OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidated Financial Statements and Supplementary Schedules

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Table of Contents

		Page
Independent Auditors' Report		1
Consolidated Statements of Financial Position		3
Consolidated Statements of Activities		4
Consolidated Statements of Cash Flows		5
Notes to Consolidated Financial Statements		6
Supplementary Schedules		
1	Consolidating Schedules of Statements of Financial Position – Banking Operations Only	33
2	Consolidating Schedules of Statements of Activities – Banking Operations Only	35
3	Schedules of Statements of Activities and Statements of Financial Position – OTI Parent Only	37

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Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Directors
Opportunity Transformation Investments, Inc.:

We have audited the accompanying consolidated financial statements of Opportunity Transformation Investments, Inc., which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain wholly owned subsidiaries, which statements reflect total assets constituting 29% and 17%, respectively, of consolidated total assets at December 31, 2013 and 2012, and total revenues constituting 32% and 14%, respectively, of consolidated total revenues for the years then ended. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the wholly owned subsidiaries, which conform those financial statements to U.S. generally accepted accounting principles. Our opinion, insofar as it relates to the amounts included for those wholly owned subsidiaries prior to these conversion adjustments, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Opportunity Transformation Investments, Inc. as of December 31, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of statements of financial position – banking operations only, the consolidating schedules of statements of activities – banking operations only, and the schedules of statements of activities and statements of financial position – OTI parent only are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

June 30, 2014
Chicago, Illinois

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidated Statements of Financial Position

December 31, 2013 and 2012

Assets		**2013**	**2012**
Investing assets:			
Cash and cash equivalents	$	12,769	12,476
Restricted cash and investments		2,238,006	4,486,669
Other receivables and prepaid expenses		21,505	101,201
Due from parent		3,051,315	4,959,466
Notes receivable		1,930,000	3,244,879
Investment in other financial institutions		11,464,639	6,714,626
Total investing assets		18,718,234	19,519,317
Banking assets:			
Cash and cash equivalents		61,069,479	65,950,609
Loans receivable, net of allowance of $11,313,374 and $10,560,469, in 2013 and 2012, respectively		210,384,519	171,398,214
Prepaid expenses		15,499,433	19,739,103
Building, furniture, and equipment, net of accumulated depreciation of $19,123,600 and $16,327,966, respectively		25,881,424	25,438,076
Total banking assets		312,834,855	282,526,002
Total assets	$	331,553,089	302,045,319
Liabilities and Net Assets			
Investing liabilities:			
Accounts payable and accrued liabilities	$	2,302,052	2,204,405
Notes payable		17,715,461	16,162,720
Total investing liabilities		20,017,513	18,367,125
Banking liabilities:			
Accounts payable and accrued liabilities		21,642,612	16,085,451
Deposits from customers		154,244,210	126,644,618
Notes payable		55,924,655	48,680,890
Deferred revenue		4,425,024	5,026,579
Total banking liabilities		236,236,501	196,437,538
Total liabilities		256,254,014	214,804,663
Noncontrolling interest		19,473,699	21,174,489
Unrestricted net assets		55,825,376	66,066,167
Total liabilities and net assets	$	331,553,089	302,045,319

See accompanying notes to consolidated financial statements.

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidated Statements of Activities

Years ended December 31, 2013 and 2012

		2013	2012
Investing activities:			
Revenue, support, gains, and losses:			
Contributions	$	910,336	21,477,477
Equity in loss from investment in other institutions		(354,645)	(557,189)
Loss on sale of investment in subsidiary		(619,010)	—
Miscellaneous income (loss)		(403,345)	1,046,912
Total investing revenue, support, gains, and losses		(466,664)	21,967,200
Expenses:			
Management and general		2,308,028	2,399,857
(Decrease) increase in net assets from investing activities		(2,774,692)	19,567,343
Banking activities:			
Revenue:			
Loan interest income		70,792,630	61,866,977
Other fees and income		17,017,342	14,238,771
Total banking revenue		87,809,972	76,105,748
Expenses:			
Interest on notes payable		5,423,688	5,738,059
Interest on customer deposits		7,191,313	5,036,615
Provision for loan losses		7,389,337	5,950,772
Unrealized loss on foreign currency translation		5,114,703	7,665,353
Management and general		73,537,306	62,619,575
Total banking expenses		98,656,347	87,010,374
Net loss attributable to noncontrolling interests		(3,380,276)	(4,124,463)
Decrease in net assets from banking activities		(7,466,099)	(6,780,163)
(Decrease) increase in net assets		(10,240,791)	12,787,180
Net assets, beginning of year		66,066,167	53,278,987
Net assets, end of year	$	55,825,376	66,066,167

See accompanying notes to consolidated financial statements.

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Change in net assets	$ (10,240,791)	12,787,180
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,507,993	5,159,040
Foreign currency translation loss	5,114,703	7,665,353
Equity in loss of investment in other institutions	354,645	557,189
Realized gain on restricted cash and investments	(146,435)	—
Unrealized gain on restricted cash and investments	37,926	45,308
Net loss attributable to noncontrolling interests	(3,380,276)	(4,124,463)
Provision for loan losses	7,389,337	5,950,772
Changes in assets and liabilities:		
Other receivables and prepaid expenses (investing assets)	79,696	3,953
Due to/from parent	1,908,151	(674,292)
Prepaid expenses (banking assets)	4,239,670	(1,168,333)
Accounts payable and accrued liabilities	5,654,808	(16,166)
Deferred revenue	(601,555)	1,368,352
Noncontrolling interest	1,679,486	7,630,326
Net cash provided by operating activities	17,597,358	35,184,219
Cash flows from investing activities:		
Loan originations, net of principal collections	(46,375,642)	(23,897,243)
Purchase of investments in unconsolidated affiliates	(5,104,658)	(3,764,725)
Sale of restricted cash and investments	2,357,172	8,127,223
Net purchases of building, furniture, and equipment	(5,951,341)	(1,575,732)
Collection (issuance) of notes receivable, net	1,314,879	(1,620,769)
Net cash used in investing activities	(53,759,590)	(22,731,246)
Cash flows from financing activities:		
Proceeds from notes payable	27,459,459	10,910,606
Principal payments of notes payable	(18,662,953)	(27,137,301)
Deposits from customers, net	27,599,592	13,009,304
Net cash provided by (used in) financing activities	36,396,098	(3,217,391)
Effect of exchange rate changes on cash	(5,114,703)	(7,665,353)
Net (decrease) increase in cash and cash equivalents	(4,880,837)	1,570,229
Cash and cash equivalents at beginning of year	65,963,085	64,392,856
Cash and cash equivalents at end of year	$ 61,082,248	65,963,085
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 9,702,802	9,044,852
Cash paid for taxes	1,889,195	657,828
Supplemental disclosure of noncash investing and financing activities:		
Conversion of notes receivable into investment in subsidiaries	$ 3,280,935	256,362

See accompanying notes to consolidated financial statements.

(1) Organization

Opportunity Transformation Investments, Inc. (OTI) is an affiliate controlled by Opportunity International, Inc. (Opportunity). Opportunity is a tax-exempt, publicly supported Christian-based corporation whose purpose is to create employment and improve income for the poor by assisting in the establishment of small and micro businesses in developing countries. Opportunity's programs are financed through direct solicitation of funds from individuals, corporations, foundations, churches, and government grants.

Opportunity fulfills its mission through nongovernmental organizations and commercial microfinance institution partners in developing countries. A partner organization is an implementer of microenterprise development and provider of financial services within the Opportunity network. Funds are disbursed to partner organizations to capitalize various local commercial start-up ventures and to fund their own operations. While partner organizations are critical in assisting Opportunity to achieve its purpose, they are not legally affiliated with Opportunity, with the exception of the nineteen institutions as described below in which Opportunity Transformation Investments, Inc. (OTI) is a shareholder. Effective June 19, 2000, Opportunity incorporated OTI, which is intended to invest in and hold ownership positions in microfinance institutions as they convert from nongovernmental organizations to commercial microfinance institutions.

Effective January 1, 1998, all affiliated partner organizations of Opportunity signed a membership agreement formalizing the Opportunity International Network (the Network). The Network was established to coordinate a common strategy among all partners, to develop an accreditation process for participating partners, and to manage standardization and quality throughout the Network member organizations. The Network operates a service organization that provides training, consulting, and other services to member organizations. The Network is not consolidated in the accompanying financial statements, as the Network is not a legal subsidiary of OTI.

OTI's board of directors is controlled by Opportunity. Accordingly, OTI's financial statements are consolidated in Opportunity's financial statements.

OTI held majority interests in twelve banks or financial institutions at December 31, 2013 as described below, and thus, those institutions are consolidated in OTI's financial statements. If a majority interest is acquired in more than one transaction at different dates, cost is determined separately for the percentage of ownership interest in net assets acquired at the date of each transaction. All intercompany transactions have been eliminated in consolidation.

At December 31, 2013, OTI had minority equity positions in seven institutions as follows: Opportunity Kauswagan Bank in the Philippines, BFSE General Partner B.V., Zambuko Trust Limited in Zimbabwe, Growing Opportunity Finance Private Limited in India, the Balkan Financial Sector Equity Fund C.V., MFX Solutions LLC. and Opportunity International China Limited.

At December 31, 2013, OTI held several notes receivable from partners who were in the process of either becoming a commercial lending institution or increasing their capitalization. During 2013, OTI converted several notes receivable into equity, providing additional capital for financial institutions in which OTI had ownership interests.

