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*CapInvest*

# User Manual



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Day To Day Analytical  
Support For Financial  
Institutions

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# Introduction

*CapInvest provides superb analytical tools (a) for developing consumer and retail finance transactions and (b) for conceptualizing, structuring and developing 'Financial' and 'Savings' Products. CapInvest incorporates three distinct components:*

- (a) world-class financial modeling techniques;*
- (b) cutting-edge Microsoft Technology;*
- (c) state of the art financial concepts.*

*CapInvest provides analytical support for all activities wherein an investment is made for earning a return on investment, from the basic bank loan to sophisticated profiled transactions that are limited only by imagination: banking and housing finance loans, leasing and hire purchase transactions, consumer, industrial and project finance activities, venture capital investments, and so on. CapInvest provides tools to professionalize the investment decision.*

*CapInvest classifies Investment activities into two streams:*

- Tax Based (leasing)*
- Non-tax based.*

*Both streams come with several modules and each module may comprise of several special-purpose portals and reports, that together, provide complete analytical coverage for investment related activities.*

*CapInvest provides day-to-day analytical support to a range of financial institutions:*

- Hire Purchase Companies*
- Finance Companies*
- Banks*
- Leasing Companies*
- Installment Credit Companies*
- Consumer Finance Companies*
- Vehicle Finance Companies*
- Other Miscellaneous Finance Companies*

*This manual provides an overview of each module along with screen shots and brief comments.*

# Products

Financial Institutions face the need for a simple, well designed analytical / decision support tool to handle day-to-day pricing and structuring needs for a range of financial products:

- Vehicle Finance
- Lease Finance
- Hire Purchase
- Consumer Loans
- Bank Loans
- Installment Credit
- Housing Finance

In addition to structuring and developing financial and savings products that reflect the cash-flow requirements of borrowers,

institutions require complete control over product features, including rate of return from financial assets, using a tool with a simple interface and small foot-print so that it may easily be installed on laptops and PC's and be carried by executives to offer competitively priced, asset and consumer finance proposals in real time.

CapInvest addresses all of these requirements. With a footprint of around 30 MB, CapInvest sports an easy to use and well-designed user interface and employs a sophisticated analytical engine that is completely invisible to the user – the user interface is exceptionally clean and easy to use. The functionality of the program is exposed by special menu items.

# Functionality

CapInvest has been designed using a modular architecture which enables the product to be easily customizable to address specific requirements of a financial institution, whether via additional modules, portals, or reports or via modifications to existing modules, portals and reports.

The functionality of CapInvest comes from two sources:

## Product Structuring Options

Wherein a user sets options to develop consumer finance transactions, using relevant variables; for example, in developing a financing/hp transaction, the user interface provides options for the following:

- the finance rate for pricing the transaction (alternatively, the finance rate can be computed by the program, given information on other pricing variables);
- the duration of the loan (from 1 year to 20 years);
- the value of the transaction
- the value to be paid in future;
- the installment to be paid by the borrower (this pricing variable is usually required to be computed by the user – however, a user can also set this variable to a given installment amount and compute some other variable, such as the value of the loan to be financed);
- the frequency of payments – monthly, quarterly, half-yearly or annual;
- the timing of payment – payment at the beginning of the period or payment at the end of the period.

As the user enters or sets values for these variables, a user is also presented with a birds-eye view of the transaction to assist in developing a transaction that is in line with expectations.



## Transaction Analysis

Wherein a user is able to examine detailed reports of the transaction; for example, after developing a financing/hp proposal, a user can view the reports for the transaction; all reports are instantly updated whenever a variable is changed –examples of reports include, a report on overall profitability of the transaction, a report on year-to-year profitability, a report setting out the amortization schedule for the transaction, a report on the cash position of the transaction by periods, a report on Repayments, Principal and Finance Income by year end, and so on.

A similar paradigm is used in the other modules: for example, the user interface in the Profiling Module provides tools to sketch profiling requirements using a 12 X 10 grid; the module uses inputs to compute a repayment schedule. The analysis section of this module sets out reports containing the period-to-period repayments of the profiled transaction and the amortization schedule for the transaction.

