
CapInvest



Quick Start

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Dear CapInvest User

This Quick Start Guide has been prepared to provide information on the various types of transactions that you may develop with CapInvest. In addition to this document, CapInvest ships with other documents that cover virtually every aspect of usage; please refer to other documents when required.

The table on the following page lists the types of transactions and the page number for details on developing transactions.

The Finance Module has been used for illustrating transactions – however, the very same functionality is available in the leasing module as well and thus, a user developing a leasing transaction can follow the same steps in that module.

In addition to transactions listed here, CapInvest ships with a powerful portal entitled 'Product Developer' which is available for developing advanced, customized products, whether financial or savings. Please refer to the document entitled 'Developing Financial and Savings Products' for additional information.

If you are a bank or a deposit accepting institution, you will find CapInvest offers powerful tools (via the Product Developer Portal) for designing Personal Savings and Deposit Products that make banking truly Personal; the Rate Conversion Portal is available for handling ticklish Rate Conversion Situations.

On the lending side of operations, all modules of CapInvest are available for use, whether in a banking situation, or for housing finance, insurance, consumer finance, leasing or hire purchase activities.

DOWNLOADING THE INSTALLATION FOLDER

- Click the download link supplied to you - you will be transported to VTA's Proxy Server where you will find a zipped folder entitled 'CI Installer.zip' - download and unzip this folder.
- If clicking does not work, copy the download link supplied to you, in its entirety, without any spaces, starting from http and ending with vv, and paste the link into the address box of your browser and hit the 'go' button - you will be transported to VTA's Proxy Server where you will find a zipped folder entitled 'CI Installer.zip' - download and unzip this folder
- Copy the downloaded folder to a CD if you wish to install CapInvest on several PC's or transfer the folder via the network to other PC's on which CapInvest is to be installed.

INSTALLING CAPINVEST

- To install CapInvest on a PC, open the CI Installer Folder – you will find three files inside - double-click 'setup.exe' - this will launch the installation program - accept the default suggestions made by the installer, including default installation location, and wait for the installation process to be completed.

LAUNCHING CAPINVEST

- After installation is completed, go to Start Menu / All Programs where you will find a new item 'Vish Tumu Associates' - against this item, you will find a listing for CapInvest - click this item to launch CapInvest.
- If you receive an Excel message asking whether Macros should be on or off, select **ON** - Macros need to be ON as otherwise, the Visual Basic procedures will not work.
- CapInvest will launch and will auto-activate itself on a fully-functional basis for the trial period of 22 days - this trial period can easily be extended via a small program.
- After auto-activating itself, CI will take you to the login center - click the Red Button to log in - type the default password of 1000 - you will be taken to the main command center.
- You will see 4 Leasing Modules on the right side of the screen and 3 non-leasing modules on the left side of the command center.
- To get started, click any of the Modules to inspect - you can return to the main command center by clicking the backward pointing arrow - the crooked arrow at the bottom of the screen is to exit the system altogether.
- Each module has a 'Help' button that you may click to display screen shots of a module with comments on the function of each item on the screen.

INTRODUCTION TO PRODUCTS

CapInvest empowers financial institutions with powerful tools to effortlessly develop user-friendly and market-driven products:

- *Savings Products*
- *Financial Products*

Savings products enable an institution to attract savings to financial institutions such as banks, finance companies, leasing and hire purchase companies and companies raising funds from the general public via fixed deposit schemes. Examples: Savings Accounts, Insurance Products, Bank Fixed Deposits/ CD's.

Financial products enable an institution to deploy resources into financial assets. Examples: Personal Loans, Vehicle Finance, Housing Finance, Leases, Hire Purchases, and so on.

The difference between the two products is risk - a *Savings* product does not impose risk on a financial institution – a customer provides resources to an institution for specified end objectives, for example, to receive periodic income, to meet future expenses, to receive a monthly pension, and so on. The business risk of the transaction is entirely with the customer since it is his decision if an institution represents acceptable risk. Thus, primary funding for Savings Products is sourced entirely from customers.

A *Financial* product, on the other hand, imposes business risk on a financial institution - an institution is required not only to develop attractive products but also to take the additional step of ensuring that products are offered to those representing acceptable credit risk. An institution, either from own resources or from borrowings, contributes the funding for financial products.

From a financial institution viewpoint, a '*Savings*' Product is characterized by (a) inflows from customer; (b) outflows to customer. This order is reversed in a *Financial* Product: (a) outflows to customer; (b) inflows from customer.

The pricing rate for '*Savings*' Products is an institution's borrowing (savings) rate for that category of borrowings; the pricing rate for '*Financial*' Products is an institution's lending rate, adjusted for that category of lending (credit risk).

The constrain in creating a '*Savings*' product is that outflows to a customer can only occur after inflows have occurred. Thus, a savings product that provides annual income for 10 years would require a customer to first provide savings to an institution to support product outflows.

A *Financial* product is more dynamic - and comes with business risk – outflow to the customer occurs first and inflows come later: from earnings and other sources of income.

The following pages provide an overview of common transactions. Customized products are developed using the 'Product Developer' Portal in CapInvest.

Transactions Overview

Equated	Repayments are equal throughout the term – monthly, quarterly, half-yearly or yearly repayments. Repayment at beginning or end of period. <i>(See Page 6)</i>
Profiled	Repayments vary from period to year – for example, repayments increasing year to year, decreasing quarter to quarter or increasing and decreasing in line with customer requirements – for example, no repayment in first quarter, four times normal repayment in second quarter, twice normal repayment in months 7 and 8, and so on. Repayment at beginning or end of period. <i>(See Page 7)</i>
Flexi	Customer specified repayments – for example, 25,000 during first 4 months, 2,000 during the next 8 months, 0 during the next 6 months, and so on. One period is selected for balancing the transaction, i.e., customer makes up shortage in this period or is issued a refund, such that a transaction yields expected rate of return to financier. Repayment at beginning or end of period. <i>(See Page 8)</i>
Moratorium	Transactions subject to a Moratorium during which no repayment is due. <i>(See Page 9)</i>
Equal Principal	Transactions wherein Repayment of Principal is equal throughout the term (common with development finance institutions). <i>(See Pages 10 - 11)</i>
Flat Rate	Transactions developed with a Flat Rate (as compared to True Rate). <i>(See Page 12)</i>
Zero Rate	Zero or concessional finance rate to end-user while maintaining rate of return of financier. Repayment at beginning or end of period. <i>(See Page 13)</i>
RePricing	Existing transaction redeveloped to incorporate new finance rate (floating rate), to refinance account in arrears, add additional principal to existing transaction, reduce outstanding principal from existing transaction, and so on. Repayment at beginning or end of period. <i>(See Page 14)</i>