The acquired majority interests in the microfinance organizations are as follows:

(i) In July 2002, Opportunity International Stock Savings Bank, Novi Sad (Opportunity Bank Serbia) was capitalized with an initial investment of $1,100,000 from OTI to acquire all outstanding shares of common stock of Opportunity Bank Serbia. In December 2002, additional common stock was sold for $1,000,000, of which an investment was made by OTI in the amount of $200,000. This resulted in OTI's ownership percentage decreasing to 62.0% at December 31, 2002. In December 2003, OTI made an additional investment in Opportunity Bank Serbia, increasing its ownership percentage to 77.0%. During 2005, OTI made a $2.4 million investment in Opportunity Bank Serbia, bringing its ownership percentage up to 93.6%. OTI made an additional investment of $5.7 million in December 2005. In 2006, in compliance with the National Bank of Serbia's (NBS) new law recognizing only banks, Opportunity Bank Serbia was dissolved, and Opportunity Banka a.d. Novi Sad became the legal successor of all Opportunity Bank Serbia's rights and obligations. On February 7, 2007, NBS issued the permanent banking license to Opportunity Banka a.d. Novi Sad (Opportunity Bank Serbia). During 2007, two institutions purchased shares in Opportunity Bank Serbia, which diluted OTI's ownership to 63.5%. During 2010, OTI made an additional equity investment of $2,480,127. In 2012, OTI made an equity investment of $1,591,193. As of December 31, 2013 and 2012, OTI owned 67.0% of the outstanding shares of Opportunity Bank Serbia.

(ii) In February 2003, Oportunidad Microfinanzas, S.A. de C.V., SOFOM ENR (Opportunity Mexico) was capitalized with an initial investment of $4,558 for 99% ownership in Opportunity Mexico by OTI; Opportunity owned the other 1%. Subsequently, OTI made an additional investment of $353,067 in December 2003. OTI made an additional investment of $625,000 during 2004, bringing its total investment up to almost $1 million. During 2005 and 2006, OTI advanced $664,979 and $1,102,917 to Opportunity Mexico, respectively, which was converted to equity in 2007. In 2008, OTI advanced $330,936, which was converted to equity in 2008. During 2011, OTI made an additional equity investment of $11,583. As of December 31, 2012, OTI owned essentially 100% of the outstanding shares of Opportunity Mexico. On May 2, 2013, OTI sold 100% of its shares in Opportunity Mexico for a total purchase price of $550,000. The purchase price is to be paid by the buyer in two installments: $200,000 and $350,000 on the second and third anniversary of the closing date, respectively.

(iii) In February 2005, Banco Oportunidade de Mocambique, SARL (Opportunity Bank Mozambique) was capitalized with an initial OTI investment of $1,220,900 for 58.7% ownership in Opportunity Bank Mozambique. During 2006, OTI made an additional investment of $839,142 in Opportunity Bank Mozambique to maintain 58.7% ownership. During 2008, OTI purchased 292 shares from minority investors for $392,635. During 2009 and 2008, OTI advanced $280,489 and $326,520, respectively, in convertible loans. During 2010, OTI invested an additional $556,413 and converted the outstanding loans to equity. During 2013 and 2011, OTI made additional equity investments of $1,361,310 and $482,824, respectively. As of December 31, 2013 and 2012, OTI owned 60.6% of the outstanding shares of Opportunity Bank Mozambique.

(Continued)

(iv) As of December 31, 2005, OTI had an investment of $1,139,725 or 35.1% of Opportunity International Savings & Loans Limited in Ghana (Opportunity Bank Ghana). In May 2006, OTI made an additional investment of $1,082,332 in Opportunity Bank Ghana increasing its percentage of ownership to 44.9%. In July 2006, OTI made another investment of $933,268, which included the conversion of notes receivable of $323,753, in Opportunity Bank Ghana further increasing its percentage of ownership to 59.6%, making OTI the majority shareholder. The results of operations of Opportunity Bank Ghana were included in the consolidated financial statements of OTI starting in the year 2006. Even though OTI invested an additional $1,030,349 of equity in Opportunity Bank Ghana during 2007, its percentage of ownership was diluted by other shareholder investments to 51.5%. During 2010 and 2009, OTI advanced $843,504 and $186,000, respectively, in convertible loans. During 2011, OTI made a $2,107,641 equity investment and converted $1,029,504 of loans to equity. In 2013 and 2012, OTI made additional investments of $262,500 and $1,416,756, respectively. As of December 31, 2013 and 2012, OTI owned 68.4% and 66.7%, respectively, of the outstanding shares of Opportunity Bank Ghana.

(v) As of December 31, 2005, OTI had a net investment of $1,011,020 or 27.1% in Opportunity International Bank of Malawi, Ltd. (Opportunity Bank Malawi). During 2006, OTI made investments totaling $1,567,087 in Opportunity Bank Malawi through conversion of notes receivable to equity and additional cash payments increasing its ownership to 53.7%. The results of Opportunity Bank Malawi were included in the consolidated financial statements beginning in 2006. During March 2008, OTI converted $362,764 of loans to equity and made an additional equity investment of $1,404,878. During 2011, OTI converted $1,069,000 of loans to equity and made an additional investment of $1,992,929. During 2013 and 2012, OTI made equity investments of $1,005,000 and $1,784,965, respectively. As of December 31, 2013 and 2012, OTI owned 51.3% and 53.5%, respectively.

(vi) In June 2006, OTI made an initial investment of $178,336 in Opportunity International Bank Rwanda, S.A. (Opportunity Bank Rwanda) for which it received 961 shares or 96.6% of the common stock of Opportunity Bank Rwanda. Opportunity International – Deutschland and the officers and directors owned the other shares. In July 2006, OTI was gifted equity totaling $249,975 from Opportunity International Canada. In September 2006, OTI made an additional investment of $2,450,000, which increased its ownership percentage to 99.8%. The financial statements of Opportunity Bank Rwanda are included in the consolidated financial statements of OTI beginning in the year 2006. On July 1, 2007, Opportunity International Bank Rwanda merged with Urwego Community Banking S.A. A new entity called Urwego Opportunity Microfinance Bank S.A. (Opportunity Bank Rwanda) was formed and its financial statements were included in the OTI consolidated financial statements beginning in 2007. During March 2008, minority shareholders purchased 9.6% of outstanding shares of Opportunity Bank Rwanda from OTI for $331,821. During 2009, OTI issued $321,000 in convertible loans. OTI advanced $613,900 and $88,362 as convertible loans during 2012 and 2011, respectively. During 2013, OTI converted $505,500 to equity. As of December 31, 2013 and 2012, OTI owned 49.9% of the outstanding stock of Opportunity Bank Rwanda.

(vii) In 2006, OTI made an initial capital investment of $15, along with $1,266,000 of loans convertible to equity, in Opportunity Finance (Proprietary) Limited, South Africa (Opportunity South Africa). OTI owns 100% of Opportunity South Africa and its financial statements were included in the OTI consolidated financial statements beginning in 2006. The 2006 loans totaling $1,266,000 plus 2007 convertible loans of $418,658 were converted to equity in November 2007. During 2008, additional convertible loans of $2,071,000 were made to Opportunity South Africa, which were converted to equity in March 2009. During 2009, OTI's ownership percentage was diluted by an equity investment from a new shareholder. During 2012 and 2011, OTI made additional investments of $164,966 and $1,000,000, respectively. As of December 31, 2013 and 2012, OTI owned 76.5% of the outstanding shares of Opportunity South Africa.

(viii) On July 31, 2006, OTI acquired specific assets of Wedco Enterprises Development Ltd. for $700,000. A new entity was formed in Kenya, Opportunity International-Wedco Limited (Opportunity Kenya). During 2008, the company changed its name to Opportunity Kenya Limited. OTI owns 51% of the common shares and Wedco Enterprises owns 49% of the common shares. The financial statements of Opportunity Kenya were included in the consolidated financial statements of OTI beginning in 2006. During 2008 and 2007, convertible loans of $98,776 and $1,900,000 were made to Opportunity Kenya, respectively. During 2009, $354,662 of the loans was converted to equity and OTI advanced additional convertible loans of approximately $1,000,000. During 2010, OTI advanced additional convertible loans of approximately $1,200,000. During 2011, $3,850,894 of convertible loans were converted to equity and an additional $462,545, of convertible loans were advanced. During 2012, OTI advanced additional convertible loans of $1,228,317 which were converted to equity in 2013. OTI invested an additional $85,000 of equity in 2013. As of December 31, 2013 and 2012, OTI owned 88% and 84% of the outstanding shares of Opportunity Kenya, respectively.

(ix) On December 15, 2006, OTI purchased 31.5% of the common shares of Faulu Uganda Limited for $347,870. During May 2007, OTI acquired another 31.5% of the outstanding common shares of Faulu Uganda from Opportunity International Australia for $300,000 making it majority owner with 63.0% ownership. During May 2007, OTI made an additional equity investment of $750,000. The results of operations of Faulu Uganda were included in the consolidated financial statements beginning in the year 2007. During October 2008, OTI made an additional equity investment of $1,115,000. On December 16, 2008, the company acquired a license from the Bank of Uganda as a two tier financial institution. During 2009, the company changed its registered name to Opportunity Bank Uganda Limited (Opportunity Bank Uganda) and OTI made an equity investment of $500,000 and advanced an additional $200,000 of convertible loans. During 2010, the $200,000 of convertible loans was converted to equity, and OTI made an additional equity investment of $1,334,309. During 2012 and 2011, OTI made equity investments of $2,091,434 and $2,213,285, respectively. As of December 31, 2013 and 2012, OTI owned 85.7% and 84.6% of the outstanding shares of Opportunity Bank Uganda, respectively.

