



Five Talents

Fighting Poverty, Creating Jobs, Transforming Lives

2012-2013 ANNUAL REPORT



FROM THE EXECUTIVE DIRECTOR

Dear friends,

I can't tell you how delighted I was earlier this year when I spoke with the husband of a woman who was participating in our South Sudan program.

He was excited about the savings that his wife had been able to accrue, but he was also a little bit miffed. "I want to sell a goat to buy some nails for building," he said, "but she [my wife] has to agree first. Now, you have to ask your wife even if you want to sell a chicken!"

The transformation we're seeing throughout our programs has many faces. This is but one of them. Women are increasingly playing a bigger role in family decision-making, and this is strengthening the community fabric.

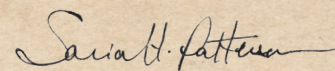
Last year, we served **72,725** women and men. Every single person participated in workshops and seminars designed to develop their business skills and equip them for the future.

Please take a few minutes to see how your prayers, advocacy and dollars are helping to change lives. Let the stories of our micro-entrepreneurs energize you. Let the reports of growth and

capacity-building on the ground remind you that YOU are making a difference.

Thank you for walking with us.

Blessings,



Sonia H. Patterson
Executive Director
Five Talents USA



Sonia with two clients in Indonesia

FROM THE CHAIR

Dear friends,

In your hands – or on your touchscreen – is our 2012-2013 Annual Report.

I suppose it's easy to read the stories, glance at a few of the numbers, and browse the program summaries without completely grasping what you have helped us accomplish during these 12 months.

Allow me to boil it all down to a single statistic:

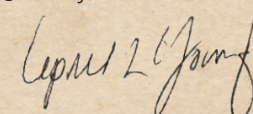
72,725 women and men participated in our programs in 2012-2013.

The vast majority of these individuals have grown or started micro-enterprises. They've participated in training workshops and, in some cases, learned to add, subtract and write their name for the very first time. They've met with a group facilitator or mentor who has advised them or prayed over them for a sick family member, or an alcoholic husband.

That's **72,725** stories. And you have played a role in each one.

Thank you for supporting – through your prayers and donations – Five Talents' programs. Thank you for partnering with us to change lives and affirm the dignity of women and men in some of the world's most under-served communities.

Sincerely,



Dr. April L. Young
Chair, Board of Directors
Five Talents USA

Five Talents

Fighting Poverty, Creating Jobs, Transforming Lives


In **14** years, Five Talents has worked with indigenous organizations to provide more than **195,000** microloans and assist more than **140,000** women & men with business training, small loans and the formation of savings and credit associations.

AT A GLANCE


24,725
new participants
in 2012-2013


76%
of all participants
are women


\$7-\$100
size of initial
loans among
the programs


94%
repayment
rate of loans

	FY2013	FY2012	FY2011
Members	72,725	48,000	32,123
Total Reach	509,075	336,000	224,861
Outstanding portfolio	\$3.1 million	\$2.7 million	\$2.3 million

LATIN AMERICA

PERU: During 2012-2013, Five Talents focused on helping to build a new model that could be tested in the town of Huancayo, where the organization hopes to establish a new branch office in 2013-2014, if funds allow. Meanwhile, the rural pastoral care initiative that brings spiritual development and support to more than 1,600 rural group members continues to thrive. In Peru, Five Talents partners with ECLOF Peru and the Anglican Church of Peru.

1,549 members; 2,873 loans disbursed

BOLIVIA: Two years ago, Five Talents partner Seeds of Blessing (Semillas de Bendicion) completed the long process of becoming a registered NGO. Since then, the founding leaders have hired additional staff and added board members to strengthen the foundation of the organization. The new staff, once adequately trained, will continue developing the Tarija programs.

Meanwhile, the founding leaders of the organization are planning to turn their focus to establishing savings groups in rural communities outside of Tarija.

156 members; 156 loans disbursed



“One of the workshops that I most enjoyed in the savings group was when I wrote our savings goals on paper. I don’t know how to write very well. In fact, I am scared to write. But on this day I wanted to write my savings goal: ‘I am saving for my children’s studies’.”

