IgnItIng
transformatIonal
Change
annual report 2012
VISION:
A world in which all people have the opportunity to provide for their families and build a fulfilling life.

MISSION:
To empower people to work their way out of chronic poverty, transforming their lives, their children’s futures and their communities.

MOTIVATION:
To respond to Jesus Christ’s call to love and serve the poor.

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A MESSAGE FROM OUR CEO

Dear Friends,

This has been an incredibly inspiring first year for me since joining the Opportunity International team in September 2012. I have come to know a caring and generous community of partners who faithfully serve the world’s most vulnerable people. I have also seen the incredible global reach of Opportunity International that provides services to people in 23 countries and employs approximately 17,000 people. With your partnership, our clients are working their way out of poverty, strengthening their families and building vibrant communities.

It was a privilege to travel to 10 countries this year to meet and talk with many clients, employees and partners. I’ll share highlights from three visits that illuminate the great value of our partnerships.

I first traveled to Uganda with Michele Sullivan, President of the Caterpillar Foundation (CAT), to see the work they generously support. In addition to receiving Opportunity loans for their farms, our Ugandan farmers are now able to improve their crop yields thanks to a tailored set of agriculture services, including precise guidance on the most effective use of fertilizer, seeds and other best practices, including a cell phone application to GPS-map their farmland.

Michele and I were so impressed with Thomas Bugembe, a school proprietor in Uganda and a client of our Education Finance Program. He launched his school in 2006 with 37 children and it has grown to 356 children. It was thrilling to visit his school and see so many vibrant, happy children learning and growing, including more than 70 orphans. Thomas provides year-round dormitories and told us, “It is my calling to be their family... so I do not leave them.” We asked how he is able to support the school when 20 percent of them don’t pay tuition. In his loving and humble manner he explained, “…with God’s help we find the resources to make it work.”

In Nicaragua, we are creating sustainable community value through a Community Development Project in partnership with David and Donna Allman from Atlanta. While walking the dusty roads of La Laguna, I met Ana, who grew up in extreme poverty. After receiving an Opportunity loan, she was able to start a business with her mother selling food in the village market. Last year, we asked Ana what her community needed most. “Fresh water for our homes and village,” she said without hesitation. We agreed to help finance a well and water distribution system for this community initiative but asked that the community provide the first funds for a sustainable project. Ana and her community raised $3,600 and provided hundreds of hours of labor. They received a loan from Opportunity International to cover the remaining costs. Water is now flowing in La Laguna! Working directly with our clients to meet critical community needs is a joint partnership built on mutual responsibility and commitment.

I was also able to dive more deeply into our programs in China, India, Indonesia and the Philippines—representing half of our 5 million clients—on a trip to Sydney. In addition to generous support from CAT and other U.S. donors over the years, Opportunity Australia has been a strong leader in growing those programs and it was motivating to strategize about how we can do more in this region together.

These varied partnerships and many others will make the difference as we strive together to end poverty. In this 2012 annual report, we take you through our key initiatives as seen through the journey of Betty Mulooki who, like all of our clients, exemplifies the Power of One when opportunity is unlocked.

Over the past 15 years, Opportunity International has created 10 million jobs through $6.8 billion in loans. With the continued commitment of our donors, partners, clients and staff, we see a bold aspiration within reach: creating 20 million jobs by 2020.

Together, let’s dream the impossible then fulfill it with unity and faith in our mission. “What is impossible with man is possible with God.” (Luke 18:27)

In service together,

Vicki Escarra
Chief Executive Officer
Opportunity International helps clients break free of the cycle of poverty and move into a sustainable cycle of success.

We provide more than loans. From a foundation of faith-based values, we provide holistic, transformative products and services that empower our clients to create lasting change for their families and their communities. Supported by partners like you, this model brings us closer to our vision of a world in which all people have the opportunity to provide for themselves and their families.

**THE OPPORTUNITY LOAN CYCLE**

MEET BEATA. She runs a small stall in Rwanda. She received a $150 loan to build her business at 2.5% flat interest per month. 10% of her loan amount is deposited in SAVINGS. Credit life INSURANCE is included with 100% loan repayment and funeral benefits.

WHAT’S IN A LOAN? So much more than money.

Learn more at opportunity.org

98% of the loans are REPaid and the money is recycled again and again to help many more women...

Her CHILDREN are well-fed and go to school.

BUSINESS GROWS and she repays her loan.

