

GLOBAL REPORT

YOUR INVESTMENT AT WORK IN 2016

Elisa is a survivor. She is Opportunity.

Abandoned by her husband with young daughters to support, Elisa Langa feared for the future. She found the will to survive, selling grains from a makeshift counter outside her home. As the girls grew, Elisa was forced to acknowledge her business had grown very little. In 2010, Elisa once again drew on her courage and moved her tiny operation to the busy marketplace near her home in Maputo, Mozambique. Within days, she heard about Opportunity. A business loan and training helped her enterprise thrive. Her heart soars each morning as her daughters head off to school. Now, most days Elisa can be found scooping grains and chatting happily with customers. Today, Elisa keeps her eyes focused on her goals for the future.



As of 12/31/2016

9.6 million clients in 22 countries



\$1.6B
in loans
made

4.7M
clients
have loans

\$239
average first Trust
Group loan size

5.9M
clients with
savings accounts

\$215M
value of client
savings

89%
of our clients
are women



17.25M jobs
supported toward
20 million by 2020



440K farmers
accessed loans and
technical services
since 2009



1.9M children
reached since 2008
via EduFinance

BECAUSE YOU INVEST IN OPPORTUNITY'S GLOBAL PROGRAMS:

YOU ARE ERADICATING EXTREME POVERTY IN OUR LIFETIME

Eradicating extreme poverty in our lifetime is more than wishful thinking. It is the tie that binds us as we join together to achieve our shared vision. By partnering with Opportunity International in 2016, you funded the most critical programs our clients use to establish footholds along their uphill climb out of poverty. Our commitment to address the root causes of poverty aligns with many of the United Nations' Sustainable Development Goals, especially the first goal which calls for an end to poverty in all of its forms by 2030. Our programs overcome the disproportionate effects of poverty on women and girls, increase children's access to quality education, ensure people are well fed through sustainable agriculture and position parents to access nutritious food, medicine and healthy water and sanitation,

improving well-being and quality of life for the whole family – today, tomorrow and into the future.

Providing financial inclusion to marginalized entrepreneurs as they make measurable progress out of poverty is a remarkable win, but we know that more is needed if they are to achieve success that lasts. By combining our financial products like loans and savings with the protection of insurance and robust training and mentoring, our clients become resilient to economic, social and environmental shocks that threaten their progress. Your partnership is vital to the 9.6 million families we serve across 22 countries. It is on their behalf that we offer this progress report to thank you for all we achieved with your help in 2016.

YOU ARE CLOSING THE GENDER GAP VIA WOMEN-CENTRIC PROGRAMS

You help provide tools and training that equip and empower women to thrive. That 9 of every 10 Opportunity clients are women is a source of pride and evidence of sound investment. With more than 45 years of microfinance experience, we know that women are perhaps the most powerful players in our goal of ending extreme poverty. We value all of our clients and we value parity for all people, which is why we respond to the continuing disparity in gender equality. A few highlights from 2016 include:

8.8 million women are using Opportunity loans and savings to contribute decisively to their businesses, families and communities. Women represented 89% of our 9.6 million total active clients on 12/31/2016.

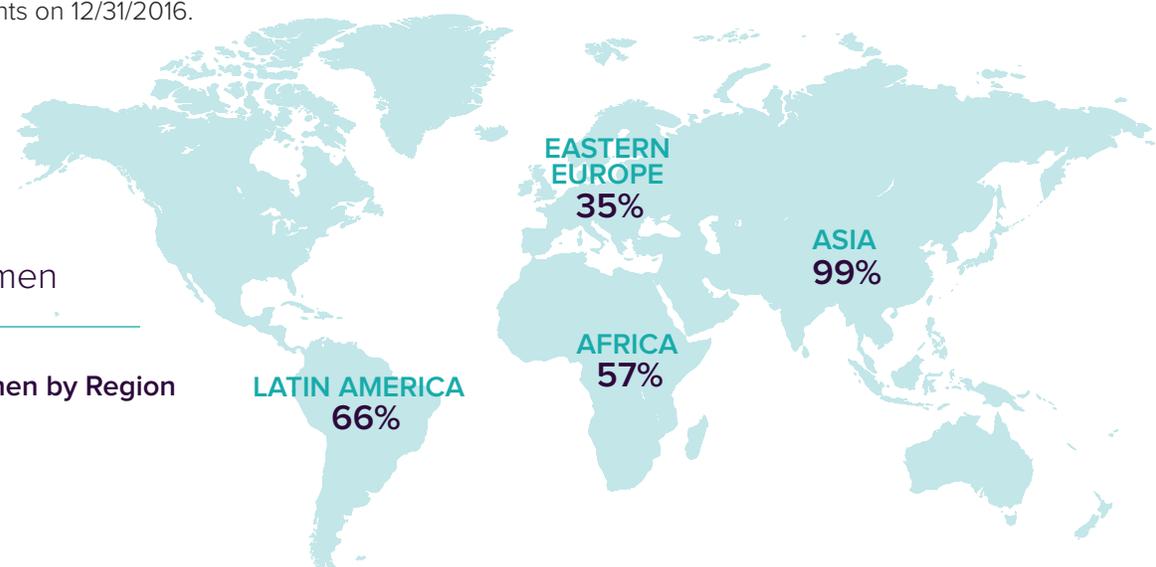
4.4 million women are investing Opportunity loans to generate income, improve quality of life for their families and fuel economic growth and job creation in their communities. Marginalized women comprised 95% of our 4.7 million clients with active business loans on 12/31/2016.

