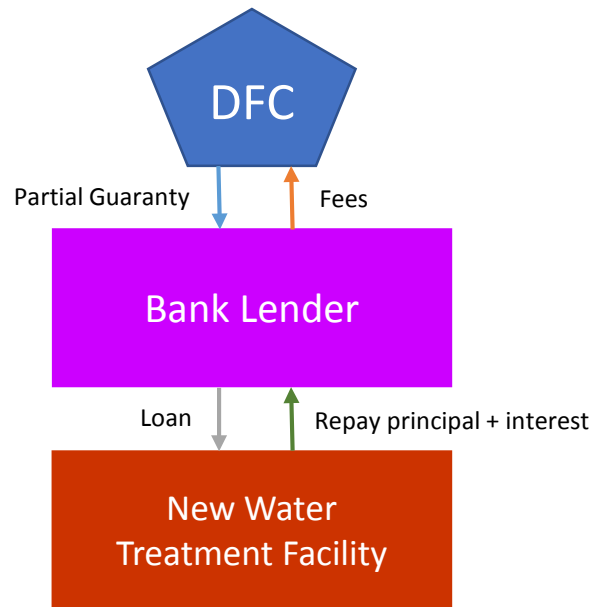


Single Borrower Guaranty Structure

Example 1: Tangible Physical Project

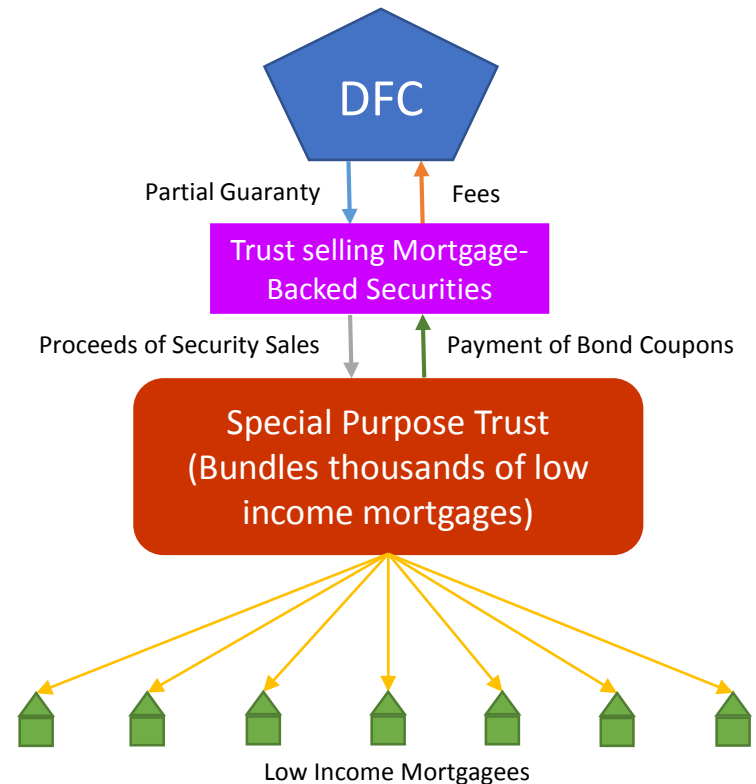
New Water Treatment Plant



- A bank (local or international) lends to a company building new infrastructure (e.g. water treatment plant).
- DFC guarantees up to 80% of the bank's loan. The bank could submit a claim to DFC for partial payment if the borrower defaults.

Example 2: Intangible Financial Project

Mortgage-Backed Securities



- A trust sells bonds (in the US or international markets) backed by a pool of thousands of mortgages in low income countries.
- DFC provides a partial guaranty ensuring that bondholders are paid even if mortgagees default.
- DFC's guaranty boosts the rating of the bonds, making them more attractive in the market.

Single Borrower Guaranty Funding

- In this type of structure, DFC is focused on incentivizing a financial institution or the market to provide funding for one specific project or purpose.
- There are three important variables in this structure:
 - What is the cost of the underlying project?
 - How much funding does the financial institution or the market need to provide?
 - What percentage of that funding does DFC need to guaranty in order to make the transaction feasible?