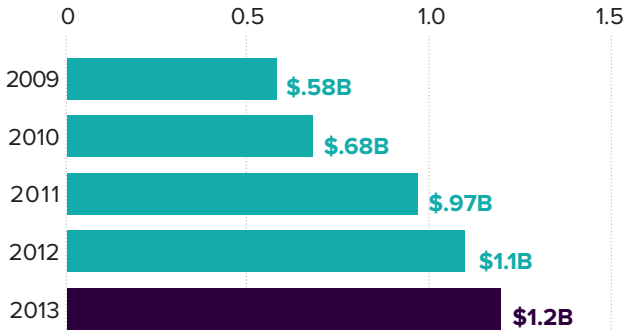


# FINANCIALS POWERING MOMENTUM

## TOTAL VALUE OF LOANS DISBURSED

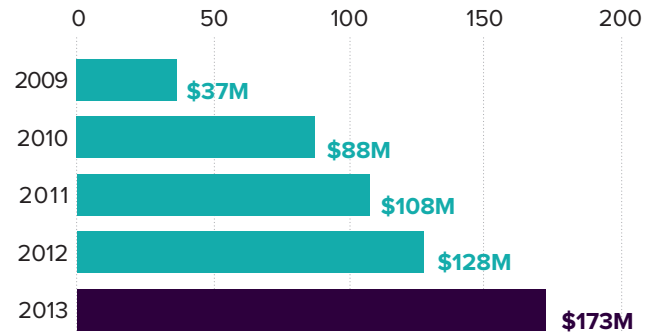
(for the year)



GROSS LOAN PORTFOLIO AT DECEMBER 31, 2013: \$605M

## TOTAL VALUE OF CLIENT SAVINGS ACCOUNTS

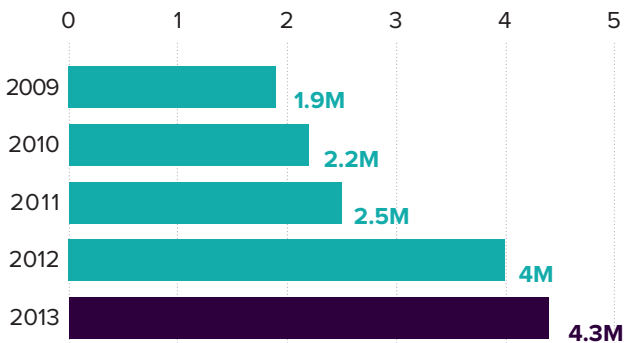
(as of year-end)



These figures represent voluntary savings and do not include compulsory savings.

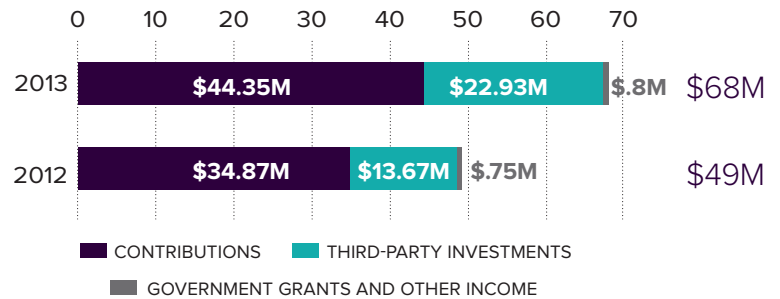
## TOTAL NUMBER OF UNIQUE LOAN AND SAVINGS CLIENTS

(as of year-end)