5.1 million women are saving for the future – representing 86% of Opportunity's clients with savings accounts. Women own 41%, or \$88 million, of Opportunity's \$215 million in client deposits. Having learned the importance of saving, every one of these women are building safety nets for the future.

89%

of our clients are women

% of Clients Who Are Women by Region



3,593 health leaders like Kum Kum Devi, pictured right, are trained in basic health, hygiene and nutrition. Each woman returns to her own impoverished community to provide vital health training to another 200 marginalized women; that's more than 700,000 women being reached right now and nearly four million people reached since the program launch.

In India, 6.2 million women are empowered

with Opportunity-facilitated deposit programs or loans and training to grow businesses.

In Ghana and Mozambique, 78% of women clients have become empowered decision-makers

as a result of their engagement with Opportunity's Agriculture Finance initiative, according to a gender study conducted by Opportunity's Knowledge Management team.

1,000 Malawian Trust Group clients are transitioning informal sector businesses into sustainable job-creating enterprises.

Opportunity Malawi's pilot program, Women in Business: Peer-2-Peer Mentorship, matched 1,000 Trust Group clients with entrepreneurs who run larger enterprises to foster skills and business growth through one-on-one interactions and group workshops. As women graduate from Trust Groups with smaller businesses to become Small-Medium Enterprise clients, their businesses and incomes grow. The program aims to benefit 6,500 people including clients, their families and hired workers.

Nearly 700 Colombian women are gaining leadership skills.

Opportunity Colombia's Leaders with a Purpose capacity-building workshops, along with an annual interactive leadership development seminar, empower women clients to develop skills and achieve business and social leadership goals.



YOU ARE FUELING TRANSFORMATION VIA CAPACITY-BUILDING SKILLS TRAINING

Opportunity Transformation Services (OTS).

Opportunity empowers women with the tools they need to build profitable businesses based on newly acquired skills and financial literacy training. Highlights include:

- » The OTS team is developing and testing innovative tablet-based applications in Malawi that will allow transformation officers to capture data from our clients to build a baseline, so we can more closely track program effectiveness and client progress.
- » The 11-person Malawi transformation team is piloting tablet-based data collection software in the field, teaching clients to conduct bank transactions using agent bankers, conducting surveys to collect Social Performance Management data about our clients and ensuring our Client Protection Principles remain an integral part of our customer service. They are conducting awareness and training sessions within the community and delivering

financial and digital literacy training to more than 12,000 existing clients since November 2016. Additionally, they are helping to launch the Spiritual Outcomes Research that will help us collect data that can determine and measure whether clients are growing stronger in their relationships with God and neighbors throughout their journeys out of poverty as our staff exhibits Christ's love through their client interactions.

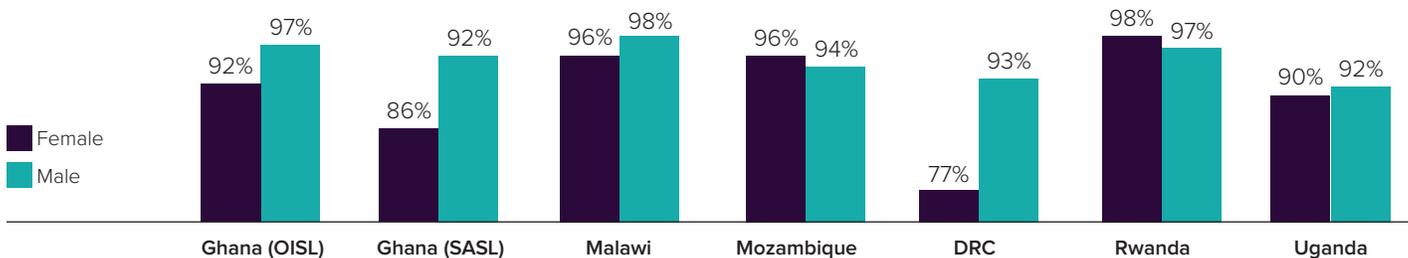
- » On September 23, Opportunity Colombia joined an elite group of microfinance institutions that have achieved Smart Campaign Certification, demonstrating an exceptional commitment to client service. Only 68 microfinance institutions worldwide share this illustrious status, including select Opportunity institutions in Serbia, Philippines and India. Smart Certification is underway for Opportunity India (ESAF) and Indonesia and planned in the future for Uganda, Ghana, Tanzania, Mozambique, Kenya and Malawi.

