



kiva

ANNUAL REPORT 2016

**We all
have
dreams.**

It's one of the most powerful things that connects us as humans, no matter who we are or where we're from.

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Premal Shah
President & Co-Founder

“ All of the changes and improvements to Kiva are made possible by our incredible community. You’ve helped us multiply our impact, expand our reach and build capacity for the next 10 years. ”

This year was full of change and growth for Kiva. In addition to providing access to capital for over 300,000 individuals across the globe, Kiva expanded its impact to the most vulnerable communities, from empowering refugees in Lebanon to supporting rural entrepreneurs in Sierra Leone. This was made possible thanks to the help of our amazing network of lenders, borrowers, supporters, staff and volunteers.

In the midst of so much change in the United States and around the world, Kiva continues to be a hopeful corner of the internet, connecting families, friends and even strangers through our website. From enhancing our efforts towards women’s economic empowerment to working with extremely rural communities together, we responded to thousands of voices, giving visibility to their issues and welcoming them to the Kiva community. One such initiative was the launch of the Women’s Entrepreneurship Fund. This enabled Kiva to continue to fight for gender equality by expanding access to financial services to women entrepreneurs in the U.S. and globally.

Kiva lenders also passionately supported the global refugee crisis by crowdfunding more than \$5 million in loans to nearly 4,500 refugees and internally displaced people. Kiva’s staff and Field Partners developed innovative loan products directed to those most at risk and in need.

We joined the Tent Alliance for Refugees and pledged to do more for communities escaping conflict. Kiva loans continue to play a critical role for refugees years after they relocate, as they create new, stable lives for themselves and their families.

On our direct side, Kiva Zip graduated out of beta and was renamed to Kiva U.S. We synchronized Kiva U.S. with our core program to consolidate each lender’s activity under one account and to allow lenders to move seamlessly between supporting businesses around the world and in the U.S. We also launched Kiva Oakland to support hundreds of low-income and minority entrepreneurs across the City of Oakland.

Finally, Kiva graduated to a mobile-responsive website in June 2016. In this engineering revamp, website features, such as category browsing and loan filtering, were redesigned and improved to make it easier for lenders to support the causes they care about.

All of the changes and improvements to Kiva are made possible by our incredible community. You’ve helped us multiply our impact, expand our reach and build capacity for the next 10 years. Thank you for supporting Kiva and for being agents of empathy and inclusiveness in the world.



2016 impact

By the numbers

Borrower stories

Total raised

143,065,750

\$391,960

per day

\$16,331

per hour

\$272/min

per minute



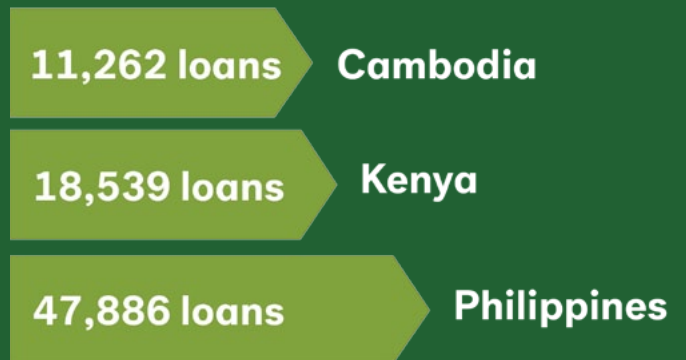
83%

loans to women

Funded Sectors



Funded Countries



Borrower story

Evgeniya, Ukraine

Evgeniya is an organic farmer and works with her son Sasha and her husband Vasily. She grows table grapes and strawberries. Through the Kiva loan, she got information and training about organic farming. She also regularly meets with other women farmers in her area. They help and support each other, attend events together, and now she is part of a connected community of women farmers. It is stories like that of Evgenia's that make Kiva and its community of borrowers so unique.



Borrower story

Rana, Lebanon

Rana is a 28-year-old Syrian woman who is married and a mother of two children. Almost a year ago, she started baking bread from her house in order to help her husband with covering the needs and expenses of their family. She used her loan from Kiva's field partner, Al Majmoua, to open her own bakery shop to attract more customers. She hopes to increase her income and improve her living conditions.



Borrower story

Martina, Guatemala

Martina is a member of the Mujeres Patzunerias Group in Guatemala through Friendship Bridge. A member of one of Guatemala's indigenous communities, she is 42, married, and has five daughters. Martina was also a weaver by trade, which she learned from her mother and passed to her daughters. She took a loan through Friendship Bridge to start a brand new business: making & selling tortillas. Her business was so successful that she applied for a second loan to buy thread for embroidery in bulk so she can run both businesses at the same time. Martina runs her tortilla business from 7 a.m. to 9 p.m. seven days a week, weaves & embroiders in whatever time she has left. This loan helped her make enough income to pay for her daughters' education & improve their future.