Her TRUST GROUP supports and empowers her. She becomes a leader.

Her WEEKLY PAYMENTS over 4 months:

$9 + $38 + $9.40 interest = $10.32

Beata receives vital business, leadership and life skills TRAINING. How to plan, budget, save.

**5 MILLION CLIENTS ACCESS OPPORTUNITY’S LIFE-CHANGING PRODUCTS**

**93 PERCENT OF LOANS ARE MADE TO WOMEN**
OUR NETWORK

Opportunity International is a global leader in providing a full spectrum of financial services and training to individuals and communities in some of the most hard-to-reach areas of the developing world. Established 42 years ago, Opportunity now operates financial institutions in urban and rural areas of 23 developing countries.

AFRICA
Democratic Republic of the Congo
Ghana
Kenya
Malawi
Mozambique

LATIN AMERICA
Rwanda
South Africa
Tanzania
Uganda
Zimbabwe

EUROPE
Colombia
Dominican Republic
Honduras
Mexico
Nicaragua
Peru

ASIA
Macedonia
Romania
Serbia

SUPPORTING MEMBERS
United States
United Kingdom
Australia
Germany
Canada

China
India
Indonesia
Philippines
IGNITING TRANSFORMATIONAL CHANGE

Entrepreneurs have the power to change everything. As an Opportunity International partner, you are giving hardworking people the chance to realize their dreams. You are helping to connect loan officers to entrepreneurs with plans for the future. When Opportunity clients see the possibilities laid out before them, their creativity and drive are unleashed. They begin to transform their communities. They are changing the rules, habits and expectations and building sustainable, flourishing businesses. Their neighbors are taking notice, admiring their progress and getting involved.

Thanks to your support of clients like Betty, she becomes unstoppable. By providing capital, services and training to clients around the world, Opportunity empowers people to work their way out of poverty and improve their lives.

**We support farmers**—developing innovative agricultural finance tools and technical know-how that allow farmers to improve crop yields and generate profits.

**We believe in women**—empowering women to build their businesses, because they reinvest 90 percent of their earnings into their families, deepening the impact of our investment.

**We invest in education**—providing schools with financing to increase capacity and offering parents loans to keep their children in school.

**We develop leaders**—supporting and cultivating our local staff with professional development and training to help them better serve our clients.

**We harness technology**—building innovative tools that extend our reach to the most remote communities, secure our clients’ hard-earned capital and increase operational efficiency.

In 2012, Opportunity disbursed 60,000 agriculture loans—a 287 percent increase in one year.
Betty Mulooki always had the drive to work hard for her family, but now that she’s an Opportunity International client, she’s unstoppable.

“Other banks didn’t see my potential to do more, but Opportunity did,” Betty says.

Betty lives in Uganda and has always been a farmer, but when a sugarcane factory opened in her village in 2012, things started to change for her family. She began growing four acres of sugarcane and joined the local growers’ association. Soon after, she connected with Opportunity Uganda and received a loan to expand her plot and better support her existing land. “This loan is a blessing, and it has given me what I needed to grow,” she says. “My life has changed because of my farm. I am not the same person I used to be.”

Opportunity supports smallholder farmers like Betty with agricultural finance tools and training to equip them to move from subsistence to commercial farming. Helping farmers increase their yields and productivity and raise household incomes is crucial to ending hunger and malnutrition in rural areas. We provide financial services specifically tailored to the needs of farm families, working with partners throughout the value chain.

Read about another Opportunity client and farmer Myrna from the Philippines at opportunity.org/report.
“WHAT HAS ENABLED HER (BETTY) TO TAKE ON THE CHALLENGE WITH JOY AND LOVE IS HER FAITH IN THE LORD AS HER PROVIDER AND STRENGTH IN TIME OF TROUBLE.”

MARGARET NAMAZZI, TRANSFORMATION OFFICER OPPORTUNITY UGANDA

“Our mother is the first woman who planted a field like this in our village!” say Betty’s proud children, who have watched her farm grow.

With her husband unable to work due to an injury, Betty must support her three children—Becky, Travor and Davis. She is determined to keep her farm profitable, feed her family and ensure her children’s future success. She feels secure thanks to services like credit-life insurance because she knows that if something happens to her, her family will not be burdened with debt.

