.0	8,369.0	7,320.0	7,021.0
Textiles	'000' Sq. Mt.	95,924.0	52,052.0	85,982.0	n.a	n.a	n.a
Sisal ropes and twines	Tonnes	9,131.0	8,188.0	8,148.0	9,287.0	8,076.0	8,583.0
Fishnet and products	Tonnes	256.0	196.0	228.0	254.0	261.0	273.0
Plywood	Cubic Mt.	788.0	993.0	1,023.0	1,177.0	1,249.0	1,339.0
Pyrethrum extract	Tonnes	126.0	134.0	139.0	145.0	154.0	164.0
Paints	'000' Lts	36,343.0	40,146.0	48,025.0	58,024.0	56,755.0	62,873.0
Cement	'000' Tonnes	4,071.4	4,199.9	4,579.0	6,514.7	6,495.5	6,593.1
Rolled steel	Tonnes	154,079.0	168,526.0	215,828.0	203,018.0	188,980.0	248,856.0
Iron sheets	Tonnes	91,109.0	84,541.0	84,132.0	100,963.0	107,836.0	119,782.0
Aluminium sheets/circles	Tonnes	0.0	0.0	0.0	n.a	n.a	n.a
Dry cells	'000' Pcs	69,000.0	122,000.0	115,000.0	120,000.0	132,000.0	n.a

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					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Biscuits and pasta	1,572.4	1,663.4	1,709.9	1,831.4	2,324.7	2,688.9
Wheat flour	1,316.0	1,558.6	1,832.3	1,748.6	1,962.1	1,880.8
Sugar, refined	256.0	286.0	282.1	393.1	412.3	375.9
Distilled spirit	2,989.0	2,372.5	2,780.0	3,364.4	3,460.2	2,293.8
Beer	519.5	523.8	630.4	516.0	499.4	506.4
Chibuku	242.6	202.8	190.5	186.2	198.6	212.9
Cigarattes	303.5	278.0	297.1	313.9	n.a	n.a
Textiles	165.2	89.6	148.1	211.3	228.0	n.a
Sisal ropes and twines	63.0	56.5	56.0	64.0	55.7	59.2
Fishnet and products	266.7	204.2	237.5	264.6	271.9	284.4
Plywood	49.6	62.5	64.4	74.1	78.6	84.2
Pyrethrum extract	323.1	343.6	356.4	182.7	395.9	421.6
Paints	2,664.4	2,943.3	3,520.9	4,253.0	4,160.0	4,608.4
Cement	1,082.8	1,168.9	1,199.2	1,732.8	1,727.5	1,753.7
Rolled steel	1,363.5	1,491.4	1,985.9	1,796.6	1,693.5	2,202.3
Iron Sheets	420.4	390.1	375.6	465.9	497.6	552.8
Aluminium sheets/circles	0.0	0.0	0.0	n.a	n.a	n.a
Dry cells	156.5	276.6	578.2	172.4	299.3	n.a

Source: National Bureau of Statistics and the Bank of Tanzania computations

Notes: p denotes provisional data; r, revised data; n.a, not available

**Table A1.9: Mineral Recoveries**

Item	Unit	2016	2017	2018	2019	2020	2021 <sup>p</sup>
Diamond	'000' Carats	239.9	304.5	381.3	416.7	147.2	62.5
Gold	Kilograms	45,155.4	43,489.9	39,304.0	48,408.0	55,805.0	59,638.0
Gemstone	Tonnes	2,541.0	1,138.0	284.3	1,929.7	23,564.5	7,197,217.0
Salt	'000' Tonnes	178.2	124.5	36.6	99.5	84.0	113.0
Gypsum	'000' Tonnes	213.7	123.6	241.3	256.5	443.9	598.1
Limestone	'000' Tonnes	4,170.1	3,300.9	2,944.0	5,527.0	6,788.0	8,506.0
Pozzolana	Tonnes	230,045.5	104,085.1	91,645.0	263,064.0	160,078.0	216,934.0
Coal	'000' Tonnes	276,030.2	558,553.1	627,652.0	712,136.4	689,959.0	976,319.0
Tanzanite	Kilograms	30,875.2	21,581.5	n.a	n.a	51,542.0	177,144.5
Phosphate	Tonnes	23,658.0	1,351.0	n.a	n.a	28,376.0	24,493.0
Copper	'000' Pounds	16,247.2	6,058.4	n.a	n.a	3,761.1	3,352.6

Source: Ministry of Minerals

Note: p denotes provisional data; and n.a, not available



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**A1.0 Output and Prices Statistics, Tanzania Mainland**  
**Table A1.10 (j): National Consumer Price Index (Urban and Rural) - Main Groups**

Base: 2020 = 100

Period	New Weight (%)	Headline overall index	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishings, household equipment and routine household maintenance	Health	Transport	Information and communication	Recreation, sport and culture	Education services	Restaurants and accommodation services	Insurance and financial services	Personal care, social protection and miscellaneous goods and services
2021-Jan	100.0	100.0	28.2	1.9	10.8	15.1	7.9	2.5	14.1	5.4	1.6	2.0	6.6	2.1	2.1
Feb	101.5	100.6	100.6	101.2	103.0	102.3	102.4	101.6	101.0	101.1	102.1	100.4	102.3	100.1	102.0
Mar	102.4	102.4	102.4	101.4	103.5	102.9	102.5	102.2	101.7	101.2	102.6	101.1	103.7	100.3	102.3
Apr	103.4	104.0	104.0	101.5	104.2	104.0	102.8	102.3	102.9	101.4	102.8	101.2	104.5	100.3	102.4
May	104.0	105.2	105.2	102.3	104.5	104.5	103.0	102.3	103.0	101.8	102.9	101.3	105.1	100.3	102.6
Jun	104.2	106.5	106.5	102.2	104.5	104.0	102.9	102.3	103.1	101.8	102.9	101.2	105.1	100.3	102.5
Jul	104.3	106.5	106.2	102.3	104.5	104.0	103.1	103.0	103.2	101.9	102.9	101.3	105.3	100.2	102.8
Aug	103.8	103.5	103.5	102.7	104.9	104.7	103.4	102.9	103.5	102.0	102.9	101.2	105.3	100.3	102.9
Sep	103.7	103.3	103.3	102.5	104.8	104.6	103.5	103.2	104.1	102.0	103.0	101.2	105.3	100.3	103.1
Oct	103.6	103.2	103.2	102.7	104.8	104.3	103.4	103.3	104.1	102.0	102.4	101.2	105.4	100.3	103.0
Nov	104.1	104.0	104.0	102.9	105.5	104.7	103.9	103.4	104.2	102.3	102.6	101.2	105.7	100.4	103.3
Dec	104.9	105.9	105.9	102.9	105.7	105.1	104.4	103.4	105.3	102.4	102.7	101.2	105.7	100.4	103.4
2022-Jan	105.6	107.0	107.0	103.1	106.2	105.9	105.5	103.5	105.4	102.4	104.0	101.4	106.2	100.4	104.3
Feb	106.2	108.6	108.6	103.3	106.4	106.5	105.6	103.5	105.5	102.2	104.0	101.4	106.5	100.5	104.4
Mar	107.1	110.6	110.6	103.3	107.0	107.3	105.7	103.6	105.9	102.4	104.0	101.5	107.0	100.5	105.0
Apr	107.9	112.2	112.2	103.5	106.9	108.6	105.8	103.7	107.0	102.4	103.9	101.5	107.2	100.5	105.0
May	108.4	112.3	112.3	103.5	106.7	108.5	106.3	103.8	110.5	102.5	104.0	101.5	107.2	100.5	105.2
Jun	108.9	112.7	112.7	103.4	106.9	108.8	106.8	104.3	112.4	102.4	104.2	101.9	107.2	100.5	105.2

Source: National Bureau of Statistics  
Notes: Please note that NBS has adjusted CPI figures from Base December 2015=100 to Base 2020 = 100



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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**

Base: 2020 = 100

Period	Core index	Non-core index	Energy, fuel and utilities index	Services index	Goods index	Education services and products ancillary to education index	All items less food and non-alcoholic beverages
New Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021-Jan	102.3	99.3	98.9	101.4	101.6	102.2	n.a
Feb	102.9	101.2	100.6	102.1	102.7	102.4	102.5
Mar	103.6	103.0	102.5	102.8	103.9	102.7	103.2
Apr	103.9	104.0	103.6	103.2	104.4	103.3	103.5
May	104.3	104.2	102.5	103.2	104.8	103.2	103.4
Jun	104.4	104.1	102.6	103.2	104.9	103.4	103.5
Jul	104.3	104.4	103.7	103.2	105.0	103.3	103.6
Aug	104.5	101.7	105.2	103.5	104.0	103.3	103.9
Sep	104.5	101.5	104.7	103.4	103.9	103.3	103.9
Oct	104.4	101.2	103.9	103.4	103.7	103.1	103.8
Nov	104.8	101.9	104.0	103.7	104.3	103.3	104.1
Dec	105.3	104.0	105.0	104.0	105.5	103.4	104.5
2022-Jan	105.7	105.2	106.1	104.3	106.4	104.5	105.0
Feb	106.0	106.9	106.5	104.6	107.2	104.6	105.3
Mar	106.3	109.2	109.0	104.7	108.5	104.7	105.7
Apr	106.9	110.7	113.9	105.0	109.6	104.7	106.2
May	107.4	111.3	116.4	105.9	109.9	104.7	106.9
Jun	107.9	111.9	115.9	106.8	110.2	104.9	107.4

Source: National Bureau of Statistics

Notes: Please note that NBS has adjusted CPI figures from Base December 2015=100 to Base 2020 = 100



## Bank of Tanzania Annual Report 2021/22

### 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**

Base:2020=100

Period	New Weight (%)	Food and non-alcoholic beverages		Alcoholic beverages and tobacco		Clothing and footwear		Housing, water, electricity, gas and other fuels		Furnishings, household equipment and routine household maintenance		Health		Transport		Information and communication		Recreation, sports and culture		Education services		Restaurants and accommodation services		Insurance and financial services		Personal care, social protection and miscellaneous goods and services	
		Headline	28.2	28.2	1.9	10.8	15.1	7.9	2.5	14.1	5.4	1.6	2.0	6.6	2.1	2.1	2.1										
2021-Jan	3.5	2.8	1.8	3.7	7.3	3.1	2.2	0.9	2.4	1.6	0.9	3.0	0.1	2.4	2.4												
Feb	3.3	3.6	2.0	4.0	4.4	3.2	2.8	1.0	2.0	2.1	1.1	4.1	0.3	2.8	2.8												
Mar	3.2	4.3	1.9	4.5	3.7	3.2	2.9	0.5	2.1	2.2	1.2	4.9	0.3	2.8	2.8												
Apr	3.3	4.8	2.7	4.6	4.1	3.1	2.7	0.2	1.8	5.4	1.2	5.4	0.3	2.7	2.7												
May	3.3	4.9	2.5	4.4	3.5	2.8	2.6	1.2	1.7	2.3	1.1	5.4	0.3	2.6	2.6												
Jun	3.6	4.7	1.9	4.4	3.2	2.9	2.7	3.8	1.9	2.3	1.3	5.6	0.3	2.0	2.0												
Jul	3.8	5.1	1.9	4.5	3.5	2.9	2.6	4.3	1.8	2.2	1.1	4.9	0.3	2.7	2.7												
Aug	3.8	3.6	2.4	4.7	4.2	3.1	2.8	5.7	1.8	2.3	1.1	5.0	0.3	2.8	2.8												
Sep	4.0	4.0	2.4	4.8	4.1	3.2	2.8	5.9	1.8	4.1	1.1	5.0	0.3	2.8	2.8												
Oct	4.0	3.9	2.5	4.9	3.8	3.2	2.9	5.6	1.9	3.7	1.1	5.0	0.3	2.9	2.9												
Nov	4.1	4.4	2.7	5.5	4.0	3.6	3.0	5.4	1.4	3.8	1.1	5.3	0.3	3.5	3.5												
Dec	4.2	4.9	2.2	4.5	3.9	4.1	2.9	5.9	1.5	3.8	1.1	4.9	0.3	3.5	3.5												
2022-Jan	4.0	6.3	1.9	3.1	3.5	3.0	1.9	4.4	1.3	1.9	1.0	3.7	0.3	2.2	2.2												
Feb	3.7	6.1	1.8	2.8	3.5	3.0	1.3	3.7	1.2	1.4	0.3	2.7	0.2	2.1	2.1												
Mar	3.6	6.5	1.8	2.4	3.2	2.8	1.3	2.9	1.0	1.1	0.2	2.4	0.2	2.5	2.5												
Apr	3.8	6.6	1.2	2.3	3.9	2.8	1.3	3.9	0.6	1.0	0.2	2.1	0.2	2.4	2.4												
May	4.0	5.5	1.2	2.1	4.3	3.3	1.5	7.2	0.7	1.1	0.3	2.0	0.2	2.6	2.6												
Jun	4.4	5.9	1.1	2.3	4.6	3.6	1.3	8.9	0.5	1.3	0.5	1.8	0.3	2.4	2.4												

Source: National Bureau of Statistics  
Notes: Please note that NBS has adjusted CPI figures from Base December 2015=100 to Base 2020 = 100



## Bank of Tanzania Annual Report 2021/22

### A1.0 Output and Prices Statistics, Tanzania Mainland

#### A1.10 (iv): National Consumer Price Index (Urban and Rural ), Twelve Months Percentage Change - Other Selected Groups

Base:2020= 100

Period	Core	Non-Core	Energy, fuel and utilities	Services index	Goods index	Education services and products ancillary to	All items less food and non-alcoholic beverages
New Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021-Jan	3.8	1.5	1.6	2.9	3.4	2.5	n.a
Feb	3.6	2.1	1.4	2.3	3.7	2.5	n.a
Mar	3.6	2.5	1.1	1.9	4.1	2.7	2.7
Apr	3.5	3.1	2.3	2.1	4.2	3.2	2.7
May	3.7	2.8	2.1	2.3	4.1	3.2	2.7
Jun	4.0	2.7	3.2	3.0	4.1	3.1	3.2
Jul	4.1	3.4	3.6	3.1	4.3	3.3	3.3
Aug	4.5	1.8	5.1	3.7	3.9	3.3	4.0
Sep	4.6	2.3	4.6	4.0	4.0	3.3	4.1
Oct	4.5	2.3	4.2	3.9	4.0	3.1	4.1
Nov	4.7	2.5	3.4	4.0	4.3	3.3	4.0
Dec	4.6	3.4	4.4	3.8	4.5	3.3	3.9
2022-Jan	3.3	6.0	7.3	2.9	4.7	2.3	3.1
Feb	3.0	5.6	5.8	2.4	4.4	2.2	2.7
Mar	2.7	6.1	6.3	1.9	4.5	2.0	2.4
Apr	2.8	6.5	9.9	1.7	5.0	1.4	2.6
May	3.0	6.8	13.5	2.7	4.8	1.5	3.4
Jun	3.4	7.4	12.9	3.4	5.0	1.5	3.9

Source: National Bureau of Statistics

Notes: NBS has adjusted CPI figures from Base December 2015=100 to Base 2020 = 100



## Bank of Tanzania Annual Report 2021/22

### 2.0 United Republic of Tanzania Government Finance Statistics

**Table A2.1: Central Government Operations**

	Millions of TZS								
Item	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 <sup>P</sup>	
Total revenue (including LGAs)	10,957,765.3	14,048,034.0	16,639,831.5	17,971,804.9	18,527,293.2	21,051,754.9	20,594,735.2	24,389,523.2	
Total revenue - central government	10,597,681.0	13,622,181.8	16,128,113.5	17,430,305.9	17,868,195.0	20,352,708.1	19,837,680.3	23,500,055.3	
Tax revenue	9,891,680.3	12,410,950.8	14,055,172.6	15,092,571.8	15,387,287.9	17,472,133.5	17,317,613.5	20,029,211.6	
Taxes on imports	3,928,466.7	4,898,987.8	5,049,520.3	5,429,947.9	5,668,220.5	5,994,225.3	6,564,357.6	7,879,144.1	
Taxes on local goods	1,744,740.3	2,111,677.7	3,043,675.0	3,430,883.1	3,709,774.4	3,840,566.2	3,700,549.9	3,422,252.4	
Income taxes	3,719,916.8	4,599,828.6	4,829,602.6	5,157,886.3	5,072,401.5	6,490,239.8	6,015,741.0	7,517,312.4	
Other taxes	498,556.6	800,456.7	1,132,374.7	1,073,854.5	936,891.5	1,147,102.2	2,264,146.9	1,210,502.6	
Non- tax revenue	706,000.7	1,211,231.0	2,072,940.9	2,337,734.0	2,480,907.1	2,880,574.6	2,520,066.8	3,470,843.7	
LGA own sources	360,084.3	425,852.2	511,718.0	541,499.1	659,098.2	699,046.8	757,055.0	889,467.9	
Other <sup>1</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total expenditure <sup>1</sup>	14,603,714.4	17,759,598.0	18,889,969.1	20,445,960.2	22,265,372.0	24,128,140.5	26,585,306.7	31,136,330.4	
Recurrent expenditure	10,893,486.1	13,420,045.1	11,617,144.8	12,415,919.9	13,811,190.4	14,201,147.8	14,883,722.6	16,055,989.4	
Wages and salaries	5,255,358.8	6,553,257.2	6,367,146.8	6,327,676.8	6,658,458.2	7,006,311.0	6,141,565.6	8,087,392.4	
Interest payments	1,261,002.4	1,486,275.7	1,715,429.2	1,990,293.1	2,408,680.1	2,299,499.7	2,528,537.9	2,866,272.4	
Domestic <sup>3</sup>	917,032.8	1,009,506.3	1,215,582.1	1,317,546.0	1,622,507.9	1,458,831.0	1,815,444.5	2,077,767.4	
Foreign	343,969.6	476,769.4	499,847.1	672,747.1	786,172.2	840,668.7	713,093.4	788,505.0	
Other goods, services and transfers	4,377,125.0	5,380,512.2	3,534,568.8	4,097,950.0	4,744,052.1	4,895,337.1	5,026,360.6	5,102,324.6	
Development expenditure and net lending	3,710,228.2	4,339,552.9	7,272,824.3	8,030,040.4	8,454,181.5	9,926,992.6	11,701,584.2	15,080,341.0	
Local	2,264,506.0	2,904,529.7	5,141,450.7	5,811,305.6	6,496,222.3	6,832,823.1	9,251,759.3	11,461,638.2	
Foreign	1,445,722.2	1,435,023.2	2,131,373.6	2,218,734.8	1,957,959.3	3,094,169.5	2,449,824.8	3,618,702.8	
Overall balance before grants	-3,645,949.0	-3,711,564.0	-2,250,137.6	-2,474,155.3	-3,738,078.8	-3,076,385.5	-5,990,571.5	-6,746,807.2	
Grants	1,121,088.3	495,356.6	1,092,495.4	930,648.4	461,201.3	927,848.2	702,851.5	708,492.2	
Program	382,311.8	0.0	190,303.2	247,285.4	0.0	0.0	0.0	103,202.0	
Project	611,276.8	409,157.2	733,208.3	566,197.5	285,340.0	662,509.7	527,487.8	519,323.4	
Basket funds	127,636.6	86,199.3	168,983.8	117,165.4	175,861.3	211,972.3	175,363.7	85,966.8	
HIPC relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
MDR/MCA (T)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Overall balance after grants	-2,524,860.7	-3,216,207.4	-1,157,642.2	-1,543,506.9	-3,276,877.4	-2,148,537.4	-5,287,720.0	-6,038,315.0	
Expenditure float	-247,661.3	-135,387.2	-59,647.1	-71,767.9	-10,242.6	-15,750.3	-7,318.0	-2,187.1	
Adjustments to cash and other items (net)	-449,763.0	-76,409.2	-376,841.2	-685,454.9	-941,880.6	-564,176.2	-715,561.1	-77,073.8	
Overall balance (cheques cleared)	-3,222,285.0	-3,428,003.8	-1,594,130.5	-2,300,729.7	-4,229,000.6	-2,728,463.9	-6,010,599.1	-6,117,575.8	
Financing:	3,222,285.0	3,428,003.8	1,594,130.5	2,300,729.7	4,229,000.6	2,728,463.9	6,010,599.1	6,117,575.8	
Foreign financing (net)	2,422,508.6	1,128,852.4	1,704,992.6	1,702,082.3	1,191,823.2	2,351,539.9	2,651,378.7	3,267,573.3	
Loans	2,649,175.6	1,684,552.0	2,608,423.3	3,009,653.4	2,766,976.2	4,379,847.2	5,078,402.1	5,926,333.0	
Program loans	373,891.8	291,381.3	152,482.1	0.0	125,396.0	126,094.2	210,238.6	1,291,742.6	
Development project loans	2,112,106.9	1,231,328.7	2,350,950.1	2,938,575.6	2,597,299.3	4,195,187.6	4,791,056.7	4,627,830.3	
o/w: Non- concessional borrowing	1,054,803.2	453,504.0	1,226,759.8	1,474,281.6	1,144,822.3	1,822,093.1	3,121,190.2	1,809,493.7	
Basket support	163,176.8	161,841.9	104,991.1	71,077.8	44,280.9	58,565.3	77,106.9	6,760.1	
Amortization	-226,666.9	-555,699.6	-903,430.8	-1,307,571.1	-1,575,153.1	-2,028,307.3	-2,427,023.4	-2,658,759.6	
Domestic (net) <sup>3</sup>	799,776.3	2,299,151.4	-110,862.0	598,647.5	3,037,177.5	376,924.0	3,359,220.4	2,850,002.5	
Bank and non bank financing	799,776.3	2,299,151.4	-110,862.0	598,647.5	3,037,177.5	376,924.0	3,359,220.4	2,850,002.5	
Bank borrowing	487,807.9	1,522,206.6	-1,100,145.0	-343,325.5	2,383,403.3	-404,856.6	1,808,932.4	1,846,493.2	
Non-bank (net of amortization)	311,968.4	776,944.9	989,283.0	941,973.0	653,774.1	781,780.6	1,550,288.0	1,003,509.3	
Domestic and contingent debt amortization	-2,064,756.4	-3,005,788.8	4,615,670.4	4,835,199.3	3,713,606.8	3,976,811.2	3,262,551.9	3,044,431.8	
Borrowing/Roll over	2,064,756.4	3,005,788.8	-4,615,670.4	-4,835,199.3	-3,713,606.8	-3,976,811.2	-3,262,551.9	-3,044,431.8	
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Source: Ministry of Finance and Planning

