

Financial Statements of

**OPPORTUNITY INTERNATIONAL
CANADA/OPPORTUNITÉ
INTERNATIONALE CANADA**

And Independent Auditor's Report thereon

Year ended June 30, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Opportunity
International Canada/Opportunité Internationale Canada

Opinion

We have audited the financial statements of Opportunity International Canada/Opportunité Internationale Canada (the Entity), which comprise:

- the statement of financial position as at June 30, 2025
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Matter - Comparative information

We were not engaged to report on the comparative information presented in these financial statements, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 2, 2025

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Financial Position

June 30, 2025, with comparative information for 2024

			2025	2024
	Unrestricted	Restricted	Total	Total
Assets				
Current assets:				
Cash (note 3)	\$ 390,728	\$ 390,945	\$ 781,673	\$ 1,903,555
Short-term investment (note 4)	—	300,000	300,000	475,000
Portfolio investments, at fair market value (note 5)	—	732,863	732,863	670,239
Accounts receivable	45,868	—	45,868	54,482
Prepaid expenses	27,086	—	27,086	40,556
	463,682	1,423,808	1,887,490	3,143,832
Other receivable (note 6)	—	274,654	274,654	276,562
Loans receivable (note 7)	—	5,596,316	5,596,316	2,824,527
Investments (note 4)	—	1,581,082	1,581,082	1,581,082
	\$ 463,682	\$ 8,875,860	\$ 9,339,542	\$ 7,826,003

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 230,893	\$ 31,118	\$ 262,011	\$ 202,339
Deferred revenue	—	—	—	175,000
Other loans payable (note 8)	—	—	—	71,215
	230,893	31,118	262,011	448,554
Loan payable (note 3)	—	2,000,000	2,000,000	—
Fund balances	232,789	6,844,742	7,077,531	7,377,449
	\$ 463,682	\$ 8,875,860	\$ 9,339,542	\$ 7,826,003

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Operations

Year ended June 30, 2025, with comparative information for 2024

			2025	2024
	Unrestricted	Restricted	Total	Total
Revenue:				
Donations and events	\$ 2,056,554	\$ 2,991,110	\$ 5,047,664	\$ 4,679,187
Government grants (note 3)	80,314	1,170,100	1,250,414	—
Gift in kind donations	5,709	—	5,709	—
Interest and investment	86,843	57,789	144,632	136,621
Other	22,899	3,576	26,475	198,224
	2,252,319	4,222,575	6,474,894	5,014,032
Expenses:				
Disbursement to international programs:				
Microfinance operations and expansion (note 2)	33,384	2,563,844	2,597,228	2,628,388
Government programs (note 3)	—	879,424	879,424	—
Education and public awareness (note 10)	541,051	144,352	685,403	654,734
Canadian programs:				
Program monitoring and oversight (note 10)	746,784	79,247	826,031	687,513
Government programs (note 3)	—	124,946	124,946	—
	1,321,219	3,791,813	5,113,032	3,970,635
Canadian management:				
Philanthropy (note 10)	840,523	144,352	984,875	783,739
General and administrative	484,436	192,469	676,905	655,970
	1,324,959	336,821	1,661,780	1,439,709
	2,646,178	4,128,634	6,774,812	5,410,344
Excess (deficiency) of revenue over expenses	\$ (393,859)	\$ 93,941	\$ (299,918)	\$ (396,312)

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Changes in Fund Balances

Year ended June 30, 2025, with comparative information for 2024

2025	Unrestricted	Restricted	Total
Fund balances, beginning of year	\$ 626,648	\$ 6,750,801	\$ 7,377,449
Excess (deficiency) of revenue over expenses	(393,859)	93,941	(299,918)
Fund balances, end of year	\$ 232,789	\$ 6,844,742	\$ 7,077,531