Transactions Overview

Rate Conversions	Compounding frequency and repayment frequency are different – for example, finance rate is compounded daily but repayments are due monthly. <i>(See Page 15)</i>
Down Payment	Transaction requiring a deposit that is adjusted on end of transaction or to calculate the True Rate of Transaction. <i>(See Pages 16 - 19)</i>
Advanced Transactions	Customized and Advanced Savings and Financial Products. <i>(See Pages 20 to 22).</i> <i>Also see document entitled “Developing Financial and Savings Products”</i>
Post Taxed	Evaluation is not on pre-tax basis (as is the case with non-leasing transactions) but on post-tax basis. When accelerated tax depreciation write-off is available, a transaction could be structured using a low pre-tax rate to compete against other financing proposals while remaining attractive on a post-tax basis to the financier. Enables a leasing company to employ tax-shields efficiently to win new business without compromising rate of return. <i>(See Page 23)</i>
Lease Vs. Buy	A leasing transaction that appears uncompetitive when finance rate of a leasing proposal is compared to the finance rate of a non-leasing proposal, could reveal an entirely different picture when a lease vs. buy analysis is carried out, that takes into account all relevant factors and not just the finance rate. <i>(See Page 24)</i>
Power Pack Portal	Provides tools to develop a transaction employing ‘ingredients’ that lower cost of finance to end-user while maintaining institution’s required rate of return. Provides a vantage view of a transaction as it is being developed. <i>(See Pages 25 - 29)</i>

Enter the gross value of the transaction.

Specify a down-payment (if any) for the transaction either as percentage or absolute amount.

View various reports for this transaction.

Set service charges (if any); click the check box if these service charges are not to be additional income but part of the return for the transaction as specified in the Finance Rate variable.

The screenshot shows the CapInvest finance software interface. On the left, there are input fields for transaction details. In the center, a wizard menu is visible. On the right, a financial overview table is displayed. A thought bubble says "This wizard can guide you".

Input Fields:

- Quotation Date: 24-Dec-2003 8:26 AM
- Contract Start Date: 7-Jan-2004
- Borrower / Hire Purchasee: ABC Corporation
- LOAN / HP Value: 1,000,000.00
- (Down-Payment): 0.00
- Effective Loan / HP: 1,000,000.00
- Loan Period (Years): 18.00
- Finance Rate (P.A.): 12.15%
- Period Repayment: 11,307.62
- Residual / Future: 0.00

Wizard Menu:

- Goal Seek
- Flat Rate
- Wizard
- Print
- Defaults
- Help
- Power Pack

Financial Overview Table:

Asset Value	1,000,000.00	Finance Income	1,442,445.98	98.97%
Start Date	7-Jan-2004	Service Charges	15,000.00	1.03%
First Payment Date	7-Jan-2004	Total Revenue	1,457,445.98	100.00%
Last Payment Date	7-Dec-2021	Direct Expenses	(15,000.00)	(1.03%)
Total Repayment	2,442,445.98	PBIT	1,442,445.98	98.97%
Total Repayment	244.24%	Interest Cost	(1,007,663.37)	(69.14%)
Finance Income	144.24%	PBT	434,782.61	29.83%
Period Pricing Rate	1.01%	TAX	(159,782.61)	(10.96%)
Total Installments	216.00	Profit After Tax	275,000.00	18.87%
PV of Installments	1,216,561.51			
NPV of Deal	216,561.51			

Use these cells to enter data for pricing variables and click the small grey button in the top right of a cell to calculate a result – for example, to calculate the residual or future value to be paid by customer, enter data for the remaining four pricing variables and click the button for answer.

Select a payment type.

Select a payment frequency.

Financial overview of the transaction as it is being developed.

STEP TWO: To setup a profiled transaction, first enter the term of the transaction and the payment frequency of the transaction into the respective cells – for example, 3 years and monthly repayments – the grid redraws itself to reflect inputs as can be seen in the example below. The grid is populated with random factors that a user can change to reflect requirements – enter factors into the grid to reflect profiling requirements – for example, enter 0 for no payments in a period, enter 1 for normal repayment, enter 1.25 for a repayment that is 125% of normal, enter 7 for a repayment that is 700% of normal, enter 0.5 for a repayment that is 50% of normal and so on. If you wish to set up a repayment schedule that increases or decrease each year, enter appropriate factors. In the example below, profiling factors increase at 25% month to month during first year, decrease at 75% month to month in second year, are normal for first quarter of year 3, are double for second quarter, triple for third quarter and quadruple for fourth quarter. You can view the repayment schedule, amortization schedule and other reports for this transaction by clicking the reports button. To enter random factors, click the 'Grid' button or the 'Random' button.

The screenshot displays the FinanceHP profiled software interface. On the left, a sidebar contains input fields for transaction details. The main area shows a grid of profiling factors and a financial overview table.

Transaction Data Entry (Left Sidebar):

- Quotation Date: December 24, 2003
- Contract Start: 7-Jan-2004
- Asset: IBM PC
- Borrower: ABC Corporation
- Value: \$0,000.00
- Term (Years): 3.00
- Finance Rate (P.A.): 14.90%
- Residual / Future: 5,000.00
- Payment Frequency: Monthly
- Payment Type: Advance
- Service Charges (%): 1.50%
- Include in IRR: ☐
- Direct Expenses: ☐

Grid (Main Area):

Grid	Year 1	Year 2	Year 3
Period 1	1.00	8.73	1.00
Period 2	1.25	6.55	1.00
Period 3	1.56	4.91	1.00
Period 4	1.95	3.68	2.00
Period 5	2.44	2.76	2.00
Period 6	3.05	2.07	2.00
Period 7	3.81	1.55	3.00
Period 8	4.77	1.17	3.00
Period 9	5.96	0.87	3.00
Period 10	7.45	0.66	4.00
Period 11	9.31	0.49	4.00
Period 12	11.64	0.37	4.00

Base Repayment: 783.99

Financial Overview (Right Table):

Item	Value	Percentage
Finance Income	17,531.21	93.59%
Service Charges	1,200.00	6.41%
Total Revenue	18,731.21	100.00%
Direct Expenses	0.00	0.00%
PBIT	18,731.21	100.00%
Interest Cost	(11,616.59)	(62.02%)
PBT	7,114.62	37.98%
TAX	(2,614.62)	(13.96%)
Profit After Tax	4,500.00	24.02%

Annotations:

- STEP ONE:** Enter transaction data into respective cells. (Points to the left sidebar input fields.)
- View various reports for this transaction. (Points to the Reports button in the top right.)
- Financial overview of the transaction as it is being developed. (Points to the Financial Overview table.)

The Base Repayment recalculates itself in response to profiling factors being entered into the grid. The repayment for a period is equal to the Base Repayment multiplied by the profiling factor for a period. If you enter the factor 1 in all cells, this is equal to setting up an Equated Transaction and the results will be exactly the same.

