



50TH ANNIVERSARY OF THE BANK OF TANZANIA

Evolution of the Role and Functions of the Bank of Tanzania



2005



1990



1969



50TH ANNIVERSARY OF THE BANK OF TANZANIA
Evolution of the Role and Functions of the Bank of Tanzania

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Governor's Foreword



Tuesday 14th June in 1966 marked a major turning point in Tanzania's economic landscape as the Bank of Tanzania started its business as a central bank of the United Republic of Tanzania. On 14th June 2016, we commemorate the 50th anniversary of this important institution. As we celebrate, we take time to reflect on the role and functions of the Bank, as they have evolved over the past 50 years.

We hope that our reflections will enable the public to understand where the Bank came from, where it is now, and where it is heading. We underscore that the Bank's role and functions have changed substantially, matching with country's changing socio-economic policies and developments in the international economic and financial system. Despite the challenges encountered over the past five decades, the Bank has managed to discharge its duties and responsibilities effectively.

During socialism and self-reliance era, for example, the Bank supported Government's efforts to foster economic growth through the public sector. As the country moved from a centrally-planned economy to a market-based in the mid-1980s, the Bank kept pace with the changes, putting a greater emphasis on financial sector reforms. The Bank was central to the gradual exchange rate liberalization that took place in the second half of 1980s, followed by more comprehensive financial reforms that begun in the early 1990s. These reforms opened the financial sector to free market, leading to increased number of domestic and foreign-owned banks, as well as other financial institutions. In addition, the enactment of the Bank of Tanzania Act, 1995 provided the Bank with the requisite autonomy to effectively discharge its core role of

maintaining price stability conducive to a balanced and sustainable growth of the economy. In 2006, the Parliament enacted the Bank of Tanzania Act, 2006 enhancing further the mandate of the Bank to more effectively handle its functions and explicit focus on maintaining price stability, financial sector stability, payments systems and banking services.

The economic and financial reforms, together with prudent monetary and fiscal policies, have facilitated to contain inflation at low levels and provided environment for high economic growth. Inflation declined from over 30 percent in the 1980s to single digit levels in most parts of the past two decades, whereas real GDP has been growing at an average of 7 percent in one and half decades. In addition, the economy experienced a notable increase in banks' credit to the private sector, improved access to financial services and increase in foreign exchange reserves. At present, about 75 percent of Tanzanian adult population has access to formal financial services.

Going forward, the Bank will endeavour to sustain the achievements, and will strive to ensure that the financial sector plays a greater role in fostering economic growth. Leveraged on improved business environment through application of innovation and technology, as well as staff capabilities, we believe, the Bank will deliver better services.

Benno J. Ndulu

Prof. Benno J. Ndulu
Governor
Bank of Tanzania
June 2016



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The technical committee which was responsible for overall preparation of the book comprised of Mr. Johnson Nyella, Dr. Wilfred Mbowe, Dr. Suleiman Missango, Mr. Dickson Lema, Ms Angela Abayo, Dr. Nicholas Kessy, Dr. Charles Masenya, Mr. Isaac Bira, Dr. Nicas Yabu, Dr. Nguling'wa Balele, Dr. Deogratius Macha, Mr. Kennedy Komba, Mr. Mohamed Kailwa, Mr. Omari Msuya, Mr. Amani Itatiro, Mr. Stansilaus Mrema, Mr. Paul Lawuo and Mr. Epimakus Mikuza.

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Introduction

The Bank was founded through the Bank of Tanzania Act, 1965 and started operations on 14th June 1966. This year, the Bank celebrates 50 years of its operations.

This book provides a summary of the evolution of the role and functions of the Bank since its inception, challenges and way forward. The role and functions of the Bank together with its structure have been evolving consistent with changes in the country's socio-economic policies and developments in the domestic and international economic and financial systems. For most of the period from its establishment to 1990, the mandate, functions and the organization structure of the Bank mirrored the country's economic policies that were based on socialism and self-reliance. A major turnaround occurred in the early 1990s when the country adopted broad-based economic reform programs. In the financial sector, the reforms began with the enactment of the Banking and Financial Institutions Act (BFIA), 1991, which paved way for entrance of private local and foreign banks in the Tanzania's financial sector. In addition, the financial markets were liberalised to allow for transitioning of monetary policy from using direct to indirect market-based instruments. In 1995, the Bank of Tanzania Act, 1995 was enacted, relieving the Bank from multiple policy objectives to single objective of price stability. This contributed to the development of banking sector as reflected in increased number of banks, competition, number of financial products and services as well as lending to the private sector. The new Act also paved way for the introduction of financial markets in the economy.

The opening-up of the financial sector necessitated the Bank to put in place a robust system of licensing, regulating and supervising

commercial banks. In addition, the Bank has undertaken deliberate measures to modernize the National Payment Systems (NPS) in the country with the objective of enhancing safety, soundness and efficiency in the payment and settlement systems. The Bank has also facilitated the development of mobile and agency banking, lease and mortgage financing, as well as a Microfinance Policy and Regulations, focusing on promoting a viable and sustainable microfinance industry with a wide outreach. These changes have enhanced credit to the private sector, and contributed in fostering economic growth. In addition, inflation has generally been contained in single digit levels. Also, access to financial services has improved considerably.

Despite the achievements realized so far, there have been a number of challenges, some still exist. These include maintaining sound and stable financial system in the context of global developments; adoption of international standards and increased pace of financial innovations. The other challenges are global volatile financial and commodity prices.

Going forward, the Bank will strive to address these challenges with a view to sustaining the hard-won achievements, and ensuring that the Bank attains its ultimate objectives of price and financial sector stability in the economy.

After the introduction, the rest of this book is organized in three parts. Part I covers Chapter 1, which gives a brief overview of currency and banking before the establishment of the Bank of Tanzania, while Part II comprises of Chapter 2 that highlights central banking history in Tanzania. Chapters 3 to 11 are in Part III of the book, tracing the evolution of the main functions of the Bank of Tanzania and the way



forward. Specifically, in chapters 3 to 9, a survey of evolution of the Bank's functions is presented with a greater emphasis on development and challenges in relation to monetary policy, financial markets, banking supervision, currency issuance, payments system, regional integration and second generation financial reforms initiatives. Chapter 10 gives an account of Bank of Tanzania's community support under corporate social responsibility as well as trade union matters, while Chapter 11 highlights the way forward. This book also contains two appendices: Appendix I contains a detailed list of currency notes and coins issued by the Bank since it was established and Appendix II contains statistical tables of key financial and economic indicators.



PART I

Currency and Banking Before and During Colonial Era



Chapter 1

Currency and Banking before the Establishment of the Bank of Tanzania

1.1 Pre-Colonial Era

In the pre-colonial era of Tanzania, formerly known as Tanganyika and Zanzibar, barter trade was the mode of payment in which basic items such as crops, animals and other valuable materials acted as the medium of exchange. This was the case in the ancient Tanzania as it was for many societies across the world. However, the barter system was inefficient as it depended on double coincidence of wants for trade to take place, lacked a common measure of value and divisibility of goods among others.



Barter trade of ivory and merchandise

Due to its inefficiencies, the barter trade era was outlived with a period of salt slab as a mode of payment and later on in the 16th century, coins were introduced in the coastal areas of Tanzania, particularly in the Kilwa dynasty (Kilwa Island) located in the southern coast of Tanzania.

The Kilwa dynasty (12th to 15th century) flourished as an important port of trade on the eastern African coast. It traded in ivory, slaves, and gold from the Monomotapa kingdom of Zimbabwe, and introduced its own currency system, with its own mint of copper coins. During that time, the mode of payment for settling financial obligation was currency, which was used also for international trade. Archaeological evidence shows that Kilwa was trading as far as with China based on the Chinese coins found in the archaeological sites in Kilwa Kisiwani and Songa Mnara in Tanzania.



Ruins of Kilwa dynasty and currencies in Tanzania

Another ancient instrument that was used for payment in Tanzania was the cowrie shells that were circulated in the Eastern African coast by Arab slave traders. The cowrie shells lasted up until the 19th century following European colonization of the African continent. The cowrie shells as a currency was inflationary due to production of more competing cowrie shells from Zanzibar than those of Maldives. Just before the verge of colonization, European coins the “Maria Theresa” - thaler (dollar) were used by Arab traders in the East African coasts. These lasted up to the German colonial era.



Cowrie shell currency



Maria Theresa Thaler



1.2 Germany East Africa Colonial Era

Tanganyika (Mainland Tanzania) was colonized by the German from 1885 to 1919 and later by the British from 1919 to 1961, while Zanzibar was under the British protectorate from 1890 to 1964. The colonial economic system ushered in centralized mode of payment using currency issued by the colonial administration. At the initial stages of currency usage in the 19th century, coins were introduced as means of payment.



German East Africa, 1 Pesa 1890 issued in Berlin German East Africa, 1 Rupee 1892

The centralized administration led to development of more elaborate structure of payment systems in Tanganyika. The German colonial rule introduced its first colonial coin, which was known as pesa, with 64 coins of pesa exchanging for one rupie. Pesa was minted for three years before it was dropped. The German East Africa Company rupie, whose value was fixed to German mark had subsidiaries known as heller.



German East Africa, 5 Heller 1909 German East Africa, 15 Rupees 1916, Tabora

The German colonial rule introduced commercial banking in 1905, when Deutsche-Ostafrikanische Bank opened its office in Dar es Salaam. This bank, which had a temporary minting company in Tabora was responsible for issuing currency under the German Colonial rule. The first German banknote was introduced in Tanganyika in 1905.



10 Rupien 1905 issued for German East Africa

The German reign over Tanganyika faced challenges of managing production of currency in the colony during the World War I period, leading to shortage of the currency and production of interim notes that were issued in 1915 to 1916.

In Zanzibar was under the British protectorate when Tanganyika was under the German colonial rule. The Indian silver Rupee and its subsidiary coin were in circulation. In 1908, the first currency Decree was circulated in Zanzibar, providing for, and issue of currency for the Zanzibar Government. The Rupees issued for the Government of Zanzibar lasted until 1936, when Zanzibar joined the East African Currency Board (EACB).



5 Rupee 1916 issued for East Africa Protectorate



5 Rupee 1908 issued for the Government of Zanzibar.

1.3 British East Africa Colonial Era

After the World War I, Tanganyika also became under the British protectorate. The Indian Rupee continued to be the official currency until the establishment of the EACB. During that period, the mode of payments were cash and cheques issued by the colonial banking system that was growing in major towns.

The EACB was established in 1919 to issue currency and to control the money supply in the East African protectorates and any other dependencies in East Africa. The EACB operated in the territories of Kenya, Uganda and Tanganyika. Zanzibar joined the EACB in 1936. The EACB introduced several currencies. The florin was introduced in 1920, replacing the Indian Rupee, and lasted for one year. This system was followed by the shilling

in 1921, which was equivalent to one British sterling pound.



Florin system 1920-1921

The EACB also was responsible for automatic redemption against the pound sterling. In 1936, Zanzibar joined the EACB and the Zanzibar rupee was replaced by the East African shilling.



Pound/Shilling system Mombasa 1921



Pound/Shilling Series 1938 - 1952



East African shilling, 1 cent and 10 cent coins (1952)

The EACB headquarters was moved from London to Nairobi in 1960 and representatives from member countries, including Mr. Edwin Mtei who was later appointed as the first Governor of the Bank of Tanzania, were appointed to the Board.



1958 – 1960 shilling series

More banks also opened branches in Eastern Africa, resulting into rapid monetization of the economies. Given these new developments, The EACB Board introduced “the lender of last resort function”, which was based on discounting highly rated bills for crop finance facility.



1964 shillings series without portrait and Kiswahili inscription

This was intended to allow commercial banks access to credit to finance agricultural

exports. The EACB also performed much broader functions than the antecedent entities, such as fiduciary issue, holding of securities issued or guaranteed by member governments, banker to banks, foreign exchange market operations, and a policy for short-term interest rate. The Board followed passively the exchange rate policies of the Bank of England and the Sterling Currency Area with the major aim of maintaining exchange rate parity of the East African shilling with the British Sterling pound. The colonial territories of East Africa obtained political independence in early 1960s. As the emerging new independent states would not accept to renounce monetary sovereignty, the EACB and stopped functioning in 1966 and was liquidated in 1972, leading to the establishment of three East African central banks: the Bank of Tanzania, the Central Bank of Kenya and the Bank of Uganda.



PART II

Central Banking History in Tanzania



Chapter 2

Establishment and Structure of the Bank of Tanzania

2.1 Founding of the Bank of Tanzania

The Bank of Tanzania was established by the Bank of Tanzania Act, 1965 and started operations on 14th June 1966. The Bank was established to perform central banking functions, which include currency issuance, banker to banks and to the Governments of the United Republic of Tanzania Government and Zanzibar. In addition, the Bank performed the responsibility of regulating banks and managing the country's foreign exchange reserves.

Since its establishment, the role and responsibilities of the Bank have expanded and also evolved over time as economic and financial conditions changed. Detailed account of the evolution of specific functions is taken up in the ensuing chapters. The administrative and physical structures of the Bank also evolved to reflect the Bank's responsibilities in the changing government economic policies, and general economic and financial environment.



On the left hand side, the first President of the United Republic of Tanzania, Mwalimu Julius K. Nyerere laying the foundation stone of the Bank of Tanzania headquarters in Dar es Salaam on 9th December 1966.



Mwalimu Nyerere shaking hands with the contractor of the Bank's first headquarters building on 9th December 1966. Others in the photo include the first President of the Revolutionary Government of Zanzibar, Mr. Abeid Amani Karume (holding a walking stick) and the first Bank of Tanzania Governor, Mr. Edwin Mtei (on the right hand side of Mwalimu Nyerere).



Bank of Tanzania staff on the day it was opened in 1966



Box. 1: Interview with the First and Former Governor, Mr. Edwin Mtei

Please tell us, in brief, the main functions of the Bank of Tanzania at its establishment.



The first Governor of Bank of Tanzania Mr. Edwin Mtei (right) being interviewed by the Arusha Branch Director Mr. Said Chiguma at his residence in Arusha, April 2016.

As it started operations in 1966, the Bank of Tanzania performed the normal functions of any central bank of issuing and managing the currency of the country in which it is established; regulate the credit system; regulate banks; provide finance to the government when in need; as well as advise the government on fiscal and monetary policy issues. The Bank was established partly because the government was not satisfied with the way the East African Currency Board (EACB) operated; that is, printing and issuing currency without providing any fiscal and monetary policy advice to the government.

The establishment of the Bank was precisely expected to fill the vacuum, by serving the country in the manner a traditional central bank could do.

What were the main achievements while you were serving as Governor of the Bank of Tanzania?

The main achievement was to put in place, at a very short-period, an institution that could render traditional central banking services to the government, the people, and the country at large; connecting with international financial systems including the International Monetary Fund, the World Bank and other international financial institutions. I am proud of the fact that, I played a part in ensuring that by the time I left in 1974, the Bank was functioning very effectively. In addition, as a central bank, we played a key role in mobilizing resources to revive the economy. We actively advised the government; I participated in meetings of the Economic Committee of the Cabinet, which was the policy making body for the economy.

Could you please highlight the main challenges encountered in establishing the Bank of Tanzania?

One of the main challenges was to get capable, trained and trustworthy people to join the Bank. I had to recruit staff including from other government departments such as the Treasury. Sometimes staffs were employed, but were terminated from work in a very short time because they could not live up to the expectations. Initially, I had to engage expatriates to assist setting up various departments. These included issues of currency and financing of the Bank, foreign exchange accounts, and economic advisory services.



In introducing the new currency on 14th June 1966, we had to use the EACB's centers in Zanzibar, Moshi, Mwanza and Mbeya. Later branches were built in the same areas, except Moshi, to serve as training centers as well as financial institutions that could boost credit to the economy. I decided to build a major branch in Arusha anticipating headquarters of the East African Community (EAC) and as a major currency storage strong room.

The Arusha branch became operational three years after I had left the Bank

As the founding Governor, how do you compare the Bank of Tanzania today and the one that existed in your era?

I commend in particular, Professor Ndulu (the serving Governor). We are making great steps. I hope, he will be able to root out the impact of hasty economic policies affecting adversely stability of the economy, and advise how to adjust the exchange rate in such a manner that we can continue to boost economic growth in the country. It is possible now to use the exchange rate and inject further resources to the financial system and ultimately boost economic growth. For inflation, we have been able to manage it well. As we control inflation, we should also think of the need to ensure adequate flow of resources to support expansion of private led economic activities including agriculture, manufacturing and services.

On 14th June 2016, the Bank of Tanzania will mark its 50th Anniversary, where do you see the Bank in the next 50 years?

I think the Bank is on the right track to become the Central Bank that was established in 1966. So far, it has done very well. The Bank has a very astute and professional economist, i.e. Professor Ndulu as the Governor of the Bank. He is a practical man and I hope with advice from people who care about this country like our current President, His Excellency Dr. John Pombe Joseph Magufuli and others who are properly prepared to serve this country, we can make it. I am proud that I took a part in fashioning the Bank. I believe with dedicated leadership the Bank will continue to be intact and properly strengthened to render central banking services to the people of Tanzania and ultimately to the expanded EAC (i.e. including Burundi, Rwanda and South Sudan).

Again, we should cooperate with other countries in the region towards building one Africa with one currency. We have burnt our fingers by overdoing things or under doing things. We must now go properly prepared to cooperate, and translate these efforts into something which will benefit the next generation.



2.2 Administrative Structure

The structure of the Bank has evolved over time to mirror its changing functions. For most of the period from its establishment to the early 1990s, the organization structure reflected multiple-policy targets and direct administrative policy instruments, which were a consequence of the role that the state assumed in the economy, following the Arusha Declaration in 1967. Commensurate with that, the Bank of Tanzania branches and a training institute were set up to facilitate smooth functioning of its activities in designated economic zones in the country. The structures included department of rural finance, foreign exchange control, and Import licensing.

The transition to a market-oriented economy in the mid-1990s, necessitated considerable changes in the structure of the Bank. For instance, structures that supported rural finance and foreign exchange controls were abandoned, and new structure was formed, which included directorates responsible for bank supervision, financial markets, and payment systems. The current organizational structure which includes branches is designed to facilitate the execution of the Bank's mandated responsibility of maintaining price stability and financial system stability, along with other traditional central banking functions.

In terms of the administrative structure, the highest decision-making body of the Bank is the Board of Directors. The Management of the Bank is led by the Governor, who is assisted by Deputy Governors. In 1960s, the Deputy Governor was titled the Director General. Since its establishment in 1966, the Bank has had six Governors and nine Deputy Governors.

Governors of the Bank of Tanzania, 1966 to date



Prof. Benno Ndulu
2008 - to date



Dr. Daud Balali
1998 - 2008



Dr. Idris Rashidi
1993 - 1998



Gilman Rutihinda
1989 - 1993



Charles Nyirabu
1974 - 1989



Edwin Mtei
1966 - 1974

Reflecting the increase in the size and responsibilities of the Bank, the organization structure has three deputy governors since 2007/08—one responsible for Administration and Internal Controls; one for Economic and Financial Policies; and one for Financial Stability and Deepening.



Deputy Governors of the Bank of Tanzania, 1966 to date



Mr. Julian B. Raphael
Administration and Internal
Controls

2016 - to date



Dr. Natu E. Mwamba
Economic and Financial
Policies

2011 - to date



Mr. Lila H. Mkila
Financial Stability and
Deepening

2007 - to date



Dr. Enos Bukuku
Economic and Financial
Policies

2008 - 2011



Prof. Benno J. Ndulu
Economic and Financial
Policies

2007 - 2008



Mr. Juma H. Reli
Administration and Internal
Controls

2005 - 2016



Mr. Mohammed H. Mbaye

1997 - 2002



Mr. Ndewirwa N. Kitomari

1987 - 1995



Mr. Bob N. Makani

1974 - 1986

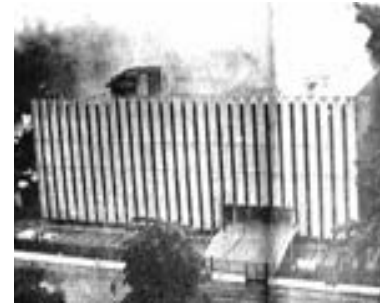


2.3 Location and Buildings

Since its establishment, the Bank's headquarters has been in Dar es Salaam, supported by branches and training institute. During the early days of its operations, the Bank's offices were located along the current Samora Avenue at Audit House, the spot where the National Audit Office is located today. Subsequently, an iconic four storey building with pinkish vertical bars was constructed and completed in 1969, at 2 Mirambo Street where it is located today. The building was referred to as the Pink Palace then. The image of the first building appeared on the five shilling coin issued in 1976 to mark the 10th anniversary of the Bank of Tanzania.



The headquarters building was gutted by fire on 17th May 1984, 15 years after its completion. The Bank, however, managed to carry on with its activities from rented accommodation at Holland House and Office Accommodation Scheme Building opposite the new Post Office building at the current Azikiwe Street. The building was renovated and extended to five storey from 1984 to 1990. The image of the renovated building appeared on the reverse of the 10,000 Shilling banknotes issued in 1997 and 2003.



The banks headquarters building on fire on 17th May 1984



Bank of Tanzania staff dismayed by the damage caused by the fire

Following expansion of activities at the headquarters, office space had to be rented to accommodate expanding number of staff. Later the headquarters building had to be expanded to include the twin towers which were completed in 2005, bringing all staff at headquarters under one roof. The new building also has large conference facilities. The image of the twin tower buildings appeared on the reverse side of the 10,000 Shillings banknote issued in 2011.



The old building of the Bank's headquarters in Dar es Salaam, 1969



The renovated building, Dar es Salaam, 1989

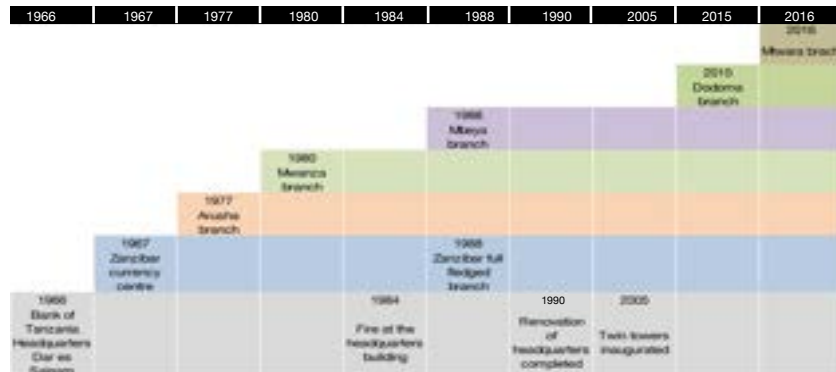


The new twin towers building, 2005



The Bank has been operating from its headquarters in Dar es Salaam and its branches located in Arusha, Mwanza, Mbeya, Zanzibar, Dodoma and Mtwara. This enables the Bank to discharge its functions more effectively, consistent with expanding economic activities, as well as enhancing access to central banking services to financial institutions, as well as government departments and agencies located in the respective areas. Arusha branch was established in February 1977, followed by Mwanza branch in February 1980 and Mbeya branch in August 1988. Zanzibar branch started operations in 1967 as a currency centre, but became a fully-fledged branch in March 1988. Dodoma branch commenced operations in August 2015, while Mtwara branch is scheduled to officially begin operations in 2016.

All the branches have a similar organizational structure; headed by Branch Director and assisted by three Managers for economics, operations, with finance and administration.



Bank of Tanzania Branch Network Timeline



Bank of Tanzania's Zanzibar branch office building (2004)



Bank of Tanzania, Arusha Branch (1977)



Bank of Tanzania, Mwanza Branch (1980)

Zanzibar branch is a unique branch as it manages accounts of the Revolutionary Government of Zanzibar since July 2002. Prior to 2002, this function was performed by the People's Bank of Zanzibar. The branch also advises the Zanzibar Government on fiscal policy and other economic related issues.



Bank of Tanzania, Mbeya Branch (1988) Bank of Tanzania, Dodoma Branch (2015)

In addition to the responsibility of providing central banking services, the branches manage currency operations and monitor economic developments in the respective designated economic zones. Notably, economic departments in the zones, prepare periodic economic reports and undertake economic research activities to inform policy decisions. For instance, the economic analysis and findings are shared with the Bank's Board of Directors and the Management as well as with other stakeholders to enhance their understanding on economic developments in their respective regions.

Relatedly, in 1992, the Bank established a training institute in Mwanza. The institute caters for capacity building programmes for the staff of the Bank of Tanzania, and in 2000s, its mandate was broadened to include capacity building for staff of banking institutions. Currently, it is also involved in various regional training and development initiatives in the Southern African Development Community (SADC) and East African Community (EAC).



Zanzibar branch's staff presenting a report on Regional economic performance at a meeting of Mtwara Regional Consultative Committee held in Mtwara, November 20, 2013



Bank of Tanzania Training Institute, Mwanza (1992)



PART III

Evolution of the Main Functions of the Bank of Tanzania



Chapter 3

Monetary Policy

3.1 Monetary Policy Before 1991

The monetary policy in Tanzania has undergone profound changes to keep with the evolving policies of the Governments, and economic and financial conditions. From its inception in 1966 to 1967, the Bank conducted monetary policy along with other central banking functions in a free market economy. In 1967, the Arusha Declaration was proclaimed, declaring Tanzania as a country pursuing Socialism and Self-Reliance policies. This declaration shaped the macroeconomic policies of the next decade and half. This period was characterised by rapid expansion of state-owned enterprises and administrative controls on credit, exchange rate, interest rates and prices of some products. During this period, the Bank's role was more on the side of facilitating development objectives of the Government through provision of finance to priority areas. This role was executed through the Annual Finance and Credit Plan (AFCP), as well as Foreign Exchange Plan (FEP), among others.

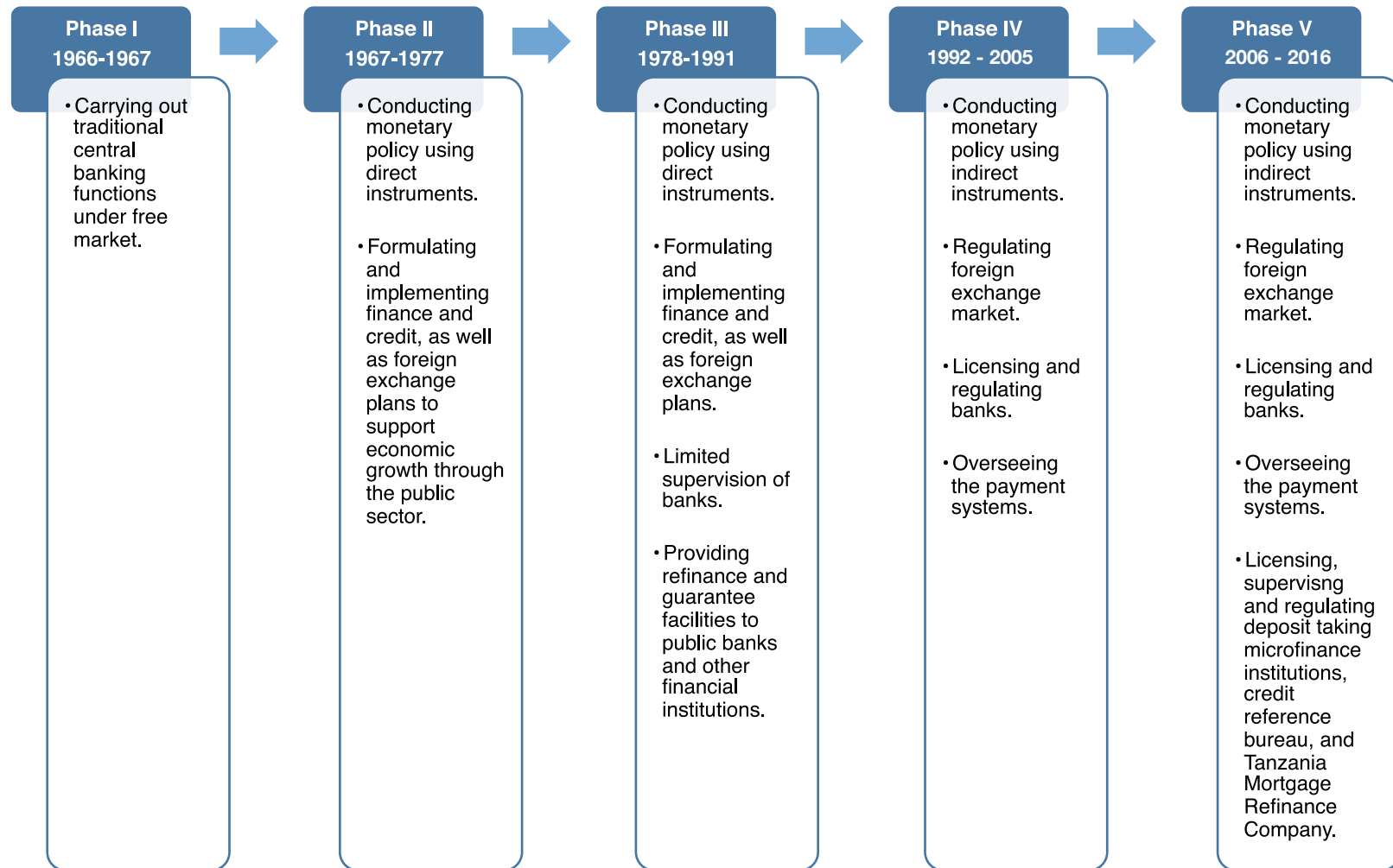
The AFCP, supported by a system of administered interest rates, were devised as the main instrument of monetary policy in 1971/72. Similarly, the FEP was developed to control the use of foreign exchange in accordance with national priorities. The main financial instrument used for financing was government securities, which were issued directly to the state-owned insurance company, pension funds, and the postal savings bank. The banking system was dominated by state-owned banks, with interest and exchange rates being set administratively.

