



2018 Annual Report

kiva

Expanding financial access to help
underserved communities thrive.



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Letter from Premal

Dear Kiva community and supporters,

As I look forward to 2019, I'm filled with deep gratitude for all of you and excitement for Kiva's future.

Together, this community has created incredible impact in the past 13 years, far beyond anything I or my co-founders ever dreamed possible. This journey has been life-changing for so many borrowers around the world, and certainly for me personally.

Kiva was born out of innovation, and we are now entering a new phase of innovation to build on the impact of the past 13 years and truly reshape the global financial services landscape. We know Kiva has the expertise, reputation and relationships to take on an even bigger role in working towards a systems-level change for the 1.7 billion unbanked around the world.

I'm confident in this evolution and the strength of Kiva's dedicated team, so confident that it's created space for me to consider my own personal path for the first time in many years. Similar to many Kiva borrowers, I have an entrepreneurial spirit, and

I've made the tough decision to follow that spirit to new challenges and shift my role at Kiva to Senior Advisor.

While I won't be involved in the day-to-day anymore, I'll remain one of Kiva's most dedicated advocates. As one of the final projects I collaborated with the team on, we determined our mission and vision needed to evolve to better reflect the breadth of Kiva's work and our ambition for systems-level change.

I'm happy to share these words with you now, as I deeply believe in the path they create:

Kiva's vision is a financially inclusive world where all people hold the power to improve their lives.

Our part in making that world possible is captured in our updated, evolved mission:

Kiva's mission is expanding financial access to help underserved communities thrive.



Premal Shah
Co-founder and Senior Advisor

This vision and mission will act as the foundation for the work ahead, keeping clear what Kiva is working towards and, most importantly, who Kiva is working in service of.

Thank you for an incredible journey. I couldn't be prouder of how far we've come, and will be Kiva's most passionate cheerleader and advisor always.

With gratitude,

Premal Shah

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Letter from Neville

Dear Kiva community and supporters,



Neville Crawley
Chief Executive Officer

This is my first annual letter as Kiva's CEO, and I want to begin by saying what an honor it is to represent this organization and this community each day. I also want to share my deep gratitude for Premal's service to Kiva, and his partnership in creating a path forward to greatly expand our impact. I look forward to collaborating with him in his new role as a Senior Advisor. Premal and his co-founders built a truly special organization, and I'm honored to shepherd it forward.

This year was one of change, new beginnings and growth for Kiva— we welcomed four new members of our Executive Leadership Team, who all bring fresh perspectives and deep experience from some of the most well-known foundations and technology companies in the world.

We also dedicated ourselves to thinking boldly in service of our borrowers. As we set out determined to live and breathe our mission and vision, we are taking on the challenge of financial inclusion from all sides. We believe this multi-faceted approach gives us the best chance to truly change financial inclusion in a sustainable way that will have an impact for generations.

We set a foundation in 2018 for an impactful 2019, including these areas of focus:

Continuing to grow our Kiva.org lending community. This is Kiva's original innovation: people-powered impact. It will continue to be the core of Kiva and we will work to improve our website experience and bring more lenders from around the world to Kiva.org to participate in changing lives.

Addressing systemic barriers to accessing financial services around the world. In particular, in 2019 we are taking on lack of verifiable identification and credit history through the development of the Kiva Protocol and our first implementation with the government of Sierra Leone. More on that on page 11.

Launching wholesale impact investing as a way to mobilize capital from larger partners in support of underserved communities. Our refugee work will be our first investment target and we will be testing several approaches.

Supporting social enterprises and small and growing businesses, often called the “missing middle” who are considered too large for microfinance, but too small for traditional banks. These enterprises can create jobs and improve livelihoods in whole communities.

These strategies will enable us to reach financially underserved and marginalized communities where capital is not flowing, where risk is mispriced, and where generations of ambitious, driven individuals are denied the opportunity to pursue their goals.

