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December 2023

Dear friend,

As I approach the end of my first year as President & CEO of Friendship Bridge, I reflect with immense pride on the transformative strides our organization has taken. Throughout 2023, we have implemented tangible measures to fortify a culture that is increasingly aligned with our mission. This includes the adoption of eco-friendly practices in our offices, a heightened focus on promoting diversity, equity, and inclusion to dismantle cultural stereotypes, and the revision of credit policies aimed at bolstering financial inclusion for the most vulnerable women in Guatemala. Our steadfast commitment to instigating positive change within our organization and communities we serve propels us to extend these impacts, ensuring that the benefits of our endeavors reach and uplift our clients.

Our work continues as we enter 2024—year four of our five-year Strategic Plan—and our staff is up for the challenge. Meanwhile, here is a recap of our accomplishments and moments of celebration for 2023. Read on to learn more about each topic in the pages that follow.

- **A new branch opening in Chicacao** >> On July 14, 2023, we celebrated the opening of our 12th branch in Guatemala.
- **A top performer in 60 Decibels' Microfinance Index** >> Friendship Bridge received a Top Impact Award for Latin America in 2023, ranking #2 in Latin America among all microfinance organizations surveyed in the region.
- **Concrete evidence of generational change among our clients** >> *Forbes* took notice of the change we were seeing and reported on our findings to a national audience.
- **A Great Place to Work® for 2023** >> Friendship Bridge once again made the list as one of the Best Workplaces™ in Central America and the Caribbean 2023, as well as one of the Best Workplaces for Women™ in 2023.
- **A semifinalist for a European Microfinance Award (EMA)** >> EMA reported on our impact for best practices on the topic of Inclusive Finance for Food Security & Nutrition.
- **The third annual Women's Entrepreneurs Awards** >> A new group of entrepreneurs were honored for their business growth.
- **An updated credit policy for clients** >> We made changes to allow for more financial inclusion among women who need it the most.
- **Opportunity Collaboration Conference Invitation** >> We were invited to collaborate alongside other organizations and thought leaders committed to building sustainable solutions to poverty and injustice.

In addition, recent political unrest in Guatemala negatively impacted many of our clients' businesses due to the protests and supply chain constraints, but our clients continue to demonstrate remarkable resilience in meeting their financial commitments. We have been and continue to actively evaluate each client's situation and work with those who have been most directly impacted by the situation. The safety and well-being of our employees and clients continues to be our top priority and we continue to closely monitor the situation. Fortunately, our operations have resumed to more normal levels in November and December as we close the year. We hope for the peaceful transition of power to the new president elect, which is planned for mid-January.

I look forward to the new year with hope, and I am optimistic for new opportunities for our clients. As always, we are continually grateful for your support. Thank you for trusting us to build better futures for women in Guatemala.

Sincerely,




Tracie Cordeiro
President & CEO



A New Branch Opening in Chicacao

On July 14, 2023, we celebrated the opening of our newest branch office in Chicacao, Guatemala. In line with our commitment to environmentally friendly practices, the branch opening ceremony was free of single-use materials such as balloons, plastic decorations, and cups. Guatemalan Marketing Coordinator Nohelia Guarchaj worked with an artisan to create decorations made from corn husks, flowers, and other natural and reusable materials.

Ingrid Jannet Guir Piedrasanta serves as branch leader alongside sixteen collaborators in the Chicacao office. She came to the new office after working as the branch leader in Mazatenango.

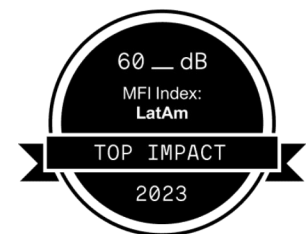
The Chicacao branch opened with a portfolio of over 2 thousand clients, with a goal of acquiring 3 thousand clients by the end of the year. The expansion, which gives Friendship Bridge a total of 12 branch offices, continues our commitment to Responsible Growth, one of the main goals in our Strategic Plan.

“The opportunity was seen to bring the operation closer to areas of high potential in the region,” notes Guarchaj. “Additionally, [we will be] able to cover a larger potential market, with the certainty that our target market is located in that region.”

A Top Performer in 60 Decibels’s Microfinance Index

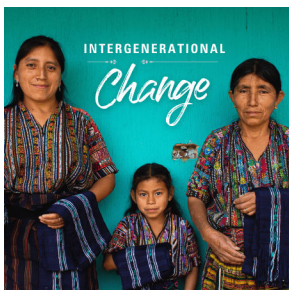
Friendship Bridge received a Top Impact Award for Latin America in 2023, ranking #2 in Latin America among all microfinance organizations surveyed in the region according to 60 Decibels, a global impact measurement company that is the producer of the world’s first microfinance impact benchmark,

The 2023 report revealed that, in four of six specific indicators—Access, Business Impact, Client Protection, and Resilience—Friendship Bridge was the top performer among all MFI clients surveyed in Latin America.



- **Access:** 77% of Friendship Bridge clients surveyed said they could not easily find good alternatives to their financial service provider—meaning no one meets their needs quite like Friendship Bridge.
- **Business Impact:** 51% of Friendship Bridge clients say that their income has very much increased.
- **Client Protection:** 87% of Friendship Bridge clients have a strong understanding of their loan, including fees, interest rates, and penalties. In addition, when it comes to repaying their loans, 86% of Friendship Bridge clients say loan repayment is “not a problem” for them.
- **Resilience:** 23% of Friendship Bridge clients say their savings has “very much increased.”

