

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE MARCH 10, 2011
BOARD OF DIRECTORS MEETING**

Directors:

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair
Dr. Rajiv Shah, Administrator, Agency for International Development
Ambassador Demetrios J. Marantis, Deputy United States Trade Representative, Office of the
United States Trade Representative
Seth D. Harris, Deputy Secretary of Labor, U.S. Department of Labor
Lael Brainard, Under Secretary for International Affairs, U.S. Department of the Treasury
Francisco J. Sanchez, Under Secretary for International Trade, U.S. Department of Commerce
Samuel E. Ebbesen, Chief Executive Officer, Omni Systems, Inc.
Christopher J. Hanley, General Secretary-Treasurer, International Union of Operating Engineers
C. William Swank, Retired Executive Vice President, Ohio Farm Bureau Federation
Dianne Ingels Moss, President and Owner, Catera Investment Corporation
Patrick J. Durkin, Managing Director, Barclays Capital
Michael J. Warren, Principal & Managing Board Member, the Albright Stonebridge Group
Kevin G. Nealer, Principal and Partner, The Scowcroft Group

Other Attendees:

Wendy Peter Abt, Deputy Assistant Administrator, Agency for International Development
Justin Elswit, Investment Officer, Agency for International Development
Daniel Bahar, Director of Investment Affairs, Office of the United States Trade Representative
Satish Narayanan, Chief of Staff, U.S. Department of Commerce
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce
Samuel Cornale, Special Assistant to the Deputy Secretary of Labor, U.S. Department of Labor
Karen F. Travis, International Economist, U.S. Department of Labor
Patrick White, International Relations Officer, 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
Thomas J. Walsh, Financial Economist, U.S. Department of State
Rhonda Sinkfield, Program Examiner – International Trade, Office of Management and Budget

Office of the President

Mimi Alemayehou, Executive Vice President
Matthew Schneider, Chief of Staff
Jacqueline Strasser, Deputy Chief of Staff and Senior Advisor to the President
Samir Mayekar, Deputy Chief of Staff
John F. Moran, Managing Director, Investment Development and Coordination

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
Berta M. Heybey, Director, Economic Impact Analysis
Patrick D. Carleton, Senior International Economist

Structured Finance

Robert B. Drumheller, Vice President, Structured Finance

SME Finance

James C. Polan, Vice President, SME Finance
Lynn Tabernacki, Managing Director, Renewable & Clean Energy
Diana K. Jensen, Director, SME Finance
Denise Kutsch, Senior Investment Officer
Meredith Baker, Senior Investment Officer

Investment Funds

Jay Koh, Vice President, Investment Funds

Insurance

Rod Morris, Vice President, Insurance
Steven Johnston, Director, Insurance
Deborah S. Moronese, Manager, 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 K. Burand, Vice President & General Counsel and Counsel to the Board
Robert C. O'Sullivan, Acting Deputy General Counsel, and Associate General Counsel,
Insurance and Claims
Brian Christaldi, Associate General Counsel, Structured Finance
Merlin Liu, Associate General Counsel, Direct Loans and Housing Finance
Alexander M. Evans, Assistant General Counsel
Harriette H. Lopp, Assistant General Counsel
Mark C. Paist, 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 10:07 AM on Thursday, March 10, 2011.

Ms. Littlefield introduced Kevin Nealer as a new member of the Board, and added that he has also agreed to serve on the Board Audit Committee for which she would request confirmation later in the meeting.

Ms. Littlefield acknowledged Keith Kozloff as OPIC's new Director, Office of Accountability, who could not attend today. She added that when Congress established the position, it determined that the Director for the Office of Accountability would serve a set term, so Mr. Kozloff replaces Jean Aden, who ably served as the Director for the past six years.

Ms. Littlefield introduced Judith Pryor, who joined OPIC last September as Vice President for External Affairs, and added that OPIC management would request confirmation for her later in the meeting.

Ms. Littlefield noted that Jay Koh, who joined OPIC as its Vice President & Chief Financial Officer, has agreed to assume the position of Vice President, Investment Funds. She added that OPIC management could not seek confirmation of his position as Vice President, Investment Funds today due to Sunshine Act requirements, but would do so at the June 23rd Board meeting.

Miss Littlefield thanked Barbara Day for serving as the Acting Vice President for Investment Funds for the past two years, and noted that Allan Villabroza has stepped in to assume the position of Acting Vice President & Chief Financial Officer. She added that before coming to OPIC, Mr. Villabroza was OPIC's Examiner, and he began his career at OPIC in the risk management department before becoming the Director of Budget and Resource Planning.

A. PRESIDENT'S REPORT

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

B. APPROVAL OF THE MINUTES

Ms. Littlefield turned to the minutes of the open session of the September 23, 2010 Board meeting. Ms. Moss moved and Mr. Ebbesen seconded the motion, and by a unanimous voice vote the minutes were approved.