2024	Unrestricted	Restricted	Total
Fund balances, beginning of year	\$ 793,195	\$ 6,980,566	\$ 7,773,761
Deficiency of revenue over expenses over expenses	(166,547)	(229,765)	(396,312)
Fund balances, end of year	\$ 626,648	\$ 6,750,801	\$ 7,377,449

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Cash Flows

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (299,918)	\$ (396,312)
Items not involving cash:		
Unrealized gain on portfolio investments	(37,737)	(53,467)
Unrealized gain on loans receivable	(4,633)	(137,864)
Loss on loan guarantee fund	—	16,433
Change in non-cash operating working capital:		
Accounts receivable	8,614	8,271
Prepaid expenses	13,470	(5,788)
Other receivable	1,908	(50,169)
Accounts payable and accrued liabilities	59,672	85,529
Deferred revenue	(175,000)	168,102
	(433,624)	(365,265)
Financing activities:		
Repayment of other loans payable	(71,215)	—
Proceeds from loan payable	2,000,000	—
	1,928,785	—
Investing activities:		
Sale (purchase) of short-term investment	175,000	(225,000)
Purchase of portfolio investments, net	(24,887)	(980)
Advance of loans receivable	(2,767,156)	(324,406)
Collection of loans receivable	—	987,526
Proceeds on sale of investment	—	64,615
	(2,617,043)	501,755
Increase (decrease) in cash	(1,121,882)	136,490
Cash, beginning of year	1,903,555	1,767,065
Cash, end of year	\$ 781,673	\$ 1,903,555

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements

Year ended June 30, 2025

Opportunity International Canada/Opportunité Internationale Canada (the "Organization") is a not-for-profit organization and is motivated by the call of Jesus to serve the poor through the development and advocacy of microfinance and financial literacy programs. The Organization, in conjunction with Opportunity International, provides microfinance services, including lending, savings, insurance and transformational training to people in need. Over the past decade, Opportunity International has grown to include numerous financial institutions and non-governmental organizations partners (the "Implementing Partners").

The Organization is incorporated without share capital. The Organization was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act effective July 8, 2014. The Organization is registered under the Income Tax Act (Canada) (the "Act") effective January 1, 1998 and, as such, is exempt from Canadian income taxes and is able to issue donation receipts for income tax purposes under registration number 87751 6385 RR0001. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Opportunity International Canada Foundation (the "Foundation") was a not-for-profit organization incorporated without share capital. The Foundation was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act effective June 30, 2014.

Effective July 1, 2024, the Organization amalgamated with the Foundation and adopted the financial year end of June 30. The purpose of the amalgamation was to realize operational efficiencies.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Restricted fund accounting:

The Organization follows the restricted fund method of accounting for contributions. It ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

- (i) The unrestricted fund reports resources available for the Organization's general operating activities.
- (ii) The restricted fund reports resources that are to be used for specific purposes, as specified by the donor. Donors may specify the identity of the particular geographical area of interest or the particular financial institution to be supported or invested in. The restricted fund reports designated donations and expenses associated with the programs in Latin America (Colombia, Dominican Republic, Haiti, Honduras, Nicaragua), Asia (India, Nepal, Bangladesh), and Africa (Malawi, Ghana, Uganda).

The restricted fund also includes an operating reserve established to ensure the stability of the mission, programs, employment and ongoing operations of the Organization.

The restricted fund also includes the Robert Struthers Memorial fund that consists of contributions that are required by the donor to be maintained by the Organization for a term of at least 20 years. Annually, the donor will provide direction to the Organization to distribute a minimum of 5% of the fund to support an Opportunity International development project.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(b) Revenue recognition:

Unrestricted contributions are recognized as revenue of the unrestricted fund in the period received or receivable, if the amounts can be reasonably estimated and collection is reasonably assured. All unrestricted contributions are considered to be available for general use unless specifically restricted by the donor.

Restricted contributions, including grants, are recognized as revenue of the appropriate restricted project fund when received or receivable, if the amounts can be reasonably estimated and collection is reasonably assured.

