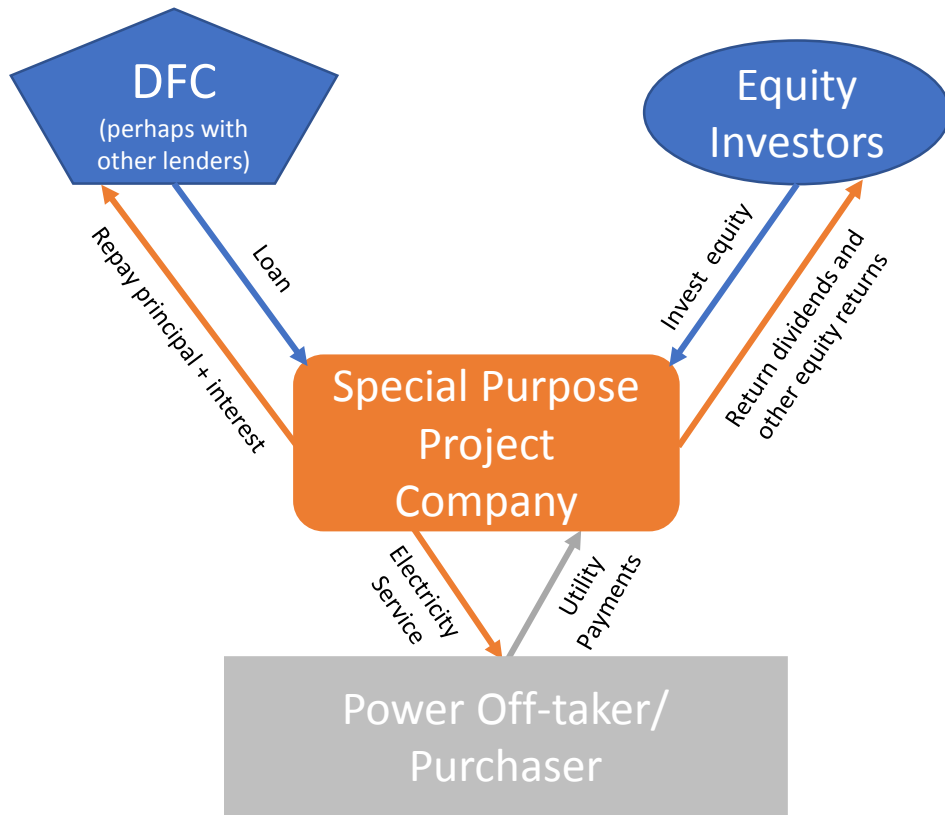


Project Finance Structure

Example 1: Tangible Physical Project

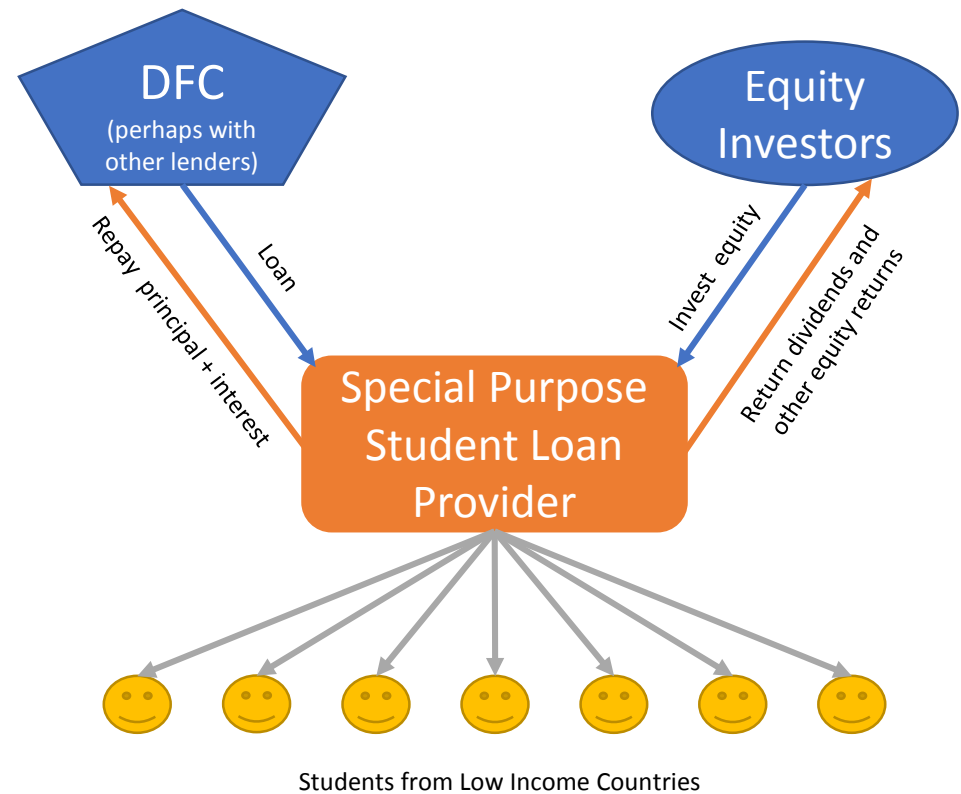
New Power Plant



- DFC (and any other lenders) have a direct lending relationship with the Project Company.
- The Project Company is the primary source of repayment to DFC (and any other lenders).
- Other Key Parties (Equity Investors, Off-takers) may provide credit enhancements, such as an investor completion guaranty or guaranteed power purchase arrangements.

Example 2: Intangible Financial Project

Student Loan Facility



- Student Loan Provider “securitizes” a worldwide pool of loans by getting a loan from DFC.
- A portion of the loan pool risk is retained by equity investors through investment and guaranties.
- The pool of student loans is the primary source of repayment.

Project Finance Funding

This finance structure is usually described in terms of “sources and uses.” The uses are the specific costs (tangible or intangible) of carrying out a defined project. The sources are the different types / origins of the funding needed to cover those costs.

<u>Uses</u>	<u>Sources</u>
<ul style="list-style-type: none">• Tangible costs (e.g. buildings or equipment)	<ul style="list-style-type: none">• Senior Debt
and/or	<ul style="list-style-type: none">• Various forms of subordinated debt or quasi-equity
<ul style="list-style-type: none">• Intangible costs (e.g. financial assets or professional services)	<ul style="list-style-type: none">• Equity
Total Uses	Total Sources
