

Presidential Trust Fund	TANZANIA
<i>Non Governmental Organisation</i>	<i>Report as of February 2005</i>

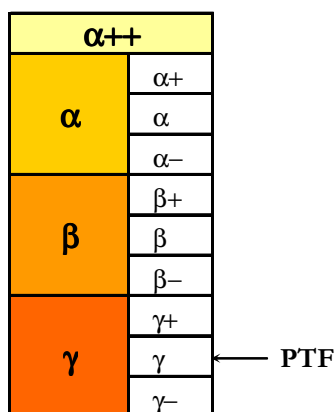
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PERFORMANCE RATING	γ
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Date of visit	May 2005
Date of previous rating	n.a.
Previous rating	n.a.



Main Performance Indicators		
	Jun '04	Feb '05
Gross Portfolio ('000's)	\$1,441.3	\$1,895.6
Number of active borrowers	10,147	10,922
ROE	(0.7%)	10.5%
Portfolio Yield	42.1%	44.7%
Portfolio at Risk	n.a.	n.a.
Operating Expense Ratio	37.6%	31.5%
Average Loan Size	\$142	\$174
Borrowers per staff	166	179

Synopsis

The Presidential Trust Fund for Self Reliance (“PTF”) was started as a government initiative, but registered as an NGO in 1988. The portfolio composed entirely of group loans stood at roughly \$1.9 million in February 2005. Operations are conducted through 7 (mainly urban and peri-urban) branches, servicing around 11,000 clients. Following three years of successive losses, the MFI returned to profitability in the 8 months to February 2005. This bodes well as PTF has grown beyond its available grant income. The institution is now more reliant on commercial debt, which has been difficult to secure. Accordingly, the institution is not highly geared, with borrowings comprising 16% of capital and just 18% of the gross loan portfolio.

Highlights
POSITIVE

- Return to profitability in February 2005.
- Good improvement in operating efficiency.
- Slowly building up experience in negotiating and repaying commercial debt.

NEGATIVE

- Lack of adequate funding to manage future growth.
- Inadequate internal controls.
- Gaps in senior management.
- The MIS is weak and is constraining operations.
- Supervision of branches needs improvement.
- Long way behind competitors in terms of transformation into a regulated institution.

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