



HOPE
INTERNATIONAL

2011
ANNUAL REPORT



— **DAMARSU UWIMANA** —

Damarsu Uwimana belongs to the United Women savings group in Ntenyo Parish, Rwanda. She earns \$1.60-\$2.50 a day selling beans at a local market.



Photo: Silent Images



Dear Friends,

When you take time to sit down and listen to the financially poor, you hear a clear request: Help us find a job. They don't want pity or charity long-term. Parents don't want their children to be someone else's charity case. Like you and me, the poor want an opportunity to work and to provide for their families.

The entrepreneurs we serve have also consistently shared that poverty is not simply financial. They know too well its social and spiritual effects. That's why a job isn't enough. HOPE fights poverty in all its dimensions, equipping the poor with financial tools to work their way out of poverty, but also intentionally and lovingly sharing the transforming message of grace and love found in Jesus Christ.

2011 was a defining year at HOPE in delivering excellent, Christ-centered microenterprise development services. The number of clients we serve grew 33 percent, from 289,858 to 385,454; fundraising revenue increased 16 percent; and Dave Wasik, our new vice president of operations, focused on simplifying our model, enabling us to strengthen our core operations in three key ways:

- 1. Consistent methodology.** Community bank meetings—where we offer our services to a group of entrepreneurs—are at the core of HOPE's operations. By standardizing the meeting structure, we ensured that clients receive consistent and efficient delivery of our financial products and transformative business training.
- 2. Discipleship.** Listening to our team, we discovered ways to be even more intentional in helping staff grow in their faith. This renewed emphasis on investing in their spiritual formation has a direct impact on what they pour into our clients' lives.
- 3. Local church alliances.** Recognizing the key role of the local church in reaching communities, we strengthened our church partnerships, particularly in our church-based savings model, resulting in expansion into Peru and Zimbabwe.

Driving the model's success are over 1,300 dedicated and talented staff members who sacrificially serve so that their community members can experience the difference of Christ-centered microenterprise development. Thank you for your partnership as we share the Good News and offer financial tools to break the cycle of spiritual and physical poverty.

PETER GREER

President & CEO



HOPE
INTERNATIONAL

FILA

A mother of 12, Fila* raises goats and cattle in Kabul, Afghanistan, to provide for her family. In April 2010, a loan of \$600 from HOPE Afghanistan helped expand her farm.

**Name changed for security.*

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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2011

UNDERSTANDING THE PROBLEM SHAPING THE SOLUTION

Development experts used to think money could fix poverty. Enough aid, given with the right intentions, should lift nations out of poverty, sustain their progress, and lead to human flourishing. But it hasn't. Economist William Easterly reports that \$2.3 trillion in foreign aid given over 50 years failed to meet expectations for alleviating poverty. Meanwhile growth stagnated—or even plummeted—in many recipient countries. Where have we gone wrong?

At HOPE International we believe finances are only part of the problem. When our staff in Rwanda asked clients what it meant to be poor, they heard about lack of confidence, broken relationships, and hopelessness. Only 1 client in 10

mentioned a lack of money. Like a bandage on a broken bone, money can temporarily mask the problem, but it can't solve it.

Christ-centered microfinance is a fresh approach, and at HOPE, we're listening to the experts: both those who have studied poverty and our clients who have lived it. In 16 countries around the world, we employ capital in the form of small business loans or savings services to invest in our clients' God-given potential, but we don't stop there. We also provide basic business training and introduce clients to Jesus Christ, in whom relationships are restored, dignity is renewed, and true hope is found.



THE YEAR AT A GLANCE



Clients

The number of clients HOPE serves grew 33 percent in 2011, from 289,858 to 385,454. Our commitment to reaching the very poor through savings services fueled growth, with over a quarter of HOPE's clients now members of Savings and Credit Associations. **Read the stories of HOPE's clients on pages 6, 14, 24 and 32.**



Savings

In 2011 HOPE initiated savings programs in two new countries—Peru and Zimbabwe—and added or expanded programs in Haiti, India, the Philippines, and Rwanda. HOPE now reaches over 100,000 clients in six countries through Savings and Credit Associations. **For more on the importance of savings, see pages 8 and 17.**



Meeting structure

To make the most of each interaction with our clients, HOPE piloted a new structure for community bank meetings. Called the 5W's, the framework ensures consistency across countries and staff members and incorporates welcome, worship, Word, work, and wrap-up. **Learn more on page 10.**

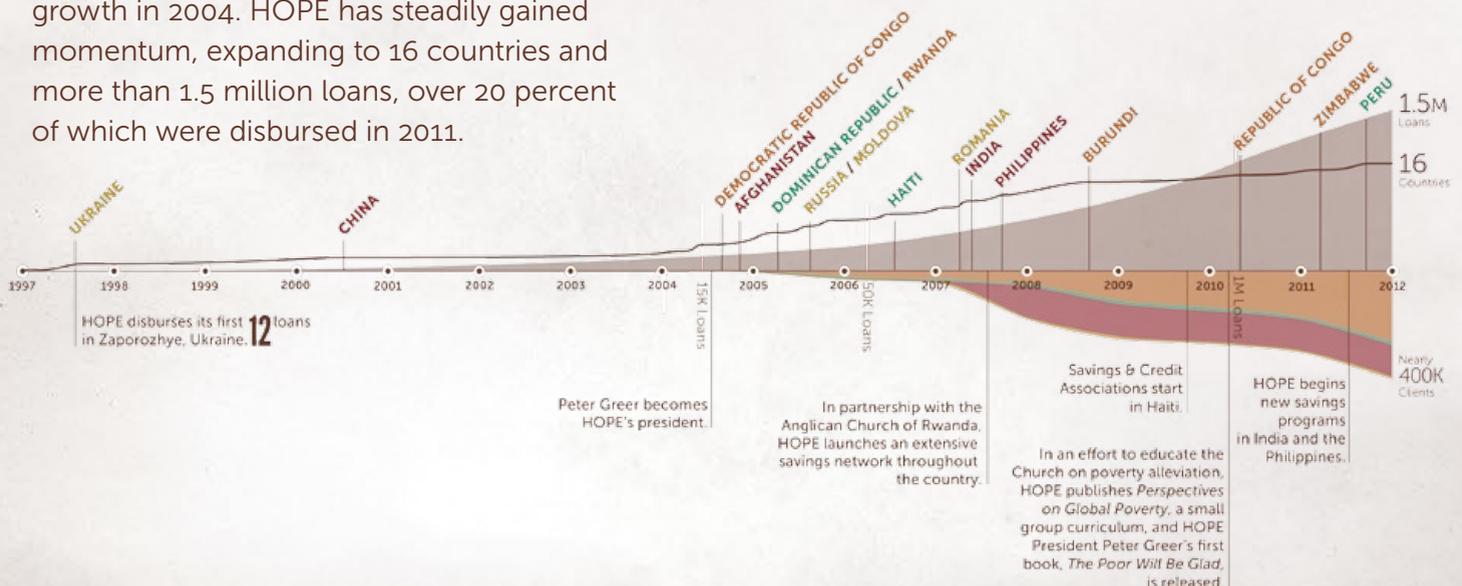


Regions of focus

HOPE's commitment to reaching the underserved with Christ-centered microfinance led to substantial investments in areas of central Africa where most who live in poverty have never before had access to financial services. **For more on HOPE's financials, see pages 34–37.**

Expanding HOPE

Beginning with just 12 loans in Ukraine in 1997, HOPE International entered a period of rapid growth in 2004. HOPE has steadily gained momentum, expanding to 16 countries and more than 1.5 million loans, over 20 percent of which were disbursed in 2011.





INVESTING IN DREAMS



A SURVIVOR'S STORY

It's my first trip to Rwanda—or anywhere in Africa—and when I'm introduced to Ruth Butoyi, I feel like I've met African royalty. She's nothing short of regal in shades of burgundy and gold, an elaborately wrapped headscarf hiding all but a small fringe of her hair. She's poised and dignified, and nothing about her comportment betrays the struggles she's overcome.

We've met at the Kigali office of HOPE's partner, Urwego Opportunity Bank, where entrepreneurs eager to escape the grip of poverty come to receive small business loans or safely deposit their savings. Ruth joined Urwego two years ago, first receiving a loan of just \$162 to invest in the production of nutrient-rich flours that health centers prescribe for the malnourished. She uses nine different ingredients: cassava, sorghum, maize, wheat, soy, peanuts—she numbers them on her fingers, leaving a few ingredients to my imagination, as though protecting

a prized family recipe. Of all the business ideas I've heard, Ruth's is among the most creative. She's the only one in Rwanda making this flour, she says, which leads me to ask where she got the idea.

Her answer—in Burundi, as a 14-year-old—surprises me, and the simple question launches a sad saga. Her family spent many years as refugees in Burundi, fleeing ethnic tensions in Rwanda. They established a life in Burundi. Ruth married and began raising a family—but she remembers the exact date of their Rwandan homecoming: November 11, 1994.

Back in Rwanda, Ruth launched her flour business. Demand for her unique product propelled growth, and Ruth's business capital increased to over \$8,000. But success was quickly followed by heartache when her husband fell ill. For an entire year he was hospitalized—and then he passed away. Ruth was left to raise the



Photo: Nikole Lim

*62 percent
of female-
headed
households
in Rwanda
live below the
poverty line.*

couple's eight children on her own, their savings entirely drained and her business gutted to pay medical bills. Tears well in her eyes and mine as she shares the still-evident pain of withdrawing her children from school.

With nowhere to live, Ruth's family moved from one house to another. One of Ruth's sons became mentally ill and disappeared. She still doesn't know where he is, and she's visibly haunted by it. "God knows," she says to reassure me and herself. Tragedies mounting, it took years to get back on her feet, Ruth explains.

When she came to Urwego two years ago, it was an answer to her prayers. "[At the time,] my kids had to sleep on boxes we collected on the streets," she says. Small loans and biblically based business training helped Ruth re-launch her once successful business, and in a short time it has grown successful again. "Now we have mattresses on our beds. We had nowhere to sit, but now when you visit my house, I have good sofas to sit on." With only a few more words, Ruth must be going. There's business to attend to, but she invites me to come to her

home in two days, when we can sit and talk.

When I next meet Ruth she is dressed as the hardworking woman she is, her shirt speckled with grease from the chicken she's been frying, chatting with customers who have come to her home to patronize this second business. After attending to her customers, she shows me a plot of

land she is farming, pointing to each section of soybeans, maize, cassava, peas, Irish potatoes, and pumpkins. We return to her home, and I sit on the sofa she spoke of, enveloped by the aroma of fried chicken, prepared to continue our conversation. But my faithful interpreter is deeply engaged in a conversation of his own with Ruth. After a delay of several minutes, he tells me about Ruth's rock-bottom prices, nodding his head in approval and amazement, and the preservation methods that allow her chicken to last up to four days without refrigeration. These unsolicited details are surprisingly specific, but they begin to make sense as money changes hands and my interpreter takes a bag of freshly fried chicken. Ruth Butoyi has just done business.

by Jill Heisey, staff writer

WHAT IS CHRIST-CENTERED MICROENTERPRISE DEVELOPMENT?