Betty beams as she describes how Opportunity Uganda has improved her standing in the community. She says people in the village admire her accomplishments. “My neighbors come up to me and ask, ‘How did you manage to do this?’ I tell them all of it was possible because of the bank,” Betty says. She dreams of expanding her farm and her home and diversifying her crops.

Opportunity believes in inclusiveness—in the power of women like Betty to create sustainable change for their families and their communities. When women have an income, children are healthier and better educated. To foster more entrepreneurs, Opportunity facilitates Trust Groups, close-knit circles of men and women who elect leaders and receive financial training. Trust Groups have a multiplier effect: members support each other, believe in themselves and create thriving, lasting businesses.

IN 2012:

93 PERCENT OF OPPORTUNITY LOANS WERE MADE TO WOMEN

$178 = AVERAGE FIRST TRUST GROUP LOAN

“A client in Rwanda accesses her bank account using her fingerprints.

AN ENTREPRENEUR WITH OPPORTUNITIES

Read about Opportunity client Maria Fanny Martinez and her seamstress shop in Colombia at opportunity.org/report.
As a girl, Betty wasn’t able to complete her education. Today, she is working hard so her three high school-aged kids will have the chance to attend a university. Becky dreams of studying mass communications. Travor wants to be a lawyer. And Davis aspires to a career in journalism. Betty believes that Opportunity International’s support of her growing business will help her children achieve their goals.

“I have big dreams for my family and my community,” Betty says. “Sending my children to school is my greatest wish.”

Becky cheerfully echoes her mother: “When you study, you will get good jobs. You can see the future as a good thing.”

Education empowers people like Betty and her children to transform their lives. Through financial products and services, Opportunity makes it possible for young people in poor communities to attend and stay in school and often advance to vocational schools and universities. We help school owners improve and expand schools, and we provide loans for parents to pay school fees. Our model fuels results: school owners borrowing from Opportunity achieve 25 percent enrollment growth and 63 percent more income, and employ 36 percent more teachers.

Read about Opportunity client and school owner Evans Ssenabulya in Uganda at opportunity.org/report.
AT THE END OF 2012:

OPPORTUNITY HAD **17,000**
GLOBAL EMPLOYEES, **9,400** OF WHOM ARE LOAN OFFICERS

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### A TRANSFORMATIVE PARTNERSHIP

When Betty received her first loan from Opportunity, she says it “put her on the world map.” She learned how to invest her money, access credit and plan for the future. The most important person she met was Nicholas Katenta, her loan officer.

Nicholas joined Opportunity Uganda to help support people like Betty as they build their farms and businesses. He gets to know his clients and cares about their crops and their families. “It makes me proud working for a vision-focused bank,” Nicholas says. “The bank has helped me develop my career and my life in general.”

Opportunity identifies and cultivates leaders with targeted learning opportunities and training events. Our staff is local—99 percent are nationals—and our institutions are community banks permanently embedded in areas where our clients live and work. This local connection means staff become much more than financial advisors to Opportunity clients. They are mentors and friends.

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Read about Opportunity client Deepa and her loan officer Valamarthi in India at opportunity.org/report.

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Opportunity client Prathiba (right) with her loan officer Josephine Annai Magal (left).

Betty Mulooki works closely with her loan officer to expand her farm.
Betty is excited about using technology to make her farm more efficient and profitable. Opportunity was able to use GPS mapping to determine the size of her land, which allows her to use the right amount of seed and fertilizer. “I’m interacting with people and accessing services that had never been open to me before,” she says.

And with new tools like cell-phone banking, she will be able to deposit more frequently into her savings account. These tools help her plan her next steps. “My dream is to see our community transformed by agriculture,” Betty says. She would like to see more of her neighbors joining in, cultivating sugarcane and other crops for commercial purposes.

Opportunity invests in technology to give more people—including those in the most remote places—access to financial services. Our economical, secure solutions for delivering loans, deposit services, transfers, remittances, payroll systems and emergency cash transfers help us reach more individuals at lower costs.

Mobile banks provide Opportunity clients in remote locations with access to financial services.

Opportunity International enables clients to securely conduct their banking by cell phone without leaving their businesses or incurring travel expenses.

Read how Opportunity client Patrick uses technology on his farm in Uganda at opportunity.org/report.
“Based on our experience with microfinance in sub-Saharan Africa, we have seen the innate potential of people living in poverty. Opportunity International focuses on developing sustainable solutions that can unlock that potential to create jobs, generate profits, provide for families and ultimately overcome poverty. That strong and core belief in the power of the entrepreneurial poor is one of the reasons we at The MasterCard Foundation are proud to partner with Opportunity as we work together to promote financial inclusion and prosperity.”

