



OPPORTUNITY
International

2019 ANNUAL REPORT



2019 GLOBAL OUTREACH

Serving **27** countries

Over **\$3B** released in loans to **7.1M** loan clients

95% of loan clients are women

12.3M families with savings

5.7M clients with digital bank accounts

1.95M children reached by our EduFinance services

6.4K schools financed

\$94M in capital released in education lending

\$15.5M in capital released in agricultural lending

A YEAR OF THRIVING

As we reflect on 2019, a banner year for outreach and impact, little did we know that our clients—families living in some of the most impoverished communities on the planet—would be so tragically impacted by COVID-19 in 2020. In the middle of business closures and lost incomes, with schools closed and children at risk, Opportunity's services have provided a critical safety net for millions of our clients. We are truly grateful to our supporters, partners, and staff for standing with our clients in their time of need. You are helping them go from surviving to thriving!

SERVICES

Opportunity clients gained access to services that would build incomes for parents and increase education for children

- **6,400 schools with 1.95M students** received financial services and training that has now become critical as they work to stay open during the pandemic
- **Digital accounts surpassed 5 million**, meaning rural and remote clients could access their accounts in their villages for the first time
- Our first **Opportunity Zone launched in Uganda**, designed to connect clients to both our education and agriculture services to expedite their journey out of poverty

Opportunity clients learned how to save and prepare for disaster

- **44% growth** in clients with savings accounts
- People saved more money when they received tailored, **automated voice messages** sent by Opportunity.

TRAINING

Opportunity clients learned ways to mitigate risk

- **Farmers** received training in crop diversification to respond to changing market demands
- School proprietors learned how to **manage cash flows**

Opportunity clients benefited from critical digital tools

- **Digital identification tools** and voice messaging were expanded for less literate clients
- Farmers received **videos** at their fingertips, translated into their local dialects, that shared best practices relevant to their crops
- A **Google classroom tool** was piloted in Nicaragua for remote learning

SUPPORT

Opportunity clients gained partners who stand by them during tough times

- **1,700 schools** joined clusters with other school leaders in the same region and shared best practices and plans for improving their schools
- **12,800 farmers** became connected to processors, buyers, and markets—making sure their crops made it all the way to the consumer
- Launched a network of **338 Farmer Support Agents**, who are skilled farmers in their community that support and train their peer farmers



NOTES TO FINANCIALS

By providing financial solutions, support, and training, Opportunity empowers people living in poverty to build sustainable incomes, educate their children, and escape generational poverty.

Opportunity's programs are financed through charitable donations, earned income from its banking operations, and from leveraging local funds provided by partner banks and other financial institutions. Opportunity implements its programs through a worldwide network of staff, branches, subsidiary banks and local nongovernmental organizations, as well as local Implementing Partners – commercial and nonprofit and microfinance institutions. We make grants, loans, and equity investments to our Implementing Members in 27 countries, which carry out these services. A portion of these funds is also used for fundraising and G&A activities.

The Consolidated Statement of Activities includes charitable revenue and expenses, as well as the consolidated results of the commercial banks where Opportunity is the majority owner. Non-government charitable support increased by 10% for the year. Revenue reduction of \$10.1 million, from 2018 to 2019, reflects our continued business model change from owning and operating banks to massively scaling philanthropic capital into loan capital through minority ownership and partnerships with local financial institutions. We expect this revenue reduction, as bank ownership comes off our balance sheet, to continue into FY20 and 21. It is to be noted that, simultaneously, the total capital deployed to serve the poor is growing by a factor of 12-15 times the philanthropic capital raised. **Yield to Program is 93% of total expenses.**

The Consolidated Statement of Financial Position includes the charitable assets and liabilities, as well as the assets and liabilities of the majority-owned banks.

Opportunity International's consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles and independently audited by KPMG LLP. The full audit report including schedule 2 Statement of Activities - Banking Operations may be viewed at opportunity.org/documents.