Much of the world faces an ongoing jobs crisis, with significant unemployment limiting productive capacity and contributing to elevated national poverty levels. Many who wish to work are denied the opportunity, instead confronting the stress and shame of being unable to provide for their families.

At HOPE, we believe that work is God's primary plan for provision. We've found that most who live in poverty are eager to generate income and employ their God-given skills to add value to their communities. Unemployment robs individuals of that opportunity, but Christ-centered microenterprise development restores it by helping men and women create jobs for themselves and others in their community. HOPE International's network provides a variety of services and resources across 16 countries to address the pervasive employment gap faced by the world's poor.

Pastor Joseph Iyakaremye moved to Shyogwe, Rwanda, three years ago and immediately initiated savings groups in his community. There are now 11 groups in his parish.

Photo: Nikole Lim

Savings (savings-led)



Savings can help those in poverty start a business, send children to school, or invest in future goals. But first and most fundamentally, savings provide a safety net. Without this sum of money to fall back on, an illness, emergency, or temporary drop in income can quickly become a crisis. HOPE offers a variety of savings services, from church-based Savings and Credit

Associations—groups of men and women who pool their resources to purchase assets, make loans to one another, and support each other in the endeavor—to facilitated savings accounts in which loan clients have the opportunity to safely deposit their savings in a local bank or HOPE-network branch office.

Small loans (credit-led)



HOPE also invests in the dreams of our clients through small business loans of as little as \$100. Often our clients have the ideas and potential to start or expand a business but simply lack the funds. A lump sum of capital can help clients run their businesses more efficiently or invest in

productive assets, creating sustainable sources of income for one or more families. Clients are then freed to invest in what matters to them: better nutrition, education for their children, home improvements, or charitable giving.

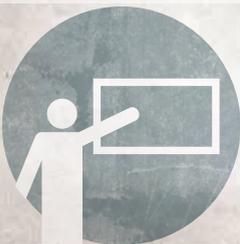
Small and medium enterprise (credit-led)



Some programs in HOPE's network also provide small and medium enterprise (SME) loans, larger sums of capital that support business growth beyond the micro- level. These loans

stimulate the development of a middle class by encouraging innovation and creating jobs in contexts of pervasive unemployment or underemployment.

Training



While HOPE's clients are intelligent and resourceful, many have had limited opportunities for formal financial or business education. Biblically based business training helps clients understand the value of saving and record-keeping, giving to church and community, and running an ethical business.

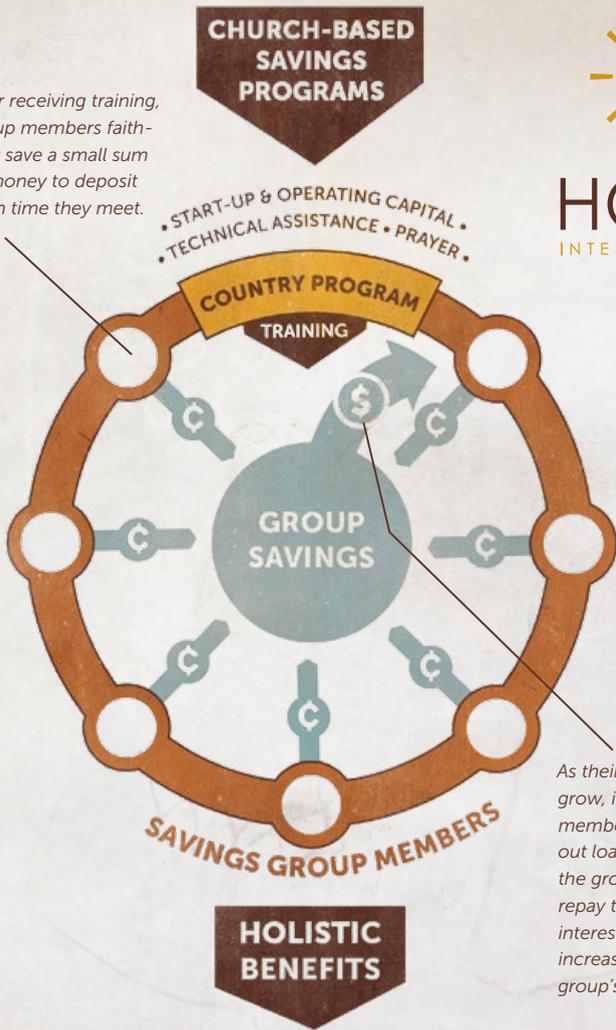
Topics of training include personal finances, preventive health, and business management. Loan clients also receive a clear explanation of interest rates and other terms they need to understand to make informed borrowing decisions.

CYCLES OF CHANGE



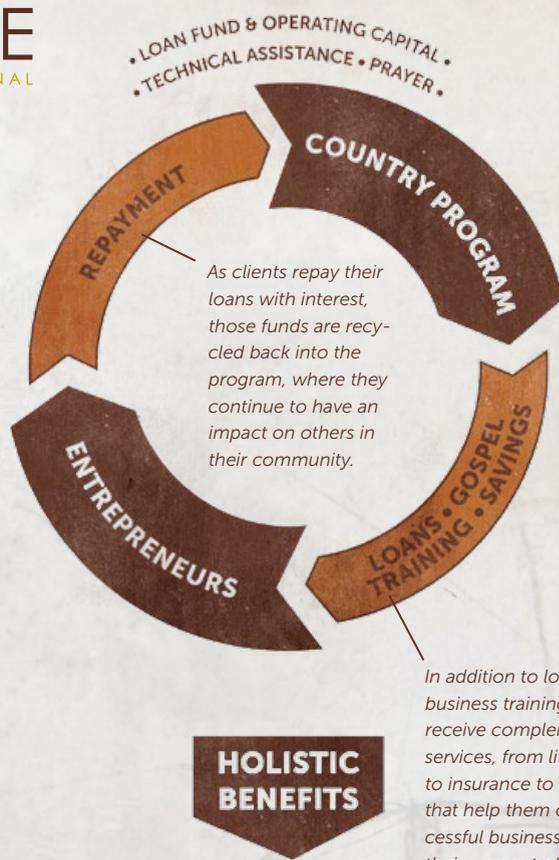
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After receiving training, group members faithfully save a small sum of money to deposit each time they meet.



As their savings grow, individual members take out loans from the group and repay them with interest, further increasing the group's funds.

CREDIT-LED PROGRAMS



HOLISTIC BENEFITS

In addition to loans and business training, some clients receive complementary services, from literacy training to insurance to health care, that help them operate successful businesses and work their way out of poverty.

Individuals experience dignity as their dreams are affirmed.

Businesses grow, providing valuable local services to their communities.

Families are strengthened as parents build their savings and are able to provide food, housing, and education for their children.

Communities are transformed as members unite in solidarity to generously find solutions to local needs.

Churches flourish as they partner to provide ongoing fellowship and discipleship.

— VISION & VALUES —

KINGDOM WORK

Spiritual integration at HOPE is about catalyzing spiritual growth, both within HOPE's staff and among our clients. It's an equipping ministry, encouraging growth in Christ and preparing our staff to use their gifts and make disciples.

This starts at the staff level: We believe HOPE's potential to be used by the Lord grows when we come alongside our staff in their journey to faithfully follow Christ. As we provide discipleship opportunities for our staff, they are, in turn, better equipped to disciple their families, community members, and our clients. While the methods vary across our network, each program has a specific plan for integrating discipleship into regular client interactions. We also devote time to corporate staff prayer, knowing that the heart changes we desire to see can only be accomplished through God's power.

Ultimately, we want Jesus Christ to be evident in the way we work. Whether we're providing business training, disbursing loans, or sharing our faith, it's all part of advancing God's Kingdom. The spiritual elements of our work cannot be separated from the financial services we offer. We want to be part of a movement of God where He gets the glory, His name is made known, lives are changed, disciples continue to multiply, and the Kingdom of God is brought to bear.

MATTHEW ROHRS

Director of Spiritual Integration

"I am the vine; you are the branches. If you remain in me and I in you, you will bear much fruit; apart from me you can do nothing."

John 15:5





NEW STRUCTURE, SAME MISSION

Community bank meetings—weekly or biweekly sessions when groups of borrowers gather to repay their loans and receive biblically based training—are a crucial element of HOPE’s work, providing time for loan officers to build relationships and live out the Gospel with clients. In 2011, HOPE began piloting a new meeting structure first developed by the Center for Community Transformation, our partner in the Philippines, designed to better steward this vital time. Known as the 5W’s, the new framework divides each meeting into five distinct segments, each with a clear purpose: welcome, worship, Word, work, and wrap-up.

Matthew Rohrs, director of spiritual integration, explains that while the elements themselves are not new, the 5W’s provide a purposeful framework that balances serving both the physical and spiritual needs of clients: “What is most exciting to me about this effort is the intentionality and structure it will bring, facilitating holism in how we work with clients.”

In October, key staff members from the Democratic Republic of Congo (DRC) and the Republic of Congo (Congo) gathered in Kinshasa, DRC, to participate in a week-long training session and begin adapting the 5W’s to their local context. For the remainder of the year, these trained leaders piloted the new structure with a few bank meetings, providing feedback so that the 5W’s are ready to be fully implemented in 2012.

Based on this feedback, clients appreciate the intentionality of the new structure. One client in Brazzaville, Congo, shared that the 5W’s structure helped him understand the importance of giving his life to Christ. He was baptized in December. Another client confessed that he had never been able to open a Bible on his own due to guilt over his alcohol addiction, but thanks to the intentional time devoted to studying God’s Word in bank meetings, he stopped drinking and is now eager to study the Bible on his own. As HOPE works to fully implement the 5W’s, we look forward to seeing how God will continue to use this new framework for His glory.

A TRIPLE BOTTOM LINE

The microfinance community frequently talks about a “double bottom line,” in which institutions balance the demands of financial sustainability and an overarching social mission. Like most microfinance institutions, HOPE has financial obligations and social objectives, but to that we add a spiritual mission that is at the core of everything we do.

We believe that putting Christ at the center of HOPE’s ministry matters, and God has walked ahead of us, enabling us to achieve the objectives He’s laid before us. While it might seem that our desire for spiritual transformation would conflict with our pursuit of financial sustainability, they more frequently complement one another. One example has been HOPE’s Savings and Credit Associations in Rwanda, launched in partnership with the Anglican Church. Working in cooperation with the Church has not only drawn congregants into closer relationship with one another and introduced many to the hope of Christ, it has also given HOPE an effective, efficient platform for our services.