STEP THREE: Enter the absolute amounts that the customer wishes to repay into the cells of the grid (as opposed to entering profiling factors into the grid) – in the example below, customer indicates no payment in first quarter in all 3 years, 5000 in period 4 and 5 of year 1 and year 2, 3125 in period 10 of year 1 and so on. Select a cell in the grid to balance the transaction – in this example, period 11 of year 2 was selected. After selecting the balancing cell, click the CF button in the Reverse Engineering form below and the program calculates the amount needed to balance the transaction – in this example, it is 20,036.24– if a different cell is chosen to balance the transaction, the balancing amount will be different. Using this tool, a financial institution can develop a repayment schedule to fully reflect the requirements of its customers. Repayment schedule and amortization report and other reports for the transaction can be seen by clicking the Reports Button.

Finance/HP profiled
Vish Tumu Associates

Quotation Date: January 12, 2004
Contract Start: 26-Jan-2004
Asset: IBM PC
Borrower: ABC Corporation
Value: 80,000.00
Term (Years): 3.00
Finance Rate (P.A.): 14.90%
Residual / Future: 5,000.00
Payment Frequency: Monthly
Payment Type: Advance
Service Charges (%): 1.50%
Direct Expenses

Grid	Year 1	Year 2	Year 3
Period 1	0.00	0.00	0.00
Period 2	0.00	0.00	0.00
Period 3	0.00	0.00	0.00
Period 4	5000.00	5000.00	6200.00
Period 5	1250.00	3250.00	0.00
Period 6	1562.50	2850.00	0.00
Period 7	1500.00	1500.00	6200.00
Period 8	1500.00	1500.00	5900.00
Period 9	1875.00	1125.00	4500.00
Period 10	3125.00	350.00	8000.00
Period 11	3250.00	20036.24	0.00
Period 12	4900.00	5600.00	2500.00

Base Repayment: 1.00

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Asset Value: 80,000.00
Loan Start Date: 26-Jan-2004
First Payment Date: 26-Jan-2004
Last Payment Date: 26-Dec-2006
Total Repayment: 103,486.51
Period Pricing Rate: 1.24%

CapInvest / Reverse Engineering

You can use the Reverse Engineering Function two ways:

(1) Analyze a set of cash flows to (a) compute the Annual Rate (given Principal Value); or (b) compute the Principal Value (given Annual Rate); (2) Develop a profiled repayment schedule using absolute values, rather than profiling factors (which is the normal route to developing a profiled repayment schedule)

To get started, set transaction options such as payment type (advance / arrears), repayment term, payment frequency (monthly, etc.), and as is appropriate, enter the Principal Value or Annual Rate for the transaction; enter period cash flow into the profiling grid and click the 'Rate' or 'Principal' button. Click Reports to view reports for the transaction.

You can also use the Reverse Engineering Function to compute a 'missing' cash flow that satisfies user-specified rate of return; start off by setting the term for the transaction and payment frequency - these actions will set up a grid; input (a) principal value; (b) interest rate; (c) cash flows for the appropriate periods for all but the missing period - indicate the missing period or cell by selecting that cell. Click the CF button on the right to calculate the missing CF that satisfies the criterion for the transaction.

Principal **Rate** **CF**

Profit After Tax: 5,922.39 **23.99%**

The base repayment for this type of transaction will always be 1.

Financial overview of the transaction as it is being developed (behind the above form).

STEP ONE: Click the 'Reverse' button in the Module to display this form.

STEP TWO: Enter transaction data into respective cells, including the term of the transaction and payment frequency. As you do so, the grid will redraw itself to reflect inputs – for example, a 3-year transaction with monthly repayments will be drawn as a 3 X 12 cell grid as above. The grid will be populated with random factors, which you will need to change to reflect your requirements.

Enter the Moratorium Periods.

Enter the Start Date.

Use this page to apply a Moratorium to Principal by specifying the Annual Rate, Moratorium, and so on. Click the red button to transfer the accumulated Principal to the Mother Module to calculate equated or profiled repayments for the Principal Value that has been subjected to Moratorium.

Click the Print button to view the Transaction in its entirety, i.e., the Original Principal, the Updated Principal, secondary pricing rate, secondary term and so on.

Rate Calculation
☐ Simple ☒ Compound

Calculate Print

Default Values in these boxes come from the Mother Module and can be changed to reflect requirements.

Click this button to view the transaction in its entirety, including its final repayment schedule as calculated in the Mother Module.

The accumulated Principal can be transferred to the Mother Module for further processing by clicking the Red Button. Alternatively, use the 'Repayments' Tab for Transactions wherein Principal Repayment is equal throughout the term, a practice common with development finance institutions.

Select Simple or Compound Calculation for Finance Charge.

Click this button to view the transaction in its entirety (Principal and Finance Charges for each repayment period) – see report on next page.

CapInvest / Moratorium Transactions

Moratorium | Repayments

You can also calculate repayment on the basis of equal recovery of principal over term.

For example, a development banking institution may offer a Moratorium of 12 months and require Principal (along with interest on outstanding Principal) to be repaid over a period of 5 years.

This method divides the principal outstanding by the number of recovery periods.

To the Equated Principal Recovery as calculated above, the finance charge of a period is added, which is calculated on the outstanding principal at beginning of a period.

The Principal Recovery (Equated) and finance charge of a period constitute the repayment of a period.

Click the Repayment Schedule button to view or to print the Repayment Schedule by periods (Equated Principal + Finance Charge).

Repayment Schedule

Principal Repayment

Final Principal	1,128,499.67
Years	3
Frequency	Quarterly
Type	Arrears
Finance Charge	12.15%
Principal Repayment	94,041.64

This value is brought over from the previous Moratorium phase to provide continuity in developing the transaction – value can be changed to another value, i.e., this page can be used to also develop transactions that are not subject to Moratorium, where the Principal is to be repaid via equal installments. If required, enter the Principal Value in this box.

Enter the term of the transaction (in years).

Select a repayment frequency.

Enter the Finance Charge as decimal.

Select a repayment type.

This is the Equal Installment of Principal that is payable over the term of the transaction.

Equal Principal Repayments

Moratorium Report

Start Date	Nov-11-2003
Period (Months)	12
End Date	Nov-10-2004
Principal	1,000,000.00
Nominal Rate	12.15%
Compounding Frequency	12
Interest Calculation	Compounding
Effective Interest	12.85%
Total Interest	128,499.67
Updated Principal	1,128,499.67
Secondary Start Date	Nov-11-2004

Note the Moratorium Start Date and Secondary Start Date – in this example, the Moratorium is one year. These values are brought forward from the Moratorium exercise carried out in the earlier phase. Note the Principal Outstanding, which is the Principal Value after Moratorium.