Borrower story



Vava, Kenya

“Let me say the Kiva loan gives us the comfort and the security to keep moving, and it alleviates the stress of how much we borrow money on this end. Because the interest rates for borrowing money are close to 20%. So at least it alleviates us from the stress of the interest rates, because the Kiva loan is an interest free loan, and it’s also opened up a whole new market for us with some of the people that lent on Kiva. Because we’ve actually received a few emails from some of the people that lent who want coffee. There’s 1,441 new customers created out of Kiva. And the idea for the Kiva loan was to use it to start the export trade, so we’re excited about that. We’re very excited about this new opportunity and we can’t wait to get things moving on that front.”

- Vava, founder of Kenyan social enterprise Vava Coffee



Borrower story

Lisa, U.S

“We received our first Kiva loan three months after launching onto the market. It was perfect timing—we had just done our first manufacturing run and needed capital to attend the largest trade show in the natural food industry and introduce our Moringa Superfood Bars to the market. We’ve grown quickly, with our wonderful Kiva community cheering us on the whole time. Kuli Kuli’s sustainably-sourced moringa products are now sold in over 30,1500 stores nationwide and we just celebrated our first quarter of profitability.”

- Lisa, founder of Kuli Kuli





Kiva ecosystem

Staff

Volunteer

Field Partner

Supporters

Staff



Since I started working in the microfinance sector in 2012, joining Kiva as a staff member was my dream. I've always been particularly socially oriented, and Kiva's mission clearly aligns with my values. You can imagine how overjoyed I was to join as the Portfolio Manager for Europe and Central Asia in January 2015!

My position is based in Istanbul, Turkey, where I've now been living for over two years. Formerly one of the cultural centers of the world, Istanbul has a unique tendency to capture the hearts of anyone passing through. It's the type of place where you can stumble upon a 5th-century Roman column in the middle of a traffic circle or enjoy a fabulous dinner while watching

ships cruise through one of the busiest waterways in the world.

Visiting partners and clients across the 11 countries I manage has been an incredible experience.

“Not only did I witness how a Kiva loan enabled her to increase her family's income, but I was also emerged in the quality of her work.”

The region is seeing economic turmoil, and clients are working harder than ever to make a living for their families. In Mongolia, I visited a lady who used a Kiva loan to convert a room of her house into a workshop to start offering tailoring services.

When we arrived, she insisted I try on the beautiful national dress she was in the middle of making. Not only did I witness how a Kiva loan enabled her to increase her family's income, but I was also emerged in the quality of her work.



Kendra
Portfolio Manager,
Europe & Central Asia

Volunteer



Growing up in Indonesia, a country with a notorious track record for economic inequality, I became obsessed with pursuing a career within financial inclusion from a young age. After stints at a grassroots microfinance organization, I was yearning for a more market-based approach towards tackling this ubiquitous issue.... enter Kiva.

As a member of the Strategic Initiatives team, I was fortunate to have a very holistic experience. However, it really came down to asking myself this question: “how can I continue to enable the incredible work that entrepreneurs are doing around the world?” There are two particular entrepreneurs that come to mind when I reflect on

my days at Kiva: Vava and Habiba. I had the privilege of meeting these two inspiring social entrepreneurs and was immediately blown away by their amazing work.

Vava is the founder of Vava Coffee, a Kenyan startup that provides global market access and fair trade wages to coffee cooperatives in rural Kenya. Watching her pitch to some of Silicon Valley’s major investors, while boldly calling out the less-than-commendable quality of coffee being served at the event, was perhaps one of the most memorable moments of my Kiva career. Secondly, Habiba, the founder of Sosai in Nigeria had perhaps one of the most profound impacts on my outlook on impact investing. Operating in one of the

most hostile environments of the world, Habiba was able to create a lively business empowering women to distribute clean energy to remote communities that would otherwise be without electricity. Her tenacity brought her over to SOCAP—the largest impact investing conference in the world—where I saw her pitch major funders unabashedly and gain the favor of the UNDP. Powerful stories like Vava’s & Habiba’s will undoubtedly define my reflections on my time at Kiva.



Max Hasan
Kiva Intern

Fellow



When I was 17, my friend showed me a website that his dad read about in the news to lend small amounts of money to farmers around the world. This left a strong impression on me and I started to follow the microfinance movement and Kiva specifically. As I progressed through college, a stint in teaching with Teach for America, and working at a non-profit, I searched for models to reduce poverty at scale. I learned about an emerging trend in finance called peer to peer lending, that connects borrowers directly with lenders online, disintermediating the traditional banking system. I signed up with Lending Club, the largest player in the space. It wasn't until Kiva Fellow training three years later that I made the (now quite obvious)

connection between Lending Club's and Kiva's models, and realized how my path had come full circle.