## TOTAL FUNDS RAISED BY OPPORTUNITY INTERNATIONAL-U.S.

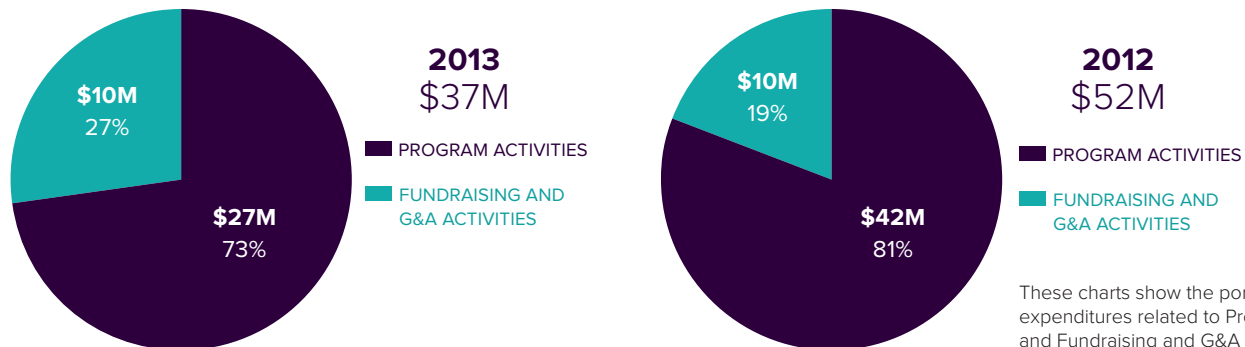
(for the year)



The ratio of Fundraising and G&A expenditures to Total Revenue was 22% in 2013 and 28% in 2012. The ratio of Fundraising and G&A expenditures to Total Funds Raised was 15% in 2013 and 20% in 2012.

## TOTAL EXPENDITURES BY OPPORTUNITY INTERNATIONAL-U.S.

(for the year)



These charts show the portion of total expenditures related to Program Activities, and Fundraising and G&A Activities.

## OPPORTUNITY INTERNATIONAL - U.S.

\$ in thousands (unaudited)	FOR THE YEAR ENDED		Change	
	December 31, 2013	December 31, 2012		
<b>REVENUE</b>			<b>AMOUNT</b>	<b>PERCENT</b>
Private cash contributions and pledges	\$ 44,350	\$ 34,868	\$ 9,482	27.2%
Government grants	73	748	(675)	(90.2%)
Other income	728	0	728	N/M
<b>TOTAL REVENUE</b>	<b>45,151</b>	<b>35,616</b>	<b>9,535</b>	<b>26.8%</b>
<b>EXPENDITURES</b>				
<b>Program Activities</b>				
Equity investments in Opportunity banks	6,842	22,126	(15,284)	(69.1%)
Grants for member organizations	4,021	4,901	(880)	(18.0%)
Business development and training services	4,312	4,302	10	0.2%
Network support services	1,429	1,278	151	11.8%
Microinsurance services	171	3,610	(3,439)	(95.3%)
Other program expenditures	9,881	5,708	4,173	73.1%
<b>Total program activities</b>	<b>26,656</b>	<b>41,925</b>	<b>(15,269)</b>	<b>(36.4%)</b>
<b>Fundraising and G&amp;A Activities</b>				
Fundraising and G&A	10,050	9,879	171	1.7%
<b>TOTAL EXPENDITURES</b>	<b>36,706</b>	<b>51,804</b>	<b>(15,098)</b>	<b>(29.1%)</b>
<b>THIRD-PARTY INVESTMENTS</b>				
Equity and debt raised for Implementing Members	22,931	13,670	9,261	67.7%
<b>TOTAL FUNDS RAISED</b>	<b>\$ 68,082</b>	<b>\$ 49,286</b>	<b>\$ 18,796</b>	<b>38.1%</b>

Complete audited financial statements by KPMG are available upon request

Opportunity International raises funds from many sources, some traditional and some unique for nonprofits. From traditional sources, Opportunity International receives charitable gifts and government grants, which it sends to its Implementing Members in the form of grants, loans and equity investments. A portion of these funds is also used for fundraising and G&A activities. In addition to these sources of funds, Opportunity raises equity and debt from third parties for its Implementing Members that are directly invested in these organizations, shown in third-party investments.

### MANAGEMENT DISCUSSION AND ANALYSIS OF OPPORTUNITY-U.S. FINANCIAL STATEMENTS

#### REVENUE

Opportunity International-U.S. revenue increased \$9.5 million, or 27%, during 2013. Individual donations increased 15% from prior year levels while corporate giving increased 40% from the previous year. In 2013, Opportunity International was awarded a multi-year grant from The MasterCard Foundation, of which \$8.8 million was recognized in 2013. Government grants revenue declined by \$0.7 million reflecting the continued softness in this market. Other Income includes contract revenue and a gain from forgiveness of debt with a former subsidiary.

