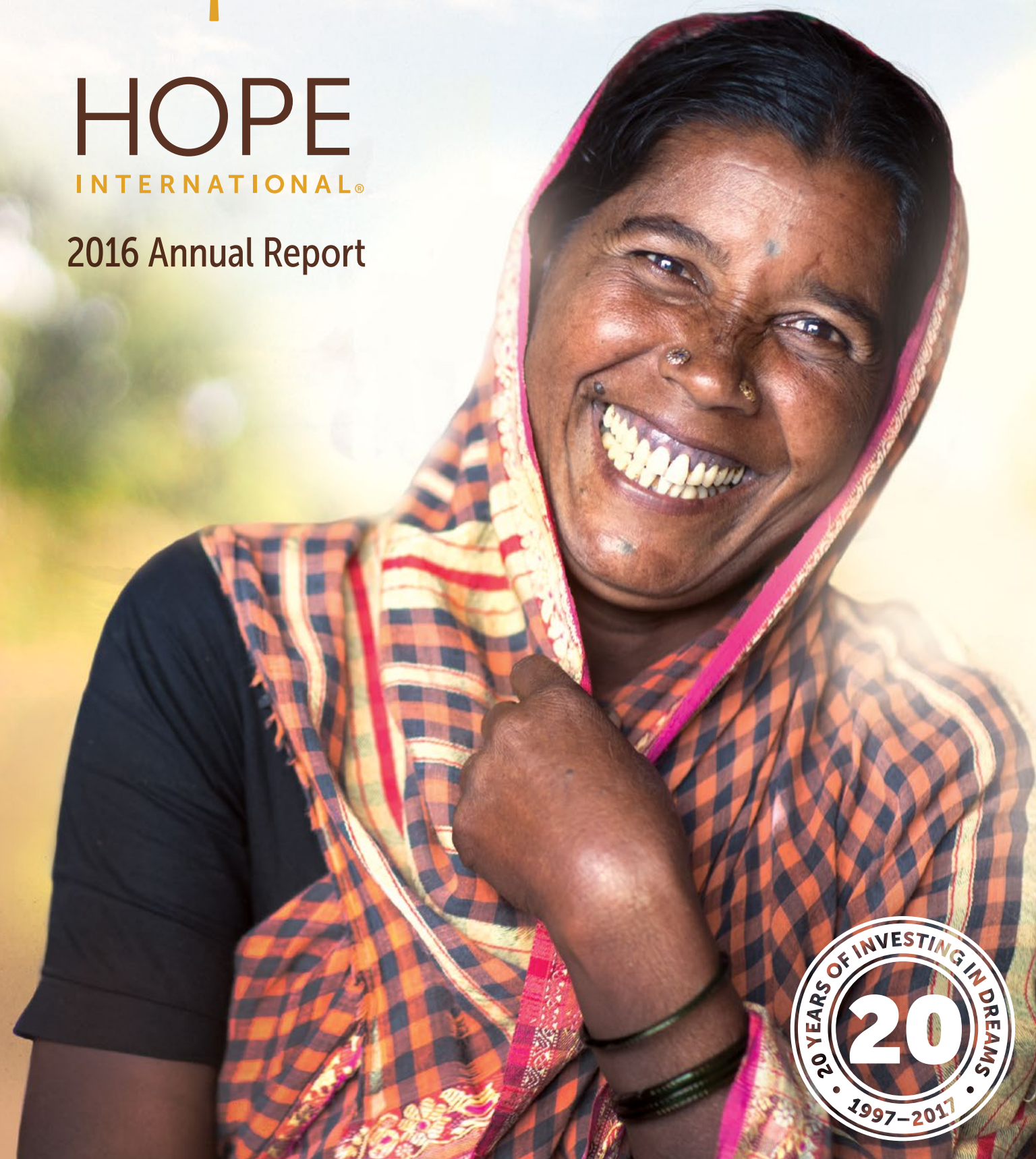




# HOPE

INTERNATIONAL®

2016 Annual Report







## MISSION

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

## METHOD

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

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.

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Unless otherwise noted, HOPE statistics are as of December 2016 (based on information reported in March 2017) and may be subject to adjustment. Total portfolio and savings numbers reflect currency exchange rates as of December 2016.

References to the four domains of transformation (p. 4) are drawn from *Walking with the Poor*, Bryant Myers, 2011.

Feature photography courtesy of Robby Doland (cover, 14, back cover), Chris McCurdy (inside cover), Tyson Presnell (3, 15), Kenny Burkey (5), Annie Rose Ansley (7, 13), Lydia Koehn (9), Kelsey Fox (11), Shami Mugisha (12), Elena Cret (17), Sarah Severns (19), Matt Stockamp (20).



## Dear friends,

Twenty years ago, a homebuilder from Pennsylvania, Jeff Rutt, and a chiropractor from Minnesota, Paul Marty, partnered with Pastor Petrenko in Zaporozhye, Ukraine, to respond to spiritual and physical poverty following the collapse of the Soviet Union. Driven by their faith and compelled to take courageous action, they wholeheartedly began loving their neighbors and responding to global needs. Their efforts became the foundation for HOPE International (turn the page to read the full story).

Over the past 20 years, we've grown from a small nonprofit working solely in Ukraine to a network serving 16 countries around the world. In that time, God has done more than we could have asked or imagined.