(x) On December 20, 2007, OTI acquired 60% of the stock of Faulu Tanzania Limited for $1. During 2008, the company changed its name to Opportunity Tanzania Limited (Opportunity Tanzania). The results of operations of Opportunity Tanzania were included in the consolidated financial statements of OTI beginning in 2007. During 2008, OTI made convertible loans of $1,700,000 to Opportunity Tanzania, which were converted to equity in May 2009. Additional equity investments of $887,415, $1,712,040, and $749,217 were made by OTI in 2012, 2011, and 2010, respectively. During 2012, $920,080 of convertible loans were also converted to equity. As of December 31, 2013 and 2012, OTI owned 66.1% of the outstanding shares of Opportunity Tanzania.

(xi) As of December 31, 2009, OTI had a net investment of $193,976, or 34.5% of the shares in Opportunity Microcredit Romania IFN SA (Opportunity Romania). On October 27, 2010, OTI purchased an additional interest in Opportunity Romania for $1,482,910 increasing its ownership position to 57.2%. The results of Opportunity Romania are included in the consolidated financial statements as of October 2010. During 2012, OTI made an additional equity investment of $900,000. As of December 31, 2013 and 2012, OTI owned 66.5% of the outstanding shares of Opportunity Romania.

(xii) During 2010, OTI invested $2,000,000 to establish a microfinance company, Opportunity International DRC SPRL (Opportunity DRC) in the Democratic Republic of Congo. Opportunity DRC was incorporated and 32,400 shares were issued to OTI for its $2,000,000 investment. The financial statements of Opportunity DRC were included in the consolidated financial statements during 2010. During 2013, 2012, and 2011 OTI invested $434,000, $1,544,695, and $1,500,000, respectively. As of December 31, 2013 and 2012, OTI owned 100% of the outstanding shares of Opportunity DRC.

(xiii) During 2012, OTI invested $7,636,220 to establish a microfinance company, Opportunity International Colombia S.A. Compania de Financiamiento (Opportunity Colombia) in Colombia. Opportunity Colombia became legally authorized to operate as a regulated financial intermediary in June 2012 and issued 1,351,731,310 shares to OTI for its initial investment. As of December 31, 2013 and 2012, OTI owned 71.1% of the outstanding shares of Opportunity Colombia.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

OTI’s consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles and are presented on the accrual basis of accounting. Assets and liabilities of foreign investments are translated at year-end exchange rates with the related translation adjustments reported as a change in unrestricted net assets. Income statement accounts are translated at the average exchange rate during the period. Minority investors own portions of eleven microfinance institutions that OTI has majority interest in: Opportunity Bank Malawi, Opportunity Bank Mozambique, Opportunity Bank Serbia, Opportunity Bank Ghana, Opportunity Bank Rwanda, Opportunity Kenya, Opportunity Bank Uganda, Opportunity South Africa, Opportunity Tanzania, Opportunity Romania, and Opportunity Colombia. The outside investors’ shares are shown in OTI’s consolidated financial statements as a noncontrolling interest.

The investing assets, liabilities, revenues, and expenses represent the activity for OTI as the parent. The banking assets, liabilities, revenues, and expenses represent the activity for the overseas bank subsidiaries.

(b) Accrued Interest Receivable on Loans

Interest is accrued on loans when earned. Accrual of interest is ceased on loans when interest is more than six months delinquent. Interest accrued at the date a loan is placed on nonaccrual status is reversed and charged against income. Fee and commission income are recognized when earned.

(c) Allowance for Loan Losses

Allowances have been established for probable loan losses. While the allowance calculation varies by country, each OTI member assesses exposure to their loan portfolio on both an individual and aggregate level. Individually significant loans are evaluated for specific impairment based on management’s best estimate of the timing and amount of future cash flows that will be collected. Groups of loans with similar credit risk characteristics that are not individually significant are collectively evaluated for impairment on the basis of historical loss experience adjusted for current economic conditions, the value of the underlying collateral, and management’s judgement.

Management believes that these allowances represent the best estimate of the credit losses inherent in the loan portfolio. While management uses available information to recognize losses on loans, future additions to the allowances may be necessary based on changes in economic or political conditions or significant changes in the borrower’s financial position. OTI monitors credit risk exposure by product and customer and regularly reviews the methodology and assumptions used for estimating future cash flows in order to reduce any differences between loss estimates and actual loss experience.

A loan is considered impaired when it is probable that all principal and interest amounts due will not be collected in accordance with the loan’s contractual terms. Impairment is recognized by allocating a portion of the allowance for loan losses to such a loan to the extent that the recorded investment of an impaired loan exceeds its value. A loan’s value is based on the loan’s underlying collateral or the calculated present value of projected cash flows discounted at the contractual interest rate. Allocations on impaired loans are considered in relation to the overall adequacy of the allowance for loan losses and adjustments are made to the provision for loan losses as deemed necessary.

The recorded investment in impaired loans is periodically adjusted to reflect cash payments, revised estimates of future cash flows, and increases in the present value of expected future cash flows due to the passage of time. Cash payments representing interest income are reported as such. Other cash payments are reported as reductions in recorded investment. Increases or decreases due to changes in estimates of future payments and the passage of time are considered in relation to the overall adequacy of the allowance for loan losses.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid, short-term investments with original maturities of 90 days or less.

(e) Restricted Cash and Investments

Restricted cash and investments consist of loan proceeds lent to OTI from the Bill and Melinda Gates Foundation (the Gates Foundation) and restricted investments of the Fund. Investments in securities are reported at fair value based on quoted market process for publically traded securities.

(f) Investments in Other Institutions

Investments in other institutions in which OTI does not control and holds less than 50% of equity are recorded using the equity method of accounting. Accordingly, the initial investment is increased or decreased by OTI's proportionate share of income or loss.

(g) Building, Furniture, and Equipment

Building, furniture, and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, ranging from 3 to 50 years.

(h) Revenue and Expense

Revenue is reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law.

The consolidated results of the banks presented in the accompanying consolidated financial statements recognize fee and commission income for the services provided by each bank. Fee and commission income is recognized when the related service is performed. Loan fees are offset by the costs of originating such loans.

Revenue from governmental grant agreements is recognized as it is earned through expenditure in accordance with the agreement. Revenue from governmental grant agreements to operate and maintain loan portfolios over an extended period of time under specific conditions is recognized on a straight-line basis over the grant period until the conditions are fulfilled. Amounts received in advance of expenditure are recorded as deferred revenue and recognized over the grant period.

(i) Allocation of Expenses

OTI considers Network and Opportunity management fee expenses a component of its management and general expense. The amounts related to the Network are dues, which in turn support the Network partners and the OTI program objectives. The management fee expenses paid to Opportunity relate to certain management services provided to OTI by Opportunity.

(j) Income Taxes

OTI's U.S. operations has received a determination letter from the Internal Revenue Service dated December 21, 2000 indicating that OTI is exempt from federal income taxes under Section 501(c)(3) of Internal Revenue Code, and accordingly, no tax provision has been made in the accompanying consolidated financial statements for charitable activities.

OTI has adopted the requirements for accounting for uncertain tax positions in accordance with ASC 740-10 *formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes*. The only significant tax position management has identified is that of OTI's tax-exempt status. No other tax positions, certain or uncertain, have been identified.

The microfinance institutions included in these consolidated financial statements pay taxes in accordance with their respective country's laws at rates ranging from 9% to 32% of taxable income and current tax expense is recorded for these amounts. Deferred taxes and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax carryforwards. Deferred tax assets and liabilities are measured using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(k) Derivatives

Derivatives (swap agreements) are used by OTI principally in the management of its foreign currency exposure. OTI records the swap agreements on the consolidated balance sheet at fair value in investments, and records the changes in the fair value through the consolidated statement of activities in investment income. OTI does not hold or issue derivatives for speculative purposes.

(l) Use of Estimates/Risks and Uncertainties

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

(m) New Accounting Pronouncements

In April 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-02, *Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring*. The purpose of this update is to clarify which loan modifications constitute a troubled debt restructuring, for the purposes of recording an impairment loss and for disclosure of the troubled debt restructuring. The new guidance in this update was effective for nonpublic entities for annual periods ending on or after December 15, 2012. OTI adopted this standard for the year ended December 31, 2012.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS.* ASU No. 2011-04 provides guidance as to how fair value should be applied clarifying the existing measurement and disclosure requirements and expanding the disclosure requirements for certain fair value measurements. ASU No. 2011-04 is effective for OTI in the year beginning January 1, 2012. OTI adopted this standard and has included the required disclosures in note 3.

beginning January 1, 2012. OTI adopted this standard and has included the required disclosures in note 3.

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. ASU 2011-11 requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position, and to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under International Financial Reporting Standards (IFRS). The new standards are effective for annual periods beginning January 1, 2013, and interim periods within those annual periods. ASU 2011-11 is effective for OTI in the year beginning January 1, 2013. OTI adopted this standard in 2013; however, there was no effect on the consolidated financial statements as a result of the adoption.

(n) Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 30, 2014, the date the financial statements were issued.

(3) Fair Value of Financial Instruments

Effective January 1, 2008, OTI adopted Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, as amended, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: quoted market prices in active markets for identical assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for an asset or liability (Level 3).

OTI's loans receivable and notes payable in the accompanying consolidated financial statements are generated by the charitable activities of OTI. The terms of these receivables and loans are not commensurate with current market terms in a commercial environment as they are executed for the purpose of furthering OTI's mission. Fair value cannot be determined for these loans and notes due to their charitable nature and they are carried at book value in OTI's financial statements.

OTI's other financial instruments, including cash, other receivables and prepaid expenses, accounts payable and accrued liabilities, and deferred revenue are carried at historical cost, which approximates their fair values because of the short-term nature of these instruments.

