

OPPORTUNITY
INTERNATIONAL
AUSTRALIA

ANNUAL REVIEW 2016



OPPORTUNITY
International
AUSTRALIA

CONTENTS

A note from the Chairman	3
A note from the CEO	5
Breaking the cycle of poverty	6
About Opportunity	7
A sustainable solution	8
How your gift changes lives	9
Where we work	10
2016 at a glance	12
Opportunities you created in 2016	13
Invest in a mother	14
Build healthy communities	16
Educate leaders	18
Deliver innovation	20
Enhance impact	22
Our supporters	24
Board of Directors	26
Council	27
Leadership Team	28
Governance	30
Financial statements	32
How you can get involved	39

Right: Manzi, a loan recipient from Madhya Pradesh, India, making handmade brooms to sell in her local community

Cover: Ooy, a loan recipient from Indonesia who used a small loan to grow a vegetable farm



A NOTE FROM THE CHAIRMAN

Dear friends

Like me, I'm sure you'll be concerned by the latest research on families living in poverty – 767 million people live on less than US\$1.90 a day and 758 million adults remain illiterate. Importantly, many men and women struggle to afford to send their children to school to receive the education that could help them break the cycle of poverty.

These alarming statistics drive Opportunity International Australia's efforts to give families the opportunity to free themselves from poverty. Your generous gifts enable Opportunity to give millions of families small loans to build businesses, earn regular incomes, put food on the table and educate their children. We thank you for your immense generosity and support through your gifts, fundraising efforts and advocacy on behalf of families living in poverty.

In the following pages you'll meet some of the families you have helped and see how they are using a hand up from you to build a better future. You'll see where and how we put your donations to work and the impact of your generosity. You'll also see how supporters like you are fundraising through movie nights, garage sales, high teas, long table luncheons, swimming and golfing events, workplace giving and corporate events.

The Opportunity family encompasses our staff, volunteers, Ambassadors, Board and Council members, program partners and many individual, corporate and institutional supporters, all of whom are passionate about helping families leave poverty behind. I sincerely thank you for your contributions.

Warmly



Edward Kerr
Chairman





Seema Bharti, a health leader in India

A NOTE FROM THE CHIEF EXECUTIVE OFFICER

Dear friends

Seema Bharti is easily one of the most impressive women you'll ever meet. Seema, who is pictured on the opposite page, is one of the women you helped to set up a business with a small loan and receive training as a health leader. Many families in Seema's village in India live below the poverty line and preventable diseases are a major problem. As with many communities near the River Ganges, the groundwater is contaminated with arsenic, which slowly poisons people. Typhoid and tuberculosis are also major health issues and each year, young children die from diarrhoea caused by E. coli-contaminated water since open defecation is the norm.

After becoming a health leader, Seema educated her local community about basic health and hygiene practices and discovered her community had been granted funding to build toilets in every household. Despite some resistance, Seema and other women from her village lobbied authorities to build the toilets. They eventually agreed and now everyone in Seema's village has one. Seema plans to keep creating change for her community. She is now focused on getting a safe source of clean water for the village, so community members are no longer at risk of arsenic poisoning and typhoid. Her husband is helping her and she is proud to consider herself a leader within the community, creating real change for her friends and family.

There are many other women like Seema who initially received small loans from Opportunity to grow businesses and went on to become health leaders and bring about more change in their communities. Your support in 2016 meant that close to 3,600 women in India were trained as health leaders and 4.5 million people received health and hygiene education from health leaders like Seema.

On a recent trip to India, I met some of the 4.2 million loan recipients across Asia who, because of your generous gifts, are building small businesses. These women use the income from their businesses to provide their family with nutritious meals, send their children to school and begin to break the cycle of poverty. During our visit, one woman told us how becoming a business woman had earned her the respect of her family and community: "Before I was seen as nothing. I didn't even understand what my family was saying. I wasn't spoken to or recognised as worthwhile. Now I understand as I have met other business women and I am respected by all as I contribute financially to my family." Another woman said: "I have become more financially independent by engaging in various livelihood activities such as selling sanitary napkins and conducting eye checks. This means I don't have to ask my husband or father-in-law for daily expenses and I can make my own decisions. The men in my family have welcomed this change too." These sentiments were echoed by several women during my visit and are made possible by your generosity.

Your gifts meant that during 2016, more than 126,000 children in India benefited from education finance to help them go to school. As well, 70 young leaders graduated from trade apprenticeships in Ghana that will equip them to start small businesses in the future, and 50 more young people there enrolled as youth apprentices.



Thank you for your support. Your generosity has brought immense hope to families and communities like Seema's. As more mothers put food on the table and send their children to school, generations to come will no longer have to live in poverty – and that means more than you can imagine.

With sincere thanks

Robert Dunn

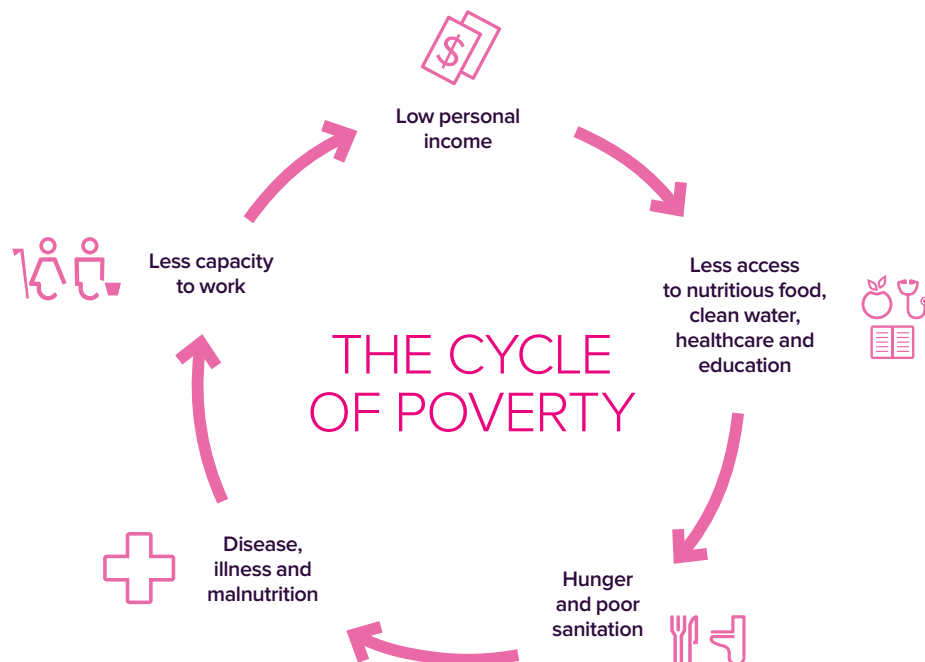
Chief Executive Officer

BREAKING THE CYCLE OF POVERTY

THE CYCLE OF POVERTY CAN BE DEFINED AS A SET OF EVENTS THAT BRING ABOUT POVERTY – A PHENOMENON THAT IS LIKELY TO CONTINUE UNLESS OUTSIDE INTERVENTION OCCURS. WITHOUT A HAND UP, FAMILIES CAN BE TRAPPED IN THE CYCLE OF POVERTY FOR GENERATIONS.

Around the world there are 767 million people living on less than US\$1.90 a day. But poverty goes beyond a low income. It means you have limited access to your basic needs, such as nutritious food, clean water, healthcare and education.

You are also more likely to experience hunger and poor sanitation and develop preventable illnesses, diminishing your capacity to work. As this cycle repeats itself, it is clear to see why families living in poverty struggle to survive.



THE CYCLE OF POVERTY IN NUMBERS

767M

people live on less than US\$1.90 a day

2.6B

people lack basic sanitation

2.5B

adults lack access to formal financial services

795M

people are undernourished

663M

people lack access to safe drinking water

758M

adults remain illiterate

Your hand up through a small loan means a family has the opportunity to free itself from poverty. With her own business, a mother is able to provide her family with its basic needs and create a better future for generations to come.

ABOUT OPPORTUNITY

OPPORTUNITY INTERNATIONAL AUSTRALIA GIVES PEOPLE LIVING IN POVERTY A HAND UP THROUGH MICROFINANCE. WE PROVIDE FAMILIES WITH SMALL LOANS TO GROW INCOME-PRODUCING BUSINESSES, AS WELL AS PROVIDING HEALTH EDUCATION, SCHOOL FEE LOANS, AGRICULTURAL FINANCE AND ACCESS TO IMPROVED SANITATION AND CLEAN WATER.

OUR INSPIRATION AND DEDICATION

Opportunity enables you to invest in a mother living in poverty so that she can use a small loan to buy an item like a sewing machine and start a small business. For a family in a developing country who can't afford the basics, a gift as small as \$70 can be life changing. With this hand up, a mother can put food on the table, send her children to school and transform her family's future for generations. Mothers want what is best for their children, and as businesses become successful,

your help means they can make their dreams for their children come true. Opportunity is motivated by Jesus Christ's call to love and serve the poor, serving all people regardless of their race, faith, ethnicity and gender.

Pictured: Nieves and her family working on their farm in the Philippines



OUR VISION

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

OUR MISSION

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

OUR 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.

OUR VALUES

- Commitment to families living in poverty
- Humility
- Respect
- Integrity
- Stewardship
- Transformation.

A SUSTAINABLE SOLUTION

UNDERPINNED BY SOUND ECONOMICS, MICROFINANCE IS ONE OF THE FEW SERVICES FOR PEOPLE LIVING IN POVERTY THAT CAN BE SELF-SUSTAINING – CREATING A LASTING AND COST-EFFECTIVE SOLUTION TO POVERTY. THE POWER OF YOUR DONATION IS MAGNIFIED – HELPING MORE FAMILIES WORK THEIR WAY OUT OF POVERTY AND IMPROVE THEIR LIVES. AND FOR EVERY NEW DONATION YOU MAKE, MORE FAMILIES IN NEED ARE ABLE TO TAKE THEIR FIRST STEP ON THE PATHWAY OUT OF POVERTY.