*Today, we continue to step out in bold faith and take courageous action to love people in underserved communities. We do not do this work alone, but by the power of Christ working through a remarkable group of clients, field partners, donors, and staff:*

- **Clients:** Despite living in challenging places, the families we serve exhibit remarkable dedication as they daily provide for their families. From the first 12 clients in Ukraine to the nearly 900,000 we serve today, the HOPE-network model relies on these men and women—and their commitment to doing the hardest part of this work.
- **Field partners:** We are a stronger organization because of our partnerships with local churches and microfinance institutions. By coming alongside one another, we strengthen each other to love and care for those we serve.
- **Donors:** Our supporters have shown us sacrificial giving, radical generosity, creative engagement, and faithful prayer support. They love Jesus and are passionate about using their gifts and resources to care for others.
- **Staff:** When I spend time in the field with loan officers and savings group facilitators, I am impressed by their deep love and respect for clients—the same commitment I see among staff members in the U.S. This global network of over 1,400 men and women moves our mission forward, and I'm incredibly grateful to be a part of it.

Above all, we give thanks to the Lord, having confidence that He is good, that His love endures forever (Psalm 136). It has been the most significant privilege of my career to see God working in and through HOPE, and I look forward to all that's to come.



On we go,

A handwritten signature in dark ink, appearing to read 'Peter Greer', written in a cursive style.

**PETER GREER**  
President & CEO





# Celebrating 20 years

*"We started out just looking for a way to help a few families in Ukraine, and we never dreamed God would expand one small idea to empower hundreds of thousands of families around the world."* JEFF RUTT, HOPE INTERNATIONAL FOUNDER

## WHERE HOPE FIRST TOOK ROOT

With the fall of the Soviet Union in 1991, Ukraine was plunged into a severe economic depression. The Ukrainian people quickly faced dramatic food shortages, massive unemployment, and the collapse of the formal economy. Millions of families looked to the informal marketplace to survive.

Just months later, missions teams from Calvary Monument Bible Church in Pennsylvania began traveling regularly to Zaporozhye, Ukraine, to distribute food, clothing, and medicine through a local church. Jeff Rutt, a local homebuilder, was among them.

After several annual trips, the pastor of the Ukrainian church noticed some unintended consequences from

these donations. Members of his congregation had become dependent on the free items, and the local economy couldn't compete with regular shipments of free goods. He asked the Americans to stop sending donated items and to instead partner with the church to think of long-term solutions.

Following several months of research, Jeff learned about microfinance—providing small business loans to families in poverty to help them invest more deeply in their own ideas. The concept hadn't been tested in Ukraine, but after much prayer, Jeff formed HOPE International to see if it could work.



Jeff visiting Ukrainian farmers in 1994



Jeff visiting Lexon, a cotton farmer and savings group member, in Malawi in 2015





# Flourishing together

*If we hope to tackle the challenges of poverty, we can't go alone. The success of our work relies on our four stakeholder groups—clients, field partners, donors, and staff.*

Realizing our mutual poverty and need for Christ's love and forgiveness, HOPE desires that the stakeholders we serve grow in Christ, becoming hope-filled disciples who use their gifts, talents, and resources to invest in their neighbors and share the hope of the Gospel.

This year's annual report is structured around these four key stakeholder groups.



## CLIENTS

Page 6



## FIELD PARTNERS

Page 12



## DONORS

Page 14



## STAFF

Page 16

*"Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms."*

1 PETER 4:10



# Looking back: 1997–2016

*As HOPE International expanded, the growing network identified and refined two operating models, based on needs and context, to equip families to flourish:*

**MFI**

## MICROFINANCE INSTITUTIONS

MFIs are banks that equip entrepreneurs in poverty with financial tools to invest in businesses and better provide for their families.

**SCA**

## SAVINGS & CREDIT ASSOCIATIONS

SCAs are small groups, typically formed through HOPE's church partners, that save money together and often make small loans from the savings pool.

\* Partner names withheld for security

\*\* Transitioned to HOPE-managed in 2016

### India

India West\* Partnership est. 2007

**SCA**

### Philippines

Center for Community Transformation (CCT) Partnership est. 2007 (MFI), 2011 (SCA)

**MFI**

**SCA**

### Romania

ROMCOM Partnership est. 2007

**MFI**

### Burundi

Turame Community Finance Partnership est. 2008\*

**MFI**

### Rwanda

HOPE Rwanda Program est. 2007

**SCA**

### Dominican Republic

Esperanza International Partnership est. 2005

**MFI**

### Moldova

Invest-Credit Partnership est. 2005

**MFI**

### Rwanda

Urwego Bank Partnership est. 2005\*\*

**MFI**

### Democratic Republic of Congo

HOPE DRC Program est. 2004

**MFI**

### China

HOPE China Program est. 2000

**MFI**

### Ukraine

HOPE Ukraine Program est. 1997

**MFI**

1997



**1997:**

Jeff Rutt establishes HOPE as a 501(c)(3) nonprofit, with Paul and Cindy Marty relocating to Ukraine to spearhead HOPE Ukraine.



**2000:**

HOPE expands beyond Ukraine, launching a program in China.



**2004:**

Peter Greer becomes HOPE's president, and the HOPE network disburses our 10,000th loan.



**1998:**

HOPE Ukraine disburses its initial 12 loans. A Ukrainian radio show features several of HOPE's first clients, leading to explosive growth.



**1998:**

Jeff Rutt launches Homes for Hope, which encourages builders and their trade partners to donate the proceeds of one home to HOPE.



**2005:**

HOPE partners with like-minded Christ-centered microfinance organizations, including Esperanza International in the Dominican Republic, Urwego Bank in Rwanda, and Invest-Credit in Moldova.



**2007:**

HOPE receives a 4-star Charity Navigator rating for the first of 10 consecutive years.



