**MISSION**
To invest in the dreams of the poor in the world’s underserved communities so that they might be released from physical and spiritual poverty.

**METHOD**
HOPE International provides excellent microenterprise development and financial services that intentionally and effectively proclaim Jesus Christ in word and action.

**MOTIVATION**
The love of Jesus Christ motivates us to identify with the poor and care for their physical and spiritual condition.

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**Credits**
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Unless otherwise noted, statistics provided throughout the 2010 annual report are as of December 2010.
2010: THE YEAR IN REVIEW

OUR STORY

We’re a group of dreamers observing the historical trends of poverty reduction and doing our part to make poverty a thing of the past. Charity alone won’t be enough. Some of the best solutions reside within those who live in poverty, so we invest in their ideas and dreams by providing financial services—like small loans and a safe place to save—and biblically based business training.

Believing that true transformation begins with a changed heart that can only come from a relationship with Jesus Christ, HOPE International commits to culturally appropriate evangelism and discipleship in each of the 14 countries in which we work throughout Africa, Asia, Eastern Europe, and the Caribbean.

We’ve seen this approach making a difference for each of the nearly 300,000 clients in our network, and we believe Christ-centered microfinance has an important role to play in the continued fight against poverty.

Supply and demand

Despite the growing number of microfinance institutions (MFIs), tremendous need remains. Christ-centered organizations like HOPE meet less than 1 percent of the global demand for microfinance.

Looking forward

Too many still lack the opportunity to hear the Gospel and put their God-given skills to work. For their sake, we’re committed to extending our outreach.

In HOPE’s first 13 years, we’ve issued 1 million loans. We’re building momentum, and within the next four years, we plan to issue our second million loans.
**IN REVIEW**

**STRENGTHENING PROGRAMS**

**Field contributions**

We want to deepen and widen our reach to meet the needs of greater numbers of those who live in physical and spiritual poverty. In 2010, HOPE’s growing emphasis on savings resulted in a 22 percent increase in average client savings.

**Savings**

Small business loans aren’t the answer for every potential client. Some families simply need a safe place to save their hard-earned income. In 2010, HOPE’s growing emphasis on savings resulted in a 22 percent increase in average client savings.

HOPE’s new director of spiritual integration worked with each of the 16 programs in our network to develop spiritual integration plans appropriate to each unique context. These plans will be prayerfully implemented in the coming year to ensure that HOPE’s programs effectively bear witness to Jesus Christ in both word and deed.

**Alliances (page 26)**

**HOUSTON TECHNICAL EXPERTISE PROVIDED TO PROGRAMS**

16,080
Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen.

EPHESIANS 3:20–21
Eventually the unstoppable force sinks into the only remaining chair in her modest home, as we move past the pleasantries of an extended Dominican introduction, and our conversation takes a more serious turn. “Those who triumph need to have been defeated,” she says, her voice thick with emotion and experience. She tells me that her relationship with HOPE’s Dominican partner began six years ago—just months before she became a single mother to her five children. Tears pool in her eyes as she explains the significance of Esperanza International in her life: “I don’t have the words to describe all they’ve done for me.”

She first sought an $80 loan to sell gas to local passersby who could not make it to the nearest station. When she repaid the loan after six months, she decided to take a second loan to open a vegetable stand. Today she runs a small colmado, or convenience store, where she sells not only fresh vegetables but also beans, rice, and other Dominican staples.

She has received and repaid 12 small loans, ranging from $80 to $130. “There are not other banks like this one,” Angela says. “Others just want their money to be repaid. Here they also want you to better yourself.”

In her community, Esperanza provides literacy training, dental care, and health care. For Angela personally, HOPE’s partner is a source of not only loans but also spiritual encouragement and support. “If you would give me 20,000 pesos ($525), I could buy clothes and food for my family, but then what?” she asks. “Instead, Esperanza gave me motivation.”

That motivation is evident in her business. It isn’t large, but it’s tidy, organized, and obviously loved. Having her own business has enabled Angela to stay close to her home and children, while others in her batey, or sugarcane workers’ community, have had to seek work in distant tourist towns. Because she runs her own business, she says she has time to listen to God’s Word as she works and to go to church when she would like. “This nourishes me,” she explains.

She looks around her home, then directly into my eyes, as she says, “I feel happy and content. I have my own business. I have my children. Although I may not have much materially, I am rich.”

For the past six years, Angela hasn’t given her business a name. It’s evident the decision carries great weight with her, and she wants the name to summarize what she’s learned in business and in life. As we talk, she pauses to say that she thinks she might name her colmado “Fe y Esperanza en Dios”—Faith and Hope in God.

by Jill Heisey, staff writer
"I feel happy and content. I have my own business. I have my children. Although I may not have much materially, I am rich."