We know this will take bold, creative thinking. It will mean taking some risks, because without taking on the unknown we can't learn what is most impactful. We believe Kiva can change the world again, just as it did as a crowdfunding pioneer.

This time, our goal is even more ambitious—to unlock capital for the populations we serve and truly change the financial inclusion landscape forever. We can't wait to partner with you in this work in 2019. It's going to be an inspiring year.

With gratitude,

Neville S. Crawley



Our *vision*

A financially inclusive world where all people hold the power to improve their lives.



Our *mission*

Expanding financial access to help
underserved communities thrive.



Our impact

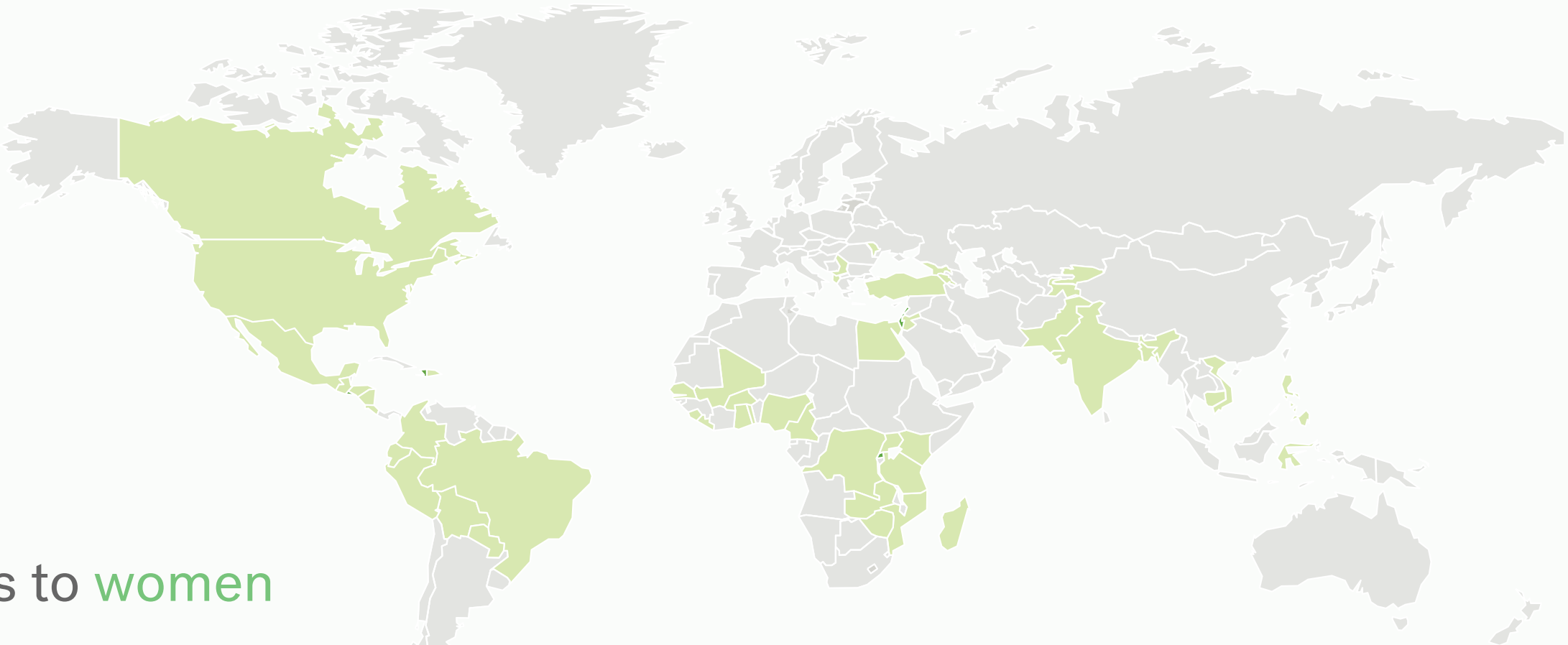
In 2018, Kiva deployed:

157,948,950 dollars from 639,607 lenders to serve 400,704 borrowers



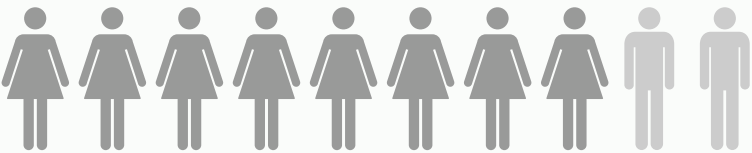
210,842

Total Kiva loans
funded in 2018



Loans to women

Women around the world have much less access to fair and affordable credit. In 2018, 83% of Kiva loans were made to women.



Kiva's reach

Working with an extensive network of Field Partners and Trustees, Kiva serves borrowers in more than 80 countries on 5 continents.

Each moment

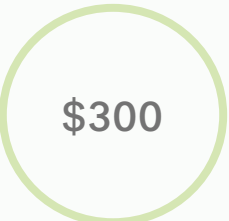
Almost \$158 million of loans were raised in 2018. That's an average of:



each day



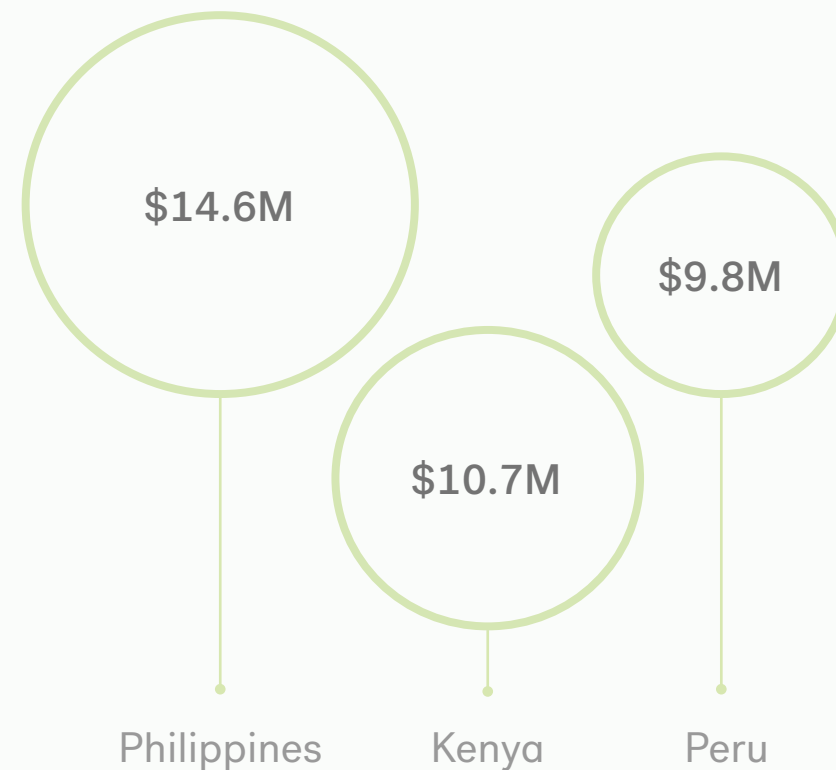
each hour



each minute



Our impact



Top-funded countries

We are constantly working to reach new countries and communities, and in 2018 our greatest impact occurred in the Philippines, Kenya and Peru.

Top-funded sectors

Kiva funds loans across many sectors. In 2018 the greatest impact was made in agriculture, food and retail.

As Kiva moves toward a new phase of innovation, our continued focus on measurement will enable us not only to stay accountable, but to substantially scale real impact. We look forward to sharing more about our depth of impact in 2019.

Borrower *stories*



How a laptop changed Jean Pierre's life and helped the community

Jean Pierre grew up in a small village in Rwanda and had never even touched a laptop before receiving his Kiva loan. His loan for \$225, backed by 9 lenders, [allowed him to purchase a laptop](#) to continue his university studies and develop new skills.