CENTRAL SERVICE UNIT  
LANCASTER, PA

LATIN AMERICA

EASTERN EUROPE

ASIA

AFRICA

**India**  
India East\*  
Partnership est. 2011



**Peru**  
Comas CMA Church  
Partnership est. 2011



**Haiti**  
HOPE Haiti  
Program est. 2009



**Republic of Congo**  
HOPE Congo  
Program est. 2010



**Zimbabwe**  
HOPE Zimbabwe  
Partnership est. 2011\*\*



**Burundi**  
HOPE Burundi  
Program est. 2012



**Malawi**  
HOPE Malawi  
Program est. 2013



**India**  
India Central\*  
Partnership est. 2014



**Zambia**  
HOPE Zambia  
Program est. 2015



2017

**2010:**

The HOPE network disburses our **1 millionth loan** and partners with Crown Financial Ministries to share the *God Provides* films with the families we serve.



**2007:**

HOPE partners with the Anglican Church of Rwanda to launch a **savings and credit association program** in Rwanda, our first time using this model.



**2012:**

Pioneered by CCT, HOPE's partner in the Philippines, **HOPE begins implementing the 5W's**—welcome, worship, Word, work, and wrap-up—in group meetings worldwide.



**2013:**

The number of **savings group members** in the HOPE network crosses **250,000**.



**2015:**

HOPE reaches our goal to have **at least one church** actively partnering with all HOPE-managed microfinance offices.



**2016:**

HOPE is named a **Best Christian Workplace** for the fourth time.



**2016:**

HOPE becomes the **majority shareholder of Urwego Bank and Turame Community Finance**, our longstanding microfinance partners in Rwanda and Burundi respectively.





# How we seek impact

*As Christ's followers responding to His great love, HOPE International seeks spiritual, material, personal, and social transformation in underserved communities. Through Christ-centered microenterprise development, the HOPE network reaches almost 900,000 underserved families in 16 countries with the hope of the Gospel.*

## FOUR DOMAINS OF IMPACT

*At HOPE, we believe the roots of poverty, brokenness, and hopelessness go deeper than a lack or excess of material things.*

Acknowledging our mutual need for restoration in Christ, we seek **spiritual, material, personal, and social transformation** in relationship with all our stakeholders—from clients to field partners, donors, and staff.



## A CHRIST-CENTERED APPROACH

*Poverty is complex and demands a holistic solution. Through discipleship, training, savings services, and small loans, HOPE-network clients unleash their dreams to provide for their families and communities.*

### DISCIPLESHIP

HOPE's staff members are committed followers of Christ who build relationships with clients in which they demonstrate and proclaim the Gospel, facilitate Bible studies, and invite clients to experience lasting transformation through a relationship with Jesus Christ.

### SAVINGS

HOPE helps clients save their own money to stabilize household income, provide a safety net for emergencies, pursue entrepreneurial goals, or pay for significant household expenses.

### TRAINING

Because we value building relationships and equipping clients to flourish in their businesses and personal lives, HOPE offers biblically based training, mentoring, and coaching.

### SMALL LOANS

Many clients have the potential to start or expand a small business but have lacked a lump sum of capital. Small loans enable them to purchase productive assets, bolster inventory, or otherwise strengthen their business.







## A model of impact

*For Diogene in Rwanda, joining a savings group through a local church has radically impacted his life in all four domains:*

### SPIRITUAL

*"I am now close to God and know He is guiding my life. He taught me to be a new man, a man that loves and respects his wife, a man that does not steal but works hard."*

### PERSONAL

*"It's like everything about me and my family changed after joining the savings group. It is as if we are a new family. I have become a new man."*

*"But I am like an olive tree flourishing in the house of God; I trust in God's unfailing love for ever and ever."*

PSALM 52:8

### MATERIAL

*"I was very poor before I joined the savings group. I used to steal in order to eat. I literally owned nothing. [Now] we have plenty of food to eat and water is available. We also have enough clean clothes to wear, and my kids are in school."*

### SOCIAL

*"Before I knew the Lord, I was not a good husband. This relationship with the church, with the savings group, and with the pastor has made me a better man and saved my marriage."*



# Esther's journey

## From job seeker to job provider

Esther Monchile credits her strong work ethic and entrepreneurial spirit to her mother, who opened a small convenience store in their home in Haiti. "I learned from her to be a businesswoman," Esther shares proudly. Her parents also instilled in her their love for the Lord from a young age. But when she was in high school, Esther's father became very ill, and her mother couldn't keep up the business while caring for him full time. With both parents unable to earn a living, Esther left school to move in with her aunt in the Dominican Republic (D.R.) and began looking for work of her own.

Esther worked steadily at a variety of jobs, faithfully sending much of her paycheck back to her parents in Haiti each month. Then, following in her mother's footsteps, Esther used her experience in a restaurant to open a small roadside fried chicken stand. She worked hard and even perfected her own seasoning recipe, but the location wasn't ideal—everything got soaked when it rained—so she decided to take a bold step and move to a better spot.

As a Haitian immigrant, Esther had few options for getting capital. Though Esther was in the D.R. legally, she was not a citizen, so she couldn't take out a loan from a bank. Instead, she turned to loan sharks. With their exorbitant interest rates and small loan sizes, Esther says she was repaying as many as eight different loan sharks each day—and she felt trapped in an unsustainable situation.

### GROWING BUSINESS, DEEPENING FAITH

In 2011, Esther heard about Esperanza International, HOPE International's local partner and one of the only financial institutions in the D.R. making loans to those without official residency. She saw her opportunity to take out a larger loan—about \$173. As she invested in her business and paid back the loan sharks, her business finally grew. Over time, Esther has taken out and repaid three additional loans, which she used to fully repay the loan sharks and purchase supplies, chairs, and a larger freezer to store chicken.

*"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







**Today, business is bustling.** Where she originally sold between two and five chickens a day, Esther now serves 50. With her profits, she continues to send money to her family, as her father passed away several years ago and her mother is physically unable to work.

