THE ROAD TO RESILIENCE
2019 FINCA INTERNATIONAL ANNUAL REPORT
Read the stories of resilience from the FINCA clients featured on the cover of this report:
Xheva Haziri’s story on page 4 (top right); Sara and Pedro Tol’s story on page 22 (bottom center);
Victoria Mbewe’s story on page 10 (bottom right).

Cover photos by Thomas Cumberbatch, FINCA Staff, Dawn Deeks and Alison Wright. Inside cover photo by FINCA Staff.
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Dear Supporters,

Across our program areas, we experienced remarkable growth in 2019. FINCA Impact Finance reached more than 2.6 million clients worldwide with innovative and tailored financial products. BrightLife achieved record-breaking product sales, setting it on a pathway to sustainability. It also broke new ground by expanding its clean energy solutions to refugees and their host communities, thanks to USAID Power Africa support. FINCA Ventures and its eight partner companies impacted over 2.1 million lives with bold and impactful solutions in the agriculture, education, energy and health sectors. And our research work has helped our teams make evidence-based decisions for the benefit of our clients.

As COVID-19 now presents uncertainty for all of us, it was only fitting to select “The Road to Resilience” as the theme of our 2019 annual report. Our clients have long been known to show resilience in the face of natural disasters and other emergencies. But we recognize that the scope and extent of COVID-19 worldwide is unprecedented. For FINCA, the road to resilience means playing a more impactful role in responding to the needs of our customers and employees amid the difficult constraints caused by this pandemic and creating more inclusive and sustainable economies in its aftermath.

Most importantly, FINCA’s hardworking clients around the world continue to be our North Star, keeping us resolute in our mission. While many face unimaginable difficulties daily, they never lose their drive or resourcefulness to make a better life for themselves and their families. We are especially inspired by FINCA’s women clients who are determined that poverty, prejudice and social expectations—even pandemics—will not hold them back from achieving their dreams. Such conviction underpins the remarkable resilience of our clients and motivates us to leverage all the resources and programs at our disposal to have an ever-greater impact on their health, education, safety and overall quality of life.

You, our valued supporters and contributors, continue to be with us every step of the way. The road to resilience would be impossible without you.

Robert W. Hatch  
Chair

Rupert W. Scofield  
President and CEO

August 31, 2020

“FINCA’s hardworking clients around the world continue to be our North Star, keeping us resolute in our mission.”
OUR REACH IN 2019

MICROFINANCE

2.68 million
Total clients
(+15% growth vs. 2018)

$423.2 million
Total voluntary deposits

$880.8 million
Gross loan portfolio

SOCIAL ENTERPRISE

FINCA Ventures
8 portfolio companies impacting over 2.1 million lives in 31 countries

BrightLife
6 clean energy products impacting 17,836 lives (~150,000 all-time) in Uganda

RESEARCH AND DATA SCIENCE

Awarded a patent for the ValiData platform

Collected data from 67,000 customers in 23 countries, with over 3.6 million data points analyzed and validated
FINCA International programs and investments impact lives in 44 countries around the world. FINCA International is the founder and majority shareholder of FINCA Impact Finance, a global network of community-based microfinance institutions and banks that operate across 20 countries in Africa, Eurasia, Latin America, the Middle East and South Asia. FINCA Ventures, the impact investing arm of FINCA International, supports portfolio companies that deliver life-enhancing products and services in seven of these same geographies plus 24 additional countries.
EXPANDING FINANCIAL ACCESS FOR UNDERSERVED POPULATIONS

Women are less likely than men to be reached by financial services, and the gender gap in financial inclusion remains unchanged at 9 percent since 2014. Low-income populations, often living in underserved areas, are also less likely than the rich to enjoy financial access. Tightly tailored financial services empower underserved populations and contribute toward closing access gaps.

Empowering Women Entrepreneurs in Kosovo

FINCA’s data show that three out of four FINCA borrowers around the world are the main source of income for their families. Women’s income, in particular, plays a critical role in meeting the basic needs of the family.

FINCA Kosovo empowers women to earn incomes through its Loan for Women Entrepreneurs in Business and Agribusiness. This women-focused product targets owners of small and medium enterprises and helps them become more profitable through financial literacy and business training.

