Fitch Ratings

The OPEC Fund for International Development (OPEC Fund)

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

Key Rating Drivers

Pandemic Response: The OPEC Fund for International Development (OPEC Fund) responded to Covid-19 by allocating up to USD1 billion to assist partner countries and private-sector clients in their efforts to address the impact of the pandemic. This money is a re-allocation of existing projects, rather than additional funds. By end-2020, OPEC Fund had approved 20 Covid-19-related operations across 15 countries worth a total of about USD500 million.

'Excellent' Capitalisation: Fitch Ratings considers OPEC Fund's 'Excellent' capitalisation as a key rating strength, primarily driven by our view that its equity/assets and guarantees ratio will continue to far exceed the 25% 'Excellent' threshold over the medium term (end-2020: 91%). Our assessment is also supported by the fund's usable capital/risk-weighted assets (FRA) ratio, which also far exceeds the 35% 'Excellent' threshold (end-2020: 92%). OPEC Fund's profitability has been stable and consistent over the past 10 years.

'Moderate' Credit Risk: OPEC Fund's loan portfolio is split between sovereign (two-thirds) and non-sovereign (one-third) exposures, which Fitch estimates to have an average rating of 'B+'. Non-performing loans (NPLs), as defined by Fitch, represented 2.2% of total loans at end-2020 and were to nine non-sovereign borrowers. In 2020, OPEC Fund offered short-term Covid-19 payment deferrals to several private-sector borrower but by end-2020, all borrowers benefitting from this scheme had resumed payments to the fund.

'Excellent' Liquidity: Liquidity is a rating strength for OPEC Fund, reflecting its 'Excellent' liquidity buffer, 'Excellent' asset quality and 'Weak' access to capital markets. OPEC Fund has not tapped international capital markets, with its sole funding source being capital replenishment contributions from member states. However, OPEC Fund expects to issue about USD1 billion by end-2022 following the launch of its GMTN programme.

'Medium Risk' Business Environment: Our overall assessment of OPEC Fund's 'Medium Risk' business environment reflects the fund's medium-risk business profile and operating environment. Our assessment of business profile is driven by the 'Medium Risk' policy importance, which is affected by its limited size relative to rated peers.

Our 'Medium Risk' operating environment assessment reflects the fact that countries eligible to borrow from OPEC Fund are broadly middle-income countries, with eligibility criteria comparable to International Bank for Reconstruction & Development (IBRD) (AAA/Stable).

'Moderate Shareholder Support: OPEC Fund has no callable capital and our assessment of a 'Moderate' propensity to support the institution is based on the infrequency and material delays of contributions from member states over the course of the fund's history. This 'Moderate' assessment leads to a one-notch negative adjustment to the average rating of key shareholders (bbb), resulting in an overall support rating of 'bbb-'.

Rating Sensitivities

Solvency (Credit Risk): Resilience of the loan portfolio resulting in an improvement in the fund's NPL ratio relative to expectations or material improvement in the average rating of loans, could lead to positive rating action/upgrade. A higher NPL ratio (above 3%) and/or deterioration in the average rating of the loan portfolio could lead to negative rating action/downgrade.

Ratings

Long-Term IDR	AA+
Short-Term IDR	F1+

Outlook

Long-Term IDR	Stable

Financial Data

The OPEC Fund for International Development (OPEC Fund)

	Dec 20	Dec 19
Total assets (USDm)	5,919	7,223
Equity to assets + guarantees (%)	91.7	92.0
Fitch's usable capital/ risk-weighted assets (%)	91.8	92.7
Average rating of loans & guarantees	B+	B
Impaired loans (% of total loans)	2.2	1.5
5 largest exposures to total exposure (%)	19.4	19.4
Share of non-sovereign exposure (%)	34.5	27.5
Net income/equity (%)	2.3	3.2
Average rating of key shareholders	BBB	BBB

Source: Fitch Ratings, OPEC Fund

Applicable Criteria

Supranational Rating Criteria (May 2021)

Related Research

Fitch Ratings Supranationals, Subnationals and Agencies Handbook: The Fitch SSA-50 (May 2021)

Fitch Ratings 2021 Outlook: Supranationals (December 2020)

The Coronavirus Crisis and Supranationals (July 2020)

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Business Environment

OPEC Fund is a multilateral development bank (MDB) founded in 1976 to help developing countries eradicate poverty.

