FRIENDSHIP BRIDGE



2019 Annual Report



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FRIENDSHIP BRIDGE

Empower Women. Eliminate Poverty.

OUR MISSION

Creating opportunities that empower Guatemalan women to build a better life.

OUR VISION

Empowered women choosing their own path.

WWW.FRIENDSHIPBRIDGE.ORG



We're here for her.

Although it seems like a lifetime ago, only five months have passed since we were planning a celebration. We had met and exceeded many of the goals in our three-year Strategic Plan that ended in 2019. Without a doubt, we had a fantastic final year. In 2019, we served more than 30,000 clients who were making outstanding progress. We invested significant time planning the next five-year Strategic Plan, literally seeing ahead to 2024, and we were excited about how much our clients would benefit from it.

Today, in a world turned chaotic by a pandemic, I can barely give a 30-day forecast with confidence. Our next five-year Strategic Plan has been set aside and many of our incredibly hard-working clients cannot buy food for their families. However, I am amazed to see our clients respond with grace, hope, and smiles. Many of them have created new businesses and still somehow make money during this lockdown. In retrospect, I should not be surprised at all. These women often live in crisis mode. They are survivors.

The strong bonds we have cultivated with our clients and staff while establishing a solid financial organization are supporting us well through this crisis. As of December 2019, our portfolio quality continued to be one of the best in the industry, with write-offs and delinquencies of 1.7% and .51% respectively; our client retention rate exceeded 80% for clients with more than 2 loan cycles; the loan portfolio surpassed $9 million for the first time in our history; and we proudly earned the certification of a Great Place to Work™ by committing to an outstanding work environment for our employees. Our past successes will only help us meet the demands of this current challenge, and it is with sincere humility that I continue to work with, and learn from, our inspiring team. I remain confident we will come out stronger on the other side.

Indeed, loyalty is shining through hardship. As of August 2020, nearly 90% of our clients continue making their loan repayments after we provided them with a two-month grace period. Our staff innovated and created solutions quickly to support each client with remote education and resources. We invested in new technology to support the current need to communicate with clients from afar and utilize a more efficient way to do business. We are providing emergency food relief for those clients and staff who are struggling to feed their families. And, you, our loyal supporters, have come through, as always, to help support our clients. You helped us raise $62,000 in 30 days for food aid. You generously invested. You gave us free interest payments and were there to loan us more. Thank you for being here for her.

Building rural prosperity is the work of many lifetimes, and COVID-19 has the potential to set our progress back by decades. Our mission is daunting, but more necessary than ever. Thank you for standing by our side. Together, we will build a resilient future for women in Guatemala.



Karen Larson, President & CEO

FROM THE BOARD

Dear Friends,

At our February Board meeting, we celebrated the significant accomplishments of 2019 and praised our ace management team. We were serving more clients with a larger portfolio and a stronger array of Plus services than ever. An ambitious five-year plan had just been adopted. Friendship Bridge was on a roll. Two weeks later, a global pandemic.

Under Karen's leadership, a can-do attitude quickly permeated Friendship Bridge. A hiring freeze, salary reductions, contract work suspension, and cuts to training and consulting were immediately implemented. We shored up our liquidity and credit reserves; employees shifted to at-home work where possible; we implemented strict COVID-19 safety protocols for our branch offices in Guatemala; we launched a new Intranet communication system, as well as a TeleHealth program and Emergency Food Relief effort. Friendship Bridge's reaction to the pandemic is a classic example of making the best of a bad situation.

The Board could not be more proud of Friendship Bridge and its crisis response. We are going to do everything we can to take care of our clients and our employees during this challenging time and we are going to be around and stronger than ever in the future. Thank you for your support of this remarkable organization and the courageous women it serves.



JAMES WOOD AND
SUSAN ZIMMERMANN
Board Chairs

2019 Highlights

NEW LOGO

FRIENDSHIP BRIDGE
Empower Women. Eliminate Poverty.

New Branding!

We launched an exciting new logo and brand identity to celebrate 20 amazing years of operations in Guatemala.

$18.7MM

In loans disbursed during the year, with a $9.3MM portfolio as of year-end

32k

Women served in 2019

98.3%

Loan repayment rate

5.9k

Hours of staff training offered through Friendship University







Charity Navigator

Highest Rating, Four Star Charity

★★★★

Great NonProfits

Endorsed by clients, volunteers, donors, and our community as a 2019 Top-Rated GreatNonProfit



Rick Steves

Watch the Documentary

Travel writer and TV host Rick Steves featured Friendship Bridge in his latest documentary, *Hunger and Hope: Lessons from Ethiopia and Guatemala*. Steves and his crew filmed our work in the spring of 2019 and met with our staff and clients to unpack how education, nutrition, and empowered women play an important role in ending world hunger and poverty.









53%

All female staff

62%

Female management

40%

Of our clients identify as indigenous Maya

Truelift

Recognized as a Truelift LEADER, the most advanced rating along the Pro-Poor Pathway

Google

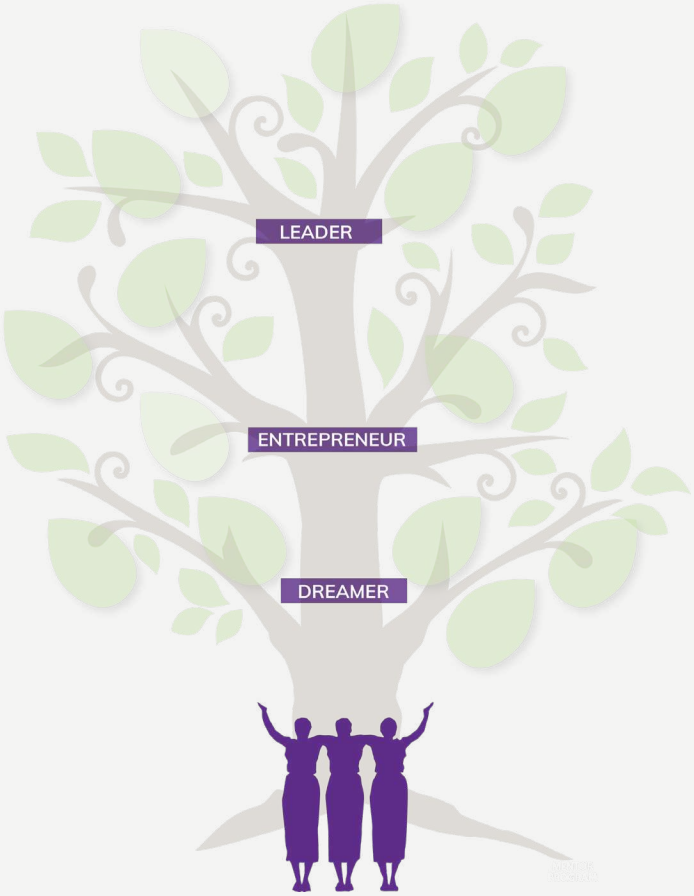
Featured in Google's Economic Impact Report for our work in women's empowerment

104k

Hours of training facilitated by Friendship Bridge, including Non-Formal Education, Health Education, Agriculture Training, Artisan Training, Business Development Program, and Advanced Skills Training

