

DOCUMENT RESUME

06243 - [B1606634]

Examination of Financial Statements of the Overseas Private Investment Corporation for Fiscal Year Ended September 30, 1977, and Transition Quarter Ended September 30, 1976. ID-78-36; B-173240. June 7, 1978. 11 pp. + 2 appendices (3 pp.).

Report to the Congress; by Elmer B. Staats, Comptroller General.

Issue Area: Accounting and Financial Reporting (2800).

Contact: International Div.

Budget Function: International Affairs: Foreign Economic and Financial Assistance (151).

Organization Concerned: Overseas Private Investment Corp.

Congressional Relevance: House Committee on International Relations; Senate Committee on Foreign Relations; Congress.

Authority: Government Corporation Control Act (31 U.S.C. 841). Foreign Assistance Act of 1961, as amended (22 U.S.C. 2197(c)).

The financial statements of the Overseas Private Investment Corporation (OPIC) were examined in accordance with generally accepted auditing standards, including tests of accounting records and other auditing procedures. OPIC insures and guarantees U.S. investors against loss of their overseas investments due to expropriation; currency inconvertibility; and war, revolution, or insurrection. Findings/Conclusions: As of September 30, 1977, OPIC's insurance reserve for such losses amounted to \$229.9 million. Potential charges against this reserve for claims filed totaled \$302.3 million. During the fiscal year 1977, OPIC paid approximately \$36 million on its direct liabilities related to claim settlements without reducing its insurance reserve. It made the payment from the proceeds of Chilean notes sold with recourse to the Federal Financing Bank. This transaction reduced direct liabilities related to claim settlements and increased contingent liabilities for claim settlement guarantees. If claim settlements exceed available reserves, OPIC will be required to either borrow funds from the U.S. Treasury or request supplementary funds from the Congress to pay the claims. Because of uncertainties about such claims and those affecting liabilities on other insurance and guaranty contracts, GAO could not express an opinion on the adequacy of reserves for losses due to such contracts. Except for the adequacy of these reserves, the financial statements presented fairly the financial position of OPIC and changes in capital, reserves, and financial position for the periods examined. (Author/HTW)

6634

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Examination Of Financial Statements Of The Overseas Private Investment Corporation For Fiscal Year Ended September 30, 1977, And Transition Quarter Ended September 30, 1976

GAO has qualified its opinion on the Corporation's financial statements because the adequacy of the amount reserved for losses cannot be determined. The qualification carries no adverse criticism of the Corporation's management practices.



ID-78-36
JUNE 7, 1978



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-173240

To the President of the Senate and the
Speaker of the House of Representatives

We have examined the balance sheet of the Overseas Private Investment Corporation as of September 30, 1977, and the related statements of income, changes in capital and reserves, and changes in financial position for the year then ended and the 3 months ended September 30, 1976. This examination was made pursuant to the Government Corporation Control Act (31 U.S.C. 841 et seq.) and in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported on the Corporation's financial statements for fiscal year 1976.

The Corporation insures and guarantees U.S. investors against loss of their overseas investments due to expropriation; currency inconvertibility; and war, revolution, or insurrection. As of September 30, 1977, the Corporation's insurance reserve for such losses amounted to \$229.9 million. However, as explained in note 7 to the financial statements, potential charges against this reserve for claims filed totaled \$302.3 million, consisting of direct liabilities related to claim settlements (\$3.1 million), claim settlement guaranties (\$206.2 million), pending claims (\$13.0 million), and unresolved disputed claims (\$80.0 million).

During fiscal year 1977, the Corporation paid approximately \$36 million on its direct liabilities related to claim settlements without reducing its insurance reserve. It made the payment from the proceeds of Chilean notes sold with recourse to the Federal Financing Bank. This transaction reduced direct liabilities related to claim settlements and increased contingent liabilities for claim settlement guaranties. (See note 5 to the financial statements.)

Section 237(c) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2197(c) (Sup. V, 1975)), provides that the full faith and credit of the United States is pledged for the full payment and performance of obligations

incurred by the Overseas Private Investment Corporation under its insurance and guaranty contracts. Thus, if claim settlements exceed available reserves, the Corporation will be required to either borrow funds from the U.S. Treasury or request supplementary funds from the Congress to pay the claims.

