



ANNUAL REPORT

2017



OPPORTUNITY
International
CANADA

LETTER FROM THE CEO



Dear Friends,

“Things are getting better,” wrote Swedish physician and statistician Hans Rosling in his 2018 book, *Factfulness*. Rosling believed the world is making remarkable progress and the latest World Bank figures on poverty support his thesis. In 1990, almost 31% of the world’s population was living in poverty and by 2015, this number had fallen to 10.7% (767 million people). We are on the road to ending poverty.

2017 was a banner year for Opportunity International Canada. Global Affairs Canada entered into a \$19.9 million partnership with us to promote **Financial Inclusion for Enterprise Development in Ghana**. The project will strive to serve 18,000 Small and Medium Enterprise clients (SME) to create 50,000 jobs that will impact 200,000 indirect people over the next 4 years.

Education Finance continued to pioneer new solutions. By the end of 2017, Opportunity globally reached 2.3 million children in 14 countries. Opportunity Canada partnered specifically in the Dominican Republic and India.

Our **“Least of These” (LOT) Education Program** in the Dominican Republic moved beyond the pilot phase; **Rotary** continues to partner with us in Honduras; we developed a formal Implementing Partner relationship with the **Investing Hope Foundation** in Colombia; and we continue to grow our programs in Bihar, **India**.

Closer to home, in 2017 our Opportunity International Canada family welcomed John Mach and Crae Garrett to our Board of Directors, and Cathy Fraser and Colleen Goldberg to our staff. A heartfelt thanks goes out to our inspiring Board of Directors who are a pleasure to work with. We also thank departing Board members Bill Watson and Rod Wilkinson for their service and dedication, and especially want to recognize Bob Lawless for his outstanding commitment and leadership as our former Board Chair.

Finally, I want to extend my deepest gratitude to our committed, energetic and professional staff and our matchless, tireless volunteers, whose service and efforts are demonstrated on the following pages.

It is an exciting time to be working in microfinance to end world poverty. We empower without enabling unhealthy habits. And none of it would be possible without our generous donors who work and believe and hope right along with us. Thank you for your support.

Thank you on behalf of the 767 million we are trying to reach. Thank you for having the compassion to see they are not just a number. They are mothers and fathers and children with names and stories — and they deserve a chance to live lives free from the bonds of poverty.

A handwritten signature in blue ink that reads "Dale Patterson". The signature is fluid and cursive, written over a light blue rectangular background.

Dale Patterson

President/CEO, Opportunity International Canada

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. We serve all people regardless of race, faith, ethnicity and gender.