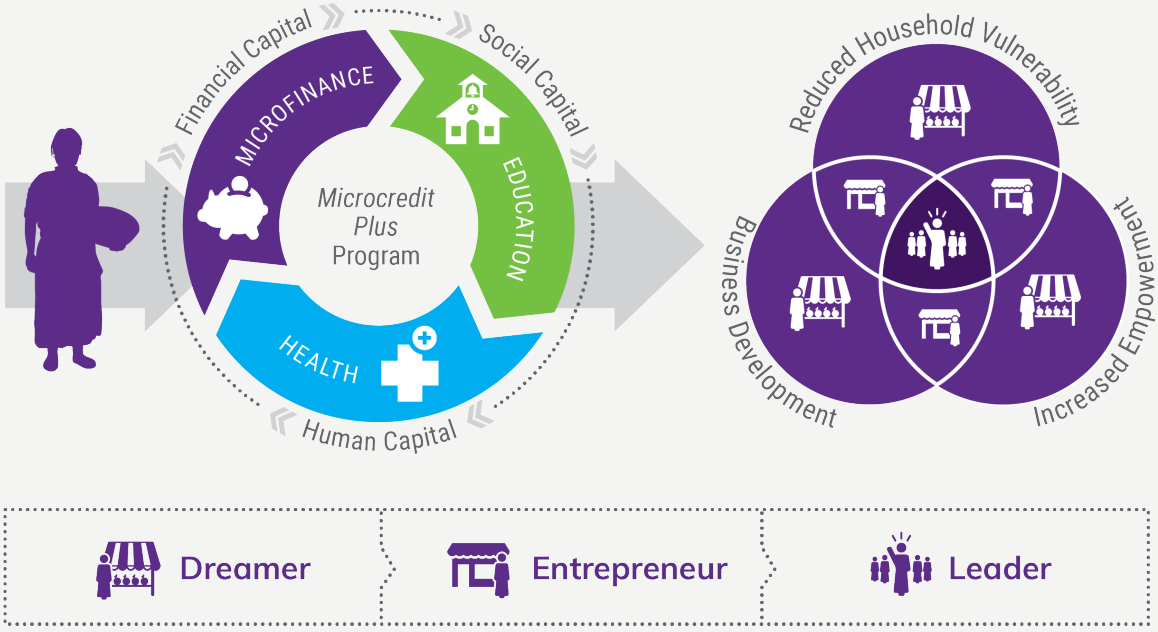
Our Client Continuum

Our Client Continuum Strategy segments the women we serve into three categories: Dreamers, Entrepreneurs, and Leaders, based on their specific level of individual development. This allows us to better understand our clients' needs, therefore giving us a framework of relevant programs and services we can offer them through our Microcredit Plus programs. Whether they are a first-time client or have been with us for a decade, we focus on creating opportunities that lead them step-by-step towards further success in their businesses and their lives. We do this through business training, health and family education, health services, customized loans, and advanced training relevant to their business.



Theory of Change

Our Client Continuum strategy reflects our theory of change. Using the levers of financial capital (credit, savings, physical assets), human capital (skills and capabilities), and social capital (relationship and networks) to accelerate the benefit of these products and services, Friendship Bridge expects to see improvements in client household vulnerability, business development, and empowerment, or what we call our social objectives.





Group Loans

Friendship Bridge Trust Banks

Trust Banks are an integral part of the Microcredit Plus program. This group lending model creates an empowering environment through which the women support and encourage each other. In other words, they build social capital in addition to the financial capital they receive through loans. To borrow through Friendship Bridge's Microcredit Plus program, women must first form groups of 7-25 members called Trust Banks. Each Trust Bank member co-guarantees the other individual member's loans and the women participate in non-formal education sessions that are part of every monthly repayment meeting, building human capital.

Each Trust Bank elects an executive committee that includes a president, treasurer, and secretary. This elected group is responsible for the management and leadership of the group. If attendance or repayment issues occur, these women problem solve together to come up with a solution. They work with the Facilitator (loan officer) to conduct effective meetings and they handle the banking responsibilities (making deposits into and withdrawals out of their account) on behalf of the group.



Microcredit Plus Service

Non-Formal Education

Non-Formal Education (NFE) is the backbone of our Microcredit Plus program. Monthly meetings feature a non-formal education session centered around one of four pillars: women, family, health, and business. Our clients say the NFE sessions are critical for personal development – improving self-esteem, valuing themselves and their health, supporting families, and improving business outcomes.

IMPACT

Non-Formal Education

60%

Of clients retained and applied concepts from Non-Formal Education programs

96k

Hours of Non-Formal Education provided in 2019

LEARN MORE

Non-Formal Education sessions are held once a month. Visit our website to learn more.



Maria

Leader Client

Location	Santa María El Tablón, Sololá
Age	48 years old
School Level	6th Grade
Loan Cycle	14th Loan Cycle

Just 15 days after Maria gave birth to her only daughter, her husband abandoned her and their six children with a mountain of debt and no source of income. "It gave me the opportunity to be brave and rise up for the good of our children," Maria said. Determined to build an independent life, she joined a Friendship Bridge Trust Bank and obtained a loan to help build her artisan business.

She also used Friendship Bridge's *Health for Life* services and joined Handmade by Friendship Bridge. "I bettered my children's nutrition so they could be healthy," she said. Four of her children finished school and are now working while the other two complete their studies. She now employs more than 25 women in Guatemala and exports her products to the United States, France, and Colombia. "My life is full," says Maria. "To get up after a failure is difficult. However, today my business is thriving. I feel empowered and I can make my own decisions to support my community. I'm very grateful."

"I FEEL EMPOWERED AND I CAN MAKE MY OWN DECISIONS TO SUPPORT MY COMMUNITY. I'M VERY GRATEFUL"



Citi Award Winner

Watch the Video

Maria was awarded 2nd place in the Citi Award 2019 "Entrepreneurs with Microcredits" category in April 2019.



Location	Chimaltenango, Guatemala
Age	58 years old
School Level	High School
Loan Cycle	24th Loan Cycle

Jacinta

Entrepreneur Client

Jacinta and her family were forced to flee her hometown during Guatemala's Civil War. She had been informally selling handmade bags and purses to friends and family and after settling in Chimaltenango, she continued creating and selling her handmade products. It wasn't long before she saw a higher demand for her work, and with her husband, she established a small textile business. In order to purchase raw materials, Jacinta joined Friendship Bridge in 2009. In February 2015, she joined Handmade by Friendship Bridge where she now sells and exports 18 products to a global market

Looking back, she says her life has changed since joining Friendship Bridge. She has been introduced to designers for direct business relationships and her production has increased through the orders she has received Handmade by Friendship Bridge. She currently manages 4 international accounts and oversees a team of 8 people who support her with sewing, quality control, and packaging. "The knowledge that I have received has helped me to close sales, propose well-designed products, and products with a higher quality that compete with designs abroad," Jacinta says.

The advantage of our low interest rates is what Jacinta says has allowed her to improve her family's income, living conditions, health, and education. Now in her 24th loan cycle, her loans have increased with time due to her perseverance, discipline, and responsible credit history.

Maria

Dreamer Client



Location	Santa Maria de Jesús, Sacatepéquez
Age	55 years old
School Level	6th Grade
Loan Cycle	11th Loan Cycle

Maria doesn't remember a time in her childhood when she wasn't working in the fields. She worked long, hard hours with sharp tools, no protection, and lots of exposure to pesticides. Education was never an option, since there wasn't extra money. But as she grew older, she learned to weave when she wasn't farming, which allowed her to learn additional skills. And when she married her husband, she gained a different vision on life. He supported Maria in her desire to get an education and attend school. After much persistence, she learned to read, write, and study. At 20-years-old, she graduated from sixth grade. "I realized that it is never too late to learn," Maria said. "The simple fact of learning to read and write moved me a lot."

