

THE PENNSYLVANIA STATE UNIVERSITY  
SCHREYER HONORS COLLEGE

DEPARTMENT OF FINANCE

MICROCREDIT INTEREST RATES AND ONLINE MICROLENDING MODELS

QISHUAI WANG  
FALL 2014

A thesis  
submitted in partial fulfillment  
of the requirements  
for baccalaureate degrees  
in Accounting and Finance  
with honors in Finance

Reviewed and approved\* by the following:

James Miles  
Professor of Finance, Joseph F. Bradley Fellow of Finance  
Thesis Supervisor

Brian Davis  
Clinical Associate Professor of Finance  
Honors Adviser

Dennis Sheehan  
The Virginia and Louis Benzak Professor of Finance  
Faculty Reader

\* Signatures are on file in the Schreyer Honors College.

## ABSTRACT

This thesis introduces the origins of microfinance, explains the reasons why microfinance institutions (MFIs) charge high interest rates, and examines the determinants of microcredit interest rates. Three fundamentally different online microlending platforms – Kiva (<http://kiva.org>), Kiva Zip (<https://zip.kiva.org>), and Zidisha (<https://zidisha.org>) – are explored in depth and compared to each other (Appendix A-1). This thesis discusses each platform's operating model, interest rates, repayment rates, repayment terms, risks, and financial performance. Screenshots of a lender's loan portfolio and a borrower's repayment schedule on each platform are provided. A case study is performed on Kiva's Field Partners to analyze their repayment performance, loan characteristics, and borrowing cost comparison with MFIs in the Field Partners' countries. This thesis demonstrates that the partner-facilitated microlending model, as exemplified by Kiva, is the most costly to borrowers but the least risky option for lenders; the trustee endorsement model, as exemplified by Kiva Zip, is the most affordable to borrowers but not yet sustainable; and the direct person-to-person microlending model, as exemplified by Zidisha, is beneficial to borrowers, self-sufficient, and transparent, but highly risky for lenders.

## TABLE OF CONTENTS

List of Figures .....	iv
List of Tables .....	v
Acknowledgements.....	vi
Chapter 1 Introduction .....	1
My Involvement in Microlending.....	1
Purpose of Thesis.....	2
Terminology .....	3
Chapter 2 Literature Review .....	7
Muhammad Yunus and Grameen Bank.....	7
Why Do MFIs Charge Such High Interest Rates?.....	9
Components of Microcredit Interest Rates .....	10
Do High Microcredit Interest Rates Exploit Poor Borrowers?.....	13
Chapter 3 Kiva: Partner-Facilitated Lending.....	16
How Kiva Works .....	16
Interest Rates, Portfolio Yield, and APR.....	17
Profitability (Return on Assets) .....	21
Repayment Rate.....	21
Risk .....	23
Due Diligence .....	24
Monitoring of Field Partners .....	26
Donations, Revenues, and Expenses .....	27
Snapshots of Kiva.....	28
Chapter 4 A Case Study of Kiva's Field Partners.....	36
Introduction.....	36
Repayment Performance on Kiva.....	37
Loan Characteristics on Kiva.....	40
Borrowing Cost Comparison .....	41
Notes on Calculations .....	43
Chapter 5 Kiva Zip: Trustee Endorsement Person-to-Person Lending .....	46
How Kiva Zip Works.....	46
Interest Rates .....	46

Borrower Requirements .....	47
Trustee Requirements .....	48
Repayment Rate.....	50
Risk .....	51
Snapshots of Kiva Zip .....	51
Chapter 6 Zidisha: Direct Person-to-Person Lending .....	55
How Zidisha Works .....	55
Interest Rates .....	57
Borrower Requirements .....	58
Repayment Terms .....	59
Repayment Rate.....	59
Risk .....	63
Feedback Ratings.....	64
Consequences of Repaying Late or Defaulting on a Loan .....	65
Donations, Revenues, and Expenses .....	66
Snapshots of Zidisha.....	67
Chapter 7 Conclusion.....	76
Appendix A Comparisons and Benchmarks .....	80
Appendix B Snapshots of Kiva, Kiva Zip, and Zidisha.....	84
Appendix C Kiva Field Partners .....	95
Bibliography .....	131

## LIST OF FIGURES

Figure 1.1 Interest Rates: Key Concepts and Definitions .....	6
Figure 2.1 MFI Interest Yield Distribution, 2011 .....	14
Figure 2.2 Global Interest Yield Trends, 2004-2011 .....	14
Figure 2.3 Drivers of Interest Yields, as % of Yield, 2004-2011 .....	15
Figure 2.4 MFI vs. Commercial Bank Returns on Average Assets and Equity .....	15
Figure 3.1 Yield vs. APR .....	31
Figure 3.2 Kiva Field Partner Risk Ratings .....	31
Figure 3.3 Kiva's Income Statement for Fiscal Year 2012 .....	32
Figure 5.1 Kiva Zip Maximum Loan Amounts and Loan Terms .....	53
Figure 5.2 Kiva Zip Repayment Rate in U.S. and Kenya from January 2012 to September 2013 .....	54
Figure 6.1 Zidisha Total Loan Cost .....	69
Figure 6.2 Zidisha On-Time Repayment Rates from 2009 to March 25, 2014 .....	69
Figure 6.3 Zidisha On-Time Repayment Rates from December 2012 to May 2014...	70
Figure 6.4 Zidisha's Statement of Activities for Fiscal Years 2011 and 2012 .....	71
Figure 6.5 Zidisha's Revenue from Program Service Fees in Fiscal Year 2012 .....	72
Figure 6.6 Zidisha's Allocated Expenses in Fiscal Year 2012 .....	72

## LIST OF TABLES

Table 3.1 Kiva Statistics on September 28, 2014 .....	33
Table 3.2 Kiva All Field Partners Statistics on September 28, 2014.....	34
Table 3.3 Loans and Default Rates for Kiva’s 10 Largest Partners in 2008 .....	35
Table 3.4 Breakdown of Kiva’s Revenue and Expenses in Fiscal Year 2012.....	35
Table 5.1 Kiva Zip Statistics on September 28, 2014.....	54
Table 5.2 Kiva Zip Statistics on July 12, 2014 .....	54
Table 6.1 Zidisha Statistics on September 28, 2014.....	73
Table 6.2 Zidisha Total Loan Cost Calculation .....	73
Table 6.3 Zidisha Active Loan Statistics on April 8, 2014.....	74
Table 6.4 Breakdown of Zidisha’s Revenue and Expenses in Fiscal Year 2012 .....	74
Table 6.5 Breakdown of Zidisha’s Program Service Fees in Fiscal Year 2012 .....	74
Table 6.6 Breakdown of Zidisha’s Allocated Expenses in Fiscal Year 2012.....	75

## **ACKNOWLEDGEMENTS**

I would like to thank my thesis supervisor, James Miles, for his guidance and advice throughout the thesis writing process. I would like to thank my thesis adviser, Brian Davis, and my faculty reader, Dennis Sheehan, for their recommendations on improving my thesis and for teaching me so much about finance during my time at Penn State.

Thanks to Vijay R. for helping me with data collection by writing the code to extract public data from Kiva's Field Partner pages and from the Kiva API. Thanks to Samantha Bell, Virtual Volunteer Team Coordinator at Zidisha, for giving me the opportunity to make a difference at Zidisha. Finally, I would like to thank my parents and friends for their encouragement and support.

## Chapter 1

### Introduction

#### My Involvement in Microlending

I learned about microfinance for the first time while serving on the Schreyer Honors College Literary Committee (LitCo), which recommends books for the Schreyer Honors College Summer Reading Program for incoming freshman scholars. During Schreyer Honors Orientation, orientation leaders moderate small group book discussions of the selected titles. One of the books I read and nominated for the 2013 Summer Reading Program was *The Blue Sweater: Bridging the Gap between Rich and Poor in an Interconnected World* (2009) by Jacqueline Novogratz, which introduced me to microfinance institutions. At the same time, I was also reading *Half the Sky: Turning Oppression into Opportunity for Women Worldwide* (2010) by Nicholas D. Kristof and Sheryl WuDunn. In the last chapter, titled “What You Can Do,” the first step suggested that the reader open an account at Kiva.org to lend to entrepreneurs.

Intrigued by online microlending, I became a lender on Kiva, the world’s first and largest microlending website, in December 2012. In October 2014, I linked my Kiva account to my Kiva Zip account and became a lender on Kiva Zip, a pilot project through which lenders make microfinance loans directly to borrowers in the U.S. and Kenya via the Internet. In January 2013, I became a lender on Zidisha, the first direct person-to-person microlending platform to connect lenders and borrowers across the international



wealth divide. In September 2014, I joined the Virtual Volunteer team at Zidisha after reading *Venture: A Collection of True Microfinance Stories* and being inspired by the stories of entrepreneurs who took loans through Zidisha. The Virtual Volunteer team plays a fundamental role in running Zidisha's operations by providing assistance to prospective and current borrowers and interacting with lenders. I am a member of the Loan Profile Review team, which is responsible for working with applicants to improve the quality of their profiles. My duties include reviewing applications posted on the Zidisha website, editing project titles for clarity, and sending feedback and suggestions for improvement to the loan applicants.

### **Purpose of Thesis**

My thesis compares the competitive advantages and weaknesses of the partner-facilitated microlending model, the trustee endorsement microlending model, and the direct person-to-person microlending model. My hypothesis is that the partner-facilitated microlending model, as exemplified by Kiva, charges the highest interest rate to the borrower to cover the Field Partners' operating costs, and lacks transparency regarding the true cost to the borrower. However, Kiva minimizes risks to the lender by maintaining a high repayment rate. Kiva Zip, which offers interest-free loans, is the most affordable option for borrowers, but is unlikely to be sustainable in the long-term due to its reliance on subsidies and other limitations.

The direct person-to-person online microlending model, as exemplified by Zidisha, is beneficial to borrowers, self-sufficient, and transparent, but highly risky for

lenders. This model links borrowers and lenders without intermediaries and improves the affordability of loans to borrowers by offering lower interest rates and more flexible repayment terms than traditional microfinance institutions (MFIs). Zidisha significantly reduces the cost of microloans by bypassing local banks, which charge exorbitant interest rates to the borrowers to cover their own operating costs, while at the same time giving lenders the opportunity to make interest on the loans they fund. Clearly defined interest rates and direct dialogue between lenders and borrowers maximize transparency. Zidisha has achieved self-sufficiency because its operating costs are fully covered by borrower fees and optional lender contributions instead of large donor contributions. However, Zidisha loans are riskier than loans funded through other microlending models like Kiva due to lower on-time repayment rates and higher probability of borrower default and principal loss for lenders.

## **Terminology**

### Microfinance

Microfinance is based on the idea that low-income individuals can lift themselves out of poverty if they are given access to financial services (“About Microfinance”). The Consultative Group to Assist the Poor defines microfinance as “a broad array of products (including payments, savings, and insurance) tailored to meet the particular needs of low-income individuals” (CGAP).

### Microfinance Institutions (MFIs)

Microfinance institutions (MFIs) are defined as “financial providers that focus, sometimes exclusively, on delivery of financial services targeted at low-income clients whose income sources are typically informal, rather than wages from registered employers” (Rosenberg, “Microcredit Interest Rates” 1). Poor people in developing countries usually do not qualify for services provided by the formal banking sector because they typically have no credit history, are not formally employed, and are unable to provide collateral (“FAQs on Microfinance”). MFIs, which predominantly provide microcredit, can be “informal village banks, not-for-profit lending agencies, savings and loan cooperatives, for-profit finance companies, licensed specialized banks, specialized departments in universal commercial banks, and government programs and institutions (Rosenberg, “Microcredit Interest Rates” 1).

### Microcredit

In “Microcredit Interest Rates and Their Determinants: 2004–2011,” microcredit refers to “very small, shorter-term, usually uncollateralized loans made to low-income microentrepreneurs and their households, using unconventional techniques such as group liability, frequent repayment periods, escalating loan sizes, forced savings schemes, etc.” (Rosenberg, “Microcredit Interest Rates” 1). According to CGAP, the average repayment rate for microfinance loans on a global level is approximately 97% (“FAQs on Microfinance”). To confirm this statistic, I generated a cross-market analysis report on *MIXMarket.org* for a data set of 685 MFIs across the globe in fiscal year 2013. The spreadsheet is too large to be incorporated into this thesis, so I uploaded it onto Google Drive (<http://bit.ly/1tdfCLC>). Based on my calculations, the average Write-Off Ratio is

2.90% and the average Loan Loss Rate is 1.89% (Appendix A-2). MIX Market defines the Write-Off Ratio as follows:

$$\text{Write - Off Ratio} = \frac{\text{Write - Offs}}{\text{Average Gross Loan Portfolio}}$$

MIX Market defines Write-Offs as the total amount of loans written off during the period. A write-off is an accounting procedure that removes the outstanding balance of the loan from the Loan Portfolio and from the Impairment Loss Allowance when these loans are recognized as uncollectable (“Glossary”). MIX Market defines the Loan Loss Rate as follows:

$$\text{Loan Loss Rate} = \frac{\text{Write - Offs} - \text{Value of Loans Recovered}}{\text{Average Gross Loan Portfolio}}$$

### Key Interest Rate Concepts

Please refer to Figure 1.1 for the definitions of nominal interest rate, effective interest rate, annual percentage rate (APR), and real interest rate.

Figure 1.1 Interest Rates: Key Concepts and Definitions

Nominal interest rate	A nominal rate is the stated rate to be paid on a loan contract, usually stated as a monthly or annual percentage. It does not take into account related loan fees, commissions, and other expenses.
Effective interest rate	An effective rate converts all financial costs (e.g., interest, fees, and commissions) into a declining-balance interest calculation for the repayment period. The effective rate represents the financial cost to the borrower if no mandatory savings are required. It includes all financial charges as a percent of the loan amount used during each payment period.
Annual percentage rate (APR)	An APR is the effective interest per payment-period rate multiplied by the number of payment periods in a year.
Real interest rate	A real interest rate adjusts the interest rate to reflect the rate of inflation. A negative real rate implies that the rate of interest charged falls below the inflation rate. The term “positive rates of interest” is often used to mean that the rate is set above inflation.

Source: “Interest Rate Ceilings and Microfinance: The Story So Far” (p. 7)

## Chapter 2

### Literature Review

#### Muhammad Yunus and Grameen Bank

I nominated *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (1999) by Muhammad Yunus for the 2014 Schreyer Honors College Summer Reading Program, and was honored that this autobiography was accepted as one of the three selections that was read and discussed by incoming freshman scholars.

Muhammad Yunus, who founded the Grameen Bank in Bangladesh in 1983, is widely considered the pioneer of microfinance and microcredit. Yunus and Grameen Bank were jointly awarded the Nobel Peace Prize in 2006 “for their efforts to create economic and social development from below” (“The Nobel Peace Prize 2006”). In *Creating a World without Poverty: Social Business and the Future of Capitalism* (2007), Yunus explains how Grameen Bank offers small loans without collateral at a reasonable cost to enable borrowers, mostly poor women, to start or expand small businesses and ultimately lift themselves out of poverty. Yunus classifies microcredit programs into two broad categories: poverty-focused microcredit programs (Type 1) and profit-maximizing microcredit programs (Type 2).

Type 1 microcredit programs are poverty-focused, collateral-free, and low-interest, as exemplified by Grameen Bank. Yunus further subdivides Type 1 programs into two zones based on the interest rates charged: “the Green Zone, which equals the

cost of funds at the market rate plus up to 10%, and the Yellow Zone, which equals the cost of funds at the market rate plus 10% to 15%” (Yunus, *Creating a World without Poverty*, 64). Type 2 microcredit programs, which charge higher interest rates than the Yellow Zone, are in the Red Zone, which Yunus considers to be moneylender territory. Yunus believes that profit-maximizing microcredit programs cannot be viewed as poverty-focused because they are essentially commercial enterprises that aim to earn large profits for their shareholders or other investors. Yunus disagrees with claims that profit-maximizing microcredit programs are actually beneficial to the poor, and contends that lending to the poor should be done without concern for profit so that borrowers have the maximum help to climb out of poverty (Yunus, *Creating a World without Poverty*, 65).

In “Sacrificing Microcredit for Megaprofits,” an op-ed published in *The New York Times*, Yunus criticizes the commercialization of microcredit, which began around 2005 when many lenders who wanted to make a profit on loans shifted their status from nonprofit organizations to commercial enterprises. Yunus points out the serious problems associated with commercial MFIs. For example, commercial MFIs raise funds in volatile international financial markets and then pass the financial risks to the poor. In addition, Commercial MFIs face pressure to increase their profits, which can only be gained by charging higher interest rates to the poor, and thus defeats the very purpose of the loans. Yunus proposes that every country where microloans are made should have a microcredit regulatory authority that enforces an interest rate cap:

The maximum interest rate should not exceed the cost of the fund – meaning the cost that is incurred by the bank to procure the money to lend – plus 15% of the

fund. That 15% goes to cover operational costs and contribute to profit. In the case of Grameen Bank, the cost of fund is 10%. So, the maximum interest rate could be 25%. However, we charge 20% to the borrowers. The ideal “spread” between the cost of the fund and the lending rate should be close to 10% (Yunus, “Sacrificing Microcredit for Megaprofits”).

Yunus emphasizes the need for a reaffirmation of the original definition of microcredit. He urges MFIs to adopt Grameen Bank’s model, abandon commercialization, and return to serving the poor. The motivation of those lending to the poor ought to be the eradication of poverty, which should not be viewed as a money-making opportunity.

### **Why Do MFIs Charge Such High Interest Rates?**

High microcredit interest rates have been criticized ever since the beginning of the modern microfinance movement in the late 1970s (Rosenberg, “The New Moneylenders” 1). Over the past two decades, MFIs have increasingly made their operations financially sustainable (i.e., profitable) by charging interest rates that are high enough to cover all their costs. Sustainable MFIs “can continue to serve their clients without needing ongoing infusions of subsidies and can fund exponential growth of services for new clients by tapping commercial sources such as deposits from the public” (CGAP). However, the interest rates charged by MFIs are often much higher than normal bank rates because it costs more to lend and collect a given amount of money in many small loans than in few large loans. Administrative costs are inevitably higher for microlending than for normal bank lending. For example, lending \$100,000 in 1,000 loans of \$100 each obviously requires higher staff expenses than making a single loan of \$100,000.



The nominal global median interest yield for MFIs was about 27% in 2011 (Figure 2.1). The regional distribution indicates that there is wide variation in microcredit interest rates, especially in Africa and Latin America. Rates are substantially lower in South Asia, explained by Rosenberg as being due to the relatively lower cost of hiring staff, and also because “the political climate and the strong social orientation of the industry have probably led managers to focus on keeping rates low,” at least in Bangladesh (Rosenberg, “Microcredit Interest Rates” 5-6). The average global microcredit rate, both nominal and real, declined from 2004 through 2007, but not thereafter (Figure 2.2). The main reason that the rates did not continue to decrease after 2007 was that operating costs (personnel and administrative costs such as salaries, depreciation, maintenance, etc.) stayed level (Rosenberg, “Microcredit Interest Rates” 6).

### **Components of Microcredit Interest Rates**

Equation 2.1 shows that the interest income from loans depends on the four components of cost of funds, loan loss expense, operating expense, and profit:

#### Equation 2.1 Interest Income from Loans

*Interest income from loans*

$$= \text{Cost of funds} + \text{Loan loss expense} + \text{Operating expense} + \text{Profit}$$

Source: “Microcredit Interest Rates and Their Determinants: 2004–2011” (p. 2)

Micro lenders fund their loans with a combination of equity and debt. Although the equity is “free” for not-for-profit lenders that have no shareholders who collect dividends, the money borrowed from depositors or outside lenders entails interest

expense. During the 2004-2011 period, there was a steady climb in the nominal costs at which microlenders could borrow money to fund their loan portfolios. Funding costs increased because as microlenders expanded, they could fund less of their portfolio from the limited subsidies provided by development agencies, and needed to resort to expensive commercial debt (Rosenberg, “Microcredit Interest Rates” 9). Funding costs increased the most for microlenders serving the low-end clientele (i.e., poorer borrowers who take on smaller loans) (Rosenberg, “Microcredit Interest Rates” 21).

Most microloans are not backed by any collateral, so late payments and defaults are especially dangerous for microlenders. When a borrower falls behind on loan repayments or eventual collection of the loan is in doubt, “the sound accounting practice is to book a ‘loan loss provision expense’ that reflects the loan’s loss in value” (Rosenberg, “Microcredit Interest Rates” 11). This accounting practice promptly recognizes probable loan losses instead of booking the loss only after the full term of the loan expires. India and Mexico have experienced sharp rises in loan losses in recent years, but average loan losses for the rest of the world declined from almost 4% in 2009 to slightly above 2% in 2011 (Rosenberg, “Microcredit Interest Rates” 11).

Operating expense is the largest determinant of microcredit interest rates and consumes the majority of the income of most microlenders’ loan portfolios. The majority of interest income generated by MFIs is used to pay for operating costs (i.e., staff salaries and other administrative costs), which constitute about 60% of total MFI costs (Rosenberg, “The New Moneylenders” 13). In 2011, operating expense comprised 14% of the average microcredit interest rate of 28%, while financial expense (cost of funds)

comprised 7.8%, loan loss expense comprised 3.6%, and profit comprised 2.6% (Figure 2.3). I will advocate that the person-to-person microlending model operates on much lower administrative costs because there are no offices, no loan officers, and no institutional funders. Therefore, it is possible to achieve a significant decrease in operating expense and thus the interest rate charged to borrowers.

Profit is the most controversial component of microcredit interest rates. In MFIs, net profit is often measured as a percentage of assets employed or as a percentage of the shareholder's equity investment. While some people believe that a microlender should not claim to be pursuing a "social" mission if it is generating profit from its services to poor clients, others argue that high profit encourages innovation and faster expansion of services. For the 2004-2011 period, the impact of profit on global interest rates was not insignificant. In 2011, profit as a percentage of interest rates was 9.7%, but interest rates would have still been very high even without the profit component (Rosenberg, "Microcredit Interest Rates" 18).

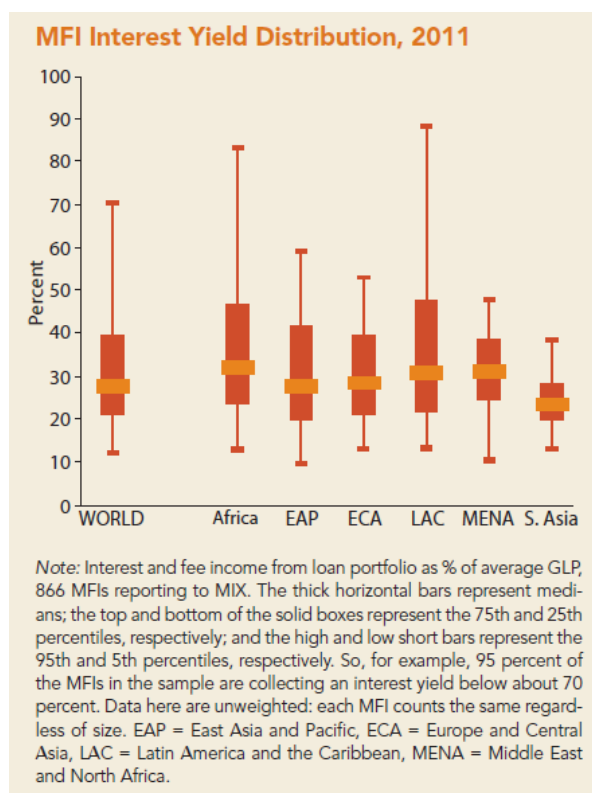
Profit measured against assets is slightly higher on average for microlenders than for banks in the same countries, but microlenders produce much lower returns on their owners' equity investments. In 2011, the Return on Average Assets for MFIs was 2%, compared to 1.69% for commercial banks, while the Return on Average Equity for MFIs was 10.2%, compared to 17.8% for commercial banks (Figure 2.4). This is because "compared with microlenders, commercial banks have more scope to leverage their capital structure: that is, they fund more of their assets with other people's money –

deposits and borrowings – rather than with their own equity” (Rosenberg, “Microcredit Interest Rates” 19).

### **Do High Microcredit Interest Rates Exploit Poor Borrowers?**

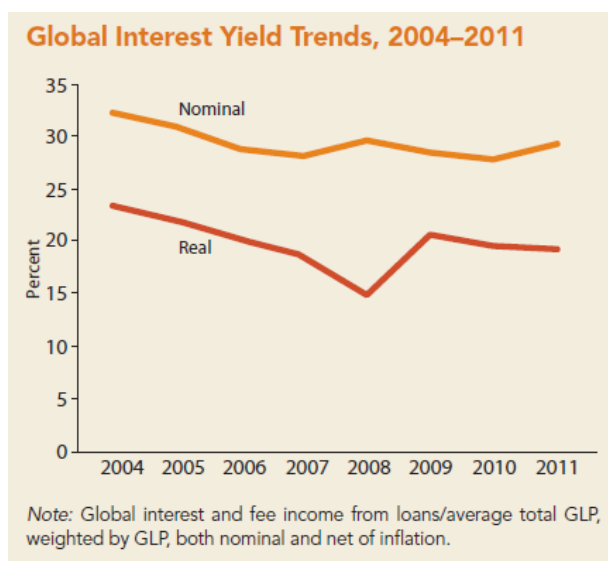
“The New Moneylenders: Are the Poor Being Exploited by High Microcredit Interest Rates?” finds no evidence suggesting any widespread pattern of borrower exploitation by abusive MFI interest rates (Rosenberg, “The New Moneylenders” 21). There is widespread agreement in the microfinance industry that MFIs should pursue financial sustainability by being as efficient as possible and by charging interest rates and fees high enough to cover the costs of their lending and other services (Rosenberg, “The New Moneylenders” 1). Moreover, most people believe that it is only fair to criticize an MFI’s interest rates as unreasonable if the MFI’s profit or a controllable component of costs is unreasonable (Rosenberg, “The New Moneylenders” 2). Compared to other rates paid by low-income borrowers, MFI interest rates are usually significantly lower than consumer and credit card rates, almost always vastly lower than rates charged by informal lenders, and typically higher than credit union rates (Rosenberg, “The New Moneylenders” 20).

**Figure 2.1 MFI Interest Yield Distribution, 2011**



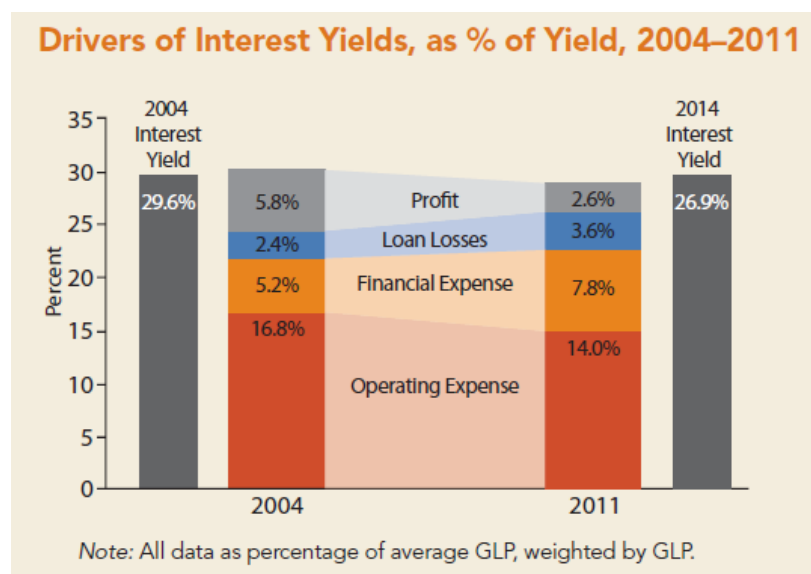
Source: “Microcredit Interest Rates and Their Determinants: 2004–2011” (p. 5)

**Figure 2.2 Global Interest Yield Trends, 2004–2011**



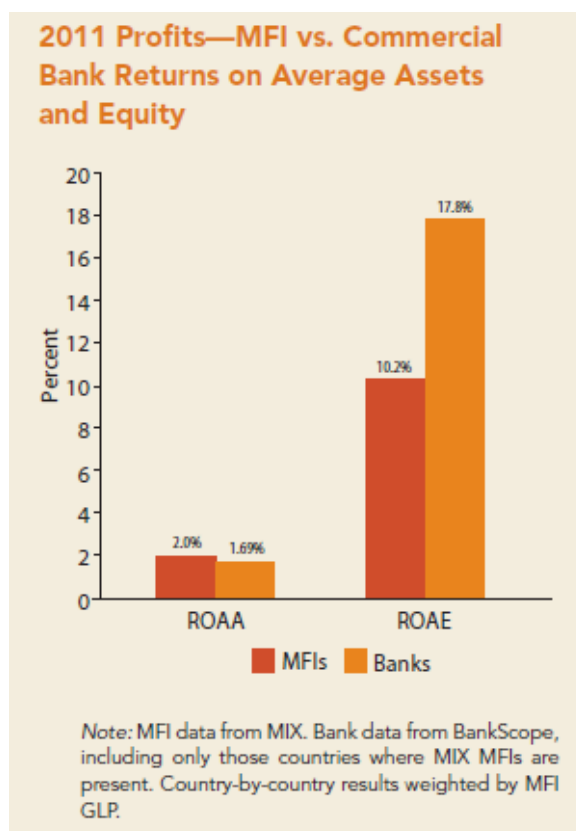
Source: “Microcredit Interest Rates and Their Determinants: 2004–2011” (p. 6)

Figure 2.3 Drivers of Interest Yields, as % of Yield, 2004-2011



Source: “Microcredit Interest Rates and Their Determinants: 2004–2011” (p. 21)

Figure 2.4 MFI vs. Commercial Bank Returns on Average Assets and Equity



Source: “Microcredit Interest Rates and Their Determinants: 2004–2011” (p. 19)

## Chapter 3

### Kiva: Partner-Facilitated Lending

#### How Kiva Works

Founded in October 2005, Kiva (<http://kiva.org>) is a “nonprofit organization with a mission to connect people through lending to alleviate poverty” (“About Us”). Kiva is the world’s first and largest online microlending platform. By leveraging the Internet and a global network of MFIs, Kiva lets users lend as little as \$25 to people without access to traditional banking services. As of September 28, 2014, more than 774,000 loans (more than \$615 million in total amount loaned) have been funded through Kiva by more than 1.2 million Kiva lenders to more than 1.4 million borrowers (Table 3.1). Kiva is “primarily funded through the support of lenders making optional donations,” and also raises funds through grants, corporate sponsors, and foundations (“About Us”).