To reflect the unity of our spiritual, social, and financial objectives, HOPE merged its programs and spiritual integration departments under the single umbrella of operations last year. The marriage between the two departments more accurately reflects the true nature of HOPE’s work: There’s no separation between our microlending, saving, or business-training efforts and our desire to glorify God and share the hope of Christ with our clients.

DAVE WASIK

Vice President of Operations

Therefore, since we have been justified through faith, we have peace with God through our Lord Jesus Christ, through whom we have gained access by faith into this grace in which we now stand. And we boast in the hope of the glory of God. Not only so, but we also glory in our sufferings, because we know that suffering produces perseverance; perseverance, character; and character, hope. And hope does not put us to shame, because God’s love has been poured out into our hearts through the Holy Spirit, who has been given to us.



Photo: Rebecca Svendsen



SUSTAINABILITY

A case study in Ukraine

HOPE's story can be told not only through words but also by the numbers: from the first 12 loans we distributed in Ukraine in 1997, to our millionth loan disbursed in 2010, to the over 385,000 men and women in 16 countries who currently access HOPE's financial services. But even as we help our clients sustainably provide for themselves and their families, we also seek to build efficient microfinance institutions (MFIs) that will be able to offer these services for the long-term. That's why we track another number: operational self-sufficiency (OSS), the ability of an MFI to cover all its expenses with its income.

Calculated by dividing an MFI's revenue by its expenses, OSS is a percentage that tracks how well an organization can support its operations with the income it receives from interest payments. Because charging interest is key to operating a sustainable MFI, the members of HOPE's network carefully balance setting appropriate, affordable rates with attaining adequate levels of self-sufficiency. Ultimately, reaching sustainability benefits not only the organization but also donors, clients, and their communities—as can be seen through a case study of HOPE Ukraine.

UKRAINE LOAN PORTFOLIO GROWTH



PROJECTED GROWTH OF INITIAL EQUITY INVESTMENTS IN HOPE UKRAINE



Organization

Depending on the context, MFIs average two to five years to reach operational self-sufficiency (OSS). Begun in 1997, HOPE Ukraine first reached 100 percent OSS in 1999. In 2011, it operated at 108 percent OSS, generating enough income to more than cover operating expenses, such as local staff salaries, rent, utilities, and the cost of loan officers traveling to clients. This frees the organization to think of expansion, whether in terms of services provided or clients reached.

Since HOPE Ukraine first reached OSS in 1999, its loan portfolio has grown from \$126,691 to \$1,709,732. ▲

Donors

Because HOPE Ukraine can cover its operating expenses, donor funds go straight into the loan portfolio. And because HOPE Ukraine is at OSS, it can leverage these donations by taking on external investors, accessing larger funding pools and catalyzing further growth. As clients repay their loan principal, that money goes back into the loan portfolio and continues to recycle for years, increasing the impact of each individual donation.

When HOPE International invests donor funds in HOPE Ukraine, the value of that investment will continue to grow, multiplying 5.26 times over the next 10 years (given current projections). ▲



PRODUCT AND CLIENT DIVERSIFICATION IN UKRAINE

CHILDREN'S MINISTRY CONTRIBUTIONS IN UKRAINE



\$45,146

Photo: Alisa Hooper

Clients

As donor funds are leveraged through external debt and recycled back into the loan portfolio, HOPE Ukraine is able to more quickly reach additional clients with financial services and the hope of the Gospel. For example, HOPE Ukraine is diversifying its loan portfolio, expanding into new areas like agricultural loans to serve a wider range of clients. Clients can also be confident that HOPE Ukraine is a sustainable organization that will be there to serve them and their communities for the long-term.

In addition to HOPE Ukraine's standard loan product, clients have expressed great interest in several additional products, including seasonal agricultural loans, housing loans, and investment loans. ▲

Communities

In addition to recycling profits back into its loan portfolio, HOPE Ukraine gives a portion of its surplus to support Tomorrow Clubs, a local children's ministry reaching over 12,000 Ukrainian children each week with the Good News of Jesus' love. Each HOPE-led program in our network shares this commitment to giving a portion of its profits to support local Christ-centered children's ministries, impacting the next generation while modeling generosity for our clients.

With its profits, HOPE Ukraine was able to donate \$45,146 to Tomorrow Clubs in 2011. ▲

MULTIPLYING HOPE

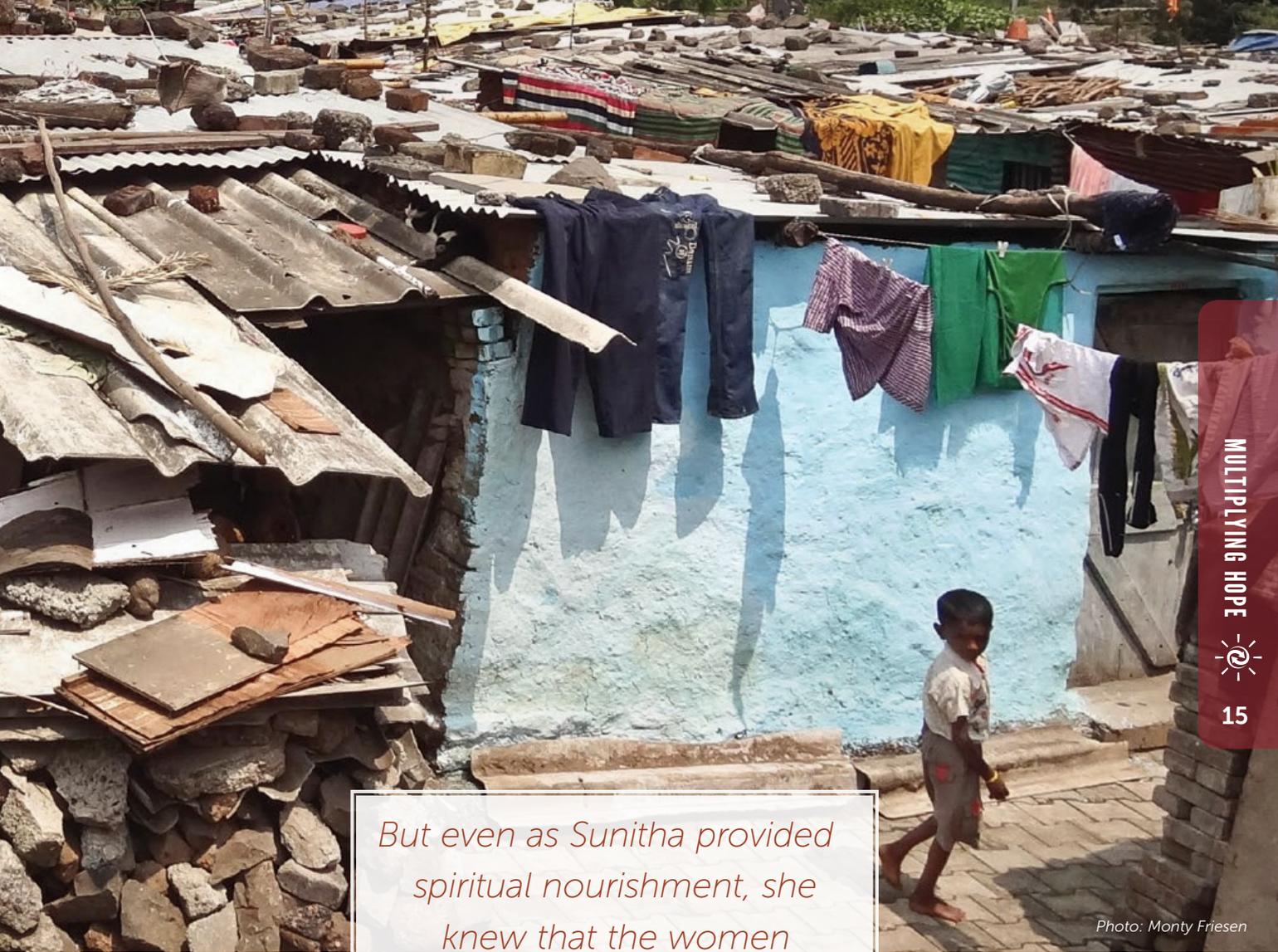


ERASING ECONOMIC DISPARITY

While India has seen a dramatic reduction in the number of people living in poverty, that progress has not always extended to women, particularly those living in rural areas. "In India women are not independent," 25-year-old Sunitha* explains. Yet quietly and graciously, this city-raised, well-educated woman is working to erase economic disparity within her community. Sunitha came to this small village in southern India a year ago when she married Abhay, who pastors a rural congregation of about 70 members. Sunitha has quickly become her husband's right hand, ministering tirelessly to the 50 women in the church, many of whom are illiterate and from the lowest castes of society. Each Tuesday, she can be found leading

a women's Bible study, where women of all ages gather to learn from God's Word, fellowship, and pray together.

But even as Sunitha provided spiritual nourishment, she knew that the women in her community were struggling to provide physical nourishment for their families. Lack of education and the stigma of their social position had left them with few economic opportunities. Many worked as hired hands in labor-intensive rice fields, sometimes traveling miles by bus or on foot to reach the fields. Others cared for their children and households, never knowing when their husbands might return from their work in the fields drunk or abusive. Earlier efforts to help their community had failed: One government-sponsored



But even as Sunitha provided spiritual nourishment, she knew that the women in her community were struggling to provide physical nourishment for their families.

Photo: Monty Friesen

program meant to encourage groups of women to save money had simply bred mistrust, as a lack of institutionalized accountability led many leaders to run away with their group's money.

When HOPE initiated its church-based savings program** in southern India, Sunitha quickly realized it was different. Rather than leaving security to chance, HOPE's program incorporates many levels of accountability; for example, leaders cannot withdraw group savings without another member present. And rather than focusing solely on finances, the church-based model provides biblical training and fellowship, particularly suited for those who can't read. Sunitha formed a group of 24 women, most of them from her church, and each member committed to save 50 rupees (98 cents) a week.

In the two months they've been saving together, the women have faithfully set aside this small amount each week. And as their savings grow, so too do their dreams: Some women hope to start a small business, others speak of sending their children to school for the first time, while

still others plan to pay medical expenses. Sunitha, who is eight months pregnant, plans to use her savings to help provide a future for her child.

Additionally, the women are experiencing the fellowship and trust of saving together from a Christ-centered perspective. In the safety of their group, they share their burdens and encourage and pray for one another. Their increased solidarity, security, and joy is already attracting other women, including many unbelievers, who are hungry to experience similar transformation. Sunitha is encouraged as she sees her group's example opening doors among the women of her community—paving the way not only for economic growth but also for the growth of God's Kingdom.

by Erin Longenecker, staff writer, with Sylvie Somerville, HOPE intern

**Names have been changed or withheld for security.
**In India, HOPE partners with an organization whose name has been withheld for security.*

Adult Population Using Financial Services



THE UNDERSERVED

In the 14 years since HOPE was founded, we've often been asked why we're committed to working overseas when unmet needs persist closer to home. As the U.S. economy dipped in recent years, the question was asked more frequently and pointedly—yet our answer remained the same: HOPE is moved by the plight of the poor world over, but we seek to serve in underserved regions of the developing world, believing that our methodology is particularly well-suited to these contexts.