Empowered by an education, Maria started a side business weaving and a few years later became a Friendship Bridge client, expanding and diversifying her income by selling tamales three days a week. Maria began saving her profits, and after a while, she had enough to start a convenience store in her village. Maria also participated in Friendship Bridge's *Health for Life* program and learned how to better her children's nutrition.

"I have enough food for my children and grandchildren, and I feel empowered to make good decisions. We, Friendship Bridge clients, are lucky because the organization doesn't just care about helping us build a business, they also care about improving our health and wellness."

Products and Services

We provide products and services that meet our clients' needs at their individual levels of development. This helps our clients advance along the Client Continuum from being a Dreamer, to becoming an Entrepreneur or Leader.

Loan Products

We offer clients a selection of five loan products to meet their various needs.



GROUP LOAN

This is our entry loan product, offered to individuals who form a Trust Bank (7 to 25 women) and co-guarantee each others' loans as a form of social collateral.



SOLIDARITY LOAN

A group loan (3-7 clients) for more advanced clients who have graduated from the Trust Bank model and qualify for a larger loan.



CHANIM-CHANIM

Meaning "very, very fast" in Kaqchikel (Mayan language), this loan is available to Trust Bank clients for quick access to short-term loan capital for emergency or last-minute opportunities.



INDIVIDUAL LOAN

A larger, longer-term loan specifically for clients who graduate as Leaders along our Client Continuum; offered to accelerate the growth of their businesses and prepare them for the formal banking sector.



PARALLEL LOAN

This individual loan is available to clients already borrowing as part of a Trust Bank who have a good credit history and a need for additional credit in order to expand their businesses.



Plus Services

We believe microfinance must be combined with other services to holistically support our clients in building resilience to pursue their chosen opportunities. We call this Microcredit Plus and our Client Continuum strategy guides this process.



NON-FORMAL EDUCATION

Facilitated during monthly Trust Bank (loan repayment) meetings, NFE covers topics related to health, women's rights, family, and business.

SEE PAGE 5



HANDMADE BY FRIENDSHIP BRIDGE

Artisans participate in technical and business trainings designed to help them enter new local and global markets.

SEE PAGE 12



HEALTH FOR LIFE

This program combines health education with women's preventive health services.

SEE PAGE 10



BUSINESS DEVELOPMENT PROGRAM

Cultivates clients' high potential for leadership, growth, entrepreneurship, and impact on their communities.

SEE PAGE 13



AGRICULTURE CREDIT & TRAINING

This program gives our agriculture clients access to new markets through technical training and credit products.

SEE PAGE 11



ADVANCED SKILLS TRAINING

Clients learn technical or advanced business skills to help diversify their income.

SEE PAGE 13

Health for Life

In response to the health disparities women in Guatemala face, we launched our *Health for Life* program in 2015. In Partnership with Maya Health Alliance, we are able to bring preventive health services directly to our clients' communities through mobile clinics. Highly trained and culturally sensitive doctors and nurses deliver preventive care services, recognize symptoms, engage in treatement, and offer counseling on fears, misconceptions, and health issues with the clients. If more complex cases are discovered, clients are provided with patient navigation and advocacy services.

Services Offered:

• PAP EXAMS • PELVIC EXAMS
• HYPERTENSION SCREENINGS
• DIABETES SCREENINGS • BREAST EXAMS
• FAMILY PLANNING CONSULTS • VARIOUS FAMILY PLANNING METHODS • PREGNANCY TESTS
• STD TESTS • FAMILY PLANNING CONSULTS
• COMPLEX CARE NAVIGATION

43%

Of eligible clients opted to participate in our mobile clinics, compared with a 20% average participation rate from other similar health programs

4.6k

Clients received health services in 2019, nearly 3,000 of them for the first time

8.8k

Clients have received health services since the program began in 2015



How Silvia Overcame Cancer

"I AM CANCER-FREE AND THAT ENCOURAGES ME TO CONTINUE WORKING HARD AND TO ENJOY LIFE."

Cancer never stopped Silvia from leading an empowered life. Even after losing her hand to advanced cancer in her wrist, she started a business selling snacks every weekend to support her family. Her husband lost his job due to accompanying her on hospital visits in Guatemala City, and consequently, they had to survive on only a modest income from informal fieldwork. However, she joined Friendship Bridge in 2014 to expand her business and learn about entrepreneurship, business diversification, and empowerment. "I had the courage to speak with a school principal in my community where they allowed me to sell Guatemalan snacks every day," she said. "Now I no longer sell on weekends because I can make money during the week."

Unfortunately, doctors detected that Silvia had cervical cancer in 2019. She did not have the resources to follow up with the necessary procedure. It was then that she decided to ask for support from the Friendship Bridge *Health for Life* program, which was able to provide her with many cancer therapy treatments over time, plus lodging and transportation. "Throughout the process, the nurse from Friendship Bridge was present to support me not only technically, but morally," she said. With a smile, she expressed: "According to the doctors, I am cancer-free and that encourages me to continue working hard and to enjoy life."



" I HAVE NO WORRIES BECAUSE I HAVE ENOUGH TO HAVE A DECENT LIVING WITHOUT WORRYING ABOUT THE FUTURE."

Agriculture Credit and Training

Agriculture clients have access to technical training and special credit products that meet the unique needs of the agriculture sector. By learning new methods and inputs, our clients have the opportunity to access new markets and garner higher prices.



A Brighter Future for Catarina

Catarina awoke before daylight to prepare for the day. A small candle gave her enough light to see. She washed herself with the water she had hauled in the night before, then worked the dry land in her garden all day. Widowed, it was up to her to feed her four children. This was a normal life for her before she found educational and financial resources through Friendship Bridge. She joined a Trust Bank and together, they took out a group loan and received monthly business trainings. "That first loan made a big difference in my life," said Catarina.

She used the capital to plant a small tomato farm and later joined the *Agriculture Credit and Training* program. There, she learned from Friendship Bridge agronomists about modern farming techniques to improve her crops, They worked together to identify the various agriculture risks and introduce new techniques and technology like drip irrigation.

For Catarina, the profits and business training motivated her to create a parallel income by starting a store and buying a motorcycle to distribute her products. Now she and her family enjoy basic services like running water, electricity, and telephone access. "We had nothing," she said. "We suffered a lot. We didn't even have basic services. Now my sons are growing healthily. I have no worries because I have enough to have a decent living without worrying about the future."

963

Women particpated in our Agriculture Credit and Training Program in 2019

1,500

Agriculture Training sessions offered to clients in 2019, facilitated by our on-staff Agronomists

10

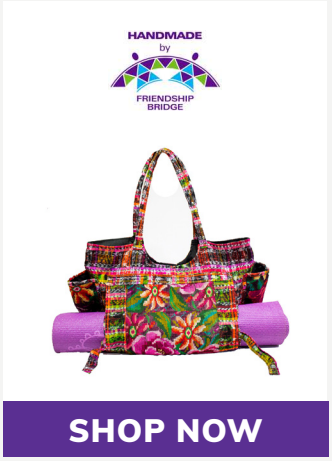
"Demonstration plots" implemented in 2019 to allow clients to "learn from doing" in the field



Handmade by Friendship Bridge

We provide artisan clients with skills, learning experiences, education, and technical assistance that enables them to sell independently in local, national, and international markets. Artisans participate in technical and business training designed to teach them how to make high-quality, marketable products, and gain access to new local, national, and international markets.

