



Overseas Private Investment Corporation

Strategic Plan

Fiscal Years 2012 through 2015

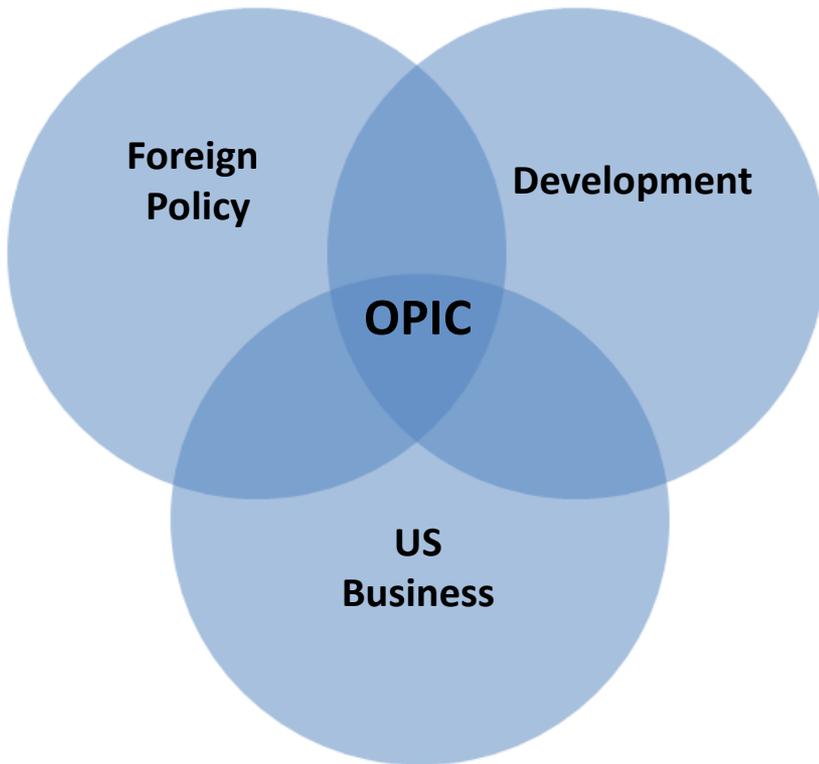
As the U.S. Government's development finance institution, OPIC mobilizes U. S. private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy.



OPIC currently manages a \$14.5B portfolio of projects in over 105 countries and operates on a self-sustaining basis at no net cost to the American taxpayer.

OPIC is uniquely positioned to support the Administration's development strategy

OPIC's Unique Position



Administration Priorities

"We're changing how we define development...we need to harness all the tools at our disposal—from our diplomacy to our trade and investment policies."
~President Obama, 9/22/10

- **Support broad-based, sustainable economic growth**
- **Proactively target specific countries, regions, sectors, and technologies**
- **Mobilize private sector investment**
- **Elevate development as a central pillar of national security policy**

OPIC Strategic Goals - Fiscal Years 2012 through 2015

• <i>Grow Portfolio & Impact</i>	• <i>Increase Environmental Benefit</i>	• <i>Foster Productivity & Efficiency</i>	• <i>Build Long-term Support for OPIC</i>
Preliminary Strategic Sub-Goals - Fiscal Year 2013			
<ul style="list-style-type: none"> • Aim for high development impact • Keep returning money to Treasury • Diversify portfolio and increase commitments, closings and disbursements, focusing on narrowing the gap between commitments and disbursements • Growth in number of transactions in LICs and foreign policy priorities • Develop new financial products and refine existing ones 	<ul style="list-style-type: none"> • Maintain focus on renewable resources and energy efficiency • Minimize GHG emissions across portfolio 	<ul style="list-style-type: none"> • Develop new partnerships to increase impact and efficiency • Improve data management and analysis to streamline reporting and strengthen corporate decision making • Leverage emerging mobility technology to consistently and effectively provide access to OPIC data anywhere/anytime • Transform, empower and engage the OPIC workforce by investing in employee development activities • Improve the OPIC customer experience and reduce process time 	<ul style="list-style-type: none"> • Enhance dialogue with internationally focused think tanks, trade associations and other influencers • Support OPIC clients, effectively communicating stories, accomplishments and impact • Engage potential new OPIC clients and partners through business development outreach activities. • Continue to engage Congress and other USG agencies about OPIC

OPIC offers innovative financial solutions to support private investors including debt financing, insurance, and support for private equity investment funds.