Photo: Trina Chase

We are blessed to live in a country with over 1.5 million charities, just 2 percent of which are international charities—leaving the vast majority of organizations and funds focused within our borders. We have an inclusive formal economy, government-instituted safety nets, and relatively easy, affordable access to credit and savings accounts, all serving to limit demand for microloans and savings groups: the types of services HOPE excels in providing. According to a 2009 study titled “Half the World Is Unbanked,” 91 percent of the adult population of the United States uses financial services. In contrast, within the developing world, loan sharks, who charge usurious, poverty-perpetuating interest rates, may be the primary source of credit. Safe places to save can also be hard to find, with many banks obstructing access to the poor. In nearly every country in which HOPE operates, less than 50 percent of the population accesses formal financial services, including savings accounts. In these financially underserved environments, HOPE’s services make a tremendous difference.

Our commitment to serving the underserved has led us not only to focus our efforts overseas but also to continue moving our

services down market at a time when much of the microfinance industry has begun to offer larger, more profitable loans to the less-poor. Of the seven HOPE programs initiated in the past three years, six have been savings programs, which provide a crucial safety net for the very poor. Savings are often used first and foremost as emergency funds by those who might otherwise be just one step away from tragedy brought on by illness, job loss, or natural disaster.

Savings services are also well-suited to meet the needs of the rural poor, who still make up 70 percent of the developing world’s 1.4 billion extremely poor people. Rural areas are traditionally underserved by both the for-profit and nonprofit sectors because the higher cost of transportation and lower population density lead to a greater, often prohibitive cost per life impacted. However, HOPE’s partnerships with local churches have enabled us to effectively and efficiently train savings groups throughout rural areas, providing consistent, low-cost service.

HOPE’s mission isn’t only to widen our reach but also to deepen it by prioritizing the needs of the underserved—bringing hope to the hopeless and opportunity to the overlooked.

EXPRESSIONS OF DIGNITY

~ *Voices of the underserved* ~

“Give once and you elicit appreciation.
Give twice and you create anticipation.
Give three times and you create expectation.
Give four times and it becomes entitlement.
Give five times and you establish dependency.”

ROBERT D. LUPTON, *TOXIC CHARITY*

Faced with the enormity of global poverty, it can be tempting to try to meet the needs of the poor with our own resources. But by doing for others what they could do for themselves, charity all too often creates dependency, reinforcing rather than breaking the cycle of poverty. Instead of focusing on what our clients lack, HOPE invests in their ideas and affirms their dreams. In the process, mothers who once struggled to provide for their families are empowered to extend a helping hand to others; savings group members previously isolated by poverty build solidarity as they share their joys and struggles; those marginalized by society gain hope as they learn of the God who formed them and numbered every hair on their head—and the inherent, God-given dignity and joy of each man and woman is restored.

MY HANDS NO LONGER BEG!
 NOW
 THEY GIVE.

IMMACULE,
RWANDA



"We can see that God is providing for us. Even if it seems like we are struggling, we are putting our hope in God for the future."

LEONID, MOLDOVA

"My children will say, 'My mother worked well for us.'"

ZAINABU, BURUNDI

"I have now become an example in my neighborhood, when people see where I come from and what I have now become."

SEMPLICE, REPUBLIC OF CONGO

"We don't just meet together to do savings transactions. We sit and share our lives and problems with each other, and we help each other. This is more than just money: This is social work."

SHAMITA*, INDIA

"Problems don't go away unless we bind together. ... They only go away when we link our arms and help one another."

HERMENI, PHILIPPINES

"You helped me to have such a successful business, and now I want to begin helping others who need it. I will spread the love you showed me to others."

XUE*, CHINA

"This year, I will be 50 years old. I have a good family, a good relationship with my husband. ... I say when I wake up each morning, 'Thank God I can live this day.'"

GALINA, UKRAINE

"[In my savings group], we have good conversation and a strong embrace. ... We can find the money we need within the group instead of having to look outside for help."

JULIES, HAITI

"Before Esperanza [HOPE's partner in the Dominican Republic] came, we were sitting with our arms crossed. Now we are productively working. We just needed the opportunity."

JOSEPHINA, DOMINICAN REPUBLIC

*Name changed for security.

OUR SHARED STORIES

As a marketing team, we have the amazing privilege of sharing the stories of the entrepreneurs we serve—and the accompanying responsibility to tell those stories in a way that honors our clients' God-given dignity. In the pictures we select and the words we write, we constantly ask the question, how would I want my own story to be told? This causes us to focus not on what our clients lack but on what they possess: their skills, passion, dedication, dreams, and accomplishments.

In highlighting our clients' successes, we hope to encourage supporters to grow in their understanding of poverty, align with God's heart for the poor, and ultimately engage in a way that brings lasting transformation. We want to provide opportunities for supporters as well as clients to answer God's call in their own lives, whether that's by employing gifts and talents, praying for the hungry and oppressed, sharing words of hope, or giving generously.

While we're here to tell HOPE's story, we know it's only one part of the much broader narrative of how God is moving to end extreme poverty and mobilize the Gospel in all nations. That's why we partner with other organizations actively pursuing God's Kingdom: both in the field, where we partner with local microfinance institutions to reach greater numbers of clients, and close to home, where we've joined alliances like **58**: that are creating larger educational and fundraising platforms to drive this work. It's a privilege to work alongside our clients, supporters, and partners as we together move the needle that much closer toward overcoming both physical and spiritual poverty.

KEVIN TORDOFF

Director of Marketing

"If you do away with the yoke of oppression, with the pointing finger and malicious talk, and if you spend yourselves in behalf of the hungry and satisfy the needs of the oppressed, then your light will rise in the darkness, and your night will become like the noonday."

Isaiah 58:9b-10

"HOPE International offers a powerful yet simple solution to extreme poverty—job creation. At Live58 we are inspired by their vision and holistic response to poverty, and we're privileged to partner with them in the ambitious, achievable goal of eradicating extreme poverty in our generation."

SCOTT C. TODD, PH.D.

Board Chair, Live58
Senior Vice President, Compassion International

HOPE International seeks to humbly serve the underserved. While this desire first resulted in a HOPE-initiated program in post-Soviet Ukraine, it has since led to the creation of a 16-country network comprising not only additional HOPE-led programs but also partner programs. In many underserved areas, we have come alongside a local organization whose work is already changing lives, seeking collaboration over competition and reach over recognition. Working together, we share knowledge and resources to further our common mission. Peter Greer, president and CEO of HOPE International, and Carlos Pimentel, president of our partner Esperanza International, reflect on the benefits of partnership. ►

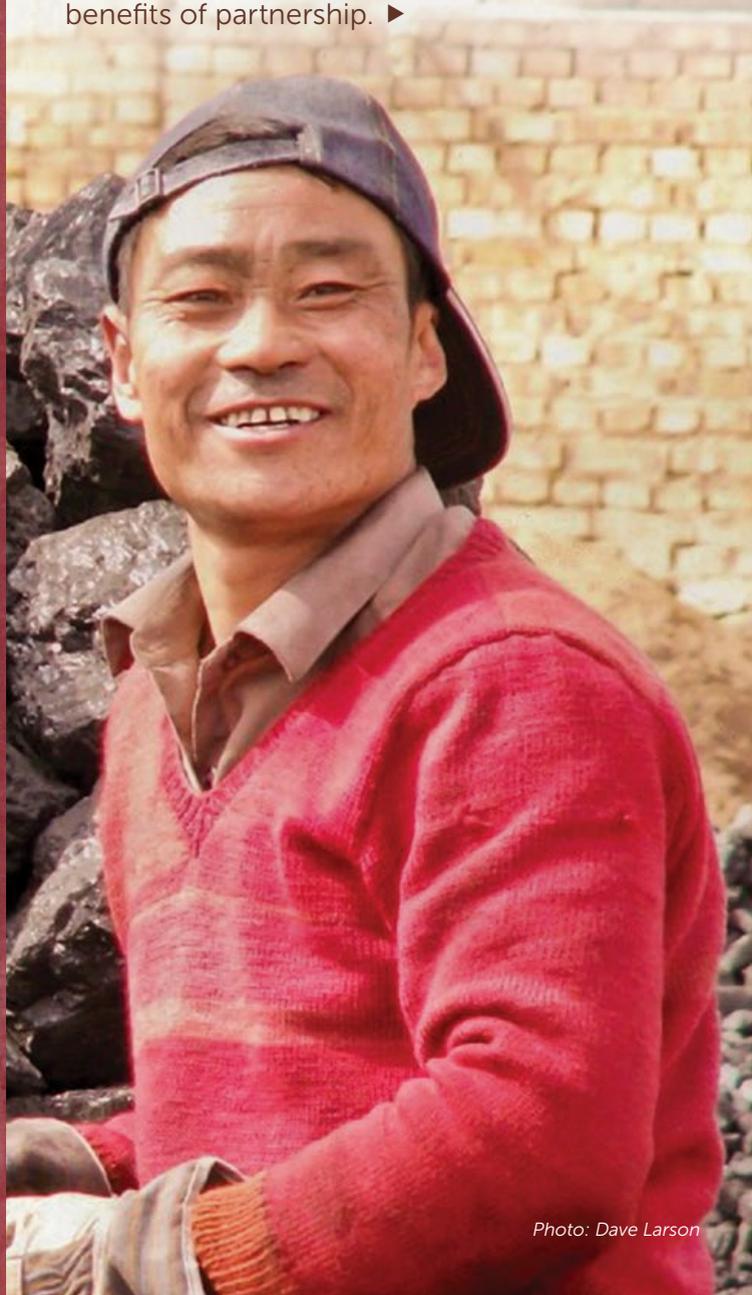


Photo: Dave Larson



Photo: Sarah Winkler

— TWO ARE BETTER THAN ONE —

~ Partnering to fight poverty ~

PETER GREER

President & CEO, HOPE International

HOPE's partnership with Esperanza isn't defined by memorandums of understanding or pieces of paper that dictate how we treat one another. First and foremost, it's a friendship with a group of people we believe is doing world-changing work. It's our effort to come alongside them and say, "We love what you're doing. How can we help you do even more?"

When we come across organizations like Esperanza that are already doing excellent, Christ-centered microenterprise development, we believe God is honored when we join together to further His mission. Romans 12 paints a beautiful picture of Christ's followers as a single body. Each part is to use the gifts they've been given in service and glory to God, and I believe this partnership carries out that mandate. We have each brought our unique skills and perspectives to think through issues of governance, loan product diversification, risk, finance, and corporate culture, and together we've created a stronger infrastructure than either of us could have developed on our own.