C. TRIBUTE

Ms. Littlefield proposed a tribute to former Board and Board Audit Committee member Sanford Gottesman. Mr. Ebbesen moved and Mr. Swank seconded the motion, and by a unanimous voice vote the following tribute was approved by the Board.

WHEREAS The Honorable Sanford L. Gottesman served as a Director of the Corporation since April 28, 2004, and also served as a member of the Board Audit Committee; 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. Gottesman's service as a Director of the Corporation ended on January 10, 2011;

THEREFORE BE IT RESOLVED that this Board notes with regret the departure of Mr. Gottesman 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.

D. CONFIRMATIONS

Ms. Littlefield turned to the confirmation of Kevin G. Nealer as a member of the Board Audit Committee.

Mr. Swank moved and Ms. Moss seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the Chairman of the Board's appointment of Kevin G. Nealer as a member of OPIC's Board Audit Committee, be and hereby is confirmed.

Ms. Littlefield turned to the confirmation of Judith Pryor as Vice President, Office of External Affairs. Mr. Warren moved and Mr. Durkin seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the President's appointment of Judith D. Pryor as Vice President, Office of External Affairs, be and hereby is confirmed.

The meeting was closed to the public at 10:27 AM.

Respectfully submitted,



Connie M. Downs
Corporate Secretary

PRESIDENT'S REPORT

By
Elizabeth L. Littlefield
President & Chief Executive Officer
March 10, 2011

On February 2, 2011, OPIC published notice in the Federal Register of a public hearing scheduled for February 24, 2010, as required in conjunction with each Board meeting. No witnesses registered an intention to appear, no written statements were submitted for the record, and so the meeting was not held.

The extraordinary citizen-led events sweeping North Africa are a powerful example of the complex interplay between development, diplomacy and national security, which both the President and the Secretary of State have articulated so clearly. As we and others urgently look for ways to buttress tender new reform efforts, and provide support for the hopes and dreams of frustrated populations who expect to now see a better life, it is clear that only a thriving private sector can deliver those opportunities. Investment into the private sector from foreign partners like us is urgent if the region is to meet the demands of her citizens. At the same time, the way forward in North Africa must build new bonds between the US and Arab nations at all levels – from the street to the board room to the top. I can think of no better way to do that than through concrete U.S. business investment and partnership that pushes away misperceptions and rhetoric and gets on with building and growing, creating revenue and jobs.

And so, the changes raging across the South Mediterranean underscore, yet again, the pivotal role OPIC can play in supporting our foreign policy and projecting U.S. commitment and values in ways that are concrete, tangible, and that contribute to the long-term sustainable development of this region. So, as I said in September and even more now, this is the hour when the U.S. most needs its development finance Institution – it's OPIC.

In fact, over the last week I have been in discussions with the State Department and the National Security Council to develop plans for how OPIC can help. The Secretary will be soon announcing OPIC's role in supporting the private sector in Egypt and the broader Middle East through a commitment that will build upon our pipeline of transactions in the region. The focus will be on access to finance for SMEs and support for infrastructure development, particularly in our priority renewable resources sector.

Aside from the Middle East activities, OPIC has been very engaged on a number of fronts. When we last met in September, I had just arrived at OPIC and now, 6 months later, I better understand more fully why OPIC is often referred to as the best kept secret in government. OPIC can move quickly and back up Administration priorities with concrete action. We seek to work in places that others won't go; we will take risks that others won't take, and we catalyze markets where none existed. And, as a by product of this development work, we create jobs and revenues in the U.S. and generate income for the federal budget.

I'd like to touch on the highlights of OPIC's work in the past six months since the board last met. But, first, our financial results.

Financial Results

Fiscal Year 2010 finished with more than \$352 million returned to the Treasury. Fiscal Year 2011 has begun at a similar pace, with OPIC reporting \$78 million in income for the first quarter. In addition to healthy profits, portfolio quality was stable and growth steady. The portfolio of direct loans and guaranties grew strongly, while insurance continued to contract owing to lower market demand and the limitations of the OPIC product. Small businesses continue to represent a strong and growing proportion of our portfolio - 62% of the volume and 83% by number of transactions.

With that healthy financial backdrop, let me share what I, Mimi and the rest of the leadership team have been focused on for the past months since we met.

Four areas of focus

- growing our portfolio and optimizing resources, risk and returns;
- improving efficiency to be the best partner to our clients;
- continuing to be an innovator and market catalyst;
- and focusing on renewable resources

First, growing our portfolio and optimizing resources, risk and return

My number one goal, both as CEO and as Board Chair, is to protect, maintain, and grow our volume of work, and, along with it, the development impact and revenues OPIC generates. We aim to generate the most possible development and foreign policy value and financial results with the least possible risk and resources deployed. Working intentionally in the most difficult markets, the superb OPIC teams work hard and smart to develop structures that mitigate risks and ensure that OPIC is profitable every quarter. Deals we do involve months of due diligence, structuring and trips to negotiate on the ground. With more staff resources, we could do many more attractive transactions, have more development impact, and make more money for the federal government. But we are all operating in a highly resource-constrained world. Today, with very limited resources, in addition to our development impact, OPIC generates \$60 million in deal volume and \$1.7 million in revenue per employee per year, with very low loan losses. This is a level of staff productivity that would make any governing body proud.