Products

■ Investment Finance

- Limited recourse, long-term finance for private sector, commercial projects
- Loan amounts up to \$400M per project
- Specific programs for providing finance to small-and-medium-sized enterprises

■ Political Risk Insurance

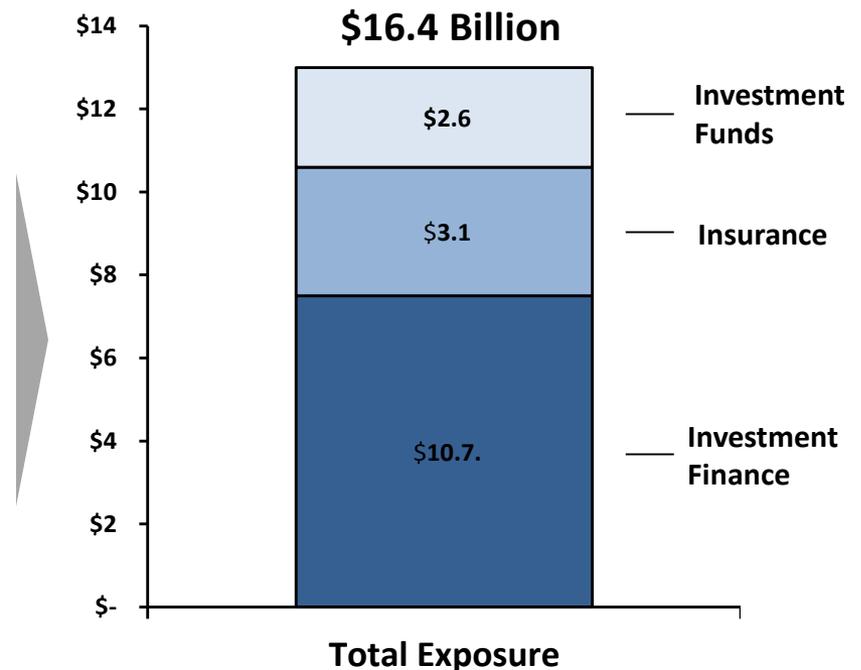
- Protection against currency inconvertibility, expropriation and political violence, including terrorism
- Policy coverage up to \$400M per project, up to 20 year term
- Fixed premium, cancellable only by insured

■ Investment Funds

- Senior debt for private equity funds selected by competitive process
- Investment decisions made independently by selected fund managers
- Provide up to \$250M with bullet repayment, zero coupon structure

Current Portfolio*

Based on a \$29B Statutory Capacity



*As of September, 2012

OPIC policies require that finance and direct insurance projects enjoy a meaningful connection to the U.S. private sector.

How Does OPIC Define U.S.?

- A U.S.-organized entity generally must be at least 25% U.S.-owned.
- A foreign organized entity generally must be at least majority U.S.-owned.

How Does OPIC Measure U.S. Involvement?

- OPIC requires U.S. involvement in the project company in an amount that is equivalent to 25% of the project company's equity, which may be met with equity, long-term debt or other U.S. contracts or, by combining these types of involvement.
- OPIC will support investment funds if the fund has raised U.S. equity equal to 25% of OPIC's loan support or if the fund is managed by a U.S. manager.

How Does OPIC Measure the Duration of U.S. Involvement?