Notes: <sup>1</sup> Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

<sup>2</sup> Domestic Interest payments and amortization include Cash and Non cash

<sup>3</sup> Positive value means financing and a negative value means repayment



## Bank of Tanzania Annual Report 2021/22

### 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			Other financial institutions	Other official entities	Private sector
				Depository money banks	Other banking institutions				
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	
2020	1,745,951.0	68,024.8	1,307,571.4	1,278,180.9	29,390.5	237,602.2	118,604.3	14,148.3	
2021	1,810,818.7	73,407.2	1,395,499.4	1,384,099.4	11,400.0	219,914.5	118,197.2	3,800.4	
2021-Jan	1,695,707.3	71,792.3	1,244,503.9	1,229,438.8	15,065.1	246,085.9	119,024.3	14,301.0	
Feb	1,672,700.7	53,677.7	1,252,336.0	1,239,191.9	13,144.0	258,549.2	95,404.7	12,733.1	
Mar	1,618,399.5	57,186.9	1,188,135.4	1,182,135.4	6,000.0	260,635.3	100,854.0	11,588.0	
Apr	1,749,644.3	39,744.2	1,314,098.1	1,299,594.6	14,503.5	272,565.2	114,245.3	8,991.6	
May	1,691,073.5	52,429.0	1,306,191.7	1,290,991.7	15,200.0	222,779.4	99,678.8	9,994.6	
Jun	1,815,355.5	30,553.9	1,382,068.3	1,352,968.3	29,100.0	273,730.4	118,640.8	10,362.1	
Jul	1,808,694.8	17,563.2	1,433,399.3	1,404,299.3	29,100.0	225,091.3	121,862.5	10,778.5	
Aug	1,898,441.3	28,800.3	1,492,593.4	1,463,493.4	29,100.0	222,909.1	143,380.0	10,758.5	
Sep	1,766,928.9	54,176.1	1,352,465.5	1,333,876.1	18,589.4	221,778.0	129,708.7	8,800.6	
Oct	1,702,403.2	43,408.3	1,311,213.3	1,286,484.4	24,729.0	218,084.2	122,741.8	6,955.6	
Nov	1,703,839.0	72,767.0	1,298,780.6	1,275,552.4	23,228.2	208,986.1	119,275.6	4,029.6	
Dec	1,810,818.7	73,407.2	1,395,499.4	1,384,099.4	11,400.0	219,914.5	118,197.2	3,800.4	
2022-Jan	1,932,839.5	77,646.0	1,530,360.6	1,520,160.6	10,200.0	201,596.6	119,420.9	3,815.4	
Feb	1,917,912.5	9,684.2	1,607,617.1	1,584,567.1	23,050.0	178,396.5	118,321.2	3,893.4	
Mar	1,774,177.6	0.0	1,515,898.8	1,491,298.8	24,600.0	167,201.8	88,831.6	2,245.4	
Apr	1,611,380.2	0.0	1,367,298.8	1,342,698.8	24,600.0	157,820.7	83,161.8	3,099.0	
May	1,738,883.5	0.0	1,489,732.1	1,473,832.1	15,900.0	169,102.7	76,892.7	3,156.1	
Jun	1,805,076.4	0.0	1,547,545.9	1,545,045.9	2,500.0	192,510.0	61,894.4	3,126.1	

Source: Bank of Tanzania



## Bank of Tanzania Annual Report 2021/22

### 2.0 United Republic of Tanzania Government Finance Statistics

**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
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
2020	1,230,397.7	5,615,784.8	88,109.5	5,649,212.1	185,371.6	1,069,036.3	123,931.0	13,961,842.8
2021	1,148,172.2	6,592,487.6	86,862.5	8,197,795.5	345,690.1	1,582,046.6	151,171.8	18,104,226.2
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
Sep	1,280,397.7	5,446,712.6	90,729.5	5,372,693.7	185,661.6	873,784.0	115,801.1	13,365,780.0
Dec	1,230,397.7	5,615,784.8	88,109.5	5,649,212.1	185,371.6	1,069,036.3	123,931.0	13,961,842.8
2021-March	1,235,397.7	5,758,133.9	87,789.5	5,748,333.2	202,804.0	1,170,899.8	145,409.3	14,348,767.2
Jun	1,154,820.2	5,817,281.7	91,547.5	5,975,872.3	253,897.4	1,364,917.9	146,171.8	14,804,508.7
Sep	1,169,370.4	6,117,511.5	87,837.5	6,054,230.4	316,205.5	1,449,630.4	151,171.8	15,345,957.4
Dec	1,148,172.2	6,592,487.6	86,862.5	8,197,795.5	345,690.1	1,582,046.6	151,171.8	18,104,226.2
2022-March	1,148,172.2	6,840,589.9	58,362.5	8,214,622.2	426,729.5	1,668,040.3	151,171.8	18,507,688.3
Jun	2,648,172.2	6,784,222.0	63,799.5	8,218,238.0	528,533.9	1,742,491.2	151,171.8	20,136,628.6

Source: Bank of Tanzania

Note: Before June 1998, Other Banks, Other Financial Institutions, Official Entities and Private Sector categories were included in "Others" category  
All figures are in face value

### A3.0. Monetary Statistics

#### Table A3.1: Depository Corporations Survey

End of period	Domestic assets (net)														Memorandum item:	
	M3. Extended broad money														M0. Base money	
	M2. Broad money															
	M1. Narrow money															
	Domestic credit (net)															
	Claims on other domestic sectors															
	Claims on government (net)															
	Currency in circulation outside banks															
	Transferable deposits															
	Other deposits*															
	Foreign currency deposits															
	sum (9,14)															
	of which:															
	Bank's reserves															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	13	14
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	3,831,604.4	7,323,704.5	6,364,391.7	7,194,623.9	7,167,469.9	6,954,415.2	3,122,810.8	6,954,415.2	3,122,810.8
2018	10,829,789.0	4,481,617.2	17,726,752.0	-7,014,704.9	25,823,453.2	19,040,389.4	11,723,879.1	3,866,668.4	7,857,010.7	6,783,063.8	7,316,710.3	7,042,585.0	6,992,882.1	3,126,213.7	6,992,882.1	3,126,213.7
2019	12,034,536.6	3,893,881.8	19,695,381.1	-7,310,653.0	28,313,146.6	21,280,259.3	13,325,116.9	4,221,826.9	9,103,290.0	7,032,887.3	7,955,142.4	7,166,570.3	7,466,359.7	3,244,532.8	7,466,359.7	3,244,532.8
2020	10,722,548.2	5,831,323.6	20,308,274.8	-6,941,580.2	29,920,566.5	23,032,617.2	14,321,657.4	4,500,527.9	9,821,129.5	6,887,949.3	8,710,959.9	7,469,692.5	7,169,347.6	2,668,819.7	7,169,347.6	2,668,819.7
2021	13,965,973.7	7,686,397.0	22,344,107.1	-9,438,435.3	34,558,042.5	27,088,350.0	17,625,513.4	5,011,990.0	12,613,523.4	9,462,836.6	9,462,836.6	7,167,469.9	8,407,258.6	3,395,288.6	8,407,258.6	3,395,288.6
2021-Jan	11,862,208.9	4,838,446.1	20,323,484.5	-7,100,371.3	29,923,768.2	22,756,298.3	14,221,149.8	4,198,677.1	10,022,472.7	8,535,148.4	8,535,148.4	7,167,469.9	7,105,592.3	2,906,915.2	7,105,592.3	2,906,915.2
Feb	11,517,470.2	4,755,446.3	20,399,029.9	-6,865,341.1	29,806,605.3	22,764,020.3	14,426,244.8	4,326,714.7	10,099,530.1	8,337,775.5	8,337,775.5	7,042,585.0	6,935,478.2	2,608,763.5	6,935,478.2	2,608,763.5
Mar	11,307,757.7	5,762,564.3	20,477,835.3	-7,388,753.4	30,158,403.9	22,991,833.6	14,503,959.5	4,299,188.9	10,204,770.6	8,487,874.1	8,487,874.1	7,166,570.3	7,221,067.5	2,921,878.5	7,221,067.5	2,921,878.5
Apr	10,595,157.1	6,855,234.6	20,659,653.7	-7,108,043.1	31,002,002.3	23,585,469.7	14,951,909.1	4,359,010.1	10,592,898.9	8,633,560.6	8,633,560.6	7,416,532.6	7,703,034.3	3,344,024.2	7,703,034.3	3,344,024.2
May	11,778,343.4	6,187,334.9	20,708,011.7	-7,347,821.1	31,325,868.8	23,846,180.2	15,108,252.5	4,404,548.8	10,703,703.6	8,737,927.7	8,737,927.7	7,479,688.6	7,477,524.0	3,072,975.2	7,477,524.0	3,072,975.2
Jun	12,144,600.6	7,619,239.9	20,601,496.5	-7,025,493.1	33,333,843.9	25,655,441.1	16,709,863.1	4,700,486.5	12,009,476.6	8,945,478.0	8,945,478.0	7,678,402.8	8,568,188.8	3,867,702.3	8,568,188.8	3,867,702.3
Jul	12,757,864.4	6,675,855.1	20,732,629.0	-7,598,189.3	32,568,159.2	25,312,603.9	16,372,531.3	4,811,714.2	11,560,817.1	8,940,072.6	8,940,072.6	7,255,555.2	7,990,057.9	3,178,343.7	7,990,057.9	3,178,343.7
Aug	12,751,430.4	7,041,490.7	20,969,607.0	-7,788,488.5	32,974,044.6	25,500,003.0	16,535,638.0	4,945,030.8	11,590,607.2	8,964,365.0	8,964,365.0	7,474,041.6	7,785,664.3	2,840,633.5	7,785,664.3	2,840,633.5
Sep	14,129,934.5	5,846,381.6	21,127,426.0	-7,937,159.8	33,166,582.3	25,634,084.1	16,597,319.7	4,963,900.1	11,633,419.6	9,036,764.3	9,036,764.3	7,532,498.3	8,110,045.5	3,146,145.4	8,110,045.5	3,146,145.4
Oct	13,754,648.9	6,719,701.1	21,401,625.3	-8,134,489.8	33,741,485.5	26,369,794.6	16,991,150.2	5,034,039.0	11,957,111.2	9,378,644.4	9,378,644.4	7,371,690.9	8,189,165.5	3,155,126.5	8,189,165.5	3,155,126.5
Nov	12,715,927.2	7,700,672.2	21,980,002.0	-8,369,124.4	34,027,477.0	26,834,602.1	17,409,894.8	4,996,497.5	12,413,397.3	9,424,707.3	9,424,707.3	7,192,874.9	8,398,707.3	3,402,209.8	8,398,707.3	3,402,209.8
Dec	13,965,973.7	7,686,397.0	22,344,107.1	-9,438,435.3	34,558,042.5	27,088,350.0	17,625,513.4	5,011,990.0	12,613,523.4	9,462,836.6	9,462,836.6	7,469,692.5	8,407,258.6	3,395,288.6	8,407,258.6	3,395,288.6
2022-Jan	13,201,775.3	7,718,746.1	22,362,749.0	-8,887,689.3	34,395,561.1	27,062,212.4	17,651,493.7	4,798,629.2	12,852,864.5	9,410,718.7	9,410,718.7	7,333,368.7	8,286,229.8	3,487,600.5	8,286,229.8	3,487,600.5
Feb	12,683,234.9	8,495,263.2	22,823,206.8	-9,137,025.0	34,864,679.8	27,511,521.4	17,729,141.3	4,727,327.4	13,001,813.9	9,782,380.1	9,782,380.1	7,353,158.5	8,320,939.1	3,593,611.7	8,320,939.1	3,593,611.7
Mar	11,815,793.7	8,217,659.3	23,225,093.4	-9,506,927.1	33,751,618.3	26,504,570.5	16,585,722.1	4,769,996.5	11,816,725.6	9,918,848.4	9,918,848.4	7,247,047.8	8,382,333.9	3,613,337.4	8,382,333.9	3,613,337.4
Apr	10,908,463.2	8,762,579.5	23,422,530.3	-9,005,747.3	34,087,825.7	26,861,453.4	16,843,567.4	4,913,288.7	11,930,278.8	10,017,866.0	10,017,866.0	7,226,372.2	8,684,207.6	3,770,919.0	8,684,207.6	3,770,919.0
May	10,542,324.3	9,073,304.3	23,807,138.8	-9,238,252.0	34,186,515.4	26,605,320.4	16,453,611.5	4,980,462.5	11,473,148.9	10,151,708.9	10,151,708.9	7,581,195.0	8,550,203.4	3,569,740.8	8,550,203.4	3,569,740.8
Jun	10,503,927.1	9,459,733.1	24,593,667.8	-9,057,266.4	35,500,061.5	27,621,692.5	17,030,073.7	5,333,931.1	11,696,142.6	10,591,618.8	10,591,618.8	7,878,369.1	9,276,594.3	3,942,663.2	9,276,594.3	3,942,663.2

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





## Bank of Tanzania Annual Report 2021/22

### 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	Other assets	Total
	Foreign exchange	SDRs	Quota in the IMF	Advances	Other securities	Total						
2017	13,035,448.7	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	1,334,095.6	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
2020	10,773,119.6	20,929.4	1,316,881.1	5,194,989.4	1,287,818.0	6,482,807.4	294,504.9	-1,283,019.6	1,338,649.3	7,530.2	1,801,686.5	20,753,088.8
2021	13,846,300.6	1,249,443.3	1,279,209.7	6,268,882.4	1,138,975.2	7,407,857.6	201,035.4	-1,278,580.8	1,305,325.1	18,665.9	1,482,906.5	25,512,163.2
2021-Jan	11,835,024.0	20,905.9	1,315,403.3	4,711,672.2	1,294,569.8	6,006,242.0	246,596.8	-1,283,040.8	1,337,565.7	4.3	1,599,535.2	21,078,236.4
Feb	11,901,998.1	21,022.5	1,322,743.2	5,134,041.0	1,290,529.7	6,424,570.6	240,527.6	-1,283,066.9	1,338,686.0	86.5	1,510,373.7	21,476,941.3
Mar	11,522,512.6	20,590.2	1,295,543.3	5,590,483.1	1,288,596.8	6,879,079.9	296,071.0	-1,283,080.5	1,328,161.8	4.3	1,510,703.7	21,569,586.5
Apr	11,319,668.6	20,893.1	1,314,602.0	6,392,641.0	1,270,376.8	7,663,017.8	226,654.0	-1,283,081.6	1,333,878.6	2,700.6	1,491,019.1	22,089,352.3
May	11,773,074.0	20,976.5	1,319,846.9	5,984,789.9	1,279,141.7	7,263,931.6	199,392.4	-1,283,079.2	1,336,912.1	362.0	1,504,937.3	22,136,353.6
Jun	12,158,180.9	22,217.8	1,304,531.8	5,003,245.8	1,191,937.6	6,195,183.4	160,006.9	-1,278,597.6	1,310,313.2	4.3	1,458,563.6	21,330,404.2
Jul	12,825,174.5	23,930.2	1,305,290.6	4,370,191.9	1,196,066.3	5,566,258.2	112,255.1	-1,288,441.2	1,308,978.2	8.6	1,508,836.1	21,362,290.3
Aug	12,429,310.8	1,271,115.1	1,300,992.6	4,822,145.6	1,196,686.9	6,018,832.4	153,726.6	-1,278,662.5	1,306,637.9	7.0	1,454,527.0	22,656,487.0
Sep	14,648,743.6	1,257,390.0	1,286,960.8	5,143,697.1	1,201,933.7	6,345,630.8	283,956.4	-1,278,665.1	1,306,603.9	10.6	1,459,198.3	25,309,829.3
Oct	14,381,376.9	1,259,643.0	1,289,595.8	5,890,457.4	1,184,222.5	7,074,680.0	237,867.6	-1,278,665.7	1,308,530.3	8,554.0	1,469,185.3	25,750,767.0
Nov	14,119,023.5	1,245,805.7	1,275,485.4	6,117,075.5	1,193,328.5	7,310,404.0	201,924.8	-1,278,654.4	1,308,120.5	4.3	1,481,762.6	25,663,876.5
Dec	13,846,300.6	1,249,443.3	1,279,209.7	6,268,882.4	1,138,975.2	7,407,857.6	201,035.4	-1,278,580.8	1,305,325.1	18,665.9	1,482,906.5	25,512,163.2
2022-Jan	13,441,831.3	1,241,808.1	1,271,392.5	6,129,331.4	1,150,670.0	7,280,001.4	216,598.8	-1,548,219.2	1,304,750.1	0.0	1,766,739.2	24,974,902.2
Feb	12,608,229.8	1,244,960.7	1,274,706.2	6,946,077.0	1,160,817.4	8,106,894.4	83,610.8	-1,548,217.1	1,305,730.8	87,140.1	1,784,433.7	24,947,489.4
Mar	12,654,396.0	1,235,316.8	1,264,831.9	7,005,060.3	1,209,484.1	8,214,544.4	61,940.4	-1,548,198.4	1,304,597.6	0.0	1,773,938.5	24,961,367.1
Apr	13,011,218.0	23,155.9	1,225,369.2	7,461,255.7	1,226,458.7	8,687,714.4	63,540.4	-1,548,181.7	1,303,718.6	453.0	1,778,529.2	24,545,517.1
May	12,354,631.7	22,900.1	1,234,833.1	8,415,022.5	1,197,726.2	9,612,748.7	18,851.3	-1,548,182.4	1,313,633.7	2,482.8	1,780,130.2	24,792,029.1
Jun	12,189,771.0	22,906.4	1,235,172.7	5,494,027.4	2,654,925.0	8,148,952.5	330,851.3	-1,548,169.1	1,328,956.9	0.0	1,796,991.2	23,505,432.9