Despite many hardships, Erika and Micaela have formed a powerful and successful partnership. This mother and daughter-in-law team work together to produce and sell beautiful textile baskets, corn-husk angels, wallets, bags, table runners, and travel bags to a global market.



When Micaela was a child, her father, a field laborer and horse breeder, died suddenly. Her mother was left to raise her six children alone without a means to an income. Because of this, Micaela was sent away from her family to work as a domestic helper when she was just 8 years old. As a result, she experienced domestic violence and neglect. Fortunately, she was taught to sew and embroider at a nonprofit and in 2017, she became a Friendship Bridge client.

Micaela brought her daughter-in-law, Erika, to a Trust Bank meeting that same year and together they saw how well the women worked together. They both found support for the development of their lives as business women. "I want to express my gratitude to Friendship Bridge for educating us and allowing us to learn new topics that impact our business and the products we create," Micaela said. "May God bless every employee at Friendship Bridge."

Over time, Erika participated in different training modules with *Handmade by Friendship Bridge* such as quality control, costs, product development, measurements, and packaging. She has also sold her goods in artisan trunk shows hosted by Friendship Bridge where she presents her products and develops new marketing relationships. "I am grateful for this opportunity given to me so I can support my family to move forward," Erika said.

Micaela now employs two women artisans who help her with embroidery and the production of the orders she receives. Working alongside Erika has allowed Micaela to structure her business and create more opportunities to sell and export. Erika supports Micaela in all written communication, including creating product orders, extending receipts of payments, and verifying that all payments are received.

In the town where they live, machismo culture reigns, and traditional family roles limit women from exploring opportunities beyond what society has assigned to them. Because of this, Erika said an additional benefit of working with her mother-in-law is having full trust from her husband. She also enjoys having company when they travel together to deliver orders and purchase materials. "My dream is to buy land and build my own home to continue supporting my children so they can graduate," she said.

IMPACT

$65k

Went directly to artisans as a result of online sales, Insight Trip Visits, Guatemala office sales, and Trunk Shows

227

People have become employed by 35 of Friendship Bridge's artisan clients

15

New business partnerships created to support our artisans through our wholesale catalog and direct relationships



Catarina

Business Development Program

Catarina describes herself as a woman who fights day-by-day. She looks for opportunities and makes the most of them when she obtains them. She started selling children's clothing to support her family and little by little, managed to establish a strong business. She was introduced to Friendship Bridge in 2014 and felt encouraged to get involved after learning about the loan requirements and low interest rates. "A colleague and I got motivated and started to form a group. We were even more excited when they told us there were advanced trainings and self-esteem programs. I will never forget it because we joined the organization mostly for the trainings, but together with the loans, we will do many things."

Catarina had access to the Business Development Program trainings where she received one-on-one technical assistance from a business development specialist. She learned about effective communication, business management, customer service, profitability, and identifying business value and reduced costs. Due to her efforts, she and her husband have been able to gradually change their standard of living. "I had the experience of being able to reduce my expenses, and this helps me invest a little more in the business and generate extra profits," she said. "I am even thinking of having another store. Thank you, Friendship Bridge, for giving us courage and raising our self-esteem."

IMPACT

18

Hours of training each woman must complete in order to finish the Business Development Program

83%

Of participants completed the 6-month program and improved their income by 14% on average



Ursula

Advanced Skills Training

From a very young age, Ursula and her 15 siblings worked to support her parents' small farm. She remembered a childhood not of play and school, but of waking up at 4am to care for their sheep, goats, and oxen to work the land. When she was married, her parents gave her a cow so she could produce milk and make cheese like they had done.

Ursula joined Friendship Bridge in 2013 and since then, has strengthened her leadership skills and made good use of her investments. Her good lending record resulted in her being chosen to attend the Advanced Skills Training Program to learn how to make not just two types of cheeses, but four. With a greater variety, the market has opened up for her in new ways. For Ursula, attending trainings outside her community was a unique experience. She met other women and expanded her knowledge, returning home to share her experience with her community and family.

Ursula also empowers other women to not be victims of violence and domestic abuse. She is aware that a couple must provide for the family, but at no time should anyone lay a hand on each other. "I do not allow myself to be trampled by anyone," she said. "I am a hard-working woman, worthy and deserving of all love and respect."

What We Do

Microcredit Plus Services

Learn more about all the Plus Services we offer at Friendship Bridge.

IMPACT

167

Clients participated in the Advanced Skills Training Program and consequently increased their income by $52 a month

96%

Of participants expressed satisfaction with our Advanced Skills Training



Our Team



Leadership Team

• Karen Larson, President & CEO • Victor Contreras, Personnel Services Manager
• Tracie Cordeiro, Chief Financial Officer • Nicole Eubanks, Development Director
• Sergio Morales, Chief Operating Officer • Caitlin Scott, Chief Strategy Officer

2019 Board of Directors

• James Wood, Co-Chair • Susan Zimmermann, Co-Chair • Susie Miller, Treasurer
• Caroline Rodriguez, Secretary • Dan Thomas, Immediate Past Chair
• Paula Farrell • Paul Kovach • Paolo Leiva • Meryle Melnicoff
• Dawn Olsen • Carolina Roca • Carmela Weber • Sandy Younghans

Stay in touch!

Follow Friendship Bridge on Social Media

We share inspiring stories every week that show how your support directly impacts the lives of women in Guatemala.

SIGN UP FOR OUR NEWSLETTER

facebook.com/pg/microcreditplus

instagram.com/friendshipbridge

twitter.com/Friend_Bridge

linkedin.com/company/friendship-bridge

youtube.com/FriendshipBridgeCO



Meet Gloria

Friendship Bridge Staff Member for 16 years

"THE LADIES' DEVELOPMENT IS HOLISTIC... THEY WANT TO GET OUT OF POVERTY."

Gloria can remember working in the fields with her siblings when she was just 8-years-old. The youngest of 8 children, her father was a farmer who planted tomato, onion, coffee, and cornfield. When it was coffee season, the whole family was involved. "My dad always wanted to see us as good people," she said. "For that reason, my siblings and I were taught to work and earn our daily meals." Thanks to the support she gave her family, she had the opportunity to receive an education and she and four of her siblings finished high school.

Gloria learned about Friendship Bridge through a community friend and shortly afterward went through the recruitment process to join the staff as Loan Officer. "When I saw the vision and mission of the organization I was struck because it supports women through loans and non-formal education," she said. "The ladies' development is holistic." Nearly 16 years later, Gloria is the longest-serving staff member of the Friendship Bridge family and she now holds the title of Supervisor.

What Gloria likes most about her job after all these years is seeing her clients' businesses grow while their children attend school. Because she identifies with these working women, she enjoys seeing them excel, making their own decisions, and fighting to provide their children with a better future. One of the greatest achievements in Gloria's life, she says, is to see her 3 children graduate and to find a good workplace. "Thanks to Friendship Bridge, I have met many women with different living conditions and different levels of empowerment. I have traveled to different communities. But there is one thing that these ladies share: they want to get out of poverty; to have a stable income to sustain their families."





Award Winner: Whole Planet Foundation

Read the Full Story

Gloria is the winner of Whole Planet's Field Officer Appreciation Award of 2019. Whole Planet Foundation is funded by Whole Foods.

