2018 ANNUAL REPORT

OPIC

BUILDING

Thriving Communities

Delivering **IMPACT**

Advancing **FOREIGN POLICY**

Building a Modern Development Finance Corporation

$1 BILLION+ Invested for **WOMEN**

$3.8 BILLION Private Capital **MOBILIZED**

6,000+
Mortgage Loans

Nearly
500,000
Patient Visits

500+ MW
of New Power

47,000+
Loans to Small Businesses

Letter from OPIC President and CEO
Ray W. Washburne

BUILDING

Thriving Communities

Stable Societies

Robust Economies

The United States is entering a new era in development finance. In October, President Trump signed the BUILD Act into law, which will transform OPIC into the U.S. International Development Finance Corporation (DFC), a stronger and more flexible agency that will be equipped to mobilize more resources to advance development around the world.

The passage of the BUILD — or Better Utilization of Investments Leading to Development — Act capped a year of milestones for OPIC. During 2018 we:

- Launched the **2X Women's Initiative** and surpassed our initial targets to mobilize investment in support of the world's women.
- Committed to invest $1 billion in Africa over the next three years through the new **Connect Africa** initiative focused on strengthening critical infrastructure, technology and value chains.
- Dramatically increased investments in El Salvador, Honduras and Guatemala and catalyzed more than $1 billion through our **Northern Triangle Initiative** to mobilize investment as a stabilizing force in Central America.
- Formed partnerships with our allies, including an agreement with the Japan Bank for International Cooperation and a trilateral partnership with Japan and Australia to support more development in the Indo-Pacific.
- Launched a new venture capital program to support emerging entrepreneurs in the developing world.
- Continued our long track record of operating as a self-sustaining U.S. Government agency that generates income for deficit reduction.

Washburne visiting an OPIC-supported agriculture project in Rwanda.

As OPIC transforms into the new DFC over the next several months, we will be building a 21st-century institution with modern investment tools, including equity authority and an investment cap that is more than double OPIC's existing threshold. I'm confident the new DFC will have an even greater impact in emerging markets around the world.

It has been extremely gratifying to lead a U.S. Government agency that partners so effectively with the private sector to invest in development around the world, and to witness the strong bipartisan support for development finance as a tool to advance American competitiveness and foreign policy.

As we look forward to many more successful years, I want to thank everyone from the OPIC team and all of our partners for helping us support projects that advance stability around the globe.

Ray W Washburne

Ray W. Washburne
OPIC President and CEO

A New Era for Development Finance

The October 2018 passage of the BUILD Act will strengthen and modernize American development finance. The law paves the way for OPIC to transform into the U.S. International Development Finance Corporation (DFC), which will combine the capabilities of OPIC and USAID's Development Credit Authority, while introducing new and innovative financial tools to help mobilize more private capital to the developing world.

KEY CHANGES

Equity Authority — In addition to debt financing, the new DFC will also have the ability to make equity investments, a tool widely used in development finance.

A higher investment cap — The new DFC will have a total investment limit of $60 billion, more than double OPIC's $29 billion investment cap.

Technical assistance and feasibility studies — The DFC will be able to be more proactive in identifying and addressing development needs around the world.

Increased cooperation with the State Department and USAID — The DFC will support and complement other U.S. Government tools that advance development and American foreign policy.

Strong focus on lower-income countries — The DFC will redouble efforts to promote inclusive economic growth in the world's least developed countries.

Robust alternative to state-directed investments by authoritarian governments — The DFC will promote an economically viable form of private- sector-led investment.

KEY BENEFITS

A greater impact around the world — The increased portfolio authorization and addition of more modern investment tools will equip the DFC to mobilize substantially more capital to advance development and grow economies.

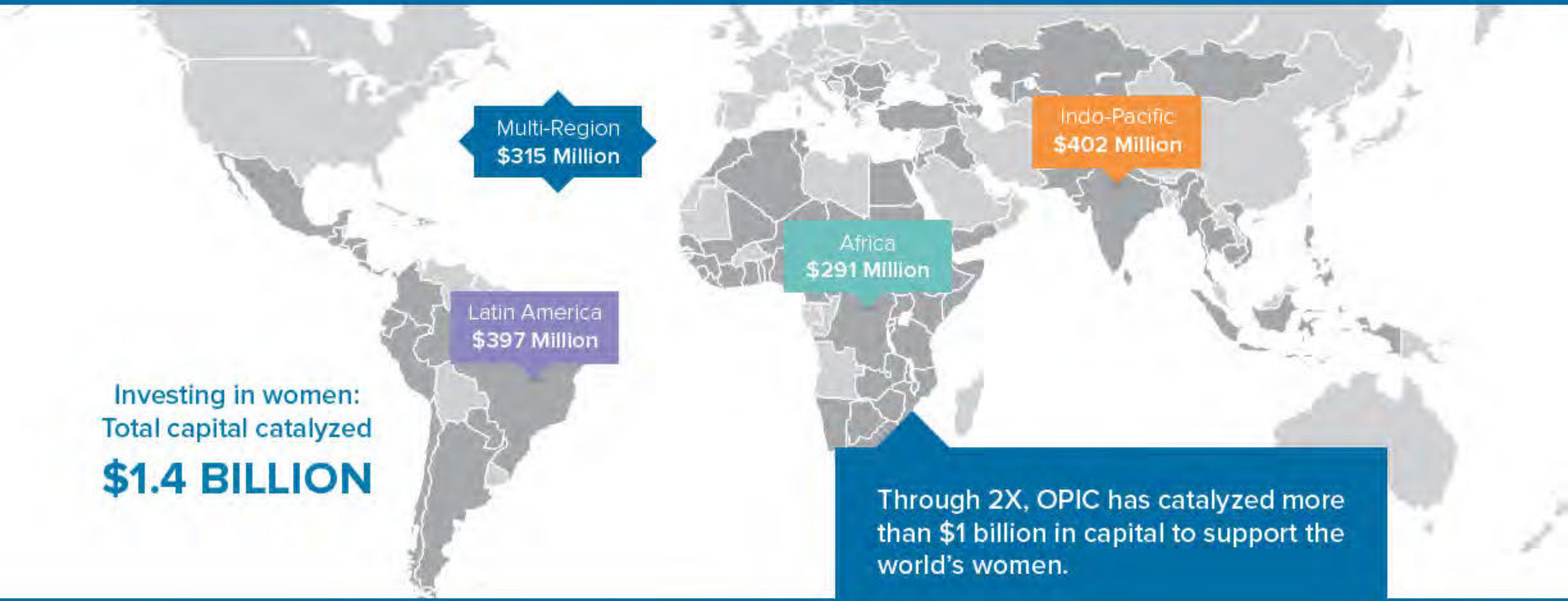
Support for American foreign policy — By promoting job creation and economic growth around the world, the DFC will serve as a critical tool for U.S. foreign policy.

Promoting American competitiveness — The DFC will help American businesses gain footholds in some of the world's fastest growing emerging markets. Investing in economic growth in these places will help create new markets for American businesses.

The new DFC will begin operations on October 1, 2019.

OPIC

Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | **opic.gov**



OPIC 2X Investing in the World's Women

The world's fastest growing emerging market is not a country or a region; it is the world's women.

OPIC launched the *2X Women's Initiative* during Women's History Month in March 2018, committing to catalyze $1 billion to invest in women in developing countries. By year end, OPIC had surpassed that initial target.

The 2X Challenge — The U.S., the U.K., Canada, France, Italy, Japan and Germany later established the 2X Challenge, committing to mobilize $3 billion to economically empower women across the developing world.

Gender lens investing — In addition to mobilizing investment in projects that directly benefit women, OPIC is applying a gender lens to all the projects it considers to help ensure women will benefit while also making better investment decisions.

Fund Mujer — OPIC committed to support emerging market private equity funds supporting women in Latin America and the Caribbean through Fund Mujer, a new partnership with Inter-American Development Bank's IDB Invest. Fund Mujer is the first gender-focused fund for Latin America and the Caribbean.

WHY INVEST IN WOMEN?

To close the credit gap. Women worldwide face a more than $320 billion shortfall in access to credit.

To capture a multitrillion-dollar opportunity. Research shows that closing the gender labor gap could add trillions to global GDP by 2025.

To achieve a powerful multiplier effect. The 2X Initiative was named for the multiplier effect achieved by investing in women. When women earn a competitive income, they spend the vast majority on food, healthcare and education, benefiting their families and their communities.

OPIC's financing to Root Capital supports the livelihoods of 90,000 female farmers in Africa and Latin America each year.

OPIC 2X Empowering Women Around the World

OPIC investment helps women access clean water, electricity and financial services while also supporting women-owned and women-led businesses.

Helping women access water in India — An OPIC loan is helping WaterHealth India install hundreds of water purification plants selling clean water at a fraction of the cost of bottled water. The project will improve the health and quality of life for millions of Indians, particularly women who typically have the primary responsibility of obtaining water for the family.

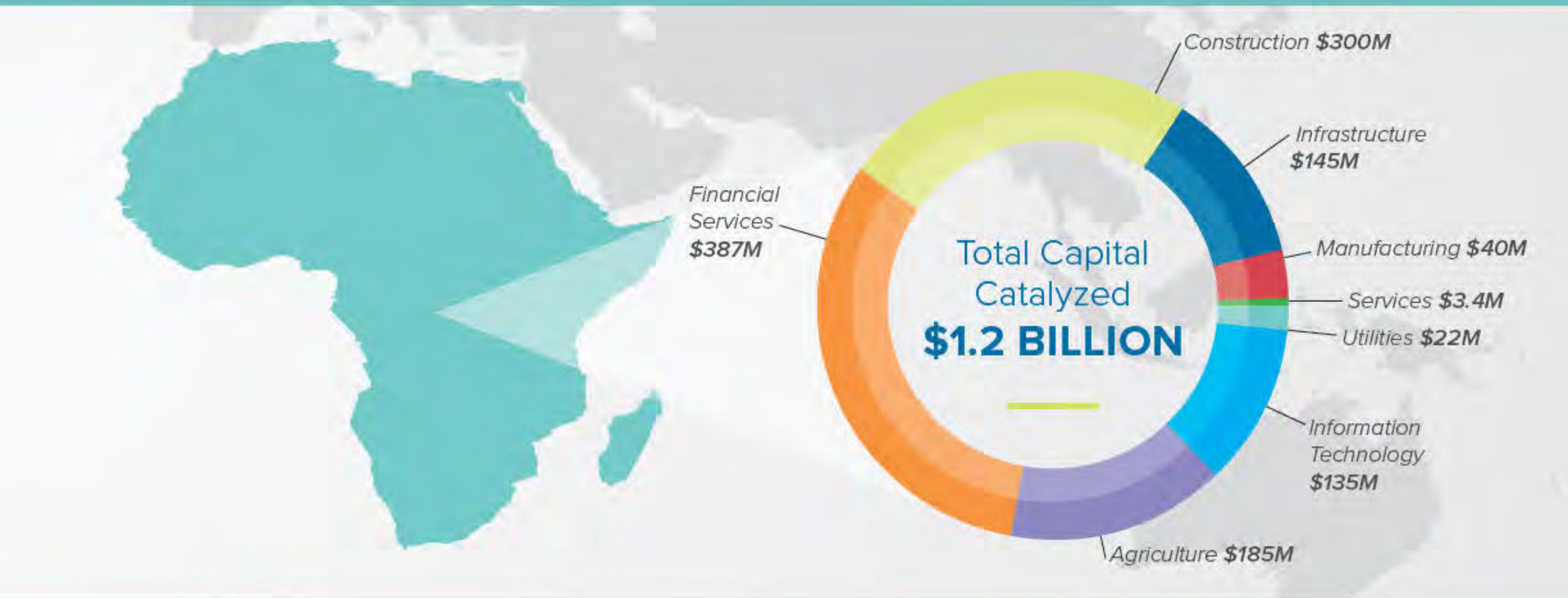
Supporting female food vendors in Kenya — An OPIC loan is helping Twiga Foods Ltd. supply fresh produce from Kenyan farmers and deliver it to urban vendors, the majority of whom are women, helping them increase their sales and profits.