Taken together, the User Interface Options and Analysis Reports provide rich functionality to a user to develop transactions that are fully attuned to the requirements of the borrower and lender.

*CapInvest transactions can be developed in two shapes - equated and profiled - regardless of whether the transaction is a loan, hp, leasing or some other type of investment.*

# Shapes

- Equated** Monthly, Quarterly, Half-Yearly or Yearly, payable in the beginning of a period or end of a period. This is the most common type of repayment. While easy to calculate, such payments do not address the specific requirements of a lender or borrower for repayment schedules that are un-equal from period to period.
- Profiled** These are repayments that vary from period to period in response to user set options. Profiled Repayment Schedules offer tremendous power and flexibility to an originator to develop products that are user friendly while addressing the originator's financial objectives. Like equated repayments, profiled repayments could be Monthly, Quarterly, Half Yearly or Yearly and could be payable at beginning of a period or end of a period.

*Modules are basic building blocks used by CapInvest to develop transactions. Portals extend the functionality of modules into newer areas.*

# Modules

Finance Equated	Develop Financing and Hire Purchase Transactions, where repayments are equal from period to period.
Finance Profiled	Develop Financing and Hire Purchase Transactions, where repayments vary from period to period.
Cost of Capital	Arrive at an accurate cost of borrowings for use in pricing financial transactions.
Leasing Equated	Develop leasing transactions, where repayments are equal from period to period
Leasing Profiled	Develop Leasing Transactions, where repayments vary from period to period.
Post Tax Analysis	Examine a leasing transaction from a post-tax perspective.
Lease Vs. Buy	Analyze the benefits of leasing vis-à-vis Buying. Lessees assume leasing is costlier by considering a single factor: the pricing rate - other factors also need to be taken into account and this module carries out an overall assessment of the benefits of leasing vis-a-vis buying.

*CapInvest ships with several special-purpose portals that are useful for specific tasks; CI portals enhance the functionality of CapInvest and work seamlessly within modules. Each portal is designed to be self-documenting.*

# Portals

Product Developer Portal	Develop user-friendly ‘Finance’ and ‘Savings’ products, wherein investments in a transaction can be spread over a period of time, prior to the start date of a transaction or after the start date of a transaction. This portal enables you to develop a single repayment schedule that captures all investments in a transaction. This portal can be used for Personal Banking Products (savings products) and finance products.
Zero Rate Portal	Develop financing transactions that involve contributions from a third party, such as capital goods manufacturers or distributors – Zero Rate / Concessional Financing is a powerful marketing technique that requires a finance company and a capital goods supplier to cooperate in developing a product that offers concessional finance to a customer without compromising the expected rate of return of a financial institution.

# Portals

## Repricing Portal

Reprice a financial transaction –for example, incorporate a new pricing rate in a floating rate scenario, add items into an existing transaction (additional investment into an existing transaction), deduct value from an existing transaction (prepayment or partial payment) , redevelop an account that is in arrears, and so on.

## Rate Conversion Portal

Convert pricing rates from Annual to Effective and vice-versa – rate conversion is useful in situations where the compounding period and repayment period are different – an equivalent annual rate solves the problem posed by the inequality.

## Moratorium Portal

The Moratorium Portal is useful in those situations (a) where Principal is subject to a Moratorium and finance charges are to accumulate on Principal during the Moratorium Period; (b) to calculate a repayment schedule wherein Principal Repayment is equal through out the term of the repayment term - this practice is common with development finance institution - for example, a DFI's terms might state that financial assistance is subject to a moratorium of 5 years and repayable in equal quarterly repayments over 3 years.

# Portals

## Flat Rate Portal

The Flat Rate Portal is useful for converting a True Rate to Flat Rate and vice versa - displays equivalent rates and calculations.

## Security Deposit Portal

The Security Deposit portal is useful to work with transactions that come with deposits, whether for security or otherwise - such deposits can accumulate at a pre-determined rate and be adjusted against repayments or refunded at end of term or integrated with transaction pricing wherein the consolidated return from a transaction is examined so that a financial institution is able to offer appropriate terms - for example, an institution may lower the financing rate on a transaction when a customer places a non-interest bearing deposit with the institution.