Repayment Schedule

Repayment	Date	Principal Opening	Finance Charges	Principal Repayment	Total Repayment	Principal Closing
1	Nov-11-2004	1,128,499.67	34,278.18	94,041.64	128,319.82	1,034,458.03
2	Feb-11-2005	1,034,458.03	31,421.66	94,041.64	125,463.30	940,416.39
3	May-11-2005	940,416.39	28,565.15	94,041.64	122,606.79	846,374.75
4	Aug-11-2005	846,374.75	25,708.63	94,041.64	119,750.27	752,333.11
5	Nov-11-2005	752,333.11	22,852.12	94,041.64	116,893.76	658,291.47
6	Feb-11-2006	658,291.47	19,995.60	94,041.64	114,037.24	564,249.84
7	May-11-2006	564,249.84	17,139.09	94,041.64	111,180.73	470,208.20
8	Aug-11-2006	470,208.20	14,282.57	94,041.64	108,324.21	376,166.56
9	Nov-11-2006	376,166.56	11,426.06	94,041.64	105,467.70	282,124.92
10	Feb-11-2007	282,124.92	8,569.54	94,041.64	102,611.18	188,083.28
11	May-11-2007	188,083.28	5,713.03	94,041.64	99,754.67	94,041.64
12	Aug-11-2007	94,041.64	2,856.51	94,041.64	96,898.15	0.00
			222,808.15	1,128,499.67	1,351,307.82	

Finance Charge is levied on outstanding Principal.

Note the Equal Repayment of Principal over term.

Click the Flat Rate button to open the Flat Rate Portal.

Click these tabs for an overview of and to view calculation.

The Flat Rate Portal is used for converting a True Rate to Flat Rate or Vice-Versa. A transaction is always developed in CI with the True Rate. Once developed, the True Rate can be converted to a Flat Rate for Advertising the Product.

STEP ONE: Click the Zero Rate button to display the Zero Portal as in the illustration below.

Enter pricing data for the zero or concessional finance transaction in these boxes – default values are from mother module.

Enter the concessional finance rate to customer in this box – for example, 0 or 0.0299 (2.9%), and so on.

Given concessional pricing data, this is the concessional repayment for transaction.

These scroll bars are useful for observing the effect on the compensation flow – for example, what is the compensation flow for a range of concessional rates? As the scroll bar value changes, so does the value of the compensation box.

Enter the normal (non-concessional) rate of financier – for example, .1215 (12.15%).


Click this button to transfer the transaction to the mother module for further processing.

Given the information on concessional and non-concessional financing rate, the portal calculates the compensation that needs to flow from capital goods manufacturer / distributor to financier. The flow could be in the form of a discount on the purchase price of the asset.

STEP ONE: Click the RePricing button to display the RePricing Portal as in the illustration below.

Principal opening balance is from the transaction in mother module.

CapInvest / Repricing Portal - To view helpful comments, hover the Mouse over a Text Box or Button



Quotation Date
29-Sep-2003 10:03 AM

Contract Start Date
13-Oct-2003

Borrower / Hire Purchasee
ABC Corporation

LOAN / HP Value
1,000,000.00

(Down-Payment)
☒ Percent 0.00%

Effective Loan / HP
1,000,000.00

Loan Period (Years)
18.00

Finance Rate (P.A.)
12.15%

Period Repayment
11,307.62

Residual / Future
0.00

Enter the Number of LAST PAYMENT received from Borrower

To calculate principal outstanding on the date of default, please enter the number of the last period (not year) for which payment was received from borrower; for example, you may have received 8 payments and the account may have gone into arrears subsequently - if so, you need to enter 8 in the box. If you need to know the payment number, the Amortization Table for a transaction contains a list of payments, along with the number of each payment.

2

Principal Outstanding After Last Payment

Principal Opening Balance 1,000,000.00

Principal Recouped To Date -12,603.67

Outstanding Principal 987,396.33

Updated Principal After Penal Interest (if any)

Number of Limbo Periods (not years) during which Interest is to be added to Principal to Update the same 0

Penal Interest Rate for Limbo Period (Annual Interest Rate as decimal) 12.15%

Updated Principal (for Repricing) 987,396.33

Additions to Principal

Updated Principal 987,396.33

Addition to Principal (if any) 0

New Principal 987,396.33

New Pricing Variables

Repricing Rate (Annual Interest Rate as decimal) 12.15%

Repricing Term (Years) 17.83

New Periodic Repayment

Print Statement 11,194.02

Transfer to Module OK

Make changes to outstanding principal by adding penal interest and then by adding principal or subtracting principal from the existing value. Finally, reprice the transaction by providing new pricing variables and click the transfer button to transfer the repriced transaction to the mother module.

Click this button to display the Rate Conversion Portal as in the illustration below.

The Rate Conversion Portal is useful in all situations where the repayment period and the compounding period are not the same – for example, a bank may use daily compounding but collect repayments on a monthly basis or a bank could provide daily compounding on its deposit scheme and you need to know the amount in the account after 4 monthly deposits, and so on. The rate conversion portal establishes parity and enables the user to use an equivalent rate. See the example in this page.

STEP ONE: Enter the nominal annual rate in this box (15% in this example).

STEP TWO: Enter the conversion frequency in this box – for example, 365.

CapInvest / Rate Conversion Form

Convert | Introduction | Example

Click one of the two red buttons to transfer the equivalent Annual Rate to the Module. The Effective Rate from the table on the right is used in the table on the left so that you may arrive at an equivalent annual rate given the compounding periods being used for the transaction in the module.

The annual rate below is the equivalent rate given the compounding periods for this transaction in the module.

Annual Rate (%)

Nominal

0.15000000

Conversion (Compounding) Periods

365

Annual Rate (%)

Effective

0.161798443

Transaction Conversion Periods

4

Transaction Equivalent Annual Rate (%)

0.152815997

Calculate

Nominal Effective

Quotation Date: 12-Jan-2004 10:52 AM

Contract Start Date: 26-Jan-2004

Borrower / Hire Purchasee: ABC Corporation

LOAN / HP Value: 1,000,000.00

(Down-Payment) Percent: 0.00

Effective Loan / HP: 1,000,000.00

Loan Period (Years): 18.00

Finance Rate (P.A.): 12.15%

Period Repayment: 11,307.62

Residual / Future: 0.00

STEP FIVE: The equivalent rate to use in the transaction when rate is compounded daily but repayments are quarterly is 15.28%.

STEP FOUR: Enter the conversion periods for the transaction in this box – for example, 4 – default conversion period is from transaction in mother module.

STEP THREE: The effective rate given the nominal annual rate (15%) and the specified conversion frequency (365) is 16.18%.

STEP SIX: Click the red button to transfer the equivalent rate to the mother module – price the transaction using the converted equivalent rate.

STEP ONE: Click this button to open the Down Payment Options Form as in the example below.

Financial Institutions typically require a borrower to place a down payment on a transaction with a view to reducing the investment in the transaction and with a view to providing an equity cushion to a transaction. The down payment can accumulate a finance charge for the benefit of the borrower and the down payment can be refunded or applied to the transaction. The down-payment form provides options to adjust the same at end of a transaction – for example, the down payment accumulation rate, compounding frequency and thus, the accumulated value of the down payment.