Social Performance Measurement (SPM).

Opportunity is committed to listening to our clients. By giving them a voice, we can collect and analyze their feedback and respond with continuous improvement to our products and services. We listen to our clients through a variety of feedback mechanisms, including surveys. We understand how their lives are changing throughout their personal journeys, and we understand the contribution our programs are making to those changes. The graph below shares an

example of data collected. Opportunity's aim for microfinance is to decrease vulnerabilities and empower people living in poverty to transform their lives. One way that our partners measure clients' sense of empowerment is to monitor the participation of clients in key household decision-making. Females tend to be less empowered than men, but we expect to see improvement over time in the gender equality and overall levels of empowerment.

Individual Participation in Key Household Decisions (by gender)



Claudia uncovered her innate leadership skills

Family would not describe Claudia Villalobos, an entrepreneur from Bogota, Colombia, as an outgoing person. In fact, when Claudia first came to Opportunity Colombia in search of business capital, she was pleased by the prospect of making a few friends among her fellow Trust Group members. A lot has changed since that first loan. Today, her handbag business is thriving and her confidence is soaring. As the leader of her Trust Group, she educates the members about Opportunity's Client Protection Principles and engages with the loan officer to mentor the group about accessing financial tools and training to grow their businesses, increase their incomes and become change-makers within their families and communities.

YOU ARE ENABLING FARMERS TO FEED FAMILIES IN AFRICA

Through your generosity, Opportunity's Agriculture Finance program is helping small-scale farmers increase their incomes and agricultural productivity, resulting in reduced poverty and improved nutrition in sub-Saharan Africa. Because of you, smallholder farmers are growing bountiful harvests. Farmers are achieving up to 40% growth in productivity and production through sustainable interventions including access to financial services, training in good agricultural practices and access to buyers. Innovative insurance is also a key resource that strengthens farmers' resilience against climate change and extreme weather.

Cumulatively, since the program launched in 2009, Opportunity has:

- » **Deployed 438,681 agricultural production loans valued at \$80.5 million** to empower small-scale farmers in sub-Saharan Africa, representing 87% of our goal to reach 500,000 farmers by the end of 2017. The value of agriculture loans disbursed in 2016 rose by 21% over the prior year.
- » **Provided 880,000 people** who live in rural or remote areas with savings accounts.

In 2016, Opportunity International distributed 69,063 loans to farmers in Africa with a combined value of \$14 million. The number of farmers investing active loans on 12/31/2016 was 105,503, 87% of whom were women and youth apprentice farmers. More 2016 highlights include:

- » 80% of participating farmers are achieving measurable productivity and yield increases of up to 40%
- » Opportunity Uganda supported farmers coping with the most severe drought in three decades
- » Opportunity Ghana recently signed an agreement with a chocolate manufacturer which is expected to increase our outreach to 50,000 additional cocoa farmers over the next five years
- » Opportunity Tanzania partnered with Hand in Hand to roll out an application that will connect farmer clients directly to agent bankers who conduct transactions with tablets. Farmers will no longer lose valuable daylight hours traveling to a branch to manage their bank accounts
- » Opportunity's AgFinance program is exploring potential expansion into Zimbabwe and Zambia

Opportunity farmers are producing more food and living better:

Measuring our impact on small-scale farmers. In an impact study completed in November 2016 by Opportunity's Knowledge Management team, we assessed whether farmer clients in Uganda, Malawi and Ghana were receiving the intended farm and household benefits through our Agriculture Finance program. Data was collected across three countries and 19 crops from 1,200 client and non-client farmers through a 200-question survey, focus group discussions, bank transaction data, client tracking data and interviews with farmers, staff and industry leaders.

The results are positive. Using fertilizer increased production and yields for Opportunity client farmers during a time when non-client farmers experienced declines (*Figure 1*). More clients than non-clients are better able to afford food, health care and education (*Figure 2*) for their children, and women client farmers reported they felt more empowered to make decisions. The study validated the AgFinance model and provided direction for future growth.

