Empowering the world’s poorest people to lift themselves out of poverty.
Dear Friends,

Reflecting on a year of milestones and accomplishments, we celebrate the courage and hard work of micro-entrepreneurs around the world with whom we have had the privilege of partnering in their journey out of poverty. In homes and communities where fear, hunger, and despair seemed to have an unbreakable hold, now joy, health, and hope prevail, perhaps for the first time.

With your help, Grameen Foundation USA provided crucial support to a network of forty-six grassroots partners in nineteen countries in 2003. At year end, these partners were collectively serving more than 850,000 families — an 85 percent increase in outreach from the previous year. Making small loans in increments often less than $100, our partners managed a combined outstanding loan portfolio of more than $61 million — convincing proof that tiny loans can add up to a big difference in the lives of the poor.

Your gifts allow Grameen Foundation USA to fight poverty on many different fronts:

To **build partnerships** that connect the world’s leading micro-finance institutions and social entrepreneurs with the individuals, organizations, and resources they need to have an even greater impact on global poverty...

To **break barriers** that prevent micro-finance institutions from growing as fast as they are otherwise capable and meeting the overwhelming demand for credit and financial services among the poor...

...And to **champion innovations**—financial, technical, and technological—that have positive applications for both micro-finance clients and the organizations that serve them.

Although millions of desperately poor families around the world now have new hope for the future because of micro-finance, many millions more still lack access. Our goal is to see that micro-finance reaches its potential, so that these families can reach theirs, too.

In late 2003, we adopted an ambitious plan to reach five million new borrowers with microfinance—and ensure that at least half cross the poverty line—between 2004 and 2008. It is a lofty goal, but we can think of nothing more worthy of our dedication than the continued pursuit of an end to abject poverty.

We thank you for your support of Grameen Foundation USA and urge you to continue to help us create a future without poverty.

Sincerely,

Susan Davis  
Chair

Alex Counts  
President
2003: A BREAK-OUT YEAR

In 2003, Grameen Foundation USA partnered with forty-six micro-finance institutions in nineteen countries that collectively expanded their outreach to more than 850,000 families living in poverty — nearly double the previous year. But so much more remains to be done. Worldwide, 1.3 billion people still live on less than one dollar per day. Millions still have no access to financial services. Yet, little by little, tiny loan by tiny loan, micro-finance is making a positive difference. On the following pages are some highlights of what we and our partners have been able to accomplish — thanks to the support of caring donors.

WE’RE CHANGING LIVES BY...

Beating back poverty:

■ In India, three out of four (76.8 percent) of SHARE’s mature clients have experienced significant reduction in their poverty.
■ When they began borrowing, 75.7 percent of ASHI clients in the Philippines were living in extreme poverty. Four or more loans later, less than one out of eight (13 percent) live in extreme poverty.
■ In Pakistan, 73 percent of Kashf clients report an increase in income and 76 percent report an increase in their savings.
■ Ninety-two percent of mature ASA clients (members for two or more years) and 83 percent of newer clients in India report increased income as a result of their micro-loans.

■ Sixty-seven percent of surveyed AlSol clients in Mexico reported that their businesses improved within a year of taking a micro-loan. Seventy-five percent reported that they had no difficulty repaying their loan.

Reaching the poorest:

■ An independent study showed that all SHARE clients live below the poverty line, with 85 percent of them in the bottom 20 percent.
■ Eighty-six percent of surveyed Kashf clients have less than 66 cents to spend per day. Ninety-four percent are landless.
Taking on new challenges

With billions living below the poverty line, the challenge of addressing global poverty often seems overwhelming. Only by applying solutions on the scale of the problem itself can we hope to make real progress in the fight against the unnecessary suffering of so many. Though micro-finance has already changed the lives of millions of families, the demand for tiny loans and other financial services continues to outstrip the supply.

Grameen Foundation USA is dedicated to increasing the outreach of micro-finance to have a significant impact on global poverty. In 2003, we adopted a five year strategic plan to be launched in 2004 with three ambitious goals:

1. Reach five million new borrowers.
2. Ensure that at least half of those borrowers cross the poverty line within five years of taking their first loan.
3. Champion three innovations that will transform the micro-finance sector at the national, regional or global level.

The challenge of global poverty is daunting, but the promise and potential inside each one of us is even greater. Join us in achieving these goals and empowering millions of the world’s poorest to lift themselves out of poverty with dignity.

Helping build assets:

- Most micro-finance clients invest in productive assets that can increase their income. A survey of ASHI clients revealed that 54 percent owned productive assets like machinery, vehicles or livestock, worth $89 to $623. Another 22 percent owned assets worth even more.
- Sixty percent of AlSol clients reported they had increased savings since becoming borrowers. During the same period, not a single non-client reported an increase in savings.

Improving quality of life:

- Ninety-six percent of surveyed Kashf clients reported an increased awareness of social issues.
- Ninety-one percent of ASA clients report that they decide how to use the profits from their business, either individually or jointly with their husbands.
- Ninety-four percent of such clients reported an increased awareness of social issues. Fifty-four percent reported improved diet and nutrition and 58 percent reported improved health care resources.
- Ninety-one percent of ASA clients report that they decide how to use the profits from their business, either individually or jointly with their husbands.
- Seventy-one percent of clients for at least two or more years report that they have better nutrition and 80% are sending their children to school.
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<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Partners</th>
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<td><strong>Overall Total Worldwide:</strong></td>
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¹ in partnership with Grameen Trust
Empowering Mexico’s Poorest
Just a two hour flight from Dallas, Texas, exists a world of poverty almost too bleak to imagine. Ninety percent of the families that live in Chiapas, Mexico are impoverished. In 2003, the women and children in Chiapas found unexpected champions in a group of Dallas business women. GF-USA brought together real estate developer Lucy Billingsley and several colleagues with AlSol, a partner institution that provides micro-loans and other financial services to very poor Chiapas women. Struck by the crushing poverty they saw there, yet inspired by the promise that micro-finance holds for the region, Lucy and her colleagues decided to partner with GF-USA. The Chiapas Project, an effort to raise nearly $800,000 to provide 7,000 Chiapas women with micro-loans, was launched in March, 2003. By December 2003, the group had raised $500,000, well on their way to meeting their goal.

