



# 2012 ANNUAL REPORT



*“I will sing of the Lord’s great love forever;  
with my mouth I will make your faithfulness known  
through all generations.”*

PSALM 89:1



**HOPE**  
INTERNATIONAL

## MISSION

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To invest in the dreams of the poor as we proclaim and live the Gospel in the world’s underserved communities.

## METHOD

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We share the hope of Christ as we provide biblically based training, savings services, and loans that restore dignity and break the cycle of poverty.

## MOTIVATION

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The love of Jesus Christ motivates us to identify with those living in poverty and be His hands and feet as we strive to glorify God.



## *Dear Friends,*

When my final graduate school research project took me to an Indian restaurant in the Democratic Republic of Congo (DRC), I had no idea what God had in store. I wasn't looking for a job, but over naan and curry, HOPE International's then-president Eric Thurman offered me the opportunity to join a team of people at HOPE committed to addressing the physical and spiritual causes of poverty.

I took the job—and I'm so thankful God led me to HOPE that day.

What attracted me nearly a decade ago still guides HOPE's mission today. We believe poverty is more than financial. It is also spiritual and social. Changed lives require transformed hearts, which ultimately come from the gift of grace in Jesus Christ.

In 2012, the HOPE network grew 30 percent to serve over 500,000 individuals worldwide, fueled by a 22 percent increase in financial support. Despite the growth, our mission remains the same: to support families as they work their way out of poverty and to build relationships where the Good News of Jesus Christ is shared.

2012 was also a year of tough choices. In DRC—ranked second to last by the Human Development Index—poor infrastructure, high operating costs, and several other factors led us to close one of our branches. Our commitment to reaching clients in underserved areas made this a difficult decision, but I believe it better positioned HOPE to serve our clients on a global scale. I'm proud to work with people willing to make tough choices—and who continue to desire to serve in the world's underserved places.

### **WE PRAISE GOD FOR KEY MILESTONES HOPE CELEBRATED THIS YEAR:**

- **15 YEARS OF MINISTRY:** Since we distributed our first 12 loans in Ukraine 15 years ago, HOPE's network has expanded to work in 16 countries around the world.
- **\$500 MILLION IN LOANS:** In 15 years, HOPE's network has loaned \$500 million: That's half a billion dollars put to work in the hands of hard-working entrepreneurs!
- **\$20 MILLION IN SAVINGS:** With the launch of our newest program in Burundi, we've further expanded our savings services, giving clients a source of capital for business growth and a safety net in emergencies.
- **DEEPER DISCIPLESHIP:** With an increased focus on discipleship and church partnerships, we made progress in ensuring all staff are provided the opportunity to grow in their faith and are equipped to actively share it with others.

I'm privileged to have joined HOPE nearly 10 years ago and to currently serve alongside more than 1,200 staff members worldwide, reflecting Christ's love and helping individuals work their way out of poverty.

Thank you for being part of this tremendous story of hope.

**PETER GREER**  
*President & CEO, HOPE International*



# THE NETWORK

*HOPE International is a network of 21 microfinance institution (MFI) and savings and credit association (SCA) programs—including 11 HOPE-managed programs and 10 partner programs—serving in 16 countries around the globe.*

## HOPE PROGRAMS

- Burundi ● SCA
- Central Asia\* ● MFI
- China ● MFI
- Democratic Republic of Congo ● MFI
- Haiti ● SCA
- Peru ● SCA
- Republic of Congo ● MFI
- Russia ● MFI
- Rwanda ● SCA
- Ukraine ● MFI
- Zimbabwe ● SCA

## HOPE PARTNERS

- Burundi, Turame Community Finance ● MFI
- Dominican Republic, Esperanza Internacional ● MFI
- Haiti, Esperanza Internacional ● MFI
- India East\* ● SCA
- India West\* ● SCA
- Moldova, Invest-Credit ● MFI
- Philippines, Center for Community Transformation ● MFI ● SCA
- Romania, ROMCOM ● MFI
- Rwanda, Urwego Opportunity Bank ● MFI

*\*Name or location withheld for security.*

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*Unless otherwise noted, HOPE statistics provided throughout this annual report are as of December 2012.*

*Featured photography courtesy of Sarah Severns (cover, inside cover, 2, 4, 13, 17, 22, 30, 32, back cover), Silent Images (1, 16), Becky Svendsen (6, 26), Nikole Lim (11, 14), Jeff Brown (15), Alisa Hooper (20), and Nick Martino (27).*

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"My children now can never die with hunger ..."



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"If you have the Lord, you have everything."



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## EQUIPPING THE CHURCH

The global Church is responding to God's call in exciting ways.

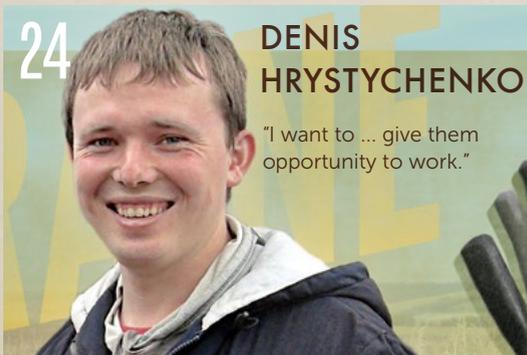


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From homebuilders to bloggers, HOPE's donors are entrepreneurs supporting entrepreneurs.

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"I want to ... give them opportunity to work."



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## CALLED TO SERVE

Worldwide, over 1,200 HOPE-network staff members are investing in the dreams of the poor.



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## FINANCIALS

HOPE values stewardship and directed 82 percent of funds to program support.



# 2012: THE YEAR AT A GLANCE

## THANKS BE TO GOD

As we reach the end of HOPE’s 2010-2012 strategic plan, we praise God for the countless ways we’ve seen His hand at work. Thanks to His provision and faithful donors, we surpassed several goals: launching **FIVE** new programs, growing from **257,000** clients to over **500,000**, and passing **\$10 MILLION** in annual revenue for the first time in our history.

After praying, dreaming, and planning for the next three years, our core strategic objectives remain the same: to keep **Christ at the center** of our ministry, provide **quality financial services**, and grow to **reach even more people** living in underserved areas.

These goals build naturally on one another—as we keep Christ central, we respond to His call for excellence. And as we develop excellent systems, HOPE is poised for significant growth and expansion.



MICROFINANCE INSTITUTION



SAVINGS & CREDIT ASSOCIATION

See p. 10 for more information on HOPE’s two models.

386,296  
TOTAL CLIENTS

107,066  
SCA CLIENTS

279,230  
MFI CLIENTS

Explosions at a munitions depot in Brazzaville, Congo, impact the local economy and displace thousands.



First individual lending spiritual integration summit held in Romania.  
*Read more on p. 12.*



The Western India program reaches 10,000 clients.



John Njerere from Harare, Zimbabwe, named the 2012 Thurman Award winner.

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE





## WHY WE SERVE

### WE RESPOND TO CHRIST'S CALL

At HOPE International, we believe our work is making a difference. Knowing the great need in the world, we respond to Christ's call to care for the poor because of His extravagant generosity toward us.

We've also seen results. The stories throughout this report bear testimony to the fruit of Christ-centered microenterprise development, as clients like Jane, Evangelista, and Denis are freed to use their God-given gifts to serve their families and communities.

### HOPE INTERNATIONAL SERVES IN ORDER TO...

## INTRODUCE

INTRODUCE CLIENTS TO THE LASTING HOPE THAT ONLY COMES FROM A RELATIONSHIP WITH JESUS CHRIST.

*"What good will it be for someone to gain the whole world, yet forfeit their soul?"*

MATTHEW 16:26

## RESPOND

RESPOND TO CHRIST'S CALL TO CARE FOR THOSE LIVING IN POVERTY.

*"Whatever you did for one of the least of these brothers and sisters of mine, you did for me."*

MATTHEW 25:40

## EMPLOY

USE OUR GOD-GIVEN TALENTS TO FREE OTHERS TO USE THEIRS.