BOARD 2017

OPPORTUNITY INTERNATIONAL CANADA BOARD

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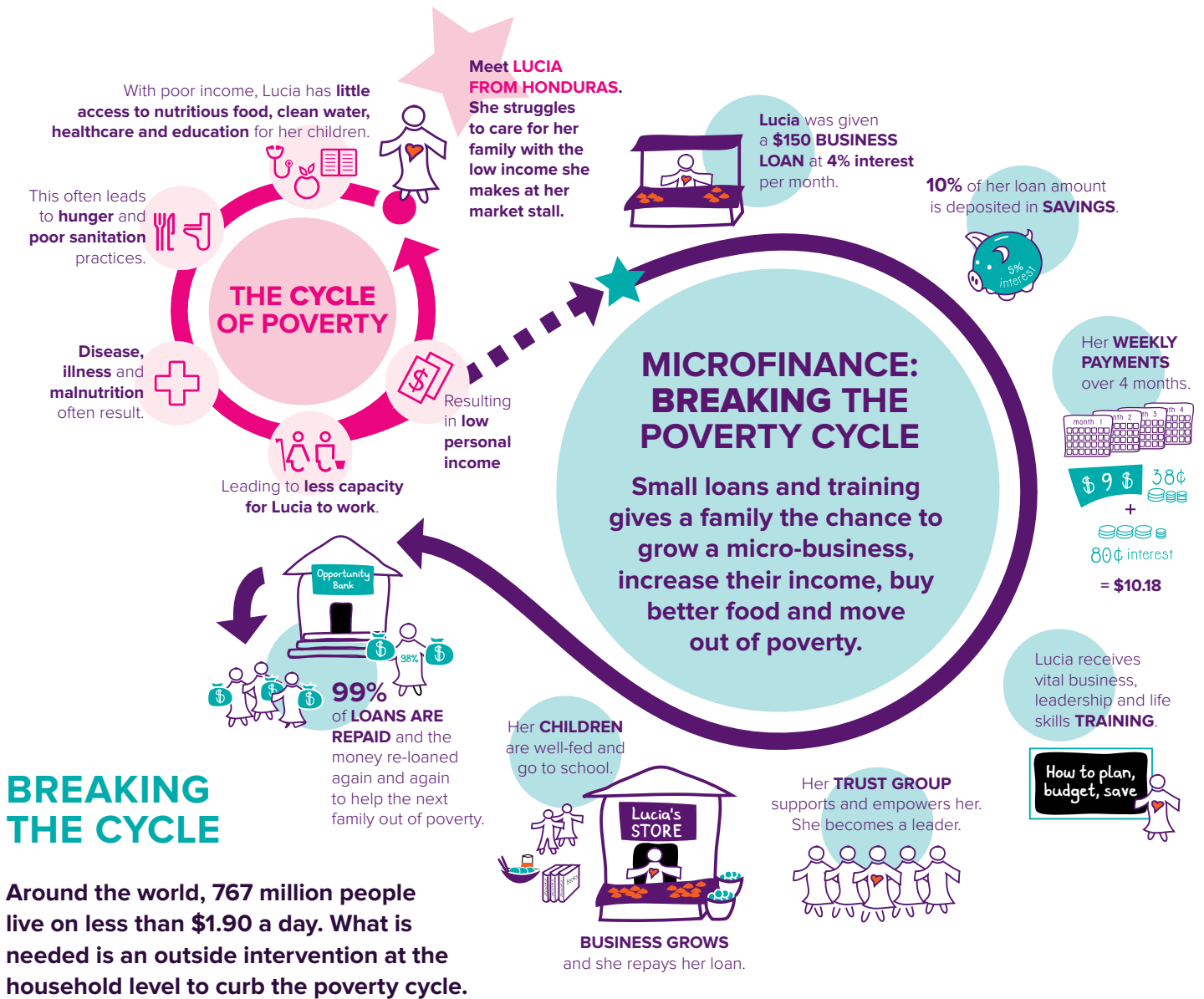


CLIENT STORY

Living in Bihar, India's poorest state, **Saleha's family** struggled to survive on \$2.30 per day. When Opportunity International came to their village, Saleha and her husband received training and a small loan to begin a construction business. Within months, their daily income had increased to over \$6.00 and they were employing seven others. Saleha also became a community health facilitator, teaching healthcare and household sanitation. She helped start 80 health savings groups, empowering families to save for health emergencies. Now that she has escaped the cycle of poverty, Saleha is determined to show others the way out.

OVERVIEW

MICROFINANCE 101



BREAKING THE CYCLE

Around the world, 767 million people live on less than \$1.90 a day. What is needed is an outside intervention at the household level to curb the poverty cycle.

A SUSTAINABLE INTERVENTION

Because microfinance revolves around the concept of loans repaid, not hand-outs, it is one of the few remedies for poverty that can be **self-sustaining**.

The poor in the developing world work hard. Opportunity International has found that if we provide them with the tools to succeed in their own enterprises, they respond with staggering zeal: we serve **9.4 million microentrepreneurs in 21 countries; they have a 99% loan repayment rate.**

GLOBAL IMPACT 2017

OPPORTUNITY INTERNATIONAL

9.4M CLIENTS
IN 21 COUNTRIES

\$2.46 BILLION
LOANED IN 2017

99% REPAYMENT RATE
4.4M clients with INSURANCE

\$350 AVERAGE FIRST TIME LOAN
85% OF CLIENTS ARE **WOMEN**

5.9M savings account clients with combined **\$285 MILLION IN DEPOSITS**

\$199 average savings account balance

2.3M CHILDREN impacted by EduFinance since 2008
3.7 MILLION clients registered for digital banking;
330,000 NEW IN 2017

In 2017, Opportunity provided microfinance services in:

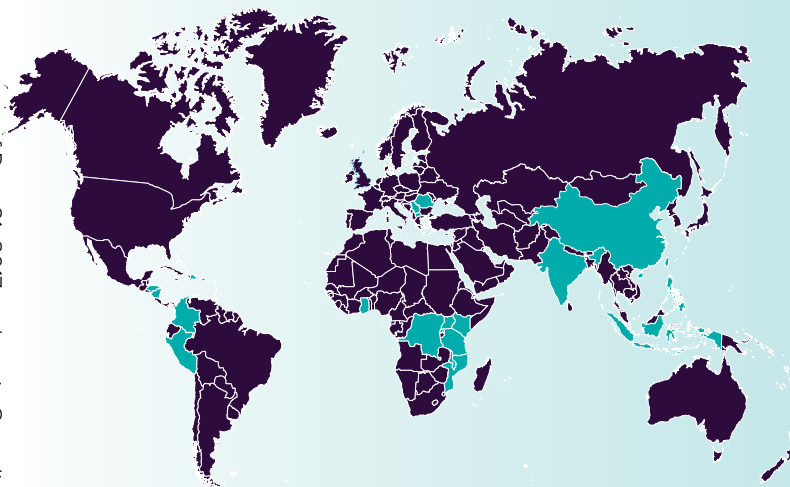
- China
- Colombia
- Democratic Republic of Congo
- Dominican Republic
- Ghana
- Haiti
- Honduras
- India
- Indonesia
- Kenya
- Malawi
- Mozambique
- Nicaragua
- Philippines
- Peru
- Romania
- Rwanda
- Serbia
- Tanzania
- Uganda
- Zimbabwe

• Opportunity International Canada focuses on working in these countries

Opportunity International has Support Members in:

- Australia
- Canada
- Germany
- United Kingdom
- United States

(Figures are as of Dec. 31, 2017 and are in Canadian dollars.)



MICROFINANCE PLUS+

A MULTI-PRONGED APPROACH TO POVERTY

Opportunity International's goal is the same in 2017 as it was when we started in 1971 – **to pioneer smart solutions to the challenge of poverty**. Poverty is complex and economic freedom is only *part* of the solution. Listening carefully to clients, Opportunity International is using a multi-pronged approach to address the most urgent issues affecting the poor:



CLIENT STORY

Jose runs a pharmacy. Two years ago, he also became an Opportunity International Point Of Sale representative. POS locations allow Opportunity partners to serve in poor areas without the expense of a fully serviced office. Clients can come to Jose's pharmacy to repay loans and make deposits. Each time he reaches \$2,600 in deposits, Jose travels an hour into the capital to deposit it at the Coop-ASPIRE Bank. "This isn't about me. It helps my community," he says.



CLIENT STORY

Aira teaches fourth grade at Colegio Cristiana Berea. Her school has 325 students who pay \$87 per month to attend. Recently Aira attended training provided by Opportunity International's partner on inclusive education for kids with special needs. She now has three special needs students in her class, and feels confident using drama, art, and other creative methods to teach them. "I learned that these kids can do things. They aren't limited," she says.

PROJECT UPDATES

OPPORTUNITY INTERNATIONAL CANADA

COLOMBIA

Partners: AGAPE (training); OICCF (financial services); Investing Hope Foundation (IHF)

Microfinance Plus+: Water Sanitation training; Youth Financial Literacy

Opportunity International has been working in Colombia for almost 47 years. In fact, the first Opportunity loan in 1971 was given by a Canadian in Colombia. 2017 projects included:

LOANS, SAVINGS AND TRAINING TO
1,226 MICROENTREPRENEURS
in Bogotá, Cartagena and Carmen de Bolivar through a partnership with Opportunity UK, AGAPE and OICCF.

Water Sanitation Hygiene (WASH) Training Curriculum was developed with the *Canadian Association for Participatory Development*.

167 CLIENTS UNDERTOOK WASH TRAINING, improving the health of entire families.

Youth Financial Literacy: By training marginalized youth and their families how to manage their money through savings groups, Canadians and IHF are helping over

2,000 PEOPLE ACHIEVE LONG-TERM FINANCIAL RESILIENCY.