## Goal Seek Portal

The Goal Seek Portal provides the tools to engineer the transaction by targeting any of several variables such as Revenue, Profit Before Tax and Profit After Tax to obtain a precise value. Target value is obtained by changing a variable that is indicated in the portal. For example, a user may target a Profit Before Tax of 150,000 by changing the pricing rate or the term.



# Portals

## Reverse Engineering Portal

Use the 'Reverse Engineering' portal to carry out several useful tasks: This Portal is available only from the two Profiling Modules - click the 'Reverse' button in the profiling modules to access the portal.

- Compute the Rate of Return embedded in a series of Cash Flows where the Principal of the Transaction is known.
- Compute the Present Value of a series of Cash Flows where the Rate of the Transaction is known.
- Compute a Profiled Repayment Schedule using absolute repayment values (rather than profiling factors, as is the usual case). Enter period repayments into appropriate cells in the grid and other transaction details such as Principal, Finance Rate, Payment Frequency, Payment Type and so on. Select one cell in the grid for 'balancing' the transaction and click the 'CF' button - CI computes a repayment value for that cell (positive or negative) which leaves the transaction in harmony - if positive, amount is due from customer - if negative, amount is due to customer.

# Portals

## Power Pack Portal

The Power Pack Portal incorporates several pricing components that assist a financial institution to develop flexible transactions. For example,

- incorporate service charge into pricing by developing a quotation that prices service charges separately from the finance charge, within the overall rate of return for the transaction.
- incorporate residual value or transfer fee into pricing by developing a quotation that prices residual value separately from the finance charge, within the overall rate of return for the transaction.
- incorporate deposits paid by a customer into pricing by developing a quotation that prices deposit separately from the finance charge, within the overall rate of return for the transaction