The bank's member countries are Algeria (not rated), Ecuador (B-/Stable), Gabon (B-/Stable), Indonesia (BBB/Stable), Iran (not rated), Iraq (B-/Stable), Kuwait (AA/Negative), Libya (not rated), Nigeria (B/Stable), Saudi Arabia (A/Stable), United Arab Emirates (AA-/Stable) and Venezuela (not rated). Despite no longer being OPEC members, Ecuador and Indonesia continue to financially contribute to OPEC Fund. All member countries are ineligible to borrow from the fund.

OPEC Fund operates under its Strategic Framework 2030, which has three key pillars: enhanced management of capital resources; financial sustainability; and robust policy and planning framework. Within this second pillar is the expectation that OPEC Fund will borrow in the capital markets for the first time in its history. To date, the fund has had no debt (funded exclusively with members' contributions) but it is establishing a global medium-term note (GMTN) programme and plans to issue about USD1 billion by 2022.

Effective on 1 January 2020, the fund's ministerial council authorised the establishment of a special fund called Special Capital Resources (SCR) and transferred USD1,444 million in gross loans and USD432 million in treasury investments from OPEC Fund's existing resources. The fund's existing capital resources were named the Ordinary Capital Resources (OCR), which is what our rating analysis is based upon.

The SCR and OCR are legally independent of one another. The OCR shall under no circumstances be charged with or used to discharge losses or liabilities arising out of SCR operations. The SCR may be funded through contributions from member and non-member countries, as well as annual transfers of OCR net income in appropriate amounts determined by management but capped at 25% of OCR's net income each year. Broadly speaking, OCR countries are middle-income, IBRD-eligible countries while SCR countries are low-income, IDA-eligible countries. OCR will cover both sovereign and non-sovereign operations whereas SCR will be exclusively sovereign operations.

We assess OPEC Fund's overall business environment as 'Medium Risk', reflecting the fund's 'Medium Risk' business profile and its 'Medium Risk' operating environment.

Standalone Credit Profile Rating Assessment

Indicative value	Assessment
Solvency	aa+
Liquidity	aaa
Business environment	Zero notches
SCP	aa+

Source: Fitch Ratings

Business Profile – 'Medium Risk'

Size of the Banking Portfolio (Medium Risk)

As of end-2020, OPEC Fund's total banking portfolio (including loans + equity participations + guarantees) was USD4.6 billion, which would fall into the 'High Risk' category of below USD5 billion. However, in line with OPEC Fund's growth expectations over the medium term (where we expect total banking exposure (TBE) to increase by over USD1 billion in three years), our forecast TBE is USD5.8 billion, which is assessed as a 'medium risk', in line with TBE's threshold of USD5 billion-USD30 billion, as outlined in the criteria.

Involvement in Private-Sector Financing (Medium Risk)

Non-sovereign exposure accounted for about 30% of OPEC Fund's total banking exposure at end-2020 and, as such, is treated as a 'Medium Risk' within Fitch's rating framework – with the 'Medium Risk' threshold being between 10% and 50%, as outlined in our criteria.

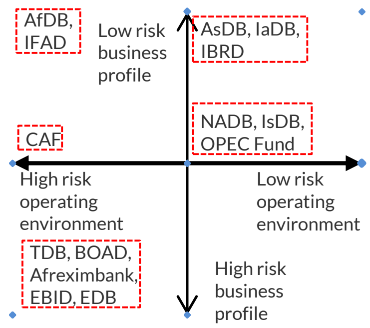
Risks Associated with the Strategy (Medium Risk)

We assess OPEC Fund's strategy as 'Medium Risk'. While the majority of the fund's operations are to the sovereign sector, around a third of its lending operations are to the non-sovereign sector, the majority of which are not rated by credit rating agencies. OPEC Fund's decision to create its SCR special fund in 2020, through which it will lend to its higher risk sovereign borrowers, is a strength relative to IFAD, the fund's most comparable peer rated by Fitch.

Quality of Governance of the Institution (Low Risk)

None of the shareholders can borrow from OPEC Fund, which supports our assessment of governance. Its governance standards are aligned to the best practices we see across the MDB

Business Environment



Source: Fitch Ratings

portfolio. Policies are enforced through the governance framework, which consists of three distinct functions – ministerial council, governing board and director general.

The ministerial council is the dominant function of OPEC Fund. It consists of member country's finance minister, meets once a year and is responsible for issuing policy guidelines, approving capital replenishments, appointing the director general and approving the audited financial statements.