CapInvest finance

Quotation Date: 29-Sep-2003 10:03 AM

Contract Start Date: 13-Oct-2003

Borrower / Hire Purchasee: ABC Corporation

LOAN / HP Value: 1,000,000.00

(Down-Payment): ☒ Percent 0.00%

Effective Loan / HP: 1,000,000.00

Loan Period (Years): 18.00

Finance Rate (P.A.): 12.15%

Period Repayment: 11,207.62

Residual / Future: 0.00

Down Payment Options

Would you like the Down Payment to be applied as a repayment at end of transaction? If yes, check this box. ☒

Down Payment: 0.00

If down payment is to accumulate, indicate the annual rate. The default value in the box is the cost of capital but you may enter any rate. 0.09

Number of Years on Deposit. The default value is the transaction period but you may enter any period (years). 18.00

Compounding Frequency: Monthly

Future Value of Deposit. This is the accumulated value of the down payment that is due to the depositor. 0.00

Click this button to transfer Future Value of Deposit to future value cell in the model. **Transfer**

Vish Tumu Associates

Value	Percentage
442,445.98	98.97%
15,000.00	1.03%
457,445.98	100.00%
(15,000.00)	(1.03%)
442,445.98	98.97%
1,007,663.37	(69.14%)
434,782.61	29.83%
(159,782.61)	(18.96%)
275,000.00	18.87%

Click this button to transfer the accumulated value of the down payment to the future value cell in the mother module. Once this is transferred, the period repayment for the transaction can be calculated on the assumption that the down payment is available in future.

Down Payment Transactions

Transaction Details are from Mother Module – they can also be entered independently. In the example below, the transaction is for 150,000 with a financing rate of 17%, term of 3 years, Monthly repayments in Advance. As can be seen, monthly repayment is 5,273.21. Note that the True Rate of Return of this transaction is higher – 18.45% as can be noted from the 'True Rate' box. The return is higher because the transaction has a down payment of 10% and the finance rate on the down payment is 10%, which is lower than the rate charged to end-user. The difference between the finance rate received (17%) and the finance rate paid (10%) enhances the return from the transaction. Thus, the higher the security deposit, the higher is the true rate. Likewise, the lower the finance rate on security deposit, the higher is the true rate. When rate on security deposit is the same as the rate on the transaction, there is no financial advantage. When rate on security deposit is higher than rate charged, the result is financial disadvantage. Given this relationship, a transaction can be priced by incorporating Security Deposit parameters – for example, pricing rate can be lowered when security deposit is higher, and so on.

The screenshot displays the 'CapInvest / Security Deposit Transactions' window. On the left is a sidebar with various input fields and their values. The main area contains three sections: 'Transaction Details', 'Security Deposit Value', and 'Security Deposit Finance Rate'. The 'True Rate' is displayed as 18.45%.

Field	Value
Quotation Date	24-Dec-2003 9:39 AM
Contract Start Date	7-Jan-2004
Borrower / Hire Purchasee	ABC Corporation
LOAN / HP Value	150,000.00
(Down-Payment)	Percent 0.00
Effective Loan / HP	150,000.00
Loan Period (Years)	3.00
Finance Rate (P.A.)	17.00%
Period Repayment	5,273.21
Residual / Future	0.00
Asset Value	150,000.00
Financing Rate	17.00%
Years	3
Frequency	Monthly
Future Value	0.00
Repayment	5,273.21
Type	Advance
Security Deposit Value	15,000.00
Security Deposit Finance Rate	10.00%
Deposit Present Value	12,187.20
Deposit Future Value	20,222.73
True Rate	18.45%

Use the two Sliders to set the value of (1) the security deposit (absolute) and (2) the finance rate on security deposit. Alternatively, enter the required value into the box to set a precise value – in either case, the box on the right of the slider reflects the value. Both values influence the True Rate.

Click the red button to Goal Seek on the True Rate by changing either the Deposit Value or Finance Rate paid on Deposit. For example, what should be the deposit for a True Rate of 25%?

This page summarizes the transaction. Click the printer button to print the transaction to a separate worksheet.



Quotation Date
24-Dec-2003 9:50 AM

Contract Start Date
7-Jan-2004

Borrower / Hire Purchasee
ABC Corporation

LOAN / HP Value
150,000.00

(Down-Payment)
Percent 0.00

Effective Loan / HP
150,000.00

Loan Period (Years)
3.00


Finance Rate (P.A.)
17.00%

Period Repayment
5,273.21

Residual / Future
0.00

CapInvest / Security Deposit Transactions

Future Value | True Rate | Calculation Report



Transaction Details

Transaction Value	150,000.00	Transaction Type	Advance
Term (Years)	3	Period Repayment	5,273.21
Nominal Rate (%)	17.00%	Future Value	0.00
Transaction Frequency	Monthly		

Deposit Details

Deposit (%)	10.00%	Deposit Rate	10.00%
Deposit (\$)	15,000.00	Compounding Frequency	Monthly
		Security Deposit Future Value	20,222.73
		Security Deposit Present Value	12,187.20

Transaction Wrap-Up

Net Investment in Transaction	Period Repayment	Periods	Future Value	True Rate
(147,187.20)	5,273.21	36	0.00	18.45%

CapInvest / Deposit Transactions

Future Value True Rate Calculation Report

Transaction Details

Asset Value Financing Rate Years Frequency

CapInvest / True Rate Goal Seek Form

Step One / Specify Required True Rate in the Box Below (enter rate as decimal)

Step Two / Select a Variable to Change to Arrive at Target True Rate

☒ Amount of Down Payment (Percentage)

☐ Finance Rate on Down Payment (Percentage)

OK

(decimal) or use slider to set value

Rate Benefit	Eff DP Benefit	Financing Rate	True Rate
100.00%	100,000.00	12.15%	20.13%

Clicking the Red Button brings up the Goal Seek Box wherein the True Rate can be goal seeked by changing either the amount of deposit or the finance rate paid on deposit.

STEP ONE: Click the Product Developer button to open the portal.

Advanced Transactions are developed using the Product Developer Portal of CapInvest. This example illustrates one such transaction wherein a financial institution wishes to incorporate annual insurance payments of 5000 for the next 3 years into the main transaction with a view to pricing the same to the borrower, thus relieving the borrower of the need to find resources to pay annual insurance payments, while extending the opportunity to the institution to safeguard its assets by paying insurance directly and in the process, earning additional returns. This example is illustrated in the following 3 pages.