Esther also appreciates that she can employ fellow Haitians. "Imagine," she says, "I didn't have any [employees]. Now we have four—four people who weren't working before and are now working." But she doesn't plan to stop there, adding, "Imagine if my business was double the size: I'd be able to

employ eight!" She dreams of opening a 5-star restaurant—maybe even a hotel—so she can provide even more Haitians with a job.

Esther says she's also grown spiritually through her relationship with Esperanza. She had been shy about sharing her faith, but her loan officer encouraged her to lead group devotions. Through giving her testimony, Esther's confidence has grown, and she now boldly teaches in her church and speaks about her faith. **"You can have thousands and thousands of dollars," she shares, "but if you don't have God, you have nothing."**



# Serving those on the margins

*Rather than favoring the religious elite, Jesus chose to spend time with the marginalized. Desiring to emulate our Savior, HOPE has a strategic objective to serve communities that are not open to the Gospel and those that have little access to microenterprise development services. Worldwide, the HOPE network intentionally reaches out to some of the most disenfranchised communities in the countries where we serve.*

## SERVING THE BATWA IN BURUNDI

In 2016, HOPE Burundi launched a savings program with the Batwa, an ethnic group that has historically faced discrimination and abuse. Making up less than 2 percent of Burundi's population, the Batwa rarely own land, and few have access to an education. Many Batwa survive by selling clay pots for less than 3 cents each. Often unwelcome in traditional churches, a large number of Batwa practice animism, a belief system that ascribes spiritual qualities to objects, places, or creatures.

Working with two local church denominations, HOPE Burundi provides discipleship, business training, and a safe place to save for the Batwa. Already, the ministry has grown to serve 534 group members in 37 groups.

*"The Lord works righteousness and justice for all the oppressed."*

PSALM 103:6

For one group member, Christine (pictured, bottom right), selling traditional Batwa clay pots wasn't enough to support her family. But with livelihood training through the savings ministry, she learned how to farm and raise cattle.

With loans from the group, she bought goats, pigs, and a plot of land, in addition to using her savings to buy school supplies for her children. She shares, "[The Batwa] used to be behind in society. Now, I feel worthy and am not afraid."







## Serving the Mangyan in the Philippines

On the island of Mindoro, a local church uses a savings ministry outreach through the Center for Community Transformation, HOPE's partner in the Philippines, to serve the Mangyan people. One of the many indigenous tribes in the Philippines, the Mangyan do not speak the official languages of the Philippines and are largely ignored by mainstream society. Since launching, the savings ministry has grown to serve 100 people, and the local church has doubled in size as savings group members learn about God's love and start attending church.

For Josefa Bibo (pictured above), having savings means she no longer fears the typhoons that batter her home

each season because she knows she will have money to rebuild if her home is damaged. Since joining the savings group, Josefa has saved over 1,000 pesos, or \$21.68, with the profits from the baskets she weaves and sells.

*"I'm happy because I have something to look forward to."*

Josefa says, "I'm happy because I have something to look forward to. If I get sick, then I can get money to buy medicine. If I am no longer able to work, then I have [my savings]. If my savings are big enough, then I can buy a cow or a water buffalo."



# Investing in more families

*At HOPE International, we dream of seeing holistic transformation in the lives of the families we serve—men and women spiritually nourished, materially sufficient, personally empowered, and socially supported. This year, we've expanded HOPE-network microfinance institutions (MFI) and savings and credit association (SCA) programs to better serve the communities where HOPE works.*



NET PORTFOLIO OUTSTANDING

\$58,122,914

TOTAL SAVINGS

\$25,176,566

AVERAGE LOAN DISBURSED

\$377



GROUP LOANS OUTSTANDING

\$2,746,521

TOTAL SAVINGS

\$5,953,488

AVERAGE SAVINGS PER MEMBER

\$14.11

*"They celebrate your abundant goodness and joyfully sing of your righteousness."*

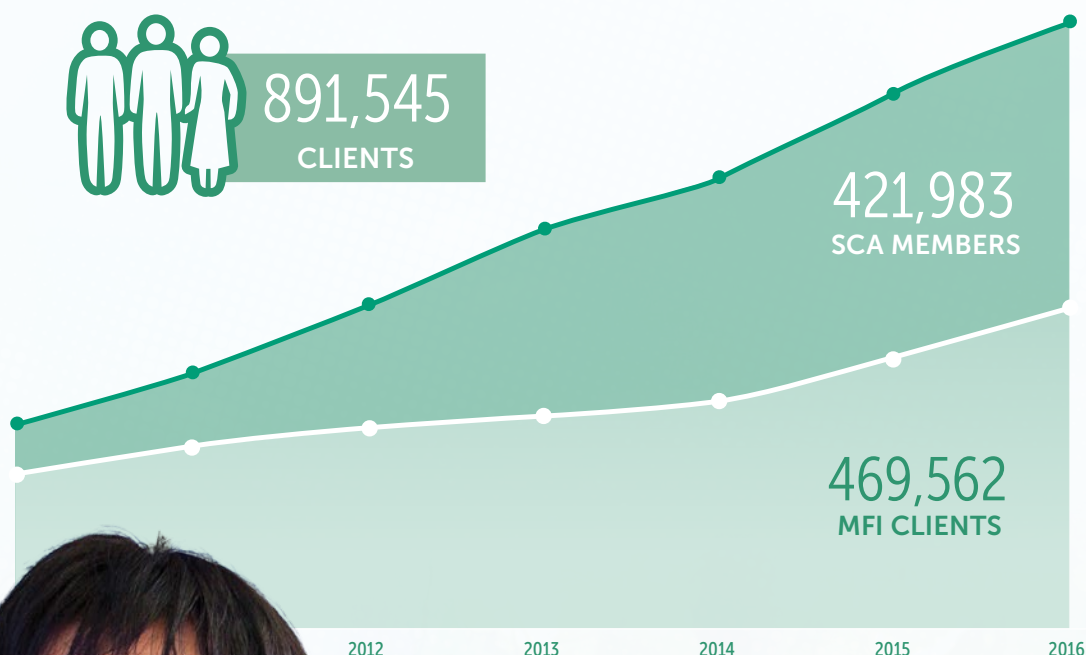
PSALM 145:7







891,545  
CLIENTS



2012

2013

2014

2015

2016

## Measuring progress

*Just as we seek to continually improve the way we serve each client in the HOPE network, we also aim to see the number of clients grow. Clients served is one of several key metrics we use to measure progress each year.*