Due to the many uncertainties affecting the foregoing claims and those affecting liabilities the Corporation has on other insurance and guaranty contracts (see notes 7 and 8 to the financial statements), we are not able to express an opinion on the adequacy of the amount reserved for losses the Corporation may suffer because of its insurance and guaranty contracts.

In our opinion, except for the adequacy of the amount reserved for losses, the accompanying financial statements present fairly the financial position of the Overseas Private Investment Corporation at September 30, 1977, and June 30, 1976, and the results of its operations, changes in its capital and reserves, and changes in its financial position for the years then ended and the 3 months ended September 30, 1976, in conformity with generally accepted accounting principles applied on a consistent basis.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of the Treasury; the Administrator, Agency for International Development; and the President, Overseas Private Investment Corporation.



Comptroller General
of the United States

FINANCIAL STATEMENTS

Statement of Income

Overseas Private Investment Corporation

	For the Year Ended	
	September 30, 1977	June 30, 1976
Revenues		(reclassified)
Political risk insurance premiums	\$30,153,633	\$32,570,017
Less - Premiums on shared risks	<u>5,727,463</u>	<u>4,938,505</u>
	24,426,170	27,631,512
Investment guaranty fees	2,295,910	2,668,494
Direct investment interest	1,356,603	1,419,522
Other fees	<u>333,368</u>	<u>540,356</u>
	28,412,051	32,259,884
Interest	<u>26,421,833</u>	<u>21,851,944</u>
	<u>54,833,884</u>	<u>54,111,828</u>
Expenses		
Salaries & benefits	3,435,741	2,990,659
Provision for uncollectible DIF loans	1,600,000	
Contractual services	1,171,442	1,149,553
Rent, communications & utilities	428,943	422,739
Travel	223,574	190,659
Printing, reproduction & supplies	134,042	147,225
Depreciation & amortization	<u>28,098</u>	<u>19,831</u>
	<u>7,021,840</u>	<u>4,920,666</u>
Net Income	<u>\$47,812,044</u>	<u>\$49,191,162</u>

The accompanying notes are an integral part of this statement.

Balance Sheet

Overseas Private Investment Corporation

	September 30, 1977	June 30 1976
ASSETS		
Cash and Investments:		
Cash	\$ 59,329,922	\$103,075,830
U.S. obligations at cost plus accrued interest (which approximates market - Note 3)	<u>315,053,410</u>	<u>254,278,749</u>
	374,383,332	357,354,579
Direct Investment Fund loans outstanding (Note 4) (Less allowance for uncollectible loans of \$2,000,000 in 1977)	21,126,915	21,888,741
Accrued interest & fees	1,802,613	2,891,293
Accounts receivable	5,738,897	6,690,250
Prepaid reinsurance premiums	767,814	1,320,252
Furniture and fixtures (at cost less depreciation of \$137,858 in 1977 and \$121,694 in 1976) and amortized leasehold improvements	171,693	164,206
Assets acquired in claims settlements (Notes 5 & 9)	<u>6,336,820</u>	<u>43,160,538</u>
	<u>\$410,348,084</u>	<u>\$433,469,868</u>

	September 30. 1977	June 30. 1976
LIABILITIES, CAPITAL & RESERVES		
Liabilities		
Accounts payable & accrued expenses	\$ 1,892,052	\$ 1,372,824
Claims payable		860,000
Direct liabilities related to claims settlements (Notes 5 and 6)	6,336,820	43,160,538
Participations in DIF loans	1,559,047	2,921,481
Unearned premiums	13,420,085	17,582,749
Fees held pending claims determinations	2,178,542	224,008
	<u>25,386,546</u>	<u>66,121,600</u>
Contingent liabilities (Notes 7, 8 & 9)		
Capital & Reserves:		
Capital held by U.S. Treasury (Note 4)	50,000,000	50,000,000
Insurance reserve (Notes 7 & 8)	229,947,573	204,661,986
Guaranty reserve (Notes 7 & 9)	100,143,976	81,346,147
Retained earnings	4,869,589	31,340,135
	<u>384,961,538</u>	<u>367,348,268</u>
Total Liabilities, Capital & Reserves	<u>\$410,348,084</u>	<u>\$433,469,868</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Capital and Reserves