The recognition of gift in kind ("GIK") donations are valued at fair market value. GIK are recorded as revenue at the time the Organization takes possession or constructive title of the contributed goods.

Interest and investment income is recognized when earned.

(c) Volunteer services:

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to measure the value of these services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the period, if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Foreign currency:

Financial instruments held in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the statement of financial position date. Revenue and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

1. Significant accounting policies (continued):

(f) Allocation of expenses:

Expenses are recorded and reported by Canadian programs and Canadian management. Certain employees perform a combination of Canadian program, philanthropy and administrative activities; as a result, salaries are allocated based on time dedicated to the activity. Other general and administrative expenses, including executive office, information technology, human resources and finance, have been allocated based on the level of benefit received by the Canadian programs. Such allocations are reviewed annually, updated and applied on a prospective basis.

A percentage of restricted funds received are retained by the Organization to assist with philanthropy and other general and administrative expenses. This percentage is reviewed annually, and applied on a prospective basis.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may vary from these estimates.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Microfinance operations and expansion:

The Organization enters into contracts for services with local Implementing Partners in various countries. Payments made under these contracts for services are allocated between four project support areas: infrastructure, staff training, operating expenses and seed funding for microfinance loan portfolios. In order to provide a degree of stewardship and monitoring over these contracts, the service payments advanced to the Implementing Partners to fund their microfinance loan portfolios may be refundable to the Organization on termination of the service contract.

It is the charitable purpose and business intent of the Organization to have the funds advanced to an Implementing Partner's microfinance loan portfolio remaining in the project country. Accordingly, it is the policy of the Organization to record service contract payments for all project support areas, including seed funding for microfinance loan portfolios, as an expense in the period the payments are advanced.

As a result, no microfinance loan portfolio receivables from the Implementing Partners are included in the statement of financial position of the Organization as at June 30, 2025.

The contract payments are included as expenses in microfinance operations and expansion in the statement of operations.

The commitments of the Organization outlined in the contracts are dependent upon the Organization receiving sufficient donor funds to meet any potential funding commitments, as well as being dependent on the project Implementing Partners meeting the benchmarks outlined in the contracts for services. As a result, due to the uncertainty of the Organization advancing funds to its Implementing Partners, no future commitments for contract service payments are included in the financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

3. Partnership with Global Affairs Canada ("GAC"):

(a) Climate Resilient Livelihoods for Women in Northern Ghana (the "Climb Project")

During the year, the Organization entered into a contribution agreement with GAC for a project entitled the Climb Project. The agreement includes non-repayable contributions of up to \$7,475,549, and conditionally repayable contributions of up to \$5,000,000. The Climb Project aims to use a loan portfolio fund, in partnership with the local implementing partner, to mobilize private sector resources and expertise into climate-smart agriculture for women. In addition to responding to the needs of women farmers, the project will contribute to Canada's commitments to improving adaptation to climate change in Ghana.

The Climb Project will be implemented over a five-year period in five regions of northern Ghana. For the year ended June 30, 2025, the Organization received \$2,000,000 of conditionally repayable contributions, and \$749,595 of non-repayable contributions. The repayable contributions do not bear interest, and the total amount repayable is based on the Ghanaian Cedi foreign exchange rate when the loans are disbursed to the implementing partner, and subjected to other specific terms and conditions pursuant to the agreement. The loan is due no later than July 30, 2029, or 60 days before expiry of the project. As part of the agreement, the Organization is committed to contribute \$375,000 to the Climb Project.

Included in restricted cash is \$163,921 related to the Climb Project.

(b) We Care South Asia (the "WeCare Project")

During the year, the Organization entered into a contribution agreement with GAC for a project entitled the WeCare Project. The agreement includes contributions of up to \$8,418,000. The WeCare Project aims to improve the health and resilience of vulnerable households, particularly women and girls, in India, Bangladesh, and Nepal. The WeCare Project ends on March 31, 2030.

For the year ended June 30, 2025, the Organization received \$500,819 of contributions. As part of the agreement, the Organization is committed to contribute \$731,636 to the WeCare Project.