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
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	4,944,323.1	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
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
2020	5,501,995.0	6,112,906.9	2,164,643.4	2,436,613.8	75,480.0	1,095,995.2	630,670.9	2,634,783.6	100,000.0	20,753,088.8
2021	6,013,271.4	6,664,649.5	3,325,942.4	3,235,283.6	208,455.1	1,108,671.5	1,838,694.6	2,859,030.3	258,164.8	25,512,163.2
2021-Jan	5,093,242.9	6,580,763.2	2,433,301.0	2,516,651.1	55,755.0	1,095,964.4	629,963.2	2,572,595.7	100,000.0	21,078,236.4
Feb	5,105,985.0	7,103,070.0	2,310,401.1	2,591,106.1	171,836.1	1,068,555.5	633,478.3	2,392,509.1	100,000.0	21,476,941.3
Mar	5,179,542.2	6,769,112.8	2,609,760.8	2,876,446.2	73,462.7	1,068,555.5	620,452.0	2,272,254.2	100,000.0	21,569,586.5
Apr	5,169,970.9	6,392,903.0	3,622,045.1	2,715,274.1	66,212.2	1,068,555.5	629,579.4	2,324,812.1	100,000.0	22,089,352.3
May	5,212,657.8	6,816,508.3	2,886,933.5	2,986,205.4	53,911.0	1,115,869.4	632,091.3	2,332,176.9	100,000.0	22,136,353.6
Jun	5,546,381.1	4,367,067.2	3,595,546.1	3,435,796.4	50,762.0	1,108,671.5	624,756.6	2,501,423.3	100,000.0	21,330,404.2
Jul	5,678,453.3	5,114,535.6	2,773,744.1	3,192,964.9	53,340.4	1,108,671.5	625,280.4	2,548,379.1	266,921.2	21,362,290.3
Aug	5,825,951.5	5,227,517.3	2,452,132.8	3,280,879.8	81,980.3	1,108,671.5	1,870,325.5	2,550,863.5	258,164.8	22,656,487.0
Sep	5,854,255.6	6,723,961.1	3,368,877.6	3,305,951.6	273,534.2	1,108,671.5	1,850,156.6	2,566,256.5	258,164.8	25,309,829.3
Oct	5,890,774.4	6,984,611.6	2,921,850.6	3,426,071.9	543,799.9	1,108,671.5	1,853,623.1	2,763,199.3	258,164.8	25,750,767.0
Nov	5,935,133.5	6,453,425.4	3,151,024.5	3,522,478.1	639,756.9	1,108,671.5	1,833,341.4	2,761,880.4	258,164.8	25,663,876.5
Dec	6,013,271.4	6,664,649.5	3,325,942.4	3,235,283.6	208,455.1	1,108,671.5	1,838,694.6	2,859,030.3	258,164.8	25,512,163.2
2022-Jan	5,773,235.7	6,712,900.1	3,185,241.7	3,613,280.2	39,089.3	1,108,671.5	1,827,458.4	2,615,025.4	100,000.0	24,974,902.2
Feb	5,602,053.0	6,960,196.1	3,266,881.6	3,633,355.7	41,824.0	1,108,671.5	1,832,221.4	2,402,286.2	100,000.0	24,947,489.4
Mar	5,649,415.9	7,314,911.3	3,261,723.9	2,447,244.5	649,381.5	1,108,671.5	1,818,028.3	2,611,990.2	100,000.0	24,961,367.1
Apr	5,816,158.5	7,127,030.8	3,577,915.6	2,625,119.5	47,174.2	1,108,671.5	1,761,306.0	2,382,141.0	100,000.0	24,545,517.1
May	5,921,307.2	7,857,589.8	3,333,585.8	2,318,157.2	44,644.3	1,044,785.9	1,774,909.0	2,397,049.9	100,000.0	24,792,029.1
Jun	6,358,408.2	5,929,884.8	3,710,387.4	2,207,603.1	42,745.6	1,044,785.9	1,775,397.2	2,336,220.7	100,000.0	23,505,432.9

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/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	Total	10/-	20/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-
2017	99.7	497.7	1,967.4	24,582.1	134,552.2	199,988.1	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
2020	99.7	497.7	1,967.0	20,051.6	163,516.1	222,092.1	866,440.1	4,240,440.7	5,515,105.0	0.0	0.0	0.0	0.4	3.0	4.0	15.7	76.9
2021-Jan	99.7	497.7	1,967.0	19,886.4	177,284.1	213,327.9	901,367.4	4,808,304.0	6,122,734.1	0.0	0.0	0.0	0.3	2.9	3.5	14.7	78.5
Feb	99.7	497.7	1,967.0	20,030.1	161,505.5	209,978.3	767,365.1	3,911,547.1	5,072,990.4	0.0	0.0	0.0	0.4	3.2	4.1	15.1	77.1
Mar	99.7	497.7	1,967.0	20,002.1	161,681.2	202,568.7	760,667.4	3,945,557.8	5,093,041.6	0.0	0.0	0.0	0.4	3.2	4.0	14.9	77.5
Apr	99.7	497.7	1,967.0	19,987.6	163,201.2	202,671.8	780,384.7	4,004,852.6	5,173,662.2	0.0	0.0	0.0	0.4	3.2	3.9	15.1	77.4
May	99.7	497.7	1,967.0	19,981.2	165,120.0	203,029.3	778,740.5	4,001,249.7	5,170,685.1	0.0	0.0	0.0	0.4	3.2	3.9	15.1	77.4
Jun	99.7	497.7	1,967.0	19,975.2	166,964.2	200,252.6	777,263.7	4,056,621.8	5,223,642.0	0.0	0.0	0.0	0.4	3.2	3.8	14.9	77.7
Jul	99.7	497.7	1,967.0	19,961.2	170,290.8	208,514.4	820,345.2	4,279,052.5	5,500,728.6	0.0	0.0	0.0	0.4	3.1	3.8	14.9	77.8
Aug	99.7	497.7	1,967.0	19,951.2	174,412.8	212,598.1	852,484.5	4,438,170.6	5,700,181.6	0.0	0.0	0.0	0.4	3.1	3.7	15.0	77.9
Sep	99.7	497.7	1,967.0	19,934.3	176,897.0	213,661.5	881,268.6	4,561,594.1	5,855,919.8	0.0	0.0	0.0	0.3	3.0	3.6	15.0	77.9
Oct	99.7	497.7	1,967.0	19,917.7	177,279.4	213,492.7	876,719.6	4,600,619.5	5,890,593.4	0.0	0.0	0.0	0.3	3.0	3.6	14.9	78.1
Nov	99.7	497.7	1,967.0	19,910.8	179,490.0	214,530.4	891,130.4	4,627,664.2	5,935,290.1	0.0	0.0	0.0	0.3	3.0	3.6	15.0	78.0
Dec	99.7	497.7	1,967.0	19,902.4	177,257.6	213,504.8	886,289.6	4,687,338.3	5,986,857.1	0.0	0.0	0.0	0.3	3.0	3.6	14.8	78.3
2022-Jan	99.7	497.7	1,967.0	19,886.4	177,284.1	213,327.9	901,367.4	4,808,304.0	6,122,734.1	0.0	0.0	0.0	0.3	2.9	3.5	14.7	78.5
Feb	99.7	497.7	1,967.0	19,856.6	175,896.4	207,821.8	858,147.8	4,576,557.1	5,840,844.2	0.0	0.0	0.0	0.3	3.0	3.6	14.7	78.4
Mar	99.7	497.7	1,967.0	19,852.6	173,972.3	200,680.4	795,322.4	4,480,580.6	5,672,972.7	0.0	0.0	0.0	0.3	3.1	3.5	14.0	79.0
Apr	99.7	497.7	1,967.0	19,843.1	174,810.0	202,630.5	806,577.1	4,526,669.1	5,733,094.3	0.0	0.0	0.0	0.3	3.0	3.5	14.1	79.0
May	99.7	497.7	1,967.0	19,828.9	178,502.5	209,707.4	810,724.5	4,686,093.7	5,907,421.3	0.0	0.0	0.0	0.3	3.0	3.5	13.7	79.3
Jun	99.7	497.7	1,967.0	19,828.2	182,386.7	216,671.1	860,796.2	4,734,964.0	6,017,210.5	0.0	0.0	0.0	0.3	3.0	3.6	14.3	78.7
Jun	99.7	497.7	1,967.0	19,819.7	189,370.6	232,800.4	931,261.0	5,092,582.0	6,468,398.1	0.0	0.0	0.0	0.3	2.9	3.6	14.4	78.7

Source: Bank of Tanzania





## Bank of Tanzania Annual Report 2021/22

### A3.0. Monetary Statistics

**Table A3.6: Commercial Banks Assets**

Millions of TZS

End of period	Domestic assets						Foreign assets			Total
	Cash	Deposit with Bank of Tanzania	Treasury securities	Other securities	Loans and bills	Other	Liquid	Others	Fixed assets	
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
2020	1,001,467.1	2,176,665.5	5,754,023.9	76,926.3	21,128,208.3	2,302,991.4	2,023,855.1	893,245.5	2,429,882.4	37,787,265.5
2021	1,001,281.4	3,264,421.8	6,767,274.9	84,364.7	23,523,534.5	2,505,607.6	2,478,301.8	729,261.4	2,554,952.0	42,909,000.0
2021-Jan	894,565.9	2,368,914.8	5,707,352.6	75,005.2	21,180,339.3	2,151,335.3	2,105,525.1	967,632.4	2,505,639.3	37,956,310.0
Feb	779,270.3	2,186,135.6	5,720,294.5	107,112.0	21,211,507.3	2,271,600.4	2,041,085.9	984,551.2	2,425,974.7	37,727,532.0
Mar	880,353.3	2,281,854.6	5,535,892.6	62,366.8	21,605,953.3	2,373,885.4	1,747,014.2	934,719.1	2,448,294.6	37,870,333.8
Apr	810,960.7	3,483,670.8	5,837,888.7	75,050.8	21,354,036.2	2,543,182.3	1,629,024.9	688,997.7	2,459,663.6	38,882,475.8
May	808,108.9	2,823,575.6	5,970,192.8	82,281.1	21,467,888.1	2,488,324.9	1,691,647.1	1,057,831.3	2,483,662.4	38,873,512.2
Jun	845,894.6	3,470,782.9	6,066,306.7	84,603.3	21,479,838.8	2,433,269.2	2,003,535.2	837,996.6	2,485,707.3	39,707,934.6
Jul	866,739.1	2,788,093.9	6,299,677.8	86,173.1	21,817,351.2	2,550,537.3	1,580,528.4	1,286,521.8	2,499,085.8	39,774,708.4
Aug	880,920.7	2,415,319.4	6,344,304.1	91,624.6	22,126,647.8	2,588,180.3	2,011,748.2	1,384,502.3	2,503,126.5	40,346,373.7
Sep	890,355.5	3,510,981.4	6,341,549.0	88,086.2	22,201,936.6	2,649,985.9	1,888,219.2	790,346.3	2,512,103.0	40,873,563.1
Oct	856,735.4	2,909,946.6	6,461,639.2	87,288.4	22,521,152.4	2,689,482.5	2,298,349.2	662,563.2	2,519,929.6	41,007,086.7
Nov	938,636.0	3,109,276.3	6,681,702.3	78,313.9	23,067,066.7	2,501,327.1	2,275,774.3	587,778.1	2,533,420.6	41,773,295.4
Dec	1,001,281.4	3,264,421.8	6,767,274.9	84,364.7	23,523,534.5	2,505,607.6	2,478,301.8	729,261.4	2,554,952.0	42,909,000.0
2022-Jan	974,606.5	3,225,367.0	6,933,945.5	96,078.6	23,431,390.7	2,453,944.4	2,156,495.7	522,349.5	2,563,005.5	42,357,183.4
Feb	874,725.6	3,184,129.0	7,149,365.6	92,428.6	23,916,480.0	2,468,772.3	2,110,003.4	687,383.4	2,565,391.4	43,048,679.3
Mar	880,419.4	3,232,697.5	7,162,257.5	87,137.0	24,697,923.3	2,481,132.4	2,105,852.5	410,001.2	2,584,620.9	43,642,041.8
Apr	902,869.8	3,437,287.6	6,981,202.3	88,655.0	24,930,891.3	2,458,453.4	1,721,842.0	437,994.4	2,610,813.6	43,570,009.4
May	940,844.6	3,270,695.5	7,203,120.0	93,368.6	25,338,251.2	2,387,728.4	1,973,349.6	656,877.8	2,611,613.2	44,475,849.0
Jun	1,024,477.1	3,541,680.2	7,173,641.4	91,901.1	25,977,989.2	2,406,749.8	2,283,732.4	642,897.8	2,606,144.2	45,749,213.1

Source: Banks and Bank of Tanzania computations



## Bank of Tanzania Annual Report 2021/22

### 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		
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
2020	23,067,883.2	191,514.2	1,697,201.8	4,934,241.8	350,628.7	2,152,707.7	5,393,088.1	37,787,265.5
2021	26,390,739.7	95,094.4	1,962,129.5	5,835,486.7	367,315.3	2,093,406.7	6,164,827.8	42,909,000.0
2021-Jan	23,292,480.0	69,924.7	1,546,089.2	5,052,304.3	377,181.4	2,223,417.8	5,394,912.4	37,956,310.0
Feb	22,973,946.9	181,063.6	1,565,822.6	4,688,897.8	425,837.8	2,454,223.0	5,437,740.4	37,727,532.0
Mar	23,069,678.5	194,629.7	1,697,137.0	4,986,338.5	386,974.9	2,063,176.7	5,472,398.5	37,870,333.8
Apr	24,015,920.9	205,064.9	1,629,904.2	4,900,583.7	330,917.1	2,282,765.1	5,517,319.8	38,882,475.8
May	24,025,786.0	210,437.6	1,732,442.9	5,054,141.9	265,138.9	2,018,021.8	5,567,543.1	38,873,512.2
Jun	25,275,344.1	16,080.0	1,747,906.0	4,766,034.3	313,097.9	2,084,573.7	5,504,898.6	39,707,934.6
Jul	24,642,951.8	66,732.7	1,735,505.4	5,276,932.3	314,776.4	2,161,512.5	5,576,297.3	39,774,708.4
Aug	24,826,549.7	72,752.5	1,816,335.6	5,396,866.1	364,334.4	2,220,926.8	5,648,608.5	40,346,373.7
Sep	24,974,062.2	99,285.2	1,950,958.9	5,616,139.3	310,144.1	2,199,219.0	5,723,754.5	40,873,563.1
Oct	25,360,990.0	114,603.7	1,858,041.3	5,269,327.4	320,068.8	2,310,715.9	5,773,339.7	41,007,086.7
Nov	25,586,365.3	93,694.4	1,904,642.3	5,129,606.2	267,066.6	2,939,103.5	5,852,817.1	41,773,295.4
Dec	26,390,739.7	95,094.4	1,962,129.5	5,835,486.7	367,315.3	2,093,406.7	6,164,827.8	42,909,000.0
2022-Jan	26,064,380.6	103,161.0	1,868,240.7	5,622,692.1	420,762.8	2,036,119.8	6,241,826.3	42,357,183.4
Feb	26,586,426.9	26,045.4	2,247,607.4	5,595,541.7	114,119.0	2,145,212.9	6,333,726.1	43,048,679.3
Mar	26,616,485.2	38,418.9	2,251,327.5	6,007,671.5	146,775.4	2,131,748.0	6,449,615.4	43,642,041.8
Apr	26,627,067.0	38,503.8	1,939,306.1	5,854,259.5	366,208.8	2,227,755.8	6,516,908.4	43,570,009.4
May	26,967,068.6	34,047.0	2,313,053.5	5,725,660.7	358,257.9	2,477,670.8	6,600,090.5	44,475,849.0
Jun	28,038,265.7	36,047.0	2,750,641.2	5,376,209.9	354,412.6	2,653,212.0	6,540,424.9	45,749,213.1

Source: Banks and Bank of Tanzania computations



## Bank of Tanzania Annual Report 2021/22

### 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
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
2020	3,178,132.6	708,478.0	6,116,261.4	667,741.1	79,768.4	18,729,896.0	5,389,887.4	34,870,164.9
2021	4,265,703.2	813,522.6	7,367,494.5	410,004.2	48,868.1	20,960,219.2	5,835,624.9	39,701,436.9
2021-Jan	3,263,480.7	729,809.2	6,075,004.4	671,047.0	79,597.3	18,718,532.8	5,345,681.0	34,883,152.5
Feb	2,965,405.9	778,740.3	6,081,472.4	656,976.1	79,881.3	18,759,423.8	5,379,995.1	34,701,894.9
Mar	3,162,207.9	769,808.1	6,283,670.5	649,590.3	79,782.5	18,856,216.0	5,387,325.2	35,188,600.5
Apr	4,294,631.5	784,606.9	6,238,955.4	656,891.2	80,137.5	19,015,697.4	5,493,533.2	36,564,453.1
May	3,631,684.5	799,105.1	6,399,081.5	677,818.2	82,318.0	19,028,157.7	5,505,868.8	36,124,033.9
Jun	4,316,677.5	846,260.8	6,475,357.3	325,111.6	84,061.8	19,233,841.0	5,585,092.7	36,866,402.8
Jul	3,654,833.0	849,584.0	6,942,699.6	344,834.3	86,567.6	19,342,455.8	5,686,683.9	36,907,658.2
Aug	3,296,240.1	849,555.4	6,974,721.0	318,010.1	85,532.6	19,606,025.7	5,820,038.3	36,950,123.3
Sep	4,401,336.8	857,600.9	6,975,800.5	328,364.0	85,310.2	19,743,037.4	5,803,547.7	38,194,997.6
Oct	3,766,682.0	816,931.6	7,140,767.3	396,014.3	85,920.6	19,988,484.5	5,851,373.7	38,046,174.2
Nov	4,047,912.3	861,497.4	7,303,710.7	393,594.2	49,596.4	20,556,715.8	5,696,716.2	38,909,742.9
Dec	4,265,703.2	813,522.6	7,367,494.5	410,004.2	48,868.1	20,960,219.2	5,835,624.9	39,701,436.9
2022-Jan	4,199,973.5	830,156.4	7,540,494.0	379,713.0	46,129.9	20,989,623.0	5,692,248.4	39,678,338.1
Feb	4,058,854.5	463,604.2	7,743,494.6	412,663.4	45,778.6	21,782,263.4	5,744,633.7	40,251,292.5
Mar	4,113,116.9	447,837.4	7,763,937.7	400,277.1	45,946.5	22,218,236.9	6,136,835.6	41,126,188.1
Apr	4,340,157.5	451,854.2	7,587,241.2	409,055.5	44,703.1	22,408,148.8	6,169,012.8	41,410,173.0
May	4,211,540.2	465,500.9	7,792,464.2	372,158.0	46,435.2	22,811,758.3	6,145,764.9	41,845,621.6
Jun	4,566,157.3	573,051.1	7,747,911.4	363,904.9	45,855.4	23,504,095.3	6,021,607.5	42,822,582.9