A DONATION IS RECEIVED

Microfinance provides a sustainable solution to poverty. By giving small loans instead of hand-outs, Opportunity is able to best steward your donations. For each dollar you invest in our work with families living in poverty, more than one dollar will end up in the hands of those who need it most.

FUNDS ARE LEVERAGED

Once received, funds are usually leveraged by our program partners. The funds you provide are used as an indication of financial strength – enabling our program partners to borrow more money from other lenders. These combined funds are then available to loan to a larger number of families, maximising the impact of your initial donation.

RECYCLING TAKES PLACE

Loans are recycled, ensuring that your gift is continually at work. Opportunity has a loan repayment rate of 98 per cent, meaning that once a client repays their loan, it is re-lent to someone else. This next loan will also be repaid and so on. Recycling means that more mothers are able to start businesses and begin to work their way out of poverty – using what are essentially the same funds.

COSTS ARE REDUCED

Leveraging and recycling of loans mean that the one-off costs it takes for Opportunity to run our programs represents a continually diminishing proportion of your donation. There are no more costs, but your donation remains at work, increasing your impact.

IMPACT IS INCREASED

As loan recipients create successful businesses, their profits will have a ripple effect. With an increased income, a family can begin to afford nutritious food, proper shelter, medical care and education for its children. Plus, as businesses expand, many go on to employ others – creating jobs for people in the community and boosting the local economy.

HOW YOUR GIFT CHANGES LIVES



MEET JAYKUMARI.

SHE LIVES WITH HER HUSBAND AND FIVE CHILDREN IN A MAKESHIFT HOME.

Jaykumari repays her loan and it is recycled to give more families a hand up out of poverty.

Once she has paid back her loan she may take out a second loan and later, a third loan to grow her business even more.



Your gift gives her a small loan to help her start a small business and earn a regular income.

She sends her children to school and gives them the extra support they need to do well.



She receives training on vital business, leadership and life skills.

She uses her income to make sure her family gets nutritious meals and clean water.



Her family's health improves and they can afford medicine.



She improves her house by building a door or installing a toilet.



She has hope for her family's future and others in her community, employing people in her business and becoming a local leader.



Together, you and Jaykumari continue to make a lasting difference.

A SMALL LOAN IS A SMART, SUSTAINABLE AND COST-EFFECTIVE SOLUTION TO POVERTY. YOUR HAND UP CHANGES LIVES.

WHERE WE WORK

THE OPPORTUNITY
INTERNATIONAL NETWORK
PROVIDED

9.6M FAMILIES

WITH SMALL LOANS AND
SAVINGS ACCOUNTS IN 2016

INDIA



families



in loans

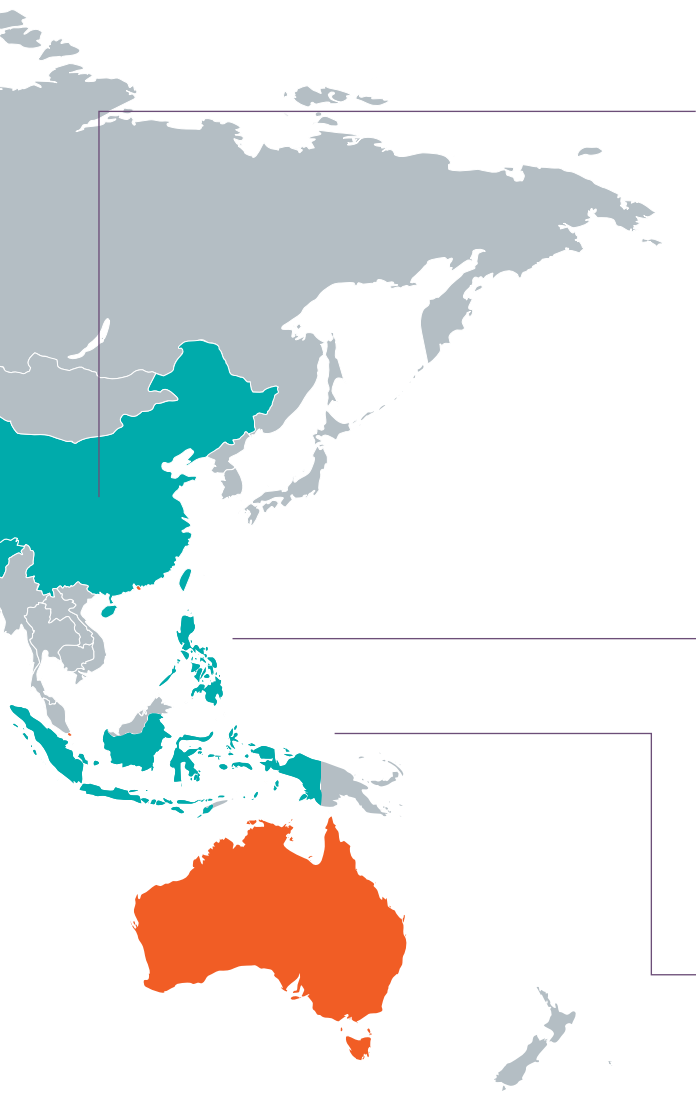


communities

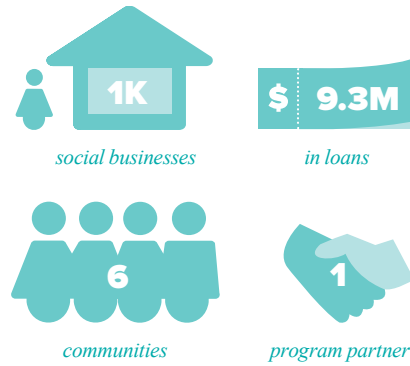


program partners

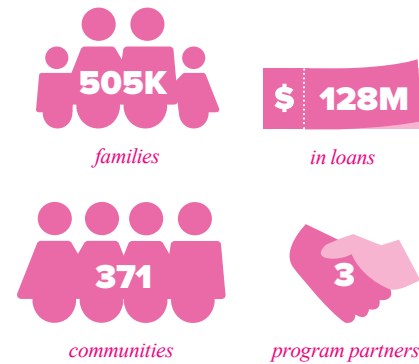
- Support members
- Opportunity International Australia programs
- Other Opportunity International Network programs



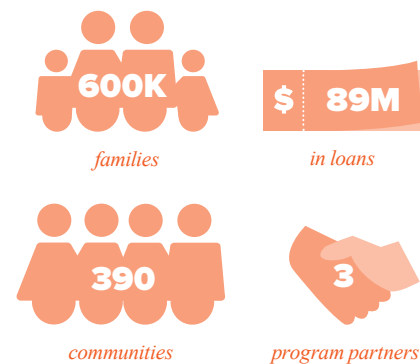
CHINA



PHILIPPINES



INDONESIA



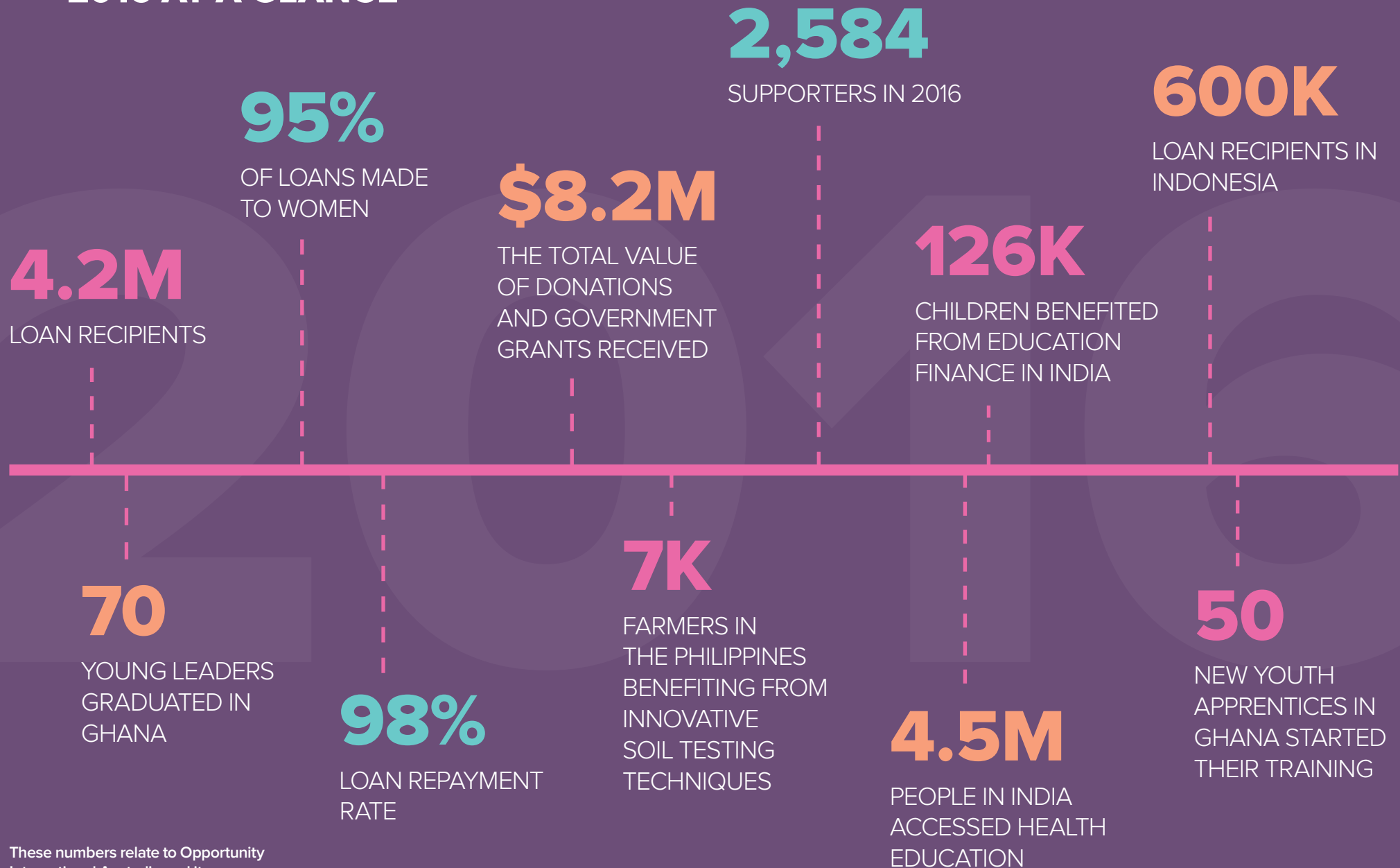
SUPPORT MEMBER COUNTRIES

Australia
Canada
Germany
Hong Kong
Singapore
Switzerland
United Kingdom
United States