“Through GF-USA, a remarkable partnership between the women of Dallas and the women of Chiapas has taken shape,” says Billingsley. “Together we are achieving a shared dream — to make the future a brighter place for our children.”

New Initiatives in the Arab World
Exhausted by the daily struggle to put food on the table and keep a roof over her family’s head, Kamla Ahmed Hamed realized that something had to give. “I am the wife of a disabled man with four children to support,” she says. “I did not know what to do. I just knew that it was impossible to go on like that.”

Happily, Kamla found CAFD, an Egyptian micro-finance institution that gave her a loan of $160 to start a basket weaving and pottery business. Today, she can support her children and seek medical care for her husband. In addition, she has been able to afford running water and electricity in her home for the first time.

Though there are at least five million families like Kamla’s in the Arab World that could benefit from micro-finance, only ten percent currently have access. In 2003, GF-USA addressed the challenge by building a network of partners and investing in leading micro-finance institutions. Early funding was provided by B.Q. Investments, an international private investment firm, and the Mosaic Foundation, an American charitable organization founded by the spouses of the Arab Ambassadors to the United States, through its Mosaic Fund for the Arab World. This enabled GF-USA to provide Al-Tadamun, a leading Egyptian micro-finance institution, with training from Grameen Bank senior staff and some $151,000 to capitalize new micro-loans. These investments quickly showed results as Al-Tadamun added more than 5,000 new clients between April and December.

Building on this momentum, in September 2003, GF-USA launched the Grameen-Jameel Initiative. Underwritten by a three-year, $2.62 million grant from the A.L. Jameel Group, a leading Saudi Arabian private company, the Initiative will provide support and financing to Arab World micro-finance institutions having a strong potential for growth. The bottom line: the power of micro-finance is being made available to more of the region’s poorest families.
BREAKING BARRIERS

Streamlining Operations
Keeping track of thousands of clients and loan transactions by hand is not only inefficient; it prevents micro-finance institutions from growing as rapidly as they might otherwise. State-of-the-art technology gives micro-finance institutions the tools to grow faster and have a greater impact on poverty. During the year, GF-USA provided extensive technology support to several of its partners in Latin America. Ongoing consulting from the Grameen Technology Center has prepared Fundación Adelante, a Honduran affiliate, to install M2, an automated management information system launched in 2004. M2 streamlines Adelante’s accounting and portfolio management systems and allows it to effectively manage a growing roster of clients. GF-USA is also working closely with Las Melidas and Asaprosar in El Salvador and AlSol in Mexico as they implement similar systems.

"Now that we are using M2, we can get our checks to clients quicker, we can spot potential problems earlier, and we can monitor credit officer performance better."

Tony Stone
Executive Director, Fundación Adelante

PROFILE:

ACTIVISTS FOR SOCIAL ALTERNATIVES (ASA), INDIA

With deft and graceful movements, Shanti, a 28-year-old mother of two young sons, weaves delicate silk saris to sell in her community. Born into poverty in Tamil Nadu, India, Shanti’s weaving skills are hard won — she’s worked since childhood just to survive. Though renowned for the quality of her saris, Shanti was earning only $2.60 per day — barely enough to care for her children. Desperate for capital to expand, she became indebted to a moneylender, who charged high interest rates. But then she discovered ASA, a GF-USA partner, and took a loan for $60, which she invested in her business. As a result, her income has increased to more than $6 per day and she is now free from crippling debt. Today, Shanti is able to focus on growing her business and creating a better life for her family.
Opening Doors in China

Micro-finance holds great promise for millions of China’s poorest, but China still lacks the supportive laws and regulations needed to enable micro-finance to reach its potential. GF-USA is leading the effort to grow the Chinese micro-finance sector to meet demand among the poor, and to encourage the Chinese government to create a regulatory environment where micro-finance and micro-entrepreneurs can thrive.

In September 2003, GF-USA, together with Grameen Trust, the Rural Development Institute of the Chinese Academy of Social Sciences, Citigroup, and the Ford Foundation, sponsored the first-ever China Microfinance Summit in Beijing. Part of a $1.3 million project financed by Citigroup Foundation, the Summit brought together senior government officials, researchers, and micro-finance practitioners to begin mapping out a strategy to encourage the growth of micro-finance in China. An additional 13,500 rural Chinese women will gain access to micro-loans as part of this initiative.

Providing the Tools for Success

As micro-finance institutions expand, growing numbers of clients and loans pose new operational challenges. Despite their social mission to help the poorest, micro-finance institutions must strive for the same qualities that distinguish any good business: efficiency, accountability, and sustainability. Through technical assistance and training, GF-USA provides its partners with the tools they need to reach their goals:

- During a GF-USA-sponsored training visit to the Grameen Bank of Bangladesh in 2003, non-governmental organization leaders in the Dominican Republic gained a first-hand look at one of the world’s most successful micro-finance banks.

 PROFILE:

FUNDING THE POOR COOPERATIVE, CHINA

Mu Zhongxiu (at left, with her daughter-in-law) is proof positive that hard work and a little bit of capital can go a long way. Mu, 55, became a borrower of Funding the Poor Cooperative, a GF-USA partner in China, in 1995. Starting small, Mu borrowed $120 to buy seeds and other supplies for growing vegetables. Successful, she paid back her loan promptly and was able to take out a larger loan each year. As her confidence and business skills increased, she expanded her activities to include fish and cattle raising. Mu now earns about $480 a year, well above the average rural income. She has been able to pay for treatments for her husband’s long-term illness, and even built a house for her son’s wedding.
When Nigerian affiliate Lift Above Poverty Organization (LAPO) wanted to “fast-track” its expansion, GF-USA connected executive director Godwin Ehigiamusoe with two of our partners in India, CASHPOR Financial and Technical Services (CFTS) and SHARE Microfin Ltd., that have experience implementing a similar growth strategy. LAPO’s fast-track expansion is being made possible by a $1.3 million grant secured by GF-USA from the United States Agency for International Development. LAPO’s goal is to reach 40,000 new clients by 2005.

