



2018 ESPERANZA ANNUAL REPORT



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A Letter From Our CEO

The year 2018 will go down in history as a year of abundance for Esperanza. We are so grateful to see the Lord's work in the lives of our team, the people we serve, and the partners that walk hand-in-hand with us. With each prayer you extend, every trip you take to the Dominican Republic, and each dollar you dutifully invest in the kingdom, our covenant becomes stronger and our path is more focused. Your support enables us to empower our associates to achieve their dreams, become more financially secure, and most importantly obtain an eternal knowledge of God's love.

"Building New Walls of Hope" was the focus for last year. The walls of Esperanza are now stronger, taller, and sturdier. We met or exceeded all of our goals for non-financial services: Christian leader participation in meetings, health trainings, vocational course attendees, cervical cancer screenings, dental outreach patients served, and financial education trainings. Additionally, we achieved phenomenal growth in our loan portfolio and our number of associates while steadily maintaining quality and excellence. Years like this remind us of the blessing of persevering in difficult times. But prayer keeps us grateful and humble as we understand that Jesus is the focus and the source of everything good.

We are beyond grateful for Esperanza's successes and we know it is all because of His blessings. I deeply appreciate all the hard work our staff put in to make this a great year. As fellow brothers and sisters in Christ, please rejoice with us – we need to celebrate the good times.

Esperanza is very excited about the years to come as we strive to do God's will for the entrepreneurs in the Dominican Republic and their families. Thank you again for your incredible generosity; you are empowering entrepreneurs in an eternal way. The Lord will continue to bless you because His grace knows no limit. May His love be your guiding light. And may you and your family be vessels to perpetuate His work for generations to come.

Blessings,
Alexandra Nuñez
President & CEO



David Valle
Founder



Alex Nunez
Chief Executive Officer



Toby Gilmore
Board Member



Rick Logsdon
Board Member



Daniel Devine
Board Member



Jenn Tarbell
Board Member




David Wasik
Board Member



Cheryl Hunter
Chairman

"We are committed to our opportunity to engage and glorify God in the Dominican Republic by sharing the hope of Christ through microfinance, education, and health services."

- Cheryl Hunter



"For I know the plans I have for you," says the Lord, "plans to prosper you and grow you, plans to give you hope for the future."

-Jeremiah 29:11

Esperanza International

Mission

To free families from poverty and share the hope of Christ.

Method

We offer holistic, Christ-centered financial and nonfinancial services that equip families to flourish.

Motivation

We seek to glorify God by loving our neighbors in word and deed.



Strategic Pillars

Esperanza is preparing for the future through our five strategic pillars. Each pillar will be achieved through practically-defined projects to advance our work and service in the Dominican Republic.

In 2018, Esperanza implemented tactical projects to support each strategic pillar. These projects contributed to our overall mission to free families from poverty and share the hope of Christ.

1. Jesus First

- Helped the team to take next steps in their walk with Christ.
- Shared the hope of Jesus with every associate through spiritual integration programs and new products.

2. More than a loan

- Introduced new topics for business and health trainings.

3. Serving the Marginalized

- Responded to the needs of the population we serve.
- Grew with quality through reaching new audiences and retaining existing ones.
- Designed new and impactful marketing strategies.

4. Doing it Right and Doing it Well

- Promoted order and consistency across programs.

5. Cultivating a Team of A-Players

- Recruited a team dedicated to the mission and stewardship of Esperanza and its resources.
- Offered new opportunities for professional growth, spiritual integration programs, and new products.

Who We Serve

63,000 Entrepreneurs



Historically, 63,000 business owners borrowed and stewarded loans to invest in and grow their business.

Single Mothers



Esperanza cares for those in greatest need. 2,058 of Esperanza's associates in 2018 were single mothers.

9,180 Associates



Esperanza served 9,180 associates in 2018, those living in poverty that typically earn between \$2-4/day.

Women



As the primary caretakers of the household and family, 77.4% of our associates served in 2018 were women.

47% Dominicans



Over 30% of the population lives below the poverty line in the Dominican Republic. Our commitment is to those who desire resources for flourishing.

53% Haitians



Earning the lowest living wages throughout the country, Haitians made up 53% of our associates in 2018.

Where We Serve



Our commitment is to serve in the communities of the underserved. Esperanza works in the Dominican Republic, which shares the Caribbean island of La Hispaniola with Haiti. Esperanza has one central office and eight branch offices throughout the country in the towns of Santo Domingo Oeste, Santo Domingo Norte, San Pedro, La Romana, Hato Mayor, El Seibo, Puerto Plata y Samaná.

With over 30% of the population living below the poverty line of \$4/day, we work where the most vulnerable live. Esperanza services are offered where access to capital and resources are most sparse. This is primarily in rural communities, the regions where our associates work, live, and raise their families.