Xheva Haziri, a commercial farmer from Shtime in southern Kosovo, is among the more than 2,700 women who are benefitting from this product. Xheva had always dreamed of running her own flourishing agribusiness and today, in her 50s, she is living that dream. Her vegetable processing and preservation business is thriving and has become a major supplier to grocery stores and markets in her region. During the summer, Xheva employs seasonal workers, making her an important contributor to the local economy. She has high ambitions for her business.

“The business growing and doing well, I have decided that I will begin exporting my fruits, vegetables and processed goods to the overseas market.”
Creating Pathways to Financial Resilience with Fintech

With less than 35 kilometers of paved road for every 1 million inhabitants, the lack of physical infrastructure is a barrier to financial inclusion and economic productivity in the Democratic Republic of the Congo (DRC). Traditional branch-based banking is not feasible for most of the country’s 81 million residents, and other channels are extremely scarce. However, basic financial services are needed. Even a small savings account can help a family cope with setbacks, which are all too common. Without that safety net, life can devolve into a daily financial scramble.

Through fintech innovations, FINCA is bringing banking closer to where people live and work, and offering them better options to save money for emergencies.

FINCA eXpress enables people to do their banking at neighborhood shops through 1,500 agents located around the country, processing more than 80 percent of the bank’s total transactions. By reducing costs and traveling time for customers, banking agents are especially effective at reaching rural women, giving them the ability to pursue goals like growing a business or buying furniture.

The latest fintech innovation by FINCA DRC is CLICK, a menu-driven mobile banking service that can be accessed with a common feature phone as well as with a smartphone. Users can open their own accounts, manage their balances, make transfers and receive payments from other users. Many of the services offered through CLICK are free.

FINCA International’s research staff and FINCA Impact Finance collaborated in 2019 to highlight their shared commitment to reaching women. Keeping the Promise of Financial Inclusion for Women explores the social and economic barriers that hinder women’s financial inclusion, along with some exciting opportunities in areas such as digital banking, financial education and women-only branches.
POWERING RESILIENCE AND ECONOMIC OPPORTUNITY WITH CLEAN ENERGY

By the end of 2019, BrightLife impacted more than 150,000 lives in Uganda with clean energy products, including solar lanterns, solar home systems and improved cookstoves. BrightLife also quadrupled its monthly product sales from 300 to 1,300, positioning it on the path toward sustainability and ensuring that it will continue to provide life-enhancing products to poor and low-income populations.

Meeting the Basic Needs of a Vulnerable Group

The 1.2 million refugees living in Uganda—the largest number in Africa—enjoy one of the friendliest and most progressive policies of any host country in the world. But, along with most of their host communities across the country, refugees struggle to access basic services like energy. In Kiryandongo Settlement, for example, which hosts over 57,000 mostly South Sudanese refugees, only 30 percent of the refugees and 50 percent of the host community have access to a source of light other than kerosene.

Through USAID Power Africa’s “De-Risking Pay-As-You-Go Solar Home Systems” initiative, BrightLife provides clean, affordable solar home systems to the Kiryandongo Refugee Settlement. BrightLife has established a local storefront in the area, enabling convenient local access to the most affordable solar home systems on the market.

“By supporting these innovators, we are not only promoting energy access, but also financial inclusion and other opportunities that digital financial services can help unlock. We hope that lessons and experiences gained through this project will be a catalyst for improving livelihoods in other refugee settlements.”

Rick Somarriba, USAID Uganda Acting Mission Director

BrightLife is FINCA’s triple-bottom line social enterprise that unlocks economic productivity and wellbeing for poor and low-income households by bringing together access to energy and access to finance.