When he graduated, Jean Pierre decided to give back to the community by working for a mission-driven organization that helps improve living conditions for families. He uses his laptop at his new job and is able to serve more families by working more efficiently.



Syrian refugee gains stability through loan with Lebanese locals

Samah's family, including 3 children, fled Syria for Lebanon in 2013 after their home was bombed.

Ahlam, a Lebanese neighbor was eager to help Samah and her family, so she proposed they partner up for a business reselling clothing. They took out a Kiva loan together that gave them the capital they needed to purchase needed stock.

When they started 3 years ago, they were each making \$200 to \$300 a month, now Samah makes close to \$1,000 each month. Samah appreciates the income because the cost of living is very high in Lebanon, but she also appreciates the support she feels from her Lebanese friends and feels like she has people she can rely on in her new community.



Phearong became a leader for women's rights in Cambodia

Growing up in rural Cambodia, Phearong always dreamed of graduating from university. She earned a scholarship, but the additional living and transportation costs threatened to derail her hard work.

A Kiva loan funded by 46 lenders around the world (plus plenty of grit and ambition) made it possible.

With expenses covered, Phearong became the first in her family to graduate from university and has in turn dedicated herself to creating a more equal Cambodia for all women. Thanks to her hard work, she was offered an internship and then a contract with the European Union, where she is a fierce champion for women's rights.

Our approach to creating systems-level change.

Kiva's *model* for change

Kiva envisions a financially inclusive world where all people hold the power to improve their lives.

To Kiva, this means people can identify their own needs and access safe and affordable credit to meet those needs: a student can pay for tuition, a farmer can invest in equipment, a family can pay for needed emergency healthcare.

We are doing all of this by building the missing tools necessary to bridge the gap to the formal global financial system, from our initial innovation of Kiva.org, to innovative client-centric finance structures to verifiable identity and federated credit history.

We aim to unlock capital for the unbanked and the underserved parts of the market by taking on the challenges of capital, cost and systemic barriers to financial inclusion.