Esperanza's executives are some of the most impressive leaders anywhere within the field of microenterprise development, and they've given groundbreaking thought to caring for clients' spiritual and social needs as well as their physical needs. They've led the way in inviting local churches into their ministry, serving as an example to other HOPE-network programs of how to involve other ministries that are also carrying out the Great Commission and Greatest Commandment. There is no doubt in my mind that because of this partnership, HOPE and Esperanza are providing better services to more clients than either of us could reach independently.

CARLOS PIMENTEL

President, Esperanza International

I would describe the partnership between Esperanza and HOPE as a brotherhood. We share a passion for providing Christ-centered microfinance to associates [clients], and we've focused on the unity of our values and principles while spurring one another to excellence. I have always been inspired by the scripture, "Two are better than one." Do you know what it says next? "For if either of them falls, the one will lift up his companion" (Ecclesiastes 4:9-10, NASB). This is how I would describe the partnership between Esperanza and HOPE.

As we have developed these supportive relationships, we have been inspired by and have learned from both HOPE and other partners in the network. We are always interested in how we can improve—and sharing expertise, experience, and methodologies with others is vital. HOPE provides global knowledge learned in implementing microfinance around the world, much of which is applicable to where we serve in the Dominican Republic and Haiti. We've also had the opportunity to share our proven methodologies and ideas for engaging local churches in the transformation process.

At its core, partnership furthers God's Kingdom. I think that sometimes we don't partner and we don't develop deeper relationships because of our pride. We want our logos and our names to be up front: "I" am doing this and "I" am doing that, instead of "we." But the Kingdom of God is more about working and dreaming together, with each member of the body of Christ bringing to the table whatever gifts and talents God has provided. God has gifted HOPE in a unique way; God has gifted Esperanza in a unique way—and He wants to use both of us not to do the will of HOPE or of Esperanza, but to do His will.





HOPE

INTERNATIONAL
MICROFINANCE
— NETWORK —

The HOPE network consists of both HOPE-initiated programs and partnerships with like-minded organizations, helping us deliver excellent, Christ-centered business training and financial services through credit-led and savings-led programs.



**SAVINGS & CREDIT
ASSOCIATIONS**



SMALL LOANS



**SMALL & MEDIUM
ENTERPRISE
LOANS**

LATIN AMERICA

DOMINICAN REPUBLIC

Esperanza International

HAITI

Anabaptist Foundation
Esperanza International

PERU

The Locker Room and
Christian and Missionary
Alliance Church of Comas

AFRICA

BURUNDI

Turame Community Finance

DEMOCRATIC REPUBLIC OF CONGO

HOPE DRC

REPUBLIC OF CONGO

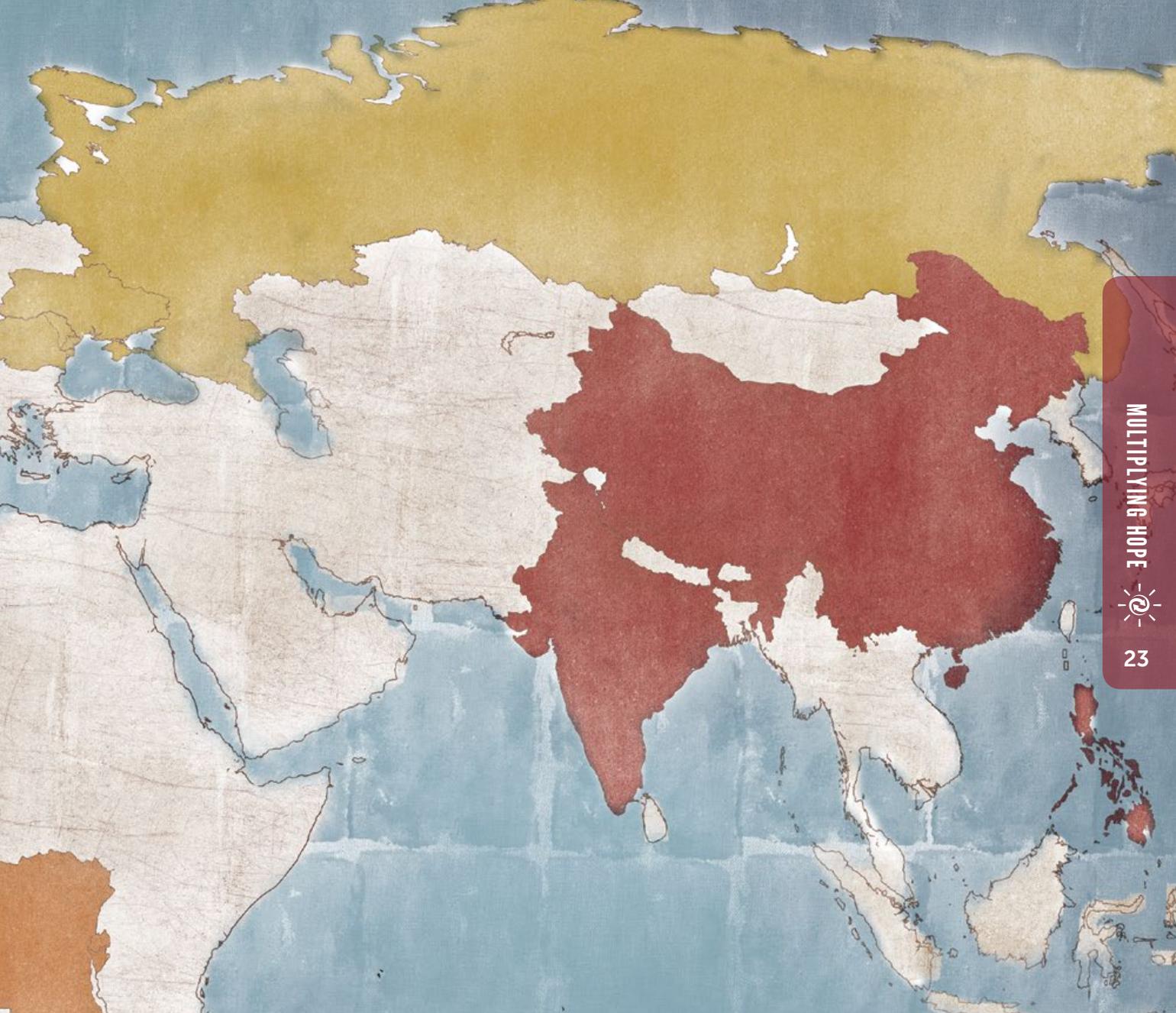
HOPE Congo

RWANDA

Anglican and Pentecostal
churches of Rwanda
Urwego Opportunity Bank

ZIMBABWE

Acta Non Verba Zimbabwe and
Central Baptist Church of Harare



EASTERN EUROPE

- MOLDOVA**  
Invest-Credit
- ROMANIA** 
ROMCOM
- RUSSIA** 
HOPE Russia
- UKRAINE** 
HOPE Ukraine

ASIA

- AFGHANISTAN** 
Name withheld for security
- CHINA** 
HOPE China
- PHILIPPINES**  
Center for Community Transformation
- INDIA** 
Names withheld for security

ADVANCING THE MISSION



GOING SOMEWHERE

Perhaps the Bible speaks so much about money not only because God cares how we spend it but also because of its undeniable effect on relationships. In Ouanaminthe, Haiti, where money is in relatively short supply, Danius Joseph shares how a \$200 loan from HOPE's partner Esperanza International revolutionized his business and gave him "the means to live in a community."

For years, Danius had to carefully balance the funds to feed his wife and three children, aged 2-5, against the funds he would save to buy produce for resale on Tuesdays, Thursdays, and Saturdays when a bustling market opened just across the Haitian border in the Dominican Republic. All too often, he found himself

with too little to do either. "My children got used to going to bed hungry," Danius says, and he frequently borrowed from neighbors to finance his small business. His requests for money were met with resentment by those who had little to spare, straining relationships, branding him a beggar, and placing Danius under the stress of having debts to settle at the end of each working day.

Danius wanted to give to his community, not take from it, so when he wasn't working, he was volunteering. He taught Sunday school, joined the local church choir, and was introduced to Esperanza when he served as an instructor in a community-based literacy program they funded and initiated. Yet within his



Neighbors have noticed his wise money management and the ways in which his life has changed, and though they once looked down on him as a beggar, they now admire him as an insightful advisor.

Photo: Jeremy Cowart

community, Danius' pleas for money overshadowed his volunteerism. He wasn't respected by others, and he says he couldn't respect himself.

In January 2011, a \$200 loan from Esperanza gave Danius a fresh start. He was already resourceful, entrepreneurial, and ambitious, and he knew his business well. With this lump sum, each trip to the border would be increasingly productive. He was accustomed to working with loans of only \$25 that had to be repaid after just one day, so with six months and a much larger sum, Danius knew he could turn a profit. He also recognized the cost of idle time and now had the means to address it. With the market open only three days per week, Danius registered as a vendor for pre-paid cell phone credit, a popular product in his community, enabling him to work close to home and generate additional income when the market was closed.

When his community bank needed to elect a president, again Danius stepped up to serve. As president, he coordinates repayment meetings for his group and helps to teach and lead the meetings alongside his loan officer. Since his first loan, Danius has received additional loans

of \$250 and \$300. Neighbors have noticed his wise money management and the ways in

which his life has changed, and though they once looked down on him as a beggar, they now admire him as an insightful advisor.

When others seek advice, Danius is eager to share of Esperanza, where he received not only loans but also dignity and respect as well as biblically based training. He's inspired others in Ouanaminthe to work hard and persevere in providing for their families. Heeding his counsel, so many community members wanted to join Esperanza that a second community bank was formed. Though Danius is not required to attend the meetings of this second bank, he faithfully takes part so that he can encourage these members as they pursue the path that has brought such transformation to his own life. He smiles confidently as he points to the bicycle he now rides to meetings, which he purchased with his profits. "When people see you riding on a bicycle," Danius explains, "they know that you are going somewhere to do work ... and that you are able to provide for your family."

by Jill Heisey, staff writer, with Dan Williams, Haiti program advisor

SERVING THOSE WHO SERVE

When I visit Natasha, a HOPE client in Ukraine, or Josephine, a client in Congo, I think not only of the loans that are changing these clients' lives but of every email, interview process, and policy decision that led to this point. As the administration team, we function in the background, building, supporting, and serving HOPE's staff to ensure they are effectively serving our clients and supporters.

Our responsibilities begin with hiring. We dedicate time to pray over each open position and candidate, knowing that we've been given the privilege of assembling a team that will carry out God's call to fight physical and spiritual poverty. We hire people who are not only highly skilled in their field but also deeply committed to HOPE's Christian identity. Our calling is to share the Gospel in everything we do, and we seek staff members who are dedicated to living out this calling in all areas of their lives.