*"Each of you should use whatever gift you have received to serve others."*

1 PETER 4:10

# WE LIVE IN A BROKEN WORLD

DESPITE PROGRESS IN THE FIGHT AGAINST EXTREME POVERTY, MILLIONS STILL STRUGGLE TO EARN A LIVING.

NEARLY 1 PERSON  
OUT OF EVERY 5



**1.3**  
BILLION  
PEOPLE

LIVES ON \$1.25  
OR LESS A DAY.

MANY IN THE DEVELOPING WORLD ARE UNDEREMPLOYED AND LACK ACCESS TO FINANCIAL SERVICES.

IN SUB-SAHARAN AFRICA  
**80%** OF THE ADULT  
POPULATION  
DOES NOT HAVE A  
BANK ACCOUNT.

456 MILLION WORKERS

HAVE A JOB

**BUT  
STILL**



LIVE ON  
**\$1.25**  
OR LESS A DAY.

AROUND THE WORLD, THE POOR LACK RESOURCES.

THE POOREST 69%  
OF THE POPULATION HOLDS ONLY  
3% OF THE WORLD'S WEALTH.



NEARLY  
**3** OUT OF EVERY **4**  
INDIVIDUALS IN EXTREME POVERTY LIVE IN  
SUB-SAHARAN AFRICA OR SOUTHERN ASIA.



WE HAVE THE RESOURCES TO MAKE A DIFFERENCE.



HOUSEHOLDS EARNING **\$50,000**

— THE MEDIAN U.S. INCOME —

ARE AMONG THE RICHEST **5%**  
OF THE WORLD'S POPULATION.

Statistics from the World Bank, the Credit Suisse Global Wealth Report, the United Nations Development Programme, Financial Access Initiative, and Giving What We Can (based on pre-tax income).



***“My children now can never die with hunger since they taught us how to save. Even if it is a little bit of money, you can save.”***

# JANE KAHUNDI

## A NEW HOPE

When Jane Kahundi first heard that Central Baptist Church was starting savings and credit associations (SCAs) in her community of Epworth, a poor neighborhood outside of Harare, Zimbabwe, she immediately knew she wanted to join: "I saw that this is right 100 percent, because my children now can never die with hunger since they taught us how to save. Even if it is a little bit of money, you can save."

Both Jane and her husband, Kenneth, had recently been laid off from work—and with Zimbabwe's 95 percent underemployment rate, finding a new source of income was proving difficult. With seven people to support, including their youngest son's family and Jane's elderly parents, Jane and Kenneth struggled to get by. Undaunted, Jane bought 100 chicks to start a chicken-raising business. But with six weeks needed to raise them before they were ready to sell, Jane struggled to manage her weekly cash flow to buy feed.

## THE FAMOUS CLUB

As soon as she learned about SCAs, Jane started a group in her community. She gathered five others, and together they called themselves The Famous Club. After receiving training from Central Baptist Church, each member began saving \$100 a month. After only six months together, they increased that amount to \$200 a month. With the money she's saved, Jane bought feed for her chickens—and is now raising her 13th batch.

Jane also started a second group: The Famous Club Groceries. Rather than building a pool of money, members use their savings to buy staples in bulk: cooking oil one month, sugar the next. At the end of

six months, they divide the groceries and begin the process again. The group has become popular in the community, with many others eager to join and save money on groceries.

This year, Jane hopes to make improvements to her house.

She took out a loan from The Famous Club to buy a room divider for her home, and she plans to build a wall around her property, allowing her to raise 200 chickens at a time. She also plans to help her parents make improvements to their house.

## SET FREE

As she's seen the power of savings, Jane hasn't kept it to herself. Many of the women in her group testify that Jane's influence led them to join. Even when they doubted whether they had enough to save, Jane encouraged them. As they've saved together, they've grown in solidarity, sharing Bible verses with each other and helping members in need. Last Christmas, Jane bought 13 bars of soap for widows in her community who couldn't afford it.

Jane praises God she's no longer trapped in the web of poverty: "I was like a person caught up in a spider web. Praise God! I've been caught up, but now I'm set free."

*Jane praises God she's  
no longer trapped in  
the web of poverty.*



## A HOLISTIC APPROACH

*HOPE is committed to spiritual and physical transformation. In both microfinance institutions (MFIs) and savings and credit associations (SCAs), we equip clients through discipleship, training, a safe place to save, and small loans—empowering those in poverty to flourish and become providers in their families and communities.*

### THE HOPE NETWORK CONSISTS OF TWO TYPES OF PROGRAMS

#### **MFI** MICROFINANCE INSTITUTION:

A bank specifically designed to serve the working poor. Through MFIs, clients are able to access a variety of services, which can include training, savings, small loans, and insurance.

#### **SCA** SAVINGS AND CREDIT ASSOCIATION:

A group of individuals saving their own money together. As they build a secure sum of money, members often take out loans from their group. SCAs are well-suited to reach those living in rural and impoverished areas.



## MAKING DISCIPLES

### BEING TRANSFORMED

Through our work, HOPE witnesses countless stories of physical and social restoration: as those blessed with abundance give generously, as men and women trapped in poverty become providers, as feelings of worthlessness give way to confidence in God-given gifts and abilities.

*“Christianity without discipleship is always Christianity without Christ.”*

DIETRICH BONHOEFFER

But material transformation is only part of the story: We believe lasting change can only occur through a **growing relationship with Jesus Christ**.

That’s why—although HOPE serves clients without discrimination and regardless of faith background—we engage in **culturally appropriate discipleship** in each place we work. This commitment starts with our staff; HOPE hires committed followers of Jesus and equips them through regular times of prayer and devotions.

In 2012, we introduced the “Faith in Practice” initiative, a monthly theme that staff members throughout the network study and apply as we focus on keeping Christ at the center of our work.

As staff members grow in their relationship with Christ, they are in turn equipped to disciple clients. 2012 saw an increased focus on discipleship in each HOPE program model: savings and credit associations, group lending, and individual lending.

*“For us to accomplish our mission, we believe it is vitally important to encourage every team member to ‘grow in the grace and knowledge of our Lord and Savior Jesus Christ.’ You simply cannot give what you do not have.”*

PETER GREER

President & CEO

(2 Peter 3:18)

# DISCIPLESHIP ACROSS THREE PROGRAM MODELS

## SAVINGS & CREDIT ASSOCIATIONS

Because HOPE's savings and credit associations (SCAs) reach the very poor, many clients **initially feel hopeless**, trapped in a life of poverty. In India, where we work with individuals in the lowest castes, our program director (name withheld for security) shares the importance of discipleship as the first step in transforming lives:

"We work with the poorest of the poor, people **from the untouchable caste**. They are raised in a system which makes them believe they're less than human; the whole crux of it is that everyone is created unequal. They live a life of absolutely no hope, not knowing the truth.

"We get to tell them **there's a God in whose image they're made**, there's hope and a future. Once they start seeing themselves as God sees them, they have a new identity in Christ, and they start living it out."



## MICROFINANCE INSTITUTIONS – GROUP

In community bank meetings, loan officers regularly interact with groups of clients—a **key time for building relationships**. To better steward this time, HOPE expanded implementation of a revised methodology in 2012.

Pioneered by CCT, our partner in the Philippines, the 5W's methodology intentionally incorporates time for **welcome, worship, Word, work, and wrap-up**. In 2012, groups in the Democratic Republic of Congo (DRC) and Republic of Congo (Congo) studied the Gospel of John together.

To **visually share God's Word**, HOPE expanded its use of Crown Financial Ministries' *God Provides*, a six-part film series sharing foundational Bible stories. In 2012, over 17,000 viewings took place in the Dominican Republic, Philippines, DRC, and Congo. Kinyarwanda, Romanian, and Russian versions will be released in 2013.



## MICROFINANCE INSTITUTIONS – INDIVIDUAL

For microfinance institutions (MFIs) in Eastern Europe focused on individual loans, client **interactions happen one-on-one**, rather than in groups, presenting a unique discipleship challenge for staff members.

Eager to find ways **to better integrate discipleship**, leaders of HOPE's individual lending programs met in Romania in February to celebrate what each program does well and dream of what could be.