Overseas Private Investment Corporation

For the 27 Months Ended September 30, 1977

	Capital	Insurance Reserve	Guaranty Reserve	Retained Earnings	Foreign Currency Allocation	Total
Balance June 30, 1975	\$40,000,000	\$176,492,185	\$ 81,690,838	\$12,148,973	\$13,213,859	\$323,545,855
Net income				49,191,162		49,191,162
Payments on claims settlements		(860,000)	(816,954)			(1,676,954)
Recoveries on prior years' claims settlements		9,029,801	472,263			9,502,064
Transfers from retained earnings	10,000,000	20,000,000		(30,000,000)		
Foreign currency allocation returned to U.S. Treasury					(13,213,859)	(13,213,859)
Balance June 30, 1976	50,000,000	204,661,986	81,346,147	31,340,135	-0-	367,348,268
Net income				10,717,410		10,717,410
Payments on claims settlements		(12,015)	(5,155,000)			(5,167,015)
Recoveries on prior years' claims settlements		299,214				299,214
Transfers from retained earnings			6,000,000	(6,000,000)		
Balance September 30, 1976 (Note 2)	<u>50,000,000</u>	<u>204,949,185</u>	<u>82,191,147</u>	<u>36,057,545</u>		<u>373,197,877</u>
Net income				47,812,044		47,812,044
Payments on claims settlements		(46,172,625)	(1,047,171)			(47,219,796)
Recoveries on prior years' claims settlements		11,171,413				11,171,413
Transfers from retained earnings		60,000,000	19,000,000	(79,000,000)		
Balance September 30, 1977	<u>\$50,000,000</u>	<u>\$229,947,973</u>	<u>\$100,143,976</u>	<u>\$ 4,869,589</u>		<u>\$384,961,538</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Financial Position
Overseas Private Investment Corporation

	For the Year Ended	
	September 30, 1977	June 30, 1976
Source of Funds:		
Net Income	\$47,812,044	\$49,191,162
Depreciation and amortization	28,098	19,531
Provision for uncollectible DIF loans	1,600,000	
Decrease (increase) in:		
Accrued interest & fees	59,368	(86,624)
Increase (decrease) in:		
Fees held pending claims determinations	1,942,422	118,988
Accounts payable and accrued expenses	49,047	(204,959)
	<u>51,490,979</u>	<u>49,038,398</u>
Application of Funds:		
Net payments (recoveries) on claims settlements	36,048,383	(7,825,110)
Foreign currency allocation returned to U.S. Treasury (Note 10)		13,213,859
Net disbursement on DIF loans	521,216	756,370
Additions to furniture & fixtures	33,295	92,359
Decrease (increase) in:		
Participations in DIF loans	1,284,309	1,206,184
Unearned premium	444,950	(1,092,806)
Claims payable		6,991,176
Increase (decrease) in:		
Accounts receivable	760,592	(379,979)
Prepaid reinsurance	131,792	142,036
	<u>39,224,537</u>	<u>13,104,089</u>
Increase in Cash and Investments	<u>\$12,266,442</u>	<u>\$35,934,309</u>

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

The significant policies are summarized below:

Income Recognition: Revenue from political risk insurance is recognized ratably over the contract year. All other revenue is recognized when earned in accordance with generally accepted accounting principles.

Depreciation and Amortization: Furniture and fixtures are depreciated on a straight line basis over a 10-year life. Leasehold improvements are amortized over the life of the related lease.

Payments to Insureds on Claims Settlements: Payments to investors on claims settlements are charged directly to the applicable Insurance or Guaranty Reserve at the time a payment is made or the payment obligation is irrevocably established. Recoveries made in the course of liquidating assets acquired in the settlement of claims are credited to the Reserve against which the related claims were charged.