Kiva relies on an extensive network of Field Partners around the world, which include MFIs, social businesses, schools, and nonprofit organizations. Kiva currently has 263 Field Partners in 79 countries (Table 3.1). Field Partners are responsible for screening borrowers, posting loan requests to Kiva, disbursing loans and collecting repayments, and otherwise administering Kiva loans (“Our Field Partners”). Field Partners disburse loans as soon as they are needed, which can be done up to 30 days before the loan request is posted on the Kiva website. Kiva allows pre-disbursement of loans so that loan officers are able to approve a new loan request and disburse the funds

in the same visit. This enables Field Partners to disburse loans more efficiently and deliver the needed capital to borrowers (“Direct Loans FAQ”).

Field Partners upload borrower stories, photos, and loan details onto the Kiva website. Kiva lenders then browse the loan requests and can choose to lend any amount ranging from the minimum \$25 up to the entire loan amount. Kiva aggregates and disburses lenders’ funds to the Field Partners, who use the funds to replenish the loans they already made to the borrowers. Next, the Field Partners collect repayments and interest from the borrowers. Kiva neither charges interest to its Field Partners nor provides interest to lenders. Interest rates are determined by the Field Partners and used to cover the Field Partners’ operating costs. Finally, Kiva provides repayments to lenders, who can lend their funds to another borrower, donate their funds to Kiva to cover operating expenses, or withdraw their funds via PayPal (“How Kiva Works”).

### **Interest Rates, Portfolio Yield, and APR**

Kiva does not publish the interest rates charged for individual loans funded through its website. Instead, Kiva displays Portfolio Yield for most of its Field Partners that are MFIs. Portfolio Yield is equal to a Field Partner’s financial earnings divided by its average loan portfolio outstanding during a given year. Since Portfolio Yield is based on a Field Partner’s total portfolio, it is “a proxy for cost to borrowers rather than a direct measurement” (“What Do “Average Cost to Borrower” and “PY” Mean?”). Thus, Portfolio Yield does not represent the borrower’s actual cost of borrowing money, but rather is the total return that the Field Partner receives from its lending activities.



Kiva calculates Portfolio Yield directly from the Field Partner's most recently available financial statements and compares it with other publicly available sources of pricing information such as *MIXMarket.org* and *MFTransparency.org*. Kiva displays only nominal rates, so the effect of inflation in each country is not taken into account. The average cost to the borrower, based on 2012 data, for Kiva's Field Partners is expressed as a Portfolio Yield of 33.26% (Table 3.2), and is currently stated to be 34.8% on the Kiva Blog ("Interest Rates FAQ"). Based on the MIX Market report that I generated for the data set of 685 MFIs in 2013, I calculated the average Portfolio Yield to be 33.64% (Appendix A-2). MIX Market defines Portfolio Yield as follows:

Equation 3.1 Portfolio Yield (nominal)

$$\text{Yield on Gross Portfolio (nominal)} = \frac{\text{Financial Revenue from Loan Portfolio}}{\text{Average Gross Loan Portfolio}}$$

Annual Percentage Rate (APR) represents the estimated average cost paid by a borrower to the Field Partner to access a loan posted on Kiva, with that cost annualized and converted into a percentage rate. Currently, Kiva displays APR for most of its Field Partners that are not MFIs, in addition to some that are. Using tools provided by *MFTransparency.org*, Kiva calculates APR based on a detailed analysis of the types of loans the Field Partner has posted and/or plans to post on Kiva ("What Do "Average Cost to Borrower" and "APR" Mean?").

Kiva argues that portfolio yield is a good proxy for APR interest rates, and cites a MIX Market analysis on the relationship between yields and APRs for MFIs ("Portfolio Yield FAQ"). Based on a graph that compares the two metrics for more than 280 MFIs in seven countries with public MIX Market and MFTransparency data from 2009 (Figure

3.1), MIX Market concludes that there is a strong relationship between yield and APR, and that the median difference in rates is 5% (Gaul). Kiva believes the range of 5% to be reasonable, especially considering the resources that would be required to collect the necessary data such as loan fees, interest repayment schedules, and mandatory savings rates to calculate the APRs for individual loans (“Portfolio Yield FAQ”). However, Kiva admits that:

Although there’s a strong correlation between Portfolio Yield and APR, in some circumstances Portfolio Yield underestimates borrower cost, primarily because it does not account for the cost to borrowers of mandatory savings and/or security deposits (“What Do “Average Cost to Borrower” and “PY” Mean?”).

Kiva cites the following reasons for showing Portfolio Yield for some Field

Partners:

- It’s a better metric than self-reported interest rates because it includes fees and other charges, and is annualized.
- It’s readily available from an analysis of a Field Partner’s financial statements.
- It’s widely understood and commonly used within the microfinance industry, and many MFIs report this data publicly to MIX Market.
- It’s much quicker and cheaper to calculate than APR, saving Kiva resources to invest in efforts such as expanding to new countries and supporting new and innovative lending (“What Do “Average Cost to Borrower” and “PY” Mean?”).

To ensure that its Field Partners are offering fair and appropriate interest rates,

Kiva does the following:

Each year, we review our Field Partners’ audited financial statements and calculate the return on assets (ROA) and portfolio yield, adjusted for inflation. We then evaluate our partnerships to ensure that there is a sound justification for each relationship. Our Field Partners with the highest portfolio yields and return on assets, in addition to those with a real ROA above 5% and a Field Partner Premium (Field Partner Premium = portfolio yield adjusted for inflation - financial expense) above 30%, are subject to additional scrutiny, such as collecting compensation information for executive staff, reviewing loan schedules and calculating APR on all loan products.

Based on this information, Kiva has chosen to exit relationships with partners where the justification for their pricing could not be established (“What Process Does Kiva Have to Ensure Its Field Partners Are Offering Fair and Appropriate Interest Rates?”).

However, critics remain wary of Kiva’s insistence upon using the Portfolio Yield statistic instead of an actual interest rate. Hugh Sinclair delivers a scathing critique of Kiva in a blog post titled “The Kiva Fairytale: It’s a microlending superstar - but who is it really serving?” published on *NextBillion.net*. He criticizes Kiva for reporting out-of-date Portfolio Yields instead of actual interest rates, thus underestimating the true cost to the borrower. He also points out that while Kiva’s default rates on loans are extremely low, the banks themselves report substantially higher default rates than Kiva:

Kiva cleverly chooses to reveal out-of date portfolio yields instead of actual interest rates on loans, conveniently and consistently under-estimating the real cost to the poor. Other lending platforms manage to publish interest rates, while Kiva is more highly skilled in publishing the quaint information required to encourage people to open their wallets. Interest rates approaching 100 percent would raise too many eyebrows – they’re best hidden. Kiva’s default rates on loans are famously low, apparently. And yet the banks themselves report default rates substantially higher than Kiva. Either Kiva miraculously manages to weed out all the non-performing clients better than the bank itself can, or the bank is covering loan losses itself to ensure a steady flow of interest-free capital (Sinclair).

Kiva is currently working to lower the interest rates for borrowers. Kiva partners with 80 social enterprises, either non-MFIs or under Kiva’s Experimental Partnerships Program, with an average interest rate of 10.4%. More than 30 of Kiva’s new Microcredit Plus partners are offering loans at 0% interest (“Kiva’s Impact FAQ”).

### **Profitability (Return on Assets)**

According to Kiva, Profitability (Return on Assets) is an indication of an MFI's profitability and can also be an indicator of the MFI's long-term sustainability. MFIs that consistently operate at a loss (those that have a negative Return on Assets) may not be able to sustain their operations over time ("Our Field Partners"). On average, Kiva's Field Partners "do not cover their costs without grants and other subsidies" ("Interest Rates FAQ"). The average Profitability (Return on Assets), based on 2012 data, for Kiva's Field Partners is -1.45% (Table 3.2), and is currently stated to be -0.68% on the Kiva Blog ("Interest Rates FAQ"). Based on the MIX Market report that I generated for the data set of 685 MFIs in 2013, I calculated the average Return on Assets to be 1.12% (Appendix A-2).

Kiva's Field Partner pages do not provide an equation to calculate Return on Assets, so I contacted Kiva Community Support and was informed that much of the information captured in Field Partner pages is pulled from *MIXMarket.org*, and that much of the information regarding specific calculations could be found on their website. MIX Market defines Return on Assets as follows:

#### Equation 3.2 Return on Assets

$$\text{Return on Assets} = \frac{\text{Net Operating Income} - \text{Taxes}}{\text{Average Total Assets}}$$

### **Repayment Rate**

Currently, Kiva's average repayment rate is 98.81% (Table 3.1). Kiva's disclaimer at the bottom of every page on its website warns that "lending through Kiva

involves risk of principal loss,” and that “Kiva does not guarantee repayment” or “offer a financial return” on any loan.

Elie Hassenfeld, co-founder of GiveWell, a nonprofit organization that conducts charity research, performed an analysis of Kiva’s repayment data. Table 3.3 compares the default rates for Kiva’s 10 largest Field Partners (in terms of number of loans made through Kiva) to the default rates reported for those same institutions on MIX Market for 2008. Hassenfeld notes that:

p refers to the probability that, if the MFI’s Kiva borrowers were equally likely to default as its borrowers in general, the MFI would happen to have a 0% default rate for its Kiva loans...Low values mean it is extremely unlikely that this phenomenon would arise by chance, implying instead that the Kiva borrowers are systematically better than the normal borrowers, or that defaults are simply not being reported to/by Kiva (Hassenfeld).

Hassenfeld concludes that “Kiva’s partners have higher repayment rates on their Kiva-listed loans than on their portfolio overall, as listed on [MIX Market]” and offers two possible explanations:

- The borrowers that partners list on Kiva could be substantially more likely to repay than “other” borrowers. If Kiva loans are effectively fungible between partners, this would mean that donors are likely “effectively” funding clients who are less likely to repay than those in the profiles they’re scanning.
- Kiva’s partners could be “covering for” their clients to keep their Kiva-listed repayment rates high (Hassenfeld).

Julia Kurnia, the founder of Zidisha, comments on GiveWell’s analysis of Kiva’s repayment data in her article titled “Kiva vs. Zidisha: Three Common Myths” in the Huffington Post:

[M]y understanding from analyses such as this one is that the repayment rate at the borrower level is probably far lower than 98%. The reason is that the field partners typically cover borrower defaults unless the partners themselves go out of business. The field partners do this to preserve their ability to raise funds

through Kiva. The cost is borne by borrowers, who pay hefty interest and fees to cover the partners' operating costs (Kurnia, "Kiva vs. Zidisha: Three Common Myths").

## Risk

Lending through Kiva involves the following risks:

- Borrower Risk

Each borrower is screened by a local Field Partner before being posted on the Kiva website. The Field Partner looks at a variety of factors (past loan history, village or group reputation, loan purpose, etc.) before deeming a borrower to be creditworthy. However, a number of factors can result in borrowers defaulting, such as:

- Business issues (e.g., crop failure)
- Health issues (e.g., malaria, HIV/AIDS)
- Other issues (e.g., theft, paying for school fees, over-indebtedness)

If a borrower defaults, Field Partners are expected to pursue collections according to their normal practices. Kiva recommends that lenders diversify their Kiva portfolio to reduce their risk exposure to any one borrower, Field Partner, or country.

- Field Partner Risk

Even if a Kiva borrower is able to repay, Kiva lenders could still lose principal due to Field Partner issues, such as:

- Bankruptcy (e.g., the Field Partner may go out of business and be unable to collect the loans)
- Fraud (e.g., staff members at the Field Partner may embezzle funds)
- Operational difficulties (e.g., the Field Partner may have cash flow challenges that could prevent repayment)

- Country Risk

"Macro-level" risks include:

- Economic (e.g., a large currency devaluation may reduce or render the Field Partner's local currency collections valueless to the lender)
- Political (e.g., many loans posted on Kiva are disbursed in the developing world; policies can change regarding funds repatriation or even the requirement that borrowers have to repay their loans)
- Natural disasters (e.g., flood, tsunami, or drought may greatly reduce the likelihood of loan repayment from certain countries or from specific regions in a country)

Kiva currently enforces a country limit of no more than 10% of total loans outstanding to help ensure a balanced portfolio. There is currency risk because lenders bear the risk of loss if the U.S. dollar appreciates by more than 10% against the local currency. In addition, if the lender's home currency is not the U.S. dollar, there is foreign exchange risk.

- Kiva-Related Risks

There is a potential risk that Kiva may not continue its operations indefinitely. Lenders' funds are held by a separate Kiva entity to help protect these funds from being subject to any claims of Kiva creditors ("Risk and Due Diligence").

## Due Diligence

Kiva has different levels of due diligence to help ensure that Kiva can reach a broad range of borrowers through its local Field Partners:

- Full Due Diligence

- *Step 1: Initially screen each Field Partner*

New potential partners that are MFIs must meet Kiva's minimum requirements in order to fundraise for local borrowers:

- Have a history (at least 2-3 years) of lending to poor, excluded, and/or vulnerable people for the purpose of alleviating poverty or reducing vulnerability
- Be registered as a legal entity in its country of operation
- Have performed at least 1 year of financial audits
- Have a strong social mission and a clearly-defined use for Kiva financing

- *Step 2: Review application*

MFIs must submit documentation including audited financial statements, portfolio reports, resumes of board and management members, organizational manuals, projections, and ratings. This information is reviewed by a Kiva analyst on the investments team who determines if the organization is a promising candidate to become a Kiva Field Partner.

- *Step 3: On-site due diligence*

The Kiva analyst will generally visit the organization for on-site due diligence. For MFIs, the key areas of analysis are governance, management, staff, planning, audit, earnings, liquidity, capital, management information system and internal controls, and transparency. The on-site visit includes interviews with members of the management team, middle management, entry level staff (loan officers), and clients.

- *Step 4: Prepare a report and propose a risk rating*  
The analyst prepares and submits a report to Kiva's investment team to review. For MFIs, the analyst proposes a risk rating for the potential Field Partner. Kiva has developed a risk model to calculate the risk rating for an MFI Field Partner, and the analyst uses the risk rating calculated by the model to propose a star rating in 0.5 increments between 1 and 5 for the Field Partner.

Figure 3.2 displays the levels of risk of institutional default for Kiva's MFI Field Partners and their corresponding risk ratings.

- *Step 5: Submit for approval*  
The report prepared by the Kiva analyst is presented to Kiva's investment team. If the team approves an organization as a Field Partner, it will issue the final risk rating and fundraising limit. The amount of money a Field Partner can have outstanding (credit limit) with Kiva is generally based on its risk rating. A Field Partner with a 5-star rating can have a significantly higher credit limit than a Field Partner with a 1-star rating.
- Basic Due Diligence  
Basic due diligence allows Kiva to partner with organizations that want to access smaller amounts of capital. The maximum credit limit allowed for a Field Partner with a basic due diligence designation is \$400,000.
  - *Step 1: Initially screen each Field Partner*  
Kiva does an initial screening of each organization to understand its products, its history, and its desired use of Kiva's funds.
  - *Step 2: Review application*  
The organization submits to Kiva a complete set of documents that contain information about its operations, including financial statements, information on the board and management team, references, and ratings. This information is reviewed by a Kiva analyst on the investments team who determines if the organization is a promising candidate to become a Kiva Field Partner.
  - *Step 3: Prepare report and submit for approval*  
Upon determining that the organization is capable of handling funding through Kiva, the Kiva analyst prepares a report and presents it to a subset of Kiva's investment team for approval. Field Partners that receive basic due diligence will not have a risk rating. Kiva's investment team manually sets a credit limit. The credit limit of Field Partners that have gone through basic due diligence will generally be significantly lower than that of Field Partners that have gone through full due diligence.



- Experimental Partnership

Experimental partnership is available for organizations seeking to use Kiva to experiment with small lending programs. Experimental Field Partners that perform well with their early loan postings may be eligible to access a credit limit of up to \$50,000. Experimental partners that are successful on the Kiva may be invited to apply for partnership under basic or full due diligence.

Kiva recommends that risk-averse lenders avoid loans associated with experimental Field Partners. Kiva limits its overall exposure to experimental Field Partners to no more than 2% of total outstanding balances (“Kiva’s Role”).

## **Monitoring of Field Partners**

Kiva monitors each Field Partner as regularly as possible, given staff constraints and travel restrictions. Monitoring includes a one-time pilot consultation to make sure that Field Partners understand:

- How to use the Kiva website (e.g., how to create borrower profiles)
- Kiva policies and procedures
- Account statements, billing, and funds transfer
- Fundraising limit and star rating
- The latest Kiva happenings
- The latest lender market intelligence (“Does Kiva Monitor Field Partners?”)

Kiva’s team then monitors Field Partners weekly for unusual activity to make sure that they are not defrauding Kiva, are not intentionally or unintentionally misusing Kiva’s system or funds, and are submitting correct documents at appropriate times. If any Field Partners are late on making payments to Kiva, Kiva’s team manages these late payments monthly. Kiva also works with Field Partners to update their data on Kiva’s website quarterly (“Does Kiva Monitor Field Partners?”).

For Field Partners that have a risk rating, the monitoring includes updating the risk model, and the risk rating is generally updated once a year. In addition, Kiva reviews annual financial information and monitors social performance factors for each Field

Partner that has received full or basic due diligence. If potential issues with a Field Partner are discovered, Kiva may delay the timing of the distribution of collected repayments to lenders until the investigation is resolved. This may occur if Kiva believes that the accuracy of repayment amounts is in question, or if Kiva believes that a Field Partner may be facing solvency issues and there is risk that another creditor may attempt to assert a priority claim on a Field Partner's assets. Basic due diligence Field Partners are monitored less frequently than full due diligence Field Partners, and experimental Field Partners are monitored with less scrutiny than Field Partners that have undergone basic or full due diligence ("Kiva's Role").

### **Donations, Revenues, and Expenses**

Since Kiva and its lenders do not charge any interest to Field Partners, Kiva's costs are covered through donations. The majority of Kiva donations are provided by Kiva lenders, who give tips in addition to the loans they make to borrowers. A large majority of the rest of Kiva's donation income is provided by foundations that encourage Kiva to create innovative programs to serve the poor more effectively (Flannery and Shah). For example, Google.org awarded Kiva a Google Global Impact Award and a donation of \$3 million to launch Kiva Labs in December 2013. Kiva Labs is "a new initiative that delivers the power of crowdfunding and microfinance to critical solutions in agriculture, clean energy, mobile information, and other transformative technologies," and aims to generate \$25 million in crowdfunded loans to meet the needs of more than 100,000 borrowers over the next three years (Smith).

Kiva was awarded Charity Navigator's highest rating in fiscal year 2012, with an overall score of 98.76 (out of 100), a financial score of 98.26, and an accountability and transparency score of 100 ("Charity Navigator Rating - Kiva"). Based on Kiva's audited income statement for fiscal year 2012, the breakdown of Kiva's total revenue of \$15,632,786 is as follows: total primary revenue of \$15,555,107, and other revenue of \$77,679 (Figure 3.3). Thus, 99.5% of Kiva's revenue consists of contributions, gifts, and grants, and 0.5% consists of other revenue sources, which can include investments, rents, special events, sales of inventory, and other unrelated business income (Table 3.4).

The breakdown of Kiva's total expenses of \$12,482,528 is as follows: program expenses of \$10,318,070, administrative expenses of \$1,540,157, and fundraising expenses of \$624,301 (Figure 3.3). Thus, 82.7% of Kiva's total budget is spent on the programs and services it delivers, 12.3% is spent on overhead, administrative staff and associated costs, and organizational meetings, and 5% is spent on raising money, which can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants (Table 3.4).

### **Snapshots of Kiva**

To provide a more in-depth understanding of Kiva's platform, I took screenshots of my loan portfolio, credit summary, loan statistics, loans, and the loan repayment schedule of a borrower to whom I lent money.

Appendix B-1 shows my loan portfolio, which displays the following information:

- Available Kiva Credit (\$0.00)
- Outstanding Loans (\$6.94), of which \$0.00 will be repaid to my account and \$6.94 is promotional credit, and will thus be repaid to the sponsor who allowed me to make a free loan
- Total Deposits (\$27.61), the total amount of funds I deposited into my Kiva account for lending, donating, or Kiva Card purchases
- Total Amount Lent (\$50.00), the cumulative amount of funds applied to Kiva loans in my portfolio, which can include loans made using repaid Kiva Credit
- Other information (Loans, Invites, Donations, Countries, and Teams)
- More lending statistics (Social Performance Badges, Sectors, Activities, and Field Partners to whom I have lent)

When money I lent out has been repaid, I can choose to withdraw it, donate it to Kiva's operating expenses, or re-lend to support more borrowers, thus making an even greater impact with my funds.

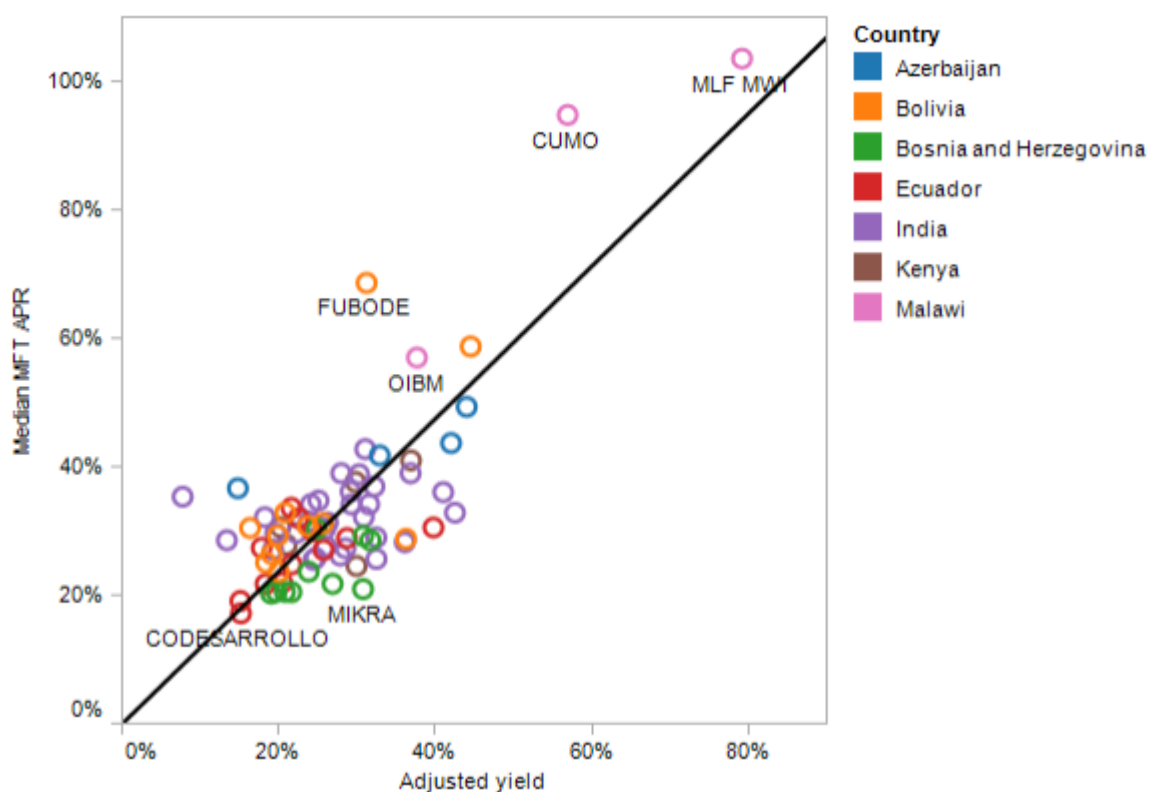
Appendix B-2 shows my Kiva Credit summary, which calculates my Credits (Deposits, Kivapool Matches, and Loan Repayments) against my Debits (Gift Purchases, Kivapool Repayments, Loan Purchases, and Loan Repayment Currency Losses) to arrive at my available Kiva Credit.

Appendix B-3 shows my loan statistics (Total Amount Lent, Total Amount Repaid, Total Amount Lost, etc.) compared to the loan statistics of the average Kiva user. My loans are also summarized by status in a table, which shows that I made a total of two loans, one of which is paying back (delinquent) and one of which ended with a loss.

Appendix B-4 displays information on my loans (borrower name, activity for which the loan is used, country, partner, loan amount, loan term, amount that I loaned, amount paid back, team, and status). I can search my loans by borrower name, ID, country, or partner, filter by status, country, and partner, and export the information to a CSV file.

Appendix B-5 shows the loan repayment schedule of a borrower to whom I made a loan. The schedule displays the expected repayments and actual repayments from the borrower to the Field Partner and from the Field Partner to the lenders, as well as comments on the receipt of repayment and the amount of currency exchange loss.

Figure 3.1 Yield vs. APR



Source: <http://themix.org/publications/microbanking-bulletin/2011/03/mftransparency-and-mix-market> (print ready version)

Figure 3.2 Kiva Field Partner Risk Ratings

Field Partner's Risk of Institutional Default	Corresponding Risk Rating
Very Limited ( <i>Lower Risk</i> )	★★★★★
Limited ( <i>Low Risk</i> )	★★★★☆
Moderate ( <i>Moderate Risk</i> )	★★★☆☆
Significant ( <i>High Risk</i> )	★★★☆☆
Very Significant ( <i>Higher Risk</i> )	★☆☆☆☆

Source: <http://kiva.org/about/risk/kiva-role>

Figure 3.3 Kiva's Income Statement for Fiscal Year 2012

<b>Income Statement (FYE 12/2012)</b>	
<b>REVENUE</b>	
<b>Contributions</b>	
Contributions, Gifts & Grants	\$15,555,107
Federated Campaigns	\$0
Membership Dues	\$0
Fundraising Events	\$0
Related Organizations	\$0
Government Grants	\$0
<b>Total Contributions</b>	<b>\$15,555,107</b>
Program Service Revenue	\$0
<b>Total Primary Revenue</b>	<b>\$15,555,107</b>
Other Revenue	\$77,679
<b>TOTAL REVENUE</b>	<b>\$15,632,786</b>
<b>EXPENSES</b>	
Program Expenses	\$10,318,070
Administrative Expenses	\$1,540,157
Fundraising Expenses	\$624,301
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$12,482,528</b>
Payments to Affiliates	\$0
<b>Excess (or Deficit) for the year</b>	<b>\$3,150,258</b>
<b>Net Assets</b>	<b>\$16,248,638</b>

Source: <http://charitynavigator.org/index.cfm?bay=search.summary&orgid=12978>

Table 3.1 Kiva Statistics on September 28, 2014

Total amount lent through Kiva	\$615,978,975
Kiva Users	1,821,258
Kiva Users who have funded a loan	1,223,715
Borrowers funded through Kiva	1,426,752
Number of loans made through Kiva	774,099
Kiva Field Partners	278
Countries where Kiva Field Partners are located	79
Repayment rate	98.81%
Average loan size	\$418.01
Average loans made per Kiva lender	10.28

Source: Adapted from <http://kiva.org/about/stats>



Table 3.2 Kiva All Field Partners Statistics on September 28, 2014

<b>Repayment Performance on Kiva</b>	
Total Loans	\$596,245,700
Amount of Raised Inactive loans	\$842,625
Number of Raised Inactive loans	630
Amount of Paying Back Loans	\$119,387,300
Number of Paying Back Loans	127,224
Amount of Ended Loans	\$476,015,775
Number of Ended Loans	603,926
Delinquency Rate	3.75%
Amount in Arrears	\$2,923,153
Outstanding Portfolio	\$77,862,581
Number of Paying Back Loans Delinquent	10,814
Default Rate	1.12%
Amount of Ended Loans Defaulted	\$5,345,655
Amount of Ended Loans	\$476,015,775
Number of Ended Loans Defaulted	16,811
Currency Exchange Loss Rate	0.09%
Amount of Currency Exchange Loss	\$538,749
Refund Rate	0.76%
Amount of Refunded Loans	\$4,537,625
Number of Refunded Loans	5,064
<b>Loan Characteristics On Kiva</b>	
Loans to Women Borrowers	74.20%
Average Loan Size	\$418
Average Individual Loan Size	\$656
Average Group Loan Size	\$1,829
Average number of borrowers per group	8
Average GDP per capita (PPP) in local country	\$3,427
Average Loan Size / GDP per capita (PPP)	12.21%
Average Time to Fund a Loan	5.64 days
Average Dollars Raised Per Day Per Loan	\$74.14
Average Loan Term	10.37 months
<b>Borrowing Cost Comparison (based on 2012 data)</b>	
Average Cost to Borrower	33.26%
Profitability (return on assets)	-1.45%
Average Loan Size (% of per capita income)	40.88%

Source: Adapted from <http://www.kiva.org/partners>

Table 3.3 Loans and Default Rates for Kiva's 10 Largest Partners in 2008

Partner	Number of loans on Kiva	Number of loans on MIX	Start date on Kiva	Kiva-reported default rate	MIX-reported default rate over similar time period	p
PRISMA	4,493	22,306	8/18/2007	0.0%	0.4%	<.001%
LAPO-NGR	3,180	329,384	12/3/2006	0.0%	0.4%	<.001%
Manuela Ramos	3,918	16,982	9/24/2007	0.0%	0.0%	100%
CREDIT	2,172	52,013	6/3/2006	0.0%	0.1%	15%
SAT	1,645	73,268	12/7/2007	0.0%	0.0%	100%
FINCA – PER	2,704	13,084	8/24/2007	0.0%	0.3%	0.115%
BRAC – TZA	1,174	69,502	1/22/2008	0.0%	6.6%	<.001%
SPBD	1,863	7,816	9/1/2006	0.0%	0.8%	<.001%
MLF MicroInvest	2,240	13,248	4/6/2007	0.0%	0.7%	<.001%
Fundación Paraguaya	1,956	34,222	6/23/2007	0.0%	2.4%	<.001%

Source: Adapted from <http://blog.givewell.org/2009/10/13/kiva-repayment-data>

Table 3.4 Breakdown of Kiva's Revenue and Expenses in Fiscal Year 2012

Total Primary Revenue	\$ 15,555,107	99.5%
Other Revenue	\$ 77,679	0.5%
<b>TOTAL REVENUE</b>	<b>\$ 15,632,786</b>	<b>100.0%</b>
Program Expenses	\$ 10,318,070	82.7%
Administrative Expenses	\$ 1,540,157	12.3%
Fundraising Expenses	\$ 624,301	5.0%
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 12,482,528</b>	<b>100.0%</b>

## Chapter 4

### A Case Study of Kiva's Field Partners

#### Introduction

Kiva's Field Partners typically target impoverished or marginalized areas to review loan applications and approve borrowers who demonstrate a need for a loan and a reasonable likelihood of repayment. Each borrower requesting a loan through Kiva has been reviewed and approved by a local Field Partner ("Field Partner's Role").