Included in restricted cash is \$99,631 related to the WeCare Project.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

4. Investments:

(a) Short-term investment:

The short-term investment consists of one (2024 - two) cashable guaranteed investment certificate of \$300,000 (2024 - \$475,000), bearing interest at 2.7% (2024 - 4.10% and 4.20%) and maturity date of March 20, 2026 (2024 - March 20, 2025 and June 24, 2025).

(b) Long-term investment:

Long-term investments are carried at cost as there is no active market for these shares.

	2025	2024
Opportunity Bank Uganda Limited ("OBUL"):		
13,128,117 shares in OBUL (2024 - 13,128,117), valued at 200 Ugandan Shillings per share	\$ 879,306	\$ 879,306
Opportunity International Savings and Loans, Ltd. ("OISL"):		
11,794,670 shares in OISL (2024 - 11,794,670), valued at 0.10 Ghana Cedis per share	320,108	320,108
Cooperativa de Ahorro, Credito y Servicios Multiples Aspire, Inc. ("CoopASPIRE"):		
166,667 membership units in CoopASPIRE (2024 - 166,667), valued at 100 Dominican Pesos per unit	381,668	381,668
	<u>\$ 1,581,082</u>	<u>\$ 1,581,082</u>

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

5. Portfolio investments, at fair market value:

	2025		2024	
	Cost value	Market value	Cost value	Market value
Mutual fund:				
Balanced	\$ 100,000	\$ 104,432	\$ 100,000	\$ 100,339
Equity and alternatives:				
Canadian equity	172,886	228,009	164,164	\$ 186,650
Global equity	187,607	210,988	172,526	200,187
Global alternatives	28,242	30,013	27,295	27,712
Fixed income:				
Canadian	57,553	60,691	60,909	62,681
Global	102,154	98,730	98,661	92,670
	\$ 648,442	\$ 732,863	\$ 623,555	\$ 670,239

Included in portfolio investment is units purchased in a balanced mutual fund of \$104,432 (2024 - \$100,339) as part of the Robert Struthers Memorial Fund.

6. Other receivables:

Other receivables consist of amounts receivable from CoopASPIRE. The amounts are denominated in Dominican Pesos and are unsecured.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

7. Loans receivable:

	2025	2024
Instituto Para El Desarrollo Hondureno:		
Unsecured loan receivable denominated in U.S. dollars, three-year term with no principal payments, interest at a rate of 3% and paid quarterly. in U.S dollars, with balance due in December 2026	\$ 1,369,100	\$ 1,370,700
Asociación de Oportunidad y Desarrollo Económico de Nicaragua:		
Unsecured loan receivable denominated in U.S. dollars, five-year term with no principal payments, interest at a rate of 3% and paid semi-annually in U.S. dollars, with balance due in September 2028.	1,515,116	990,927
Provision for uncollectible loans receivable. Due to the current political uncertainty, management has recorded a provision against these loans	(341,250)	(341,250)
Sinapi Aba Trust:		
Unsecured loan receivable denominated in U.S. dollars, three-year term with no principal payments, interest at a rate of 3% and paid quarterly in U.S. dollars, with balance due January 2028	547,640	548,280
Unsecured loan receivable denominated in U.S. dollars, three-year term with no principal payments, interest at a rate of 3% and paid semi-annually in U.S. dollars, with balance due in February 2026	136,910	137,070
Unsecured loan receivable denominated in Ghanaian Cedis, two-year term with no principal payments, interest at a rate of 3% and paid semi-annually in Ghanaian Cedis, with balance due in June 2026	37,430	37,450
Unsecured loan receivable denominated in Ghanaian Cedis, three-year term with no principal payments, interest at a rate of 3% and paid semi-annually in Ghanaian Cedis, with balance due in June 2028	81,370	81,350
Unsecured loan receivable denominated in Ghanaian Cedis, five-year term with no principal payments, interest at a rate of 3% and paid semi-annually in Ghanaian Cedis, with balance due in June 2030	250,000	—
Unsecured loan receivable denominated in Ghanaian Cedis, with no principal payments, interest at a rate of 3% and paid annually in Ghanaian Cedis, with balance due in September 2030	2,000,000	—
	\$ 5,596,316	\$ 2,824,527

