Fiscal year 2017 was a year of significant challenge, change and blessing for Compassion's global ministry. And through it all, we have continually sensed God's hand of provision and have been reminded of the depth of His love for children.

One of the greatest blessings of this past year was an increase in the number of children that God has entrusted to our care. We ended 2017 with nearly 1.9 million babies, children and youth receiving life-saving care, developmental opportunities and hope for the future through our church-based programs. This was one of our best years ever for new sponsors joining our cause. And that growth is especially remarkable when viewed in light of the challenges that forced us to close operations in India, one of our oldest and largest ministry countries. Following God's call to serve the neediest children often means working in very complicated situations and we continue to trust that He will someday reopen a door to ministry in India.

We are also immensely grateful that God has continued to bless Compassion with financial stability. This past year, we surpassed $817 million in revenue, marking 20 consecutive years that Compassion has experienced revenue growth. We are particularly thankful that this growth trend continued in 2017, considering we launched the single largest technology transformation in our 65-year history in January. The new system will enable us to serve multiple times more children in the future. However, as is to be expected with an overhaul of such magnitude, our ability to process financial and other ministry transactions was temporarily affected. If you were impacted by those service issues, let me again thank you for the grace and patience you extended to us during that season of transition.

It is due to your unwavering support, compassion for children, and partnership in prayer that we are able to celebrate together such strong ministry results throughout the following pages of this report. Thank you for continuing to faithfully journey with us in this precious cause to release children from poverty in Jesus' name.

May God be abundantly gracious to you!

In Christ,

President and CEO
Compassion International

And we know that in all things God works for the good of those who love him, who have been called according to his purpose.

ROMANS 8:28  [NIV]
FINANCIAL SUMMARY

80.7%
77.1%
3.6%
19.3%
11%
8.3%

PROGRAM EXPENSES $659,761,000
- Child Development Program $630,527,000
- Sponsor/Donor Ministries $29,234,000

SUPPORTING SERVICES $157,526,000
- Fundraising $89,530,000
- Administration $67,996,000

TOTAL EXPENSES $817,287,000

To see Compassion’s 2016 and 2017 audited financial statements and Form 990, please go to compassion.com/about/financial or call (800) 336-7676.

STATEMENT OF ACTIVITIES

Fiscal years ended June 30, 2017 and 2016*

<table>
<thead>
<tr>
<th></th>
<th>2017 TOTAL</th>
<th>2016 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, gains and other support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 605,308,000</td>
<td>592,206,000</td>
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<tr>
<td>Gifts in-kind</td>
<td>405,000</td>
<td>259,000</td>
</tr>
<tr>
<td>Contributions from Global Partner Alliance</td>
<td>212,847,000</td>
<td>205,608,000</td>
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<tr>
<td>Interest, dividends and other income</td>
<td>2,168,000</td>
<td>2,005,000</td>
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<tr>
<td>Net realized and unrealized (losses) gains on investments and disposition of assets</td>
<td>395,000</td>
<td>(912,000)</td>
</tr>
<tr>
<td>Net unrealized (loss) gain on foreign exchange contracts</td>
<td>3,456,000</td>
<td>4,236,000</td>
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<tr>
<td>Changes in value of split-interest agreements</td>
<td>84,000</td>
<td>(159,000)</td>
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<tr>
<td>Net assets released from restrictions in satisfaction of program restrictions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total revenue, gains, and other support</td>
<td>$ 817,751,000</td>
<td>803,243,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child development program</td>
<td>$630,527,000</td>
<td>$621,352,000</td>
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<tr>
<td>Sponsor/donor ministries</td>
<td>29,234,000</td>
<td>27,447,000</td>
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<tr>
<td>Total program services</td>
<td>$659,761,000</td>
<td>$648,799,000</td>
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<tr>
<td>Supporting activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>$89,530,000</td>
<td>$76,105,000</td>
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<tr>
<td>Administration</td>
<td>67,996,000</td>
<td>62,351,000</td>
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<tr>
<td>Total supporting activities</td>
<td>$157,526,000</td>
<td>$138,456,000</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$817,287,000</td>
<td>$787,255,000</td>
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<tr>
<td>Change in net assets</td>
<td>$464,000</td>
<td>$15,988,000</td>
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<tr>
<td>Net assets, beginning of year</td>
<td>$213,061,000</td>
<td>$197,073,000</td>
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<tr>
<td>Net assets, end of year</td>
<td>$213,525,000</td>
<td>$213,061,000</td>
</tr>
</tbody>
</table>

*Amounts were rounded to the thousands.

Amounts were rounded to the thousands.
THE IMPACT OF YOUR COMPASSION
YEAR IN REVIEW, 2016–2017

1.8 MILLION CHILDREN
received life-changing care through the Child Sponsorship Program. More than 1.6 million of these children were linked to caring sponsors.

8,362 BABIES AND MOMS
received crucial interventions that helped them survive and thrive through the Child Survival Program.*

45,000 YOUNG ADULTS
were enrolled in university or vocational training, gaining the education and skills needed to generate income capabilities for life.

4.8 MILLION LETTERS
filled with hope and encouragement were exchanged between sponsors and their sponsored children.

6,784 CHURCH PARTNERS
around the world cared for children by implementing Compassion’s holistic child development programs.

*Reflects the transition of Compassion children ages 1 and up into the Child Sponsorship Program.

GLOBAL EXECUTIVE TEAM
Edward W. Anderson
Senior Vice President
Global Support Services and CFO

Mark Hanlon
Senior Vice President
Global Marketing and Engagement

Santiago “Jimmy” Mellado
President and CEO

Stephen Oakley
Senior Vice President
General Counsel Office

Cassandra Shepard
Chief of Staff
Senior Vice President
Global Leadership Office

Mark Yeadon
Senior Vice President
Global Program

BOARD OF DIRECTORS
Francisco J. Batres
General Director

Ralph Borde
General Director

Jean-François Bussy
General Director

Dr. Judith B. Golz
Vice Chair

Robert L. Hawkins
General Director

Michael Jeffs
General Director

Chris Knepper
General Director

Ronald C. Mathieu
General Director

Santiago “Jimmy” Mellado
General Director

Kenneth Morgan
Secretary

Karen K. Wesolowski
Chair

MISSION STATEMENT
Our mission is to release children from poverty in Jesus’ name.

compassion.com
(800) 336-7676
12290 Voyager Parkway
Colorado Springs, CO 80921

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