Rose Ben Aya fled South Sudan with her children in 2016 amidst one of the most widespread violent outbreaks of the civil war. She met a BrightLife sales agent in Kiryandongo Refugee Settlement, who introduced her to a solar home system for the first time in her life. Rose is grateful that BrightLife offered her pay-as-you-go (PAYGo) financing because she would otherwise not have been able to afford the product on her farmer’s income. She says the savings of 1,000 shillings ($0.27) a day from no longer buying candles for lighting now go toward paying off the solar home system.
Collaborating to Bring Prosper-ity to the Unbanked

In March 2019, BrightLife and FINCA Uganda joined forces to launch a new product called Prosper. The product tackles two issues at once. First, it helps Ugandans access BrightLife’s clean energy products that create healthier and safer homes, increase productivity, reduce household expenses and provide additional income-generating opportunities. Second, Prosper helps transition unbanked and under-banked BrightLife clients to FINCA Uganda where they can access a variety of savings and credit products for more impactful financial inclusion.

Norah Basembera lives in the town of Masindi in western Uganda. For Norah, like many in her community, electricity is a luxury. And while she has a job—which makes her better off than many other Ugandan women—her pay is low, and she does not have a bank account.

To improve her situation, Norah has two ideas. First, she wants to install solar lighting in her home. Second, she wants to add a room or two to her house that she could then rent out to make additional income. But she does not have the money or the credit history to apply for a loan.

Through Prosper, Norah can acquire an affordable solar home system from BrightLife using PAYGo financing. Because the product is financed, by paying it off over time, Norah will build a credit history. After she repays her PAYGo energy loan in full and on time, Norah will qualify for a 20 percent rebate that she can deposit into a FINCA Uganda savings account. Instantly, then, she will be eligible for a loan at a multiple of her deposit amount. It’s just the opportunity Norah needs.

“The good thing with this product is that it is for the poor. I want to extend my appreciation to BrightLife and FINCA Uganda for thinking about the poor.”
FINCA Ventures provides patient capital to high-impact social enterprises that spark household and MSME labor productivity and partners with entrepreneurs who create solutions that meaningfully grow income and social resilience for families and small businesses.

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>SDGs Supported</th>
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<tbody>
<tr>
<td>AMPEC Innovations</td>
<td>Designs solar-powered home energy systems and productive use appliances to help those living under $4 per day grow their wallets.</td>
<td></td>
</tr>
<tr>
<td>Biolite</td>
<td>Designs and manufactures clean-burning, electricity-generating cookstoves and solar home systems for off-grid households.</td>
<td></td>
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<tr>
<td>eneza education</td>
<td>Develops hardware-agnostic digital educational curriculums that work on basic feature phones, smartphones and tablets for K-12 students and beyond.</td>
<td></td>
</tr>
<tr>
<td>Good Nature Agro</td>
<td>Partners with smallholder farmers to improve their productivity through soil-enriching legume farming and grow farmer incomes.</td>
<td></td>
</tr>
<tr>
<td>Ignitia</td>
<td>Sends hyper-local, highly accurate tropical weather forecasts to smallholder farmers via SMS to reduce risk and loss for better harvests.</td>
<td></td>
</tr>
<tr>
<td>Sanivation</td>
<td>Provides waste-to-energy sanitation services to local governments and refugee camps, turning fecal sludge into environmentally friendly fuel.</td>
<td></td>
</tr>
<tr>
<td>Mdaasglobal</td>
<td>Builds and operates modern, convenient and affordable diagnostic centers in clinically underserved communities offering imaging, cardiac and lab services to identify health issues earlier and more accurately for effective treatment.</td>
<td></td>
</tr>
<tr>
<td>East Africa</td>
<td>Transforms local fruit and vegetable supply chains by building cold-chain infrastructure from rural farmers to urban vendors, guaranteeing markets and stable prices for farmers and quality access to products for vendors.</td>
<td></td>
</tr>
</tbody>
</table>
Bringing Digital Financial Services to Farmers

Across Africa, only 31 percent of adults have an account with a financial institution, and smallholder farmers are among the most financially excluded. Often in rural locations, farmers live far from banks and financial service providers.

Good Nature Agro is a social enterprise and a FINCA Ventures partner helping to grow net incomes for the most rural smallholders in Africa. Good Nature Agro has developed a partnership with FINCA Zambia to open a savings account for each of its private extension agents (PEAs) in the country. That means Good Nature Agro can now digitally deposit PEAs’ salaries into their individual savings accounts. PEAs can then access their money by visiting mobile money or banking agents in their local communities. With its early success in paying PEA salaries digitally, Good Nature Agro is planning to expand this pilot program to its wider farmer network of over 5,000 smallholders.