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

8. Loans payable:

During 2022, the Organization borrowed \$34,000 from Flourish Financial Inc., a non-profit organization established to lend capital to small and growing businesses anywhere in the world. This loan bears interest at 2% per annum payable annually on the 1st day of January. During 2023, the Organization borrowed an additional \$37,215. This loan bears interest at 2% per annum payable annually on the 1st day of January. The loans were repaid in full in December 2024.

9. Financial risks:

It is management's opinion that the Organization is exposed to the following risks in respect of certain financial instruments held. There has been no change in risk exposure from the prior year.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The loans receivable from Implementing Partners are subject to interest rate risk as the interest rate associated with this loan is fixed while market interest rates can fluctuate. The Organization does not manage its exposure to this interest rate risk.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

9. Financial risks (continued):

(b) Currency risk:

The Organization is exposed to foreign exchange risks arising from foreign currency-denominated financial instruments due to normal fluctuations in the prevailing exchange rate. In the normal course of operations, the Organization uses U.S. dollars as the denominated currency. As at June 30, 2025, the financial instruments denominated in U.S. dollars are as follows:

	2025	2024
	(in U.S. dollars)	
Cash	\$ 93,503	\$ 356,950
Loans receivable	2,876,228	2,225,000
Long-term investments	926,668	1,226,668

In addition to the above, the Organization has loans receivable and a loan payable denominated in Ghanaian Cedi ("GHS"), and other receivables denominated in Dominican Peso. As at June 30, 2025, loans receivable denominated in GHS totalled \$2,368,800 (22,182,248 GHS) (2024 - \$118,800 (1,277,500 GHS)); loans payable denominated in GHS totalled \$2,000,000 (14,485,106 GHS) (2024 - nil); and other receivable balance denominated in Dominican Peso was \$275,327 (11,993,612 Dominican Peso) (2024 - \$274,654 (11,993,612 Dominican Peso)).

The Organization does not engage in hedging activities or use financial instruments to reduce its risk exposure.

(c) Credit risk:

The Organization is exposed to credit risk arising from the loans to Implementing Partners, due to the inherent higher degree of risk prevalent in lending to a foreign financial institution in a third world country whose business consists primarily in providing micro loans and savings products to the economic poor.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

9. Financial risks (continued):

(d) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. It is management's opinion that the Organization is exposed to market risk with respect to its long-term investments and the loans receivable. There is uncertainty associated with the valuation of the shares due to the lack of a commercial market for these shares. Management believes the cost amounts of the loans receivable approximate their fair market value and the interest rate on the loans is the market interest rate. The Organization does not manage the market risk as it has invested in these shares and loans for the purpose of furthering the Opportunity International mission of providing micro loans and savings products to the economic poor.

(e) Liquidity risk:

The Organization is exposed to liquidity risk with respect to its long-term investments and the loans receivable. There is uncertainty associated with the commercial market for these shares and loans which may restrict the ability of the Organization to sell the shares and/or loans. The Organization does not manage the liquidity risk as it has invested in these shares and loans for the purpose of furthering the Opportunity International mission of providing micro loans and savings products to the economic poor.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Year ended June 30, 2025

10. Allocation of expenses:

A portion of general and administrative activities, which includes the executive office, information technology, human resources and finance, directly support programs and have been allocated as follows:

	2025	2024
Education and public awareness	\$ 100,428	\$ 78,847
Canadian programs:		
Program monitoring and oversight	301,283	236,542
Canadian management:		
Philanthropy	163,309	132,339
	<u>\$ 565,020</u>	<u>\$ 447,728</u>