Note 2: Change in Fiscal Year

In 1977, pursuant to the Congressional Budget Act of 1974, all U.S. Government corporations, including OPIC, changed their fiscal year end from June 30 to September 30. The results of operations for the three months ended September 30, 1976 which have been credited to retained earnings are summarized below:

Political Risk insurance premiums	\$ 8,262,201
Less - Premiums on Shared Risks	<u>1,441,425</u>
	6,820,776
Interest	5,049,609
Other revenue	<u>732,897</u>
	12,603,282
Expenses	<u>1,885,872</u>
Net income	<u><u>\$10,717,410</u></u>

The increase in cash and investments during the three month period is summarized as follows:

Source of Funds	
Net income	\$10,717,410
Provision for uncollectible DIF loans	400,000
Depreciation and Amortization	6,104
Reduction in assets	<u>2,688,538</u>
	<u>13,812,052</u>
Application of Funds	
Net payment on claims settlements	4,867,801
Furniture & Fixtures	8,394
Reduction in Liabilities	<u>4,173,546</u>
	<u>9,049,741</u>
Increase in cash and investments	<u><u>\$ 4,762,311</u></u>

Note 3: Investments in U.S. Obligations

In conformance with Section 239(d) of the FAA, OPIC's investments in U.S. obligations are limited to funds derived from fees and other revenues. The funds available for investment were \$310,068,937 at September 30, 1977 and \$249,506,660 at June 30, 1976. Of these funds \$309,590,750 and \$248,825,315, respectively, represent the cost of investments included in the Balance Sheet.

Note 4: Direct Investment Fund

The FAA authorized the establishment of a Direct Investment Fund (DIF), that consisted initially of the \$40,000,000 paid in as capital of the corporation, to be used to make loans repayable in United States dollars. This fund is charged with realized losses and credited with realized gains and such additional sums as determined by the Board of Directors. During 1976 OPIC increased the DIF by \$10,000,000 in connection with the transfer of \$10,000,000 from retained earnings to capital held by U.S. Treasury.

The status of the DIF was as follows.

	September 30, 1977	June 30, 1976
	(Millions of Dollars)	
Appropriated DIF Capital	40.0	40.0
Transfer From Earnings	10.0	10.0
Less:		
Net Loss (gain) on Loans	1.7	(0.3)
Uncommitted Funds	15.4	19.3
Outstanding Commitments	32.9	31.0
Less: Undisbursed Portion	11.3	12.0
Net Loans Outstanding	<u>21.6</u>	<u>19.0</u>

Proceeds received by OPIC from the sale of participations were credited to the DIF for further lending in accordance with Sections 231(c), 235(b) and 239(d) of the FAA. The figure above are net of such participations, which amounted to \$1.5 million in fiscal year 1977 and \$2.9 million in fiscal year 1976. Pursuant to provisions of Sections 239(d) and 234(b) of the FAA, OPIC has guaranteed full payment of the participated portion of DIF loans. This liability for outstanding participations is included in the amount of investment guaranty outstanding (Note 8).

Note 5: Assets and Direct Liabilities Related to Claims Settlements

As a result of claims settlements, OPIC owns or has an interest in certain assets, valued at \$6,336,820, arising from interests in future payments due under certain promissory notes guaranteed by OPIC under claims settlements and its guaranty authority. OPIC will have to make payments under these guaranties prior to receipt of payment from the obligors. OPIC's payment obligations are reflected in the liability section of the Balance Sheet and their due dates are shown in Notes 7 and 8.

Approximately \$36 million of OPIC's claims related assets and associated direct liabilities at June 30, 1976 was represented by notes being repaid by the Government of Chile which OPIC was obligated to purchase from the holder by February 1, 1978. The notes require repayment in equal semi-annual installments through June 1986. In 1977, OPIC exercised its option to purchase these notes prior to February 1, 1978, and sold most of them to the Federal Financing Bank (a wholly-owned U.S. Government corporation) with recourse. OPIC's contingent liability as guarantor of these notes is reflected in Note 7(A).