Source: Banks and Bank of Tanzania computations



## Bank of Tanzania Annual Report 2021/22

### A3.0. Monetary Statistics

**Table A3.9: Commercial Banks Lending and Holding of Securities**

Millions of TZS

End of period	Domestic lending								Total	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			
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
2020	904,506.0	496,087.7	362,237.5	79,768.4	667,741.1	9,755,959.6	8,861,908.0	873,371.5	22,001,579.8	89.3	5,748,828.8
2021	1,098,184.6	581,294.3	559,335.6	48,868.1	410,004.2	9,818,147.9	11,007,699.8	708,631.3	24,232,165.8	87.3	6,764,805.3
2021-Jan	958,961.6	495,670.9	367,651.8	79,597.3	671,047.0	9,319,729.9	9,287,680.8	947,759.8	22,128,099.1	89.2	5,702,157.4
Feb	953,562.1	510,917.4	361,177.8	79,881.3	656,976.1	9,116,640.8	9,532,351.9	964,678.1	22,176,185.5	90.4	5,712,520.8
Mar	886,716.6	525,407.8	706,902.2	79,782.5	649,590.3	9,675,464.3	9,082,089.6	914,343.4	22,520,296.7	91.4	5,879,516.0
Apr	821,040.3	532,312.1	360,182.7	80,137.5	656,891.2	9,224,590.6	9,678,881.7	668,620.5	22,022,656.8	86.2	5,833,747.6
May	877,579.1	534,240.3	388,004.6	82,318.0	677,818.2	9,230,247.0	9,677,681.0	1,037,116.3	22,505,004.4	87.9	5,966,880.0
Jun	1,018,358.9	573,079.6	368,166.5	84,061.8	325,111.6	9,278,764.0	9,832,296.2	817,283.8	22,297,122.6	82.8	6,062,993.9
Jul	983,381.4	582,769.9	602,137.7	86,567.6	344,834.3	9,189,794.8	10,027,865.5	1,265,809.1	23,083,160.3	88.3	6,296,365.0
Aug	1,070,215.5	586,467.2	589,532.8	85,532.6	317,010.1	9,317,904.1	10,159,985.4	1,363,790.0	23,490,437.7	89.0	6,340,991.2
Sep	983,451.5	592,734.4	593,367.4	85,310.2	327,364.0	9,402,995.4	10,216,713.6	769,705.0	22,971,641.6	86.5	6,338,254.8
Oct	975,547.4	564,686.9	638,244.1	85,920.6	395,014.3	9,363,952.4	10,497,786.9	641,944.0	23,163,096.5	86.6	6,458,349.2
Nov	1,004,345.9	609,560.2	581,124.3	49,596.4	393,594.2	9,587,331.0	10,841,514.6	567,174.4	23,634,241.1	87.8	6,679,235.9
Dec	1,098,184.6	581,294.3	559,335.6	48,868.1	410,004.2	9,818,147.9	11,007,699.8	708,631.3	24,232,165.8	87.3	6,764,805.3
2022-Jan	1,010,666.1	578,521.8	565,664.4	46,129.9	379,713.0	9,724,103.7	11,126,591.7	501,698.4	23,933,089.1	87.3	6,931,469.5
Feb	1,047,767.3	211,025.6	553,245.0	45,778.6	412,663.4	10,678,657.7	10,967,342.3	666,709.1	24,583,189.1	87.6	7,146,884.2
Mar	1,396,352.2	207,742.1	560,796.2	45,946.5	400,277.1	11,127,481.3	10,959,327.9	389,145.3	25,087,068.7	89.4	7,159,771.8
Apr	1,433,167.4	204,024.6	565,154.9	44,703.1	409,055.5	10,927,493.8	11,347,292.0	417,120.3	25,348,011.6	89.8	6,978,711.2
May	1,476,580.8	220,938.4	548,460.2	46,435.2	372,158.0	11,320,807.5	11,352,871.1	635,981.7	25,974,232.9	92.5	7,201,457.1
Jun	1,378,026.4	288,779.4	533,386.0	45,855.4	363,904.9	11,793,787.7	11,574,249.3	621,278.7	26,599,267.8	93.4	7,171,975.6

Source: Banks and Bank of Tanzania computations



## Bank of Tanzania Annual Report 2021/22

### A3.0. Monetary Statistics

**Table A3.10: Commercial Banks Domestic Lending by Economic Activity**

End of Period	Millions of TZS													Personal and other services	Total					
	Agriculture	Fishing	Financial intermediaries	Mining and quarrying	Manufacturing	Construction	Building and construction	Real estate	Mortgage	Transport and communication	Trade	Tourism	Hotels and restaurants			Warehousing and storage	Electricity	Gas	Water	Education
2017	1,134,818.7	64,603.9	292,127.7	292,647.1	1,777,572.5	837,159.1	816,350.6	975,551.5	3,306,914.0	176,349.3	594,967.8	11,251.8	335,175.4	266,965.0	18,334.3	454,809.4	126,850.2	4,712,791.7	16,224,469.1	
2018	952,863.8	74,022.3	172,925.5	375,188.4	2,087,896.2	643,251.8	855,979.9	918,004.9	3,228,853.0	158,766.1	587,287.5	23,712.9	358,122.0	388,152.0	27,276.4	223,823.9	63,080.6	5,650,775.0	17,116,092.1	
2019	1,824,297.9	55,827.5	201,715.5	424,546.9	2,086,800.7	1,129,855.1	807,861.1	1,059,576.3	3,379,599.7	300,550.6	554,950.5	12,635.1	225,270.3	355,656.3	30,019.2	253,376.8	75,340.7	5,966,385.5	19,034,511.1	
2020	1,725,552.3	39,104.4	219,904.2	429,376.9	1,878,406.7	1,072,304.1	761,650.5	1,142,417.2	3,054,881.7	266,486.6	549,474.9	17,123.4	114,729.0	510,030.4	19,285.6	245,172.4	78,046.2	7,302,752.2	19,807,066.3	
2021	1,592,519.0	37,084.9	269,802.2	474,043.1	2,111,115.9	998,386.1	701,836.6	1,053,870.3	3,657,331.7	259,304.6	542,718.1	33,910.1	143,881.0	392,046.0	18,424.0	236,849.6	101,307.5	8,810,368.1	21,851,829.5	
2021 - Jan	1,684,520.9	39,357.5	214,506.7	426,945.3	1,929,302.0	1,074,709.7	757,996.8	371,557.1	1,152,526.7	3,031,592.1	259,822.4	570,072.5	19,517.5	116,916.2	500,238.0	19,012.9	235,621.5	76,437.4	7,385,099.8	19,876,264.7
Feb	1,658,610.1	38,477.3	218,131.2	424,854.7	1,930,538.3	1,066,281.1	744,842.1	364,213.7	1,132,317.7	3,035,712.8	272,677.7	564,693.6	19,207.8	118,493.2	447,771.8	18,676.3	232,045.4	77,616.0	7,459,205.3	19,834,395.4
Mar	1,631,628.9	36,627.3	239,055.5	424,924.6	1,960,037.6	1,031,890.9	747,081.2	379,440.4	1,107,150.5	3,080,938.9	273,259.7	578,362.4	19,339.6	113,596.4	466,332.6	15,278.8	236,581.8	82,428.8	7,517,863.4	19,952,627.9
Apr	1,604,720.5	39,316.9	225,392.7	437,083.6	2,036,603.9	1,028,001.3	756,155.0	369,073.9	1,106,060.9	3,161,222.2	273,735.6	577,772.7	17,456.1	119,153.6	462,258.4	14,820.0	230,387.4	78,111.5	7,563,676.5	20,111,830.0
May	1,628,041.6	41,558.0	225,988.5	434,614.4	2,002,173.4	1,047,059.4	732,999.2	374,464.2	1,091,717.0	3,173,331.6	274,179.3	581,498.1	16,810.1	127,679.5	442,739.7	14,780.5	230,904.7	103,829.1	7,592,585.0	20,147,875.9
Jun	1,402,552.6	42,329.1	252,256.6	433,351.7	2,024,125.5	1,012,548.2	738,455.7	371,999.8	1,088,563.1	3,171,626.0	266,700.8	569,352.8	16,912.7	148,088.5	445,499.5	14,624.4	230,177.1	104,587.0	7,759,782.8	20,103,448.8
Jul	1,451,821.0	40,891.9	243,211.8	471,592.7	1,992,578.9	1,017,345.7	729,919.1	406,686.5	1,048,921.7	3,390,315.5	252,125.5	560,338.5	34,448.7	152,098.7	448,524.4	25,031.7	224,165.3	80,994.8	7,785,660.4	20,364,012.9
Aug	1,421,316.8	38,002.7	239,295.2	445,004.5	2,032,895.3	1,011,868.0	725,998.0	382,459.5	1,049,118.1	3,447,814.4	252,105.0	553,927.5	30,658.4	143,339.2	463,467.8	15,399.6	222,943.3	85,264.4	8,001,939.4	20,569,737.1
Sep	1,418,259.1	43,850.8	247,072.3	435,782.9	2,054,517.1	1,005,316.6	714,033.2	368,509.7	1,070,639.7	3,505,480.3	253,809.3	557,745.9	29,958.2	143,347.6	459,300.4	16,456.4	226,094.8	92,324.6	8,188,956.8	20,838,616.5
Oct	1,464,873.4	45,855.4	252,155.2	441,709.7	2,071,761.4	987,893.6	715,078.6	412,452.3	1,083,892.8	3,488,105.8	254,409.5	557,902.5	34,141.3	148,692.4	448,622.3	17,644.0	220,954.1	90,816.6	8,446,688.8	21,190,426.3
Nov	1,505,446.5	41,745.3	274,076.6	440,240.1	2,099,004.5	1,011,265.5	720,623.6	460,560.9	1,072,945.1	3,560,691.0	253,004.9	560,402.2	34,846.4	144,268.6	444,421.3	18,099.6	234,561.5	92,390.8	8,502,918.3	21,478,807.5
Dec	1,592,519.0	37,084.9	269,802.2	474,043.1	2,111,115.9	998,386.1	701,836.6	1,053,870.3	3,657,331.7	259,304.6	542,718.1	33,910.1	143,881.0	392,046.0	18,424.0	236,849.6	101,307.5	8,810,368.1	21,851,829.5	
2022 - Jan	1,604,331.8	30,875.4	276,567.3	473,597.8	2,061,295.8	1,081,173.8	726,613.1	466,641.1	1,118,455.2	3,623,862.3	249,220.8	524,703.3	36,731.3	98,345.6	364,435.5	18,605.0	228,966.1	92,755.0	8,874,495.2	21,938,013.9
Feb	1,694,741.0	36,033.5	256,501.4	531,502.2	2,266,487.3	1,052,391.4	723,296.3	407,238.7	1,057,398.4	3,591,743.5	260,616.5	525,912.4	33,785.9	116,374.9	441,425.1	19,410.4	233,298.4	100,110.8	9,012,482.4	22,367,147.1
Mar	1,732,939.3	31,590.1	297,585.0	560,019.3	2,366,866.6	1,067,701.2	738,658.6	399,838.3	1,099,692.5	3,794,234.8	254,703.3	531,122.7	43,392.3	110,970.8	456,963.5	20,668.8	245,819.9	106,377.5	9,084,182.3	22,949,655.3
Apr	1,827,768.2	33,450.5	291,065.5	558,705.5	2,337,833.9	1,045,381.4	727,866.7	395,224.7	1,004,990.2	3,847,968.1	249,478.5	519,532.3	42,782.6	117,898.9	477,362.1	21,072.8	238,313.5	102,241.1	9,261,483.8	23,106,138.3
May	1,867,780.9	34,302.1	295,237.1	599,181.4	2,419,530.4	1,087,584.8	708,890.8	399,350.9	994,865.7	3,948,858.2	299,967.5	528,539.2	42,654.2	121,351.3	419,763.7	21,621.5	243,696.8	111,166.6	9,320,188.3	23,410,393.5
Jun	1,993,626.4	33,725.3	364,736.2	591,598.8	2,499,558.5	1,110,551.8	724,693.0	417,165.7	1,081,479.3	3,965,091.1	246,178.3	537,412.3	36,663.1	150,025.3	593,545.9	20,484.1	239,945.3	120,141.8	9,399,248.0	24,131,866.4

Source: Banks and Bank of Tanzania computations



## Bank of Tanzania Annual Report 2021/22

**A3.0. Monetary Statistics**  
**Table A3.11: Commercial Banks Deposits**

End of period	Millions of TZS										of which		
	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	Transferrable deposits in national currency*	Other deposits in national currency*	Foreign currency deposits	
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	
2020	652,818.2	203,338.5	1,558,019.3	644,191.4	283,837.4	20,378,496.6	574,069.9	350,628.7	24,645,400.0	8,795,011.5	8,867,086.7	6,983,301.8	
2021	422,416.9	614,631.1	1,474,375.4	1,452,656.5	1,256,693.6	21,589,560.1	566,499.8	367,315.3	27,744,148.7	10,609,080.9	9,366,653.2	7,771,237.5	
2021-Jan	660,021.3	208,894.8	1,537,671.2	717,131.4	312,622.9	20,516,159.8	485,641.9	377,181.4	24,815,324.6	8,847,895.3	8,717,403.3	7,250,026.1	
Feb	645,503.6	220,560.6	1,304,889.5	667,647.7	301,412.5	20,479,436.6	499,437.8	425,837.8	24,544,726.1	8,890,517.6	8,538,347.2	7,115,861.3	
Mar	629,050.7	245,313.8	1,430,044.5	706,122.0	402,409.9	20,285,788.4	548,872.5	386,974.9	24,634,576.7	8,816,727.1	8,638,381.7	7,179,467.9	
Apr	651,817.1	358,981.4	1,632,740.0	715,929.9	289,785.4	21,018,484.2	535,913.6	330,917.1	25,534,568.8	9,322,735.9	8,827,084.0	7,384,748.9	
May	657,142.0	351,613.7	1,520,704.5	726,514.4	298,648.0	21,128,305.4	653,074.3	265,138.9	25,601,141.2	9,282,260.8	8,830,344.3	7,488,536.1	
Jun	688,141.6	381,338.4	1,503,310.9	745,954.8	304,164.3	22,340,575.7	654,815.4	313,097.9	26,931,399.0	10,026,894.3	9,098,474.3	7,806,030.4	
Jul	716,538.2	348,592.5	1,553,186.5	809,506.6	302,471.1	21,629,195.0	471,748.0	314,776.4	26,146,014.4	9,728,567.4	9,135,242.8	7,282,204.2	
Aug	722,528.5	330,311.7	1,403,496.7	878,190.3	589,900.6	21,624,650.5	492,468.1	364,334.4	26,405,880.7	9,718,108.6	9,166,189.2	7,521,582.9	
Sep	749,083.8	342,117.3	1,533,534.7	816,737.7	282,652.6	21,999,019.9	512,813.5	310,144.1	26,546,103.6	9,811,013.5	9,213,893.3	7,521,196.8	
Oct	509,230.8	632,166.6	1,446,836.8	961,730.9	298,307.2	22,021,731.7	551,663.7	320,068.8	26,741,736.5	10,130,030.5	9,222,140.6	7,389,782.1	
Nov	458,123.5	637,556.7	1,334,277.5	1,471,213.9	1,267,981.5	20,872,712.9	618,697.6	267,066.6	26,927,630.2	10,317,041.1	9,221,131.5	7,392,080.4	
Dec	422,416.9	614,631.1	1,474,375.4	1,452,656.5	1,256,693.6	21,589,560.1	566,499.8	367,315.3	27,744,148.7	10,609,080.9	9,366,653.2	7,771,237.5	
2022-Jan	386,984.1	550,105.0	1,583,535.0	1,864,564.8	306,016.6	21,760,582.6	541,377.3	420,762.8	27,413,928.3	10,529,763.3	9,301,765.6	7,581,975.9	
Feb	393,066.9	507,991.6	1,819,278.8	2,082,344.8	321,313.5	21,857,165.7	965,258.1	114,119.0	28,080,538.4	10,751,973.1	9,673,206.5	7,633,691.3	
Mar	499,464.7	540,638.5	1,953,932.3	2,112,288.3	298,913.7	21,710,684.3	1,015,707.4	146,775.4	28,218,404.6	10,858,615.9	9,814,000.3	7,545,816.4	
Apr	383,491.5	453,083.1	1,722,800.1	2,335,700.1	1,109,774.1	21,006,980.3	709,751.5	366,208.8	28,087,789.5	10,713,645.2	9,897,570.3	7,475,303.3	
May	472,460.6	406,715.4	1,718,451.7	2,036,749.5	325,797.7	22,480,498.5	689,859.1	358,257.9	28,488,790.4	10,709,286.0	10,002,588.0	7,775,772.2	
Jun	505,387.1	386,915.0	2,047,896.0	2,040,563.2	376,501.8	23,183,933.5	768,690.7	354,412.6	29,664,299.8	11,103,084.0	10,509,759.8	8,053,912.3	

Source: Banks and Bank of Tanzania computations

Note: \* include time and saving deposits



## Bank of Tanzania Annual Report 2021/22

### A3.0. Monetary Statistics

**Table A3.12: Interest Rate Structure, Weighted Averages**

	2017	2018	2019	2020	2021	2022					
						Jan	Feb	Mar	Apr	May	Jun
Percent											
In Domestic currency											
1 Interbank cash market rates											
Overnight	5.48	1.99	4.73	3.89	3.80	4.03	3.43	1.99	1.65	1.72	2.78
2 to 7 days	6.34	2.46	5.27	4.56	4.42	4.56	4.54	4.39	4.33	4.64	4.56
8 to 14 days	6.91	2.82	5.66	5.01	4.68	4.68	4.68	4.36	4.61	4.79	4.47
15 to 30 days	7.87	3.73	5.99	4.83	4.45	4.29	4.66	4.34	4.21	4.37	4.74
31 to 60 days	9.34	5.00	6.24	5.90	4.80	5.72	5.22	4.81	3.91	4.25	5.91
61 to 90 days	13.73	3.75	7.88	5.65	5.95	6.60	6.72	6.50	6.55	6.50	6.00
91 to 180 days	15.00	15.00	13.01	6.48	5.95	8.00	8.00	6.48	6.50	7.35	5.68
181 days and above	12.94	12.94	11.28	7.92	8.93	8.00	8.00	8.00	11.00	10.00	10.00
Overall interbank cash market rate	6.00	2.21	5.13	4.50	3.74	3.74	3.74	3.74	3.74	3.74	3.74
2 Lombard rate	9.09	3.89	7.35	6.02	5.70	6.05	5.15	2.99	2.47	2.59	4.16
3 REPO rate	3.59	2.06	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
4 Reverse repo rate	6.30	4.49	5.29	5.95	5.68	5.37	6.29	6.29	6.29	6.29	6.29
5 Treasury bills rates											
35 days	5.54	2.51	3.47	2.37	2.60	2.47	2.51	2.50	2.43	2.30	2.30
91 days	5.49	2.89	4.17	2.88	2.74	2.94	2.86	2.63	2.72	2.55	2.65
182 days	10.01	4.13	5.07	3.32	3.20	3.56	3.56	3.44	3.36	2.24	2.56
364 days	11.79	7.08	8.04	4.68	4.85	5.06	4.88	4.28	3.41	3.73	4.73
Overall treasury bills rate	11.10	6.43	7.71	4.42	4.78	5.00	4.78	4.17	3.37	3.68	4.56
6 Treasury bonds rates											
2-years	14.52	9.42	11.45	8.14	7.67	7.65	7.65	4.40	4.40	4.40	4.40
5-years	15.78	11.64	12.56	11.24	9.19	9.08	9.08	9.08	9.08	8.94	8.94
7-years	16.31	12.62	13.09	11.48	10.09	9.89	9.89	9.89	9.33	9.33	9.33
10-years	16.79	14.39	15.04	12.51	11.59	11.25	11.25	11.25	10.34	10.34	10.34
15-years	17.54	14.69	15.52	14.06	13.59	13.57	11.97	11.97	11.97	11.97	11.27
20-years			17.35	15.79	15.27	14.75	11.98	11.98	11.60	11.60	12.01
25-years					16.06	13.82	13.82	13.82	11.71	12.36	12.36
7 Discount rate	11.42	8.17	7.00	5.67	5.00	5.00	5.00	5.00	5.00	5.00	5.00
8 Savings deposit rate	3.06	2.52	2.44	2.34	1.95	1.61	1.59	1.56	1.41	1.42	1.52
9 Overall time deposits rate					6.85	6.79	7.02	7.02	6.81	6.69	6.80
1 month	10.79	5.68	8.51	8.13	7.55	6.86	6.32	7.03	6.75	6.00	6.13
2 months	11.33	9.14	7.24	6.41	7.26	6.62	7.56	7.90	6.37	6.56	7.34
3 months	11.18	8.59	7.10	6.69	6.94	7.00	7.57	6.22	6.78	6.96	7.12
6 months	10.96	8.45	7.81	7.48	7.59	7.56	7.42	7.68	7.63	7.66	7.76
12 months	11.65	8.80	8.80	8.28	8.32	7.87	8.39	8.37	8.28	8.03	8.07
24 months	11.43	12.04	9.81	8.66	8.76	9.66	9.84	10.01	10.08	9.95	9.41
10 Negotiated deposit rate	11.88	9.53	8.92	9.26	9.47	9.92	9.74	9.68	9.73	9.63	9.43
11 Overall lending rate	17.62	17.38	16.97	16.67	16.59	16.30	16.29	16.25	16.31	16.25	16.22
Short-term (up to 1 year)	18.10	18.21	16.68	15.78	16.43	16.70	16.59	16.68	17.14	16.61	16.46
Medium-term (1-2 years)	18.79	18.60	18.22	18.29	18.05	17.58	17.46	17.42	17.34	17.47	17.62
Medium-term (2-3 years)	17.58	17.30	17.72	17.41	16.73	16.25	16.54	16.37	16.40	16.28	16.36
Long-term (3-5 years)	17.88	17.41	16.65	16.21	16.01	15.79	15.84	15.74	15.66	15.90	15.85
Term Loans (over 5 years)	15.74	15.39	15.58	15.68	15.73	15.20	15.02	15.03	15.02	14.99	14.81
12 Negotiated lending rate	16.39	15.91	14.46	13.71	13.87	13.68	13.99	13.80	14.12	14.40	14.25
In Foreign currency											
1 Deposits rates											
Savings deposits rate	0.55	1.03	2.29	1.58	0.49	0.33	0.29	0.37	0.26	0.36	0.35
Overall time deposits rate	3.46	3.69	2.57	2.26	3.11	3.48	3.32	3.22	3.38	3.22	3.44
1-months	3.03	3.66	2.01	1.22	2.93	3.59	2.31	1.42	2.22	2.25	3.53
2-months	3.54	3.99	2.86	2.31	3.23	3.24	3.57	3.46	4.03	3.42	3.82
3-months	3.23	3.81	2.73	2.61	2.80	3.27	3.47	4.02	3.31	3.82	2.80
6-months	3.77	3.86	2.48	2.52	3.15	3.78	3.93	3.92	3.91	3.34	3.36
12-months	3.74	3.14	2.75	2.63	3.43	3.53	3.35	3.27	3.40	3.25	3.67
2 Overall lending rate	8.21	7.88	7.65	6.50	7.90	8.17	8.08	8.20	8.19	8.14	8.19
Short-term (up to 1 year)	8.66	8.29	7.59	7.94	8.70	8.62	8.17	8.70	8.66	8.42	8.67
Medium-term (1-2 years)	7.80	7.89	7.92	4.74	7.92	8.74	8.74	8.82	8.82	8.82	8.81
Medium-term (2-3 years)	8.34	7.64	7.94	6.03	6.70	7.07	7.07	7.07	7.07	7.06	7.06
Long-term (3-5 years)	8.08	7.79	7.85	7.90	8.74	8.88	8.87	8.88	8.87	8.87	8.86
Term Loans (over 5 years)	8.16	7.78	6.93	5.92	7.43	7.54	7.54	7.55	7.55	7.55	7.54