Vish Tumu Associates - Calculator

lease structuring

Quotation Date: 4-Jan-2004

Lease Start Date: 18-Jan-2004

Frequency: Monthly

Type: Arrears

Asset Value: 75,000.00

(Down Payment): Percent 10,000.00

Net Financing: 65,000.00

Lease Term: 3.00

Annual Pricing Rate: 16.50%

Lease Rental: 2,301.23

Balloon: 0.00

Lessee: ABC Corporation

Asset Description: IBM PC

LMF: Include in IRR 1.50%

Direct Expenses: 5,000.00

Depreciation: HALF Full Year

Depreciation Method: WDV

Tax Depreciation Rate: 60.00%

Tax Year-End: 31-Mar

Income Tax Rate: 36.75%

Cost of Capital: 12.00%

VAT: 20.00%

Lease Start Date: 18-Jan-2004

First Pmt Date: 18-Feb-2004

Last Pmt Date: 18-Jan-2007

Rental Periods: 36.00

Pricing Rate: 1.37%

Frequency: Yearly

Payment Type: Arrears

Period Rental: 2,301.23

Total Rental: 82,844.12

Principal: 65,000.00

Interest: 17,844.12

PV of Rentals: 70,259.16

NPV Of Lease: 259.16

Old Post-VAT: 14.33%

VAT Pricing: 18.91%

New Post-VAT: 16.49%

Post Tax: Flat Rate

Lease Buy: Goal Seek

Profiling: Random

Import: Prompts

Export: Print

Clear: Default

Product: Zero Rate

Repricing: Rate Conv

Moratorium: Financials

	Value	Percentage
Lease Rental	\$2,844.12	98.84%
LMF	975.00	1.16%
Revenue	\$3,819.12	100.00%
Direct Exp	(5,000.00)	(5.97%)
Depreciation	(65,000.00)	(77.55%)
Expenses	(70,000.00)	(83.51%)
PBIT	13,819.12	16.49%
Interest	(12,721.48)	(15.18%)
PBT	1,097.63	1.31%
TAX	(403.38)	(0.48%)
PAT	694.25	0.83%

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Note the lease rental (before including 3 annual insurance payments of 5000 each in the leasing proposal) given the lease pricing variables. Also note the post-VAT return of 14.33% (even though lease pricing is set to 16.5% - the pricing rate to use to fully offset the VAT carrying cost is 18.91% which will result in a post-VAT return of 16.5% (the target rate).

Other examples are discussed in the document entitled "Developing Financial and Savings Products"; this document contains an example of (i) a Housing Finance Product that incorporates investment items spread over several time periods and (ii) a customized Savings Plan for a Bank Customer that meets forecasted future requirements via a simple deposit plan.

CapInvest / Product Developer - (hover the mouse pointer over an item for screen comment)

Capitalized Value	Recurring Items	Non Recurring Items	Introduction	Creating Products
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Annual Rate (Lending) 0.164981582	Annual Rate (Savings) 0.090000000	Transaction Start Date Oct-11-2003
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Recurring Items / Indicate Frequency, Number of Repeats and Other Details

Frequency	Repeats	Investment Amount	Date	Days	DCF 1	DCF 2
Yearly ▾	3	5,000.00	Oct-11-2003	0	13,750.35	13,750.35
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00
Yearly ▾	1				0.00	0.00

Main	Total of DCF 1	Total of DCF 2
Non Recurring	13,750.35	13,750.35

Clear

This is the product developer portal showing the recurring insurance item of 5,000 payable annually for 3 years. While the gross outflow over 3 years is 15,000, the discounted value is 13,750, given the savings rate of 9%. A total of 15 recurring items can be set up.

[illegible]

This is the product developer portal with the non-recurring item of 65,000, which represents the investment in the lease. A total of 15 non-recurring items can be set up.

CapInvest / Product Developer - (hover the mouse pointer over an item for screen comment)

Capitalized Value | Recurring Items | Non Recurring Items | Introduction | Creating Products

Transaction Start Date: Oct-11-2003

Annual Rate (Lending): 0.164981582

Annual Rate (Savings): 0.090000000

Transaction Value

TOTAL Recurring Items: 13,750.35

TOTAL Non-Recurring Items: 65,000.00

Capitalized Value of Transaction: 78,750.35

Transfer

Compounding

Pre-Start: Monthly

Post-Start: Monthly

Product Type

☒ Financial

☐ Savings

Example

Clear

Recurring

Non Recurring

This is the capitalized value of the transaction, representing the discounted value of recurring and non-recurring investment items in the transaction. Capitalized value is transferred to the mother module by clicking the Transfer button (and processed further, if necessary).

Vish Tumu Associates - Calculator

Vish Tumu Associates

lease structuring

Quotation Date: 4-Jan-2004

Lease Start Date: 18-Jan-2004

Frequency: Monthly

Type: Arrears

Asset Value: 0.00

(Down Payment): 0.00

Net Financing: 78,750.35

Lease Term: 3.00

Annual Pricing Rate: 16.50%

Lease Rental: 2,788.04

Balloon: 0.00

Lessee: ABC Corporation

Asset Description: IBM PC

LMF: Include in IRR 1.50%

Direct Expenses: 5,000.00

Depreciation: HLF

Full Year

Depreciation Method: WDV

Tax Depreciation Rate: 60.00%

Tax Year-End: 31-Mar

Income Tax Rate: 36.75%

Cost of Capital: 12.00%

VAT: 20.00%

Reports

Help

Power Pack

Lease Start Date: 18-Jan-2004

First Pmt Date: 18-Feb-2004

Last Pmt Date: 18-Jan-2007

Rental Periods: 36.00

Pricing Rate: 1.37%

Frequency: Yearly

Payment Type: Arrears

Period Rental: 2,788.04

Total Rental: 100,369.28

Principal: 78,750.35

Interest: 21,618.93

PV of Rentals: 85,122.06

NPV of Lease: 1,371.70

Old Post-VAT: 14.33%

VAT Pricing: 18.91%

New Post-VAT: 16.49%

Post Tax

Lease Buy

Profiting

Import

Export

Clear

Flat Rate

Goal Seek

Random

Prompts

Print

Default

Product

Zero Rate

Repricing

Rate Conv

Moratorium

Financials

	Value	Percentage
Lease Rental	100,369.28	98.04%
LMF	1,181.26	1.16%
Revenue	101,550.54	100.00%
Direct Exp	(5,000.00)	(4.92%)
Depreciation	(78,750.35)	(77.55%)
Expenses	(83,750.35)	(82.47%)
PBIT	17,800.19	17.53%
Interest	(15,412.64)	(15.18%)
PBT	2,387.55	2.35%
TAX	(877.42)	(0.86%)
PAT	1,510.13	1.49%

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Note the new lease rental of 2,788.04 after including 3 annual insurance payments of 5,000 each in the leasing proposal - rental before including insurance payments was 2301.23, an increase of 487 which relieves the lessee of making insurance payments every year and which enables the leasing company to safeguard its assets by paying insurance directly and also to earn a return on insurance payments and thereby, increase its earnings from the transaction.

Pricing a leasing transaction employing the Post Tax Rate of Return with a 100% tax depreciation and with transaction signed on the last day of the tax accounting year.