Note 6: Statutory Reserves and Full Faith and Credit

Section 235(c) of the FAA established separate funds known as the Insurance Reserve and the Guaranty Reserve for the respective discharge of liabilities under investment insurance and under guaranties issued under Section 234(b) of the FAA and similar predecessor guaranty authority. Both Reserves may be replenished or increased by transfers from OPIC's retained earnings or by new Congressional appropriations. OPIC's retained earnings as of September 30, 1977, available for transfer to the Insurance or Guaranty Reserve, were \$4.9 million.

Should OPIC's funds at any time not be sufficient to discharge OPIC's obligations arising under investment insurance or guaranties, as the case may be, Congress would have to appropriate funds 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.

All investment insurance given by OPIC, all guaranties given by OPIC in connection with the settlement of claims under investment insurance and all guaranties referred to in the first paragraph above constitute obligations of the United States of America. The full faith and credit of the United States of America is pledged for the full payment and performance of such obligations.

Note 7: Obligations Backed by Insurance Reserve

The Insurance Reserve as of September 30, 1977 totaled \$229,947,973 and OPIC has cash and U.S. obligations substantially in excess of this amount. Claims against the Insurance Reserve could arise from certain liabilities shown on OPIC's Balance Sheet and certain contingent liabilities.

Direct liabilities related to claims settlements and chargeable against the Insurance Reserve amount to \$3,076,820 as of September 30, 1977. OPIC will be required to make payments to discharge these liabilities in fiscal years 1980-1982.

Contingent obligations of OPIC which could give rise to future additional claims on the Insurance Reserve include obligations under (A) guaranties issued in settlement of claims arising under investment insurance contracts, (B) pending claims under investment insurance contracts, (C) unresolved disputed claims and (D) outstanding investment insurance contracts. These four categories of contingent claims are discussed in more detail in the balance of this Note.

(A) Claims Settlement Guaranties

Pursuant to Sections 237(i) and 239(d) of the FAA, OPIC has in some instances settled claims arising under investment insurance contracts by issuing payment guaranties of host government obligations. These claims settlement guaranties represent contingent obligations of OPIC backed by the Insurance Reserve.

The contingent liability of OPIC as of September 30, 1977 under these guaranties, including liability as to interest, was \$206,223,000. If the principal obligors default in full, and if OPIC does not exercise certain prepayment rights, OPIC would be liable during the following fiscal years for the following amounts:

Fiscal Year(s)	Amount of Liability (000's)
1978	\$ 25,851
1979	24,286
1980	23,065
1981	30,344
1982	36,494
1983	32,269
1984	21,264
1985-1988	12,650
	<u>\$206,223</u>

Of the total OPIC contingent liability under claims settlement guaranties, \$190,778,000 represents guaranties of obligations either incurred by the Government of Chile in compensation agreements with OPIC insureds or recognized by the Government of Chile in respect to debt previously insured by OPIC.

(B) Pending Claims

OPIC follows a policy of recording investment insurance contract claims as financial liabilities only upon determinations that such claims are valid. In the case of most expropriation claims, the expropriatory action must continue for a period of one year before the claim matures. Formal applications for compensation are generally filed only with respect to mature claims and specify the particular events which have occurred and which, in the opinion of the investor, subject OPIC to liability. OPIC normally has six months, from the date the investor's application for compensation is complete, to process the claim and make its determination.

The total amount of compensation requested from OPIC in connection with claims so filed, but not yet determined, is \$13 million arising out of seven claims, six of which were under expropriation coverage and the other under inconvertibility. OPIC has not made the necessary final determinations as to any of these claims.

In addition to requiring formal applications for claimed compensation, the OPIC contracts require investors to notify OPIC promptly of host government action, which the investor has reason to believe is or may become an expropriatory action. Careful investor compliance with this notice provision will sometimes result in their filing notice of events that do not mature into expropriatory actions.

The highly speculative nature of these notices both as to the likelihood that the event referred to will constitute expropriatory action and the amount of compensation, if any, that may become due leads OPIC to follow a consistent policy of making no reference to such notices in its financial statement. Any claims that might arise from these situations are, of course, encompassed in management's estimate that maximum potential exposure, prior to reinsurance, under existing investment insurance contracts is \$3,133 million (Note 7D).

