

**An assessment of the contribution of credit reference system towards mitigating non performing asset (npa) in Tanzanian commercial banks**

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The study sought to assess the contribution of credit reference system towards mitigating non performing asset (NPA) in Tanzanian commercial banks. This study adopted descriptive research design with a population of 39 fully fledged commercial banks and two credit reference bureaus licensed in Tanzania by Bank of Tanzania. A sample size of 94 respondents was drawn from selected commercial banks and two credit bureau by using purposive sampling and stratified random sampling method. Primary and secondary sources were used. The primary data was collected using a structured questionnaire and secondary data were obtained from financial reports, library, and banks' records and other resourceful information available for 11 years from 2005 to 2015, the duration before and after operation of the Credit Reference Bureau (CRB) in Tanzania. The study used both quantitative and qualitative techniques to analyze data from the questionnaire in order to compensate for the weakness and disadvantage of each separate technique and hence increase the reliability and validity of research findings. Data collected were edited, coded and tallied according to their themes and analyzed into total scores, frequencies, and percentages using Statistical Package for Social Sciences (SPSS) and Microsoft Excel computer programs and results were presented in tables, pie charts, bar graphs and figures. Multiple linear regression model was used in measuring the regression association between variables and a correlation analysis was performed to find whether variables are strongly related to each other in the model. The study found that introduction of Credit Reference Bureaus (CRBs) in Tanzania up to this moment has not been able to reduce nonperforming assets to a remarkable point. However to a large extent reputational collateral and credit criteria show to facilitate in the mitigation of nonperforming assets (NPA). A researcher recommends that more efforts and policies have to be created by the Bank of Tanzania (BOT) to enforce the commercial banks on using the credit reports from the CRBs during appraising and approving the borrower's loans.