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



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.1: Balance of Payments**

Item	2017	2018	2019	2020	2021 <sup>P</sup>
Millions of USD					
A. Current account	-1,485.5	-2,308.7	-1,340.2	-1,459.9	-2,465.8
Goods: exports f.o.b.	4,510.8	4,292.7	5,377.6	6,371.7	6,755.6
Traditional	1,021.8	667.5	817.7	808.1	627.9
Non-traditional	3,078.9	3,234.9	4,186.0	5,253.3	5,763.0
o/w Gold	1,541.1	1,541.9	2,215.1	2,957.5	2,743.1
Unrecorded trade	410.1	390.2	373.8	310.4	364.8
Goods: imports f.o.b.	-7,293.0	-8,519.7	-8,615.2	-7,831.7	-10,003.4
Balance on goods	-2,782.3	-4,227.0	-3,237.6	-1,460.0	-3,247.7
Services: credit	3,831.9	4,014.7	4,281.0	2,183.8	3,152.3
Transport	1,137.4	1,222.1	1,350.1	1,281.7	1,415.7
Travel	2,250.3	2,449.4	2,604.5	714.5	1,402.5
Other	444.2	343.2	326.4	187.5	334.1
Services: debit	-2,001.4	-1,925.7	-1,788.4	-1,319.0	-1,717.7
Transport	-757.2	-609.5	-683.5	-607.0	-810.4
Travel	-807.3	-738.1	-651.1	-203.8	-238.9
Other	-436.9	-578.2	-453.9	-508.2	-668.3
Balance on services	1,830.5	2,088.9	2,492.5	864.7	1,434.7
Balance on goods and services	-951.8	-2,138.0	-745.0	-595.2	-1,813.0
Primary income: credit	125.3	155.9	212.4	111.2	103.2
o/w Investment income	86.1	108.5	150.4	97.7	80.2
Compensation of employees	39.3	47.4	62.1	13.5	23.0
Primary income: debit	-1,061.0	-795.2	-1,226.2	-1,375.7	-1,321.3
o/w Direct investment income	-700.0	-439.0	-766.3	-913.3	-938.7
Interest payments	-306.1	-302.1	-398.3	-383.7	-295.5
Compensation of employees	-45.0	-37.6	-37.9	-34.9	-35.8
Balance on primary income	-935.7	-639.2	-1,013.7	-1,264.5	-1,218.0
Balance on goods, services and primary income	-1,887.4	-2,777.3	-1,758.7	-1,859.8	-3,031.1
Secondary income: credit	485.2	535.8	474.9	452.6	650.7
Government	121.8	170.3	103.5	139.9	104.4
Financial corporations, non-financial corporations, households and NPISHs	363.4	365.5	371.4	312.7	546.3
o/w Personal transfers	363.4	365.5	371.4	312.7	546.3
Secondary income: debit	-83.2	-67.3	-56.4	-52.7	-85.4
Balance on secondary income	402.0	468.5	418.5	399.9	565.3
B. Capital account	376.8	464.1	481.2	385.8	417.9
Capital transfers credit	376.8	464.1	481.2	385.8	417.9
General government	313.6	400.3	416.8	311.9	352.6
Other capital transfer (Investment grant)	287.8	394.3	416.8	297.6	341.2
Debt forgiveness (including MDRI)	25.8	6.0	0.0	14.3	11.4
Financial corporations, non-financial corporations, households and NPISHs	63.2	63.8	64.4	73.9	65.3
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-1,108.7	-1,844.7	-859.0	-1,074.1	-2,048.0
C. Financial account, excl. reserves and related items	2,147.7	1,621.2	2,505.8	884.0	2,965.0
Direct investments	-937.7	-971.6	-1,217.2	-943.8	-1,032.9
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	937.7	971.6	1,217.2	943.8	1,032.9
Portfolio investment	2.9	-3.7	36.8	-2.1	-7.7
Other investment	1,207.0	653.3	1,251.8	-57.7	1,939.8
Assets	117.8	-149.8	-31.8	-24.4	-55.7
Loans (deposit-taking corporations, except the central bank)	34.5	-35.2	-60.8	-167.3	71.6
Currency and deposits	83.4	-114.5	34.9	145.2	-126.9
Deposit-taking corporations, except the central bank	4.9	-206.9	-32.4	-34.0	-197.9
Other sectors	78.5	92.4	67.3	179.2	71.0
Other assets	-0.1	0.0	-5.9	-2.3	-0.3
Liabilities	1,089.2	803.1	1,283.6	-33.3	1,995.5
Trade credits	9.7	21.4	-8.9	10.1	-1.7
Loans	1,096.6	744.2	1,317.3	-15.3	1,988.7
Monetary authority	0.0	0.0	0.0	0.0	543.0
SDR allocation	0.0	0.0	0.0	0.0	543.0
General government	699.7	408.5	1,323.4	-75.0	1,771.5
Drawings	1,094.7	1,115.0	2,087.4	911.1	2,762.7
Repayments	-395.0	-706.5	-764.0	-986.1	-991.3
o/w Debt forgiveness	-25.8	-6.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	176.1	-32.2	88.2	37.2	-10.7
Other sectors	220.8	367.9	-94.3	22.4	227.9
Drawings	318.9	467.6	365.2	281.8	387.1
Repayments	-98.1	-99.7	-459.5	-259.4	-159.2
Currency and deposits	-17.1	37.6	-24.7	-28.1	8.5
Total, Groups A through C	1,038.9	-223.5	1,646.8	-190.1	917.0
D. Net errors and omissions	630.7	-560.6	-1,059.8	-574.8	935.1
Overall balance (Total, Groups A through D)	1,669.6	-784.0	587.0	-764.9	1,852.1
E. Reserves and related items	-1,669.6	784.0	-587.0	764.9	-1,852.1
Reserve assets	-1,598.7	871.9	-525.0	790.1	-1,840.2
Use of Fund credit and loans	-70.9	-87.9	-62.0	-25.2	-11.9
GDP(mp) billions of TZS	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8
GDP(mp) millions of USD	53,275.9	57,003.7	61,026.7	65,892.2	70,298.0
CAB/GDP	-2.8	-4.1	-2.2	-2.2	-3.4
Gross official reserves	5,900.3	5,044.6	5,567.6	4,767.7	6,386.0
Months of imports (excluding FDI related imports)	6.6	4.9	6.4	5.6	6.6
Exchange rate (end of period)	2,230.1	2,281.2	2,287.9	2,298.5	2,297.6
Exchange rate (period average)	2,228.9	2,263.8	2,288.2	2,294.1	2,297.8

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

Note: Data from 2017 to 2020 have been revised; p denotes provisional data; o/w, of which; NPISH, non-profit institutions serving households; MDRI, multilateral debt relief initiative; GDP, gross domestic product; CAB, current account balance; FDI, foreign direct investment; and f.o.b. free on board



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.2: Balance of Payments**

Item	2017	2018	2019	2020	2021 <sup>p</sup>
A. Current account	-3,310,893.1	-5,226,490.0	-3,066,712.5	-3,349,221.2	-5,665,884.5
Goods: exports f.o.b.	10,053,833.3	9,717,765.8	12,305,060.2	14,617,648.2	15,522,860.4
Traditional	2,277,506.5	1,511,162.2	1,871,092.6	1,853,822.3	1,442,792.2
Non-traditional	6,862,341.9	7,323,170.3	9,578,551.4	12,051,767.4	13,241,905.1
o/w: Gold	3,434,952.4	3,490,414.5	5,068,590.4	6,785,004.0	6,303,065.3
Un-recorded trade	913,984.8	883,433.3	855,416.1	712,058.6	838,163.2
Goods: imports f.o.b.	-16,255,155.3	-19,286,654.6	-19,713,284.2	-17,967,047.0	-22,965,369.2
Balance on goods	-6,201,322.0	-9,568,888.8	-7,408,224.0	-3,349,398.8	-7,462,508.8
Services: credit	8,540,698.0	9,088,329.1	9,795,772.0	5,009,882.9	7,243,324.6
Transport	2,535,033.8	2,766,605.0	3,089,355.2	2,940,492.8	3,253,047.7
Travel	5,015,598.3	5,544,826.0	5,959,546.1	1,639,255.3	3,222,595.6
Other	990,065.9	776,898.1	746,870.6	430,134.8	767,681.4
Services: debit	-4,460,736.4	-4,359,466.2	-4,092,341.9	-3,026,046.9	-3,946,771.3
Transport	-1,687,713.2	-1,379,812.7	-1,563,958.0	-1,392,651.0	-1,862,202.7
Travel	-1,799,287.7	-1,670,830.8	-1,489,872.0	-467,614.9	-548,944.0
Other	-973,735.5	-1,308,822.6	-1,038,511.9	-1,165,780.9	-1,535,624.6
Balance on services	4,079,961.6	4,728,862.9	5,703,430.0	1,983,835.9	3,296,553.4
Balance on goods and services	-2,121,360.4	-4,840,025.9	-1,704,794.0	-1,365,562.8	-4,165,955.4
Primary income: credit	279,380.7	353,016.4	486,129.5	255,085.0	237,243.1
o/w Investment income	191,831.6	245,645.0	344,060.9	224,202.7	184,343.8
Compensation of employees	87,549.2	107,371.4	142,068.6	30,882.3	52,899.3
Primary income: debit	-2,364,865.9	-1,800,133.3	-2,805,698.1	-3,156,134.6	-3,036,020.6
o/w Direct investment income	-1,560,200.3	-993,857.6	-1,753,437.8	-2,095,165.4	-2,156,967.5
Interest payments	-682,215.0	-683,888.1	-911,498.5	-880,156.8	-679,089.2
Compensation of employees	-100,280.8	-85,108.1	-86,683.2	-80,041.8	-82,352.6
Balance on primary income	-2,085,485.2	-1,447,117.0	-2,319,568.6	-2,901,049.7	-2,798,777.5
Balance on goods, services and primary income	-4,206,845.6	-6,287,142.9	-4,024,362.6	-4,266,612.5	-6,964,732.9
Secondary income: credit	1,081,342.7	1,212,903.2	1,086,729.7	1,038,249.0	1,495,182.4
Government	271,476.4	385,536.8	236,860.6	320,870.8	239,950.8
Financial corporations, non-financial corporations, households and NPISHs	809,866.3	827,366.5	849,869.1	717,378.1	1,255,231.6
o/w Personal transfers	809,866.3	827,366.5	849,869.1	717,378.1	1,255,231.6
Secondary income: debit	-185,390.2	-152,250.4	-129,079.7	-120,857.7	-196,334.0
Balance on secondary income	895,952.5	1,060,652.8	957,650.0	917,391.3	1,298,848.4
B. Capital account	839,746.9	1,050,575.5	1,101,059.1	885,067.1	960,136.7
Capital transfers: credit	839,746.9	1,050,575.5	1,101,059.1	885,067.1	960,136.7
General government	698,951.2	906,143.7	953,623.4	715,481.0	810,101.7
Other capital transfer (investment grant)	641,558.2	892,561.0	953,623.4	682,674.7	783,907.2
Debt forgiveness (including MDRI)	57,393.1	13,582.7	0.0	32,806.3	26,194.5
Financial corporations, non-financial corporations, households and NPISHs	140,795.7	144,431.8	147,435.7	169,586.0	150,035.0
Capital transfers: debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-2,471,146.2	-4,175,914.5	-1,965,653.4	-2,464,154.1	-4,705,747.8
C. Financial account, excl. reserves and related items	4,786,817.3	3,670,023.2	5,733,845.2	2,028,094.7	6,812,806.2
Direct investments	-2,089,999.8	-2,199,436.9	-2,785,287.4	-2,165,135.6	-2,373,392.5
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	2,089,999.8	2,199,436.9	2,785,287.4	2,165,135.6	2,373,392.5
Portfolio investment	6,544.2	-8,413.0	84,171.3	-4,765.1	-17,730.5
Other investment	2,690,273.2	1,478,999.3	2,864,386.5	-132,275.8	4,457,144.1
Assets	262,537.0	-339,072.5	-72,813.7	-55,958.5	-127,980.4
Loans (deposit-taking corporations, except the central bank)	76,861.9	-79,794.4	-139,144.8	-383,710.4	164,426.2
Currency and deposits	185,807.4	-259,298.4	79,930.7	333,040.9	-291,643.0
Deposit-taking corporations, except the central bank	10,933.2	-468,428.7	-74,159.5	-78,010.4	-454,816.5
Other sectors	174,874.2	209,130.3	154,090.2	411,051.4	163,173.4
Other assets	-132.3	20.4	-13,599.6	-5,289.0	-763.5
Liabilities	2,427,736.2	1,818,071.8	2,937,200.2	-76,317.3	4,585,124.5
Trade credits	21,568.3	48,346.0	-20,470.9	23,248.4	-3,882.3
Loans	2,444,250.4	1,684,697.3	3,014,142.5	-35,146.1	4,569,509.8
Monetary authority	0.0	0.0	0.0	0.0	1,247,686.0
SDR allocation	0.0	0.0	0.0	0.0	1,247,686.0
General government	1,559,586.3	924,669.7	3,028,168.9	-172,093.4	4,070,406.5
Drawings	2,439,919.6	2,524,054.6	4,776,350.8	2,090,138.4	6,348,073.1
Repayments	-880,333.3	-1,599,384.9	-1,748,181.9	-2,262,231.8	-2,277,666.6
o/w Debt forgiveness	-57,393.1	-13,582.7	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	392,500.9	-72,817.3	201,751.7	85,448.3	-24,667.4
Other sectors	492,163.2	832,844.9	-215,778.0	51,499.0	523,770.8
Drawings	710,759.7	1,058,543.8	835,653.6	646,490.4	889,464.5
Repayments	-218,596.6	-225,698.9	-1,051,431.6	-594,991.4	-365,693.8
Currency and deposits	-38,082.5	85,028.4	-56,471.4	-64,419.5	19,497.0
Total, Groups A through C	2,315,671.1	-505,891.3	3,768,191.8	-436,059.4	2,107,058.3
D. Net errors and omissions	1,405,684.1	-1,269,012.8	-2,425,000.6	-1,318,722.1	2,148,677.2
Overall balance (Total, Groups A through D)	3,721,355.2	-1,774,904.1	1,343,191.2	-1,754,781.5	4,255,735.5
E. Reserves and related items	-3,721,355.2	1,774,904.1	-1,343,191.2	1,754,781.5	-4,255,735.5
Reserve assets	-3,563,234.6	1,973,797.5	-1,201,354.4	1,812,615.2	-4,228,304.2
Use of Fund credit and loans	-158,120.5	-198,893.4	-141,836.8	-57,833.7	-27,431.3
GDP(mp) billions of TZS	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8
GDP(mp) millions of USD	53,275.9	57,003.7	61,026.7	65,892.2	70,298.0
CAB/GDP	-2.8	-4.1	-2.2	-2.2	-3.4
Gross official reserves	5,900.3	5,044.6	5,567.6	4,767.7	6,386.0
Months of Imports (excluding FDI related imports)	6.6	4.9	6.4	5.6	6.6
Exchange rate (end of period)	2,230.1	2,281.2	2,287.9	2,298.5	2,297.6
Exchange rate (annual average)	2,228.9	2,263.8	2,288.2	2,294.1	2,297.8

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

Note: Data from 2017 to 2020 have been revised; p denotes provisional data; o/w, of which; NPISH, non-profit institutions serving households; MDRI, multilateral debt relief initiative; GDP, gross domestic product; CAB, current account balance; FDI, foreign direct investment; and f.o.b., free on board



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.3: Tanzania Exports by Type of Commodity**

Commodity	Unit of measure	2017	2018	2019	2020	2021 <sup>P</sup>
<b>A: Traditional exports :</b>						
<b>Coffee</b>						
Value	Millions of USD	126.3	148.4	152.2	145.2	155.2
Volume	'000' Tonnes	41.8	56.3	76.2	64.0	68.0
Unit price	USD/Tonnes	3,019.2	2,633.0	1,996.5	2,076.4	3,176.9
<b>Cotton</b>						
Value	Millions of USD	36.8	69.2	91.8	87.5	81.3
Volume	'000' Tonnes	25.3	47.4	79.0	72.6	48.8
Unit price	USD/Tonnes	1,450.3	1,461.1	1,162.2	976.2	1,928.4
<b>Sisal</b>						
Value	Millions of USD	28.7	18.8	19.3	17.6	20.2
Volume	'000' Tonnes	17.0	12.3	12.2	11.2	12.6
Unit price	USD/Tonnes	1,686.7	1,535.6	1,581.7	1,566.2	1,653.7
<b>Tea</b>						
Value	Millions of USD	49.1	46.5	45.7	32.4	32.9
Volume	'000' Tonnes	27.5	26.9	31.7	24.1	24.2
Unit price	USD/Tonnes	1,783.6	1,727.4	1,444.2	1,345.5	1,482.5
<b>Tobacco</b>						
Value	Millions of USD	195.8	273.5	146.5	148.7	127.5
Volume	'000' Tonnes	48.3	75.0	42.6	42.6	37.7
Unit price	USD/Tonnes	4,055.6	3,648.6	3,440.9	3,494.2	3,278.5
<b>Raw cashewnuts</b>						
Value	Millions of USD	529.7	110.8	353.1	359.6	159.0
Volume	'000' Tonnes	329.5	70.1	295.6	320.9	154.4
Unit price	USD/Tonnes	1,607.5	1,580.6	1,194.6	1,120.6	1,048.3
<b>Cloves</b>						
Value	Millions of USD	55.4	0.4	9.1	17.1	51.8
Volume	'000' Tonnes	7.0	0.1	1.8	3.6	7.0
Unit price	USD/Tonnes	7,865.1	4,384.6	5,047.8	4,770.0	7,108.7
Sub total		1,021.8	667.5	817.7	808.1	627.9
<b>B. Non-traditional exports:</b>						
Minerals	Millions of USD	1,694.5	1,634.2	2,326.7	3,369.1	3,103.2
Manufactured goods	Millions of USD	676.3	826.8	851.8	908.6	1,213.2
Others exports	Millions of USD	708.1	773.9	1,007.6	975.6	1,446.6
Sub total	Millions of USD	3,078.9	3,234.9	4,186.0	5,253.3	5,763.0
Grand total	Millions of USD	4,100.7	3,902.5	5,003.8	6,061.3	6,390.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.4: Tanzania Exports by Type of Commodity**

