

## Alleviating poverty in Latin America through community-owned banks



eskala.org Lawes DE

Fintech & Finance Female Founder Minority Founder

### Highlights

- 1 Join Eskala's preferred debt partner, Nicolet National Bank, committed \$20k to this loan
- 2 Eskala has deployed \$3m+ of impact investment to transform banking in under resourced communities
- 3 We aim to empower 18M people living in poverty with financial services by 2025
- 4 We have issued \$1M in loans so far, serves the capital needs of 2,500+ micro-enterprises
- 5 0% default rate to date
- 6 Featured in Forbes, American Banker, and Milwaukee Business Journal
- 7 Partners include Kiva, World Bank, Whole Planet Foundation, Inter-American Development Bank

### Our Team



**Colleen O'Brien** Co-Founder & CEO

Impact Investor. Client relations professional.

Eskala is a spin off of the non-profit Global Brigades (GB). Founded in 2003, GB's mission is to inspire, mobilize and collaborate with communities to achieve their own health and economic goals. Through 18 years of work, GB discovered that access to financial services were vital for a community to break the cycle of poverty - thus Eskala was born.



**Steve Atamian** Co-Founder & Chief Strategy Officer

Social entrepreneur for emerging economies. Co-Founder & CSO of Global Brigades, the largest movement for global health and holistic development.



**Pallav Vora** Co-Founder & VP of Legal

Legal professional with 10+ years experience in international development and operations.



**Luis Quan** Co-Founder & VP, Honduras

Latin American banking and operations expert.



**Pablo Garron** VP, Panama

Microfinance thought leader in Latin America.



**Denis Gaitan** VP, Nicaragua

Management of development projects.

#### LEAD INVESTOR



**Brian Howe**

I'm investing in Eskala because of their ambitious mission to empower 18 million people living in poverty with financial services. I love that they are a startup being spun out of a well established, industry leading nonprofit. Microfinance has been one of the most revolutionary approaches to poverty alleviation over the last 50 years, but has always had extremely high interest rates because of the costs of administration. By investing directly in locally owned banking co-ops (over 170 already in the network) and trusting the ability of those closest to the borrowers to manage risk, they've maintained an outstanding 0% default rate while offering interest rates significantly below the industry average.

The CEO Colleen and her team are strong with domain expertise and have succeeded together previously. They have over 10 years of operational excellence in building out Global Brigades as a regional leader in sustainable development programs throughout Central America. At a personal level, I have the privilege of knowing they are people of deep integrity, authenticity, and humility. I have a very high level of confidence in their ability to navigate complex decision-making and achieve massive growth without sacrificing mission.

The Eskala innovation has already been recognized as the best economic development initiative in rural Panama by the United Nations Development Program. They are still in the early stages but the direction is clear; Eskala is a bottom-up solution that empowers local stakeholders with capital at scale and might be the best opportunity that exists to help alleviate global poverty through a sustainable business model.

Invested \$5,000 this round



**Nancy Amador** VP, Finance

Multi-entity operational management.



**Juan David Villegas** VP of Programs

Rural micro-enterprise consultant.

## Pitch

We believe every person is worth investing in.

### ABOUT OUR PARENT COMPANY GLOBAL BRIGADES (501c3)

#### Founded in 2003

- \$115M in donations / 50,000 volunteers
- Internationally recognized to alleviate poverty through Economic Development, Water & Sanitation and Health Access
- Established 130 community banking cooperatives lending \$1.3m\*
- Spun off Eskala in 2020 after a World Bank grant to accelerate growth and attract impact investors



### WHY ESKALA?

#### PROBLEM

1.7 billion adults are unbanked and 1.3 billion are living in poverty. Unbanked people in emerging markets rely on high interest loans that pile on debt and perpetuate the cycle of poverty. These loans tend to be:

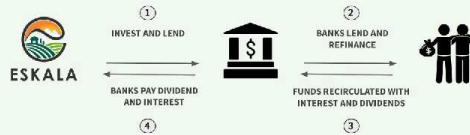
- **Expensive:** a typical loan to an unbanked person has annual interest rates ranging from 50%-200%.
- **Extractive:** the lenders who benefit from the interest are outside of the community, further extracting from an already under-resourced group.

#### SOLUTION

To break the cycle of poverty, Eskala partners with community leaders in rural Central America to create and grow the capacity of their community led and owned banking cooperatives. Eskala focuses on:

- **Lend:** low interest loans with half of the interest staying in the community bank for hyperlocal recirculation of capital.
- **Partner:** through equity investments, financial training and biweekly visits from our field staff.

### HOW DOES IT WORK?

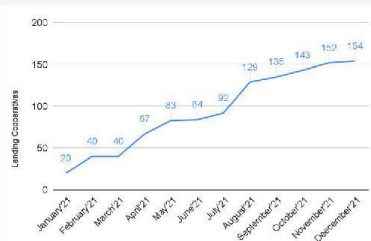


### WHY NOW: READY FOR SCALE

- 179** banking cooperatives lending
- +2000** new community targets
- 397** banking cooperatives in training
- 70%** of bank members are women
- 2022** operational break even
- \$2.5M** outstanding loan portfolio

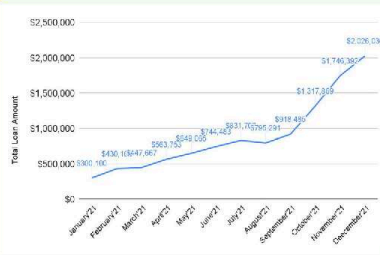
~0% default rate

### Community Bank Growth: 2021



\*The above slide refers to banks that Eskala has either invested in and or lent to.