Once we hire employees committed to HOPE's mission, we want to assist them in developing spiritually and professionally in each stage of their relationship with HOPE. We want to serve our staff well just as they, in turn, serve our clients and supporters well. For the administration team, the sign of a job well done is a strong and passionate HOPE staff, fully equipped to carry out their mission.

JESSE CASLER

Vice President of Administration

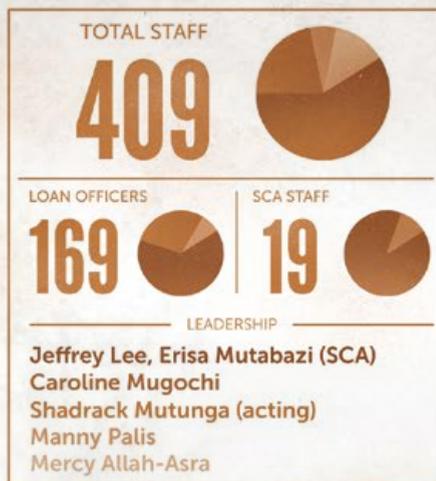
www.hopeinternational.org/jobs

And I heard a loud voice from the throne saying, "Look! God's dwelling place is now among the people, and he will dwell with them. They will be his people, and God himself will be with them and be their God. 'He will wipe every tear from their eyes. There will be no more death' or mourning or crying or pain, for the old order of things has passed away." He who was seated on the throne said, "I am making everything new!"

Revelation 21:3-5

AFRICA

RWANDA
ZIMBABWE
BURUNDI
CONGO
DRC



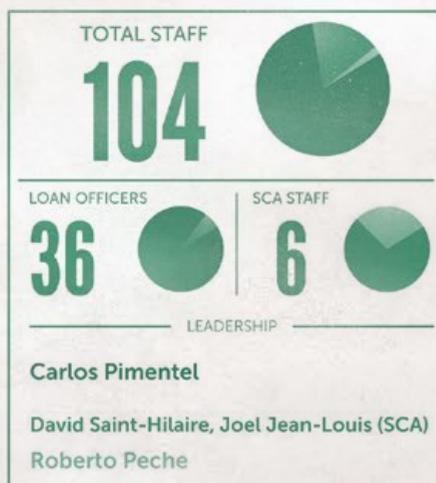
EASTERN EUROPE

MOLDOVA
ROMANIA
RUSSIA
UKRAINE



LATIN AMERICA

DOMINICAN REPUBLIC
HAITI
PERU



ASIA

PHILIPPINES
AFGHANISTAN
INDIA
CHINA





IMAGE-BEARERS

Most of our clients know HOPE International not as a network of microfinance institutions headquartered in Lancaster, Pa., but as a local organization that disburses loans, encourages saving, provides training, and shares the Good News of the Gospel in their communities. When they think of HOPE’s staff, they think not of our leadership team but of their loan officer or savings facilitator. Our in-country staff have incredible influence and responsibility as the hands and feet of HOPE. These teams are overseen by a group of experienced, talented managing directors who model servant-leadership in their interactions with staff and clients. We are grateful that they have chosen to serve HOPE as together we strive to serve Christ and show His love to our clients.



LOCAL EXPERTISE

HOPE’s commitment to livelihood development extends not only to our clients but also to our staff. In communities facing staggering unemployment and underemployment rates, HOPE provides promising career opportunities for local residents. Wherever possible, HOPE’s in-country staff members work within the

communities in which they live, worship, and fellowship. Our commitment to hiring locally benefits HOPE as well as those we employ, ensuring that our staff understands the nuances of the local context, including laws, language, and business practices.



Jeff Rutt
Founder and Board Chair

1997

Founder/CEO, Keystone Custom Homes
Lancaster, PA

“As an entrepreneur, it’s thrilling for me to see the poor have an opportunity to use their God-given gifts and skills to work their way out of poverty. More than helping the poor to survive, Christ-centered microfinance is empowering the poor to flourish.”

“A loan extended in the right spirit can be a small act of grace, and acts of grace can echo, sometimes even through generations of lives. HOPE seeks to be persistent in grace-giving, by what we do and how we do it.”

Brian Lewis

Board Vice Chair

2000

Principal, Cereus Partners Inc.
Orcas Island, WA



THE LIGHT SHINES IN THE DARKNESS, AND THE DARKNESS
JOHN 1:5

“Not only do they help people work their way out of poverty, HOPE is also opening the door for their clients, whom they serve, to have a closer relationship with Jesus Christ and to grow in their relationship with God.”

Christopher Crane

Board Secretary

2010

Chief Executive Officer, Edify
Rancho Santa Fe, CA



IF ANYONE HAS MATERIAL POSSESSIONS AND SEES A BROTHER OR SISTER IN NEED BUT HAS NO PITY ON THEM,

“Well-operated microfinance organizations can make an impact on poverty. But the Gospel changes everything. It is the key to long-term transformation of people and communities, and it is the reason why HOPE is so committed to operational excellence as well as spiritual impact.”

David Park

Board Treasurer

2009

Partner, Greenwood
Hospitality Group
Houston, TX



FOR YOU KNOW THE GRACE OF OUR LORD JESUS CHRIST, THAT THOUGH

“Christ-centered microfinance recognizes that all are created in God’s image and respects the dignity of all. Our loans enable people to believe in themselves and in the God who created them.”

Ron Webb

2005

Visiting Professor, Penn State Harrisburg,
School of Business
Grantham, PA



“THE KING WILL REPLY, ‘TRULY I TELL YOU, WHATEVER YOU

“Financial services provided to the poor are empowering of their dreams and hopes. The community that is formed economically and spiritually has impact that blesses their families, alleviating physical and spiritual poverty.”

Timothy Snow

2006

Executive Pastor, University
Presbyterian Church
Seattle, WA



BOARD OF DIRECTORS



Henry Kaestner

..
2010

Executive Chairman, Bandwidth.com
Durham, NC

“Lest I be tempted to go up to a client and say that I was the one that lent her the \$200, she’d be able to say, ‘And I paid you back with interest.’ ... I love that.”

HAS NOT OVERCOME IT.



Lisa Espineli Chinn

...
2008

National Director of International
Student Ministry, InterVarsity/USA
Madison, WI

“Poverty is alleviated when, driven by God’s love and compassion, we come alongside to empower the poor with loans and advice on how to do business and be committed stewards of God’s resources.”

HOW CAN THE LOVE OF GOD BE IN THAT PERSON? DEAR CHILDREN, LET US NOT LOVE WITH WORDS OR SPEECH BUT WITH ACTIONS AND IN TRUTH.

1 JOHN 3:17-18



Dennis Hollinger

..
2010

President and Colman M. Mockler Distinguished
Professor of Christian Ethics, Gordon-Corwell
Theological Seminary
Beverly, MA

“Christ-centered microfinance empowers the poor and grants them dignity in the context of responsibility.”

HE WAS RICH, YET FOR YOUR SAKE HE BECAME POOR, SO THAT YOU THROUGH HIS POVERTY MIGHT BECOME RICH.

2 CORINTHIANS 8:9



James Deitch

...
2009

Co-founder and CEO, TeraVerde
Financial LLC
York, PA

“The demonstration of Christ’s love through the actions of a client’s loan officer and fellow borrowers creates a cycle of self-respect, spiritual health, and economic success.”

DID FOR ONE OF THE LEAST OF THESE BROTHERS AND SISTERS OF MINE, YOU DID FOR ME.”

MATTHEW 25:40



Kim King

.
2011

Chief Attorney, Compliance
Group, Exxon Mobil Corporation
Law Department
Houston, TX

“Christ-centered microfinance allows people to fully use their God-given talents and gifts and allows them to retain their dignity.”

INVITING RESTORATION

On the development team, we raise funds to support HOPE's ministry, but even more fundamentally, we act as bridges, connecting those who live in poverty with those who have been called to partner with the poor. Our work doesn't just support HOPE's ministry: It is part of HOPE's ministry.

We have the privilege of coming alongside those in poverty and closely examining God's heart for the poor. As we share what we've seen and learned, we invite others to get involved in God's redemptive work around the world, connecting the called to their calling to steward God's resources well. In return, we are touched as our supporters share what God is doing in their lives and challenge us to pursue Christ ever more faithfully.

Our bridging role provides us the amazing opportunity to invite clients and donors alike to restore God's Kingdom. When a supporter faithfully gives, empowering an entrepreneur to faithfully put her skills to work, both are glorifying God and catalyzing change. When each of us uses our God-given gifts and talents, listens to His voice, and obeys His calling, communities are transformed by the Gospel, the Kingdom is ushered in, people come to know Christ, and the glory of God is revealed.

KATIE NIENOW

Director of Development

Nevertheless, there will be no more gloom for those who were in distress. ...

The people walking in darkness have seen a great light; on those living in the land of deep darkness a light has dawned. ...

You have shattered the yoke that burdens them, the bar across their shoulders, the rod of their oppressor.

Every warrior's boot used in battle and every garment rolled in blood will be destined for burning, will be fuel for the fire.

For to us a child is born, to us a son is given, and the government will be on his shoulders.

And he will be called Wonderful Counselor, Mighty God, Everlasting Father, Prince of Peace.

Of the greatness of his government and peace there will be no end.

He will reign on David's throne and over his kingdom, establishing and upholding it with justice and righteousness from that time on and forever.

The zeal of the LORD Almighty will accomplish this.

Isaiah 9:1-7



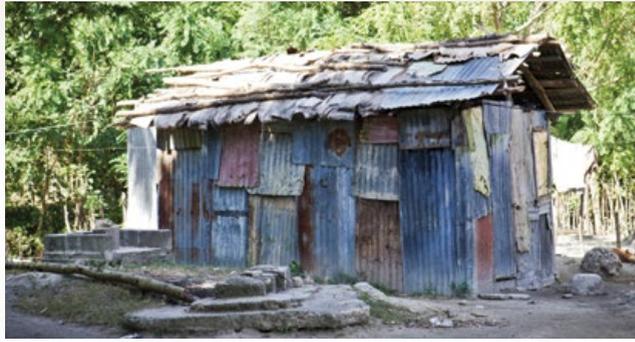
HOMES
FOR HOPE

While 2011 was another challenging year for the building industry, we continued to witness the generosity of homebuilders and their trade partners across the country. Through the Homes for Hope program—an affiliated but independent 501(c)(3) organization—these builders united with their subcontractors, suppliers, and consultants to build six Homes for Hope in three states, donating the profits from the sales of these homes to benefit HOPE's clients around the world.

"Part of the purpose of our company has always been to give back to the community and care for our neighbors," explains John Fox, of FoxBuilt Inc. in Harrisburg, Pa., "not just our neighbors locally but also our neighbors abroad, and our partnership with Homes for Hope was a natural fit from the beginning."