(C) Unresolved Disputed Claims

At present, there is one outstanding claim which has been denied by OPIC and contested by the Investor Revere Copper and Brass, Inc. has commenced an arbitration seeking compensation of approximately \$80 million plus interest with respect to its investment in a bauxite-alumina operation in Jamaica, alleging that the investment has suffered "Expropriatory Action." OPIC has denied that "Expropriatory Action" occurred. Arbitral proceedings are now in progress.

(D) Political Risk Investment Insurance

OPIC issues investment insurance under limits fixed by the legislative authorization in the FAA and prior authorities. The utilization of these authorized amounts as of September 30, 1977 (excluding obligations under guaranties issued in settlement of claims) was as follows:

	Legislative Authorizations	Uncommitted	Outstanding
	(Millions of Dollars)		
Prior Authorities	\$ 2,797	—	\$2,797
FAA Section 235	7,500	\$4,529	2,971
	<u>\$10,297</u>	<u>\$4,529</u>	<u>\$5,768</u>

OPIC, as did its predecessors, insures the same investment against three different risks (inconvertibility of currency; expropriation; and war, revolution or insurrection). Under some contracts issued by OPIC's predecessors, theoretically an investor could make successive claims under more than one coverage with respect to the same investment, thereby collecting aggregate compensation exceeding any single coverage amount. The outstanding amount reflects this theoretical possibility and in addition includes provision for insurance as to which OPIC is not currently at risk but is contractually obligated to provide upon the investor's future request to cover increases in retained earnings and accrued interest.

The outstanding amount pursuant to Legislative Authorizations is of little use in evaluating realistically OPIC's maximum exposure as of September 30, 1977 to insurance claims, because it includes insurance for which OPIC is not currently at risk and because it is

improbable that multiple payments would be made for each investment. Management believes that a more accurate representation of OPIC's maximum potential exposure to future claims arising from existing investment insurance contracts can be obtained by assuming that only one claim would be brought under each contract and that the coverage under which the claim would be brought would be the coverage with the highest amount of current insurance in force. Based on this assumption, management believes OPIC's maximum potential liability to claims as of September 30, 1977 is \$3.133 million.

Note 8: Obligations Backed by Guaranty Reserve Section 235 of the FAA requires OPIC to have, at the time OPIC commits itself to issue any guaranty under Section 234(b) of the FAA a Guaranty Reserve equal to at least 25 percent of guaranties then issued and outstanding or committed under 234(b) and prior authorities. As of September 30, 1977, the \$100,143,976 Guaranty Reserve (representing cash and marketable securities, except for miscellaneous items which in the aggregate were not material) exceeds by \$58,959,143 the required minimum reserve. (See Note 6 for description of the Guaranty Reserve and full faith and credit status of OPIC guaranties.) Guaranties under prior authorities and Section 234(b) of the FAA include guaranties of debt, equity, and participation in DIF loans. The outstanding commitments at September 30, 1977 were:

	Prior Authority	FAA 234(b) and 235	Total
	(millions of dollars)		
Legislative Authorization	\$ 33.2	\$ 750.0	\$ 783.2
Uncommitted		618.4	618.4
Total Outstanding Commitments	\$ 33.2	\$ 131.6	\$ 164.8
Currently at Risk (Net of Repayments)	\$ 33.2	\$ 111.7	\$ 144.9

The Balance Sheet and foregoing tabulations include a direct liability of \$3,260,000 chargeable against the Guaranty Reserve. This liability is payable in semi-annual principal installments of \$407,500 through June 30, 1981. As OPIC makes payments, it acquires notes which have been rescheduled pursuant to an agreement with the foreign enterprise.