Empowering women-owned and women-led businesses — OPIC financing and political risk insurance is helping SunFunder, a solar energy finance business co-founded by Audrey Desiderato, provide loans to help emerging market off-grid solar businesses meet their working capital, construction, inventory finance and structured finance needs.

"Women represent a multitrillion-dollar opportunity that the world cannot afford to miss."

— Kathryn Kaufman, OPIC Managing Director for Global Women's Issues

OPIC
Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | opic.gov



Connecting Africa to the World

Africa is a longstanding priority and accounts for one-quarter of OPIC's global portfolio.

The continent presents both a great need for investment in development and a significant opportunity for investors. In 2018, OPIC worked to extend its investment on the continent, making official visits to 10 countries to explore new projects.

OPIC's new ***Connect Africa*** initiative will invest $1 billion over three years in projects that will foster economic growth and better connectivity with global economies.

Connect Africa will focus investment in telecommunications and Internet access; value chains that connect producers of raw materials with end users; and essential infrastructure, such as roads, railways, ports and airports.

"When we look ahead to the challenges and the opportunities the world will face in the coming years, it is clear that Africa has a key role to play in building a more connected, prosperous future for all of us."

— OPIC President and CEO Ray W. Washburne visiting an OPIC supported transportation project in South Africa

OPIC financing to Africell will expand mobile connectivity in The Gambia, Sierra Leone, Uganda and the Democratic Republic of the Congo.

OPIC at Work in Sub-Saharan Africa

Expanding food production in Malawi — Through its partnership with Global Communities, OPIC is working to expand food production in Malawi by providing loans and technical support to small agribusinesses.

Supporting small-business lending and transportation in Uganda — In a country where motorcycle taxis are both a critical source of transportation and a major employer, an OPIC loan is helping Tugende Ltd. expand its lease-to-own financing to motorcycle taxi drivers, expanding a key source of transportation in Uganda and empowering local entrepreneurs.

Adding electricity across the continent — OPIC is a key partner in the U.S. Government's *Power Africa* initiative to harness the resources of the private sector to bring more electricity to Sub-Saharan Africa. To date, OPIC has supported construction of 20 utility-scale power plants and off-grid renewable power projects in Ghana, Guinea, Kenya, Nigeria, Senegal, South Africa, Tanzania, Togo and Zambia.

Bolstering a major industry in Botswana — OPIC has helped create hundreds of new jobs in Botswana's domestic diamond industry by investing in a diamond cutting and polishing facility that has kept value-added functions such as sorting, marketing and manufacturing in the country.

OPIC

Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | **opic.gov**

This award-winning wind power plant in Sulawesi, Indonesia, was built with the support of OPIC financing, adding 75 MW of power generation capacity to the country.

Promoting a Free and Open Indo-Pacific

When investors look to the future of the global economy, more and more of them are looking toward the Indo-Pacific. This vast region stretching from India to Southeast Asia and the South Pacific is home to more than half of the world's population and multiple rapidly emerging economies that will play a central role in global peace and security.

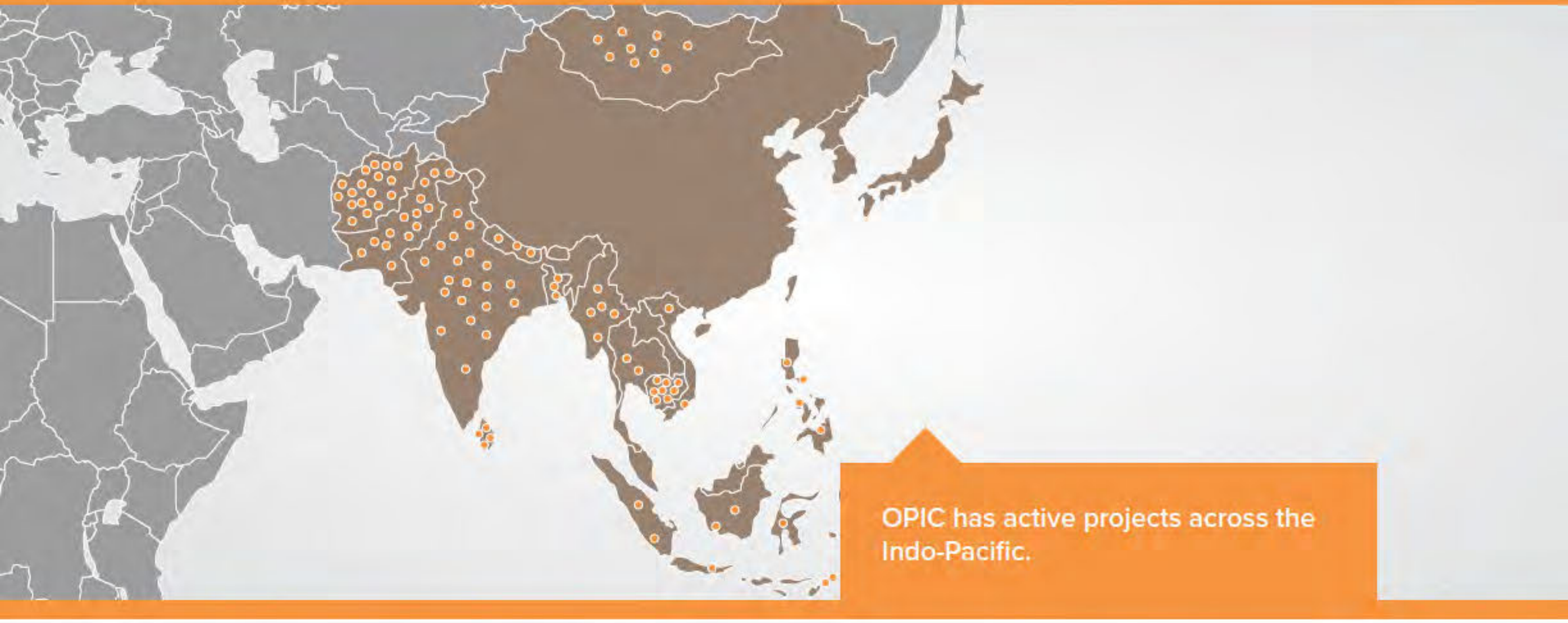
In 2018, OPIC committed to a heightened focus to help transform the region into a global economic leader in trade, innovation and technology.

Partnering with regional allies — OPIC entered new partnerships with U.S. allies, including an agreement with the Japan Bank for International Cooperation and a trilateral partnership with Japan and Australia, to support more infrastructure development in the Indo-Pacific.

Expanded presence in the region — OPIC in 2018 added a managing director in Tokyo to supplement the existing OPIC office in Bangkok and expand local outreach and business development.

"Instead of state-driven deals, OPIC partners with the private sector for fiscally sound development."

— David Bohigian, OPIC Executive Vice President, shown here visiting the $1 billion Hambantota port in Sri Lanka, now under Chinese control.

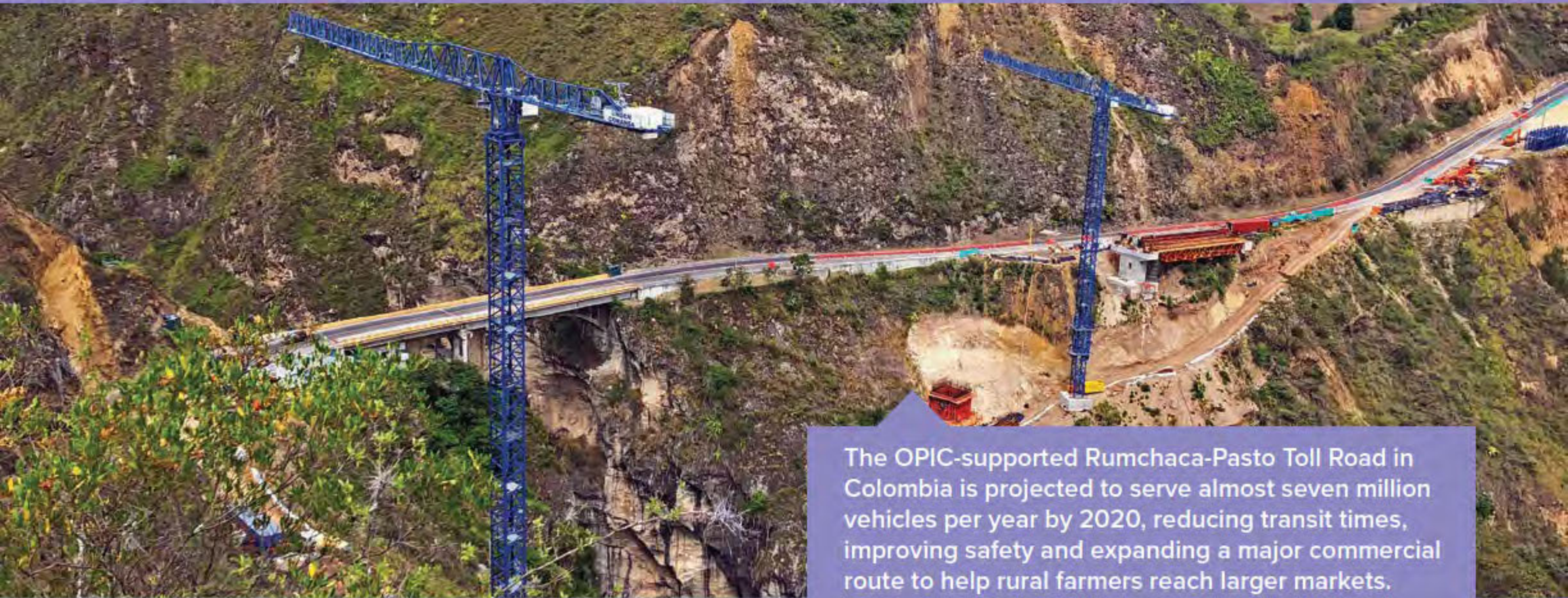


OPIC at Work in the Indo-Pacific

Investing in businesses that serve poor communities in Southeast Asia — Through its support of the Unitus Livelihood Impact Fund, OPIC is supporting multiple small businesses that are creating jobs and expanding access to financial services in Southeast Asia.

