

REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Lebanon (the “ Eligible Country ”).
Recipient of OPIC Guaranty:	Citibank, N.A., Govco, and certain qualifying affiliates (“ Citibank ”)
U.S. Sponsor:	Citigroup, Inc.
Foreign Sponsor:	Not Applicable
Project Description:	A \$123 million facility expansion (the “ Facility ”) of two previously approved and fully disbursed Citibank facilities for Lebanon pursuant to which OPIC will share credit risk with Citibank in designated U.S. Dollar project loans to eligible local bank borrowers (“ Loans ”) that (i) are underwritten and administered by Citibank in accordance with its parent’s, Citigroup Inc., proven credit underwriting and loan servicing policies (the “ Credit Policies ”); (ii) are reviewed and approved by OPIC with respect to OPIC’s statutory requirements and management policies; and (iii) support eligible local bank borrowers in the Eligible Country. The new Facility will be effected by amending and restating an existing framework guaranty agreement with Citibank, which provides for OPIC-guaranteed loans to Bank Audi (as amended and restated to include the Facility, the “ Framework Agreement ”).
Proposed OPIC Guaranty:	OPIC will guarantee up to \$123 million (the “ Exposure Cap ”) in aggregate loan principal plus accrued interest thereon for Loans that are originated under the Facility. The initial amount of each Loan’s principal guaranteed by OPIC under the Framework Agreement will permanently reduce by an equal amount the remaining amount of future Loan principal that may be guaranteed by OPIC under the Framework Agreement.
Developmental Effects:	The Framework Agreement will mobilize private capital through Lebanese, Egyptian, Jordanian, Armenian and Iraqi financial markets to provide financing for small and medium enterprises and mortgages in OPIC-eligible countries. Backed by the OPIC partial guaranty, Citibank will be able to increase both the amount and tenor of the funding it can make available to the private sector

	<p>in these countries. The project will improve liquidity in these markets and provide some innovative products, such as longer term mortgages.</p> <p>In addition, downstream financial intermediaries will be scored by the financial services matrix.</p>
Environment:	<p>Guaranty facilities are screened as Category D projects under OPIC's environmental guidelines. As with all on-lending facilities, OPIC will review and provide environmental clearance on each downstream loan prior to granting consent for each such loan. OPIC will require mandatory environmental language to be included in downstream loan documentation applicable to correspondent banks.</p>