In Motion: FINCA Ventures Annual Impact Report 2019

FINCA Ventures partners impacted over 2.1 million lives across four sectors—energy, education, health and agriculture—in 2019. The inaugural FINCA Ventures Annual Impact Report highlights achievements and shares insights from lessons learned.
Growing Incomes with Better Farming

Victoria is a smallholder farmer, a trade she learned from her now 85-year-old mother. For years, Victoria relied on maize and groundnut harvests to provide for her four children, but it was never enough. Market access was poor, and the prices paid for her staple crops were rock bottom. This had devastating effects on her ability to feed and educate her children. When a private extension agent for Good Nature Agro was going door-to-door in Victoria’s village, spreading the word about an opportunity to triple one’s income through better farming, Victoria jumped at the chance.

Good Nature Agro provides farming inputs, like seeds and fertilizer, to smallholders at no upfront cost. This is paired with extension services, such as agricultural and financial management training, overseen by a network of private extension agents. At harvest time, Good Nature Agro buys all the seeds grown by the farmer at premium prices.

Victoria received a bag of cowpea seeds from Good Nature Agro, which she planted in her field. After months of diligently following the training provided by the private extension agent, Victoria couldn’t believe the result: It was a harvest like she had never seen before. She used earnings from the harvest to build a new house.

The next season Victoria grew soybeans, learning from Good Nature Agro about the importance of crop rotation for soil preservation. She then used money from this harvest to begin construction on another home. Victoria plans to use her “soybean house” for rental income.

When asked why she is building so many homes, Victoria’s answer was clear: “I want to memorialize what Good Nature Agro has done for me in a public and lasting way—what better way to do that than to build a home?”

“I used money from my cowpea harvest to build a new home for me and my children, so I call it our ‘cowpea house.’”
When a crisis such as COVID-19 strikes and upends our lives, many of us may seethe at the inconvenience, but we adapt.

We grow accustomed to working remotely and connecting with friends—even family—through social media. We stock up on necessities and avoid leaving home. We can adapt while keeping safe because we have the resources, infrastructure and social safety nets to do so.

But not everybody can effortlessly transition to a new normal, including the millions of families in the US whose jobs, incomes and savings are lost or jeopardized during crises. Even more vulnerable are the 130 million poor households around the world who barely survive on less than $2 a day. Faced with an emergency, these households are forced to choose between the most basic of necessities. Lighting often isn’t one of them.

In my opinion the single least-expensive, breakthrough innovation that can most quickly alleviate the plight of the poorest citizens of our planet is a rechargeable solar light. For as little as $2, a poor family can acquire such a light from FINCA International’s Mwangaza Project in Uganda. This light allows households to see their evening meal, helps school-age children to do their homework at night and creates a safer home environment.

In just 18 months, the Mwangaza Project has reached 21,000 poor families (168,000 people) in Uganda, thanks to your generous support. There are a lot more families still to be reached. In these uncertain times, let’s make sure that they can at least count on having light at night.

John K. Hatch  
Founder  
August 31, 2020

“There are a lot more families still to be reached. In these uncertain times, let’s make sure that they can at least count on having light at night.”
MEASURING RESILIENCE THROUGH BEHAVIORAL SCIENCE AND DATA

FINCA's research and data science program monitors our social performance and ensures that we are delivering meaningful impact for our customers.

Solving the Problems of Low-Income Savers

Household savings can sustain families in times of distress, helping them get through tough circumstances without having to liquidate their business or household assets for emergency cash. They also allow people to pursue longer-term goals, such as education and better housing. But it is not easy to accumulate cash savings at home, especially when there are so many pressing day-to-day needs.

Up to now, formal banking has not really provided solutions for low-income savers. Deposits and withdrawals require costly trips to the branch, while monthly account fees eat away at their balance. As a result, the majority of low-balance savings accounts quickly become dormant, making them useless to the customer and the financial institution alike. FINCA’s research team is diving deep into this challenge in partnership with FINCA Uganda and the World Savings Bank Institute’s Scale2Save program.