Note the Lease Start Date, which has been set to the last day of the tax accounting year.

Note the Pre-Tax Pricing Rate of 10%.

Note the Post-Tax Return had this been a 'non-lease' transaction, given the tax rate of 33.33%.

Post Tax Analysis

Quotation Date: 24-Dec-2003 8:53

Lease Start Date: 31-Dec-2003

Asset Description: Laptop Computers

Lessee: ABC Corporation

Asset Value: 1,000.00

Lease Term: 5.00

Annual Pricing Rate: 10.00%

Lease Rental: 263.80

Balloon: 0.00

Frequency: Yearly

Clear Random Defaults Print

Flows in Use: ☒ Native ☐ Profiling

Type: Arrears

LMF: 0.00%

Direct Expenses: 0.00

Depreciation: HALF Full Year ☐

Depreciation Method: WDV

Depreciation Rate: 100.00%

Tax Year-End: 31-Dec

Tax Rate: 33.33%

Cost of Capital: 10.00%

EMI

Goal Seek Reports Help

Tax Delay (Months): 0

Period Rate: 10.00%

Total Periods: 5

First Payment Date: 31-Dec-2004

Last Payment Date: 31-Dec-2008

Total Revenue: 1,318.99

Gross Profit: 318.99

NPV of Lease: 0.00

Custom Depreciation ☐

Vish Tumu Associates

Wrap-Up

Pre-Tax Return: 10.00%

Expected Post Tax Return: 6.67%

Actual Post Tax Return: 9.99%

Depreciation Effect: Positive

Variance from Expected: 3.32%

Post Tax Return: 9.99%

Post Tax Cost of Capital: 6.67%

Post Tax Pricing Flexibility: 3.32%

Note the Actual Post Tax Return from the Lease, which is the same as the Pre-Tax Rate due to 100% depreciation.

Note the Positive Depreciation effect of the transaction.

Note the Positive Variance.

Post Tax Cost of Capital is equal to Pre Tax Cost of Capital * (1-tax rate).

Note the lessor's pricing flexibility in this transaction – he can drop rates by an additional 3.33% and yet meet his profit objective, as reflected by his cost of capital (in this instance).

Note the Pre-Tax Pricing Rate of 10%.

Note the Tax Depreciation Rate of 100%.

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A Lease Vs. Buy Analysis is necessary to arrive at a truthful comparison of the financial benefits of leasing vis-à-vis other sources of finance. A comparison that is based only on finance rates is misleading since it ignores the other advantages offered by leasing. In the example below, the finance rate for leasing is 14% while the finance rate for borrowing from a bank is 10% - in spite of this, leasing provides a financial advantage to the end-user of 5,304, when other relevant factors are considered in the analysis – down payment, cost of equity, tax depreciation rate, tax rate, and so on. This example is the default transaction when the lease vs. buy module is opened.

Note the 'leasing' finance rate of 14%.

Note the 'borrowing' finance rate of 10%.

A borrowing option frequently requires the borrower to put a down payment on the transaction (equity) whose cost is expensive.

Note the final result of the analysis, which favors leasing.

ABC Corporation

Lessee Data

- Cost of Debt (%) 10.00%
- Cost of Equity (%) 25.00%
- Debt Financing (%) 75.00%
- Equity Financing (%) 25.00%
- Tax Rate 36.75%
- Depreciation Rate 25.00%
- Depreciation Type WDV
- Tax Life of Asset 6
- Tax Delay (Months from Y.E.) 0

Advantage Leasing 5,304

Wrap-Up

Lease Payment 29,128.35

Pre-Tax Cost of Debt 10.00%

Post-Tax Cost of Debt 6.33%

Pre-Tax Cost of Equity 39.53%

Post-Tax Cost of Equity 25.00%

Pre-Tax Cost of Capital 17.38%

Post-Tax Cost of Capital 10.99%

Cost of Leasing 8.89%

Cost of Buying 10.99%

Lease Outflows (68,103)

Buy Outflows (73,406)


Note the 'post tax' cost or 'intrinsic' cost of leasing – 8.89% - calculation details are in report.

Note the 'post tax' cost of buying - 10.99%.

Note the 'post tax' flows of leasing and buying – buy outflows are larger than lease outflows. Reports for this module set out the economics of leasing and buying and also calculate the intrinsic cost of leasing (8.89%) which is lower than the finance rate of leasing (14%).

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes



BASIC Transaction

Establish a Basic Transaction using Required Rate of Return - default transaction values below are from Mother Module. To change a value, enter a new Value into the appropriate box and the 'Repayment' will reconfigure itself to reflect the new entry. Contents of the Repayment Box are locked and cannot be changed, since this value changes in response to changes to other variables.

To add ingredients to the transaction, go the next page - ingredients are analytical components that enable an institution to lower the financing rate of repayments of customer, while maintaining an Institution's Required Rate of Return. The difference between the Required Rate and the Customer Rate is contributed by ingredients. A financial institution can "mix and match" ingredients to develop user-oriented proposals without sacrificing its expected Rate of Return.

As ingredients are added to a transaction (by supplying values to ingredients), note the drop in the Customer Rate and the period repayment, as these vary in response to maintain the overall Required Rate. When no ingredients are added to a transaction (i.e., value of ingredients is zero), the Required Rate and Customer Rate are equal to each other. Ingredient Value is added (a) by using the Spinner Control or (b) by entering value into the corresponding box. Default values have been set for ingredients which can be changed. Click the 'Reset' button to set all ingredient values to Zero.

Transaction Start

Transaction Value	Term (Years)	Repayment (locked)
75,000.00	3	2,636.60
Frequency	Type	Expected Annual Rate (%)
Monthly	Advance	17.00%

The Power Pack Portal is accessed by clicking the 'Power Pack' button in the Finance or Leasing modules.

The Portal opens with default Values from Mother Module. These values can be changed by entering new values. To add ingredients, go to the next page.

As can be noted, this example assumes a financial institution requires an annual return of 17% from a 3-year transaction whose repayments are payable Monthly in Advance.

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

Basic Transaction

Transaction Value	Term (Years)	Repayment	Frequency	Type
75,000.00	3	2,636.60	Monthly	Advance

(A) Processing Fee (%)

0.00% 0.00

(B) Transfer Fee (%)

0.00% 0.00

(C) Purchase Discount (%)

0.00% 0.00

(D) Security Deposit (%)

0.00% 0.00

Rate Frequency

0.00% Monthly


Present Value Future Value

0.00 0.00

Transaction Rates

Required Rate Customer Rate

17.00% 17.00%

Reset Transfer  OK

Use this Page to add ingredients to a transaction by supplying values: (a) by using the spinner buttons or (b) by entering a value directly into a box.

As can be observed, no ingredients have been added to the transaction (zero values) and as a result, the Required Rate and Customer Rate are equal to each other.