Funds totaling $2,329,079 related to the Gates Foundation loan remain in a segregated, interest-bearing account, and will be utilized to extend partner loans in accordance with the loan agreement. All interest earned on funds in the segregated account and 1% interest on the amounts withdrawn from the segregated account for partner loans is remitted quarterly to the Gates Foundation.

The following table classifies OTI's cash equivalents and restricted cash and investments and the foreign currency swap, within the fair value hierarchy, as of December 31, 2013 and 2012:

	December 31, 2013		
	Level 1	**Level 2**	**Level 3**
Money-market funds	$ 2,329,079	—	—
Short-term investments	—	—	—
U.S. government securities and bonds	—	—	—
U.S. corporate bonds	—	—	—
Foreign currency swap liability	—	(95,195)	—
Non-US government securities and bonds	1,776,840	—	—
Total	$ 4,105,919	(95,195)	—

	December 31, 2012		
	Level 1	**Level 2**	**Level 3**
Money-market funds	$ 901,016	—	—
Short-term investments	843,433	—	—
U.S. government securities and bonds	—	1,507,630	—
U.S. corporate bonds	—	1,058,700	—
Foreign currency swap asset	—	173,748	—
Non-US government securities and bonds	365,374	—	—
Total	$ 2,109,823	2,740,078	—

(4) Notes Receivable

Notes receivable as of December 31, 2013 and 2012 are as follows:

	2013	**2012**
Microfinance Loan Obligations S.A. (MLO), interest rate at 0%	$ 208,789	200,429
Association de Oportunidad y Desarrollo Economico de Nicaragua (ASODENIC), interest rate 0%	130,000	130,000
Sinapi Aba Trust (SAT), Ghana, interest rate at 0%	1,250,000	1,250,000
HIGO Investments, interest rate at 0%	550,000	—
Opportunity International (An Hui) Guaranteed Company Limited, China, interest rate at 0%	—	1,864,879
Subtotal	2,138,789	3,445,308
Less amounts reserved	(208,789)	(200,429)
Net notes receivable	$ 1,930,000	3,244,879

The MLO, ASODENIC, SAT and Opportunity International Guaranteed Company Limited, China (OI China) notes are all convertible to equity upon demand. The OI China convertible loan was converted into common equity of OI China on October 31, 2013. The $550,000 is an installment note from HIGO Investments, the buyer of Opportunity Mexico.

(5) Investment in Other Financial Institutions

OTI holds varying minority interests in other financial institutions, four of which are members of the Opportunity Network, as follows:

		2013	2012
Zambuko Trust Limited – Zimbabwe (25.0%)	$	250,000	250,000
BFSE General Partner BV (40%)		42,299	42,299
Balkan Financial Sector Equity Fund C.V. (4.3%)		1,374,217	1,550,730
MFX Solutions LLC (1.9%)		204,530	199,796
Opportunity Kauswagan Bank, Inc. (18%)		444,706	584,213
Opportunity Kauswagan Bank, Inc. (preferred shares)		1,235,000	—
Growing Opportunity Finance (India) Pvt. Ltd (25.6%)		2,356,407	320,363
Growing Opportunity Finance (India) Pvt. Ltd (preferred)		—	2,036,044
Opportunity International China Ltd. (32.8%)		3,941,658	—
Redeemable noncontrolling interest in Opportunity Serbia		2,127,032	1,981,181
Subtotal		11,975,849	6,964,626
Less amounts reserved		(511,210)	(250,000)
Total investment in other institutions	$	11,464,639	6,714,626

Equity income (loss) from the investments in the other institutions consists of the following:

		2013	2012
BFSE General Partner BV	$	—	(54,666)
Balkan Financial Sector Equity Fund C.V.		(219,872)	(197,299)
MFX Solutions LLC		4,734	391
Opportunity Kauswagan Bank, Inc.		(139,507)	(312,698)
Growing Opportunity Finance (India) Pvt. Ltd		—	7,083
Total equity loss from other institutions	$	(354,645)	(557,189)

Under the terms of a shareholder agreement, originally dated September 14, 2006 and amended September 27, 2012, between Opportunity Transformation Investments, Inc. (OTI), its subsidiary Opportunity Bank Serbia (OBS) and three other noncontrolling shareholders, the noncontrolling interest owners have the right to require OTI to purchase (the Put Option) their interest (a total of approximately 36.5%) of the outstanding capital stock of OBS. The Put Option is exercisable from March 31, 2014 to March 31, 2019 provided there has not been a strategic investor in OBS or an exit initial public offering.

The price paid upon exercise will be determined based on the greater of established multiples of OBS capital shares and the exchange rate of Serbian Dinar to Euro as calculated on September 30, 2012. Accordingly, OTI recorded approximately $2.1 million in the investment in other financial institutions and in accrued liabilities in the accompanying consolidated statement of financial position as of December 31, 2013.

(6) Loans Receivable

Loans represent microloans granted to individuals and private entrepreneurs by microfinance banks for the purpose of providing financing support to small enterprises. In addition, loans may be made for the purpose of financing agriculture activities. These loans are granted generally for a period of between one month and eight years at interest rates of between 12.00% and 60.00%. Certain loans may be collateralized by security such as cash or mortgages. Loans outstanding as of December 31, 2013 and 2012 consist of the following:

		2013	2012
Loans receivable	$	221,697,893	181,958,683
Less loan loss allowance		(11,313,374)	(10,560,469)
Net loan portfolio	$	210,384,519	171,398,214

Gross loan portfolio by product for the years ended December 31, 2013 and 2012 is as follows:

		2013	2012
Individual	$	102,965,652	79,285,360
Small and medium enterprise (SME)		58,063,661	52,118,861
Individual groups		48,053,807	44,055,050
Nonbusiness		1,404,059	1,863,980
Other		11,210,714	4,635,432
Total gross loans	$	221,697,893	181,958,683

A summary of the activity in the allowance for loan losses for the years ended December 31, 2013 and 2012 is as follows:

		2013	2012
Balance at beginning of year	$	10,560,469	15,007,287
Provision for loan losses		7,389,367	5,950,772
Subsidiary loans charged off		(6,387,049)	(6,452,061)
Subsidiary loans foreign currency translation loss		(249,413)	(3,945,529)
Balance at end of year	$	11,313,374	10,560,469

The following table summarizes the activity in the loan loss allowance by product for the year ended December 31, 2013 and 2012:

Year ended December 31, 2013		Individual	SME	Individual groups	Nonbusiness	Other	Total
Balance at beginning of year	$	5,535,706	3,853,764	808,936	25,159	336,904	10,560,469
Provision for loan losses		4,317,038	1,124,460	1,414,369	204,948	328,552	7,389,367
Loans charged off, net		(4,016,346)	(674,446)	(1,154,005)	(232,690)	(309,562)	(6,387,049)
Foreign currency translation loss		258,916	(622,549)	184,834	67,890	(138,504)	(249,413)
Balance at end of year	$	6,095,314	3,681,229	1,254,134	65,307	217,390	11,313,374
Reserve components:							
Individually evaluated for impairment	$	4,155,083	2,553,880	598,058	32,970	193,253	7,533,244
Collectively evaluated for impairment		1,940,231	1,127,349	656,076	32,337	24,137	3,780,130
Total	$	6,095,314	3,681,229	1,254,134	65,307	217,390	11,313,374

Year ended December 31, 2012		Individual	SME	Individual groups	Nonbusiness	Other	Total
Balance at beginning of year	$	8,379,622	5,861,708	572,182	1,859	191,916	15,007,287
Provision for loan losses		2,482,345	1,832,755	753,146	181,447	701,079	5,950,772
Loans charged off, net		(2,774,078)	(2,787,792)	(355,367)	(110,136)	(424,688)	(6,452,061)
Foreign currency translation loss		(2,552,183)	(1,052,907)	(161,025)	(48,011)	(131,403)	(3,945,529)
Balance at end of year	$	5,535,706	3,853,764	808,936	25,159	336,904	10,560,469
Reserve components:							
Individually evaluated for impairment	$	5,598,876	790,494	419,945	9,984	183,017	7,002,316
Collectively evaluated for impairment		(63,170)	3,063,270	388,991	15,175	153,887	3,558,153
Total	$	5,535,706	3,853,764	808,936	25,159	336,904	10,560,469

OTI's banks' lending activities are primarily conducted within their respective countries. The following is a summary of loans outstanding, net of the related allowance, by country as of December 31, 2013 and 2012:

		2013	2012
Opportunity Bank Serbia	$	76,627,288	62,822,759
Opportunity Mexico		—	1,181,493
Opportunity Bank Mozambique		6,474,512	7,035,932
Opportunity Bank Ghana		28,397,061	27,533,933
Opportunity Bank Malawi		18,394,300	11,704,445
Opportunity Bank Rwanda		13,991,770	16,550,055
Opportunity Romania		13,412,980	13,504,134
Opportunity South Africa		2,649,777	3,541,180
Opportunity Kenya		6,049,442	5,054,322
Opportunity Bank Uganda		12,201,693	12,045,757
Opportunity Tanzania		3,100,649	3,138,367
Opportunity DRC		2,983,164	928,500
Opportunity Colombia		26,101,883	6,357,337
Balance at end of year	$	210,384,519	171,398,214

The following is a summary of expected loan maturities as of December 31, 2013 and 2012:

		2013	2012
Less than 1 month	$	17,185,894	21,153,105
From 1 to 3 months		19,647,195	24,540,870
From 3 to 12 months		78,092,758	57,651,662
Over 1 year		95,458,672	68,052,577
Balance at end of year	$	210,384,519	171,398,214

Aging analysis of past-due gross loans receivable as of December 31, 2013 and 2012 is as follows:

		2013	2012
Current	$	205,321,213	164,963,697
30–59 days past due		2,536,172	2,914,616
60–89 days past due		1,604,164	1,677,471
90 days and over past due		12,236,344	12,402,899
Total gross loans receivable	$	221,697,893	181,958,683

Loans to employees and officers of these banks totaled $3,119,179 and $2,813,064 at December 31, 2013 and 2012, respectively.