ANGELA MERCEDES
HUMBLE BEGINNINGS
MEET A BIGGER PLAN

“Thirteen years ago, HOPE International issued its first 12 loans in Ukraine. We’ve grown into a network of 16 microfinance programs spread throughout Africa, Asia, Eastern Europe, and the Caribbean. We span countries, languages, and time zones, and at any given moment, there is always someone in our network at work, providing hope and restoring dignity through Christ-centered microfinance.”

PETER GREER | PRESIDENT OF HOPE INTERNATIONAL

THE NEXT 1,000,000 LOANS

In 2010, HOPE International celebrated the distribution of our millionth loan. It was a time to reflect on the plans and provision of a God who “is able to do immeasurably more than all we ask or imagine” (Ephesians 3:20). Thirteen years ago, as we issued our first 12 loans in Ukraine, we prayed for wisdom and the ability to reach those in poverty with financial provision and the hope of the Gospel. A million loans later, our prayer remains the same.

Behind each loan is a story: of potential unleashed, investments made, and hope renewed. As we celebrate 1 million loans and the million stories they represent, we look toward the future and all those who could still benefit from the opportunities Christ-centered microfinance provides. We’re continuing to strive for technical excellence and ministry effectiveness, and in the next four years, we plan to issue our second million loans.

Projected growth

HOPE’s anticipated expansion includes growth in portfolio, clients, and programs.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Portfolio Outstanding</th>
<th>Active Clients</th>
<th>Number of Programs</th>
</tr>
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<tr>
<td>2010</td>
<td>$23,111,267</td>
<td>289,858</td>
<td>16</td>
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<tr>
<td>2011</td>
<td>$40,000,000</td>
<td>350,000</td>
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<tr>
<td>2012</td>
<td>$50,000,000</td>
<td>500,000</td>
<td>21</td>
</tr>
</tbody>
</table>

THROUGHOUT 2010, HOPE DISTRIBUTED ROUGHLY ONE MILLION LOAN EVERY TWO MINUTES.

BY 2014, WHEN WE HAVE ISSUED OUR NEXT LOANS, AN AVERAGE OF ONE LOAN WILL BE DISBURSED NEARLY EVERY MINUTE.
CLIENT-CENTERED SERVICES

The microfinance spectrum

Clients confronting different levels of poverty may have very different financial needs. HOPE International provides services that range from savings, which are well-suited to the needs of the very poor, to small and medium enterprise loans that create jobs and stimulate communities’ economic growth.

- SMALL AND MEDIUM ENTERPRISE
  $5,000–$50,000 loans
- MICROFINANCE
  $50–$5,000 loans
- SAVINGS & CREDIT ASSOCIATIONS
  Internal loans and savings

Population estimates as of 2005
Yet to all who did receive him, to those who believed in his name, he gave the right to become children of God—children born not of natural descent, nor of human decision or a husband’s will, but born of God.

John 1:12-13
In India, spiritual transformation precedes physical transformation. Microfinance has come to be seen as both a blessing and a curse in India: While access to capital creates considerable opportunities for some, it has opened the door to crushing debt for others who have fallen victim to unscrupulous lenders. After several clients of for-profit microfinance institutions became inextricably mired in debt in 2010, many began to question whether microfinance was helping or hurting India’s poor.
HOPE International unequivocally believes that microfinance has a role to play in India, where we have worked to provide financial services for the poor since 2007. But we also believe that microfinance isn’t a one-size-fits-all industry. Not everyone needs—or is prepared to manage—a loan.

Instead of issuing loans, HOPE India* focuses on savings, training clients to form groups of 10–12 individuals, each of whom contributes $2 a month to a joint savings account held in a local bank. Through these groups, clients not only gain access to a commercial bank and create a safe pool from which they can borrow but also build solidarity and begin to look at themselves in a different light.

HOPE’s savings groups target members of India’s two lowest castes: those society has deemed less than human. “The core [of the caste system] is that every person is created unequal,” says HOPE India’s country director.** He explains that when clients first come to HOPE India, many are resigned to their fate, which they believed was ordained by the gods. “They’re not supposed to have hope and a future,” he says.

Changing this mindset is one of HOPE’s first orders of business: “We tell them, ‘You’re created in God’s image, and He has a plan and a future for all of you,’” says HOPE India’s director. These lessons take root as clients see that HOPE India staff members treat them as equals.

He shares the story of one client, a skilled tailor who loves to design clothing. Before joining a savings group, she would passionately and painstakingly create new designs—and then throw them in the trash. She believed that both she and her designs were worthless, but her group disagreed. As they accumulated enough savings, they loaned her the money to buy a sewing machine. And as they believed in her, she began to believe in herself. She participated in HOPE India’s vocational trainings, expanding her skills and interests to designing home furnishings as well as clothing. A thriving business testifies to the changes that have taken place in her life—as does a portfolio filled with her designs.

Prior to joining savings groups, desperation forced as many as 80 percent of HOPE India’s clients to borrow from moneylenders, paying as much as 20 percent interest per month. Now 90 percent of these clients have completely broken free from the grip of predatory lenders as they instead receive interest on their own savings.