#### PROGRAM ACTIVITIES

**Equity investments in Opportunity banks:** Direct equity investments decreased to \$6.8 million in 2013 versus \$22.1 million in the previous year, as the prior year included an \$8 million investment in Colombia to establish a bank in a country where we made our first loan more than 40 years ago. In addition, the cash balances available for investment from previous year's pledges were lower but this decline was somewhat offset by a 68% increase in debt and equity raised for Implementing Members by Opportunity International-U.S. from third parties, which totaled \$22.9 million. Investments were generally made in countries with continuing

equity needs and some intended investments were delayed at year end due to regulatory issues but will be completed in 2014.

**Grants to member organizations:** This expenditure declined by 18% in 2013, reflecting lower funding for our African MFIs.

#### Business development and training services:

The Opportunity International-U.S. expenditures for these services provided to Implementing Members by Opportunity International Network personnel were essentially even with 2012 funding levels. These services include: (i) recruitment and training of personnel of Implementing Members, (ii) development of client training modules, (iii) performance and governance monitoring and (iv) technology improvements.

**Network support services:** Expenditures for Network support increased by \$0.15 million, or 12%. These services include building and managing Opportunity banks and overseeing the range of technical services provided to them in the Opportunity International Network. Also included are expenditures for general management and governance of the Network and the cost of administrative services.

**Microinsurance services:** Opportunity International founded MicroEnsure in 2005 to provide life, property, health and agricultural insurance to people living in poverty. The cost of these activities is generally funded by grants from the Bill & Melinda

Gates Foundation and other grants. Over the last few years, this entity has grown significantly and we have brought in other investors like Omidyar Network, IFC, AXA and Telenor. There were minimal expenditures for MicroEnsure during 2013 as MicroEnsure raised additional capital in January 2013. This was a strategic move to bring additional capital and important relationships required to scale the MicroEnsure business with continued growth to serve more clients.

**Other program expenditures:** These expenditures include the cost of managing the operations of our bank investments. They also include grants management activities, general community education and communication. These expenditures rose by 73% in 2013, primarily due to an expanded strategic planning project and our re-branding efforts.

#### FUNDRAISING AND GENERAL & ADMINISTRATIVE (G&A) ACTIVITIES

The ratio of fundraising and G&A expense to total revenue improved from 28% in 2012 to 22% in 2013 as a result of revenue growth and a focus on cost containment. The ratio calculated as a percentage of funds raised (which includes equity and debt raised for the Implementing Members) improved from 20% in 2012 to 15% in 2013 reflecting increased equity and debt raised for Implementing Members.

## OPPORTUNITY INTERNATIONAL SUPPORTING MEMBERS

Supporting Members raise funds for our microfinance institutions

### STATEMENT OF REVENUE AND EXPENDITURES

\$ in thousands (unaudited)			December 31,	December 31,
	U.S.	Outside U.S.	2013	2012
			<b>Total</b>	<b>Total</b>
<b>REVENUE</b>				
Private cash contributions and pledges	\$ 44,350	\$ 21,326	\$ 65,676	\$ 52,350
Government grants	73	5,666	5,739	5,019
Other Income	728	212	940	7,980
<b>TOTAL REVENUE</b>	<b>45,151</b>	<b>27,204</b>	<b>72,355</b>	<b>65,349</b>
<b>EXPENDITURES</b>				
<b>Program activities</b>				
Equity investments in Opportunity banks	6,842	9,257	16,099	31,333
Grants to member organizations	4,021	6,856	10,877	14,394
Program development activities	15,793	6,412	22,205	25,311
<b>Total program services</b>	<b>26,656</b>	<b>22,525</b>	<b>49,181</b>	<b>71,038</b>
<b>Fundraising and G&amp;A Activities</b>				
Fundraising	7,242	2,691	9,933	9,754
G&A	2,808	1,239	4,047	4,426
<b>Total fundraising and G&amp;A</b>	<b>10,050</b>	<b>3,930</b>	<b>13,980</b>	<b>14,180</b>
<b>TOTAL EXPENDITURES</b>	<b>36,706</b>	<b>26,455</b>	<b>63,161</b>	<b>85,218</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 8,445</b>	<b>\$ 749</b>	<b>\$ 9,194</b>	<b>\$ (19,869)</b>