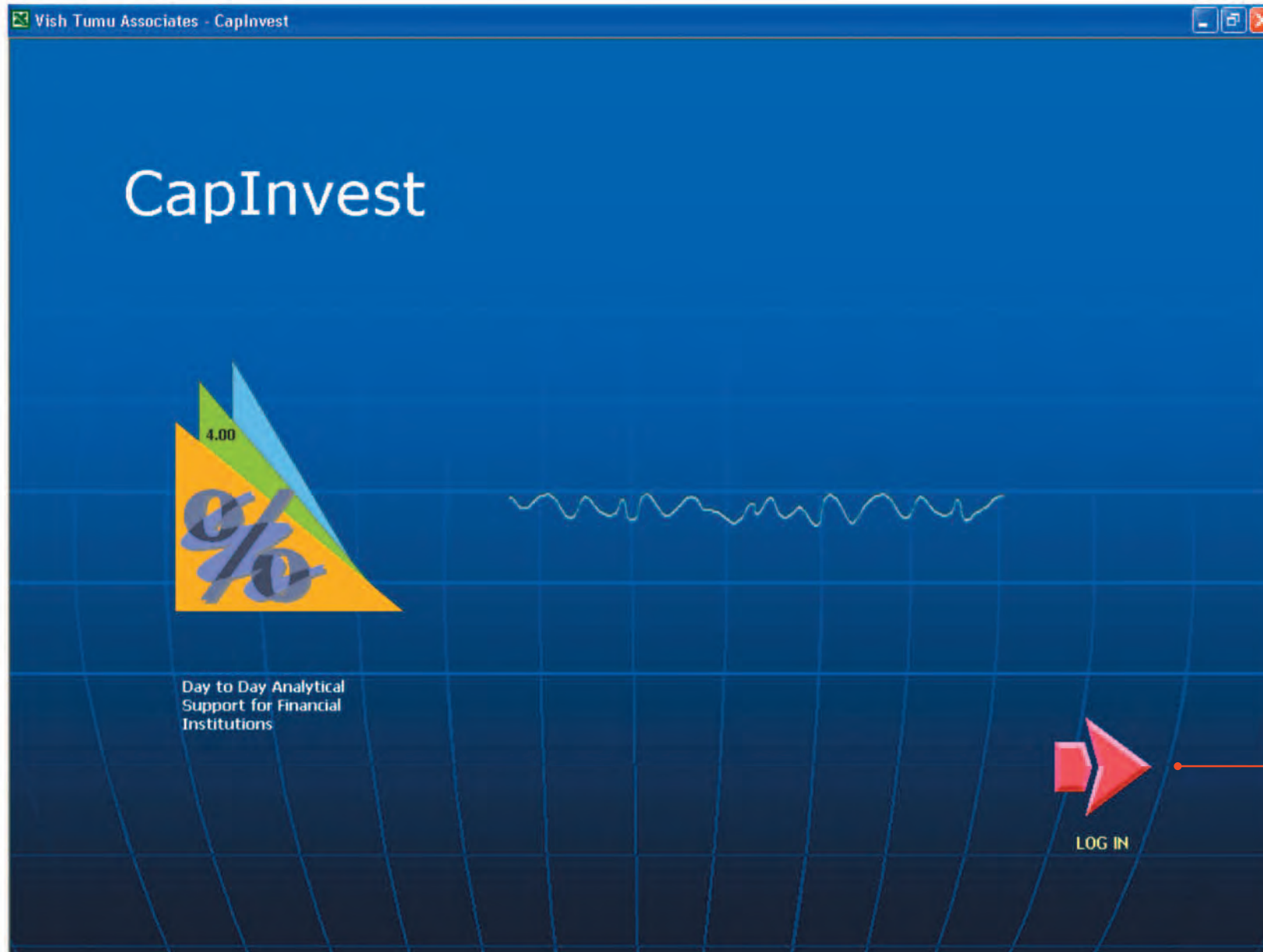
# Conclusion

The best way to familiarize yourself with the many features of CapInvest is to use the software – each module in CapInvest launches with a sample transaction that you can experiment with.

Each module has an on-line help system that you can access by clicking the ‘Help’ button in a module – the help system contains screen shots of each module with helpful comments about each item. Most Portals contain Tool Tips that provide helpful comments. A transaction, along with its variables and financials, can be examined in the main module itself; insights into a transaction can be gained by examining the reports for a transaction, which are constantly updated in response to changes to underlying variables.

Above all, the documents in the CD contain valuable information for using CI productively in your organization.

CapInvest has been engineered and programmed by Viswanath Tumu, co-author of the book “The Principles and Practice of Leasing” by K.V. Kamath, S.A. Kerkar and T. Viswanath. This book functions as an authoritative text on the subject of leasing in several countries and with several international financial institutions, including the International Finance Corporation, Washington.



This is the log-in center for CapInvest. The default password for log-in is 1000 - this can be changed to a different password or by-passed altogether by selecting an option in the CapInvest Menu

Click the Red Arrow to log-in. If log-in is successful, you will be taken to the main command center on the next page



Note the Finance Modules on the right. Clicking an icon launches that module. You can return to the main command center anytime and go to other modules from here or you may also go directly to another module in some cases