PROGRAM PARTNER COUNTRIES

Bangladesh – *MicroEnsure only*
China
Colombia
Democratic Republic of Congo
Dominican Republic
Ghana
Honduras
India
Indonesia
Kenya
Macedonia
Malawi
Mozambique
Nicaragua
Niger
Nigeria – *MicroEnsure only*
Pakistan – *MicroEnsure only*
Peru
Philippines
Romania
Rwanda
Serbia
Tanzania
Uganda

2016 AT A GLANCE



These numbers relate to Opportunity International Australia and its programs

OPPORTUNITIES YOU CREATED IN 2016

WE BELIEVE THAT EVERY PERSON HAS THE RIGHT TO REACH THEIR GOD-GIVEN POTENTIAL. AND JUST LIKE US, PEOPLE LIVING IN POVERTY HAVE DREAMS AND HOPES. BUT WHILE TALENT IS UNIVERSAL, OPPORTUNITY IS NOT.

Your support overcomes this by creating opportunities for people living in poverty to change their situation. This includes investing in mothers with small loans, savings, insurance, pensions and remittances. It also includes investing in communities

with knowledge to build healthier communities and educate the leaders of tomorrow. Finally, all of these solutions are underpinned by a commitment to continuous improvement, by delivering innovation and listening to communities to enhance impact.



INVEST IN A MOTHER

NEED

767M

people live on less than US\$1.90 a day

RESPONSE

Small loans to grow businesses and earn regular incomes

OUTCOMES

\$1.2B

invested in mothers in Asia

4.2M

families accessing small loans to grow businesses



BUILD HEALTHY COMMUNITIES

NEED

2.6B

people lack access to basic sanitation

RESPONSE

Training women as health leaders who teach their community basic health and hygiene practices

Providing access to loans for building toilets and clean water supply

OUTCOMES

3,593

health leaders trained

4.5M

community members accessing health training and support



EDUCATE LEADERS

NEED

115M

children of primary school age are not enrolled in school

1 in 2

young people in Ghana do not have a job

RESPONSE

School fee loans to parents for children to attend school

Skills training through Youth Apprenticeship Program in Ghana

OUTCOMES

126,343

more children attending school in India

70

young people graduated from Youth Apprenticeship Program in Ghana

50

newly enrolled youth apprentices commenced training in Ghana



DELIVER INNOVATION

NEED

2.5B

adults lack access to formal financial services

1 in 2

women in India experience violence in their home

RESPONSE

Innovations, including mobile banking and agricultural loans

PeaceMakers trained to support women who have experienced domestic violence

OUTCOMES

3.6M

families accessing savings accounts in India

17,617

school children accessing education on gender equality and the prevention of domestic violence in India



ENHANCE IMPACT

NEED

767M

people live on less than US\$1.90 a day

RESPONSE

75%

of new families we serve in India were living on less than US\$2.50 a day when they joined Opportunity programs

OUTCOMES

14.3M

people using an Opportunity International Network loan, savings account and/or MicroEnsure insurance policy to improve their lives

14.3M people is a global number, calculated by Opportunity's global Social Performance Management team, which is based in Australia and was funded by Australian supporters

All figures as at December 2016



INVEST IN A MOTHER



YOU CAN HELP END THE CYCLE OF POVERTY. WHEN YOU INVEST IN A MOTHER, YOU GIVE HER THE OPPORTUNITY TO RECEIVE A SMALL LOAN TO GROW HER OWN BUSINESS, PROVIDING HER FAMILY WITH A REGULAR INCOME AND THE OPPORTUNITY TO LEAVE POVERTY BEHIND.

In the countries in which we work, many fathers have irregular jobs and their income is often not enough to support their family. That's why we invest in mothers who use small loans to start their own income-generating businesses.

The impact and benefits of your giving mean that women earn regular incomes and can then afford the basic needs of their families such as nutritious food, proper shelter and their children's education.

Giving small loans to mothers provides an effective and sustainable way of helping them free themselves from poverty. Since 98 per cent of small loans are repaid and recycled, the impact creates a ripple effect within their family and community.

See how you've helped invest in mothers in 2016 on the opposite page.

With your ongoing support, Opportunity is working to reach 5.7 million mothers with a hand up throughout Asia in 2017 by continuing to increase donations, establishing new forms of funding and growing our Asia programs. A gift of \$70 is enough to help a mother start a small business so her family can begin to leave poverty behind.

Pictured: Kusum started a beauty parlour in India using a small loan and she can now provide for her son Raj

2016 HIGHLIGHTS

\$14.3M

total funds provided to our programs, including loans to mothers like Edita

4,152,926

families with small loans to grow businesses in Asia

3,563,433

people in India with access to savings accounts, enabling them to plan for the future and safeguard their families in emergencies

8,305,852

people covered by microinsurance, helping families be less vulnerable in times of hardship

644,931

people in India with access to micropensions, giving them more security in their later years

EDITA'S STORY

Not long ago, Edita didn't sleep well at night, counting what little money her family had and trying to work out how her children would get enough food to survive. Sometimes, she would cry herself to sleep.

But thanks to generous supporters like you, Edita and her husband Odelon have been able to use small loans to grow a canteen and *sari sari* (grocery) store in their town of Pagbilao in the Philippines. The business earns them Php.5,000 (A\$134) a week – enough to provide for their four children.

"Our family is now able to eat three meals a day. My kids can even have fish if they want it."

"We were slowly able to build the business from a small loan. Some people say, 'You are successful now.' And I tell them, 'It's because of the small loan we got.'"

Edita and her family have even been able to show their own generosity – taking in an elderly woman with hearing loss who had been bullied. They built a room for her to live in safely next to their store.

"I always say, 'We have been helped by other people. I want to share the blessing with others.'"

Thank you for supporting mothers like Edita as they use small loans to grow businesses and free themselves from poverty.





BUILD HEALTHY COMMUNITIES



MANY OF THE FAMILIES OPPORTUNITY REACHES IN RURAL AREAS OF INDIA SUFFER FROM PREVENTABLE DISEASES AND HAVE LIMITED ACCESS TO SANITATION. MANY PEOPLE CAN'T GO TO WORK DUE TO SEVERE HEALTH CONDITIONS AND STRUGGLE TO SUPPORT THE WELLBEING OF THEIR FAMILIES.

That's why we empower and train women living in poverty to become health leaders. These women share their health knowledge with hundreds of families in their local villages, increasing their understanding of disease prevention, pregnancy care, nutrition and personal hygiene.

Community members are encouraged to take on life-changing behaviours such as giving birth in hospitals and breastfeeding and gain access to vaccinations, rehydration salts and mosquito nets. They can also receive loans for building toilets and clean water supply.

The health leaders' training empowers women on many levels. It helps them to gain self-esteem and confidence; respect

in their community, family and home; and gives women a voice. Becoming a health leader sees them improve not only the life of the community but also the life of the health leaders themselves. She has the opportunity to study and work unencumbered by simple health obstacles.

Read how you have helped women like Kum Kum become health leaders on the opposite page.

We are also expanding the health leader program in Indonesia in 2017 so communities there can access the same life-saving health training and resources to keep their families safe and healthy.

2016 HIGHLIGHTS

3,593

*women trained as health leaders
in India*

898,250

*families reached by health leaders
in India*

4.5M

*people reached with training in basic health
practices that save lives through the health leaders in
India*

1,000's

*of women learning the importance of breastfeeding,
hospital births, first aid, hygiene and preventative
health practices*

KUM KUM'S STORY

Kum Kum lives with six family members — her husband, four children and uncle — in a village in the northern state of Uttar Pradesh in India. Nine years ago, Kum Kum received her first small loan to set up a small roadside shop. She has since taken subsequent loans to set up an additional business as a tailor, where she also trains and employs other local women to help her.

Two years ago, Kum Kum became a health leader and is helping her local community to prevent illnesses like diarrhoea, dengue fever and typhoid. As Kum Kum completed her health leader training, she realised what she loved most about the program was learning new things. Empowered

with the new confidence that her role as a health leader brought her, she enrolled in a local secondary school, with the goal to complete her final years of education, which she didn't have the opportunity to do when she was young. As her children finished their own schooling, so did she alongside them.

The changes in Kum Kum's household are significant. Now they have a toilet, her children wash their hands and they dispose of waste carefully.

**Thank you for building healthy communities
through health leaders like Kum Kum.**





EDUCATE LEADERS



EDUCATION AND TRADE SKILLS TRAINING ARE ESSENTIAL TOOLS FOR YOUNG PEOPLE TO CREATE A FUTURE FREE FROM POVERTY. YOUR SUPPORT HELPS EDUCATE TOMORROW'S LEADERS.

Opportunity recognises the pivotal role education plays in helping families transform their lives, particularly by helping break the intergenerational cycle of poverty. Responding to this need Opportunity has an education finance program.

This program supports school proprietors so they can expand classrooms, hire more teachers, serve more students and improve the quality of education for thousands of children. We have also enabled families to pay for school tuition, uniforms and supplies with the help of school fee loans. We are introducing education finance to our Asian programs commencing in India.

In Ghana, our work focuses on skills training in trades to provide young people with better job opportunities. Through our Youth Apprenticeship Program, 70

young people recently graduated with skills in trades such as dressmaking and mechanics. They are ready to start their own businesses, creating jobs for themselves and others in the community. A further 50 young people in the country's west commenced skills training to create a better future for themselves.