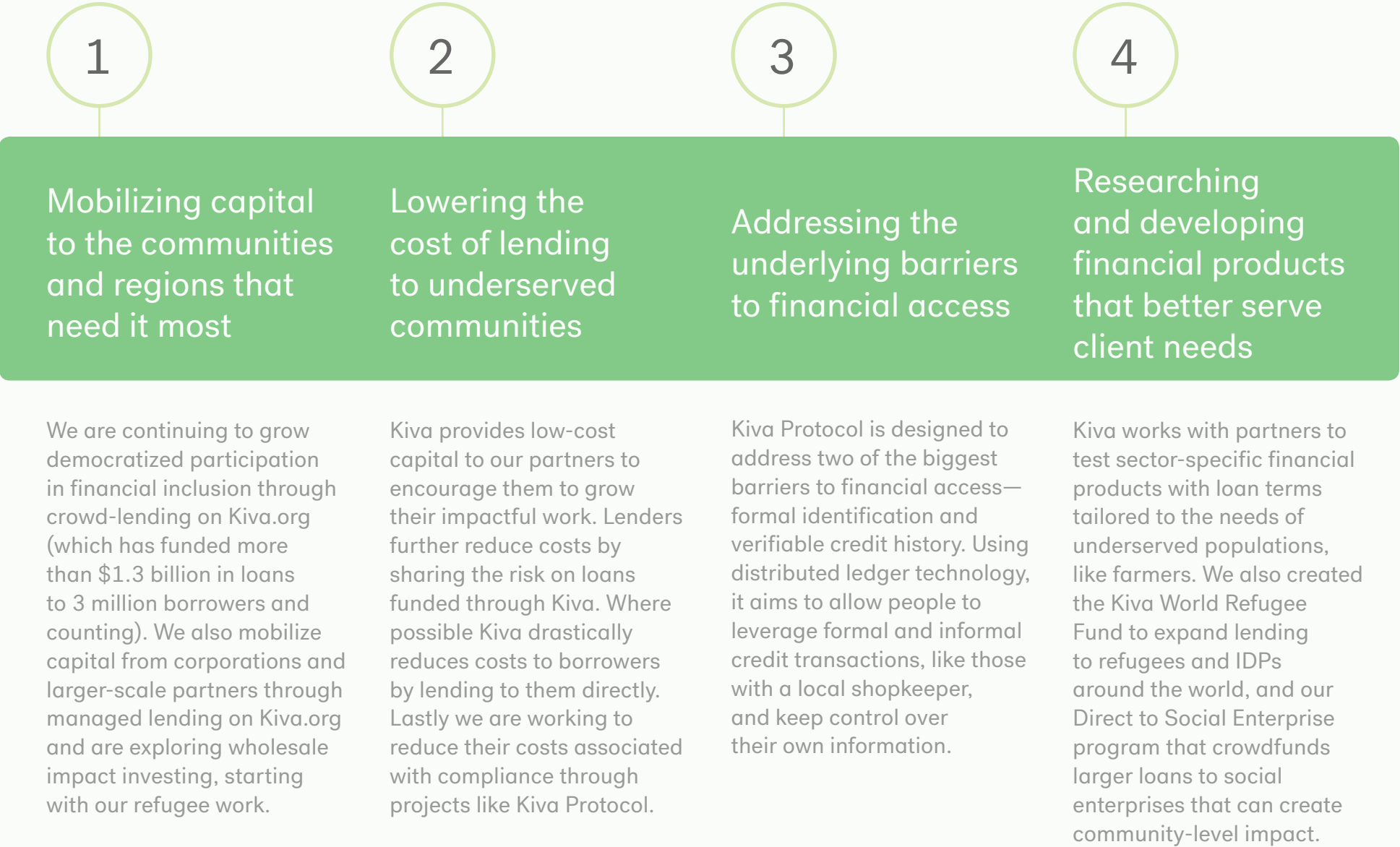
We aim to improve the quality and cost of services by working closely with our partners to pilot, scale and share our knowledge about better financial products.





Kiva's model to radically expand financial inclusion is based on four pillars.

Kiva's *model for change*



Reaching refugees & IDPs

Many refugees and internally displaced populations (IDPs) need access to finance, but few financial institutions are willing to serve them, perceiving them as too risky. In response, Kiva launched the World Refugee Fund (WRF) in 2017, an innovative approach to catalyzing refugee lending around the world. The risk tolerant and uniquely compassionate capital crowdfunded on Kiva is then channeled to local financial institutions (Kiva Field Partners), who in turn provide loans to refugees at scale.

Over 2018, Kiva lenders crowdfunded more than \$6 million in loans to more than 7,000 refugees and IDPs around the world. On World Refugee Day 2018, Kiva also released our first World Refugee Fund Impact Report, which challenges the perception of refugees as “too risky.”

Our findings show that refugees and IDP borrowers have a high repayment rate on par with non-refugee borrowers, proving that refugees can, and do, pay back loans. Our belief and hope is that sharing our experience will encourage more financial institutions to serve displaced populations.

Refugees and IDPs had a 96.6% repayment rate



Impact investing refugee fund

Having demonstrated that refugees represent viable microfinance clients, we were thrilled to announce the launch of a new impact investing fund focused on refugees at the 2018 Social Capital Markets (SOCAP) Conference. This will raise \$50 million in institutional funds, allowing Kiva and our Field Partners to scale highly impactful lending to refugees and IDPs in the years to come.

With continued support from Kiva lenders through the World Refugee Fund, coupled with the launch of the impact investing refugee fund, we are committed to continue playing a pioneering role in helping refugees rebuild their lives.

A digital ID and credit history solution for the unbanked.