Because of the generosity of partners like FoxBuilt, Homes for Hope exceeded its initial goal by \$50,000, generating \$600,000 in support of HOPE's work—and offering countless men and women living in poverty a renewed, more hopeful outlook for their future.

Photo: Sarah Winkler



LIVING AND GIVING WITH IMPACT



LANCE WOOD

Lance Wood always expected to be working in Christian ministry by his 50th birthday. After his employer, Arthur Andersen LLP, collapsed in 2002, he asked God if it was time to make the transition. “But the answer was that I was

already in full-time ministry,” he explains. “The answer was, ‘Go work at PricewaterhouseCoopers, cap your family’s lifestyle, find the ministries that I’ll put on your heart, and come alongside them in your giving.’ I also had plenty of ministry opportunity at my workplace. So I started pursuing in earnest where God would like me to put His money.

“Because I’m a numbers guy, I decided to get more serious about my giving than just giving to the last person who asked. I created an Excel spreadsheet with lots of factors reflecting the power of the giving dollar. And the bottom line is that microfinance has more life impact per dollar spent than any other form of charitable giving I’ve been able to find. But the problem was that I couldn’t find a microfinance organization that strongly connected the Gospel to the business of microfinance.

“I first got connected to HOPE in 2007. Because I was already totally sold on the concept of microfinance, once I heard that HOPE combines meeting eternal needs with meeting physical needs, I didn’t even need to hear anything else. HOPE just blows away everything else out there.

“Since then I’ve become a HOPE evangelist, and I’ve also felt the need to validate that HOPE is who they say they are. As a result, I’ve been on a few Experience HOPE Trips to the field, I’ve visited HOPE’s Central Service Unit in Lancaster, Pa., and I have spent some serious time with HOPE’s leadership. And I can honestly say that HOPE is the real deal. HOPE is committed to having Christ at the center—at the center of its leaders’ lives, at the center of loan officers’ lives, and at the center of the organization. That’s really important to me.

“I’m in business and ministry until the end. I’m all in.”



JIMBO TUCKER

Jimbo Tucker first heard about HOPE at the Catalyst Conference in 2009, and something about the idea of Christ-centered microfinance really stuck out to him. As the missions pastor of Mountain Brook Community Church

in Birmingham, Ala., Jimbo is always looking for ways to help his church get involved with what God is doing in the world. HOPE’s emphasis on entrepreneurship, leverage, dignity, and local discipleship sounded like something his church—especially the businesspeople in his church—might want to engage. Leading up to Christmas in 2009, MBCC participated in the Advent Conspiracy campaign. “That first year, we just said to the church, ‘Please spend less and give more this Christmas season,’ and gave them a list of ministries, including HOPE.” In 2010, Jimbo connected with then HOPE regional representative and fellow Samford alumnus Chris Oakley, who helped organize an Experience HOPE Trip to the Dominican Republic (D.R.) for MBCC leaders. “We sat in bank meetings, walked through the streets, and heard entrepreneurs share their stories. It was a great way to see that this isn’t just about the money. It’s about the ministry.” MBCC has since partnered with HOPE in the D.R. and Rwanda.

Jimbo explains, “I love watching God stir the hearts of our people, and I love telling the church about the lives God is allowing us to help impact. I tell them, ‘These are real people borrowing a little bit of money, and through a biblical discipleship process, they pay it back, break the cycle of poverty, hear the Gospel, and their circumstances and their lives are changed. We know that’s the only way a community will transform: through the work of God in the hearts of men. All we have to do is give a little bit of our money to something bigger than us, and God uses that investment for His glory.’ That’s easy to be a part of.”



STEWARDED RESOURCES



LESSONS IN GENEROSITY

Standing in front of the narrow storefront on a bustling, car-lined street in Oradea, I'm nervous: In the two years I've worked at HOPE, I've written dozens of client stories, but Cristian Sabo is the first client I'm interviewing in person. I'm visiting ROMCOM, HOPE's partner in Romania, and though I know that the small and medium enterprises (SMEs) they serve are important job creators, I can't help wondering whether Cristian's story will show significant impact.

We enter the long, narrow showroom, where high-quality doors and windows are displayed along both side walls. Cristian quietly steps forward to greet us, his manner friendly yet reserved. On the short drive over, my

interpreter had explained that we could probably conduct the interview in English, since Cristian speaks it well. But he demurs: "It will be easier in Romanian." Cristian draws up chairs, and as we begin speaking about his business, his thoughtful answers and unassuming manner help quell my nervousness.

A window and door manufacturing company, Danisab is named for Cristian's father, Daniel Sabo, who started the business in the mid-90s. Cristian started working with his father in 2004 and began managing the company a few years later, when his business background was vital in helping the struggling company survive the economic crisis. After a particularly difficult year in 2010, he took

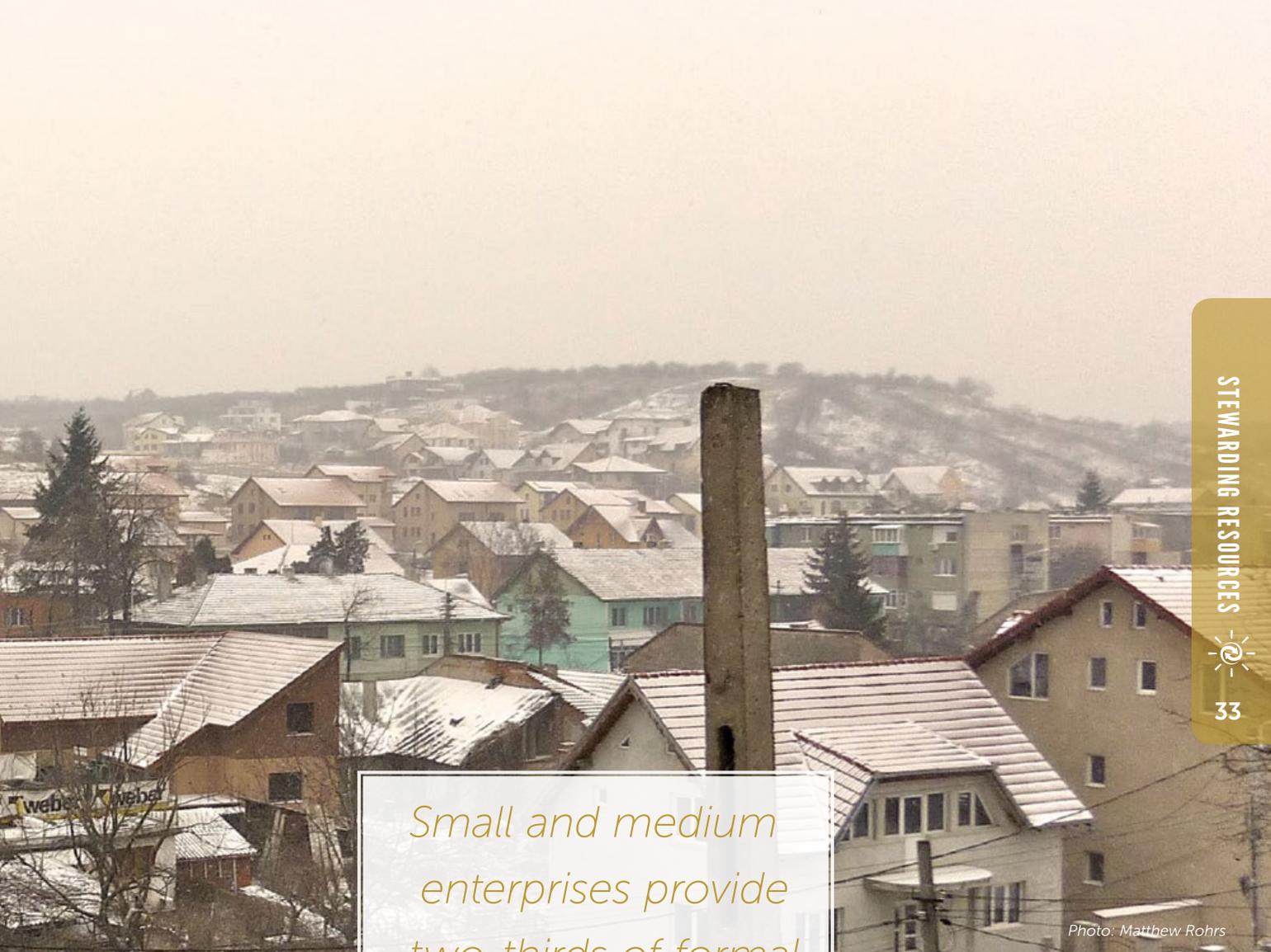


Photo: Matthew Rohrs

Small and medium enterprises provide two-thirds of formal sector jobs in the European Union.

out a loan of €2,500 (\$3,325) from ROMCOM in March 2011. Because his clients can often afford to pay only 30 to 50 percent in advance, he explains, "I needed a buffer. ... Otherwise I would have been forced to refuse them because I couldn't finance the difference."

When I ask if business has improved since receiving the loan, Cristian responds decisively in English: "Absolutely." In 2011, he elaborates, Danisab's profits equaled those of their best year before the crisis, and he expects another 20 to 25 percent increase in 2012.

Cristian's optimism is partly due to increasing demand. He tells me that the city recently awarded construction permits for 100 to 150 new homes to be built on the hills around the city—all of which will need windows and doors, he points out. In preparation, Cristian is planning to add two new locations, a kiosk in the city's largest mall and a second showroom in a nearby city. With this expansion, Cristian hopes to hire three to five additional employees, adding to the 10 the business currently employs.

Despite the growing demand, Cristian is careful to maintain balance in his life and to spend time with his wife and

2-year-old daughter. "I don't see my business mainly as a source of profit at any cost," he explains. "My purpose with the business is to help, to do good—to my family first and then to others."

When I ask how the business has helped him impact his community, Cristian hesitates, but as he begins to answer, his passion shines through: "The good thing about the crisis is that it helped us realize we can live on fewer resources. Now that we have more money, we realize there is more we can give, not keep for ourselves." He elaborates, sharing how God provided for him and his wife when they were in need and how they have in turn been able to give to others in their church. As his excitement grows, he again switches to English: "It's great. I'm not rich. I still have a mortgage to pay, but I'm happier than ever. This year I intend to give even more. My wife and I, we look back and are amazed how God provided."

by Erin Longenecker, staff writer

STEWARDING EXCELLENCE

As the finance department, ours is a supporting, sustaining role. We're not in the field working with clients, but we build the infrastructure and reporting that enables our microfinance institutions (MFIs) to hire the loan officers who are. We don't write the business curriculum, but we make sure the operations department has the resources it needs to provide training to clients. We don't raise funds, but we support our development team by ensuring that all the donations we receive are reported transparently and with integrity.