— Reeta Roy
President and CEO,
The MasterCard Foundation

OUR PARTNERS

Betty’s transformation to successful farmer and entrepreneur was possible because of her motivation, Opportunity’s dedicated staff and our generous supporters. Supportive donors are vital partners in creating the prosperous cycle of growth and possibility that is the hallmark of Opportunity International.

This support is helping to power opportunity for millions of clients around the world, giving farmers and entrepreneurs the chance to start businesses, reinvest profits, save money and create jobs in their communities.

Thousands of farmers now have the chance to move beyond subsistence farming into commercially active agri-business across Africa thanks to support from the John Deere Foundation. Our partnership helped Opportunity reach smallholder farmers who also received training in modern farming techniques and gained access to new markets for their crops.
Opportunity continued our partnership with the MasterCard Foundation and the Bill & Melinda Gates Foundation to extend financial services to rural areas in five sub-Saharan African countries. Since 2009, the project has disbursed 125,000 agricultural loans totaling $29 million.

Credit Suisse helped Opportunity banks in underserved regions reach millions by funding expanded professional development opportunities for bank staff and the deployment of innovative banking technologies such as the electronic wallet. This support helps us build staff skills and use cutting-edge technology to reach more clients at a lower cost.

A valued partner for 20 years, the Caterpillar Foundation has helped millions of Opportunity clients around the world open savings accounts and small business loans and receive vital financial training. By 2017, our partnership will impact more than 18.3 million lives.

Opportunity continued our partnership with The MasterCard Foundation and the Bill & Melinda Gates Foundation to extend financial services to rural areas in five sub-Saharan African countries. Since 2009, the project has disbursed 125,000 agricultural loans totaling $29 million.
## Total Value of Loans Made

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$200</td>
<td>$400</td>
<td>$600</td>
<td>$800</td>
<td>$1000</td>
</tr>
</tbody>
</table>

1. The large increase in 2011 is mostly due to the addition of Dia Vikas (India) to our global numbers.
2. The large drop in 2009 is mostly due to the sale of our Montenegro bank.

## Total Client Savings

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$30</td>
<td>$60</td>
<td>$90</td>
<td>$120</td>
<td>$150</td>
</tr>
</tbody>
</table>

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

## Expenditures

### 2012

- Program Activities: $45M (82%)
- Fundraising and G&A Activities: $10M (18%)

- Total: $55M

### 2011

- Program Activities: $39M (80%)
- Fundraising and G&A Activities: $10M (20%)

- Total: $59M

Maria Jose Lopez operates a hammock weaving business in Nicaragua.
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 above.

### Management Discussion and Analysis of Financial Statements

#### Revenue

Opportunity International-U.S. revenue increased $10.3 million, or 34 percent, during 2012. Private cash contributions and pledges were 29 percent higher, primarily due to the strength of corporate giving. Individual donations were slightly reduced from prior year levels. Government grants revenue declined by $0.2 million reflecting the continued softness in this market. Other income increased by $0.2 million primarily as a result of greater MicroEnsure subsidiary revenue and a gain on hedging contracts related to our investment in Colombia.

#### Program Activities

**Equity investments in Opportunity banks:** Equity investments rose by 87 percent to $22.1 million in 2012. The amount includes an $8 million investment in Colombia to establish a bank in the country where Opportunity International made its first loan over 40 years ago. Investments were also made in most other countries due to continuing needs in the field and the availability of funding from donor contributions.

**Grants to member organizations:** This expenditure declined by 37 percent in 2012, reflecting lower funding for MFIs other than Africa.

**Network support services:** Expenditures for this activity declined by 37 percent in 2012, reflecting lower funding for MFIs other than Africa. Investments were also made in most other countries due to continuing needs in the field and the availability of funding from donor contributions.

**Business development and training services:** These expenditures include the cost of managing our bank investments and the Loan Guarantee Fund. They also include grants management activities, general community education and communication. These expenditures fell by 19 percent in 2012, primarily due to lower levels of the investment management costs.

**Microinsurance services:** The objective of this effort is to provide life, property, health and agricultural insurance to people living in poverty. The cost of these activities is generally funded by grants and program income from partners and clients. Expenditures for this activity increased by 7 percent during 2012.

