

## MID YEAR PROGRESS REPORT

As the first half of our 2012 fiscal year came to a close on December 31, we paused and gave thanks for the strong support we have received from our many friends and supporters. Relationships are being renewed, there is a positive momentum and “can do” spirit surfacing in the donor, volunteer and staff communities across the country. The collective wisdom and financial support gained in the past six months has allowed Opportunity International Canada (OIC) to improve efficiencies and make necessary corrections. This in turn has empowered us to refocus our attention on continuous operational improvements thus ensuring our future viability.



*Opportunity Ghana client Beatrice Duku Frimpomg Boaten makes a deposit through one of Opportunity's mobile banks.*

The 2011 fiscal year ended June 30, 2011 was challenging for OIC on a number of levels including:

- a slowdown in donations due to continued economic uncertainty and financial turmoil in worldwide and European markets;
- an increasing trend for donors to restrict their donations to particular initiatives, thereby decreasing our unrestricted fund, which covers the necessary fundraising and General and Administration costs;
- a lack of effective senior leadership at our CEO level leading to a necessary change. This change brought to light various deficiencies in the past year's operations; and
- an increase in infrastructure and operational costs previously committed based on significant success in our 2010 fiscal year and not sustainable in light of current revenue levels.

The Board of OIC addressed these key issues in the first two quarters with the first priority being the appointment of Bob Lawless as Board Chair & CEO on August 16, 2011. As the previous CEO and Chairman of McCormick & Co., a global leader in the manufacture, marketing and distribution of spices in over 100 countries, Bob brings unparalleled wisdom and business acumen to the helm at this critical moment in the history of OIC.

## FROM OUR CEO AND BOARD CHAIR

It is my pleasure to provide a brief update at the mid-point of our current financial year. Thanks to a tremendous effort by all, we ended the first two quarters with an excess of revenue over expenditures of over \$250,000 in our unrestricted fund. Not only has this represented a turnaround over the same period from last fiscal year, but it has also allowed us to head into the last two quarters in a strong financial position. Our strategy for the next six months is the same as the past six months – meet fundraising goals, maintain the emphasis on operating cost containment, visit current and potential donors and create a plan to move forward into 2012/13.

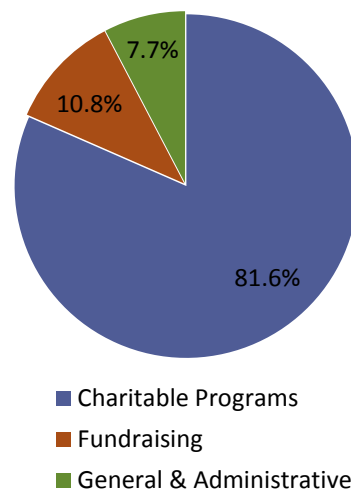


## FINANCIAL UPDATE

Some definite encouragements mid-way through the current fiscal year:

- Over \$4.9 million has been raised with \$1.0 million of this amount being unrestricted;
- Approval of a three year, \$2.5 million agreement with the Canadian International Development Agency (CIDA) for work in Mozambique and Ghana. This is a 1:1 matching initiative and is set to conclude in March 2014;
- New Board Members have been added to increase the shared oversight of the organization while also aiding in the fundraising capabilities of the board; and
- The Board of Directors and Executive Leadership Team will continue the process of aligning structures, procedures and talent to increase organizational effectiveness and efficiency. Strategic planning is ongoing for the short-term with longer term strategies being formulated.

## FORECASTED RESULTS FOR THE YEAR-ENDED JUNE 30, 2012



## PROGRAM UPDATE

### *Africa*

Back from a recent field monitoring trip, our Director of International Programs reports that work on our new CIDA project has begun. In Mozambique, a Disaster Recovery site has been secured and a business continuity consulting firm has been engaged to manage the installation. In Ghana, satellite branch locations to help reach more people in need of transformative financial services have been secured; acquisition arrangements for Mobile Branch and electronic payment devices are progressing; and the development of financial literacy tools for our clients is underway.

Over three years, this program will impact the lives of over 300,000 lives by training 250 local staff; providing financial literacy training to 48,000 clients; creating 54,000 new jobs and offering savings program options to 90,000 new clients. A three-phase study by independent consultants is planned to assess the impact of the project and Opportunity's work.

### *Latin America*

Program Officer, Latin America reports that Opportunity's main field implementing partner in Colombia, Opportunity International Latin America or OILA, continues to provide loans and training across nine branches. Although the number of active clients decreased through 2011, new client application forms have been implemented to reduce the portfolio at risk and new staff training and oversight policies are being implemented to improve internal controls. Crisis fund grants have been used to buy housing supplies for clients severely impacted by the rainy season and floods that resulted in the fall of 2011. Four out of a planned ten client training videos have been delivered towards the goal of improving consistency in the financial literacy training programs. Future expansion will be undertaken after portfolio indicators and productivity in existing offices show improvement.