See how you have helped to educate leaders in 2016 on the opposite page.

With your ongoing support, Opportunity is upskilling a new group of trade apprentices in Ghana in 2017 and will continue to increase the number of school fee loans given to families, creating opportunities for a better future for young people.

Pictured: Faustina Boah, a hairdressing apprentice in Bacham, Ghana

2016 HIGHLIGHTS

126,343

children benefiting from education finance in India

50

newly enrolled youth apprentices in Ghana

70

graduates of the Youth Apprenticeship Program in Ghana

In 2016 youth apprentices learnt:

*skills in their trade
market analysis
product pricing
record keeping
time management
budgeting
customer service*

EVELYN'S STORY

Evelyn is one of the youth apprentices who recently graduated from the Youth Apprenticeship Program in Ghana.

She is the eldest in her family and was born in the small farming town of Kasoa. When she was 12 years old, she moved to the city of Bechem to get a better education and help her aunt run her business.

Evelyn graduated from high school in 2012, but couldn't find work. Without a job, she stayed home with a dream to become a seamstress but no means to make it happen.

When she heard about the Youth Apprenticeship Program, Evelyn knew it was the opportunity she'd been waiting for.

Evelyn loves sewing and her favourite activity is designing new styles of dresses.

In April, Evelyn sat the National Vocational Training Institute Examination. She was nervous, but knew that it would help her build her own business as a seamstress.

For now, she is continuing to work in her Trade Master's shop while she saves money to start her own business.

The apprenticeship has helped Evelyn step closer to realising her dream of leaving poverty behind. In her words, it has given her "a working hope for the future".

Thank you for educating leaders like Evelyn so they can help lift their families and communities out of poverty.





DELIVER INNOVATION



THE HAND UP FAMILIES REQUIRE TO HELP THEM BREAK THE CYCLE OF POVERTY DIFFERS ACCORDING TO THEIR INDIVIDUAL SITUATION AND NEEDS. OPPORTUNITY IS ALWAYS LOOKING FOR INNOVATIVE NEW WAYS TO MEET THESE NEEDS SO THAT MORE FAMILIES CAN MAKE THE JOURNEY OUT OF POVERTY.

Every day, Opportunity works with more than four million families in developing countries, investing in mothers by way of small loans to help them start income-producing businesses. But the efforts of these women to create a life free from poverty can be hindered when they face violence in their homes and communities.

Opportunity is working in an innovative program in India known as Operation PeaceMaker, aiming to end the violence against women and remove one of the barriers to women improving their livelihoods. This program empowers local women as PeaceMakers who counsel, educate and assist women who have experienced domestic violence in their local community.

Another way families' efforts to break the cycle of poverty are hindered is lack of access to financial services because they live in isolated rural areas. Opportunity now provides mobile banking to some of these families, making loans, savings and insurance

more accessible so they don't need to travel long distances to do their banking and have more time in their businesses. We are also helping our program partners set up remittance services in the Philippines so clients can send money to their family members living in remote areas.

As well, Opportunity offers several programs to meet the unique needs of farmers such as innovative soil testing techniques and tailored agricultural loans designed around the harvest cycle. We also provide crop insurance, training in farming methods and the knowledge and skills to access bigger markets.

See how you've delivered innovation in 2016 on the opposite page.

With your ongoing support, Opportunity is aiming to increase financial inclusion with innovations in digital financial services and will continue working alongside PeaceMakers to reduce domestic violence in India.

2016 HIGHLIGHTS

61

women trained in India as PeaceMakers to support survivors of domestic violence and their families

17,617

school children educated on gender equality and stopping domestic violence in India

7,000

farmers in the Philippines benefiting from innovative soil testing techniques

SARAH'S STORY

Sarah is a PeaceMaker from Hyderabad in India. As a PeaceMaker, Sarah supports women who are experiencing domestic violence and informs them about the services that are in place to help them and their families resolve the issue.

Sarah says her role as a PeaceMaker for the last four years has helped her realise she is not just a mother, daughter, sister or wife, but a person with ambitions, hopes and dreams – and she's determined to help empower other women in her community in the same way. Sarah says, "I remember feeling weak and afraid to go up to someone and talk to them or ask them anything. Now I feel extremely confident; I feel free and I want all women around me to experience it."

Sarah is actively involved in community and school meetings in order to educate families about domestic violence and how it can be avoided or stopped. Challenging perceptions that 'home' matters should not be discussed outside of the family, Sarah encourages both men and women to undertake counselling where they can learn more about how to cultivate respectful, violence-free relationships. Most families, she says, don't recognise the underlying cause of misunderstandings and violence as they only focus on the violent act – this is where counselling can help.

Sarah has counselled over 40 families in her role as a PeaceMaker and is much loved in her community. She's grateful to be helping families – especially women – lead lives of dignity and peace.





ENHANCE IMPACT



WHEN YOUR GOAL IS TO GIVE FAMILIES A HAND UP OUT OF POVERTY, YOU WANT TO BE SURE THAT WHAT YOU'RE DOING IS MAKING A REAL DIFFERENCE. THAT'S WHY WE INVEST IN SOCIAL PERFORMANCE MANAGEMENT.

Opportunity uses Social Performance Management to better understand families' needs so we can provide them with support to leave poverty behind.

Our 2016 Social Performance Update sets out what we've learned in the past year, drawing on findings across Opportunity's global network about the families your donations help and how you are impacting their lives.

Our research and social data provides evidence to answer three questions about:

The need: Are we really reaching people living in poverty with our services?

The response: Are we meeting our clients' needs?

The impact: Are we transforming their lives?

One way the impact of Opportunity's work is enhanced is through the Smart Certification of some of our microfinance partners. Smart Certification involves the adoption of 85 essential practices such as transparency and

responsible pricing, to ensure microfinance institutions behave well towards their clients and protect them from harm.

See some of the results in the Opportunity International Network's global data for 2016 on the opposite page.



Pictured: Purificacion Taguilmao, a loan recipient from the Philippines who has a pandan weaving business

2016 HIGHLIGHTS

3/4

the proportion of new loan recipients in India living under US\$2.50 a day when they joined our programs, demonstrating we are reaching those in need

7

Smart Certification Principles:

Appropriate product design and delivery

Prevention of over-indebtedness

Transparency

Responsible pricing

Fair and respectful treatment of clients

Privacy of client data

Mechanisms for complaint resolution

5

*Opportunity International Network
program partners have Smart Certification*

spm.opportunity.org

an interactive website to visit for further insights about how Opportunity is reaching families in need, responding to their needs and improving their lives to enhance the impact of your giving

Pictured: Ngatiyeun is a basket weaver from Indonesia who received a small loan from Opportunity's program partner, KOMIDA

BINA ARTHA VENTURA'S STORY

Opportunity's vision is one that is driven by the voices of the people we serve. Therefore, at the heart of our commitment to social performance is an emphasis on listening to the communities with which we work.

Since 2013, the Smart Certification process has offered an independent, objective seal of confidence that a microfinance institution is doing everything it can to serve its clients well. To date, less than 100 institutions have been certified globally.

One of Opportunity's Indonesian program partners, Bina Artha Ventura, is the third of our Asian partners to become Smart Certified, a significant recognition of its approach to helping people living in poverty.

Bina Artha joins Opportunity's other program partners Cashpor in India, Alalay Sa Kaunlaran Incorporated (ASKI) in the Philippines, Opportunity Serbia and Opportunity Colombia in achieving Smart Certification.

Receiving Smart Certification confirms Bina Artha's best practice approach to microfinance and acknowledges the socially minded way it serves its vulnerable and excluded clients.

According to Bina Artha's Chief Executive Officer Christian Banno: "Smart Certification is an important achievement for Bina Artha and confirms our commitment to build a long-lasting relationship with our clients based on transparency, respect and proper product offering."

Another of Opportunity's Indonesian partners, Koperasi Mitra Dhuafa (KOMIDA), was also recognised as best in class and will continue to prepare for receiving Smart Certification later in 2017. KOMIDA was particularly commended for collecting detailed client data to understand client needs, tailoring products to address specific health and sanitation problems faced by clients and adopting best in class practices in delivering financial services.



OUR SUPPORTERS

To the Opportunity Family – supporters, Ambassadors, volunteers, staff, Board and Council members – thank you for all that you do to give a hand up to families living in poverty. Your generosity improves families' lives for generations to come.

2016 HIGHLIGHTS

\$8,215,555

The total value of donations and government grants received

2,584

The total number of supporters

698

The total number of monthly givers

\$341,730

The amount provided through pro-bono support

10,931

Families given a hand up through Ambassador fundraising

4,084

The number of hours donated by Opportunity interns and volunteers

3,485

The number of people who liked our Facebook page, along with 1,213 Twitter followers and 1,174 LinkedIn followers

See how some of our supporters around Australia got creative while giving back this year...



Clifford Chance is one of Opportunity's highly valued corporate partners. At a Clifford Chance Olympic-themed event with special guest **Stephanie Rice**, Diana Chang says: "Clifford Chance decided to forge a strategic partnership with Opportunity as it has seen the powerful impact that the organisation's philosophy of a 'hand up' has had in the communities it works with. Clifford Chance is proud to be assisting Opportunity continue to achieve its objectives."



Triple Olympic Gold Medallist, Stephanie Rice, and **Opportunity Council Member and former Australian test cricketer, Michael Kasprovicz**, competed in a curry cook-off to launch Opportunity's fundraiser, the Great Australian Curry. Stephanie says: "I love the work that Opportunity does in India and the people they support and I want to be part of that."

Michael Kasprovicz echoes her enthusiasm: "Kids can dream of becoming whatever they want in the future, because they know their parents can afford to give them an education. It's the way it should be."

"Opportunity's hand up through small loans promises to deliver an effective way to end poverty for an individual while ensuring those they serve are treated with dignity and respect," says **Opportunity Ambassador Chris Bailey**. Chris trekked 4,300km from Mexico to Canada, raising more than \$120,000 for families living in poverty in India.