“Kiva is one of the most meaningful and useful networks that I have ”

As a Kiva Fellow last summer, I worked with a Mexican social enterprise called Sistema Biobolsa that sells biodigesters to smallholder farmers and offers zero interest loans for the farmers to payback the cost of the biodigester in monthly installments. This turned out to be a phenomenal assignment: I contributed my expertise on loan operations from Lending Club and Sistema Biobolsa taught me all about biodigesters and the lives of smallholder farmers in Mexico.

Since starting business school this fall at MIT Sloan, I have connected with Kiva Fellows in a variety of capacities, from summer internship interviews to the Net Impact conference to a panel discussion for a class on microfinance (taught by Adam Grenier, KF6). I didn't appreciate this when I applied to be a Kiva Fellow, but Kiva is one of the most meaningful and useful networks that I have as I navigate a career in financial inclusion.



Catherine Wright
Kiva Fellow

Field Partner



D&E Green Enterprises, Haiti

With clean cook stoves, D&E Green Enterprises provides an alternative to the inefficient, polluting charcoal cook stoves used by 95% of the Haitian population. D&E manufactures cheap, efficient cooking stoves which use on average 50% less charcoal than traditional cook stoves. The health benefits are pretty clear for Haitians as well as the savings incurred of consuming less charcoal. One other important thing to note which makes this initiative even more compelling is that it contributes to alleviating the pressure on Haiti's forests which are already severely depleted. D&E will provide loans to small distributors across Port-au-Prince to purchase inventory as well as motorcycles and marketing materials to expand their outreach. Working with D&E green enterprises allows us to expand our presence in a country that really needs our funding.

Field Partner



Al Majmoua, Lebanon

Al Majmoua, the Lebanese Association for Development, is one of Kiva's strongest Field Partners in the Middle East, not only having raised over \$3 million in 2016, but also due to their commitment to using Kiva funding to reach the neediest individuals in Lebanese society. The Syrian refugee crisis has led to an influx of over 1 million refugees in Lebanon, further straining the economy and creating considerable social tension in the country. Instead of turning their backs on this population, Al Majmoua saw this as an opportunity and went on to develop a loan program in 2016 specifically targeting Syrian refugees. The flexibility and low cost of Kiva funding helped make this possible. Many of these Kiva-funded loans are group loans which bring Syrian refugees and Lebanese nationals together, thus fostering economic collaboration and social cohesion between the two groups. While many financial service providers have shied away from lending to refugee populations due to risk concerns, 2016 saw Al Majmoua and Kiva build on an already successful partnership to become leaders in serving refugees.

Field Partner



Babban Gona, Nigeria

Babban Gona is a social enterprise working with smallholder farmers in Northern Nigeria. The company provides high-quality farming inputs, training, technical support, marketing assistance and financing to farmers working to raise crops and support their families in a part of the world impacted by conflict, terrorism, and drought. Babban Gona uses Kiva funding to offer farmers loans for agricultural inputs, as well as bridge loans which provide farmers with a much-needed cash infusion during a lean time of year when it can be tough for smallholder families to afford food, school fees and other expenses. Babban Gona's repayments occur at harvest time in order to best fit farmers' needs. The organization has found that farmers' yields increase 3.5x through the program, & income has increased over 70% in aggregate for participating farmers.

Supporters

Thanks to innovative partnerships with corporations, foundations, and individuals through Kiva's managed lending program, Kiva has deployed over \$56M to 1.2M borrowers worldwide. Whether it's engaging customers, engaging employees, supporting the launch of Kiva Oakland, or providing in-kind products and services, our supporters help us get one step closer to our mission of alleviating poverty.