Increasing microfinance lending to women in India — OPIC financing is helping IndusInd Bank Ltd. provide microfinance loans to female entrepreneurs, empowering many of the women to start or grow businesses.

Improving hospital care in rural Pakistan — OPIC political risk insurance is supporting a business that is introducing pathology laboratories to hospitals in rural parts of Pakistan to help advance early diagnosis and improved treatment.



The OPIC-supported Rumchaca-Pasto Toll Road in Colombia is projected to serve almost seven million vehicles per year by 2020, reducing transit times, improving safety and expanding a major commercial route to help rural farmers reach larger markets.

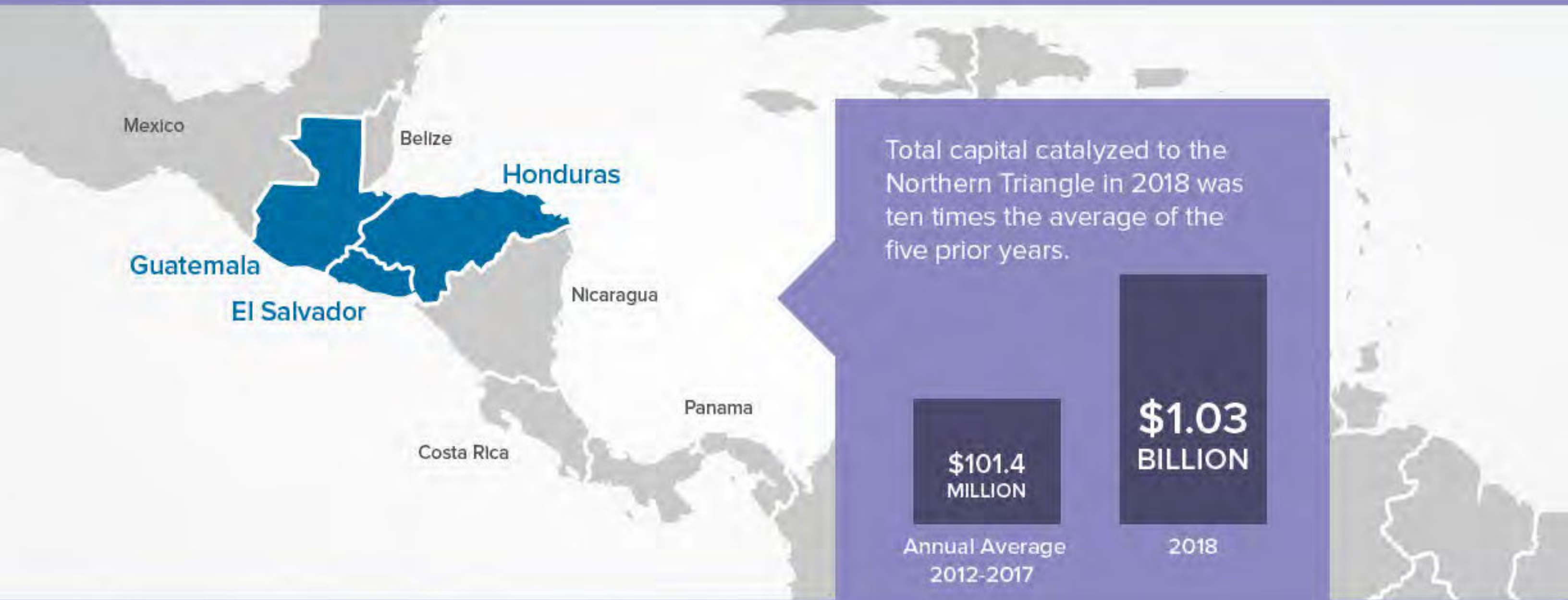
A Strong Commitment to Latin America

OPIC understands that Latin America is not only a close neighbor but a key partner in promoting regional security and stability. Latin America accounts for almost a quarter of OPIC's global portfolio and is the focus of multiple OPIC initiatives to support development, empower women and to promote investment as a stabilizing force in the region.

2X Americas — Through its new *2X Women's Initiative*, OPIC has committed to mobilize $500 million to projects that will support women in Latin America. Advisor to the President Ivanka Trump announced the initiative with OPIC President and CEO Ray W. Washburne in April at the Summit of the Americas in Lima, Peru.

Expanding 4G connectivity in Ecuador and Peru — OPIC financing is supporting a major telecommunications project that will deploy at least 500 telecom towers and expand access to 4G mobile broadband, making high-speed Internet more widely available and reliable, and adding coverage in rural areas.

Increasing small-business lending in Paraguay — OPIC financing is helping a local bank increase lending to small and medium enterprises to support economic growth.



Investing in Stability in Central America's Northern Triangle

OPIC's *Northern Triangle Initiative* prioritizes investment in El Salvador, Guatemala and Honduras. In 2018 OPIC surpassed its initial commitment to catalyze $1 billion of investment and built a pipeline of more than $2 billion of potential projects in this region.

First utility-scale geothermal power plant in Honduras — OPIC financing helped Reno, Nevada-based Ormat Technologies develop a 35 MW power plant, enabling the country to meet growing demand for electricity.

Increasing home ownership in Guatemala — OPIC financing to a local bank in Guatemala is helping address a severe housing shortage by providing affordable mortgages to groups including women and rural residents who lack access to financial services.

Strengthening water infrastructure in El Salvador — An OPIC loan is helping rehabilitate and expand water services in rural communities, increasing access to clean water and sanitation for up to 300,000 people.

> "Investment creates jobs and opportunity and is one of the most effective tools to promote stability."
>
> — Ryan Brennan, OPIC Vice President and Director of the Northern Triangle Initiative

OPIC
Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | opic.gov

OPIC Around the World

OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help address critical development challenges and advances U.S. foreign policy.

Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets, catalyzing revenues, jobs and growth opportunities both at home and abroad.

OPIC TOOLS

Investment Finance — Direct loans and guarantees of up to $350 million with tenors as long as 20 years.

Political Risk Insurance — Coverage of up to $350 million for protection against risks including currency inconvertibility, governmental interference and political violence, including terrorism.

Investment Funds — Senior debt financing for emerging market private equity funds selected through an open and competitive process.

An OPIC loan to Kiva Microfunds has supported almost 100,000 microloans to developing country borrowers, most of them women.

Innovating for a Greater Impact

OPIC has a long history of developing innovative financial tools to support investors in emerging markets. Some of the agency's recent developments and areas of focus include:

Blended Finance — The combination of development finance and philanthropic funds to reduce risk and increase capital mobilized to emerging markets.

Kiva Microfunds, a platform that connects individual lenders with low-income entrepreneurs and students around the world, used a $10 million loan to expand its impact, ultimately supporting almost 100,000 microloans to developing country borrowers, most of them women.

Private Capital Mobilization Platform — A risk-sharing tool to enable institutional investors to access OPIC's deal portfolio.

In November 2018 OPIC and Liberty Mutual Insurance launched a $1 billion risk sharing agreement to facilitate private sector investment in some of the world's most challenging markets.

Political Risk Insurance Wrap — A tool to help developing countries access U.S. capital markets for development projects.

By providing political risk insurance to a nuclear fuel storage project, OPIC enabled Ukraine to attract U.S. capital market investment for the first time.

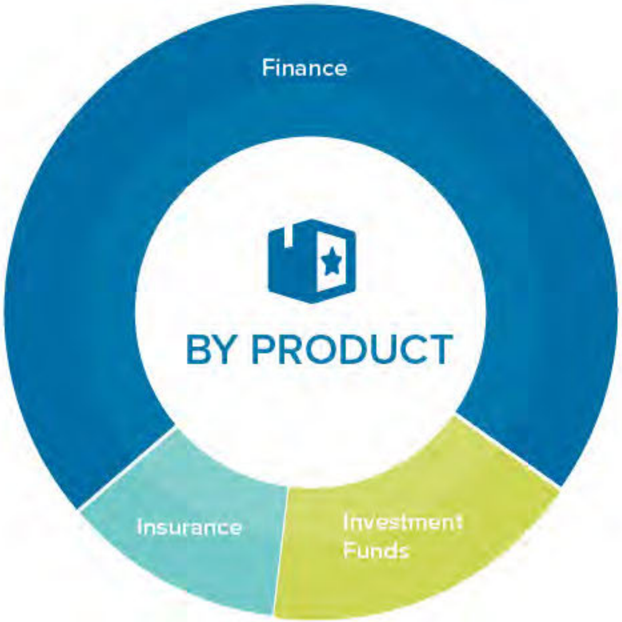
Venture Capital Initiative — A new program to invest in venture funds supporting developing economies.

The first fund committed under this new initiative is Iron Pillar, a venture growth investor based in Mumbai and Silicon Valley, which specializes in innovative businesses in India.

OPIC

Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | opic.gov

2018 Portfolio



$3.84 Billion

Private Capital Mobilized

$115.8 Million

Amount returned to the U.S. Treasury

2018 marked the 41st straight year that OPIC generated money for deficit reduction.

A Far-Reaching Impact

OPIC invests in projects that improve lives and strengthen communities. Here are some of the ways the projects in our $23 billion portfolio are helping address the world's critical development challenges.*

JOBS
OPIC's active portfolio has supported creation of almost **380,000 jobs, 44% of which are held by women.**

HEALTHCARE
Active OPIC projects are currently supporting almost **2 million patient visits a year.**

TECHNOLOGY
OPIC-supported projects have enabled more than **42 million people to have mobile subscriptions.**

MICROFINANCE
OPIC financing has supported loans to more than **5 million microfinance and SME borrowers, almost half which are women owned businesses.**

This is the most recent data on OPIC's portfolio, which was gathered from OPIC client self-monitoring questionnaires in 2016.