### BALANCE SHEET

\$ in thousands (unaudited)			December 31,	December 31,
	U.S.	Outside U.S.	2013	2012
			<b>Total</b>	<b>Total</b>
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents	\$ 4,943	\$ 8,742	\$ 13,685	\$ 10,041
Restricted cash and cash equivalents	4,401	-	4,401	13,151
Current receivables	23,637	1,159	24,796	24,461
Other current assets	3,170	200	3,370	4,112
<b>Total current assets</b>	<b>36,151</b>	<b>10,101</b>	<b>46,252</b>	<b>51,765</b>
<b>Long-Term</b>				
Long-term receivables	5,608	1,000	6,608	13,478
Capital in Opportunity banks	98,186	58,522	156,708	128,565
Investments - other	20,672	218	20,890	24,737
Net property and equipment	882	95	977	1,918
<b>Total long-term assets</b>	<b>125,348</b>	<b>59,835</b>	<b>185,183</b>	<b>168,698</b>
<b>TOTAL ASSETS</b>	<b>\$ 161,499</b>	<b>\$ 69,936</b>	<b>\$ 231,435</b>	<b>\$ 220,463</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Current portion of long-term debt	\$ 3,565	-	\$ 3,565	\$ 4,479
Accounts payable and other current liabilities	12,446	1,070	13,516	16,968
<b>Total current liabilities</b>	<b>16,011</b>	<b>1,070</b>	<b>17,081</b>	<b>21,447</b>
<b>Long-Term</b>				
<b>Total long-term debt and other liabilities</b>	<b>15,157</b>	<b>168</b>	<b>15,325</b>	<b>13,889</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 31,168</b>	<b>\$ 1,238</b>	<b>\$ 32,406</b>	<b>\$ 35,336</b>
<b>NET ASSETS</b>				
Unrestricted net assets	91,928	7,390	99,318	100,809
Restricted net assets	38,403	61,308	99,711	84,318
<b>Total net assets</b>	<b>130,331</b>	<b>68,698</b>	<b>199,029</b>	<b>185,127</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 161,499</b>	<b>\$ 69,936</b>	<b>\$ 231,435</b>	<b>\$ 220,463</b>

Complete audited financial statements by KPMG are available upon request

## OPPORTUNITY INTERNATIONAL IMPLEMENTING MEMBERS

Implementing Members are microfinance institutions that serve our clients

### STATEMENT OF REVENUE AND EXPENDITURES

\$ in thousands (unaudited)					December 31,	December 31,
	Africa	Asia	Eastern Europe	Latin America	2013	2012
<b>INCOME &amp; EXPENSES</b>					<b>Total</b>	<b>Total</b>
Financial income	\$ 65,953	\$ 131,567	\$ 23,835	\$ 14,794	\$ 236,149	\$ 225,158
Financial expenses	10,370	33,055	7,580	1,721	52,726	46,510
Gross financial margin	55,583	98,512	16,255	13,073	183,423	178,648
Provision for loan losses	5,955	5,435	1,960	751	14,101	13,325
Net financial margin	49,628	93,077	14,295	12,322	169,322	165,323
Operating expenses	60,190	76,228	14,045	13,791	164,254	162,238
<b>Net income from operations</b>	<b>(10,562)</b>	<b>16,849</b>	<b>250</b>	<b>(1,469)</b>	<b>5,068</b>	<b>3,085</b>
Other income	383	97	11	-	491	1,409
<b>Net income before taxes</b>	<b>(10,179)</b>	<b>16,946</b>	<b>261</b>	<b>(1,469)</b>	<b>5,559</b>	<b>4,494</b>
Provision for income taxes	722	1,051	(77)	332	2,028	1,938
<b>NET INCOME (LOSS)</b>	<b>\$ (10,901)</b>	<b>\$ 15,895</b>	<b>\$ 338</b>	<b>\$ (1,801)</b>	<b>\$ 3,531</b>	<b>\$ 2,556</b>