Through these discussions, programs in Ukraine and Russia formulated a new model for discipling clients. Rather than trying to disciple every client, each staff member invests in a few deep relationships with clients, responding to their needs with the **hope of the Gospel**.





## TRAINING, MENTORING, AND COACHING

### TOOLS THAT EMPOWER

While HOPE's clients are intelligent and resourceful, most have had few opportunities for formal education. Through regular meetings, HOPE staff members have an incredible platform to build relationships with clients, equip them with knowledge, and encourage personal development. Biblically based business training, mentoring, and coaching can greatly magnify the impact—both physically and spiritually—of loans and savings.



### MENTORING BEARS FRUIT IN CHINA

"When it comes to training, the biggest needs we're seeing aren't related to business but rather to society: marriage, raising kids, and household finances. With the changing economy causing traditional Chinese values to go by the wayside, people in China are hungry for a foundation, for values. Our staff members not only invest in the lives of clients, they also visit, call, and study with clients' spouses and other family members. This year, it's been huge for our staff to meet social needs through mentoring and deep relationships—and to see fruit and transformation as a result."

#### HOPE CHINA STAFF MEMBER

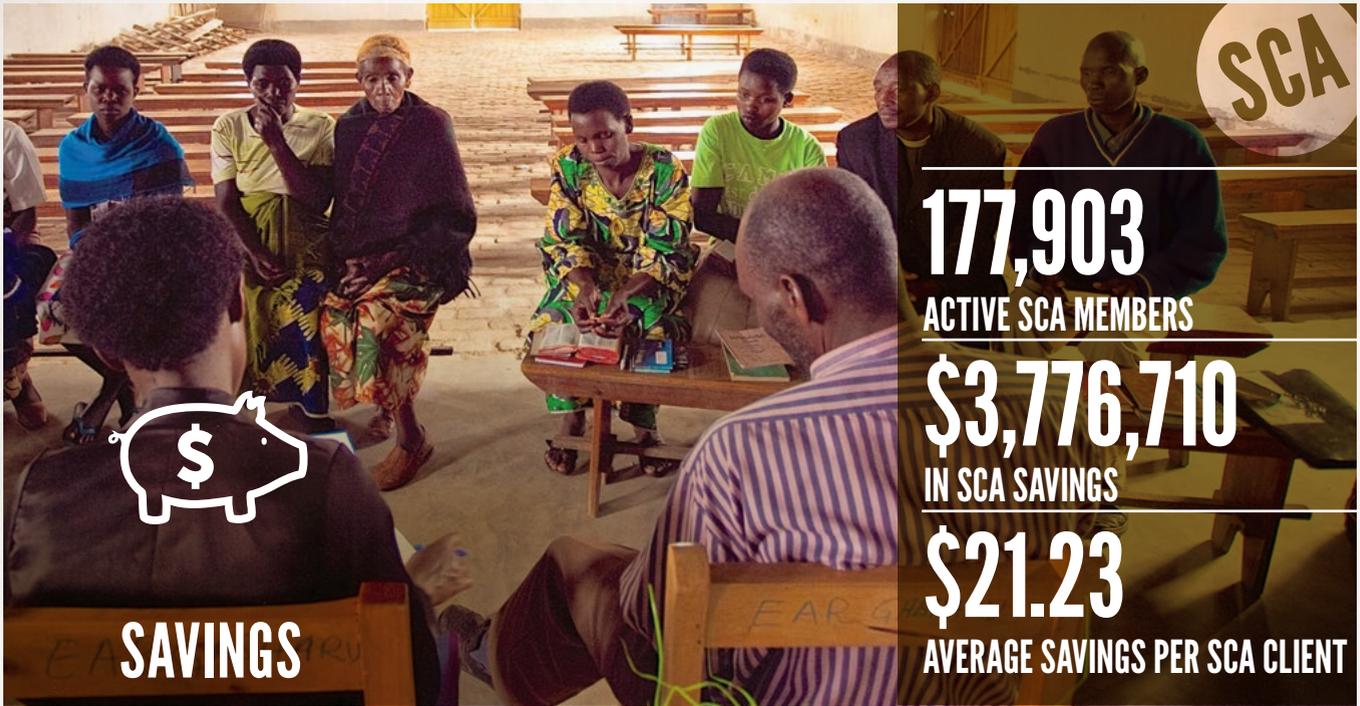
*Name withheld for security.*

### TRAINING WITH HOPE

Before filling her role at HOPE, Catherine Houman, field training manager, first studied pedagogy—the art of teaching—at the University of Brussels and then worked in banking for eight years in the Democratic Republic of Congo. She shares: "One of the first things I realized is that without training, a loan does not empower. When people live in extreme poverty, we need to equip them to switch from a short-term view to a long-term view in the way they think about money.

"We train clients to find the right loan size, to use it for the right activity, to manage growth, to keep business and house money separate, and to protect working capital to keep the business going. We also train staff to use their testimonies and Scripture in bank meetings and to interact with clients in a way that brings the restoration of Christ to their lives.

"We also emphasize adult learning principles because adults learn differently from children. Adults already have knowledge and experience, so we want to build on the expertise they've acquired—through having jobs, running families, raising children—and link that to new knowledge that can bring a new perspective and make a real difference."



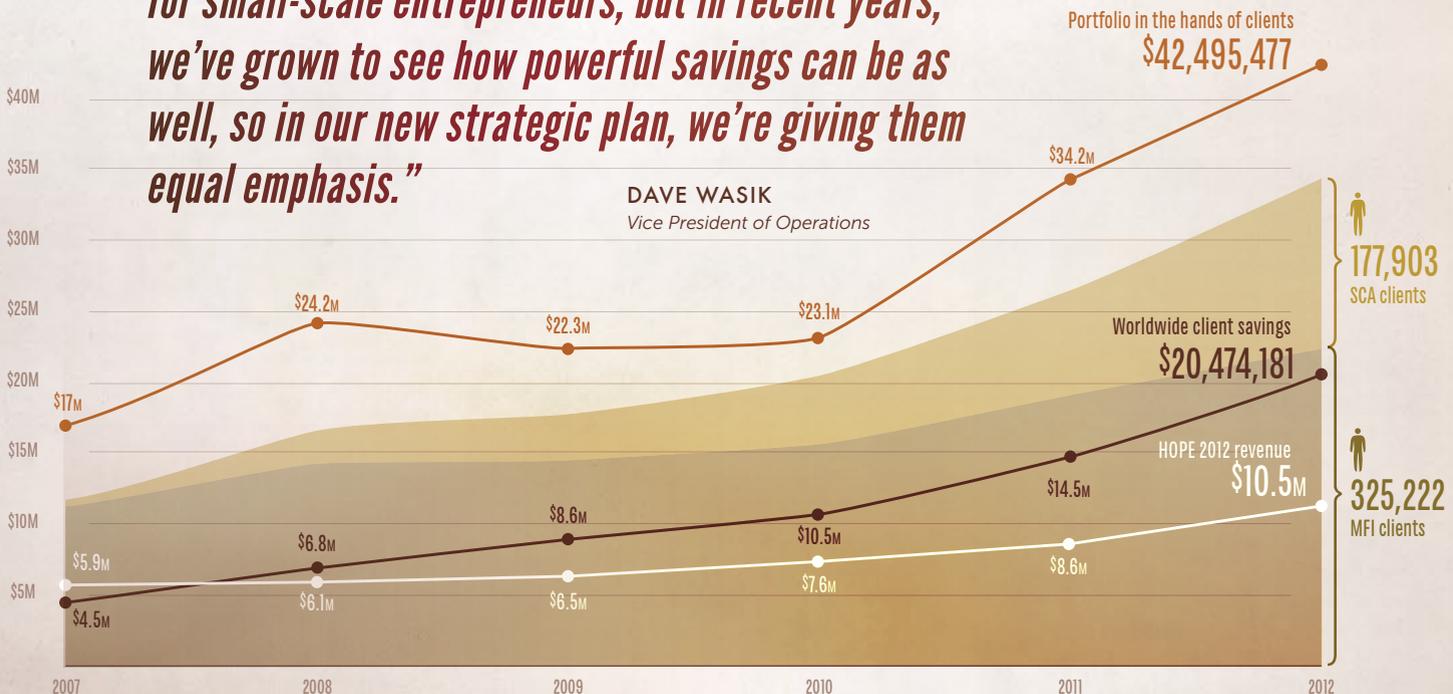
### BUILDING FOR THE FUTURE

In both microfinance institutions (MFIs) and savings and credit associations (SCAs), having a safe place to save can provide families with **meaningful lump sums** to use in emergencies, start or expand businesses, or pay for routine expenses such as school fees.

