

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE OCTOBER 27, 2011
BOARD OF DIRECTORS MEETING**

Directors:

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair
Dr. Rajiv Shah, Administrator, Agency for International Development
Seth D. Harris, Deputy Secretary of Labor, U.S. Department of Labor
Robert D. Hormats, Under Secretary of State for Economic, Energy and Agricultural Affairs,
U.S. Department of State
Samuel E. Ebbesen, Chief Executive Officer, Omni Systems, Inc.
Patrick J. Durkin, Managing Director, Barclays Capital
Dianne I. Moss, President and Owner, Cartera Investment Corporation
C. William Swank, Retired Executive Vice President, Ohio Farm Bureau Federation
Michael J. Warren, Principal & Managing Board Member, the Albright Stonebridge Group
Kevin G. Nealer, Principal and Partner, The Scowcroft Group

Other Attendees:

Carol M Mates, Attorney Advisor, U.S. Agency for International Development
Jai Motwane, Director for Services and Investment, Office of the U.S. Trade Representative
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce
Karen F. Travis, International Economist, U.S. Department of Labor
Sharon H. Yuan, Deputy Assistant Secretary for Trade and Investment, International Affairs,
U.S. Department of the Treasury
Janet MacLaughlin, International Economist, U.S. Department of the Treasury
Debra Benavidez, Financial Economist, U.S. Department of State
Daniela Ballard, Special Assistant to the Under Secretary of State, U.S. Department of State
Justin Meservie, Program Examiner – International Trade, Office of Management & Budget

Office of the President

Mimi Alemayehou, Executive Vice President
Matthew Schneider, Chief of Staff
Don S. De Armicis, Senior Advisor to the President
Paula Tufro, Advisor to the President

Office of the Chief Financial Officer

Allan Villabroza, Acting Vice President and Chief Financial Officer

Office of Investment Policy

John E. Morton, Vice President, Investment Policy
Mary S. Boomgard, Director, Environmental Group
Constance R. Tzioumis, Director, Labor and Human Rights Group
Patrick D. Carleton, Senior International Economist

Structured Finance

Robert B. Drumheller, Vice President, Structured Finance
Mary Mervenne, Managing Director, Project Finance
Tracey L. Webb, Managing Director, Project Finance
Zhen Han, Director, Structured Finance
Patrick M. Kennedy, Investment Officer
Courtney Piper, Analyst

SME Finance

James C. Polan, Vice President, SME Finance
Debra Erb, Managing Director, Housing Finance
Michael McNulty, Project Finance Specialist

Investment Funds

Jay L. Koh, Vice President, Investment Funds
Barbara F. Brereton, Director, Private Equity
James F. Hansley, Director, Private Equity
Carolyn Keating, Director, Private Equity
Tatiana Chkourenko, Investment Funds Officer

Insurance

Rod Morris, Vice President, Insurance

Office of External Affairs

Judith D. Pryor, Vice President, External Affairs
Larry Spinelli, Director of Public Affairs
James W. Morrison, Special Assistant (Congressional and Intergovernmental Affairs)

Department of Legal Affairs

Deborah Burand, Vice President & General Counsel
Robert C. O'Sullivan, Acting Deputy General Counsel, and Associate General Counsel,
Insurance and Claims
Barbara K. Day, Associate General Counsel, Investment Funds
Cindy R. Shepard, Assistant General Counsel
Harriette Lopp, Assistant General Counsel
Alexander M. Evans, Assistant General Counsel
Mark C. Paist, Assistant General Counsel
Cameron S. Alford, Assistant General Counsel
Daniel M. Horrigan, Assistant General Counsel
Connie M. Downs, Corporate Secretary

Office of Administrative Services

Matthew Schneider, Acting Vice President, Office of Administrative Services

MEETING CALLED TO ORDER

Ms. Littlefield called the meeting to order at 10:09 AM on Thursday, October 27, 2011.

A. PRESIDENT'S REPORT

Ms. Littlefield called on Ms. Downs to present the report on the Public Hearing in Conjunction with each Board meeting. Ms. Downs reported that OPIC published notice of its Public Hearings in conjunction with the October 27th Board meeting in *The Federal Register*. No requests were received to speak or submit copy for the record, so the hearing was not held.

Ms. Littlefield then presented her President's Report, a copy of which is incorporated by reference into these minutes as Attachment A.

B. TRIBUTES

Ms. Littlefield proposed a tribute to former Board member Chris Hanley who had resigned his position on the Board on September 20, 2011. Mr. Harris moved and Mr. Durkin seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

WHEREAS The Honorable Christopher J. Hanley served as a Director of the Corporation since July 28, 2005; and


WHEREAS his valuable leadership, counsel and guidance to the Corporation and his dedication to the objectives of the Corporation have earned him the esteem and respect of his fellow Directors and of the Corporation's Management and staff; and

WHEREAS Mr. Hanley's service as a Director of the Corporation ended on September 20, 2011;

THEREFORE BE IT RESOLVED that this Board notes with regret the departure of Mr. Hanley from the Board of Directors, and expresses to him the appreciation and gratitude of his colleagues and their high regard for him as a friend and associate.

The meeting was closed to the public at 10:21 AM.

Respectfully submitted,



Connie M. Downs
Corporate Secretary

PRESIDENT'S REPORT

By
Elizabeth L. Littlefield
President & Chief Executive Officer
October 27, 2011

In my last President's Report to the Board on September 22, I provided an in-depth update on progress in each of our four strategic priorities. In this report I will preview our financial and development results as well as review developments in each product area. I will also touch on our regional priorities.