Loan Disbursements

San Pedro 2,984

Samaná 1,802

Puerto Plata 1,746

Santo Domingo Norte 1,682

Hato Mayor 1,306

Santo Domingo Oeste 1,228

La Romana 1,146

El Seibo 838

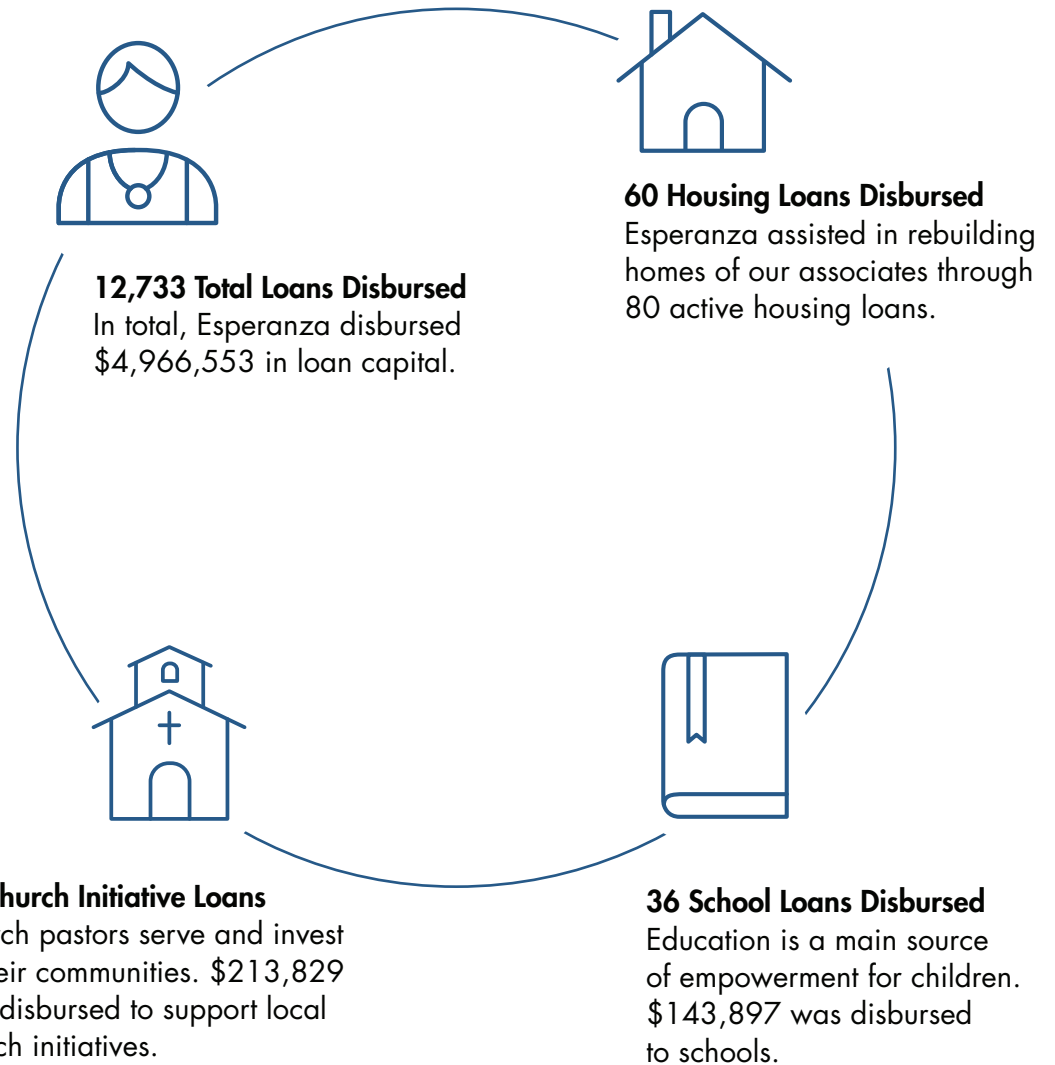
Loan Products



Impact statistics

\$79,796,447 Disbursed Historically
98% Year to Date Repayment Rate
\$330 Average Group Loan Size
\$896 Average Individual Loan Size

Our portfolio consists of five core loan products - group, individual, housing, education, and church initiative loans. In 2018, we disbursed nearly \$5 million in loan capital.