To reach even more people with this service, HOPE **launched a new SCA program in Burundi** in 2012 in partnership with two local denominations. This program will help reach those who need the financial safety net of a secure place to save without the risk of a small loan. Growth projections indicate it will expand quickly to reach thousands more families throughout rural Burundi.

*“HOPE got our start focusing exclusively on loans for small-scale entrepreneurs, but in recent years, we’ve grown to see how powerful savings can be as well, so in our new strategic plan, we’re giving them equal emphasis.”*

DAVE WASIK  
Vice President of Operations





**325,222**  
ACTIVE MFI MEMBERS

**\$42,495,477**  
MFI LOAN PORTFOLIO

**\$16,697,471**  
IN MFI SAVINGS

**\$470**  
AVERAGE MFI LOAN DISBURSED

**SMALL LOANS**

**MFI**

## LASTING CHANGE

For entrepreneurs in the developing world, a small amount of capital can make a huge difference. With MFI loans typically ranging from **\$100-\$2,000**, clients are able to buy supplies in bulk, expand and improve their inventory, and invest in capital improvements.



### Iris

Dominican Republic

By **buying used clothing in bulk**, Iris saves \$50-\$75 with each purchase. She now sells new and used clothing and is renting a shop rather than selling out of her home.



### Shirina\*

Central Asia

A skilled weaver, Shirina could only afford cheap materials in her carpets. Now she **purchases high-quality yarns** and weaves larger carpets—averaging one every three months.



### Samson

Burundi

The proprietor of a busy Internet café, Samson **expanded his services** to include computer classes and photo and video editing. The increased business has led Samson to create 12 jobs in his community.



### Mr. Liu\*

China

A manufacturer of steel windows and doors, Mr. Liu used his loan to **invest in more efficient equipment**. With his profits, he expanded to a larger factory and hired one employee.



### Nadezhda

Ukraine

Nadezhda used loans to **improve her farm** by installing drip irrigation. Instead of watering by hand, she now focuses on expanding her production of high-quality tomatoes and radishes.

*\*Names and photos changed for security.*



## HOW WE DEFINE SUCCESS

### MULTI-DIMENSIONAL GROWTH

At HOPE, we seek more than growth in numbers of clients served or loans repaid. We desire to see **lives transformed** by the truth of the Gospel, **families freed** from the cycle of poverty, and **communities restored**. As HOPE staff members witness firsthand the transformation that comes through Christ-centered microenterprise development, we also want to accurately track this transformation to ensure we are stewarding our resources for the greatest Kingdom impact.

In order to better measure HOPE's impact in the lives of clients, we hired Metrix Research Group, an organization specializing in strategic planning, research, and evaluation, to initiate a more rigorous monitoring and evaluation system. Beginning in June 2012, Metrix collected staff and client feedback in China, Haiti, Ukraine, Republic of Congo, and the Dominican Republic in order to develop a 54-question survey to measure evidence of God's redemptive work in four areas: **spiritual, social, personal, and material**.



***“HOPE is asking themselves, ‘Is our goal to help individuals become financially stable or to build relationships that will change their lives?’ The answer is both.”***

ALLEN REESOR

Executive Director of Metrix Research Group

Through ongoing monitoring and evaluation assessments of HOPE programs, leaders will establish a clear framework to **evaluate program effectiveness** across the network over time. It will also help local management oversee programs, improve client services, develop products and training to better serve clients' needs, and increase accountability among stakeholders.

# HOLISTIC IMPACT

*“Poverty is multi-dimensional—this research tool recognizes that. It also provides clarity on our definition of success: We must deliver across all dimensions if we are going to be successful.”*

MATTHEW ROHRS  
Director of Spiritual Integration

We aim to help deepen clients' relationships with Christ.

*“The knowledge of HOPE International staff allowed me to come to know the Lord, and that is the most beautiful blessing.”*

A HOPE CHINA CLIENT  
Name withheld for security.

We aim to help clients find healing in their relationships with others and connect them to a greater community.

*“The group members became like my family ... They support me emotionally, physically, and psychologically.”*

MARTHE, RWANDA

We aim to help clients and their families understand their inherent dignity and worth in Christ.

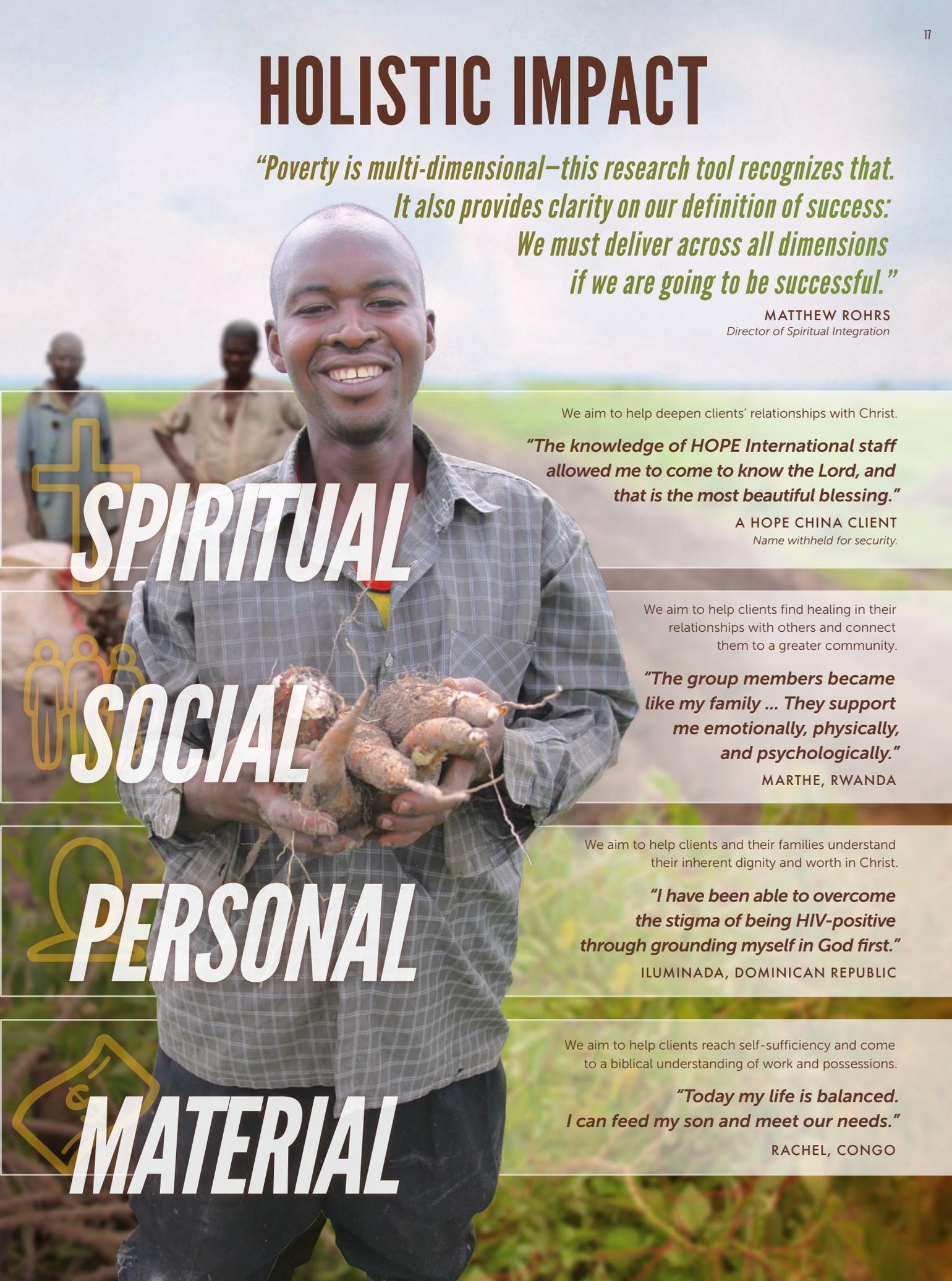
*“I have been able to overcome the stigma of being HIV-positive through grounding myself in God first.”*

ILUMINADA, DOMINICAN REPUBLIC

We aim to help clients reach self-sufficiency and come to a biblical understanding of work and possessions.