Financials 2019

Consolidated Statements of Financial Position *(all amounts in USD)*

December 31, 2019 and 2018

ASSETS

CURRENT ASSETS	2019	2018
CASH AND CASH EQUIVALENTS	707,241	471,705
INVESTMENTS	1,901,015	2,522,916
LOANS RECEIVABLE, NET OF ALLOWANCE AND NONCURRENT PORTION	8,948,299	7,887,108
LOAN INTEREST RECEIVABLE	305,026	228,525
PREPAID EXPENSES AND OTHER ASSETS	228,539	143,274
TOTAL CURRENT ASSETS	**12,090,120**	**11,253,528**
PROPERTY AND EQUIPMENT		
FURNITURE AND EQUIPMENT	115,813	110,349
COMPUTERS AND RELATED EQUIPMENT	310,596	265,223
VEHICLES	98,023	97,541
LEASEHOLD IMPROVEMENTS	69,040	40,914
LESS: ACCUMULATED DEPRECIATION AND AMORTIZATION	(455,129)	(410,426)
NET PROPERTY AND EQUIPMENT	**138,343**	**103,601**
NONCURRENT ASSETS		
LOANS RECEIVABLE, NET OF CURRENT PORTION	82,962	82,156
SECURITY DEPOSITS	18,236	17,236
TOTAL NONCURRENT ASSETS	**101,198**	**99,392**
TOTAL ASSETS	**12,329,661**	**11,456,521**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2019	2018
LOANS PAYABLE	2,630,248	891,982
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	1,156,095	1,124,037
TOTAL CURRENT LIABILITIES	**3,786,343**	**2,016,019**
NONCURRENT LIABILITIES		
LOANS PAYABLE	2,600,000	3,930,000
TOTAL LIABILITIES	**6,386,343**	**5,946,019**
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	5,748,131	5,360,499
WITH DONOR RESTRICTIONS	195,187	150,003
TOTAL NET ASSETS	**5,943,318**	**5,510,502**
TOTAL LIABILITIES AND NET ASSETS	**12,329,661**	**11,456,521**

FINANCIAL TRANSPARENCY

Our financials are audited every year and made available online.
[View all past Finance Reports]

Finance Committee

• Paul Kovach, Chair • Susie Miller • Valorie Hall
• Jackie Johnson, Advisor • Steve Ellis • Humberto Olavarria
• Sousan Urroz-Korori • Amy Kuark • Dan Norton

Audit Committee

• Dawn Olsen, Chair • Mark Coffey • Valorie Hall
• Dan Thomas • Carmela Weber

Credit Committee

• Dan Thomas, Chair • Tyler Clark • Paolo Leiva
• Dawn Olsen • Charlotte Wells

Financials 2019

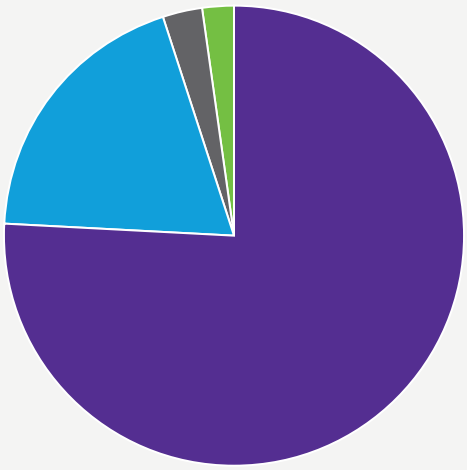
Consolidated Statements of Activities and Changes in Net Assets *(all amounts in USD)*

December 31, 2019 and 2018

SOURCES OF REVENUE

REVENUE	2019	2018
LOAN INTEREST AND FEES	4,729,338	4,216,237
GRANTS AND CONTRIBUTIONS (INCLUDING GIFTS IN-KIND)	1,185,218	1,135,523
FUNDRAISING EVENTS, SALES AND OTHER INCOME	181,653	119,935
INTEREST AND INVESTMENT INCOME	135,094	112,043
TOTAL REVENUE	**6,231,303**	**5,583,738**
EXPENSES		
PROGRAM SERVICES		
FINANCIAL SERVICES	2,938,830	2,475,411
PLUS SERVICES	2,245,877	1,978,711
NURSES EDUCATION PROGRAM *	30,325	24,013
TOTAL PROGRAM SERVICES	**5,215,032**	**4,478,135**
SUPPORT SERVICES		
GENERAL AND ADMINISTRATIVE	469,581	389,242
FUNDRAISING	151,570	143,422
TOTAL SUPPORT SERVICES	**621,151**	**532,664**
TOTAL EXPENSES	**5,836,183**	**5,010,799**
OTHER ITEMS		
CURRENCY GAIN (LOSS)	37,696	(442,189)
CHANGE IN NET ASSETS	**432,816**	**130,750**
NET ASSETS AT BEGINNING OF YEAR	**5,510,502**	**5,379,752**
NET ASSETS AT END OF YEAR	**5,943,318**	**$5,510,502**

SOURCES OF REVENUE



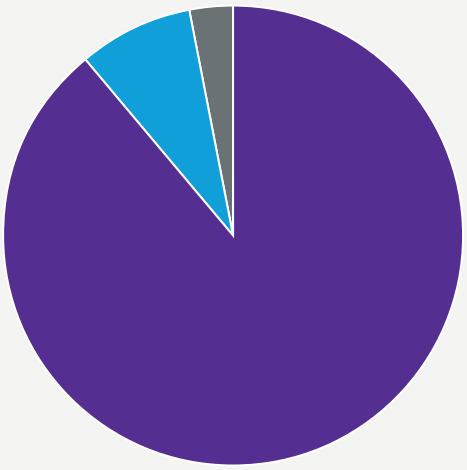
76%
Loan Interest and Fees

19%
Grants and Contributions (Including Gifts In-Kind)

3%
Fundraising Events, Sales, and Other Income

2%
Interest and Investment Income

USE OF FUNDS



89%
Program Services

8%
General and Administrative

3%
Fundraising

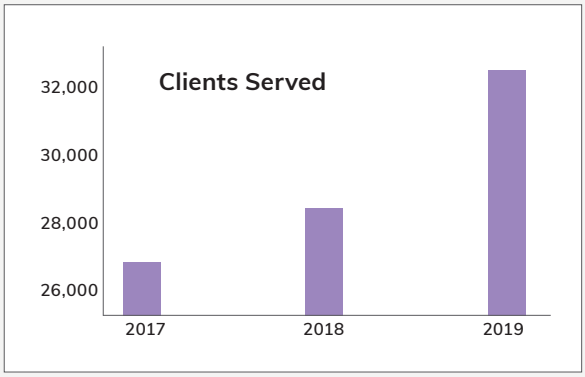
** The Nurses Education Program is a continuation of Friendship Bridge's initial development activities in Vietnam, providing faculty support and training for a graduate level nurses education program. The program has been independently managed by volunteers and is no longer a program of Friendship Bridge. Friendship Bridge served as its fiscal sponsor.*



A Path for Every Client

The Results of our 3-year Strategic Plan

Read our 2017-2019 Strategic Plan



Our three-year strategic plan focused on developing a path for every client by creating opportunities that would empower both our clients and our employees. We achieved this by implementing a client-centric culture of innovation, while continuously driving our operations to become more efficient and effective.

We committed to continuously listening to our clients in order to best support their needs and accomplished this by: collecting over 100,000 client surveys, conducting pilots and general program evaluations, expanding our Client Advisory Committee from 12 to 52 representatives, and prioritizing client relationship and retention in all of our initiatives.