The governing board is non-resident and has 24 members – a governor and alternate governor from each member country. The board is responsible for managing operations, approving the business plan, approving new loans, approving new risk policies and other functions. There are four sub-committees of the governing board covering audit and risk, budget and strategy, development effectiveness, and ethics.

The director general is appointed by the ministerial council for a five-year term and conducts OPEC Fund's daily operations. The current director general is Dr Abdulhamid Alkhalifa of Saudi Arabia, who assumed office in November 2018.

Decisions taken by both the ministerial council and governing board require a two-thirds majority of members, provided they contribute 70% of the contributions of the fund. Saudi Arabia, which had contributed 34% of the capital at end-2020, can exert strong influence on OPEC Fund's board, management and strategy as the largest shareholder.

Importance of the Public Mandate (Medium Risk)

The relatively small group of shareholders have helped foster a clear understanding with partner countries, aligned to similar development goals, as evidenced by the fund's participation in approving financing on moer than 4,000 projects in more than 125 countries. Unlike IFAD, for which we assign a 'Low Risk' for this rating factor, OPEC Fund is not directly backed by the UN.

Operating Environment – 'Medium Risk'

Credit Quality of the Countries of Operations (High Risk)

The non-weighted average rating of OPEC Fund's countries of operation is 'B+'. Eleven of OPEC Fund's 54 OCR-eligible countries of operations are not rated by Fitch, Moody's or S&P, for which we have then used OPEC Fund's internal rating assessment. In line with our criteria, given the average rating is in the 'B' range, we assign a 'High Risk' to OPEC Fund's credit quality of the countries of operation.

Income per Capita in the Countries of Operations (Medium Risk)

Using World Bank Indicators, OPEC Fund's average GDP per capita in its countries of operations is USD7,164. This is stronger than International Fund for Agricultural Development (IFAD) (AA+/Stable; 'High Risk') and more in line with IBRD which we assess as 'Medium Risk'.

Political Risk and Business Climate in the Head Office Country (Low Risk)

Using World Bank indicators, a 'Low Risk' assessment is commensurate with its head office in Vienna relative to the head offices of other supranational issuers in our rated portfolio, such as IBRD (Washington) and IFAD (Rome), which are also deemed 'Low Risk' countries of head office.

Overall Political Risk and Business Climate in the Countries of Operations (Medium Risk)

When looking at peer assessment, again using World Bank governance indicators, OPEC Fund's profile, is stronger than the 'High Risk' profile of IFAD, with the median of governance indicators closer to 50 on a percentile rank scale.

Operational Support Provided by Member States (Medium Risk)

OPEC Fund benefits from privileges and immunities from governments – as well as benefitting from PCS on its sovereign exposures, given the fund's majority-sovereign loan book and strong record over the past decade.

Solvency

Fitch assesses OPEC Fund's solvency at 'aa+', driven by our assessment of its capitalisation as 'Excellent' and risks as 'Low'.

Capitalisation

OPEC Fund's 'Excellent' capitalisation is driven by our view that its equity/adjusted assets and usable capital/risk-weighted assets (FRA) ratios will continue to far exceed the respective 'Excellent' thresholds outlined in the criteria.

Peer Comparison: Capital Ratios and Profitability

	OPEC Fund		IFAD	IBRD	CDB[b]
(%)	End-2020	Projection[a]	End-2020	End-3Q20	End-1H20
Equity/adjusted assets	91.7	75-80	83.0	13.4	46.2
Usable capital/FRA	91.8	90-95	71.0	42.2	70.2
Net income/average equity	2.3	1-2	-3.8	-6.5	4.3

[a] Medium-term projections, forecast range.
[b] Caribbean Development Bank (AA+/Negative)
Source: Fitch Ratings, MDBs

Capitalisation is a clear strength for the rating with an equity/adjusted assets ratio of 91.7% as of end-2020. We anticipate a deterioration in this ratio (about 80% over the medium term) driven by a mild increase in lending (about USD1 billion over the coming three years), a steady increase in equity as part of the on-going replenishment cycle and an increase in debt (about USD1 billion over the coming three years) as the fund looks to diversify its funding sources. This forecast of about 80% is significantly higher than the 25% 'Excellent' threshold in the criteria and is broadly in line with OPEC Fund's rating peers who similarly expect to gradually leverage their balance sheet from a 100% equity funded model (IFAD: 80%).

For OPEC Fund, the FRA ratio was calculated as 91.8% as of end-2020. Given the fund has no callable capital, no 'AAA'/'AA'-rated shareholders and does not partake in concessional financing on its OCR balance sheet, no adjustment is made to OPEC Fund's equity when assessing usable capital.