2018 Commitments

In 2018, OPIC committed $3.3 billion to new projects. These investments are projected to:

Support more than **47K** loans to small and medium enterprises

1 of 3 loans going to women

Support the provision of more than **6K** mortgage loans

42% for women borrowers

Expand access to healthcare by supporting more than **485K** annual patient consultations in hospitals and health clinics

Generate almost **500MW** of power

OPIC

Overseas Private Investment Corporation
1100 New York Ave., NW | Washington, DC 20527 | 202.336.8400 | **opic.gov**

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
AFRICA AND THE MIDDLE EAST				
Africa Regional				
Africell Holding Limited	Ziad Dalloul	Expansion of wireless business in the Democratic Republic of Congo, the Gambia, Uganda and Sierra Leone	100,000,000	Finance
ECP Africa Fund IV A LLC	Emerging Capital Partners	Investment in high-growth companies serving African consumers	100,000,000	Investment Fund
Botswana				
Botswana Finance LLC	Lazare Kaplan International	Extension of a working capital facility to one additional local diamond processing company	30,000,000	Finance
Burundi				
Gigawatt Global Burundi S.A.	Gigawatt Global Cooperatief U.A.	Construction of a 7.5 MW utility scale solar PV plant in Gitega	10,000,000	Finance
Ethiopia				
Afriflora	Sun NIH VI Flamingo, LLC	Expansion of an agriculture business that grows Sweetheart Roses	126,000,000	Insurance
Ghana				
AV Ventures Ghana LLC	AV LLC	Financing for SMEs focused on the poultry sector, leveraged with USDA Food for Progress funds	2,000,000	Finance
CAL Bank Limited	Citibank, N.A.	Onlending for Ghanaian SMEs, infrastructure projects, and to refinance an existing OPIC-guaranteed Citibank framework loan	100,000,000	Finance
LuccaHealth Medical Specialty Center Ghana Limited	Blacklvy Group LLC	Construction of an ambulatory surgical center and imaging services center in Accra	7,500,000	Finance
Jordan				
Microfund for Women	Citibank, N.A.	Expansion of microfinance portfolio that consists of 96 percent female borrowers	3,888,500	Finance
Capital Bank	Global Communities	Expansion of SME loan portfolio	15,000,000	Finance
SunEdison Solar	Chubb Bermuda Insurance Ltd.	24 MW photovoltaic plant	5,082,843	Insurance
Kenya				
ACORN – Edenvale Developments LLP	Helios Investors III L.P.	Construction and operation of 344 apartments for university students in Nairobi	3,800,000	Finance
Kipeto Wind Farm	Sovereign Risk Insurance	Construction of a 100 MW wind farm	50,000,000	Insurance
Twiga Foods Ltd.	Grant Brooke	Financing for additional trucks and cold storage units for a fresh produce distributor	5,000,000	Finance
WBC – Victoria Commercial Bank Ltd	FSVC	Expansion of SME lending portfolio to women-owned businesses and green energy projects	9,750,000	Finance
Malawi				
EALGF – EcoBank Malawi	Global Communities	Lending to small and medium agribusinesses	5,000,000	Finance
Middle East Regional				
Siraj Palestine Fund II, Ltd.	Massar International	Equity investments in SMEs in the West Bank	30,000,000	Investment Fund
Namibia				
Silverlands Vineyards (Proprietary) Limited	Silverstreet Private Equity Strategies Soparfi Sarl	Expansion of a table grape grower in Aussenkehr	13,788,000	Insurance
Nigeria				
Union Bank of Nigeria	Atlas Mara Limited	Expansion of onlending initiatives and SME portfolio, and upgrades to digital banking products and technology	200,000,000	Finance

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
Rwanda				
Heaven Holdings LTD	Heaven Holdings LTD	Construction of a boutique hotel and expansion of an existing hotel and restaurant in Kigali	2,610,000	Insurance
Senegal				
Parc Eolien Taiba N'Diaye	Actis Energy 3 LP	Construction of a 158.7 MW wind power plant	13,000,000	Finance
Parc Eolien Taiba N'Diaye	Sovereign Risk Insurance Limited	Construction of a 158.7 MW wind power plant, involving reinsurance of Sovereign	12,213,579	Insurance
Tanzania				
CrossBoundary Energy Holdings	CrossBoundary Energy Holdings	Development of rooftop and ground mounted solar PV sites	6,000,000	Finance
Tunisia				
Attijari Bank	Middle East Investment Initiative	Expansion of SME loan portfolio	12,500,000	Finance
West Bank				
Jordan Ahli Bank	Middle East Investment Initiative	Expansion of SME loan portfolio	10,000,000	Finance
Palestine Investment Bank	Middle East Investment Initiative	Expansion of SME loan portfolio	2,000,000	Finance
SAFA Bank	Middle East Investment Initiative	Expansion of SME loan portfolio	4,000,000	Finance
ALL OPIC COUNTRIES				
Beyond the Grid Solar	Beyond The Grid Solar Fund LLC	Financing to support loans to solar energy companies in emerging markets	10,000,000	Insurance
BIX Capital B.V.	Calvert Impact Capital	SME lending in clean cooking, health, water and other sectors that benefit women	5,000,000	Finance
Dimagi, Inc.	Dimagi, Inc	Expansion of data management software for healthcare workers	10,000,000	Finance
MCE Social Capital III	MCE Social Capital	Expansion of microfinance portfolio for lending to women and rural populations	30,000,000	Finance
Solar Energy Transformation Fund LLC	SunFunder Inc.	Senior financing for lending to off-grid solar companies	22,500,000	Finance
Solar Energy Transformation Fund LLC	SunFunder Inc	Subordinated financing for lending to off-grid solar companies	5,000,000	Finance
ASIA AND THE PACIFIC				
Afghanistan				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted] *
Asia Regional				
ADM Capital Somei Lending Platform Ltd.	Arch Reinsurance Ltd	Senior lending facility for middle-market firms	40,000,000	Finance
ADM Capital Somei Lending Platform Ltd.	Arch Reinsurance Ltd	Subordinated lending facility for middle-market firms	10,000,000	Finance
Quadria Capital Fund II L.P.	Quadria Capital Investment Management Pte. Ltd.	Investing in Asia's healthcare sector	150,000,000	Investment Fund
India				
Be Well Hospitals Pvt Ltd.	Soros Economic Development Fund	Expansion of five hospitals in southern India	4,615,000	Finance
National Collateral Management Services Ltd.	Citibank, N.A.	Warehousing of agricultural commodities and associated services	6,042,729	Finance
Grameen Impact Investments India	Grameen Foundation	Lending to social enterprises in the financial services, healthcare, affordable education and agriculture sectors	5,750,000	Finance
IndusInd Bank Limited	Multiple U.S. shareholders	Expansion of microfinance lending to women	100,000,000	Finance
INI Farms Private Limited	Soros Economic Development Fund	Expansion of a fruit exporting business supporting smallholder farmers	5,500,000	Finance
Iron Pillar Fund I Limited	Iron Pillar Capital Management Ltd.	Investing in late-stage technology companies	25,000,000	Investment Fund

** Information has been Redacted in accordance with the two principled exceptions of the Foreign Aid Transparency and Accountability Act (FATAA) of 2016; including the health and security of implementing partners, as well as national interest of the United States.*

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
Mytrah Vayu (Sabarmati) Private Limited	General Electric Co.	Construction of a 225 MW wind farm	225,000,000	Finance
Somerset Indus Healthcare Fund II	Somerset Indus Capital Partners II, LLC	Investing in products and services platforms that provide access to affordable quality healthcare	25,000,000	Investment Fund
WaterHealth India Private Limited	WaterHealth International, Inc.	Expanding access to safe drinking water, primarily in rural areas	12,500,000	Finance
Mongolia				
Gobi Finance Non-Bank Finance Institution	Ralph Parks	Expansion of an existing loan portfolio to support micro and SMEs and to finance short-term consumer loans	2,000,000	Finance
Schulze Global Mongolia Debt Facility Limited	Gabriel Schulze	Continuation of an onlending facility supporting SMEs in Mongolia	10,000,000	Finance
Pakistan				
Kashf Foundation	Microvest	Expansion of a microfinance lending portfolio	7,000,000	Finance
North Shore Medical Lab Services	North Shore Medical Labs Inc	Introduction of pathology laboratories for hospitals in rural areas to support early diagnosis and improved treatment	10,000,000	Insurance

EUROPE AND EURASIA

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
Kazakhstan				
WBC-JSC Tengri Bank	Financial Services Volunteer Corps	Expansion of SME lending portfolio	14,625,000	Finance
[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted] *
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

LATIN AMERICA AND THE CARIBBEAN

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
Brazil				
Azul Linhas Aéreas Brasileiras S.A.	Azul S.A.	Support for major maintenance for airline serving domestic routes in Brazil	250,000,000	Finance
WBC-Star Participações S.A.	SouthStone Capital LLC	Expansion of food and beverage business	19,500,000	Finance
Colombia				
Acercasa SAS	Grow Brilliant LLC	Non-bank financial institution providing residential mortgages	10,000,000	Finance
Avenida Colombia Real Estate Fund II, L.P.	Avenida Partners LLC	Investment in residential and commercial real estate serving low- and middle-income populations	50,000,000	Investment Fund
Concesionaria Vial Unión del Sur S.A.S.	J.P. Morgan Securities LLC	Construction and operation of an 83 KM toll road	250,000,000	Finance
Ecuador				
BTS Torres GmBH	Cartesian Capital Group, LLC	Construction and operation of at least 500 mobile telecommunication towers	26,171,939	Finance
GIFF-MFI-Banco Guayaquil S.A.	Citibank, N.A.	Expansion of microfinance loan portfolio	14,000,000	Finance
El Salvador				
Azure Source Capital	Total Impact Capital	Onlending to water service providers	4,000,000	Finance
La Hipotecaria 15th Mortgage Trust 2018-1	John D. Rauschkolb	Securitization of low- and middle-income mortgages in El Salvador and Panama	30,400,000	Finance

**Information has temporarily been redacted, including to protect the safety of implementing partners.*

Country & Project Name	U.S. sponsor/ Insured Investor	Project Description	Amount	Category
Guatemala				
Industrial DPR Funding Ltd.	Wells Fargo Bank, N.A.	Diversified Payment Rights securitization to support lending to home buyers	150,000,000	Finance
Latin America Region				
CrediQ, S.A. de C.V.	Citibank, N.A.	SME vehicle finance onlending facility in El Salvador and Costa Rica	142,500,000	Finance
Global Partnerships Social Investment Fund 5.0	Global Partnerships	Lending to social enterprises in the financial services, healthcare, solar energy and agriculture sectors	5,000,000	Finance
Lafise Group Panama – Tranche A Loan	Lafise Group Panama, Inc.	Expansion of portfolio of SME loans, leases, and housing loans with a portion of proceeds going to Northern Triangle and female borrowers	50,000,000	Finance
Lafise Group Panama – Tranche B Loan	Lafise Group Panama, Inc.	Increase of Tier II capital for the expansion of SME, housing and consumer loan and lease portfolio in Costa Rica, Honduras and Panama	15,000,000	Finance
Paladin Realty Latin America Investors IV-CI, LLC	Paladin Realty Partners, LLC	Investment in real estate, with a focus on affordable housing	13,000,000	Investment Fund
Mexico				
WBC – Alternativa 19 Del Sur S.A. de C.V. SOFOM E.N.R.	WorldBusiness Capital, Inc.	Microloans for SMEs and home improvement	14,625,000	Finance
WBC - Exitus Capital	Kandeo Investment Advisors, LLC	Expansion of portfolio for SME onlending	9,750,000	Finance
WBC-Financiamiento Progresemos, S.A. de C.V.	Kandeo Investment Advisors, LLC	Expansion of micro and SME lending with more than 50 percent of proceeds benefiting women	11,700,000	Finance
Nicaragua				
Banco Lafise Bancentro, S.A.	Lafise Group Panama, Inc.	Expansion of SME, consumer and housing portfolio	35,000,000	Finance
Panama				
La Hipotecaria 14th Mortgage Trust 2018-1	John D. Rauschkolb	Securitization of low- and middle-income mortgages in El Salvador and Panama	44,600,000	Finance
Paraguay				
Sudameris Bank S.A.E.C.A	Citibank N.A.	Expansion of SME lending portfolio	93,750,000	Finance

