



Marice used a small loan to start a vegetable shop at the markets in Kupang, eastern Indonesia.

Your Impact Report

See how you're helping transform lives in Indonesia

Highlights of your impact in Indonesia

What does it mean when you transform someone's life?

Living in poverty means so much more than living on a small amount of money. It also means **living without the capacity to make choices** about the kind of life you'd like to live.

That might mean not having to choose between putting healthy food on the table and saving money to send your children to school. It might mean not being able to afford essential medicines or not having time to join in community life, because it's more important to focus on covering the costs of basic needs.

For the mothers and families that you support, your hand up is so much more than just a hand up to start a business. It's a hand up to build a better life. It's also a **hand up to transformation**. That means your giving is strengthening families, empowering mothers and creating resilient communities.

Your giving is truly transformational. **Thank you.**

Scan your phone over the QR code on the following page to watch a video that shows what transformation looks like when you invest in a mother.

Thanks to your support...



poor communities are being reached by 3 microfinance partners
– TLM, Bina Artha and Komida – across the country



261,020 families have small loans to start small businesses



2,835 families have received training



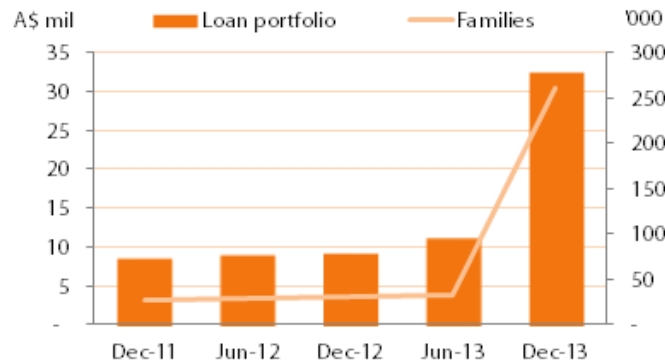
1,305,100 people

have been empowered with access to food, shelter, education and improved health services



Highlights of your impact in Indonesia

Two new partners in Indonesia



Thanks to your support, we have added two new microfinance partners in Indonesia and can now reach more families there. When you invest in a mother, you are joining a movement of supporters who are working together to bring lasting change to families living in poverty. Read more about our partners and their loan portfolio – and how that affects the people your support reaches – on the coming pages.



Scan the QR code to watch a video that shows what transformation looks like when you invest in a mother like Remy from the Philippines.

Meet Sutarti, a shop owner

Sutarti has always held big dreams for herself and her family – most importantly, she wants a better future for her children. Filled with courage and with only Rp.300,000 (A\$28) in her pocket, Sutarti started her own grocery store several years ago. Despite her hard work and determination, she could only afford to stock vegetables and her income could barely cover her costs.

With a small loan from one of Opportunity's new partners in Indonesia, Bina Artha, Sutarti was able to harness her ambition and turn her shop into a successful small business. It now stocks a greater variety of vegetables and other items and she is able to bring in much more income as a result. The business is also far more stable than it was before, bringing her family greater security.

Today, Sutarti has been able to grow her shop enough to provide a better life for her family. Most importantly, she knows that she can put money aside for her children's futures.

For Sutarti, you have given her more than a hand up – you've given her hope for the future.



Sutarti at her grocery store in Indonesia.

"You've given a glimpse of hope that can make me and my family's dreams come true."

Sutarti, mother and shop owner from Indonesia

Activity update from Indonesia

Why your support matters

Did you know that Indonesia is the fourth most populous country in the world after China, India and the US? Scattered across an archipelago of over 17,000 islands, nearly half the Indonesian population – 120 million people – continues to live in poverty. This means that while there are some beautiful beaches, many families continue to miss out on the things that we might take for granted.

By investing in mothers in Indonesia, you are giving them with a hand up to change this situation.

If you were born in Indonesia rather than Australia:

- You'd have, on average, a six times higher chance of dying in infancy
- You'd also be likely to die 10.5 years sooner
- You'd be likely to parent twice as many children
- You'd make 90 percent less money.