Note 9: Recoveries on Claims Settlements

OPIC does not recognize recoveries with respect to claims settlements until the proceeds are received. However, pursuant to various settlement arrangements, certain foreign governments have an obligation to pay OPIC the following amounts:

Fiscal Year(s)	Principal (000's)	Interest (000's)
FY 1978	\$ 18,857	\$ 9,350
FY 1979	17,992	8,508
FY 1980	17,815	7,795
FY 1981	15	6,254
FY 1982	14,109	4,947
FY 1983-1988	56,659	12,121
	\$140,349	\$48,975

Of these amounts, \$130,349,000 in principal and \$41,716,000 in interest are obligations of the Government of Chile. A portion of Chile's debt to OPIC was rescheduled in connection with Chile's general rescheduling of international debt. The Government of Chile has to date made timely payment of all installments due in accordance with the new schedule. There has been no repudiation or default with respect to any foreign government obligations held or guaranteed by OPIC, and all governments are current in their payments.

Note 10: Foreign Currency Allocation

The allocation of 31,817,200 Pakistani rupees (U.S. equivalent \$3,213,859) and 5,556,000 Egyptian pounds (U.S. equivalent \$10,000,000) made available to OPIC in 1975 from excess currencies held by the U.S. Treasury were returned to the Treasury during fiscal 1976.

APPENDIXES

PRINCIPAL OFFICIALS OF THE
OVERSEAS PRIVATE INVESTMENT CORPORATION
DURING PERIOD COVERED BY THIS REPORT

<u>Board of Directors</u>	<u>Position</u>	<u>Tenure of office</u>	
		<u>From</u>	<u>To</u>
John J. Gilligan	Chairman	3-30-77	Present
Daniel Parker	Chairman	10-12-73	1-19-77
Marshall T. Mays	Director	9-26-73	3-26-77
Allie C. Felder, Jr.	Director	1-19-71	Present
Gustave M. Hauser	Director	1-19-71	8-04-77
James A. Suffridge	Director	1-19-71	Present
Donley L. Brady	Director	11-26-73	Present
Wallace F. Bennett	Director	6-20-75	Present
Herbert Salzman	Director	9-26-73	6-07-77
Edwin H. Yeo III	Director	6-30-76	1-20-77
William D. Rogers	Director	11-09-76	1-01-77
Edward O. Vettey	Director	9-23-76	1-20-77
C. Fred Bergsten	Director	5-24-77	Present
Frank A. Weil	Director	5-24-77	Present
Julius L. Katz	Director	5-24-77	Present
Charles W. Robinson	Director	1-22-75	11-09-76
 <u>Officers</u>			
Rutherford M. Poats	President and Chief Execu- tive Officer (acting)	3-27-77	Present
Marshall T. Mays	President and Chief Execu- tive Officer	9-26-73	3-26-77
David Gregg III	Executive Vice President	11-19-73	2-11-77
Cecil Hunt	General Counsel (acting)	8-15-76	Present
Gerald Morgan	General Counsel	11-23-75	8-14-76
Caryl S. Cole	Vice President for Insurance	7-20-77	Present
George R. Cooper	Vice President for Insurance	7-16-73	7-31-76
Hilliard A. Zola	Vice President for Insurance	9-28-76	7-19-77
Philip McCallum	Vice President for Finance (acting)	7-23-77	Present

<u>Officers</u>	<u>Position</u>	<u>Tenure of office</u>	
		<u>From</u>	<u>To</u>
Anthony J. Hope	Vice President for Finance	1-11-75	7-22-77
Robert S. Smith	Vice President for Develop- ment	4-10-77	Present
Erland H. Heginbotham	Vice President for Develop- ment	1-27-76	1-21-77
Robert L. Jordan	Director for Public Affairs	7-01-76	Present
Paul J. Muller	Treasurer	7-09-73	9-02-77
Leo H. Nielson	Treasurer (acting)	9-03-77	Present

OVERSEAS PRIVATE INVESTMENT CORPORATIONBOARD MEMBERSSEPTEMBER 30, 1977

John J. Gilligan	Administrator, Agency for International Development
Allie C. Felder, Jr.	Vice President, Cooperative League of the U.S.A.
James A. Suffridge	President Emeritus, Detail Clerks International Association
Donley L. Brady	Attorney and business executive
Wallace F. Bennett	United States Senator (retired)
C. Fred Bergsten	Assistant Secretary of the Treasury for International Affairs
Frank A. Weil	Assistant Secretary of Commerce for Industry and Trade
Julius L. Katz	Assistant Secretary of State for Economics and Business Affairs