### ADJUSTMENTS AT URWEGO BANK

In 2016, HOPE began instituting a more conservative definition of clients served across HOPE-managed programs based in part on clients' recency of activity. As part of this process, we made a downward adjustment for clients served by Urwego Bank\* between 2008 and 2016, retroactively not counting people who did not meet the new definition. This change resulted in a slightly lower number of overall clients served in the HOPE network.

\*Urwego Bank became a HOPE-managed program in 2016.





# Walking together

*At HOPE International, we partner with like-minded microfinance institutions, ministries, and churches—equipping them with financial resources, tools, and expertise to reach the underserved in their communities.*

## PARTNERING TO SUPPORT FARMERS

In 2016, HOPE's partner in the Philippines, the Center for Community Transformation (CCT), expanded its agriculture lending program, seeking to support rural farmers, who are among the Philippines' most vulnerable people groups living in poverty.

Drawing from similar work in China and Ukraine, HOPE worked with CCT to revise lending policies and procedures and train loan officers to work with and support farmers. After a pilot phase, CCT rolled out their revised lending service to farmers in over half of their 160 branch offices throughout the Philippines.

## EQUIPPING RECONCILIATION

After a resurgence of violence and unrest during controversial presidential elections, HOPE Burundi facilitated reconciliation seminars for a local church partner. Recognizing that transformation starts with them, many leaders confessed divisive behavior and asked forgiveness of their peers.

Jean de Dieu Bizimana, HOPE Burundi's country director, says of HOPE's partnerships with the Church, **"It's a privilege to be used by God to prepare His people for works of reconciliation to build up the Body of Christ."**

## TRUSTED TO LEAD

HOPE has partnered with Urwego Bank—a Christ-centered microfinance institution in Rwanda serving over 300,000 clients—for 11 years. In 2016, upon the invitation of Urwego staff and the investment of generous donors, HOPE became a 99 percent shareholder.

Similarly, in neighboring Burundi, HOPE became the majority shareholder of another long-standing partner, Turame Community Finance. With this move, HOPE deepened our investment in entrepreneurs living in one of the world's poorest countries, where GDP per capita is just \$275 per year.



RWANDA



# Experiencing hope

HOPE has partnered with Esperanza International in the Dominican Republic since 2005, investing in the lives of low-income entrepreneurs as they grow their businesses and provide for their families. Since 2012, **over 700 people** have traveled with HOPE to visit Esperanza's work and clients, seeing firsthand the impact of Christ-centered microenterprise development.



Experience the ministry of HOPE and our partners by joining a HOPE Trip!

Find your trip at [www.hopetrips.org](http://www.hopetrips.org).

*"HOPE and Esperanza—the same word in two languages. We could work alone, but together, our work is better."*



ALEXANDRA NUÑEZ

EXECUTIVE DIRECTOR  
ESPERANZA INTERNATIONAL





# Partners in restoration

*God provided for HOPE International's needs in remarkable ways in 2016, and we are incredibly grateful to the supporters who are part of this story. Just as we love seeing HOPE-network clients flourish, it's our prayer that our supporters would experience spiritual, material, personal, and social transformation through partnering with HOPE.*

## HOLISTIC IMPACT FOR SUPPORTERS



**81.6 percent**

of supporters agree that, through their relationship with HOPE, they have **grown** in their understanding of the world and of God's heart for the vulnerable.



**75.6 percent**

of supporters agree that, through their partnership with HOPE, they have a **greater understanding** of how to use what's in their hands to glorify God.



### LIFE.CHURCH

#### *Edmond, OK, & other locations*

Since 2012, Life.Church has partnered with HOPE through prayer, financial giving, and sharing HOPE's *100 Days of Hope* devotional with 40,000 readers through their YouVersion app.

HOPE and Life.Church also work together to share the Gospel, fight poverty, and prevent human trafficking in central India. In 2016, representatives from five Life.Church campuses witnessed firsthand how Indian savings group members are together growing in their awareness of trafficking, building financial stability, and overcoming isolation.