106

Corporations, foundations, and individual major supporters

148,000

People through employee and customer engagement partnerships

284,056

Worldwide borrowers in 2016

\$15MM

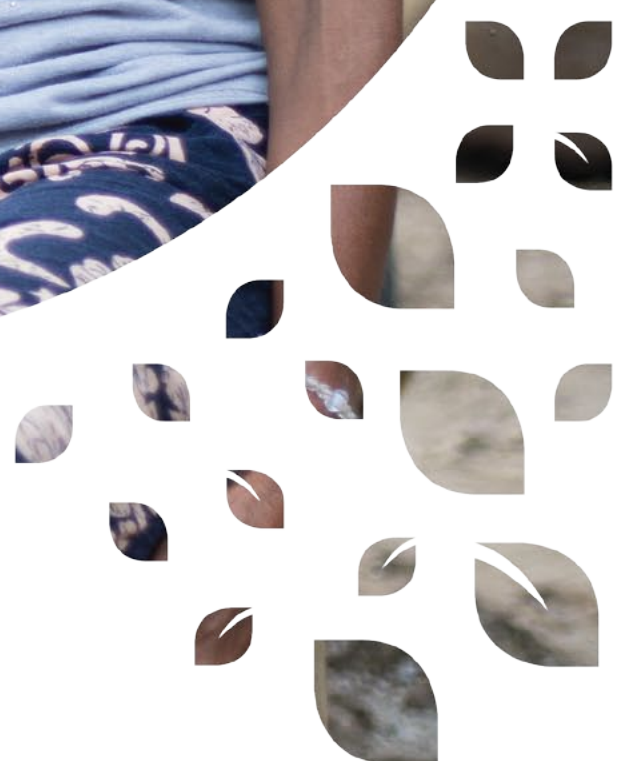
Disbursed collectively

155,208

New lenders in 2016

\$10,767,471

Donated by our lenders



Highlights

Kiva rebranding

Kiva Oakland

Lender Summit

PayPal launch

Rebranding

The image shows a vast landscape of terraced tea fields in a hilly region, likely in Southeast Asia. The tea plants are arranged in neat, curved rows that follow the contours of the hills. The color of the tea is a vibrant green. In the foreground, there are several palm trees and a small, simple wooden structure. The sky is overcast, with a soft, diffused light. The word "kiva" is superimposed in the center of the image in a large, white, lowercase, sans-serif font. The letter 'k' is stylized with a white dot above it, and the 'i' has a white dot above it as well. The 'v' and 'a' are also in the same font style.

In 2016, Kiva released the largest, most ambitious redesign and rebrand within the organization's ten year history. The refreshed Kiva includes the most significant changes to the website since it was first created, with a new look and feel, and a new, mobile-responsive website that makes supporting small businesses around the world easier than ever. It was the culmination of more than a year of hard work by Kiva's engineering, product, design and marketing teams. We also graduated our direct lending program, Kiva Zip, out of beta with a new name – Kiva U.S.— and a new home on Kiva.org. This means each lender's activity will now be centralized under 1 account, with 1 balance, and lenders can move seamlessly between supporting businesses in the U.S. around the world. All of these changes and improvements will help us multiply Kiva's impact and reach even more communities and families over the next 10 years.

Oakland



Kiva Oakland was launched in March 2016 in partnership with the City of Oakland, nearly 3 dozen nonprofits throughout the city, and supported by local corporations and foundations such as the San Francisco Foundation and Google.org. Around 90% of Oakland businesses employ 20 or fewer people, but many of them struggle to obtain start-up capital. Kiva Oakland brings 0% interest crowdfunded loans to hundreds of Oakland small business owners. This fills a critical lending gap faced by entrepreneurs whose businesses are too young, too small, or too innovative to receive traditional small business loans. Increasing access to capital for these small businesses is key to expanding economic development and job creation in Oakland.

Lender Summit



The Lender Summit was a rare opportunity to interact, in-person, with some of Kiva's most passionate, engaged lenders from around the world. This invite-only 1-day event gave top lenders the opportunity to see behind-the-scenes at Kiva HQ, learn more about the organization they know and love and hopefully leave even more inspired to become brand ambassadors and advocates in their own communities. A total of 45 lenders attended from 3 countries and 9 states who had collectively contributed \$14MM in loans and \$80K in donations. The idea was to build trust and strengthen the Kiva community so that we can collectively work towards a more equitable world.

PayPal launch



Since Kiva's inception, PayPal has provided Kiva with free payment processing, enabling Kiva to save millions over the past 11 years. In celebration of this partnership, PayPal launched a 10-day homepage takeover promoting Kiva and encouraging their employees and customers to make a \$25 loan on Kiva. This brought thousands of first time lenders to the Kiva site, and was one of our largest growth drivers for new lenders in 2016.

Financial health

Assets

Current assets	\$15,532,071
Property & equipment	\$2,406,071
Other assets	\$21,828,340
Total assets	\$39,766,482

Liabilities

Current liabilities	\$2,051,344
Deferred rent	\$18,259
Net assets	\$27,696,879
Total liabilities & net assets	\$39,766,482

Total revenue & support

2016: \$19,058,384 2015: \$21,494,009

Total expenses

2016: \$18,751,344 2015: \$17,646,743

Self-sufficiency

(Kiva's online revenue/ total program expenses)

2016: 69% 2015: 71%