Fund Name	Portfolio Company	Description	Country/Region
Dragon Capital New Ukraine Fund, LP	Kasta Group LLC	Online fashion retail	Ukraine
	Markason LLC	Retail	Ukraine
Gazelle Fund L.P.	Food Company	Restaurant and catering	Georgia
	Construction Company	Civil construction works, concrete and aggregate production	Georgia
	Hospitality Company	Boutique hotel in the wine region	Georgia
	Services Company	Cleaning service and laundry	Georgia
	Insurance Company	Insurance company	Georgia
	Education Project	Primary and secondary school	Georgia
	Bakery Company	Bread production/bakery	Georgia
	Healthcare Company	Multi-profile hospital	Georgia
	Refreshment Company	Coffee and snack vending machine business	Georgia
Levered Alsis Mexico Housing Opportunities, L.P.	Pedregal - JSA	Construction of 200 apartments	Mexico
	Real de las Flores - Gamitana	Construction of 966 low-income housing units	Mexico
	Punta Azul - Proavi	Construction of 538 middle-income housing units	Mexico
	Elements - DCM	Acquisition of land, permits and licenses for construction of middle-income housing	Mexico
	La Calma - Grupo Las Villas	Housing development in Mexico	Mexico
	Avenda - 7 Urbana	Development of 140 middle-income housing units	Mexico
	Los Acantos - Arko	Development of 2,400 low-income housing units	Mexico
Peninsula Investments Group III	Nostrum Tower	Land purchase and office construction	Uruguay
	Nostrum Mirador	Development of 69 middle-income condos	Uruguay
	Nostrum Dieciocho	Land purchase and office construction	Uruguay
	La Guna	Land purchase and office construction	Peru
	Izazaga	Land purchase and office construction	Mexico
	Nostrum Bay	Land purchase and office construction	Uruguay
	Bilu & Smart Riviera	Land purchase and office construction	Uruguay
	Paris Campestre	Social housing project in Medellin	Colombia

BALANCE SHEET

AS OF SEPTEMBER 30, 2018 AND 2017

(in thousands)	**2018**	**2017**
Assets		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 960,439	$ 579,543
Investments (Note 3)	5,828,307	5,759,429
Accounts Receivable, Net (Note 4)	42	75
Total Intragovernmental	6,788,788	6,339,047
With the Public:		
Accounts Receivable, Net (Note 4)	400	1,109
Credit Program Receivable, Net (Note 5)	2,688,903	2,484,543
Negative Loan Guarantee Liability (Note 5)	153,279	250,133
Property and Equipment, Net (Note 6)	497	1,247
Total Assets	$ 9,631,867	$ 9,076,079
Liabilities		
Intragovernmental:		
Borrowings from Treasury (Note 8)	$ 3,475,086	$ 3,014,833
Downward Reestimate Payable to Treasury (Note 9)	204,271	270,295
Other Liabilities (Note 12)	570	304
Total Intragovernmental	3,679,927	3,285,432
With the Public:		
Unearned Revenue (Note 10)	121,532	119,987
Other Liabilities (Note 12)	6,553	6,814
Total Liabilities	3,808,012	3,412,233
Net Position		
Unexpended Appropriations	4,000	–
Cumulative Results of Operations	5,819,855	5,663,846
Total Net Position	5,823,855	5,663,846
Total Liabilities and Net Position	$ 9,631,867	$ 9,076,079

The accompanying notes are an integral part of these statements.

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

(in thousands)	**2018**	**2017**
Insurance Program		
Gross Costs		
Operating Costs	$ 32,787	$ 40,371
Insurance Claim Recovery (Note 11)	(500)	(500)
Total Gross Costs	32,287	39,871
Less: Earned Revenue	(145,860)	(149,013)
Net Insurance Program Costs	(113,573)	(109,142)
Financing Program		
Gross Costs		
Operating Costs	144,457	124,489
Subsidy Costs/(Reduction)	(150,025)	(239,043)
Re-estimates	74,573	118,415
Total Gross Costs	69,005	3,861
Less: Earned Revenue	(103,954)	(94,499)
Net Financing Program Costs	(34,949)	(90,638)
Net Cost of Operations	$ (148,522)	$ (199,780)

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

(in thousands)	2018	2017
Unexpended Appropriations		
Beginning Unexpended Appropriations	$ –	$ 307
Appropriations Received	376,573	282,604
Appropriations Transferred-In	4,000	–
Appropriations Used	(376,573)	(282,911)
Total Unexpended Appropriations	4,000	–
Cumulative Results of Operations		
Beginning Balance	5,663,846	5,702,061
Budgetary Financing Sources		
Appropriations Used	376,573	282,911
Transfers In/Out Without Reimbursement	–	1,000
Other Financing Sources (Non-exchange)		
Imputed Financing	2,147	353
Offset to Non-entity Collections	(371,233)	(522,259)
Total Financing Sources	7,487	(237,995)
Net Cost of Operations	148,522	199,780
Net Change	156,009	(38,215)
Cumulative Results of Operations	$ 5,819,855	$ 5,663,846
Net Position	$ 5,823,855	$ 5,663,846

The accompanying notes are an integral part of these statements.

COMBINED STATEMENT OF BUDGETARY RESOURCES

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018		2017	
	Budgetary	Non-Budgetary Credit Reform Financing Accounts	Budgetary	Non-Budgetary Credit Reform Financing Accounts
Budgetary Resources				
Unobligated Balance from Prior Year Budget Authority, Net	$ 5,798,203	$ 392,415	$ 5,741,353	$ 366,119
Appropriations	376,573	–	282,604	–
Borrowing Authority	–	724,489	–	945,989
Spending Authority from Offsetting Collections	211,768	657,942	183,151	321,346
Total Budgetary Resources	$ 6,386,544	$ 1,774,846	$ 6,207,108	$ 1,633,454
Status of Budgetary Resources				
New obligations and upward adjustments (total) (Note 14)	$523,729	$1,093,209	$426,577	$1,188,339
Unobligated Balance, End of Year				
Apportioned, unexpired accounts	66,773	–	31,818	325,708
Unapportioned, unexpired accounts	5,745,737	681,637	5,704,342	119,407
Unexpired unobligated balance, end of year	$ 5,812,510	$ 681,637	$ 5,736,160	$ 445,115
Expired unobligated balance, end of year	50,305	–	44,371	–
Unobligated Balance, end of year (total)	5,862,815	681,637	5,780,531	445,115
Total Budgetary Resources	$ 6,386,544	$ 1,774,846	$ 6,207,108	$ 1,633,454
Outlays (Net)				
Outlays, net	$309,335	$73,115	$222,863	$517,556
Distributed Offsetting Receipts	–	(425,120)	–	(484,722)
Agency Outlays, Net	$ 309,335	$ (352,005)	$ 222,863	$ 32,834

The accompanying notes are an integral part of these statements.

OVERSEAS PRIVATE INVESTMENT CORPORATION
Financial Statements. As of and for the Years Ended September 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Established in 1971, the Overseas Private Investment Corporation (OPIC) is a self-sustaining United States (U.S.) Government corporation created under the Foreign Assistance Act of 1961, as amended. OPIC facilitates U.S. private investment in developing countries and emerging market economies, primarily by providing direct loans, loan guarantees, and political risk insurance. On October 5, 2018 the President of the United States signed the BUILD Act (Public Law 115-254) establishing the United States International Development Finance Corporation (DFC) which will assume the assets and obligations of OPIC, as well as the responsibility for its programs. The creation of the DFC extends the authority for OPIC's legacy programs through 2025.

B. Basis of Accounting and Presentation

The format of the financial statements and footnotes are presented in accordance with the form and content guidance provided in OMB Circular A-136, Financial Reporting Requirements. OPIC's financial statements are presented on the accrual and budgetary basis of accounting in accordance with U.S. GAAP promulgated by the Financial Accounting Standards Advisory Board (FASAB). Under the accrual basis, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting recognizes the legal commitment or obligation of funds in advance of the proprietary accruals and facilitates compliance with legal constraints and controls over the use of federal funds. The accompanying Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position have been prepared on an accrual basis. The Statement of Budgetary Resources has been prepared in accordance with budgetary accounting rules.

Significant intra-agency transactions and balances have been eliminated from the principal statements for presentation on a consolidated basis, except for the Statement of Budgetary Resources, which is presented on a combined basis in accordance with OMB Circular No. A-136, Financial Reporting Requirements. As such, intra-agency transactions have not been eliminated from the Statement of Budgetary Resources.

Certain prior year amounts in the Balance Sheet, Statement of Changes in Net Position, Statement of Budgetary Resources, and footnotes have been reclassified to conform to the current year presentation.

C. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. OPIC management makes assumptions and uses estimates to prepare the financial statements based upon the facts that exist when the statements are prepared. Actual results may differ from those estimates.

The largest estimates are a result of the Federal Credit Reform Act of 1990 (FCRA) requirements. FCRA underlies the proprietary and budgetary accounting treatment of direct loans and loan guarantees. The long-term cost to the government for direct loans and loan guarantees, other than for general administration of the programs, is referred to as "subsidy cost." Under FCRA, direct loan and loan guarantee subsidy costs are determined as the estimated net present value of the future projected cash flows and obligated at the time the loan is approved. Future projected cash flows are developed from assumptions that include, but are not limited to, collections, repayments, default rates, and prevailing interest rates. OPIC recognizes the sensitivity of its projections to certain assumptions and therefore continually reviews the structure and functionality of its credit reform models to reflect the most accurate information at the date of the financial statements. Subsidy costs are reestimated on an annual basis.

Other estimates made by management are reflected in the liability for insurance programs. The loss experience of OPIC's Political Risk Insurance Program is characterized by high impact low frequency events. Due to the high number of variables that influence projection of the ultimate payments to cover insurance liabilities, actual incurred losses and loss adjustment expenses may not conform to the assumptions inherent in the estimation of the liability.

D. Fund Balance with Treasury

Fund balance with Treasury (FBWT) is the aggregate amount of funds in OPIC's accounts with Treasury. Treasury processes cash receipts and disbursements on OPIC's behalf to pay liabilities and finance authorized purchases, and OPIC's accounting records are reconciled with those of Treasury on a regular basis. OPIC's fund balance with Treasury includes all of its general, revolving, and deposit funds.

E. Investments

Investments are in U.S. Treasury securities and are carried at face value, net of unamortized discount or premium, and are held to maturity. OPIC has the ability and intent to hold its investments until maturity or until the carrying cost can be otherwise recovered.

F. Property and Equipment, Net

OPIC's property and equipment consists of general-purpose equipment used by the agency, leasehold improvements made to office spaces leased by OPIC, assets acquired under capital lease, internal use software, and when applicable, internal-use software development costs for projects in development. OPIC capitalizes property and equipment at historical cost for acquisitions that have an estimated useful life of two years or more. OPIC has a capitalization threshold of $50,000 for equipment, furniture, vehicles and leasehold improvement, and $250,000 for internal use software. OPIC expenses property and equipment acquisition that do not meet the capitalization criteria when purchased, as well as normal repairs and maintenance. The cost of property and equipment acquired under a capital lease is the amount recognized as a liability for the capital lease at its inception. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful life of the asset or lease term, whichever is shorter, with periods ranging from 5 to 15 years.