By giving families the tools to start their own small business, you are playing a significant part in helping to change this situation – one family at a time. Thank you for your support in helping to transform lives.

Sources: World Bank; CIA World Factbook; CGAP.

Building community support



Both of Opportunity's new partners – Komida and Bina Artha – conduct most of their work on the populous Java island. Though the area is crowded, it's still difficult for families living in poverty to access small loans. Informal moneylenders usually charge exorbitantly high daily interest rates which may force families into further long-term poverty.

With your support, Komida and Bina Artha reach thousands of mothers with affordable small loans to help them start their own businesses. Taking a **group approach**, women come together in groups of five to make their repayments. They also receive training together, meaning that they are able to share knowledge and support each other as they take their first steps out of poverty.

Sending children to school



In Indonesia, more than 6.6 million children aged between seven and 15 years of age don't go to school (UNICEF). Most of these children come from poor families who might have them drop out because they need to work to support the family, or to get married at an early age.

Opportunity's new partner Komida offers a **special education loan** in the belief that "the higher the education of the children, the better the quality of their family life in the future". By giving families extra funding for school fees, they are able to invest in their children's future and break the poverty cycle.

Training 2,835 families



Thanks to your giving, 2,835 people received training in the last six months with Opportunity's partner TLM to help them improve their small businesses. While financial support is important, ongoing education and training helps families make the most of the hand up that you've provided.

TLM, based in eastern Indonesia, has trialled a new training method to make lessons more engaging and reach more families with essential business knowledge.

Typical training sessions involved:

- **Financial awareness** – helping families learn to manage their daily household financial needs
- **Business management** – helping families learn to run their business effectively
- **Marketing** – helping families learn to promote their business and reach other potential markets.

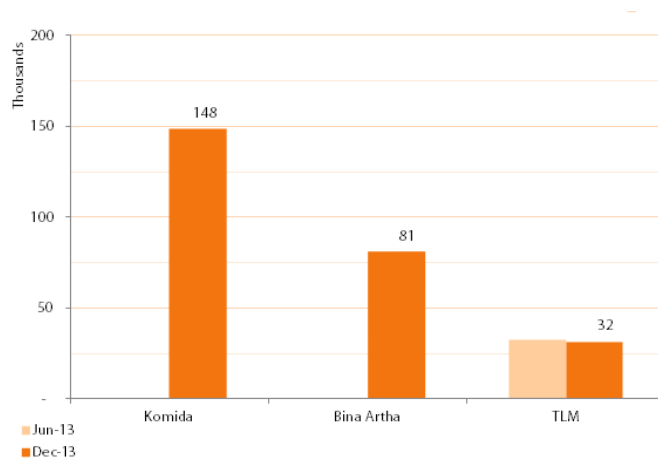
Additional training was also delivered on topics such as preventing dengue (a mosquito-carried virus), looking after the environment and the importance of gender equality.



Your support helps more children go to school in Indonesia.

Performance update from Indonesia

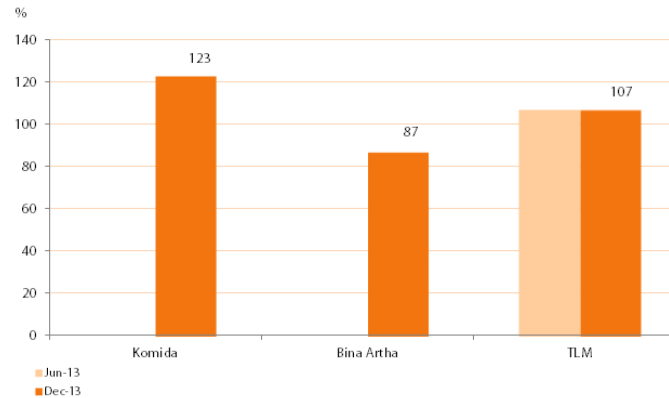
How many people have loans



With two new microfinance partners joining the Opportunity family in the last six months, you are helping reach more families in need.