At end-2020, FRAs were above total assets due to the higher weight assigned to non-rated treasury assets (about 9.5% of total assets) that OPEC Fund had on its books under the legacy liquidity portfolio. By the end of the forecast period (end-2023), FRAs is expected to fall below total assets, as the treasury asset portfolio will be exclusively rated in the 'AAA-AA' rated categories, which leads to the expectation that the FRA ratio will remain broadly stable by the end of the forecast period.

For both capitalisation ratios, we are using a relatively conservative expectation on the receipt of paid-in member contributions, as part of the fourth replenishment cycle.

In terms of profitability, income from lending operations has been consistent and stable over the past 10 years, with more volatility in income from treasury due to the legacy portfolio's higher income target. Net income has been positive over the past decade, with cumulative net income of over USD1.5 billion in this period allowing for growth in the fund's lending operations.

Annual transfers of OCR net income (in appropriate amounts to be determined by management but capped at 25% of OCR net income) to the SCR are expected to help fund the SCR following the transfer of assets in 2020. The SCR will also be funded directly from member contributions, as well as contributions by non-member countries.

Risks

The overall assessment of solvency risks is ‘Low’ for OPEC Fund.

Risks Assessment

Indicative value	Risk level
Credit	Moderate
Concentration	Very Low
Equity risk	Very Low
Market risks	Very Low
Risk management policies	Strong

Source: Fitch Ratings

Peer Comparison: Risks

	OPEC Fund		IFAD	IBRD	CDB
	End-2020	Projection[a]	End-2020	End-3Q20	End-1H20
Estimated average rating of loans & guarantees	B+	B+	B+	BB+	B
Impaired loans/gross loans (%)	2.2	2-3	2.6	0.2	0.2
Five largest exposures/total banking exposure[b] (%)	19.4	15-20	27.6	37.4	55.2
Equity stakes/total banking exposure (%)	2.3	0-5	0.0	0.0	0.0

[a] Medium-term projections, forecast range.
[b] Total banking exposure = loans + equity stakes + guarantees
Source: Fitch Ratings, MDBs

Credit Risk (Moderate Risk)

OPEC Fund has a well-diversified lending portfolio – with the average rating of loans (ARL) being ‘B+’. When looking at the forecast ARL for end-2023, the rating of ‘B+’ is resilient to a one-notch downgrade of all sovereign borrowers currently on ‘Negative Outlook’, of which there were 11 representing 19% of sovereign exposure at the time the rating was assigned. In total, there are 54 sovereign borrowers from OPEC Fund’s OCR, as of end-2020.

The resilience of the ARL to these potential downgrades is testament to the fund’s well diversified lending portfolio. While the fund expects the ARL to improve over the longer term to ‘BB-’ based on expanding its operations in better rated geographies, given the current rating environment (which remains skewed to the downside), we forecast the ARL to be maintained at the ‘B+’ level through to end-2023.

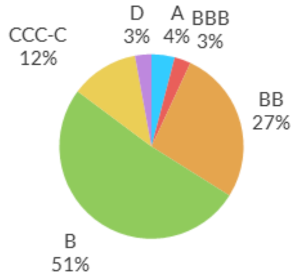
When looking at preferred-creditor status (PCS), OPEC Fund’s share of non-sovereign exposure is 20%-50% and its relative default rate using data from the past 10 years is low. As such, we make a two-notch adjustment to OPEC Fund’s average rating of loans, increasing the average rating from ‘B+’ pre-PCS to ‘BB’ post-PCS adjustment. Over the past 15 years, there have only been two sovereigns in default – Antigua and Barbuda (2006-2008) and Myanmar (2012-2013).

OPEC Fund’s exposure to both Lebanon and Suriname remain current despite the two sovereigns defaulting to some of their creditors in 2020 (we rate both at ‘RD’). Argentina (CCC), which was a history of defaults to commercial lenders, has never been in NPL status with OPEC Fund.

Fitch-defined NPLs represented 2.2% of total loans at end-2020 and were to nine non-sovereign borrowers spanning different geographies and sectors. In 2020, OPEC Fund offered short-term Covid-19 payment deferrals to several private-sector borrowers, but by end-2020, all borrowers that had benefitted from this scheme had resumed payments to the fund.