*“Today my life is balanced. I can feed my son and meet our needs.”*

RACHEL, CONGO



**SPIRITUAL**



**SOCIAL**



**PERSONAL**



**MATERIAL**



***“The first thing I tell my children they need is to receive the Lord. If you have the Lord, you have everything.”***

# EVANGELISTA OSORIA

## AN EARLY RISER

Evangelista Osoria rises well before the sun in Los Alcarrizos, Dominican Republic. The 52-year-old dreams of someday sleeping past 4 a.m., but for now, her elderly mother, three children, three grandchildren, and five employees are counting on her and her business, Yenis Empanada. Evangelista sells popular Dominican dishes directly to customers and sells flour and prepared dough to local vendors who rely on these products to run their own shops.

Yenis Empanada has been in Evangelista's family for years, but she found herself at the helm just a few years ago when her husband suddenly passed away. Even as she mourned his death, Evangelista knew it was now her responsibility to breathe new life into the business. One of her first decisions was to seek a loan from Esperanza International, HOPE's partner in the Dominican Republic. "In the toughest moment, Esperanza opened their arms and helped us," she recalls. With the nearly \$200 she borrowed, Evangelista bought a freezer to preserve her perishable ingredients.

## START SMALL, GROW BIG

She continued to work hard, preparing the *yanikekes*, *quipes*, and *empanadas* that made Yenis Empanada famous. With a larger loan of roughly \$350, Evangelista purchased a dough press, saving her hours of labor flattening dough by hand, a crucial step in preparing

empanadas. A third loan of nearly \$500 helped her increase her inventory and fulfill a large school contract she had won to prepare a daily supply of empanadas for students.

Despite difficult circumstances, Evangelista has created a light-hearted, lively atmosphere that attracts customers and energizes her employees. She says her five employees have become like her own children, and

it's clear they love and respect her for the challenges she's overcome. She hopes Yenis Empanada will continue to grow—not only for herself but also for her employees and her children, who have completed school and joined the family business. She wants to pay higher wages, improve working conditions, and provide more opportunities for those who work alongside her.

## FIRST THINGS FIRST

Most importantly, she wants to see those around her come to

faith in Jesus Christ: "The first thing I tell my children they need is to receive the Lord. If you have the Lord, you have everything." Esperanza's teachings have continued to encourage Evangelista in her faith, and she plans to continue partnering with Esperanza to grow her business. "I dream big!" she says, and she trusts Esperanza to offer the tools she needs to help transform her family business into a large operation that employs many in Los Alcarrizos.

*Even as she mourned her husband's death, she knew it was now her responsibility to breathe new life into the business.*



## EQUIPPING THE CHURCH TO ANSWER GOD'S CALL

*“The Spirit of the Lord is upon me, because he has anointed me to proclaim good news to the poor. He has sent me to proclaim liberty to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the year of the Lord’s favor.”*

JESUS (LUKE 4:18-19 ESV)

### PROCLAIMING THE YEAR OF THE LORD’S FAVOR

God invites the Church to be a part of the physical and spiritual restoration of what has been broken. HOPE desires to come alongside the Church with meaningful tools as we together hear, understand, and fulfill the calling to proclaim the Good News of redemption in Christ and engage in meeting our neighbors’ physical needs.

In 2012, HOPE and the Church partnered in exciting ways, both in the developed and developing world, to pursue the **Greatest Commandment** and the **Great Commission**.



*“Working with HOPE is beautiful Gospel partnership. Motivated by God’s great love and clarion call, we labor with the Church around the world to share the Good News and restore dignity, joy, and hope to those in material poverty.”*

JANET HOLGUIN

Willowdale Chapel Liaison to HOPE International

EKKLESIA DISCIPLES ITS CHURCH MEMBERS TO BE

# RADICALLY GENEROUS

WITH THEIR **RESOURCES** AND **TIME**

IN GIVING TO MINISTRIES LIKE HOPE.

A GLOBAL NETWORK OF ANABAPTIST CHURCHES

IS EQUIPPING SISTER CHURCHES

## TO FIGHT POVERTY

— BY FUNDING —

### SCA PROGRAMS

IN HAITI AND INDIA.



FELLOWSHIP BIBLE CHURCH

IS EMPOWERING CHURCH PARTNERS

# IN PERU

TO REACH OUT TO THOSE IN POVERTY

THROUGH HOPE'S NEWEST SAVINGS PROGRAM

IN LATIN AMERICA.

AFTER READING

*WHEN HELPING HURTS*

HILLSIDE BIBLE CHURCH  
REACHED OUT TO HOPE

TO USE A

## CHRISTMAS DONATION



TO HELP OTHERS IN A MORE SUSTAINABLE WAY.

THE MIDDLE SCHOOL YOUTH AT MOUNTVILLE MENNONITE CHURCH

WENT THROUGH HOPE'S EXHIBIT,

## PATHWAYS OUT OF POVERTY



TO LEARN HOW GOD CALLS THE CHURCH

TO RESPOND TO THE CRISIS OF GLOBAL POVERTY.

RWANDAN CHURCHES WITH SAVINGS GROUPS REPORT

# INCREASED TITHING & ATTENDANCE

BECAUSE GROUP MEMBERS HAVE GROWN

**FINANCIALLY** AND **RELATIONALLY.**

A CONGOLESE PASTOR REPORTS MORE VENDORS ARE

JOINING IN FELLOWSHIP BECAUSE HOPE CONGO

HOLDS BANK MEETINGS IN HIS BUILDING.



## BUSINESS LOANS

TO MOLDOVAN PASTORS  
ALLOW THEM TO

### STAY IN PASTORAL MINISTRY

BY PROVIDING "TENTMAKING" INCOME.



IN THE PHILIPPINES,

CCT IS MAKING PROGRESS ON A GOAL TO

## PLANT A CHURCH

IN EVERY COMMUNITY WHERE

THEY SERVE CLIENTS.



WHEN THE HAITI EARTHQUAKE  
PROMPTED INCREASED ATTENDANCE

## AT A LOCAL CHURCH,

MEMBERS USED THEIR OWN SAVINGS

## RATHER THAN RELYING ON OUTSIDE FUNDING

TO EXPAND THEIR SANCTUARY.

# THE GREATEST COMMANDMENT

MATTHEW 22:36-40

*"Love the Lord your God ... Love your  
neighbor as yourself."*

# THE GREAT COMMISSION

MATTHEW 28:19-20

*"Therefore go and  
make disciples of  
all nations."*

AMID PERSECUTION IN INDIA,

## SAVINGS GROUPS PROVIDE A PLACE

FOR BELIEVERS TO FORM BONDS OF

# FRIENDSHIP & TRUST

WITH HINDU NEIGHBORS.





## CELEBRATING GOD'S PROVISION

### A GROWING COMMUNITY OF SUPPORT

Through the years, God has provided the people and resources necessary to move HOPE's mission forward. Over the past 10 years, we've been blessed with an annual compound revenue growth rate of **25 percent**. In 2012, nearly **4,000** donors worldwide supported HOPE's work, making it a record-breaking year. We are thankful for the growing number of supporters coming together to help alleviate physical and spiritual poverty, and we look forward to God's guidance and provision in the years ahead.