We started by analyzing the data from 67,000 savings accounts, followed by deep interviews to uncover the habits, motivations and obstacles experienced by low-income savers. These insights were used to develop a new mobile banking product, together with an innovative savings app that will help customers to achieve concrete goals. These innovations will be tested in 2020 through a rigorous experimental study to measure their impact on clients’ savings behavior and financial wellbeing.

Diving Deep into Financial Health

In 2019, FINCA revamped its approach to impact measurement, building on three decades of direct experience working with customers and collecting data. Along with the accumulated learning in the field, FINCA’s impact measurement focuses on a detailed understanding of our customers’ behaviors and needs.

FINCA’s new Mission Monitor conveys this updated perspective. It portrays FINCA’s outreach to financially excluded populations, their usage of savings and credit, and their ability to manage day-to-day needs and longer-term goals. This new set of mission indicators gives FINCA a practical look at whether customers are able to cope with setbacks, how they are managing their ongoing obligations, and whether they are accumulating wealth for the future.
Assessing Bottlenecks to Women's Financial Inclusion in DR Congo

A recent FINCA survey of clients in the Democratic Republic of the Congo (DRC) shows that women entrepreneurs are confined to the smallest, least profitable businesses. This finding reflects the burden of unpaid work and other social factors that put women at a competitive disadvantage.

Moreover, women who make it into business find that men already occupy the most lucrative segments. Our survey found that men dominate sectors like wholesale trade and manufacturing, while women compete among themselves in small trading businesses, where the profits and growth prospects are low.

These disparities point to other entrenched advantages that men enjoy, including a much higher rate of secondary education. Resistance from family members and safety concerns can restrict women's movements and the range of activities that they can consider.

In partnership with Global Affairs Canada, FINCA is launching a top-to-bottom gender assessment in the DRC to make sure that every aspect of the microfinance institution—from research and product design to advertising and service delivery—is geared toward women and, more importantly, helping them prosper.

Rigorous Research Yields Actionable Insights

Data Analytics + Machine-Learning + Human Centered Design: In Uganda, FINCA's research team discovered the strong influence of variables such as age, source of income, product type and gender in driving account usage. Additionally, a qualitative study revealed that savings behavior is shaped by goal setting, mental accounting and local social influences.
A Lifetime of Giving

When Herb and Rosie Kuehne first heard about FINCA in the late 1990s, they realized that our approach of helping the world’s most marginalized people by providing a hand up rather than a hand-out was a perfect fit for them.

As Rosie recently put it, FINCA loans and other services “were helping people overcome hardship, allowing them to get more value out of their time and labor.” Herb and Rosie knew firsthand just how hard the lives of the poor could be. In the early 1970s, they spent eighteen months living in a tiny village in the mountains outside of Taxco, Mexico.

“There were maybe 400 people in the whole community,” Rosie remembers. “There were no roads or running water.” Like their neighbors, Rosie and Herb used pit toilets, pulled water from a nearby well and boiled it for safety, and dealt with the occasional scorpion.

Several years later, Herb won a Fulbright Scholarship that took the family to Uruguay, which was in the middle of a military dictatorship and a long economic slump. The people they met were amazing, welcoming Rosie and her family despite the oppression they faced. According to Rosie, “living in Uruguay and Mexico softened Herb and my hearts.”

As their children grew and became independent, Herb and Rosie slowly increased their giving. In the years before Herb died in 2017, he and Rosie decided to give the bulk of their estate to charity. Rosie is gratified: “I feel happy knowing our gift will continue to improve the lives of families in the developing world for years to come.”

“I feel happy knowing our gift will continue to improve the lives of families in the developing world for years to come.”

Rosie Kuehne
Credit Suisse and FINCA: Building a More Inclusive Future

Durable, lasting partnerships are critical to FINCA’s success. Since 2008, Credit Suisse has improved FINCA’s program offerings and contributed investment capital, loan capital, grant funding and pro-bono skills to our mission. Over the years, Credit Suisse’s support helped FINCA to launch important institutional initiatives. One of them is the global staff training initiative, which enabled FINCA to hire and train local staff (96 percent of FINCA’s workforce), serving their own communities. In addition, Credit Suisse supported FINCA’s goal to develop internal research capacity to measure client impact, which is now carried out globally and is essential to designing client-centric products and services.