These controls have been cited as one of the major contributors to the economic crisis of the early 1980s, as the shilling became excessively overvalued causing depletion of foreign reserves and sharp decline in economic growth in the early 1980s.

In order to address the economic challenges, the Government formulated and adopted several economic programs, beginning with the National Economic Survival program (NESP) in 1981-82, followed by Structural Adjustment Program (SAP) in 1982-83. The other reform programs were Economic Recovery Program (ERP I) in 1986 and the Economic and Social Action Programs (ERP II) in 1989. These early reform programs aimed at addressing various economic difficulties facing the country. The reforms paved way for eliminating a number of controls in the financial sector, including controls on prices, and opening-up of the economy. The Bank of Tanzania pioneered financial reforms in several areas, including tight monetary policy to curb inflation and exchange rate liberalization program, which begun with a creeping peg arrangement where the shilling was progressively devalued to close the gap between the official and parallel market exchange rates.



Evolution of the Functions of the Bank of Tanzania





3.2 Monetary Policy After 1991

As a follow-up to the comprehensive economic reforms, the financial sector reforms were implemented beginning 1991. This marked a major turning point in the Tanzania's monetary policy landscape. The Bank of Tanzania Act, 1995 gave the Bank more effective mechanism for conducting monetary policy in a liberalized market environment. The Act mandated the Bank to focus its policy actions on attainment and maintenance of single objective of price stability. A new monetary policy framework that works through the market was formally adopted and indeed monetary policy actions through the market had begun in 1993 when the financial market was first introduced.

The monetary policy framework that was adopted by the Bank is one which works through reserve money as operational target and broad money supply as an intermediate target. The Bank of Tanzania Act, 2006 reinforced the Bank's mandate for pursuit of price stability and autonomy in conducting monetary policy. The new Act also gives the Bank more independence and has enhanced cooperation between monetary and fiscal authorities as opposed to fiscal dominance on monetary policy.

The operational target at the time when the framework was adopted was measured as the stock of reserve money at the end of assessment period. This means the targets were set as the stocks of reserve money at the end of each month. This way of measuring the operational target was later, in 2006, changed to average reserve money for the month. The change in measurement of the operational target was made in order to encourage spreading of policy actions evenly and therefore reduce volatility in liquidity and the money market rates.

Transmission of Monetary Policy Action to Ultimate the Objective



This framework, which is also referred to as monetary aggregate based framework was chosen instead of interest based framework because of low level of development of the financial markets, lack of sufficient high frequency data to carry out standard forward looking policy formulation and the need to curtail fiscal dominance in order to arrest inflation that was running above 25 percent for about a decade.



**Box 2. Interview with the Fourth and Former Governor,
Dr. Idris Rashidi**

Please tell us your short history while working at the Bank of Tanzania

I joined the Bank of Tanzania in March 1972, after graduating from the University of Dar es Salaam. In January 1992, I was appointed as Managing Director of National Bank of Commerce. Following the death of Governor Gilman Rutihinda in June 1998, I was appointed as the Governor of the Bank of Tanzania.

Having worked at the Bank, I pretty knew the challenges the country's economy was facing including scarcity of goods in the market and high inflation particularly in the 1980s. I was also aware of remedial measures the government was taking to arrest the situation because I was part of the technical team that was led by the late governor Rutihinda to negotiate with IMF on economic reforms. These, together with my strong belief in a free market economy where the government's role is to put in place appropriate market friendly policies and provide efficient regulation to facilitate balanced growth of the economy, enabled me to more effectively manage and implement financial reforms, which began in 1991 by



Former Governor of Bank of Tanzania Dr. Idris Rashidi (center), during an interview with BOT staff at his residence in Dar es Salaam, May 2016

the enactment of the Banking and Financial Institutions Act (1991), and followed by the Foreign Exchange Act (1992).

What were the main achievements while you were in office as Governor?

The main achievement was the enactment of the Bank of Tanzania Act (1995), which relieved the Bank from multiple objectives to the primary objective of formulating and implementing monetary policy directed to delivering domestic price stability. The emphasis was now put on managing monetary and foreign exchange policies. I also worked to restore efficiency in the provision of central banking services. I had to restructure the institution, shading off non-core functions such as credit and foreign exchange control and remained with the core functions of maintaining price and financial stability, supervision of banks and management of national payments system. We also embarked on retrenchment aiming at not only retaining competent, committed and hardworking staff, but also ensuring that the retained employees were well-remunerated. These measures culminated into a cutback of about 50 percent of the Bank's staff that enhanced efficiency in the delivery of services. Capacity building was intensified especially in the areas where expertise and experience were lacking including banks supervision.



Another important achievement was to effectively accomplish the work which I had started when I was the director of computer and external debt. That is, instilling in the Bank the culture of adopting to technological advancement, particularly the usage of modern information systems in discharging various duties at the Bank. The move from manual operations in various activities to computer-based ones increased significantly efficiency in services delivery.

What are the main challenges you faced during your tenure as the Governor?

One of the biggest challenges was retrenching employees in line with the new core functions of the Bank of Tanzania. It was painful but essential for the efficiency of the institution. I personally felt the pain because the retrenchment affected even those employees who were my close friends. The challenge on financial reform agenda was less severe as I had a committed, knowledgeable and trustful cadre who served as nucleus team driving and implementing the changes.

In short, how do you compare the Bank of Tanzania currently and when you were in Office?

The Bank of Tanzania has evolved over time and is currently operating in a quite different environment compared to that of the 1990s. The country's economy and financial markets have expanded considerably and more diversified. The usage of technology has increased as reflected in higher usage of computer and mobile phone technology. In addition, the Bank of Tanzania's efficiency in terms of services it delivers has constantly remained high. I believe, the Bank

still ranks high, as it has always been, particularly on the output it produces, advice provided, and professionalism.

Where do you see the Bank of Tanzania in the next 50 years?

As long as the world will continue to exist in the next 50 years, so will the Bank of Tanzania. As advocated by our policy makers, in the next 50 years, the country's economy will have changed into an industry-based, or more so, manufacturing-based or gas economy. The dynamics in the domestic and global economic and financial environment will necessitate the Bank of Tanzania's focus to change as well in order to enable the Bank manage the country's economy in a more improved and sustainable manner. It will be important to enhance the advisory role of the Bank with a view to cushion the economy from negative effects likely to emerge from such dynamics or policy changes. To keep up with the pace, the Bank will likewise require enhancing not only the institutional monitoring capabilities, but also those of its staff. Equally important is embracing the usage of technology in discharging the functions of the Bank.

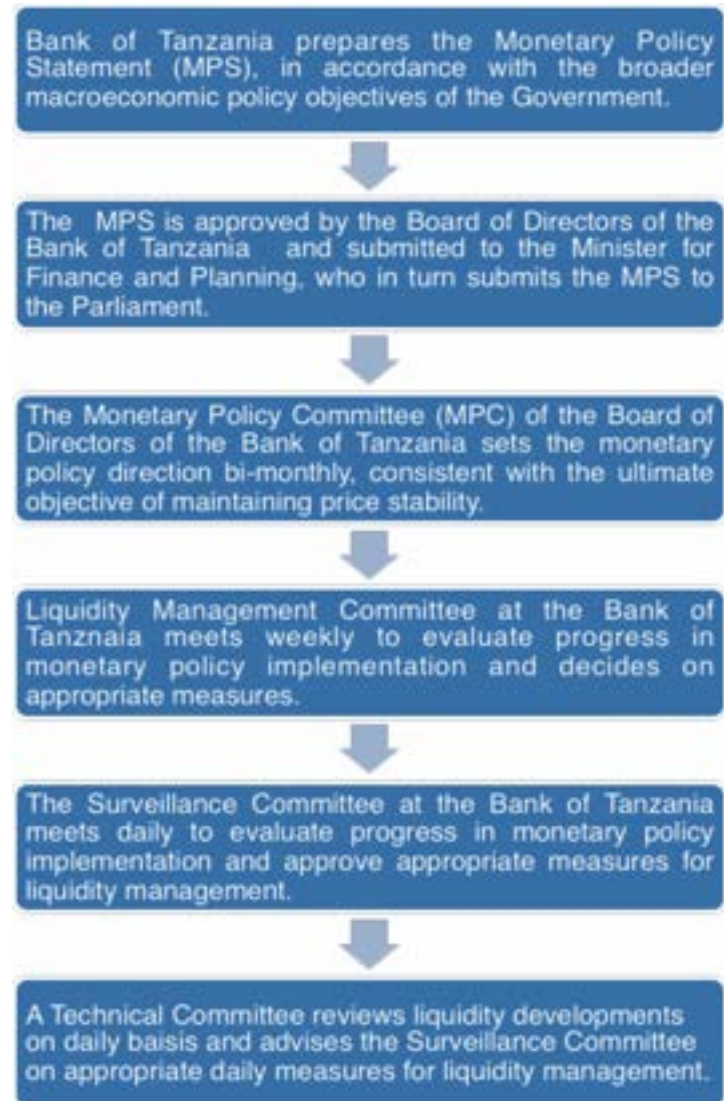


In the conduct of monetary policy, the Bank uses liquidity papers and repurchase agreements (including reverse repurchase agreements) which are auctioned in the open market. Liquidity papers are auctioned together with financing papers as government securities. The Bank also transacts in the foreign exchange market for the purpose of liquidity management and smoothing out short-term fluctuations in the exchange rate. In addition, the Bank uses minimum reserve requirement to change the level of liquidity available to banks for credit creation. Moral suasion is another important instrument, which is an appeal to morality aimed at influencing or changing behaviour of the Bank's counterparties in the banking sector to achieve certain monetary policy objectives. In addition to these instruments, the Bank offers two standby facilities for banks in need of liquidity namely: the discount and the Lombard facilities.



Governor of the Bank of Tanzania, Prof. Benno Ndulu with CEOs of commercial banks in one of Governor—CEOs meetings—held at the Bank's Head office.

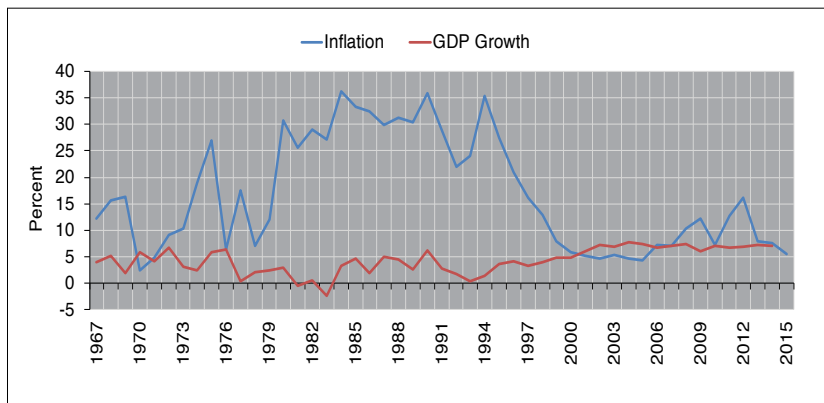
Modalities for Monetary Policy Formulation and Implementation in Tanzania





Considerable achievements have been recorded in the conduct of monetary policy, particularly in the period starting 1995, as reflected by a remarkable decline in inflation from over 30 percent in 1993 to an average of single digit over the past fifteen years. In addition, high rate of economic growth has been recorded, averaging 7.0 percent in the last one and half decades. The progress was occasioned by, among others, liberalization of the banking sector that increased banks profitability, competition and deepening of financial services, and prudent monetary and fiscal policies.

interest rate targeting framework. The shift to interest rate targeting will be consistent with harmonization requirements under the East African Monetary Union Protocol.



Real GDP growth and Inflation rates trends in Tanzania

Since the current framework was adopted, there has been substantial change in the underlying structure of the economy. Recognising these changes, the Bank of Tanzania has now embarked on a process of transiting to interest rate based monetary policy framework. This has been prompted by weaknesses associated with reserve money targeting framework including failure to take feedback from the money market to make judgement about the state of liquidity in the economy, and relatively limited transparency when compared to



Chapter 4

Financial Markets

The Bank of Tanzania Act, 1995 paved way for development of financial markets in the country. The financial markets comprise of money and capital market instruments, traded in primary and secondary markets. The Bank is mandated to issue Treasury bills and bonds on behalf of the Government. Also, the Bank oversees inter-bank foreign exchange market, established in 1993, following the enactment of the Foreign Exchange Act, 1992. The introduction of Treasury bills and foreign exchange auctions were the first initiatives taken to develop financial market in the country. A brief history of the financial market is given in the subsequent sections of this chapter.

4.1 Government Securities Market

As mentioned earlier, prior to 1993, Government securities were issued directly to state-owned institutions such as pension funds and the National Insurance Corporation. In August 1993, the Bank introduced Treasury bills market and from then, Treasury bills were issued through auction system as a tool for financing short-term government deficit; liquidity management; development of a secondary market for government securities; facilitation of development of a money market (inter-bank market) and as a reference point for the determination of market interest rates.

The Treasury bills auctions started with maturity of 91-days in August 1993, and then 35-days Treasury bills were introduced in September 1993. In February 1994, 182-days Treasury bills were introduced. At the inception, the auctions used to be conducted fortnightly,

however in January 1994, the auctions' frequency changed to weekly. Furthermore, in January 2008 and thereafter, the Bank changed the frequency of auctions to fortnightly. The change sought to consolidate Government's efforts towards development of domestic financial market, promote secondary market trading in Government securities, enhance aggressive bidding and market competitiveness and promote orderly market. Throughout the time commercial banks and pension funds have been the dominant participants in the Government securities market.



Certificates of Treasury bills issued prior to the introduction of book entry system in 1999

In 1999, a 2-year Treasury bond was launched to provide long-term finance to the Government, auctioned under uniform price method. In a bid to develop government securities market, 5-, 7- and 10-year Treasury bonds were introduced in 2002 to extend the maturity profile of government debt, lengthen the yield curve, and increase the number

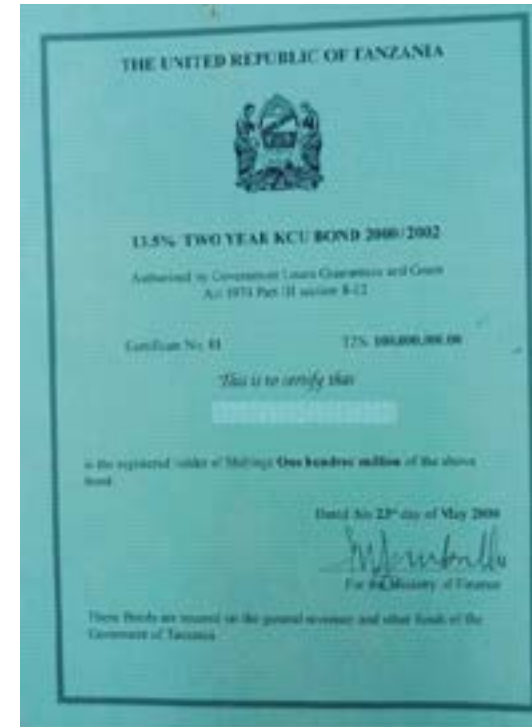


of tradable instruments in the market. The newly introduced Treasury bonds together with the 2-year Treasury bond were issued at multiple prices method. In 2013, the government securities yield curve was lengthened further by introducing a 15-year Treasury bond. Treasury bonds are either issued at discount, par or premium, and commercial banks and pension funds are the key players in the market. These bonds are listed at the Dar es Salaam Stock Exchange (DSE) to allow secondary market development.

Until May 2015, investment in government securities was restricted to Tanzanian residents only. However, following the partial opening of capital account in 2015, the East African countries' residents were allowed to invest in Tanzanian government securities to a maximum of 40 percent of the amount of issued Government securities.

Auctioning of Government securities is processed through in-house computerized system called Government Securities System (GSS), which was established in 1999, phasing out the issuance of physical certificates to investors. Before this system, bidding and settlement of Government securities was done manually until in 1994 where a semi-automated system known as Treasury Bills Information System (TBIS) was introduced and settlement was done using both cash and banker's drafts and physical certificates were issued as evidence of ownership.

GSS is a book entry system, which entails record keeping, transfer and updating ownership of Treasury bills/bonds without having to issue physical certificates, thus improving efficiency. The system also facilitates divisibility of securities into smaller lots, which promotes secondary market trading at the Dar es Salaam Stock Exchange.



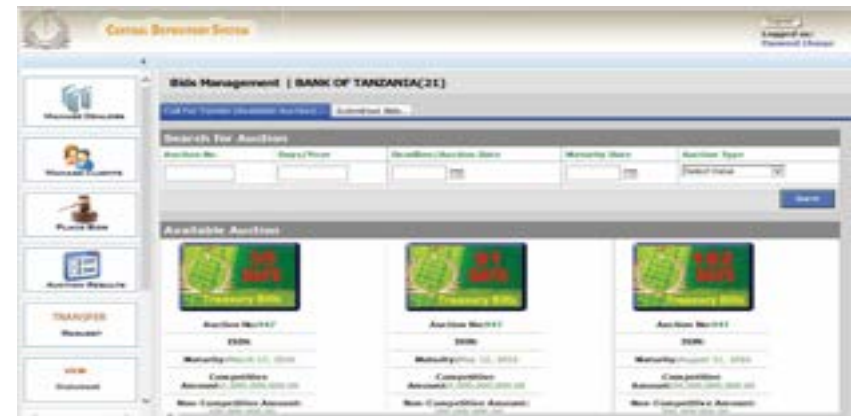
Treasury bond certificate issued before the introduction of book entry system in 1999

Prior to 2012, investors wishing to purchase government securities were required to submit physical bid forms to the Bank of Tanzania in the respective tender boxes which were located at Bank's headquarters in Dar es salaam. Government securities investors from other regions in Tanzania used to submit their bid forms to the Bank's branches which eventually submitted the bids to the headquarters before the auction



Bid forms for auctions of Treasury bills and bonds used to be submitted in tender boxes at the headquarters of the Bank of Tanzania.

In August 2012, the GSS was enhanced to conform to international best practices and keep pace with technological advancement. The system includes features such as on-line bidding for Government securities, electronic provision of standby facilities (Intraday and overnight Lombard), unique identification of auction participants and electronic platform for repurchase agreements and so on. A snapshot of the Bank of Tanzania's Central Depository System (CDS) web portal, which allows Central Depository Participants to submit their transactions electronically to Government Security System is shown in the next column.



Bank of Tanzania's GSS web portal

Following the launch of enhanced GSS, the Bank introduced Central Depository Participants (CDPs) in 2012 to undertake the activities of central depository operations as a go between entity in order to increase efficiency and reduce paper work. All financial institutions licensed by the Bank and Capital Market Securities Authority qualify to be registered as Central Depository Participants (CDPs) as agents to the Bank of Tanzania in government securities transactions.



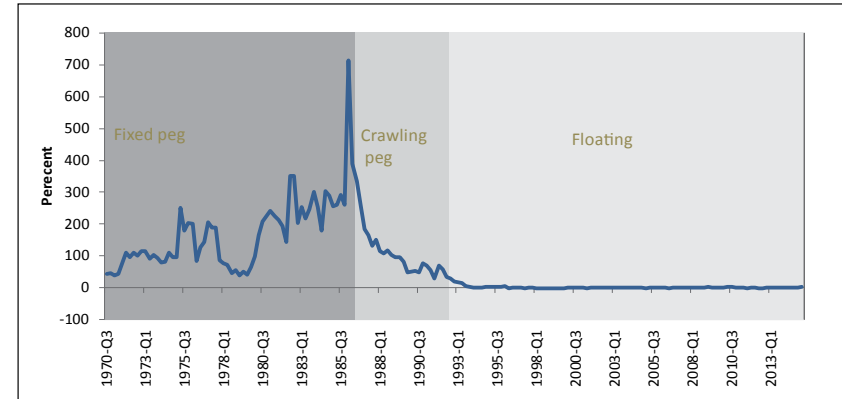
Bank of Tanzania Governor, Prof. Benno Ndulu, during the launching of GSS on 31st August 2012

In an attempt to broaden the investor base, the Bank of Tanzania has been lowering the minimum required amount to invest in Government securities. Currently, the minimum required amount to invest is TZS 500,000 and TZS 1,000,000 for Treasury bills and bonds, respectively. Going forward, the Bank is planning to use mobile technology in government securities market to increase participation of individual investors.

4.2 Inter-bank Foreign Exchange Market and Exchange Rate

Maintenance of exchange rate parity between the shilling and pound sterling was abandoned in 1966 following commencement of operations by the Bank of Tanzania and the introduction of the Tanzanian shilling. The exchange rate between the shilling and pound sterling though, remained fixed at 20 shillings per 1 pound sterling up to mid-1980s. Before the foreign exchange market liberalization in 1992, Tanzania was following fixed exchange rate regime with the currency to which the shilling was pegged to, changing from time-to-time as shown in

the figure below.

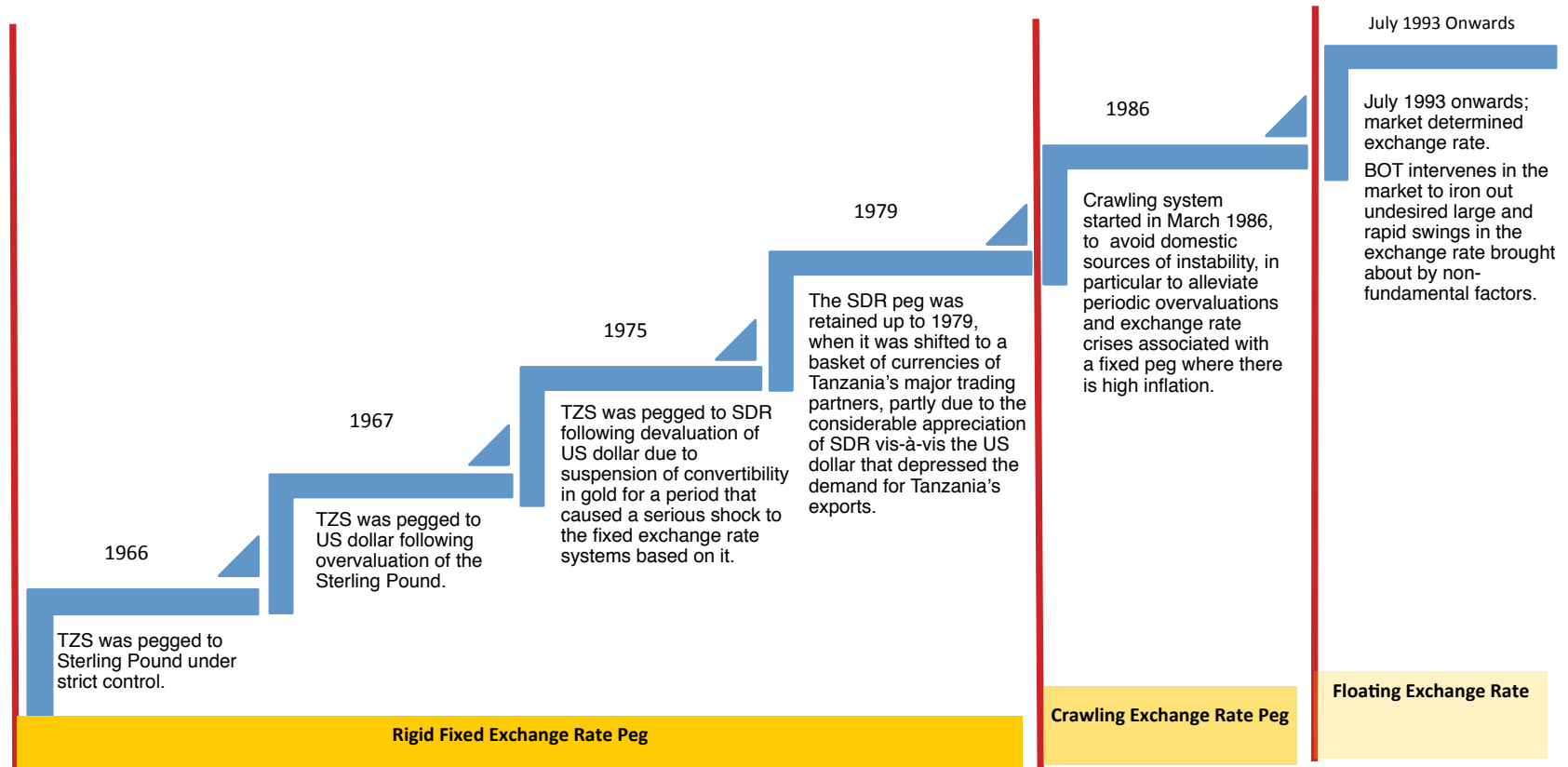


The Difference between Official and Parallel/retail Market Exchange Rate in Percent

As indicated in the preceding chapter, Tanzania undertook a number of policy changes in 1986 to address the economic crisis and among them was adoption of crawling peg exchange rate arrangement. Devaluations were made progressively and by 1992 the official rate had been brought to the level of the parallel market rate. In 1992, the Foreign Exchange Act of 1992 was enacted, marking the end of fixed exchange rate, and the beginning of a floating exchange rate policy. The foreign exchange policy is currently directed to supporting the primary objective of price stability, mainly because low inflation allows the economy to function more effectively thereby contributing to better economic performance in the long-run. The figure below shows the difference between the parallel/retail and the official market exchange rates at the different exchange rate regimes. The term parallel market is in this case relevant for the period up to 1991 when the exchange rate was firmly fixed either in a static or crawling manner. The retail market applies to the period after adoption of the floating exchange rate regime—from 1992 onwards.



Exchange Rate Regimes in Tanzania



Before 1994, auction of foreign exchange was conducted through the outcry auctioning system. In June 1994, the Bank established the Inter-bank Foreign Exchange Market (IFEM) as a wholesale market, to allow commercial banks and financial institutions to trade foreign exchange with each other and determine market based official exchange rate of the Tanzanian Shilling against US dollar.



Ever since the foreign exchange market operates at the inter-bank and retail levels. The IFEM is the wholesale market, which plays an important role in the determination of the country's official exchange rate. All commercial banks are largely in the wholesale business, while foreign exchange bureaus dominate the retail foreign exchange market. At retail level, commercial banks also extend foreign exchange services to individuals and corporate clients.

The Bank introduced two way quotes system in 2004 in order to enhance transparency and reduce speculations in the IFEM. The Bank participates in the market as a buyer and seller of last resort and intervenes in the market only to smoothen transitory fluctuations in nominal exchange rate.

4.3 Inter-Bank Cash Market

The Bank of Tanzania spearheaded the establishment of an inter-bank cash market, which provides opportunity for lending and borrowing amongst commercial banks. The market is an important segment in the money market, where banks trade their positions to manage their liquidity imbalances. Transactions in this market provide a good indicator of the stance of monetary policy.



Box 3. Major Milestones in the Financial Markets in Tanzania

- In March 1992, Foreign Exchange Act 1992 was enacted, which liberalized the external trade and created enabling environment for market determined exchange rates.
- In April 1993, the Bureau de Change operations commenced, as an effort towards foreign exchange liberalization.
- June 1993, the bank of Tanzania issued Certificates of Deposit as an instrument of monetary policy.
- July 1993, the Bank of Tanzania began auctioning of foreign exchange as a tool for liquidity management as well as for determination of market-based exchange rate.
- August 1993, the Bank of Tanzania introduced Treasury Bills Auctions, as a tool for financing short term government deficit, an instrument for liquidity management, and as a reference point for the determination of market interest rates. The Auctions began with the 91-day Treasury bill and in September 1993 and February 1994, 35-day and 182-day Treasury bill were respectively introduced in the market.
- In January 1994, Capital Market and Securities Act was enacted and later on in 1995, the Capital Markets and Securities Authority was established to promote and regulate securities business in Tanzania. This facilitated the establishment of stock exchange for mobilizing and allocating savings for medium and long-term investments.
- In June 1994, the Interbank Foreign Exchange Market was introduced, replacing the weekly foreign exchange auction system. The IFEM, which is a wholesale market, facilitating determination of the exchange rate.
- In 1994, a fully-fledged Directorate of Financial Markets was established in the Bank to develop and supervise the functioning of the markets.
- In December 1994, the 35-day Treasury bill was discontinued due to operational difficulties and 364-day Treasury bill was introduced in the market.
- In September 1996, the Dar es Salaam Stock Exchange was incorporated as a private company limited by guarantee and not having a share capital under the Companies Ordinance.
- In July 1997, repurchase agreements were introduced to complement Treasury bills and bonds in the conduct of open market operations.
- In April 1998, trading activities at the Dar-es-Salaam Stock Exchange commenced after two years of preparatory work under the stewardship of the Government through the Capital Markets and Securities Authority. The opening of the Trading Floor coincided with the listing of TOL Limited (formerly Tanzania Oxygen Limited), as the first company in the Dar es Salaam Stock Exchange.



