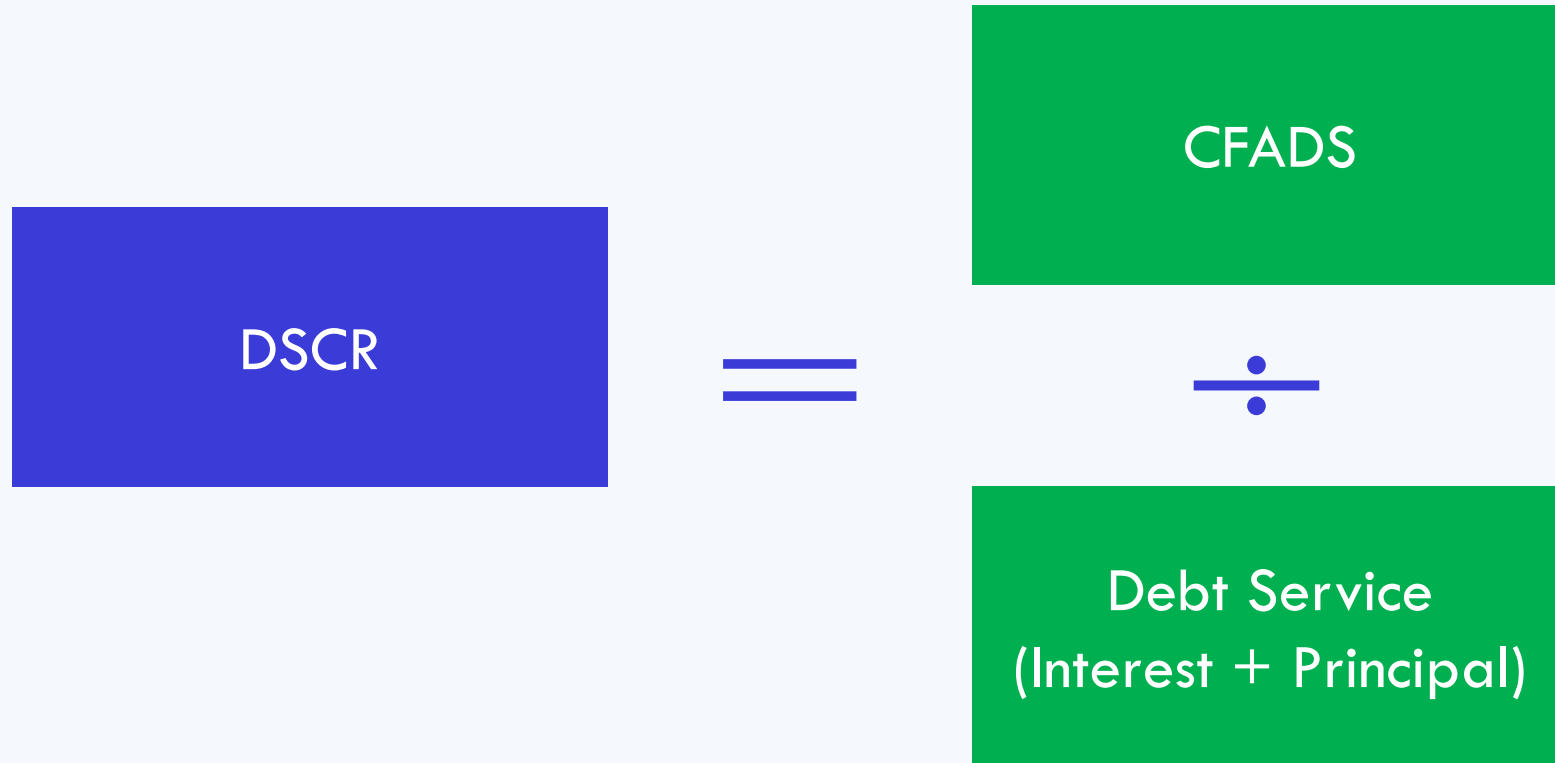


Project Finance Modeling
Loan Life and Project Life
Cover Ratios

DSCR definition



The diagram illustrates the definition of the Debt Service Coverage Ratio (DSCR). It features a blue rectangular box on the left containing the text "DSCR". To its right is an equals sign, represented by two parallel horizontal lines. Further right is a division symbol, consisting of a horizontal line with a dot above and below it. To the right of the division symbol are two green rectangular boxes stacked vertically. The top green box contains the text "CFADS", and the bottom green box contains the text "Debt Service (Interest + Principal)".

$$\text{DSCR} = \frac{\text{CFADS}}{\text{Debt Service (Interest + Principal)}}$$

LLCR definition

$$\text{LLCR} = \frac{\text{NPV of CFADS over loan's term}}{\text{NPV of Debt Service (Interest + Principal)}}$$

The diagram illustrates the definition of LLCR (Loan Loss Coverage Ratio) as a ratio. On the left, a blue box contains the text 'LLCR'. This is followed by an equals sign. To the right of the equals sign is a division symbol (a horizontal line with a dot above and below it). This division symbol is positioned between two green boxes. The top green box contains the text 'NPV of CFADS over loan's term', and the bottom green box contains the text 'NPV of Debt Service (Interest + Principal)'.