Today, Credit Suisse’s partnership provides FINCA access to its Global Citizens Program (GCP)—an initiative through which Credit Suisse volunteers leverage their expertise to collaborate with local staff to address strategic business challenges. Participation in the program has been both successful and enriching for everyone involved. For example, FINCA Guatemala’s staff found enormous value in the data analytics skills a Credit Suisse Global Citizen contributed to help FINCA staff to harness the power of digital technologies and transition away from analog methodologies. In Uganda, a Global Citizen volunteer improved loan portfolio allocation and developed a credit scoring tool that has been useful not just to FINCA Uganda but to all FINCA subsidiaries on the African continent.

“We see participants return from their assignments not only inspired by a new outlook on how they can contribute to making the world more inclusive for all but also with stronger professional and leadership skills for their work at Credit Suisse,” says Laura Hemrika, Global Head of Corporate Citizenship and Foundations at Credit Suisse.

In addition to providing FINCA with philanthropic support, Credit Suisse has been a reliable, strategic advocate and ally in working with FINCA to grow programs. Credit Suisse continues to be readily available to FINCA staff to discuss future growth opportunities and make industry connections.

“Through our Financial Inclusion Initiative (FII, previously known as the Microfinance Capacity Building Initiative) we aim to strengthen the financial inclusion sector by providing financial and human resources to support microfinance institutions, fintechs and other financial services providers at the base of the pyramid, and to drive further market development,” Laura says.

“FINCA has been a partner in these efforts from the start and we are proud to be working together toward our shared goal of building a more inclusive future.”

“Building the capacity of nonprofit organizations is integral to realizing our vision of a future where all people can access the resources and develop the financial, entrepreneurial and other skills to thrive. The GCP provides an opportunity for employees to channel their energy and expertise to drive impact and help to accelerate change.”

Laura Hemrika, Global Head of Corporate Citizenship and Foundations, Credit Suisse

Credit Suisse
FINCA’S LEADERSHIP*

FINCA International

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(Chair, Founding Member)
John K. Hatch
(Founding Member)
Rupert W. Scofield
(Founding Member)
Richard M. Williamson
(Founding Member)
John Elkins
Chandresh Harjivan
Harold D. Jastram
Daniela Mielke
Catherine Mohr
Agrina Mussa
James Semakadde
Avanthi Shah
Charles Trevail
David E. Weisman
Her Majesty Queen Rania Al-Abdullah of Jordan
(Developer Emeritus)

Senior Management
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President and CEO
Stefan Grundmann,
Chief Operating Officer
Colleen Zakrewsky,
Senior Vice President,
Business Development and External Relations
Scott Graham,
Director of Customer Research and Field Data Services
Soledad Gompf,
Senior Vice President and Philanthropy Advisor
Kuo-Wei Wang,
Director of Finance

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Board of Directors
Rupert W. Scofield (Chair)
Jacquie Green
Michael Green
Soledad Gompf
Kirsten McElgunn
Linda Walford

FINCA United Kingdom

Board of Directors
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Jordan Greenaway
Dane Steven McGuire
Peter Weiss
Colleen Zakrewsky

FINCA International is a nonprofit, tax-exempt charitable organization under Section 501(c)(3) of the United States Internal Revenue Code. Donations are tax-deductible. Our tax ID number is 13-3240109. FINCA Canada is a Canadian charitable organization. Donations are tax-deductible. Our Canada Revenue Agency Charity Registration Number is 80568 6144 RR0001. FINCA UK is a registered charity in England and Wales under registration number 1127778.