Also in 2003, GF-USA began working with CASHPOR Financial and Technical Services (CFTS) and ICICI Bank (India’s largest private commercial bank) to analyze an innovative partnership model that makes it easier for institutions like CFTS to access capital for growth. GF-USA is working to create data standards that will allow this model to be implemented between other micro-finance institutions and commercial banks in India.

PROFILE:

**GRAMEEN DE LA FRONTERA, MEXICO**

When **Gloria Para Rabago’s** sewing machine broke, she couldn’t scrape together the $40 needed to fix it. She and her husband and their four children, who live in a one-room adobe hut in rural Sonora, Mexico, had enough trouble just making ends meet. Though nervous about borrowing, Gloria joined GF-USA partner Grameen de la Frontera and took out a $100 loan to repair her machine and buy cloth and thread. Within six months she had repaid the loan by selling dresses she had made and was earning enough to help with household expenses. Now on her second loan, Gloria has bought a second sewing machine to expand her business. She credits Grameen de la Frontera with helping create a sense of community among the women of her village and helping her build her confidence. “Before, I was serious and kept to myself,” she recalls. ”Now, I can talk to the whole world!”

"Grameen Foundation USA has been very important to AlSol since its beginning. The financial and technical assistance we have received from the Foundation has been a key part of our development. We feel they know us and they understand us.

Claudia Rovelo
Program Director, Alternativa Solidaria (AlSol)
Opening Communications in Uganda
Imagine being more than twelve miles from the nearest telephone, unable to ring quickly for a doctor in an emergency or share news with distant friends and relatives. With fewer than two phones for every one thousand people, life without convenient or affordable communications services is a daily challenge for the vast majority of Ugandans.

In 2003, GF-USA piloted and launched MTN villagePhone, a joint venture with MTN Uganda, the country’s leading telecommunications service provider. MTN villagePhone is the first successful replication of Grameen Telecom’s Village Phone program — a groundbreaking initiative that has put cell phones in the hands of more than 40,000 entrepreneurial women, enabling them to operate pay phone businesses in rural Bangladesh.

Deployed at least two kilometers from the nearest fixed line telephone, Village Phones provide crucial communication links to faraway people and places. They also generate extra income for the women operating the businesses — $2.12 gross on average per day — that buys food, medicine, and school supplies. Between March and December 2003, GF-USA and MTN Uganda launched 144 Village Phone businesses in partnership with four Ugandan micro-finance institutions. These phones provide communications access to as many as 288,000 rural people. Plans call for deploying 5,000 phones over the next five years in Uganda. Meanwhile, GF-USA is in the process of selecting a second country for the next launch of this innovative venture.

Rural India Goes Online
Starting and running a technology-based business would seem an ambitious undertaking for any twenty-three-year-old, much less for a young woman in impoverished, rural India. But that’s just what Vijay Shanti and her sister Senthil Rani, a twenty-five-year-old client of Activists for Social Alternatives (ASA), decided to do. When they heard of GF-USA’s plan to launch computing centers that would be run by micro-entrepreneurs and provide computer and internet-based information services to rural communities, they went through a rigorous application process to open one of the first six Village Computing Centers.

Such ambition and drive has helped make their business one of the strongest performing in the program. Vijay Shanti has actively marketed the center’s services, including the time-saving e-governance services that enable villagers to contact the government with a variety of requests. Without the daunting prospect of losing a day’s wages to travel to the city, wait in long lines and then months to receive a response from the government, the rural poor are now better able and more likely to reach the resources they need to improve their lives. Deeply committed to community development, Vijay Shanti has also started a popular computer training...
class for young women who, like her, see technology as a way to create a brighter future for themselves.

GF-USA launched the Village Computing Project in June 2003, together with ASA, a GF-USA partner since 2000, and Drishtee, a foundation dedicated to bringing information technology-enabled services to the rural poor. The six Village Computing centers serve an estimated 30,000 people. GF-USA plans to create 1,000 such centers over the next five years.

Forging Micro-Finance Opportunities
Technology innovations aren’t the only breakthroughs that are transforming the microfinance sector. GF-USA was a catalyst for several ground-breaking financial agreements in 2003 that enable tens of thousands of poor families to access credit and other financial services for the first time.

Thanks to donor support provided in late 2003, GF-USA was able to supply a collateral deposit of $325,000 to SHARE Microfin Ltd., a long-time partner and the largest micro-finance institution in India. This investment served as guarantee for ICICI, India’s largest private commercial bank, to purchase $4.3 million of SHARE’s outstanding loan portfolio in early 2004. It was the largest agreement of its kind in the history of micro-finance. The $4.3 million will be used by SHARE to add at least 25,000 new clients in the first quarter of 2004. With transactions such as this, GF-USA is bringing much-needed additional capital to organizations like SHARE, increasing the capacity to change the lives of millions living in extreme poverty.

In December, GF-USA played a key role in a similar agreement in the Philippines. GF-USA provided a loan of $410,000 to the Center for Agriculture and Rural Development (CARD), which was used as a guarantee to leverage an $820,000 line of credit from the Land Bank of the Philippines. CARD plans to use this capital to add new branches that will serve 28,000 women in some of the poorest provinces in the Philippines. As the new branches become self-sufficient, CARD will use the profits to repay its loan to GF-USA, and to establish even more branches that will provide tens of thousands of families the chance to escape poverty and achieve their dreams.