"Even though I have been a regular giver for many years, I wanted to ensure that future generations continue to access small loans so they can be empowered to improve their lives. That's why I decided to include a gift in my Will to Opportunity. It gives me great peace to know that my gift will be an answer for those who need someone to believe in them," says **June Groube**.





Opportunity Council Member, Allan English, and the company he founded, **Silver Chef**, are longstanding supporters of Opportunity. On an Insight Trip to India with the Silver Chef team Allan said: "There is the extraordinary generational effect of not only helping female entrepreneurs to be able to stand up and say, 'I paid off my first loan and now I want a second one. I did this on my own,' but also the children are now getting educated and their self-belief is much higher."



"As a business owner, I am proud to be empowering families in a Filipino community to start their own businesses and break the poverty cycle," says **John Hagerty**, an **Opportunity Ambassador**. **John and Leanne Hagerty** support a community in the Philippines through a Community Impact Fund.

For many years **James and Tracey Smail** have helped families living in poverty in Indonesia. On an Insight Trip to Indonesia, James said: "We feel privileged to be in a position to help Opportunity to assist others make a positive difference to their lives."

OUR PARTNERS

To our corporate partners, thank you for all the support and resources you give to help families break the cycle of poverty.

Allen and Overy
BeBusiness
Clifford Chance
Flexera Software
Herbert Smith Freehills
Independence Studios
Jetabroad
King & Wood Mallesons
Lily Anne Family Brands

Local Appliance Rentals
Macquarie Group
Morgans
rogenSi
Silver Chef
SG Partners
Stannard Group
4impact Group

To the **Australian Government** and the **Australian Council for International Development**, we thank you for your ongoing support and assistance, enabling us to continue to reach out to families in poverty around the world.



Opportunity Ambassador Claire Bibby facilitated a fundraising event for Opportunity's Women4Women campaign, with Opportunity Council member and guest speaker the **Honourable Kristina Keneally**. Claire exclaimed: "I am excited to help Opportunity as an Ambassador and look forward to doing more good work in the future!" At the event Kristina said: "The women Opportunity supports to become health leaders are empowering their communities. They are providing not just health education, but leadership over their communities' health and their own futures – and to see that in the poorest parts of India is so impactful."



BOARD OF DIRECTORS

As at May 2017

EDWARD (TED) KERR BA LLB

Chair (Director since May 2006, Chair since November 2013)

Edward (Ted) was the Chief Executive Officer of The Australian Charities Fund and prior to that, had a 32-year career as a lawyer, most notably as a partner for Mallesons Stephen Jaques for 22 years, where he specialised in derivatives and consumer credit law. Ted is also the Lead Director on the Opportunity Global Board.

JOANNA WHITE B COMM, MBA, GAICD

Deputy Chair (Director since February 2011, Deputy Chair since August 2013)

Joanna is the Managing Director Business Lending at the Commonwealth Bank of Australia and Chairs the Investment Committee of the bank's superannuation fund. She previously held a number of leadership roles at National Australia Bank. Prior to that, Joanna was the CEO of The Australian Charities Fund, an organisation she founded with colleagues from Bain & Company, where she had been a strategy consultant.

VIV BENJAMIN BA, LLB (Hons), LLM

(Director from August 2013 to May 2016 – on leave of absence from April 2015 to May 2016)

Viv is a global consultant and has worked for the United Nations Development Program. Viv was previously CEO of Oaktree and Co-Chair of Make Poverty History, and she has over 10 years of leadership experience in not-for-profits, international development, advocacy and community engagement.

GREG HAMMOND OAM BA (Hons), LLB (Hons), ThA (Hons)

(Director since February 2015)

Greg has over 30 years' experience as a banking and finance lawyer and prior to retiring in 2014 was a partner of King & Wood Mallesons. He is an Adjunct Fellow with the Applied Finance Centre at Macquarie University, Chairman of Anglicare Sydney and Olive Tree Media, a Director of the Australian College of Theology and G&C Mutual Bank and serves on the governing Boards of other entities within the Anglican Diocese of Sydney.

MATTHEW HOPE

(Director since May 2016)

Matt is the CEO of Colour Capital, the operating entity for G.J Gardner Homes (NSW/ACT), G.J Gardner Homes (WA) and Raw Energy Cafes. For the past 10 years, Matt has been focused on the acquisition and development of early stage franchised businesses in QLD, NSW and WA, as both a franchisor and master franchisee. He has been an Opportunity Ambassador since 2013.

ANDREW JAMIESON BBus, MIntS

(Director since May 2016)

Andy is a marketing expert who in 2007 co-founded the digital marketing agency Switched on Media, serving clients such as Westfield, Commonwealth Bank of Australia, Canon, Spotify and Vodafone. Switched on Media's growth was recognised through the BRW Fast 100 and Deloitte Technology Fast 50 awards. In 2016 Andy founded Advisr, a financial technology business focused on providing people with tools to manage and buy their insurance.

BARBARA LUPIENT BA, MBA

(Director since November 2013)

Barbara is the Chair of Lupient Companies and is based in the US. She joined the Opportunity International Network in 2006 and currently serves on the Opportunity International US Board. She has been a Board Director for several private and public sector institutions, most notably for the General Motors National Dealer Council.

JOHN O'CONNOR BSc (Hons), FCA

(Director since April 2013)

John worked for PricewaterhouseCoopers (PwC) for 34 years, including 24 years as an Audit Partner. He also served as the Managing Partner of PwC Perth and led the Assurance practice. John is also a Director of Opportunity Global and Opportunity International China. He is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

CONNIE RIDLEY BA, MBA

(Director since May 2015, previously Director from February 2005 to May 2014)

Connie has a consulting business which uses her background in finance and banking. Connie is a Life Governor for the Royal Children's Hospital Melbourne, Director of Library for All USA, Library for All Australia, the Immediate Past Chair of Emerge Women and Children's Support Network.

SUZANNE WILLIAMS BSc (Hons), LLB, FAICD

(Director since May 2010)

Suzanne is a Senior Client Partner for Korn Ferry International. Prior to that, she was the General Counsel and Corporate Secretary for the Sydney Organising Committee for the Olympic Games for five years. Suzanne has been a Partner in a national law firm, is Deputy President of Kambala School and is a member of the Cranbrook School Council.

ROBERT DUNN BA (Hons)

Chief Executive Officer (Director since August 2008)

Robert joined Opportunity in 2006 as Chief Financial Officer before becoming Chief Executive Officer in 2008. From 1 May 2017 he is acting head of Opportunity International Global. He is the Chair of Opportunity's Indian subsidiary, Dia Vikas Capital and serves on the Boards of the Port Authority of NSW and Logosdor Limited. Robert is a member of the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.

DAVID BUSSAU AM

Founder

David is a pioneer of microfinance, having co-founded the Opportunity International Network in 1979. He now provides consultancy services to governments, multinationals and other organisations. David has received many awards for entrepreneurship and human rights, most notably Senior Australian of the Year 2008.

COUNCIL

As at May 2017

The Council is a small group of respected and influential Australians who share their wisdom and experience with Opportunity, advocating on our behalf and encouraging others to get involved. We are so grateful to all of these inspiring people for their valued partnership – thank you for all that you do.

EDWARD (TED) KERR

Chair

Chair of Opportunity International Australia, former CEO of Australian Charities Fund and former Partner of Mallesons Stephen Jaques.

HON JOHN ANDERSON AO

Former Deputy Prime Minister of Australia and leader of the National Party of Australia 1999-2005, Member for Gwydir NSW 1989-2005 and now farmer and grazier in north-western NSW.

KEVIN BAILEY AM

Member of the Prime Minister's Community Business Partnership and Director of a number of philanthropic organisations, former Head of Philanthropic Services at Shadforth Financial Group and past Director of the Financial Planning Association.

MALCOLM BROOMHEAD

Director of BHP Billiton, Chairman of Orica and Director of Walter and Eliza Hall Institute of Medical Research. Former Managing Director and Chief Executive Officer of Orica, former Director of Coates Hire Group.

PETER CADWALLADER

Executive Chairman of the Intercontinental Shipping and Investment Group, Chairman of Many Rivers Microfinance and former Director of Opportunity.

ANNIE CRAWFORD AM

Founder and Chair of Can Too, Opportunity Ambassador.

ALLAN ENGLISH

Founder and Executive Chairman of Silver Chef, Founder and Director of English Family Foundation. Philanthropy Leader of the Year in 2014 and Ernst & Young Entrepreneur of the Year (Northern Region) in 2006. Member of the Australian Centre for Philanthropy and Non-Profit Studies Advisory Board.

CAROLYN HEWSON AO

Director of BHP Billiton, Director Stockland Group, past Chairman and current Director Westpac Foundation, previously a Director of Westpac Banking Corporation, the Australian Gas Light Company, AGL Energy, AMP, CSR and BT Investment Management.

GREG HUTCHINSON AM

Advisory Partner, Bain & Company, Deputy Chair of the Australian Charities Fund, Chair of Paul Ramsey Foundation, Director of Goodstart Early Learning, Brandenburg Foundation, Bell Shakespeare, Centre for Social Impact and Women's Community Shelters.

MICHAEL KASPROWICZ

Director of Cricket Australia Board, former Australian cricketer and President of Australian Cricketer's Association, Board Member of the DFAT appointed Australia India Council, Founder and Director of Venture India, a specialist consulting firm in Indian business relations, Director of Bulls Masters.

HON KRISTINA KENEALLY

Former Premier of NSW 2009-2011. Presenter for Sky News Australia, Adjunct Professor Macquarie Graduate School of Management, Patron of the Stillbirth Foundation Australia, Director of United States Studies Centre, Chairman of Souths Cares. Member of Referendum Council for Constitutional Recognition of Indigenous Australians.

PAUL MCCLINTOCK AO

Chairman of Myer Holdings, I-MED Australia, NSW Ports and Broadspectrum and Director of St Vincent's Health Australia. Former Secretary to Cabinet and Head of the Cabinet Policy Unit in the Australian Government.