*As of July 31, 2020
Photo: Dawn Deeks
FINCA’S PARTNERS

FINCA International is grateful to all the private and public sector partners that support our work on long-range and large-scale initiatives. Our partners lend significant financial support, as well as technology and know-how. They help us enter new markets, deliver new products and services, and improve the efficiency and effectiveness of our operations.

aBi Trust
Clifford Chance Foundation
Comic Relief (with support from Jersey Overseas Aid)
Covington & Burling
Credit Suisse
D2international | Deloitte
European Investment Bank
Global Affairs Canada
Google
Hayfin Capital Management
Hengeler Mueller
IFAD FARMSE
KfW Development Bank
Microfinance Investment Support Facility for Afghanistan (MISFA)
Microsoft
NextEnergy Foundation
Opportunity International UK
Orrick
Osprey Foundation
Peter Gilgan Foundation
REGMIFA Technical Assistance Facility
Rural Finance Expansion Programme
Social Performance Task Force
Stiefel Behner Charitable Fund
Swiss Capacity Building Fund
TrustLaw | Thomson Reuters Foundation
UN Capital Development Fund (UNCDF)
UNDP Malawi Innovation Challenge Fund
USAID, Bureau for Resilience and Food Security
USAID, Partnering to Accelerate Entrepreneurship Initiative
USAID, Power Africa
World Bank Community Connections Fund
World Savings and Retail Banking Institute
2019 FINCA INTERNATIONAL FINANCIAL SUMMARY

2019 Consolidated Statement of Activities

FINCA International is a 501(c)(3) not-for-profit corporation registered in the State of New York. Our revenue comes from the microfinance operations of FINCA Impact Finance in 20 countries, as well as from grants and donations needed to help fund our work.

Total 2019 Expenses: $312,833,598
- Program services 98%
- Fundraising 1%
- General and administrative 1%

Total 2019 Revenue: $339,412,158
- Cash grants and donations 6%
- Services and gifts in kind 0.3%
- Program interest income 86%
- Grants and contracts, including federal govt. 1%
- Fees and other program income 7%

FINCA International’s financial statements on pages 18 and 19 were prepared according to the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Copies of the audited financial statements are available on our website at FINCA.org/who-we-are/financials.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION*  
**as of December 31, 2019 and 2018**

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<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
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<tr>
<td>Cash and cash equivalents</td>
<td>$129,414,589</td>
<td>$149,024,244</td>
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<tr>
<td>Restricted cash and cash equivalents</td>
<td>31,836,992</td>
<td>36,630,102</td>
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<td>Trading assets</td>
<td>38,493,095</td>
<td>17,569,626</td>
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<td>Derivative financial instruments</td>
<td>14,152,776</td>
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<td>Investment securities</td>
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<td>27,905,255</td>
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<td>Loans receivable—net of allowance</td>
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<td>809,561,932</td>
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<td>Due from banks</td>
<td>3,227,837</td>
<td>2,342,999</td>
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<td>Other receivables, prepaid, and other assets</td>
<td>26,271,504</td>
<td>22,267,280</td>
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<td>Property and equipment</td>
<td>30,606,925</td>
<td>33,623,421</td>
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<td>Intangible assets</td>
<td>9,717,709</td>
<td>9,996,185</td>
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<td>Right of Use Assets</td>
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<td>Goodwill</td>
<td>705,088</td>
<td>786,739</td>
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<td>Current income tax assets</td>
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<td>731,471</td>
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<td>Deferred tax assets</td>
<td>6,627,081</td>
<td>7,265,286</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$1,162,433,301</strong></td>
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<th>LIABILITIES AND EQUITY</th>
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<tr>
<td><strong>LIABILITIES:</strong></td>
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<td>Accounts payable and other accrued liabilities</td>
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<td>Derivative financial liabilities</td>
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<td>Client deposits</td>
<td>437,581,999</td>
<td>419,696,345</td>
</tr>
<tr>
<td>Bank deposits</td>
<td>35,030,735</td>
<td>36,126,804</td>
</tr>
<tr>
<td>Notes payable</td>
<td>311,197,182</td>
<td>350,595,677</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>29,450,292</td>
<td>24,879,575</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>37,867,381</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,231,672</td>
<td>5,966,438</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>3,376,231</td>
<td>3,097,712</td>
</tr>
<tr>
<td>Current income tax liability</td>
<td>3,216,259</td>
<td>2,475,879</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>3,331,342</td>
<td>1,840,656</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>911,134,358</strong></td>
<td><strong>887,773,141</strong></td>
</tr>
</tbody>
</table>