Commodity	Unit of measure	2017	2018	2019	2020	2021 <sup>P</sup>
Traditional exports:						
Coffee						
Value	Millions of TZS	281,440.3	335,849.8	348,236.1	333,129.2	356,560.4
Volume	'000' Tonnes	41.8	56.3	76.2	64.0	68.0
Unit price	TZS/Tonne	6,729.3	5,960.4	4,568.5	5,205.1	4,181,317.4
Cotton						
Value	Millions of TZS	81,939.6	156,632.2	209,991.5	200,843.0	186,844.4
Volume	'000' Tonnes	25.3	47.4	79.0	72.6	48.8
Unit price	TZS/Tonne	3,232.6	3,307.6	2,659.3	2,767.6	3,843,859.4
Sisal						
Value	Millions of TZS	64,045.9	42,637.2	44,082.9	40,264.5	46,358.4
Volume	'000' Tonnes	17.0	12.3	12.2	11.2	12.6
Unit price	TZS/Tonne	3,759.4	3,476.2	3,619.4	3,593.2	1,971,350.7
Tea						
Value	Millions of TZS	109,514.7	105,228.8	104,606.0	74,379.5	75,550.4
Volume	'000' Tonnes	27.5	26.9	31.7	24.1	24.2
Unit price	TZS/Tonne	3,975.4	3,910.5	3,304.5	3,086.9	1,494,252.3
Tobacco						
Value	Millions of TZS	436,422.0	619,074.5	335,258.5	341,155.9	292,870.8
Volume	'000' Tonnes	48.3	75.0	42.6	42.6	37.7
Unit price	TZS/Tonne	9,039.5	8,259.6	7,873.5	8,016.3	5,535,658.9
Raw cashewnuts						
Value	Millions of TZS	1,180,625.7	250,909.3	808,010.6	824,867.9	365,057.0
Volume	'000' Tonnes	329.5	70.1	295.6	320.9	154.4
Unit price	TZS/Tonne	3,583.0	3,578.2	2,733.4	2,570.9	1,441,898.9
Cloves						
Value	Millions of TZS	123,518.3	830.4	20,907.0	39,182.3	119,004.8
Volume	'000' Tonnes	7.0	0.1	1.8	3.6	7.0
Unit price	TZS/Tonne	17,530.2	9,925.8	11,550.5	10,943.1	13,537,913.5
Sub total	Millions of TZS	2,277,506.5	1,511,162.2	1,871,092.6	1,853,822.3	1,442,769.9
Non traditional exports:						
Minerals	Millions of TZS	3,776,763.0	3,699,421.6	5,323,924.1	7,729,136.4	7,130,188.1
Manufactured goods	Millions of TZS	1,507,300.2	1,871,744.2	1,949,117.2	2,084,518.3	2,787,654.6
Other exports	Millions of TZS	1,578,278.8	1,752,004.5	2,305,510.0	2,238,112.7	3,324,210.3
Sub total	Millions of TZS	6,862,341.9	7,323,170.3	9,578,551.3	12,051,767.4	13,241,701.0
Grand total	Millions of TZS	9,139,848.5	8,834,332.5	11,449,643.9	13,905,589.6	14,684,470.9

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.5: Tanzania Imports (f.o.b) by Commodity Groups**

	Millions of USD				
	2017	2018	2019	2020	2021 <sup>P</sup>
Capital goods	2,679.7	3,504.5	3,521.2	3,138.8	3,836.0
Transport equipment	660.1	1,207.5	989.3	738.1	970.4
Building and construction	598.3	868.4	996.2	925.5	1,159.0
Machinery	1,421.3	1,428.5	1,535.7	1,475.3	1,706.6
Intermediate goods	2,287.7	2,621.3	2,666.9	2,229.8	3,250.5
Oil imports	1,417.3	1,651.7	1,785.8	1,282.7	2,084.4
Fertilizers	134.7	180.6	129.3	187.7	189.4
Industrial raw materials	735.7	789.0	751.7	759.4	976.7
Consumer goods	2,325.6	2,393.9	2,427.1	2,463.1	2,916.9
Food and foodstuffs	530.6	476.0	431.9	420.4	500.9
All other consumer goods	1,795.1	1,917.9	1,995.1	2,042.7	2,415.9
<b>Grand total</b>	<b>7,293.0</b>	<b>8,519.7</b>	<b>8,615.2</b>	<b>7,831.7</b>	<b>10,003.4</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data

**Table A4.6: Tanzania Imports (f.o.b) by Commodity Groups**

	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Capital goods	5,972,651.0	7,933,332.4	8,057,288.2	7,200,848.0	8,814,214.7
Transport equipment	1,471,223.6	2,733,592.6	2,263,737.1	1,693,219.0	2,229,808.7
Building and constructions	1,333,468.2	1,965,824.1	2,279,506.2	2,123,151.4	2,663,093.3
Machinery	3,167,959.1	3,233,915.7	3,514,044.8	3,384,477.6	3,921,312.7
Intermediate goods	5,099,008.7	5,934,142.7	6,102,315.3	5,115,474.7	7,468,862.4
Oil imports	3,158,926.7	3,739,119.0	4,086,369.4	2,942,757.1	4,789,450.8
Fertilizers	300,286.9	408,833.4	295,971.7	430,571.2	435,186.8
Industrial raw materials	1,639,795.1	1,786,190.3	1,719,974.2	1,742,146.3	2,244,224.8
Consumer goods	5,183,495.6	5,419,179.5	5,553,680.4	5,650,724.3	6,702,292.1
Food and food stuffs	1,182,520.6	1,077,482.3	988,367.7	964,499.6	1,151,014.1
All other consumer goods	4,000,975.0	4,341,697.1	4,565,312.7	4,686,224.7	5,551,278.0
<b>Grand total</b>	<b>16,255,155.3</b>	<b>19,286,654.6</b>	<b>19,713,283.9</b>	<b>17,967,047.0</b>	<b>22,985,369.2</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.7: Tanzania Imports (c.i.f) by Commodity Groups**

	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Capital goods	6,436,460.9	8,441,866.7	8,657,751.1	7,789,385.5	9,560,749.1
Transport equipment	1,583,569.1	2,876,544.0	2,421,394.4	1,831,791.9	2,418,369.0
Building and constructions	1,437,147.2	2,104,003.3	2,453,847.9	2,296,907.7	2,889,383.6
Machinery	3,415,744.6	3,461,319.4	3,782,508.9	3,660,685.9	4,252,996.5
Intermediate goods	5,492,055.7	6,353,034.2	6,570,273.2	5,531,696.3	8,103,180.3
Oil imports	3,400,910.2	4,002,712.3	4,400,016.8	3,182,030.2	5,196,177.7
Fertilizers	323,718.2	437,542.5	318,732.1	464,933.4	472,921.4
Industrial raw materials	1,767,427.3	1,912,779.4	1,851,524.3	1,884,732.7	2,434,081.2
Consumer goods	5,584,355.5	5,796,874.0	5,973,728.3	6,106,677.0	7,266,660.3
Food and food stuffs	1,276,726.9	1,154,094.4	1,064,731.8	1,044,131.6	1,249,787.1
All other consumer goods	4,307,628.7	4,642,779.6	4,908,996.4	5,062,545.3	6,016,873.3
<b>Grand total</b>	<b>17,512,872.2</b>	<b>20,591,775.0</b>	<b>21,201,752.5</b>	<b>19,427,758.8</b>	<b>24,930,589.7</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.8: Tanzania's Exports by Country of Destination**

Country	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Australia	10,305.2	8,757.7	7,765.2	8,784.4	8,976.1
Belgium	429,842.1	541,542.4	425,097.7	284,386.9	231,684.3
Burundi	113,236.4	107,876.7	200,177.7	409,835.7	387,215.7
Canada	8,110.8	15,644.1	8,372.5	7,256.0	8,347.5
China	316,022.0	325,410.2	532,207.1	545,593.1	624,453.9
Democratic Republic of Congo	2,693.6	304,104.7	375,182.8	329,389.4	473,752.6
Denmark	8,479.8	6,164.7	9,445.5	8,500.0	8,804.0
Ireland	1,375.5	1,019.6	817.6	636.6	515.4
France	30,351.3	47,613.1	26,523.2	48,973.4	40,485.4
Germany	108,583.0	90,670.3	95,749.6	116,555.4	91,211.9
Hong Kong	96,193.9	87,992.7	112,919.7	292,710.8	140,154.8
India	2,182,438.4	1,654,380.5	1,975,728.5	1,206,533.2	2,305,581.5
Indonesia	32,286.1	52,232.8	31,211.3	24,573.3	42,799.6
Italy	80,982.8	63,103.4	46,402.1	50,340.7	77,712.2
Japan	165,609.9	150,121.0	146,042.2	127,475.5	154,219.7
Kenya	390,644.5	482,237.3	614,902.6	526,287.6	908,067.4
Malaysia	21,933.6	18,717.7	13,504.1	33,039.6	17,924.2
Mozambique	29,088.9	15,378.5	74,313.3	48,021.8	35,401.6
Netherland	159,738.9	171,865.9	179,820.2	147,218.3	11.8
New Zealand	6,614.0	7,511.1	735.5	1,931.6	1,495.5
Norway	1,048.6	1,548.7	1,211.3	529.9	184.8
Pakistan	26,920.3	68,689.8	111,795.1	185,632.9	142,151.8
Portugal	43,820.8	46,677.9	29,294.0	17,998.0	20,332.6
Singapore	12,083.4	6,374.6	17,241.1	99,658.9	318,265.9
Somalia	2,885.5	2,188.6	5,407.5	3,593.1	1,276.9
South Africa	1,553,437.7	1,662,185.7	2,211,922.3	2,652,547.2	2,095,866.9
Spain	44,945.3	37,521.1	33,186.6	444,772.5	38,538.4
Sri Lanka	3,489.5	1,630.9	2,342.0	15,724.0	7,986.9
St. Helena	n.a	4,613.6	0.0	n.a	0.0
Sweden	12,751.1	7,158.2	6,276.1	5,517.5	5,473.9
Switzerland	584,189.5	584,262.2	743,462.2	1,988,501.5	1,205,220.7
Taiwan	2,467.3	2,279.1	2,131.3	3,767.2	3,779.2
Thailand	20,571.3	26,256.5	43,504.0	27,308.2	7,839.9
Uganda	53,630.2	238,736.7	281,558.7	436,886.8	631,412.3
United Arab Emirates	195,628.3	193,172.5	899,711.3	1,723,636.1	2,403,919.5
United Kingdom	40,385.9	35,146.3	35,459.5	33,601.9	44,495.5
United States	138,266.7	135,781.2	119,358.3	107,332.0	89,308.4
Russia	25,306.6	29,431.2	14,033.7	17,267.7	16,289.6
Zambia	108,312.3	114,266.0	130,236.9	124,297.9	156,846.0
Others	2,073,160.7	1,482,049.2	1,882,574.7	1,796,953.2	1,936,466.6
<b>Total</b>	<b>9,139,848.5</b>	<b>8,834,332.5</b>	<b>11,449,643.9</b>	<b>13,905,589.6</b>	<b>14,684,470.9</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and n.a, not applicable



## Bank of Tanzania Annual Report 2021/22

### A4.0 Balance of Payments and Foreign Trade Statistics

**Table A4.9: Tanzania's Imports (c.i.f) by Country of Origin**

Country	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Argentina	74,387.5	56,858.0	85,624.2	58,030.5	61,248.0
Australia	146,252.5	143,561.5	158,426.5	107,192.6	202,935.9
Belgium	143,902.9	143,284.8	137,294.7	140,337.4	151,580.7
Brazil	117,489.6	45,744.8	36,471.2	43,421.0	63,708.0
Burundi	522.2	2,342.5	682.0	696.5	1,457.3
Canada	105,053.3	140,464.1	109,207.2	71,167.0	104,819.2
China	3,363,966.6	4,058,619.2	4,608,168.0	4,881,138.5	6,184,191.9
Democratic Republic of Congo	2,164.6	1,653.0	2,982.9	4,853.0	5,983.0
Denmark	93,835.9	70,621.7	69,130.4	61,718.9	48,919.8
Ireland	97,424.2	53,449.5	52,444.4	69,660.8	62,007.4
Finland	165,654.6	98,505.7	113,647.7	93,125.5	159,810.3
France	150,289.9	235,776.2	198,813.9	186,224.5	145,543.9
Germany	516,621.3	509,815.2	582,037.4	550,103.7	561,515.4
Hong Kong	115,143.7	138,168.2	109,783.2	110,242.6	122,545.6
India	2,607,101.8	2,789,216.2	2,927,521.8	2,515,327.9	2,792,008.4
Indonesia	321,373.5	301,753.4	385,762.8	301,906.8	507,955.9
Iran	39,373.5	58,432.1	36,526.2	20,275.5	26,570.2
Italy	198,450.2	225,033.8	313,570.9	437,147.1	242,742.6
Japan	902,807.8	897,983.8	942,218.4	796,721.8	1,071,862.6
Kenya	448,519.1	558,358.4	612,955.7	584,440.7	816,472.7
Malaysia	414,273.4	343,012.4	237,898.4	263,615.7	257,853.9
Mexico	13,728.4	18,585.9	24,659.5	20,646.1	15,708.8
Mozambique	20,629.2	54,425.0	19,281.7	5,321.0	10,604.8
Netherlands	197,537.9	193,107.1	198,239.5	310,369.1	217,877.0
New Zealand	6,354.7	8,028.8	5,530.4	3,323.5	6,406.6
Norway	26,388.1	189,121.3	103,562.6	26,341.6	24,524.9
Pakistan	53,025.7	91,236.7	70,777.3	63,436.8	72,671.7
Portugal	19,724.6	19,822.6	4,964.2	10,463.6	9,238.8
Saudi Arabia	1,051,549.2	1,282,090.9	987,741.4	790,856.4	1,557,358.0
Singapore	138,267.7	71,802.8	153,685.0	72,795.0	189,841.2
Somalia	0.0	0.0	0.0	3.8	8.2
South Africa	927,884.5	995,031.9	1,006,365.4	794,665.1	997,875.0
South Korea	314,956.0	245,932.4	262,380.7	274,361.2	316,873.1
Spain	78,256.9	84,226.3	138,972.4	119,380.4	144,628.8
Sri Lanka	7,662.1	12,373.7	8,719.9	5,856.8	8,421.4
Eswatini	81,270.7	87,650.4	112,153.4	60,754.8	91,393.1
Sweden	78,630.4	124,708.8	111,531.8	100,776.3	132,495.9
Switzerland	459,949.8	285,368.9	376,795.0	226,007.3	177,914.0
Taiwan	63,705.1	54,731.9	67,231.3	62,279.4	66,748.7
Thailand	204,618.3	269,836.0	251,423.4	203,223.4	255,064.4
Turkey	172,682.7	388,347.1	395,511.8	516,428.0	543,965.7
Uganda	76,049.5	119,328.8	134,716.8	178,318.9	252,960.3
United Arab Emirates	1,324,649.6	1,989,304.6	2,195,656.5	1,893,589.6	3,183,253.0
United Kingdom	292,350.6	361,045.7	327,141.6	271,134.6	286,852.2
United States	439,368.8	544,003.8	747,287.8	552,788.3	601,416.3
Russia	471,542.4	478,187.8	360,422.3	403,579.2	347,681.4
Zambia	120,413.1	115,953.3	108,858.0	114,050.3	162,690.2
Zimbabwe	2,508.9	2,815.8	2,010.0	10,754.3	22,877.0
Others	842,542.1	1,630,034.1	1,302,945.9	1,036,885.8	1,641,506.1
<b>Total</b>	<b>17,512,872.2</b>	<b>20,591,775.0</b>	<b>21,201,752.5</b>	<b>19,427,758.8</b>	<b>24,930,589.7</b>

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 A4.10: Tanzania's Exports to COMESA countries**

Country	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Burundi	113,236.4	107,876.7	200,177.7	409,835.7	387,215.7
Comoro	11,386.0	7,338.8	10,425.9	10,946.9	15,301.3
Djibout	905.9	74.5	1,112.1	194.1	616.7
Ethiopia	5,720.4	7,503.5	12,839.8	5,663.4	978.7
Kenya	390,644.5	482,237.3	614,902.6	526,287.6	908,067.4
Lesotho	n.a	n.a	0.9	5.1	68.6
Malawi	80,273.7	104,454.5	130,758.1	107,648.5	146,405.4
Mauritius	5,343.0	5,567.8	3,255.8	2,392.5	401.7
Rwanda	134,667.9	179,647.5	434,792.0	475,369.1	482,780.0
Somalia	2,885.5	2,188.6	5,407.5	3,593.1	1,276.9
Swaziland	1,225.7	4,613.6	13,431.8	133.6	334.6
Uganda	53,630.2	238,736.7	281,558.7	436,886.8	631,412.3
Zambia	108,312.3	114,266.0	130,236.9	124,297.9	156,846.0
Zimbabwe	18,621.3	19,784.4	42,724.0	48,944.4	33,967.5
<b>Total</b>	<b>926,852.9</b>	<b>1,274,290.0</b>	<b>1,881,623.9</b>	<b>2,152,198.5</b>	<b>2,765,672.8</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; and n.a, not available

**Table A4.11: Tanzania's Imports from COMESA Countries**

Country	Millions of TZS				
	2017	2018	2019	2020	2021 <sup>P</sup>
Burundi	521.3	2,338.3	831.5	638.5	1,457.3
Comoro	37.7	67.1	8.2	70.8	123.0
Djibout	375.2	322.7	0.0	0.3	5,470.6
Ethiopia	432.0	549.2	714.3	5,071.6	8,664.6
Kenya	450,305.1	563,073.5	614,398.1	571,151.7	816,472.7
Lesotho	605.6	1,532.6	2,841.5	1,541.3	1,152.1
Malawi	36,965.5	41,657.8	55,263.7	51,713.5	51,895.1
Mauritius	17,486.4	16,840.3	19,331.3	12,803.3	46,935.2
Rwanda	2,905.4	3,099.2	3,449.7	5,182.1	5,068.6
Somalia	0.0	0.0	0.0	3.8	8.2
Swaziland	83,154.4	87,520.8	112,169.1	60,742.9	91,393.1
Uganda	76,481.8	119,947.2	138,724.5	170,652.7	252,960.3
Zambia	120,357.5	116,033.2	109,268.9	117,995.3	162,690.2
Zimbabwe	2,508.9	2,803.5	2,266.4	10,746.4	22,877.0
<b>Total</b>	<b>792,136.9</b>	<b>955,785.4</b>	<b>1,059,267.3</b>	<b>1,008,314.0</b>	<b>1,467,168.3</b>