*"God's faithfulness continues to enliven us. We are so grateful for the continued generosity displayed by God's people, who are animated by the generosity Christ showed toward us."*

CHRIS HORST  
Director of Development

## ENTREPRENEURS EQUIPPING ENTREPRENEURS

### DAN & DURENE HANSON CORONA DEL MAR, CALIFORNIA



*EVP National Production, imortgage*

As a business leader for over 30 years, Dan was attracted to HOPE's work because of its sustainability and connection to small business owners. He explains, "It was exciting to understand HOPE's commitment to combine spiritual values with capital to create entrepreneurial business opportunities."

### PENNY & STEVE CARLILE MARSHALL, TEXAS

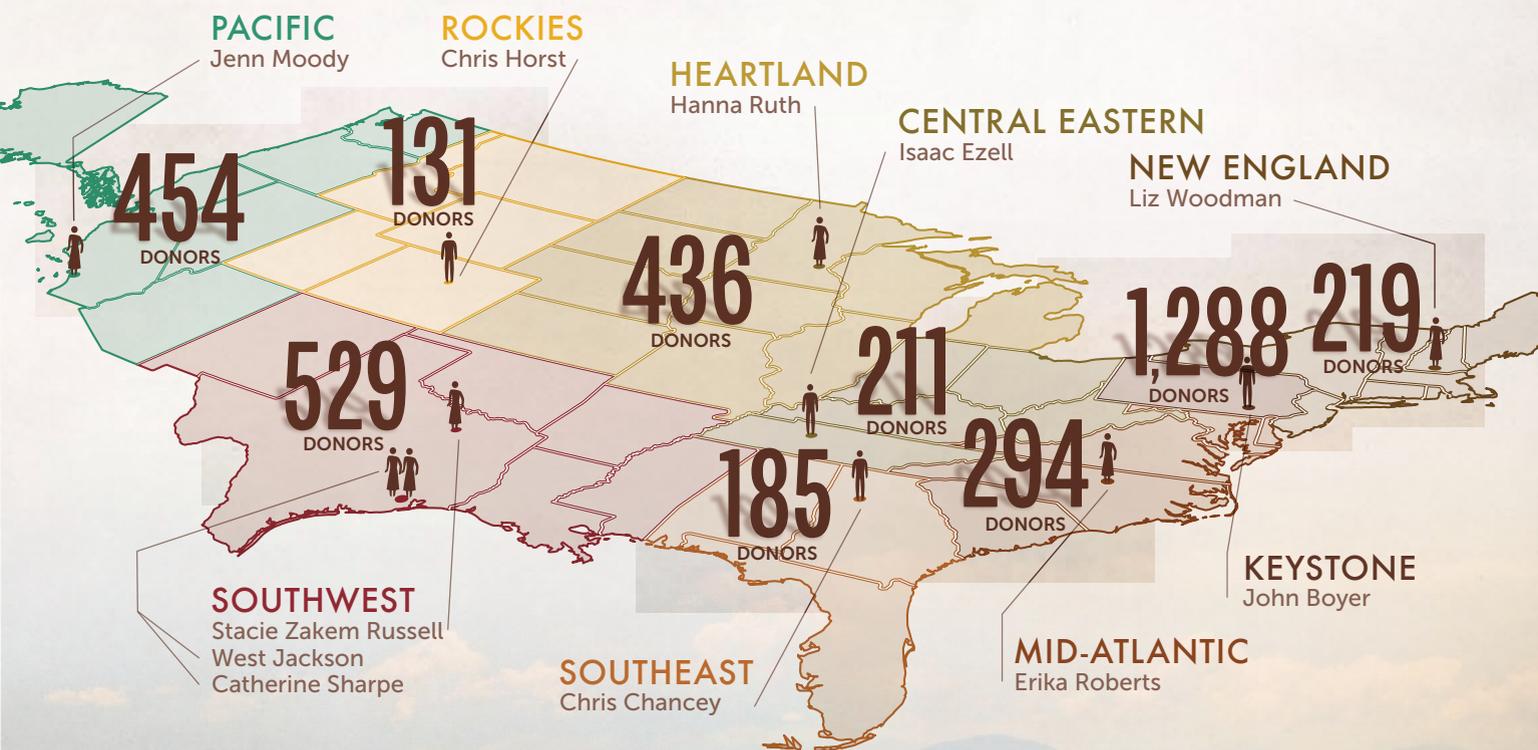


*Co-founders, Celebrating Home*

Entrepreneurs themselves, Penny and Steve launched a business that has grown to help thousands of women support their families by selling home decor and personal accessories. In 2012, they named HOPE their charity of the year and donated profits from their Celebrating Hope candle. They share, "We believe it is possible to build a successful company while honoring God and blessing and serving others."

## AN OVERWHELMING RESPONSE

Hundreds of donors from **every region in the U.S.** played a role in transforming lives around the world. In 2012, the number of families, businesses, churches, and foundations giving to HOPE grew by **25 PERCENT**.



**Our team of regional representatives would love to hear from you!**

Visit [www.hopeinternational.org/contact](http://www.hopeinternational.org/contact) to contact a representative in your area.

### JOANIE DEMER & HEATHER WHEELER BOISE, IDAHO



*Co-founders, The Crazy Coupon Lady*

Both young moms, Joanie and Heather shared a passion for stewardship of their families' finances. Blogging about their coupon expertise quickly grew into a website with national acclaim. In 2012, they decided to give back a share of their profits. "We were looking for an organization that does one simple thing, and we found it in HOPE:

helping women who are seeking to help themselves."

### MARK & KATIE NYBLOM TAYLORS, SOUTH CAROLINA



*CEO, Rosewood Communities*

Since Mark and Katie first heard about HOPE, Mark's company has donated the profits from one home every year through the Homes for Hope program. The sale of a home in 2012 raised \$85,000. Mark speaks for his whole company when he says, "We are so pleased to be a part of this great effort to end poverty worldwide!"



***“I want to change people’s mentality  
and give them opportunity to work!”***

# DENIS HRYSTYCHENKO

## PLANTING THE SEED

Denis Hrystychenko was only 9 years old when his father died, leaving his mother to support 10 children on her own. Many of Denis' older siblings went to work to support the family, and when he turned 14, Denis joined his brothers in the construction industry, proudly using his earnings to help meet the family's needs. He planned to make a career of construction, moving over 100 miles from Berdichev, Ukraine, to the capital city of Kiev and sending money home to his family—but God used a documentary film to plant another seed in his heart.

When Denis saw a film on the development of agriculture in Ukraine, he felt called to cultivate and expand this industry. He loved the land and believed in its potential to produce bountiful harvests. Though Denis had no farming experience, he began studying agriculture. Remembering the words of Proverbs 13:10—"Wisdom is found in those who take advice"—he consulted more experienced local farmers. Heeding their wisdom, Denis leased three hectares (about 7.5 acres) of local land, built a greenhouse, and began cultivating green onions and potatoes. He also arranged to plant and plow other farmers' fields to supplement his income.

## FARM AS MINISTRY

With the seasonal variability of his income, Denis wasn't able to expand his farm to include more crops and livestock. To pursue his dream, he sought a loan from HOPE Ukraine and invested the \$1,250 in improving his greenhouse and buying fertilizer for his potato crop.

Denis views his farm as a ministry, a model of hard work in a community where many have given up hope. He hires five to six people during harvest, explaining, "I want to change people's mentality and give them opportunity to work!" A leader within his church, Denis organizes evangelistic outreaches in his community. His hard work and strong character lend credibility to his message, as others see him as an example of a man whose deeds live up to his words.

*Denis loved the land  
and believed in its  
potential to produce  
bountiful harvests.*

## A GOOD NAME

Last year proved particularly difficult for potato farmers like Denis, as supply outpaced demand. Many farmers were devastated by the poor return on their hard work and investment, but Denis persevered, explaining that his faith lies not in the ground—or

what it produces—but in God. Though he could have defaulted on his loan or withheld payment from his workers, Denis again turned to the words of Proverbs: "A good name is more desirable than great riches" (Proverbs 22:1). And God was faithful to provide an idea that helped Denis repay his loan, honor his commitment to his employees, and provide for his family.