G. Federal Employee Benefits

Leave

Employee annual leave is accrued as it is earned and reduced as leave is taken. Each year the balance of accrued annual leave is adjusted to reflect current pay rates as well as forfeited "use or lose" leave. Amounts are reported as unfunded to the extent current or prior year appropriations are not available to fund annual leave earned but not taken. Sick leave and other types of non-vested leave are expensed as taken.

Employee Health and Life Insurance Benefits

OPIC employees may choose to participate in the contributory Federal Employees Health Benefit and the Federal Employees Group Life Insurance programs. OPIC matches a portion of the employee contributions to each program. Such matching contributions are recognized as current operating expenses.

Employee Pension Benefits

OPIC employees participate in either the Civil Service Retirement System or the Federal Employees Retirement System (FERS) and Social Security. These systems provide benefits upon retirement and in the event of death, disability or other termination of employment and may also provide pre-retirement benefits. They may also include benefits to survivors and their dependents, and they may contain early retirement or other special features. OPIC's contributions to both retirement plans, as well as to the government-wide Federal Insurance Contribution Act, administered by the Social Security Administration, are recognized as current operating expenses. Federal employee benefits also include the Thrift Savings Plan. For FERS employees, OPIC matches employee contributions to the plan, subject to limitations. The matching contributions are recognized as current operating expenses.

Imputed Financing Costs

OPIC recognizes the full cost of providing all employee benefits and future retirement benefits, including life and health insurance, at the time employee services are rendered. Eligible retired OPIC employees can continue to participate in health and life insurance plans. The cost of these benefits is funded through Agency contributions, employee compensation to the extent withheld from employee and retiree pay, from matching of employee withholding for Thrift Savings Plan and Federal Insurance Contributions Act (FICA), and by the Office of Personnel Management (OPM) which administers the retirement programs for OPIC employees. The OPM calculates imputed costs as the actuarial present value of future benefits attributed to services rendered by covered employees and eligible retired OPIC employees during the accounting period, net of the amounts contributed by employees, retirees and the Agency. OPIC recognizes these imputed costs in the Statement of Net Cost and imputed financing in the Statement of Changes in Net Position.

Federal Employees' Compensation Act

The Federal Employees' Compensation Act provides income and medical cost protection to covered federal civilian employees injured on the job and to beneficiaries of employees whose deaths are attributable to job-related injury or disease. The FECA program is administered by the Department of Labor. The Department of Labor pays valid claims as they occur, which are billed to OPIC annually and funded and paid approximately 15 months later. The Department of Labor also calculates an estimated actuarial liability for future benefits based upon historical experience and other economic variables.

H. Insurance Program

The Insurance Program liability represents claims incurred but not reported, resulting from insured events that have occurred as of the reporting date and from claims submitted but not yet paid. The amount recognized in the Balance Sheet is a liability known with certainty; plus, an accrual for a contingent liability to be recognized when an existing condition, situation, or set of circumstances involving uncertainty is resolved. Possible losses are determined when one or more future events occur or fail to occur; a future outflow or other sacrifice of resources becomes probable, and the future outflow or sacrifice of resources is measurable.

I. Commitments and Contingencies

OPIC is currently involved in certain legal claims and has received notifications of potential claims in the normal course of business. There are substantial factual and legal issues that might bar any recovery in these matters. It is not possible to evaluate the likelihood of any unfavorable outcome, nor is it possible to estimate the amount of compensation, if any, that may be determined to be owed in the context of a settlement. Management believes that the resolution of these claims will not have a material adverse impact on OPIC.

NOTE 2: FUND BALANCE WITH TREASURY

Treasury processes cash receipts and disbursements on OPIC's behalf to pay liabilities and finance authorized purchases. The fund balance with Treasury includes general, revolving, and deposit funds in OPIC's accounts. The general fund is used for subsidy and reestimates, revolving funds are used for operating expenses and OPIC's finance and insurance programs, and deposit funds are for taxes withheld on payments to contractors. OPIC's fund balance with Treasury accounts are reconciled with those of Treasury on a regular basis. At September 30, 2018 and September 30, 2017, there were no unreconciled differences between Treasury records and balances reported on OPIC's general ledger. The fund balance with Treasury as of September 30, 2018 and 2017 consists of the following:

(in thousands)	2018	2017
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	$ 803,982	$ 416,487
Unavailable	53,223	47,288
Obligated Balance not yet Disbursed	103,227	115,766
Non-budgetary Fund Balance with Treasury	7	2
Total	$ 960,439	$ 579,543

OPIC's fund balance with Treasury is classified as unobligated balance available, unobligated balance unavailable, obligated balance not yet disbursed, and non-budgetary FBWT. Unobligated available balances represent amounts that are apportioned for obligation in the current fiscal year and unexpired appropriations available for incurring new obligations. Unobligated unavailable balances represent amounts that are in expired appropriations and not available for incurring new obligations. Obligated balances not yet disbursed include undelivered orders or delivered orders received but not yet paid. Non-budgetary Fund Balance with Treasury includes deposit accounts that do not have budget authority.

NOTE 3: INVESTMENTS

By statute, OPIC is authorized to invest funds derived from fees and other revenues related to its insurance programs in U.S. Treasury Marketable Securities. Investments are carried at face value, net of unamortized discount or premium, and are held to maturity. Premiums or discounts are amortized using the effective yield method. Interest income is compounded semi-annually by Treasury and adjusted to include an accrual for interest earned to September 30. OPIC has the ability and intent to hold its investments until maturity or until the carrying cost can be otherwise recovered. The composition of investments and amortized cost at September 30, 2018 and 2017 are as follows.

(in thousands)	2018 Cost	2018 Amortized (Premium) /Discount	2018 Interest Receivable	2018 Investments, Net	2018 Market Value
U.S. Treasury					
Marketable Securities:					
Notes	$ 5,380,787	$ 9,900	$ 28,199	$ 5,418,886	$ 5,236,823
Bonds	421,137	(15,316)	3,600	409,421	449,217
Total U.S. Treasury					
Marketable Securities	$ 5,801,924	$ (5,416)	$ 31,799	$ 5,828,307	$ 5,686,040

(in thousands)	2017 Cost	2017 Amortized (Premium) /Discount	2017 Interest Receivable	2017 Investments, Net	2017 Market Value
U.S. Treasury					
Marketable Securities:					
Notes	$ 5,259,757	$ 11,171	$ 27,569	$ 5,298,497	$ 5,278,646
Bonds	483,051	(27,359)	5,240	460,932	533,203
Total U.S. Treasury					
Marketable Securities	$ 5,742,808	$ (16,188)	$ 32,809	$ 5,759,429	$ 5,811,849

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts receivable are amounts due to OPIC from the public and other Federal agencies. Receivables from the public result from maintenance fees from loans and loan guarantees, and assets acquired in insurance claims settlements. Amounts due from Federal agencies result from reimbursable agreements entered into by OPIC with other agencies to provide various services. Accounts receivable are reduced to net realizable value by an allowance for uncollectible amounts. Allowances are based on management's periodic evaluations of the underlying assets. In its evaluation, management considers numerous factors, including, but not limited to, general economic conditions, asset composition, and prior loss experience. The primary components of OPIC's accounts receivable as of September 30, 2018 and 2017 are as follows:

(in thousands)	2018	2017
Intragovernmental:		
Accounts Receivable	$ 42	$ 75
With the Public:		
Accounts Receivable	1,839	1,726
Insurance Settlement	162	4,560
Allowance for Uncollectible Amounts	(1,601)	(5,177)
Accounts Receivable, Net	$ 442	$ 1,184

NOTE 5: DIRECT LOANS AND LOAN GUARANTEES, NON-FEDERAL BORROWERS

Direct Loan and Loan Guarantee Programs

The Federal Credit Reform Act of 1990 (FCRA) governs direct loans made after fiscal year 1991. FCRA loans are valued at the present value of expected future cash flows, discounted at the interest rate of U.S. Treasury Marketable Securities. The subsidy allowance represents the difference between the outstanding loans receivable balance and the net present value of the estimated cash flows of the loans over their remaining term. The subsidy allowance is subtracted from the outstanding loans receivable balance to obtain the net loans receivable balance. FCRA also governs loan guarantees made after fiscal year 1991. The liability is determined by calculating the net present value of expected future cash flows for outstanding guarantees in a manner similar to that used to determine the subsidy allowance for direct loans. Loan guarantee liability can be positive or negative and if negative is reported as an asset on the Balance Sheet. Guaranteed loans acquired by OPIC upon borrower default are established as loans receivable and are valued in a similar manner as direct loans under FCRA.

Budgetary Accounting for Loan Programs

OPIC's loan disbursements are financed by Agency self-funded appropriation authority for long-term loan subsidy cost and borrowings from Treasury for the remaining non-subsidized portion of the loans. The Congress may authorize one year, multi-year or no year appropriation authority to cover the estimated long-term costs of the loan programs. The non-subsidized portion of each loan disbursement, financed initially under permanent indefinite authority to borrow funds from Treasury, is repaid from collections of loan fees, repayments and default recoveries. Permanent indefinite authority is available to fund any reestimate increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimate reductions of subsidy costs are returned to Treasury and are unavailable to OPIC. As required by the Federal Credit Reform Act of 1990, OPIC uses budgetary "program accounts" to account for appropriation authority in its credit programs and non-budgetary "financing accounts" to account for credit program cash flow. Estimates and reestimates of credit program subsidy expenses are recorded in OPIC's program accounts.

Non-budgetary Credit Reform Financing Accounts

Actual cash flows for direct loan and loan guarantee programs are recorded in separate Credit Reform Financing Accounts within Treasury. These accounts borrow funds from Treasury, make direct loan disbursements, pay claims on guaranteed loans, collect principal, interest, and fees from borrowers, earn interest from Treasury on any uninvested funds, pay interest expense on outstanding borrowings and transfer negative subsidy to Treasury's general fund receipt account. New subsidy funded from OPIC's non-credit spending authority and appropriated upward subsidy reestimates are received in program accounts and transferred to non-budgetary credit reform financing accounts. The budgetary resources and activities for these accounts are presented separately in the Statement of Budgetary Resources and the Budget of the United States and are excluded from the determination of the budget deficit or surplus. OPIC also has the authority to collect and retain fees in the non-budgetary credit reform financing accounts designated for oversight and due diligence of the portfolio management.

Subsidy Funding under Federal Credit Reform

FCRA requires that the credit subsidy costs of direct loans and loan guarantees be expensed in the year loans are disbursed. The credit subsidy cost is the net present value of expected cash inflows and outflows over the life of a guaranteed loan, or the difference between the net present value of expected cash flows and the face value of a direct loan. The cost expressed as a percentage of loans disbursed is termed the subsidy rate. OPIC receives annual authority from Congress to self-fund its credit program subsidy. OPIC records subsidy expenses when loans are disbursed. In accordance with FCRA, subsidy costs are reestimated annually.

Interest Receivable

Interest receivable is comprised of accrued interest on loans receivable (direct loans and defaulted loan guarantees). Initial unpaid interest on defaulted loan guarantees that OPIC acquires with the loan, is treated as part of the principal of the loan receivable. Interest income is accrued at the contractual rate on the outstanding principal. Purchased interest is carried at cost.