Many of the women HOPE India serves once felt like helpless victims of fate. Now they feel like empowered agents of change. They are saving their own money, starting their own businesses, and providing for their own families. More than that, they’re giving back to their communities through monthly outreaches with their savings groups. HOPE India’s director describes the change that has taken place in these clients: “This is an absolutely hope-filled life.”

*For security reasons, HOPE’s partner in India is identified only as HOPE India.
**For security reasons, HOPE India’s country director is not identified.
HOPE network Savings and Credit Association programs

**Rwanda**
- Program started: 2007
- Members: 68,403
- Avg. savings per member: $8

**India**
- Program started: 2007
- Members: 3,281
- Avg. savings per member: $23

**Haiti**
- Program started: 2010
- Members: 319
- Avg. savings per member: $71

**Philippines**
- Projected start date: 2011
- Projected members: 1,500
- Avg. savings per member: —

**Peru**
- Projected start date: 2011
- Projected members: 500
- Avg. savings per member: —

**Zimbabwe**
- Projected start date: 2011
- Projected members: 500
- Avg. savings per member: —

THE VALUE OF SAVINGS

In developed countries, banks compete for our money; we have the privilege of choosing where to invest our savings for the greatest return. Yet in countries with few financial institutions, sometimes only the wealthiest are given the opportunity to save.

The money accumulated by those living in poverty is often at risk of loss, theft, or deterioration. Recognizing the importance of saving to prepare for important life-cycle events or create a buffer against emergencies, the poor will often pay for the privilege of saving—sometimes as much as 30 percent.

Savings services can be an added benefit to HOPE’s microloan recipients, or they can stand alone and reach those who simply need a place to translate their small or irregular income into usable lump sums.

In 2010, HOPE significantly expanded its stand-alone savings services in India and Rwanda and began a new savings program in Haiti. HOPE also enables loan recipients in Burundi, the Dominican Republic, Haiti, the Philippines, and Rwanda to safely deposit savings. In 2011, we intend to open stand-alone savings programs in three additional countries: Peru, the Philippines, and Zimbabwe.
Changing lives

In 2010, an independent researcher conducted a one-time impact assessment of HOPE’s savings program in Kigali, Rwanda. The results revealed dramatic changes in the lives of program participants.
$325,085,295
88%
HOPE International’s network consists of 16 programs in 14 countries around the world. In some locations, HOPE has come alongside a like-minded partner to effectively deliver Christ-centered economic development (HOPE partner). In other locations, we initiated our own program (HOPE-led). Services provided across the network include savings and credit associations, group loans, individual loans, and small and medium enterprise loans, as well as discipleship and basic business training.

*Name withheld for security.
In the same way, let your light shine before others, that they may see your good deeds and glorify your Father in heaven.

MATTHEW 5:16
Though a few years have passed, Jacinta Fomukong distinctly remembers the words of Simeon Havyarimana, HOPE Congo’s first managing director, when they met at a microfinance training course in Kenya in 2008. They were walking out of a church service when he told her he had felt the Holy Spirit lay it on his heart that they would work together in Congo. But with a job she enjoyed at a microfinance institution (MFI) in her home country of Cameroon, Jacinta had no plans to move to the Republic of Congo, where HOPE was still registering its newest program.

“A LIGHT IN THE DARKNESS
ONE STAFF MEMBER’S STORY OF GOD’S FAITHFULNESS

“I said, ‘OK, if that is what the Holy Spirit is saying, so shall it be, but I don’t have anything in mind about leaving my country.’”

When she returned home to her job at a secular MFI, Simeon’s words lingered, even as questions about her own job grew. While she passionately believed that she was serving clients’ physical needs, she started praying for the opportunity to minister to their spiritual needs as well.

Jacinta had first felt a calling to serve the Lord at the age of 12, after spending time with local missionaries and observing their sacrificial ministry. It was through these missionaries that she was first exposed to real poverty at the age of 22, when she accompanied them on a trip to the rural areas of northern Cameroon.

“When I saw people with no power, no water, in little huts, I was really moved. ... That is when you can really appreciate what you have and know that there are people who lack the basics.”

Despite her role alleviating physical poverty, Jacinta still felt that something was missing: “There was this gap that was in my heart. ... I felt like there was something lacking in me.” When she visited HOPE’s website and realized it was a Christian organization, Jacinta felt it was an answer to her prayers. Over the next several months, God confirmed to Jacinta that He was preparing a place for her at HOPE. Although it meant temporarily leaving her 4-year-old daughter with relatives while she went ahead to settle into a new country, Jacinta obediently “moved like Abraham to work for HOPE as God was leading.”

Jacinta can see God’s hand at work in preparing her for her current role. During her nine years at her previous job, she served in a variety of roles, including field technical assistant, risk management officer, and chief of personnel services. Jacinta was able to bring this range of experiences to HOPE Congo in its first year, during which time the program grew to serve over 1,000 clients while maintaining a 100 percent repayment rate.