The majority of borrowers on Kiva are vetted by MFIs ("Field Partner's Role"). I intend to compare the Portfolio Yields and APRs of Kiva's 255 active Field Partners to the median Portfolio Yields of MFIs in the Field Partner's country. Thanks to help from a fellow Kiva lender, who is a software developer and the creator of <http://kivatools.com>, I extracted public data from Kiva's Field Partner pages (<http://kiva.org/partners>) and from the Kiva API, which is archived nightly into downloadable snapshots (<http://build.kiva.org>). The data is current as of September 28, 2014. Blank fields indicate that the data is not applicable or is not reported by the Field Partner.

**Kiva ID** refers to the Field Partner's ID number designated by Kiva, and can be used to look up the Field Partner's page on the Kiva website using the following format: <http://kiva.org/partners/ID>. For example, the page for Field Partner 9, KREDIT Ltd., can be found at <http://kiva.org/partners/9>.

## **Repayment Performance on Kiva**

### Appendix C-1 and Appendix C-2

**Total Amount Raised** indicates the total amount of loans this organization has raised through the Kiva website. This excludes refunded loans. Based on my calculations, the average loan amount raised by active Field Partners through Kiva is \$1,892,079.

**Amount in Arrears** refers to the current amount of repayments past due. Once a loan is listed as paying back, repayments are expected according to a monthly schedule established by the Field Partner at the time of loan posting. The first monthly installment is due from the borrower to the Field Partner on the date established on the loan's repayment schedule. The Field Partner has between one to two months to send Kiva the repayments after collecting them from the borrower. Kiva receives the repayments, marks the payment as received, and returns that money to the lenders. If an installment has not been fully repaid and is past due, the amount past due is considered late or in "arrears" ("Our Field Partners").

**Outstanding Portfolio** refers to the principal balance of loans still awaiting repayment.

The **Delinquency Rate** is the percentage of paying back loans by the Field Partner that are past due in repayment. This is a conservative early indicator of a Field Partner's long-term default rate. The Delinquency Rate is conservative because there is still a chance that the borrower will fully repay the loan before the end of the loan term, even if the borrower is past due. Many Field Partners have very low delinquency rates because borrowers are required to join borrowing support groups, which chip in when a

group member is unable to repay on time. The Field Partner may occasionally use their own reserves to make Kiva lenders whole, even if the borrower is past due (“Our Field Partners”). Using Equation 3.1, I calculated the weighted average Delinquency Rate to be 2.02% for active Field Partners (Appendix C-2), compared to Kiva’s calculation of 3.75% for all Field Partners (Table 3.2).

Equation 4.1 Delinquency Rate

$$\text{Delinquency Rate} = \frac{\text{Amount in Arrears}}{\text{Outstanding Portfolio}}$$

The **Default Rate** is the percentage of ended loans (no longer paying back) which have failed to repay (measured in dollar volume, not units). Many Field Partners do not yet have many ended loans due to their short history on Kiva. If this is the case, the Delinquency Rate is a more meaningful indicator of principal risk. A loan will generally be considered in default if Kiva determines that collection of funds from a Field Partner for the loan is doubtful, or if repayment on the loan is 6 months past the originally scheduled repayment date for any expected repayment (“Our Field Partners”). Using Equation 3.2, I calculated the weighted average Default Rate to be 0.70% for active Field partners (Appendix C-2), compared to Kiva’s calculation of 1.12% for all Field Partners (Table 3.2).

Equation 4.2 Default Rate

$$\text{Default Rate} = \frac{\text{Amount of Ended Loans Defaulted}}{\text{Amount of Ended Loans}}$$

The **Loans at Risk Rate** refers to the percentage of Kiva loans being paid back by the Field Partner that are past due in repayment by at least one day. This delinquency can be due to either non-payment by Kiva borrowers or non-payment by the Field Partner

(“Our Field Partners”). Based on my calculations, the weighted average Loans at Risk Rate is 5.07% for active Field Partners. Kiva defines the Loans at Risk Rate as follows:

Equation 4.3 Loans at Risk Rate

$$\text{Loans at Risk Rate} = \frac{\text{Amount of paying back loans that are past due}}{\text{Total amount of loans outstanding}}$$

The **Currency Exchange Loss Rate** is the percentage of loans for which losses have been realized due to currency fluctuations. When funds are lent across countries, the local currency in the Field Partner’s country may lose some of its value relative to the U.S. dollar, thus requiring the Field Partner to use more of its local currency to reimburse Kiva in U.S. dollars. Kiva offers Field Partners the option to protect themselves against severe currency fluctuations (a U.S. dollar appreciation of over 10% relative to the local currency) by sharing any losses greater than 10% with Kiva lenders. By bearing these losses, lenders are able to protect the Field Partner and its borrowers from severe currency devaluations (“Our Field Partners”). Based on my calculations, the weighted average Currency Exchange Loss Rate is 0.24% for active Field Partners, compared to Kiva’s calculation of 0.09% for all Field Partners (Table 3.2). Kiva defines the Currency Exchange Loss Rate as follows:

Equation 4.4 Currency Exchange Loss Rate

$$\text{Currency Exchange Loss Rate} = \frac{\text{Amount Currency Exchange Loss}}{\text{Total Loans}}$$

The **Refund Rate** is the percentage of total loans that have been refunded due to an error. Errors can be unintentional (e.g., Field Partner accidentally uploaded a duplicate borrower profile which received funding and recognized it later) or more serious (e.g., a Kiva audit discovered that loan funds were used inappropriately). In the latter case, Kiva

will attempt to refund lenders with any funds recovered. In all cases, information about why the refund was issued is published on each loan page (“Our Field Partners”). I calculated the weighted average Refund Rate to be 0.55% for all active Field Partners, compared to Kiva’s calculation of 0.76% for all Field Partners (Table 3.2). Kiva defines the Refund Rate as follows:

Equation 4.5 Refund Rate

$$\text{Refund Rate} = \frac{\text{Amount of Refunded Loans}}{\text{Total Loans}}$$

### **Loan Characteristics on Kiva**

#### Appendix C-3

**Loans to Women Borrowers** is the percentage of total loans that go to women borrowers. Based on my calculations, on average, 61.5% of loans made through active Field Partners go to women borrowers, compared to Kiva’s calculation of 74.2% for all Field Partners (Table 3.2).

**Average Loan Size** is the average size of all loans per borrower on Kiva.

**Average GDP per Capita (PPP) in Local Country** provides insight into the approximate average yearly income of an individual living in a particular country. Gross domestic product (GDP) is the value of all final goods and services produced within the nation in a given year. This figure divides GDP by the total population of the country (“Our Field Partners”).

**Average Loan Size by GDP per Capita (PPP)** simply divides the Average Loan Size by the Average GDP per Capita (PPP) in Local Country. Based on my calculations,

on average, the Average Loan Size is 35.04% of the Average GDP per Capita for active Field Partners, compared to Kiva's calculation of 12.21% for all Field Partners (Table 3.2).

### **Borrowing Cost Comparison**

#### Appendix C-4 and Appendix C-5

The **Average Cost to Borrower** may be expressed as **Portfolio Yield (PY)** or **Annual Percentage Rate (APR)**, both of which were previously defined in Chapter 3. Based on my calculations, on average, the Average Cost to Borrower (Field Partner) is 31.27% for active Field Partners, compared to Kiva's calculation of 33.26% for all Field Partners (Table 3.2). I calculated that on average, the Average Cost to Borrower (Median for MFIs in the Field Partner's Country) is 37%.

61% of Kiva Field Partners have a lower PY/APR than the median PY for MFIs in the Field Partner's country, 34% of Field Partners have a higher PY/APR than the median PY for MFIs in the Field Partner's country, and 5% of Field Partners have the same PY/APR as the median PY for MFIs in the Field Partner's country. I took into consideration only the Field Partners that display both the Average Cost to Borrower (Field Partner) and the Average Cost to Borrower (Median for MFIs in the Field Partner's Country).

Based on my calculations, more than one-third of Kiva's Field Partners charge a higher cost to the borrower than the median for MFIs in the Field Partner's country, which may be a cause for concern. For example, Field Partner 206, Finance South Sudan



Limited, has a PY of 69%, while the median PY for MFIs in South Sudan is only 39%.

Thus, a loan made through this Field Partner on Kiva may likely charge the borrower 30% more than a normal MFI in South Sudan would charge. Kiva justifies the high interest rates charged to borrowers in unstable countries:

[T]he cost of delivering microfinance services in post-conflict environments, such as the DRC or South Sudan...necessitates an even higher interest rate. In a post-conflict environment, communications and transportation infrastructure is often severely compromised, making it more expensive to contact and visit borrowers and manage a MFI...This is one of the reasons Kiva works in post-conflict areas, and also supports MFIs with high interest rates in countries such as the DRC or South Sudan (“Why Are the Interest Rates in Post-conflict Areas so High?”).

**Return on Assets** was previously defined in Chapter 3. I calculated the average Return on Assets (Field Partner) to be -3.4%, which is lower than the average Return on Assets (Median for MFIs in the Field Partner’s Country) of 1.7%. Thus, many of Kiva’s Field Partners may not be sustainable in the long-term without grants and other subsidies.

**Average Loan Size (% of per capita income)** is the Field Partner’s Average Loan Size expressed as a percentage of the country’s gross national annual income per capita. Loans that are smaller (i.e., a lower percentage of gross national income per capita) are generally made to more economically disadvantaged populations. However, these same loans are generally more costly for the MFI to originate, disburse, and collect (“Our Field Partners”). Based on my calculations, on average, the Average Loan Size (% of per capita income) (Field Partner) is 51.4% for active Field Partners, compared to Kiva’s calculation of 40.88% for all Field Partners. I calculated that on average, the Average Loan Size (% of per capita income) (Median for MFIs in the Field Partner’s Country) is 51.1%.

## Notes on Calculations

I used Field Partner data extracted on September 28, 2014. Kiva does not specify when it last updated the aggregate data on “Repayment Performance on Kiva” for “All Kiva Partners” posted on each of its Field Partner’s pages (Table 3.2). I contacted Kiva Community Support for clarification and was informed that MIX Market, the source of Kiva’s data, updates its information annually, and that the Kiva website typically reflects data for the most recent year available.

My calculations are for active Field Partners only, because I want to take into consideration only the Field Partners that are currently raising funds on Kiva. Kiva does not specify the fundraising status of the Field Partners included in its calculations (i.e., it may include active, inactive, paused, and/or closed Field Partners) on its website.

However, Kiva Community Support informed me that the aggregate data for “All Kiva Partners” on the Field Partner pages includes all Field Partners regardless of current fundraising status, including those that are now inactive, paused, or closed. When Kiva ends a partnership, Kiva removes any Portfolio Yield and Return on Assets data for those Field Partners, so even if the calculation includes those Field Partners, the averages will not be affected.

Kiva may ignore outliers (i.e., extremely high Delinquency Rates and Default Rates), especially if the Field Partner’s page on the Kiva website provides an explanation in the form of a note. For example, the Default Rate for Field Partner 259, Grameen Foundation AppLab, is 78.05%. The following note explains why the Default Rate is so high:

Grameen Foundation AppLab's default rate appears as 78.05% because Kiva calculates the default rate by dividing the unsettled amount for all defaulted loans by the total principal for all loans in "ended" status. The only loan from Grameen Foundation AppLab that has ended is one in which the borrower passed away and therefore the loan ended in default. Since all its other loans have still not ended, the default rate is currently 78.05% (<http://kiva.org/partners/259>).

However, the Default Rate for Field Partner 268, Pacific Asian Consortium in Employment, is 71.86%, but no note is provided to explain why the Default Rate is so high, so it is possible that there were no special circumstances to justify the Default Rate. Because there is no way for me to determine whether Kiva omitted outliers with explanatory notes or included outliers without notes in its calculations, I included the data for all active Field Partners in my calculations and did not ignore any outliers.

There are shortcomings with calculations of either the average (arithmetic mean) or the weighted average of Field Partners' rates. An issue with the calculation of average rates is that all Field Partners' rates are considered to be equally important, which is not the case when there are significant differences among the Field Partners' loan portfolio sizes, number of borrowers, etc. For example, taking the average of all individual Field Partners' Delinquency Rates would give undue weight to Field Partners with relatively small Outstanding Portfolios but high Delinquency Rates, so I calculated the weighted average instead. However, I could only take the average for the percentage of loans that go to women borrowers because there was no available data on the number of active borrowers for each Field Partner, which would be needed to compute the weighted average.

A problem with the calculation of weighted average rates arises from missing data. For example, I weighted each Field Partner's Loans at Risk Rate by its Outstanding

Portfolio. If no Loans at Risk Rate was reported for a number of Field Partners, but the Outstanding Portfolio was reported for those Field Partners, the weighted average Loans at Risk Rate would be distorted because the Outstanding Portfolios of the Field Partners that did not report their Loans at Risk Rate would still be included in the summed Outstanding Portfolio.

I contacted Kiva Community Support about the source for the “Borrowing Cost Comparison” data on Kiva’s Field Partner pages and was directed to *MIXMarket.org*. To confirm the data on the Field Partner pages, I built a custom report using MIX Market’s MFI data set and grouped MFIs by country for fiscal year 2012 (Appendix A-3). The median Return on Assets, Portfolio Yield, and Average Loan Balance per Borrower/GNI per Capita for MFIs in the Field Partners’ countries in 2012 as reported by MIX Market were similar to but did not exactly match the data on the Field Partner pages (Appendix C-5).

## **Chapter 5**

### **Kiva Zip: Trustee Endorsement Person-to-Person Lending**

#### **How Kiva Zip Works**

Kiva Zip (<https://zip.kiva.org>) is a pilot program launched by Kiva in November 2011 with three goals: to help entrepreneurs access the financial services they need, to lower fees and interest rates to make borrowing affordable, and to cultivate community between borrowers and lenders (“What is Kiva Zip?”). Lenders can lend as little as \$5. The maximum amount that can be borrowed by Kiva Zip borrowers in the United States and Kenya increases as borrowers repay. The maximum amount that Kiva Zip borrowers in the United States and Kenya can borrow can increase as borrowers repay. In the United States, the initial loan can be a maximum of \$5,000, and borrowers can take out successively larger loans up to a maximum of \$20,000 (Figure 5.1). As of September 28, 2014, more than \$4.5 million in loans has been raised through Kiva Zip by more than 33,100 lenders to fund more than 4,800 small businesses (Table 5.1).

#### **Interest Rates**

Kiva Zip serves loans only in the United States, which is home to Kiva headquarters, and Kenya, where the “prevalence and popularity of M-PESA mobile payment technology makes it easy to transfer money directly to the cell phones of borrowers” (“What is Kiva Zip?”). Kiva Zip is able to reduce the costs of making loans

because it operates online and uses mobile payments. Kiva uses PayPal to process its lender transactions. PayPal supports Kiva by providing free payment processing, which saves Kiva up to one million dollars each year (“Kiva Zip FAQ”). These savings reduce Kiva’s operational expenses and are passed along to borrowers in the form of lower interest rates. Kiva Zip loans are currently offered at 0% interest with no fees because Kiva Zip’s operating costs are subsidized by large outside donors (Kurnia, “Zidisha vs. Kiva Zip”).

### **Borrower Requirements**

The target borrowers of Kiva Zip are different from those of Kiva, because Kiva Zip expands financial access to borrowers who could not otherwise receive a loan from a traditional bank or MFI (“Kiva Zip FAQ”). The Kiva Zip model involves payments from Kiva Zip directly to borrowers, while in the Kiva model, the payments are routed via Kiva’s Field Partners. In general, to be posted onto Kiva Zip, borrowers must meet three requirements that Kiva Zip verifies through self-reported data, online research, and third party services:

- **Financial Stability:** To be approved for a Kiva Zip loan, borrowers cannot be under serious financial stress. That means that they cannot be over-indebted or currently in foreclosure, in collections, or under any liens. Kiva Zip aims to post borrowers that have a monthly debt-to-income ratio of 30% or lower.
- **Trust Network:** Borrowers must demonstrate that they have a network of people that will vouch for their character. Most frequently, this is done through an endorsement from a Trustee that has a strong relationship with the borrower and can credibly assess the viability of the business.
- **Social Good:** Kiva Zip requires that all loans be socially impactful. The borrower might serve a low-income neighborhood, be without access to traditional financial

services, or have a specific social mission like improving access to nutrition or helping disadvantaged communities (Jung, “Borrower and Trustee Selection”).

The specific criteria that borrowers must meet in order to qualify for a Kiva Zip loan in the United States are as follows:

- Borrowers cannot currently be in foreclosure, bankruptcy, or under any liens.
- Borrowers’ businesses must not be engaged in any of the following activities:
  - Multi-level marketing / direct sales
  - Illegal activities (e.g. gambling, scams)
  - Pure financial investing (e.g. stocks)
- Borrowers must either
  - 1) be endorsed by a Trustee, or
  - 2) participate in the Kiva Zip No Trustee pilot program, which neither requires a Trustee, nor provides an endorsement.

If the borrower chooses to pursue a Trustee endorsement, the Trustee must deeply trust the character of the borrower they are endorsing and his or her commitment to repay the loan.
- The borrower must have a viable business or business plan.
- The trustee must know how the borrower will use the loan and understand how it will impact the business.
- The borrower will be required to invite a number of lenders from their own network to fund their loan.
- The loan must be seen to have a positive social impact.
- The borrower must be over 18.

In Kenya, the borrower selection criteria are as follows:

- The trustee must deeply trust the character of the borrower they are endorsing and his or her commitment to repay the loan.
- The borrower must have a viable business or business plan.
- The trustee must know how the borrower will use the loan and understand how it will impact the business.
- The loan must be seen to have a positive social impact (“Kiva Zip FAQ”).

### **Trustee Requirements**

Borrowers must be endorsed by a Trustee, which can be an individual or an organization, to be eligible for a Kiva Zip loan. Trustees identify borrowers that could

benefit from Kiva Zip loans, assess borrowers for character and creditworthiness, and provide ongoing support to borrowers over the course of their loan terms (“What is Kiva Zip?”). Trustees never handle the money associated with loans, since the money is sent directly to Kiva Zip borrowers once the loans are fully funded. Trustees do not guarantee loan repayment and have no fiduciary duty to Kiva, borrowers, or lenders, including repayment of a loan on behalf of a borrower (“Kiva Zip FAQ”). Trustees face no financial penalties in the event that a borrower defaults on a loan, but their reputations are tied to the repayment rates of the borrowers they endorse (“Our Trustees”). The performance of Trustees on Kiva Zip affects their ability to endorse additional borrowers. Trustees that endorse borrowers who do not repay their loans will be prevented from making future endorsements (“Kiva Zip FAQ”).

The requirements that Trustees must meet include:

- Trustees need to create a positive social impact in their communities through the borrowers they support. Positive social impact, not financial incentives, must be the primary motivation for any endorsement.
- Trustees are expected to have enough resources to support borrowers through the life of the loan. Small businesses face challenges on a constant basis. Without a network to which borrowers can turn for advice and support, the success of their business can be jeopardized.
- In the U.S., Kiva Zip requires individual Trustees and Trustee organizations with five or fewer employees to go through an online identity verification and background check. Individual Trustees must have at least two years of experience in a field such as economic development, technical assistance, or small business advising. In Kenya, many Trustees go through an on-site visit, which verifies the organization’s mission and resources (Jung, “Borrower and Trustee Selection”).

Some examples of Trustees include:

- An organization that is providing, or has provided, assistance or support to the borrower’s business



- A person with at least two years of experience in small business development or technical assistance
- A network or association of which the borrower is a member
- The borrower's church or religious community
- One of the borrower's major suppliers or customers with whom the borrower has had a long-standing business relationship
- A close friend who is also a small business owner, and who understands the borrower's business situation well ("Kiva Zip FAQ")

Trustees must provide answers to the following questions on their public profile:

- How will you determine whether or not the business plans of the borrower(s) you endorse are sound?
- How will you know whether the borrower(s) you endorse will have the "character" to repay a loan?
- Please describe what type of business, financial, technical or other support you plan on providing to the borrower(s) you endorse.
- How will you establish whether the borrower(s) you endorse are in debt, or have a history of debt? How will what you find affect your endorsement of their loan application?
- Why can't the borrower(s) you endorse access traditional loans? ("Kiva Zip FAQ")

## **Repayment Rate**

Currently, Kiva Zip's repayment rate is 89.5% (Table 5.1). Figure 5.2 shows the change in the repayment rates in the U.S. and Kenya from January 2012 to September 2013. The repayment rate for Kenya loans was approximately 91% and the repayment rate for U.S. loans was 85% in September 2013. Although Kiva Zip no longer posts the breakdown of the repayment rate for U.S. and Kenya loans, I used the Wayback Machine (<http://archive.org>), a digital archive of the World Wide Web, to find the last archived snapshot of the Kiva Zip website that published the two repayment rates separately. On July 12, 2014, the Kenya repayment rate was 92.2%, the U.S. repayment rate was 88.4%, and the overall repayment rate was 89.3% (Table 5.2). This indicates that the repayment

rate for Kiva Zip loans in both countries had improved, with the Kenya repayment rate continuing to remain higher than the U.S. repayment rate.

Similar to Kiva's disclaimer, Kiva Zip warns at the bottom of every page on its website that "lending through Kiva Zip involves risk of principal loss," and that "neither Kiva Zip nor Kiva Zip trustees guarantee repayment or offer a financial return on your loan." Kiva Zip states that "Kiva Zip loans are riskier than loans in the main Kiva model," and warns that the default rate on Kiva Zip is expected to be significantly higher than that of Kiva ("Kiva Zip FAQ").

## **Risk**

Risks involved with lending on Kiva Zip include:

- Default Risk: If a borrower defaults on a loan, the lender loses his/her entire investment. There are many reasons why a loan might not be paid back, ranging from poor execution of a business plan, to the borrower experiencing a catastrophic accident, to fraud on the part of the borrower or the Trustee.
- Unknown Variables Risk: Because Kiva Zip is a relatively untested project, there are unknown variables and risks that continue to be discovered now and will be discovered as the project is established over its first couple of years.
- Exchange Rate Risk: The exchange rate of the Kenyan Shilling against the U.S. Dollar is liable to change on any given day – in either direction ("Kiva Zip FAQ").

## **Snapshots of Kiva Zip**

Appendix B-6 shows a summary of my funds, which displays my available Kiva Zip Credit, available Kiva Credit, total amount lent, total amount outstanding, total repaid, currency loss, roundup refund, and deposits/Kiva transfers. As I make loans on

Kiva Zip, if I do not have enough Kiva Zip Credit available to complete my basket, funds are transferred automatically from Kiva Credit if available. When I have Kiva Zip Credit from repayments, I can transfer it to Kiva Credit to lend on Kiva or withdraw.

Appendix B-7 displays information on my loans (borrower name, name and location of business, total loan amount, loan term, amount lent, amount returned, currency exchange loss, and status).

Appendix B-8 provides the repayment schedule for the borrower's loan, which includes the total amount due, amount paid, date due from borrower, and status. This information is published at the time the funds for the loan are disbursed to the borrower. Before the loan has been fully funded, information is provided on the loan amount, amount and frequency of installments, loan term, and due date of first payment.

Appendix B-9 discloses the name of the trustee who endorsed the loan, and provides a link to the trustee's page, which displays the number of loans endorsed, the total value of the loans, the repayment rate, and the number of loans fundraising/raised, paying on time, paying back late, repaid in full, and defaulted. On the borrower's endorsement page, the trustee explains why the borrower is a great candidate for a Kiva Zip loan.

Figure 5.1 Kiva Zip Maximum Loan Amounts and Loan Terms

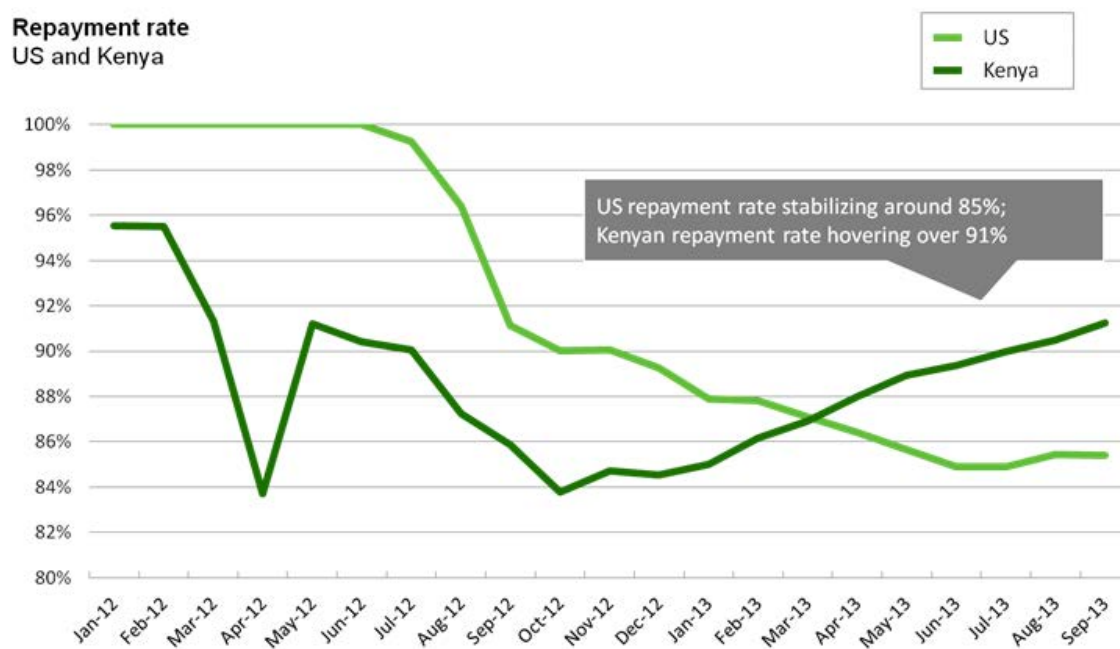
In the United States, the amount that Kiva Zip borrowers can borrow is as follows:

Loan	Maximum Loan Amount	Loan Term
1	\$5,000	6 - 24 months
2	\$10,000	12 - 36 months
3	\$15,000	18 - 48 months
4	\$20,000	24 - 60 months

In Kenya, the amount that Kiva Zip borrowers can borrow is as follows:

Loan	Maximum Loan Amount	Loan Term
1	10,000 Kenyan shillings (KSh)	2 - 3 months
2	20,000 KSh	3 - 6 months
3	30,000 KSh	6 - 9 months
4	50,000 KSh	9 - 12 months
5	70,000 KSh	9 - 12 months

Figure 5.2 Kiva Zip Repayment Rate in U.S. and Kenya from January 2012 to September 2013



Source: <https://zip.kiva.org/blogs/71>

Table 5.1 Kiva Zip Statistics on September 28, 2014

Total amount loaned	\$4,563,556
Individual lenders	33,109
Small businesses funded	4,838
Interest rate	0%
Repayment rate	89.5%

Source: Adapted from <https://zip.kiva.org>

Table 5.2 Kiva Zip Statistics on July 12, 2014

Repayment Rate	
US Loans	88.4%
Kenya Loans	92.2%
Overall	89.3%

## Chapter 6

### Zidisha: Direct Person-to-Person Lending

#### How Zidisha Works

Founded in October 2009, Zidisha (<https://zidisha.org>) is a “nonprofit organization engaged in the facilitation of microfinance lending to low-income entrepreneurs in developing countries” (“Terms of Use”). Zidisha pioneered the first person-to-person microlending platform in the world to connect lenders and borrowers directly across international borders, thus bypassing local banks that charge exorbitant interest rates. Zidisha’s lending service operates independently of local intermediaries because Zidisha itself controls each individual loan disbursement and repayment collection via the Internet. As of September 28, 2014, more than 8,000 loans (more than \$2.3 million in total amount loaned) have been funded through Zidisha by more than 9,300 Zidisha lenders to more than 6,100 borrowers (Table 6.1).

The majority of Zidisha applicants find Zidisha by word of mouth, since current borrowers often recommend Zidisha to other members of their communities. Borrowers also find Zidisha through web searches, blogs, or Facebook posts. Loan applications and borrower updates are posted on Zidisha’s website by the borrowers themselves, or by local friends and family of the borrowers. Zidisha borrowers can take out loans for business growth capital, professional tools, university tuition, home improvements, health care, and any other legal and ethical purpose. Borrowers set the amount they would like

to raise, the weekly or monthly repayment installment amount they prefer, and the day of the week or month they would like to commit to making repayment installments.

A borrower invited to join Zidisha by an existing member in good standing can borrow up to \$150 for the first loan. A borrower without an invitation from an existing member can borrow up to \$50 for the first loan. The borrower's record of on-time repayments qualifies them for increasing loan amounts. The current loan size progression at Zidisha is the following: \$50, \$150, \$450, \$675, \$1,013, \$1,519, \$2,278, \$3,417, \$5,126, \$7,689, and \$10,000. For loans under \$200, the minimum time period for progressing to the next maximum loan size is one month ("Zidisha FAQ"). Experienced borrowers may serve as Volunteer Mentors who monitor and assist fellow borrowers. Volunteer Mentors "receive credit limit increases commensurate with the repayment performance of the borrowers who are assigned to them, but are not otherwise compensated for their services" ("Zidisha FAQ").

Lenders choose to fund loans on Zidisha for various reasons. Most often, lenders wish to help entrepreneurs succeed in growing their businesses. Through direct communication with borrowers, lenders can understand how their loan funds have helped small business owners and learn about daily life and culture in that country. The direct connection between lender and borrower improves transparency because lenders can be sure that all of their funds are disbursed to their intended beneficiaries. When borrowers repay the loans, repayments are sent to the individual lenders who financed the loans, and the repayments can then be reinvested in other loans.