Denis realized that while supply exceeded demand in Berdichev, he could transport his harvest over 300 miles to Odessa, Ukraine, and sell the potatoes for a more competitive price. The harvest didn't produce "great riches" for Denis, but his response to the difficult circumstances did cement his reputation in the community as a man of great faith and character: a man with "a good name."



## BOARD OF DIRECTORS

### SPREADING THE GOSPEL, RESTORING DIGNITY



**CATHI LINCH, CPA**, serves as financial operations leader and treasurer for the Edmond, OK, campus of LifeChurch.tv, a multi-site church that leads people to become fully devoted followers of Christ. Cathi connected with HOPE while helping to direct LifeChurch.tv's global mission initiatives. She joined HOPE's board of directors in November 2012.

While serving many local communities, LifeChurch.tv also partners to serve globally. "We are so excited that we found a partner organization that is as crazy and passionate as we are about spreading the Gospel and restoring dignity," Cathi says of HOPE.

Prior to joining LifeChurch.tv, Cathi worked as a senior manager with KPMG. She also serves as a member of the board of directors for the Chalmers Center for Economic Development and the Edmond Community Agency Review Commission. Cathi and her husband, Brian, have three children.

#### **Jeff Rutt**

Founder & Chair of the Board  
Serving since 1997  
Founder & CEO, Keystone Custom Homes  
Lancaster, PA

#### **Brian Lewis**

Vice Chair of the Board  
Serving since 2000  
Principal, Cereus Partners Inc.  
Seattle, WA

#### **Christopher Crane**

Secretary of the Board  
Serving since 2010  
CEO, Edify  
San Diego, CA

#### **David Park**

Treasurer of the Board  
Serving since 2009  
Partner, Greenwood Hospitality Group  
Houston, TX

#### **James Deitch**

Chairman of HGIF Board  
Serving since 2009  
Co-founder & CEO, TeraVerde Financial LLC  
Lancaster, PA

#### **Peter Greer**

Serving since 2004  
President & CEO, HOPE International  
Lancaster, PA

#### **Dennis Hollinger**

Serving since 2010  
President & Colman M. Mockler  
Distinguished Professor of Christian Ethics,  
Gordon-Conwell Theological Seminary  
South Hamilton, MA

#### **Henry Kaestner**

Serving since 2010  
Executive Chairman, Bandwidth.com  
Raleigh, NC

#### **Kim King**

Serving since 2011  
Chief Attorney, Compliance Group, Exxon  
Mobil Corporation Law Department  
Houston, TX

#### **Cathi Linch**

Serving since 2012  
Financial Operations Leader & Treasurer,  
Edmond campus of LifeChurch.tv  
Edmond, OK

#### **Katie Nienow**

Serving since 2012  
Vice President of Business Development,  
Juntos Finanzas  
Mountain View, CA

#### **Timothy Snow**

Serving since 2006  
Executive Pastor, University Presbyterian  
Church  
Seattle, WA



## MIND OF A BANKER, HEART OF A PASTOR



PHIL SMITH, director of savings and credit associations (SCAs), recently joined HOPE after nearly seven years with World Relief as Rwanda country director and, most recently, vice president of operations for marketing and church engagement. He was also a member of Urwego Opportunity Bank's board

of directors. Phil previously served as executive pastor of Walnut Hill Community Church and in a variety of leadership positions within Pitney Bowes' financial services division.

In his new role, Phil has ample opportunity to see the Church in action as he leads SCA growth and expansion. "Groups not only save together but also care for each other," he says. "Most groups have a social fund that they use to help other group members who are in need. There is a dynamic in these groups that really is the body of Christ at work."

Phil holds a degree in business administration from Azusa Pacific University. He and his wife, Becca, have two sons.

## SENIOR LEADERSHIP

### **Peter Greer**

President & CEO  
*Serving since 2004*

### **Jesse Casler**

Vice President of Administration  
*Serving since 2004*

### **Dave Wasik**

Vice President of Operations  
*Serving since 2011*

### **David Wong**

Chief Financial Officer  
*Serving since 2010*

### **Chris Horst**

Director of Development  
*Serving since 2006*

### **Matthew Rohrs**

Director of Spiritual Integration  
*Serving since 2010*

### **Phil Smith**

Director of Savings & Credit Associations  
*Serving since 2012*

### **Kevin Tordoff**

Director of Marketing  
*Serving since 2008*



**JOAN BAUMAN**  
**DONOR CARE ADMINISTRATOR**  
Central Service Unit

*"After working here for more than four years, I still love being the first person people talk to when they call about donation details. I really enjoy being a connection between supporters and the organization."*

**LUDMILA POLONCHAK**  
**OPERATIONS MANAGER**  
Ukraine



*"What excites me most about working at HOPE is the opportunity to work in a unique organization in Ukraine—one that effectively combines business and ministry."*

UNITED STATES

UKRAINE

ROMANIA

## CALLED TO SERVE

*Across HOPE's network, over 1,200 staff members are serving clients through Christ-centered microenterprise development. Get to know a few of the faces behind our mission.*

HAITI

DOMINICAN REPUBLIC

DEMOCRATIC REPUBLIC OF CONGO

**AUDILIN PEREZ**  
**BRANCH MANAGER**  
Esperanza International  
Dominican Republic



*"I like the opportunity to share day to day with people that have ability, dedication, the desire to be different, yet they haven't had that push, that helping hand. When we touch the lives of these people, it's surprising what God does in these places."*

PERU

REPUBLIC OF CONGO

**PRECY NDONGUI**  
**SPIRITUAL INTEGRATION OFFICER**

Republic of Congo



*"I am always excited when one of the clients accepts Jesus as Lord and Savior. I pray that God would fill everyone we serve with the 'knowledge of his will through all the wisdom and understanding that the Spirit gives' (Colossians 1:9)."*



**HOPE**  
INTERNATIONAL  
—NETWORK—

RUSSIA

MOLDOVA

### HUIZHEN ZHANG\*

SENIOR LOAN OFFICER

China

*"God's love encourages us to stand with our clients, know their needs, comfort them, encourage them, and help them know God. We do this because God loved us first. I wish more and more unbelievers would come to know God and be changed by microfinance."*

*\*Name and photo changed for security.*



CHINA

PHILIPPINES

INDIA

RWANDA

### ERISA MUTABAZI

COUNTRY DIRECTOR

Rwanda

*"Having worked in rural development in Rwanda for over 15 years, now I see what will actually get people out of poverty: the savings and credit program. I am most enthused by seeing rural poor people making small but steady steps out of poverty and hopelessness through holistic development."*



### SARAH SOBRINO

SCA FACILITATOR

Center for Community Transformation  
Philippines



*"Through the savings program, I finally have the chance to reach out to my family, my relatives, my own B'laan people. Now, I'm serving where I come from, and they are really listening to what I have to say."*

BURUNDI

ZIMBABWE



## MANAGEMENT DISCUSSION OF 2012 FINANCIAL ACTIVITIES

With a continued focus on serving those in financial poverty, HOPE International achieved its strategic goal of reaching 500,000 clients network-wide as of December 31, 2012. This accomplishment is the product of years of relentless focus on financial stewardship, which is evident in key performance and financial health indicators and in the way HOPE invests donor funds. In 2012, HOPE directed 82 cents of every dollar to serving the underserved through its microfinance institution (MFI) and savings and credit association (SCA) programs in 16 countries. Also in 2012, through fundraising and MFI profits, HOPE invested over \$240,000 in children's ministries sharing the love of Christ in the locations we serve. HOPE further diversified its donor base, growing the total number of donors by 25 percent and total contributions by 22 percent.

For the year ended December 31, 2012, HOPE consolidated Higher Impact Properties; Hope Global Investment Fund (HGIF); five HOPE-led MFIs consisting of HOPE Ukraine, HOPE Russia, HOPE Congo, HOPE DRC, and HOPE Central Asia\*; and the Rwanda SCA program.