As operations manager, Jacinta tracks whether HOPE Congo is meeting its goals each week, working with clients and field staff alike to ensure that they receive the support they need. She also helps coordinate HOPE Congo’s spiritual integration strategy, connecting with local pastors who provide devotional messages at community bank meetings.

Jacinta firmly believes that this dual focus of ministering to clients’ spiritual and physical needs is a key component of HOPE’s success: “When we look at the spiritual life of the people out here, there is so much work that has to be done. ... HOPE being here is like light has come into this place.”

As she reflects back on her journey, Jacinta praises God for His hand in her life: “Each day all I can say is, ‘Father, you are faithful. Your love endures forever.’ I have seen His faithfulness. I have seen His love. I have seen His provision. I have seen His mercy all around within this short period. Despite all that happens at times, I’m not moved, because God has proven faithful to me all this while.”
HOPE IN CONGO
VALUE OF LOANS DISBURSED
$701,662

NUMBER OF LOANS DISBURSED
1,350

REPAYMENT RATE (2010)
100%
The HOPE Global Investment Fund (HGIF) was established in 2007 to help HOPE’s microfinance institutions (MFIs) mature. Early in their life, MFIs rely on grant funding to initiate, sustain, and expand their work, but given time and the ability to set appropriate interest rates, MFIs work toward operational self-sufficiency. HOPE encourages its maturing MFIs to partner with microfinance investment vehicles. Investment capital enables MFIs to enhance growth through further expansion of loan portfolios and encourages MFIs to develop stronger financial and operational controls. Since 2007, HGIF has disbursed over $2 million to MFIs within HOPE’s network.

The next generation
HOPE International’s desire to break generational cycles of physical and spiritual poverty motivates us to channel a portion of our microfinance profits to indigenous children’s and youth ministries that share the hope of the Gospel in the communities in which we work. As HOPE’s microfinance programs become self-sufficient and profitable, they will each select a local Christ-centered children’s ministry to assist through funding and volunteer support. These ministries are a key component of HOPE’s plan to reach communities for Christ through holistic services that break the chains of physical and spiritual poverty—impacting clients, their families, and generations to come.

**PARTIAL LIST OF CHILDREN’S MINISTRY PARTNERS**
- Philippines – Visions of Hope
- Romania – Word Made Flesh
- Ukraine – Tomorrow Clubs
In 2010—one of the toughest years the building industry has seen for several generations—builders and trade partners joined forces to build nine Homes for Hope, generating over half a million dollars for the mission and ministry of HOPE International. Over 500 subcontractors, suppliers, and consultants worked at or below cost and gave over 6,000 volunteer hours to empower those in poverty.

HOMES FOR HOPE (H4H) invites builders and their trade partners to alleviate global poverty by doing what they do best: building a home. In 2010, the story of Homes for Hope has been a story of sacrificial giving. One builder told Homes for Hope Executive Director Michael Lennon, "Neither we nor our trade partners will make any money this year, but we’re building a Home for Hope because it’s the right thing to do.” In 2010, Homes for Hope partners built nine homes in three states to support HOPE’s work alleviating poverty around the world.

Grant to HOPE International

$550,000

HOMES FOR HOPE (H4H) invites builders and their trade partners to alleviate global poverty by doing what they do best: building a home. In 2010, the story of Homes for Hope has been a story of sacrificial giving. One builder told Homes for Hope Executive Director Michael Lennon, "Neither we nor our trade partners will make any money this year, but we’re building a Home for Hope because it’s the right thing to do.” In 2010, Homes for Hope partners built nine homes in three states to support HOPE’s work alleviating poverty around the world.

2010 builders

- Keystone Custom Homes – 3 homes (Lancaster, PA)
- Desmond Construction* (Lancaster, PA)
- Brentwood Builders & Elm Tree Properties (Mt. Joy, PA)
- FoxBuilt (Lewisberry, PA)
- KDC Built (Des Moines, IA)
- Grand Homes (Dallas, TX)
- Antares Homes* (Ft. Worth, TX)

*H4H received revenue from these Homes for Hope in 2010, but they were built in 2009.
HOPE International not only follows the Great Commandment to ‘Love your neighbor as yourself,’ but they couple it with the Great Commission to ‘Go and make disciples of all nations.’ HOPE emphasizes integrating Christian spiritual transformation into their economic development work. This results in true, long-lasting transformation.

Henry Kaestner
Co-Founder and Executive Chairman of Bandwidth.com

“I am all about entrepreneurship, dignity over dependency, and any relational engagement that allows for a service provider to earn the right to share the reason for the hope that they have with gentleness and respect. I am honored to join the board of an organization that is all about what I’m all about. Especially if it’s what God is all about.”