We expect OPEC Fund’s NPLs to remain below 3% of total loans, which is the start of the ‘Medium’ risk threshold. No borrower has an active Covid-19 payment deferral in place with OPEC Fund. We do expect, in line with OPEC Fund’s own projections, an increase in the stock of NPLs but this is offset by the growth in the denominator (total loans) over the coming three years, which dilutes any further new NPLs, in line with the bank’s 2030 strategy.

Breakdown of Loans by Rating (End-2020)



Source: Fitch Ratings, OPEC

Concentration (Very Low)

According to Fitch’s supranational rating criteria, OPEC Fund’s concentration risk is deemed to be ‘Very Low’ as the bank’s five largest exposures (Egypt, Morocco, Bangladesh, Pakistan, and Bosnia and Herzegovina) account for 19.4% of total banking exposure. Fitch, in line with the fund’s forecasts, expects concentration to remain constant over the coming years at about 19%, with likely further easing of this ratio expected as the fund's operations diversify by over USD1 billion over the coming three years.

OPEC Fund has several concentration related risk limits, including largest country obligor (limit: 15% of total exposure; actual: 7.4%); largest non-sovereign obligor (limit: 2% of total equity; actual: 1%); five largest exposures (limit: 40% of total exposure; actual: 19%); 10 largest exposures (limit: 60%; actual: 34%).

Equity Risk (Very Low)

Equity participations as a share of total banking exposure was 2.3% at FYE20, a level which is expected to stay broadly similar through the medium term. Most of the USD108 million equity stakes portfolio on OPEC Fund's balance sheet relate to investment funds (USD75 million) rather than direct equity investments (USD33 million). The fund has four direct equity investments, the largest of which is a USD25 million stake of class B shares of Eastern and Southern Africa Trade and Development Bank (TDB) (BB+/Positive). Over the coming years, equity stakes will not be a target growth area for OPEC Fund so as the fund's lending operations grow, we expect the share of equity participations to dilute to closer to 2% of TBE by end-2023.

Market Risks (Very Low)

Interest rate risk is very limited, but the expected introduction of borrowing activities could increase this. This will be mitigated in line with the asset and liability management policy, whereby new loans (floating and fixed rate) will be match-funded by borrowings to fully hedge interest rate risk.

OPEC Fund does not take currency risk, although the loan portfolio includes a small portion of euro-denominated loans. The fluctuations in the exchange rate of the euro against the US dollar creates a small level of foreign-exchange risk in the portfolio but this is regularly monitored and managed by a hedging strategy using forward contracts.

Risk Management (Strong)

OPEC Fund's risk management framework is 'Strong'. The fund has shared with us a detailed breakdown of 32 of its risk management policies and performance versus those metrics. Principally, OPEC Fund's key financial policies relate to liquidity management (minimum liquidity ratio), capital adequacy policy and sovereign/non-sovereign exposure limits. Some of OPEC Fund's key capital adequacy and liquidity ratios are debt/equity (limit: 150%; actual: 0%); capital adequacy ratio (minimum requirement: 30%; actual: 61%); net cash requirement (minimum requirement: 12 months' coverage; actual: 45 months).

Some of these rules, including on liquidity, have only been recently introduced as OPEC Fund transitions towards a new business model and gradually leverages its balance sheet. Our assessment of 'Strong' risk management policies is also further supported by the very high level of expertise of the fund's senior management.

That said, some of the compliance limits that have been shared with us, for example a debt/equity limit of 150%, do not appear relevant to the fund's current operating model and would not, at present, provide a material cap on rapid leverage of the fund's balance sheet over the medium term. Over the next 10 years, OPEC Fund expects its debt/equity ratio to remain below 50% so, while the limit of 150% will most certainly not be breached, the size of the limit more closely resembles that of an established MDB than a fund with a debt/equity ratio of 0%.

Liquidity

Peer Comparison: Liquidity

	OPEC Fund		IFAD	IBRD	CDB
(%)	End-2020	Projection[a]	End-2020	End-3Q20	End-1H20
Liquid asset/short-term debt	1,000+	1,000+	1,000+	164.5	928.3
Share of treasury assets rated 'AA-' and above	45.3	90-100	72.4	73.5	75.5

[a] Medium-term projections, forecast range.
Source: Fitch Ratings, MDBs

Liquidity Assessment

Indicative value	Risk level
Liquidity buffer	Excellent
Quality of Treasury Assets	Excellent
Access to Cap Markets & alt. sources of liquidity	Weak

Source: Fitch Ratings

Liquidity Buffer (Excellent)

Liquidity is a rating strength for OPEC Fund. At end-2020, OPEC Fund had no outstanding debt. With a liquid assets portfolio of just over USD1.4 billion this means the liquidity buffer is comfortably in the 'Excellent' threshold. Although we expect the bank's leverage to increase, this will remain at a fairly low level and we continue to forecast the liquidity buffer to be in excess of 1,000%.