OPPORTUNITY INTERNATIONAL, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

| \$ in thousands | Year Ended Dec. 31 | |
|---|--------------------|-----------------|
| | 2019 | 2018 |
| REVENUE | | |
| Charitable support | \$ 22,857 | \$ 28,542 |
| Banking revenue | 51,533 | 55,884 |
| TOTAL REVENUE | 74,390 | 84,426 |
| YIELD TO PROGRAM | | |
| Charitable Yield to Program | | |
| Implementing partner operating expenses | 2,330 | 2,885 |
| Field program expenses | 16,774 | 18,674 |
| Total charitable yield to program | 19,104 | 21,559 |
| Banking Expenses | | |
| Interest | 10,338 | 11,284 |
| Provision for loan losses | 2,158 | 2,719 |
| Operating expenses | 33,283 | 36,813 |
| Total banking expenses | 45,779 | 50,816 |
| TOTAL YIELD TO PROGRAM | 64,883 | 72,375 |
| Fundraising expenses | 3,562 | 3,719 |
| General and administrative service expense | 1,512 | 2,255 |
| TOTAL EXPENSES | 69,957 | 78,349 |
| CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES | \$ 4,433 | \$ 6,077 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| \$ in thousands | Year Ended Dec. 31 | |
|---|--------------------|-------------------|
| | 2019 | 2018 |
| ASSETS | | |
| Charitable Assets | | |
| Cash and cash equivalents | \$ 10,755 | \$ 10,626 |
| Pledges receivable, net | 6,255 | 5,446 |
| Other assets | 3,543 | 4,716 |
| Investment in other institutions | 9,099 | 8,709 |
| Total charitable assets | 29,652 | 29,497 |
| Banking Assets | | |
| Assets of disposal group classified as held for sale | 217,388 | 242,741 |
| Total banking assets | 217,388 | 242,741 |
| TOTAL ASSETS | \$ 247,040 | \$ 272,238 |
| LIABILITIES AND NET ASSETS | | |
| Charitable Liabilities | | |
| Accounts payable and accrued liabilities | \$ 4,788 | \$ 5,108 |
| Notes payable | 12,545 | 14,733 |
| Total charitable liabilities | 17,333 | 19,841 |
| Banking Liabilities | | |
| Liabilities of disposal group classified as held for sale | 182,486 | 205,811 |
| Total banking liabilities | 182,486 | 205,811 |
| TOTAL LIABILITIES | 199,819 | 225,652 |
| Noncontrolling interest | 2,349 | 2,172 |
| TOTAL NET ASSETS | 44,872 | 44,414 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 247,040 | \$ 272,238 |

U.S. BOARD

Alana Aldag Ackerson
Chief People Officer
Figure Technologies

Kat y Assem
Chairman, Board of Directors
Opportunity International
Savings & Loan, Ghana

Viv Benjamin
CEO
Global & Collective

Susan Haigh
Former President and CEO
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John Hart
Vice Chairman
New York Private Bank & Trust

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Atul Tandon
Chief Executive Officer
Opportunity International

Ken Wathome
Chairman of the Board
NW Realite Ltd.,
Property One Ltd., Kenya

Mary and her daughters are members of the Nakivale Refugee Settlement in Uganda, which has 110,000 refugees and more new arrivals each week. She is part of a pilot program providing access to financial services and developing a market-based economy in refugee populations.

Photo by Kate Holt.

(Front Cover) A student eagerly enters her classroom in Ghana.



SPECIAL THANKS

Special thanks to our corporate and program partners for making an incredible impact on those living in poverty around the world: Agriculture Business Initiative, Amway, Barlow Foundation, Caterpillar Foundation, Chalkboard Education, Cisco Foundation, Chick-fil-A, Citibank, Credit Suisse Foundation, ELMA Foundation, ExxonMobil Foundation, Faulu Trust, Financial Sector Deepening Uganda, Food for the Hungry, Global Schools Forum, Google, Heart of cabi Foundation, Hope International, Instill Education, Inter-American Development Bank, John Deere, Kiva, Milliman, Oikocredit, Pentair Foundation, Toro Foundation, UBS Optimus Foundation, UPS Foundation, UNESCO, USAID, Vision Fund, and Water.org.

VISION

Our vision is a world in which all people have the opportunity to achieve a life free from poverty, with dignity and purpose.

MISSION

By providing financial solutions and training, we empower people living in poverty to transform their lives, their children's futures, and their communities.

MOTIVATION

We respond to Jesus Christ's call to love and serve the poor. We seek to emulate the Good Samaritan, whose compassion crossed ethnic groups and religions.



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give.org

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