Based on client feedback, we designed products and services that correspond directly to our clients' needs and preferences on their path of empowerment. We introduced three new types of loans, including the Chanim-Chanim, Parallel, and Individual Loan. We also expanded our *Health for Life* program from two to five branches and grew our agriculture portfolio by 40%.

Furthermore, we formalized our Handmade by Friendship Bridge artisan program, which tripled the direct income for the artisan participants from $24k in 2017, $33k in 2018, and $65k in 2019. In total, $122k was provided in income for artisans over a three-year period. The Intensive Artisan Training program graduated 17 clients in 2017, 30 clients in 2018 and 23 clients in 2019. We provided 22 Artisan Basic Introduction trainings to more than 409 clients across 5 branches

While developing tailored products and services for our clients, we knew that our goals were only achievable with a stable and capable staff. So we implemented a career path program, conducted more than 24k hours of employee training, and achieved the Great Place to Work™ Certification. As a result, staff retention improved from 65% to 75% in both the U.S. and Guatemala.

We are proud to have successfully balanced our focus between social objectives and creating more efficient operations, while also maintaining financial sustainability. We grew our loan portfolio by 58% to a total of $9.3MM. We increased the number of clients served by 21% since 2017, for a total of 32k women served in 2019. Meanwhile, we maintained one of the highest quality loan portfolios in Central America and the Caribbean, with an average PAR30 of 1.03% and a repayment rate of over 98% during the three-year plan.

We continue to be highly valued by clients in a fiercely competitive environment for treating them with respect and for improving their wellbeing.[1] Our client-centric services encourage loyalty. In fact, we earned a client retention rate of 80% for clients with 3 or more loan cycles, one of the highest in the industry. As a result, our clients continue to access resources that accelerate their advancement out of poverty at a time when poverty has increased in Guatemala.[2]

In one of the most gender-unequal countries in the world[3], our clients increased participation in decision-making in their businesses and in their lives. We have maintained a leadership position in the region for strong portfolio performance[4], are known for providing quality employment in rural areas[5], and are well regarded for our excellence in Social Performance Management.[6] The trust we have earned with our clients and employees has allowed us to understand their dreams and what opportunities are needed to help empower them.

SOURCE 1
60 Decibels Report Lean Data Report

SOURCE 2
Encuesta Nacional de Condiciones de Vida

SOURCE 3
United Nations Human Development Report
and Central Americn Financial Diaries

SOURCE 4
REDCAMIF - Central America and the Caribbean Microfinance Sector Study

SOURCE 5
Great Place to Work

SOURCE 6
Truelift Leadership Milestone

Strategic Plan Outcomes (2017-2019)

We tracked 13 social indicators over a three-year period to evaluate the success of achieving our social objectives and to take steps along the way to improve our program impact in Business Development, Reduction in Household Vulnerability, and Increased Empowerment. A sample of our findings include:

BUSINESS DEVELOPMENT

40%
higher income

Participants of our Agriculture program showed a 40% improvement in their income over the three-year period, with an average monthly income of $250, compared to $183 in the control group.

16%
net profit

Entrepreneur and Leader clients who participated in mentorship programs on average reported a 16% increase in net profit in their business.

Training

We learned that Entrepreneur and Leader clients have the most opportunity to develop their businesses by participating in business training and applying administration practices.

REDUCED HOUSEHOLD VULNERABILITY

3x
more likely

Clients with access to our *Health for Life* program are three times more likely to pursue preventive health exams than clients without access.

50%
more likely

Because of participation in Friendship Bridge, clients are 50% more likely to rely on savings to cope with an unexpected health-related expense. 60_decibels, pg 22

2 in 3
family meals

2 in 3 clients report increasing the number and quality of meals consumed by their families. 60_decibels, pg 20

20%
reduction in poverty

The longer clients are in our program, the less poor they become. On average, clients who are with us for 6 years or more are 20% less poor. (Based on 34,756 PPI observations in 2019.)

INCREASED EMPOWERMENT

34%
family planning

34% of clients adopted family planning methods after learning about it in our *Health for Life* program.

95 more
client leaders

95 client representatives participated in the Client Advisory from 2017-19, developing and applying leadersihp skills to represent the opinoins and needs of the women in their community.

86%
family decisions

86% of clients feel they more often contribute to making important family decisions because of Friendship Bridge. 60_decibels, pg 20

73%
final word

73% of Agriculture clients say they have the final word over the use of their agriculture income, compared to 60% in the control group.

Social Performance Results 2019

Social performance refers to how effectively an organization achieves its stated social goals and creates value for the population it aims to reach. Our committment to our clients keeps us focused on our social mission as we measure our progress toward their business development, reduction of household vulnerability, and increased empowerment.

2019 HIGHLIGHTS

"Excellent" self-assessment result of 74 in Cerise SP14 compliance with Universal Standards of Social Performance Management, compared to a global average of 61.

Presentations in 3 international conferences on our social performance methods/results: Foro LatinoAmericano de Inversión de Impacto Merida, ANDE Metrics Conference, and ANDE Central America Metrics Learning Lab.

How do we rate relative to other microfinance organzations? Nearly 90% of clients have no acceptable alternative to Friendship Bridge for accessing capital for their businesses, indicating Friendship Bridge is successfully reaching our target poverty/rural market. The majority of clients say since joining Friendship Bridge, they have improved income, quality of life, ability to plan their finances, frequency of participation in important family decisions, and spending on home improvements. Compared to peer organizations, Friendship Bridge clients fair substantially better in ability to save for shocks and access to preventive health services. View the graph on the right to see how we compare with our peers.



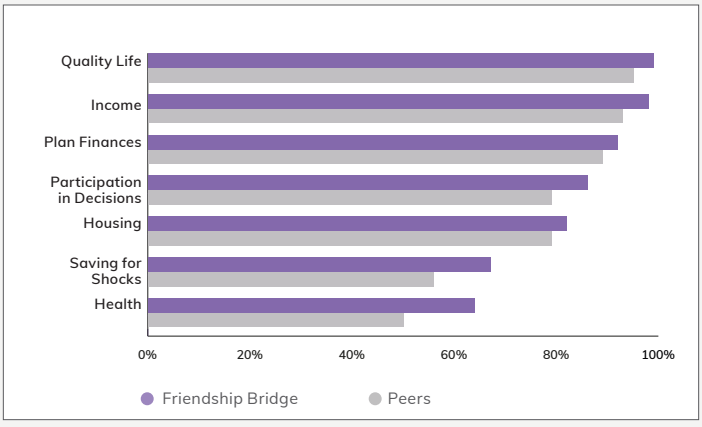
Client Advisory Committee

Our clients' needs and feedback inform our decision-making. The products and services we offer improve each year based on the needs of our clients. As a mechanism for receiving regular feedback, our Client Advisory Committee (CAC) advises our leadership team and Board of Directors on significant decisions that will impact them. In 2019, we worked with 62 client representatives who also received training on emotional intelligence, public speaking, and managing personal finances. They provided feedback on Friendship Bridge's client retention and our method for selecting non-formal education topics and methodology.

Education and Social Performance Committee

• Anna de la Cruz • Paula Farrell • Cara Forster • Jessica Jones • Meryle Melnicoff • Francy Milner • Fatima Moir • Matilde Olazabal • Carolina Roca • Caroline Rodriguez • Sarah Sterling • Carmen Velasco

60_DB LEAN DATA EVALUATION



Based on Lean Data evaluation conducted by 60_Decibels in 2019 with 366 clients.