(Continued)

OTI's banks will often make loans to borrowers that would be unable to secure financing from commercial sources. The ability of each borrower to repay its respective bank depends on the entrepreneurial success of each borrower. In addition, payments to OTI banks depend on the economic and political environment of each locality in which loans are made.

OTI's banks carry their impaired loans based on the present value of expected future cash flows discounted at the loan's effective interest rate. The balance of impaired loans at OTI's banks at December 31, 2013 and 2012 was $23.2 million and $32.1 million, respectively. Impaired loan statistics are summarized in the following table:

December 31, 2013		Amount with impairment reserves	Amount without impairment	Total impaired loans	Impairment reserve	Interest income recognized
Individual	$	4,195,525	5,576,643	9,772,168	2,764,699	353,944
SME		3,066,124	2,045,622	5,111,746	2,351,140	56,479
Groups		521,191	7,323,673	7,844,864	159,991	46,774
Nonbusiness		28,425	213,947	242,372	—	—
Other		45,012	225,059	270,071	—	—
Total	$	7,856,277	15,384,944	23,241,221	5,275,830	457,197

December 31, 2012		Amount with impairment reserves	Amount without impairment	Total impaired loans	Impairment reserve	Interest income recognized
Individual	$	15,829,500	958,191	16,787,691	1,618,029	308,218
SME		2,598,311	109,767	2,708,078	2,809,046	—
Groups		7,551,563	4,456,142	12,007,705	633,813	38,786
Nonbusiness		504,707	43,516	548,223	832	466
Other		14,905	47,241	62,146	2,365	255
Total	$	26,498,986	5,614,857	32,113,843	5,064,085	347,725

(Continued)

Troubled debt restructurings (TDR) represent loans for which the original contractual terms have been modified to provide for terms that are less than what we would be willing to accept for new loans with comparable risk because of deterioration in the borrower's financial condition. Loan restructurings occur for reasons including delinquency or anticipation of financial difficulty due to seasonal issues or natural disasters. Modifications may include one or more of the following changes to the terms of the loan, including, but not limited to, a change in interest rate, reduction in the payment amount, or an extension of the reimbursement period. Once a loan is restructured, loss provision is determined in the same manner as that of a regular loan. The following table presents information about receivables for which the original contractual terms were modified during the year ended December 31, 2013 and 2012, and as a result became classified as TDR's:

December 31, 2013		Amount with allowance	Amount without allowance	Total TDR loans	Related allowance	Average TDR balance	Interest income recognized
Individual	$	1,971,204	137,644	2,108,848	836,506	—	54,233
SME		1,997,389	387,684	2,385,073	1,506,310	378,834	—
Total	$	3,968,593	525,328	4,493,921	2,342,816	378,834	54,233

December 31, 2012		Amount with allowance	Amount without allowance	Total TDR loans	Related allowance	Average TDR balance	Interest income recognized
Individual	$	3,629,783	—	3,629,783	627,785	8,808	823
SME		1,486,843	264,611	1,751,454	1,093,274	622,016	52,202
Total	$	5,116,626	264,611	5,381,237	1,721,059	630,824	53,025

The commercial microfinance banks in which OTI holds an interest are exposed to a number of risks. The following outlines some of these risks:

(a) Credit Risk

Credit risk is the risk of financial loss arising from the failure of a customer to settle financial obligations to the bank as they fall due. This is an inherent risk associated with the microfinance industry. OTI's financial institutions manage exposure to credit risk on a regular basis by closely monitoring credit limits, loan portfolios, and concentration of exposure. Credit policies cover collateral requirements, credit assessment, risk grading and reporting documentary and legal procedures, and compliance with regulatory and statutory requirements.

(b) Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. The risk is managed by each OTI financial institution by controlling the size of the difference in value between its foreign assets and foreign liabilities. The exposure to exchange rate risk is continually monitored to ensure compliance with regulatory and bank policy limits.

(c) Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. OTI financial institutions manage interest rate risk by monitoring market conditions and applying pricing based on the cost analysis of each product. The majority of loans are short term in nature; about 56% and 60% of the loans fall due within one year as of December 31, 2013 and 2012, respectively.

(d) Liquidity Risk

Liquidity risk is the risk that the banks will encounter difficulty in raising funds to meet the commitment associated with financial instruments. Each country has minimum capital requirements that the microfinance institutions must adhere to. Additionally, each institution monitors liquidity on a daily basis to meet its internal liquidity requirements. Total cash and cash equivalents of the combined banks is $61 million and $66 million as of December 31, 2013 and 2012, respectively, which is 19% and 23% of total assets of the combined banks in 2013 and 2012, respectively.

(7) Deposits from Customers

Deposits from customers as of December 31, 2013 and 2012 consist of the following:

		2013	2012
Opportunity Bank Mozambique:			
Demand deposits	$	4,521,552	3,808,042
Short-term deposits		2,097,562	1,037,728
Total Opportunity Bank Mozambique		6,619,114	4,845,770
Opportunity Bank Serbia:			
Demand deposits		13,694,343	9,937,011
Short-term deposits		32,732,354	24,457,835
Long-term deposits		17,209,913	16,712,289
Total Opportunity Bank Serbia		63,636,610	51,107,135
Opportunity Bank Ghana:			
Demand deposits		9,553,537	3,525,915
Short-term deposits		15,883,109	14,255,254
Long-term deposits		501,388	8,202,521
Total Opportunity Bank Ghana		25,938,034	25,983,690
Opportunity Kenya:			
Demand deposits		3,093,176	2,620,770

(Continued)

	2013	2012
Opportunity Bank Malawi:		
Demand deposits	$ 19,999,224	17,827,915
Short-term deposits	2,682,317	3,231,172
Total Opportunity Bank Malawi	22,681,541	21,059,087
Opportunity Bank Rwanda:		
Demand deposits	10,288,577	10,491,686
Short-term deposits	950,269	245,397
Total Opportunity Bank Rwanda	11,238,846	10,737,083
Opportunity Bank Uganda:		
Demand deposits	3,126,090	2,754,121
Short-term deposits	2,821,866	1,440,960
Long-term deposits	115,590	193,314
Total Opportunity Bank Uganda	6,063,546	4,388,395
Opportunity Tanzania:		
Demand deposits	848,894	836,670
Opportunity DRC:		
Demand deposits	952,748	283,807
Opportunity Colombia:		
Demand deposits	486,956	180,972
Short-term deposits	10,671,743	4,601,164
Long-term deposits	2,013,002	75
Total Opportunity Colombia	13,171,701	4,782,211
Total deposits from customers	$ 154,244,210	126,644,618

(8) Notes Payable

Notes payable as of December 31, 2013 and 2012 include the following:

	2013	2012
Opportunity Bank Serbia:		
Note payable, 7.70% interest, maturity – equal semiannual installments from July 2009 to January 2013	$ —	66,306
Note payable, 6-month Euribor + 5.50% interest, maturity – equal semiannual installments from January 2011 to January 2014	—	2,841,331
Note payable, 5.50% interest, maturity – equal annual installments from March 2015 to March 2020	8,302,385	7,955,724
Note payable, 8.78% interest until 2014; 12.68% interest thereafter, maturity July 2018 to December 2018	8,302,384	7,955,745
Note payable, 7.5% interest – equal semiannual installments from June 2013 to June 2014	691,864	1,325,945
Note payable, 12-month Euribor + 1.5% interest, maturity – January 2015	691,864	662,976
Note payable, 7.75% interest, maturity Jan 2013 – July 2014	691,863	2,651,905
Note payable, 6-month Euribor + 5.00% interest, semiannual installments from May 2014 to May 2016	2,075,592	—
Note payable, 4.70% interest, maturity – November 2014 to December 2016	1,383,728	—
Subtotal Opportunity Bank Serbia	22,139,680	23,459,932
Opportunity Bank Ghana:		
Note payable, 5.00% interest, maturity September 2014	350,922	484,529
Note payable, 12.50% interest, maturity November 2014	16,371	20,288
Note payable, 15% interest, maturity July 2014	847,600	1,050,400
Note payable, 182 day T-bill rate + 4.70% interest, maturity September 2014	299,250	751,830
Note payable, 16.00% interest, maturity May 2015	644,176	1,301,971
Note payable, 18.00% interest, maturity September 2014	948,041	1,970,025
Note payable, 12.25% interest, maturity September 2016	2,644,300	—
Note payable, 0.00% interest, maturity September 2015	129,471	—
Subtotal Opportunity Bank Ghana	5,880,131	5,579,043
Opportunity Bank Malawi:		
Note payable, 0.00% interest, maturity March 2013	—	880,218
Note payable, 0.00% interest, convertible, maturity March, 2015	1,293,188	—
Subtotal Opportunity Bank Malawi	1,293,188	880,218