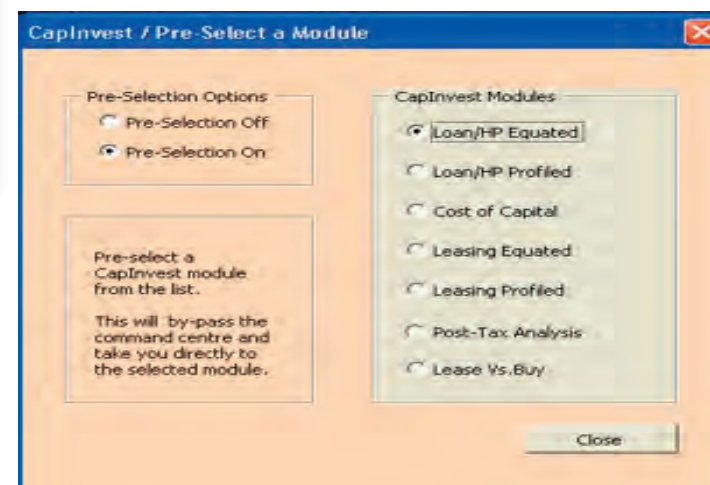
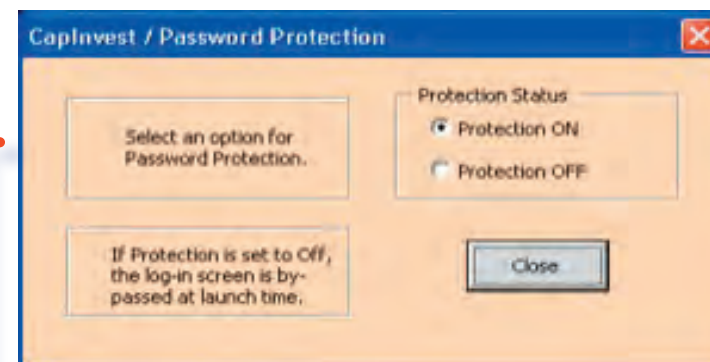
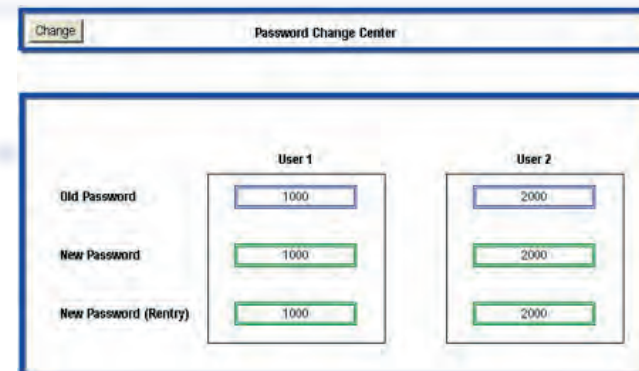
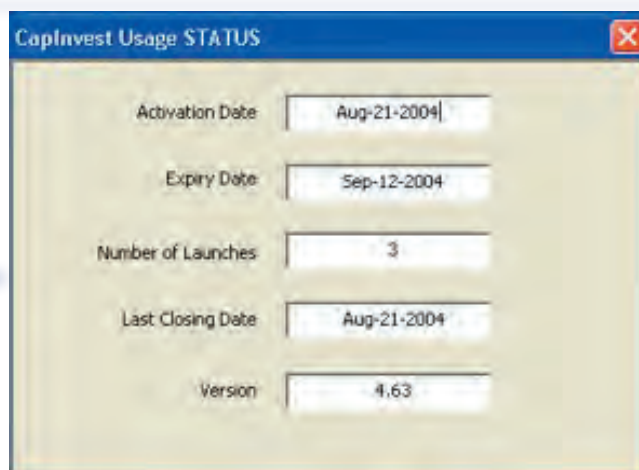
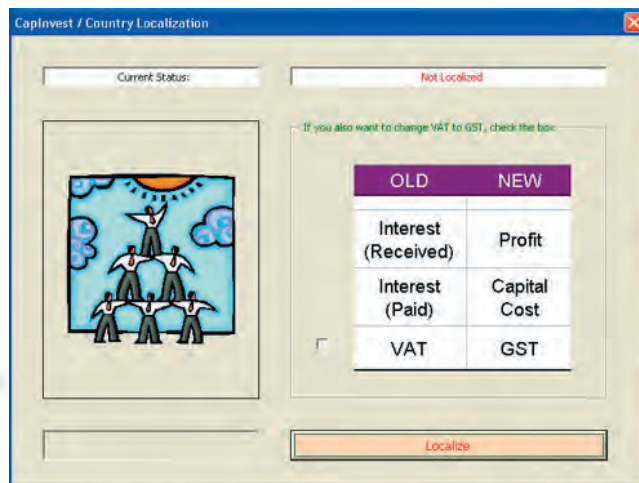
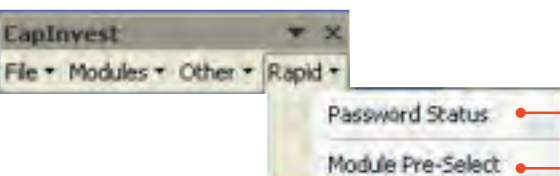
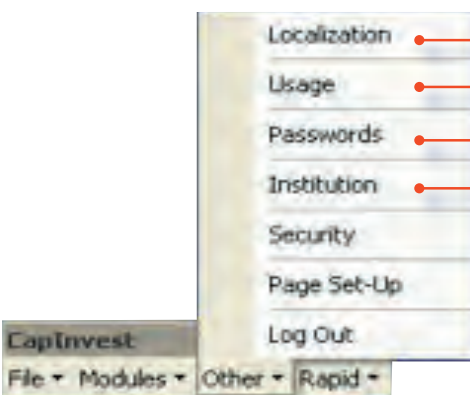
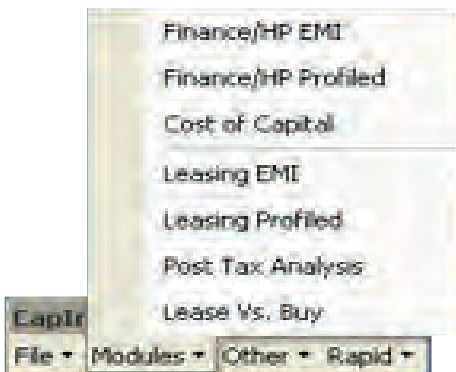
If you wish, you can bypass the command center to go directly to a pre-selected module by selecting an option in the CapInvest Menu