## Interest Rates

Lenders may bid to fund any amount between the minimum \$1 to the full amount of the loan requested by the borrower. Zidisha does not set interest rates on its loans. Instead, lenders propose their own preferred interest rate, which may be between 0% and 15%. Interest includes a service fee of 5% of the original loan amount per year the loan is outstanding. The service fee is used to pay for necessary operating costs such as bank fees and money transfer charges. Any interest above the 5% is paid to lenders. The total cost to the borrower for each loan is the weighted average interest rate bid by lenders, plus the service fee. Thus, the total interest rate for a Zidisha loan will always be between 5% and 20%. All interest rates are annualized; in other words, they are expressed as flat percentages of the loan principal per year the loan is held. Figure 6.1 shows the cost breakdown of a Zidisha loan displayed on a borrower's loan profile page. The total cost of the loan is the lender interest plus the service fee. Table 6.2 shows the calculation of the total loan cost for this example.

The average lender interest rate of all loans disbursed via Zidisha is 5.4% (Table 6.1). Thus, the average total cost of a Zidisha loan is 10.4% (5.4% lender interest plus the 5% service fee), compared to the average cost to the borrower of 33.26% for Kiva's Field Partners (Table 3.2), which must charge high interest rates to bear the high operational cost of facilitating microloans. Zidisha borrowers in most countries must also pay a one-time new member registration fee of approximately \$12 upon successful funding of their first loan. The registration fee is not paid up front, but is deducted from the disbursement



of the first loan. If the loan application is not funded, then no fee is charged (“Zidisha FAQ”).

### **Borrower Requirements**

Borrowers that apply to join Zidisha must provide their residential address, telephone number, and national identity number before Zidisha allows them to post a loan application. Zidisha also requires applicants to verify their online identity by linking an active personal Facebook account to their Zidisha account. Applicants must also provide personal references and the contact information of a local community leader (e.g., a school principal or leader of a place of worship) who can provide a recommendation for them. The local banks and payment services that process Zidisha loan disbursements also check the loan recipients’ national identity cards.

Zidisha is not a bank or credit bureau, and therefore does not assess the incomes, debt levels, or creditworthiness of borrowers, or offer any guarantee of the accuracy of the information provided by borrowers. Zidisha loan applicants must fulfill the following eligibility criteria:

- Be of good reputation and have the support of family, neighbors, and a local community leader (such as a school principal or leader of a place of worship)
- Not currently hold any debt or outstanding loans from other sources
- Have an active business or employment with sufficient income to ensure repayment of the loan in regular installments
- Have access to the Internet on a regular basis, and be able to fill out the borrower profile and application forms, and respond to lender comments on the Zidisha website
- Hold an active personal Facebook account with extensive social connections
- Be able and committed to posting frequent updates regarding use of the loan and progress of the business on the Zidisha website
- Reside in a country where Zidisha currently operates (“Zidisha FAQ”)

## **Repayment Terms**

Borrowers can modify their repayment schedules if unexpected losses of income or expenses prevent them from repaying as quickly as originally anticipated, or if the borrowers are able to repay more quickly than originally anticipated. Repayment schedules can be modified to either decrease or increase installment amounts, but the installments cannot be skipped entirely. When a loan is rescheduled, the total interest due to lenders is adjusted so that lenders earn the same monthly interest rate over the new loan period. For example, a lender who was due to receive \$1 per month in interest for a 12-month loan would be owed \$12 in interest for that loan. If the loan is rescheduled to be repaid in 18 months, the lender would be owed \$18 in interest (“Zidisha FAQ”).

## **Repayment Rate**

The on-time repayment rate of all installments that have been due is displayed on each borrower’s loan profile page as the percentage of all repayment installments that the borrower has paid on time (within ten days of the due date) for all loans that the borrower has taken since joining Zidisha. The total number of repayment installments that have been due is displayed in parentheses. For example, a borrower who has made 54 on-time repayments out of 55 total installments will have an on-time repayment record of “98% (55)” displayed on his/her loan profile page. Prospective lenders use this as a basis for evaluating any loan applications posted by the borrower.

The on-time repayment rate on Zidisha is lower than that of both Kiva and Kiva Zip. For the period from the founding of Zidisha in 2009 to September 28, 2014, 53.8%

of principal (not including interest) has already been repaid to lenders for disbursed loans, and 18.8% is still held by borrowers who are current or less than 30 days and \$10 past due with their schedule repayment installments. Thus, 72.6% of principal (not including interest) has already been repaid or is currently being repaid on time. 7.2% is still held by borrowers more than 30 days and \$10 past due with their schedule repayment installments, 0.6% has been forgiven by lenders, and 19.6% has been classified as written off (Table 6.1). Zidisha classifies as written off all amounts that have not been repaid six months after a loan's final repayment installment due date, and all loans for which the borrower has not made a payment in over six months. Writing off a loan is a reporting convention, and does not necessarily mean collection efforts stop or that it will not be repaid to lenders. Table 6.3 shows a detailed breakdown of the principal outstanding, expressed as a dollar amount and as percentage of the amount disbursed, for all Zidisha loans that are paying back on time, paying back 31-90 days late, paying back 91-180 days late, and paying back over 180 days late as of April 8, 2014.

The repayment rate of first installments repaid on time for Zidisha loans disbursed in 2013 was 58%, and the repayment rate of all installments repaid on time for loans disbursed in 2013 was 45%, which marks a declining trend in both rates for every year since 2010 (Figure 6.2). In 2014, the first installment on-time repayment rate was 81%, and the total on-time repayment rate was 72% as of March 25 (Figure 6.2). In June 2014, Julia Kurnia, the founder of Zidisha, published a blog post titled "Is direct P2P microlending financially sustainable?" and posted a graph of the on-time repayment rates of first installments and cumulative installments from December 2012 to May 2014

(Figure 6.3), the period after which most of the following changes to Zidisha's lending model were implemented:

- Requiring loan applicants in most countries to link a unique Facebook account to verify their online identity and make it more difficult for third parties to create proxy accounts
- Enlisting the help of fellow borrowers to mentor new members and follow up on repayments
- Using an invite bonus program to encourage borrowers in good standing to invite trustworthy new members
- Reducing the size of first-time loans to limit losses until a borrower has proven his/her reliability
- Establishing strict on-time repayment performance standards in order to progress to the next loan size
- Displaying on-time repayment scores on each loan profile page to encourage borrowers to keep this metric high
- Using machine learning to detect fraudulent applications
- Transitioning from monthly to weekly repayment schedules in most countries, as it proved easier for most borrowers to make small weekly payments than to save up bulk sums each month (Kurnia, "Is direct P2P microlending financially sustainable?")

Figure 6.3 illustrates that both on-time repayment rates have increased gradually since early 2013, when Zidisha first began lending at substantial volumes. Kurnia wrote the following commentary in her blog post:

We estimate that the ultimate repayment rate for loans that were issued in early 2013 will be between 70% and 85%. (We do not know more precisely because many of them are still repaying.) Many lenders who funded loans at low interest rates during that period saw the value of their funds decline as unpaid loans were written off.

What is less obvious to our long-time observers is that credit risk at Zidisha has improved substantially over the past year. If the timeliness of the first repayment installments continue to predict the ultimate repayment likelihood of Zidisha loans, then the loans that are being issued today will have substantially higher repayment rates than those issued a year ago. If we assume that the ultimate repayment rate will improve in proportion to the timeliness of the first repayment installments, an ultimate repayment rate of between 85% and 95% would be a reasonable prediction. Thanks to this improvement, it is entirely possible that lenders who fund loans at modest interest rates today will be able to maintain or

increase the value of their lending funds over time (Kurnia, “Is direct P2P microlending financially sustainable?”).

Thus, while Zidisha offers lower interest rates to borrowers than Kiva and is more self-sufficient than Kiva and Kiva Zip due to its lower operating costs, the direct person-to-person online microlending model suffers from higher credit risk and lower on-time repayment rates. This can pose challenges for financial sustainability and scalability in the long-term, although Figure 6.3 shows that adjustments to the lending model may have improved repayment performance in the short-term.

Premal Shah, the President of Kiva, in response to Kurnia’s article titled “Zidisha vs. Kiva Zip” published in the Huffington Post in February 2014, argues that “high repayment rates are crucial for impact at scale” and advocates honoring “the role of classic microfinance as [a] cheaper alternative [to local moneylenders] that can reliably scale” (Kurnia, “Zidisha vs. Kiva Zip”). In July 2014, Kurnia published another article in the Huffington Post titled “Kiva vs. Zidisha: Three Common Myths,” in which she disagrees with the dismissal of innovations such as Zidisha that disrupt the “classic” Kiva model, and questions whether microlending platforms like Kiva and Zidisha should optimize predictable returns for lenders, rather than higher profits for borrowers:

Kiva’s field partners must charge high interest rates to the borrowers to cover their operating costs. In return, they offer stability to lenders by covering most borrower defaults. I would question whether this high-cost (to borrowers), low-risk (for lenders) model is really optimal for a philanthropic service.

Platforms like Kiva and Zidisha are not meant to be used as savings or financial vehicles. Lenders participate primarily because they wish to help borrowers. It seems counterproductive to prefer a model that charges excessive interest to the borrowers for that assistance, in order to have a near certainty of receiving the full \$25 lent back. I think the classic Kiva model is optimized for the wrong thing: it does a good job of minimizing risk to lenders, but at the cost of undermining

social impact by making borrowers pay dearly for that risk mitigation (Kurnia, “Kiva vs. Zidisha: Three Common Myths”).

Zidisha is more transparent than Kiva in providing raw data on interest rates and repayment rates. In addition to providing total statistics for the entire duration of Zidisha’s existence and for all countries where loans are offered, Zidisha also provides various combinations of display options. Data can be displayed for loans disbursed within the past one month, past three months, past six months, and past year. Statistics can also be displayed for loans disbursed in each of the countries where borrowers live, including Kenya, Senegal, Burkina Faso, Niger, Benin, Guinea, Indonesia, Ghana, and Zambia.

## **Risk**

The primary reason that lenders fund loans on Zidisha is to improve the lives of the borrowers, not to make a profitable financial investment. The loans offered through Zidisha are unsecured and would be considered high risk by traditional financial institutions. Lending to borrowers on Zidisha “involves a meaningful risk of loss” of principal (“Terms of Use”). Risks include political and economic instability, currency fluctuations, and the unpredictability inherent in entrepreneurial endeavors. Even if the loan is repaid by the borrower, loss of principal and interest can still result from currency exchange rate changes, PayPal fees applied to the uploading of credit onto the lender’s account, and inflation (“Terms of Use”). Zidisha states that its “loans are highly risky, and direct person-to-person lending across international borders is such a new endeavor that expected losses cannot be predicted with sufficient accuracy to make Zidisha loans a safe way to store funds” that the lender cannot afford to lose (“Zidisha FAQ”).

Most Zidisha borrowers do not have salaried employment, substantial savings, insurance, or other safety nets, and illnesses or family emergencies can often make it difficult for them to repay loans as planned. For these reasons, Zidisha recommends spreading lending funds across multiple loans. Zidisha allows lenders to receive interest to compensate for credit risk, costs such as money transfer fees, and changes in currency exchange rates so that they can preserve the value of their lending funds over time. Since exchange rate fluctuations often go both ways for multiple currencies during the same time period, Zidisha also suggests spreading lending activity across multiple countries to help hedge against currency risk. Zidisha recommends that lenders treat Zidisha loans simply as a way to help others, and that lenders lend no more than they would normally be willing to give away to charity.

### **Feedback Ratings**

After the loan has ended, all lenders who participated in funding the loan has the option to leave positive, negative, or neutral feedback, which affects the borrower's feedback rating. The feedback rating is displayed on each borrower's loan profile page as the percentage of positive feedback ratings posted by previous lenders. The total number of feedback ratings received is displayed in parentheses. For example, a borrower that has received 18 positive scores out of 20 total feedback ratings will have a feedback rating record of "90% Positive (20)" displayed on his/her loan profile page. This feedback rating system allows lenders to assign higher levels of trust to borrowers who have

extensive transaction history (i.e., a high total number of feedback ratings) and a high degree of lender satisfaction (i.e., high percentage of positive feedback ratings).

### **Consequences of Repaying Late or Defaulting on a Loan**

Although loans on Zidisha are unsecured by collateral, there are consequences to borrowers who fail to repay on time or default on their repayment. Late repayments damage lenders and other borrowers because lenders are deprived of their funds, which could have been lent to other deserving borrowers if the repayments had been made on time. Late repayments also damage the borrower's reputation, which can make it more difficult for the borrower to fund future loans at favorable interest rates through Zidisha.

When a borrower misses a payment, Zidisha issues a courtesy reminder by email and text message to the borrower's mobile phone within one week of the missed payment's due date. Zidisha makes an effort to get in touch with the borrower, understand the circumstances that caused the missed payment, and agree to a reasonable repayment plan. If needed, Zidisha may request mediation from local contacts of the borrower, such as the community leader who recommended the borrower to Zidisha, family members, or neighbors. If mediation is not effective, Zidisha may determine that the loan has defaulted.

The consequences of defaulting on a Zidisha loan include disqualification from requesting any future loans, reporting of the default to local credit bureaus and all organizations that previously lent to the borrower, and legal prosecution resulting in confiscation of the borrower's property, fines, and other legal penalties. Zidisha follows



the Smart Campaign's Client Protection Principles for fair and respectful recovery practices. Zidisha states that it "will never engage in harassment, abusive language, threats, or seizure of property without court order," and "will also not deprive borrowers of their basic means of livelihood in order to repay a loan" ("Zidisha FAQ").

### **Donations, Revenues, and Expenses**

Unlike Kiva Zip, which runs more like a traditional charity, Zidisha is not supported by any large donors, and borrower fees along with optional lender contributions fully cover operating costs (Kurnia, "Zidisha vs. Kiva Zip"). Zidisha's operating expenses include "web hosting, bank fees, telephone costs, regulatory fees," and costs associated with the ongoing development of Zidisha's web platform ("Zidisha FAQ").

Zidisha's audited financial statements, the most recent of which are for fiscal year 2012, are available on the Zidisha Staff Wiki. Within Zidisha's audit report for fiscal year 2012, Zidisha's revenues and expenses are disclosed on the statement of activities (Figure 6.4), and the notes to the financial statements break down revenue from program service fees (Figure 6.5) and the allocation of expenses (Figure 6.6).

The breakdown of Zidisha's total revenue in 2012 is as follows: 79.3% of revenue consists of individual donations, 19.8% consists of program service fees, 0.8% consists of expired gift cards converted to donations, and 0.1% consists of other income (Table 6.4). Program service fees are further broken down into borrower registration fees, borrower service fees, and lender transaction fees (Table 6.5). The breakdown of Zidisha's

expenses is as follows: 88.1% consists of program services and 11.9% consists of management and general supporting services (Table 6.4). Expenses are further broken down into bank fees, money transfer fees, telephone costs, advertising, website maintenance, salary and payroll tax, and several other categories (Table 6.6).

### **Snapshots of Zidisha**

Appendix B-10 displays a summary of my loans, which includes the following information:

- Lending Totals
  - Funds uploaded (\$25.88), the total amount of funds I have uploaded into my lending account as lending credit, minus withdrawals
  - Number of loans made (5, which will increase to 6 once the fundraising loan is 100% funded and the funds are pending disbursement)
  - Total amount lent (\$75.26)
- Current Status
  - Loans outstanding (\$26.77), the portion of U.S. dollar amounts I have lent which is still outstanding with the borrowers (not yet repaid), not including any interest which is due for the loans, and not adjusted for credit risk or exchange rate fluctuations
  - Lending credit available (\$0.86), the current balance of credit available for lending, composed of lender fund uploads and repayments received, which have not be withdrawn or bid on new loans

Loans are repaid in regular installments and can be reinvested immediately, thus creating a virtuous cycle. Over time, the total amount lent can far exceed the amount of funds initially uploaded. I uploaded only \$25.88 of funds, but was able to lend \$75.26 to date because I reinvested the repaid funds, plus the interest that I earned, in new loans to other borrowers.

Appendix B-11 shows my fundraising loans, and displays the entrepreneur's name and country, the project for which the loan is being used, the date funded, the amount that I lent, and the interest that I requested (not including the service fee). A fundraising progress bar tracks the percent funded, the amount of money still needed, and the number of days before the loan expires.

Appendix B-12 shows my active loans, and displays the amount repaid, which is the amount that has been repaid into my lending account for this loan, including interest and adjusted for currency exchange rate fluctuations. The loans are classified as pending disbursement, repaying on time, or repaying late.

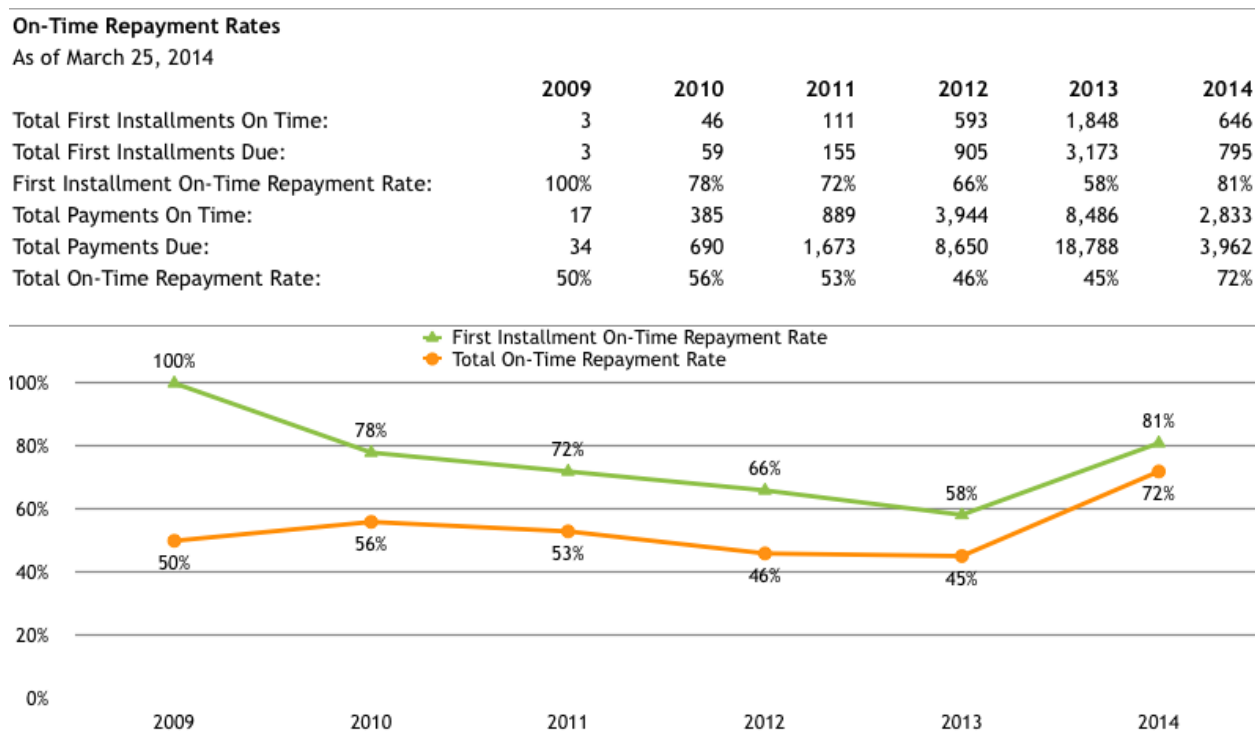
Appendix B-13 shows my completed loans, and calculates the net change in loan fund value for each completed loan. The net change in loan fund value is the amount by which the loan increased or decreased the total value of my loan fund. It is the difference between the amount I originally paid to fund the loan and the total amount that was returned to my account after currency fluctuations, interest, and any write-off or forgiveness of outstanding principal. For my completed loans, I lent \$33.89 in total and was repaid \$35.92 in total. Thus, my net change in loan fund value was \$2.03 in total.

Appendix B-14 shows the repayment schedule of a borrower to whom I made a loan. The repayment schedule displays the expected payments, actual payments, total amount due, and total amount paid.

Figure 6.1 Zidisha Total Loan Cost

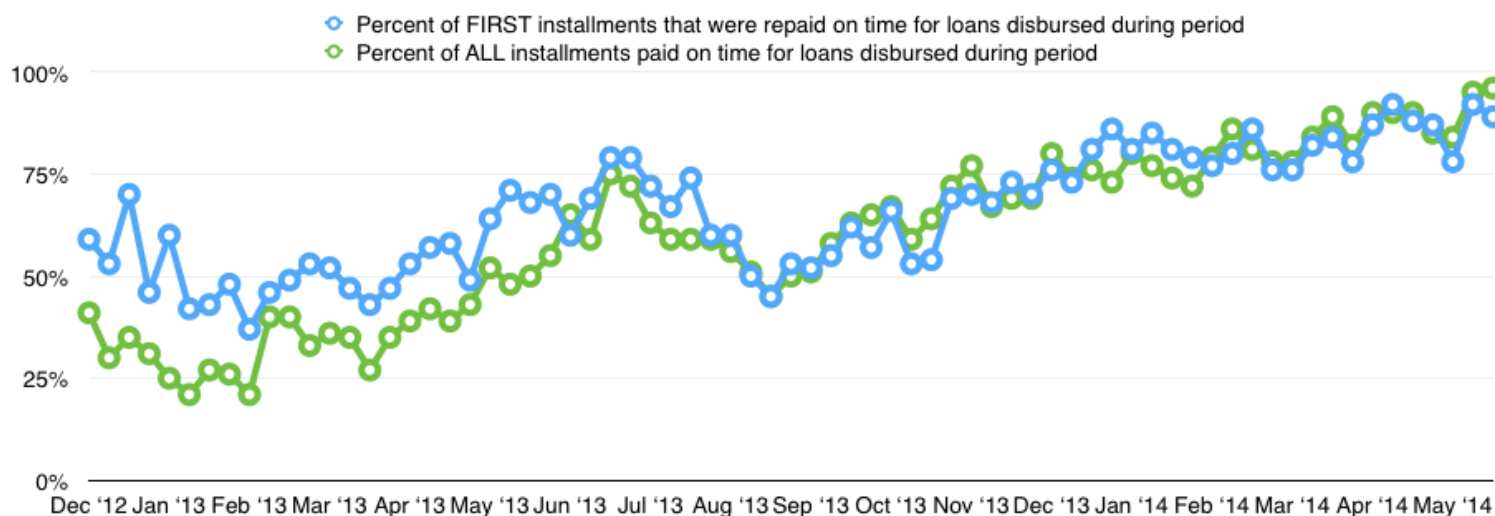
This Loan	Amount Requested: <b>\$100.00</b>	Repayment Frequency: <b>Monthly</b>
		Projected Term: <b>2 months</b>
		Total Cost of Loan: <b>\$2.14</b>
		<a href="#">Show Cost Breakdown</a>
	Lender Interest: <b>\$1.30</b>	
	\$100.00 at 7.83% annual rate over 2 months = <b>\$1.30</b>	
	Service Fee: <b>\$0.83</b>	
	\$100.00 at 5% annual rate over 2 months = <b>\$0.83</b>	
	Total Loan Cost:	
	\$1.30 + \$0.83 = <b>\$2.14</b>	

Figure 6.2 Zidisha On-Time Repayment Rates from 2009 to March 25, 2014



Source: <https://zidisha.org/statistics> (no longer published)

Figure 6.3 Zidisha On-Time Repayment Rates from December 2012 to May 2014



Source: <http://p2p-microlending-blog.zidisha.org/2014/06/13/is-direct-p2p-microlending-financially-sustainable-lessons-from-zidisha>

Figure 6.4 Zidisha's Statement of Activities for Fiscal Years 2011 and 2012

<b>Zidisha Inc.</b>		
<b>STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS</b>		
<b>FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011</b>		
	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>		
Unrestricted revenues and gains		
Individual donations	\$ 83,104	\$ 5,624
Expired gift cards converted to donations	1,150	50
Program service fees	30,142	4,016
Other income	194	312
Temporarily restricted revenues and gains		
Individual donations	37,500	-
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b><u>\$152,090</u></b>	<b><u>\$ 10,002</u></b>
<b>Expenses</b>		
Program services	\$ 51,755	\$ 5,355
Supporting services		
Management and general	6,974	2,717
<b>TOTAL EXPENSES</b>	<b><u>\$ 58,729</u></b>	<b><u>\$ 8,072</u></b>
<b>INCREASE IN NET ASSETS</b>	<b>\$ 93,361</b>	<b>\$ 1,930</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>19,251</u></b>	<b><u>17,321</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$112,612</u></b>	<b><u>\$ 19,251</u></b>

Source: Zidisha Audit Report 2012

Figure 6.5 Zidisha's Revenue from Program Service Fees in Fiscal Year 2012

### Program Service Fees

Borrowers pay a fee on each loan they take out through Zidisha and a one-time, new borrower registration fee is charged for first time borrowers. These fees are recognized as revenue to Zidisha when the cash is received rather than earned.

Program fees include:

	<b>December 31</b>	
	<b>2012</b>	<b>2011</b>
Borrower registration fees	\$ 10,388	\$ 1,527
Borrower service fees	8,891	1,925
Lender transaction fees	10,863	564
Totals	<u>\$ 30,142</u>	<u>\$ 4,016</u>

Source: Zidisha Audit Report 2012

Figure 6.6 Zidisha's Allocated Expenses in Fiscal Year 2012

### NOTE C- Allocation of Expenses

The costs of providing the various program and supporting services consist of:

	<b>December 31, 2012</b>	
	<b>Program</b>	<b>Management and general</b>
Bank fees	\$ 1,303	\$ -
Money transfer fees	11,417	-
Telephone, Telecommunications	1,745	-
Verification partner commission	3,271	-
Advertising	727	-
Health Insurance	4,602	511
Website maintenance	3,605	-
License and Fees		146
Amortization		3,766
Salary and Payroll Taxes	22,955	2,551
Other Expenses	2,130	
Totals	<u>\$ 51,755</u>	<u>\$ 6,974</u>

Source: Zidisha Audit Report 2012

Table 6.1 Zidisha Statistics on September 28, 2014

Loan money raised	\$2,322,541	
Loan projects funded	8,055	
Number of registered lenders	9,379	
Number of registered borrowers	6,110	
Countries represented by Zidisha members	141	
Average lender interest	5.4%	
		% of amount disbursed
Principal repaid	\$1,249,311	53.8%
Principal held by borrowers repaying on time (within 30-day threshold)	436,240	18.8%
Principal held by borrowers more than 30 days past due with scheduled repayments	\$166,229	7.2%
Principal that has been forgiven by lenders	\$15,055	0.6%
Principal that has been written off	\$455,703	19.6%

Source: Adapted from <https://zidisha.org/statistics>Table 6.2 Zidisha Total Loan Cost Calculation

①	Loan amount	\$100			
②	Repayment period (months)	2			
③	Interest rate (annual)	7.83%	⑤	Service fee (annual)	5.00%
④	Interest rate (monthly)	0.65%	⑥	Service fee (monthly)	0.42%
⑦	Lender interest (① * ② * ④)	\$1.31	⑧	Service fee (① * ② * ⑥)	\$0.83
	Total loan cost (⑦ + ⑧)	\$2.14			



Table 6.3 Zidisha Active Loan Statistics on April 8, 2014

Category	Principal outstanding	Percentage of total
Paying back on time	\$337,335	40.73%
Paying back on time (rescheduled)	\$116,999	14.13%
Paying back 31 - 90 days late	\$36,935	4.46%
Paying back 31 – 90 days late (rescheduled)	\$56,123	6.78%
Paying back 91 - 180 days late	\$45,302	5.47%
Paying back 91 - 180 days late (rescheduled)	\$87,723	10.59%
Paying back over 180 days late	\$82,597	9.97%
Paying back over 180 days late (rescheduled)	\$65,283	7.88%
<b>Total</b>	<b>\$828,297</b>	<b>100%</b>

Source: Adapted from <https://zidisha.org/statistics> (no longer published)

Table 6.4 Breakdown of Zidisha's Revenue and Expenses in Fiscal Year 2012

<b>REVENUES, GAINS, AND OTHER SUPPORT</b>		
<b>Unrestricted revenues and gains</b>		
Individual donations	\$ 83,104	54.6%
Expired gift cards converted to donations	\$ 1,150	0.8%
Program service fees	\$ 30,142	19.8%
Other income	\$ 194	0.1%
<b>Temporarily restricted revenues and gains</b>		
Individual donations	\$ 37,500	24.7%
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>\$ 152,090</b>	<b>100.0%</b>
<b>Expenses</b>		
Program services	\$ 51,755	88.1%
Supporting services		
Management and general	\$ 6,974	11.9%
<b>TOTAL EXPENSES</b>	<b>\$ 58,729</b>	<b>100.0%</b>

Table 6.5 Breakdown of Zidisha's Program Service Fees in Fiscal Year 2012

Borrower registration fees	\$ 10,388	34.5%
Borrower service fees	\$ 8,891	29.5%
Lender transaction fees	\$ 10,863	36.0%
<b>Totals</b>	<b>\$ 30,142</b>	<b>100.0%</b>

Table 6.6 Breakdown of Zidisha's Allocated Expenses in Fiscal Year 2012

	<b>Program</b>		<b>Management and General</b>	
Bank fees	\$ 1,303	2.5%	\$ -	
Money transfer fees	\$ 11,417	22.1%	\$ -	
Telephone, Telecommunications	\$ 1,745	3.4%	\$ -	
Verification partner commission	\$ 3,271	6.3%	\$ -	
Advertising	\$ 727	1.4%	\$ -	
Health Insurance	\$ 4,602	8.9%	\$ 511	7.3%
Website maintenance	\$ 3,605	7.0%	\$ -	
License and Fees			\$ 146	2.1%
Amortization			\$ 3,766	54.0%
Salary and Payroll Taxes	\$ 22,955	44.4%	\$ 2,551	36.6%
Other Expenses	\$ 2,130	4.1%	\$ -	
<b>Totals</b>	<b>\$ 51,755</b>	<b>100.0%</b>	<b>\$ 6,974</b>	<b>100.0%</b>

## **Chapter 7**

### **Conclusion**

In December 2012, the World Bank estimated that there are 2.5 billion people who are “unbanked” and without access to basic financial services, including 75% of the world’s poor and those living in rural areas (“New, Individual-Level Data on Financial Inclusion”). Many people who need credit but do not have access to formal sector financial services are at the mercy of informal moneylenders. Online microlending platforms like Kiva, Kiva Zip, and Zidisha have shown great promise in extending microcredit to these financially excluded populations. Although financial inclusion is not a miracle cure for poverty, it can be an important step toward poverty alleviation.