PEGGY O'NEAL

President of Richmond Football Club, consultant lawyer to Lander & Rogers, Director of Women's Housing, Director of a number of superannuation and financial services companies, former partner of Herbert Smith Freehills.

CHRIS SADLER

Former Chairman of Opportunity, Board Member of Alpha International and Alpha USA. Member of Alpha's Global Executive Group.

ANDREW TYNDALE

Founder and Director of Grace Mutual, Former Chair of Bupa Aged Care ANZ, former Chairman of The Funding Network, and former Chairman of Opportunity.

LEIGH WARNICK

Barrister in Perth, Deputy Chair of Good News Broadcasters.

TERRY WINTERS

Former Chairman of Opportunity International Australia and Opportunity International Network, current Chairman of Converge International, Intellex, Seeing Machines, Future Fibre Technologies, a Director of Redflex Holdings and Australian Home Care Services, Many Rivers Microfinance and TSPI Development Corporation (Philippines); formerly a Director of Opportunity US, Optus and Multiple Sclerosis.

LEADERSHIP TEAM

As at May 2017

ROBERT DUNN

Chief Executive Officer (*joined Opportunity in 2006*)

See the list of Board of Directors on page 26.

ANT CLARK

Marketing and Communications Director (*joined Opportunity in 2011*)

Ant leads the Marketing and Communications team as it seeks to provide meaningful ways for Australians to make a difference in the lives of families in poverty through print and digital communications, Insight Trips, our Ambassador program and events. He has worked for 10 years in fundraising and marketing roles in the non-profit sector and for 13 years in the travel industry, having held both state and national sales roles for Qatar Airways, Air New Zealand and Flight Centre Travel Group.

MARK DANIELS

Philippines Director (*joined Opportunity in 1998*)

Mark is responsible for managing programs in the Philippines. He is Opportunity's Board representative on a number of microfinance NGOs and a remittance company in the Philippines. He has also undertaken consulting work for large multinationals, integrating microfinance into their community development programs. Mark is a Certified Practising Accountant and previously worked for PwC.

MICHELLE GALE

Major Gifts Director (*Joined Opportunity in May 2016*)

Michelle leads Opportunity's Supporter Relations team, a team that predominantly cultivates emerging partnerships with corporates and major donors nationally. Michelle has more than two decades of experience in the not-for-profit sector and previously led the major gifts team as Philanthropy Manager, Major Supporters at World Vision Australia.

KATHLEEN HILL

Company Secretary (*joined Opportunity in 2003*)

Kathleen serves as the Company Secretary as well as the Executive Assistant to the CEO. In addition to corporate governance responsibilities, she focuses on increasing efficiency and effectiveness across the organisation and Board of Directors. She has over two decades of experience providing strategic business advice, administrative support and project management.

KAREN KANDUR

Chief Financial Officer (*joined Opportunity in 2007*)

Karen became Chief Financial Officer in 2012, enhancing the organisation's back office functions across several departments. She has been a key driver of Opportunity's performance management system, recognised as one of the best in Australia's not-for-profit sector. Karen is a Chartered Accountant, holding a Master in International Social Development and Executive Master of Business Administration.

SIMON LYNCH

Community Development and Indonesia Director (*joined Opportunity in 1996*)

Simon oversees Opportunity's community development programs as well as directing expansion across Indonesia. He has more than two decades' experience in development, focusing on strengthening microfinance and other development institutions throughout Asia. Simon is on the Board of Baptist World Aid and Transform Aid and previously worked for Qantas.

CHRIS MURDOCH

Programs Director and Global Chief Strategist (*joined Opportunity in 2006*)

Chris oversees our Asia programs and the global network's strategy. This includes the development, capitalisation and management of Opportunity's innovation portfolio, looking at mobile technology and mobile money as well as partnering with specialists in health, education, water and sanitation services. He also plays a leading role in diversifying Opportunity's global capital resources.

REBECCA PARKINSON

Investment Services Director (*on leave of absence from August 2016*)

Rebecca supports the delivery of new and existing microfinance programs and investments. Working closely with Opportunity's country directors, she oversees our investment portfolio and risk management, as well as assessing and reporting on portfolio health. Having previously worked with Citigroup Investment Bank and Qantas, she is a qualified Certified Practising Accountant and holds a Master in Development Studies.

ANDREW PHILP

Philanthropy Director (*until March 2017*)

Andrew led Opportunity's fundraising team. He has a background in developing and implementing innovative fundraising programs to drive significant growth for not-for-profit organisations. Previously he was the National Manager, Major Supporters at World Vision Australia, the Managing Director of Planet Give Solutions and Public Relations Officer for The Salvation Army.

CALUM SCOTT

Global Impact Director (*joined Opportunity in 2007*)

Calum is responsible for the Social Performance Management program across Opportunity's global network, helping to understand the impact that we're having on the lives of the families we serve. He is a Board member of the Social Performance Taskforce and previously worked as an economist for the Scottish Government and the National Health Service.

SANEESH SINGH

India Director (*joined Opportunity in 2007*)

Saneesh leads our programs in India and has over 25 years' experience in microfinance and social investment banking, having previously worked at the Small Industries Development Bank of India. With a Master Degree in Social Work and System Design and Analysis, he specialised in private equity investments at the Indian School of Business and Banking and Finance at the London School of Economics.



GOVERNANCE

Opportunity understands the importance of good governance. Our governance framework promotes ethical decision making, ensures we meet our legal and other responsibilities and leads to better development outcomes.

Earning the trust of stakeholders and being accountable is essential for Opportunity's success. In addition to improving decision making, good governance helps us stay accountable and remain worthy of this trust with our many stakeholders – including our supporters, the families in poverty that we serve, program partners, volunteers, employees and Members.

Opportunity is a company limited by guarantee, with a Constitution and set of By-Laws that outline our purpose, objectives and how income is to be applied. Our Board of Directors also abides by a Board Charter and Directors' Code of Conduct, which are available on our website.

Opportunity has internal processes to ensure we comply with various state and federal legislation and regulations and remain up to date with any amendments that impact our operations. Particular areas of focus include the Corporations Act, the Australian Charities and Not-for-Profits Commission and the Australian Taxation Office, which has granted Opportunity Deductible Gift Recipient (DGR) status, exemption from income tax, and provided concessions for fringe benefits tax and GST. Opportunity also complies with privacy legislation, workplace health and safety regulations, various state and federal fundraising and charities legislation and employment law.

Opportunity holds full accreditation with the Australian Government through the Department of Foreign Affairs and Trade. The rigorous accreditation process provides the Australian Government and general public with confidence that it is funding a professional, well-managed organisation capable of delivering good development outcomes.

Opportunity is also a member of the Australian Council for International Development (ACFID), the peak body for aid and development organisations, and a signatory to the ACFID Code of Conduct which sets out minimum standards of governance, financial management and accountability. The Code aims to ensure effective development outcomes and increase stakeholder trust by enhancing transparency and accountability. Information about the Code and how to make a complaint about possible breaches can be found at www.acfid.asn.au

In accordance with the ACFID Code of Conduct and consistent with principles of basic human rights, Opportunity places a high importance on the dignity, values, history, religion and culture of the people with whom we work. We are a not-for-profit organisation that exists to serve people living in poverty and we aim to build empowering, respectful and trusting relationships.

Opportunity assists people living in poverty without regard to race, faith, ethnicity or gender. Funds are not used to promote a particular religious adherence. Funds and other resources designated for specific purposes will be used only for those purposes. We oppose, and will not be a knowing party to, wrongdoing, corruption, fraud, bribery or other financial impropriety in any of our activities. Opportunity has a policy and process for handling complaints about our organisation. If you have a complaint, please direct it to our Company Secretary on (+61) 2 9270 3300 or companysecretary@opportunity.org.au

Opportunity recognises, and aims to comply with, the Fundraising Institute of Australia's Principles and Standards of Fundraising Practice, including the Code of Ethics and Professional Conduct. These standards set out guidelines for ethical, accountable and transparent fundraising.

Opportunity is a member of the Opportunity International Network, a global association of organisations established to increase efficiency and coordinate global fundraising,

budgeting, information technology and allocation of funds. This global structure provides the framework for a strong, unified organisation, driving the expansion of our services to help even more people living in poverty around the world.

The Opportunity International Network also promotes and supports industry-wide initiatives aimed at raising standards across the microfinance industry, including client protection, pricing transparency and social performance.

FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the governance of Opportunity including the oversight of the organisation, strategic planning, assessment of management capacity and input into, and approval of, policies. The Board has delegated the responsibility of management, operation and administration to the CEO and Leadership Team, with whom it has open access to discuss current and future business issues, risks and strategies.

The functions of the Board include the following:

- Input into, approval and monitoring of, strategy, business plans, financial and other reporting including budgets and financial objectives
- Input into, and monitoring of, fundraising, operations and performance objectives
- Approving and monitoring major capital expenditure, investments, loans and grants
- Reviewing and monitoring internal control and accountability systems
- Reviewing codes of conduct and legal compliance
- Appointing and removing Directors, the Chief Executive Officer and the Company Secretary
- Monitoring management's performance.

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with management. The Chief Executive Officer, who is a Director, is responsible for implementing strategies and policies.

The Board has established an Appointments and Compensation Committee, an Audit and Risk Committee and a Revenue Committee as efficient mechanisms for the detailed examination of practices in these areas.

The Board regularly reviews its overall performance, as well as the performance of its committees, individual Directors and the Chief Executive Officer.

RISK MANAGEMENT

Opportunity has implemented a formal risk identification and management process to minimise risk and ensure that key risks are managed appropriately.

The Board reviews and oversees internal controls and risk management systems. In identifying areas of significant operational or strategic risk and putting in place arrangements to manage those risks, the Board relies on the advice and expertise of the Audit and Risk Committee and the Leadership Team.

Our risk management process provides a framework to ensure financial, operational and management systems support the identification and management of risks. These risks could challenge the achievement of Opportunity's, or our program partners' objectives.