MTN VillagePhone, Uganda

Angilina Wandera has a big heart — and an entrepreneurial spirit to match. A dressmaker in the town of Bumulimba in Uganda, Angilina — already the mother of six — is also raising five adopted children. She is a longstanding client of FOCCAS, a partner in GF-USA and MTN Uganda’s MTN VillagePhone program. Her most recent loan enabled her to purchase a cellular phone kit to start a public pay phone service under the program. This venture has been a great success, and has turned Angelina’s dressmaking shop into a hub of social activity. Many clients who come to use her phone service also place orders for clothes. Angilina uses the additional income to pay school-related costs for her children.
YOUR SUPPORT HELPS BREAK THE BONDS OF POVERTY

“Grameen Foundation USA is the direct link for people who want to make a contribution, who want to be part of the solution in this world.”

Susan Davis
GF-USA Chair

Thanks to your generosity, we experienced significant financial growth in 2003, strengthening our ability to empower the world’s poorest people to lift themselves out of poverty with dignity. Contributions grew by nearly 50 percent, increasing our capacity to provide strong microfinance institutions with the resources they need to reach more families living in poverty with the life-changing power of micro-finance. On behalf of all our partners and everyone at Grameen Foundation USA, please accept our sincerest gratitude.

What is the impact of your support?

“Today more than a hundred million people are living better lives because of microcredit.”

Jim Klobuchar and Susan Cornell Wilkes
Authors, The Miracles of Barefoot Capitalism

OTHER WAYS TO GIVE:

- Make a bequest to Grameen Foundation USA through your will. A bequest to GF-USA reduces your estate taxes while helping sustain our fight to conquer poverty. Your bequest can leave a specific dollar amount, a piece of real estate, or you can designate a percentage of the estate or its residue to go to Grameen Foundation USA after your heirs are provided for. You have the option of specifying that your bequest be used for a specific purpose or program endowment.

- Ask your employer about matching gifts
Your gift to GF-USA can be doubled or tripled if your employer has a matching gift program.

- Volunteer
Invest your time and talent to advance our mission. Grameen Foundation USA has benefited from the efforts of hundreds of volunteers since its earliest days and continues to seek skilled volunteers to add value to our projects and initiatives.

Help us give those living in poverty the means to achieve self-sufficiency.

To make a donation:

By phone: 202-628-3560 ext. 119
By mail: Grameen Foundation USA
1029 Vermont Avenue NW, Suite 400
Washington, DC 20005-3517 USA
Online: www.gfusa.org
WITH THANKS TO OUR FINANCIAL SUPPORTERS IN 2003

CUMULATIVE (1997-2003) GIFTS OF $1,000,000 OR MORE :

Citigroup Foundation
Fund for the Poor, Inc.
Craig and Susan McCaw Foundation
Janet A. McKinley and George A. Miller

INDIVIDUAL DONORS

$500K+
Pierre and Pamela Omidyar

$250K+
Janet A. McKinley and George A. Miller

$100K+
Marshall and Pamela Saunders

$50K+
Robert and Lore Eichfeld
The Honorable John C. Whitehead

$25K+
Henry and Holly Wendt

$10K+
David L. and Leigh R. Bangs
Doug and Leslie Barry
John Chapple and Vivian Dixon
Trammell and Adina Crow
Anne Fields
Linda and Bob Knapp
Yvette and Aryeh Neier
Sabina Sassoli
Deb Sawyer and Wayne Martinson

$5K+
Anonymous (1)
Ruth and Kenneth Altshuler
Ronald and Lisa Barrentine
Jennifer Drogula
Ray Escoffier
Esther Hewlett

Sheila Highgenboten
Estate of Eugene Holmstrand
Kaki and Shelton Hopkins
Lynne and Joseph Horning
Linda R. Houser
Thomas and Juna Krajewski
Ed and Betty Law
Dr. Dean and Jane Peyton
Fred and Mary Morse
Tau Murapa
Barbara Norman
Nancy T. Richards
Kimberly and Steven C. Rockefeller, Jr.
Stewart and Rebecca Taggart
Barb Weber and Peter Cohen

$2500+
Anonymous (1)
Todd and Kay Armstrong
Carole and Charles Badgett
Karen J. Byron
Mimi and Stephen Johnson
Paul and Andrea Kane
Shakir and Sabiha Khan
Paula and Rudy Mann

Ann and Fred Margolin
Amber McMains
Alan Mendelson
Jerry and Whitney Neufeld-Kaiser
Susan Pausky
Joe W. Pitts III
Janniah and Shanti Prasad
Ann and Jerry Raisch
Paul Robb
Lucille T. Saunders
Raphael R. Savir
Craig and Hsiao-Hui Sickel
John M. Spiri
Sonya Stockklausner and Ronald Zittel
Mona and Grey Stogner
Tom Tapp
Katherine Valyi
Julie and Rogers Weed
Waikuen Yee and Anil Thomas

$1000+
Anonymous (4)
Abigail Adams
Margaret and Wayne Akers
William F. Allen

We’re giving to other women some of the same opportunity we’ve had ourselves.”

Lucy Billingsley
Founder, The Chiapas Project
Barron’s, December 8, 2003
I think that what the Grameen Foundation … has given to the poor — to poor women — first, is dignity. The second is the freedom to make choices, which means we as human beings have the right to say, ‘I am, because I can make choices in life.’

Graça Machel
President, National Commission of UNESCO
Former First Lady of Mozambique and South Africa
Winner of the 2003 Grameen Foundation USA-Deutsche Bank Humanitarian Award
Having seen poverty, having witnessed it, and felt it, we wanted to find something that was going to be effective. We decided that investing in micro-finance is what we wanted to do as a family, and to do so through Grameen Foundation USA.