- For an ongoing project, U.S. entities need to retain a 25% interest in the project through final disbursement of the OPIC loan. In the case of a start-up or 'greenfield' project, the U.S. entities need to retain a 25% interest through physical completion of the project.
- OPIC must approve any proposed transferee of the interest.

How Does OPIC Define U.S. Small Business?

- For OPIC to finance a project with a direct loan, the US involvement must come from US small business. A "small" business includes: a business with annual revenues during the last fiscal year of less than \$400M; entities/individuals without revenues, net worth of less than \$100M.
- Consistent with the U.S. Small Business Administration, OPIC also considers a business with 500 or fewer employees as "small."

OPIC Project Lifecycle



Project Close

Credit & Risk	Legal	Policy	CRDD
<ul style="list-style-type: none">• Negotiation of final structure and pricing• Completion of independent project reviews• Review updated financial statements and economic tests• Complete financial and credit conditions precedents• Fund transaction• Direct lending via Treasury• Investment Guarantees via issuance of Certificates of Participation (COPs)	<ul style="list-style-type: none">• Conduct additional legal due diligence• Complete local counsel review of project and in-country legal issues• Complete any legal conditions precedents• Draft all financing and legal agreements• Review all additional certifications, representations, etc to ensure OPIC legal and policy compliance	<ul style="list-style-type: none">• Complete any outstanding environmental, social, labor & human rights review and clearance• Ensure project and financing documentation contains necessary policy provisions• Review and clear any policy conditions to financial close• Familiarize project sponsor with policy monitoring requirements	<ul style="list-style-type: none">• Complete database and interagency checks on project sponsors and other individuals• Review financial institution CRDD policies• Complete additional checks on new sponsors and affiliated individuals• Refresh CRDD reviews if more than 180 days old

Investment Funds: In addition to the steps above, funds selected for OPIC support often need to complete their equity fundraising activity before project close and disbursement.

Portfolio Management

Credit & Risk

- Conduct quarterly or annual loan reviews
- Ensure compliance with all economic tests and financial ratios
- Review insured risk
- Manage disbursements and monitor repayment
- Restructure of loan if necessary
- Manage insurance modification and claims if necessary

Legal

- Monitor compliance with project and financing agreement conditions
- Manage any necessary loan restructuring or insurance modifications
- Enforce any security or collateral agreements
- Negotiate or support any claims or arbitration needs
- Agree final dispensation of the financing or insurance contract

Policy

- Review self monitoring questionnaire data
- Monitor and enforce policy requirements
- Conduct on site inspections for policy compliance and developmental impact
- Update developmental returns
- Provide problem solving or compliance review via Office of Accountability if necessary

CRDD

- Complete database and interagency checks any new significant project sponsors, limited partners or affiliated individuals
- Monitor financial institution CRDD policies
- Assess any new CRDD information on existing

Investment Funds: In addition to the steps above, all new sub-investments by OPIC-supported investment funds undergo full policy review prior to disbursement

Appendix

- Initial Goals & Priorities for FY 2012 – 2015
Strategic Plan

OPIC Strategic Goals & Priorities - Fiscal Years 2012 through 2015

Goal 1: Grow Portfolio & Impact

- Increase portfolio disbursements and commitments
- Keep returning money to Treasury
- Aim for high development scores
- Growth in LICs and foreign policy priorities
- Develop new financial products and refine existing ones

Goal 2: Increase Environmental Benefit

- Maintain focus on renewable resources and energy efficiency
- Minimize GHG emissions across portfolio
- New products for renewables sector

Goal 3: Foster Productivity & Efficiency

- Apply and communicate streamlined policies and processes
- Optimize use of data management and IT systems
- Invest in employee development
- Better measuring and monitoring

Goal 4: Build Long-Term Support for OPIC

- Communicate and promote OPIC
- Strengthen relationships with key stakeholders, influencers and clients
- Build relationships and awareness in Congress