Valuation Methodology for Direct Loans and Loan Guarantees

The value of direct loans and loan guarantees is based on the net present value of their expected future cash flows. OPIC estimates future cash flows for direct loans and loan guarantees using economic and financial credit subsidy models. OPIC's models vary in the specific methodologies employed to forecast future program cash flows. In general, however, models for all major credit programs use historical data as the basis for assumptions about future program performance and then translate these assumptions into nominal cash flow estimates by applying rules about program structure. Nominal cash flow forecasts are discounted using the Office of Management and Budget's Credit Subsidy Calculator that has both forecasted and actual Treasury interest rates.

Historical data is used as the basis for program performance assumptions. The historical data undergoes quality review and analysis prior to its use in developing model assumptions. Key input to the subsidy models varies by program and includes items such as:

- Contractual terms of the loan or guarantee such as loan amount, interest rate, maturity and grace period
- Borrower characteristics
- Loan performance assumptions, such as default and recovery rates
- Loan fee rates

OPIC's rating methodology for its Federal Credit Reform reestimates is based on industry best practices and the expert judgment of a core panel of officers from origination, monitoring, credit policy and risk management who worked in conjunction with Moody's Analytics. The methodology rates the portfolio risk with a consistent and standardized approach.

The primary drivers of the yearly reestimated subsidy costs include:

- Reevaluation of repayment risks such as credit risk and political risk
- Updates to loan level discount rates for loans that are at least 90 percent disbursed in the current fiscal year
- Updates to projected cash flows with actual cash flows for the current fiscal year
- Updates to interest rates for loans with floating interest rates.

A. Direct Loans, Net

	2018			
(in thousands)	Loans Receivable, Gross	Fees & Interest Receivable	Allowance for Subsidy Cost	Value of Assets Related to Direct Loans, Net
Direct Loans	$ 2,630,867	$ 69,853	$ (171,870)	$ 2,528,850

	2017			
(in thousands)	Loans Receivable, Gross	Fees & Interest Receivable	Allowance for Subsidy Cost	Value of Assets Related to Direct Loans, Net
Direct Loans	$ 2,430,096	$ 65,801	$ (163,636)	$ 2,332,261

B. Total Amount of Direct Loans Disbursed

(in thousands)	2018	2017
Direct Loan Disbursements	$ 392,383	$ 759,067

C. Schedule for Reconciling Direct Loan Subsidy Cost Allowance

(in thousands)	2018	2017
Beginning balance of the subsidy cost allowance	$ (163,636)	$ (206,016)
Add: subsidy expense for direct loans disbursed during the year by component:		
Interest rate differential costs	91	1,171
Default costs (net of recoveries)	(40,987)	(84,510)
Fees and other collections	87,255	159,227
Other subsidy costs	(4,136)	(2,883)
Total of the above subsidy expense components	42,223	73,005
Adjustments:		
Fees accrued	(4,721)	(5,355)
Loans written off	12,250	6,783
Subsidy allowance amortization	(75,690)	(67,467)
Other	(107)	(57)
Total adjustments	(68,268)	(66,096)
Total subsidy cost allowance before reestimates	(189,681)	(199,107)
Add or subtract subsidy reestimates by component:		
Interest rate reestimate	5,985	(57)
Technical/default reestimate	11,826	35,528
Total reestimates	17,81	35,471
Ending balance of the subsidy cost allowance	$ (171,870)	$ (163,636)

D. Defaulted Loan Guarantees

	2018			
(in thousands)	Defaulted Loan Guarantees Receivable, Gross	Interest Receivable	Allowance for Subsidy Cost	Value of Assets Related to Defaulted Loan Guarantees Receivable, Net
Loan Guarantees	$ 325,815	$ 6,675	$ (219,658)	$ 112,832

	2017			
(in thousands)	Defaulted Loan Guarantees Receivable, Gross	Interest Receivable	Allowance for Subsidy Cost	Value of Assets Related to Defaulted Loan Guarantees Receivable, Net
Loan Guarantees	$ 227,151	$ 3,340	$ (125,590)	$ 104,901

E. Outstanding Principal of Loan Guarantees

(in thousands)	2018	2017
Loan Guarantees	$ 8,424,215	$ 8,231,215

F. New Loan Guarantees Disbursed

(in thousands)	2018	2017
Loan Guarantees	$ 1,115,395	$ 1,534,361

G. Schedule for Reconciling the Negative Loan Guarantee Liability

(in thousands)	2018	2017
Beginning balance of the negative loan guarantee liability	$ 250,133	$ 370,442
Add: subsidy income/(expense) for guaranteed loans disbursed during the year by component:		
Default costs (net of recoveries)	(74,604)	(99,909)
Fees and other collections	196,437	275,608
Other subsidy costs	(14,031)	13,105)
Total of the above subsidy income/(expense) components	107,802	162,594
Adjustments:		
Fees accrued	(200,278)	(197,664)
Actual claims paid	122,080	120,841
Loans acquired	(26,520)	(59,203)
Subsidy allowance amortization	4,583	7,011
Total adjustments	(100,135)	(129,015)
Ending balance of the negative loan guarantee liability before reestimates	257,800	404,021
Add or subtract subsidy reestimates by component:		
Interest rate reestimate	(22,660)	(15,975)
Technical/default reestimate	(81,861)	(137,913)
Total of the above reestimate components	(104,521)	(153,888)
Ending balance of the negative loan guarantee liability	$ 153,279	$ 250,133

H. Subsidy Rates by Program and Component

	2018				
	Interest	Defaults	Fees & Other Collections	Other	Total
Direct Loans	–	7.95%	(18.82)%	–	(10.87)%
Loan Guarantees:					
Finance Guarantees	–	5.68%	(16.61)%	–	(10.93)%
Investment Funds	–	11.85%	(17.32)%	–	(5.47)%
Limited Arbitral Award Coverage	–	3.82%	(5.99)%	–	(2.17)%
Non–Honoring of Sovereign Guarantees	–	2.54%	(8.45)%	–	(5.91)%

The subsidy rates presented above are consistent with the estimated subsidy rates published in the Federal Credit Supplement to the Budget of the U.S. Government except for differences due to rounding. The published budget formulation subsidy rates are notional, for illustrative purposes only, as OPIC estimates subsidy on a loan-by-loan basis at the time of obligation. These rates cannot be applied to the direct loans and loan guarantees disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loans reported in the current year could result from the disbursements of loans obligated in the current and prior fiscal years. Subsidy expense reported in the current year also includes the cost of subsidy reestimates.

I. Administrative Expenses

OPIC incurs administrative expenses to carry out its credit reform programs. This amount is determined by annual appropriation legislation and self-funded by OPIC's budget authority.

(in thousands)	2018	2017
Direct Loan and Loan Guarantee Administrative Expense	$ 47,520	$ 42,000

NOTE 6: PROPERTY AND EQUIPMENT, NET

The components of property and equipment as of September 30, 2018 and 2017 are as follows:

	2018		
(in thousands)	Cost	Accumulated Depreciation	Net Book Value
With the Public:			
Property and Equipment			
Equipment	$ 3,296	$ (2,821)	$ 475
Leasehold Improvements	11,375	(11,370)	5
Internal-Use Software	9,584	(9,567)	17
Total Property and Equipment, Net	$ 24,255	$ (23,758)	$ 497

	2017		
(in thousands)	Cost	Accumulated Depreciation	Net Book Value
With the Public:			
Property and Equipment			
Equipment	$ 3,145	$ (2,465)	$ 680
Leasehold Improvements	11,374	(10,852)	522
Internal-Use Software	9,584	(9,539)	45
Total Property and Equipment, Net	$ 24,103	$ (22,856)	$ 1,247

NOTE 7: LIABILITIES COVERED AND NOT COVERED BY BUDGETARY RESOURCES

Liabilities of Federal agencies are classified as liabilities covered or not covered by budgetary resources. OPIC's liabilities not covered by budgetary resources primarily consist of accrued unfunded annual leave. OPIC's liabilities not requiring budgetary resources consists of primarily of rent incentives. As of September 30, 2018 and 2017, liabilities not covered by budgetary resources were as follows:

(in thousands)	2018	2017
Intragovernmental Liabilities Not Covered By Budgetary Resources		
Unfunded FECA Liability	$ 101	$ 74
Total Intragovernmental Liabilities Not Covered By Budgetary Resources	101	74
Liabilities with the Public Not Covered By Budgetary Resources		
Unfunded Annual Leave	2,912	2,884
Actuarial FECA Liability	48	48
Total Liabilities with the Public Not Covered By Budgetary Resources	2,960	2,932
Total Liabilities Not Covered by Budgetary Resources	3,061	3,006
Total Liabilities Covered by Budgetary Resources	3,791,373	3,402,249
Total Liabilities Not Requiring Budgetary Resources	13,578	6,978
Total Liabilities	$ 3,808,012	$ 3,412,233

Liabilities covered by budgetary resources consist of liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include: (1) new budget authority; (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year; (3) spending authority from offsetting collections (credited to an appropriation or fund account); and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the Balance Sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

NOTE 8: BORROWINGS FROM TREASURY

OPIC's debt comes from direct borrowings from the U.S. Treasury to fund the portion of direct loans not covered by subsidy appropriations, disbursements of downward subsidy reestimates and pay claims in excess of the amount of subsidy and collections maintained in the non-budgetary financing funds. OPIC's debt as of September 30, 2018 and 2017 consisted of the following:

(in thousands)	2018	2017
Debt to the Treasury		
Beginning Balance	$ 3,014,833	$ 2,490,911
Net Borrowings	460,253	523,922
Ending Balance	$ 3,475,086	$ 3,014,833

NOTE 9: DOWNWARD REESTIMATE PAYABLE TO TREASURY

Federal credit programs are required to transfer to Treasury excess funding. OPIC cannot transfer these funds until they receive authority from OMB which will occur in the succeeding fiscal year. The balance of the downward reestimate for OPIC's finance programs as of September 30, 2018 and 2017 was $204,271 and $270,295, respectively.

NOTE 10: UNEARNED REVENUE

Unearned revenue consists of the following:

(in thousands)	2018	2017
Finance Retainer Fees and Deferred Facility Fees	$ 90,788	$ 95,275
Insurance Retainer Fees and Unearned Insurance Premiums	17,166	17,793
Rent Incentives	13,578	6,919
Total Unearned Revenue:	$ 121,532	$ 119,987

OPIC may charge a retainer and other working capital fees in conjunction with each project. Working capital fees are maintained in non-budgetary financing funds. Facility fees collected in excess of $5,000 are amortized over the life of the project. Insurance premiums received are amortized over the coverage period.

NOTE 11: INSURANCE LIABILITIES AND CLAIM RECOVERIES

OPIC provides Political Risk Insurance for overseas investments of up to 20 years against three different risks: inconvertibility of currency, expropriation, and political violence. Insurance coverage against inconvertibility protects the investor from increased restrictions on the investor's ability to convert local currency into U.S. dollars. Inconvertibility insurance does not protect against devaluation of a country's currency. Expropriation coverage provides compensation for losses due to confiscation, nationalization, or other governmental actions that deprive investors of their fundamental rights in the investment. Insurance against political violence insures investors against losses caused by politically motivated acts of violence (war, revolution, insurrection, or civil strife, including terrorism and sabotage).