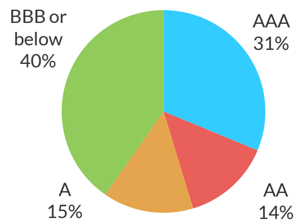
Quality of Treasury Assets (Excellent)

Despite only 45% of treasury assets being rated in the 'AAA'-'AA' rating category at end-2020, the implementation of OPEC Fund's new liquidity policy will see the entire liquid assets portfolio either invested in cash (in the form of short-term deposits largely in Canadian, EU and UK banks) or securities rated 'AAA'-'AA' by end 2021.

This transition has seen OPEC Fund move away from its legacy investment portfolio to its core and operational liquidity portfolios, with the fund's legacy assets (higher yield, inflation linked bonds) expected to be fully liquidated by the end of the forecast period.

By end-2023, in line with OPEC Fund's own forecasts, we expect the treasury portfolio to be split between cash (25%) and bonds (75%).

Breakdown of Treasury Assets by Rating (FYE20)



Source: Fitch Ratings, OPEC Fund

Access to Capital Markets and Alternative Sources of Liquidity (Weak)

OPEC Fund has not tapped international capital markets. Its main funding source has, and continues to be, its replenishment contributions from member states.

However, OPEC Fund is taking steps to diversify its funding profile and borrowing instruments and fund expects to issue USD1 billion by FYE22 following the launch of its GTMN programme. OPEC Fund also has the approval to establish an ECP programme but there is no set timeline as to when the first issue will be under this programme.

Shareholders' Support

We assess OPEC Fund's support rating at 'bbb-'. This assessment is anchored on the weighted average rating of OPEC Fund's key shareholders (bbb). An assessment of a 'Moderate' propensity to support the institution leads to a minus one-notch adjustment on the average rating of key shareholders, resulting in an overall support rating of 'bbb-'.

Peer Comparison: Shareholder Support

	OPEC Fund		IFAD	IBRD	CDB
	End-2020	Projection[a]	End-2020	End-3Q20	End-1H20
Coverage of net debt by callable capital	NC	NC	NC	A-	A+
Average rating of key shareholders	BBB	BBB	AA-	AA-	BBB
Propensity to support (notch adjustment)	Moderate (-1)	Moderate (-1)	Strong (0)	Strong (0)	Strong (0)

[a] Medium-term projections.
Source: Fitch Ratings, MDBs

Capacity to Provide Extraordinary Support

OPEC Fund has no callable capital and so we do not consider the rating factor 'coverage of net debt by callable capital' in our analysis of the fund.

Given this lack of callable capital, when assessing 'extraordinary support' provided to OPEC Fund by its shareholders, we consider the weighted average rating of OPEC Fund's key shareholders. With 34% of paid-in capital, Saudi Arabia is the fund's largest shareholder, with the other key shareholders being Kuwait and Venezuela, which cumulatively make up more than half of member contributions.

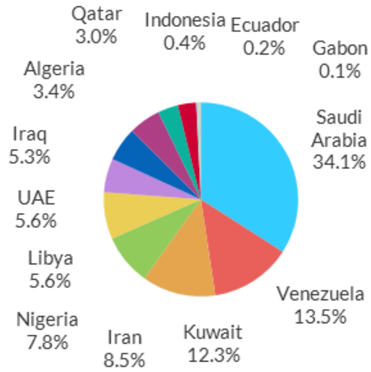
Propensity to Provide Extraordinary Support

We assess OPEC Fund's shareholders' propensity to support the fund as 'Moderate', given the paid-in capital arrears which have accumulated from several member states, the lack of callable capital, as well as an uneven record of support from members over the course of OPEC Fund's 45-year history.

At end-March 2021, five members (Ecuador, Gabon, Iran, Libya and Venezuela) were either in arrears on their paid-in capital contributions or, in the case of Gabon, had not participated in the latest replenishment programme at all.

OPEC Fund's capital replenishment programmes have been affected by sanctions imposed on Iran and Venezuela. Both countries (as well as Gabon and Libya) have committed to clearing all arrears to the fund by end-2024, with Iran representing more than 70% of total arrears to date.

OPEC Fund Shareholders



Source: Fitch Ratings, OPEC Fund
Note: Percentages do not equal 100% due to rounding.