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 Members States**

Country	2017	2018	2019	2020	2021 <sup>P</sup>
Millions of USD					
South Africa					
Exports	706.3	750.7	971.6	1,161.6	916.7
Imports	414.6	438.0	437.6	344.7	432.1
Trade balance	291.7	312.8	534.0	816.9	484.5
DRC					
Exports	115.7	148.0	164.1	144.2	207.2
Imports	1.0	0.7	1.3	2.1	2.6
Trade balance	114.7	147.3	162.8	142.1	204.6
Malawi					
Exports	46.6	51.6	57.4	47.0	64.0
Imports	16.5	18.3	24.4	23.1	22.5
Trade balance	30.1	33.3	33.0	24.0	41.6
Zambia					
Exports	64.8	66.4	63.6	54.1	68.6
Imports	53.7	50.9	47.3	49.4	70.5
Trade balance	11.1	15.4	16.3	4.7	-1.9
Mozambique					
Exports	15.8	9.7	32.6	21.0	15.5
Imports	9.2	24.0	8.4	2.3	4.6
Trade balance	6.6	-14.3	24.3	18.7	10.9
Namibia					
Exports	0.2	2.7	0.8	0.3	2.1
Imports	7.4	9.0	6.6	4.6	5.6
Trade balance	-7.2	-6.3	-5.8	-4.3	-3.5
Madagascar					
Exports	5.2	6.8	5.8	2.3	2.4
Imports	10.9	13.6	8.5	2.5	7.6
Trade balance	-5.8	-6.8	-2.8	-0.2	-5.2
Zimbabwe					
Exports	9.2	9.3	18.8	21.1	14.9
Imports	1.1	1.2	0.9	4.7	9.9
Trade balance	8.1	8.1	17.9	16.4	4.9
Mauritius					
Exports	2.5	2.8	1.4	1.1	0.2
Imports	7.9	7.4	8.4	5.8	20.3
Trade balance	-5.4	-4.6	-7.0	-4.7	-20.1
Angola					
Exports	11.2	2.7	3.7	0.4	4.1
Imports	0.0	0.2	0.0	0.5	0.3
Trade balance	11.2	2.5	3.6	0.0	3.8
Swaziland					
Exports	0.6	2.0	5.9	0.1	0.1
Imports	36.4	38.6	48.8	26.4	39.6
Trade balance	-35.8	-36.5	-42.9	-26.3	-39.4
Seychelles					
Exports	0.2	0.0	0.0	0.3	0.3
Imports	2.4	1.9	0.0	0.0	0.0
Trade balance	-2.2	-1.9	0.0	0.3	0.3
Botswana					
Exports	1.3	2.6	0.7	0.0	0.5
Imports	0.2	0.3	0.1	1.5	0.5
Trade balance	1.1	2.3	0.5	-1.5	0.0
Lesotho					
Exports	0.0	0.0	0.0	0.0	0.0
Imports	0.3	0.7	1.2	0.7	0.5
Trade balance	-0.3	-0.7	-1.2	-0.7	-0.5
Exports to SADC	979.7	1,055.3	1,326.3	1,453.6	1,296.7
Imports from SADC	561.6	604.9	593.7	468.2	616.6
Trade balance	418.0	450.5	732.6	985.4	680.2

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 Share of Trade with SADC Members States**

	2017	2018	2019	2020	Percent 2021 <sup>P</sup>
Exports:					
South Africa	72.1	71.1	73.3	79.9	70.7
DRC	11.8	14.0	12.4	9.9	16.0
Malawi	4.8	4.9	4.3	3.2	4.9
Zambia	6.6	6.3	4.8	3.7	5.3
Mozambique	1.6	0.9	2.5	1.4	1.2
Namibia	0.0	0.3	0.1	0.0	0.2
Madagascar	0.5	0.6	0.4	0.2	0.2
Zimbabwe	0.9	0.9	1.4	1.5	1.1
Mauritius	0.3	0.3	0.1	0.1	0.0
Angola	1.1	0.3	0.3	0.0	0.3
Swaziland	0.1	0.2	0.4	0.0	0.0
Seychelles	0.0	0.0	0.0	0.0	0.0
Botswana	0.1	0.2	0.0	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0
Imports:					
South Africa	73.8	72.4	73.7	73.6	70.1
DRC	0.2	0.1	0.2	0.4	0.4
Malawi	2.9	3.0	4.1	4.9	3.6
Zambia	9.6	8.4	8.0	10.6	11.4
Mozambique	1.6	4.0	1.4	0.5	0.7
Namibia	1.3	1.5	1.1	1.0	0.9
Madagascar	1.9	2.3	1.4	0.5	1.2
Zimbabwe	0.2	0.2	0.1	1.0	1.6
Mauritius	1.4	1.2	1.4	1.2	3.3
Angola	0.0	0.0	0.0	0.1	0.1
Swaziland	6.5	6.4	8.2	5.6	6.4
Seychelles	0.4	0.3	0.0	0.0	0.0
Botswana	0.0	0.0	0.0	0.3	0.1
Lesotho	0.0	0.1	0.2	0.1	0.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data



## Bank of Tanzania Annual Report 2021/22

### A5.0: National Debt Statistics

**Table A5.1: Debt Developments**

Item	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 <sup>1</sup>	2021/22 <sup>2</sup>
Millions of USD									
1. Overall total external debt committed <sup>2</sup>	18,804.1	20,718.9	23,118.3	25,692.9	28,063.1	29,573.9	33,072.9	35,993.4	37,309.8
Disbursed outstanding external debt	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9
Undisbursed external debt	6,172.0	6,170.6	7,170.2	8,441.7	9,298.0	9,544.6	12,114.5	12,742.5	11,916.9
2. Disbursed external debt by creditor category <sup>2</sup>	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.8
Bilateral debt	1,057.9	923.3	1,112.5	1,155.9	981.7	1,057.1	1,113.4	1,168.0	1,165.8
Multilateral debt	6,997.3	7,602.6	8,044.4	8,711.1	9,509.2	9,966.4	10,703.3	11,775.8	12,707.0
Commercial debt	3,780.0	4,871.5	5,572.9	5,879.8	6,498.5	6,922.8	7,051.8	8,056.5	7,406.0
Export credits	796.9	1,150.8	1,218.3	1,504.4	1,775.7	2,083.0	2,089.9	2,250.6	4,114.0
3. Disbursed external debt by borrower category <sup>2</sup>	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9
Central government	10,416.3	11,986.8	12,944.5	13,901.6	14,978.8	15,727.2	16,764.6	18,640.1	19,330.0
Public corporations	491.2	427.2	337.0	282.2	180.4	95.0	49.2	37.2	23.7
Private sector	1,724.5	2,134.3	2,666.6	3,067.4	3,605.9	4,207.1	4,144.6	4,573.6	6,039.2
4. Disbursed external debt by use of funds <sup>2</sup>	12,632.1	14,548.3	15,948.1	17,251.2	18,765.1	20,029.3	20,958.4	23,250.9	25,392.9
BOP and budget support	2,582.7	2,383.8	2,544.3	3,053.6	2,723.7	2,836.4	2,705.4	3,395.8	3,002.2
Transport and telecommunication	2,953.5	3,291.0	3,649.3	3,891.6	4,077.0	4,634.0	5,733.3	5,944.0	5,594.7
Agriculture	613.7	604.1	615.7	1,118.9	1,207.0	1,256.0	1,300.0	1,369.0	1,312.0
Energy and mining	1,698.2	2,324.0	2,700.6	2,785.0	2,970.0	3,105.0	3,083.0	3,217.0	4,160.0
Industries	215.2	345.2	400.0	435.0	605.0	666.0	749.0	805.0	1,309.0
Social welfare and education	2,154.9	2,255.7	2,350.1	2,512.5	2,999.0	3,254.0	3,705.0	4,134.0	4,155.0
Finance and insurance	395.8	637.2	732.6	895.2	1,049.0	1,186.0	1,071.0	1,217.0	916.0
Tourism	101.5	97.5	46.9	67.3	68.0	171.0	182.0	185.0	229.0
Real estate and construction	182.2	555.0	733.4	796.2	1,096.0	1,109.0	1,012.0	1,744.0	1,801.2
Other	1,734.4	2,054.8	2,175.2	1,696.0	1,970.4	1,811.9	1,417.7	1,240.1	2,913.8
5. Total amount of loan contracted <sup>1</sup>	1,159.2	1,415.0	850.2	1,182.7	282.7	155.4	134.6	134.6	134.6
Central government	430.9	500.0	0.0	400.0	0.0	0.0	0.0	0.0	0.0
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	728.3	915.0	850.2	782.7	282.7	155.4	134.6	134.6	134.6
6. External debt disbursements <sup>1</sup>	2,347.4	2,584.1	1,800.0	1,634.9	1,599.3	1,469.5	2,212.1	2,300.4	2,844.0
Central government	1,934.7	2,033.9	1,145.2	1,310.3	1,394.7	1,351.1	1,883.2	2,219.4	2,531.1
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private Sector	412.6	550.2	654.8	324.6	204.6	118.4	328.9	81.0	312.9
7. Actual external debt service <sup>1</sup>	489.0	565.5	880.5	854.2	1,072.3	990.5	2,005.9	1,431.2	1,661.5
Principal	326.7	334.3	529.6	544.7	760.7	693.2	1,710.9	977.1	1,321.5
Interest	162.3	225.1	350.8	309.6	311.6	297.2	295.0	454.1	340.0
Other payments	0.0	6.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
8. Net flows on external debt <sup>1</sup>	2,020.7	2,249.8	1,270.3	1,090.2	838.6	776.3	501.2	1,323.3	1,522.5
9. Net transfers on external debt <sup>1</sup>	1,858.4	2,018.6	919.5	780.6	526.9	479.1	206.2	869.2	1,182.5
10. External debt arrears by creditors category <sup>2</sup>	3,339.2	3,146.8	2,350.5	3,142.8	4,279.5	4,789.3	4,979.7	5,622.4	5,146.7
Principal	1,734.4	1,811.1	1,117.7	1,742.9	2,541.6	2,897.6	2,985.4	3,354.0	2,707.0
Bilateral debt	379.0	427.3	327.7	346.8	326.0	320.7	329.7	372.5	371.0
Multilateral debt	24.2	34.6	28.1	72.0	100.7	117.2	137.1	166.1	240.6
Commercial debt	831.5	754.6	416.3	730.9	807.3	1,281.5	1,246.9	1,619.6	1,035.5
Export credits	499.8	594.6	345.6	593.2	1,307.6	1,178.2	1,271.7	1,195.8	1,059.9
Interest	1,604.8	1,335.7	1,232.8	1,399.9	1,737.9	1,891.7	1,994.3	2,268.4	2,439.7
Bilateral debt	835.4	678.3	730.4	784.8	840.9	901.4	969.9	1,063.0	1,098.9
Multilateral debt	10.9	11.2	7.7	14.9	29.4	25.2	38.5	59.5	63.7
Commercial debt	594.5	439.8	295.3	365.7	359.9	536.2	521.6	632.4	724.4
Export credits	163.9	206.4	199.3	234.6	507.7	428.9	464.3	513.5	552.7
11. Total debt stock	18,198.5	19,692.6	21,788.1	24,639.0	26,971.0	28,412.8	29,708.9	33,773.1	38,265.6
External debt stock	14,236.9	15,884.0	17,180.9	18,651.1	20,503.0	21,921.0	22,952.7	25,519.3	27,832.5
Domestic debt stock	3,961.7	3,808.6	4,607.2	5,987.8	6,468.0	6,491.8	6,756.2	8,253.8	10,433.1
Memorandum items:									
Export of goods and services	8,589.3	8,852.3	8,405.8	8,430.4	8,588.5	8,298.0	9,049.4	8,536.5	11,098.6
GDP at market (current) prices	47,155.0	43,792.6	46,517.8	50,917.5	54,464.5	58,220.8	62,956.4	67,323.2	72,600.7
External debt stock as percent of GDP	30.2	36.3	36.9	36.6	37.6	37.7	36.5	37.9	38.3
Total debt stock as percent of GDP	38.6	45.0	46.8	48.4	49.5	48.8	47.2	50.2	52.7
External debt service as percent of exports	5.7	6.4	10.5	10.1	12.5	11.9	22.2	16.8	15.0
External debt as percent of exports	165.8	179.4	204.4	221.2	238.7	264.2	253.6	298.9	250.8
Domestic debt stock as percent of GDP	8.4	8.7	9.9	11.8	11.9	11.2	10.7	12.3	14.4
End of period exchange rate (TZS/USD)	1,649.7	2,020.3	2,178.9	2,230.1	2,277.7	2,289.5	2,296.5	2,298.9	2,304.2

Source: Bank of Tanzania

Note: Multilateral arrears are those owed by the private sector,<sup>1</sup> denotes debt flows during the period;<sup>2</sup> stock position at the end of period; GDP, gross domestic product; 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**

	Million of TZS					
Activity	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, forestry and fishing	603,033.4	694,698.3	777,912.4	875,199.9	959,380.0	1,139,978.5
Crops	256,455.8	312,784.6	315,521.7	306,783.5	369,651.4	380,490.6
Livestock	166,745.2	165,055.7	224,028.3	320,404.5	331,328.9	464,200.0
Forestry	42,627.8	51,377.8	48,401.7	49,980.4	51,957.9	58,513.7
Fishing	137,204.6	165,480.2	189,960.7	198,031.5	206,441.8	236,774.6
Industry	528,604.9	631,556.9	652,893.3	756,276.3	826,205.7	898,105.6
Mining and quarrying	28,885.7	36,289.3	42,661.5	43,583.4	42,935.7	47,700.0
Manufacturing	195,133.2	210,685.0	217,762.8	281,920.5	324,928.3	338,200.0
Electricity and gas	28,904.8	29,866.2	31,139.1	48,531.8	58,968.6	59,505.6
Water supply and sewerage	20,706.8	21,589.9	22,081.1	24,588.5	24,009.9	25,900.0
Construction	254,974.3	333,126.5	339,248.8	357,652.1	375,363.2	426,800.6
Services	1,368,142.3	1,613,850.1	1,940,016.8	2,137,032.3	2,059,160.0	2,180,665.0
Trade and repairs	175,084.7	200,459.4	199,982.3	205,674.5	211,669.7	250,200.0
Transport and storage	109,118.4	109,288.9	115,708.3	129,840.2	141,760.4	144,200.0
Accommodation and food services	388,084.5	479,219.7	721,688.4	833,359.5	666,543.9	724,200.0
Accommodation	318,470.5	393,954.8	601,940.4	698,061.7	571,063.9	611,100.0
Food and beverage services	69,614.0	85,264.9	119,748.0	135,297.9	95,480.0	113,100.0
Information and communication	51,159.5	37,311.6	36,746.1	56,834.0	70,827.1	74,800.3
Financial and insurance activities	90,732.9	117,506.9	139,724.9	145,665.7	144,763.6	160,900.0
Real estate activities	180,398.8	273,923.7	300,646.9	320,126.7	348,864.6	379,482.2
Professional, scientific and technical	4,285.0	4,413.3	4,831.4	4,913.6	5,165.6	5,700.0
Administrative and support services	24,936.7	28,526.3	29,528.3	33,451.4	27,894.2	29,700.0
Public administration	194,437.9	199,330.2	213,895.1	216,372.0	229,695.5	230,400.0
Education	75,266.4	80,280.9	85,343.5	92,793.9	99,800.8	113,982.5
Human health and social work	33,802.6	36,233.0	37,457.2	39,941.9	43,530.7	46,400.0
Arts, entertainment and recreation	2,321.6	2,650.9	3,074.5	3,064.4	3,159.1	3,300.0
Other service activities	33,146.8	39,166.6	45,673.8	48,257.5	58,454.7	65,100.0
Domestic services	5,366.6	5,538.7	5,716.3	6,737.1	7,030.2	7,200.0
Less: FISIM	-31,130.3	-38,955.3	-41,786.3	-45,860.5	-49,132.1	-54,900.0
GDP at basic prices	2,468,650.2	2,901,150.0	3,329,036.2	3,722,648.0	3,795,613.5	4,218,749.2
Add: Taxes on products	278,509.8	332,305.8	387,384.3	409,337.6	413,248.9	414,081.9
GDP at market prices	2,747,160.0	3,233,455.7	3,716,420.4	4,131,985.5	4,208,862.4	4,632,831.1
Population in '000'	1,455.0	1,534.0	1,577.0	1,621.0	1,666.0	1,713.0
GDP per capita in TZS '000'	1,888.1	2,107.9	2,356.7	2,549.0	2,526.0	2,704.0
Exchange rate TZS/USD, period average	2,177.2	2,228.9	2,264.0	2,289.0	2,298.0	2,310.0

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	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
						Percent
Agriculture, forestry and fishing	22.0	21.5	20.9	21.2	22.8	27.1
Crops	9.3	9.7	8.5	7.4	8.8	8.0
Livestock	6.1	5.1	6.0	7.8	7.9	12.9
Forestry and hunting	1.6	1.6	1.3	1.2	1.2	1.2
Fishing	5.0	5.1	5.1	4.8	4.9	5.0
Industry	19.2	19.5	17.6	18.3	19.6	19.0
Mining and quarrying	1.1	1.1	1.1	1.1	1.0	0.9
Manufacturing	7.1	6.5	5.9	6.8	7.7	7.0
Electricity and gas	1.1	0.9	0.8	1.2	1.4	1.2
Water supply and sewerage	0.8	0.7	0.6	0.6	0.6	0.5
Construction	9.3	10.3	9.1	8.7	8.9	9.3
Services	49.8	49.9	52.2	51.7	47.8	45.3
Trade and repairs	6.4	6.2	5.4	5.0	5.0	4.7
Transport and storage	4.0	3.4	3.1	3.1	3.4	3.0
Accommodation and food services	14.1	14.8	19.4	20.2	15.8	15.8
Accommodation	11.6	12.2	16.2	16.9	13.6	13.3
Food and beverage services	2.5	2.6	3.2	3.3	2.3	2.5
Information and communication	1.9	1.2	1.0	1.4	1.7	1.6
Financial and insurance activities	3.3	3.6	3.8	3.5	3.4	3.2
Real estate activities	6.6	8.5	8.1	7.7	8.3	7.9
Professional, scientific and technical	0.2	0.1	0.1	0.1	0.1	0.1
Administrative and support services	0.9	0.9	0.8	0.8	0.7	0.6
Public administration	7.1	6.2	5.8	5.2	5.5	4.8
Education	2.7	2.5	2.3	2.2	2.4	2.4
Human health and social work	1.2	1.1	1.0	1.0	1.0	0.8
Arts, entertainment and recreation	0.1	0.1	0.1	0.1	0.1	0.0
Other service activities	1.2	1.2	1.2	1.2	1.4	1.4
Domestic services	0.2	0.2	0.2	0.2	0.2	0.2
Less: FISIM	-1.1	-1.2	-1.1	-1.1	-1.2	-1.1
GDP at basic prices	89.9	89.7	89.6	90.1	90.2	91.3
Taxes on products	10.1	10.3	10.4	9.9	9.8	8.7
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					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, forestry and fishing	539,470.4	581,961.7	603,772.3	619,373.1	639,786.9	656,328.7
Crops	235,942.4	261,048.2	270,621.4	254,884.7	258,117.7	263,823.5
Livestock	124,643.2	136,036.8	146,732.3	171,666.1	185,746.4	191,300.0
Forestry and hunting	42,286.7	44,076.5	44,195.5	45,854.2	43,848.3	45,616.2
Fishing	136,598.0	140,800.2	142,223.0	146,968.0	152,074.5	155,588.9
Industry	466,959.2	493,084.6	511,768.5	565,815.6	595,431.1	626,400.0
Mining and quarrying	27,200.7	32,719.2	37,066.7	36,423.4	34,248.6	37,600.0
Manufacturing	194,561.1	211,321.3	215,700.7	259,876.2	276,775.6	279,800.0
Electricity and gas	12,613.4	13,147.7	13,823.2	14,538.2	14,067.8	15,200.0
Water supply and sewerage	20,913.3	22,448.9	23,077.8	26,065.0	26,528.5	28,300.0
Construction	211,670.7	213,447.5	222,100.0	228,912.9	243,810.6	265,500.0
Services	1,265,172.3	1,360,137.6	1,498,199.0	1,626,737.3	1,613,575.9	1,693,309.0
Trade and repairs	169,431.7	180,256.9	194,707.0	212,486.9	228,156.7	262,200.0
Transport and storage	107,633.1	111,365.1	121,812.1	127,504.8	119,128.0	130,245.1
Accommodation and food services	375,533.9	429,210.0	504,749.2	562,674.1	490,958.3	523,400.0
Accommodation	305,243.5	350,029.4	409,489.3	457,850.3	405,925.2	432,300.0
Food and beverage services	70,290.4	79,180.6	95,259.9	104,823.8	85,033.1	91,400.0
Information and communication	44,692.8	51,598.5	53,369.0	56,281.1	54,452.5	45,577.7
Financial and insurance activities	83,656.5	91,571.9	95,620.4	98,564.9	100,413.8	110,300.0
Real estate activities	136,157.9	144,662.6	153,990.7	164,204.9	175,373.4	187,700.0
Professional, scientific and technical	3,941.0	3,815.6	4,013.7	3,899.0	3,943.4	4,140.4
Administrative and support services	22,767.9	24,415.6	25,604.1	27,368.8	26,102.0	27,800.0
Public administration	180,874.7	175,947.2	185,600.0	207,252.8	234,697.7	247,110.8
Education	71,529.8	73,336.8	78,464.1	84,378.7	92,532.4	92,240.3
Human health and social work	30,822.1	31,249.2	31,979.5	32,767.4	33,215.9	34,000.0
Arts, entertainment and recreation	2,387.2	2,734.2	3,261.8	3,370.3	3,204.0	3,200.0
Other service activities	30,377.3	34,435.4	39,311.1	40,083.9	45,309.6	48,400.0
Domestic services	5,366.6	5,538.7	5,716.3	5,899.6	6,088.3	6,283.2
Less FISIM	-27,901.4	-27,660.3	-24,845.9	-25,492.8	-28,482.9	-29,288.4
GDP at basic prices	2,243,700.6	2,407,523.6	2,588,893.9	2,786,433.2	2,820,311.0	2,976,037.7
Add: Taxes on products	247,696.9	276,822.6	286,613.6	291,232.5	296,020.5	299,600.0
GDP at market prices	2,491,397.5	2,684,346.2	2,875,507.5	3,077,665.7	3,116,331.5	3,275,300.0