NICARAGUA

Partner: ASODENIC

Microfinance Plus+: Health Clinic partnerships; Literacy Training

Opportunity's partner in Nicaragua, ASODENIC, has provided global leadership in the provision of holistic microfinance services for over 22 years. In 2017, Opportunity Canada focused on funding microfinance services in rural Jinotega:

240 Jinotega microentrepreneurs received loans and training through Trust Group and Solidarity Group loans.

Health Care partnerships were established: a local doctor and medical students offered health clinics to clients focusing on disease prevention. An optometrist also provided clients with access to DISCOUNTED EYES EXAMS AND GLASSES.

LITERACY TRAINING WAS MADE AVAILABLE TO **20** clients unable to read and write through a partnership with the Nicaraguan government.



CLIENT STORY

Veronica and her husband were raising four children in a leaky home of plywood and plastic when they first received a loan from Opportunity International to build wooden hot dog carts. Veronica was nervous about their \$67 loan. Fast forward 17 years, and Veronica is on her 13th loan cycle, working to repay a \$1,000 loan. She and her husband run 3 hot dog carts made of stainless steel and employ one other person. Their two oldest children also run their own businesses. "Because someone had confidence in me, I had confidence to grow my business," Veronica says. "All that I've achieved – is because of opportunity."

DOMINICAN REPUBLIC

Partners: ASPIRE and Co-Op ASPIRE

Microfinance Plus+: School Improvement Loans; Special Education Grants

Opportunity has been working in the Dominican Republic (DR) for 34 years. Recognizing the vital role education plays in fighting poverty, in 2014, our Dominican partners developed a School Improvement Loan. Cumulatively, 600 schools and 90,000 students have benefited. Last year, EduFinance clients (school principals) sought help meeting mandates for inclusive education for children with special needs. In response, Canadian donors supported a study identifying inclusive education opportunities.

ASPIRE RAN TWO AWARENESS CAMPAIGNS

identifying **FIVE SCHOOLS** interested in becoming model pilot schools for children with special needs. Building accessibility alterations have started in two schools.

Training for parents, teachers and communities has begun and will be the key to long-term success since there are few resources for special education in the DR.

18 SCHOLARSHIPS HAVE BEEN CREATED Impoverished parents of children with special needs use their meagre resources for food and medicines, leaving little for education.

A SPECIAL EDUCATIONAL CONSULTANT trained in the US has been hired to lead the initiative and provide specialized teacher training.

HONDURAS

Partner: IDH

Microfinance Plus+: Mobile Banking; remittances; lines of credit; term deposits.

With 63.8% of the population living below the national poverty line, Honduras has been a focus of Opportunity International programs for over 43 years. In 2017, the nation was further rocked by political crisis. Seeking both impact and sustainability, Opportunity International's partner targeted Small to Medium Enterprise (SME) clients as, on average, they employ three others. It's a strategy that's working: IDH ranks first among 27 microfinance organizations in Honduras. In partnership with private donors and **Rotary Clubs in both Canada and Honduras**, in 2017, Opportunity International Canada focused on:

Funding a Management Information System

empowering IDH to become a regulated financial institution, allowing a greater range of services to more clients in years to come.

benefiting **2,800** CLIENTS, GENERATING OVER **7,000** JOBS, AND IMPACTING ALMOST **14,000** family members.

ESTABLISHING OPERATIONS IN **SAN PEDRO SULA, SANTA BARBARA, QUIMISTAN AND LA CEIBA.**



CLIENT STORY

Eleven years ago, **Gloria** purchased a bag of tamarind, made a batch of juice and a business was born. Each morning, she and her husband Miguel go to the market to buy fruit, then, with their two employees, use two small blenders to combine fruit, sugar and water to make 10 different flavors of juice. They produce close to 100 gallons per day. With their first Opportunity International loan, they bought a truck to offer juice delivery. Today they have a growing savings account and are dreaming of opening a restaurant.