**Other program expenditures:** These expenditures include the cost of managing our bank investments and the Loan Guarantee Fund. They also include grants management activities, general community education and communication. These expenditures fell by 19 percent in 2012, primarily due to lower levels of the investment management costs.

#### Fundraising and G&A Activities

**Fundraising and G&A activities:** Opportunity International-U.S. expenditures increased $10.3 million, or 34 percent, during 2012. Private cash contributions and pledges were 29 percent higher, primarily due to the strength of corporate giving. Individual donations were slightly reduced from prior year levels. Government grants revenue declined by $0.2 million reflecting the continued softness in this market. Other income increased by $0.2 million primarily as a result of greater MicroEnsure subsidiary revenue and a gain on hedging contracts related to our investment in Colombia.

### Third-Party Investments

**Equity and debt raised for Implementing Members:** Equity and debt raised for Implementing Members increased $13.7 million, or 34 percent, during 2012. Private cash contributions and pledges were 29 percent higher, primarily due to the strength of corporate giving. Individual donations were slightly reduced from prior year levels. Government grants revenue declined by $0.2 million reflecting the continued softness in this market. Other income increased by $0.2 million primarily as a result of greater MicroEnsure subsidiary revenue and a gain on hedging contracts related to our investment in Colombia.

### Financial Statements

Complete audited financial statements by KPMG are available upon request.
## STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.</td>
<td>Outside U.S.</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private cash contributions and pledges</td>
<td>34,868</td>
<td>17,482</td>
</tr>
<tr>
<td>Government grants</td>
<td>748</td>
<td>4,271</td>
</tr>
<tr>
<td>Other income</td>
<td>4,709</td>
<td>3,271</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>40,325</td>
<td>25,024</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity investments in Opportunity banks</td>
<td>22,126</td>
<td>9,207</td>
</tr>
<tr>
<td>Grants to member organizations</td>
<td>4,901</td>
<td>9,493</td>
</tr>
<tr>
<td>Program development activities</td>
<td>18,335</td>
<td>6,976</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>45,362</td>
<td>25,676</td>
</tr>
<tr>
<td>Fundraising and G&amp;A Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>7,152</td>
<td>2,602</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>2,727</td>
<td>1,699</td>
</tr>
<tr>
<td><strong>Total fundraising and G&amp;A</strong></td>
<td>9,879</td>
<td>4,301</td>
</tr>
<tr>
<td><strong>NET DEFICIT</strong></td>
<td>(14,916)</td>
<td>(4,953)</td>
</tr>
</tbody>
</table>

## BALANCE SHEET

FOR THE YEAR ENDED DECEMBER 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.</td>
<td>Outside U.S.</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,756</td>
<td>7,285</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>5,116</td>
<td>8,035</td>
</tr>
<tr>
<td>Current receivables</td>
<td>15,538</td>
<td>8,923</td>
</tr>
<tr>
<td>Other current assets</td>
<td>3,876</td>
<td>236</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>27,286</td>
<td>24,479</td>
</tr>
<tr>
<td>Long-Term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>3,335</td>
<td>10,143</td>
</tr>
<tr>
<td>Capital in Opportunity banks</td>
<td>99,820</td>
<td>28,745</td>
</tr>
<tr>
<td>Investments - other</td>
<td>24,707</td>
<td>30</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>1164</td>
<td>754</td>
</tr>
<tr>
<td><strong>Total long-term assets</strong></td>
<td>129,026</td>
<td>39,672</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>156,312</td>
<td>64,151</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>4,479</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>15,775</td>
<td>1,193</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>20,254</td>
<td>1,193</td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total long-term debt and other liabilities</td>
<td>13,611</td>
<td>278</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>33,865</td>
<td>1,471</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>94,187</td>
<td>6,622</td>
</tr>
<tr>
<td>Restricted net assets</td>
<td>28,260</td>
<td>56,058</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>122,447</td>
<td>62,680</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>156,312</td>
<td>64,151</td>
</tr>
</tbody>
</table>

## NOTES TO FINANCIALS

### FINANCIAL STATEMENT PRESENTATION

The financial information included in these statements 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 partners 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 and funds for the revolving loan programs.
### Opportunity International Implementing Members

Implementing Members are microfinance institutions that serve our clients.