Robert and Lore Eichfeld
Pennsylvania

David Allen and J.C. Puckett
John Alltucker
John and Sharon Amdall
Joseph Van Andel
Kim Askew
Rohit and Lori Bakshi
Nell Beck
Lucy and Henry Billingsley
Carolyn Bowshier
Laurie Brigance
Mireille Buser
G. Alan Calac
R. Caviness
Alison Chaiken
Joanna Chapin
Rashad and Sohana Chowdhury
Martin and Lien Cibulka
Glen H. Clark
Patty Cody
Charles Collins and Laura Stanley
Robert Conway
Sue Cooper
Alex Counts and Emily Wainwright
Harlan and Katherine Raymond Crow
Janet K. Cunningham
Matthew E. Deeb
Deborah K. Delano
Nali Dinshaw
Josh Ederington and Jenny Minier
William and Roberta Erwert
Nathan and Stacy Eshelman
Robert Fabry and Susan Taylor
Maria Fire
Valentin and Maria Fuster
Deborah Gallier
Thomas Murphy Gardner
Bill and Nancy Gerdes
Susan Gibson and Mark Bergman
Fabio Governato
Rajan Govindan
Brenda Griffey
Gail Griswold and Bill Brice, Jr.

Sherrie Hall
Jeffrey and Susan Hamilton
Timothy and Leslie Hartzell
Deborah Heblewhite
John F. Held
Sharon Herrin
Sydney Smith Hicks
Jean E. Higgins
Scott and Kay Holswade
Timothy and Jeanne Hoskins
Barbara Houlihan
Helen Hower and Colin Lanzl
Robert and Kelly Hunt
Kathryn F. Hyland
Martin A. Jacobs
Stephen Jacoby and Jordy Bell
Madeleine Johnson
Naomi Johnson
George Joy
Linda Heller Kamm
Robert and Jean Kapp
Charles and Roberta Katz
Timothy and Jennifer Kingston
Mark Vonder Haar and Laurie Kopec
Virginia Phelps Lacy
Paula Lambert
Ann and Bert Lane

Kathy Lawler and George Grochala
Scott A. Leckman
Alexis Lecouras
Leslie and Susan Lepow
Thom Levenson and Katha Seidman
Eric Lipson and Lorene Sterner
Kent and Laura Livingston
Terrence Lynch
Venitha Manter and James Anderson
“My visits with micro-credit borrowers in Bangladesh and China convinced me that Grameen micro-lending methodology is the most effective and self-sustaining way to combat the root causes of poverty.”

James F. Sams
Immediate Past Chair and Director

Michal J. Mazur
Hal and Twila McCown
Margaret McDermott
Jack and Ramona McGregor
Kathleen McManus and Timothy Howell
Amar R. Mehta
Marilyn Monter and Wilfried Witthuhn
Erik Moorhead
Margaret Morris
John and Christine Morsbach
Lucy Toland Murphy
Michael and Nancy Newton

David W. Ozbirn
Carl Page
Marcia Parry
Vikas and Lois Passi
Rena Pederson
Lucilo Pena and Lee Cobb
John and Nancy Penson
Pauline Peters
Michael and Enid Probst
Margaret and Donald Psencik
Elysia Holt Ragusa
Wilson Hill Rains
Jay and Kousalya Raman
Anthony Rebarchik

Gifts Have Been Made In Tribute To:

The wedding of Renu Chalasani and Reuben Swartz
by Sree Chirumamilla
Karen and Robert Cosentino
Prasad and Padmina Koneru
Ann O. Sunhachawee
Madhuri Mukkamala Yadlapati

Friends and Family
by Abigail Adams

Martha Gerdes, Verney Green, Sonya and Miles
by Bill and Nancy Gerdes

Lucy Toland Murphy
by Mrs. Trammell Crow

Julie Neal
by Kelly Oswald

Mrs. Ronnie Peterson
by the James Peterson Fund

Ariella Segal
by Ira Zackon and Nini Wu

Mrs. William Seybold
by Mrs. Trammell Crow

Hannah and Gerald Rees
Lillian Rhodes
Nancy R. Rice
Heather Robinson and Takir Akram
Evelyn and Edward Rose
R. Bruce Ross
Sherry Samuels and Aviva Starr
Chaitanya Sareen
Peruvemba Satish and Rupa Sethu
Richard and Christine Savage
John Schmidt
Abby Sher
Karen Smith
William and Gay Solomon
Frances Stewart
Helen Storey
Lenore Sullivan and Barry Henry
Philip Suress
Gary Tanigawa
Gloria and George Tarpley
Tracey Thornton
Jerry Trammell
John Trentacosti
Marjorie Trifon
Robert and Jean Tucker
Richard and Susan Wallace
Gerald and Veronika Walton
Dr. and Mrs. Kern Wildenthal
Steve Wilhelm
Scott and Cheryl Williams
E. Ross Willis and Barbara Niederlehner
David and Martha Wilson
James Wilson and Clarissa Potter
Karen Wilson and Britt Smith
Mark W. Wilson
Karen and Thomas Wiseman
Adrienne and William Wootters
Ira Zackon and Nini Wu
## Institutional Donors

### $500K+
- Abdul Latif Jameel Group
- Community Foundation of Silicon Valley
- United States Agency for International Development

### $250K+
- Banco de Reservas de la Republica Dominicana
- Citigroup Foundation
- The Craig and Susan McCaw Foundation
- The Mosaic Foundation
- San Francisco Foundation

### $100K+
- Fund for the Poor
- Conrad N. Hilton Foundation
- Kids Care for Planet Earth
- Wilmer Cutler Pickering LLP

### $50K+
- Anonymous (2)
- BQ Investments, Inc.
- First Preston Management, Inc.
- Richard and Lois Gunther Family Foundation
- infoDev
- New York Community Trust
- Nextel Partners, Inc.
- Skoll Community Fund
- Third Millennium Foundation

### $25K+
- Better World Fund
- The Chisholm Foundation
- Communities Foundation of Oklahoma
- eBay Foundation
- Evslin Family Foundation
- Mack Energy Co.
- Meadows Foundation
- The Philanthropic Collaborative, Inc.
- Seattle Foundation