Under most OPIC insurance contracts, investors may obtain all three coverages, but claim payments may not exceed the single highest coverage amount. Claim payments are limited by the value of the investment and the amount of current coverage in force at the time of the loss and may be reduced by the insured's recoveries from other sources. In certain instances, OPIC's requirement to pay up to the single highest coverage amount may be reduced by stop-loss and risk-sharing agreements. Finally, losses on insurance claims may be reduced by recoveries by OPIC as subrogee of the insured's claim against the host government. Payments made under insurance contracts that result in recoverable assets are included in Accounts Receivable net of an allowance for uncollectible amounts.

In addition to requiring formal applications for claimed compensation, OPIC's contracts generally require investors to notify OPIC promptly of host government action that the investor has reason to believe is or may become a claim. Compliance with this notice provision sometimes results in the filing of notices of events that do not mature into claims. As of September 30, 2018, and 2017, insurance claims where the likelihood of loss is reasonably possible are estimated to be $12.4 million, and zero, respectively. Recoveries on insurance claims in the amount of $500 thousand were received by OPIC as of September 30, 2018 and 2017.

NOTE 12: OTHER LIABILITIES

OPIC's total other liabilities as of September 30, 2018, is as follows:

	2018		
(in thousands)	Non-Current Liabilities	Current Liabilities	Total Liabilities
Intragovernmental:			
Employer Contributions & Payroll Taxes Payable	$ –	$ 469	$ 469
Unfunded FECA Liability	86	15	101
Total Intragovernmental	86	484	570
With the Public:			
Accounts Payable	–	1,207	1,207
Accrued Funded Payroll & Benefits	–	2,287	2,287
Accrued Unfunded Annual Leave	–	2,912	2,912
Liability for Deposit Funds	–	99	99
Actuarial FECA Liability	48	–	48
Total Liabilities With the Public	48	6,505	6,553
Total Other Liabilities	$ 134	$ 6,989	$ 7,123

OPIC's total other liabilities as of September 30, 2017, is as follows:

	2017		
(in thousands)	Non–Current Liabilities	Current Liabilities	Total Liabilities
Intragovernmental:			
Employer Contributions & Payroll Taxes Payable	$ –	$ 230	$ 230
Unfunded FECA Liability	21	53	74
Total Intragovernmental	21	283	304
With the Public:			
Accounts Payable	–	1,590	1,590
Accrued Funded Payroll & Benefits	–	2,202	2,202
Accrued Unfunded Annual Leave	–	2,884	2,884
Liability for Deposit Funds	–	90	90
Actuarial FECA Liability	48	–	48
Total Liabilities With the Public	48	6,766	6,814
Total Other Liabilities	**$ 69**	**$ 7,049**	**$ 7,118**

NOTE 13: LEASES

Operating Leases

OPIC leases commercial facilities under a multi-year operating lease agreement, as amended, which expires in May 2029. Under the terms of the lease, OPIC receives a tenant improvement allowance for space refurbishment as well as other incentives. The value of these incentives are deferred in the balance sheet and are amortized to recognize rent expense on a straight-line basis over the life of the lease. Rental expense was approximately $6.5 million for fiscal years 2018 and 2017. Future rental payments are as follows:

(in thousands)		Non-federal Lease Payments
Fiscal Year		
2019	$	6,855
2020		7,027
2021		7,202
2022		7,382
2023		7,565
After 2023		45,829
Total Future Lease Payments	$	81,860

NOTE 14: BUDGETARY RESOURCES

Permanent Indefinite Appropriations

The Federal Credit Reform Act of 1990 authorizes permanent, indefinite appropriations from Treasury, as appropriate, to carry out all obligations resulting from the financing program. Permanent indefinite authority is available to fund any reestimated increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimated reductions of subsidy costs are returned to Treasury and are unavailable to OPIC.

Section 235(c) of the Foreign Assistance Act of 1961 (FAA) established a fund which shall be available for discharge of liabilities under insurance or reinsurance or under similar predecessor authority. All valid claims arising from insurance issued by OPIC constitute obligations on which the full faith and credit of the United States of America is pledged for full payment. Should funds in OPIC's reserves not be sufficient to discharge obligations arising under insurance, and if OPIC exceeds its $100 million borrowing authority authorized by statute for its insurance program, funds would have to be appropriated to fulfill the pledge of full faith and credit to which such obligations are entitled. Standing authority for such appropriations is contained in Section 235(f) of the FAA.

Borrowing Authority

OPIC is required to borrow from the U.S. Treasury's Bureau of the Fiscal Service to fund the unsubsidized portion of direct loan disbursements, and is authorized to borrow when funds are needed to disburse negative subsidy and pay claims in excess of the amount of subsidy and collections maintained in the financing funds. At the end of fiscal year 2018 and 2017, OPIC had $2,370 million and $2,959 million, respectively, in borrowing authority carried over to fund direct loans and pay future claims.

Apportionment Categories of New Obligations and Upward Adjustments

OPIC funds are apportioned in category A and B. Category A apportionments are restricted by time; category B apportionments are restricted by project. OPIC's new obligations and upward adjustments can be either reimbursable or direct. Reimbursable obligations are financed by offsetting collections received in return for goods and services provided, while direct obligations are not financed from reimbursements.

OPIC's new obligations and upward adjustments by apportionment type and category, as of September 30, 2018 and 2017 consisted of the following:

Consolidated New Obligations and Upward Adjustments through September 30

(in thousands)	2018						2017					
		Category A		Category B		Total		Category A		Category B		Total
Direct	$	116,787	$	1,499,350	$	1,616,137	$	67,618	$	1,541,616	$	1,609,234
Reimbursable		-		801		801		–		5,682		5,682
Total Obligations	$	116,787	$	1,500,151	$	1,616,938	$	67,618	$	1,547,298	$	1,614,916

Undelivered Orders at the End of the Period

Undelivered Orders include loan and related subsidy obligations that have been issued but not disbursed and obligations for goods and services ordered that have not been received. OPIC's undelivered orders, paid and unpaid, as of September 30, 2018 and 2017 consisted of the following:

Undelivered Orders through September 30

(in thousands)	2018			2017		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total
Unpaid	$ 840,913	$ 1,822,632	$ 2,663,545	$ 934,412	$ 2,161,531	$ 3,095,943
Paid	42	21	63	–	21	21
Total Obligations	$ 840,955	$ 1,822,653	$ 2,663,608	$ 934,412	$ 2,161,552	$ 3,095,964

NOTE 15: EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires federal agencies and entities to explain material differences between amounts reported in the Statement of Budgetary Resources and the actual amounts reported in the Budget of the U.S. Government (the President's Budget). The FY 2020 President's Budget which presents the actual amounts for the year ended September 30, 2018, has not been published as of the issue date of these financial statements. The President's Budget is scheduled for publication in the spring of FY 2019 and can be found on the OMB website: http://www.whitehouse.gov/omb.

Balances reported in the FY 2017 Statement of Budgetary Resources and the related President's Budget are shown in a table below for Budgetary Resources, Obligations, Distributed Offsetting Receipts, Net Outlays and any related differences. The differences reported are due to differing reporting requirements for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President's Budget. The SBR includes both unexpired and expired appropriations, while the President's Budget discloses only unexpired budgetary resources that are available for new obligations. Additionally differences exist due to Distributed Offsetting Receipts reported on the SBR, but not on the President's Budget and due to rounding variances for Budgetary Resources and Obligations.

	2017			
(in millions)	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	$ 7,841	$ 1,615	$ 485	$ 256
Included in SBR, not in President's Budget				
Expired Accounts	(44)	–	–	–
Distributed Offsetting Receipts	-	–	(485)	485
Rounding	3	(3)	–	(1)
Budget of the United States Government	$ 7,800	$ 1,612	$ –	$ 740

NOTE 16: RECONCILIATION OF NET COST OF OPERATIONS TO OUTLAYS

Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

	For the year ended September 30, 2018		
(in thousands)	Intra governmental	With the public	Total
Net Cost	$ (13,208)	$ (135,313)	$ (148,522)
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	–	(902)	(902)
Year–end Credit Reform subsidy Re–estimates	(86,710)	166,961	80,251
Increase/(decrease) in assets:			
Accounts Receivable	(97,762)	(709)	(98,471)
Credit Program Receivable	–	204,360	204,360
Negative Loan Guarantee Liability	–	(96,854)	(96,854)
Investments	(8,608)	–	(8,608)
(Increase)/decrease in liabilities:			
Unearned Revenue	–	(1,545)	(1,545)
Subsidy Payable to the Financing Account	388,710	–	388,710
Downward Reestimate Payable to Treasury	66,024	–	66,024
Other Liabilities	(266)	268	2
Other Financing Sources:			
Imputed Costs	(2,147)	–	(2,147)
Total Components of Net Cost That Are Not Part of Net Outlays	259,241	271,579	530,820
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Property and Equipment	–	151	151
Distributed Offsetting Receipts	(425,120)	–	(425,120)
Total Components of Net Outlays That Are Not Part of Net Cost	(425,120)	151	(425,271)
Net Outlays	$ (179,087)	$ 136,417	$ (42,670)
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			382,450
Distributed Offsetting Receipts			(425,120)
Agency Outlays, Net			(42,670)

NOTE 16: RECONCILIATION OF NET COST OF OPERATIONS TO OUTLAYS (continued)

	For the year ended September 30, 2017		
(in thousands)	Intra governmental	With the public	Total
Net Cost	$ (37,529)	$ (162,251)	$ (199,780)
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	–	(976)	(976)
Year–end Credit Reform subsidy Re–estimates	(118,415)	251,965	133,550
Increase/(decrease) in assets:			
Accounts Receivable	102,729	(539)	102,190
Credit Program Receivable	–	598,555	598,555
Negative Loan Guarantee Liability	–	(120,309)	(120,309)
Investments	(8,608)	–	(8,608)
	(6,258)	–	(6,258)
(Increase)/decrease in liabilities:	–	(1,545)	(1,545)
Unearned Revenue	–	(18,268)	(18,268)
Subsidy Payable to the Financing Account	286,048	–	286,048
Downward Reestimate Payable to Treasury	(34,093)	–	(34,093)
Insurance Program Liabilities	–	128	128
Other Liabilities	(61)	28	(33)
Other Financing Sources:	(2,147)	–	(2,147)
Imputed Costs	(353)	–	(353)
Total Components of Net Cost That Are Not Part of Net Outlays	229,597	710,584	940,181
Components of Net Outlays That Are Not Part of Net Cost: Acquisition of Property and Equipment	–	18	18
Distributed Offsetting Receipts	(484,722)	–	(484,722)
Total Components of Net Outlays That Are Not Part of Net Cost	(484,722)	18	(484,704)
Net Outlays	$ (292,654)	$ 548,351	$ 255,697
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			740,419
Distributed Offsetting Receipts			(484,722)
Agency Outlays, Net			255,697

Overseas Private Investment Corporation
The U.S. Government's Development Finance Institution

1100 New York Ave., NW
Washington, DC 20527
202.336.8400

opic.gov