There is much more that we can and should be doing. With a current portfolio of nearly \$14 billion in transactions and a statutory cap of \$29 billion, we are only constrained by lack of manpower and the policy and other hurdles we have to overcome in order to get a transaction approved. One way we are addressing this constraint is through frameworks with financial institutions that can leverage our capital resources. Partnerships with Citigroup and others, and ones we are working on with the IFC and other IFIs, can expand our reach beyond what our 210 employees can achieve on their own.

Second, improving efficiency to be the best partner to our clients

I receive an impressive flow of notes from clients, investment funds, ambassadors, and presidents, all expressing appreciation for OPIC's staff and services, noting what a talented, committed and dedicated staff OPIC has. But we can always do more to be the most sought-after, efficient, responsive and reliable partner to clients willing to invest in critical projects and countries. So, in the past few months, we have also focused on major process reforms - clarifying, simplifying and streamlining processes and policies. We're doing this by increasing efficiencies in specific areas throughout the agency, by reducing paperwork, simplifying approvals, and doing a deep analysis to rationalize policy constraints that no longer make sense in today's business world.

Third: continuing to be an innovator and market catalyst

Just as OPIC created the Political Risk Insurance market and is credited with pioneering the emerging markets private equity markets, so too will we aim to stay on the forefront of catalyzing new financial markets and services. In January, we established a new product development task force to explore new solutions to help OPIC meet clients' evolving needs in emerging markets. Figuring out how we can meet investors' needs for local currency transactions is its first task.

Fourth, Renewable Resources

OPIC has placed particular priority on renewable resources – renewable energy in particular, but also other natural resources that we, the citizens of this planet, need to deploy with much greater innovation and efficiency in future generations than in past ones. To anchor OPIC's focus on renewable resources, we have created a cross-agency renewable resources sector team to help create opportunities, share knowledge and drive the business.

Some of the examples of the kind of work OPIC has done in renewable resources include three solar power plants in India, which are providing power to the Indian grid for the first time, as well as a 150mw wind farm in Pakistan that will hopefully come to the board next year.

As part of this effort, in November we announced in Cancun our 'call for funds' for a renewable resource equity fund, which was described by the head of the U.S. delegation at Cancun as a major contribution to the U.S. position. In fact, OPIC's work is a cornerstone of the U.S. Government's climate commitments under the Cancun agreement. Last week, OPIC's eight-member evaluation committee completed assessment of the 58 fund applications received. They selected a small group of highly promising applicants with whom they will now embark on due diligence and structuring discussions. If successful, these OPIC-backed funds will be able to invest over \$1 billion in critical renewable resource projects in emerging markets. Final screened funds will be presented to the board in June.

A related priority for OPIC is to support the nascent impact investing field, which is beginning to see purely private sector investors take interest in investments that aim to have both social and financial returns. OPIC has a long and successful history of investing for both a financial and a developmental or environmental return. OPIC can be a powerful catalyst to the impact investing space by filling financing gaps, reducing investors' risks, enhancing returns and by developing innovative and accommodating financial structures that meet the needs of social entrepreneurs and their investors. On March 31st, OPIC will launch an Impact Investing Call for Proposals. This call is unique in that it is seeking proposals from a wide range of fund managers (including private equity funds, funds-of-funds, debt funds, and hybrid funds) and other financing vehicles.

In closing, I will ask for the help of you, our board. We need your engagement, your ideas and your support. The world is rippling with tensions, misperceptions and deprivations, but also with new beginnings and innovations. Private sector investment has a potent role to play in stabilizing countries, creating opportunities, and projecting the kind of partner that the U.S. is and wants to be. With the work that OPIC does and the places we aim to go, there will be all kinds of reasons we can say "no" to business: non-existent legal infrastructures, countries with spotty records of support for the private sector, the rule of law or environmental and social standards. If these investment climate basics were in place, OPIC support would not be needed to incentivize investment. OPIC's role is to bring about the needed change and progress through the private sector projects we support – those that tackle head-on the legal, social and environmental reforms our investors insist upon.

We are a tool for change. As with the seismic shifts shaking through the broader Middle East right now, the change we seek is not one that is brought about by governments, but by the actions of their people, the private sector and the democratizing flow of information, ideas and innovation.

Thank you for your support and the support of your agencies in helping us be that agent of progress and change.

This concludes my report.