Note the leasing modules on the left. Clicking an icon launches that module. You can return to the main command center anytime and go to other modules from here or you may also go directly to another module in some cases

If you wish, you can bypass the command center to go directly to a pre-selected module by selecting an option in the CapInvest Menu

Note the special CapInvest Menu. Each Menu Item drops down to reveal sub menu items.







Click this arrow to go back to the main command center

Click these buttons to open respective portals which enable specialized tasks to be carried out

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Gross Value of Transaction

Enter down payment (if any) either as percentage or absolute value. If percentage, click the percent box

Effective value is computed using down payment

Enter Term (years) or click button to calculate same

Enter Finance Rate (%) or click button to calculate same

Enter Period Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Check this box to include service charges as part of return (and not additional return)

Enter a description for Asset

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Enter Tax Rate for Company (%)

Enter Cost of Capital for Transaction (%). This will be used in arriving at the profitability of transaction

Select a Frequency Type

Select a Payment Type

Select a Tax Year End

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Click this arrow to completely exit the program

Click this button to transfer transaction to Profiling Module

Equivalent Flat Rate. To enter a flat rate for transaction, enter flat rate as decimal, and hit 'Return'

Click this button to open the Power Pack Portal which provides greater control in developing transactions

**Vish Tumu Associates - HP**

**CapInvest Finance**

*This wizard can guide you*

Enter Borrower Name: ABC Corporation

Mode: ☒ Finance ☐ Savings

Asset Description: Housing Finance Loan

Direct Expenses: 15,000.00

Service Charges (%): 1.50%

Include in IRR: ☒

Income Tax Rate (%): 36.75%

Cost of Capital (%): 9.00%

Payment Frequency: Monthly

Payment Type: Advance

Tax Year End: 31-Mar

Quotation Date: 5-May-2004 3:35 PM

Contract Start Date: 19-May-2004

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

Goal Seek, Flat Rate, Totalling, Wizard, Defaults, Print, Help, Clear, Random, Import, Export, Prompts, Calendar, Deposit, Reports, Re-Pricing, Zero Rate, Financials, Product, Moratorium, Rate Conv.

Flat Rate: 0.01%

Pre Income	1,442,445.98	98.97%
Pre Charges	15,000.00	1.03%
Revenue	1,457,445.98	100.00%
Expenses	(15,000.00)	(1.03%)
PBIT	1,442,445.98	98.97%
Post Cost	(1,007,663.37)	(69.14%)
PBT	434,782.61	29.83%
TAX	(159,782.61)	(10.96%)
After Tax	275,000.00	18.87%

Power Pack



This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Asset Description

Enter Gross Value of Transaction

Enter Term (years)

Enter Annual Finance Rate (%)

Enter Residual or Future Value

Select a Frequency Type

Select a Payment Type

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Enter Borrower Name

Click this button to transfer transaction to Equated Module

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click this button to redraw the grid with random factors.