Appendix A-1 provides a summary comparison of Kiva, Kiva Zip, and Zidisha. Kiva partners with MFIs that have a social mission to serve the poor, unbanked, and underserved. Kiva loans help Field Partners reach communities and populations that may not otherwise be served because Field Partners do not pay interest to Kiva for the loans that they administer. Kiva claims that although the interest and fees charged by its Field Partners seem high, charging interest to borrowers enables Field Partners to bear costs and achieve self-sustainability. Since Field Partners serve communities in rural areas, operational costs are increased by the labor of distributing and collecting loan payments. However, Kiva has been criticized for being non-transparent. While Kiva acknowledges the limitations of Portfolio Yield, and even admits that this statistic underestimates the

true cost to the borrower, Kiva still does not state the actual interest rates charged for loans disbursed to borrowers by its Field Partners.

Kiva Zip aims to expand access to capital for entrepreneurs that have been excluded from traditional financial services. Kiva Zip has tested the trustee endorsement model as a form of social underwriting, in which borrowers enlist Trustees to vouch for their business and character, to provide microloans to small businesses that MFIs often deem too risky. Daniel Jung, a Program Manager at Kiva Zip, states that “developing a scalable, effective method of social underwriting opens enormous possibilities for not only growing Kiva Zip but also changing how the world thinks about creditworthiness” (Jung, “Borrower and Trustee Selection”). However, Kiva Zip cannot be considered sustainable until it no longer relies on subsidies and donations to cover its costs.

Muhammad Yunus classifies Grameen Bank as a social business and attributes its success to being sustainable:

A social-objective-driven project that charges a price or fee for its products or services but cannot cover its costs fully does not qualify as a social business. As long as it has to rely on subsidies and donations to cover its losses, such an organization remains in the category of a charity. But once such a project achieves full cost recovery, on a sustained basis, it graduates into another world—the world of business. Only then can it be called a social business (Yunus 30).

Thus, according to Yunus, an organization like Kiva Zip is a charity and cannot qualify as a social business until it achieves full cost recovery on a sustained basis.

Zidisha aims to improve access to affordable business financing for disadvantaged entrepreneurs, while making available information on borrowers’ businesses and credit histories to allow each lender to choose which entrepreneurs to fund. By referring back to Equation 2.1, which shows the four components of interest income from loans (cost of

funds, loan loss expense, operating expense, and profit), we can see how the direct person-to-person microlending model significantly reduces the cost of loans. For example, the cost of funds on Zidisha is lower than that of many MFIs because funds are raised by lenders who are allowed to charge as low as 0% interest and no more than 15% interest. In addition, Zidisha has much lower operating expenses than traditional MFIs because Zidisha does not have any offices and does not employ any paid staff in borrower countries. Instead, Zidisha provides all of its services over the Internet, thus lowering the cost of microlending. Finally, the profit component of loans is limited because Zidisha is a nonprofit organization that does not charge interest to borrowers, but does charge a service fee for each loan and a one-time borrower registration fee to cover its operating expenses.

A challenge posed to scalability for Kiva, Kiva Zip, and Zidisha is their significant reliance on volunteers. Kiva relies on a worldwide network of over 450 volunteers who work with Field Partners, edit and translate borrower stories, and ensure the smooth operation of other Kiva programs (“About Us”). Since Kiva Zip is part of Kiva, it is run by Kiva volunteers. The Zidisha community has 71 active volunteers as of October 20, 2014 (based on an internal listing of active staff). Volunteers and interns conduct most of Zidisha’s day-to-day operations, including application review, loan payment processing, data entry, email support, accounting, and web development. The volunteer staff includes part-time volunteers who work remotely from their home locations worldwide, and full-time volunteers who travel to countries where Zidisha has lending programs and work directly with borrowers.

The person-to-person microlending model has the potential to revolutionize financial services to the working poor and help establish and expand millions of small businesses across the globe. Innovations in technology can lower operating costs, cut interest rates, and offer direct communication between lenders and borrowers. In addition, direct person-to-person microlending provides more transparency on the true cost to the borrower than partner-facilitated lending. However, the direct microlending model is experimental and highly risky. High delinquency and default rates, in addition to complete reliance on volunteers, pose significant challenges that must be overcome in order to achieve sustainability and scalability.

Promising topics for future research include: What are actions that the management of online microlending platforms can take to strengthen their financial performance, grow their loan portfolios, and make loans more affordable to borrowers? What are the techniques that traditional MFIs use to reduce their operating costs, and what can innovative microlending models learn from them to improve their operating efficiency? What kind of borrowers might be excluded or harmed by high interest rates charged by MFIs? Can microlending models find a way to lower the inherent volatility associated with financial performance in the microfinance industry? How can these models gain the support of governments, the World Bank, and the International Monetary Fund?

## Appendix A

### Comparisons and Benchmarks

#### Appendix A-1 Summary Comparison of Kiva, Kiva Zip, and Zidisha

	<b>Kiva</b>	<b>Kiva Zip</b>	<b>Zidisha</b>
Microlending Model	Partner-Facilitated	Trustee Endorsement	Direct Person-to-Person
Total Amount Loaned	\$615,978,975	\$4,563,556	\$2,322,541
Number of Loans Funded	774,099	4,838	8,055
Number of Lenders	1,223,715	33,109	9,379
Number of Borrowers	1,426,752	N/A	6,110
Average Cost to Borrower	33.26% Portfolio Yield	0% interest rate	10.4% interest rate (5.4% lender interest + 5% service fee)
Repayment Rate	98.81%	89.5%	72.5% repaid/repaying on time, 7.2% repaying late, 0.6% forgiven, 19.6% written off
Breakdown of Revenues	99.5% contributions, gifts, and grants, 0.5% other revenue	N/A	79.3% individual donations, 19.8% program service fees, 0.8% expired gift cards converted to donations, 0.1% other income
Breakdown of Expenses	82.7% program expenses, 12.3% administrative expenses, 5% fundraising expenses	N/A	88.1% program services, 11.9% supporting services

Appendix A-2 MIX Market Data on MFIs for Fiscal Year 2013

	<b>Return on Assets</b>	<b>Yield on Gross Portfolio (nominal)</b>	<b>Write-Off Ratio</b>	<b>Loan Loss Rate</b>
Average	1.12%	33.64%	2.90%	1.89%

Appendix A-3 MIX Market Data on MFIs Grouped by Country for Fiscal Year 2012

<b>Country</b>	<b>MFIs (count)</b>	<b>Return on Assets (median)</b>	<b>Yield on Gross Portfolio (nominal) (median)</b>	<b>Average Loan Balance per Borrower / GNI per Capita (median)</b>
Afghanistan	6	-15.67%	40.22%	166.93%
Albania	5	-3.29%	28.24%	49.74%
Argentina	12	-1.04%	63.62%	8.29%
Armenia	11	2.84%	21.00%	43.39%
Azerbaijan	28	5.26%	28.66%	26.19%
Bangladesh	28	2.35%	22.95%	21.17%
Belize	1	6.10%	11.96%	
Benin	26	2.64%	23.83%	64.76%
Bhutan	1	3.68%	12.98%	160.67%
Bolivia	21	1.51%	20.15%	91.16%
Bosnia and Herzegovina	11	2.18%	20.59%	26.71%
Brazil	26	7.49%	44.47%	9.68%
Bulgaria	9	1.54%	20.22%	67.73%
Burkina Faso	24	-1.62%	18.42%	71.42%
Burundi	18	3.30%	26.35%	191.54%
Cambodia	16	4.32%	30.37%	55.45%
Cameroon	10	0.23%	13.59%	152.86%
Chad	2	3.31%	26.49%	72.96%
Chile	3	-2.04%	18.45%	9.23%
China, People's Republic of	43	0.82%	13.42%	21.91%
Colombia	27	5.07%	31.94%	26.28%
Congo, Democratic Republic of the	13	1.07%	46.20%	155.53%
Congo, Republic of the	2	1.09%	41.58%	105.74%
Costa Rica	12	0.50%	23.14%	33.32%
Cote d'Ivoire (Ivory Coast)	16	-2.96%	26.77%	108.85%
Dominican Republic	13	1.09%	41.12%	8.74%
East Timor	2	3.33%	34.87%	18.45%
Ecuador	44	1.63%	19.98%	59.04%
Egypt	8	9.33%	33.67%	7.19%
El Salvador	12	1.16%	30.03%	36.79%




Ethiopia	22	6.52%	30.86%	40.98%
Fiji	1	-76.01%	47.26%	5.86%
Gambia, The	2	5.07%	30.29%	639.17%
Georgia	13	5.08%	37.44%	81.43%
Ghana	11	0.33%	55.04%	14.29%
Grenada	1	1.21%	10.20%	
Guatemala	17	4.36%	30.56%	18.35%
Guinea	2			44.01%
Guyana	1	8.25%	23.56%	
Haiti	5	2.53%	47.55%	96.08%
Honduras	24	2.38%	35.37%	45.23%
India	93	1.18%	22.46%	10.61%
Indonesia	7	1.63%	41.05%	3.33%
Iraq	7	12.88%	27.49%	49.66%
Jamaica	5	-0.39%	19.81%	13.76%
Jordan	7	5.30%	32.32%	14.12%
Kazakhstan	13	6.07%	33.60%	49.46%
Kenya	23	0.93%	36.63%	58.36%
Kosovo	8	-3.38%	20.86%	48.24%
Kyrgyzstan	14	3.39%	34.13%	79.21%
Laos	16	0.00%	42.67%	49.81%
Lebanon	3	5.09%	28.33%	12.80%
Liberia	2	-9.57%	56.76%	55.64%
Macedonia	4	0.42%	15.43%	28.52%
Madagascar	6	1.36%	42.28%	137.21%
Malawi	4	-12.44%	75.63%	24.06%
Mali	2	-1.43%	24.38%	25.33%
Mexico	60	0.96%	73.65%	3.72%
Moldova	3	0.70%	19.77%	81.99%
Mongolia	8	5.10%	35.73%	220.93%
Montenegro	2	4.76%	25.34%	24.42%
Morocco	7	2.76%	32.07%	12.69%
Mozambique	5	-4.03%	62.79%	79.61%
Namibia	1	-43.48%	35.12%	6.14%
Nepal	25	2.73%	21.65%	42.16%
Nicaragua	21	0.89%	25.92%	56.00%
Niger	7	-13.51%	20.38%	76.19%
Nigeria	15	9.53%	38.13%	43.92%
Pakistan	23	1.57%	31.72%	12.12%
Palestine	4	1.33%	30.09%	67.90%
Panama	5	3.00%	29.04%	42.15%

Papua New Guinea	1	0.35%	31.86%	385.98%
Paraguay	6	2.27%	24.33%	36.78%
Peru	53	1.26%	29.35%	48.45%
Philippines	23	0.00%	46.45%	8.90%
Poland	1	1.34%	16.95%	86.74%
Romania	4	1.23%	20.64%	64.36%
Russia	24	0.37%	12.58%	36.43%
Rwanda	25	1.94%	30.90%	90.26%
Saint Lucia	1			59.86%
Samoa	1	2.26%	50.74%	11.55%
Senegal	25	-0.33%	22.73%	65.62%
Serbia	4	1.61%	10.27%	21.15%
Sierra Leone	2	-10.48%	43.97%	44.82%
South Africa	3	15.04%	165.92%	10.01%
South Sudan	4	3.86%	38.85%	30.31%
Sri Lanka	14	1.11%	21.15%	5.06%
Suriname	2	-0.52%	15.45%	47.18%
Swaziland	1	1.35%	19.23%	
Syria	2	-86.33%	33.62%	12.88%
Tajikistan	34	4.05%	35.21%	118.65%
Tanzania	10	1.51%	42.15%	103.10%
Togo	21	2.17%	21.62%	123.90%
Tonga	1	7.26%	44.05%	13.90%
Trinidad and Tobago	1			17.41%
Tunisia	1	2.42%	20.21%	9.09%
Turkey	1	4.04%	0.01%	3.76%
Uganda	10	2.15%	56.73%	69.81%
Ukraine	2	4.09%	41.09%	45.20%
Uzbekistan	6	8.55%	43.41%	95.19%
Vietnam	36	7.17%	22.43%	13.19%
Yemen	1	13.32%	39.40%	17.99%
Zambia	4	-11.24%	73.78%	14.10%
Zimbabwe	1	11.77%	59.19%	157.67%



## Appendix B

### Snapshots of Kiva, Kiva Zip, and Zidisha

#### Appendix B-1 Kiva: My Loan Portfolio







[Lend](#)
[Zip](#)
[About](#)
[Teams](#)
[Updates](#)

 Sherry
 

[GIFTS](#)
[MY BASKET](#)

# Portfolio

[Portfolio](#) | 
[Settings](#) | 
[My Campaigns](#)
[My Teams](#)
[Messages](#) | 



## Sherry Wang

[Invite a friend.](#)  
[See your bonus history.](#)

**\$6.94** OUTSTANDING LOANS  
\*includes promotional credit

**\$0.00** AVAILABLE KIVA CREDIT

[Add credit](#)

[Find a Loan](#)

Last sign-in: Sat. Oct 18, 2014 at 3:55 PM PT

[TOTAL DEPOSITS](#)

**\$27.61**

**\$50.00**

[TOTAL AMOUNT LENT](#)

Loans 45th %

**2**

[TOTAL LOANS](#)

Invites

**0**

[LOANS BY INVITEES](#)

[Invite a friend »](#)

Donations

**\$0.00**

[Details »](#)

[AVG PER \\$25 LOAN](#)


Countries


**2 of 80**

[Details »](#)

[KIVA COUNTRIES](#)

Teams

 Penn State University  
\$0

 LOTUS: Lend Out To...  
\$0

[Join another team!](#)

[MOST LOANS ATTRIBUTED](#)

## Appendix B-2 Kiva: My Credit Summary

### Kiva Credit Summary

---

Please note, summary data may be up to one hour old.

Type	Amount
<b>Credits</b>	
Deposits	\$27.61
Kivapool Matches	\$25.00
Loan Repayments	\$43.06
<b>Total Credits</b>	<b>\$95.67</b>
<b>Debits</b>	
Gift Purchases	(\$25.00)
Kivapool Repayments	(\$18.06)
Loan Purchases	(\$50.00)
Loan Repayment Currency Losses	(\$2.61)
<b>Total Debits</b>	<b>(\$95.67)</b>
<b>Available Kiva Credit</b>	<b>\$0.00</b>

### Appendix B-3 Kiva: My Loan Statistics

#### My Loan Statistics

	Me	Average Kiva User
Total Amount Lent	\$50.00	\$340.42
Total Amount Repaid	\$40.45	\$283.75
Total Amount Lost	\$2.61	\$3.22
Total Amount Refunded and Expired	\$0.00	\$10.74
Outstanding Portfolio	\$6.94	\$41.94
<input type="checkbox"/> Delinquency Rate	99.99%	4.21%
Amount In Arrears	\$6.94	\$1.76
Outstanding Portfolio	\$6.94	\$41.94
Number of Loans Delinquent	1	0.01
<input type="checkbox"/> Default Rate	0.00%	1.11%
Amount of Ended Loans Defaulted	\$0.00	\$2.93
Amount of Ended Loans	\$25.00	\$263.99
<input type="checkbox"/> Currency Exchange Loss Rate	5.22%	0.08%
Amount of Currency Exchange Loss	\$2.61	\$0.29

\*Updated as of Oct 18, 2014 12:10 am






#### My Loans by Status

All	Fundraising	Funded	Paying Back	Paid Back	Ended With Loss	Refunded	Expired
2	0	0	1	0	1	0	0
			(1 Delinquent)				

## Appendix B-4 Kiva: My Loans


### My Loans Sorted by date posted on Kiva

2 loans

<div>  Search by borrower name, ID, partner, or country         </div> <div>           Status: <span>All loans</span> <span>Clear filters</span> <span>Export</span> <span>Advanced</span> </div>							
Loan	Country/Partner	Loan Amount	Loan Term	You Loaned	Paid Back or Amount Raised	Team	Status
 Sainbayar (#519530) Higher education costs	 Mongolia XacBank	\$2,175.00	27 months	\$25.00 Jan 20, 2013	\$22.39 \$22.39 repaid to you		Ended with Loss - Currency Exchange Loss
 Ermes Sandro (#512400) Electrician	 Bolivia CIDRE	\$1,500.00 (\$416.33 in arrears)	21 months	\$25.00 Jan 20, 2013  \$25 bonus	\$18.06 \$18.06 repaid to Kiva (\$6.94 in arrears)		Paying Back (Delinquent)

## Appendix B-5 Kiva: Loan Repayment Schedule

Sainbayar ★

 Selenge, Mongolia Education | Higher education costs

LOAN OVERVIEW

REPAYMENT SCHEDULE

LOAN UPDATES 1

LENDER COMMENTS

Hide Advanced

	Expected Repayments		Actual Repayments		Comments
April 2013					✓ Repayment Received
From Borrower to Field Partner	Feb 4, 2013	125,780.71 MNT	Feb 27, 2013	125,780.71 MNT	
From Field Partner to Lenders	Apr 2013	\$90.63	Apr 2013	\$90.63	
May 2013					✓ Repayment Received
From Borrower to Field Partner	Mar 4, 2013	125,780.71 MNT	Mar 31, 2013	125,906.49 MNT	
From Field Partner to Lenders	May 2013	\$90.62	May 2013	\$90.72	
June 2013					✓ Repayment Received
From Borrower to Field Partner	Apr 4, 2013	125,780.70 MNT	Apr 30, 2013	125,846.53 MNT	
From Field Partner to Lenders	Jun 2013	\$90.63	Jun 2013	\$90.67	
July 2013					✓ Repayment Received
From Borrower to Field Partner	May 6, 2013	125,780.71 MNT	May 31, 2013	125,785.31 MNT	
From Field Partner to Lenders	Jul 2013	\$90.62	Jul 2013	\$90.63	
August 2013					✓ Repayment Received
From Borrower to Field Partner	Jun 4, 2013	125,780.71 MNT	Jun 30, 2013	125,910.76 MNT	
From Field Partner to Lenders	Aug 2013	\$90.63	Aug 2013	\$90.72	
September 2013					✓ Currency Exchange Loss
From Borrower to Field Partner	Jul 4, 2013	125,780.71 MNT	Jul 31, 2013	125,850.93 MNT	
From Field Partner to Lenders	Sep 2013	\$90.62	Sep 2013	\$88.32	\$2.36 lost to currency devaluation <a href="#">more »</a>
October 2013					✓ Currency Exchange Loss
From Borrower to Field Partner	Aug 5, 2013	125,780.71 MNT	Aug 31, 2013	125,482.43 MNT	
From Field Partner to Lenders	Oct 2013	\$90.63	Oct 2013	\$81.10	\$9.31 lost to currency devaluation <a href="#">more »</a>

### Appendix B-6 Kiva Zip: My Funds

My Funds	
Available Kiva Zip Credit	\$0.00
<a href="#">Available Kiva Credit</a>	\$0.00
Total Amount Lent	\$5.00
Total Amount Outstanding	\$5.00
Total Repaid	\$0.00
Currency Loss	\$0.00
Roundup Refund	\$0.00
Deposits/Kiva Transfers	\$5.00
<a href="#">Withdraw</a>	
<a href="#">View All Lender Transactions</a>	
<a href="#">Transfer Funds</a>	

### Appendix B-7 Kiva Zip: My Loans

## My 1 Loan

Business	Total Loan Amount	Loan Term	Amount Lent	Amount Returned	Currency Exchange Loss	Status
 <p>Justin The Southern Gour... Little Rock, AR</p> <p>0% Repaid</p>	\$10,000	24 monthly payments	\$5.00	\$0.00		Paying Back



### Appendix B-8 Kiva Zip: Loan Repayments

Justin

The Southern Gourmasian

Little Rock, AR

OVERVIEW

ENDORSEMENT

REPAYMENTS

LENDERS 294

CONVERSATIONS 13

Total Amount Due	Amount Paid	Due From Borrower	Status
\$416.66	\$0.00	Dec 1, 2014	Not Paid
\$416.66	\$0.00	Jan 1, 2015	Not Paid
\$416.66	\$0.00	Feb 1, 2015	Not Paid
\$416.66	\$0.00	Mar 1, 2015	Not Paid
\$416.66	\$0.00	Apr 1, 2015	Not Paid
\$416.66	\$0.00	May 1, 2015	Not Paid
\$416.66	\$0.00	Jun 1, 2015	Not Paid
\$416.66	\$0.00	Jul 1, 2015	Not Paid
\$416.66	\$0.00	Aug 1, 2015	Not Paid
\$416.66	\$0.00	Sep 1, 2015	Not Paid
\$416.66	\$0.00	Oct 1, 2015	Not Paid
\$416.66	\$0.00	Nov 1, 2015	Not Paid
\$416.66	\$0.00	Dec 1, 2015	Not Paid
\$416.66	\$0.00	Jan 1, 2016	Not Paid
\$416.66	\$0.00	Feb 1, 2016	Not Paid
\$416.66	\$0.00	Mar 1, 2016	Not Paid
\$416.66	\$0.00	Apr 1, 2016	Not Paid
\$416.66	\$0.00	May 1, 2016	Not Paid
\$416.66	\$0.00	Jun 1, 2016	Not Paid
\$416.66	\$0.00	Jul 1, 2016	Not Paid
\$416.66	\$0.00	Aug 1, 2016	Not Paid
\$416.66	\$0.00	Sep 1, 2016	Not Paid
\$416.66	\$0.00	Oct 1, 2016	Not Paid
\$416.82	\$0.00	Nov 1, 2016	Not Paid

Appendix B-9 Kiva Zip: Endorsement

# Justin

## The Southern Gourmasian

Little Rock, AR

OVERVIEW

ENDORSEMENT

REPAYMENTS

LENDERS

248

CONVERSATIONS

8

Justin's loan is endorsed by [Central Arkansas New Agrarian Society \(CANAS\)](#). The information below explains why his trustee thinks Justin is a great candidate for a Kiva Zip loan.

**How long have you known this person?**

1 year - 3 years

**Tell us about your relationship with this borrower.**

Justin's food truck, the Southern Gourmasian, was one of the first food trucks that really opened up the hearts and minds of eaters throughout the city of Little Rock. And it's not because of the high quality food they produce. Justin's hard work and passion is why we love SG, and also why we want to endorse his expansion!

**Tell us about this borrower's personality and character, and why you are endorsing him or her for a Kiva Zip loan.**

In a scene where there wasn't quality, gourmet food trucks. Justin and his crew filled the void and blew everyone's minds with his steam buns and quality, produce heavy food. We trust that Justin's new brick and mortar will be heavily sourcing local foods. It's guys like Justin that we can rely on to source what foods we sustainability produce, and trust that he'll relay the message to his consumers.

**Tell us about this borrower's business, and why you believe a Kiva Zip loan will contribute to his or her success.**

Southern Gourmasian is easily one of the top food trucks (and most popular) in the city, hence the Brick and Mortar expansion they have planned for downtown should be a hit! We know that the restaurant will be very successful. We've seen successful pop-up events at area breweries and farms and have full confidence that this restaurant will be a hit!

Appendix B-10 Zidisha: My Loans**Your Loans****Lending Totals**

Funds uploaded: ⓘ \$25.88

Number of loans made: 5


Total amount lent: \$75.26

**Current Status**




Loans outstanding: ⓘ \$26.77

Lending credit available: ⓘ \$0.86



Appendix B-11 Zidisha: Fundraising Loans**Fundraising Loans**

Entrepreneur	Project	Date Funded	Amount Lent	Fundraising Progress		
	Abraham Bako	Nov 14, 2014	\$4.00 1% interest	<div> <div></div> </div>		
	Burkina Faso			90%	\$10	11
				Funded	Still Needed	Days Left
<b>Total</b>		1 Project	\$4.00 Lent			

### Appendix B-12 Zidisha: Active Loans

Active Loans						
Entrepreneur	Project	Date Funded	Amount Lent	Amount Repaid ⓘ	Amount Outstanding ⓘ	
 Grace Wairimu Kenya	<a href="#">Inventory of daily feeds to my four dairy cows</a>	Oct 21, 2014	\$6.00 3% interest	\$1.33	\$4.68	
					Repaying On Time	
 Naomi Ngetich Kenya	<a href="#">Buy one more dairy cow @ a cost of \$480</a>	Aug 1, 2014	\$11.47 4% interest	\$0.54	\$10.99	
					Repaying Late	
 Dickson Karuri Kenya	<a href="#">Transportation</a>	Feb 26, 2014	\$19.90 5% interest	\$13.34	\$7.10	
					Repaying On Time	
<b>Total</b>		3 Projects	\$37.37 Lent	\$15.20 Repaid	\$22.77 Outstanding	

### Appendix B-13 Zidisha: Completed Loans

Completed Loans					
Entrepreneur	Project	Date Funded	Amount Lent	Amount Repaid ⓘ	Net Change in Loan Fund Value ⓘ
 Antony Kihika Kenya		Nov 22, 2013	\$8.89 5% interest	\$9.06 <a href="#">Leave Feedback</a>	\$0.17
 Hannah Nduta Kenya		Jan 26, 2013	\$25.00 4% interest	\$26.86 <a href="#">Leave Feedback</a>	\$1.86
<b>Total</b>		2 Projects	\$33.89 Lent	\$35.92 Repaid	\$2.03 Net Change in Loan Fund Value

**Appendix B-14 Zidisha: Loan Repayment Schedule**

Summary	Amount Repaid: <b>\$448.90</b> Amount Remaining: <b>\$0.00</b>	Status: <b>Fully Repaid</b> Date Repaid: <b>Oct 19, 2014</b>
---------	---	---

Repayment  
History

**Expected Payments**

**Actual Payments**

Jan 1, 2014	\$40.81	Dec 27, 2013	\$40.81
Feb 1, 2014	\$40.81	Dec 27, 2013	\$6.94
		Jan 24, 2014	\$33.87
Mar 1, 2014	\$40.81	Jan 24, 2014	\$13.28
		Feb 24, 2014	\$27.53
Apr 2, 2014	\$40.81	Feb 24, 2014	\$40.81
May 2, 2014	\$40.81	Feb 24, 2014	\$15.82
		Mar 29, 2014	\$24.99
Jun 2, 2014	\$40.81	Mar 29, 2014	\$34.70
		Jun 2, 2014	\$6.11
Jul 2, 2014	\$40.81	Jun 2, 2014	\$18.96
		Jul 2, 2014	\$10.15
		Aug 1, 2014	\$11.71
Aug 2, 2014	\$40.81	Aug 1, 2014	\$3.81
		Aug 26, 2014	\$10.74
		Sep 3, 2014	\$23.87
		Oct 6, 2014	\$2.38
Sep 2, 2014	\$40.81	Oct 6, 2014	\$11.95
		Oct 19, 2014	\$28.86
Oct 2, 2014	\$40.81	Oct 19, 2014	\$40.81
Nov 2, 2014	\$40.81	Oct 19, 2014	\$40.81

## Appendix C

### Kiva Field Partners

#### Appendix C-1 Repayment Performance on Kiva (Part 1)

Kiva ID	Field Partner Name	Countries	Total Amount Raised	Loans Posted
Average			\$1,892,079	2,254
9	KREDIT Ltd.	Cambodia	\$8,720,850	10,812
15	South Pacific Business Development (SPBD)	Samoa	\$5,691,375	8,961
23	Hluvuku-Adsema	Mozambique	\$1,834,425	3,105
26	HOPE Ukraine, a HOPE International institution	Ukraine	\$5,380,750	4,004
30	Komak Credit Union	Azerbaijan	\$4,472,200	2,777
40	Grounded and Holistic Approach for People's Empowerment (GHAPE)	Cameroon	\$568,750	1,112
42	Credit Mongol	Mongolia	\$4,355,200	2,301
44	Esperanza International Dominican Republic, a partner of HOPE International	Dominican Republic,	\$7,368,850	3,195
48	IMPRO	Haiti	\$2,982,425	4,561
55	Friendship Bridge	Bolivia	\$1,440,475	519
56	Aqroinvest Credit Union	Guatemala	\$5,489,200	3,720
57	Salone Microfinance Trust (SMT), a partner of ChildFund International	Azerbaijan	\$4,083,575	4,532
58	Fundación Paraguaya	Sierra Leone	\$23,686,800	12,647
59	Fundación Pro Mujer	Paraguay	\$8,460,650	2,859
61	MAXIMA Mikroheranhvatho	Bolivia	\$3,719,875	5,266
62	Patan Business and Professional Women	Cambodia	\$391,800	1,428
63	MLO Humo and Partners	Nepal	\$7,442,900	7,505
65	BRAC Uganda	Tajikistan	\$5,065,175	6,316
74	CEPRODEL	Uganda	\$4,064,500	8,213
77	Al Majmoua Lebanese Association for Development	Nicaragua	\$7,604,600	5,390
78	Soro Yiriwaso, a partner of Save the Children	Lebanon	\$7,831,625	8,477
80	Palestine for Credit & Development (FATEN)	Mali	\$6,120,800	3,930
81	Apoyo Integral	Palestine	\$6,982,000	12,016
		El Salvador		

82	Koperasi Mitra Usaha Kecil (MUK)	Indonesia	\$1,812,175	1,962
85	SEDA	Vietnam	\$2,162,175	2,656
87	Tujijenge Tanzania Ltd	Tanzania	\$8,733,750	3,009
93	EDAPROSPO	Peru	\$7,773,325	3,897
96	León 2000 IMF	Nicaragua	\$4,612,875	7,476
97	FAPE	Guatemala	\$1,660,150	2,174
98	AFODENIC	Nicaragua	\$5,400,250	8,734
100	CSC MDO "IMON International"	Tajikistan	\$11,408,050	10,010
104	Alidé	Benin	\$3,361,950	5,491
105	CAURIE Microfinance, a partner of Catholic Relief Services	Senegal	\$6,894,750	3,627
106	Hattha Kaksekar Limited (HKL), a partner of Save the Children	Cambodia, Thailand	\$6,078,250	9,854
108	UIMCEC, a partner of ChildFund International	Senegal	\$3,046,450	4,910
110	Emprender	Bolivia	\$6,053,175	5,360
111	Women and Associations for Gain both Economic and Social (WAGES)	Togo	\$4,242,925	5,562
112	Micro Credit for Development and Transformation SACCO (MCDT SACCO)	Uganda	\$1,901,375	5,097
113	Asociación ASDIR	Guatemala	\$2,805,950	2,252
115	Vitas. s.a.l.	Lebanon	\$4,748,375	3,855
116	XacBank	Mongolia	\$8,576,775	6,202
117	Vision Finance Company s.a. (VFC), a partner of World Vision International	Rwanda	\$2,884,000	3,126
118	Prisma Honduras, S.A.	Honduras	\$2,519,850	3,920
119	Asociación Arariwa	Peru	\$12,246,850	13,294
120	ADIM (Asociación Alternativa Para el Desarrollo Integral de las Mujeres)	Nicaragua	\$2,950,975	3,482
121	Thanh Hoa Fund for Poor Women (FPW)	Vietnam	\$3,052,325	2,281
122	Ryada	Palestine	\$1,866,700	924
123	Alalay sa Kaunlaran, Inc. (ASKI)	Philippines	\$7,923,025	18,864
125	Community Economic Ventures, Inc. (CEVI), a partner of VisionFund International	Philippines	\$3,009,200	13,067
126	Paglaum Multi-Purpose Cooperative (PMPC)	Philippines	\$4,493,600	12,742
127	EDESA	Costa Rica	\$1,158,900	1,001
129	Tanaoba Lais Manekat Foundation (TLM)	Indonesia	\$611,575	875
130	VisionFund Mexico	Mexico	\$6,526,925	3,215
131	Accion East	United States	\$3,026,975	707
133	VisionFund Kenya	Kenya	\$8,957,425	20,069
136	Gata Daku Multi-purpose Cooperative (GDMPC)	Philippines	\$4,123,750	13,885
137	Fundación ESPOIR	Ecuador	\$9,343,000	7,144