- Your support is helping reach out to **261,020 families** in Indonesia. This is an exciting achievement – your giving has helped Opportunity invest in two new partners so that you can invest in more mothers in need of a hand up! Based on an average family size of five, that's 1,305,100 people you are reaching.
- Bina Artha is experiencing rapid growth in east Java island. It **quadrupled its client numbers** from 21,397 at December 2012 to 80,917 at December 2013 since Opportunity began the new partnership. With your support, Bina Artha intends to keep reaching more families across central and west Java, and as it does so, plans to become operationally sustainable.

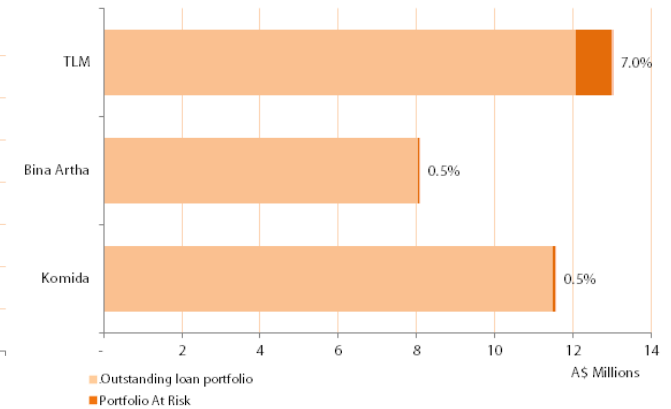
Operational sustainability



Overall operational sustainability in Indonesia is 110%.

- Komida, already one of the biggest microfinance organisations in Indonesia, is looking to grow significantly over the coming year by moving into new districts to reach other communities in need of a hand up. In the last year, it moved into **20 new communities**.
- TLM's outreach has reduced slightly in the past six months while it focuses on reducing its Portfolio At Risk (PAR) by improving staff management and evaluation processes. PAR is a stringent measure of a microfinance institution's loan portfolio quality, calculating the total value of outstanding loan balances by more than 30 days. This issue at TLM is concentrated in a small number of branches.

Loan portfolio



Total loan portfolio in Indonesia is A\$32,600,000. Overall Portfolio At Risk (PAR) is 1.3%. Conversion: A\$1:Rp.10,800

- While TLM focuses on strengthening its operations for the long-term, it has **delayed the opening of two new branches at Labuan Bajo and Ende**. The need in these areas still exists, but this management of growth is an essential element in ensuring that every branch is performing well so that it can continue serving clients in the long-term and expand responsibly.
- TLM's **operational sustainability** is 107%, indicating its capacity to cover the costs of its lending program at its current level of outreach. Your ongoing support will help Opportunity play an active role in assisting TLM by offering technical advice and support.

Keep on making an impact in Indonesia

In a country where less than 20% of people have ever borrowed from a bank (according to the 2011 Global Financial Inclusion Index), providing access to a small loan and other financial services is crucial to transforming more lives in Indonesia. Over the next six months, your giving will help more mothers start businesses to help their families leave poverty behind.

- **Transforming more lives** – Komida and Bina Artha will continue to focus on reaching more families on Java island, while Komida will also focus on increasing its outreach in the lesser served regions of Aceh, Sulawesi and West Nusa Tenggara.
- Committed to **innovating with new technology**, Komida and TLM are piloting card technology across some of their branches. This technology makes it easier for families to

access their small loans, meaning that more people can be reached. Over the next year, Komida aims to provide all clients with ATM cards and electronic bill-paying services.

- **Supporting clean water and improved sanitation** – TLM has started a partnership with Water.org, an organisation that focuses on delivering improved water, sanitation and hygiene to communities. Together, TLM and Water.org will begin researching community needs in these areas to identify potential solutions for families.
- TLM is continuing to design and develop **special loans for marginalised groups** – people with disabilities and subsistence farmers. In the next six months, it hopes to finalise research to understand what types of loans these communities would need.



Mothers proudly showing their new loans from Opportunity's partner Bina Artha.

Get in touch

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Opportunity International Australia provides people living in poverty with the opportunity to transform their lives.

Disclaimer

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