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

Basic Transaction

Transaction Value	Term (Years)	Repayment	Frequency	Type
75,000.00	3	2,333.39	Monthly	Advance

(A) Processing Fee (%)

1.50% 1,125.00

(B) Transfer Fee (%)

10.00% 7,500.00

(C) Purchase Discount (%)

0.00% 0.00

(D) Security Deposit (%)

10.00% 7,500.00

Rate Frequency

0.00% Monthly


Present Value Future Value

4,519.86 7,500.00

Transaction Rates

Required Rate Customer Rate

17.00% 7.96%

Reset Transfer  OK

To illustrate the effect of ingredients, these have been added in stages.

Value of the first ingredient (Processing Fee) has been set to 1.5%, 'Transfer Fee' payable on end of transaction, has been set to 10% and 'Security Deposit' of 10% with no finance charge on the same has been added.

The cumulative effect of adding three ingredients is to lower customer rate to 7.96% (while maintaining the Required Rate of 17%).

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

Investment

Transaction Face Value (75,000.00)

Processing Fee 1,125.00

Purchasing Discount 0.00

Security Deposit 7,500.00

Security Deposit (PV) (4,519.86)

Investment Reduction 4,105.14

Net Investment (70,894.86)

Repayment

Repayment 2,333.39

Transfer Fee 7,500.00

Repayment Term 3


Repayment Frequency Monthly

Repayment Periods 36

Repayment Type Advance

Institution Rate

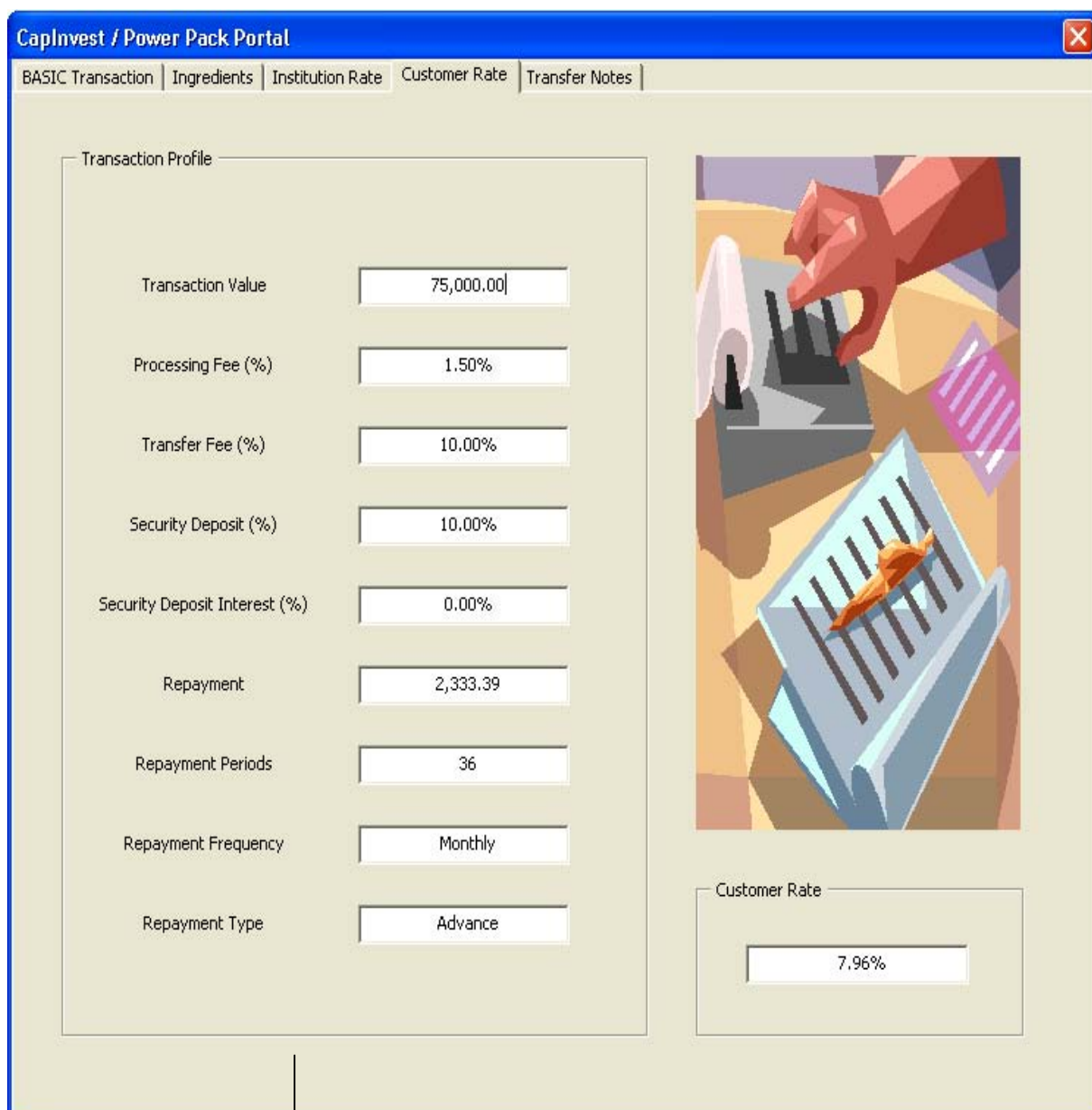
17.00%



This page of the Portal sets out calculations for the Institutional Required Return of 17%.

As a result of adding ingredients, the investment in the transaction is reduced by several items: processing fee, security deposit inflow, security deposit outflow, that together, lead to a cumulative reduction of 4105.14. The investment in the transaction declines from 75,000 to 70,894.86.

The net investment and the repayment parameters on the right side, ensure that the transaction generates the required Rate of 17% to a financial institution.



The screenshot displays the 'CapInvest / Power Pack Portal' window. It features a tabbed interface with 'BASIC Transaction', 'Ingredients', 'Institution Rate', 'Customer Rate', and 'Transfer Notes'. The 'BASIC Transaction' tab is active, showing a 'Transaction Profile' section with the following fields:

Field	Value
Transaction Value	75,000.00
Processing Fee (%)	1.50%
Transfer Fee (%)	10.00%
Security Deposit (%)	10.00%
Security Deposit Interest (%)	0.00%
Repayment	2,333.39
Repayment Periods	36
Repayment Frequency	Monthly
Repayment Type	Advance

To the right of the transaction profile is a 3D illustration of a red hand dropping a gold coin into a blue slot machine. Below the illustration is a 'Customer Rate' section showing a value of 7.96%.

This page of the Portal sets out calculations for the Customer Rate of 7.96%.

The Transaction Value is 75,000 with the following customer payment requirements:

- (a) Processing Fee of 1.5%;
- (b) Transfer Fee of 10%;
- (c) Security Deposit of 10%.
- (d) Customer Repayment is 2,339.39 per Month in Advance for 36 Months.

The implicit cost of repayments made by customer is 7.96%.