Non-Financial Services



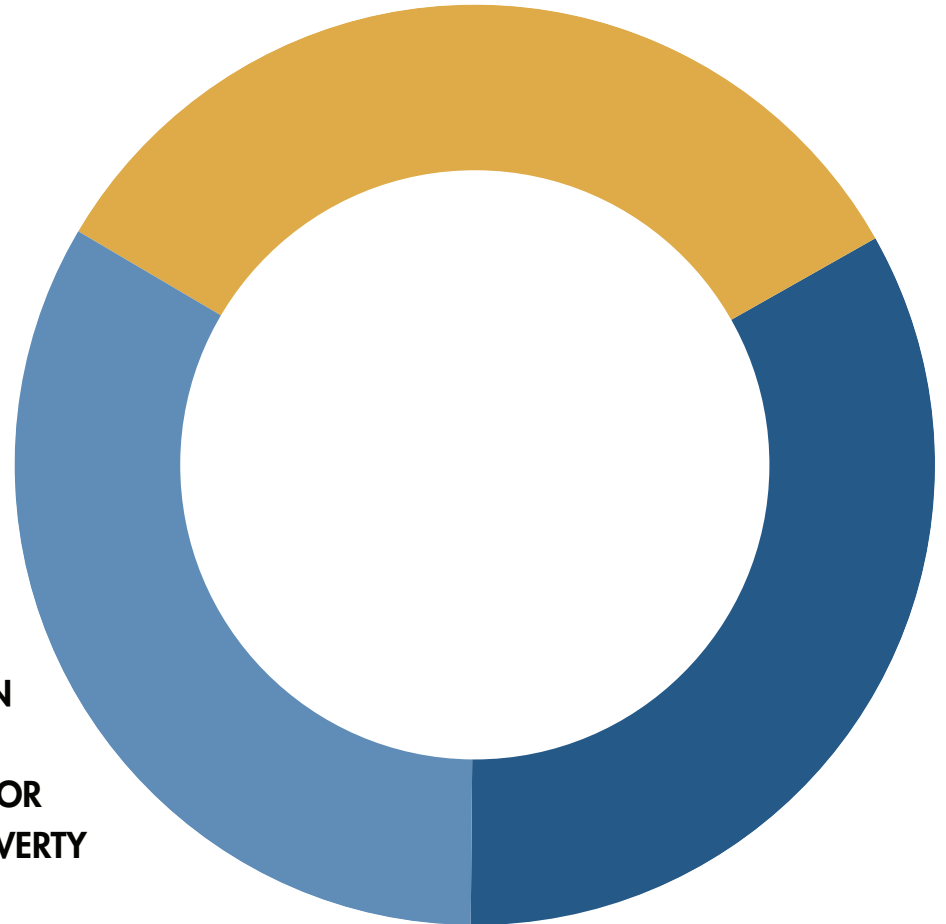
Esperanza utilizes a comprehensive approach to poverty alleviation. We recognize the importance of caring for the physical and spiritual concerns of our borrowers in addition to their needs for capital.

159 Cervical Cancer Screenings
659 "God Provides" Video Showings
780 Individuals Served through Dental Outreaches
1,552 Health Trainings
3,656 Business Trainings

WE BELIEVE IN THE
RESTORING POWER
OF JESUS CHRIST

WE BELIEVE IN
SUSTAINABLE
SOLUTIONS FOR
THOSE IN POVERTY

WE BELIEVE IN A
HOLISTIC APPROACH
TO DEVELOPMENT



Carmen Francisca Nuez's Story



For the majority of her life, Carmen lived comfortably in La Colonia, her small rural community. However, when Nuez unexpectedly lost her husband, she did not know what to do. Aside from losing the love of her life, Carmen lost her source of income and fell into poverty. She opened a small corner store, selling everyday items, but lacked the funds needed to buy substantial inventory. With no savings to fall back on, hope seemed fleeting. With nowhere to turn, this brave woman turned to Esperanza.

Carmen's neighbors noticed her trials and extended an invitation that changed her future. Nuez joined their Bank of Esperanza, receiving her first loan of just \$100. This small amount of money gave Carmen the opportunity to expand her inventory, offering more items that her

customers desired and in larger quantities. With five additional loans, the corner store has grown to meet its potential, allowing Nuez and her daughter, now also an associate of Esperanza, to open a clothing store next door.

Her largest loan of \$240 proved a great milestone. Nuez has risen from the dust of her husband's death with strength and grace, now completely able to provide for herself. Best of all, Nuez's spiritual life has been reignited, transforming from merely going to Church to forming a relationship with God. Carmen exclaims that she has learned "to live with the rest, love the rest, and live with the world. I know that there's a God in Heaven. God protects us, takes care of us, and is with us. He's a living God that we cannot see, but we know what He did for us."

Where We Are Headed

Pray with us as we seek God's vision and wisdom for the future. Join us as we walk alongside our associates and equip them to flourish.



In the D.R. we plan to strengthen our monitoring and evaluation program to better assess our long-term impact and progress toward our intended goals. In the U.S., we are focused on growing awareness of Esperanza's work which transforms lives through a comprehensive approach to poverty alleviation.

By telling the stories of lives transformed, we hope others will join in the journey toward restoration of dignity for the vulnerable. What a privilege it is to share in this work with you as we remain confident of this, "that He who began a good work in you will carry it on to completion until the day of Christ Jesus."

Many blessings,
Esperanza International

Thank you for your support.

To continue to support Esperanza International, please visit our website to contribute a gift. Your impact will provide hope to the people of the Dominican Republic.

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www.esperanza.org

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