### $10K+
- Anonymous (1)
- The April Fund
- Billingsley Company
- Bingham McCutchen LLP
- Capital Group Companies, Inc.
- The Chase Manhattan Bank
- Church of Jesus Christ of Latter-day Saints
- Dallas Women’s Foundation
- Deutsche Bank Americas Foundation
- The William H.G. FitzGerald Family Foundation
- The Flora Family Foundation
- The Mosaic Foundation
- San Francisco Foundation
- Vonage Foundation
- The William H.G. FitzGerald Family Foundation
- The Flora Family Foundation
- The Mosaic Foundation
- San Francisco Foundation
- Vonage Foundation

### $5K+
- Edward L. Bakewell, Jr.
- Charitable Lead Trust
- Brinker International, Inc.
- Communities Foundation of Texas
- Fidelity Investments Charitable Gift Fund
- Goldman Sachs
- Steven and Anita Heller Family Foundation
- Seattle Foundation
- Nedderman and Associates
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<thead>
<tr>
<th>Philanthropic Collaborative</th>
<th>Century 21 Mike Bowman Inc.</th>
<th>$500+</th>
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<tr>
<td>Ruth C. and Charles S. Sharp Foundation</td>
<td>Community Foundation for South Central New York, Laura Greger Fund</td>
<td>Anonymous (1)</td>
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<tr>
<td>The Staubach Company</td>
<td>Wanda Davies Family Fund – Minneapolis Found.</td>
<td>Berkshire Taconic Community Foundation</td>
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<tr>
<td>Trust Services</td>
<td>Dickey’s Barbeque Restaurants, Inc.</td>
<td>Billings Real Estate Professionals</td>
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<td>Vanguard Charitable Trust</td>
<td>Tony and Lillian Dona Foundation</td>
<td>Blair Family Trust</td>
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<td>Hirschi Investments</td>
<td>Caritas: The Ragucci-Woods Family Trust</td>
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<td>$2500+</td>
<td>The Gordon R. Irlam Charitable Foundation</td>
<td>Carpenter Real Estate</td>
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<td>Anonymous (1)</td>
<td>Levy Family Trust</td>
<td>Century 21 Suburban Realty</td>
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<td>Astraea Lesbian Foundation for Justice, Marsha Day Fund</td>
<td>McDermott, Will &amp; Emery</td>
<td>The Dallas Foundation</td>
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<td>Bank of Texas</td>
<td>Nexus Global Strategies</td>
<td>Fire and Ice Ministries, Inc.</td>
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<td>Berwind Corporation</td>
<td>James Peterson Fund</td>
<td>Hattie Hill Enterprises, Inc.</td>
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<td>The Capecchio Foundation</td>
<td>Realty Executives</td>
<td>ING Community Matching Gifts Program</td>
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<tr>
<td>Marguerite S. and Robert K. Hoffman</td>
<td>Rogers-O’Brien Construction Company</td>
<td>Jackie Keenan Realtors</td>
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<tr>
<td>Joshua Mailman Charitable Trust</td>
<td>Albert and Lillian Small Foundation</td>
<td>Jenner and Block</td>
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<td>Mesa Design Group</td>
<td>Spiars Engineering, Inc.</td>
<td>Kenyon &amp; Kenyon</td>
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<td>Microsoft Matching Gifts</td>
<td>Sutherland Investments</td>
<td>Legacy Women’s Financial</td>
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<td>The Rabahy Foundation</td>
<td>Trammell Crow Company</td>
<td>Prudential Action Real Estate</td>
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<td>The Rosewood Foundation</td>
<td>T. Rowe Price Program for Charitable Giving</td>
<td>Rockefeller &amp; Co., Inc.</td>
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<td>United Way of King County</td>
<td>TTF Foundation</td>
<td>R &amp; S Properties</td>
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<td>$1000+</td>
<td>United Way of Columbia-Williamette</td>
<td>St. Barnabas Episcopal Church</td>
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<td>Anonymous (4)</td>
<td>Wichita Falls Area Community Foundation</td>
<td>Saint Paul’s Evangelical Lutheran Church</td>
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<td>Arizona Arthritis and Rheumatology Associates</td>
<td>John Hirschi Donor Advised Fund</td>
<td>Soros Fund Charitable Foundation</td>
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<td>Bank of America Commercial Banking Group</td>
<td>Ziv Tzedakah Fund, Inc.</td>
<td>Timbersmith, Inc.</td>
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<td>BD Matching Gifts Program</td>
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<td>Philip and Helen Brecher Charitable Fund</td>
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<td>Bridgeway Charitable Foundation</td>
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<tr>
<td>Calthorpe Associates, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C &amp; P Engineering</td>
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</tbody>
</table>

We would also like to thank the many generous individuals and institutions who contributed more than a thousand gifts below $500 in 2003. We have made every effort to ensure that the information in this annual report is accurate. Please contact the Development Office with any feedback.
2003 VOLUNTEERS

Grameen Foundation USA thanks the many volunteers who have invested their time and talents to advancing our mission and leveraging our resources. We are proud to feature a few of them here.

► Lucy Billingsley of Dallas, Texas founded The Chiapas Project in 2003 to raise funds and awareness for GF-USA’s work in Chiapas, Mexico. The Chiapas Project aims to raise $790,000 to provide loan capital for GF-USA partner Alternativa Solidaria (AlSol).

► Ryan Stanley of Los Gatos, California spent six months in rural Uganda in 2003, helping micro-entrepreneurs start cellular pay phone businesses as part of GF-USA’s MTN villagePhone.

► Abser Kamal, right, with Technical Project Manager David Keogh and a Village Phone Operator, lent his expertise to MTN villagePhone for six months in 2003. Mr. Kamal, Deputy General Manager of the Grameen Bank, is heavily involved with Grameen Telecom’s Village Phone Project in Bangladesh, which was the inspiration for MTN villagePhone.

► Emily Tucker of Berkeley, California, applied her experience in online product development to help GF-USA roll out its Village Computing Project in Tamil Nadu, India. Ms. Tucker spent six months helping to launch this venture, which provides economic and educational opportunities to the rural poor through computer centers.