GHANA

Partners: Global Affairs Canada, Sinapi Aba Trust / Savings & Loans

Microfinance Plus+: Agricultural Finance, Education Finance, Water Sanitation training, networking events, Womens' Small Medium Enterprise conferences, industry research

Opportunity International Canada has partnered with the Canadian government (Global Affairs Canada) in microfinance projects five times over the last 20 years. In 2017, we began our largest project to promote Financial Inclusion for Enterprise Development (FINEDEV) in Ghana. A four-year venture (\$19.9M project), FINEDEV aims to increase access to financial services and business training for SME clients in Ghana, especially women.

Serving **18,000** clients
WITH SMALL LOANS AND TRAINING.

CREATING OR SUSTAINING
50,000 JOBS.

Impacting **200,000**
FAMILY MEMBERS in a way that is
sustainable, innovative, and inclusive.

INDIA

Partners: Opportunity International Australia, Cashpor, Healing Fields Foundation

Microfinance Plus+: Pensions, Microinsurance, Community Health programs, Toilet and Safe Water Pump loans

Currently, Opportunity International serves over 3 million families in India through 14 partners. The average loan is just CDN\$70. In 2017, Opportunity International Canada partnered with Opportunity International Australia to spearhead a project in the poorest state of Bihar using microfinance as a platform to deliver basic services. This partnership will:

PROVIDE 186,000 LOANS AND 35,000 SAVINGS ACCOUNTS
to women entrepreneurs in Bihar.

Scale up a Community Health
Leader program training

735 CLIENTS

to deliver health education in their communities. Currently, 79% of households in Bihar practice open defecation and rely on unsafe water supplies, unaware of the link between health and hygiene.

PROVIDE
150,000
FAMILIES
INCREASED
ACCESS TO
CLEAN WATER PUMPS AND TOILETS BY PROVIDING
\$100 TOILET
LOANS.

CLIENT STORY

When her third daughter was born with special needs, **Sabrena** had one thought: Who will teach her? The former banker and teacher decided to be the answer to her own question. In 2015, with just two students, Sabrena opened Dayspring Community School. Within 3 months, she had 15 students. A few months later, 30. A year later, she applied for an Opportunity International loan to grow her school from one classroom to a two-storey building. Today Sabrena has 99 students, 18 employees, and her dream for her daughter has helped transformed her whole community.



2017 FINANCIAL STATEMENTS

You and Opportunity

Because microfinance is based on smart economics, when you donate to Opportunity International, you are empowering successive waves of microentrepreneurs a chance to take their first step out of the poverty cycle:



A DONATION IS RECEIVED

By giving small loans and training instead of hand-outs, we ensure every dollar donated is reused in perpetuity.



FUNDS ARE LEVERAGED

Once received, donations can be leveraged through grants or matching funds in Canada, then leveraged *again* by partners on the field; the combined funds available to more families, growing the impact of your initial donation.



FUNDS ARE RECYCLED

Opportunity International has a repayment rate of 99%. Repaid loans are recycled and disbursed to the next family. **Over 5 years, the value of every \$1 donated grows to \$6.**

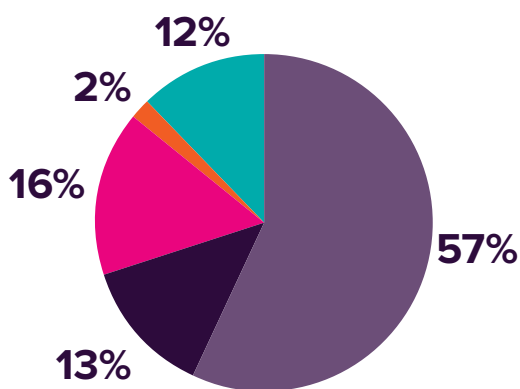


IMPACT IS INCREASED

As loan clients grow their business, their profits have a ripple effect: their quality of life improves and they start employing others – creating jobs and boosting the local economy.