United Nations Sustainable Development Goals

The opportunities we provide are part of a larger global initiative to create sustainable solutions that address the global challenges of poverty, inequality, climate, environmental degradation, prosperity, peace, and justice. The objectives adopted in the United Nations' Sustainable Development Goals aim to achieve these targets worldwide by 2030. Friendship Bridge is improving Guatemala's ranking in these efforts by addressing 9 of the 17 UN Goals. Below are 3 we specifically focused on in 2019:



By offering Microcredit loans, we serve women living in poverty, allowing them to invest in their small businesses, giving them a hand-up, not a hand-out. Nearly half (44%) of all new clients who begin working with us are living below the National Poverty Line (earning less than $2.35/day). After their 3rd loan cycle, the rate drops to 40% and continues this downward trend the longer the client is with Friendship Bridge.



According to Microfinance Opportunities Financial Diaries research of more than 100 countries, Guatemala is in 2nd-to-last place for women's participation in decisions over the use of money in the household. However, 94% of Friendship Bridge clients say they participate with their spouses in the decision-making of how to use business revenue. Longer-term clients participate at a higher rate than newer clients.



By providing both the education and financial means for our clients to become successful business entrepreneurs, we are promoting economic growth in a country with one of the highest disparities between rich and poor in Latin America. While 54% of people in Guatemala live in poverty, and 23% live in extreme poverty, our clients' finances and livelihoods are improving as a result of our education trainings.

Poverty Levels of Clients

Our target market is women who live in households earning between $1.11-$4.49 a day. In 2019, 88% of our clients were within this range. Our data shows that Friendship Bridge clients living in the "Poor" category as measured by the Progress out of Poverty Index® are experiencing the biggest positive movement out of poverty over a three-year period, reinforcing the importance of monitoring and serving our target market.[1]

POOR

$1.11-2.35 Individual Daily Income

47%

58% Farmer/Artisan

FAMILY

58% Married

39% Participates in Decisions on Income

HOME

25% Own a Fridge

30% Own a Gas or Electric Stove

EXTREMELEY VULNERABLE

$2.36-3.52 Individual Daily Income

21%

78% Commerce

FAMILY

59% Married

52% Participates in Decisions on Income

HOME

65% Own a Fridge

72% Own a Gas or Electric Stove

VULNERABLE

$3.53-4.49 Individual Daily Income

20%

84% Commerce

FAMILY

59% Married

62% Participates in Decisions on Income

HOME

79% Own a Fridge

84% Own a Gas or Electric Stove

1 The Poverty Probability Index (PPI®) is a poverty measurement tool for organizations and businesses with a mission to serve the poor. The PPI is statistically-sound, yet simple to use: the answers to 10 questions about a household's characteristics and asset ownership are scored to compute the likelihood that the household is living below the poverty line. Based upon 24,903 PPI collected by Facilitators in 2019, which is 77% of clients served, confidence level 99% +/-0.45% for 2014 National Poverty Line.



Friendship Circles

Friendship Circles are groups of dedicated volunteers across the U.S. who educate, advocate, and raise funds on behalf of Friendship Bridge. In 2019, Friendship Circles had a succesful year of fundraising, raising over $240,000 to benefit our clients. We are incredibly grateful to our Circle Members, as well as many of our other volunteers, who provide translation, marketing, research, photography, and other important services.

Circle Leaders

• Joanne Baum • Roberta Bautista Armijo • Sue Benishek
• Rachel Bloombaum • Jill Brashear • Bonnie Bushaw
• Angelica Docog • Moriah Gross • Paula Hock
• Connie Holzmiller • Deborah Kramer • Jana Lawton
• Betty Lyn Ferguson • Rebecca Medina • Marty Musselman
• Carol Nielson • Sarah Patten • Laurie Piccolotti
• Rose Sauceda • Gail Smith • Janet Swank

Translation Volunteers

• Penelope Curtis • Tim Jafek • Constancia Leshin
• Sariah Piedrasanta • Lori Roads • Lorraine Valarino

Development Committee

• Sandy Younghans, Chair • Paul Kovach • Susie Miller
• Caroline Rodriguez • James Wood • Susan Zimmermann

Volunteer Highlight



Teresa Moczygemba

San Antonio Circle Member

"My journey with Friendship Bridge began in February of 2008 when I attended a fundraiser to support Guatemalan women. I immediately joined the San Antonio Circle and have been an active member ever since.

Our circle participates in two large sales each year: the King William Fair and Dos Nancies. Dos Nancies is named after two of our most experienced textile experts, Nancy Fullerton and Nancy Wood. On three occasions, luncheons have been held in conjunction with this event. We also do several small sales or private trunk shows each year.

My favorite aspect of Friendship Bridge is going on Insight Trips because it enables me to make a personal connection with the ladies whose lives we are positively impacting through microloans, education, and health services. It is heartwarming to observe how the women morph from being shy and unsure of themselves into brave entrepreneurs who have control of their own futures.

Being a volunteer with Friendship Bridge has allowed me the privilege of serving an organization which has improved the lives of tens of thousands of Guatemalan women and their families. I am grateful to have had this opportunity and I'm excited that my husband, Brice, and I will be able to continue giving for many years through the Legacy Circle."

Join a Circle:

• Antelope Valley (CA)
• Bloomington (IN)
• Boulder (CO)
• Central Coast (CA)
• Chico (CA)
• Evergreen (CO)
• Foothills (CO)
• Genesee (CO)
• Oconomowoc (WI)
• San Antonio (TX)

Thank You Supporters

$25,000 AND UP

Anonymous
Crawley Family Foundation
Evergreen Circle
Genesee Circle
Harvey Family Foundation
Linked Foundation
San Antonio Circle
Walter and Ursula Eberspacher Foundation
Whole Planet Foundation
Women's Worldwide Web (W4)

$10,000-$24,999

Anonymous
Antelope Valley Circle
Jane Armstrong, In Memory of Judy Snyder
Cynda Collins Arsenault
Bancker-Williams Foundation
AnnaMaria Begemann & Michael Morter
Boulder Circle
Central Coast Circle
Betsey & Kenneth Cheitlin
Laurie & Bob Dolian
Foothills Circle
Green Waves Fund
Christy & Geoffrey Hoyl
Katie Kitchen & Paul Kovach
Brandi and Dave Mason, Buechele Family Fund *
Oconomowoc Circle
Helen Ostruske & David Ringo
PB & K Family Foundation
Scoob Trust Foundation
Florence Walraven & Dick Schirmer

$5,000 - $9,999

Anonymous
April Fund
AMB Foundation
Linda Bailey
Karen & Scot Barker
Bloomington Circle
Angie & Matthew Brand *
Liddy & Wynne Breeden
Chico Circle, Women's Microfinance Collaborative Fund
Mary & Chris Clover, Clover Fund
Rebecca Cueto Memorial
Brenda Duno
Peter Durst
Governor & Mrs. Jim Edgar
Paula & Charlie Farrell
Barbara Fleming
The Green Fund
Adrea D. Heebe
LARRK Foundation
Gale & Ward Lewis
Nance & Ramon Jose Lopez
James and Tanya Mahood Foundation
Susie & John Miller
Shannon Morgan
Power Test
Carmela Weber & Dave Secunda
Jan & Susan Suwinski, Suwinski Family Foundation
Felicity Hannay & James Wood
Susan Zimmermann & Paul Phillips