As you all know, we set three and only three financial targets for 2011 and I am pleased to report to the Board that we have met or exceeded all three:

1. **First, Income:** Thanks to prudent underwriting standards and a rigorous focus on efficiency, for the 34th consecutive year OPIC generated enough negative subsidy (which is a proxy for operating income) and returns on our Treasuries to generate significant returns for the taxpayer, likely in the range of \$250 million when all the numbers are confirmed.
2. **Second, New Commitments:** OPIC made a total of \$3.2 billion in new commitments this year (unaudited), achieving our target despite no increase in administrative resources. At the same time, we mobilized three times more private capital than we did last year.
3. **Third, Renewable Resources:** This year OPIC committed \$1.1 billion to renewable resources, which is more than a four-fold increase over last year and well exceeds the target we set of \$422 million. This is in addition to nearly \$500 million for renewable resources investment funds approved by the Board in June. It also represents a ten-fold increase in renewable megawatts to be generated by OPIC deals. Even more important than these impressive numbers is the incredible diversity they represent: from solar to biomass to forestry and in ten different countries. Also, every single department at OPIC contributed. So our capabilities in this critical area are both deep and broad.

OPIC's development impact, once it is fully tallied up, looks set to be as robust as our financial results. Small businesses represented about three-quarters of the roughly 100 deals OPIC committed to, and around 40 percent of the volume. Although the number of low-income countries in the world is declining, more than half of our business by volume was in these poorest and least-developed countries – a sharp increase from the year before. And here at home, we contributed to the U.S. economy by supporting 50 percent more U.S. jobs and exports this year over last.

OPIC teams delivered these results while simultaneously investing deeply over the year in the internal efforts that I outlined in my last report, such as updating and streamlining key OPIC policies to enable us to serve more clients, more easily and cost effectively, for greater impact.

I would like to look back on the year's work by product line:

In Finance, which comprises over half of our business, we provided guarantees and loans to both large-scale projects that generate important revenues and impact, and also the small businesses that are the proven engines of economic growth and jobs. Finance has also taken the lead on renewables, delivering the majority of OPIC's commitments in this space and structuring several firsts for OPIC, including our first wind-power project.

In Insurance, we continue to see a gradual constriction of the political risk insurance market, as private insurers are increasing their risk appetite and large corporations become more comfortable with emerging markets and choose to self-insure. Despite these trends, this year we executed several notable insurance contracts. These include Political Risk Insurance for the supply of modern medical equipment and training for 100 medical institutions throughout Ghana, as well as the first political risk insurance contract executed for a REDD+ carbon project. In the meantime, we are working hard to develop new products that meet investor needs, that are both profitable and have a strong development impact. These include regulatory risk coverage and an insurance product for Limited Partners in OPIC-supported private equity funds.

In Investment Funds, we have carried out two major calls for proposals, the first on renewable resources and the second for Impact Investments, with six of these funds coming to the Board today. These impact funds were drawn from a record 88 responses to a call for proposals in March, and are an exciting and diverse group of vehicles that will invest in improving lives, creating jobs, enhancing health care, protecting forests and addressing climate change. Our Funds department also continues to work towards disbursement to the funds which have been approved. This includes roadshows to highlight the importance of investing in renewable resources as well as the Middle East and Africa, which will kick off next month in Silicon Valley.

Going forward into 2012, we will maintain a steady course by focusing on the same three financial targets and four strategic priorities. These priorities are: *Grow Portfolio and Impact, Increase Environmental Benefit, Foster Productivity and Efficiency, and Build Long-Term Support for OPIC*. From a regional perspective, we will continue to follow U.S. foreign policy priorities. This year, we are proud to have been able to offer concrete and tangible manifestations of the Administration's political support for Egypt, Tunisia and Jordan, as well as Afghanistan and Iraq. The Middle East and North Africa will remain a priority. OPIC will work to open for business in Libya in the near future so that U.S. investors can help the Libyan people reestablish a strong and vibrant private sector. Similarly, OPIC is working to open for business in newly-independent and democratic South Sudan. In fact, one of the projects which the Board will consider for approval today includes \$25 million which will be allocated for investments in South Sudan once OPIC is open there. We continue our efforts to catalyze private sector investments in Iraq and Afghanistan, which will be critical in the months to come as the United States draws down our troops and they transition from aid and military-dominated economies.

And we are working hard to attract private investment to Pakistan, especially in the power sector which is essential to stability there.

Although we will continue to focus on the same priorities next year, not everything will remain the same. Next week we bid farewell to Deborah Burand who has been a superb General Counsel for the past year and we welcome a new General Counsel, Don De Amicis. The biggest change affecting our Board is, of course, the impending departure of several longstanding members and arrival of new ones. Last week the Senate confirmed five new members of the Board of Directors who will soon be sworn in: Katherine Gehl, Roberto Herencia, Max Kennedy, Terry Lewis and Jim Torrey. As we warmly welcome these new additions, we also say goodbye to four individuals who have served OPIC for so long and with such extraordinary dedication and wise counsel; Patrick Durkin, Sam Ebbesen, Diane Moss and Bill Swank. On behalf of all of OPIC, I would like to sincerely thank you all for your unwavering commitment and generous service to this Agency and this country. It has been a pleasure to get to know each of you and we are grateful for all that you have done. OPIC is extremely fortunate to have the five of you in our corner. We will miss each and every one of you.

This concludes my report.