#### Statement of Revenue and Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Africa</th>
<th>Asia</th>
<th>Eastern Europe</th>
<th>Latin America</th>
<th>Total</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incomes &amp; Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial income</td>
<td>$ 65,632</td>
<td>$ 128,859</td>
<td>$ 20,429</td>
<td>$ 10,238</td>
<td>$ 225,158</td>
<td>$ 214,222</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>10,832</td>
<td>28,145</td>
<td>6,686</td>
<td>847</td>
<td>46,510</td>
<td>43,162</td>
</tr>
<tr>
<td>Gross financial margin</td>
<td>54,800</td>
<td>100,714</td>
<td>13,743</td>
<td>9,391</td>
<td>178,648</td>
<td>171,060</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>5,184</td>
<td>7,343</td>
<td>(16)</td>
<td>814</td>
<td>13,325</td>
<td>18,915</td>
</tr>
<tr>
<td>Net financial margin</td>
<td>49,616</td>
<td>93,371</td>
<td>13,759</td>
<td>8,577</td>
<td>165,323</td>
<td>152,145</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>55,373</td>
<td>82,690</td>
<td>13,278</td>
<td>10,897</td>
<td>162,238</td>
<td>161,093</td>
</tr>
<tr>
<td><strong>Net income from operations</strong></td>
<td>(5,757)</td>
<td>10,681</td>
<td>481 (2,320)</td>
<td>3,085 (8,948)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>1,358</td>
<td>67</td>
<td>(16)</td>
<td>–</td>
<td>1,409</td>
<td>882</td>
</tr>
<tr>
<td><strong>Net income before taxes</strong></td>
<td>(4,399)</td>
<td>10,748</td>
<td>465 (2,320)</td>
<td>4,494 (8,066)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>972</td>
<td>946</td>
<td>–</td>
<td>20</td>
<td>1,938</td>
<td>(62)</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td>$ (5,371)</td>
<td>$ 9,802</td>
<td>$ 465</td>
<td>$ (2,340)</td>
<td>$ 2,556</td>
<td>$ (8,004)</td>
</tr>
</tbody>
</table>

#### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Africa</th>
<th>Asia</th>
<th>Eastern Europe</th>
<th>Latin America</th>
<th>Total</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 30,669</td>
<td>$ 59,959</td>
<td>$ 19,584</td>
<td>$ 3,682</td>
<td>$113,894</td>
<td>$103,196</td>
</tr>
<tr>
<td>Interest bearing deposits</td>
<td>12,083</td>
<td>13,266</td>
<td>8,283</td>
<td>4,032</td>
<td>37,664</td>
<td>20,682</td>
</tr>
<tr>
<td>and investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loan portfolio</td>
<td>114,780</td>
<td>310,833</td>
<td>99,913</td>
<td>22,596</td>
<td>548,122</td>
<td>498,628</td>
</tr>
<tr>
<td>Other current assets</td>
<td>16,472</td>
<td>17,531</td>
<td>5,520</td>
<td>3,315</td>
<td>42,838</td>
<td>40,882</td>
</tr>
<tr>
<td>Total current assets</td>
<td>174,004</td>
<td>401,589</td>
<td>133,300</td>
<td>33,625</td>
<td>742,518</td>
<td>663,388</td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed and other</td>
<td>34,607</td>
<td>48,097</td>
<td>6,147</td>
<td>3,082</td>
<td>91,933</td>
<td>92,777</td>
</tr>
<tr>
<td>long-term assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 208,611</td>
<td>$ 449,686</td>
<td>$ 139,447</td>
<td>$ 36,707</td>
<td>$ 834,451</td>
<td>$ 756,165</td>
</tr>
<tr>
<td><strong>Liabilities &amp; Net Assets/Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>$ 4,900</td>
<td>$ 31,801</td>
<td>$ 6,169</td>
<td>$ 5,451</td>
<td>$ 48,321</td>
<td>$ 38,325</td>
</tr>
<tr>
<td>Client savings deposits</td>
<td>78,905</td>
<td>62,179</td>
<td>61,866</td>
<td>6,182</td>
<td>209,132</td>
<td>185,237</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>9,663</td>
<td>17,649</td>
<td>1,961</td>
<td>597</td>
<td>29,870</td>
<td>43,873</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>93,468</td>
<td>111,629</td>
<td>69,996</td>
<td>12,230</td>
<td>287,323</td>
<td>267,435</td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities and</td>
<td>53,579</td>
<td>232,902</td>
<td>42,777</td>
<td>4,274</td>
<td>333,532</td>
<td>303,344</td>
</tr>
<tr>
<td>long-term debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ 147,047</td>
<td>$ 344,531</td>
<td>$ 112,773</td>
<td>$ 16,504</td>
<td>$ 620,855</td>
<td>$ 570,779</td>
</tr>
<tr>
<td><strong>Net Assets/Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net assets/equity</td>
<td>61,564</td>
<td>105,155</td>
<td>26,674</td>
<td>20,203</td>
<td>213,596</td>
<td>185,586</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND</strong></td>
<td>$ 208,611</td>
<td>$ 449,686</td>
<td>$ 139,447</td>
<td>$ 36,707</td>
<td>$ 834,451</td>
<td>$ 756,165</td>
</tr>
<tr>
<td><strong>NET ASSETS / EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Revenue**: Implementing Members’ revenue increased by 5 percent to $225 million in 2012 reflecting gains in Africa and Asia partially offset by reductions in Eastern Europe and Latin America.