Dr. Dennis Hollinger
President & Colman M. Mockler Distinguished Professor of Christian Ethics, Gordon-Conwell Theological Seminary

“I firmly believe that Christians must be committed to responding to the poverty and deprivation in our fallen, broken world. I also believe that we need wise approaches that truly make a difference in the local context. The microfinance model is one that works economically and empowers people—giving them dignity and hope. I am delighted to be on the board of HOPE International because it works at all this from a Christian framework and is committed to addressing spiritual poverty along with economic poverty.”

Kim King
Assistant Chief Attorney, Compliance Group, Exxon Mobil Corporation Law Department

“Microfinance is a way to help the working poor improve their lives and those of their families. I was attracted to HOPE because of its holistic approach to microfinance, seeking to foster spiritual as well as economic wholeness for the glory of Jesus Christ. In addition, I was impressed with HOPE’s desire for excellence in serving others.”
The effects of poverty are the same everywhere: loss of dignity, hopelessness, anger. The faces are different, but the effects are the same.” Christine Baingana was first drawn to HOPE by her desire to empower those in poverty, and HOPE’s intentional Christian witness confirmed her decision. She started at HOPE in September 2010 and brings over 15 years of experience in financial services, corporate management, and development work, as well as an M.A. in public administration from Harvard’s Kennedy School and a B.A. in business administration from Newport University.

Manny Palis joined HOPE Congo in December 2010 after extensive experience with the United Nations and leading microfinance institutions. He previously served with microfinance institutions in Kosovo, Mongolia, the Philippines, and Papua New Guinea. “I want to lead HOPE Congo with a transformational leadership style, where staff lives are changed from the inside out,” he says. Manny’s education includes an M.A. in agrarian studies, extensive coursework at Harvard University, and an advanced leadership and evangelism course at the Haggai Institute.

As I began to learn about microfinance and business as mission, I became increasingly drawn to organizations that combined an unashamed desire to share the Gospel with sustainable approaches to poverty alleviation,” says Matthew Rohrs. After nearly a decade in pension investment consulting and the completion of his MBA at the University of Notre Dame, Matthew joined HOPE’s team in July 2010, bringing with him a passion for finding synergy between ministry and business and a desire to empower the Church on a global scale.

David Wong joined HOPE in January 2010 after a 30-year career in banking and financial services that included roles as partner and director at Arthur Andersen LLP and PricewaterhouseCoopers, respectively. David holds an MBA from Fairleigh Dickinson University and a B.S. in management communication from Adelphi University. He’s passionate about both banking and spiritual integration: “Working with HOPE is the opportunity to use my hands to serve my heart; it’s a chance to apply skills I developed in business in service of the Kingdom.”
CROWN FINANCIAL MINISTRIES and HOPE International have partnered to bring HOPE staff and clients access to the Gospel in a new way with the God Provides Film Learning Experience. Depicting such familiar biblical narratives of faith, hope, and trust as the widow’s oil, Jeremiah’s call, Abram’s reward, Abraham and Isaac, the rich man and Lazarus, and Nicodemus’ talk with Jesus, the six-part film series will play an integral role in HOPE’s staff devotions and community bank meetings. With their rich, visual storytelling, the videos will be a particularly effective means of sharing the Gospel with HOPE’s clients in places where literacy rates are low.

58: is an action-based alliance of churches and world-class, poverty-fighting organizations working together to end extreme poverty. Based on the true fast of Isaiah 58, where God calls His people to “loose the chains of injustice,” 58: believes that we have a moral obligation to use the resources entrusted to us to end the injustice of poverty. 58: aims to personalize poverty eradication strategies, inviting the global Church to get behind this mission with their time, skills, and resources. In order to do so, 58: has selected leaders from various sectors of the fight against global poverty, including HOPE International, who are responsible for defining objectives and measuring effectiveness in their field of work. HOPE will be responsible for ensuring excellence in practice in the “finance and investment” sector, facilitating transparent, participatory, and meaningful connections between implementers and responding Christian audiences.

MICROFINANCE TRANSPARENCY was developed in response to concerns that instead of putting unscrupulous moneylenders out of business, a few microfinance institutions had themselves become guilty of usurious lending and misleading interest rates. With allegations of predatory lending hitting the microfinance sector in 2010, HOPE has reaffirmed the importance of its partnership with MFTransparency, along with our commitment to transparent lending practices.

When MFTransparency launched in 2008, HOPE was the first microfinance network to endorse it. We also showed our support by providing marketing assistance and participating in MFTransparency focus groups.
The theater-quality short films bring biblical truths to viewers in an easily understood format, speaking compellingly to those who may struggle to read the Scriptures for themselves. In 2010, the films were piloted with HOPE staff and local pastors in the Dominican Republic and the Republic of Congo. As we begin sharing these videos with clients at weekly or biweekly community bank meetings, HOPE’s spiritual integration coordinators and loan officers will work together to recruit and train local pastors to facilitate the videos and a subsequent time of discussion, strengthening HOPE’s partnership with local churches and bringing clients into ongoing contact with spiritual leaders in their communities.