138	SMEP Microfinance Bank	Kenya	\$2,777,800	7,834
139	Caja Rural Señor de Luren	Peru	\$3,328,900	5,966
140	CIDRE	Bolivia	\$2,257,300	1,934
143	Edpyme Alternativa Center for Community Transformation Credit Cooperative, a partner of HOPE	Peru	\$3,852,800	7,176
144	International Negros Women for Tomorrow Foundation,	Philippines	\$4,032,600	8,081
145	Inc. (NWTF) Nor Horizon Universal Credit Organization	Philippines	\$15,050,650	39,419
146	Limited Liability Company	Armenia	\$3,058,625	1,892
148	Association for Rural Development (ARD)	Sierra Leone	\$2,624,325	3,194
150	FUDECOSUR	Costa Rica	\$1,209,825	1,533
151	Fundacion Mujer	Costa Rica	\$1,136,875	706
154	Fundación Mario Santo Domingo (FMSD)	Colombia	\$3,041,075	4,038
156	Juhudi Kilimo	Kenya	\$3,129,500	6,047
159	Cooperativa San Jose	Ecuador	\$3,422,675	4,291
160	Hekima, a partner of World Relief Urwego Opportunity Bank, a partner of Opportunity International and HOPE	The Democratic Republic of the Congo	\$6,069,475	1,307
161	International Turame Community Finance, a partner of	Rwanda	\$5,402,025	5,861
162	World Relief and HOPE International HOFOKAM Ltd., a partner of Catholic Relief	Burundi	\$3,301,775	1,141
163	Services	Uganda	\$5,201,875	7,811
164	Yehu Microfinance Trust HOPE Congo S.A., a HOPE International	Kenya	\$5,305,575	14,343
165	institution CHF International Access to Credit Services	Congo	\$1,887,025	890
166	Initiatives (ACSI) Iraq	Iraq	\$3,936,325	1,687
167	PADECOMSM	El Salvador	\$4,845,925	9,186
169	SEF International	Armenia	\$5,755,400	2,939
170	Amasezerano Community Banking S.A.	Rwanda	\$1,528,175	1,268
171	Bai Tushum Bank CJSC Capital Aid Fund for Employment of the	Kyrgyzstan	\$5,015,475	3,327
172	Poor (CEP)	Vietnam	\$2,200,925	2,795
173	Accion Texas Inc. Koret Israel Economic Development Funds	United States	\$1,931,775	412
175	(KIEDF)	Israel	\$1,031,900	308
176	MiCredito	Nicaragua	\$1,736,650	2,799
177	Interactuar	Colombia	\$5,565,825	6,601
181	LLC Micro Finance Organization Credo BRAC Liberia Microfinance Company	Georgia	\$5,372,875	3,961
182	Limited	Liberia	\$1,987,450	6,734



	BRAC Sierra Leone Microfinance Company			
183	Limited	Sierra Leone	\$1,383,775	3,690
184	MicroKing Finance	Zimbabwe	\$1,936,125	1,228
185	National Microfinance Bank	Jordan	\$3,935,950	3,694
187	Micro Start/AFD FODEMI, a partner of World Vision	Burkina Faso	\$885,500	859
188	International	Ecuador	\$1,179,250	1,099
190	Fundacion Alternativa	Ecuador	\$771,775	743
198	Maya	Turkey	\$135,825	235
199	CrediCampo	El Salvador	\$3,619,575	5,135
200	ASI Federal Credit Union Organizacion de Desarrollo Empresarial	United States	\$372,500	59
201	Femenino (ODEF)	Honduras	\$1,856,125	2,683
202	One Acre Fund	Kenya	\$2,630,425	2,573
204	VisionFund Cambodia	Cambodia, Thailand	\$6,209,700	9,157
205	Al-Amal Microfinance Bank	Yemen	\$2,360,725	2,834
206	Finance South Sudan Limited	South Sudan	\$476,575	697
207	VisionFund AzerCredit LLC	Azerbaijan	\$598,150	404
210	Zoona	Zambia	\$529,725	258
211	Maharishi Education for Invincibility Trust	South Africa Uganda, Kenya, Tanzania, Cambodia, India, Botswana, Malawi, Namibia, Nigeria, Papua New Guinea, Peru, Rwanda,	\$318,950	162
212	Barefoot Power	South Africa	\$554,350	26
213	BrazAfric	Kenya	\$12,925	10
214	Fenix International	Uganda	\$9,075	2
215	MDO Arvand, LLC	Tajikistan	\$1,320,475	1,404
216	Relief International Microfinance Iraq	Iraq	\$1,245,800	307
217	ACEP Cameroun	Cameroon	\$524,300	1,415
218	Strathmore University	Kenya	\$521,175	66
219	PT Rekan Usaha Mikro Anda (Ruma)	Indonesia	\$303,925	552
222	UGAFODE Microfinance Limited	Uganda Mexico, Benin, Brazil, El Salvador, Ghana, Guatemala, Indonesia, Peru, Thailand, United	\$2,373,425	2,326
225	Novica	States	\$533,300	451
226	Sistema Biobolsa	Mexico	\$252,750	197
227	Agro Capital Management LLC Valley Economic Development Center, Inc.	Ukraine	\$329,025	140
228	(VEDC)	United States	\$581,875	104

229	Entrepreneurs du Monde	Burkina Faso	\$12,400	19
230	Nirdhan Utthan Bank Limited (NUBL)	Nepal	\$21,775	40
231	ID Ghana	Ghana	\$1,397,975	1,171
237	Colfuturo	Colombia	\$31,450	32
238	WSDS-Initiate	India	\$512,750	311
239	VisionFund Albania	Albania	\$1,665,525	1,220
240	KosInvest	Kosovo	\$1,361,875	939
241	People's Forum	India	\$1,264,700	700
242	Mahashakti Foundation	India	\$608,850	332
243	Tuba Rai Metin	Timor-Leste	\$1,164,100	1,310
245	Kashf Foundation	Pakistan	\$2,119,025	6,171
246	ADICLA	Guatemala	\$737,625	696
247	BRAC Pakistan	Pakistan	\$2,372,175	4,267
249	Accion San Diego	United States	\$694,675	123
253	Yayasan Sosial Bina Sejahtera	Indonesia	\$314,675	222
255	Solar Sister	Uganda	\$3,650	12
257	Visionary Empowerment Programme	Kenya	\$162,750	84
258	Sanergy	Kenya	\$104,025	166
259	Grameen Foundation AppLab	Uganda, Kenya	\$170,050	644
260	EarthSpark International	Haiti	\$147,425	360
261	AgDevCo	Mozambique	\$18,475	5
262	Junior Achievement Kenya	Kenya	\$3,800	7
263	Nazava Water Filters	Indonesia	\$40,575	22
265	Latino Economic Development Center Fresno Community Development Financial	United States	\$290,775	43
266	Institution	United States	\$70,600	14
267	Working Solutions	United States	\$20,000	3
268	Pacific Asian Consortium in Employment	United States	\$68,450	10
269	COMIXMUL	Honduras	\$1,540,750	1,512
273	Maya Mountain Cacao	Belize	\$117,225	172
274	Yellow Leaf Hammocks	Thailand	\$41,875	42
275	IluMexico	Mexico	\$38,075	103
276	One Degree Solar	Kenya	\$72,950	6
277	Honey Care Africa	Kenya	\$239,150	868
279	TECNOSOL	Nicaragua	\$75,050	159
280	Angaza Design	Zambia	\$400	2
281	Rent-to-Own	Zambia	\$86,175	109
282	KOMAZA Jerusalem Interest-Free Microfinance Fund	Kenya	\$500,000	156
285	Limited	Israel Kenya, Guatemala, Papua New Guinea,	\$20,575	5
286	Paradigm Project	Rwanda	\$35,625	7

	Youth Initiative for Community			
287	Empowerment	Uganda	\$13,825	37
288	Babban Gona Farmers Organization	Nigeria	\$205,950	1,529
289	Arab Center for Agricultural Development (ACAD)	Palestine	\$54,800	21
290	UpEnergy	Uganda	\$6,025	9
291	Advans CÅ'te d'Ivoire	Cote D'Ivoire	\$69,425	47
292	Fundacion Namaste Guatemala	Guatemala	\$93,400	46
293	Lumni Chile	Chile	\$16,925	6
294	Kubo.financiero	Mexico	\$347,475	321
295	PAC	Nicaragua	\$163,825	120
296	Assilassimé Solidarité	Togo	\$89,925	325
298	FUNDAPEC	Dominican Republic	\$425,425	70
299	Practical Empowerment & Networking Youth Association (P.E.N.Y.A.)	Zimbabwe	\$52,050	36
300	Stichting SEVA Microfinance Institute	Suriname	\$366,600	132
301	Ecoblock International	Mexico	\$40,125	66
302	myAgro	Mali	\$10,050	57
304	Kopernik	Indonesia	\$43,300	56
305	Camfed Zimbabwe	Zimbabwe	\$751,500	1,507
306	Planting Empowerment	Panama	\$48,000	7
307	Village Infrastructure Angels	Vanuatu	\$9,250	4
309	African Solar Rise	Tanzania	\$41,600	7
310	MEC Delta	Senegal	\$39,225	49
311	iDE - Cambodia	Cambodia	\$34,475	284
313	Investisseurs & Partenaires	Mauritania	\$15,000	1
315	Yunus Social Business (YSB)	Albania, Haiti	\$173,900	3
316	Intersect Fund	United States	\$304,700	70
317	Fundación CREHO	Honduras	\$51,975	18
319	African Entrepreneur Collective (AEC)	Rwanda	\$133,625	13
321	Izdiharona for Economic Development	Iraq	\$2,334,750	952
322	iSmart Kenya	Kenya	\$39,950	13
323	TAHUDE Foundation	Tanzania	\$92,500	34
324	Evidence Action	Kenya	\$300,000	226
325	Kaaba Microfinance Institution	Somalia	\$114,475	140
326	American University of Central Asia	Kyrgyzstan	\$173,800	158
327	FUNDA-PRO	Bolivia	\$69,500	41
328	Pana Pana	Nicaragua	\$182,825	297
329	Impact Carbon	Uganda	\$110,800	57
330	Federación Campesina del Cauca FCC	Colombia	\$16,000	9
331	East Meets West - Vietnam	Vietnam	\$199,825	50
332	NOTS Lampe Solaire	Mali	\$49,725	3

333	CONFRAS	El Salvador	\$19,900	11
334	Belghoria Janakalyan Samity	India	\$327,250	1,527
336	Nuru International	Kenya	\$70,650	184
337	Banco Pérola	Brazil	\$32,300	22
339	Habitat for Humanity Mexico	Mexico	\$39,975	18
340	PowerGen Renewable Energy	Kenya	\$46,400	4
341	EcoZoom	Kenya	\$8,700	3
342	Entrepreneurs du Monde - Anh Chi Em	Vietnam	\$101,750	51
343	WANA Solutions	Uganda	\$43,100	299
344	Uberis Capital	Cambodia	\$20,000	1
345	MicroEnergy Credits	Kenya	\$50,000	1
346	Grameen Ghana	Ghana	\$73,975	31
347	Micrograam	India	\$245,125	442
348	Etkie	United States	\$4,000	2
350	Fledge	Tanzania, United States	\$25,500	3
351	BagoSphere Ph Inc	Philippines	\$16,750	44
353	Indigenous Designs	Peru	\$4,300	3
		Ghana, United States,		
354	ayzh	Zambia	\$13,650	14
355	Angkor Community Fund	Cambodia	\$2,550	4
357	Alivio Capital	Mexico	\$4,750	9
358	Instituto Peruano de Fomento Educativo	Peru	\$164,800	48
360	Ensibuuko	Uganda	\$47,025	58
363	M7 Microfinance Institution Limited	Vietnam	\$81,000	29
364	Sjedi Green Energy	Liberia	\$10,475	33
	Nke-Anyi Farmers Multipurpose Cooperative Society Limited (Nke-Anyi FMCS)	Nigeria	\$11,100	8
367	Thrive Microfinance ltd	Zimbabwe	\$88,275	55
368	El Buen Socio	Mexico	\$34,000	8
	Asociación Chajulense de Mujeres - Unidas por la Vida	Guatemala	\$18,600	4
370	ACCIONA Microenergía México	Mexico	\$10,900	94
372	Wedu	Cambodia, Thailand	\$1,725	2
	Emergency Relief & Development Overseas (ERDO)	The Democratic Republic of the Congo	\$10,000	5
379	Camfed Tanzania	Tanzania	\$4,975	10
380	Fonkoze - Zafèn	Haiti	\$93,175	46
381	MicroLoan Foundation (MLF) Malawi	Malawi	\$10,075	5
382	Microfy	Israel	\$5,875	2
	Youth Business St. Vincent and the Grenadines	Saint Vincent and the Grenadines	\$2,025	2
384	Kingsbridge Microfinance Ltd	Ghana	\$27,325	20

385	Living Goods	Uganda, Kenya	\$1,450	7
386	Kenya ECLOF	Kenya	\$19,150	34
388	Hand in Hand Eastern Africa SEED Center Philippines Inc. Social Enhancement for Entrepreneurial	Kenya	\$18,650	70
389	Development	Philippines	\$12,650	28
390	Soluz Honduras, S.A de C.V.	Honduras	\$23,000	32
391	Small Scale Livestock Livelihoods Program	Malawi	\$2,750	5
392	ASA Initiative FNGO	Ghana	\$48,825	47
393	TerraClear Development	Lao People's Democratic Republic	\$80,075	55
394	Quang Binh Women Development Fund	Vietnam	\$24,000	49
395	Solar and Energy Loan Fund	United States	\$25,650	4
396	African Connections, Ghana Ltd. Agence Communautaire pour le Financement de la Micro Entreprise	Ghana	\$50,675	33
398	(ACFIME)	Burkina Faso	\$14,550	6
401	Konfío	Mexico	\$4,950	14
403	SunFarmer	Nepal	\$9,025	1
404	Ibdaa Microfinance SAL	Lebanon	\$12,550	10
406	KPP-UMKM Syariah	Indonesia	\$17,625	28
407	Kamworks	Cambodia	\$2,600	4
413	MFO Priminvestnord LLC	Moldova	\$11,300	4
415	Socios en Salud Perú (Partners in Health)	Peru	\$575	1
416	Proximity Designs	Myanmar (Burma)	\$393,950	46
417	Emerging Cooking Solutions Zambia Ltd	Zambia	\$8,000	7
423	Yayasan Rumah Energi	Indonesia	\$2,525	1

Appendix C-2 Repayment Performance on Kiva (Part 2)

Kiva ID	Amount in Arrears	Outstanding Portfolio	Delinquency Rate	Amount of Ended Loans Defaulted	Amount of Ended Loans	Default Rate	Loans at Risk Rate	Currency Exchange Loss Rate	Refund Rate
Weighted Average or Sum	\$1,485,393	\$73,464,853	2.02%	\$2,548,447	\$365,382,800	0.70%	5.07%	0.24%	0.55%
9	\$0	\$391,708	0.00%	\$2,075	\$8,132,575	0.03%			0.87%
15	\$1,953	\$742,281	0.26%	\$2,196	\$4,413,475	0.05%	0.72%		0.60%
23	\$2,765	\$180,351	1.53%	\$2,628	\$1,526,575	0.17%	3.48%	0.24%	0.89%
26	\$2,279	\$466,640	0.49%	\$2,300	\$4,684,825	0.05%	1.42%	1.64%	0.26%
30	\$0	\$313,961	0.00%	\$1,768	\$3,851,000	0.05%			0.24%
40	\$0	\$53,628	0.00%	\$1,924	\$485,325	0.40%			1.54%
42	\$0	\$1,191,572	0.00%	\$0	\$2,181,300	0.00%		2.63%	0.06%
44	\$15,037	\$275,072	5.47%	\$31,000	\$6,739,950	0.46%	11.91%	0.33%	0.09%
48	\$1,477	\$424,260	0.35%	\$0	\$2,234,450	0.00%	2.36%		0.57%
55	\$234	\$423,253	0.06%	\$0	\$809,425	0.00%	0.06%		0.33%
56	\$7,362	\$547,496	1.34%	\$1,089	\$4,350,425	0.03%	2.50%		3.64%
57	\$3,928	\$156,511	2.51%	\$8,627	\$3,719,400	0.23%	5.04%		0.39%
58	\$34,465	\$1,417,593	2.43%	\$12,353	\$21,172,875	0.06%	4.01%		0.28%
59	\$835	\$762,145	0.11%	\$595	\$7,147,225	0.01%	0.11%		0.19%
61	\$76	\$170,703	0.04%	\$142	\$3,453,550	0.00%	0.11%		0.26%
62	\$0	\$19,489	0.00%	\$0	\$357,075	0.00%		0.16%	0.30%
63	\$5,667	\$1,049,438	0.54%	\$6,664	\$5,756,750	0.12%	1.99%		1.39%
65	\$3,206	\$457,665	0.70%	\$1,314	\$4,341,400	0.03%	1.25%		0.66%
74	\$33	\$266,237	0.01%	\$6,847	\$3,657,125	0.19%	0.20%	0.19%	5.79%
77	\$4,148	\$844,238	0.49%	\$9,777	\$6,154,700	0.16%	0.61%		0.48%
78	\$0	\$1,144,658	0.00%	\$0	\$6,224,450	0.00%			0.03%
80	\$21,783	\$1,554,409	1.40%	\$22,649	\$3,591,400	0.63%	10.63%		0.21%
81	\$39,543	\$1,361,434	2.90%	\$61,397	\$4,958,600	1.24%	8.00%		0.39%
82	\$413	\$212,605	0.19%	\$1,445	\$1,590,250	0.09%	0.64%	0.77%	0.52%
85	\$0	\$214,403	0.00%	\$0	\$1,777,950	0.00%			0.40%
87	\$11,349	\$736,523	1.54%	\$15,098	\$7,307,325	0.21%	2.51%		0.31%
93	\$0	\$527,177	0.00%	\$0	\$6,999,750	0.00%		0.78%	0.50%
96	\$3,410	\$198,557	1.72%	\$9,685	\$4,194,675	0.23%	4.47%	0.25%	1.11%
97	\$15,402	\$162,223	9.49%	\$29,876	\$1,351,200	2.21%	16.82%		0.18%
98	\$18,364	\$494,611	3.71%	\$29,317	\$4,557,725	0.64%	8.97%	0.65%	0.37%
100	\$2,178	\$1,278,732	0.17%	\$4,820	\$9,433,925	0.05%	0.80%		0.50%
104	\$1,371	\$325,115	0.42%	\$7,670	\$2,874,925	0.27%	2.33%	0.88%	0.20%
105	\$0	\$607,127	0.00%	\$0	\$6,285,900	0.00%		0.27%	0.81%

106	\$0	\$499,838	0.00%	\$1,805	\$5,362,325	0.03%			0.06%
108	\$14,751	\$306,359	4.82%	\$22,489	\$2,599,125	0.87%	10.07%		1.11%
110	\$2,236	\$404,623	0.55%	\$28,871	\$5,503,175	0.52%	0.76%		0.20%
111	\$58,589	\$224,944	26.05%	\$20,441	\$3,866,275	0.53%	78.53%	0.47%	1.40%
112	\$651	\$88,558	0.74%	\$0	\$1,753,600	0.00%	1.66%	0.33%	0.94%
113	\$43,218	\$138,996	31.09%	\$93,412	\$2,415,800	3.87%	48.20%		0.97%
115	\$2,571	\$97,239	2.64%	\$1,639	\$4,509,375	0.04%	4.62%		1.01%
116	\$1,731	\$662,431	0.26%	\$11,086	\$7,266,475	0.15%	2.31%	1.39%	0.76%
117	\$3,417	\$3,489	97.92%	\$48,495	\$2,855,100	1.70%	100.00%	0.43%	1.11%
118	\$7,130	\$248,235	2.87%	\$12,130	\$2,145,650	0.57%	4.94%	0.45%	0.19%
119	\$13,796	\$903,841	1.53%	\$4,445	\$10,759,175	0.04%	2.60%	0.13%	0.48%
120	\$390	\$184,186	0.21%	\$219	\$2,616,850	0.01%	0.29%		0.11%
121	\$0	\$926,046	0.00%	\$0	\$1,697,625	0.00%		0.82%	0.62%
122	\$5,944	\$537,615	1.11%	\$6,340	\$1,020,950	0.62%	15.62%		0.16%
123	\$22,497	\$496,514	4.53%	\$17,864	\$7,289,225	0.25%	6.36%	0.24%	1.16%
125	\$967	\$60,434	1.60%	\$4,075	\$2,931,450	0.14%	1.92%	0.19%	0.12%
126	\$0	\$618,676	0.00%	\$0	\$3,447,575	0.00%		0.62%	0.29%
127	\$0	\$182,057	0.00%	\$7,274	\$799,525	0.91%		0.18%	2.58%
129	\$2,150	\$88,082	2.44%	\$22,333	\$441,975	5.05%	13.37%	1.41%	0.06%
130	\$558	\$185,458	0.30%	\$20,012	\$6,251,075	0.32%	0.30%	0.66%	0.13%
131	\$12,732	\$643,442	1.98%	\$136,613	\$1,883,100	7.25%	11.67%		1.38%
133	\$17,906	\$608,342	2.94%	\$41,310	\$7,746,425	0.53%	6.48%	0.23%	0.57%
136	\$301	\$474,788	0.06%	\$0	\$3,351,650	0.00%	0.47%	0.62%	0.04%
137	\$352	\$487,677	0.07%	\$10,772	\$8,464,400	0.13%	0.07%		0.03%
138	\$25,299	\$684,979	3.69%	\$8,068	\$1,697,775	0.48%	8.20%	0.76%	0.56%
139	\$40,219	\$574,287	7.00%	\$191,831	\$2,453,050	7.82%	13.07%	0.11%	0.82%
140	\$4,550	\$422,847	1.08%	\$30,703	\$1,503,425	2.04%	3.97%		0.21%
143	\$913	\$590,202	0.15%	\$20,902	\$2,955,400	0.71%	0.29%		0.30%
144	\$12,012	\$353,665	3.40%	\$14,092	\$3,397,300	0.41%	4.12%	0.39%	0.23%
145	\$385	\$2,412,846	0.02%	\$9,147	\$10,892,125	0.08%	0.02%	0.48%	0.05%
146	\$1,675	\$830,642	0.20%	\$0	\$1,720,925	0.00%	0.52%		0.15%
148	\$22,214	\$214,839	10.34%	\$109,527	\$2,207,075	4.96%	13.26%		1.25%
150	\$24,795	\$368,349	6.73%	\$1,686	\$703,525	0.24%	19.72%	0.24%	0.68%
151	\$6,376	\$307,543	2.07%	\$10,278	\$639,575	1.61%	7.10%	0.29%	1.29%
154	\$5,672	\$229,975	2.47%	\$734	\$2,662,675	0.03%	5.99%	0.52%	0.28%
156	\$12,847	\$603,359	2.13%	\$104,825	\$2,290,775	4.58%	5.67%	0.40%	0.71%
159	\$2,798	\$320,792	0.87%	\$5,664	\$3,087,425	0.18%	1.38%		0.26%
160	\$3,256	\$699,342	0.47%	\$0	\$4,791,475	0.00%	0.48%		0.45%
161	\$297,940	\$1,059,906	28.11%	\$2,929	\$4,191,850	0.07%	30.72%	0.60%	0.60%
162	\$54,870	\$300,965	18.23%	\$11,785	\$2,617,650	0.45%	20.32%	0.27%	0.51%
163	\$17,693	\$878,395	2.01%	\$48,935	\$3,787,000	1.29%	5.41%	0.81%	0.48%
164	\$0	\$744,014	0.00%	\$5,823	\$3,851,325	0.15%		0.12%	0.09%

165	\$1,060	\$146,358	0.72%	\$0	\$1,612,075	0.00%	3.83%		0.10%
166	\$900	\$133,717	0.67%	\$6,625	\$3,552,225	0.19%	1.68%		0.56%
167	\$16,483	\$617,990	2.67%	\$68,730	\$3,974,100	1.73%	6.26%		0.49%
169	\$2,456	\$2,180,029	0.11%	\$5,300	\$2,364,450	0.22%	0.39%		0.29%
170	\$848	\$948	89.39%	\$85,646	\$1,524,900	5.62%	100.00%	0.18%	4.30%
171	\$2,659	\$1,230,133	0.22%	\$4,618	\$3,124,475	0.15%	0.49%	0.12%	0.06%
172	\$877	\$323,152	0.27%	\$85	\$1,575,600	0.01%	0.33%		0.00%
173	\$16,210	\$447,311	3.62%	\$214,630	\$1,173,425	18.29%	22.25%		0.80%
175	\$31,689	\$345,756	9.16%	\$38,375	\$404,250	9.49%	44.24%		0.54%
176	\$1,582	\$295,362	0.54%	\$7,014	\$1,302,675	0.54%	1.10%		0.21%
177	\$26,062	\$1,960,267	1.33%	\$119,174	\$2,874,925	4.15%	19.49%		0.53%
181	\$1,427	\$955,560	0.15%	\$739	\$3,715,650	0.02%	0.80%		0.01%
182	\$3,790	\$318,097	1.19%	\$8,421	\$1,358,925	0.62%	27.88%	0.37%	0.56%
183	\$551	\$289,531	0.19%	\$8,475	\$839,625	1.01%	0.19%		0.01%
184	\$5,699	\$192,171	2.97%	\$65,383	\$1,632,750	4.00%	5.41%		1.18%
185	\$6,365	\$877,452	0.73%	\$13,969	\$2,359,925	0.59%	1.18%		0.09%
187	\$2,139	\$269,642	0.79%	\$2,659	\$575,275	0.46%	1.81%		0.05%
188	\$0	\$580,034	0.00%	\$0	\$474,200	0.00%			0.50%
190	\$3,471	\$154,286	2.25%	\$9,688	\$523,300	1.85%	3.30%		0.65%
198	\$0	\$41,155	0.00%	\$563	\$73,775	0.76%		0.52%	0.00%
199	\$33,827	\$1,762,662	1.92%	\$9,026	\$1,365,150	0.66%	4.13%		0.20%
200	\$2,855	\$39,472	7.23%	\$113,425	\$282,500	40.15%	33.52%		0.00%
201	\$5,404	\$394,819	1.37%	\$7,180	\$1,311,775	0.55%	3.39%	0.33%	0.17%
202	\$0	\$1,401,600	0.00%	\$68,647	\$1,228,825	5.59%			0.04%
204	\$2,129	\$2,149,460	0.10%	\$165	\$3,541,950	0.00%	0.82%		0.02%
205	\$1,738	\$705,655	0.25%	\$2,272	\$1,220,450	0.19%	1.39%		0.09%
206	\$57,364	\$57,894	99.08%	\$3,065	\$359,700	0.85%	100.00%	4.48%	0.56%
207	\$0	\$129,964	0.00%	\$0	\$355,150	0.00%			0.21%
210	\$0	\$137,739	0.00%	\$26,669	\$302,375	8.82%		1.29%	7.53%
211	\$0	\$289,166	0.00%	\$0	\$0	0.00%		0.55%	0.00%
212	\$50,325	\$335,964	14.98%	\$0	\$191,325	0.00%	15.42%		0.00%
213	\$821	\$4,239	19.37%	\$0	\$6,375	0.00%	100.00%		0.00%
214	\$0	\$0	0.00%	\$0	\$9,075	0.00%			0.00%
215	\$795	\$260,921	0.30%	\$0	\$942,425	0.00%	0.60%		0.14%
216	\$40,614	\$276,871	14.67%	\$14,200	\$798,100	1.78%	36.42%		0.67%
217	\$8,879	\$107,927	8.23%	\$17,868	\$307,700	5.81%	22.71%		0.08%
218	\$1,713	\$391,143	0.44%	\$3,050	\$72,450	4.21%	1.01%		0.00%
219	\$0	\$181,142	0.00%	\$0	\$116,525	0.00%		0.42%	0.49%
222	\$26,441	\$501,367	5.27%	\$3,122	\$1,428,500	0.22%	9.15%		1.08%
225	\$0	\$101,529	0.00%	\$0	\$356,000	0.00%			0.13%
226	\$8,682	\$89,314	9.72%	\$2,098	\$106,700	1.97%	9.72%		0.36%
227	\$38,614	\$57,739	66.88%	\$31,432	\$179,050	17.55%	98.49%	1.12%	1.48%