- In July 1999, the Bank of Tanzania introduced a computerized book entry system and a Central Depository System for Treasury bills. The system entails record keeping, transfer and updating ownership of Treasury bills without having to issue physical certificates, thus improving efficiency. The system also facilitates divisibility of securities into smaller lots, which promotes secondary market trading.
- In February 2002, the Bank of Tanzania on behalf of the Government launched a 5-year Treasury bond. The bond is also listed at the Dar es Salaam Stock Exchange. The aim was to extend the maturity profile of government debt, lengthen the yield curve, and increase the number of tradable instruments in the market.
- In April 2002, the Bank of Tanzania changed the 2-year Treasury bond auctions from uniform prices to multiple prices.
- In May 2002, the Bank of Tanzania re-introduced the 35-day Treasury bill as an instrument of monetary policy.
- In July 2002, the Bank of Tanzania on behalf of the Government launched a 7-year Treasury bond and established an Export Credit Guarantee Scheme (ECGS) to hasten the provision of credit to the export sector, notably non-traditional exports in order to augment efforts towards increased export earnings.
- In August 2002, the Bank of Tanzania on behalf of the Government launched a 10-year Treasury bond
- In May 2003, the Government opened up the Dar es Salaam Stock Exchange to foreign investors. Several regulations were published in 2003 to guide foreign investors' dealings in the Stock Exchange and establish regulatory safeguards for orderly stable market activities.
- In December 2003, the Bank introduced Intra-day and Lombard standby credit facilities to provide overnight-collateralized loans to commercial banks.
- In March 2004, Financial Markets Leaders Forum was established in order to promote dialogue and networking among stakeholders in the financial markets. Structured and informal knowledge sharing facilitated by the Forum has enhanced comprehension of the market intricacies among market participants.
- January 2008, the auction frequency of Treasury bills was changed from weekly to once fortnightly whilst that of Treasury bonds was changed to once every month.
- In August 2012, the Bank introduced an online bidding system for Government Securities auctions (GSS).
- In May 2014, the Government further liberalized the capital account within the EAC region.
- In February 2015, connectivity between Tanzania Inter-bank Settlement System and Dar es Salaam Stock Exchange became operational.
- In June 2015, Government Securities that can be pledged as collateral in accessing standby facilities at the Bank of Tanzania was broadened to include securities that mature within 91 to 180 days from the date of acquisition.



Chapter 5

Banking Sector and Supervision

5.1 The Banking Sector

The evolution of banking sector in Tanzania can be broken down into three main phases: colonial era and the period before the Arusha Declaration of 1967, the post Arusha Declaration up to 1991 when the Banking and Financial Institutions Act (BFIA) was enacted, and the

period after 1991. Changes have been recorded in the banking sector and the Bank's role in respect to licensing and supervising banks and other financial institutions.

Evolution of the Banking Sector in Tanzania





5.2 Supervisory Approaches

Mindful of the dynamics in the domestic banking industry and the international financial system, the Bank has been introducing and reviewing regulations and guidelines from time to time. This also was necessitated by the need to adhere to international regulatory and supervisory standards, as well as the need to coordinate with other regulatory authorities within the country and across the borders. Equally important is the high pace of financial products innovation and related technologies, which have necessitated upgrading of the supervisory infrastructures perpetually.

Supervisory approach has thus evolved overtime, from traditional approach to risk-based approach. Risk-based supervisory approach places strong emphasis on understanding and assessing the adequacy of risk management systems that are in place and identify, measure, monitor and control risks in an appropriate and timely manner. A summary of banking supervisory approaches is provided on page 35.

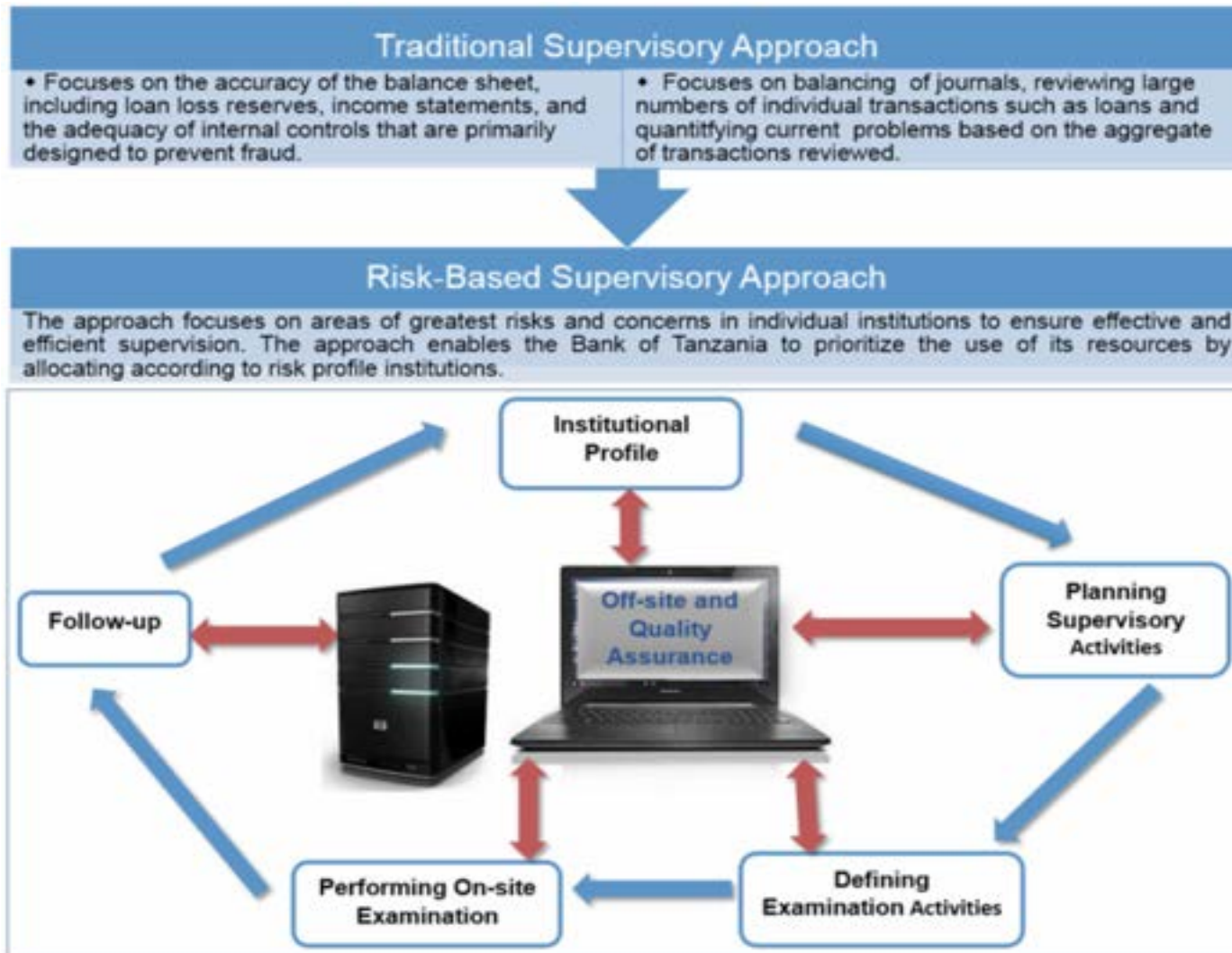
Due to prudent banking supervision, the banking sector has experienced considerable growth and stability. This is reflected in improved industry-wide profitability and decline in non-performing loans. Increased competition in the sector; the use of information communication technology; and expanded branch and agency networks have also contributed in providing greater outreach and better services to customers.

Another achievement is related to small number of bank failure incidences. Only six failures of banks and financial institutions have been experienced since the enactment of BFIA in 1991. These were

Tanzania Housing Bank (1995), Meridian Biao Bank (1995), Trust Bank Tanzania Limited (1998), Greenland Bank Tanzania Limited (1999), First Adili Bancorp (2000) and Delphis Bank Tanzania Limited (2003). Worth noting is that most of these failures were triggered by failures of their parent banks. In all these cases, the Bank of Tanzania took appropriate resolution measures and ensured that no depositor lost a cent. Only two banks (Greenland and Tanzania Housing Bank) were liquidated while others were taken over by other banks.



Evolution of Banking Supervisory Approaches





Chapter 6 Banking and Currency

6.1 Banking Services

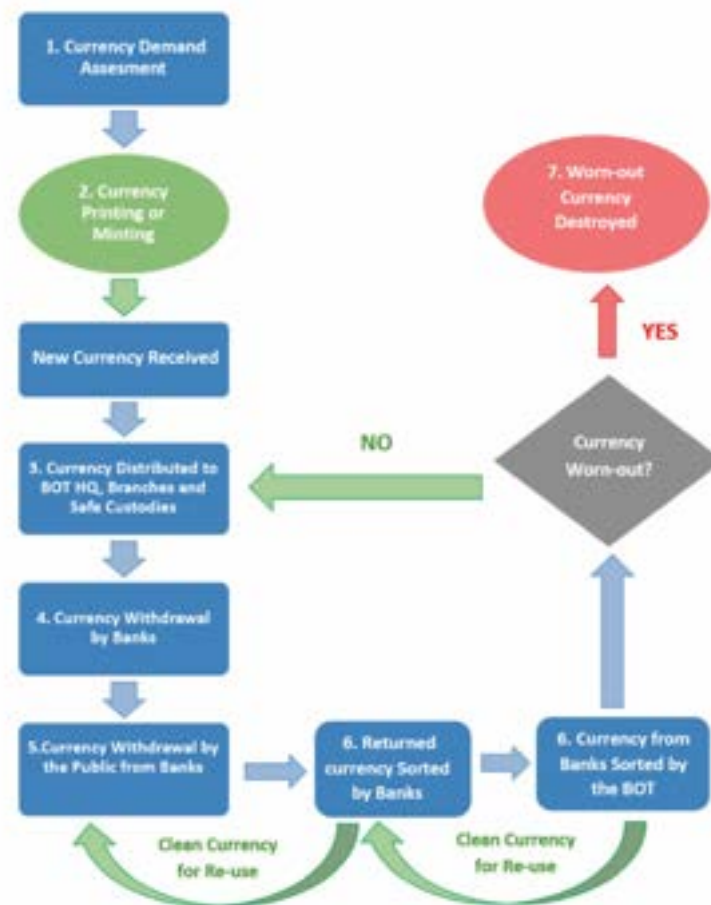
The Bank of Tanzania is a banker and fiscal agent of the Governments. It maintains government revenue and expenditure accounts, makes transfers, opens letters of credit, and extends credit to the Treasury. As the banker to the Government, it administers all Government transactions with international financial organizations or institutions of which the Government of the United Republic of Tanzania is a member. It also manages and implements payment agreements between the Government and other countries. Relatedly, since 1988, the Bank has been charged with the role of managing the public and private debt on behalf of the Government.

In relation to other banks, the Bank opens accounts, accepts deposits and collects money and other monetary claims for and on account of banks and financial institutions. Also, it generally acts as a banker to such banks and financial institutions. It provides additional services to banks and financial institutions, including interbank clearings, and provides safe deposit facilities.

6.2 Currency Management

The Bank of Tanzania took over the role of issuing of currency from the EACB from 1966. In fulfilling this function, the Bank is entrusted with the designing, procuring and distributing banknotes and coins for use in the United Republic of Tanzania. In exercising this role, the Bank performs a chain of activities from issuing to redemption and destruction of banknotes. Currency management in Tanzania involves seven processes, which are highlighted in the following chart.

Currency Management Cycle



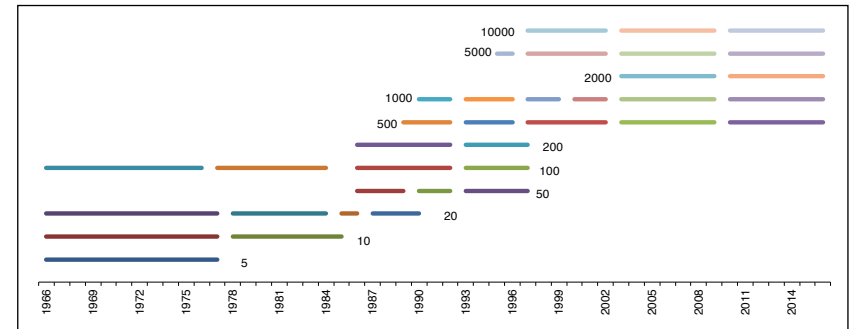


6.3 Currency in Circulation

The Tanzanian currency is shilling and its standard code is TZS. The Tanzanian shilling is also abbreviated as TSh. The shilling is divided into one hundred cents with the smallest unit ever minted being the five cents coin. The currency comes in the form of banknotes and coins. The currency structure has been changing overtime due to varying factors. The current structure consists of five banknotes and 12 coins denominations. Banknotes are in denominations of 10000; 5000; 2000; 1000 and 500. The 500 denomination is both in banknote and coin.

Since its establishment in 1966, the Bank of Tanzania has issued nine series of different denominations of the Tanzanian Shillings. The reasons for the various issuances include political factors such as change of government and the need to maintain national unity; economic factors including inflation, promotion of tourism, portability and divisibility of the currency; as well as technological factors that require enhancement of security features. The chart that follows shows the timeline for different banknote denominations that the Bank has issued since 1966. A detailed list of the banknotes and coins issued by the Bank of Tanzania since 1966 is appended in Appendix I.

The Timeline of Bank Notes in Tanzania



Note: Numbers in the chart area are different banknote denominations that have been issued by the Bank of Tanzania since 1966, while the breaks along the lines are different bank note issuance of the same denomination.



East Africa Currency banknote passed across the counter by the first President of the United Republic of Tanzania, Mwalimu Nyerere to the Bank of Tanzania cashier, Mr. J. M. Mabiba who handed the President the equivalent in Tanzania's new note (Tanzanian Shillings), 1966.



The then Vice-President of the United Republic of Tanzania, Mr. Abeid Amani Karume being handed a new note by the Bank of Tanzania cashier, 14th June 1966.



The Bank of Tanzania Governor, Prof. Benno Ndulu (left) presenting a new TZS 10,000 note to the then President of Tanzania, Dr. Jakaya M. Kikwete (center) and the former Minister for Finance, Mr. Mustafa Mkulo (right), 2010.



Chapter 7

Payment Systems

7.1 During the Colonial Era

The payments system dates back during the colonial era, where with the growth of the banking sector at the time, the system began to take shape with all the components including instruments (cash/cheques), issuers of the currency (the East African Currency Board) financial institutions (banks), rules (laws and regulations) and procedures (banking clearing arrangements). To support the payments system, a legal and regulatory regime was established by the British, a replica of the 1882 Bills of Exchange Ordinance of Britain. This law was used for the administration and management of the operations of issuance, delivery and transmission of bills of exchange—promissory notes, bills and cheques—in the colony. The same law, which is still in force to-date, was adopted by Tanzania after independence as the Bills of Exchange Act Cap 215.

7.2 Post-Independence Payments System

In the years that followed after the establishment of the Bank of Tanzania, the payment system continued as it was during the British colonial era, with cheque system as the only alternative payment instrument to cash. After the establishment of the Bank of Tanzania, the banking system established its own clearing of cheques mechanisms but they were not efficient, with a typical cheques clearing period of up to 21 days in some areas of the country. The inefficient payment system lasted until the 1990s when the Government decided to reform the financial sector. This ushered in need for a modern payment

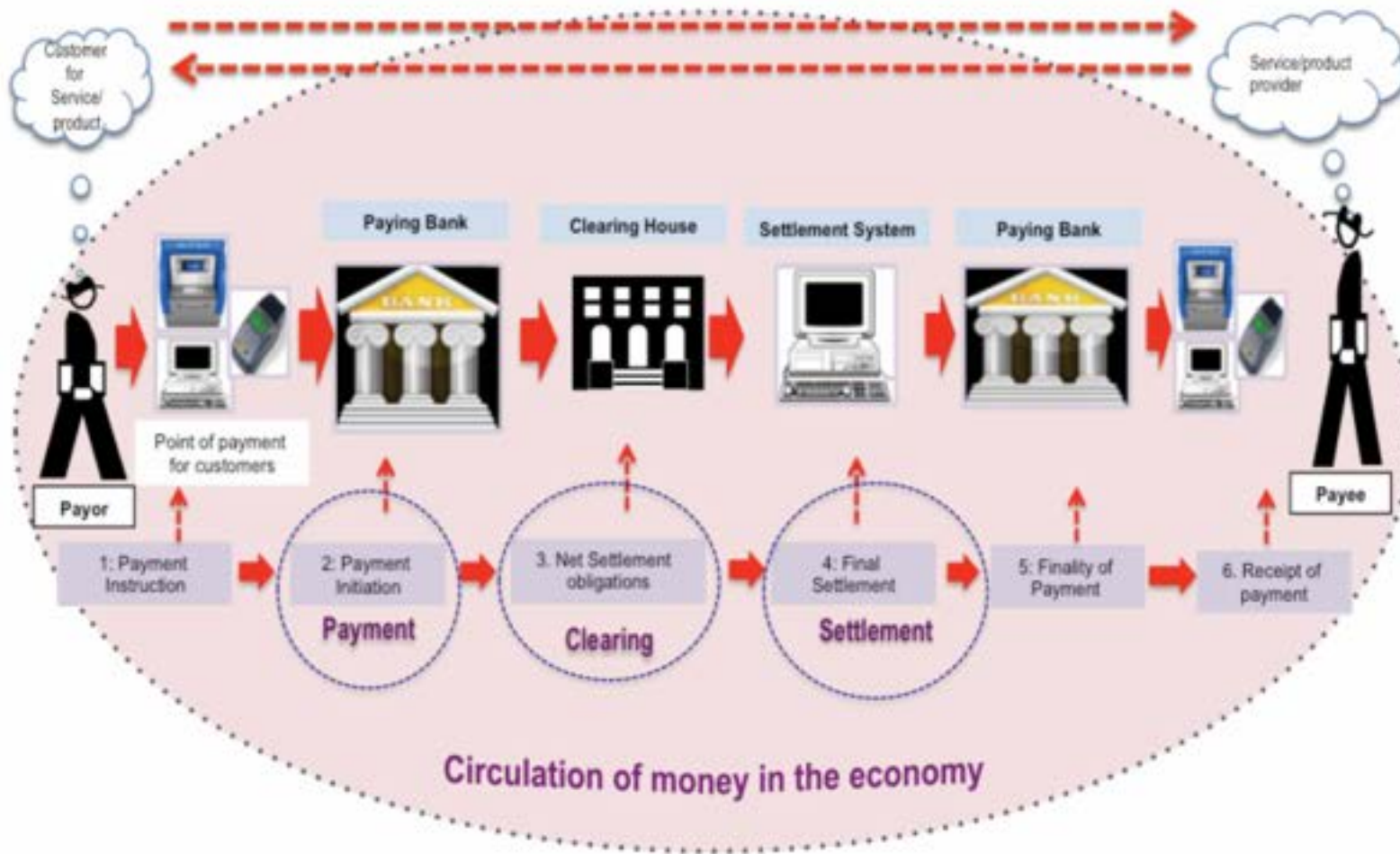
system that would meet the growing demand of a growing competitive banking sector with innovative financial services and development of the financial markets.

The payment system modernization began in the late 1990s. The first project was to revamp the cheque clearing system, through introduction of electronic clearing process with centralized clearing system housed in the Bank of Tanzania that commenced operations in 2002. This increased efficiency in cheque clearing commensurate to the market demand, where clearing days were reduced to 2 days in cities from 7 to 14 days clearing cycles.

With the growth of the financial sector, the Bank of Tanzania introduced a more efficient payment system that settled financial obligations in real-time. This system known as the Tanzania Inter-bank Settlement System (TISS), went live in 2004. Thereafter, more payment systems have been developed, both by the private sector and the Bank of Tanzania. These include Electronic Funds Transfer (2004), private card clearing switches (2005, 2007), Mobile phone payment systems (2008), East Africa Payment System (2014), and Automated Clearing House (2015). The following chart depicts a typical payment system in the economy, from flow of financial obligation from one economic agent (payer) to another (payee), using payment instruments that require to be processed using inter-bank procedures and final settlement in the books of accounts in the central bank and the subsequent value is passed to the account of the beneficiary (payee).



A typical payment system





The payment system modernization included reforms on the legal and regulatory frameworks. The modernization focused on providing strategic guidance, regulatory and supervisory capacity on a national level for the national payment systems that offer large and low value payments for different market segments in the economy and for various economic and social needs that require monetary obligations settlement. Cognizance of the fact that technology was the key driver of efficiency in payment system, the legal reforms in this area focused on creating an enabling environment for technological solutions in terms of payment system infrastructure. This necessitated the amendments to the Evidence Act in 1997 to permit admissibility of electronic evidence; enactment of the National Payment System Act, 2005 to regulate the national payment systems, the amendments of the Bills of Exchange Ordinance in 2005 to permit electronic cheques; the enactment of the Cyber-Crimes Act and Electronic Transactions Act in 2005 to provide for regulation and management of electronic commerce.

The performance of the current payment systems in the country as well as the evolution of the payment systems are summarised in the following charts.



Performance of the Current Payment System in Tanzania

Real Time Gross Settlement System

Introduction of Tanzania Inter-bank Settlement system (TISS).

This revolutionized inter-bank payment processing in the country by real-time settlement of payments and value to customer accounts in 2012.

Expanded Usage

- Government payments.
- Tax collection.
- 24/7 settlement of port clearing.
- Monetary policy implementation.
- Connected to all sub-treasuries.
- Settles commercial bank payments.

2004 Tanzania Inter-bank Settlement System

Cheques Clearing System

Introduction of Electronic Clearing House (ECH).

This ushered in the electronic clearing of cheques and was able to reduce 14 to 21 days clearing cycles to 7 to 2 days.

2014 Automated Clearing System

In 2014 the ECH was overhauled to meet increasing demands an automated clearing house (ACH) with cheques truncation was introduced. This has resulted into reduction of clearing cycles to 1 day.

2002 Electronic Cheques System

Mobile Phone Financial Services

Introduced in 2008, by the 2010, the market had 4 players offering Mobile Financial Services (MFS) by mobile phone network companies. The services entails transfer of funds from person to person and has expanded to various payment services.

Expanded Use Cases

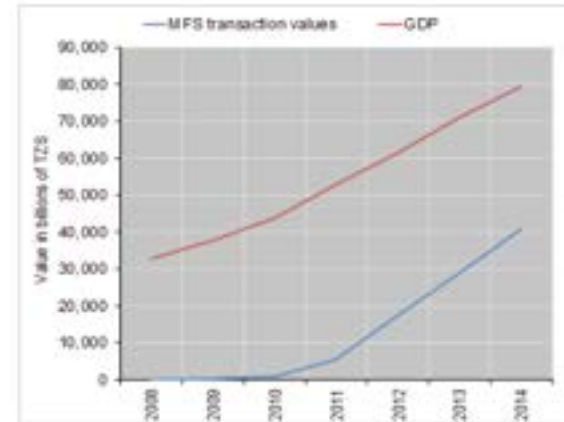
- Person to person payments
- Person to Government payments (taxes/levies)
- Person to business payments (utility bills, services, goods, etc.)
- Business to person payments (wages, etc.)
- Business to business payments.
- Interoperability.

2008 Mobile Phone Financial Services

Performance of TISS Transactions against GDP

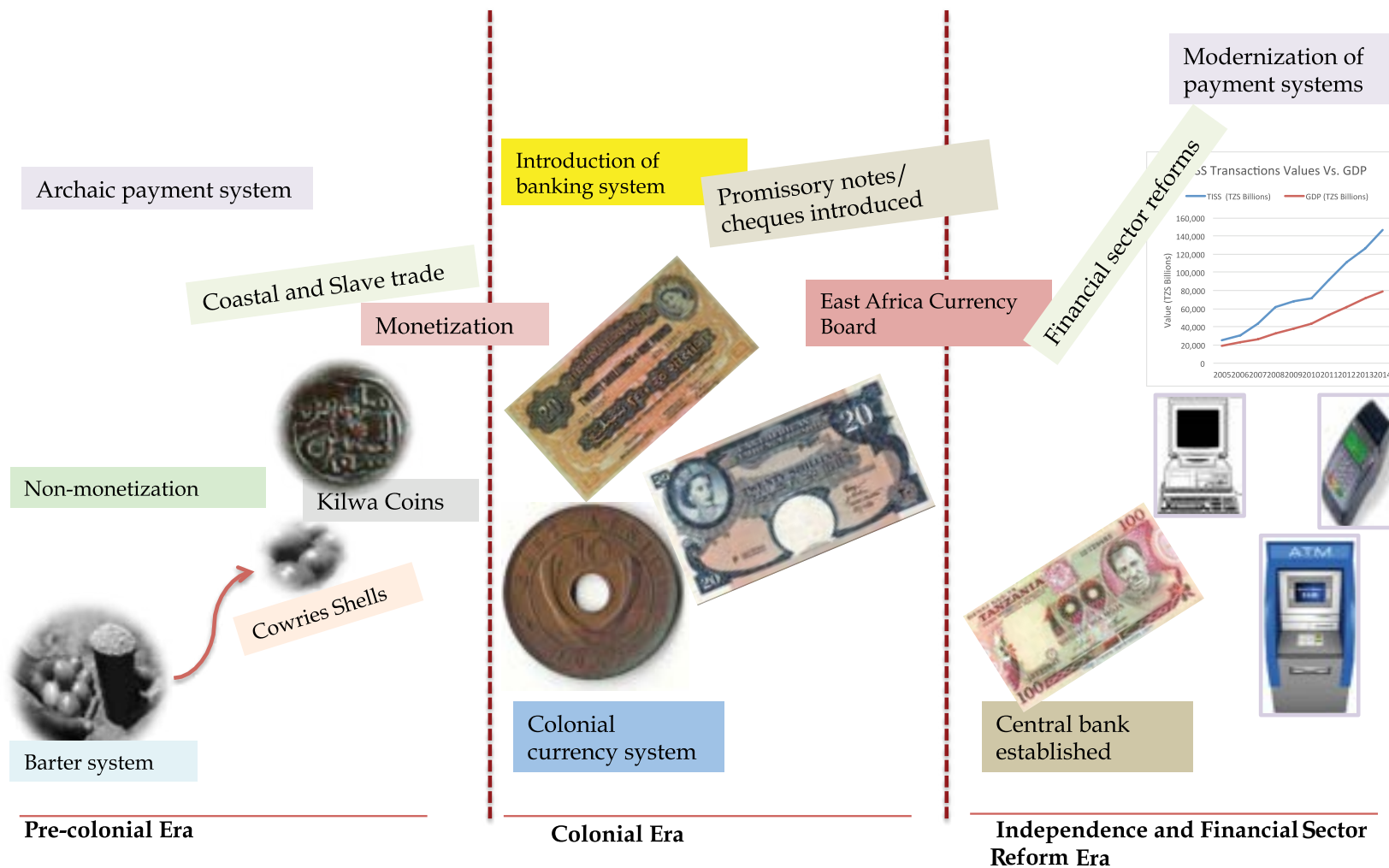


Performance of MFS Transactions against GDP





Evolution of Payment System in Tanzania





Chapter 8

Financial Sector Reform Initiatives

8.1 An Overview

Tanzania has implemented several economic reforms since independence. Early reforms began from 1981 to 1989, Major reforms started in the early 1990s when the country adopted brad-based reform programs. In the financial sector, the first generation of financial sector reforms began with the implementation of the Nyirabu Commission Report's recommendations in 1991 anchored on, among other Acts, the Banking and Financial Institution Act (BFIA), 1991. Generally, the emphasis of the first generation financial sector reforms was to put in place a conducive environment for a free market to operate and to provide quality and reliable financial services. The reforms envisaged to bring about a new financial landscape in Tanzania and also a new culture of doing business. With these developments, customer service improved remarkably, with new products and services introduced, such as the Automated Teller Machines (ATMs) and debit cards.

The implementation of the Nyirabu Commission was reviewed by the Government in 2001 and showed that more needed to be done to improve the efficiency of financial resources mobilization and allocation. There was still a need to expand access to financial services by the majority of Tanzanians; to develop medium and long-term lending instruments and to bring financial services within the reach of the small and medium enterprises (SMEs) sector. These gaps also were, among other weaknesses, underscored by a joint IMF/World Bank mission which conducted a Financial Sector Assessment Programme (FSAP)

in May 2003. As a follow-up to the FSAP report recommendations, a Committee chaired by the Governor of the Bank of Tanzania developed a roadmap which outlined a plan of actions to undertake the activities in the identified areas. The roadmap covering the period from 2006 to 2011 came to be known as the Second Generation Financial Sector Reforms (SGFSR) and was developed and approved by the Government in 2006. Consultations with development partners on the specific activities identified in the roadmap for implementation of the SGFSR programme led to the design of the Financial Sector Support Project (FSP). The roadmap for FSP identified six key activities that required technical assistance from Development Partners, that is:

- Strengthening the banking sector which aimed at enhancing the soundness and the efficiency of the banking sector.
- Developing financial markets focusing on promoting vibrant primary and secondary markets supported by an appropriate, secure settlement system and robust oversight.
- Strengthening the insurance industry to promote an efficient, sound, and competitive insurance industry with a wider outreach and market-based investment policies.
- Facilitating the provision of long-term development finance to support improvement in the availability and access to long-term financing for enterprises, infrastructure, and housing.
- Transformation of Tanzania Investment Bank Ltd (TIB) into an effective and sustainable development finance institution.