Figure 1 Change in Coffee Farms Yields



Figure 2 Farmers Who Could Better Afford Basic Needs



Grace, a coffee farmer near Kampala, Uganda, has been with Opportunity for three years and has since experienced real change—once producing 10 bags of coffee per harvest and now growing 30 bags per harvest. She is using her additional profits to pay for her medical bills and support her young son and extended family. Her loan officer reports that she is the best saver in the group and has grown into a leadership position by serving as her Trust Group's treasurer.





Students of Nueva Esperanza School in Colombia are benefiting from improved curriculum, better classrooms and restroom facilities made possible with Opportunity School Improvement loans.

YOU ARE DRIVING INCLUSIVE AND EQUITABLE EDUCATION FOR ALL

2016 was a banner year for the EduFinance program, including 400% year-over-year growth in India for School Fee loans, 82% in Tanzania for School Improvement loans and 43% in Colombia for School Improvement loans. Despite challenges including elections in Uganda and Ghana, drought in Rwanda and Uganda and demonetization in India, Opportunity disbursed education loans valuing a record \$26.2 million in 2016.

Since 2008, the Opportunity EduFinance program has:

- » reached 1.9 million children with access to quality education, setting them on a path for future success
- » delivered 151,861 education loans valued at \$81 million to improve developing schools and get kids in the classroom
- » rolled out our Education Quality program in Ghana, Uganda, Rwanda and newly launched in Tanzania

EduFinance highlights include:

- » Opportunity Ghana redesigned their School Fee loan, resulting in a 70% growth in the product outreach during the year.
- » We collected more data from schools and parents and built a stronger, cloud-based database. We dug deeper

than ever to capture more details of school infrastructure, pedagogy and observational metrics to more accurately demonstrate impact. We launched data collection via tablet-based applications to track the impact of school improvement trends over time.

- » In 2016, Opportunity conducted four training sessions of the School Leadership Professional Development Program in Ghana and Uganda, and two in Rwanda. This capacity-building and education quality training for school proprietors and teachers helps educators improve their methods, curriculum and classroom management.
- » During 2016, 1,111 school proprietors, administrators and lead teachers attended capacity-building workshops, bringing the total number of school staff trained to 2,975 since the start of Opportunity's Education Quality program.

Opportunity International's EduFinance program focuses on improving the quality of schools and helping parents afford to place and keep all of their children in classroom seats. While the program provides access to a good education for both girls and boys, we recognize and witness the disparity in gender equality that places girls at a disadvantage. In response, we focus on the importance of school quality in teachers, curriculum and even the toilet facilities that get and keep girls in school longer.

YOU ARE FOSTERING TECHNOLOGY CAPABILITIES AND INNOVATION ADVANCES

Agent Banking and Digital Financial Services. In Africa, Opportunity is training and certifying teams of people that live and work among our clients to essentially bring the bank to the marketplace. Trained and certified agents employ point-of-sale devices, card readers and mobile phones to process client transactions in real time, becoming one-person community bank branches. Entrepreneurial women and men no longer lose time away from businesses or spend hard-earned profits to travel to the nearest branch. Our clients can conveniently and safely make deposits and withdrawals, perform money transfers, pay bills and top up their phone airtime without the fear of theft.

Stukia Mwakindopa, a rice farmer and mother of four, has increased her productivity and uses her increased income to cover school fees. A member of the Dakawa Co-op in Morogoro, Tanzania, she invests loans to purchase inputs and gains access to irrigation options, buyers and training in good agriculture practices. Now, she is learning to use her phone to conduct banking transactions, saving time and money.

Highlights from 2016 include:

- » We are increasing digital banking access across Opportunity's partners in Africa and Asia.
- » Opportunity Rwanda, now called Urwego Bank, currently serves clients through 103 agent bankers.
- » In Malawi, 16 branches and 11 sales offices were closed at the end of 2016, reducing brick-and-mortar service sites from 36 to 20. At the same time, Opportunity Malawi trained a team of 70 agent bankers to increase its client service footprint. We remain focused on expanding our reach further into rural and remote areas using alternate delivery, including digital technology, without building or renting new structures to house branches and bank offices.
- » In late October, we launched Digital Financial Services to improve customer service in India, beginning in the state of Kerala, with plans to follow in Assam and Bihar.



THANK YOU FOR INVESTING IN HARD-WORKING FAMILIES ACROSS THE GLOBE!



“ For I was hungry and you gave me something to eat, I was thirsty and you gave me something to drink, I was a stranger and you invited me in, I needed clothes and you clothed me, I was sick and you looked after me, I was in prison and you came to visit me. Then the righteous will answer him, ‘Lord, when did we see you hungry and feed you, or thirsty and give you something to drink? When did we see you a stranger and invite you in, or needing clothes and clothe you? When did we see you sick or in prison and go to visit you?’ The King will reply, ‘Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.’ ”

– Matthew 25:35-40



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