		2013	2012
Opportunity Mozambique:			
Note payable, 14.00% interest, maturity October 2014	$	234,500	475,440
Opportunity Kenya:			
Note payable, 16.00% interest, maturity September 2017		627,509	—
Note payable, 14.00% interest, maturity July 2014		593,375	589,840
Subtotal Opportunity Kenya		1,220,884	589,840
Opportunity South Africa:			
Note payable, 6.00% interest, maturity February 2019		476,750	—
Note payable, 6.00% interest, maturity February 2017		271,938	590,000
Subtotal Opportunity South Africa		748,688	590,000
Opportunity Bank Uganda:			
Note payable, 13.20% interest, maturity December 2013		—	380,000
Note payable, 13.00% interest, maturity September 2013		—	213,637
Note payable, 13.00% interest, maturity March 2014		—	108,572
Note payable, 12.00% interest, maturity June 2014		218,182	621,818
Note payable, 15.30% interest, maturity June 2014		327,338	932,915
Note payable, 14.00% interest 1st quarter then T-bill rate + 2.75% up to Max of 12.00%, maturity May 2017		1,866,667	1,140,000
Subtotal Opportunity Bank Uganda		2,412,187	3,396,942
Opportunity Bank Rwanda:			
Note payable, BNR T-bill rate + 5.50% interest, maturity November 2014		1,127,868	1,469,735
Note payable, 12.00% interest, maturity November 2016		1,513,255	2,192,539
Note payable, 6.00% interest + SWAP cost, maturity December 2014		675,012	490,750
Note payable, 5.00% interest, maturity May 2016		173,404	187,494
Subtotal Opportunity Bank Rwanda		3,489,539	4,340,518

		2013	2012
Opportunity Romania:			
Note payable, 10.50% interest, maturity June 2014	$	1,010,993	975,950
Note payable, 10.50% interest, maturity December 2014		808,794	975,950
Note payable, 6-month Bubor + 3.00%, maturity March 2014		157,437	151,980
Note payable, 6-month Bubor + 4.00%, maturity September 2014		600,113	579,312
Note payable, Euro Swap Rate + 5.17% maturity June 2014		1,846,027	1,759,690
Note payable, 3-month Bubor + 4.60% maturity January 2014		380,010	366,838
Note payable, 3-month Bubor + 4.60%, maturity May 2014		1,034,762	998,896
Note payable, 6-month Euribor + 4.00% maturity May 2015		1,384,426	1,319,753
Note payable, 6-month Euribor + 4.00% maturity February 2016		692,213	659,876
Note payable, 6-month Bubor + 4.60%, maturity November 2013		—	476,800
Subtotal Opportunity Romania		7,914,775	8,265,045
Opportunity Colombia:			
Note payable, 9.13% interest DTF +5.14% maturity November 2014		146,582	335,960
Note payable, 8.73% interest, maturity December 2014		71,500	182,400
Note payable, 8.73% interest, maturity November 2014		119,167	273,125
Note payable, 9.16% interest, maturity November 2014		83,200	163,875
Note payable, 8.91% interest, maturity November 2015		21,761	36,298
Note payable, 8.91% interest, maturity November 2014		48,978	112,254
Line of Credit, variable interest rates (DTF+1.35% to DTF+4.00%), maturity November 2014		954,292	—
Line of Credit, variable interest rates (DTF+1.35% to DTF+4.00%), maturity November 2014		5,674,139	—
Note payable, variable interest rates (DTF+2.25% to DTF+2.50%, maturity November 2014		3,471,464	—
Subtotal Opportunity Colombia		10,591,083	1,103,912
Total banking notes payable	$	55,924,655	48,680,890

		2013	2012
Investing notes payable:			
Note payable, 0.00% interest, maturity July 2014	$	250,000	250,000
Notes payable, 1.0% interest, maturity November 2016		10,000,000	10,000,000
Note payable, 16.5% interest on KES drawdown and 17% interest on MZN, maturity October 2014		2,540,461	2,562,720
Note payable, 3.00% interest, maturity September 2013		—	100,000
Note payable, 3.00% interest, maturity September 2013		—	1,000,000
Note payable, 2.00% interest, maturity September 2013		—	125,000
Note payable, 2.00% interest, maturity September 2013		—	125,000
Notes payable, 2.00% interest, maturity December 2013		—	2,000,000
Note payable, 2.00% interest, maturity September 2014		250,000	—
Note payable, 2.00% interest, maturity August 2016		125,000	—
Notes payable, 2.00% interest, maturity October 2016		1,000,000	—
Notes payable, 2.00% interest, maturity November 2016		750,000	—
Note payable, 2.00% interest, maturity December 2016		500,000	—
Notes payable, 2.00% interest, maturity December 2017		800,000	—
Note payable, 2.00% interest, maturity December 2018		500,000	—
Note payable, 2.00% interest, maturity May 2021		1,000,000	—
Total investing notes payable		17,715,461	16,162,720
Total notes payable	$	73,640,116	64,843,610

The banking notes payable are the obligations of each individual bank. These borrowings are nonrecourse to OTI.

On November 22, 2006, OTI entered into a $10 million loan agreement with the Gates Foundation. The proceeds are used to support microfinance initiatives in the impoverished regions in Africa. As of December 31, 2013 and 2012, there was $7,000,000 and $8,500,000 in notes receivable outstanding to five and six majority-owned partners in Africa, respectively, with terms in accordance with the Gates Foundation agreement, which were eliminated in consolidation.

On October 2, 2011, OTI entered into a $2.5 million loan agreement with Minlam, a microfinance lending company, which provides loans in local currency. On May 1, 2013, Minlam assigned the loan agreement to MicroVest GMG Local Credit Master Fund, Ltd. (MicroVest). The proceeds are used to support microfinance initiatives in Kenya and Mozambique. As of December 31, 2013, $1,000,000 in a note receivable from Opportunity Kenya was outstanding, which was eliminated in consolidation. As of December 31, 2012, $1,000,000 and $1,500,000 in notes receivable were outstanding from Opportunity Kenya and Opportunity Mozambique, respectively, which were eliminated in consolidation.

During 2013, $3,350,000 of Loan Guarantee Fund notes was paid in full. During 2013, Impact Investment Fund notes totaling $4,925,000 were issued to eleven individuals or entities with maturities ranging from one to eight years and annual interest of 2.00%.

Aggregate maturities of notes payable as of December 31, 2013 are as follows:

2014	$ 19,266,274
2015	9,891,401
2016	23,428,813
2017	5,217,202
2018	11,340,162
Thereafter	4,496,264
Total notes payable	$ 73,640,116

All debt due prior to May 30, 2014 was renewed, extended, or paid off at maturity.

(9) Noncontrolling Interest

Below is the activity of the noncontrolling interest for the years ending December 31, 2013 and 2012:

	December 31, 2013			
	Beginning balance	**Interest in net gain (loss) of consolidated subsidiaries**	**Increase (decrease) in share capital**	**Ending balance**
Opportunity Bank Ghana	$ 2,652,775	(850,776)	201,344	2,003,343
Opportunity Kenya	(969,754)	(48,823)	—	(1,018,577)
Opportunity Bank Malawi	1,567,474	(783,119)	974,710	1,759,065
Opportunity Mexico	(19,231)	—	19,231	—
Opportunity Bank Mozambique	1,110,522	9,903	—	1,120,425
Opportunity Romania	1,915,424	(373,902)	—	1,541,522
Opportunity Bank Rwanda	2,578,009	(471,326)	484,201	2,590,884
Opportunity Bank Serbia	5,668,263	440,206	—	6,108,469
Opportunity South Africa	997,640	(256,439)	—	741,201
Opportunity Tanzania	2,172,473	(291,667)	—	1,880,806
Opportunity Bank Uganda	1,210,544	13,340	—	1,223,884
Opportunity Colombia	2,290,350	(767,673)	—	1,522,677
Total	$ 21,174,489	(3,380,276)	1,679,486	19,473,699

	December 31, 2012			
	Beginning balance	**Interest in net gain (loss) of consolidated subsidiaries**	**Increase (decrease) in share capital**	**Ending balance**
Opportunity Bank Ghana	$ 2,602,560	33,215	17,000	2,652,775
Opportunity Kenya	(943,083)	(26,671)	—	(969,754)
Opportunity Bank Malawi	2,338,157	(2,726,551)	1,955,868	1,567,474
Opportunity Mexico	(19,231)	—	—	(19,231)
Opportunity Bank Mozambique	345,714	(391,432)	1,156,240	1,110,522
Opportunity Romania	2,117,679	66,012	(268,267)	1,915,424
Opportunity Bank Rwanda	1,800,392	264,342	513,275	2,578,009
Opportunity Bank Serbia	5,758,878	(90,615)	—	5,668,263
Opportunity South Africa	1,246,762	(249,122)	—	997,640
Opportunity Tanzania	1,559,146	(113,443)	726,770	2,172,473
Opportunity Bank Uganda	861,653	(54,849)	403,740	1,210,544
Opportunity Colombia	—	(835,349)	3,125,699	2,290,350
Total	$ 17,668,627	(4,124,463)	7,630,325	21,174,489

(10) Management and General Expenses

Management and general expenses for banking activities consist of the following:

	2013	**2012**
Salaries and benefits	$ 36,778,467	32,127,069
Rent and utilities	8,157,014	6,714,491
Professional fees	6,102,862	4,129,856
Depreciation expense	5,507,993	5,159,040
Miscellaneous expense	6,435,169	6,991,282
Postage and shipping	240,047	164,077
Printing and copying	677,877	870,719
Travel and hosting	3,203,992	2,896,432
Income tax expense	973,600	145,251
Supplies and office equipment	1,726,505	1,036,855
Telephone	2,224,847	1,893,154
Insurance	1,780,359	1,519,336
Promotional materials	1,063,003	1,021,552
Training	286,985	662,351
Board meetings and conferences	633,842	474,403
Foreign exchange gain	(2,255,256)	(3,186,293)
Total management and general expenses	$ 73,537,306	62,619,575

(Continued)

(11) Related-Party Transactions

During the years ended December 31, 2013 and 2012, OTI paid the Network dues totaling $948,919 and $888,417, respectively. During the years ended December 31, 2013 and 2012, OTI paid Opportunity management service fees of $489,932 and $480,717, respectively.