► A recently retired Citigroup executive, Harmohan Ahluwalia (right, with CFTS Manager David Gibbons) played an integral role in GF-USA’s work in India in 2003. Mr. Ahluwalia volunteered his expertise and connections to develop a business plan and secure funding for a wholesale fund that will benefit GF-USA’s partners in India.
GRAMEEN FOUNDATION USA BOARD OF DIRECTORS*

Susan Davis, Chair
Senior Advisor
International Labor Organization
and Ashoka: Innovators for the Public

Yvette Neier, Vice-Chair
Marketing and management consultant

Paul Kane, Treasurer
President
KANE Property Company

Robert G. Ottenhoff, Secretary
President
GuideStar

Anwarul Karim Chowdhury
Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
United Nations

Alex Counts
President & CEO
Grameen Foundation USA

Jennifer Drogula
Partner
Wilmer Cutler Pickering Hale and Dorr LLP

Robert Eichfeld
Division Executive (Retired)
Citibank, N.A.

Richard S. Gunther
Private investor

Lynn McMullen
International development and nonprofit consultant

Chris Pascucci
President
Duck Pond Corp

Steven C. Rockefeller, Jr.
Managing Director
Deutsche Bank Private Wealth Management

James F. Sams
President
American Development Services Corporation

D. Wayne Silby
Founding Chair
Calvert Funds

Janet Thompson
Corporate Community Reinvestment Director (Retired)
Citibank

Muhammad Yunus
Founder and Managing Director
Grameen Bank

PAST CHAIRS

James F. Sams
President
American Development Services Corporation

Reed Oppenheimer
Olive Branch

GRAMEEN FOUNDATION USA STAFF*

Alex Counts, President & CEO

Senior Management
John Anderson, Chief Operating Officer
Peter Bladin, Director, Grameen Technology Center
Dr. Mike Getubig, Jr. Manager, Grameen Bank Replication Program
Randi Nordeen, Director of Development
Craig Sarsony, Vice President, Finance and Administration

Administration and Finance
Sherita Coates, Office Manager
Ken Fox, Controller
Barbara Norman, General Counsel
Robert Sasso, Assistant to the President

Development
Valerie Lambert, Director of Annual Giving
Ken Liffiton, Development Assistant
Jacki Lippman, Director of Special Projects
Fiona McDowell, Public Education Associate
Barbara Weber

Grameen Bank Replication Program
Nural Alam, Technical Officer
Nigel Biggar, Senior Program Officer
Homa Mojtabai, Program Assistant and Information Specialist
Chandni Ohri, Program Associate
Joseph Phillips, Program Officer
Julie Stahl, Program Officer

Grameen Technology Center
James Dailey, Technical Project Manager
David Keogh, Technical Project Manager
Emily Tucker, Technical Project Manager
Tim Wood, Technical Project Manager

The PLAN Fund
Irene Dominguez, Center Manager
Tamara Fields, Center Manager
Alberto Muñoz, Project Director
Norma Valles, Center Manager

*as of December 31, 2003
# 2003 Financial Statements

Grameen Foundation-USA  
(with comparative totals for 2002)

<table>
<thead>
<tr>
<th>Public Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 607,856</td>
<td>$ 5,348,176</td>
<td>$ 5,956,032</td>
<td>$ 4,035,722</td>
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<td>Program Revenues</td>
<td>112,634</td>
<td>112,634</td>
<td>23,906</td>
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<tr>
<td>Interest and Dividends</td>
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<td>61,207</td>
<td>44,937</td>
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<tr>
<td>In-kind Donations</td>
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<td>197,863</td>
<td>130,898</td>
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<tr>
<td>Other Income</td>
<td>261,340</td>
<td>261,340</td>
<td>811</td>
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<tr>
<td>Gain on Sale of Securities</td>
<td>2,998</td>
<td>2,998</td>
<td>541</td>
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<td>Net Assets Released From Restrictions</td>
<td>5,177,999</td>
<td>(5,177,999)</td>
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<td></td>
<td>6,421,897</td>
<td>170,177</td>
<td>6,592,074</td>
<td>4,236,815</td>
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<thead>
<tr>
<th>Expenses</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
<th>2002</th>
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<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grameen Bank Replication</td>
<td>3,657,318</td>
<td>3,657,318</td>
<td>2,123,338</td>
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<tr>
<td>(Including Grants of $2,629,997 and $1,490,590)</td>
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<tr>
<td>Poverty Alleviation Collaborative</td>
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<td>621,325</td>
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<td>(Including Grants of $525,000 for 2002)</td>
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<tr>
<td>Grameen Technology Center</td>
<td>618,424</td>
<td>618,424</td>
<td>434,605</td>
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<td>(Including Grants of $107,050 and $50,000)</td>
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<tr>
<td>Peoples Fund</td>
<td>7,788</td>
<td>7,788</td>
<td>23,910</td>
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<td>(Including Grants of $7,788 and $23,701)</td>
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<td>Public Education</td>
<td>377,877</td>
<td>377,877</td>
<td>256,363</td>
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<td>(Including Grants of $20,000 for 2003)</td>
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<td>The PLAN Fund</td>
<td>299,847</td>
<td>299,847</td>
<td>213,878</td>
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<td>Total Program Services</td>
<td>4,961,254</td>
<td>4,961,254</td>
<td>3,673,419</td>
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<td>Supporting Services:</td>
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<td>Fundraising</td>
<td>90,533</td>
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<td>89,597</td>
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<td>Management and General</td>
<td>848,373</td>
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<td>393,429</td>
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<td>TOTAL SUPPORTING SERVICES</td>
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<td>483,026</td>
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<td>TOTAL EXPENSES</td>
<td>5,900,160</td>
<td>5,900,160</td>
<td>4,156,445</td>
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</tbody>
</table>

| Change in Net Assets       |              |                        |       |      |
| 521,737                    | 170,177      | 691,914                | 80,370 |
| Net Assets, Beginning of Year |            |                        |       |      |
| 71,454                     | 1,251,718    | 1,323,172              | 1,242,802 |

| Net Assets, End of Year    | $ 593,191    | $ 1,421,895            | $ 2,015,086 | $ 1,323,172 |