**58:** aims to address 13 sectors:
- Governance and corruption
- Finance and investment
- Health services
- Community development
- Water, sanitation, and infrastructure
- Food security and agriculture
- Environmental stewardship
- Child development
- Leadership development
- Justice and rescue
- Disaster response
- Refugee resettlement
- Orphan response

The microfinance sector is not governed by the Truth in Lending Laws that many countries have adopted to protect citizens against abuses within the formal financial sector. To ensure that microfinance institutions will not be able to prey upon the desperation of the poor for their own gain, MFTransparency proposes that microfinance institutions around the world disclose their interest rates in annual percentage rate (APR) terms.

The veracity of reported rates is verified by a team of researchers who examine actual loan-tracking logs utilized by the institutions. The resulting rate information is made available free of charge to microfinance donors, clients, reporters, academics, and others.

**OTHER PARTNERS**

**Funding partners (partial list)**
- Edify
- Habitat for Humanity
- MISFA
- Oikocredit
- Project 7
- Triple Jump

**Partner networks**
- Opportunity International
- World Relief
- World Relief Canada
We always thank God for all of you and continually mention you in our prayers. We remember before our God and Father your work produced by faith, your labor prompted by love, and your endurance inspired by hope in our Lord Jesus Christ.

1 Thessalonians 1:2-3
GIVING HOPE

God continues to bless HOPE with a growing number of supporters across the country and around the world—many of whom creatively use their time and their talents to raise support for HOPE.

BRYAN CHRISMAN (CO)

As they sat in the Santo Domingo airport waiting to return home from their first HOPE Trip to the Dominican Republic (D.R.), Bryan Chrisman and his co-worker were already brainstorming ways to transform the experience into concrete action. Having just witnessed the impact of Christ-centered microfinance for themselves, they decided to invite several friends to help fund a community bank—on the condition that they also travel to the D.R. on a “vacation with a purpose” the following summer. To host these donors and their families, Bryan and his family rented a five-bedroom house for the month of July, where they welcomed 17 families, around 70 people, over the course of three weeks. Together, the group raised $16,000, enough to fund two banks, and another family on that trip is hosting a similar vacation with a purpose in 2011. “Our kids need to be reminded that where we live is not normal,” says Bryan of his motivation for the trip. “We simply won the birth lottery.”

RYAN BRUBAKER (PA)

When Ryan Brubaker was 14, he watched the Ironman World Championships on television and dreamed of one day competing in this ultimate race—a grueling 2.4-mile swim, 112-mile bike ride, and 26.2-mile run. At age 36, Ryan not only made that dream a reality when he competed in the 2010 Ironman Louisville, he also used the opportunity to invest in the dreams of the poor by raising money and awareness for HOPE’s work. Ryan was first inspired to raise funds for HOPE when he read in HOPE’s gift catalog that a $100 loan could buy a bicycle in Rwanda, allowing clients to increase their income by offering taxi services to others. “That simple example made a connection with me. HOPE International does amazing work around the globe, and I am excited to be a part of it.” Through his efforts, Ryan, who completed the race in a time of 11 hours, 12 minutes, and 46 seconds, raised over $2,300 to support HOPE’s clients around the world.

CARISSA YODER (MI)

In 2009, HOPE provided $10 to each participant at the Catalyst Conference and challenged them to turn that $10 into $100: enough to fund one HOPE client’s loan. “When I got home from the conference and found the envelope containing the money, I thought, ‘Oh darn, why did I take that?’” admits Carissa Yoder. A mother of five children, Carissa didn’t think she had the time to complete yet one more task.
After releasing a new CD last year, titled Fresh Lemonade, singer/songwriter Liz Goodgame donated all of the proceeds to HOPE. “HOPE is a Fresh Lemonade kind of organization—they are empowering hardworking, creative people to make lemonade in some of the toughest places in our world ... and I am honored to play a small part.”

When their dad returned from Catalyst and challenged them to turn $10 into $100 for HOPE, sisters Madeline and Hailey Campbell were up for the challenge. With the $10, they made 20 potholders and sold them for $5 each. “We figured lots of adults are raising money,” says Madeline, “so why shouldn’t kids do it?”

Through her shop on Etsy.com, Elizabeth Carroll sells handcrafted items for new mothers—and donates 20 percent of her proceeds to HOPE. “As an entrepreneur myself ... I realized that I wanted to help people with more than a one-time donation—I wanted my small donation to empower them to support themselves!”

But when she began brainstorming with some friends, Carissa realized that she could draw on her experience as a busy mom—and her need for nutritious, yet convenient dinner options. With her $10, Carissa began making healthy frozen dinners and sold them to other moms with young children, raising $300 in one month: “I am imagining three moms who have been able to feed their own children because of a small boost from us moms here in Michigan!”