Notes payable totaling $750,000 and $250,000 as of December 31, 2013 and 2012, respectively, were due to Opportunity and directors of OTI and Opportunity.

(12) Commitments and Contingencies

(a) Reserve and Regulatory Capital Requirements

OTI's foreign for-profit microfinance companies have certain regulatory capital requirements that they must maintain.

The Bank of Ghana requires Opportunity Bank Ghana to maintain a prescribed ratio of total capital to total risk-weighted assets. A minimum capital adequacy ratio of 10% must be maintained. As of December 31, 2013 and 2012, Opportunity Bank Ghana met these regulatory requirements.

The Reserve Bank of Malawi requires Opportunity Bank Malawi to maintain a 1% general provision against risk assets and a minimum capital of 10% of risk-weighted assets. As of December 31, 2013 and 2012, Opportunity Bank Malawi met these regulatory requirements.

The Central Bank of Mozambique requires Opportunity Bank Mozambique to hold the minimum level of regulatory capital of 70,000,000 MT (approximately U.S. $2,345,000 as of December 31, 2013) and to maintain a prescribed ratio of total capital to total risk-weighted assets of not less than 8%. As of December 31, 2013 and 2012, Opportunity Bank Mozambique met these regulatory requirements.

The National Bank of Rwanda requires Opportunity Bank Rwanda to maintain minimum reserves of 8% of deposits, 100% liquidity of three-month assets to three-month liabilities, and 10% capital adequacy. As of December 31, 2013 and 2012, Opportunity Bank Rwanda met these regulatory requirements.

Opportunity Bank Serbia is required to maintain a minimum capital adequacy ratio of 12% as established by the National Bank of Serbia. Pursuant to the Law on Banks and Other Financial Institutions, savings banks registered in Serbia are required to maintain total qualifying capital at a minimum amount of €10 million in dinar counter-value. As of December 31, 2013 and 2012, Opportunity Bank Serbia met these regulatory requirements.

Opportunity Bank Uganda is required to maintain a core capital ratio of 8% and a total capital ratio of 12% under the Financial Institutions Act 2004 of Uganda. As of December 31, 2013 and 2012, Opportunity Bank Uganda met these regulatory requirements.

(Continued)

The Order of the President of the Board of Administrators of the National Bank of Romania number 27/2011 requires Opportunity Romania's equity to remain above 50% of the subscribed share capital; however, as of December 31, 2013, Opportunity Romania's statutory equity fell below this threshold. Opportunity Romania has implemented a long-term plan to restore its equity to the required statutory minimum.

(b) Lease Obligations

The banks lease office space and equipment in the various countries in which they are located under operating leases. Lease expense for the years ended December 31, 2013 and 2012 was $3,716,072 and $3,464,127, respectively. Future minimum operating lease payments as of December 31, 2013 are as follows:

2014	$	2,126,380
2015		1,799,205
2016		1,766,032
2017		1,427,377
2018		1,302,247
Thereafter		1,239,051
Total	$	9,660,292

(13) Subsequent Events

(a) Exchange Rate Fluctuations (Unaudited)

Through May 31, 2014, exchange rates fluctuated such that foreign assets and liabilities decreased in value by approximately $13.5 million and $10.9 million, respectively, resulting in a decrease in net assets of approximately $2.6 million, due solely to exchange rate.

(b) Reserve and Regulatory Capital Requirements (Unaudited)

As of May 31, 2014, OTI's foreign for-profit microfinance companies in Ghana, Malawi, Mozambique, Rwanda, Serbia, and Uganda met the regulatory requirements in their respective countries.

(c) Sale of Growing Opportunity Finance Shares (Unaudited)

On March 14, 2014, OTI sold its shares of Growing Opportunity Finance in India to another Opportunity Network member.

(d) OTI Note Payable (Unaudited)

On May 29 2014, OTI management signed two promissory notes totaling Euro 4,100,000. The notes bear an interest rate of 6.75% per annum. The principal will be paid in four installments beginning January 21, 2015 with the final payment due January 23, 2017.

(e) Additional Investment in Opportunity Bank Serbia (Unaudited)

On June 24, 2014, OTI signed an agreement to buy 33% of the shares of Opportunity Bank Serbia held by the minority shareholders which will increase its percentage of ownership to 100%.

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidating Schedules of Statements of Financial Position – Banking Operations Only

Years ended December 31, 2013 and 2012

December 31, 2013		Opportunity Bank Ghana	Opportunity Bank Malawi	Opportunity Bank Mozambique	Opportunity Bank Rwanda	Opportunity Bank Serbia	Opportunity Colombia
Banking assets:							
Cash and cash equivalents	$	6,445,522	7,776,590	2,917,825	3,703,142	23,648,377	2,567,459
Loan portfolio, net of allowance		28,397,061	18,394,300	6,474,512	13,991,770	76,627,288	26,101,883
Prepaid expenses		4,393,525	1,964,599	628,462	2,274,679	1,867,941	1,344,009
Building, furniture, and equipment, net of accumulated depreciation		4,035,505	9,644,684	2,188,893	1,671,387	3,786,420	779,179
Total banking assets	$	43,271,613	37,780,173	12,209,692	21,640,978	105,930,026	30,792,530
Banking liabilities:							
Accounts payable and accrued liabilities	$	3,309,268	3,888,398	385,961	824,007	4,419,103	1,822,303
Deposits from customers		25,938,034	22,681,541	6,619,114	11,238,846	63,636,610	13,171,701
Notes payable		6,327,325	4,444,027	1,242,181	3,564,839	22,139,680	10,591,083
Deferred revenue		1,370,625	14,000	343,490	446,410	—	—
Total banking liabilities		36,945,252	31,027,966	8,590,746	16,074,102	90,195,393	25,585,087
Unrestricted net assets – banking		6,326,361	6,752,207	3,618,946	5,566,876	15,734,633	5,207,443
Total liabilities and net assets	$	43,271,613	37,780,173	12,209,692	21,640,978	105,930,026	30,792,530

December 31, 2012		Opportunity Bank Ghana	Opportunity Bank Malawi	Opportunity Bank Mozambique	Opportunity Bank Rwanda	Opportunity Bank Serbia	Opportunity Colombia
Banking assets:							
Cash and cash equivalents	$	10,124,090	10,388,957	2,394,339	5,299,029	18,642,428	5,462,368
Loan portfolio, net of allowance		27,533,933	11,704,445	7,035,932	16,550,055	62,822,759	6,357,337
Prepaid expenses		4,006,475	4,295,559	548,583	1,566,070	5,308,628	470,339
Building, furniture, and equipment, net of accumulated depreciation		4,082,242	7,304,457	2,487,656	2,052,277	3,583,119	1,936,755
Total banking assets	$	45,746,740	33,693,418	12,466,510	25,467,431	90,356,934	14,226,799
Banking liabilities:							
Accounts payable and accrued liabilities	$	3,156,094	2,008,176	266,157	4,023,662	1,387,294	473,241
Deposits from customers		25,983,690	21,059,087	4,845,770	10,737,083	51,107,135	4,782,211
Notes payable		6,568,628	4,232,099	2,868,262	4,954,018	23,459,932	1,103,912
Deferred revenue		1,950,367	22,392	892,480	429,898	—	—
Total banking liabilities		37,658,779	27,321,754	8,872,669	20,144,661	75,954,361	6,359,364
Unrestricted net assets – banking		8,087,961	6,371,664	3,593,841	5,322,770	14,402,573	7,867,435
Total liabilities and net assets	$	45,746,740	33,693,418	12,466,510	25,467,431	90,356,934	14,226,799

See accompanying independent auditors' report.

Opportunity DRC	Opportunity Kenya	Opportunity Mexico	Opportunity Romania	Opportunity South Africa	Opportunity Tanzania	Opportunity Bank Uganda	Eliminations	2013 Banks consolidated
1,248,564	2,926,903	—	1,872,266	968,470	1,963,319	5,031,042	—	61,069,479
2,983,164	6,049,442	—	13,412,980	2,649,777	3,100,649	12,201,693	—	210,384,519
596,125	343,767	—	195,407	63,026	275,985	2,570,905	(1,018,997)	15,499,433
258,404	131,036	—	103,179	262,583	811,652	2,208,502	—	25,881,424
5,086,257	9,451,148	—	15,583,832	3,943,856	6,151,605	22,012,142	(1,018,997)	312,834,855
2,132,136	614,349	—	4,044,279	159,044	573,501	860,527	(1,390,264)	21,642,612
952,748	3,093,176	—	—	—	848,894	6,063,546	—	154,244,210
—	2,912,285	—	9,976,273	748,688	182,683	4,720,287	(10,924,696)	55,924,655
—	98,286	—	197,878	44,719	531,255	1,378,361	—	4,425,024
3,084,884	6,718,096	—	14,218,430	952,451	2,136,333	13,022,721	(12,314,960)	236,236,501
2,001,373	2,733,052		1,365,402	2,991,405	4,015,272	8,989,421	11,295,963	76,598,354
5,086,257	9,451,148	—	15,583,832	3,943,856	6,151,605	22,012,142	(1,018,997)	312,834,855

Opportunity DRC	Opportunity Kenya	Opportunity Mexico	Opportunity Romania	Opportunity South Africa	Opportunity Tanzania	Opportunity Bank Uganda	Eliminations	2012 Banks consolidated
685,074	2,963,029	676,544	1,015,584	2,416,050	1,872,275	4,010,842	—	65,950,609
928,500	5,054,322	1,181,493	13,504,134	3,541,180	3,138,367	12,045,757	—	171,398,214
458,295	280,659	555,842	360,282	66,552	310,879	1,993,748	(482,808)	19,739,103
436,256	76,002	40,362	137,448	378,530	850,364	2,072,608	—	25,438,076
2,508,125	8,374,012	2,454,241	15,017,448	6,402,312	6,171,885	20,122,955	(482,808)	282,526,002
2,879,852	341,523	205,731	3,802,778	187,738	267,784	1,360,963	(4,275,542)	16,085,451
283,807	2,620,770	—	—	—	836,670	4,388,395	—	126,644,618
—	3,963,012	—	8,265,045	1,381,780	176,881	5,437,914	(13,730,593)	48,680,890
—	70,781	—	179,098	748,474	15,858	717,231	—	5,026,579
3,163,659	6,996,086	205,731	12,246,921	2,317,992	1,297,193	11,904,503	(18,006,135)	196,437,538
(655,534)	1,377,926	2,248,510	2,770,527	4,084,320	4,874,692	8,218,452	17,523,327	86,088,464
2,508,125	8,374,012	2,454,241	15,017,448	6,402,312	6,171,885	20,122,955	(482,808)	282,526,002

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.
(An Affiliate Controlled by Opportunity International, Inc.)