- Strengthening of micro and rural finance focusing on promoting a viable and sustainable microfinance industry with a wide outreach, operating under an enabling legal and regulatory framework.

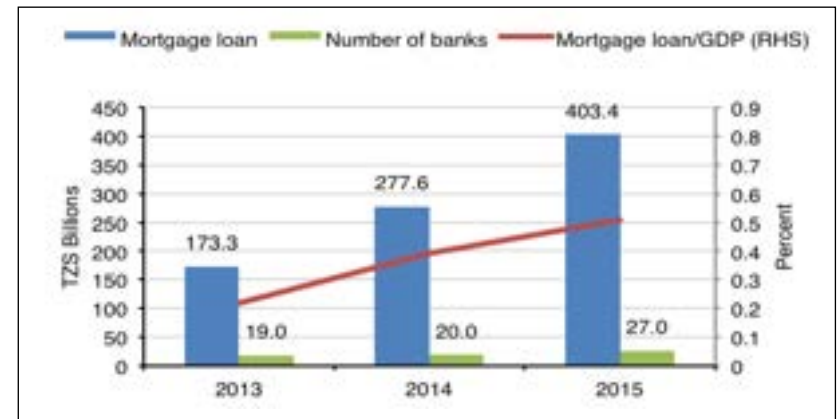
Considerable achievements have been recorded including in the areas of mortgage, lease and microfinance finance, as well as financial inclusion. The successes are briefly highlighted in the next section.

8.2 Mortgage and Lease Finance

To promote private sector participation in housing industry, the Bank of Tanzania supported the Government in drafting the Mortgage Finance Act, which was enacted in 2008, facilitating the establishment of Tanzania Mortgage Refinance Company (TMRC) in 2010 to provide banks with medium and long-term funding to refinance their mortgage loans portfolios. TMRC was created and owned by banks. Further, the Bank of Tanzania put in place Mortgage Finance Regulations in 2011. These initiatives have resulted into improvements in the mortgage market in the country. Mortgage loans offered in the last three years for example have expanded consistent with the increase in the number of banks offering mortgage products. The increasing participation by banks is likely to lower prices of houses making them affordable to majority of Tanzanians.

On lease finance, the Lease Finance Act was enacted in 2008 and the Bank developed the Financial Leasing Regulations in 2011. To date, three companies are operating in the lease finance market.

Mortgage Lending in Tanzania



8.3 Microfinance

Over the past 20 years, the Bank of Tanzania has actively engaged in activities aimed at improving access to rural and the poor segment of the population through promotion of microfinance sector as a one of the approaches towards poverty reduction. Up to the late 1990s, microfinance sector was uncoordinated with no governing policy. In 1999, the Bank established the Directorate of Microfinance which was inter alia given a role to coordinate and create an enabling environment for development of microfinance industry in the country. To fulfil this role, the Bank in collaboration with other stakeholders assisted and supported the Government in the development of the National Microfinance Policy (NMP) in 2000; which was launched in 2001. The Bank was tasked to coordinate the NMP and was engaged in developing the legal and regulatory framework including development of microfinance regulations in 2005. This was followed by development of operational guidelines for the Government and donors to provide



support to the microfinance sector. To complement Government efforts, some development partners such as SIDA, DFID, CIDA, DANIDA and Royal Netherlands organized and established the Financial Sector Deepening Trust (FSDT) in 2004, with the objective to promote growth of microfinance sector through capacity building and development of supportive environment for increased access to financial services. To further take on board changes in technology and mandate in managing the microfinance sector, the Bank developed Banking and Financial Institutions (Microfinance Activities) Regulations in 2014 and amended the same in 2015; the regulations targeted governing microfinance activities in the banking industry. Currently, the Ministry of Finance and Planning is collaborating with the Bank of Tanzania and other players to review the NMP of 2000 and develop the National Microfinance Act for non-deposit taking microfinance institutions.

The outcome of the above efforts is increased number of microfinance players and products. For instance, up to the end of 2015, there were 22 commercial banks with microfinance windows and 3 specialized microfinance banks, which had a loan portfolio of TZS 90.8 billion and 152,686 customers. Other players in this area include Savings and Credit Cooperative Societies (SACCOS), financial non-governmental organizations, credit only companies and informal microfinance service providers including Village Community Banks (VICOBA), Accumulating Savings and Credit Associations (ASCA), which are widely spread in the country.

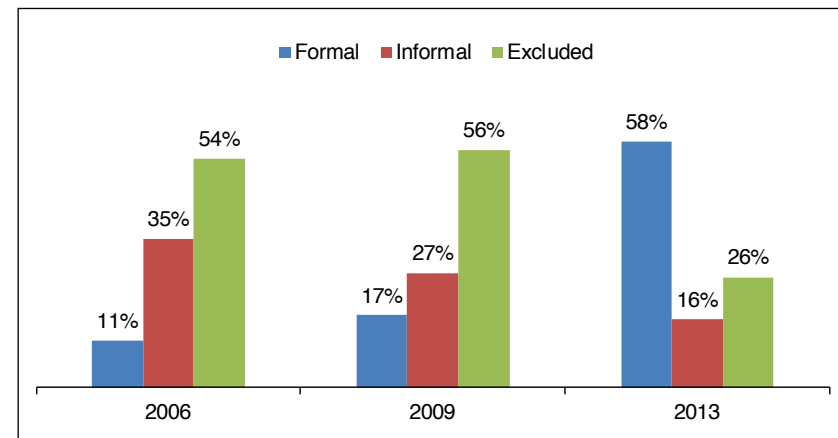
8.4 Financial Inclusion

Financial inclusion has an important role in facilitating inclusive growth through its ability to enhance access to finance for households and

their enterprises to manage their financial needs and participate in economic activities for income generation. Tanzania has taken several initiatives geared towards enhancing access to formal financial services to the majority of the population. The preceding chapters point out the reforms in the financial sector that addressed structural and regulatory issues, which resulted in a competitive financial market with increased private sector participation and wide range of financial services and products. According to FinScope survey data, until 2009, access to financial services to the majority of the population was still low, with 56 percent of adult population being excluded from formal and informal financial services.

On account of this, the Bank reinforced efforts to address factors constraining financial inclusion from 2009. These efforts contributed to the decline in exclusion rate to 26 percent of the adult population as of 2013.

Access to Finance in 2006-2013

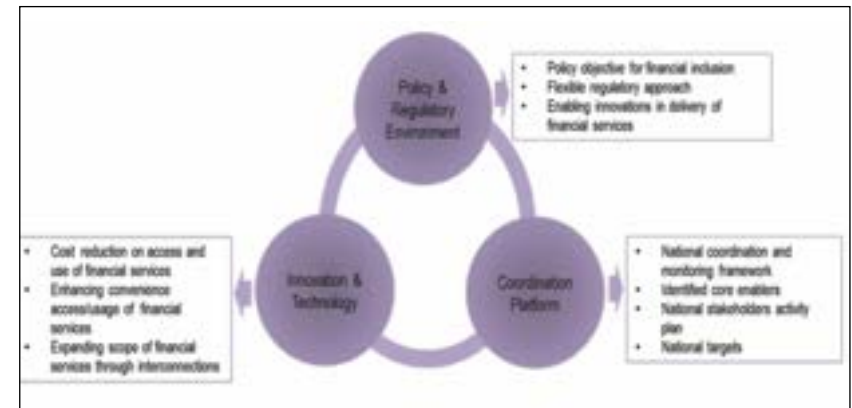




The registered traction towards achieving financial inclusion objective was evidenced by application of a three-tier approach. This approach comprised of policy and regulatory environment; coordination platform; and innovation and technology. The policy and regulatory environment in the country has been made conducive for implementation of financial inclusion initiatives. The regulatory approach is flexible, permitting non-bank institutions to offer basic payment services. The coordination platform was established under the auspices of the Bank of Tanzania to facilitate implementation of action plans that involve multi-stakeholders geared towards achieving national targets for financial inclusion. Another component that is fuelling growth of access and usage of financial services in the country is innovation and technology. The supply side of financial services (banks and non-banks) have embraced technology for cost effective delivery of financial services. Mobile telephone has been an instrument that is transforming access to formal financial services to the unbanked population in the country. By the end of 2015, there were 19.8 million active users of mobile money accounts from about 8.0 million active users in 2012. The reasons for this include the cost effectiveness and convenience of the use this technology compared with the brick and mortar model. The mobile technology is now used as a platform for other financial service providers to reach out and channel their services to their customers and the potential unbanked population. Second generation products that go beyond payments have been introduced in the market to deepen financial services to the unbanked through partnerships between non-banks (mobile network operators) and banks, insurance, pension and securities to offer services such as micro-credit, micro-insurance, micro-pension and micro-equities and bonds trading. All these initiatives provide more avenues to the unbanked and the poor

to have access to financial services for mitigation against social and economic shocks.

Three-tier Approach to Enhance Financial Inclusion Drive in Tanzania



The progress in financial access to micro, small and medium enterprises (MSMEs) is also worth noting. As per FinScope survey (2013), 73 percent of MSMEs had access to banking and non-banking financial services with mobile money being the main driver of success. The survey data indicate that financial access to small holder farmers was increased from 14 percent in 2009 to 41 percent 2013, suggesting that progressively rural population whose main source of income is farming is transforming from using rudimentary means of payment, transfer and saving money to somewhat sophisticated means.



Financial Access by Source of Income

	Bank products	Non-bank formal products	Informal mechanisms	Excluded
Own business	19.6%	53.4%	11.0%	16.0%
Subsistence	4.9%	36.0%	23.6%	35.5%
Agribusiness	7.1%	39.5%	21.0%	32.5%

8.5 Credit Guarantee Schemes

The Government established two Credit Guarantee Schemes (CGS) namely; Export Credit Guarantee Scheme (ECGS) and SME Credit Guarantee Scheme (SME-CGS) in 2002 and 2005 respectively to promote access to credit facilities by borrowers from domestic financial institutions. These schemes are geared towards developing financing infrastructure in the economy in order to support borrowers with viable businesses but lacking adequate collaterals to secure bank financing.

Since establishment, the Bank Tanzania has been managing the two Schemes on behalf of the Government under an Agency Agreement, pending the formation of an independent credit guarantee agency. The management of the schemes involves issuing credit guarantees, reviewing and implementing CGS policies and guidelines, processing and paying claims, and monitoring performance of guaranteed projects.

The ECGS was established to support development of financing infrastructure in the economy that will improve credit environment in order to support borrowers with viable export business and export-oriented development projects, but lacking adequate collateral

to secure bank financing. As of May 2016, the ECGS issued total guarantees of about TZS 1,147.89 billion and guarantees worth of TZS 729.88 billion have expired.

SME-CGS is geared towards promoting and supporting SME's which have a significant role in the economy, by creating an enabling environment for its expansion and facilitating access to financing resources. Until May 2016, a total of guarantees worth TZS 4,209.07 million have been issued whilst guarantees worth TZS 3,033.16 million have been complete. The Bank has been conducting program awareness through various exhibitions organized within the country for a wider outreach of eligible investors.



Box 4. Interview with Governor, Prof. Benno Ndulu.

Governor, you started to lead the Bank of Tanzania from January 2008, what reforms did you make to enable the Bank to effectively attain its core objectives?

When I was given the task of managing the Bank of Tanzania in January 2008, I targeted to attain three main objectives.

1. Restore the reputation of the Bank of Tanzania as an institution, which discharges its functions prudently, honestly, and transparently. I assumed office when debate surrounding issues such as EPA had attracted high public's attention, significantly tarnishing the image of the Bank.
2. Ensure that we build expertise and new generation of staff in the Bank to succeed the large cadre of leaders and experienced employees who were about to retire. We had to put in place a succession plan to ensure that the Bank discharges its functions more efficiently and in a sustainable manner.
3. Make sure that the Bank makes technological transformation to enable it to carry out its functions in a more timely and cost-effective way and also keep pace when compared with other central banks in the world. This was also important to keep up with banks under Bank of Tanzania's supervision which were making rapid advancements in innovation and technological usage. I also believed that, the only way to reach the majority of Tanzanians in a cost-effective manner in the provision of financial services is through the use of technology.

These are the main objectives, which I believed God willing and also being allowed to work for two consecutive terms of five years each, I would have accomplished or I would have made substantial progress in achieving them. Fortunately, and I am now about nine years in office, with a year to finish my service per the Bank of Tanzania's law, the 50th anniversary of the Bank of Tanzania in June 2016 provides an opportunity to evaluate myself against these objectives or targets.



Bank of Tanzania Governor,
Prof. Benno Ndulu.

Can you please elaborate more on the achievements?

As for the first objective mentioned above, we have made commendable achievements. The reputation of the Bank has generally improved not only within the country but also outside the country. In this period, I have been awarded two times as the best Governor in Africa. These prizes are not for me as Governor; they are for the Bank of Tanzania in the sense of acknowledging the quality of its services and the way it carries out its functions. In addition, we have been able to demonstrate that the Bank's reputation has changed. Partly reflecting this fact, Bank of Tanzania's financial statements in the past seven years excluding the initial difficult period of my service were all rated clean. The National Board of Accountants and Auditors (NBAA) has, more than three times, awarded the Bank of Tanzania for drawing up good financial reports; an indication that dignity has been restored. We have also cooperated with various national institutions in laying down foundation for good governance,



and in this, notable progress has been recorded. In this objective, we can confidently say that we have generally achieved it or if not then we are very close to achieving it.

On the second objective, the main task was to ensure that competent young employees and who think can be trusted to test themselves have been given the opportunity in leadership. Already, we are building a new cadre of young leaders and, personally, I am satisfied with their speed of work. We are confident that as experienced and long serving leaders retire succession will be assured. I wish to thank the Bank of Tanzania's Board of Directors for agreeing to consider the fact that quality is not only realized by counting number of years in service, but can also be realized when staff are given chance to try and are determined to work hard in performing tasks assigned to them.

For the third objective on technology, we have made considerable steps and, very big ones. In relation to payments system, we have managed to improve the payment systems and roll them out to many more users. Now, not only banks but also the governments, both at local and central levels, use these systems. Furthermore, in collaboration with other central banks in the East African Community (EAC), we have put in place a payment system which is applicable to the EAC region using our own currencies, i.e. without using foreign currencies such as US dollars, in settling transactions. Currently, the system has connected four EAC countries while the fifth country, Burundi is in the process of joining. Payments system called SIREs has been put in place as well for the Southern African Development

Community (SADC), which up to May 2016, has connected nine countries in SADC including Tanzania. More important in payments, is to ensure that we have not only allowed but also supported systems of payment using mobile phones, which have facilitated in reaching many more Tanzanians and enabled them to receive and transfer money; have enabled them operate their bank accounts using mobile phones; and to deposit and borrow money in the banking system by using mobile phones. In numbers, in Tanzania about 75 percent of all adult people (above 16 years)—about 18-19 million adult people—actively use these payments system. Systems such M-Pesa, Tigo-Pesa, etc. are now available to most adult Tanzanians both in the urban and rural areas. We have also continued to record progress in ensuring these systems are interoperable, making agents less important in facilitating deposits or receiving money across systems of payment.

Another main achievement is in respect of changing administrative systems within the Bank by the use of technology. The main objective was reducing to large extent the use of paper in our office communications. We have made steps, and the system which was launched recently has enabled us to perform our tasks electronically instead of paper. Overtime, we believe the use of paper will continue to go down in our daily operations and probably disappear in day-to-day communications. One thing worth mentioning, this system among others have been developed or customized in-house. I am very proud of this achievement and congratulate all our teams who have made this possible.



Challenges are inevitable and a crucial part of any successful journey, can you please briefly highlight challenges you encountered in attaining set objectives?

Challenges are many. I was appointed to the post of Governor in 2008 when the world was entering into crisis; the global economic recession experienced in 2009, and three years later, economic recession in Europe, and now, we are in an environment where the prices of our major export earning commodities are deteriorating very fast. During this period, we had to remain vigilant and have taken measures to ensure that the stability of our economy is preserved, i.e. activities are smoothly carried out by containing, to a large extent, negative spillover effects to the national economy. In particular, we successfully managed to lessen the impact of upward pressures emanating from these events on inflation and exchange rate of the Tanzanian Shilling against the major world currencies. Generally, I can say, the main challenge we have been facing in attaining set objectives, has always been how best to address undesirable effects emanating from global financial and economic crises in a way that brings the economy back on track and sustains its stability and growth.

Another challenge is in relation to making people understand the prominence of central bank independence, mostly in formulating and implementing monetary policy. When such independence lacks or is interfered, it becomes difficult for a central bank to address these kinds of challenges including those posed by domestic and global financial and economic crises. So far so good, I am lucky that the Bank of Tanzania's independence has highly been valued

and guaranteed by our leadership in all phases of governments since being granted in 1995. My plea is that going forward such independence should continue to be given priority to ensure that the central bank of the country, Bank of Tanzania, effectively discharges its core function of formulating, defining and implementing monetary policy directed to maintaining domestic price and financial stability conducive to a balanced and sustainable growth of the economy. It is appreciated that the draft constitution recommended by Parliament makes provision to safeguard this independence.

In your view and having worked as Governor in the past nine years, how will this important Institution look like in the next 50 years in terms of its contribution to the national economy?

Going forward, I have no doubt about its sustainability. Bank of Tanzania has skills and capabilities, skillfulness and thoughtfulness to continue implementing its functions effectively. As I earlier said, this will be facilitated by the technical expertise the Bank has, reinforced by a leadership arrangement that has many capable, dedicated and energetic young people. Indeed, effectiveness of any institution is largely determined by the quality of its human resource. The Bank of Tanzania has the capability to sustain the achievements recorded so far and take them to greater heights. As for what I mentioned before on succession plan, this applies not only to management but also to staffs' know-how. This is particularly important because many skilled staffs who were employed in the first decade of the Bank are about to or have retired. It is imperative we ensure that always there are enough employees who have acquired the requisite knowledge and experiences to carry out the Bank's responsibilities effectively and efficiently.



I believe that if the institution is given the independence it requires to discharge its functions, I am sure the Bank of Tanzania will endure to provide its contribution both at national and international level.

What is your advice to young people who have joined or likely to join the Bank in the future in respect to advancing the Bank's functions?

The Bank of Tanzania is a unique institution. It is the only institution in the country, which is mandated to maintain appropriate level of liquidity in the economy, and to uphold stability of the national economy. With these objectives in mind, it is utterly central for all employees in the Bank or those who will get a chance to serve the Bank, to be aware of this noble task. They are obliged to work thoughtfully and honestly, and they must remember that by being transparent they will ensure that integrity will be upheld.



Chapter 9

Regional Integration Initiatives

The Bank of Tanzania has increasingly played a pivotal role on regional economic integration on matters related to its mandate. The Bank has been participating in activities of the East African Community (EAC), the Southern African Development Community (SADC); African Union (AU) and the Association of African Central Banks (AACB).

9.1 East African Community



EAC Presidents signing the protocol on the establishment of the East African Monetary Union on 30th November 2013 in Kampala, Uganda.

The Bank's involvement in EAC regional policy milestones dates back to the former East African Community formed in 1967. The Treaty (Article 27) of the former East African Community demanded harmonization of monetary policies to the extent required for proper functioning of the common market and the fulfilment of the aims of the Community. Under

this, there was also a formal requirement for Central Bank Governors of Kenya, Tanzania and Uganda to meet regularly for consultation, coordination and review of monetary policy issues. The signing of the Treaty for establishment of EAC in 1999, whose objectives included the establishment of the monetary union re-energized the role of the Bank of Tanzania in the region. The Bank has been participating actively in EAC Monetary Affairs Committee activities, which is a forum for EAC Central Bank Governors. The Committee has made notable contribution to achievements which include the following, among others:

- a) Negotiation, signing, ratification and implementation of the Customs Union, Common Market and Monetary Union Protocols.
- b) The on-going harmonization of monetary policy frameworks, financial markets practice, payments systems, microfinance policy and regulations, banking supervision and macroeconomic statistics in the EAC region.
- c) The launching of the East African Payment Systems (EAPs) to promote, facilitate and support intraregional trade.



The President of Tanzania, Dr. John Pombe Magufuli (third right) together with other EAC Heads of State launching construction of Arusha— Holili/Taveta—Voi road in March 2016 at Tengeru –Arusha.



Bank of Tanzania Governor, Prof. Benno Ndulu (Center) with other EAC Governors and Deputy Governor Dr. Natu Mwamba (far right) during the 19th Extraordinary Meeting of the Monetary Affairs Committee meeting held in Zanzibar, 2015.

9.2 Southern African Development Community

Transformation of the Southern African Development Coordination Conference (SADCC) into Southern African Development Community (SADC) in 1992 called the need for the creation of the Committee of Central Bank Governors (CCBG) in 1995, which the Bank of Tanzania is a member. The main objective is to promote and achieve closer co-operation among central banks within the Community. Central banks play a crucial role particularly in the promotion of financial and economic development, by way of pursuing policies that enhance financial and macroeconomic stability. The achievements include:

- i. Negotiation, signing, ratification and on-going implementation of the SADC Finance and Investment Protocol.
- ii. Participation of Tanzania's banks in the SADC Integrated Region Electronic Settlement System (SIRESS) that promotes, facilitates and supports regional trade.
- iii. Research studies and capacity building.



Former Governor of Bank of Tanzania, Dr. Daudi Balali (first left in the front row) with other SADC Governors during a CCBG meeting held on 11 April 2002, Livingstone, Zambia



9.3 Association of African Central Banks

The Bank of Tanzania also participates in a number of Association of African Central Banks (AACB) activities such as monitoring the agreed convergence criteria, the AACB Community of African Banking Supervisors (CABs), and most importantly, the Bank hosted the Annual Meeting of the Assembly of Governors of the AACB in 2001. The AACB was formed in 1965, with objectives that included promotion of co-operation in the monetary, banking and financial spheres in the African region. In 2000, the AACB was revived in the framework of Abuja Treaty. Under the Treaty, member states are expected to harmonize their monetary, financial and payments policies, and boost intra-community trade in goods and services as well as enhance monetary cooperation among member states.

In pursuit of this agenda, the AACB launched the African Monetary Cooperation Program (AMCP) that envisages for a common currency and common central bank by 2021. This deadline was in conformity with the OAU Sirte declaration in 1999 that among others decided to shorten the implementation periods of the Abuja Treaty.



Chapter 10

Corporate Social Responsibility and Trade Union Matters

10.1 Corporate Social Responsibility

The Bank of Tanzania has actively supported different social activities in the United Republic of Tanzania as part of corporate social responsibility. The aim is to give back to the society in which the Bank operates. The support is given in the form of education scholarships and donations. The scholarships and donations are granted in line with education scholarships management framework and donations guidelines.

Education Scholarships

The Bank of Tanzania manages two Funds which offer scholarships to best students for pursuing Bachelor and Master's degree programmes in accredited Tanzanian universities. The funds are the Gilman Rutihinda Trust Fund and the Mwalimu Julius Nyerere Memorial Scholarship Fund.

Gilman Rutihinda Trust Fund

The Gilman Rutihinda Trust Fund was established by the Bank in March 1994 in honour of the late Gilman Rutihinda, the third Governor of the Bank of Tanzania. The Fund provides sponsorship to the best university students to pursue Master's degree in the field of banking, economics and finance in the country. The scholarship is awarded to the undergraduate best final year students in the areas covered under the scholarship. The lists of applicants with required qualifications

are submitted by the administration of universities in Tanzania every academic year. The scholarship covers all student's costs as specified in the respective academic cost structure. The directorate of human resource and administration at the Bank of Tanzania is responsible in day-to-day administration of the scholarship.

Scholarship Recipients

Up to February 2016, the Gilman Rutihinda Trust Fund had granted Master's degree scholarships to 31 best students. The recipients pursued/are pursuing master's degree in economics, international trade, and finance at the University of Dar es Salaam and Institute of Finance Management. On average this Fund has been granting scholarships to 2 students each year since its establishment.

Beneficiaries of the Gilman Rutihinda Scholarships

No.	Program	Number of Beneficiaries		
		Total	Female	Male
1.	MBA (Finance)	6	-	6
2	MBA (International Trade)	1	-	1
3.	MA (Economics)	23	2	21
4	MSc. (Finance)	1	1	-
Total		31	3	28



In addition to scholarships, the Bank supports biennial lectures in respect of the late Gilman Rutihinda. The series of these lectures was launched in June 1995 and they are held biennially bringing together policy makers, academicians and other players to exchange views and experiences on public policy issues of interest to the economy.

Mwalimu Julius Nyerere Memorial Scholarship Fund

The Bank established Mwalimu Nyerere Memorial Scholarship Fund in October 2009 in commemoration of the great achievements of the late father of the nation, Mwalimu Julius Kambarage Nyerere, a teacher, leader and great statesman. The Fund was formally launched in Arusha in November 2012.



The Former President of the United Republic of Tanzania, Dr Jakaya Kikwete handing over a booklet of Mwalimu Nyerere Memorial Scholarship Fund to Mama Maria Nyerere during the launch of the Fund in Arusha on 27th November, 2012.

The primary objective of the Fund is to promote interest and excellence in mathematics and Science studies among female students in the United Republic of Tanzania. It is dedicated to sponsor female Tanzanian top performers in the Advanced Certificate of Secondary Education Examinations (ACSEE) to pursue undergraduate studies in mathematics and science within Tanzania. The Fund is also partly used to sponsor both male and female top performers in the ACSEE to pursue undergraduate degree programmes in economics, information technology, accounting and finance and top performers in undergraduate studies intending to pursue Master's degree programmes in those fields. The Scholarship covers all university and students costs as specified in the academic cost structure.



Deputy Governor (EFP), Dr. Natu Mwamba, the Director of Human Resource and Administration, Mr. Yahya Mchujuko (Standing Middle) and beneficiaries of Mwalimu Nyerere Memorial Fund, during the laptops handover ceremony at BOT head quarters in February 2016.



The Fund is headed by a Board of Trustees with the Governor of the Bank of Tanzania as the Chairperson. It has three levels administrative structure comprising of the Board of Trustees, the Scholarship Awards Committee and the Secretariat. Call for applications are widely advertised in local media including radio, television and newspapers.

Scholarships offered by the Fund are divided in two major categories: Undergraduate scholarship (70 percent), and Masters Scholarship (30 percent). The undergraduate Scholarships are offered to the best Tanzanian students in the ACSEE to pursue Bachelor degree in two sub-categories: mathematics or science—for female students (50 percent) and economics, information technology, accounting and finance—for female and male students (50 percent). The Masters scholarships are offered to both male and female best students with a gender split of 50:50. The master’s scholarships are granted to Tanzanian best students who have completed first degree in studies related to mathematics, science, economics, information technology, accounting and finance.

Funding of Scholarship

Funding sources for the scholarship were obtained through fund raising events where contributions were obtained from the Bank of Tanzania; commercial banks and financial institutions; senior servants and retired government officials; the Bank of Tanzania staff; and the general public.

The funds obtained have been invested in Treasury bills and Treasury bonds. The scholarships are funded through income obtained from interest made from such investments.



The Governor of the Bank of Tanzania, Prof. Benno Ndulu (right) receives a pledge from the Managing Director of the Tanzania Investment Bank, Mr. Peter Noni (left) during the fund raising event. The occasion was officiated by the then Vice President of the United Republic of Tanzania Dr. Mohammed Gharib Bilal (middle).

Awarded Scholarships

To date, the Fund has granted twenty two scholarships to best students pursuing undergraduate and master’s degree programmes in the United Republic of Tanzania. Out of these 16 were female students.

Mwalimu Nyerere Awarded Scholarships

Academic year	Undergraduate degree		Masters degree	
	Male	Female	Male	Female
2013/14	1	3	1	1
2014/15	1	5	1	1
2015/16	1	5	1	1
Total	3	13	3	3



The undergraduate scholarship recipients are pursuing bachelor degree programmes in petroleum engineering, petroleum geology, doctorate of medicine, pharmacy, actuarial sciences, finance, accounting and finance, economics and statistics, and architecture at various universities. These include the University of Dar es Salaam, Muhimbili University of Health and Allied Sciences, Kilimanjaro Christian Medical University College and Ardhi University.



Mr. Dominicus Kayombo, the first graduated beneficiary of Mwalimu Nyerere Memorial scholarships during his graduation at Mzumbe University, 2015.

The Masters Scholarship recipients are undertaking masters programs of chemistry, accounting and finance, parasitology and entomology, architecture, information technology and management and economics at the University of Dar es Salaam, Mzumbe University, Muhimbili University of Health and Allied Sciences, Ardhi University and Institute of Finance Management.