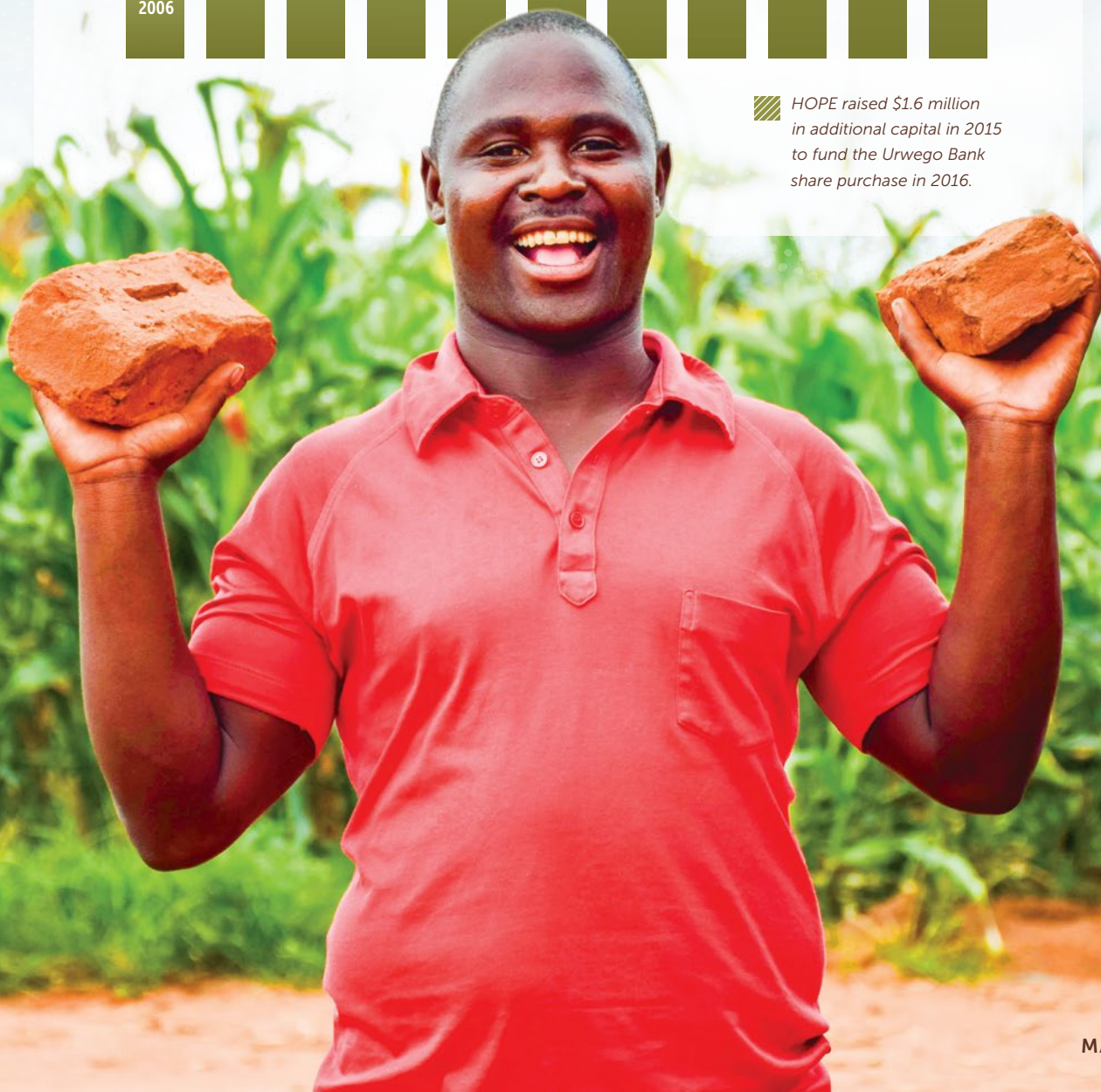
## Annual fundraising revenue

*"From him the whole body, joined and held together by every supporting ligament, grows and builds itself up in love, as each part does its work."*

EPHESIANS 4:16



HOPE raised \$1.6 million in additional capital in 2015 to fund the Urwego Bank share purchase in 2016.





# Called to serve

*Behind the nearly 900,000 men and women the HOPE network serves are more than 1,400 HOPE-network staff members. As we devote ourselves to the work of the Kingdom, we ask God to transform us spiritually, materially, personally, and socially.*

## A COMMITMENT TO SERVE

Gideon first joined HOPE in 2014 as director of operations with HOPE Congo. In that role, he helped lead the program in doubling its client outreach while achieving operational self-sufficiency, the point at which local operating income can cover local operating costs. In 2016, he transitioned to his current role as managing director at Turame Community Finance in Burundi.

***"It's an honor to join a team that is committed to seeking the Lord together, believing that true growth begins with our relationship with Christ. He is the foundation for all fruitfulness in our lives."***



**GIDEON MANIRAGABA**  
Turame Community Finance  
Burundi

## HOLISTIC TRANSFORMATION FOR STAFF

"Here, we share the Word of God. When I joined HOPE, I was a Christian, yes. But I didn't know the Bible very well. ... HOPE did many things for me, for my spiritual life."

**IDRIS LOUHO**  
Internal Auditor, HOPE Congo

"At HOPE, I have been challenged daily in my working relationships with staff members and partners to be godly in interactions, prayerful in advising, gentle in instruction, and loving in speech."

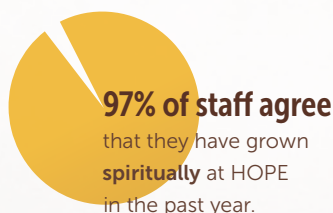
**SARAH TAN**  
Technical Advisor, HOPE Malawi

"In my role at HOPE, I have learned how to better serve, listen, and love well. I am a better wife, daughter, sister, and friend because of HOPE and the deep relationships I have been able to build these last five years."

**JESSICA TAYLOR**  
Regional Development Assistant, California

## BEST CHRISTIAN WORKPLACE

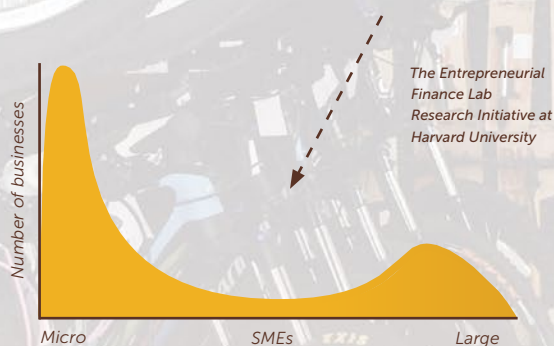
*HOPE was once again certified a Best Christian Workplace in 2016. Of 94 HOPE employees surveyed this year,*





# Staff culture inspires a creative client solution

Worldwide, elements of HOPE culture such as service and innovation can result in creative initiatives to better serve clients. In 2016, staff in Ukraine sought a solution for an overlooked group often referred to as the **"missing middle."**



Entrepreneurs in the "missing middle" are those whose businesses have outgrown the loan sizes microfinance institutions provide yet still aren't big enough to qualify for commercial lending. These companies have great potential to provide jobs and contribute to the local economy, yet credit barriers stand in their way. To help unlock this potential, HOPE Ukraine began piloting small and medium enterprise (SME) lending in 2016.