228	\$1,875	\$272,845	0.69%	\$112,679	\$196,900	57.23%	5.77%		0.00%
229	\$0	\$0	0.00%	\$0	\$12,400	0.00%			0.00%
230	\$6,658	\$11,270	59.08%	\$0	\$2,225	0.00%	100.00%	1.42%	0.00%
231	\$1,787	\$186,628	0.96%	\$743	\$955,625	0.08%	0.99%	3.76%	0.00%
237	\$167	\$18,738	0.89%	\$0	\$7,400	0.00%	6.77%	0.54%	1.75%
238									0.00%
239	\$7,193	\$744,445	0.97%	\$13,581	\$497,150	2.73%	3.35%		0.40%
240	\$5,380	\$549,197	0.98%	\$16,659	\$479,200	3.48%	3.40%		0.36%
241									0.00%
242									0.00%
243	\$835	\$326,420	0.26%	\$3,075	\$577,500	0.53%	0.30%		0.07%
245	\$963	\$654,943	0.15%	\$1,449	\$957,550	0.15%	0.40%	0.14%	0.00%
246	\$333	\$427,660	0.08%	\$0	\$227,325	0.00%	0.92%		0.00%
247	\$0	\$582,703	0.00%	\$0	\$1,163,250	0.00%		0.67%	0.06%
249	\$6,917	\$439,015	1.58%	\$5,640	\$115,700	4.87%	10.23%		0.00%
253	\$0	\$256,042	0.00%	\$0	\$50,500	0.00%		0.45%	0.54%
255	\$0	\$0	0.00%	\$0	\$3,650	0.00%			0.00%
257	\$3,566	\$72,534	4.92%	\$0	\$29,125	0.00%	34.67%		0.00%
258	\$1,072	\$50,120	2.14%	\$9,788	\$34,650	28.25%	7.30%		0.00%
259	\$0	\$96,861	0.00%	\$254	\$325	78.05%			6.95%
260	\$0	\$94,539	0.00%	\$0	\$52,875	0.00%		0.11%	0.00%
261	\$0	\$0	0.00%	\$0	\$18,475	0.00%			0.00%
262	\$0	\$2,716	0.00%	\$0	\$0	0.00%			0.66%
263	\$0	\$13,870	0.00%	\$0	\$23,575	0.00%			0.00%
265	\$6,096	\$147,927	4.12%	\$16,849	\$35,175	47.90%	31.53%		6.19%
266	\$260	\$35,093	0.74%	\$0	\$16,100	0.00%	11.72%		2.83%
267	\$0	\$11,084	0.00%	\$0	\$5,000	0.00%			0.00%
268	\$2,699	\$41,401	6.52%	\$7,186	\$10,000	71.86%	100.00%		0.00%
269	\$15,124	\$989,776	1.53%	\$3,388	\$459,225	0.74%	3.27%	0.52%	0.00%
273	\$0	\$76,275	0.00%	\$525	\$26,800	1.96%			1.56%
274	\$0	\$29,400	0.00%	\$0	\$12,475	0.00%			0.00%
275	\$3,887	\$11,802	32.94%	\$1,188	\$12,350	9.62%	57.58%		10.64%
276	\$0	\$0	0.00%	\$0	\$72,950	0.00%			0.00%
277	\$0	\$198,293	0.00%	\$0	\$275	0.00%			2.53%
279	\$449	\$62,840	0.71%	\$0	\$3,700	0.00%	3.40%		0.00%
280	\$0	\$0	0.00%	\$0	\$400	0.00%			100.00%
281	\$1,563	\$40,982	3.81%	\$1,573	\$24,225	6.49%	18.07%	0.29%	4.09%
282	\$0	\$435,000	0.00%	\$0	\$1,000	0.00%			0.90%
285	\$0	\$12,359	0.00%	\$0	\$0	0.00%			0.00%
286	\$0	\$0	0.00%	\$0	\$35,625	0.00%			8.70%
287	\$224	\$2,250	9.94%	\$0	\$4,225	0.00%	100.00%		20.80%
288	\$0	\$175,625	0.00%	\$0	\$30,325	0.00%			2.82%

289	\$2,668	\$39,717	6.72%	\$0	\$3,000	0.00%	82.04%		0.00%
290	\$0	\$2,862	0.00%	\$0	\$2,300	0.00%			0.00%
291	\$0	\$0	0.00%	\$0	\$69,425	0.00%			0.00%
292	\$589	\$42,022	1.40%	\$0	\$28,775	0.00%	18.56%		0.00%
293	\$0	\$0	0.00%	\$16,915	\$16,925	99.94%		0.82%	0.00%
294	\$532	\$147,540	0.36%	\$5,732	\$135,800	4.22%	0.77%	0.18%	0.00%
295	\$0	\$140,400	0.00%	\$0	\$23,425	0.00%		0.79%	0.00%
296	\$163	\$36,551	0.45%	\$0	\$27,775	0.00%	0.76%		0.00%
298	\$0	\$408,925	0.00%	\$0	\$0	0.00%			4.11%
299	\$867	\$20,983	4.13%	\$7,100	\$25,700	27.63%	21.29%		0.00%
300	\$11,608	\$183,002	6.34%	\$0	\$178,375	0.00%	8.05%		2.55%
301	\$0	\$14,687	0.00%	\$0	\$23,625	0.00%			0.00%
302	\$0	\$1,393	0.00%	\$0	\$7,050	0.00%			0.00%
304	\$0	\$27,100	0.00%	\$0	\$14,950	0.00%		0.40%	0.00%
305	\$6,319	\$513,538	1.23%	\$0	\$67,500	0.00%	2.07%		0.93%
306	\$0	\$48,000	0.00%	\$0	\$0	0.00%			0.00%
307	\$0	\$8,004	0.00%	\$0	\$0	0.00%			0.00%
309	\$0	\$29,000	0.00%	\$0	\$7,600	0.00%			0.00%
310	\$1,325	\$39,225	3.38%	\$0	\$0	0.00%	3.38%		0.70%
311	\$0	\$26,546	0.00%	\$0	\$875	0.00%			0.00%
313	\$0	\$15,000	0.00%	\$0	\$0	0.00%			0.00%
315	\$0	\$173,900	0.00%	\$0	\$0	0.00%			0.00%
316	\$0	\$150,703	0.00%	\$0	\$30,625	0.00%			0.00%
317	\$51	\$44,812	0.11%	\$0	\$0	0.00%	9.13%		0.00%
319	\$18,070	\$83,150	21.73%	\$0	\$29,800	0.00%	31.17%		0.00%
321	\$0	\$1,525,320	0.00%	\$0	\$95,300	0.00%			0.35%
322	\$6,493	\$11,688	55.55%	\$0	\$3,050	0.00%	78.60%		0.00%
323	\$0	\$49,740	0.00%	\$0	\$0	0.00%			0.00%
324	\$0	\$300,000	0.00%	\$0	\$0	0.00%			0.00%
325	\$0	\$167	0.00%	\$0	\$62,375	0.00%			0.00%
326	\$60	\$162,533	0.04%	\$0	\$6,600	0.00%	2.01%		0.00%
327	\$0	\$55,215	0.00%	\$0	\$5,325	0.00%			0.00%
328	\$1,544	\$104,147	1.48%	\$0	\$28,125	0.00%	2.60%	0.92%	0.00%
329	\$0	\$94,750	0.00%	\$0	\$0	0.00%			0.00%
330	\$0	\$16,000	0.00%	\$0	\$0	0.00%			28.75%
331	\$0	\$199,825	0.00%	\$0	\$0	0.00%			0.00%
332	\$0	\$0	0.00%	\$0	\$49,725	0.00%			58.72%
333	\$0	\$19,900	0.00%	\$0	\$0	0.00%			0.00%
334									0.00%
336	\$0	\$32,704	0.00%	\$0	\$4,000	0.00%			0.00%
337	\$1,221	\$16,642	7.34%	\$0	\$5,650	0.00%	54.84%	0.28%	0.00%
339	\$0	\$37,515	0.00%	\$0	\$0	0.00%			0.00%

340	\$0	\$45,994	0.00%	\$0	\$0	0.00%		0.00%
341	\$0	\$7,170	0.00%	\$0	\$0	0.00%		0.00%
342	\$2,300	\$99,151	2.32%	\$0	\$0	0.00%	2.32%	0.00%
343	\$12,160	\$30,406	39.99%	\$0	\$100	0.00%	100.00%	25.75%
344	\$0	\$20,000	0.00%	\$0	\$0	0.00%		0.00%
345	\$0	\$50,000	0.00%	\$0	\$0	0.00%		0.00%
346	\$0	\$54,951	0.00%	\$0	\$5,975	0.00%	3.15%	0.00%
347								0.00%
348	\$0	\$0	0.00%	\$0	\$1,000	0.00%		0.00%
350	\$0	\$2,800	0.00%	\$0	\$0	0.00%		0.00%
351	\$0	\$12,623	0.00%	\$0	\$0	0.00%		7.16%
353	\$0	\$4,300	0.00%	\$0	\$0	0.00%		0.00%
354	\$3,412	\$13,650	25.00%	\$0	\$0	0.00%	100.00%	0.00%
355	\$0	\$100	0.00%	\$0	\$1,950	0.00%		0.00%
357	\$0	\$4,675	0.00%	\$0	\$0	0.00%		0.00%
358	\$0	\$160,640	0.00%	\$0	\$0	0.00%		0.00%
360	\$0	\$15,201	0.00%	\$0	\$0	0.00%		0.05%
363	\$0	\$57,226	0.00%	\$0	\$0	0.00%		0.00%
364	\$677	\$8,171	8.29%	\$0	\$0	0.00%	29.10%	0.00%
365	\$0	\$11,100	0.00%	\$0	\$0	0.00%		0.00%
367	\$0	\$58,076	0.00%	\$0	\$0	0.00%		0.00%
368	\$0	\$34,000	0.00%	\$0	\$0	0.00%		0.00%
369	\$0	\$15,408	0.00%	\$0	\$0	0.00%		0.00%
370	\$908	\$8,431	10.77%	\$0	\$0	0.00%	67.30%	0.00%
372	\$0	\$1,725	0.00%	\$0	\$0	0.00%		0.00%
377	\$230	\$8,723	2.64%	\$0	\$0	0.00%	42.76%	0.00%
379	\$0	\$4,190	0.00%	\$0	\$0	0.00%		0.00%
380	\$0	\$54,575	0.00%	\$0	\$0	0.00%		19.10%
381	\$0	\$10,075	0.00%	\$0	\$0	0.00%		0.00%
382	\$0	\$4,998	0.00%	\$0	\$0	0.00%		0.00%
383	\$0	\$2,025	0.00%	\$0	\$0	0.00%		0.00%
384	\$0	\$27,325	0.00%	\$0	\$0	0.00%		0.00%
385	\$0	\$1,046	0.00%	\$0	\$0	0.00%		0.00%
386	\$0	\$19,097	0.00%	\$0	\$0	0.00%		19.58%
388	\$0	\$18,421	0.00%	\$0	\$0	0.00%		0.00%
389	\$0	\$7,793	0.00%	\$0	\$475	0.00%		0.00%
390	\$0	\$20,254	0.00%	\$0	\$0	0.00%	0.53%	0.00%
391	\$0	\$2,750	0.00%	\$0	\$0	0.00%		0.00%
392	\$0	\$0	0.00%	\$0	\$0	0.00%		0.00%
393	\$0	\$59,736	0.00%	\$0	\$0	0.00%		0.00%
394	\$0	\$22,916	0.00%	\$0	\$0	0.00%		0.00%
395	\$0	\$25,094	0.00%	\$0	\$0	0.00%		0.00%

396	\$0	\$50,675	0.00%	\$0	\$0	0.00%	0.00%
398	\$0	\$12,751	0.00%	\$0	\$0	0.00%	0.00%
401	\$0	\$4,156	0.00%	\$0	\$0	0.00%	0.00%
403	\$0	\$9,025	0.00%	\$0	\$0	0.00%	0.00%
404	\$0	\$12,046	0.00%	\$0	\$0	0.00%	0.00%
406	\$0	\$1,645	0.00%	\$0	\$0	0.00%	0.00%
407	\$0	\$2,600	0.00%	\$0	\$0	0.00%	0.00%
413	\$0	\$0	0.00%	\$0	\$0	0.00%	0.00%
415	\$0	\$575	0.00%	\$0	\$0	0.00%	0.00%
416	\$0	\$88,900	0.00%	\$0	\$0	0.00%	0.00%
417	\$0	\$7,635	0.00%	\$0	\$0	0.00%	0.00%
423	\$0	\$0	0.00%	\$0	\$0	0.00%	0.00%

Appendix C-3 Loan Characteristics on Kiva

Kiva ID	Loans to Women Borrowers	Average Loan Size	Average GDP per Capita (PPP) in Local Country	Average Loan Size by GDP per Capita (PPP)
Average	61.5%			
Weighted Average or Sum		\$539,780	\$1,540,566	35.04%
9	90.8%	\$801	\$2,600	30.80%
15	99.7%	\$606	\$6,344	9.56%
23	55.9%	\$597	\$1,389	42.99%
26	70.2%	\$1,348	\$8,000	16.85%
30	31.4%	\$1,615	\$6,171	26.17%
40	77.1%	\$522	\$2,421	21.57%
42	43.3%	\$1,894	\$2,175	87.07%
44	91.4%	\$265	\$7,611	3.48%
48	49.3%	\$658	\$2,817	23.34%
55	100.0%	\$367	\$4,155	8.84%
56	29.3%	\$1,530	\$6,171	24.79%
57	62.6%	\$239	\$903	26.46%
58	74.9%	\$231	\$4,555	5.06%
59	99.5%	\$334	\$2,817	11.86%
61	72.4%	\$693	\$2,600	26.65%
62	100.0%	\$275	\$1,500	18.35%
63	45.3%	\$1,007	\$1,388	72.52%
65	80.9%	\$332	\$1,500	22.11%
74	63.1%	\$524	\$3,636	14.42%
77	35.3%	\$1,225	\$5,900	20.76%
78	87.2%	\$172	\$1,200	14.30%
80	42.1%	\$1,577	\$2,900	54.39%
81	64.5%	\$592	\$4,900	12.08%
82	83.1%	\$195	\$4,458	4.38%
85	95.6%	\$324	\$725	44.68%
87	72.3%	\$281	\$1,700	16.53%
93	90.8%	\$331	\$6,715	4.92%
96	73.8%	\$430	\$3,636	11.83%
97	98.0%	\$467	\$4,155	11.24%
98	63.0%	\$622	\$3,636	17.11%
100	52.3%	\$1,146	\$1,388	82.55%
104	90.8%	\$218	\$1,500	14.52%
105	99.9%	\$218	\$1,759	12.40%

106	83.2%	\$546	\$2,600	20.98%
108	58.0%	\$381	\$1,759	21.64%
110	66.9%	\$557	\$2,817	19.78%
111	70.7%	\$655	\$1,700	38.53%
112	100.0%	\$292	\$1,500	19.44%
113	73.5%	\$327	\$4,155	7.87%
115	30.9%	\$1,245	\$5,900	21.10%
116	54.3%	\$1,397	\$2,175	64.23%
117	58.4%	\$467	\$1,000	46.66%
118	72.0%	\$508	\$4,200	12.10%
119	79.0%	\$436	\$6,715	6.50%
120	91.8%	\$330	\$3,636	9.09%
121	98.9%	\$318	\$725	43.88%
122	19.7%	\$2,039	\$2,900	70.31%
123	76.7%	\$309	\$1,175	26.31%
125	83.9%	\$231	\$1,175	19.66%
126	92.4%	\$318	\$1,175	27.06%
127	46.5%	\$1,204	\$11,100	10.85%
129	53.9%	\$536	\$4,458	12.02%
130	89.8%	\$415	\$11,249	3.69%
131	38.3%	\$4,714	\$47,000	10.03%
133	51.8%	\$454	\$1,800	25.20%
136	82.0%	\$289	\$1,175	24.58%
137	97.2%	\$562	\$10,200	5.51%
138	60.2%	\$359	\$1,800	19.92%
139	48.9%	\$613	\$6,715	9.13%
140	42.3%	\$1,197	\$2,817	42.49%
143	55.5%	\$545	\$6,715	8.12%
144	91.7%	\$504	\$1,175	42.91%
145	99.4%	\$383	\$1,175	32.55%
146	43.9%	\$1,619	\$6,400	25.30%
148	60.7%	\$942	\$903	104.28%
150	30.4%	\$796	\$11,100	7.17%
151	95.0%	\$632	\$11,100	5.69%
154	71.3%	\$755	\$6,070	12.44%
156	50.0%	\$568	\$1,800	31.53%
159	46.8%	\$806	\$10,200	7.90%
160	91.5%	\$197	\$119	165.82%
161	69.1%	\$530	\$1,000	53.01%
162	79.1%	\$130	\$400	32.57%
163	35.6%	\$355	\$1,500	23.67%
164	85.3%	\$372	\$1,800	20.65%

165	65.9%	\$675	\$2,250	30.01%
166	9.3%	\$2,356	\$3,600	65.45%
167	57.2%	\$546	\$4,900	11.14%
169	62.6%	\$1,967	\$6,400	30.74%
170	30.5%	\$227	\$1,000	22.69%
171	92.7%	\$1,505	\$2,100	71.66%
172	87.6%	\$724	\$725	99.86%
173	42.8%	\$5,394	\$47,000	11.48%
175	97.6%	\$3,627	\$28,930	12.54%
176	60.3%	\$626	\$3,636	17.22%
177	56.0%	\$890	\$6,070	14.66%
181	47.7%	\$1,357	\$4,600	29.50%
182	97.8%	\$298	\$500	59.62%
183	90.7%	\$377	\$903	41.70%
184	80.9%	\$448	\$400	112.00%
185	75.1%	\$1,075	\$3,740	28.73%
187	82.9%	\$240	\$1,284	18.68%
188	70.1%	\$646	\$10,200	6.33%
190	58.4%	\$1,011	\$10,200	9.92%
198	100.0%	\$554	\$9,500	5.84%
199	47.5%	\$708	\$4,900	14.46%
200	61.9%	\$8,869	\$47,000	18.87%
201	61.1%	\$588	\$4,200	14.00%
202	63.3%	\$116	\$1,800	6.44%
204	90.5%	\$307	\$2,600	11.81%
205	56.1%	\$310	\$2,700	11.47%
206	52.6%	\$708	\$1,400	50.56%
207	23.5%	\$1,484	\$6,171	24.04%
210	35.0%	\$2,297	\$1,800	127.60%
211	38.3%	\$1,969	\$11,500	17.12%
212	22.2%	\$20,531	\$1,500	1368.77%
213	60.0%	\$1,293	\$1,800	71.81%
214	50.0%	\$4,538	\$1,500	302.50%
215	45.2%	\$942	\$1,388	67.85%
216	79.2%	\$1,991	\$3,600	55.30%
217	68.2%	\$402	\$2,421	16.62%
218	40.9%	\$8,018	\$1,800	445.45%
219	39.4%	\$553	\$4,458	12.41%
222	35.5%	\$377	\$1,500	25.13%
225	28.3%	\$1,184	\$11,249	10.53%
226	16.4%	\$1,364	\$11,249	12.12%
227	41.7%	\$2,629	\$8,000	32.86%

228	57.4%	\$6,465	\$47,000	13.76%
229	47.4%	\$653	\$1,284	50.83%
230	100.0%	\$544	\$1,500	36.29%
231	90.6%	\$352	\$2,643	13.33%
237	50.0%	\$1,000	\$6,070	16.47%
238	100.0%	\$207	\$2,900	7.12%
239	59.9%	\$1,398	\$7,800	17.93%
240	52.7%	\$1,489	\$6,500	22.91%
241	76.9%	\$294	\$2,900	10.15%
242	100.0%	\$313	\$2,900	10.79%
243	100.0%	\$828	\$3,100	26.71%
245	100.0%	\$344	\$3,004	11.45%
246	42.1%	\$562	\$4,155	13.53%
247	87.5%	\$368	\$3,004	12.26%
249	63.4%	\$5,741	\$47,000	12.22%
253	37.9%	\$639	\$4,458	14.34%
255	100.0%	\$304	\$1,500	20.28%
257	84.1%	\$714	\$1,800	39.66%
258	43.2%	\$713	\$1,800	39.58%
259	35.6%	\$283	\$1,500	18.86%
260	56.2%	\$410	\$1,600	25.59%
261	0.0%	\$3,695	\$1,389	266.02%
262	10.0%	\$239	\$1,800	13.28%
263	40.0%	\$1,844	\$4,458	41.37%
265	44.4%	\$7,719	\$47,000	16.42%
266	35.7%	\$5,186	\$47,000	11.03%
267	66.7%	\$6,667	\$47,000	14.18%
268	53.9%	\$7,606	\$47,000	16.18%
269	100.0%	\$1,021	\$4,200	24.31%
273	8.1%	\$696	\$8,400	8.29%
274	86.7%	\$997		
275	41.9%	\$169	\$11,249	1.50%
276	66.7%	\$12,158	\$1,800	675.46%
277	44.7%	\$282	\$1,800	15.69%
279	28.9%	\$472	\$3,636	12.98%
280	100.0%	\$400	\$1,800	22.22%
281	20.9%	\$854	\$1,800	47.46%
282	60.9%	\$500	\$1,800	27.78%
285	100.0%	\$4,115	\$28,930	14.22%
286	42.9%	\$5,532	\$1,800	307.34%
287	100.0%	\$91	\$1,500	6.05%
288	19.3%	\$138	\$1,188	11.66%



289	27.3%	\$2,610	\$2,900	89.98%
290	22.2%	\$669	\$1,500	44.63%
291	2.1%	\$227	\$1,600	14.18%
292	100.0%	\$350	\$4,155	8.42%
293	0.0%	\$5,642	\$14,900	37.86%
294	61.4%	\$1,107	\$11,249	9.84%
295	14.7%	\$1,365	\$3,636	37.55%
296	96.7%	\$141	\$1,700	8.30%
298	71.8%	\$6,328	\$7,611	83.14%
299	60.6%	\$703	\$400	175.85%
300	3.6%	\$2,848	\$7,640	37.28%
301	69.6%	\$608	\$11,249	5.40%
302	0.0%	\$176	\$1,200	14.69%
304	30.4%	\$773	\$4,458	17.34%
305	100.0%	\$503	\$400	125.83%
306	0.0%	\$6,857		
307	25.0%	\$201		
309	14.3%	\$5,943	\$1,700	349.58%
310	2.9%	\$806	\$1,759	45.83%
311	89.5%	\$40	\$2,600	1.53%
313	0.0%	\$15,000	\$2,100	714.29%
315	100.0%	\$57,967	\$7,800	743.16%
316	41.6%	\$4,353	\$47,000	9.26%
317	58.3%	\$2,888	\$4,200	68.75%
319	15.4%	\$10,279	\$1,000	1027.89%
321	54.6%	\$1,491	\$3,600	41.43%
322	41.2%	\$951	\$1,800	52.84%
323	34.3%	\$2,721	\$1,700	160.03%
324	69.9%	\$300	\$1,800	16.68%
325	24.3%	\$540	\$600	90.00%
326	65.8%	\$1,100	\$2,100	52.38%
327	41.5%	\$1,695	\$2,817	60.17%
328	74.4%	\$397	\$3,636	10.91%
329	25.4%	\$1,944	\$1,500	129.59%
330	22.2%	\$2,289	\$6,070	37.71%
331	100.0%	\$475	\$725	65.47%
332	60.0%	\$26,308	\$1,200	2192.36%
333	37.5%	\$622	\$4,900	12.69%
334	100.0%	\$214	\$2,900	7.39%
336	34.9%	\$96	\$1,800	5.35%
337	54.6%	\$1,468	\$10,720	13.70%
339	54.6%	\$2,221	\$11,249	19.74%

340	50.0%	\$1,785	\$1,800	99.15%
341	66.7%	\$2,900	\$1,800	161.11%
342	96.2%	\$206	\$725	28.41%
343	48.5%	\$181	\$1,500	12.08%
344	100.0%	\$20,000	\$2,600	769.23%
345	100.0%	\$50,000	\$1,800	2777.78%
346	97.0%	\$110	\$2,643	4.18%
347	94.9%	\$89	\$2,900	3.08%
348	100.0%	\$1,000	\$47,000	2.13%
350	66.7%	\$8,500	\$47,000	18.09%
351	77.3%	\$408	\$1,175	34.72%
353	66.7%	\$1,433	\$6,715	21.35%
354	57.1%	\$975	\$2,643	36.89%
355	100.0%	\$142	\$2,600	5.45%
357	33.3%	\$528	\$11,249	4.69%
358	15.6%	\$3,433	\$6,715	51.13%
360	75.9%	\$811	\$1,500	54.08%
363	93.1%	\$664	\$725	91.58%
364	27.9%	\$249	\$500	49.88%
365	37.5%	\$584	\$1,188	49.18%
367	100.0%	\$385	\$400	96.37%
368	25.0%	\$4,250	\$11,249	37.78%
369	100.0%	\$413	\$4,155	9.95%
370	11.7%	\$88	\$11,249	0.78%
372	100.0%	\$863		
377	100.0%	\$400	\$119	336.13%
379	100.0%	\$498	\$1,700	29.26%
380	40.4%	\$2,413	\$1,600	150.78%
381	100.0%	\$103	\$900	11.42%
382	100.0%	\$2,938	\$28,930	10.15%
383	100.0%	\$1,013		
384	50.0%	\$1,366	\$2,643	51.69%
385	100.0%	\$48	\$1,800	2.69%
386	52.3%	\$674	\$1,800	37.42%
388	83.6%	\$127	\$1,800	7.05%
389	89.3%	\$452	\$1,175	38.45%
390	45.5%	\$719	\$4,200	17.11%
391	100.0%	\$550	\$900	61.11%
392	26.3%	\$219	\$2,643	8.28%
393	40.4%	\$69	\$3,100	2.23%
394	98.0%	\$490	\$725	67.56%
395	100.0%	\$6,413	\$47,000	13.64%

396	36.4%	\$1,126	\$2,643	42.61%
398	100.0%	\$441	\$1,284	34.34%
401	88.2%	\$354	\$11,249	3.14%
403	0.0%	\$9,025	\$1,500	601.67%
404	30.8%	\$1,046	\$5,900	17.73%
406	100.0%	\$629	\$4,458	14.12%
407	14.3%	\$650	\$2,600	25.00%
413	25.0%	\$2,825	\$2,374	119.00%
415	100.0%	\$575	\$6,715	8.56%
416	2.1%	\$8,564		
417	28.6%	\$1,143	\$1,800	63.49%
423	0.0%	\$505	\$4,458	11.33%

## Appendix C-4 Borrowing Cost Comparison (Part 1)

Kiva ID	Average Cost to Borrower (Field Partner) (PY or APR)			Average Cost to Borrower (Median for MFIs in Field Partner's Country) (PY)			Average Cost to Borrower (Field Partner) < Average Cost to Borrower (Median for MFIs in Field Partner's Country)	Average Cost to Borrower (Field Partner) > Average Cost to Borrower (Median for MFIs in Field Partner's Country)	Average Cost to Borrower (Field Partner) = Average Cost to Borrower (Median for MFIs in Field Partner's Country)	Total Number of Field Partners that Report Both Statistics	
Average Weighted Average	31.27%			37%			Number	130	72	10	212
							Percent	61%	34%	5%	100%
9	25%	PY		30%	PY		Costs less				Both
15	46%	PY		51%	PY		Costs less				Both
23	46%	PY		68%	PY		Costs less				Both
26	54%	PY		41%	PY			Costs more			Both
30	5%	PY		29%	PY		Costs less				Both
40	22%	PY		13%	PY			Costs more			Both
42	39%	PY		38%	PY			Costs more			Both
44	38%	PY		41%	PY		Costs less				Both
48	19%	PY		20%	PY		Costs less				Both
55	44%	PY		31%	PY			Costs more			Both
56	20%	PY		29%	PY		Costs less				Both
57	63%	PY		47%	PY			Costs more			Both
58	39%	PY		24%	PY			Costs more			Both
59	37%	PY		20%	PY			Costs more			Both
61	27%	PY		30%	PY		Costs less				Both
62	19%	PY		22%	PY		Costs less				Both
63	44%	PY		35%	PY			Costs more			Both
65	55%	PY		57%	PY		Costs less				Both
74	27%	PY		27%	PY				Same cost		Both
77	31%	PY		32%	PY		Costs less				Both
78	21%	PY		24%	PY		Costs less				Both
80	19%	PY		30%	PY		Costs less				Both
81	25%	PY		31%	PY		Costs less				Both
82	21%	PY		40%	PY		Costs less				Both
85	26%	PY		22%	PY			Costs more			Both
87	77%	PY		21%	PY			Costs more			Both

93	41%	PY	29%	PY		Costs more	Both
96	46%	PY	27%	PY		Costs more	Both
97	58%	PY	31%	PY		Costs more	Both
98	14%	PY	27%	PY	Costs less		Both
100	33%	PY	35%	PY	Costs less		Both
104	28%	PY	25%	PY		Costs more	Both
105	24%	PY	23%	PY		Costs more	Both
106	26%	PY	30%	PY	Costs less		Both
108	21%	PY	23%	PY	Costs less		Both
110	30%	PY	20%	PY		Costs more	Both
111	19%	PY	24%	PY	Costs less		Both
112	77%	PY	57%	PY		Costs more	Both
113	28%	PY	31%	PY	Costs less		Both
115	25%	PY	32%	PY	Costs less		Both
116	19%	PY	38%	PY	Costs less		Both
117	43%	PY	31%	PY		Costs more	Both
118	43%	PY	36%	PY		Costs more	Both
119	36%	PY	29%	PY		Costs more	Both
120	49%	PY	27%	PY		Costs more	Both
121	22%	PY	22%	PY		Same cost	Both
122	16%	PY	30%	PY	Costs less		Both
123	47%	PY	46%	PY		Costs more	Both
125	49%	PY	46%	PY		Costs more	Both
126	38%	PY	46%	PY	Costs less		Both
127	15%	PY	23%	PY	Costs less		Both
129	5%	PY	40%	PY	Costs less		Both
130	54%	PY	74%	PY	Costs less		Both
131	18%	PY					
133	39%	PY	36%	PY		Costs more	Both
136	31%	PY	46%	PY	Costs less		Both
137	31%	PY	20%	PY		Costs more	Both
138	35%	PY	36%	PY	Costs less		Both
139	21%	PY	29%	PY	Costs less		Both
140	19%	PY	20%	PY	Costs less		Both
143	32%	PY	29%	PY		Costs more	Both
144	65%	PY	46%	PY		Costs more	Both
145	44%	PY	46%	PY	Costs less		Both
146	21%	PY	23%	PY	Costs less		Both
148	42%	PY	47%	PY	Costs less		Both
150	28%	PY	23%	PY		Costs more	Both
151	21%	PY	23%	PY	Costs less		Both
154	23%	PY	32%	PY	Costs less		Both