– Matilda, a mother of four, was washing clothes for a living when she joined the Five Talents program in Tarija, Bolivia. Since then, she has started a new micro-enterprise. She’s saving for her children’s education. And she’s participating in workshops designed to teach marketing, accounting and goal-setting skills.

AFRICA

BURUNDI: The Burundi program continues to be Five Talents’ fastest growing, with more than 50,000 women and men still waiting to join a savings association, after having completed Mothers’ Union’s literacy training. When a group of women and men form a savings association, they are empowered to create their own constitution and determine their own loan and interest terms. Groups also contribute to an emergency fund for needy folks in their communities. The net effect of this program is that families – and also communities – are uniting and growing stronger. In Burundi, Five Talents partners with Mothers’ Union and the Anglican Church of Burundi.

15,917 members; 7,003 loans disbursed

KENYA: The savings-led program in Kenya has expanded outside of Thika into the neighboring Embu diocese, where there are more than 20 savings groups. In Kenya, Five Talents partners with Thika Community Development Trust (TCDT) and the Anglican Church of Kenya. This program is managed by Five Talents UK.

6,100 members; 728 loans disbursed

SUDAN & SOUTH SUDAN:

The last 12 months in South Sudan saw the launch of a second community bank in Kuajok, the capital of Warrap State. The board and staff of the Lietnhom bank, established in 2009, are

providing training and mentoring for the new bank’s staff. Meanwhile, savings associations in six regions in Sudan and South Sudan are seeing steady growth. Particularly in South Sudan, these groups often provide the first community that members have experienced in years. (Many of these folks have been displaced due to violence and are only now returning home.) In Sudan and South Sudan, Five Talents partners with World Concern, Mothers’ Union and the Episcopal Church of Sudan.

23,212 members; 7,111 loans disbursed

TANZANIA: The credit-led program in Tanzania targets excluded rural communities in the southern highlands and serves only women. Five Talents partners in the country with the Mama Bahati Foundation (MBF) and the Anglican Diocese of Ruaha. This program is managed by Five Talents UK.

3,548 members; 1,730 loans disbursed

UGANDA: Five Talents’ microcredit program in Uganda offers a range of loans, including working capital loans and home improvement loans. Five Talents partners in the country with Five Talents Uganda (FTU) and the Anglican Church of Uganda. This program is managed by Five Talents UK.

4,911 members; 1,196 loans disbursed



“I’ve been a member of a savings group for one year. My wife joined first, and when she came back home she would tell me about it... When I joined, I stopped drinking and started doing a small business. I am very grateful to my wife for helping me to join this association. We now have money to buy fertilizer.”

– Melance and his wife Consolate live in the town of Kiyange, in Gitega Diocese, Burundi. After Melance shared his testimony, his wife chimed in, “What he says is true! We are faithful to each other. This association helped us and really strengthened us as a family. I got skills from the literacy [training], but we still struggled for money, so [participating in a savings group] really helped us.”

ASIA

MYANMAR: In Myanmar, Five Talents partners with Mothers' Union and the Church of the Province of Myanmar. The program launched in 2011-2012 and continues to focus on strengthening and expanding business skills training outreach to church members and micro-entrepreneurs. Both women and men in existing Mothers' Union savings groups, and local trainers, participated in sessions on accounting, marketing and developing a business plan. The featured curriculum was developed by Five Talents.

38 members; 38 loans disbursed

INDONESIA: In 2012-2013, Five Talents' local partner, GERHATI, executed a plan to realign offices in order to better serve the target community. The branch office in Bekasi, one of the three communities that GERHATI serves, combined spaces with the main Jakarta office. Leadership at GERHATI is also considering new models for group lending and personal savings that it hopes to implement in the coming fiscal year. Unique to this

program is GERHATI's free medical clinics, which are designed to insulate families from health crises that can negatively impact their businesses. In Indonesia, Five Talents also partners with Jakarta's All Saints Church and the Anglican Diocese of Singapore.