Mobilized for Change 2010, by State

Number of Contributions to HOPE in 2010, by State

<table>
<thead>
<tr>
<th>State</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>TX</td>
<td>21</td>
</tr>
<tr>
<td>DE</td>
<td>10</td>
</tr>
<tr>
<td>IL</td>
<td>21</td>
</tr>
<tr>
<td>(IL)</td>
<td></td>
</tr>
<tr>
<td>(DE)</td>
<td></td>
</tr>
<tr>
<td>(TX)</td>
<td></td>
</tr>
</tbody>
</table>
SPREADING THE WORD

While a growing number of people around the country have heard of microfinance, a significant number remain unaware of its potential as a poverty-alleviating tool. To help address this gap, HOPE actively employs innovative means of mobilizing supporters, and 2010 saw the debut of several new educational outreaches. As even more people become educated and excited about the power of Christ-centered microfinance, a greater number of clients will in turn experience the dignity of working to provide for themselves, their families, and their communities.

Walk with the poor

Pathways out of Poverty is an interactive experience that invites visitors to remember the needy by walking alongside them for a moving journey from poverty to hope. Through this multi-sensory exhibit, participants are transported from Lancaster, Pa., into the stories of eight neighbors from around the world who daily confront challenges like finding clean water and obtaining adequate health care. Pathways hosted over 1,000 visitors within its first months of operation, sparking important discussion about how to respond to the pressing needs associated with global poverty.

www.pathways-exhibit.com
Share your passion

In January, HOPE was invited to exhibit at the 2010 Passion Conference in Atlanta. The goal was ambitious: to raise $40,000, enough to provide loans to 200 Haitian women. Students gave generously, donating over $60,000 to HOPE’s economic development efforts in Haiti—the need for which was brought into sharp focus in the aftermath of the earthquake a few weeks later. That $60,000, combined with the over $250,000 donated by HOPE supporters after the earthquake, enabled HOPE and its local partner, Esperanza, to mobilize quickly in response to the immediate needs following the disaster, as well as supporting our ongoing development work in Haiti.

Host an event

Containing a variety of party-planning resources—including recipes, a DVD, the Loan Cycle Game, and a comprehensive host’s guide—the Microfinance Microbox helps supporters plan anything from an informal game night to a full dinner party to raise support for HOPE. Much as microfinance itself gains momentum as loans are repaid and re-loaned to other entrepreneurs, the Microbox is designed to have an increasing impact as people share their passion for HOPE’s work with others.

www.hopeinternational.org/microbox
Wealth and honor come from you; you are the ruler of all things. In your hands are strength and power to exalt and give strength to all.

1 Chronicles 29:12
FINANCIALS

Management discussion of 2010 financial activities

HOPE International strives to maximize its revenue use for microfinance institution (MFI) program support and loan fund. In 2010, an impressive 83 percent of total revenue went to programs. All of these funds are used for technical assistance, in-country MFI and Savings and Credit Association (SCA) operations, and loan fund, supporting nearly 300,000 clients and over $23 million of net loan portfolio network-wide. The impact of these funds grows as loans are repaid and recycled, enabling more individuals to gain access to valuable savings and credit services to break free from the cycle of poverty.

Total contributions from individuals, businesses, foundations, and other organizations grew by over 16 percent from 2009 to 2010. This demonstrates strong growth in support despite a difficult economic environment that resulted in decreased donor giving to many organizations.

For the years ended December 31, 2009, and December 31, 2010, HOPE consolidated Higher Impact Properties and HGIF. 2010 was an important year for HGIF, as it received its first full repayment of two MFI loans in the amount of $712,000. This enabled HGIF to satisfy investor terms and repay $600,000 in HOPE Notes with interest. The 2010 financial statements also reflect the consolidation of HOPE Afghanistan, HOPE Congo, and HOPE Ukraine. HOPE International’s beginning net assets for 2010 were adjusted to consider these investments.

The consolidated schedule of financial position shows $1.6 million in a board-designated reserve. This includes a designated cash reserve of $300,000 for HOPE International as well as over $800,000 designated as an endowment for HOPE. The remaining $500,000 is a reserve established for HGIF that, along with $250,000 invested in HGIF by HOPE, acts as a first loss reserve for all investors.