Opportunity carefully considers external country level risks – political, economic and social – as well as partner and project level risks before starting new work or continuing work in our focus countries. Some identified risks in development work include the difficulty for

partner organisations to obtain funding for their programs, governance and leadership succession issues, challenges of geographical isolation or environmental instability, regulatory uncertainty and social and political instability.

Risks are identified through regular examination of operations and activities by the Leadership Team. Risk exposure and control mechanisms are presented to the Board, together with mitigation and improvement strategies. Regular monitoring of risks and risk management is conducted by the Leadership Team and the Audit and Risk Committee.

OUR POLICIES

Like any well-governed organisation, Opportunity places great emphasis on ensuring it has appropriate policies and procedures. Amongst the many we work by, Opportunity has the following policies and procedures in place:

- Anti-terrorism
- Child protection
- Conflict of interest
- Corruption and fraud prevention
- Delegation of authority
- Fundraising ethics and gifts
- Human rights
- Photography guidelines
- Privacy
- Travel and travel risk management
- Value for money
- Whistleblowing
- Employee policies covering staff conduct, performance, entitlements, health and wellbeing, training and development, etc.

Pictured: Sanjani, a loan recipient from Kochi in India who sells pickled goods



REVIEW OF OPERATIONS

- Total revenue from ordinary activities was \$11,945,000 (2015: \$12,763,000). The combined fundraising revenue and government grant was \$8,255,000 (2015: \$10,083,000). The decrease was largely due to a one-off gift of \$2,400,000 from 2015.
- Operating expenses (including grants to international programs and excluding foreign exchange losses/gains, finance charges and impairment expenses) were \$8,779,000 (2015: \$8,174,000). The increase was largely driven by higher fundraising costs

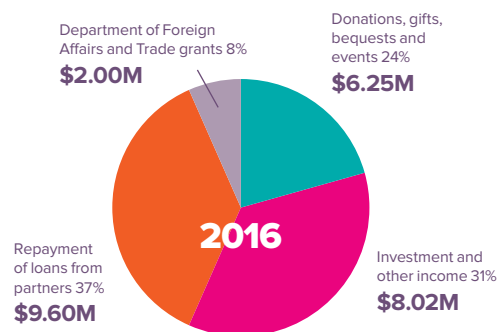
expected to contribute to future growth in our fundraising income.

- The net surplus for the year was \$6,645,000 (2015: \$6,259,000). The increase in surplus was largely due to the increase in share of profits from equity accounted and jointly controlled entities offset against a decrease in fundraising revenue.
- Cash inflows for the year totalled \$27,898,000 (2015: \$23,676,000). This comprised of \$25,875,000 (2015: \$23,676,000) cash inflows from donors, grantors, interests, loans

repaid from implementing partners and capital injection into Dia Vikas and \$2,023,000 (2015: nil) of redeemed term deposits with more than 3 months to maturity.

- Cash outflows for the year totalled \$34,430,000 (2015: \$17,560,000). This comprised of \$21,811,000 (2015: \$15,537,000) cash outflows for programs, fundraising activities and administration costs and \$12,619,000 investment in term deposits with more than 3 months to maturity.

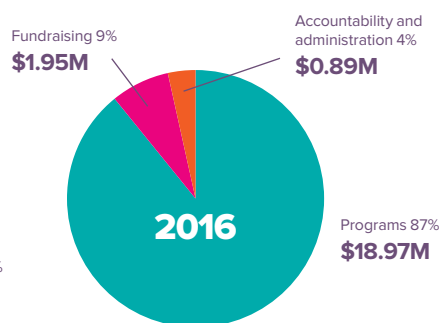
WHERE THE FUNDS COME FROM



Definition: Illustrates the source of cash inflow as a percentage of total cash inflows (excluding maturing term deposits of more than 3 months to maturity).

Analysis: Cash inflows from the repayment of loans from partners increased to \$9,597,000 (2015: \$5,664,000) and investments and other income increased to \$8,023,000 (2015: \$7,929,000). Cash from donations, gifts, bequests and events decreased to \$6,254,000 (2015: \$8,164,000). The Department of Foreign Affairs and Trade grant received was \$2,001,000 (2015: \$1,919,000).

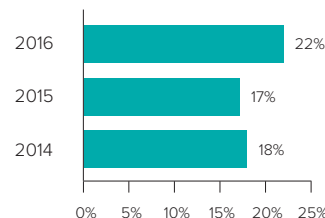
HOW FUNDS ARE PUT TO USE



Definition: Illustrates where cash was spent as a percentage of the total cash outflows (excluding investment in term deposits of more than 3 months to maturity).

Analysis: \$18,968,000 (2015: \$13,433,000) or 87% (2015: 86%) of cash outflows was spent on our programs including funds to international programs, loans and equity issued, program support costs, community education activities and acquisition of non-controlling interests in our Dia Vikas subsidiary.

FUNDRAISING AND ADMINISTRATIVE RATIO



Definition: Fundraising and administrative ratio illustrates the total cost of raising funds together with our accountability and administration costs against all revenue received from our ordinary activities.

Analysis: To illustrate the proportion of funds not spent directly on our programs, Opportunity uses a fundraising and administrative (accountability and administration) ratio. In 2016 our fundraising and administrative ratio has increased against previous years due to an increase in fundraising expense and a decrease in revenue. The increased expenditure resulted from an investment in fundraising activities to drive future growth in our fundraising income.

PROGRAMS DISBURSEMENTS BY COUNTRY

	2016 \$'000	2015 \$'000
India	11,976	8,274
Indonesia	903	1,548
Philippines	1,376	765
China	50	63
Ghana	25	22
Total international programs expenditure	14,330	10,672

PROGRAMS FUNDING FLOW

	2016 \$'000	2015 \$'000
Cash outflows		
Funds to international programs		
Grants and technical support	3,076	3,148
Loans	8,298	7,174
Equity	2,956	350
Total international programs expenditure	14,330	10,672
Program support costs	2,665	2,528
Community education	332	233
Acquisition of non-controlling interests in Dia Vikas subsidiary	1,641	-
Total programs expenditure	18,968	13,433
Cash inflows		
Loans repaid	(9,597)	(5,664)
Net programs expenditure	9,371	7,769

INCOME STATEMENT

For the year ended 31 December 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Revenue				
Donations and gifts				
Monetary	6,051	8,143	6,051	8,143
Bequests and legacies	159	-	159	-
Grants				
Department of Foreign Affairs and Trade	2,001	1,919	2,001	1,919
Investment income	3,632	2,640	1,443	1,324
Other income	102	61	45	24
Total revenue from ordinary activities	11,945	12,763	9,699	11,410
Expenses				
International programs				
Funds to international programs	3,076	3,148	1,819	1,694
Program support costs	2,665	2,528	2,665	2,528
Community education	332	233	332	233
Fundraising costs				
Public	1,828	1,533	1,828	1,533
Technical grants	87	81	87	81
Events expenses	39	44	39	44
Accountability and administration	752	607	751	607
Net (gain)/loss on foreign exchange	30	(76)	30	(76)
Impairment/(reversal of impairments) of investments and loans ¹	778	285	(3,394)	(4,269)
Total expenses from ordinary activities	9,587	8,383	4,157	2,375
Surplus on ordinary activities	2,358	4,380	5,542	9,035

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Share of profits/(losses) from equity accounted and jointly controlled entities	4,365	1,911	(44)	(435)
Finance income	649	370	-	-
Finance charges	(547)	(402)	-	-
Surplus before tax	6,825	6,259	5,498	8,600
Tax expense	180	-	-	-
Net surplus for the year	6,645	6,259	5,498	8,600
Foreign currency translation differences for subsidiary attributable to:				
Non-controlling interests gain/(loss)	(102)	215	-	-
The Parent	(423)	2,468	(314)	-
Total other comprehensive income/(loss) for the year	(525)	2,683	(314)	-
Total comprehensive income for the year	6,120	8,942	5,184	8,600

¹ Impairment on investments and loans in the consolidated financial statements relates to investments in program partners. In the Parent financial statements this relates to a revision in the impairment estimate for Dia Vikas to more appropriately reflect the recoverable amount of the investment.

The Parent financial statements comprise figures attributable to Opportunity International Australia Ltd (Opportunity) together with its interest in an associate and a joint venture. The Consolidated financial statements comprise figures attributable to Opportunity and its subsidiaries, Dia Vikas Capital Pvt Ltd (Dia Vikas) and Opportunity International Australia Capital Management Pty Ltd, together with their interests in a joint venture and in associates.

Opportunity had no transactions and therefore zero balances in the following categories: non-monetary donations and gifts, grants sourced from other Australian and non-Australian institutions, revenue for international political or religious adherence promotion programs, international political or religious adherence promotion programs expenditure and domestic programs expenditure.

The statements on pages 32-37 comprise a Summarised Financial Report of Opportunity International Australia Limited. The financial statements have been prepared in accordance with the presentation and disclosure requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website www.acfid.asn.au. A full financial report is available upon request.

BALANCE SHEET As at 31 December 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Assets				
Current assets				
Cash and cash equivalents	10,151	16,683	5,922	7,512
Trade and other receivables	18,940	10,290	1,230	1,976
Other current assets	118	116	110	85
Total current assets	29,209	27,089	7,262	9,573
Non-current assets				
Trade and other receivables	6,259	6,662	1,539	1,168
Investments in subsidiaries	-	-	44,262	37,067
Equity-accounted investees	35,755	28,517	4,275	4,447
Property, plant and equipment	595	632	60	73
Total non-current assets	42,609	35,811	50,136	42,755
Total assets	71,818	62,900	57,398	52,328

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Liabilities				
Current liabilities				
Trade and other payables	484	439	389	377
Borrowings	-	250	-	250
Provisions	460	273	458	272
Total current liabilities	944	962	847	899
Non-current liabilities				
Provisions	196	231	118	180
Total non-current liabilities	196	231	118	180
Total liabilities	1,140	1,193	965	1,079
Net assets	70,678	61,707	56,433	51,249
Equity				
Retained earnings	63,964	57,975	56,747	51,249
Reserves	(3,285)	(2,862)	(314)	-
Non-controlling interests	9,999	6,594	-	-
Total equity	70,678	61,707	56,433	51,249

Opportunity had no transactions and therefore zero balances in the following categories: inventories, assets held for sale, other financial assets, investment property, intangibles, other non-current assets, current tax liabilities and other financial liabilities.