Kiva Protocol *development*

An exciting new partnership between Kiva, Sierra Leone and U.N. agencies kicked off in 2018 to bring a nationwide digital identification system to the people of Sierra Leone that is designed to provide citizens with formal identity and control over their own credit information.



Sierra Leone's President Julius Maada Bio announced the initiative during his address to the U.N. General Assembly in September 2018.

The centerpiece of the partnership is the new Kiva Protocol, which will create and establish a national digital identification system using distributed ledger technology (DLT). The system will help ensure that every citizen in Sierra Leone has secure and complete ownership of their financial data and information, with the ultimate goal of helping people access the financial services they need.

"With this partnership in Sierra Leone, we hope to carve a path to a system of global identity and federated credit history," said Kiva CEO Neville Crawley. "This can unlock capital for the populations who need it most, allowing lenders to massively increase services and the flow of funds to the world's unbanked."

Globally, 1.7 billion adults are unbanked and unable to access the financial services they need to improve their lives and their families' futures. Two of the major barriers to accessing financial services are a lack of formal identification and a lack of verifiable credit history.

The new Kiva Protocol is designed to address these barriers by issuing digital identification to all citizens and enabling formal and informal financial institutions to contribute to a person's verifiable credit history.

Rollout of the Sierra Leone project is planned for 2019, after continued ongoing implementation discussions.

Kiva Labs: *sharing knowledge*



For the past decade, a key agenda in the microfinance sector has been innovation—the quest to build on the “Microcredit Revolution” by reducing the cost and improving the flexibility of the financial services offered to financially excluded communities.

This challenge has been a core part of Kiva’s evolution in that time, and we’ve developed an incredible network of innovative financial service providers finding new ways to provide financial flexibility and opportunity to marginalized borrowers.

Kiva sees this network as a valuable resource for sharing knowledge, but until recently, there have been few opportunities for each organization to learn from the ideas and experiences of others. In one of Kiva’s most ambitious efforts so far to bridge these gaps in knowledge sharing, we organized the 2018 Kiva Labs Innovation Conference (KLIC) in partnership with the Mastercard Foundation, which brought together nearly 100 leaders from Kiva’s African Field Partners with a goal of facilitating intra-organizational learning and innovation.

During KLIC, Kiva held workshops on a variety of topics including human-centered design, Kiva’s portfolio of lenders, the organization’s evolving technologies, and the challenges faced by Field Partners as they attempt to scale impact.

KLIC hosted a 90-minute “Fail Fest” session, designed to facilitate conversations around different approaches Kiva’s partners had taken to mitigate risk, improve their financial viability, and sustain their business models.

KLIC attendees came away from the conference with a wide range of new experiences working collaboratively with Kiva and its staff. But perhaps KLIC’s greatest value-add was simply opening a dialogue between partners themselves. After all, Kiva’s portfolio of Field Partners is really a global community that shares a common mission. KLIC was the first of many steps Kiva is taking to make conversations within this community more transparent, open and impactful.

Kiva Field Partners

New Field Partner

COOPAC MFP, Peru

COOPAC MFP is a microfinance institution, based in Lima, that lends in underserved and low-income areas of Peru specifically in the Andes and Amazon regions. Peru has traditionally been a saturated market when it comes to microfinance especially in the coastal areas where the majority of the Peruvian population resides. It's not uncommon to find multiple MFI branches in cities located along the Panamericana highway.

COOPAC MFP takes a different approach. Their main lending activities come from branches located in the heart of the VRAEM region in the Andes. The VRAEM (Valle del Rio Apurimac, Ene y Manataro) is a region responsible for 70% of Peru's cocaine production and is home to remnants of the Shining Path, a Maoist militant group.

COOPAC has been working with farmers who are transitioning or have transitioned from coca production to alternative, legal crops, such as cocoa, coffee or vegetables. The Peruvian government actually surpassed its coca leaf eradication goal in 2016, thereby preventing the production of 225 metric tons of cocaine, but hasn't effectively provided assistance to all those affected by the campaign—which is why COOPAC and other organizations' similar work is also important in this region.