CONSOLIDATED SCHEDULE OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010, AND DECEMBER 31, 2009 (UNAUDITED)

<table>
<thead>
<tr>
<th>SUPPORT &amp; REVENUE</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>$642,762</td>
<td>$1,287,046</td>
<td>$47,200</td>
<td>$1,977,008</td>
<td>$2,115,774</td>
</tr>
<tr>
<td>Businesses</td>
<td>245,153</td>
<td>325,547</td>
<td>—</td>
<td>570,700</td>
<td>157,391</td>
</tr>
<tr>
<td>Foundations &amp; other organizations</td>
<td>848,445</td>
<td>2,316,863</td>
<td>—</td>
<td>3,165,308</td>
<td>2,657,201</td>
</tr>
<tr>
<td>Homes for Hope</td>
<td>497,855</td>
<td>52,145</td>
<td>—</td>
<td>550,000</td>
<td>355,000</td>
</tr>
<tr>
<td>Special event revenue (net of expenses)</td>
<td>300,110</td>
<td>686,982</td>
<td>—</td>
<td>987,092</td>
<td>1,028,519</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>46,735</td>
<td>100,818</td>
<td>199,549</td>
<td>347,102</td>
<td>206,509</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income - MFI &amp; HGIF</td>
<td>1,196,462</td>
<td>17,763</td>
<td>24,627</td>
<td>1,238,852</td>
<td>—</td>
</tr>
<tr>
<td>Other income - interest, gain/(loss) on investments including MFIs</td>
<td>(104,193)</td>
<td>—</td>
<td>—</td>
<td>(104,193)</td>
<td>201,830</td>
</tr>
<tr>
<td>TOTAL SUPPORT &amp; REVENUE</td>
<td>3,673,329</td>
<td>4,787,164</td>
<td>271,376</td>
<td>8,731,869</td>
<td>6,722,224</td>
</tr>
<tr>
<td>EXPENSES &amp; PROGRAM INVESTMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services and investments in MFIs</td>
<td>6,908,821</td>
<td>—</td>
<td>—</td>
<td>6,908,821</td>
<td>4,440,096</td>
</tr>
<tr>
<td>Management, general, and fundraising</td>
<td>1,422,550</td>
<td>—</td>
<td>—</td>
<td>1,422,550</td>
<td>1,160,421</td>
</tr>
<tr>
<td>TOTAL EXPENSES &amp; PROGRAM INVESTMENTS</td>
<td>8,331,371</td>
<td>—</td>
<td>—</td>
<td>8,331,371</td>
<td>5,600,517</td>
</tr>
<tr>
<td>NET</td>
<td>(4,658,042)</td>
<td>4,787,164</td>
<td>271,376</td>
<td>(400,498)</td>
<td>1,121,707</td>
</tr>
</tbody>
</table>
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010, AND DECEMBER 31, 2009 (UNAUDITED)

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,675,627</td>
<td>$1,233,564</td>
</tr>
<tr>
<td>Contributions and pledges receivable</td>
<td>1,521,877</td>
<td>913,982</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>263,916</td>
<td>347,299</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>39,691</td>
<td>27,729</td>
</tr>
<tr>
<td>HGIF and MFI net loans receivable</td>
<td>2,728,974</td>
<td>712,000</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>7,230,085</strong></td>
<td><strong>3,234,574</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents - board-designated reserve</td>
<td>1,642,420</td>
<td>1,342,420</td>
</tr>
<tr>
<td>Property and equipment (net of accumulated depreciation)</td>
<td>667,041</td>
<td>615,899</td>
</tr>
<tr>
<td>Long-term loans receivable</td>
<td>–</td>
<td>769,884</td>
</tr>
<tr>
<td>Investment in MFIs and other long-term investments</td>
<td>1,786,343</td>
<td>2,273,981</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$11,325,889</strong></td>
<td><strong>$8,236,758</strong></td>
</tr>
</tbody>
</table>

LIABILITIES & NET ASSETS

LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client savings deposits</td>
<td>$91,926</td>
<td>$ –</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>317,263</td>
<td>292,079</td>
</tr>
<tr>
<td>Security deposits and other liabilities</td>
<td>319,241</td>
<td>180,536</td>
</tr>
<tr>
<td>Current portion of loans payable &amp; interest payable</td>
<td>967,167</td>
<td>600,000</td>
</tr>
<tr>
<td>Notes payable - HGIF &amp; other</td>
<td>1,572,056</td>
<td>1,250,000</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>3,267,653</strong></td>
<td><strong>2,322,615</strong></td>
</tr>
</tbody>
</table>

NET ASSETS

Unrestricted

| HOPE, consolidated country, & HGIF net assets for operating activities | 4,537,572 | 2,328,363 |
| Board-designated reserve | 1,642,420 | 1,342,420  |
| Temporarily restricted | 1,347,304 | 1,983,796  |
| Permanently restricted | 530,940   | 259,564    |
| **TOTAL NET ASSETS**     | **8,058,236** | **5,914,143** |

TOTAL LIABILITIES & NET ASSETS | **$11,325,889** | **$8,236,758** |

ORGANIZATIONAL EFFICIENCY

17% Management, general, & fundraising
83% Program services*

TOTAL SUPPORT

5% Gifts in kind
7% Businesses
7% Homes for Hope
13% Special events (net)
26% Individuals
42% Foundations & other organizations
LORD, you are my God; I will exalt you and praise your name, for in perfect faithfulness you have done wonderful things. ...
You have been a refuge for the poor, a refuge for the needy in their distress, a shelter from the storm and a shade from the heat.

ISAIAH 25:1, 4