3,692 members; 2,382 loans disbursed

PHILIPPINES: Five Talents continues to maintain its relationship with the first partner we funded, the Center for Community Transformation (CCT). Since this relationship began in 2000, CCT's microcredit program, a work that Five Talents helped to launch, continues to thrive and benefit women, men and their families. Over the last few years, our partnership with CCT has shifted to focus more closely on business skills training. In 2012-2013, Five Talents initiated a partnership with George Mason University's School of Management that will allow select participants in the Philippines program to take part in an advanced business training program. The anticipated launch date for the new training program is January 2014.



"I've profited enough to send my children to schools, and I can afford to cover the costs of food and medicine for my parents. My neighbors likewise seek help from me during their emergencies, and I am more than happy to share the little that I have. A business is more productive when the yield helps other people."

— Nena has developed her own candy-making business outside of Manila, in the Philippines. Profit from the homemade candies help to provide for the four kids living under her roof — not only food and a refuge from the outside world, but also money for education. "Education is the best gift we [parents] can give our kids," Nena said.

FIVE TALENTS INTERNATIONAL ¹ POSITION AS OF JUNE 30, 2013

	FY2013	FY2012
Cash	\$226,757	\$170,985
Contributions Receivable	43,275	32,795
Other assets	14,421	5,635
Fixed assets	13,942	18,259
Total Assets	\$298,395	\$227,674
Accounts Payable & Accrued Expenses	\$132,077	\$49,670
Line of Credit ²	-	15,031
Total Liabilities	\$132,077	\$64,701
Unrestricted Net Assets ³	90,484	64,828
Temporarily Restricted ³	75,834	98,145
Total Net Assets	\$166,318	\$162,973
Total Liabilities & Net Assets	\$298,395	\$227,674

FIVE TALENTS INTERNATIONAL ¹ OPERATIONS FOR JUNE 30, 2013

	FY2013	FY2012
Contributions	\$874,593	\$1,128,935
In-Kind Contributions ⁴	34,137	20,619
Other income	(467)	35
Total Revenue & Support	\$908,263	\$1,149,589
Program Services ⁵	\$665,219	\$923,805
Management & General	133,909	96,333
Fundraising	105,790	127,701
Total Expenses	\$904,918	\$1,147,839
Change in net assets	3,345	1,750
Net assets — Beginning of year	162,973	161,223
Net assets — End of year	\$166,318	\$162,973

(1) Five Talents US (FTUS) is a member of Five Talents International (FTI) Family, which includes a sister organization in the United Kingdom. FTUS was incorporated in the Commonwealth of Virginia in March 1999 as a not-for-profit organization under section 501 (c)(3) of the Internal Revenue Code. The office is located in Fairfax, Virginia, outside of Washington D.C. Our external auditors are Dixon Hughes Goodman LLP certified public accountants in McLean, Virginia, and statements are available upon request.

(2) In August 2011, FTUS secured an annual variable rate, nondisclosable, revolving line of credit for \$25,000 with Sandy Spring Bank. The line has been renewed in August 2013.

(3) Temporarily restricted net assets represent contributions received that contain donor imposed restrictions. As of June 30, 2013, temporarily restricted net assets are available for our program partners in the following regions: Africa, \$20,010; Asia, \$20,372; Latin America, \$7,377; Knippers Institute, \$23,075. \$5,000 was received for FY14 Gala. Total = \$75,834.

(4) FTUS operates in donated office space. This donation of office space and utilities is recorded as In Kind Contributions and Occupancy Expense. In addition, FTUS benefits from donated legal expertise. The fair value of this expertise has been reported as In Kind Contributions and Professional Fees. This is in accordance to accounting standards generally accepted in the United States.

(5) Program Services for the twelve months ending June 30, 2013 were expended in the following areas: \$315,732 in partner funding and technical assistance for micro-enterprise and savings-led programs; and \$349,487 to mentor program partners with capacity building using evaluation, oversight and additional business skill training.



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Five Talents USA is registered with the IRS as a 501c3. Your donations are tax-deductible.

Credits: Report design by Laura Bauder
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