The beneficiaries are required to submit their academic progress reports on a quarterly basis for monitoring purposes.

Going forward, a beneficiaries Alumni will be established for networking, exchanging knowledge and skills, job information and ease tracking of the graduates. The mechanism will as well enable the Bank of Tanzania to evaluate the impact of the programs to the economy.

Donations

Donation guidelines were put in place in 2009 in which the Bank commits to provide financial support towards activities within the broad framework of its core functions and which are likely to benefit a broader section of Tanzanians. The Bank normally considers providing financial support in the following areas:

- Economic sectors: activities that promote economic sectors in the country.
- Education and training: activities aiming at improving standards of education in the country.
- National campaign: activities that aim at promoting social welfare.

So far, the Bank has supported primary and secondary schools in form of donations for construction of classrooms and buying books. During the period 2011/12 to 2014/15, ten primary and eight secondary schools were assisted.



The Bank of Tanzania staff donating various items to patients at the Ocean Road Hospital, 2013.



10.2. Trade Union Matters

The Bank has been supporting trade union initiatives since 1966 when the then National Union of Tanganyika Workers (NUTA) opened its office at the Bank of Tanzania's Head office in Dar es Salaam. As the Bank expanded its branch network across the country, the influence of NUTA and its successors Jumuiya ya Wafanyakazi Tanzania (JUWATA), Organization of Trade Unions of Tanzania (OTTU) and Tanzanian Union of Industrial and Commercial Workers (TUICO) followed suit. Currently, TUICO—which was founded under the Organization of Trade Unions of Tanzania Act, 1991 that allowed formation of more trade unions in the country—operates at the Bank's Head office in Dar es Salaam, Arusha, Dodoma, Mwanza, Mbeya and Zanzibar branches as well as at the Training Institute in Mwanza. In addition, offices are expected to be opened at Mtwara branch. The offices are managed by a secretariat comprising of staff elected by the members. At the moment, about 75 percent of the Bank's employees are members of TUICO.

The Bank's support to trade union activities is directed in the following main areas: provision of office space for the Union's secretariat in all branches; allocation of funds to enable the secretariats to effectively carry out planned operations; and training of both members and the secretariat team. In addition, the Bank allows workers to participate in corporate planning processes including budgeting; review of financial regulations and staff-by-laws; and advisory forums which bring together the management and staff to discuss issues related to the role and functions, as well as staff welfare. The reason for this engagement is to create harmonious working environment in the Bank, which is key in the efforts to enhance workers' productivity.

Achievements and Challenges

To ensure that all staff benefit more from trade union efforts, the Bank signed a Recognition Agreement in 2011 for TUICO to be the sole representative of all employees of the Bank of Tanzania. This function is carried out by a formal Negotiation Committee, which negotiates with the Bank on behalf of all employees. The Committee draws members from all TUICO branches across the Bank. With these, the following have recorded:

1. Workers' concerns are raised and discussed at Workers' Councils at branch level as well as at the Master Workers' Council that draws participants from all branches and the management of the Bank. Through these meetings, employees get feedback and guidance on various issues of interest to the Bank, as well as matters in relation to, among others, improving real incomes of workers, job security, and better working conditions.
2. TUICO was actively involved in collective negotiation processes, which resulted into signing of the Collective Bargaining Agreement in August 2012, and the revision of the same and signing in March 2016.
3. Through TUICO, workers are represented in operational committees in the Bank such as medical, canteen, house loan and house allocation committees.
4. The Bank is represented by TUICO at various statutory events relating to workers in the country. A number of internal meetings have also been organized to enable workers and top management to deliberate on topics of interest to both workers and the Bank.



All these have, among others, built strong relationship between the management and staff of the Bank in attaining the corporate goals and in improving workers' well-being. Negotiating with the trade union's representatives has saved time and cost rather than dealing with all employees individually, and has also served as part of the communication process between the business and employees.

Notwithstanding the accomplishments, the main challenge has been to meet workers' increasing demands now that resources are scarce. Going forward workers are encouraged to work-hard, intelligently and in truthfulness. These, together with the improved working environment, adequate working tools, and investment in staff training, are likely to increase productivity, enabling the Bank to improve further the welfare of its workforce.



The Bank of Tanzania Governor, Prof. Benno Ndulu and a Representative of TUICO Secretary General, Commissioner Peles Jonathan signing the Collective Bargaining Agreement at the Bank's Headquarters in March 2016.



Chapter 11

Way Forward

Going forward, the Bank of Tanzania will endeavour to sustain the hard-won achievements, and carry on with the efforts to ensure that the financial sector plays a greater role in boosting economic growth. To this end, the Bank will continue to focus on its core mandate of maintaining price stability and promoting integrity and stability of the financial system. In achieving these, the Bank will do three things: a) strive to become reputable organization that attracts and retains highly committed, motivated and competent staff; b) innovate to ensure timely, reliable and cost effective services and embrace more technology driven solutions; and c) achieve excellence in executing its mandate.

While doing so, the Bank is mindful of the challenges ahead, which may hinder smooth attainment of its objectives. The challenges are related to, among others:

- Maintaining sound and stable financial system,
- Volatile financial and commodity markets,
- Policy changes,
- Pace of innovation of financial products and services, and
- Adoption of global standards.

Given the challenges, the Bank will constantly endeavour to become a modern central bank, embracing best practices as stipulated in the Bank of Tanzania's Vision. The Bank believes that the challenges towards attaining its objectives will greatly be reduced by leveraging on improvement in business processes through application of innovation and adoption of state-of-the-art technology, skilled and committed staff, conducive working environment, as well as achievements attained so far in maintaining macroeconomic and financial stability. In delivering its mandate, the Bank will not work in isolation, but will endeavour to collaborate with its counterparts—within and outside the country—with the view to improving service delivery and influence policy decisions in and outside the country.



APPENDICES



Appendix 1: Banknotes and Coins Issued by the Bank of Tanzania Since 1966

1966 Issues

The Bank of Tanzania issued its own bank notes for the first time in 1966. This currency issuance had four banknotes ranging from 5 shillings note to 100 shillings note. None of these denominations are in use as a legal tender today. The main features are as explained below each of the sides of the notes.

Obverse



This note is featured with flowers, coat of arms of Tanzania, and the first President of the United Republic of Tanzania, His Excellency Julius Kambarage Nyerere and palm tree and cloves.

Reverse



Mount Kilimanjaro, one of the natural resources in Tanzania and the highest free standing mountain in the world—located in the northern part of Tanzania. The note also had clouds and flowers.



Obverse



Sisal leaves—major export crop at the time of independence—, Coat of arms of Tanzania, and the first President of the United Republic of Tanzania, His Excellency Julius Kambarage Nyerere and palm tree and cloves.

Reverse



Drying sisal fibres in the field and sisal leaves arranged on the far right of the 10 Tanzanian shillings note.



Coat of arms of Tanzania, and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere. Far right, at the back of the President is coconut tree and clove branch.



Williamson Diamond Minding industry in Mwadui, Shinyanga and a sketch of processed diamond, below the cotton branches.



Obverse



The banknote depicts coffee berries and leaves, coat of arms of Tanzania, and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.



Coffee branch, Coat of arms of Tanzania, and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Reverse



A Maasai herdsman with spear, herding cattle in the field and coffee berries and leaves on the right hand side of the note.



This note replaced the one with a Maasai herdsman, portraying the rare tree climbing lions of Manyara in Tanzania. The note was also featured with three giraffes and coffee berries and leaves.



1977-1978 Issues

In 1977/78, the Bank of Tanzania issued three series of bank notes with an updated portrait of President Nyerere and for the first time, the name of the issuing authority and other inscriptions changed from English to Swahili. The Bank of Tanzania was written in Swahili as “*Benki Kuu ya Tanzania*”, while the titles of the authorities were changed from “*Minister for Finance*” and “*Governor*” to “*Waziri wa Fedha*” and “*Gavana*”, respectively. Further, during those times, the note of 5 shillings denomination ceased to be issued by the Bank. To date, none of these notes are used as a legal tender today.

Obverse



The independence torch, coat of arms of Tanzania, and the 1st President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Reverse



Featured with hand carved statue, the map of Tanzania, mount Kilimanjaro in the middle of the map, the Arusha Declaration Monument and the independence torch.



Obverse



The 20 shillings note featured with a torch and cotton flower, coat of arms of Tanzania, and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Reverse



The banknote shows a worker with cotton knitting machine, map of Tanzania and cotton—one of the major export crops in Tanzania and a sketch of independence torch.



The 100 shillings note featured with a torch; coat of arms of Tanzania, and the first President, Julius Kambarage Nyerere.



The 100 shillings note featured a portrait of students reading books in a library, a boy with had hoe and a girl with a tool, Ujamaa village and torch.



1985 Issues

The Bank of Tanzania Bank issued bank notes in 1985, with a family of three banknotes like the preceding issue and 50 shilling note was introduced. To-date, none of these denominations exists as a legal tender. The main features are as explained below each of the sides of the notes.

Obverse



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Reverse



This banknote was featured with workers and machines in a tyre factory, map of Tanzania without the Zanzibar islands—which caused an uproar since the map did not include the islands of Mafia, Pemba and Unguja, which are part of Tanzania off the coast of Tanzania where they belong—and torch.



Obverse



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Reverse



Workers making mud brick and laying them out to dry; map of Tanzania without the Tanzanian Islands, and torch.



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.



University of Dar es salaam campus buildings on Observation Hill; President Nyerere (second right) alongside the Chancellor of the University of Dar es Salaam, Mr. Pius Msekwa (right), and other University leaders as well as graduates in graduation procession. The note also portrays the map of Tanzania—without the islands of Mafia, Pemba and Unguja, and torch.



1986 Issues

In 1986, the Bank issued identical notes with the ones issued in 1985, except on the back the word TANZANIA was shifted to the left so as to reveal the islands of Mafia, Pemba and Zanzibar which were added to the map.



Obverse

On the 1985 issues, the word TANZANIA covered the map, but on 1986 issues, the name was moved and the islands of Mafia, Pemba and Unguja became visible.

Reverse



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.



This banknote is featured with workers and machines in a tyre factory, map of Tanzania with the islands of Mafia, Pemba and Unguja as well as torch.



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.



Workers making mud brick and laying them out to dry; map of Tanzania with the islands of Mafia, Pemba and Unguja as well as torch.



Torch, coat of arms and the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.



University of Dar es salaam campus buildings on Observation Hill; President Nyerere (second right) alongside the Chancellor of the University of Dar es Salaam, Mr. Pius Msekwa (right), and other University leaders as well as graduates in graduation procession. The note also portrays the map of Tanzania—including the islands of Mafia, Pemba and Unguja as well as torch



1986-1987 Issues

Bank notes issued by the Bank of Tanzania in 1987. This family had three banknotes like the preceding one with the portrait of the first President, Julius Kambarage Nyerere, was changed to that of the second President, Ali Hassan Mwinyi, who took office on 5th November 1985. The 100 shilling note remained like in the preceding issue and the new 200 shilling note was introduced. None of these denominations are currently used as a legal tender.

Obverse



Torch, coat of arms and the Second President of the United Republic of Tanzania, Ali Hassan Mwinyi.

Reverse



This banknote is featured with workers and machines in a tyre factory, map of Tanzania with the islands of Mafia, Pemba and Unguja as well as torch.



Obverse



Torch, coat of arms and the second President of the United Republic of Tanzania, Ali Hassan Mwinyi.



Torch, coat of arms and the Second President of the United Republic of Tanzania, Ali Hassan Mwinyi.

Reverse



Workers making mud bricks and laying them out to dry; map of Tanzania and torch.



Two fishermen in shallow water carrying fish along the coast of Tanzania, boats and map of Tanzania with islands, and torch.



1990-1992 Issues

The Bank of Tanzania issued banknotes in 1990-92, with 50- and 200-shilling notes were like in the preceding issue, except that the portrait of President Mwinyi was slightly different. In addition, new higher denominations of 500 and 1000 shillings notes were introduced for the first time to keep up with high inflation during the time and the 20 shilling denomination was removed from the issuance. These denominations are not legal tenders to date as they were phased out of the circulation.

Obverse



Torch, coat of arms and the Second President of the United Republic of Tanzania, Ali Hassan Mwinyi.

Reverse



Workers making mud bricks and laying them out to dry; map of Tanzania and torch.



Obverse



Torch, coat of arms and the Second President of the United Republic of Tanzania, Ali Hassan Mwinyi.

Reverse



Two fishermen in shallow water carrying fish along the coast of Tanzania, boats and map of Tanzania with islands, and torch.



Zebra, coat of arms and the Second President of the United Republic of Tanzania, Ali Hassan Mwinyi.



Seated woman with a basket sorting cloves, five workers harvesting clove tree—the export crop in Zanzibar, coffee berries in a branch (right).



Obverse



Elephant and its calf, Coat of arms, and the second President of the United Republic of Tanzania, Ali Hassan Mwinyi.

Reverse



Factory buildings, hand carved ancient door to People's Bank of Zanzibar and a clove branch.



1993-1995 Issues

In 1993-95, the Bank of Tanzania issued banknotes similar to the preceding issues, except their sizes were reduced, new animals were added on the left side of the front of the banknotes and the back sides were simplified. None of these notes are used as legal tender today. This banknote depicts a kudu (antelope), coat of arms and President Julius K. Nyerere.

Obverse



The 50 shillings note is featured with wildebeest, coat of arms and President Ali Hassan Mwinyi – the second president of the United Republic of Tanzania.



This banknote depicts a kudu (antelope), coat of arms and President Julius K. Nyerere.

Reverse



The note was featured with workers making mud bricks and laying them out to dry.



University of Dar es salaam campus buildings on Observation Hill; President Nyerere alongside the Chancellor of the University of Dar es Salaam, Mr. Pius Msekwa (right), and other University leaders as well as graduates in graduation procession.



Obverse



Leopard and cabs, Coat of arms and President Ali Hassan Mwinyi.

Reverse



Two fishermen in shallow water carrying fish along the coast of Tanzania and boats.



Zebra, torch, coat of arms and the Second President of the United Republic of Tanzania, His Excellency Ali Hassan Mwinyi



Seated woman with a basket sorting cloves, five workers harvesting clove tree—the export crop in Zanzibar, coffee berries in a branch.



Obverse



Elephant and its calf, Coat of arms, and 2nd President of the United Republic of Tanzania, His Excellency Ali Hassan Mwinyi.

Reverse



Factory buildings, hand carved ancient door to People's Bank of Zanzibar and a clove branch.



Rhinoceros, Coat of arms, and 2nd President of the United Republic of Tanzania, His Excellency Ali Hassan Mwinyi.



The 5000 shillings note was featured with five giraffes and calves, Mount Kilimanjaro and hand carved chest of Zanzibar.



1997 Issues

Following the end of President Ali Hassan Mwinyi's term as President on November 23rd 1995, his portrait was replaced by an illustration of a giraffe's head on the front of the newly issued notes. To the right of giraffe are tactile marks for the sight impaired. This family had four banknotes. For the first time, the 100 shillings note was removed from circulation and the 2000 and 10000 shillings notes were introduced. These banknotes are no longer used as a legal tender.

Obverse



Zebra, torch, coat of arms and giraffe head.

Reverse



Seated woman with a basket sorting cloves, five workers harvesting clove tree—the export crop in Zanzibar, coffee berries in a branch.



Obverse



Elephant and its calf, Coat of arms, and a giraffe head.

Reverse



Factory buildings, hand carved ancient door to People's Bank of Zanzibar and a clove branch.



Rhinoceros, Coat of arms, and a head of giraffe.



Giraffes and calves, Mount Kilimanjaro and carved trunk of Zanzibar



Obverse



A lion, coat of arms, and giraffe head.

Reverse



Bank of Tanzania headquarters building in Dar es salaam, and House of wonders (Beit el Ajaib) building in Zanzibar.

2000 Issues

In 2000, the Bank of Tanzania issuing only the 1000 shillings note, with the portrait of the first President, the founder of the United Republic of Tanzania and the father of the nation in remembrance of his great contribution after his death on 14th October 1999.



Elephant and its calf, Coat of arms, and the first President of the United Republic of Tanzania, His Excellency Julius Kambarage Nyerere.



Factory buildings, hand carved ancient door to People's Bank of Zanzibar and a clove branch.



2003-2009 Issues

In 2003, the Bank of Tanzania issued new notes with the Bank's name and other inscriptions in Swahili on the front and in English on the back. Along with other features, these notes have tactile marks for the sight-impaired.

Obverse



Coat of arms, buffalo and trees. Issued in 2003.

Reverse



The back of the banknote depicts boats, University of Dar es Salaam's Nkrumah Hall—central hall building—symbolising significance of education to the economy and snake coiled around a stick—symbolising health, reflecting its relevance to the economy.



Coat of arms; Former President Julius Kambarage Nyerere; Bismarck Rock at Mwanza Harbour. Issued in 2003.



State House (Ikulu) building with Presidential flag on top, in Dar es Salaam, Tanzania Mainland and coffee branch.



Obverse



Coat of arms; Former President Julius Kambarage Nyerere; Bismarck Rock at Mwanza Harbour. Issued in 2006.

Reverse



State House (Ikulu) building with Presidential flag on top, in Dar es Salaam, Tanzania Mainland and coffee branch.



The front of the bank note depicts coat of arms, a lion—one of our exceptional endowments of wildlife and Mount Kilimanjaro. Issued in 2009.



The Old Fort (Ngome Kongwe), also known as the old Omani Arab Fort located in Stone Town, Zanzibar. The note also has Ujamaa hand carved block, famously made by makonde, one of the tribes from southern part of Tanzania.



Obverse



Coat of arms, Bismarck rocks in Mwanza, full sketch of a rhinoceros, one of the wild animals found in Tanzania. Issued in 2003.

Reverse



Palace of wonders in Stone town, Zanzibar—currently housing the Museum of History and Culture of Zanzibar and the Swahili Coast—, and diamond mining machinery at Mwadui diamond Mining field in Shinyanga, a northern part of Tanzania—one of the gem stones found in Tanzania.



Coat of arms and elephants. Issued in 2003.



Bank of Tanzania headquarters' old building, in Dar es Salaam, water fountain and flowers.



2011 Issues

The Bank of Tanzania issued five banknotes in 2011, like the preceding one but the size of the notes was reduced to make them more convenient to carry. The face of the first president of the Revolutionary Government of Zanzibar was added on the front of the 500 shillings note in commemorating him as the founder of the United Republic of Tanzania. These denominations are the current legal tender in the United Republic of Tanzania.

Obverse



Coat of arms; Sheikh Abeid Amani Karume, the first President of the Revolutionary Government of Zanzibar.

Reverse



Snake coiled around stick; Nkrumah hall, University of Dar es Salaam central hall building; President Nyerere alongside the Chancellor of the University of Dar es Salaam, Mr. Pius Msekwa (right), and other University leaders as well as graduates in graduation procession. Motion windowed security thread. Watermark: Julius Kambarage Nyerere with electrotype 500



Obverse



Coat of arms; the first President, Julius Kambarage Nyerere; Bismarck Rock at Mwanza Harbour.

Reverse



Coffee and cloves branches; State House (Ikulu) building with Presidential flag on top, in Dar es Salaam, Tanzania mainland.



The bank note depicts the coat of arms and lion's head—one of our exceptional endowments of wildlife.



Coconut trees; old Oman Arab Fort (Ngome Kongwe) in Zanzibar's Stone Town; carved block; diamond-shaped spark patch with a giraffe head.



Obverse



Coat of arms; plant; black rhinoceros, found in Tanzania's national parks.

Reverse



Mining machinery and Mwadui diamond Mining field in Shinyanga, a northern part of Tanzania; rough and cut diamonds—one of the gem stones found in Tanzania; diamond-shaped Spark patch with giraffe head.



Coat of arms; and elephant.



Back: Flowers; the most current Bank of Tanzania headquarters building in Dar es Salaam; diamond-shaped Spark patch with giraffe head.



This section presents the coins issued by the Bank of Tanzania since its establishment in 1966. In each panel, which comprise different issues that were used as a legal tender, brief descriptions are provided below each side of the coins.

1966 Issues

In 1966, the Bank issued the first series of the Tanzanian Shilling coins in denominations of 5 cents, 20 cents, 50 cents and 1 shilling. The 5 cents coins was in bronze, the 20 cents in nickel-brass while the 50 cents and 1 shilling coins were in cupro-nickel. These coins carried a portrait of President Julius Kambarage Nyerere and were in circulation for almost 20 years. At the back of these coins, different wild and aquatic animals were displayed as depicted below.

Head



Five cents, with a portrait of the first President of the United Republic of Tanzania, Julius Kambarage Nyerere.

Tail



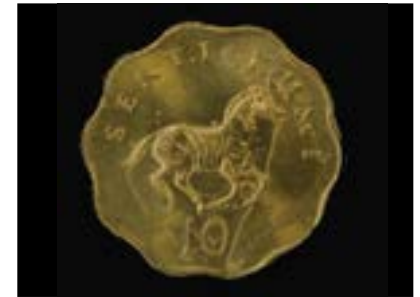
The 5 cent coin was featured with a sailfish.

Head



10 cents, President Julius Kambarage Nyerere.

Tail



The tail was feature with a zebra.



20 cents, President Julius Kambarage Nyerere.



An ostrich.



50 cents, President Julius Kambarage Nyerere.



A rabbit.



1972 - 1977 Issues

The Bank introduced the five and 10 shilling coins in 1972 and 1977, respectively. The 5 Shillings coins were made of cupro-nikel while the 10 shillings was made of nickel-brass. The coins featured various political symbols like the coat of arms and a hand holding the independence torch. The coins also featured some of the cash crops and livestock. These coins are as displayed in the following panel.

Head



One shilling, with a portrait of the first President of the United Republic of Tanzania, Julius Kambarage Nyerere

Tail



A hand holding independence torch.

Head



Five Shillings, President Julius Kambarage Nyerere

Tail



Features include bananas, wheat, maize and a cow.



1987 Issues

In 1987 the Bank issued 50 cents, one Tanzanian shilling and five and 10 shillings coins, with the head of the second President, Ali Hassan Mwinyi. These coins were crafted on nickel-clad steel, except for the 10 shillings coin whose metal remained cupro-nickel as in the previous issue. The features in the first issues remained on the tail side of the newly issued coins. Later in 1990, the Bank introduced 5, 10 and 20 shillings made of nickel-clad steel.

Head



50 cents, with the portrait of the second President of Tanzania, Ali Hassan Mwinyi

Tail



A rabbit

Head



One Shilling, showing President Ali Hassan Mwinyi.

Tail



A hand holding independence torch.



Five Shillings, featuring President of Tanzania, Ali Hassan Mwinyi.



Features include bananas, wheat, maize and a cow.



10 Shillings, President Julius Kambarage Nyerere



Coat of arms



Head



20 Shillings, displaying the second President of Tanzania, Ali Hassan Mwinyi

Tail



An elephant and its calf.

1994 - 2014 Issues

In 1994, the Bank of Tanzania introduced 100 shillings brass coins and later in 1996, the 50 shillings coins were introduced and that of 200 shillings were issued in 1998. These are displayed with brief descriptions in the following panel. Currently, the coins in circulation are 50, 100, 200 and 500 shillings, which was introduced in 2014. The Bank issued a 500 shilling coin to gradually replace the 500 banknote, which gets easily spoilt due to rapid circulation. The 500 shillings banknote is made of steel and nickel and has a latent image written BOT and 500 as the value of the coin, which is one of the security features.



50 Shillings, displaying the second President of Tanzania, Ali Hassan Mwinyi



Rhino and its calf



100 Shillings, depicted the first President of Tanzania, Julius Kambarage Nyerere



Antelopes



Head



200 Shillings, featured with the first President of Zanzibar, Sheikh Abeid Amani Karume.

Tail



Lion and lioness

Head



500 Shillings, featured with the first President of Zanzibar, Sheikh Abeid Amani Karume.

Tail



Buffalo

Wider use of banknotes in day-to-day transactions and poor handling by the public lead into rapid deterioration of banknotes. This increases the costs of currency management, thus banknotes are normally replaced with coins, when the notes reach a stage of being worn-out easily because coins are more durable than banknotes. The Bank has been constantly educating the public on the best ways of handling banknotes and the importance of using other modes of payments such as mobile money, cheques and cards. The Bank supports innovation in the financial sector with the view of not only enhancing access to and usage of financial services by the majority of the adult population in the country, but also reduce usage of cash in the economy.

With technological advancement, the Bank is faced with a challenge of banknotes counterfeiting. The Bank has continuously monitored the situation, whilst raising awareness to the public on how to identify authentic banknotes by the security features through media programs and the Bank's exhibitions in trade fairs and in other exhibitions organized within the country. The Bank has from time to time enhanced the security features of new banknotes and coins and will continue to do so in the new currencies that it may issue in future.





Appendix 2: Statistical Tables



Table 1.1: Money Supply and Interest Rates

End of Dec.	Money Supply (Millions of TZS)						Interest Rates (%)		
	M1	Growth Rate (%)	M2	Growth Rate (%)	M3	Growth Rate (%)	Discount Rate	Savings Deposits	Average Lending
1966	853.0		1,269.0		1,269.0		4.27 - 5.0	3.0	8.5
1967	1,192.1	39.8	1,539.7	21.3	1,539.7	21.3	4.27 - 5.0	3.5	8.5
1968	1,213.9	1.8	1,498.9	-2.6	1,498.9	-2.6	4.27 - 5.0	3.5	8.5
1969	1,472.4	21.3	1,879.5	25.4	1,879.5	25.4	4.27 - 5.0	3.5	8.0
1970	1,678.9	14.0	2,219.6	18.1	2,219.6	18.1	4.27 - 5.0	3.5	8.0
1971	2,058.4	22.6	2,624.4	18.2	2,624.4	18.2	4.27 - 5.0	3.5	8.0
1972	2,326.8	13.0	3,089.7	17.7	3,089.7	17.7	4.27 - 5.0	3.5	8.0
1973	2,774.7	19.2	3,653.0	18.2	3,653.0	18.2	4.27 - 5.0	4.0	8.0
1974	3,456.3	24.6	4,462.0	22.1	4,462.0	22.1	4.27 - 5.0	4.0	8.0
1975	4,283.8	23.9	5,552.7	24.4	5,552.7	24.4	4.27 - 5.0	4.0	8.0
1976	5,331.8	24.5	6,946.8	25.1	6,946.8	25.1	4.27 - 5.0	4.0	8.0
1977	6,382.8	19.7	8,346.7	20.2	8,346.7	20.2	4.27 - 5.0	4.0	8.0
1978	6,826.9	7.0	9,396.3	12.6	9,396.3	12.6	4.27 - 6.0	5.0	7.5
1979	10,435.4	52.9	13,806.6	46.9	13,806.6	46.9	4.27 - 6.0	5.0	7.5
1980	13,345.9	27.9	17,519.8	26.9	17,519.8	26.9	4.27 - 6.0	5.0	8.8
1981	15,401.2	15.4	20,694.7	18.1	20,694.7	18.1	4.27 - 6.0	6.0	9.3
1982	18,323.2	19.0	24,728.6	19.5	24,728.6	19.5	4.27 - 6.0	7.5	9.8
1983	20,564.3	12.2	29,127.4	17.8	29,127.4	17.8	4.27 - 6.0	7.5	10.0
1984	20,537.1	-0.1	30,218.1	3.7	30,218.1	3.7	4.27 - 6.0	7.5	10.0
1985	25,270.2	23.0	38,971.0	29.0	38,971.0	29.0	4.27 - 6.0	10.0	13.5
1986	35,809.5	41.7	50,353.4	29.2	50,353.4	29.2	4.27 - 6.0	10.0	13.5
1987	47,130.6	31.6	66,442.9	32.0	66,442.9	32.0	4.27 - 6.0	21.5	16.3
1988	65,401.0	38.8	92,987.7	40.0	92,987.7	40.0	22.0	21.5	21.3
1989	82,418.7	26.0	123,800.1	33.1	123,800.1	33.1	22.0	26.0	26.0
1990	111,084.9	34.8	178,061.8	43.8	178,061.8	43.8	22.0	26.0	26.0