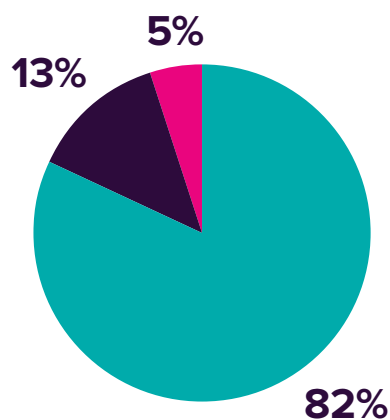
DISBURSEMENTS TO INTERNATIONAL PROGRAMS OF \$1.9M FROM PRIVATE DONOR FUNDING

(Excludes Global Affairs Funding)



HOW THE FUNDS ARE SPENT TOTAL EXPENDITURES – \$6.8M

(Includes Global Affairs Funding)



Summarized Statement of Revenue and Expenditures *

Year ended December 31, 2017, with comparative figures for 2016

REVENUE			2017		2016
Donations, events and other	A	\$	3,639,569	\$	8,099,735
Grants	B		5,300,982		374,117
Total revenue		\$	8,940,551	\$	8,473,852
EXPENDITURES					
Programs (2017 – 82%)					
International programs	C	\$	4,928,799	\$	6,487,613
Education and public awareness			248,673		220,731
Program research, monitoring and oversight			439,298		385,262
Fundraising (2017 – 13%)			861,098		843,911
Administration (2017 – 5%)			347,700		344,838
Total expenditures		\$	6,825,568	\$	8,282,355
Excess of revenue over expenditures		\$	2,114,983	\$	191,497

THANK YOU

The mission of Opportunity International Canada could not continue without your gifts of time and financial resources. We are grateful for your support and trust you have enjoyed seeing the impact your gifts have had through our client stories. The financial numbers found on the top of this page also tell a wonderful story. Here are some notes to guide you through:

- Our revenue totaling \$8.9M in 2017 (\$8.5M in 2016) comes from Canadian individual and institutional donors, private foundations, charities and technical grants. The strength of our ministry is rooted in our generous donors who faithfully gave \$3.6M in 2017 and \$3.4M in 2016. In 2016, we also received \$4.7M from The MasterCard Foundation for the Africa Growth and Innovations Project which brought the 2016 balance for this revenue category to \$8.1M.
- In 2017, we were thrilled to receive a four-year grant totaling \$20M from Global Affairs Canada (GAC) for the Financial Inclusion for Enterprise Development Project in Ghana (see page 8), the first \$5M of which was received this year. The remaining funding of \$301K and \$374K received in 2017 and 2016 respectively was from The Rotary Club of Calgary West for the Honduras Economic Development Project (see page 7).
- Our unique and innovative programming is highlighted in our international disbursements (\$4.9M in 2017 and \$6.5M in 2016). We have continued to focus on our foundational programs, disbursing a total of \$1.9M (2016 – \$2.1M) to EduFinance, Microfinance Operations, Loan Funds, Training and Transformation. (see pie chart)

The \$1.6M decrease in disbursements results from our new partnership with GAC. Our GAC Project has a fiscal year of April 1 to March 31, which corresponds with the Federal Government's year-end of March 31. The \$5M grant was received in OIC's 2017 year, however, the Year 1 Project activities will not be completed until March 31, 2018. \$3.3M has been expended on program activities (both in Canada – \$0.3M and in Ghana – \$3M) during 2017, with the remaining \$1.7M to be expended in 2018. The \$2.1M excess of revenue over expenditures contains the GAC Project funds held on reserve.

We trust you have enjoyed this Annual Report and have been able to get a sense of the impact your donations have made.

* Please visit opportunityinternational.ca for the complete Audited Financial Statements for the Year Ended December 31, 2017.



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Opportunity International provides access to savings, small business loans, insurance and training to millions of 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 neighbours and build a safety net for the future. Opportunity International is a registered charity and serves all people regardless of race, religion, ethnicity or gender.

Opportunity International Canada is a registered Canadian charity #877516385RR0001.



CLIENT STORY

After meeting together every week for the last 8 years through 17 loan cycles, the women of the **New Dawn Trust Group** are very close. Their President-elect, Sandra, is their group-motivator, reminding everyone when loan payments are due and encouraging them to persevere. Industrious and creative, most women run two micro-businesses. Sandra has a hot dog cart and sells plantain chips; Maria offers grilled chicken sticks by the side of the road at two locations. Ana has a corn mill and a moto-taxi, but also sells pancakes and apple fritters. “Our loans have not only built our businesses, but our families and our homes,” says group-member Gloria.

In order to protect the privacy of all our clients, we have recognized them by their first names only.