| **EQUITY:**                                 |                  |                  |
| Reserves                                    | 18,464,807       | 18,359,125       |
| Retained earnings                           | 206,926,927      | 196,077,989      |
| Currency translation reserve                | (67,466,656)     | (63,775,514)     |
| **Equity attributable to FINCA International** | **157,925,078**  | **150,661,600**  |
| Non-controlling interest                    | 93,373,865       | 92,453,834       |
| **Total equity**                            | **251,298,943**  | **243,115,434**  |

| **TOTAL LIABILITIES AND EQUITY**             | **$1,162,433,301** | **$1,130,888,575** |

*Source: 2019 Audited Financial Statements*
FINCA’S SUPPORTERS

FINCA International sincerely appreciates the loyal support from all our benefactors. While we are unable to acknowledge every donor on the following pages, all supporters helped to further the FINCA mission and impact many lives in 2019. We are inspired that you share our commitment to market-based solutions to poverty and honored that you have chosen to make a lasting difference through FINCA.

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Diane Cavenee
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(with support from the Jersey Overseas Aid)
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Bob and Judith Letendre
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Richard Lundy and Lucille Goodwyne
MacInnis Family Foundation

Crafting a Better Life in Guatemala

Sara Tol and her husband Pedro run a small textile manufacturing business out of their home in Chichicastenango, Guatemala. The town, commonly known as Chichi, is one of the most important hubs of the Guatemalan craft industry, and Sara and Pedro make the most of their location.
Both Sara and Pedro had to leave school early to help support their struggling families. When they married, they were both about 20 years old and were collectively earning about 500 quetzales ($70) per month.

It was barely enough for the two of them to live on and certainly not enough to raise a family. So, they made the life-changing decision to start their own textile business. Pulling together all the money they could, Sara and Pedro bought a leather workshop where they had been apprenticing and combined the textile skills they had learned from their parents with their new leather-working knowledge.

Today, Sara and Pedro’s products include little leather purses adorned with remnants of used huipils (colored blouses) and pillowcases with leather trimming. Their business has taken off. In a few short years and thanks to FINCA loans, they have grown to have 15 employees, and they contract work out to as many as 50 additional craftspeople around town.
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Cynthia and Joel Bradley
Edward and Rozann Brittain
Steven Bruckner
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Peggy Wheelock
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Fintech Innovation: Paving the Way to Financial Inclusion

This case study, published in collaboration between FINCA International research staff and FINCA Impact Finance, demonstrates how technical innovation can reach remote customers and enable them to save money.
Supporting Entrepreneurship in Health Care

Across sub-Saharan Africa inadequate public expenditure on health care means medical infrastructure and expertise are sparse and stretched. Facilities and equipment are concentrated in very urban centers, and 40 percent of equipment is out of service. The result is widespread symptom-based treatment and self-diagnosis, leading to undetected problems, delayed interventions, inappropriate treatment, and inferior health, social and economic outcomes.
Genevieve Barnard Oni observed firsthand the lack of access to medical equipment in the rural health centers while she worked with the Global Health Corps in Africa. That experience inspired her to join hands with Oluwasoga Oni, Joe McCord and Opeyemi Ologun to start the health care social enterprise, MDaaS Global, which FINCA Ventures supports.

MDaaS builds and operates modern, convenient and affordable diagnostic centers in clinically underserved communities in Nigeria. It offers imaging, cardiac and lab services to identify health issues earlier and more accurately for effective treatment. Its facilities also serve as outsourced diagnostic centers for surrounding clinics and secondary hospitals.

As an entrepreneur, Genevieve appreciates FINCA’s support. “It was wonderful to have FINCA onboard who shares a strong impact focus. It’s been great getting support on operational challenges like patient surveys from FINCA’s research team and to have a thought partner with deep experience on surveying and collecting data in the field.”
First Steps: How Early Adopters Climb the Solar Energy Ladder

The adoption of solar energy products is a journey, driven by basic needs for comfort and family wellbeing. In First Steps, FINCA International’s research team described this journey, showing how it leads to improved household resilience and economic opportunities for BrightLife’s customers.