### Loan Portfolio Growth: 2021

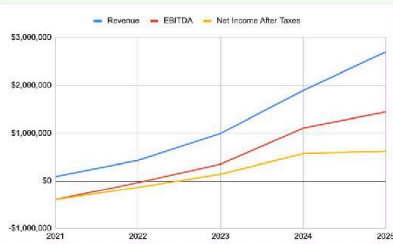


### Financial Analysis: Projected v Actual 2021



\*Numbers are in usd only

### PATH TO PROFITABILITY



### WHERE WE WORK

**Current Target Population:**  
20,000 communities with 18 million people living in poverty

**Vulnerable Groups Including:** Indigenous, refugee, migrants and women borrowers

**Market Opportunity:** LatAm and Caribbean regions have ~26.2 million microenterprises with a funding gap of \$1.2 trillion



SOURCE: Inter-American Development Bank (IDB), 2017

### CLIENT SPOTLIGHT: PUEBLO NUEVO, PANAMA

- Founded:** 2014
  - Prior to partnering with Eskala, Pueblo Nuevo did not have an option for banking services.
  - There are traditional banks nearby, but this community was discriminated against and excluded.
- Active Members:** 34
- Impact:** \$57k lent across 317 loans
  - ~180 loans for business expansions
  - ~20 loans to launch new businesses
  - ~117 loans supported farmers
- Performance:** 0% default



### CLIENT SPOTLIGHT: CAFEPSA, HONDURAS

- Founded:** 2009, Eskala partner since 2021
  - Prior to partnering with Eskala, CAFEPSA relied on high interest loans with hidden fees, high admin costs and long waiting periods.
  - After partnering with Eskala, CAFEPSA was able to export their first harvest without extractive intermediaries.
- Active Members:** 1,100 and growing
- Eskala Loan:** \$310k in working capital used for local farmers to plant, organically fertilize and harvest coffee crops.
- Performance:** 0% default, fully repaid



## INVESTORS



**Jim Sartori**  
 CEO, Sartori Company  
**Kate Burgess**  
 LA/O'Quinn, LLC/CEO  
**Jim Weilberg**  
 Phys. Therapist, Gen. Mgr. for Johnson  
**Orla O'Connor**  
 CEO, Ex-Charge  
**Peter Herberts**  
 Pres. Sen. Nurses FHN  
**Craig Kirkman**  
 Entrepreneur & Managing Director, Redwood HCN



**Mike Flynn**  
 CEO, Ex-Charge  
**Steve Mangano**  
 Partner, M&A, Inc./Partner, Care  
**Colleen O'Brien**  
 CEO, L&A  
**Jeffrey**  
 VP of Clinical Care/Chief Medical Officer, Regional Therapy  
**Carolee Garcia**  
 Ex-CEO, Ex-Charge  
**Rick Meyers**  
 Co-Owner, Commercial Real Estate  
**Global Brigades**  
 Global Impact

## PARTNERS

Eskala leverages established partnerships with the world's foremost leaders in international development along with local governments that enable our innovative model.



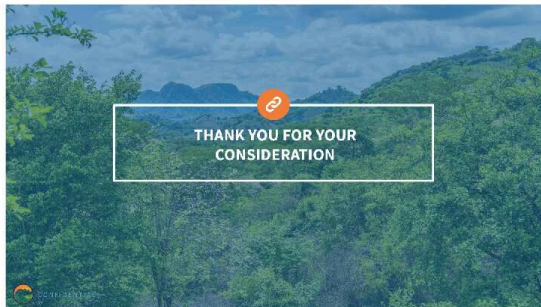
*"The most effective economic development program in rural Panama"*  
 - United Nations Development Program

## Financials - Balance Sheet December 31, 2022

ASSETS	
Bank Accounts	\$763,779
Accounts Receivable	\$2,740,576
Prepaid Expenses	\$422,419
Other Assets	\$2,275
<b>Total Assets</b>	<b>\$3,939,089</b>
LIABILITIES	
Accounts Payable	\$653,981
Short-Term Debt (Line of Credit)	\$750,000
Other Current Liabilities	\$4,360
Long-Term Debt	\$173,751
Total Liabilities	\$1,582,102
EQUITY	
Owner's Investment	\$2,356,987
Retained Earnings	\$1,005,750
Accumulated Depreciation	\$1,007,279
Other Equity	\$165,639
Total Equity	\$2,356,987
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$3,939,089</b>

## Financials - 2022 P&L

Revenue	
Revenue from microinvestments	\$762,867
Other Revenue	\$61,761
<b>Total Revenue</b>	<b>\$824,628</b>
<b>Gross Profit</b>	<b>\$124,569</b>
Expenses	
Marketing Expenses	\$290,349
Service Fees	\$55,724
Other Expenses	\$226,279
Grants, Contracts, Direct Funds	\$70,115
Advertising & Marketing	\$791
Interest Paid	\$8,113
Foreign Exchange Loss	\$16,172
Other	\$7,111
Total	\$296,251
<b>Total Expenses</b>	<b>\$199,919</b>
<b>Net Earnings</b>	<b>\$64,650</b>



THANK YOU FOR YOUR CONSIDERATION