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 A6.4: Gross Domestic Product by Activity at Constant 2015 Prices, Percentage Annual Growth Rates**

Economic Activity	Percent					
	2016	2017	2018	2019	2020 <sup>r</sup>	2021 <sup>p</sup>
Agriculture, forestry and fishing	3.8	7.9	3.7	2.6	3.3	2.6
Crops	3.6	10.6	3.7	-5.8	1.3	2.2
Livestock	9.8	9.3	7.7	17.0	8.2	3.0
Forestry and hunting	2.5	4.2	0.3	3.8	-4.4	4.0
Fishing	-0.5	3.1	1.0	3.3	3.5	2.3
Industry	7.7	5.6	3.8	10.6	5.2	5.1
Mining and quarrying	15.9	20.3	13.3	-1.7	-6.0	9.9
Manufacturing	8.0	8.6	2.1	20.5	6.5	1.1
Electricity and gas	8.2	4.2	5.1	5.2	-3.2	8.0
Water supply and sewerage	6.9	7.3	2.8	12.6	2.0	6.9
Construction	6.5	0.8	4.1	3.1	6.5	8.9
Services	5.7	7.5	10.2	8.6	-1.0	6.9
Trade and repairs	4.5	6.4	8.0	9.2	7.4	14.9
Transport and storage	5.6	3.5	9.4	4.7	-6.6	9.3
Accommodation and food services	13.5	14.3	17.6	11.5	-12.7	6.6
Accommodation	13.8	14.7	17.0	11.8	-11.3	6.5
Food and beverage services	11.8	12.6	20.3	10.0	-18.9	7.5
Information and communication	-14.9	15.5	3.4	5.5	-3.2	-16.3
Financial and insurance activities	6.5	9.5	4.4	2.8	2.2	9.9
Real estate activities	6.0	6.2	6.4	6.6	6.8	7.0
Professional, scientific and technical	9.6	-3.2	5.2	-2.9	1.1	5.0
Administrative and support services	-1.9	7.2	4.9	6.9	-4.6	6.6
Public administration	-0.5	-2.7	5.5	11.7	13.2	5.3
Education	3.0	2.5	7.0	7.5	9.7	-0.3
Human health and social work	3.7	1.4	2.3	2.5	1.4	2.4
Arts, entertainment and recreation	26.2	14.5	19.3	3.3	-4.9	1.1
Other service activities	12.5	13.4	14.2	2.0	12.9	6.9
Domestic services	3.2	3.2	3.2	3.2	3.2	3.2
Less FISM	16.6	-0.9	-10.2	2.6	11.7	2.8
Taxes on products	7.7	11.5	3.8	1.7	1.6	1.2
GDP at market prices	5.8	7.7	7.1	7.0	1.3	5.1

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					
	2016	2017	2018	2019	2020	2021 <sup>P</sup>
Cloves	4,678.7	8,277.2	675.2	1,691.0	3,072.1	7,840.8
Clove stem	974.7	1,630.6	172.8	150.8	542.3	1,664.6
Seaweed	11,114.5	10,980.9	10,424.9	9,663.2	5,387.1	10,530.8
Rubber	10.0	0.0	0.0	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	2016	2017	2018	2019	2020	2021 <sup>P</sup>
Beverages*	Liters in '000'	19,811.0	21,699.0	20,166.0	22,031.0	22,291.0	22,269.0
	Mill. of TZS	7,232.2	7,921.6	7,362.0	8,043.0	8,204.0	8,130.0
Bread	Pcs. in '000'	174,350.0	194,893.0	209,439.0	231,540.0	237,918.0	239,242.0
	Mill. of TZS	20,852.9	23,192.2	24,923.2	34,731.0	35,688.0	35,886.0
Wheat flour	Tonnes	23,834.0	25,196.0	26,963.0	30,230.0	35,513.0	36,843.0
	Mill. of TZS	23,085.2	23,939.3	24,711.8	29,156.0	33,717.0	37,980.0
Diary products	Liters in '000'	10,475.5	8,174.3	7,709.3	7,874.0	8,041.0	2,242.0
	Mill. of TZS	13,061.3	7,751.0	8,702.2	8,888.0	9,077.0	4,925.0
Noodles	Kgs	181,872.0	247,350.0	295,701.0	373,053.0	387,414.0	380,182.0
	Mill. of TZS	327.4	455.2	532.3	728.0	774.0	760.0
Door UPVC	Pcs. in '000'	93.0	121.0	239.0	222.0	40.5	0.0
	Mill. of TZS	13.3	17.4	33.9	31.0	11.0	0.0
Window UPVC	No. in '000'	149.0	71.0	121.0	111.0	150.0	0.0
	Mill. of TZS	17.7	13.3	21.7	21.0	17.0	0.0
Gaments dish-dash	Pcs	3,674.0	3,119.0	2,973.0	2,971.0	1,392.0	4,125.0
	Mill. of TZS	110.8	104.6	103.6	91.0	29.0	126.0
Jewellery (gold/silver)	Gms	5,915.0	5,060.0	5,684.0	5,282.0	8,315.0	20,369.0
	Mill. of TZS	15.1	12.3	12.1	18.0	39.0	90.0
Sugar	Tonnes	4,814.0	677.0	3,339.0	6,467.0	0.0	7,262.0
	Mill. of TZS	6,258.2	1,211.2	5,969.5	10,994.0	0.0	12,684.0
Essential products	Pcs	0.0	227,088.0	224,045.0	230,318.0	234,924.0	289.9
	Mill. of TZS	0.0	811,832.0	800,955.0	850.0	955.0	10.0

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

Base: Jan 2017=100

Period	All items										Miscellaneous goods and services			
	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	
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
2020	114.0	114.3	113.7	135.2	108.1	115.7	120.3	124.0	111.1	114.8	113.3	113.2	107.1	109.8
2021	116.0	115.1	121.6	135.1	109.2	118.5	124.5	129.0	114.8	115.6	113.5	125.3	107.3	115.0
2021 Jan	114.1	115.3	113.2	135.1	108.0	113.3	120.9	127.2	109.4	114.9	113.9	124.9	107.1	110.0
Feb	115.2	115.7	114.9	135.1	108.2	117.4	122.3	126.9	110.6	114.9	112.3	125.3	107.1	110.0
Mar	115.3	115.8	115.0	135.1	108.2	116.8	122.3	128.6	111.9	114.9	112.3	125.3	107.1	110.0
Apr	116.3	117.0	115.8	135.1	109.0	117.5	124.5	128.6	113.9	114.9	112.3	125.3	107.1	110.6
May	117.7	119.7	116.1	135.1	110.0	117.7	124.7	128.7	114.3	114.9	112.3	125.3	107.1	110.4
Jun	117.2	117.7	116.9	135.1	109.7	119.7	125.1	129.0	115.1	114.9	112.4	125.3	107.1	112.2
Jul	117.3	117.1	177.5	135.1	109.3	120.8	125.1	129.3	115.9	114.9	112.4	125.3	107.1	114.9
Aug	117.3	117.1	117.5	135.1	109.1	119.4	125.3	130.2	117.4	114.9	112.4	125.3	107.7	119.2
Sep	115.4	111.1	118.5	135.1	109.5	120.8	125.4	130.1	118.7	116.9	115.4	125.3	107.7	120.0
Oct	115.0	111.2	117.9	135.1	109.5	119.7	125.8	130.3	116.7	116.9	115.4	125.3	107.1	120.0
Nov	115.1	111.5	117.7	135.1	109.7	119.7	125.8	129.5	116.1	116.9	115.4	125.3	107.1	121.4
Dec	115.6	112.3	118.0	135.1	109.9	119.0	126.2	129.5	118.1	116.9	115.4	125.3	107.7	121.4
2022 Jan	117.3	115.9	118.3	135.1	109.9	119.5	126.3	129.5	118.1	116.9	115.4	125.3	107.7	121.7
Feb	118.5	118.3	118.7	135.1	109.9	121.3	126.8	129.5	117.3	116.9	115.4	125.3	107.7	121.7
Mar	119.4	119.3	119.5	135.1	110.2	121.1	133.3	129.5	118.1	116.9	115.4	125.3	108.4	121.7
Apr	121.2	122.1	120.5	135.1	111.6	121.0	136.6	129.5	121.1	116.9	115.4	125.3	108.4	121.7
May	122.0	123.6	120.8	135.1	111.9	120.4	137.0	129.5	123.6	116.9	116.7	125.3	108.4	122.3
June	122.2	121.3	122.8	135.1	112.1	124.6	137.0	132.5	126.1	116.9	116.7	125.3	108.4	123.9

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**

Base, Jan 2017=100

Period	All items	Consumer Price Index												
		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
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	5.6	5.5	5.8	3.5	4.6	9.6	1.6	6.8	3.8	0.0	1.6	4.1	2.3	5.0
2018	3.9	1.4	5.7	4.3	3.3	5.8	13.0	2.9	9.8	-0.4	5.1	5.5	0.5	2.5
2019	2.7	2.8	2.6	14.6	1.1	0.3	3.0	5.7	1.5	12.6	3.5	4.0	5.2	4.3
2020	3.4	5.7	1.6	11.3	1.3	2.0	2.3	11.0	-2.3	2.4	3.9	3.2	0.8	2.5
2021	1.7	0.6	2.5	0.0	1.0	2.3	3.4	4.1	3.5	0.6	0.2	10.7	0.1	4.8
2021 Jan	0.5	1.3	-0.2	0.2	0.9	-1.1	1.3	7.1	-4.9	0.1	3.4	10.3	0.3	0.6
Feb	0.7	0.3	0.9	0.2	1.1	2.0	2.3	4.4	-4.3	0.1	2.0	10.7	0.3	0.4
Mar	1.5	2.5	0.8	0.2	0.9	1.1	1.8	5.5	-2.7	0.1	-0.5	10.7	0.0	0.4
Apr	1.9	1.8	2.0	0.2	1.3	2.4	3.2	5.6	0.8	0.1	-0.5	10.7	0.0	0.8
May	0.8	0.4	1.0	0.2	1.2	-1.4	3.5	4.2	3.2	0.1	-1.8	10.7	0.0	0.1
Jun	1.9	0.2	3.2	0.2	0.8	2.3	4.3	4.3	9.0	0.1	-1.7	10.7	0.0	1.7
Jul	2.2	1.3	2.9	-0.5	0.6	2.1	4.4	4.6	7.3	0.1	-1.7	10.7	0.0	3.5
Aug	2.1	-0.4	4.0	-0.5	0.6	4.9	3.6	5.0	6.8	0.0	-1.5	10.7	0.6	8.5
Sep	2.4	-0.5	4.5	0.0	1.0	5.5	3.7	2.3	7.7	1.7	1.1	10.7	0.0	9.7
Oct	2.1	0.1	3.6	-0.6	0.9	3.6	4.3	2.5	6.0	1.7	1.1	10.7	-0.6	9.7
Nov	2.2	0.6	3.4	0.0	1.4	3.0	4.3	1.8	5.3	1.7	1.1	10.7	0.0	10.8
Dec	2.4	0.0	4.2	0.0	1.7	3.7	4.6	1.8	7.7	1.7	1.3	10.7	0.6	10.8
2022 Jan	2.8	0.6	4.4	0.0	1.8	5.4	4.5	1.8	8.0	1.7	1.3	0.3	0.6	10.6
Feb	2.9	2.2	3.4	0.0	1.6	3.4	3.7	2.0	6.0	1.7	2.7	0.0	0.6	10.7
Mar	3.5	3.0	3.9	0.0	1.8	3.7	9.0	0.7	5.5	1.7	2.7	0.0	1.2	10.7
Apr	4.1	4.3	4.0	0.0	2.4	3.0	9.7	0.7	6.4	1.7	2.7	0.0	1.2	10.1
May	3.7	3.2	4.1	0.0	1.8	2.3	9.9	0.6	8.1	1.7	3.8	0.0	1.2	10.9
Jun	4.2	3.1	5.0	0.0	2.2	4.1	9.5	2.7	9.6	1.7	3.8	0.0	1.2	10.5

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					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 <sup>P</sup>
Total revenue	521,856.8	685,871.5	748,410.9	787,457.3	740,961.3	908,990.0
Tax revenue	465,749.8	606,932.7	653,729.7	677,875.7	647,272.1	750,986.0
Tax on imports	122,332.3	142,797.5	144,644.3	141,254.7	155,008.8	182,236.5
VAT and excise duties (local)	114,032.5	166,212.7	174,515.8	188,895.8	152,543.9	213,068.8
Income tax	81,475.6	113,151.8	143,469.3	136,033.4	143,605.6	172,880.6
Other taxes	147,909.3	184,770.6	191,100.2	211,691.8	196,113.7	182,800.0
Non-tax revenue	56,107.0	78,938.9	94,681.3	109,581.6	93,689.2	158,004.0
Total expenditure	591,246.6	924,442.3	1,131,520.6	1,024,519.4	937,835.5	1,207,630.0
Recurrent expenditure	475,465.9	623,301.0	702,831.4	722,724.1	738,670.5	740,897.0
Wages and salaries	217,865.0	282,207.0	334,629.6	369,705.5	406,795.0	414,270.0
Interest payment	0.0	0.0	0.0	0.0	0.0	0.0
Local	0.0	0.0	0.0	0.0	0.0	0.0
Foreign	0.0	0.0	0.0	0.0	0.0	0.0
Other expenditure	257,601.0	341,094.0	368,201.8	353,018.6	331,875.5	326,627.0
Development expenditure	113,538.8	301,141.3	428,689.1	301,795.3	199,165.0	466,733.0
Local	51,277.0	107,086.7	102,525.1	138,989.4	68,011.0	160,861.0
Foreign	62,257.7	194,054.6	326,164.1	162,805.9	131,154.0	305,872.0
Overall surplus/deficit before grants	-69,389.9	-238,570.7	-383,109.6	-237,062.1	-196,874.2	-298,640.0
Grants	39,004.8	40,472.1	42,708.8	34,179.1	17,447.0	47,007.1
4.5% Budget support	5,656.5	2,357.0	5,642.8	7,031.1	0.0	0.0
Program grant	33,348.3	38,115.1	37,066.0	27,148.1	17,447.0	47,007.1
Overall surplus/deficit after grants	-30,385.1	-198,098.6	-340,400.8	-202,882.9	-179,427.2	-251,632.9
Adjustment to cash and other items	1,475.7	22,159.0	11,316.8	44,355.0	10,152.8	-6,985.8
Overall deficit cheques cleared	-28,909.4	-175,939.6	-329,084.0	-158,527.9	-169,274.4	-258,618.7
Financing	28,909.4	175,939.6	329,084.0	158,527.9	169,274.4	258,618.7
Foreign	28,909.4	155,939.4	294,484.0	115,612.0	115,594.7	117,788.7
Program loans	28,909.4	155,939.4	294,484.0	115,612.0	115,594.7	117,788.7
Amortization (foreign)	0.0	0.0	0.0	0.0	1,000.0	0.0
Domestic (net)	0.0	20,000.2	34,600.0	42,915.9	53,679.8	140,830.0
Bank	0.0	0.0	0.0	0.0	0.0	0.0
Non-bank	0.0	20,000.2	34,600.0	42,915.9	53,679.8	140,830.0
Amortization (local)	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

	2017	2018	2019	2020	2021	2022	
						Q1	Q2
G-7 Countries							
Canada							
Real GDP <sup>1</sup>	3.0	2.8	1.9	-5.2	4.5	0.8	0.8
Inflation <sup>1</sup>	1.6	2.3	1.9	0.7	3.4	5.8	7.5
France							
Real GDP <sup>1</sup>	2.3	1.9	1.8	-7.8	6.8	-0.2	0.5
Inflation <sup>1</sup>	1.0	1.9	1.1	0.5	1.6	3.7	5.3
Germany							
Real GDP <sup>1</sup>	2.7	1.0	1.1	-3.7	2.6	0.8	0.1
Inflation <sup>1</sup>	1.5	1.7	1.4	0.5	3.1	5.8	7.6
Italy							
Real GDP <sup>1</sup>	1.7	0.9	0.5	-9.0	6.7	0.1	1.1
Inflation <sup>1</sup>	1.2	1.1	0.6	-0.1	1.9	5.7	6.9
Japan							
Real GDP <sup>1</sup>	1.7	0.6	-0.4	-4.6	1.7	0.1	0.9
Inflation <sup>1</sup>	0.5	1.0	0.5	0.0	-0.2	0.9	2.5
UK							
Real GDP <sup>1</sup>	2.4	1.7	1.6	-11.0	7.5	0.7	0.2
Inflation <sup>1</sup>	2.6	2.3	1.7	1.0	2.5	5.5	7.9
USA							
Real GDP <sup>1</sup>	2.2	2.9	2.3	-2.8	5.9	-0.4	-0.1
Inflation <sup>1</sup>	2.1	2.4	1.8	1.2	4.7	8.0	8.6
EURO AREA							
Real GDP <sup>1</sup>	2.6	1.8	1.6	-6.1	5.3	0.6	0.8
Inflation <sup>1</sup>	1.5	1.8	1.2	0.3	2.6	6.1	8.0

Source: IMF World Economic Outlook, Bloomberg system and OECD Statistics.

Notes: <sup>1</sup> Percent change from preceding quarter

<sup>2</sup> Percent, and n.a denotes not available



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### A7.0 International Economics and Financial Statistics

**Table A7.2: World Market Prices of Selected Commodities**

Commodity	Unit price	2017	2018	2019	2020	2021	2022	
							Q1	Q2
Coffee "Arabica"	USD per Kg	3.3	2.9	2.9	3.3	4.5	5.9	5.9
Coffee "Robusta"	USD per kg	2.2	1.9	1.6	1.5	2.0	2.4	2.3
Cotton "A index"	USD per Kg	1.8	2.0	1.7	1.6	2.2	3.0	3.5
Cloves (Madagascar cif Singapore)	USD per tonne	8.8	8.0	6.4	5.8	7.6	8.1	8.1
Sisal (UG)	USD per Kg	1.8	1.7	1.7	1.7	1.7	1.7	1.7
Tea (Mombasa auction)	USD per Kg	3.0	2.6	2.2	2.0	2.1	2.6	2.3
Maize	USD per tonne	154.5	164.4	170.1	165.5	259.1	301.6	342.9
Rice (Thai 5%)	USD per tonne	398.9	420.7	418.0	496.8	458.3	425.3	446.3
Wheat (SRW)	USD per tonne	178.2	203.9	211.3	227.7	282.4	370.4	415.2
Gold	USD per oz t	1,257.6	1,269.2	1,392.5	1,770.3	1,799.6	1,873.4	1,874.0
Crude oil*	USD per barrel	52.8	68.3	61.4	41.3	69.1	96.6	110.1
Crude oil**	USD per barrel	53.1	69.2	63.2	42.2	68.8	96.5	108.9
White products***	USD per tonne	519.3	669.0	593.3	374.6	630.5	909.5	1,209.8

Source: [www.worldbank.org/en/research/commodity-markets](http://www.worldbank.org/en/research/commodity-markets), Bloomberg and Tanzania Sisal Board

Note: UG denotes under grade; \* average spot price of Brent, Dubai and West Texas Intermediate, equally weighed; \*\* f.o.b. Dubai;

\*\*\* average of premium gasoline, gas oil and jet/kerosene, f. o. b. West Mediterranean; and oz t, troy ounce

