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## **ALL BANKS AND FINANCIAL INSTITUTIONS;**

### **RE: REVIEW OF REGULATORY RETURNS**

As authorized under Section 46 of the Bank of Tanzania Act, 2006, and Section 32 of the Banking and Financial Institutions Act, 2006, the Directorate of Banking Supervision has reviewed the current regulatory returns and wishes to amend existing schedules and to introduce additional schedules calling for additional information from all banks and financial institutions in order to discharge its regulatory, supervisory and monetary policy roles.

You are requested to review and provide your comments on proposed changes, kindly download the proposed regulatory returns templates from EDI as accessible through registered users at our website: <http://196.46.101.59/EDIAPP/>, or <http://www.bot.go.tz/BankingSupervision/BankingSupervision.asp.>, or it can be obtained by email from Mr. Kahema M. Mrikaria ([kmmrikaria@bot.go.tz](mailto:kmmrikaria@bot.go.tz)) or Mr. Emmily M. Stephen ([emstephen@bot.go.tz](mailto:emstephen@bot.go.tz)).

### **1.0 Amendments to Existing Schedules**

The Bank made several amendments to existing schedules with a view of enhancing information capturing, minimizing reported errors and removing unnecessary information submitted. The amendments were in forms of additions of new rows, columns and enhancement of validation rules. Amended schedules include:

- (i) Form 16-1 Schedule 2(i): Classification of Loans, Advances and Overdrafts
- (ii) Form 16-1 Schedule 2(iv): Housing Finance (Mortgage) Loans
- (iii) Form 16-1 Schedule 11: Geographical Distribution of Loans, Employees and Deposits
- (iv) Form 16-1 Schedule 12 (i) and (ii): Foreign Currency Denominated Assets and Foreign Currency Denominated Liabilities respectively (Deleted);
- (v) Form 16-1 Schedule 14 (i): Sectorial Classification of Microfinance Loans
- (vi) Form 16-1 Schedule 14(ii): Interest rates structure for microfinance loans:
- (vii) Form 16-1 Schedule 15(viii): Computation of Capital Adequacy Ratio
- (viii) BOT Form 16-6: Computation of The Required Minimum and Available Liquid Assets

### **1.1 Form 16-1 Schedule 2(i): Classification of Loans, Advances and Overdrafts**

Due to significant development of mortgage loans, it was considered necessary to account mortgage loans separately so as to be able to monitor contribution of mortgage loans to NPLS. Therefore, real estate and mortgages are currently accounted separately. Further, addition was done by introducing the definition of "Mortgages" in the footnotes of the schedule.

### **1.2 Form 16-1 Schedule 2(iv): Housing Finance (Mortgage) Loans**

The return has been shifted to schedule 2(iv) from schedule 2(iii). The schedule was amended by adding a column for Security Value. Addition of the security value column was intended to assist in computation of Loan to Value Ratio (LTV) Ratio as required under the Banking and Financial Institutions (Mortgage Finance) Regulations 2015.

### **1.3 Form 16-1 Schedule 8(ii): Structure of Deposits**

The title of the schedule has been renamed as "**Structure of Insured Deposits**". In addition, footnotes listing excluded deposits has been introduced to put more clarity for users.

### **1.4 Form 16-1 Schedule 11: Geographical Distribution of Loans, Employees and Deposits**

The schedule was modified to enhance the scope of data collection by introducing: Number of local currency accounts, number of foreign currency accounts and added new rows to accommodate new regions including Njombe, Katavi, Geita, Simiyu and Songwe thus increasing the number of regions from 23 to 28. The columns for number of ATMs and related transactions have been deleted as now are contained under NPS schedules. The schedule had also been moved from National Payments System and will be reported at DBS to enforce compliance. The schedule will be submitted on quarterly from annual basis in the previous version.

### **1.5 Form 16-1 Schedule 12**

The schedules on Foreign Currency Denominated Assets and Liabilities will be deleted.

### **1.6 Form 16-1 Schedule 14 (i): Sectorial Classification of Microfinance Loans**

The schedule is intended to capture microfinance lending by sector and the quality of the portfolio for each sector. The schedules also capture number of borrowers and their outstanding amount at the end of the month.