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2016

	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
2016 Consolidated \$'000						
Balance as at 1 January 2016	(2,863)	1	57,975	55,113	6,594	61,707
Total comprehensive income						
Surplus	-	-	5,490	5,490	1,155	6,645
<i>Other comprehensive income</i>						
Foreign currency translation differences	(423)	-	-	(423)	(102)	(525)
Total comprehensive income/(loss) for the year	(423)	-	5,490	5,067	1,053	6,120
Acquisition of equity by a non-controlling interest	-	-	1,079	1,079	3,424	4,503
Acquisition of non-controlling interests	-	-	(580)	(580)	(1,072)	(1,652)
Balance as at 31 December 2016	(3,286)	1	63,964	60,679	9,999	70,678
2015 Consolidated \$'000						
Balance as at 1 January 2015	(5,331)	31	51,441	46,141	1,365	47,506
Total comprehensive income						
Surplus	-	-	5,772	5,772	487	6,259
Transfer of reserves	-	(30)	30	-	-	-
<i>Other comprehensive income</i>						
Foreign currency translation differences	2,468	-	-	2,468	215	2,683
Total comprehensive income/(loss) for the year	2,468	(30)	5,802	8,240	702	8,942
Acquisition of equity by a non-controlling interest	-	-	732	732	4,527	5,259
Balance as at 31 December 2015	(2,863)	1	57,975	55,113	6,594	61,707
2016 Parent \$'000						
Balance as at 1 January 2016	-	-	51,249	51,249	-	51,249
Total comprehensive income						
Surplus	-	-	5,498	5,498	-	5,498
<i>Other comprehensive income</i>						
Foreign currency translation differences	(314)	-	-	(314)	-	(314)
Total comprehensive income/(loss) for the year	(314)	-	5,498	5,184	-	5,184
Balance as at 31 December 2016	(314)	-	56,747	56,433	-	56,433
2015 Parent \$'000						
Balance as at 1 January 2015	-	-	42,649	42,649	-	42,649
Total comprehensive income						
Surplus	-	-	8,600	8,600	-	8,600
Total comprehensive income for the year	-	-	8,600	8,600	-	8,600
Balance as at 31 December 2015	-	-	51,249	51,249	-	51,249

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Cash flows from operating activities				
Receipts from donors and grantors	8,255	10,083	8,255	10,083
Payment for programs and employees	(8,347)	(7,693)	(6,870)	(6,072)
Interest received	3,462	2,622	1,252	1,095
Other income	58	39	1	3
Net cash generated by operating activities	3,428	5,051	2,638	5,109
Cash flows from investing activities				
Investment in subsidiary	-	-	(2,083)	-
Loan to subsidiary	-	-	-	(50)
Investment in implementing partners	(2,956)	(350)	-	-
Loans to implementing partners	(8,298)	(7,174)	(1,411)	(1,460)
Repayment of loans from implementing partners	9,597	5,664	958	594
Payment for plant and equipment	(38)	(70)	(32)	(40)
Proceeds on disposal of assets	-	3	-	-
Cash received - Investments in term deposits (over 3 months)	2,023	-	314	-
Cash payment - Investments in term deposits (over 3 months)	(12,619)	(2,023)	-	(314)
Net cash used in investing activities	(12,291)	(3,950)	(2,254)	(1,270)

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Parent 2016 \$'000	Parent 2015 \$'000
Cash flows from financing activities				
Proceeds from issuance of shares and debentures	4,503	5,259	-	-
Acquisition of non-controlling interests	(1,641)	-	(1,641)	-
Loans repayment	(250)	(250)	(250)	(250)
Net cash generated by/(used in) financing activities	2,612	5,009	(1,891)	(250)
Net increase/(decrease) in cash held	(6,251)	6,110	(1,507)	3,589
Cash at the beginning of financial year	16,683	10,567	7,512	3,917
Effects of exchange rate changes on balance of cash held in foreign currencies	(281)	6	(83)	6
Cash at the end of financial year	10,151	16,683	5,922	7,512

NOTES TO THE SUMMARISED FINANCIAL REPORT

Cash movements for specific purposes for the year ended 31 December 2016

Movement of cash received or assets held for specific purposes that is 10% or more of total revenue for the year are as follows:

Specific purpose or appeal	Available at start of year \$'000	Raised during year \$'000	Disbursed during year \$'000	Available at end of year \$'000
2016 Consolidated				
Microfinance programs in India	11,813	18,599	13,618	16,794
Microfinance programs in Indonesia	1,933	1,974	1,841	2,066
Microfinance programs in Philippines	902	789	1,143	548
Total movements for specific purposes	14,648	21,362	16,602	19,408
Total for other purposes	4,058	4,513	5,209	3,362
Total cash	18,706	25,875	21,811	22,770
2015 Consolidated				
Microfinance programs in India	6,649	13,993	8,829	11,813
Microfinance programs in Indonesia	1,570	1,926	1,563	1,933
Domestic violence programs in India	-	2,378	300	2,078
Total movements for specific purposes	8,219	18,297	10,692	15,824
Total for other purposes	2,348	5,379	6,868	859
Total cash	10,567	23,676	17,560	16,683

The total cash held by Opportunity Group at 31 December 2016 was \$22,770,000 which comprised of \$10,151,000 cash and cash equivalents and \$12,619,000 cash held in term deposits of more than 3 months to maturity.

The total cash available at the start of year was adjusted to include term deposits of more than 3 months to maturity. The adjusted opening cash was \$18,706,000, comprising of \$16,683,000 cash and cash equivalents and \$2,023,000 cash held in term deposits of more than 3 months to maturity.

The disbursements made during the year for specific purposes includes equity, debt, grants and program management costs for microfinance programs only. The table setting out programs disbursements by country on page 32 excludes program management costs.



Report of the independent auditor on the summary financial statements to the members of Opportunity International Australia Limited

The accompanying summary financial statements, which comprises the summary statement of financial position as at 31 December 2016, summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, related notes and the directors' declaration, are derived from the audited financial report of Opportunity International Australia Limited for the year ended 31 December 2016. We expressed an unmodified auditor's opinion on that financial report in our report dated 18 April 2017.

The summary financial statements do not contain all the disclosures required by Australian Auditing Standards Board applied in the preparation of the audited financial report of Opportunity International Australia Limited. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Opportunity International Australia Limited.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of a summary of the audited financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements derived from the audited financial report of Opportunity International Australia Limited based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Auditor's opinion

In our opinion, the summary financial statements derived from the audited financial report of Opportunity International Australia Limited for the year ended 31 December 2016 are consistent, in all material respects, with that audited financial report.

KPMG

Cameron Roan

Partner

Sydney

18 April 2017

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HOW YOU CAN GET INVOLVED

Your involvement with Opportunity helps you give families in developing countries the tools they need to free themselves from poverty – **with hope, dignity and purpose.**

Some of the many ways you can become involved with Opportunity are:



BECOME AN AMBASSADOR

Opportunity Ambassadors play a vital role in fundraising and encouraging others to become involved. Through their passion in 2016, our Ambassadors hosted movie nights, food events and even trekked thousands of kilometres to raise much-needed funds.

To become an Opportunity Ambassador email: ambassadors@opportunity.org.au

BECOME A CORPORATE SUPPORTER

Opportunity provides a bridge that enables businesses to support families living in poverty. Becoming a corporate supporter can also help to increase staff morale, attract customers and investors and build your company's reputation with the Australian public.

To learn more about becoming a corporate supporter call: 1800 812 164

DONATE

Donate to provide loans to families so they can grow income-producing businesses. You can donate once, monthly, buy a Something Bigger gift, support a community, include a gift to Opportunity in your Will, or host a fundraiser like a morning tea or dinner.

To donate visit: www.opportunity.org.au



TRAVEL ON AN INSIGHT TRIP

Insight Trips help you see first-hand how you are impacting the lives of families living in poverty. These trips let you see the hope and excitement your generosity brings to families working to leave poverty behind. You also have the chance to experience a new culture, meet families and their communities and meet local staff from Opportunity's program partners and gain understanding of poverty and how to tackle it.

To travel on an Insight Trip email: insighttrips@opportunity.org.au



OPPORTUNITY CHALLENGE

With \$10, students in Years 5-12 can become involved in fighting global poverty by creating innovative businesses designed to raise much-needed funds. The Opportunity Challenge helps to empower and educate students about tackling global poverty.

To kick off an Opportunity Challenge call: 1800 812 164










Pictured: A community of women in the Philippines who have built businesses using small loans

Opportunity International Australia enables you to invest in a mother living in poverty so that she can use a small loan to buy an item like a sewing machine and start a small business. For a family in a developing country who can't afford the basics, a gift as small as \$70 can be life changing. With this hand up, a mother can put food on the table, send her children to school and transform her family's future for generations. Mothers want what is best for their children, and as businesses become successful (98% of Opportunity's loans are repaid), your help means they can make their dreams for their children come true. Opportunity is motivated by Jesus Christ's call to love and serve the poor, serving all people regardless of their race, faith, ethnicity and gender.

Opportunity International Australia is committed to protecting your privacy and complies with Australian privacy laws including the Privacy Act 1988 (Cth) in regard to all personal information it collects, holds, uses or discloses.

If you would like to know more about how we collect, store, use and disclose personal information, including how you can access and correct it, how you can lodge a privacy complaint and how we handle these complaints, it is available in our Privacy Policy at www.opportunity.org.au/privacy-policy. You may also contact our Privacy Officer by calling +61 2 9270 3300 or toll free on 1800 812 164.



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