Last year, HOPE was pleased to receive our fifth straight four-star rating from Charity Navigator, placing us among the top 4 percent of U.S. charities. Combined with our membership

with organizations like the Evangelical Council for Financial Accountability (ECFA), this rating means that a donor can be comfortably assured that HOPE's operations are highly efficient, both in the field and in fundraising and administrative expenses. Donors can be further assured that we comply with all accounting policies and standards and provide transparent reporting on our work.

While we value these types of endorsements, our work is ultimately driven by our desire to ensure that HOPE does everything with the excellence of a good steward. As the finance department, we focus on stewarding the treasure God has entrusted to us, but we also work hard to steward our talents and time—bringing glory to God as we employ the skills He has given us to serve those around us on a daily basis.

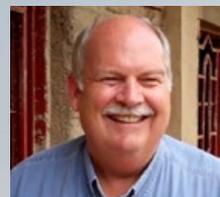
DAVID WONG

Chief Financial Officer

"For I know the plans I have for you," declares the LORD, "plans to prosper you and not to harm you, plans to give you hope and a future."

Jeremiah 29:11

"There is nothing more powerful than helping a family start a small business to provide long-term for their needs. HOPE International is doing this effectively through training, savings, and access to small loans. I have seen that my donations are used again and again to help families escape physical and spiritual poverty."



DAVID WEEKLEY

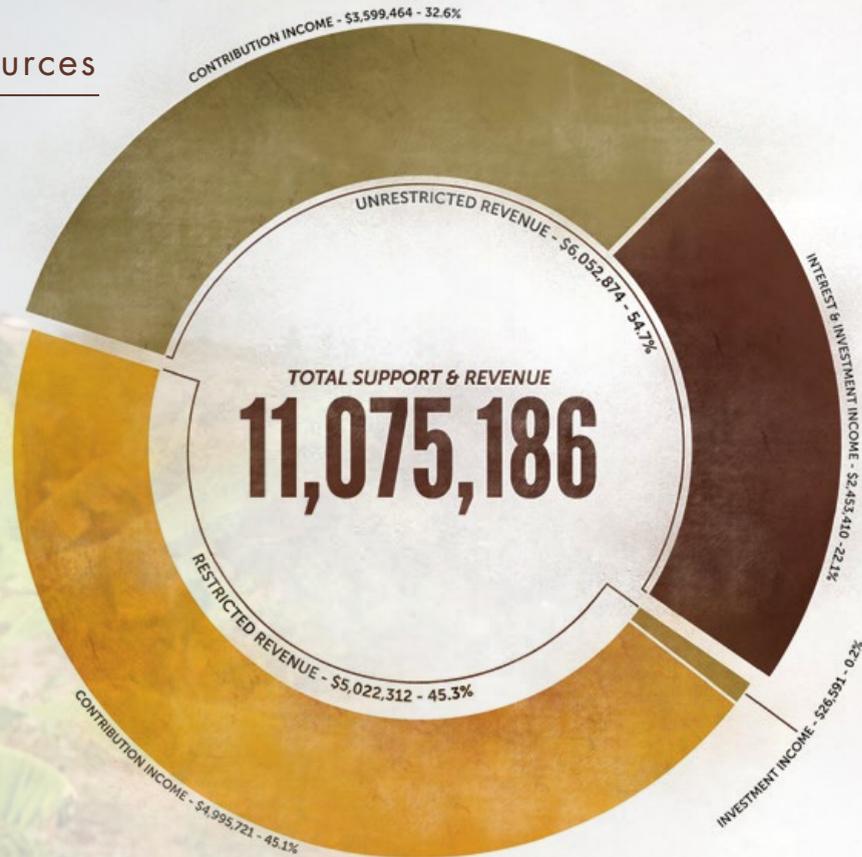
Chairman, David Weekley Homes



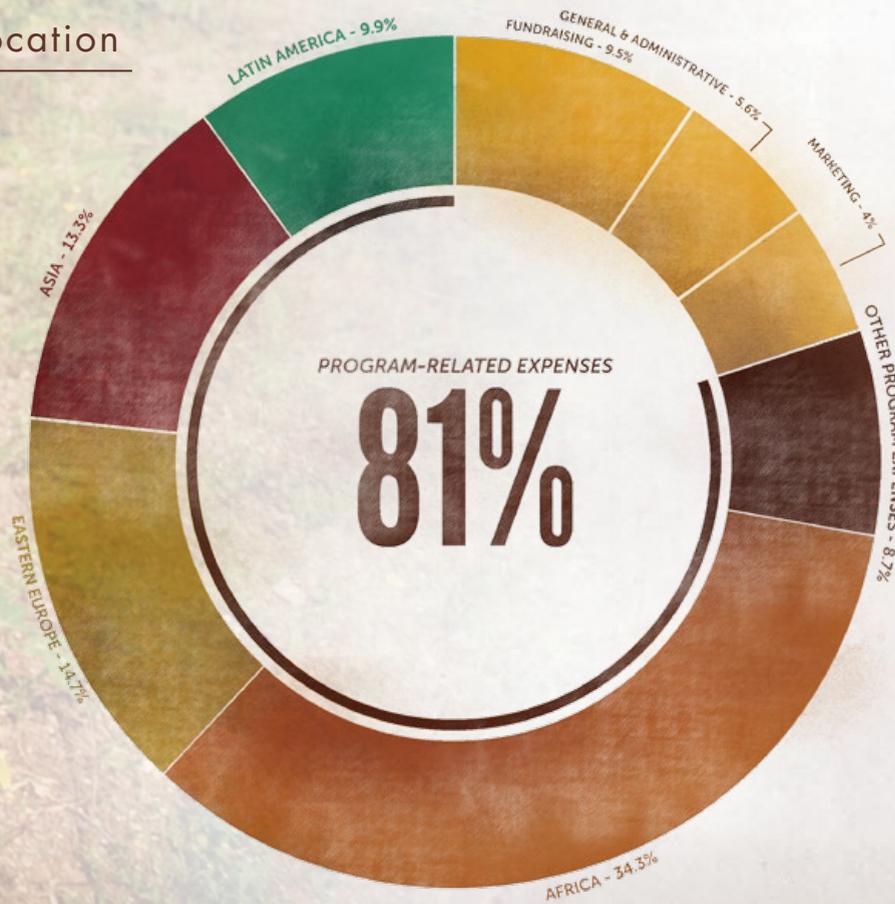
Photo: Nikole Lim

OVERVIEW OF 2011 FINANCIAL PERFORMANCE

Revenue Sources



Expense Allocation



MANAGEMENT DISCUSSION OF 2011 FINANCIAL ACTIVITIES

In 2011, HOPE International continued to maximize donor funds for program support. 81 percent of total expenses were program-related, funding client loans, in-country microfinance institution (MFI) and Savings and Credit Association (SCA) operations, and technical assistance. Through these programs, HOPE supported nearly 400,000 clients and helped fund over \$34 million of net loan portfolio network-wide. HOPE also continued to diversify its donor base, growing the number of donors giving between \$1,000 and \$100,000 by over 29 percent as total contributions grew by over 13 percent.

For the year ended December 31, 2011, HOPE consolidated Higher Impact Properties, HOPE Global Investment Fund (HGIF), and HOPE-led MFIs in five countries: Ukraine, Russia, Congo, Democratic Republic of Congo (DRC), and Afghanistan. Both HOPE DRC and HOPE Russia were consolidated in 2011 for the first time. In 2011, HGIF received principal repayments from three partners in the amount of \$450,000. Reinvesting these repayments along with new funding, HGIF deployed \$850,000 in loan capital throughout the HOPE network, growing total loans outstanding to \$1.6 million.

HOPE's year-end net asset position is healthy at \$11.2 million. The improvement in net assets from 2010 was driven by positive trends in HOPE's donor base, loan portfolio growth, and the inclusion of HOPE DRC and HOPE Russia.

CONSOLIDATED SCHEDULE OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2011 (UNAUDITED*), AND DECEMBER 31, 2010 (AUDITED)

SUPPORT & REVENUE	2011	2010	CHANGE
SUPPORT			
Individuals	\$2,168,178	\$1,977,008	\$191,170
Businesses	543,815	570,700	(26,885)
Foundations & other organizations	4,223,410	3,165,308	1,058,102
Homes for Hope	600,000	550,000	50,000
Special event revenue (net of expenses)	781,552	987,092	(205,540)
Gifts in kind	278,230	347,102	(68,872)
REVENUE			
Interest income - MFI & HGIF	2,414,203	1,196,461	1,217,742
Other income - interest, gain/(loss) on investments including MFIs	65,798	(25,716)	91,514
TOTAL SUPPORT & REVENUE	11,075,186	8,767,955	2,307,231
EXPENSES & PROGRAM INVESTMENTS			
Program services & investments	8,796,828	7,455,909	1,340,919
Management, general, & fundraising	1,725,374	1,422,550	302,824
TOTAL EXPENSES & PROGRAM INVESTMENTS	10,522,202	8,878,459	1,643,743
NET	552,984	(110,504)	663,488



CONSOLIDATED SCHEDULE OF FINANCIAL POSITION

AS OF DECEMBER 31, 2011 (UNAUDITED*), AND DECEMBER 31, 2010 (AUDITED)

ASSETS	2011	2010
Cash & cash equivalents	\$965,809	\$14,581
Operational cash at MFIs	2,950,734	1,313,741
Restricted cash	1,385,165	1,347,305
Contributions & pledges receivable	1,213,986	1,521,877
Prepaid expenses & other assets	257,765	263,916
Interest receivable	46,054	39,691
MFI net loans receivable	4,064,839	2,728,974
TOTAL CURRENT ASSETS	10,884,352	7,230,085
Cash & cash equivalents - board-designated reserve	1,642,420	1,642,420
Property & equipment (net of accumulated depreciation)	795,370	667,041
Long-term loans receivable	100,000	—
Investment in MFIs & other long-term assets	2,060,679	1,799,068
TOTAL ASSETS	\$15,482,821	\$11,338,614
LIABILITIES & NET ASSETS		
LIABILITIES		
Client savings deposits	\$694,447	\$91,926
Accounts payable & accrued expenses	514,782	317,266
Other liabilities	387,994	319,241
Current portion of loans payable & interest payable	1,733,532	967,166
Notes payable - HGIF & other	911,000	1,572,056
TOTAL LIABILITIES	4,241,755	3,267,655
TOTAL NET ASSETS	11,241,066	8,070,959
TOTAL LIABILITIES & NET ASSETS	\$15,482,821	\$11,338,614

*Audited financial statements for 2011 can be found at www.hopeinternational.org as soon as they become available.



ON THE COVER: Rosarie Mukabagina joined a Savings and Credit Association in Gasharu Parish, Rwanda, in 2010. Since that time, this widowed mother of seven and grandmother of five has purchased a pig and a goat with her savings. Small loans from her group have also enabled her to pay school fees for her children. She now has nearly \$40 in savings.



HOPE

INTERNATIONAL

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Commitment to
Transparency
Recognized by
Intelligent
Philanthropy