With Kiva financing, COOPAC MFP will be able to fund agriculture, micro enterprise and housing loans thereby increasing its outreach in the VRAEM and in other underserved regions of Peru.

Spotlight

Women's Micro Bank, Papua New Guinea

[Women's Micro Bank](#) (WMB) is 1 of 5 MFIs in Papua New Guinea and the only one with an explicit focus on women.

Financial services in Papua New Guinea remain extremely limited. Estimates suggest 70-80% of the population is unbanked and this rises to over 90% in rural parts of the country, where the majority of people depend on subsistence farming.

Today there are a handful of MFIs operating but their focus has been limited to expanding access to savings products. Very few of their clients are able to borrow from them and in cases where loans are offered, the cash collateral requirements are often prohibitively high.

Until recently, WMB had been following a similar approach to their peers with regard to lending but their new strategy has signaled their intention to lead WMB in a different direction and open up borrowing options for their clients. With WMB's rollout of the first real microloan products in the country, Kiva has a unique opportunity to support this growth at an early stage and help de-risk the market for others. In addition to innovating on the product side, WMB has a clear strategy to target low-income women from underserved rural areas.

Dubem Jideonwo
Strategic Development Coordinator

Staff story



Growing up in Nigeria, I saw the devastating consequences of a difficult socioeconomic environment. These challenges, common to emerging countries, contribute significantly to persisting poverty and stunt socioeconomic advancement, especially amongst the world's most vulnerable populations. Understanding this drove and grew my passion for financial inclusion and ultimately, led me to Kiva.

Flashback to my senior year of college, I had the usual nervous excitement that comes with not knowing where life would lead me. I was fortunate to take a course in Development Economics that honed in on the economic growth of less developed regions; it was during this course

that I finally found what I had been looking for. Ever since, I have worked in the international development sector in different capacities; be it in social entrepreneurship, impact investing or financial inclusion for African youth, women and entrepreneurs. As a natural next step after graduate school, I wanted to work at an organization whose mission aligned with my passion and gave me an opportunity to combine the best of both worlds of social entrepreneurship and financial inclusion; which I think sums up Kiva.

Through my role as a Strategic Development Coordinator based in San Francisco, I have had the opportunity to see the positive effects of both grants and partnerships on

sustaining both Kiva's operations and its community as a whole. Through my experience at Kiva thus far, I am surrounded by highly motivated, positive and entrepreneurial minds who are dedicated to a mission. My goals have always been to work for an organization that uses multiple tools to address the world's most pressing challenges, an organization that has a large Africa footprint that would give me an opportunity to contribute significantly to the development of innovative solutions not only to Africa's marginalized populations but also to those globally. I feel as though I can achieve these here at Kiva.

Our supporters

Innovative partnerships with corporations, foundations and individuals enable Kiva to reach more underserved communities. A heartfelt thank you to all of our supporters—our work together achieved the following in 2018:

\$22M

Loans disbursed collectively through corporate engagement partnerships

\$17.7M

Donated from foundations, corporations, lenders and individuals

78,093

Lenders through corporate engagement partnerships

214

Corporations, foundations and individual major supporters

Thank you!



Financial *health*



Year ended 2018*

Assets	\$45,417,036
Current assets	26,044,704
Property and equipment	1,317,831
Other assets	18,054,501
Liabilities and Net Assets	\$45,417,036
Liabilities	13,840,038
Net Assets	31,576,998
Restricted	21,282,303
Unrestricted	10,294,695
Revenue and support	\$24,758,950
In-kind and KDAF contributions	2,992,586
Expenses	\$20,852,387

* The information shown above represents 2018 consolidated financial information for Kiva Microfunds and certain subsidiaries that has been prepared without audit. The 2018 audited, consolidated financial statements will be available at a later date.