## NEW SME LOANS PROPEL BIKE BUSINESS

Lesya and Nicholai Login first came to HOPE in 2005 after other banks declined to help them launch a bike business to capitalize on local tourism trends. With their first loan from HOPE Ukraine, the Logins purchased a few bicycles to rent to tourists. They rented a retail space with the profits, and the business began to grow.

Eleven years later, the Logins wanted to take their business a step further,



LESYA AND HER LOAN OFFICER, VALENTINA

so in 2016, they used a HOPE Ukraine SME loan to open a second location. They have also expanded to sell athletic clothing and now employ several people.

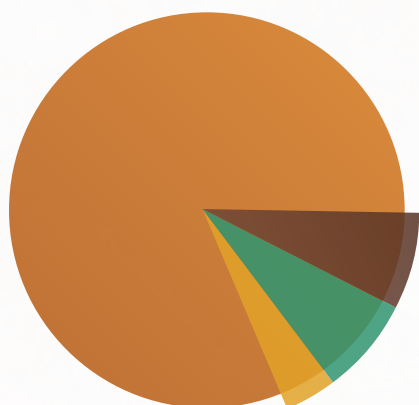
### BUSINESS AS A DISCIPLESHIP TOOL

Both Lesya and Nicholai came to know Christ through their relationship with their loan officer many years ago. Today, they run a bike club to help local youth stay away from alcohol and drugs, and they also organize a large annual bike ride to connect local families with their church.



# A sustainable model

*With Christ's love as our motivation and God's provision the source of all we have, HOPE International remains committed to sound stewardship of the resources entrusted to us. To reflect God's goodness to underserved families across the network, we invest in efficient operational models and rigorously strive for sustainability.*



## 81.8% to programs

*In 2016, HOPE used 81.8 cents of every dollar to directly serve clients through microfinance and savings programs around the world.*

**7.2% GENERAL & ADMINISTRATIVE**

**7.2% FUNDRAISING**

**3.8% MARKETING**

## EXECUTIVE TEAM

PETER GREER	President & CEO
JESSE CASLER	Vice President of Finance & Administration
CHRIS HORST	Vice President of Development
KEVIN TORDOFF	Vice President of Marketing
DAVE WASIK	Vice President of Operations
SARAH RUTT	Manager of Accounting Operations & Planning
JOSH RUYLE	Regional Director for Asia & Eastern Europe
PHIL SMITH	Senior Director of Savings & Credit Associations
BECCA SPRADLIN	Director of Knowledge Management
DAN WILLIAMS	Director of Spiritual Integration

*"Look to the Lord and his strength; seek his face always."*

**1 CHRONICLES 16:11**

## BOARD OF DIRECTORS

JEFF RUTT	Founder & Chair of the Board, HOPE International; Founder & CEO, Keystone Custom Homes
KATELYN BEATY	Editor-at-Large, <i>Christianity Today</i> magazine
DOUGLAS BOLLES	Chief Investment Officer, Southside Wealth Management
CHRIS CRANE	CEO, Edify
PETER GREER	President & CEO, HOPE International
BRIAN LEWIS	Principal, Cereus Partners Inc.
CATHI LINC	Senior Vice President of Loan Administration, MidFirst Bank
ANDRÉ MANN	Head of European Operations, Diversified Conveyors, Inc.
DURWOOD SNEAD	Director, globalX, North Point Community Church





### 98% REPAYMENT RATE

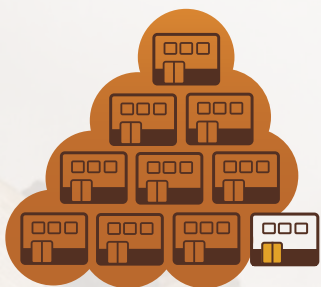
HOPE's microfinance model generates powerful leverage because loans, once repaid, can be reloaned to others. In the last five years, approximately **98 percent of loans in the HOPE network have been repaid**, allowing us to invest in the dreams of more families.

\$17.94



### GROWING EFFICIENCY

As HOPE continues to serve more families, donations go further. As clients repay loans with interest and church partners take on greater savings program ownership, the ongoing investment needed to serve one client decreases. In 2008, the average investment to serve one client was \$30. By 2016, that number has **decreased to \$17.94**.



### 9 OF 10 MFIs REACH MILESTONE

In 2016, **nine out of 10** microfinance institutions in the HOPE network reached 80 percent operational self-sufficiency. This means they can cover 80 percent of their operating costs through local operating income.