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



End of Dec.	Money Supply (Millions of TZS)						Interest Rates (%)		
	M1	Growth Rate (%)	M2	Growth Rate (%)	M3	Growth Rate (%)	Discount Rate	Savings Deposits	Average Lending
1991	135,925.8	22.4	232,900.1	30.8	232,900.1	30.8	22.0	26.0	26.0
1992	185,876.2	36.7	352,272.3	51.3	352,272.3	51.3	27.0	26.0	30.0
1993	247,091.1	32.9	472,017.5	34.0	472,017.5	34.0	27.0	24.0	30.0
1994	329,624.8	33.4	647,840.3	37.2	731,094.3	54.9	65.9	26.0	33.4
1995	428,285.1	29.9	765,908.4	18.2	905,124.7	23.8	45.1	27.0	36.0
1996	449,213.3	4.9	684,990.6	-10.6	818,063.0	-9.6	19.0	22.3	35.3
1997	493,868.7	9.9	760,353.3	11.0	927,068.9	13.3	16.2	26.1	24.5
1998	545,517.0	10.5	844,929.4	11.1	1,026,984.7	10.8	17.6	22.3	22.5
1999	632,571.2	16.0	972,088.6	15.0	1,217,626.9	18.6	20.2	7.1	18.7
2000	695,006.5	9.9	1,093,610.9	12.5	1,397,688.8	14.8	10.7	4.7	23.1
2001	736,402.9	6.0	1,221,919.8	11.7	1,624,983.5	16.3	8.7	3.6	20.1
2002	940,377.7	27.7	1,516,807.3	24.1	2,057,103.8	26.6	9.2	2.7	16.4
2003	1,107,197.6	17.7	1,745,738.0	15.1	2,412,944.2	17.3	12.3	2.5	14.5
2004	1,359,019.2	22.7	2,125,835.9	21.8	3,068,575.6	27.2	14.4	2.6	14.1
2005	1,791,337.1	31.8	2,960,415.6	39.3	4,250,725.0	38.5	19.3	2.6	15.2
2006	2,006,767.4	12.0	3,454,491.0	16.7	5,164,455.6	21.5	20.1	2.6	15.7
2007	2,590,523.1	29.1	4,394,622.7	27.2	6,223,588.6	20.5	16.4	2.7	16.1
2008	3,158,306.3	21.9	5,468,460.8	24.4	7,458,779.1	19.8	16.0	2.7	15.0
2009	3,590,798.6	13.7	6,603,404.4	20.8	8,831,195.6	18.4	3.7	2.8	15.0
2010	4,521,363.6	25.9	8,042,113.2	21.8	11,012,588.7	24.7	7.6	2.4	14.5
2011	5,571,986.7	23.2	9,247,939.4	15.0	13,021,322.0	18.2	8.7	2.6	16.1
2012	6,538,563.9	17.3	10,724,538.0	16.0	14,647,105.0	12.5	12.0	2.9	16.7
2013	7,218,118.5	10.4	11,890,554.2	10.9	16,106,768.4	10.0	13.0	2.9	16.7
2014	8,284,155.7	14.8	13,917,041.5	17.0	18,614,151.4	15.6	16.0	3.0	15.6
2015	9,465,472.6	14.3	15,669,202.0	12.6	21,971,005.7	18.0	16.0	3.4	16.2

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Table 1.2: Central Government Operations

Millions of TZS

End of June	Revenue			Expenditure			Grants	Overall Balance Surplus/Deficit (cheque Issued)	Financing	
	Tax	Non-Tax	Total	Recurrent	Development	Total			Domestic	Foreign
1966	556	342	898	884	238	1,122	0	-238	155	84
1967	689	335	1,024	1,024	294	1,318	0	-294	167	127
1968	1,101	0	1,101	1,007	344	1,351	9	-291	232	58
1969	1,251	0	1,251	1,188	461	1,649	1	-317	237	80
1970	1,577	0	1,577	1,375	611	1,985	12	-334	229	105
1971	1,682	0	1,682	1,563	829	2,393	12	-486	251	236
1972	1,859	0	1,859	1,605	773	2,378	38	-499	255	243
1973	2,453	0	2,453	2,198	949	3,147	284	-538	329	209
1974	3,002	0	3,002	2,365	1,642	4,007	399	-652	431	222
1975	3,942	0	3,942	3,770	2,225	5,995	377	-1,175	579	597
1976	4,062	0	4,062	3,425	2,188	5,613	469	-893	445	448
1977	4,934	0	4,934	4,808	2,764	7,572	626	-1,972	1,232	739
1978	6,629	0	6,629	5,329	3,877	9,207	789	-2,103	1,320	783
1979	6,442	0	6,442	5,438	4,757	10,195	1,114	-2,732	1,957	775
1980	7,680	0	7,680	7,283	4,947	12,230	1,000	-4,796	3,601	1,195
1981	8,511	0	8,511	10,427	4,328	14,755	1,158	-4,346	3,659	687
1982	9,374	0	9,374	12,903	4,484	17,387	957	-5,037	4,157	881
1983	12,529	52	12,581	14,589	4,410	18,999	1,029	-3,055	2,228	826
1984	13,398	108	13,506	15,944	4,466	20,410	1,234	-6,145	5,489	656
1985	18,483	156	18,638	18,584	6,966	25,551	1,462	-6,469	4,037	2,432
1986	21,782	250	22,032	19,163	7,839	27,002	1,035	-7,669	6,175	1,494
1987	27,407	1,944	29,351	32,246	6,228	38,474	3,144	-15,568	4,476	11,092
1988	42,557	4,923	47,479	36,117	9,326	45,443	15,909	-2,185	4,900	-2,716
1989	63,085	7,332	70,417	44,235	13,062	57,298	20,985	6,782	-1,776	-5,007
1990	81,471	13,184	94,655	76,053	22,376	98,429	27,664	8,052	6,563	1,489

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Millions of TZS

End of June	Revenue			Expenditure			Grants	Overall Balance Surplus/Deficit (cheque Issued)	Financing	
	Tax	Non-Tax	Total	Recurrent	Development	Total			Domestic	Foreign
1991	118,257	14,981	133,238	109,445	16,488	125,933	22,875	-4,499	-4,359	8,858
1992	153,356	20,210	173,566	128,869	32,605	161,474	32,798	9,601	-32,277	22,676
1993	146,420	17,689	164,109	203,070	60,343	263,413	58,313	-72,141	44,144	27,997
1994	220,358	22,086	242,444	300,273	74,689	374,962	106,790	-104,515	40,557	63,958
1995	299,898	31,340	331,238	366,332	31,692	398,024	58,505	-62,442	59,486	2,956
1996	383,744	64,629	448,373	415,140	5,382	420,522	46,882	-16,804	51,704	-34,900
1997	505,355	66,675	572,030	486,494	28,896	515,389	81,416	-86,290	-41,927	-44,364
1998	566,123	52,961	619,083	543,751	186,585	730,336	119,358	-68,137	3,669	64,468
1999	630,108	73,041	703,149	680,183	136,524	816,707	169,946	-24,424	-5,740	-18,684
2000	685,107	92,537	777,645	808,865	359,913	1,168,779	280,306	-113,272	7,854	105,417
2001	827,788	101,836	929,624	1,018,782	286,253	1,305,035	286,306	141,820	-232,174	90,354
2002	939,267	103,688	1,042,955	1,121,526	344,611	1,466,137	379,849	-38,757	-83,086	121,842
2003	1,105,746	111,771	1,217,517	1,488,641	500,897	1,989,538	622,302	-163,211	-36,514	199,725
2004	1,342,798	116,505	1,459,303	1,780,115	736,828	2,516,943	696,673	-399,739	-34,496	434,235
2005	1,615,247	158,462	1,773,709	2,093,055	1,071,161	3,164,216	724,397	-727,075	144,945	582,130
2006	1,946,432	178,411	2,124,844	2,661,863	1,211,392	3,873,255	1,000,160	-924,413	363,194	561,219
2007	2,529,439	209,583	2,739,022	3,137,469	1,337,211	4,474,681	952,225	-955,797	238,008	717,789
2008	3,368,971	275,331	3,644,302	3,398,024	1,810,972	5,208,996	1,573,195	-381,264	-348,346	729,610
2009	4,043,673	249,401	4,293,074	4,681,459	2,052,619	6,734,078	1,166,371	-1,215,042	258,675	956,367
2010	4,427,834	233,707	4,661,540	5,562,443	2,611,306	8,173,749	1,405,288	-1,939,624	559,967	1,379,656
2011	5,871,782	541,371	6,413,153	6,780,618	3,441,420	10,222,038	1,768,954	-2,276,179	1,008,867	1,267,313
2012	7,190,964	758,285	7,949,249	7,965,179	3,582,944	11,548,124	1,602,291	-1,829,995	525,141	1,304,854
2013	8,320,821	770,673	9,091,494	9,422,087	3,923,686	13,345,773	1,524,808	-2,962,327	537,435	2,424,892
2014	9,807,325	987,057	10,794,382	10,107,300	3,925,474	14,032,774	942,524	-2,886,535	813,696	2,072,839
2015	10,926,822	1,400,999	12,327,820	12,659,410	3,568,964	16,228,374	820,145	-3,187,659	1,604,798	1,582,861

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Table 1.3: GDP, Population and Change in CPI (Inflation)

End of Dec	Gross Domestic Product (GDP) - Mill. TZS			Population In Mill. Mid Year Est.	GDP Per Capita (TZS)		Inflation Rate (%)
	Nominal Market Prices	Constant 2001 Prices	Growth Rate (%)		Nominal	Real	
1966	7,217	2,909,642		12.0	603	243,281	n.a
1967	7,356	3,027,118	4.0	12.6	584	240,247	n.a
1968	7,866	3,183,901	5.2	12.7	619	250,701	n.a
1969	8,098	3,242,415	1.8	12.9	626	250,767	n.a
1970	9,173	3,430,465	5.8	13.3	691	258,513	2.4
1971	9,814	3,573,848	4.2	13.7	716	260,865	4.8
1972	11,172	3,814,159	6.7	14.0	798	272,440	9.1
1973	13,103	3,930,742	3.1	14.4	912	273,538	10.4
1974	15,994	4,029,010	2.5	14.8	1,084	272,968	18.9
1975	19,011	4,267,088	5.9	15.3	1,242	278,712	27.0
1976	24,876	4,540,453	6.4	16.4	1,516	276,688	6.3
1977	28,868	4,558,697	0.4	16.9	1,706	269,427	17.6
1978	32,933	4,655,789	2.1	17.5	1,882	266,045	7.0
1979	36,283	4,768,399	2.4	18.0	2,018	265,206	12.1
1980	42,228	4,910,995	3.0	18.1	2,333	271,326	30.8
1981	51,753	4,886,251	-0.5	18.6	2,782	262,702	25.7
1982	61,927	4,915,189	0.6	19.2	3,225	255,999	28.9
1983	69,522	4,799,225	-2.4	19.8	3,511	242,385	27.1
1984	85,392	4,960,695	3.4	20.5	4,165	241,985	36.1
1985	112,213	5,188,430	4.6	21.2	5,293	244,737	33.3
1986	148,391	5,286,571	1.9	21.5	6,902	245,887	32.4
1987	329,486	5,547,229	4.9	22.2	14,842	249,875	29.9
1988	506,426	5,793,006	4.4	22.5	22,508	257,467	31.2
1989	633,752	5,941,728	2.6	23.2	27,289	255,848	30.4
1990	830,693	6,311,832	6.2	23.9	34,782	264,280	35.9

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues
Note:* Before 2005 base year 2001, from 2005 base year 2007



End of Dec	Gross Domestic Product (GDP) - Mill. TZS			Population In Mill. Mid Year Est.	GDP Per Capita (TZS)		Inflation Rate (%)
	Nominal Market Prices	Constant 2001 Prices	Growth Rate (%)		Nominal	Real	
1991	1,086,273	6,487,302	2.8	24.6	44,227	264,127	28.8
1992	1,369,874	6,605,252	1.8	25.3	54,234	261,504	21.9
1993	1,725,535	6,631,608	0.4	26.0	66,428	255,298	24.0
1994	2,298,866	6,724,455	1.4	26.7	86,056	251,724	35.3
1995	3,020,499	6,971,727	3.7	27.5	109,948	253,775	27.4
1996	3,767,642	7,264,351	4.2	28.3	133,357	257,125	21.0
1997	4,708,627	7,504,710	3.3	29.1	161,690	257,705	16.1
1998	6,283,970	7,803,926	4.0	30.0	209,330	259,962	12.9
1999	7,222,561	8,181,671	4.8	30.9	233,397	264,391	7.9
2000	8,152,789	8,585,338	4.9	31.9	255,575	269,134	5.9
2001	9,100,274	9,100,275	6.0	32.9	276,741	276,741	5.1
2002	10,444,507	9,752,178	7.2	33.6	310,991	290,376	4.6
2003	12,107,060	10,423,735	6.9	34.2	353,496	304,347	5.3
2004	13,971,591	11,239,734	7.8	35.3	396,154	318,694	4.7
2005*	19,112,830	23,582,244	7.4	36.2	441,063	651,492	4.4
2006	23,298,435	24,681,311	4.7	37.5	478,100	657,709	7.3
2007	26,770,432	26,770,432	8.5	38.3	547,081	699,127	7.0
2008	32,764,940	28,260,633	5.6	39.5	627,787	715,918	10.3
2009	37,726,824	29,781,719	5.4	40.7	683,470	732,038	12.2
2010	43,836,018	31,675,504	6.4	41.9	683,470	755,720	7.2
2011	52,762,581	34,179,297	7.9	43.2	869,436	791,750	12.6
2012	61,434,214	35,936,459	5.1	43.6	1,025,038	823,752	16.1
2013	70,953,227	38,546,546	7.3	44.8	1,186,200	859,881	7.9
2014	79,718,416	41,231,365	7.0	46.0	1,725,581	895,592	6.1
2015	90,863,681	44,100,809	7.0	47.3	1,875,704	932,736	5.6

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues
Note: * Before 2005 base year 2001, from 2005 base year 2007



Table 1.4: Balance of Payments and Exchange Rates

End of Dec	In Millions of TZS					TZS/USD
	Export fob	Import cif	Trade Balance	Current Account Balance	Overall Balance	Exchange Rates
1966	1,785	1,613	172	172	n.a	7.14
1967	1,668	1,577	91	98	103	7.14
1968	1,717	1,834	-117	-61	113	7.14
1969	1,793	1,710	83	227	122	7.14
1970	1,853	2,274	-421	-103	-22	7.14
1971	1,989	2,752	-763	-513	137	7.14
1972	2,277	2,879	-602	-376	473	7.14
1973	2,581	3,479	-898	-673	235	6.90
1974	2,861	5,338	-2,477	-1,943	-1,023	7.14
1975	2,764	5,694	-2,930	-1,690	-185	8.26
1976	4,109	5,421	-1,312	-382	156	8.32
1977	4,518	6,160	-1,642	-524	992	7.96
1978	3,671	8,798	-5,127	-3,647	-1,947	7.41
1979	4,434	8,941	-4,507	-2,755	416	8.22
1980	4,776	10,260	-5,484	-4,273	106	8.33
1981	5,087	10,047	-4,960	-3,303	-842	9.52
1982	4,230	10,519	-6,289	-5,068	-1,023	12.46
1983	4,258	8,447	-4,189	-2,780	-212	9.52
1984	5,055	9,653	-4,598	-2,820	-427	12.46
1985	4,266	15,288	-11,022	-5,806	-6,894	18.11
1986	11,227	30,577	-19,350	-6,638	-12,570	16.50
1987	16,893	59,360	-42,467	-15,721	-18,057	51.72
1988	27,042	80,828	-53,786	-11,592	-27,134	125.00
1989	52,777	146,705	-93,928	-29,752	-35,636	192.30
1990	66,561	265,842	-199,281	-95,753	-53,985	196.60

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



End of Dec	In Millions of TZS					TZS/USD
	Export fob	Import cif	Trade Balance	Current Account Balance	Overall Balance	Exchange Rates
1991	75,981	311,929	-235,948	-90,348	-58,637	233.90
1992	123,966	451,339	-327,373	-122,878	-66,806	335.00
1993	181,148	614,598	-433,450	-510,719	-262,745	479.87
1994	265,177	765,814	-500,637	-460,402	-227,652	523.45
1995	390,378	885,953	-495,575	-489,149	-214,649	550.36
1996	455,419	807,303	-351,884	-354,257	-129,918	595.64
1997	459,549	703,106	-243,557	-381,934	-109,814	624.60
1998	423,424	918,375	-494,952	-745,212	-346,953	681.00
1999	455,657	1,061,252	-605,595	-780,110	-33,458	797.30
2000	587,403	1,094,638	-507,235	-491,767	-29,941	803.30
2001	746,742	1,369,191	-622,449	-357,477	-126,424	916.30
2002	948,603	1,460,947	-512,344	-34,590	324,504	976.30
2003	1,270,085	2,011,339	-741,254	-121,048	347,471	1,063.62
2004	1,606,630	2,697,277	-1,090,646	-404,281	271,679	1,042.96
2005	1,900,603	3,390,754	-1,490,151	-977,078	-215,339	1,165.51
2006	2,404,572	4,855,151	-2,450,579	-1,469,446	538,373	1,261.64
2007	2,762,367	6,025,489	-3,263,122	-2,025,207	511,952	1,132.09
2008	4,280,582	8,385,698	-4,105,115	-3,093,881	189,036	1,280.30
2009	4,348,959	7,700,051	-3,351,092	-2,330,529	482,837	1,313.29
2010	6,092,544	10,063,228	-3,970,685	-2,539,548	511,692	1,453.54
2011	7,952,792	15,383,304	-7,430,512	-6,859,222	-288,379	1,566.66
2012	9,256,424	16,218,392	-6,961,968	-5,910,015	512,513	1,571.62
2013	8,409,315	17,640,019	-9,230,704	-7,968,331	815,244	1,574.01
2014	8,812,448	18,049,035	-9,236,587	-8,267,711	-402,916	1,725.78
2015	11,433,666	19,713,665	-8,279,999	-6,628,444	-395,276	2,148.52

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Table 1.5: Selected Macroeconomic Indicators

In Percent

End of Dec	Currency with Public to Money Supply (M3)	Money Supply (M3) to GDP (Nominal)	Government Revenue* to GDP (Nominal)	Government Expenditure** to GDP (Nominal)
1966	31.52	17.58		
1967	33.23	20.93	14.05	18.09
1968	35.27	19.06	14.46	17.75
1969	32.19	23.21	15.67	20.66
1970	36.87	24.20	18.26	22.99
1971	37.59	26.74	17.72	25.20
1972	38.87	27.66	17.72	22.66
1973	32.81	27.88	20.21	25.93
1974	34.00	27.90	20.64	27.55
1975	31.62	29.21	22.52	34.25
1976	29.82	27.93	18.51	25.58
1977	28.51	28.91	18.36	28.18
1978	31.02	28.53	21.45	29.79
1979	29.37	38.05	18.61	29.46
1980	29.94	41.49	19.56	31.16
1981	31.97	39.99	18.11	31.40
1982	32.31	39.93	16.49	30.59
1983	28.13	41.90	19.14	28.91
1984	34.66	35.39	17.44	26.35
1985	32.64	34.73	18.86	25.86
1986	36.36	33.93	16.91	20.72
1987	36.95	20.17	12.28	16.10
1988	34.09	18.36	11.36	10.87
1989	33.19	19.53	12.35	10.05
1990	32.53	21.44	12.93	13.44

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



In Percent

End of Dec	Currency with Public to Money Supply (M3)	Money Supply (M3) to GDP (Nominal)	Government Revenue* to GDP (Nominal)	Government Expenditure** to GDP (Nominal)
1991	27.31	21.44	13.90	13.14
1992	27.10	25.72	14.13	13.15
1993	29.04	27.35	10.60	17.02
1994	30.95	31.80	12.05	18.63
1995	32.45	29.97	12.45	14.97
1996	31.50	21.71	13.21	12.39
1997	31.05	19.69	13.50	12.16
1998	29.97	16.34	11.26	13.29
1999	31.61	16.86	10.41	12.09
2000	28.08	17.14	10.12	15.20
2001	20.96	17.86	10.78	15.13
2002	21.07	19.70	10.67	15.35
2003	20.28	19.93	10.80	18.35
2004	22.02	21.96	11.19	19.99
2005	20.94	26.62	11.85	22.08
2006	20.02	28.79	12.53	23.26
2007	18.68	29.71	14.09	23.69
2008	19.29	30.16	15.96	24.12
2009	17.84	31.47	16.27	26.34
2010	17.23	34.10	15.45	28.53
2011	17.17	34.69	18.37	29.80
2012	16.49	32.75	19.33	28.93
2013	17.16	30.29	18.57	28.51
2014	17.43	23.43	16.28	21.54
2015	16.63	24.77	14.66	19.39

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Table 2.1: Depository Corporations Survey

Millions of TZS

End of Period	Domestic assets (net)					M3.	Extended Broad Money					Memorandum items		
	Domestic credit (net)					TOTAL sum(2-5) or sum(9-13)	M2.	Broad Money				M0	Base Money	
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)	TOTAL		TOTAL	M1.			Foreign currency deposits	TOTAL	of which: Reserves	
								Currency in circulation outside banks	Transferable deposits	Other deposits				
1	2	3	4	5	6	7	8	9	10	11	13	14	15	
1968	692.9	698.5	898.0	-72.1	1,498.9	1,498.9	1,213.9	528.6	685.3	285.0				
1969	818.9	822.2	1,089.3	-195.6	1,879.5	1,879.5	1,472.4	605.0	867.4	407.1				
1970	763.4	285.1	1,344.3	-173.2	2,219.6	2,219.6	1,678.9	818.4	860.5	540.7				
1971	902.0	491.7	1,502.1	-271.4	2,624.4	2,634.4	2,058.4	986.4	1,072.0	576.0				
1972	1,377.5	522.1	1,547.0	-356.9	3,089.7	3,089.7	2,326.8	1,201.1	1,125.7	762.9				
1973	1,613.0	612.4	1,819.5	-391.9	3,653.0	3,653.0	2,774.7	1,198.6	1,576.1	878.3				
1974	913.4	1,448.5	2,897.5	-797.4	4,462.0	4,462.0	3,456.3	1,517.3	1,939.0	1,005.7				
1975	963.0	2,210.2	3,349.6	-970.1	5,552.7	5,552.7	4,283.8	1,755.8	2,528.0	1,268.9				
1976	1,368.8	3,223.9	3,672.3	-1,318.2	6,946.8	6,946.8	5,331.8	2,071.3	3,260.5	1,615.0				
1977	2,390.2	2,886.8	4,391.7	-1,322.1	8,346.7	8,346.7	6,382.8	2,379.7	4,003.1	1,963.9				
1978	223.8	4,605.0	6,051.4	-1,483.9	9,396.3	9,396.3	6,826.9	2,915.2	3,911.7	2,569.4				
1979	921.1	7,963.5	6,732.0	-1,810.0	13,806.6	13,806.6	10,435.4	4,055.4	6,380.0	3,371.2				
1980	1,199.6	10,899.6	7,346.4	-1,925.7	17,634.8	17,519.9	13,346.0	5,245.4	8,100.6	4,173.9	114.9	5,561.9	316.5	
1981	853.7	13,924.4	8,482.3	-2,565.7	20,812.9	20,694.7	15,401.2	6,616.0	8,785.2	5,293.5	118.2	7,136.8	520.8	
1982	961.7	17,537.1	9,537.3	-3,107.5	25,201.7	24,728.8	18,323.2	7,988.7	10,334.5	6,405.6	472.9	8,626.7	638.0	
1983	1,879.9	20,659.1	10,642.8	-4,054.4	29,179.6	29,127.4	20,564.3	8,194.2	12,370.1	8,563.1	52.2	8,893.7	699.5	
1984	-7,592.5	24,459.0	12,922.2	429.4	30,310.7	30,218.1	20,537.1	10,472.4	10,064.7	9,681.0	92.6	11,571.3	1,098.9	
1985	10,789.3	32,278.9	17,678.8	-197.4	38,995.8	38,971.0	25,270.2	12,719.0	12,551.2	13,700.8	24.8	14,029.6	1,310.6	
1986	-12,886.9	32,555.8	27,735.1	2,949.4	50,471.5	50,353.4	35,809.5	18,309.7	17,499.8	14,543.9	118.1	19,721.3	1,411.4	
1987	-19,940.1	35,579.6	55,042.5	-4,187.0	66,749.3	66,442.9	47,130.6	24,550.8	22,579.8	19,312.3	306.4	27,882.9	3,332.1	
1988	-23,308.2	51,633.5	73,458.2	-11,974.4	90,279.6	89,809.2	65,401.0	31,702.3	33,698.7	24,408.2	470.4	36,177.1	4,474.8	
1989	22,074.1	60,057.4	106,761.4	-28,449.5	117,783.7	116,295.2	82,418.7	41,094.8	41,323.9	33,876.5	1,488.5	37,727.8	33,143.9	
1990	6,393.5	54,180.9	145,467.5	-39,367.1	170,196.2	166,674.8	111,084.9	57,919.1	53,165.8	55,589.9	3,521.4	24,775.2	78,399.2	

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), in line with the Monetary and Financial Statistics Manual of 2000



Millions of TZ\$

End of Period	Domestic assets (net)				M3, Extended Broad Money			M2, Broad Money					Memorandum items	
	Domestic credit (net)				TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9,10)	M1, Narrow Money			Foreign currency deposits	TOTAL sum (9,15)	of which: Reserves	
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)				Currency in circulation outside banks	Transferable deposits	Other deposits				
														M0
1	2	3	4	5	6	7	8	9	10	11	13	14	15	
1991	20,050.1	39,717.8	198,152.6	-46,341.5	211,579.0	205,817.8	135,925.8	63,604.6	72,321.2	69,892.0	5,761.2	142,003.8	17,295.7	
1992	50,724.3	72,904.6	189,283.2	-10,986.2	301,925.9	284,968.3	185,876.2	95,454.5	90,421.7	99,092.1	16,957.6	112,750.2	30,154.1	
1993	33,889.4	184,089.3	245,784.1	-49,966.8	420,635.6	367,094.8	247,091.1	122,166.7	124,924.4	120,003.7	53,540.8	152,320.8	30,154.1	
1994	115,765.7	181,055.6	280,158.6	-7,864.2	569,743.1	486,489.1	329,624.7	176,308.2	153,316.5	156,864.4	83,254.0	226,441.4	50,133.2	
1995	165,813.5	279,257.9	247,846.0	59,994.1	752,911.5	613,695.2	428,285.1	244,313.7	183,971.4	185,410.1	139,216.3	314,885.1	70,571.4	
1996	298,519.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	235,777.3	133,072.4	335,768.0	78,105.3	
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.8	287,877.1	205,991.7	266,484.5	166,715.6	364,940.0	77,062.9	
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.6	844,929.4	545,517.0	307,798.7	237,718.3	299,412.4	182,055.2	418,734.0	110,935.3	
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	339,517.4	245,538.3	508,674.0	123,826.0	
2000	842,755.3	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	398,604.4	304,077.9	556,430.9	164,026.7	
2001	1,243,599.7	275,255.7	494,755.8	-137,503.8	1,876,107.4	1,288,182.4	736,402.9	393,165.2	343,237.6	551,779.5	587,925.0	567,425.3	174,260.1	
2002	1,636,802.3	200,762.9	724,526.3	-206,521.4	2,355,570.1	1,567,041.3	940,377.7	496,372.1	444,005.6	626,663.6	788,528.8	698,269.9	201,897.8	
2003	2,302,735.6	-108,545.2	992,532.4	-407,886.4	2,778,836.4	1,846,073.7	1,107,197.6	563,535.3	543,662.3	738,876.0	932,762.7	825,791.8	262,256.5	
2004	2,498,824.7	-272,123.6	1,312,725.0	-385,644.9	3,153,781.1	2,211,041.4	1,359,019.2	694,543.7	664,475.5	852,022.3	942,739.7	999,985.7	305,442.0	
2005	2,665,071.1	192,072.1	1,654,274.7	-260,693.0	4,250,725.0	2,960,415.6	1,791,337.1	889,989.1	901,348.0	1,169,078.5	1,290,309.4	1,284,685.4	394,696.3	
2006	3,617,378.9	-282,628.7	2,310,136.2	-480,430.7	5,164,455.6	3,454,491.0	2,006,767.4	1,033,988.8	972,778.6	1,447,723.6	1,709,964.6	1,504,124.5	470,135.7	
2007	3,641,902.0	-319,844.4	3,151,210.9	-249,679.9	6,223,588.6	4,394,622.7	2,590,523.1	1,162,514.2	1,428,008.9	1,804,099.5	1,828,966.0	1,879,047.6	716,533.4	
2008	4,086,757.4	-334,967.2	4,556,167.7	-849,178.9	7,458,779.1	5,468,460.8	3,158,306.3	1,438,644.8	1,719,661.5	2,310,154.5	1,990,318.3	2,276,437.1	837,792.3	
2009	4,939,511.0	128,358.3	4,991,886.9	-1,279,612.8	8,780,143.4	6,603,404.4	3,590,798.6	1,566,753.2	2,024,045.4	3,012,605.9	2,176,738.9	3,009,062.3	1,442,309.1	
2010	6,125,607.8	806,665.4	5,991,767.1	-1,911,376.5	11,012,663.7	8,042,188.2	4,521,438.6	1,897,134.9	2,624,303.7	3,520,749.6	2,970,475.5	3,497,849.8	1,600,714.9	
2011	6,273,631.2	1,471,254.6	7,622,317.6	-2,345,881.3	13,021,322.0	9,247,939.4	5,571,986.7	2,235,829.8	3,336,156.9	3,675,952.7	3,773,382.6	4,111,917.1	1,876,087.3	
2012	6,396,026.0	2,019,403.0	9,010,380.9	-2,778,705.0	14,647,105.0	10,724,538.0	6,538,563.9	2,414,788.0	4,123,775.9	4,185,974.0	3,922,567.0	4,525,608.9	2,110,820.8	
2013	6,576,331.8	2,554,554.3	10,392,663.1	-3,416,780.9	16,106,768.4	11,890,554.2	7,218,118.5	2,763,963.0	4,454,155.6	4,672,435.7	4,216,214.2	5,027,783.6	2,263,820.6	
2014	6,551,542.5	3,651,622.2	12,412,296.1	-4,001,309.5	18,614,151.4	13,917,041.5	8,284,155.7	3,244,724.9	5,039,430.8	5,632,885.8	4,697,109.8	5,909,475.3	2,664,750.4	
2015	8,244,044.3	4,884,400.8	15,491,727.7	-6,649,167.0	21,971,005.7	15,669,202.0	9,465,472.6	3,678,497.5	5,786,975.1	6,203,729.4	6,301,803.7	6,833,268.1	3,154,770.6	