### BALANCE SHEET

\$ in thousands (unaudited)					December 31,	December 31,
	Africa	Asia	Eastern Europe	Latin America	2013	2012
<b>ASSETS</b>					<b>Total</b>	<b>Total</b>
<b>Current</b>						
Cash and cash equivalents	\$ 25,402	\$ 60,105	\$ 26,938	\$ 3,494	\$ 115,939	\$ 113,894
Interest bearing deposits and investments	10,122	40,184	6,573	739	57,618	37,664
Net loan portfolio	112,014	311,198	117,799	43,036	584,047	548,122
Other current assets	12,522	25,149	2,354	1,642	41,667	42,838
<b>Total current assets</b>	<b>160,060</b>	<b>436,636</b>	<b>153,664</b>	<b>48,911</b>	<b>799,271</b>	<b>742,518</b>
<b>Long-term</b>						
Fixed and other long-term assets	32,032	41,594	6,532	3,313	83,471	91,933
<b>TOTAL ASSETS</b>	<b>\$ 192,092</b>	<b>\$ 478,230</b>	<b>\$ 160,196</b>	<b>\$ 52,224</b>	<b>\$ 882,742</b>	<b>\$ 834,451</b>
<b>LIABILITIES &amp; NET ASSETS/EQUITY</b>						
<b>Current</b>						
Short-term debt	\$ 4,841	\$ 39,239	\$ 10,858	\$ 12,830	\$ 67,768	\$ 48,321
Client savings deposits	86,271	66,314	76,864	15,268	244,717	209,132
Other current liabilities	7,550	18,435	2,526	1,179	29,690	29,870
<b>Total current liabilities</b>	<b>98,662</b>	<b>123,988</b>	<b>90,248</b>	<b>29,277</b>	<b>342,175</b>	<b>287,323</b>
<b>Long-term</b>						
<b>Total liabilities and long-term debt</b>	<b>40,646</b>	<b>246,422</b>	<b>42,883</b>	<b>6,052</b>	<b>336,003</b>	<b>333,532</b>
<b>TOTAL LIABILITIES</b>	<b>139,308</b>	<b>370,410</b>	<b>133,131</b>	<b>35,329</b>	<b>678,178</b>	<b>620,855</b>
<b>NET ASSETS/EQUITY</b>						
Total net assets/equity	52,784	107,820	27,065	16,895	204,564	213,596
<b>TOTAL LIABILITIES AND NET ASSETS/EQUITY</b>	<b>\$ 192,092</b>	<b>\$ 478,230</b>	<b>\$ 160,196</b>	<b>\$ 52,224</b>	<b>\$ 882,742</b>	<b>\$ 834,451</b>

Complete audited financial statements by KPMG are available upon request

### IMPLEMENTING MEMBERS

**Revenue:** Implementing Members' revenue increased by 5% to \$236 million in 2013 reflecting gains across all regions.

**Net income:** Implementing Members' net income increased 38% to \$3.5 million in 2013. The gains resulted primarily from the improved quality of their loan portfolios, which was reflected in proportionately smaller provisions for loan losses.

**Loan portfolio:** The net loan portfolio increased by 7% at the end of 2013 to \$584 million.

**Customer deposits:** Client savings deposits increased 17% to end the year at \$245 million.

### NOTES TO FINANCIALS

#### FINANCIAL STATEMENT PRESENTATION

The financial information included in the statements on pages 22-23 was compiled from the financial statements of independent organizations. The Supporting Members' statements reflect the revenue and expenditures and balance sheet of the combination of the five independent members in developed countries (Australia, Canada, Germany, United Kingdom and United States), without regard to ownership positions in certain Implementing Members. The Implementing Members' statements represent a combination of the revenue and expenditures and balance sheets of the 46 Implementing Members, also without regard to ownership status. The statements are unaudited. Audited statements of the members are available upon request.

#### EQUITY OWNERSHIP IN AFFILIATES

Opportunity International-U.S. receives donations and grants for investment in 15 microfinance institutions. The investments provide start-up costs as well as expansion for the loan and other programs.