Consolidating Schedules of Statements of Activities – Banking Operations Only

Years ended December 31, 2013 and 2012

December 31, 2013		Opportunity Bank Ghana	Opportunity Bank Malawi	Opportunity Bank Mozambique	Opportunity Bank Rwanda	Opportunity Bank Serbia	Opportunity Colombia
Operating activities:							
Revenue:							
Loan interest income	$	18,871,143	7,299,419	4,120,276	5,457,606	14,479,450	5,120,470
Other fees and income		1,278,834	4,392,100	1,488,476	2,012,362	705,558	1,938,650
Total revenue		20,149,977	11,691,519	5,608,752	7,469,968	15,185,008	7,059,120
Expenses:							
Interest on notes payable		1,120,429	102,995	230,954	606,637	1,596,918	299,171
Interest on client deposits		806,820	1,410,402	256,359	289,499	3,600,369	664,209
Provisions on loan losses		433,420	594,079	771,469	632,894	957,063	150,400
Management and general		16,013,049	9,342,276	5,643,425	6,371,776	8,299,879	7,652,388
Total operating expenses before taxes		18,373,718	11,449,752	6,902,207	7,900,806	14,454,229	8,766,168
Income tax expense (benefit)		424,000	522,925	—	(106,448)	(76,375)	338,583
Increase (decrease) in operating net assets		1,352,259	(281,158)	(1,293,455)	(324,390)	807,154	(2,045,631)
Nonoperating activities:							
Unrealized gain (loss) on foreign currency translation		(4,044,587)	(1,328,009)	1,318,560	(421,205)	524,906	(614,360)
Net income attributable to noncontrolling interests		—	—	—	—	—	—
Total nonoperating activities		(4,044,587)	(1,328,009)	1,318,560	(421,205)	524,906	(614,360)
Increase (decrease) in net assets	$	(2,692,328)	(1,609,167)	25,105	(745,595)	1,332,060	(2,659,991)

December 31, 2012		Opportunity Bank Ghana	Opportunity Bank Malawi	Opportunity Bank Mozambique	Opportunity Bank Rwanda	Opportunity Bank Serbia	Opportunity Colombia
Operating activities:							
Revenue:							
Loan interest income	$	17,271,219	6,130,832	4,388,962	6,457,014	11,488,468	760,186
Other fees and income		589,653	6,305,083	1,184,033	1,325,136	411,098	76,850
Total revenue		17,860,872	12,435,915	5,572,995	7,782,150	11,899,566	837,036
Expenses:							
Interest on notes payable		709,975	684,813	383,561	683,481	1,707,806	6,833
Interest on client deposits		747,469	1,235,745	185,438	204,088	2,411,534	133,452
Provisions on loan losses		373,324	2,695,773	586,268	223,597	187,791	235,565
Management and general		14,004,911	9,446,009	5,038,428	5,643,204	7,189,347	3,372,337
Total operating expenses before taxes		15,835,679	14,062,340	6,193,695	6,754,370	11,496,478	3,748,187
Income tax expense (benefit)		653,490	(860,179)	—	360,803	23,049	—
Increase (decrease) in operating net assets		1,371,703	(766,246)	(620,700)	666,977	380,039	(2,911,151)
Nonoperating activities:							
Unrealized gain (loss) on foreign currency translation		(1,271,821)	(5,097,163)	(371,595)	(139,854)	(654,239)	16,663
Net income attributable to noncontrolling interests		—	—	—	—	—	—
Total nonoperating activities		(1,271,821)	(5,097,163)	(371,595)	(139,854)	(654,239)	16,663
Increase (decrease) in net assets	$	99,882	(5,863,409)	(992,295)	527,123	(274,200)	(2,894,488)

See accompanying independent auditors' report.

Opportunity DRC	Opportunity Kenya	Opportunity Mexico	Opportunity Romania	Opportunity South Africa	Opportunity Tanzania	Opportunity Bank Uganda	Eliminations	2013 Banks consolidated
1,824,626	2,115,305	344,761	3,576,798	941,426	1,638,031	5,003,319	—	70,792,630
147,462	395,796	20,440	13,035	1,435,674	195,541	2,993,414	—	17,017,342
1,972,088	2,511,101	365,201	3,589,833	2,377,100	1,833,572	7,996,733	—	87,809,972
10,359	377,224	—	1,009,820	125,697	—	576,367	(632,883)	5,423,688
2,558	27,951	—	—	—	—	133,146	—	7,191,313
237,978	120,012	23,474	1,107,011	548,297	246,108	1,567,132	—	7,389,337
2,249,476	2,401,078	850,244	2,939,734	2,040,518	2,509,624	6,250,239	—	72,563,706
2,500,371	2,926,265	873,718	5,056,565	2,714,512	2,755,732	8,526,884	(632,883)	92,568,044
17,384	—	6,787	—	—	—	(153,256)	—	973,600
(545,667)	(415,164)	(515,304)	(1,466,732)	(337,412)	(922,160)	(376,895)	632,883	(5,731,672)
(276,121)	8,779	135,758	61,607	(755,503)	62,740	470,062	(257,330)	(5,114,703)
—	—	—	—	—	—	—	3,380,276	3,380,276
(276,121)	8,779	135,758	61,607	(755,503)	62,740	470,062	3,122,946	(1,734,427)
(821,788)	(406,385)	(379,546)	(1,405,125)	(1,092,915)	(859,420)	93,167	3,755,829	(7,466,099)

Opportunity DRC	Opportunity Kenya	Opportunity Mexico	Opportunity Romania	Opportunity South Africa	Opportunity Tanzania	Opportunity Bank Uganda	Eliminations	2012 Banks consolidated
643,317	1,997,508	1,058,131	3,322,928	1,347,171	1,164,486	5,864,657	(27,902)	61,866,977
152,386	308,457	12,485	30,335	910,789	1,213,585	1,718,881	—	14,238,771
795,703	2,305,965	1,070,616	3,353,263	2,257,960	2,378,071	7,583,538	(27,902)	76,105,748
—	372,752	—	917,258	124,593	—	924,523	(777,536)	5,738,059
188	25,549	—	—	—	—	93,152	—	5,036,615
88,067	39,281	62,274	(319,235)	857,235	132,573	788,259	—	5,950,772
1,835,615	2,003,007	1,026,234	2,807,242	1,964,037	2,501,997	5,641,956	—	62,474,324
1,923,870	2,440,589	1,088,508	3,405,265	2,945,865	2,634,570	7,447,890	(777,536)	79,199,770
2,553	—	—	—	—	—	(34,465)	—	145,251
(1,130,720)	(134,624)	(17,892)	(52,002)	(687,905)	(256,499)	170,113	749,634	(3,239,273)
67	(32,348)	156,669	248,797	(373,826)	(77,769)	(525,081)	456,147	(7,665,353)
—	—	—	—	—	—	—	4,124,463	4,124,463
67	(32,348)	156,669	248,797	(373,826)	(77,769)	(525,081)	4,580,610	(3,540,890)
(1,130,653)	(166,972)	138,777	196,795	(1,061,731)	(334,268)	(354,968)	5,330,244	(6,780,163)

OPPORTUNITY TRANSFORMATION INVESTMENTS, INC.

Schedules of Statements of Activities and Statements of Financial Position – OTI Parent Only

Years ended December 31, 2013 and 2012

Statements of Activities		**2013**	**2012**
Operating activities:			
Revenue:			
Contributions	$	910,336	21,477,477
Income (loss) from subsidiary banking activities		(2,351,396)	885,190
Unrealized loss on foreign currency translation		(5,114,703)	(7,665,353)
Other, including loss on sale of investment in subsidiary		(1,377,000)	489,723
Total revenue		(7,932,763)	15,187,037
Expenses:			
Management and general		2,308,028	2,399,857
Increase (decrease) in net assets from operating activities		(10,240,791)	12,787,180
Net assets:			
Beginning of year		66,066,167	53,278,987
End of year	$	55,825,376	66,066,167
Statements of Financial Position			
Assets:			
Cash and cash equivalents	$	12,769	12,476
Restricted cash and investments		2,238,006	4,486,669
Other receivables and prepaid expenses		5,199,852	7,041,848
Notes receivable		1,930,000	3,244,879
Investment in other institutions		66,462,262	69,647,420
Total assets	$	75,842,889	84,433,292
Liabilities:			
Accounts payable and accrued liabilities	$	2,302,052	2,204,405
Notes payable		17,715,461	16,162,720
Total liabilities		20,017,513	18,367,125
Unrestricted net assets		55,825,376	66,066,167
Total liabilities and net assets	$	75,842,889	84,433,292

See accompanying independent auditors’ report.