To read the full report, visit <https://bit.ly/fb60db>



Concrete Evidence of Generational Change Among Clients

We know that when our clients have the financial resources to keep their children in school, it can change the trajectory of their futures. “We care deeply about breaking the cycle of generational poverty, and we have so many stories of clients who have experienced intergenerational impact because of Friendship Bridge,” said Caitlin Scott, Chief Strategy Officer at Friendship Bridge. “But we wanted more concrete evidence to show this.” As a result, Friendship Bridge commissioned 60 Decibels to measure how our clients are experiencing change. Here is what their research discovered:

- **Higher child and parent engagement:** 94% of clients strongly agree that their children are more engaged in their education than they were at the same age. The vast majority of these clients attribute this change to their involvement with Friendship Bridge, either in whole or in part.
- **Increases in parental skills:** 68% of Friendship Bridge clients strongly agree that they have learned parental skills that allow them to support their children in different ways. This includes feeling more equipped to support their children's education, having an increased sense of responsibility to guide children's actions, and being more able to help with their kids' personal development, such as learning to read.

Forbes took notice of the change we were seeing, too, and reported on our findings. To read the Forbes article about Generational Change, visit <https://bit.ly/fbforbes23>

A Great Place to Work® for 2023

Friendship Bridge once again made the list of Best Workplaces™ in Central America and the Caribbean 2023, according to Great Place to Work®, the global authority on workplace cultures. As one of the smallest employers as well as one of the only social-impact organizations to make the list from Guatemala, we were ranked among well-known companies such as DHL Express and Deloitte, representing a wide range of industries from telecommunications to healthcare to transport to financial services. In addition, we also made the list as one of the Best Workplaces for Women™ for 2023, alongside companies including Nestlé and 3M.



A Semifinalist for a European Microfinance Award

This year, we were honored to be a semifinalist for a European Microfinance Award (EMA) 2023 on the topic of Inclusive Finance for Food Security & Nutrition. In a publication featuring lessons and best practices from EMA, Friendship Bridge is referenced in detail on the topic of our "crucial role of partnerships." The publication discusses our relationship with Poverty Stoplight to holistically understand the poverty of our clients, as well as our relationship with Maya Health Alliance with whom we contract through our *Health For Life* program, so that our clients can receive necessary preventive health screenings.



Visit <https://bit.ly/fbema23> to read more about us on page 34-35 of the publication.

The Third Annual Women's Entrepreneurs Awards

For the third consecutive year, the Women's Entrepreneurs Awards ceremony was hosted on Facebook Live for *Bridge to Success* clients and potential clients. 195 participants entered (an increase of 9% compared to 2022), and nine women received an award of one of the three categories: Successful Entrepreneur, Exemplary Client and Outstanding Woman. The nine winners are from Chimaltenango, Quetzaltenango and Suchitepequez. 2023's winners (just released!) are:

- **Successful Entrepreneur:** Maria del Rosario Poz received a cash award of \$1,935 that will be used for inventory purchase and to expand her business store. Maria owns the artisanal confection business, *E-Moda, Tejiendo Estilo*.
- **Exemplary Client:** Cleotilde Ventura received a \$1,677 award to use in her business, *Chocolate Doña Oti*. She will invest her award in machinery to operate her business.



- **Outstanding Woman:** Alba Rosario Granados received \$700 to invest in a professional camera, which she will use in her event decorating business, *Eventos Inolvidables (Unforgettable Moments)*.

The Women's Entrepreneurs Awards are a way for our *Bridge To Success* clients, as well as potential clients, to demonstrate their business growth, resilience to overcome challenges, application of Friendship Bridge training, responsible use of credit, and community leadership. As *Bridge to Success* completes its second full year, 241 female entrepreneurs have received individual loans and taken part in intensive business training. They then create an action plan to set achievable goals by the end of their loan.



Updated Credit Policy for Clients

In August, we revised our credit policy with the goal of maximizing our positive impact on women's lives in Guatemala. Previously, our policy stipulated that if a client faced difficulties repaying their loan, and no other member within their Trust Bank could cover the repayment, the entire Trust Bank would be ineligible for future loans with us.

Recognizing the importance of greater financial inclusion for those who need it most, our revised approach now offers innovative loan options and takes into account the reason for payment difficulties, allowing women who previously struggled with repayments to have the possibility to return to Friendship Bridge as a client. Moreover, our observations revealed a trend where some women were hesitant to join Trust Banks composed of seven or more individuals due to trust issues within their social circles. In response, we have introduced the option for smaller Trust Banks, consisting of three to six women, albeit with slightly elevated interest rates to cover higher operational costs and maintain financial sustainability. This adjustment aims to cater to the unique needs of a broader spectrum of women, ensuring that our services remain accessible and supportive.

Opportunity Collaboration Conference Invitation

In October, our CEO, Tracie Cordeiro, and Chief Development Officer, Nicole Eubanks, were invited to attend the OC2023 summit hosted by Opportunity Collaboration in the Dominican Republic. Alongside esteemed organizations and thought leaders dedicated to creating sustainable solutions for poverty and injustice, they engaged in learning, personal growth, reflection, and collaboration.



Their attendance at the summit was made possible by the generous sponsorship of The Swaha Foundation and its Executive Director, Julie A. Goldstein, along with the support of Katrin Lewis from Align Impact. This exciting opportunity facilitated the gathering of like-minded leaders, fostering an environment conducive to developing innovative solutions for global change.

As Tracie and Nicole eagerly anticipate the year ahead, they are enthusiastic about translating the insights gained from the summit into actionable strategies to further enhance Friendship Bridge's positive influence.



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