The OPEC Fund for International Development (OPEC Fund)

Balance Sheet

	31 Dec 20 Year end (USD 000) Original	31 Dec 19 Year end (USD 000) Restated
A. Loans		
1. To/guaranteed by sovereigns	3,033,000	4,369,800
2. To/guaranteed by public institutions	-	-
3. To/guaranteed by private sector	1,249,000	1,157,000
4. Trade financing loans (memo)	157,000	298,000
5. Other loans	-	-
6. Loan loss reserves (deducted)	159,400	484,600
A. Loans, total	**4,122,600**	**5,042,200**
B. Other earning assets		
1. Deposits with banks	347,600	358,000
2. Securities held for sale & trading	964,200	1,240,400
3. Investment debt securities (including other investments)	0	0
4. Equity investments	107,600	118,100
5. Derivatives (including fair-value of guarantees)	127,700	237,800
B. Other earning assets, total	**1,547,100**	**1,954,300**
C. Total earning assets (A+B)	**5,669,700**	**6,996,500**
D. Fixed assets	**198,300**	**175,600**
E. Non-earning assets		
1. Cash and due from banks	0	0
2. Other	50,600	51,500
F. Total assets	**5,918,600**	**7,223,600**
G. Short-term funding		
1. Bank borrowings (< 1 year)	0	0
2. Securities issues (< 1 year)	0	0
3. Other (including deposits)	0	0
G. Short-term funding, total	**0**	**0**
H. Other funding		
1. Bank borrowings (> 1 year)	0	0
2. Other borrowings (including securities issues)	0	0
3. Subordinated debt	0	0
4. Hybrid capital	0	0
H. Other funding, total	**0**	**0**
I. Other (non-interest bearing)		
1. Derivatives (including fair value of guarantees)	0	0
2. Fair value portion of debt	0	0
3. Other (non-interest bearing)	25,400	9,500
I. Other (non-interest bearing), total	**25,400**	**9,500**
J. General provisions & reserves	**244,000**	**218,500**
L. Equity		
1. Preference shares	0	0
2. Subscribed capital	2,380,000	3,881,700
3. Callable capital	0	0
4. Arrears/advances on capital	0	0
5. Paid in capital (memo)	2,380,000	3,881,681
6. Reserves (including net income for the year)	3,269,200	3,113,900
7. Fair-value revaluation reserve	n.a.	n.a.
K. Equity, total	**5,649,200**	**6,995,600**
M. Total liabilities & equity	**5,918,600**	**7,223,600**

Source: Fitch Ratings, Fitch Solutions, OPEC Fund for International Development

The OPEC Fund for International Development (OPEC Fund)

Income Statement

	31 Dec 20 Year end (USD 000) Original	31 Dec 19 Year end (USD 000) Restated
1. Interest received	171,800	210,300
2. Interest paid	0	0
3. Net interest revenue (1. - 2.)	**171,800**	**210,300**
4. Other operating income	27,300	150,600
5. Other income	20,600	-3,000
6. Personnel expenses	59,000	54,800
7. Other non-interest expenses	13,500	15,700
8. Impairment charge	3,200	54,700
9. Other provisions	0	0
10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)	**144,000**	**232,700**
11. Net gains/(losses) on non-trading derivative instruments	0	0
12. Post-derivative operating profit (10. + 11.)	**144,000**	**232,700**
13. Other income and expenses	n.a.	n.a.
14. Net income (12. + 13.)	**144,000**	**232,700**
15. Fair-value revaluations recognised in equity	17,200	-44,700
16. Fitch's comprehensive net income (14. + 15.)	**161,200**	**188,000**

Source: Fitch Ratings, Fitch Solutions, OPEC Fund for International Development

The OPEC Fund for International Development (OPEC Fund)