“We can see which path leads to prosperity, and we want to be on it.”  
ASA client, India
# GRAMEEN FOUNDATION-USA

**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2003**  
*(WITH COMPARATIVE TOTALS FOR 2002)*

<table>
<thead>
<tr>
<th></th>
<th>PROGRAM SERVICES</th>
<th>SUPPORTING SERVICES</th>
<th>TOTAL</th>
<th>TOTAL</th>
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<td>Grameen Bank</td>
<td>Grameen Technology</td>
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<td></td>
<td>Replication</td>
<td>Center</td>
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<tr>
<td>Salary</td>
<td>$ 339,454</td>
<td>$ 199,832</td>
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<td>Insurance Benefits</td>
<td>60,487</td>
<td>33,913</td>
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<td>Total Employee Costs</td>
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<td>Occupancy</td>
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<td>33,282</td>
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<td>Total Functional Expenses</td>
<td>$3,657,318</td>
<td>$ 618,424</td>
<td>$ 682,173</td>
<td>$4,156,445</td>
</tr>
</tbody>
</table>

|                           | Public Education | The PLAN Fund       | Total Program Services |       |
|                           | $ 104,410        | $ 175,066           | $ 818,762              |       |
|                           | 17,719           | 29,749              | 141,868                |       |
|                            | 122,129          | 204,815             | 960,630                |       |
|                            | 9,975            | 33,282              |                       |       |
|                            | 34,385           | 418,322             | 452,707                |       |
|                            | 118,310          | 118,310             |                       |       |
|                            | 151,592          | 116,171             |                       |       |
|                            | 20,255           | 275                 |                       |       |
| Publications               | 68               | 39,928              | 60                    | 40,331 |
|                            | 70               | 1,166               | 1,236                 | 41,567 |
| Client Training            | 35,563           | 35,563              |                       |       |
| Office Expense             | 7,305            | 7,201               | 295                   | 9,553  |
|                            | 295              | 9,553               | 24,354                |       |
|                            | 759              | 68,773              | 69,532                |       |
|                            | 4,499            | 11,244              | 15,743                |       |
|                            | 10,181           | 197,863             |                       |       |
| Postage and Delivery       | 3,551            | 1,159               | 14,158                | 16,313 |
|                            | 14,158           | 767                 | 19,635                |       |
|                            | 13,047           | 11,123              | 24,170                |       |
|                            | 43,805           | 40,122              |                       |       |
| Printing                   | 2,147            | 969                 | 63,519                | 65,470 |
|                            | 63,519           | 1,908               | 65,438                |       |
|                            | 12,213           | 3,703               | 15,916                |       |
|                            | 84,459           | 76,274              |                       |       |
| Telephone and Fax          | 2,484            | 22,484              | 337                   | 35,221 |
|                            | 337              | 6,539               | 31,844                |       |
|                            | 37,170           | 37,170              |                       |       |
| Travel and Meetings        | 266,739          | 72,084              | 57,867                | 405,134 |
|                            | 8,444            | 12,094              |                       |       |
|                            | 3,012            | 38,502              | 41,514                |       |
| Grants and Recoverable     | 2,629,997        | 107,050             | 7,788                 | 2,764,835 |
|                           | 7,788            | 20,000              |                       |       |
|                           | 2,764,835        | 2,089,291           |                       |       |
| Professional Services      | 199,434          | 85,173              | 58,946                | 369,547 |
|                            | 58,946           | 25,525              | 12,736                | 107,326 |
|                            | 107,326          | 120,062             |                       |       |
| Pro Bono Services          | 107,683          | 57,823              | 22,176                | 187,682 |
|                            | 187,682          | 10,181              |                       |       |
|                            | 3,225            | 6,956               | 10,181                |       |
| Miscellaneous              | 1,618            | 997                 | 18                    | 2,623  |
|                            | 9,461            | 12,094              |                       |       |
|                            | 6,587            | 25,778              | 32,365                |       |
| Total Functional Expenses  | $3,657,318       | $ 618,424           | $ 682,173             | $4,156,445 |
| Percent of Functional       | 61.99%           | 10.49%              | 0.13%                 | 6.40%  |
| Expenses                   | 5.09%            | 84.10%              |                       |       |
|                            | 1.52%            | 14.38%              | 15.90%                |       |

*Grameen Bank Replication, Grameen Technology Center, People’s Fund, Public Education, The PLAN Fund, Total Program Services.*
For purposes of clarity, this page reflects only the “total” column of Grameen Foundation USA’s 2003 Financial Statements.

### 2003 REVENUE

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$5,956,032</td>
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<tr>
<td>Program Revenues</td>
<td>$112,634</td>
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<tr>
<td>Interest &amp; Dividends</td>
<td>$61,207</td>
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<tr>
<td>In-Kind Donations</td>
<td>$197,863</td>
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<tr>
<td>Other Income</td>
<td>$261,340</td>
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<tr>
<td>Gain on Sale of Securities</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$6,592,074</strong></td>
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### 2003 EXPENSES

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grameen Bank Replication</td>
<td>$3,657,318</td>
</tr>
<tr>
<td>Grameen Technology Center</td>
<td>$618,424</td>
</tr>
<tr>
<td>People’s Fund</td>
<td>$7,788</td>
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<tr>
<td>Public Education</td>
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<tr>
<td>The PLAN Fund</td>
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</tr>
<tr>
<td>Fundraising</td>
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</tr>
<tr>
<td>Management and General</td>
<td>$848,373</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,900,160</strong></td>
</tr>
</tbody>
</table>

- **Programs**: $4,961,254
- **Fundraising and Management**: $938,906
- **Management and General** 14.38%
- **Fundraising** 1.52%
- **The PLAN Fund** 5.09%
- **Public Education** 6.40%
- **People’s Fund** 0.13%
- **Grameen Technology Center** 10.49%
- **Grameen Bank Replication** 61.99%