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), in line with the Monetary and Financial Statistics Manual of 2000



Table 2.2: 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	Gold reserve	SDRs	Quota in IMF	Treasury bills	Other securities	Advances	Total						
1966	406.4	0.0	0.0	0.0	0.0	35.8	48.0	83.8	87.9	0.0	19.0	0.0	40.7	637.8
1967	406.4	0.0	0.0	0.0	19.0	3.5	41.6	64.1	53.6	35.8	15.2	0.0	12.1	586.3
1968	519.4	0.0	0.0	0.0	0.0	12.5	19.3	31.8	82.0	35.7	13.7	0.0	80.2	762.7
1969	539.7	0.0	0.0	0.0	0.0	133.4	14.5	148.3	34.0	33.9	15.3	0.0	3.0	674.1
1970	397.4	0.0	13.4	300.0	216.0	190.0	10.2	416.2	71.0	0.0	15.7	0.0	19.9	1,233.7
1971	326.6	0.0	49.1	325.7	274.0	333.9	30.1	638.0	163.0	0.0	14.9	0.0	11.1	1,528.3
1972	724.8	0.0	52.1	325.7	202.0	234.4	118.2	554.6	136.0	0.0	15.0	11.6	3.3	1,832.1
1973	899.3	0.0	56.9	361.9	134.0	220.7	152.5	507.2		0.0	17.9	11.3	3.6	1,858.0
1974	375.4	0.0	14.3	361.9	479.0	395.8	181.1	1,055.9	902.0	0.0	20.6	11.7	4.0	2,745.6
1975	534.6	0.0	11.1	361.9	616.0	578.0	174.1	1,368.1	1,007.0	0.0	29.1	8.1	3.3	3,323.2
1976	886.1	0.0	48.8	405.7	725.0	661.5	214.5	1,601.0	733.0	35.7	38.7	12.9	7.1	3,769.0
1977	2,238.3	0.0	54.3	405.7	844.0	256.8	210.2	1,311.0	379.0	45.4	52.9	5.1	4.9	4,496.6
1978	700.8	0.0	58.9	531.3	910.0	974.1	989.0	2,873.1	842.0	86.3	56.5	18.0	42.4	5,209.3
1979	693.9	0.0	30.1	579.8	765.0	1,164.9	3,112.4	5,042.3	234.0	169.5	57.3	70.2	114.7	6,991.9
1980	380.6	0.0	70.7	799.0	1,151.0	1,200.6	4,198.1	6,549.7	290.0	187.1	73.7	57.2	175.4	9,097.4
1981	333.6	0.0	3.3	872.2	1,111.0	1,207.8	5,671.2	7,990.0	466.9	0.1	86.8	509.8	203.7	10,466.3
1982	254.2	0.0	0.2	853.0	1,549.0	428.5	7,506.4	9,503.9	500.0	186.3	103.3	74.1	275.0	11,730.0
1983	339.7	0.0	51.4	1,398.6	959.0	782.3	8,426.5	10,167.8	341.0	138.2	119.7	22.5	353.6	12,781.4
1984	481.8	0.0	14.3	1,890.5	2,055.0	3.0	10,557.0	12,615.0	474.0	0.0	0.0	0.0	0.0	15,475.6
1985	264.4	0.0	0.0	1,874.8	4,391.0	7.1	20,166.8	26,704.1	11.0	947.7	212.2	3,590.4	1,208.6	32,673.8
1986	2,246.9	0.0	622.9	6,359.6		8,866.4	22,086.6	31,191.8	1,726.0	2,733.4	668.3	339.7	1,178.9	47,067.6
1987	2,650.1	0.0	75.3	11,101.0	501.0	8,866.4	24,330.0	33,698.0	19,782.0	18,985.7	1,874.8	1,306.0	6,305.2	96,278.1
1988	9,710.2	0.0	13.5	17,864.8	1,416.0	0.0	31,603.5	33,019.5	43,982.0	39,727.7	4,343.2	763.2	6,964.7	157,145.1
1989	10,425.3	0.0	220.0	28,209.3	11,670.0	0.0	32,799.6	44,469.6	49,523.2	49,538.5	5,658.9	5,544.7	9,261.0	202,850.5
1990	35,576.9	2,319.8	156.7	27,509.4	7,899.0	0.0	31,446.4	39,345.4	22,578.7	97,322.3	9,021.6	8,836.1	102,036.3	344,703.2

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



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	Gold reserve	SDRs	Quota in IMF	Advances	Treasury bills	Other securities	Total						
1991	41,864.7	5,831.9	152.9	32,216.8	10,727.9	0.0	29,645.0	40,373.8	2,761.6	118,051.6	11,139.3	13,135.1	121,661.8	387,189.5
1992	108,889.3	26,371.5	2,488.3	67,755.4	0.0	0.0	89,074.7	89,074.7	2,300.0	200,894.9	13,493.9	23,204.6	118,717.8	653,190.4
1993	65,808.1	25,155.1	96.0	80,953.1	28,680.0	0.0	233,420.6	262,100.6	2,065.5	302,078.2	15,524.9	60,881.6	25,206.5	839,869.6
1994	146,675.6	19,519.5	840.9	111,416.7	25,465.0	0.0	245,139.1	270,604.1	0.0	270,944.4	16,307.3	76,158.4	22,826.5	935,293.3
1995	126,895.3	15,549.5	36.2	120,140.8	18,950.0	0.0	307,420.5	326,370.5	5,454.5	301,076.8	15,842.7	7,997.8	51,302.8	970,666.9
1996	237,246.9	18,845.8	346.0	125,594.7	0.0	0.0	299,374.5	299,374.5	5,454.5	283,212.1	16,235.7	6,651.0	66,834.5	1,059,795.6
1997	362,312.0	19,310.0	67.0	124,504.0	0.0	0.0	269,693.0	269,693.0	4,611.0	81,199.0	23,306.0	7,910.0	82,756.0	975,668.0
1998	376,350.0	21,115.0	240.0	140,534.0	0.0	0.0	234,075.0	234,075.0	5,358.0	71,411.0	22,721.0	6,472.0	86,173.0	964,449.0
1999	582,315.0	25,002.0	104.0	217,803.0	0.0	0.0	302,788.0	302,788.0	4,160.0	36,326.0	22,492.0	63,307.0	31,483.0	1,285,780.0
2000	746,522.8	25,352.6	314.4	208,448.0	0.0	0.0	296,673.3	296,673.3	0.0	59,864.0	27,967.0	24,972.0	53,705.2	1,443,819.3
2001	1,032,713.9	29,013.3	443.3	228,839.3	0.0	0.0	296,634.3	296,634.3	0.0	-81,383.1	54,534.2	41,500.3	135,796.3	1,738,091.9
2002	1,470,280.5	26,926.4	101.6	263,040.6	1,066.7	0.0	205,522.3	206,589.0	0.0	-91,343.7	100,974.3	83,091.5	188,202.2	2,247,862.2
2003	2,110,362.3	0.0	525.4	307,931.0	11,814.1	0.0	209,215.3	221,029.3	0.0	-89,281.8	153,420.7	10,606.0	190,355.3	2,904,948.2
2004	2,390,581.1	0.0	73.5	321,091.3	65,003.5	0.0	207,634.7	272,638.2	0.0	-116,866.2	247,953.5	11,862.0	243,839.7	3,371,173.1
2005	2,377,139.0	0.0	821.8	331,293.9	128,920.8	0.0	386,914.5	515,835.3	12,235.4	-152,730.0	442,437.7	3,470.4	287,759.3	3,818,262.8
2006	2,677,701.1	0.0	28.3	377,203.3	136,207.1	0.0	475,479.2	611,686.2	19,614.7	-214,661.0	631,961.2	4,224.4	436,997.8	4,544,755.9
2007	3,108,617.0	0.0	178.8	352,835.0	135,745.1	0.0	461,809.6	597,554.6	20,238.6	-334,945.1	809,120.1	67,912.2	640,072.5	5,261,583.7
2008	3,654,372.4	0.0	39.2	400,544.2	0.0	0.0	650,864.5	650,864.5	57,441.1	-397,005.0	860,112.9	8,900.4	588,410.8	5,823,680.5
2009	4,317,256.2	0.0	325,589.8	408,014.1	103,273.0	0.0	1,006,248.7	1,109,521.8	61,668.2	-495,771.8	905,763.8	13,107.7	692,232.7	7,337,382.3
2010	5,328,144.9	0.0	354,768.8	445,236.0	92,796.5	0.0	1,002,665.6	1,095,462.0	61,668.2	-490,938.2	929,545.2	386.9	654,115.3	8,378,389.1
2011	5,492,337.2	0.0	375,910.7	476,884.4	188,612.1	0.0	1,056,102.5	1,244,714.6	62,668.2	-992,486.9	1,000,841.0	556.5	1,193,211.4	8,854,637.0
2012	5,973,679.6	0.0	373,865.6	480,434.1	270,867.3	0.0	1,485,742.0	1,756,609.3	68,813.9	-904,076.2	1,015,303.8	556.1	1,111,364.7	9,876,550.9
2013	6,985,289.2	0.0	370,712.0	483,524.4	567,029.8	0.0	1,486,018.8	2,053,048.6	60,533.2	-820,938.6	1,033,606.2	216.6	1,013,233.3	11,179,224.9
2014	7,216,178.9	0.0	335,250.8	496,585.1	791,792.5	0.0	1,554,085.2	2,345,877.7	56,033.2	-914,901.0	1,030,945.6	657.5	1,291,340.7	11,857,968.4
2015	8,487,183.5	0.0	275,699.5	592,796.0	1,387,903.2	0.0	1,613,807.7	3,001,710.9	147,083.2	-1,039,215.7	1,047,333.2	125.3	1,217,911.6	13,730,627.4

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Table 2.3: 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
1966	431.5	136.6	30.2	0.0	16.7			2.9	20.0	637.9
1967	539.2	5.0	1.6	0.0	7.7			8.8	24.0	586.3
1968	588.3	97.8	49.0	5.8	6.8			7.0	28.0	762.7
1969	650.3	66.1	1.6	4.0	8.8			10.1	33.2	774.1
1970	861.0	3.7	3.0	2.5	8.8	250.8	38.4	23.0	42.5	1,233.7
1971	1,049.3	1.7	2.7	8.0	10.2	272.3	76.5	55.6	52.0	1,528.3
1972	1,279.5	2.6	2.7	23.4	44.6	272.1	111.1	21.7	57.0	1,823.1
1973	1,278.5	10.2	13.1	31.2	25.7	271.3	123.4	23.9	67.0	1,858.0
1974	1,608.6	14.9	11.9	18.1	154.0	694.7	123.4	26.9	79.0	2,745.5
1975	1,862.9	19.5	15.8	21.8	218.3	905.3	138.4	25.6	87.0	3,323.2
1976	2,214.9	10.4	14.7	19.9	19.9	1,213.2	138.4	45.6	92.0	3,769.0
1977	2,565.0	10.8	38.3	19.7	338.8	1,243.2	138.4	38.5	104.0	4,496.6
1978	3,143.5	2.5	12.4	22.4	473.4	1,149.8	138.4	152.9	114.0	5,209.3
1979	4,278.2	4.0	109.9	169.7	473.7	1,479.1	213.1	139.1	125.0	6,991.9
1980	5,522.9	0.7	39.3	25.1	471.7	1,870.4	278.8	754.9	135.0	9,097.4
1981	6,950.0	1.9	186.8	42.5	352.4	1,635.1	299.9	849.7	145.0	10,466.3
1982	8,381.9	1.7	244.8	37.4	496.6	1,642.8	324.4	443.7	160.0	11,700.0
1983	8,717.3	74.7	176.4	37.4	752.5	1,689.8	408.1	746.9	178.0	12,781.4
1984	11,341.2	22.3	230.1	0.0	2,134.0	2,638.1	556.1	0.0	102.0	15,475.6
1985	13,556.6	-81.4	473.4	7,046.5	2,934.5	2,211.0	549.7	5,785.5	198.0	32,673.8
1986	19,451.6	1,611.3	269.5	8,139.4	7,613.7	6,614.5	1,864.6	1,281.8	221.0	47,067.6
1987	26,328.5	2,228.9	1,554.4	13,468.4	29,723.9	11,796.2	3,254.8	7,675.0	248.0	96,278.1
1988	33,817.0	288.9	2,360.1	16,017.9	68,256.6	20,021.6	5,237.9	10,790.6	353.7	157,145.1
1989	43,761.9	-1,124.1	-6,034.1	15,016.2	96,087.2	26,590.3	8,270.9	19,192.5	1,089.7	202,850.5
1990	62,284.5	246.3	-37,509.3	96,718.9	149,402.8	35,139.2	8,065.7	29,265.4	1,089.7	344,703.2

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



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
1991	70,354.8	13,455.1	-55,560.2	86,390.1	179,141.3	32,582.7	9,384.9	49,658.1	1,782.7	387,189.5
1992	102,459.0	16,182.7	10,291.2	83,766.5	292,865.6	58,637.3	14,469.9	105,100.9	1,782.7	653,190.4
1993	131,067.0	25,351.5	21,253.7	61,587.3	403,205.8	70,766.5	17,288.4	106,292.7	3,056.7	839,869.6
1994	187,812.5	29,560.3	38,628.9	54,274.5	406,054.7	97,361.3	23,794.2	93,726.8	4,080.2	935,293.3
1995	264,208.2	39,673.4	50,676.8	32,718.4	390,540.8	118,602.2	25,657.3	43,715.7	4,874.1	970,666.9
1996	280,575.8	82,657.7	55,192.2	21,920.8	386,341.3	109,275.1	26,822.0	86,420.4	10,590.2	1,059,795.6
1997	314,487.0	87,321.0	50,453.0	47,415.0	219,836.0	112,859.0	26,589.0	70,354.0	46,354.0	975,668.0
1998	337,323.0	83,027.0	81,411.0	8,568.0	214,955.0	122,440.0	30,012.0	34,189.0	52,524.0	964,449.0
1999	427,447.0	84,012.0	81,227.0	24,516.0	285,985.0	180,886.0	34,354.0	115,804.0	51,549.0	1,285,780.0
2000	443,050.9	149,731.9	113,380.0	-9,014.6	346,741.9	200,507.0	32,878.0	102,874.3	63,669.9	1,443,819.3
2001	439,261.8	367,258.6	132,536.6	31,380.3	2,712.0	524,765.4	11,861.0	218,324.4	9,991.9	1,738,091.9
2002	549,184.0	511,971.3	162,517.6	30,252.9	3,497.4	623,485.7	24,906.3	332,047.4	9,999.6	2,247,862.2
2003	619,038.2	810,623.8	230,050.9	17,204.3	1,250.4	727,512.9	15,196.5	453,333.9	30,737.4	2,904,948.2
2004	759,995.0	1,063,832.6	265,850.6	13,275.7	2,252.4	744,803.7	-4,081.5	515,208.2	10,036.5	3,371,173.1
2005	981,420.1	1,280,520.5	329,797.3	7,718.2	5,288.1	715,070.4	-21,909.4	510,337.0	10,020.6	3,818,262.8
2006	1,162,877.1	1,858,522.1	370,184.5	6,527.8	3,591.3	370,591.9	709.5	454,004.8	317,746.8	4,544,755.9
2007	1,354,603.8	2,254,482.3	554,739.4	3,791.9	9,090.2	388,399.7	-34,337.0	632,948.5	97,864.8	5,261,583.7
2008	1,710,160.6	2,124,750.6	608,597.7	7,378.2	8,639.6	390,992.2	-14,075.2	984,487.6	2,749.3	5,823,680.5
2009	1,896,843.3	2,069,669.2	1,153,810.1	23,290.6	3,528.0	811,524.7	11,654.2	1,266,201.2	100,861.1	7,337,382.3
2010	2,298,635.0	2,021,302.9	1,292,852.9	65,995.5	3,713.3	898,579.2	363,364.3	1,334,174.3	99,771.6	8,378,389.1
2011	2,694,169.5	1,235,421.9	1,720,844.4	69,724.3	187.1	1,024,983.5	456,771.9	1,553,119.1	99,415.4	8,854,637.0
2012	2,482,630.4	1,126,805.5	2,000,216.1	86,969.4	187.1	1,034,264.5	464,516.4	1,567,643.4	99,415.4	8,862,648.3
2013	3,324,794.6	2,550,655.3	2,034,705.2	19,956.3	7,421.4	1,181,472.7	463,131.8	1,498,411.9	98,675.7	11,179,224.9
2014	3,828,376.6	1,989,204.9	2,488,064.9	182,090.6	9,336.8	1,182,569.8	475,641.7	1,602,573.3	100,109.8	11,857,968.4
2015	4,431,833.2	1,272,358.7	3,419,493.4	280,626.2	23,423.7	1,236,275.9	567,794.9	2,434,507.5	100,000.0	13,766,313.6

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Table 2.6: Commercial Banks Assets

Millions of TZS

End of period	Domestic assets					Foreign assets			Fixed assets	Total
	Cash	Deposit with Bank of Tanzania	Treasury securities	Other securities	Loans and bills	Other	Liquid	Others		
1966	32.20	48.60	6.00	10.10	797.30	262.50	85.00	35.00	50.60	1,327.30
1967	27.50	3.10	30.00	12.70	818.10	108.60	138.80	55.00	103.90	1,297.70
1968	39.80	49.20	104.00	39.50	898.60	143.40	114.20	78.10	91.20	1,558.00
1969	45.30	35.70	41.00	142.70	1,092.60	213.80	260.50	34.60	91.20	1,957.40
1970	42.60	2.70	0.00	152.40	1,347.10	205.60	357.30	25.30	86.60	2,219.60
1971	62.80	2.00	15.00	279.60	1,504.60	192.20	575.20	36.50	92.70	2,760.60
1972	78.40	3.70	99.00	360.20	1,548.90	177.90	670.80	22.60	100.90	3,062.40
1973	79.90	14.80	143.00	470.00	1,820.90	232.60	680.30	10.30	104.10	3,555.90
1974	91.30	14.20	371.00	530.00	2,898.70	370.70	796.80	11.30	114.10	5,198.10
1975	107.10	20.70	801.00	709.50	3,350.90	608.00	743.50	15.90	132.90	6,489.50
1976	143.60	17.40	1,260.00	899.90	3,673.40	870.70	684.00	6.10	150.50	7,705.60
1977	185.30	28.60	0.00	1,862.80	4,403.10	964.70	726.30	4.30	227.90	8,403.00
1978	228.30	60.30	69.30	1,863.60	6,249.60	776.70	612.20	14.00	258.50	10,132.50
1979	222.80	73.10	1,375.00	1,884.60	6,865.80	1,196.60	1,003.90	3.40	297.40	12,922.60
1980	277.40	43.60	2,850.00	1,968.10	7,400.10	2,009.10	1,059.50	0.70	345.40	15,953.90
1981	339.00	191.20	1,228.60	2,347.70	8,551.00	1,789.30	1,059.50	1.20	407.40	15,914.90
1982	393.30	229.00	6,748.60	2,698.90	9,579.20	2,984.90	1,622.80	3.10	467.40	24,727.20
1983	523.10	285.80	8,050.00	3,497.80	10,642.80	1,105.50	2,564.30	1.30	525.00	27,195.60
1984	868.60	429.60	9,050.00	3,617.00	12,711.80	3,346.30	1,569.20	2.30	663.90	32,258.70
1985	837.50	780.20	5,050.00	3,349.40	17,528.50	6,306.70	865.40	0.00	963.50	35,681.20
1986	1,141.80	93.40	0.00	3,723.40	27,689.50	5,887.50	2,052.10	0.00	1,789.00	42,376.70
1987	1,777.70	1,315.80	0.00	3,641.50	54,989.80	11,090.80	1,569.80	0.00	2,765.20	77,150.60
1988	2,115.60	3,075.30	0.00	3,588.80	88,846.30	24,303.00	102.50	0.00	4,000.10	126,031.60
1989	2,667.10	2,162.90	0.00	3,588.80	119,597.50	120,558.10	6,963.60	0.00	6,617.90	262,155.90
1990	4,365.50	2,524.40	0.00	3,588.80	149,850.50	143,567.60	11,995.20	0.00	10,181.20	326,073.20
1991	6,750.20	3,538.80	0.00	3,486.80	208,876.60	223,033.40	12,389.50	0.00	15,955.60	474,030.90

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: *Previously known as Treasury bills Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Millions of TZS

End of period	Domestic assets						Foreign assets		Fixed assets	Total
	Cash	Deposit with Bank of Tanzania	Treasury securities	Other securities	Loans and bills	Other	Liquid	Others		
1992	7,004.50	11,044.50	0.00	22,348.10	199,538.10	97,226.20	10,425.60	0.00	22,937.20	370,524.20
1993	8,900.40	17,481.60	2,131.40	100,460.90	265,440.10	358,518.40	38,223.90	0.00	28,545.50	819,702.20
1994	11,504.30	38,406.70	12,197.60	102,492.70	289,876.20	150,735.70	25,082.30	1,658.80	49,604.30	681,558.60
1995	19,894.50	46,138.60	48,658.40	119,446.80	260,829.40	569,401.50	169,390.20	772.50	53,831.50	1,288,363.40
1996	22,913.10	49,883.60	89,455.00	166,530.30	147,297.70	168,476.20	179,548.30	2,002.50	58,031.30	884,138.00
1997	26,609.90	33,100.40	78,623.00	166,906.40	184,839.80	360,643.90	232,162.10	1,393.80	13,959.00	1,098,238.30
1998	29,524.30	83,678.20	58,862.50	251,080.00	251,079.30	619,781.10	243,076.90	24,179.90	45,549.60	1,606,811.80
1999	42,588.00	80,611.10	65,911.80	264,799.30	312,020.30	876,803.00	290,975.10	10,103.80	46,143.30	1,989,955.70
2000	50,646.70	121,449.70	89,620.20	313,339.40	341,428.20	1,085,655.00	398,949.40	12,040.80	46,965.40	2,460,094.80
2001	46,096.55	153,313.48	425,686.30	2,506.29	452,241.94	230,412.35	494,222.35	33,342.66	85,993.02	1,923,814.93
2002	52,811.91	157,650.59	608,244.61	17,526.66	646,042.09	294,004.43	553,455.77	2,575.44	98,808.44	2,431,119.93
2003	55,502.92	201,902.35	605,474.36	21,432.90	912,428.16	353,932.06	669,630.47	12,719.02	112,226.03	2,945,248.27
2004	65,451.31	279,724.86	672,639.88	72,704.72	1,159,315.41	366,736.06	612,372.03	2,127.95	120,992.66	3,352,064.87
2005	91,430.98	332,321.94	1,164,578.73	71,169.65	1,520,965.51	298,809.49	770,842.05	21,862.46	127,820.36	4,399,801.16
2006	108,440.25	491,880.28	1,081,164.10	67,884.97	2,143,793.09	379,538.58	1,081,598.92	50,896.45	161,513.22	5,566,709.85
2007	157,687.53	580,783.59	1,719,325.06	22,721.42	3,122,551.68	458,078.97	818,496.13	65,211.20	217,362.33	7,162,217.91
2008	221,105.13	660,845.71	1,704,299.93	24,791.75	4,481,629.55	478,466.35	647,816.85	97,374.29	291,439.72	8,607,769.27
2009	330,090.02	1,118,792.33	1,739,009.05	15,285.74	5,026,557.42	537,801.50	1,040,125.43	254,471.21	397,327.44	10,459,460.14
2010	401,500.12	1,300,906.29	2,414,939.48	8,771.96	6,117,158.56	840,776.00	1,353,121.83	188,971.61	517,259.92	13,143,405.79
2011	458,339.72	1,716,218.70	2,040,559.32	37,407.16	7,723,629.86	900,196.51	1,505,320.64	191,567.72	634,533.36	15,207,772.99
2012	495,209.74	1,785,793.40	2,877,270.89	52,666.77	9,248,521.71	1,218,284.16	1,260,420.21	133,720.70	734,604.56	17,806,492.13
2013	560,831.62	1,954,249.34	3,700,291.95	33,052.04	10,631,959.15	1,337,929.50	1,234,830.50	134,325.27	838,798.71	20,426,268.08
2014	583,651.72	2,450,986.80	3,913,908.68	51,014.97	12,766,058.81	1,363,272.33	1,206,352.70	104,340.83	996,938.93	23,436,525.76
2015	753,329.71	3,254,338.97	3,727,326.72	64,553.58	15,807,127.50	1,472,816.52	1,643,062.33	531,390.26	1,205,745.33	28,459,690.91

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: *Previously known as Treasury bills Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Table 2.7: Commercial Banks Liabilities

Millions of TZS

End of period	Domestic liabilities				Foreign liabilities		Capital and Reserves	
	Deposits	Due to Bank of Tanzania	Due to other banks	Other	Foreign banks	Due to Other	Total	
1966	922.9	90.2	113.7	103.0	54.5	7.8	35.2	1,327.3
1967	1,013.8	53.3	13.8	126.2	13.6	30.3	47.8	1,298.8
1968	1,260.5	81.9	12.6	111.3	11.4	30.6	49.8	1,558.1
1969	1,571.1	57.0	105.1	132.8	11.9	26.5	53.0	1,957.4
1970	1,782.5	71.0	12.7	199.1	43.5	27.0	83.8	2,219.6
1971	2,158.9	163.0	0.7	187.8	84.7	44.0	121.6	2,760.7
1972	2,425.2	137.0	0.2	257.3	37.9	63.9	140.9	3,062.4
1973	2,953.4	1.6	0.4	336.1	32.5	66.2	165.7	3,555.9
1974	3,439.4	902.6	0.3	517.1	49.3	81.1	208.4	5,198.2
1975	4,447.0	1,022.1	2.6	622.0	40.0	83.8	271.9	6,489.4
1976	5,399.1	739.6	0.7	986.0	68.4	167.8	339.9	7,701.5
1977	6,254.5	382.0	0.6	1,061.8	48.3	245.9	409.9	8,403.0
1978	6,877.4	898.2	2.0	1,150.0	62.1	626.4	515.9	10,132.0
1979	10,221.5	255.1	0.3	1,267.8	7.1	301.9	805.4	12,859.1
1980	12,798.6	317.7	4.1	1,597.6	72.9	114.9	1,048.1	15,953.9
1981	14,867.7	279.0	10.8	2,410.0	73.1	118.2	1,151.1	18,909.9
1982	18,177.8	413.0	8.5	4,093.7	148.9	472.9	1,412.3	24,727.1
1983	21,798.3	395.0	15.0	3,079.8	272.0	52.2	1,583.3	27,195.6
1984	25,751.8	429.0	209.9	3,909.0	168.9	92.6	1,697.5	32,258.7
1985	27,834.8	503.0	68.3	5,005.8	254.4	24.8	1,990.3	35,681.4
1986	32,447.8	1,240.6	41.3	5,536.8	451.5	118.1	2,540.6	42,376.7
1987	43,239.3	18,089.5	65.9	10,948.3	665.1	306.4	3,836.0	77,150.5
1988	58,862.0	39,318.0	53.0	20,183.1	260.5	470.4	6,884.6	126,031.6
1989	75,449.6	51,447.8	109.9	125,074.3	363.5	1,488.5	8,222.3	262,155.9
1990	107,415.5	62,677.3	277.0	150,015.2	550.0	3,521.4	8,671.8	333,128.2