**Net income**: Implementing Members’ recorded net income for 2012, reversing losses realized in the previous two years. The gains resulted primarily from the improved quality of their portfolios, which meant smaller provisions for loan losses.

**Loan portfolio**: The net loan portfolio increased by 10 percent at the end of 2012 to $548 million.

**Customer deposits**: Deposits increased 13 percent to end the year at $209 million.
A MESSAGE FROM THE U.S. CHAIRMAN OF THE BOARD

Dear Friends,

2012 was a pivotal year for Opportunity International. Our new CEO Vicki Escarra joined us and immediately instilled a sense of boldness, urgency and focus. Together, by the grace of God, we are renewed. As Chairman of our U.S. Board, I feel gratified each day with the camaraderie and courage of our deliberations and decisions.

We are building on the strength and faith of a committed community of donors. We are confident in our mission and in dynamic growth by 2020 from the vantage point of a 42-year legacy. We are grateful for the lessons learned from our clients. We may unlock opportunity, but they fulfill their God-given potential, lift themselves, their families and their communities from chronic poverty and are unstoppable in the face of incredible challenges.

Likewise, I believe Opportunity is unstoppable as our Board and our management team partner and move forward with a bold set of strategic initiatives. We will strengthen our global reach and impact for decades to come. We see a path forward with a unified vision, coordinated and dynamic fundraising, increased visibility for our cause and—most important—measurably increasing impact for our clients.

We are truly blessed in this mission and in the full richness of our partnerships.

Sincerely,

Mark A. Thompson
U.S. Chairman of the Board

Betty Mulooki at work in her sugarcane fields.
Opportunity has a proven track record in partnering with leading organizations and individuals in an array of sectors to provide our clients with the best possible services. For a full list of our partners, visit the online Annual Report at opportunity.org/report.

Similarly, our Governors and Ambassadors Council partner with us to unlock unlimited human potential through their generous support. For a list of Governors and Ambassadors, visit the online Annual Report at opportunity.org/report where you can learn even more through videos and additional images of our clients.

Strategic Partners

ACDI/VOCA
AfriCap
Bill & Melinda Gates Foundation
Blue Orchard Finance
Caterpillar Foundation
Citi Foundation
Conrad N. Hilton Foundation
Credit Suisse
Freeport-McMoRan Copper & Gold, Inc.
Goldman Sachs
Google, Inc.
Habitat for Humanity International
IDP Foundation, Inc.
Inter-American Development Bank (IADB)
International Finance Corporation (IFC)
International Fund for Agricultural Development (IFAD)
International Justice Mission (IJM)
John Deere Foundation
The MasterCard Foundation
Millennium Villages
Monsanto Company
Omidyar Network
Oracle
PIMCO
UN Capital Development Fund (UNCDF)
United States Agency for International Development (USAID)
UPS
Western Union
The World Bank
Opportunity International provides access to savings, small business loans, insurance and training to over 5 million people working their way out of poverty in the developing world. Clients in more than 20 countries use these financial services to start or expand a business, provide for their families, create jobs for their neighbors and build a safety net for the future. Opportunity International is a 501(c)(3) non-profit and serves all people regardless of race, religion, ethnicity or gender.

Around the world, Opportunity International empowers clients like Idalmis and her family in Albornoz, Colombia, to transform their lives. Read more online at opportunity.org/report.