HOPE's available unrestricted cash position increased \$333,000 in 2012 due to strong donations, and client savings increased \$156,000 to \$850,610 as HOPE's client base expanded. In 2013, HOPE plans to begin using its unrestricted cash balance to offer lines of credit to network partners in addition to grant funding. HOPE's year-end net asset position is \$14.4 million. The improvement in net assets from 2011 was driven by a continued focus on broadening the donor base, investment in MFIs, and loan portfolio growth.

*\*Name changed for security.*



## PHILANTHROPIC DIVIDEND POLICY

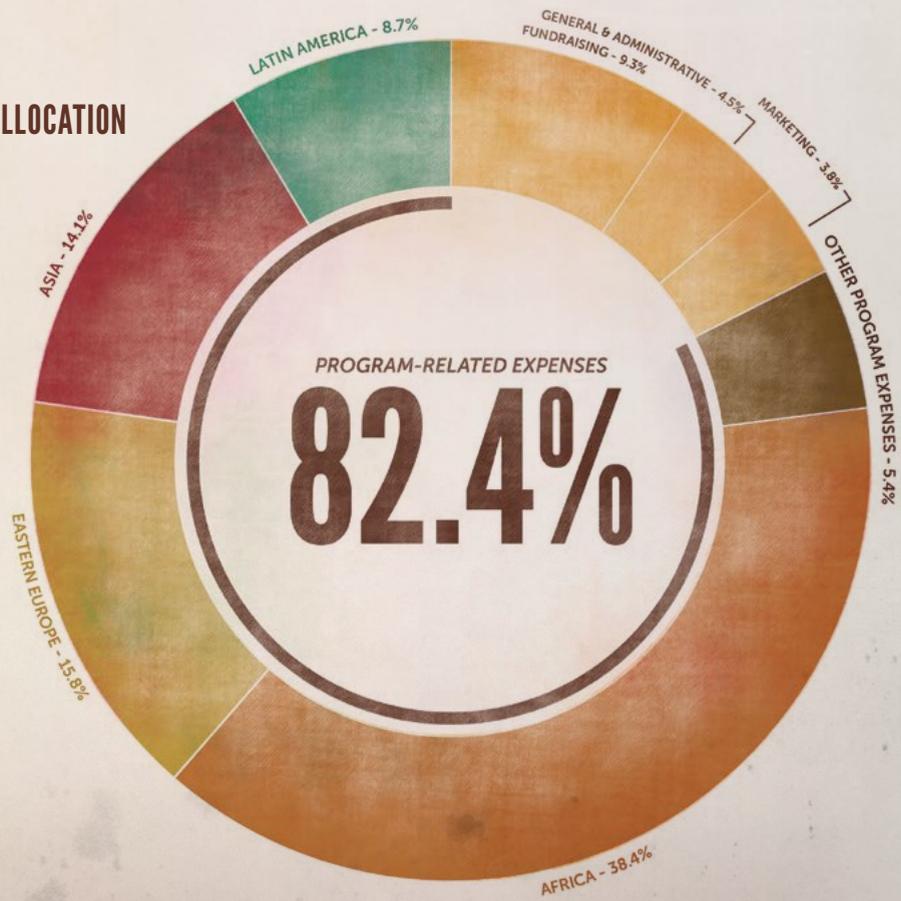
As HOPE-led microfinance institutions become sustainable, they are committed to giving 10 percent of their profits to support local Christ-centered children's ministries. This commitment, known as HOPE's Philanthropic Dividend Policy, impacts the next generation while modeling generosity for our clients. In Ukraine and Russia, for example, a portion of our profits supports Tomorrow Clubs, a local children's ministry reaching nearly 13,000 children each week with the Good News of Jesus' love.

# OVERVIEW OF 2012 FINANCIAL PERFORMANCE

## REVENUE SOURCES



## EXPENSE ALLOCATION





## CONSOLIDATED SCHEDULE OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2012, AND DECEMBER 31, 2011

<b>SUPPORT &amp; REVENUE</b>	2012	2011	\$ CHANGE	% CHANGE
<b>SUPPORT</b>				
Individuals	\$3,268,330	\$2,168,178	\$1,100,152	51%
Businesses	377,136	543,815	(166,679)	-31%
Foundations & other organizations	5,027,452	4,223,410	804,042	19%
Homes for Hope	450,000	600,000	(150,000)	-25%
Special event revenue (net of expenses)	605,766	781,552	(175,786)	-22%
Gifts in kind	746,996	278,230	468,766	168%
<b>TOTAL SUPPORT</b>	<b>\$10,475,680</b>	<b>\$8,595,185</b>	<b>\$1,880,495</b>	<b>22%</b>
<b>REVENUE</b>				
Interest income	3,048,189	2,414,203	633,986	26%
Other income net of board-designated income	228,563	59,018	169,545	287%
<b>TOTAL SUPPORT &amp; REVENUE</b>	<b>\$13,752,432</b>	<b>\$11,068,406</b>	<b>\$2,684,026</b>	<b>24%</b>
<b>EXPENSES &amp; PROGRAM INVESTMENTS</b>				
Program services & investments	9,943,829	8,915,431	1,028,398	12%
Management, general, & fundraising	1,915,243	1,725,990	189,253	11%
Funding of board-designated reserve	150,000	—	150,000	100%
<b>TOTAL EXPENSES &amp; PROGRAM INVESTMENTS</b>	<b>\$12,009,072</b>	<b>\$10,641,421</b>	<b>\$1,367,651</b>	<b>13%</b>
<b>NET</b>	<b>\$1,743,360</b>	<b>\$426,985</b>	<b>\$1,316,375</b>	<b>308%</b>

Note: Financial statements are unaudited. Audited financials will be posted at [www.hopeinternational.org](http://www.hopeinternational.org) when they become available.

## CONSOLIDATED SCHEDULE OF FINANCIAL POSITION

AS OF DECEMBER 31, 2012, AND DECEMBER 31, 2011

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
U.S. cash & cash equivalents: unrestricted	\$785,846	\$129,995
Field cash & cash equivalents: unrestricted	1,182,943	1,506,153
Client savings	850,610	694,580
Restricted cash	1,623,174	1,385,168
Contributions & pledges receivable	1,111,378	1,213,986
Prepaid expenses & other assets	271,968	213,793
Interest receivable	66,313	46,053
MFI loans receivable, net*	4,309,218	3,968,910
<b>TOTAL CURRENT ASSETS</b>	<b>\$10,201,450</b>	<b>\$9,158,638</b>
Cash & cash equivalents: board-designated and operating reserves	3,533,195	3,082,875
Property & equipment (net of accumulated depreciation)	598,330	705,962
Long-term loans receivable, net	482,580	100,000
Investment in MFIs & other long-term assets	3,146,079	2,310,346
<b>TOTAL ASSETS</b>	<b>\$17,961,634</b>	<b>\$15,357,821</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>LIABILITIES</b>		
Client savings deposits	\$850,610	\$694,580
Accounts payable & accrued expenses	455,781	514,782
Other liabilities	219,330	109,821
Current portion of loans payable & interest payable	937,277	2,011,571
Notes payable: HGIF & other	1,134,698	911,000
<b>TOTAL LIABILITIES</b>	<b>\$3,597,696</b>	<b>\$4,241,754</b>
<b>TOTAL NET ASSETS</b>	<b>\$14,363,938</b>	<b>\$11,116,067</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$17,961,634</b>	<b>\$15,357,821</b>

\*As of December 31, 2012, net portfolio network-wide was in excess of \$42 million. The amounts reported above are the net portfolios of HOPE International's consolidated entities, including HOPE Ukraine, HOPE DRC, HOPE Russia, HOPE Congo, and HOPE Central Asia.



## THE POWER OF UNCHARITY

ON THE COVER: HOPE International believes that charity is not the answer, that some of the best solutions draw on the God-given gifts and creativity of those living in poverty. Take Joselyne Niyonzima. A member of HOPE's newest program in Burundi, Joselyne is part of a savings group named *Fashanya*, which translates, "helping each other." Though the group formed only recently, they are already living up to their name. Joselyne used a loan from her group to increase the inventory of her business selling dishes, helping her provide for her three children.



**HOPE**  
INTERNATIONAL

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