$2,500-$4,999

Anonymous
Karen Bernardi, The Bernardi Group Coldwell Banker
Thomas Carter
Susan Smith-Denny & Peter Denny*
Patricia Foley Hinnen & Capital Sisters International
Dr. Diane & Andy Kane
Meryle Melnicoff & Joseph Busler *
Sara & Paul Petit
Salida Circle
San Gabriel Circle
Charlotte Shifrin
Jody & David Smith, David C. Smith Family Fund
Betty Chambers Toguchi & Roger Toguchi
FD Wilkins

$1,000-$2,499

Anonymous
Nancy Anders
Roberta Bautista Armijo
Delia Armstrong
Currie & Thomas Barron
Rachel Bloombaum & Scott Hamilton
Pamela Boorman
Greg Boynton
Bill Braun
Teresa Cain-Maly
Colorado Capital Management
Linda & Mark Colville
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Shannon Gifford & Jerry Glick
Joe Gillach, Sr.
Melissa Goforth
Margery Goldman Foundation
Good Harvest Market
Dr. Gilad Gordon & Cathy Cohn
Maryann & Ken Hunter
Jackie Johnson
Deborah Klein & Art + Soul Gallery
Amie Knox & Jim Kelley
Carmen Lamar
Nancy & Ken Larner
Randi & Nick Larson
Alberto Martinez
Joanne McGee & Bill Gorham
Christie & Rex Melton
Dr. John Miller, Milwaukee Oral Surgery
Connie & Ted Ning
Daniel Norton
General Paul Phillips
Jacqueline Pugh
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Louise Wilbanks
Molly Wood & Dagne Maidman
Mary Woodley
Yorkfield Presbyterian Church
Kathie Younghans & Amicas *
Sandy Younghans
Pamela Zanotelli *

INVESTORS

39 Individual Private Investors
Capital Sisters International
Erich and Hannah Sachs Foundation
Global Partnerships
Inter-American Development Bank
Kiva International
Mercy Investment Services
Religious Communities Investment Fund
Seton Enablement Fund

IN-KIND DONORS

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Sharon & Terry Barrett
Boulder Microfinance Institute
Penelope Curtis
East West Partners
John Fielder
Hewlett-Packard Financial Services
Constancia Leshin
Alice & Peter Light
LodgeWorks Partners
Connie Newton
Pacific Office Automation
Roser Ventures
Swiss Contact
Carolina & Allen Vasan
VIVA IDEA
Susan Zimmermann & Paul Phillips

Thank you to an additional 1,045 donors who collectively contributed over $163,566 to further our mission.

SEED Members

Sustainers of Economic Empowerment and Development are individuals who direct a total annual giving of $1,000 or more for three years.

• Delia Armstrong • Betty & Jim Astle • Karen & Scot Barker • Rachel Bloombaum & Scott Hamilton • Laurie & Bob Dolian • Helen & Robb Gair • Maryann & Ken Hunter • Dr. Diane & Andy Kane • Carmen Lamar • Connie & Ted Ning • Cindy Rold • Cathy & Dennis Rundle • Jody & David Smith • Ardis Strieby

Legacy Circle Members

Individuals who have directed a planned gift to Friendship Bridge, ensuring their impact extends beyond their lifetime.

• Anonymous Members • Paula & Charlie Farrell • Katie Kitchen & Paul Kovach • Constancia Leshin • Marie McCreery • Francy & Lary Milner • Teresa & Brice Moczygemba • Connie Newton • Ardis Strieby • Felicity Hannay & James Wood • Kathie Younghans

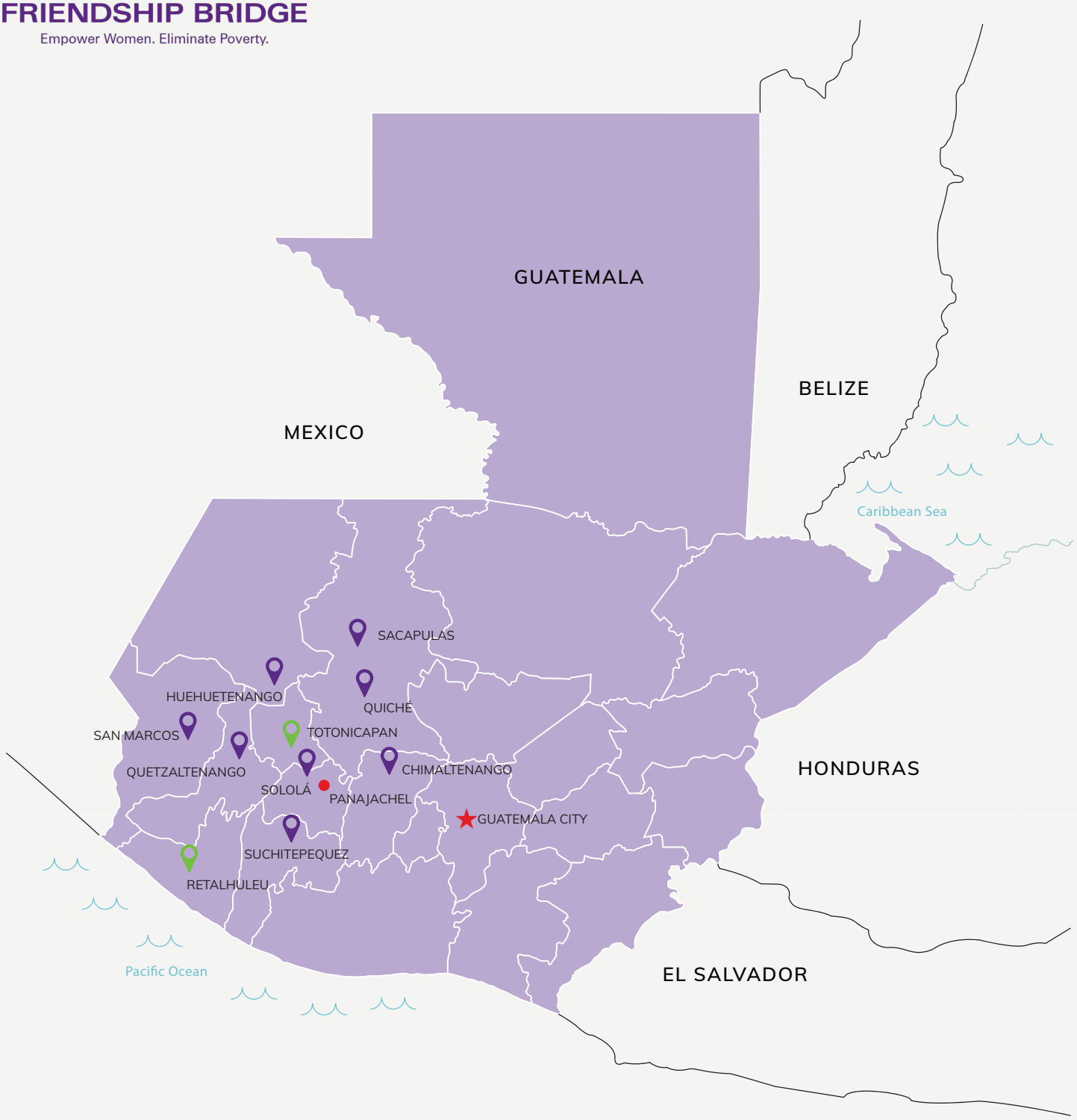
Founders

• Connie Ning • Ted Ning • Mimi Schlumberger

** Indicates donors who give monthly as part of our Cada Mes Club.*

FRIENDSHIP BRIDGE

Empower Women. Eliminate Poverty.



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