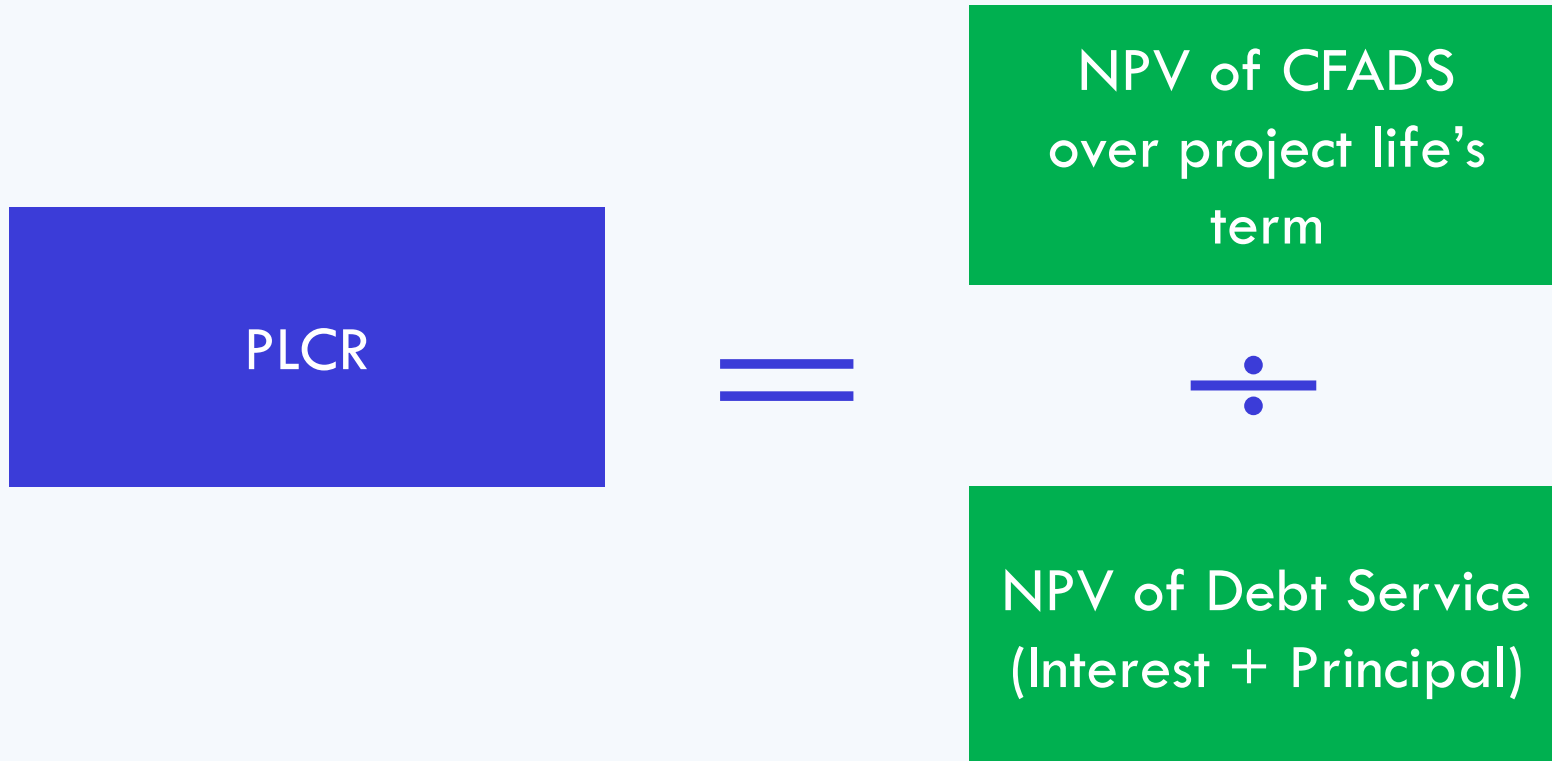
LLCR calculation

6 Months Period	1	2	3	4	5	6
CFADS over Debt Term \$	25	22	20	24	24	24
Discount Factor	0.97	0.94	0.91	0.89	0.86	0.84
Discounted CFADS \$	24	21	18	21	21	20
NPV of CFADS \$	125					
Initial Loan Balance \$	75					
Project's LLCR	1.67					
Lender's Required LLCR	1.4					

rolling LLCR calculation

6 Months Period	1	2	3	4	5	6
Periodic Interest Rate	3%	3%	3%	(3%)	(3%)	(3%)
CFADS over Debt Term \$	25	22	20	(24)	(24)	(24)
PV of Remaining CFADS \$	(104)	85	68	(46)	(23)	
Loan Closing Balance \$	(63)	53	43	30	15	
Rolling LLCR	1.65	1.61	1.58	1.53	1.55	
Project's Minimum Rolling LLCR	1.53					
Lender's Required Minimum Rolling LLCR	1.4					

PLCR definition



The diagram illustrates the definition of PLCR (Project Life Cycle Ratio) as a ratio of two NPV values. On the left, a blue box contains the text "PLCR". This is followed by an equals sign. To the right of the equals sign is a division symbol (a horizontal line with a dot above and below it). The numerator of this division is a green box containing the text "NPV of CFADS over project life's term". The denominator is another green box containing the text "NPV of Debt Service (Interest + Principal)".

$$\text{PLCR} = \frac{\text{NPV of CFADS over project life's term}}{\text{NPV of Debt Service (Interest + Principal)}}$$