# Financials

## CONSOLIDATED SCHEDULE OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016, AND DECEMBER 31, 2015

### SUPPORT & REVENUE

	2016	2015	\$ CHANGE	% CHANGE
<b>SUPPORT</b>				
Individuals	\$3,606,825	\$3,371,591	\$235,234	7%
Businesses	871,950	976,088	(104,138)	-11%
Family foundations ©	8,580,837	9,860,562	(1,279,725)	-13%
Churches	1,204,797	931,598	273,199	29%
Homes for Hope	663,248	1,000,000	(336,752)	-34%
Special event revenue (net of expenses)	1,014,171	1,214,898	(200,727)	-17%
Gifts in kind	83,464	121,350	(37,886)	-31%
Government	0	0	0	0%
<b>TOTAL SUPPORT</b>	<b>\$16,025,292</b>	<b>\$17,476,087</b>	<b>\$(1,450,795)</b>	<b>-8%</b>

### REVENUE

Microfinance income ①	3,506,188	2,358,560	1,147,628	49%
Foreign currency translation losses ②	(475,878)	(411,240)	(64,638)	-16%
Investment & other income (losses)	310,307	(253,256)	563,563	223%
<b>TOTAL SUPPORT &amp; REVENUE (U.S.)</b>	<b>\$19,365,909</b>	<b>\$19,170,151</b>	<b>\$195,758</b>	<b>1%</b>

### EXPENSES & PROGRAM INVESTMENTS

Program services & investments ③	14,258,209	12,008,416	2,249,793	19%
Management & general, development	3,161,853	2,898,170	263,683	9%
<b>TOTAL EXPENSES &amp; PROGRAM INVESTMENTS (U.S.)</b>	<b>\$17,420,062</b>	<b>\$14,906,586</b>	<b>\$2,513,476</b>	<b>17%</b>

<b>NET ④</b>	<b>\$1,945,847</b>	<b>\$4,263,565</b>	<b>\$(2,317,718)</b>	<b>-54%</b>
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## CONSOLIDATED SCHEDULE OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016, AND DECEMBER 31, 2015

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
U.S. cash & cash equivalents: unrestricted	\$821,341	\$278,210
Field cash & cash equivalents: unrestricted	1,242,274	815,465
Field cash restricted for client savings <sup>(A)</sup>	5,623,526	1,488,587
Other restricted cash	195,802	1,690,538
Contributions & pledges receivable	2,647,775	1,689,612
Prepaid expenses & other assets <sup>(A)</sup>	1,719,068	613,829
Interest receivable	81,179	24,188
MFI loans receivable, net <sup>(B)</sup>	22,151,448	4,646,625
<b>TOTAL CURRENT ASSETS</b>	<b>\$34,482,413</b>	<b>\$11,247,054</b>
Board-designated reserve	1,977,470	1,949,061
Property & equipment (net of accumulated depreciation) <sup>(A)</sup>	3,319,986	804,954
Long-term loans receivable, net	183,333	84,839
Investment in MFIs & other assets <sup>(C)</sup>	11,652,255	10,876,984
<b>TOTAL ASSETS</b>	<b>\$51,615,457</b>	<b>\$24,962,892</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>LIABILITIES</b>		
Client savings deposits & interest payable on deposits <sup>(A) (E)</sup>	21,312,534	1,488,587
Accounts payable & accrued expenses <sup>(A)</sup>	1,066,858	706,230
Other liabilities <sup>(A)</sup>	2,530,748	300,307
Current portion of loans payable & interest payable on loans	875,012	602,464
Notes payable <sup>(H)</sup>	1,155,625	100,000
<b>TOTAL LIABILITIES</b>	<b>\$26,940,777</b>	<b>\$3,197,588</b>
<b>TOTAL NET ASSETS</b>	<b>\$24,674,680</b>	<b>\$21,765,304</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$51,615,457</b>	<b>\$24,962,892</b>

For the year ended December 31, 2016, HOPE International consolidated Higher Impact Properties, Hope Global Investment Fund, HOPE-managed microfinance institutions (MFIs) in the Republic of Congo (HOPE Congo), Democratic Republic of Congo (HOPE DRC), Ukraine (HOPE Ukraine), Burundi (Turame), and Rwanda (Urwego), and savings and credit association (SCA) programs in Burundi, Malawi, Rwanda, and Zambia.

- <sup>(A)</sup> Increase driven by the change of Urwego and Turame to HOPE-managed entities. In 2016, these entities were consolidated for the first time.
- <sup>(B)</sup> Deficit reflects the impact of foreign currency devaluation in HOPE programs. Political instability was a key driver behind the foreign exchange losses in 2016.
- <sup>(C)</sup> In 2015, HOPE International raised funds for the Urwego share purchase. This was a one-time event with a majority of the funds raised coming from family foundations.
- <sup>(D)</sup> Decrease in net income from 2015 to 2016 is fueled largely by the one-time fundraising request in 2015 for the Urwego share purchase (see

footnote C) and by the change of Urwego to a HOPE-managed entity (see footnote A). In 2016, Urwego was consolidated for the first time, and HOPE recognized its appropriate share of Urwego's net loss (\$1.4 million).

- <sup>(E)</sup> Consists of client savings at HOPE DRC, HOPE Congo, Turame, and Urwego. Across the network, client savings totaled \$35 million.
- <sup>(F)</sup> We contribute financially to the growth of all organizations in the HOPE International network, including some partners not consolidated on our balance sheet. HOPE's additional consolidated entities in 2016, Turame and Urwego, contribute a collective \$17.25 million to this balance. Net portfolio network-wide was approximately \$50 million.
- <sup>(G)</sup> With the consolidation of Urwego and Turame, the investment in MFIs and other assets no longer includes \$2.9 million in Urwego or \$430,000 in Turame. It does include \$4.5 million in financial investments across the network.
- <sup>(H)</sup> The consolidation of Urwego in 2016 includes \$1 million in long-term loans payable.

ON THE COVER:

## Darsana

*HOPE India Savings Group Member*

Living in an urban slum in central India, Darsana\* had never heard the Gospel. When she joined a savings group through HOPE's partner, she learned about Jesus and immediately knew she wanted to follow Him. Excited about her newfound faith, she became the first in her community to be baptized and now eagerly shares the Gospel with her family. She loves that her savings group has taught her how to save her money for the future and deepened her relationship with Christ.

*\*Name changed for security*

*"We look back with gratitude and amazement at what God has done, and with His continued guidance, we look to the next 20 years with confidence."*

JEFF RUTT

HOPE INTERNATIONAL FOUNDER



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