Ratio Analysis

	31 Dec 20 Year end (%) Original	31 Dec 19 Year end (%) Restated
I. Profitability level		
1. Net income/equity (average)	2.3	3.2
2. Net income/total assets (average)	2.1	3.0
3. Net interest revenue + commitment fees/gross loans + treasury assets + guarantees (average)	2.6	-
4. Cost/income ratio	36.4	19.5
5. Income from equity investment/equity investment (average)	-	-
6. Provisions/average total banking exposure (excluding letters of credit)	-	-
II. Capital adequacy		
1. Net total banking exposure (excluding letters of credit)/subscribed capital + reserves	79.2	79.2
2. Equity/adjusted total assets	95.4	96.8
3. Equity/adjusted total assets + guarantees	91.7	92.0
4. Paid-in capital/subscribed capital	100.0	100.0
5. Internal capital generation after distributions	-	-
6. Usable capital/FRA	91.8	92.7
III. Liquidity		
1. Liquid assets/short-term debt	-	-
2. Treasury assets/total assets	22.2	22.1
3. Treasury assets investment grade + eligible non-investment-grade/total assets	14.6	17.8
4. Unimpaired trade financing loans/total assets	2.7	4.1
5. Liquid assets/total assets	16.2	20.3
6. Liquid assets/undisbursed loans & equity	-	-
IV. Asset quality		
1. Impaired loans/gross loans	2.2	1.5
2. Loan loss reserves/gross loans	3.7	8.8
3. Total reserves/gross loans, equity investment & guarantees	3.5	8.1
4. Loan loss reserves/Impaired loans	172.1	601.2
V. Leverage		
1. Debt/equity	0.0	0.0
2. Debt/subscribed capital + reserves	0.0	0.0
3. Debt/callable capital	-	-
4. Net income + interest paid/interest paid	-	-

Source: Fitch Ratings, Fitch Solutions, OPEC Fund for International Development

Annex

	31 Dec 20 (USD 000) Original	31 Dec 19 (USD 000) Restated
1. Lending operations		
1. Loans outstanding	4,282,000	5,526,800
2. Undisbursed loans	-	-
3. Approved loans	-	-
4. Disbursed loans	-	-
5. Loan repayments	-	-
6. Net disbursements	-	-
Memo: Loans to sovereigns	3,033,000	4,369,800
Memo: Loans to non-sovereigns	1,249,000	1,157,000
2. Other banking operations		
1. Equity participations	107,600	118,100
2. Guarantees (off balance sheet)	245,000	380,000
Memo: Guarantees to sovereigns	-	-
Memo: Guarantees to non-sovereigns	245,000	380,000
3. Total banking exposure (balance sheet and off balance sheet)		
1. Total banking exposure (loans + equity participations + guarantees (off balance sheet))	4,634,600	6,024,900
2. Growth in total banking exposure	-23	15
Memo: Non-sovereign exposure	1,601,600	1,655,100
Memo: Letters of credit and other off balance sheet credit commitments (not included in total banking exposure)	n.a.	n.a.
4. Support		
1. Share of ‘AAA’/‘AA’ shareholders in callable capital	-	-
2. Share of ‘A’/‘BBB’ shareholders in callable capital	-	-
3. Share of non-investment-grade shareholders in callable capital	-	-
4. Rating of callable capital ensuring full coverage of net debt	NC	NC
5. Weighted average rating of key shareholders	BBB	BBB
5. Breakdown of banking portfolio		
1. Loans to sovereigns/total banking exposure	65.4	72.5
2. Loans to non-sovereigns total banking exposure	26.9	19.2
3. Equity participation/total banking exposure	2.3	2.0
4. Guarantees covering sovereign risks/total banking exposure	-	-
5. Guarantees covering non-sovereign risks/total banking exposure	5.3	6.3
Memo: Non sovereign exposure (2. + 3. + 5.)/total banking exposure	34.5	27.5
6. Concentration measures		
1. Largest exposure	341,000	375,000
2. Five largest exposures	899,000	1,168,000
3. Largest exposure/equity (%)	6.0	5.4
4. Five largest exposures/equity (%)	15.9	16.7
5. Largest exposure/total banking exposure (%)	7.4	6.2
6. Five largest exposures/total banking exposure (%)	19.4	19.4
7. Credit risk		
1. Average rating of loans & guarantees	B+	B
2. Loans to investment-grade borrowers/gross loans	7.3	9.7
3. Loans to sub-investment-grade borrowers/gross loans	98.4	97.2
4. Share of treasury assets rated ‘AAA’-‘AA’	45.3	26.3
5. Average rating of treasury assets	-	-
8. Liquidity		
1. Treasury assets	1,311,800	1,598,400

Annex

	31 Dec 20 (USD 000) Original	31 Dec 19 (USD 000) Restated
2. Treasury assets of which investment grade + eligible non-investment grade	867,000	1,286,000
3. Unimpaired short-term trade financing loans	157,000	298,000
4. Unimpaired short-term trade financing loans - discounted 40%	94,200	178,800
5. Liquid assets (2. + 4.)	961,200	1,464,800

Source: Fitch Ratings, Fitch Solutions, OPEC Fund for International Development

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