156	31%	PY	36%	PY	Costs less		Both
159	16%	PY	20%	PY	Costs less		Both
160	62%	PY	56%	PY		Costs more	Both
161	47%	PY	31%	PY		Costs more	Both
162	67%	PY	24%	PY		Costs more	Both
163	57%	PY	57%	PY		Same cost	Both
164	43%	PY	36%	PY		Costs more	Both
165	58%	PY	58%	PY		Same cost	Both
166	28%	PY	27%	PY		Costs more	Both
167	34%	PY	31%	PY		Costs more	Both
169	29%	PY	23%	PY		Costs more	Both
170	29%	PY	31%	PY	Costs less		Both
171	33%	PY	34%	PY	Costs less		Both
172	22%	PY	22%	PY		Same cost	Both
173	17%	PY					
175	6%	PY					
176	32%	PY	27%	PY		Costs more	Both
177	34%	PY	32%	PY		Costs more	Both
181	39%	PY	37%	PY		Costs more	Both
182	49%	PY	57%	PY	Costs less		Both
183	53%	PY	47%	PY		Costs more	Both
184	61%	PY	59%	PY		Costs more	Both
185	34%	PY	34%	PY		Same cost	Both
187	20%	PY	20%	PY		Same cost	Both
188	24%	PY	20%	PY		Costs more	Both
190	32%	PY	20%	PY		Costs more	Both
198	23%	PY					
199	26%	PY	31%	PY	Costs less		Both
200	9%	PY					
201	30%	PY	36%	PY	Costs less		Both
202	45%	APR	36%	PY		Costs more	Both
204	28%	PY	30%	PY	Costs less		Both
205	39%	PY	39%	PY		Same cost	Both
206	69%	PY	39%	PY		Costs more	Both
207	42%	PY	29%	PY		Costs more	Both
210	4%	APR	74%	PY	Costs less		Both
211	0%	APR					
212	0%	APR	36%	PY	Costs less		Both
213	13%	APR	36%	PY	Costs less		Both
214	21%	APR					
215	36%	PY	35%	PY		Costs more	Both
216	26%	PY	27%	PY	Costs less		Both

217	28%	PY	13%	PY		Costs more		Both
218	1%	APR	36%	PY	Costs less			Both
219	0%	APR	40%	PY	Costs less			Both
222	51%	PY	57%	PY	Costs less			Both
225	0%	APR						
226	0%	APR	74%	PY	Costs less			Both
227	44%	APR	41%	PY		Costs more		Both
228	10%	PY						
229	5%	APR	20%	PY	Costs less			Both
230	18%	PY	22%	PY	Costs less			Both
231	59%	PY	53%	PY		Costs more		Both
237	0%	APR	32%	PY	Costs less			Both
238	19%	PY	22%	PY	Costs less			Both
239	29%	PY	28%	PY		Costs more		Both
240	28%	PY	21%	PY		Costs more		Both
241	24%	PY	22%	PY		Costs more		Both
242	24%	PY	22%	PY		Costs more		Both
243	38%	PY	35%	PY		Costs more		Both
245	30%	PY	33%	PY	Costs less			Both
246	31%	PY	31%	PY			Same cost	Both
247	42%	PY	33%	PY		Costs more		Both
249	18%	PY						
253	11%	APR	40%	PY	Costs less			Both
255	0%	APR	57%	PY	Costs less			Both
257	13%	APR	36%	PY	Costs less			Both
258	16%	APR	36%	PY	Costs less			Both
259	0%	APR	57%	PY	Costs less			Both
260	0%	APR	51%	PY	Costs less			Both
261	14%	APR	68%	PY	Costs less			Both
262	7%	APR	36%	PY	Costs less			Both
263	0%	APR	40%	PY	Costs less			Both
265	12%	PY						
266	7%	PY						
267	10%	PY						
268	16%	PY						
269	32%	PY	36%	PY	Costs less			Both
273	6%	APR						
274	0%	APR						
275	0%	APR	74%	PY	Costs less			Both
276	0%	APR	36%	PY	Costs less			Both
277	7%	APR	36%	PY	Costs less			Both
279	20%	APR	27%	PY	Costs less			Both

280	0%	APR	74%	PY	Costs less		Both
281	22%	APR	74%	PY	Costs less		Both
282			36%	PY			
285	0%	APR					
286	8%	APR	36%	PY	Costs less		Both
287	0%	APR	57%	PY	Costs less		Both
288	21%	APR	39%	PY	Costs less		Both
289	25%	PY	30%	PY	Costs less		Both
290	0%	APR	57%	PY	Costs less		Both
291	25%	PY	27%	PY	Costs less		Both
292	37%	PY	31%	PY		Costs more	Both
293			18%	PY			
294	32%	PY	74%	PY	Costs less		Both
295	24%	APR	27%	PY	Costs less		Both
296	25%	PY	24%	PY		Costs more	Both
298	5%	APR	41%	PY	Costs less		Both
299	31%	APR	59%	PY	Costs less		Both
300	17%	PY	15%	PY		Costs more	Both
301	30%	APR	74%	PY	Costs less		Both
302	20%	APR	24%	PY	Costs less		Both
304	0%	APR	40%	PY	Costs less		Both
305	0%	APR	59%	PY	Costs less		Both
306			24%	PY			
307	19%	APR					
309	22%	APR	21%	PY		Costs more	Both
310	18%	PY	23%	PY	Costs less		Both
311	18%	APR	30%	PY	Costs less		Both
313	5%	APR					
315	8%	APR					
316	18%	PY					
317	16%	APR	36%	PY	Costs less		Both
319	16%	APR	31%	PY	Costs less		Both
321	34%	PY	27%	PY		Costs more	Both
322	0%	APR	36%	PY	Costs less		Both
323	42%	APR	21%	PY		Costs more	Both
324	0%	APR	36%	PY	Costs less		Both
325	52%	PY					
326	0%	APR	34%	PY	Costs less		Both
327	9%	APR	20%	PY	Costs less		Both
328	48%	PY	27%	PY		Costs more	Both
329	0%	APR	57%	PY	Costs less		Both
330	14%	APR	32%	PY	Costs less		Both



331	6%	APR	22%	PY	Costs less		Both
332	0%	APR	24%	PY	Costs less		Both
333	18%	APR	31%	PY	Costs less		Both
334	31%	PY	22%	PY		Costs more	Both
336	21%	APR	36%	PY	Costs less		Both
337	54%	APR	44%	PY		Costs more	Both
339	6%	APR	74%	PY	Costs less		Both
340			36%	PY			
341	0%	APR	36%	PY	Costs less		Both
342	15%	PY	22%	PY	Costs less		Both
343	15%	APR	57%	PY	Costs less		Both
344	10%	APR	30%	PY	Costs less		Both
345			36%	PY			
346	29%	PY	53%	PY	Costs less		Both
347	16%	APR	22%	PY	Costs less		Both
348	0%	APR					
350	4%	APR					
351	0%	APR	46%	PY	Costs less		Both
353	0%	APR	29%	PY	Costs less		Both
354	0%	APR	53%	PY	Costs less		Both
355	46%	APR	30%	PY		Costs more	Both
357	20%	APR	74%	PY	Costs less		Both
358	13%	APR	29%	PY	Costs less		Both
360	19%	APR	57%	PY	Costs less		Both
363	24%	APR	22%	PY		Costs more	Both
364	0%	APR	57%	PY	Costs less		Both
365	17%	APR	39%	PY	Costs less		Both
367	75%	PY	59%	PY		Costs more	Both
368	20%	APR	74%	PY	Costs less		Both
369	18%	APR	31%	PY	Costs less		Both
370	13%	APR	74%	PY	Costs less		Both
372							
377	59%	PY	56%	PY		Costs more	Both
379			21%	PY			
380	40%	PY	51%	PY	Costs less		Both
381	77%	PY	76%	PY		Costs more	Both
382	18%	APR					
383	12%	APR					
384	24%	PY	53%	PY	Costs less		Both
385	30%	APR	36%	PY	Costs less		Both
386	27%	APR	36%	PY	Costs less		Both
388	35%	APR	36%	PY	Costs less		Both

389	66%	PY	46%	PY		Costs more	Both
390	18%	APR	36%	PY	Costs less		Both
391			76%	PY			
392	53%	PY	53%	PY		Same cost	Both
393	0%	APR	43%	PY	Costs less		Both
394	15%	APR	22%	PY	Costs less		Both
395	6%	PY					
396	26%	APR	53%	PY	Costs less		Both
398	33%	PY	20%	PY		Costs more	Both
401			74%	PY			
403	13%	APR	22%	PY	Costs less		Both
404	33%	PY	32%	PY		Costs more	Both
406			40%	PY			
407			30%	PY			
413			20%	PY			
415			29%	PY			
416	32%	APR					
417			74%	PY			
423			40%	PY			

Appendix C-5 Borrowing Cost Comparison (Part 2)

Kiva ID	Return on Assets (Field Partner)	Return on Assets (Median for MFIs in Field Partner's Country)	Average Loan Size (% of per Capita Income) (Field Partner)	Average Loan Size (% of per Capita Income) (Median for MFIs in Field Partner's Country)	Based on Data from
Average	-3.4%	1.7%	51.4%	51.1%	
9	2.6%	4.6%	93.6%	184%	2012
15	0.9%	-12.9%	10.6%	11%	2012
23	11.9%	2.1%	97.6%	86%	2013
26	6.7%	1.1%	40.2%	46%	2012
30	0.6%	4.7%	46.7%	27%	2012
40	5.6%	-0.2%	18.4%	161%	2012
42	4.4%	5.8%	137.8%	156%	2012
44	-17.1%	1.1%	5.3%	8%	2012
48	1.0%	1.5%	51.6%	88%	2012
55	-12.7%	4.5%	8.5%	18%	2012
56	3.7%	4.7%	57.5%	27%	2012
57	11.9%	-9.5%	40.2%	28%	2012
58	0.2%	2.0%	11.3%	35%	2012
59	3.1%	1.5%	20.2%	88%	2012
61	2.0%	4.6%	115.5%	184%	2012
62	3.5%	2.8%	28.5%	32%	2013
63	8.0%	3.6%	72.1%	135%	2012
65	2.2%	4.5%	31.0%	61%	2013
74	1.3%	0.9%	71.0%	40%	2012
77	7.3%	-13.5%	9.4%	11%	2012
78	1.1%	0.5%	17.7%	26%	2012
80	5.3%	1.3%	129.3%	34%	2012
81	0.1%	0.7%	53.8%	34%	2012
82	0.4%	1.8%	2.8%	23%	2012
85	2.9%	7.2%	14.0%	11%	2012
87	4.7%	0.2%		134%	2013
93	-4.6%	1.4%	7.8%	42%	2012
96	-33.7%	0.9%	55.7%	40%	2012
97	4.5%	4.5%	7.5%	18%	2012
98	5.7%	0.9%	131.7%	40%	2012
100	5.9%	3.6%	113.2%	135%	2012
104	3.1%	3.4%	23.0%	71%	2012
105	-1.2%	-0.1%	14.2%	46%	2012

106	4.2%	4.6%	143.0%	184%	2012
108	1.2%	-0.1%	79.1%	46%	2012
110	2.2%	1.5%	27.0%	88%	2012
111	0.9%	3.1%	176.4%	188%	2012
112	2.4%	4.5%	25.5%	61%	2012
113	0.6%	4.5%	30.8%	18%	2012
115	4.8%	-13.5%	12.2%	11%	2012
116	1.6%	5.8%	196.8%	156%	2012
117	-0.1%	-3.2%	99.7%	81%	2011
118	3.8%	2.2%	40.6%	41%	2012
119	-1.0%	1.4%	12.8%	42%	2012
120	1.7%	0.9%	14.2%	40%	2012
121	0.3%	7.2%	10.3%	11%	2012
122	1.3%	1.3%	174.5%	34%	2012
123	10.2%	4.8%	15.9%	8%	2012
125	-3.2%	4.8%	6.2%	8%	2012
126	1.8%	4.8%	12.2%	8%	2012
127	2.0%	0.5%	21.7%	28%	2012
129	-4.2%	1.8%	11.5%	23%	2012
130	0.2%	1.0%	3.7%	4%	2012
131	-2.5%		13.8%		2012
133	-1.8%	0.5%	34.9%	56%	2012
136	2.1%	4.8%	9.8%	8%	2012
137	2.0%	1.8%	14.0%	49%	2012
138	2.1%	0.5%	40.1%	56%	2012
139	1.1%	1.4%	83.4%	42%	2012
140	2.3%	1.5%	232.8%	88%	2012
143	1.5%	1.4%	21.8%	42%	2012
144	6.4%	4.8%	6.7%	8%	2012
145	1.2%	4.8%	5.7%	8%	2012
146	2.2%	3.1%	44.6%	35%	2012
148	3.2%	-9.5%	35.8%	28%	2012
150	2.7%	0.5%	14.3%	28%	2012
151	0.1%	0.5%	9.5%	28%	2012
154	0.3%	5.1%	20.5%	23%	2012
156	-4.1%	0.5%	49.6%	56%	2012
159	1.3%	1.8%	91.8%	49%	2012
160	2.2%	1.1%	41.9%	15%	2012
161	2.2%	-3.2%	57.0%	81%	2012
162	-10.9%	4.4%	43.3%	159%	2012
163	6.1%	4.5%	66.7%	61%	2012
164	3.6%	0.5%	24.3%	56%	2012

165	0.8%	1.7%	25.7%	164%	2012
166	3.8%	16.7%	66.4%	26%	2012
167	2.6%	0.7%	32.1%	34%	2012
169	2.8%	3.1%	27.3%	35%	2012
170	-5.4%	-3.2%	78.0%	81%	2012
171	0.8%	3.4%	160.5%	90%	2012
172	8.7%	7.2%	17.2%	11%	2012
173	0.7%		33.8%		2012
175	-7.9%				2012
176	-2.6%	0.9%	95.4%	40%	2012
177	5.6%	5.1%	24.9%	23%	2012
181	7.5%	5.1%	26.7%	64%	2012
182	-11.6%	-2.6%	63.4%	34%	2012
183	-24.6%	-9.5%	35.3%	28%	2012
184	11.7%		173.3%	138%	2013
185	9.9%	6.8%	13.3%	14%	2013
187	-0.1%	-2.1%	211.2%	77%	2012
188	4.3%	1.8%	13.4%	49%	2012
190	3.4%	1.8%	40.0%	49%	2012
198	-13.4%		5.2%	4%	2012
199	5.6%	0.7%	37.6%	34%	2012
200	0.3%		17.8%		2011
201	1.2%	2.2%	71.5%	41%	2012
202		0.5%		56%	2011
204	4.1%	4.6%	34.0%	184%	2013
205	12.0%	-17.1%	16.5%	13%	2012
206	-18.9%	8.4%	28.8%	47%	2012
207	7.4%	4.7%	13.2%	27%	2012
210		3.2%		10%	2011
211				9%	2011
212		0.5%		56%	2012
213		0.5%		56%	2011
214					2011
215	4.5%	3.6%	91.5%	135%	2012
216		16.7%	62.9%	26%	2012
217	6.3%	-0.2%	210.1%	161%	2012
218	-0.3%	0.5%		56%	2012
219	-45.0%	1.8%		23%	2013
222	0.5%	4.5%	162.0%	61%	2012
225					2011
226	-33.8%	1.0%		4%	2012
227	1.6%	1.1%		46%	2012

228	-17.7%		73.4%		2012
229		-2.1%		77%	2011
230	0.5%	2.8%	53.9%	32%	2012
231	9.9%	0.3%	11.0%	13%	2013
237	-4.4%	5.1%		23%	2012
238	0.3%	1.2%	8.9%	10%	2013
239	-6.4%	-6.7%	19.5%	54%	2012
240	-12.2%	-0.4%	47.8%	46%	2012
241	3.1%	1.2%	136.0%	10%	2013
242	-8.4%	1.2%	8.3%	10%	2013
243	4.1%	2.4%	11.0%	12%	2012
245	2.3%	1.5%	9.2%	16%	2013
246	-1.1%	4.5%	36.2%	18%	2012
247	-13.4%	1.5%	9.4%	16%	2012
249	-5.0%		23.9%		2012
253		1.8%		23%	2011
255		4.5%		61%	2013
257		0.5%		56%	2011
258		0.5%		56%	2011
259		4.5%		61%	2011
260		4.2%		95%	2011
261		2.1%		86%	2011
262		0.5%		56%	2009
263		1.8%		23%	2011
265	2.0%		16.9%		2012
266					2012
267					2013
268					2013
269	1.4%	2.2%	107.6%	41%	2012
273					2011
274					2011
275		1.0%		4%	2011
276		0.5%		56%	2011
277		0.5%		56%	2011
279		0.9%		40%	2011
280		3.2%		10%	2009
281		3.2%		10%	2011
282		0.5%		56%	2011
285					2011
286		0.5%		56%	2011
287		4.5%		61%	2011
288		2.5%		43%	2011

289	-0.9%	1.3%	88.5%	34%	2012
290		4.5%		61%	2011
291	-12.8%	-3.8%		107%	2012
292		4.5%		18%	2013
293		-1.8%		8%	2009
294	-9.1%	1.0%		4%	2012
295	-27.0%	0.9%		40%	2012
296		3.1%		188%	2012
298	3.6%	1.1%		8%	2012
299				138%	2012
300	5.7%	0.4%		37%	2012
301		1.0%		4%	2012
302		0.5%		26%	2009
304		1.8%		23%	2009
305	-0.3%			138%	2013
306		2.3%		38%	2009
307					2009
309		0.2%		134%	2009
310	-2.0%	-0.1%		46%	2012
311		4.6%		184%	2009
313					2009
315					2009
316	-88.0%				2012
317	0.6%	2.2%		41%	2012
319	-155.0%	-3.2%		81%	2009
321	8.4%	16.7%		26%	2012
322		0.5%		56%	2009
323		0.2%		134%	2009
324		0.5%		56%	2009
325	18.8%				2012
326		3.4%		90%	2009
327	-0.3%	1.5%		88%	2012
328	2.5%	0.9%		40%	2012
329	-21.8%	4.5%		61%	2009
330	0.9%	5.1%		23%	2009
331		7.2%		11%	2009
332	-87.0%	0.5%		26%	2009
333	2.1%	0.7%		34%	2012
334	5.6%	1.2%		10%	2012
336		0.5%		56%	2009
337		5.6%		9%	2012
339		1.0%		4%	2009

340		0.5%	56%	2009
341		0.5%	56%	2009
342	-24.2%	7.2%	11%	2012
343		4.5%	61%	2009
344		4.6%	184%	2009
345		0.5%	56%	2009
346	-1.2%	0.3%	13%	2012
347		1.2%	10%	2009
348				2009
350				2009
351		4.8%	8%	2009
353		1.4%	42%	2009
354		0.3%	13%	2009
355		4.6%	184%	2013
357		1.0%	4%	2009
358	1.9%	1.4%	42%	2012
360		4.5%	61%	2009
363	6.6%	7.2%	11%	2012
364		-2.6%	34%	2009
365		2.5%	43%	2009
367			138%	2013
368		1.0%	4%	2009
369		4.5%	18%	2009
370		1.0%	4%	2009
372				2009
377		1.1%	15%	2013
379		0.2%	134%	2009
380	-73.0%	4.2%	95%	2012
381	-24.4%	-1.7%	12%	2012
382				2009
383				2009
384	-0.5%	0.3%	13%	2012
385		0.5%	56%	2013
386		0.5%	56%	2009
388		0.5%	56%	2013
389		4.8%	8%	2013
390		2.2%	41%	2009
391		-1.7%	12%	2009
392	0.3%	0.3%	13%	2012
393	0.5%			2009
394	1.5%	7.2%	11%	2009
395				2013



396	12.0%	0.3%	13%	2013
398	1.4%	-2.1%	77%	2013
401		1.0%	4%	2009
403		2.8%	32%	2013
404		-13.5%	11%	2013
406		1.8%	23%	2009
407	1.0%	4.6%	184%	2012
413		1.6%	89%	2009
415	3.8%	1.4%	42%	2009
416				2009
417	-96.0%	3.2%	10%	2009
423	0.3%	1.8%	23%	2013

## Bibliography

- “About Microfinance.” *Kiva*. Kiva, 2014. Web. 29 Sept. 2014.
- “About Us.” *Kiva*. Kiva, 2014. Web. 28 Sept. 2014.
- “Charity Navigator Rating - Kiva.” *Charity Navigator*. Charity Navigator, 2014. Web. 17 Nov. 2014.
- “Direct Loans FAQ.” *Kiva Blog*. Kiva, 2014. Web. 18 Nov. 2014.
- “Does Kiva Monitor Field Partners?” *Kiva Help Center*. Kiva, 2014. Web. 18 Nov. 2014.
- “FAQs on Microfinance.” *Microfinance Information Exchange*. Microfinance Information Exchange, Inc., 2010. Web. 29 Sept. 2014.
- “Field Partner’s Role.” *Kiva*. Kiva, 2014. Web. 20 Oct. 2014.
- Flannery, Matt, and Premal Shah. “Kiva Responds: The Famed Microlender Replies to Hugh Sinclair’s Scathing Critique.” *NextBillion.net*. NextBillion.net, 12 Feb. 2014. Web. 29 Sept. 2014.
- Gaul, Scott. “MFTransparency and MIX Market.” *Microfinance Information Exchange*. Microfinance Information Exchange, Inc., Apr. 2011. Web. 29 Sept. 2014.
- “Glossary.” *MIX Market*. Microfinance Information Exchange, Inc., 2012. Web. 18 Nov. 2014.
- Hassenfeld, Elie. “Kiva Repayment Data.” *The GiveWell Blog*. GiveWell, 13 Oct. 2009. Web. 17 Nov. 2014.

Helms, Brigit, and Xavier Reille. "Interest Rate Ceilings and Microfinance: The Story So

Far." *CGAP*. Consultative Group to Assist the Poor (CGAP), 1 Sept. 2004.

Web. 20 Oct. 2014.

"How Kiva Works, The Long Version." *Kiva*. Kiva, 2014. Web. 29 Sept. 2014.

"Interest Rates FAQ." *Kiva Blog*. Kiva, 2014. Web. 29 Sept. 2014.

Jung, Daniel. "Managing Risk through Innovation, Part 1: Delinquency Management."

*Kiva Zip*. Kiva, 8 Oct. 2013. Web. 20 Oct. 2014.

Jung, Daniel. "Managing Risk through Innovation, Part 2: Borrower and Trustee

Selection." *Kiva Zip*. Kiva, 6 Dec. 2013. Web. 20 Oct. 2014.

"Kiva Zip FAQ." *Kiva Zip*. Kiva, 2014. Web. 29 Sept. 2014.

"Kiva's Impact FAQ." *Kiva Blog*. Kiva, 2014. Web. 29 Sept. 2014.

"Kiva's Role." *Kiva*. Kiva, 2014. Web. 18 Nov. 2014.

Kurnia, Julia. "Is Direct P2P Microlending Financially Sustainable?" *Zidisha*. Zidisha

Inc., 13 June 2014. Web. 16 Nov. 2014.

Kurnia, Julia. "Kiva vs. Zidisha: Three Common Myths." *The Huffington Post*.

TheHuffingtonPost.com, Inc., 03 July 2014. Web. 17 Nov. 2014.

Kurnia, Julia. "Zidisha vs. Kiva Zip." *The Huffington Post*. TheHuffingtonPost.com, Inc.,

25 Feb. 2014. Web. 29 Sept. 2014.

"Microfinance Frequently Asked Questions." *CGAP: Advancing Financial Inclusion to*

*Improve the Lives of the Poor*. CGAP, 2013. Web. 29 Sept. 2014.

"New, Individual-Level Data on Financial Inclusion: The 'Unbanked' Are Deterred by

Cost, Documentation, and Travel Requirements." *World Bank Group*. The

World Bank Group, 13 Dec. 2012. Web. 20 Oct. 2014.

“The Nobel Peace Prize 2006.” *Nobelprize.org*. Nobel Media AB, 2014. Web. 29 Sept. 2014.

“Our Field Partners.” *Kiva*. Kiva, 2014. Web. 20 Oct. 2014.

“Our Trustees.” *Kiva Zip*. Kiva, 2014. Web. 20 Oct. 2014.

“Portfolio Yield FAQ.” *Kiva Blog*. Kiva, 2014. Web. 29 Sept. 2014.

“Risk and Due Diligence.” *Kiva*. Kiva, 2014. Web. 18 Nov. 2014.

Rosenberg, Richard, Adrian Gonzalez, and Sushma Narain. “The New Moneylenders: Are Microcredit Interest Rates Too High?” *CGAP*. Consultative Group to Assist the Poor (CGAP), 1 Feb. 2009. Web. 29 Sept. 2014.

Rosenberg, Richard, Scott Gaul, William Ford, and Olga Tomilova. “Microcredit Interest Rates and Their Determinants: 2004–2011.” *CGAP*. Consultative Group to Assist the Poor (CGAP), 16 July 2013. Web. 29 Sept. 2014.

Sinclair, Hugh. “The Kiva Fairytale: It’s a Microlending Superstar - but Who Is It Really Serving?” *NextBillion.net*. NextBillion.net, 10 Feb. 2014. Web. 20 Oct. 2014.

Smith, Brandon. “Kiva Receives \$3 Million Google Global Impact Award to Launch Kiva Labs.” *Kiva Blog*. Kiva, 12 Dec. 2013. Web. 29 Sept. 2014.

“Terms of Use.” *Zidisha*. Zidisha Inc., 22 Aug. 2014. Web. 20 Oct. 2014.

“What Do “Average Cost to Borrower” and “APR” Mean?” *Kiva Help Center*. Kiva, 2014. Web. 18 Nov. 2014.

“What Do “Average Cost to Borrower” and “PY” Mean?” *Kiva Help Center*. Kiva, 2014. Web. 18 Nov. 2014.

“What Is Kiva Zip?” *Kiva Zip*. Kiva, 2014. Web. 29 Sept. 2014.

“What Process Does Kiva Have to Ensure Its Field Partners Are Offering Fair and Appropriate Interest Rates?” *Kiva Help Center*. Kiva, 2014. Web. 18 Nov. 2014.

“Why Are the Interest Rates in Post-conflict Areas so High?” *Kiva Help Center*. Kiva, 2014. Web. 19 Nov. 2014.

Yunus, Muhammad, and Karl Weber. *Creating a World without Poverty: Social Business and the Future of Capitalism*. New York: PublicAffairs, 2007. PDF.

Yunus, Muhammad. “Sacrificing Microcredit for Megaprofits.” *The New York Times*. The New York Times Company, 14 Jan. 2011. Web. 29 Sept. 2014.

“Zidisha Audit Report 2012.” *Zidisha Staff Wiki*. Zidisha Inc., 11 Aug. 2014. Web. 17 Nov. 2014.

“Zidisha FAQ.” *Zidisha*. Zidisha Inc., 2013. Web. 29 Sept. 2014.

## Academic Vita

### Qishuai (Sherry) Wang

2015 Country Glenn Ln, State College, PA 16801

qow5011@psu.edu

(814) 933-2320

---

<b>EDUCATION</b>	The Pennsylvania State University Schreyer Honors College Master of Accounting (MAcc) Program Bachelor of Science in Finance Bachelor of Science in Accounting Master of Accounting	University Park, PA  Graduation: Dec. 2014
------------------	--	--

<b>HONORS</b>	Beta Gamma Sigma International Honor Society Dean's List – every semester Gerard L. Bayles Memorial Scholarship Pre-Eminence in Honors Education Fund Scholarship 2012 Robert W. “Bear” Koehler Award for Distinguished Service
---------------	---

### RELEVANT EXPERIENCE

---

<b>PNC Financial Services Group, Inc.</b> <i>Internal Audit Intern – Enterprise Risk</i>	Pittsburgh, PA June – Aug. 2014
---	------------------------------------

- Prepared workpapers (process control narratives, operations testing, SOX control testing, application layer control testing) for the 2014 audit of Alternative Investments, drafted provided by client (PBC) lists, and updated 2014 Enterprise Risk SOX controls
- Gained an in-depth understanding of Internal Audit methodology by conducting an enterprise-wide audit of a fictional bank similar in size to PNC, identifying five key processes, and presenting findings on inherent risks, controls, potential audit issues, and testing to the General Auditor, directors, and senior managers of PNC Internal Audit

<b>PNC Financial Services Group, Inc.</b> <i>Internal Audit Intern – Operations</i>	Pittsburgh, PA June – Aug. 2013
--	------------------------------------

- Prepared workpapers (process control narratives, operations testing, SOX control testing) for the 2013 audits of Commercial Client Services, Commercial Loan Administration, Consolidated Wire Testing, and Detection & Resolution Unit
- Designed and presented a training course (on the Strong rating given to the audit function of large banks by the Office of the Comptroller of the Currency) to the General Auditor, directors, and senior managers of PNC Internal Audit

<b>Geospatial Data Analysis Corporation (GDA Corp.)</b> <i>Office Manager</i>	State College, PA May 2012 – Jan. 2013
--	---

- Managed human resources, reported payroll, ordered equipment and office supplies, and summarized financial transactions
- Assisted executive staff with arranging meetings, drafting contracts, organizing proposals, and performing light R&D
- Scripted and recorded software tutorials, collected agricultural statistics, and updated company website

**The Pennsylvania State University Department of Economics**      University Park, PA  
*Teaching Assistant for Economics 102 (Microeconomics)*      Aug. – Dec. 2011

- Answered students' questions before and after lectures, proctored exams, and held two office hour sessions a week
- Graded six homework assignments, two mid-term exams, and a final exam for 100 students

## **ACTIVITIES**

---

### **Smeal Classroom Consultants**

*Vice President of Technology*      Jan. 2011 – Present

- Developed the organization's website and member application procedures
- Performed case studies and offered suggestions for improving the quality and fairness of Accounting 211 Honors, 404, and 405

### **Schreyer Honors College Literary Committee (LitCo)**

*Outreach Chair*      Aug. 2010 – Present

- Proposed books to be required summer reading for freshman scholars and drafted discussion questions for SHO TIME orientation
- Chronicled all discussed books and managed website, Twitter account, and partnerships with other organizations

### **Penn State Accounting Society**

*Executive Board Member, Webmaster*      Jan. 2012 – May 2013

- Planned workshops, social events, and professional events held by accounting firms
- Maintained websites of both the Accounting Society and the Volunteer Income Tax Assistance (VITA) program

### **Penn State Investment Association (PSIA)**

*Information Technology Analyst*      Aug. 2010 – Dec. 2011

- Researched current IT holdings in the Nittany Lion Fund and prepared IT sector stock pitches for general body meetings