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Millions of TZS

End of period	Domestic liabilities				Foreign liabilities		Capital and Reserves	
	Deposits	Due to Bank of Tanzania	Due to other banks	Other	Foreign banks	Due to Other	Total	
1991	151,459.7	60,685.6	380.8	243,899.7	849.7	5,761.2	10,994.2	474,030.9
1992	194,949.7	74,997.4	824.9	69,474.8	897.4	16,957.6	12,422.4	370,524.2
1993	238,970.8	147,396.7	4,663.5	307,794.6	320.4	6,839.7	49,082.0	755,067.7
1994	415,951.5	1,338.4	3,359.7	166,622.2	3,751.8	627.5	139,907.7	731,558.8
1995	535,245.9	7,585.5	5,091.0	753,435.1	4,170.8	12,747.9	-29,913.5	1,288,362.7
1996	581,356.7	162.1	9,148.1	214,560.4	1,757.3	1,534.7	75,618.9	884,138.2
1997	667,619.3	12,763.4	49,512.7	320,354.9	3,933.2	945.0	43,110.0	1,098,238.5
1998	744,513.2	0.0	23,040.0	775,669.4	1,873.2	78.3	61,637.6	1,606,811.7
1999	854,339.3	5,429.6	25,079.9	1,084,420.4	927.8	83.4	19,750.9	1,990,031.3
2000	1,031,371.1	1.2	38,137.7	1,273,093.7	4,056.4	106.8	113,327.9	2,460,094.8
2001	1,451,561.9	73.8	55,806.0	236,915.4	4,069.8	7,333.8	168,054.3	1,923,814.9
2002	1,828,945.1	50.0	141,542.0	255,655.9	5,542.9	5,563.3	193,820.8	2,431,119.9
2003	2,198,096.8	72.7	150,312.7	301,663.8	6,321.9	14,778.3	274,002.0	2,945,248.3
2004	2,445,965.2	0.0	166,539.8	380,954.7	19,042.1	10,678.0	328,885.0	3,352,064.9
2005	3,353,017.7	148.4	121,720.2	436,516.2	27,571.8	36,703.6	424,123.3	4,399,801.2
2006	4,123,939.0	0.0	190,039.6	609,458.8	64,041.5	34,616.2	581,910.1	5,604,005.2
2007	5,057,337.8	0.0	242,441.7	879,225.5	191,888.7	118,477.6	807,249.5	7,296,620.7
2008	6,012,857.7	10,449.7	209,779.9	1,201,168.5	153,806.6	186,318.0	1,001,441.0	8,775,821.3
2009	7,190,113.6	475.0	302,578.3	1,500,623.5	108,973.9	91,112.9	1,265,583.0	10,459,460.1
2010	9,049,547.5	0.0	446,361.5	1,917,148.0	137,109.8	78,774.9	1,514,464.0	13,143,405.8
2011	10,715,782.2	0.0	357,570.4	2,072,724.7	202,667.5	83,779.5	1,775,248.6	15,207,773.0
2012	12,110,517.7	4,200.0	588,704.2	2,581,225.2	250,909.4	132,528.4	2,138,407.2	17,806,492.1
2013	13,322,900.6	14.3	800,311.0	2,782,696.7	542,898.0	437,425.6	2,540,021.8	20,426,268.1
2014	15,195,922.5	0.0	941,622.7	3,213,162.8	618,950.5	520,667.1	2,946,200.2	23,436,525.8
2015	18,160,733.2	0.0	1,174,128.5	3,863,587.6	558,479.4	900,113.3	3,802,648.9	28,459,690.9

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000



Table 2.8: Commercial Banks' Lending and Holdings of Securities

Millions of TZS

End of Period	Domestic lending										Total	Lending to deposit ratio (%)	Securities
	Loans to the Central Bank (Repos)	Loans to Other Depository Corporations	Loans to Other Financial Corporations	Loans Central Government	Loans State and Local Government	Loans Public Nonfinancial Corporations	Loans Other Nonfinancial Corporations	Loans to Other Resident Sectors	Loans to Nonresidents				
1966	0.00	712.70	45.70	0.00	0.00	0.00	0.00	38.90	34.90	832.20	89.70	16.10	
1967	0.00	608.10	70.30	0.00	0.00	0.00	0.00	139.70	30.80	848.90	82.20	42.70	
1968	0.00	618.80	71.90	0.00	0.00	0.00	0.00	207.90	42.80	941.40	73.10	143.60	
1969	0.00	652.00	59.50	0.00	0.00	0.00	0.00	381.10	34.00	1,126.60	70.60	183.70	
1970	0.00	1,157.10	53.60	0.00	0.00	0.00	0.00	136.10	25.30	1,372.10	75.80	152.40	
1971	0.00	1,344.90	27.30	0.00	0.00	0.00	0.00	132.30	36.50	1,541.00	70.00	294.60	
1972	0.00	1,366.00	47.00	0.00	0.00	0.00	0.00	135.90	22.60	1,571.50	63.10	459.20	
1973	0.00	1,602.10	58.00	0.00	0.00	0.00	0.00	160.70	10.30	1,831.10	60.60	613.00	
1974	0.00	2,371.60	310.70	0.00	0.00	0.00	0.00	216.50	11.30	2,910.10	82.50	901.00	
1975	0.00	2,828.70	202.80	0.00	0.00	0.00	0.00	319.40	15.90	3,366.80	74.30	1,510.50	
1976	0.00	3,059.00	237.50	0.00	0.00	0.00	0.00	376.90	6.10	3,679.50	66.10	2,155.90	
1977	0.00	3,646.40	333.50	0.00	0.00	0.00	0.00	421.30	4.30	4,405.50	67.70	1,862.80	
1978	0.00	5,064.80	533.00	0.00	0.00	0.00	0.00	651.50	14.00	6,263.30	83.50	1,932.90	
1979	0.00	5,763.30	552.10	0.00	0.00	0.00	0.00	550.40	3.40	6,869.20	65.30	3,259.60	
1980	0.00	6,543.40	415.80	0.00	0.00	0.00	0.00	440.90	0.70	7,400.80	57.30	6,196.70	
1981	0.00	5,340.40	533.60	0.00	0.00	0.00	0.00	2,677.00	1.20	8,552.20	57.10	9,096.60	
1982	0.00	6,115.90	773.80	0.00	0.00	0.00	0.00	2,689.60	3.10	9,582.40	51.40	10,748.00	
1983	0.00	6,416.80	840.50	0.00	0.00	0.00	0.00	3,385.50	1.30	10,644.10	48.80	12,547.80	
1984	0.00	8,154.90	1,140.90	0.00	0.00	0.00	0.00	3,416.00	174.50	12,886.30	49.90	8,667.00	
1985	0.00	12,443.60	1,051.30	0.00	0.00	0.00	0.00	3,935.70	0.00	17,430.60	61.26	3,349.40	
1986	0.00	21,530.30	2,052.90	0.00	0.00	0.00	0.00	4,106.40	0.00	27,689.60	84.35	3,723.40	
1987	0.00	47,476.80	2,574.40	0.00	0.00	0.00	0.00	4,991.50	0.00	55,042.70	126.28	3,641.50	
1988	0.00	64,380.60	3,731.80	0.00	0.00	0.00	0.00	5,345.80	0.00	73,458.20	149.74	3,588.80	
1989	0.00	94,510.20	3,822.70	0.00	0.00	0.00	0.00	8,428.50	0.00	106,761.40	155.45	3,588.80	
1990	0.00	118,855.80	8,270.30	0.00	0.00	0.00	0.00	18,341.40	0.00	145,467.50	141.43	3,588.80	

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Millions of TZS

End of Period	Domestic lending										Lending to deposit ratio (%)	Securities	
	Loans to Central Bank (Repos)	Loans to Other Depository Corporations	Loans to Other Financial Corporations	Loans Central Government	Loans State and Local Government	Loans Public Nonfinancial Corporations	Loans Other Nonfinancial Corporations	Loans to Other Resident Sectors	Loans to Nonresidents	Total			
1991	0.00	166,874.10	11,975.00	0.00	0.00	0.00	0.00	0.00	19,303.50	0.00	198,152.60	137.91	3,486.80
1992	0.00	153,893.20	13,489.80	0.00	0.00	0.00	0.00	0.00	21,900.20	0.00	189,283.20	94.16	41,234.40
1993	0.00	191,061.70	26,636.00	0.00	0.00	0.00	0.00	0.00	45,186.00	0.00	262,883.70	89.68	102,592.28
1994	0.00	206,109.77	33,289.84	0.00	0.00	0.00	0.00	0.00	54,969.80	20,975.10	315,344.51	65.21	114,690.32
1995	0.00	203,275.80	11,993.60	0.00	0.00	0.00	0.00	0.00	43,757.40	461.50	259,488.30	50.60	168,105.20
1996	0.00	115,036.70	8,217.90	0.00	0.00	0.00	0.00	0.00	24,043.10	800.10	148,097.80	25.40	255,985.30
1997	0.00	172,494.70	4,972.10	0.00	0.00	0.00	0.00	0.00	9,236.00	255.30	186,958.10	27.70	245,529.40
1998	0.00	197,413.80	6,693.00	0.00	0.00	0.00	0.00	0.00	49,775.60	699.00	254,581.40	33.80	309,942.50
1999	0.00	160,819.90	12,430.50	0.00	0.00	0.00	0.00	0.00	150,713.00	102,648.30	426,611.70	48.50	330,711.10
2000	0.00	168,347.10	6,454.60	0.00	0.00	0.00	0.00	0.00	172,381.00	104,490.80	451,673.50	33.60	402,959.60
2001	3,145.55	4,553.68	0.00	0.00	0.00	0.00	444,542.70	0.00	0.00	33,342.66	485,584.59	32.81	425,686.30
2002	0.00	29,500.00	0.00	0.00	0.00	0.00	616,542.09	0.00	2,575.44	648,617.53	648,617.53	31.65	608,244.61
2003	997.50	24,865.78	0.00	0.00	0.00	0.00	886,564.88	0.00	12,719.02	925,147.19	925,147.19	37.42	605,474.36
2004	997.50	30,747.79	0.00	0.00	0.00	0.00	1,127,570.12	0.00	2,127.95	1,161,443.36	1,161,443.36	42.27	672,639.88
2005	947.47	32,839.83	0.00	0.00	0.00	0.00	1,487,178.20	0.00	21,862.46	1,542,827.97	1,542,827.97	41.97	1,164,578.73
2006	924.69	36,547.37	0.00	0.00	0.00	459.77	2,112,894.52	0.00	33,859.77	2,184,686.12	2,184,686.12	48.01	1,195,570.90
2007	89,387.86	79,783.96	0.00	0.00	0.00	49.99	3,010,961.78	0.00	67,263.44	3,247,447.02	3,247,447.02	56.95	1,673,738.35
2008	60,397.48	141,074.88	192,921.84	10,583.26	3,292.48	345,278.94	2,334,138.84	1,540,145.49	104,290.85	4,732,124.06	4,732,124.06	70.91	1,536,287.73
2009	8,062.86	160,416.04	204,722.31	17,230.94	4,646.11	411,106.12	2,489,270.31	1,731,102.72	254,321.19	5,280,878.60	5,280,878.60	64.61	1,739,009.05
2010	0.00	262,695.67	207,655.46	20,611.53	9,163.46	486,803.18	3,028,089.65	2,102,139.61	188,691.76	6,305,850.33	6,305,850.33	62.13	2,414,939.48
2011	0.00	237,592.50	260,524.67	49,469.43	23,009.21	598,093.11	3,959,242.27	2,595,698.67	191,272.03	7,914,901.88	7,914,901.88	67.06	2,040,559.32
2012	0.00	378,787.92	189,223.12	73,759.78	33,678.58	718,176.33	3,397,428.76	4,457,467.21	133,387.22	9,381,908.92	9,381,908.92	69.94	2,877,270.89
2013	0.00	315,336.63	337,799.39	145,574.70	29,378.21	765,952.35	5,306,741.56	3,731,176.30	133,741.33	10,765,700.48	10,765,700.48	71.18	3,700,291.95
2014	0.00	428,087.39	389,381.29	190,214.65	83,110.07	839,879.99	6,329,950.80	4,505,434.63	103,752.27	12,869,811.08	12,869,811.08	75.57	3,913,908.68
2015	0.00	425,755.89	453,104.04	283,731.43	48,825.40	1,059,669.65	7,794,112.69	5,741,928.40	530,638.03	16,337,765.53	16,337,765.53	81.42	3,727,326.72

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues



Table 2.9: Commercial Banks Deposits

Millions of TZS

End of period	Central Govt.	State and Local Govt.	Other Financial Corporations	Public NonFinancial Corporation	Other NonFinancial Corporation	Other Residents	Other Depository Corporation	Deposits of Nonresidents	Total	of which		
										Transferrable Deposits in National Currency	Other Deposits in National Currency*	Foreign Currency Deposits
1966	58.30	59.60		79.10	35.40	688.00		6.90	927.30			2.20
1967	143.90	49.10		72.90	32.40	715.40		19.40	1,033.10			5.10
1968	98.10	79.20		196.10	113.30	773.80		28.00	1,288.50			3.30
1969	102.30	89.80		320.00	107.20	951.80		24.50	1,595.60			6.70
1970	282.60	98.60		297.40	108.40	995.40		27.00	1,809.40			8.00
1971	441.60	79.30		397.00	133.50	1,107.50		44.00	2,202.90			15.60
1972	491.00	45.60		412.00	161.20	1,315.40		63.90	2,489.10			20.70
1973	499.00	28.40		563.40	209.50	1,653.10		66.20	3,019.60			16.80
1974	494.70	0.00		612.10	235.10	2,097.50		81.10	3,520.50			24.00
1975	650.20	0.00		938.70	281.20	2,576.80		83.80	4,530.70			20.00
1976	523.70	0.00		1,433.70	371.20	3,070.50		167.80	5,566.90			52.30
1977	287.50	0.00		1,671.20	380.80	3,915.10		245.80	6,500.40			103.10
1978	396.20	0.00		1,893.90	231.70	4,355.00		626.40	7,503.20			120.20
1979	468.10	0.00		2,593.50	186.50	6,973.40		301.90	10,523.40			81.10
1980	521.00	0.00		2,539.10	65.60	9,672.60		114.90	12,913.20			30.80
1981	789.00	0.00		3,055.70	13.70	11,009.30		118.20	14,985.90			42.60
1982	1,437.80	0.00		5,034.90	29.30	11,675.70		473.00	18,650.70			33.60
1983	807.10	0.00		5,342.00	8.20	15,592.00		52.20	21,801.50			2.20
1984	844.70	871.50		649.20	6,662.60	16,816.40		0.00	25,844.40			92.60
1985	787.80	1,046.80		2,425.60	9,682.10	14,670.60		0.00	28,612.90			86.50
1986	730.40	753.30		1,496.20	10,163.10	19,685.30		0.00	32,828.30			118.10
1987	1,653.60	1,180.90		5,536.20	11,739.60	23,129.00		306.00	43,545.30			306.40
1988	1,225.90	1,494.40		4,065.30	18,194.00	34,353.10		0.00	59,332.70			470.40
1989	1,737.80	1,750.70		11,290.80	18,672.30	43,486.40		0.00	76,938.00			1,488.50
1990	2,238.10	2,074.30		29,565.70	27,562.70	49,499.10		0.00	110,939.90			3,521.40

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: *Other deposits include Time and Saving Deposits



Millions of TZS

End of period	Central Govt.	State and Local Govt.	Other Financial Corporations	Public NonFinancial Corporation	Other NonFinancial Corporation	Other Residents	Other Depository Corporation	Deposits of Nonresidents	Total	of which		
										Transferrable Deposits in National Currency	Other Deposits in National Currency*	Foreign Currency Deposits
1991	3,485.30	1,849.30		24,159.80	26,666.60	95,298.70			151,459.70			5,761.20
1992	5,435.90	18.20		60,978.00	33,039.40	112,435.80			211,907.30			16,957.60
1993	5,136.35	3,505.70		87,539.80	36,437.80	170,985.55			303,605.20			43,415.50
1993	5,136.35	3,505.70		87,539.80	36,437.80	170,985.55			303,605.20			53,540.81
1994	22,516.51	4,983.57		58,327.11	42,910.71	287,213.60			415,951.49			83,254.01
1995	26,648.08	6,097.55		53,888.04	30,442.68	418,169.54		454.42	535,700.30			144,565.69
1996	20,956.44	7,146.27		16,489.85	46,375.05	490,389.12		926.94	582,283.67			137,431.31
1997	28,427.30	3,682.05		17,789.56	37,128.35	580,591.94		870.40	668,489.60			170,821.04
1998	25,327.29	13,486.25		24,397.71	50,683.24	630,618.73		78.28	744,591.50			185,430.52
1999	21,560.40	20,245.09		28,112.07	39,662.04	744,759.69		115.71	854,455.00			253,855.99
2000	26,086.53	28,612.63		23,110.17	35,545.13	918,016.62		106.82	1,031,477.90			309,715.69
2001	79,967.48	50,948.11		121,211.91	603,507.89	620,181.75		4,069.85	1,479,886.99	432,776.45	559,106.62	595,446.60
2002	102,768.53	84,112.18	50,724.62	155,757.17	770,010.51	768,340.62	112,360.24	5,542.85	2,049,616.72	617,663.28	635,347.95	796,605.49
2003	125,172.52	102,280.13	60,822.65	187,498.76	926,551.59	920,943.70	142,539.07	6,321.92	2,472,130.34	754,792.41	749,338.84	967,999.08
2004	152,078.25	119,759.08	67,047.58	204,038.41	1,019,627.09	1,035,493.04	130,574.00	19,042.12	2,747,659.57	898,304.35	865,330.92	984,024.30
2005	206,559.39	163,112.96	92,126.43	280,045.32	1,398,420.21	1,419,312.81	88,530.53	27,571.77	3,675,679.43	1,148,624.47	1,188,459.35	1,338,595.61
2006	230,104.28	188,070.73	112,644.38	349,742.57	1,732,297.59	1,741,183.74	132,832.55	64,041.52	4,550,917.37	1,274,489.98	1,472,413.19	1,804,014.20
2007	325,183.96	251,911.94	140,143.91	416,755.18	2,094,473.57	2,154,053.15	128,065.19	191,888.72	5,702,475.62	1,875,396.49	1,838,853.00	1,988,226.12
2008	401,684.30	266,825.93	580,448.40	253,056.62	1,641,613.60	3,270,913.15	104,617.48	153,806.56	6,672,966.05	2,167,217.29	2,370,926.23	2,134,822.53
2009	662,621.67	361,663.59	740,965.90	152,761.12	2,191,522.57	3,743,200.42	211,293.04	108,973.95	8,173,002.26	2,624,824.92	3,155,802.96	2,392,374.37
2010	699,266.72	448,208.43	871,789.45	227,532.91	145,790.15	7,356,226.56	264,137.13	137,109.82	10,150,061.18	3,243,181.81	3,678,536.33	3,228,343.03
2011	626,616.20	384,348.84	1,018,837.51	359,757.56	117,316.35	8,835,521.91	258,430.31	202,667.52	11,803,496.21	3,819,890.35	3,729,520.40	4,254,085.46
2012	732,515.36	540,378.37	1,114,929.27	389,460.90	159,696.37	9,906,052.82	320,733.77	250,909.43	13,414,676.28	4,819,966.60	4,190,178.38	4,404,531.31
2013	791,802.89	602,217.40	1,143,523.10	692,666.91	193,904.96	10,690,588.21	465,960.67	542,898.01	15,123,562.15	5,113,564.81	4,807,640.05	5,202,357.29
2014	808,422.13	379,796.46	1,351,803.27	577,737.51	310,323.29	12,576,261.99	406,833.54	618,950.52	17,030,128.72	5,657,524.51	5,627,920.08	5,744,684.12
2015	856,925.41	423,966.76	1,444,182.14	720,606.30	253,563.60	15,318,414.45	490,131.36	558,479.41	20,066,269.42	6,511,814.53	6,167,666.09	7,386,788.80

Source: 20 years of Independence (1961-1981) and various BoT Economic Bulletins - December Issues

Note: *Other deposits include Time and Saving Deposits



Table 2.10: Number of Commercial Banks and Financial Institutions Since 1966

Year	Number of Commercial Banks	Number of Financial Institutions*	Total Number of Banks and Financial Institutions
1966	11	5	16
1967-1968	3	2	5
1969	3	3	6
1970-1971	3	4	7
1972-1991	3	5	8
1992-1993	4	5	9
1994	5	5	10
1995	7	5	12
1996	18	8	26
1997-1998	17	8	25
1999-2000	17	13	30
2001-2002	20	10	30
2003	23	8	31
2004	26	5	31
2005-2006	22	10	32
2007	24	10	34
2008	25	11	36
2009	27	13	40
2010	28	14	42
2011	31	17	48
2012	32	18	50
2013-2014	34	19	53
2015	36	20	56

Source: Annual Banking Supervision Reports and various BoT Economic Bulletins - December Issues

Note: *Financial Institutions include microfinance, mortgage, development and community financial institutions



Table 2.11: Commercial Banks- Domestic Lending by Activities

End of Period	Agriculture	Fishing	Forest	Hunting	Financial Intermediaries	Mining and Quarrying	Manufacturing **	Building and Construction	Real Estate	Leasing	Transportation and Communication
1966											
1967	102.10				9.00		114.80	25.20			10.40
1968	99.50				8.20		142.00	41.30			15.60
1969	109.60				21.30		196.10	40.80			18.50
1970	171.60				31.70		214.10	35.60			45.30
1971	223.00				74.70		27.90	40.30			18.50
1972	96.20				68.20		255.50	31.10			41.60
1973	88.40				81.30		360.40	35.80			40.30
1974	116.40				78.30		627.80	46.00			36.00
1975	165.80				75.40		896.70	34.00			42.70
1976	153.80				51.70		1,038.60	28.80			43.00
1977	175.30				68.20		1,418.20	38.50			37.10
1978	183.90				69.60		2,564.50	105.70			33.00
1979	209.50				101.20		1,695.00	111.20			91.50
1980	445.20				73.80		658.20	130.50			135.60
1981	482.20				72.90		583.00	135.10			140.30
1982	417.70				59.90		681.50	160.50			204.70
1983	307.50				40.30		794.80	226.60			246.70
1984	652.60				6.50		1,331.50	333.30			252.70
1985	642.50				0.20		1,443.20	313.50			367.30
1986	1,362.30				22.00		1,451.30	426.50			414.20
1987	4,039.40				54.00		6,262.80	522.20			1,096.90
1988	6,020.20				87.10		14,429.80	634.30			1,539.00
1989	6,612.40				100.70		22,429.80	2,541.80			2,223.90
1990	13,224.70				96.40		35,562.70	1,564.70			3,837.70
1991	20,074.20				320.30		43,855.30	2,592.90			4,632.90
1992	16,684.47				1,221.17		40,941.27	4,946.27			5,291.67
1993	17,882.94				1,477.30		50,885.24	6,600.50			10,560.70
1994	24,432.66				2,060.58		72,709.24	3,532.43			10,597.29
1995	21,085.45				432.50		55,345.27	3,384.82			4,774.37
1996	17,236.08				224.39		37,129.42	4,316.84			8,655.80
1997	13,919.67				656.53		43,702.68	4,315.86			15,016.24
1998	18,826.03				2,788.12		57,913.51	5,748.32			22,777.41
1999	17,738.86				2,808.18		91,354.11	6,552.43			34,322.23
2000	21,432.21				7,169.02		106,791.61	11,443.77			45,899.00
2001	38,955.30				4,301.40		135,759.50	13,923.30			40,834.50
2002	97,683.09				25,897.95		145,857.91	30,671.79			62,370.20
2003	97,795.04				33,570.36		213,204.19	38,669.09			74,697.31
2004	147,111.24				46,098.74	6,196.12	242,075.52	42,157.11			92,206.08
2005	177,320.30				85,743.24	27,091.85	293,812.53	83,074.29			108,426.06
2006	266,865.57	17,609.50	6,924.69	492.23	47,405.16	21,935.28	438,961.64	83,456.85	52,255.61	186.85	194,353.89
2007	298,419.82	18,180.13	6,800.20	4,323.04	92,269.32	41,480.82	559,422.77	104,102.54	49,137.95	890.49	208,556.75
2008	515,935.95	17,227.60	7,183.34	242.27	122,001.11	37,727.79	612,670.58	142,992.84	76,445.98	11,906.28	320,600.61
2009	467,097.06	15,660.14	18,058.45	56.17	105,843.68	18,926.25	565,775.48	148,713.37	101,055.84	3,438.70	457,407.25
2010	691,210.27	49,932.79	15,557.55	2.13	142,600.08	33,943.70	786,470.55	182,071.62	170,639.18	12,947.64	533,990.32
2011	911,515.13	81,206.83	17,700.22	275.13	177,691.82	42,323.47	928,226.17	320,142.39	293,443.58	12,825.31	544,894.40
2012	938,914.96	42,932.42	1,030.97	211.88	231,269.35	55,158.01	991,795.94	410,747.97	380,064.17	13,580.71	610,053.91
2013	965,140.58	34,681.12	14,769.69	2,316.50	251,254.97	96,738.99	1,160,593.75	514,408.39	486,344.89	20,072.74	727,537.95
2014	1,082,619.10	36,875.03	18,952.67	9,721.65	302,707.88	185,848.01	1,423,823.15	653,706.54	491,139.84	115,813.08	948,014.97
2015	1,174,247.68	43,514.17	25,237.07	6,782.16	404,605.80	275,233.33	1,695,755.51	741,415.77	670,305.32	59,118.44	1,231,131.96



Table 2.11: Commercial Banks- Domestic Lending by Activities (continues)

End of Period	Agriculture	Fishing	Forest	Hunting	Financial Intermediaries	Mining and Quarrying	Manufacturing **	Building and Construction	Real Estate	Leasing	Transportation and Communication
1966											
1967	102.10				9.00		114.80	25.20			10.40
1968	99.50				8.20		142.00	41.30			15.60
1969	109.60				21.30		196.10	40.80			18.50
1970	171.60				31.70		214.10	35.60			45.30
1971	223.00				74.70		27.90	40.30			18.50
1972	96.20				68.20		255.50	31.10			41.60
1973	88.40				81.30		360.40	35.80			40.30
1974	116.40				78.30		627.80	46.00			36.00
1975	165.80				75.40		896.70	34.00			42.70
1976	153.80				51.70		1,038.60	28.80			43.00
1977	175.30				68.20		1,418.20	38.50			37.10
1978	183.90				69.60		2,564.50	105.70			33.00
1979	209.50				101.20		1,695.00	111.20			91.50
1980	445.20				73.80		658.20	130.50			135.60
1981	482.20				72.90		583.00	135.10			140.30
1982	417.70				59.90		681.50	160.50			204.70
1983	307.50				40.30		794.80	226.60			246.70
1984	652.60				6.50		1,331.50	333.30			252.70
1985	642.50				0.20		1,443.20	313.50			367.30
1986	1,362.30				22.00		1,451.30	426.50			414.20
1987	4,039.40				54.00		6,262.80	522.20			1,096.90
1988	6,020.20				87.10		14,429.80	634.30			1,539.00
1989	6,612.40				100.70		22,429.80	2,541.80			2,223.90
1990	13,224.70				96.40		35,562.70	1,564.70			3,837.70
1991	20,074.20				320.30		43,855.30	2,592.90			4,632.90
1992	16,684.47				1,221.17		40,941.27	4,946.27			5,291.67
1993	17,882.94				1,477.30		50,885.24	6,600.50			10,560.70
1994	24,432.66				2,060.58		72,709.24	3,532.43			10,597.29
1995	21,085.45				432.50		55,345.27	3,384.82			4,774.37
1996	17,236.08				224.39		37,129.42	4,316.84			8,655.80
1997	13,919.67				656.53		43,702.68	4,315.86			15,016.24
1998	18,826.03				2,788.12		57,913.51	5,748.32			22,777.41
1999	17,738.86				2,808.18		91,354.11	6,552.43			34,322.23
2000	21,432.21				7,169.02		106,791.61	11,443.77			45,899.00
2001	38,955.30				4,301.40		135,759.50	13,923.30			40,834.50
2002	97,683.09				25,897.95		145,857.91	30,671.79			62,370.20
2003	97,795.04				33,570.36		213,204.19	38,669.09			74,697.31
2004	147,111.24				46,098.74	6,196.12	242,075.52	42,157.11			92,206.08
2005	177,320.30				85,743.24	27,091.85	293,812.53	83,074.29			108,426.06
2006	266,865.57	17,609.50	6,924.69	492.23	47,405.16	21,935.28	438,961.64	83,456.85	52,255.61	186.85	194,353.89
2007	298,419.82	18,180.13	6,800.20	4,323.04	92,269.32	41,480.82	559,422.77	104,102.54	49,137.95	890.49	208,556.75
2008	515,935.95	17,227.60	7,183.34	242.27	122,001.11	37,727.79	612,670.58	142,992.84	76,445.98	11,906.28	320,600.61
2009	467,097.06	15,660.14	18,058.45	56.17	105,843.68	18,926.25	565,775.48	148,713.37	101,055.84	3,438.70	457,407.25
2010	691,210.27	49,932.79	15,557.55	2.13	142,600.08	33,943.70	786,470.55	182,071.62	170,639.18	12,947.64	533,990.32
2011	911,515.13	81,206.83	17,700.22	275.13	177,691.82	42,323.47	928,226.17	320,142.39	293,443.58	12,825.31	544,894.40
2012	938,914.96	42,932.42	1,030.97	211.88	231,269.35	55,158.01	991,795.94	410,747.97	380,064.17	13,580.71	610,053.91
2013	965,140.58	34,681.12	14,769.69	2,316.50	251,254.97	96,738.99	1,160,593.75	514,408.39	486,344.89	20,072.74	727,537.95
2014	1,082,619.10	36,875.03	18,952.67	9,721.65	302,707.88	185,848.01	1,423,823.15	653,706.54	491,139.84	115,813.08	948,014.97
2015	1,174,247.68	43,514.17	25,237.07	6,782.16	404,605.80	275,233.33	1,695,755.51	741,415.77	670,305.32	59,118.44	1,231,131.96

Source: Bank of Tanzania

Note: Beginning June 2006, new BOT Form 16-1 was introduced with coverage of more economic activities, **Prior 2004 commercial banks lending to the manufacturing activities include lending extended to the mining activities.



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