Click this button to save transaction as default transaction

Click this button to enter Random Factors into Grid

Click this button to clear the grid of factors or to enter new factors into the grid

Click this button to carry out a Goal Seek

Vish Tumu Associates - hpProfiling

**Finance/HP** *profiled*  
Vish Tumu Associates

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

This grid is the most important part of this module; use the grid to enter profiling factors to compute the repayment schedule; a factor of 1 indicates Base Rental; a factor of 0 indicates no rental in that period; other factors indicate multiples of Base Rental; for example to indicate a rental that is twice the base rental, input a value of 2 into the appropriate cell. To indicate no repayments during a particular year, place the factor of 0 in all cells for that year. To indicate 50% increases in repayment, use the following illustrative factors: 1, 1.5, 2, 2.5, 3, 3.5, and so on or any factor that reflects your requirements. The base repayment changes in response to factors.

Check this box to include service charges as part of return (and not additional return)

The repayment for a period is equal to the base rental multiplied by the factor in the grid

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Click this button to setup a Moratorium Transaction wherein only Interest is collected during Moratorium

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	(11,616.69)	(62.02%)
PBT	7,114.62	37.96%
TAX	(2,614.62)	(13.96%)
Profit After Tax	4,500.00	24.02%

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Click this button for Reverse Engineering of Cash Flows, i.e., compute rate of return from a series of cash flows.

Click this box if computations are to proceed without exchange rate fluctuations being taken into account

Enter the exchange rate between foreign and local currency on date of borrowings

Enter estimated exchange rates between foreign and local currency on repayment date

This is the average rate that is used in calculations and is computed by the program

Enter expenses for negotiating and finalizing the funding

Enter the amount of borrowings in foreign currency

Enter the issue price as a percentage of par value

Help

Click this button to view the help screen for this module

**Cost of Capital**

Vish Tumu Associates - COC

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FX ☒ USD

Opening Rate 1.00

Estimate / Low End 1.00

Estimate / High End 1.00

Average Rate 1.00

Print

**Variables** Defaults

Contract Amount 1,000,000.00

Issue Price 95.00%

Coupon Rate 10.00%

Direct Expenses 150,000.00

Statutory Reserve 11%

Statutory Reserve Interest 5.00%

Enter the coupon rate or borrowing rate for the source

Enter the statutory reserve to be put aside (as a percentage)

Enter the earnings on statutory reserve (as a percentage)

**CAPITAL FLOWS**

Proceeds from Issue	950,000.00
Issue Expenses	(150,000.00)
Net Proceeds from Issue	800,000.00
Statutory Reserve Allocation	(104,500.00)
Investible Funds	695,500.00
Coupon Charges	(100,000.00)
Interest from Statutory Reserve	5,225.00
Net Expense of Funding Source	(94,775.00)

**COST OF CAPITAL**

Net Expense of Funding Source	(94,775.00)
Investible Funds	695,500.00
Pre-Tax COC	13.63%

True Cost of Capital

There are no reports for this module; the entire calculation is set out in this table



This box is filled in automatically with the current date and time

Click Calendar button to select a date for the start of the contract

Select Frequency Type

Select Payment Type

Enter Down payment (if any) either as decimal or absolute value. If percentage, click the percent box

Net Financing is computed using down payment

Enter Term (years) or click button to calculate same

Enter Annual Finance Rate (%) or click button to calculate same

Enter Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Check this box to include LMF charges as part of return (and not additional return)

Power Pack Portal provides greater control in developing transactions

Reports for this transaction. Reports are constantly updated in response to changes to variables

Buttons to open portals which enable specialized tasks to be carried out

**Vish Tumu Associates - Calculator**

**Vish Tumu Associates**

**lease structuring**

Help  
Power Pack  
Reports

**Quotation Date** 15-Feb-2004

**Lease Start Date** 29-Feb-2004

**Frequency** Monthly

**Type** Arrears

**Asset Value** 221,875.10

**(Down Payment)** Percent 15,000.00

**Net Financing** 206,875.10

**Lease Term** 3.00

**Annual Pricing Rate** 16.50%

**Lease Rental** 6,782.72

**Balloon** 25,000.00

**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%

**Lessee Name**

**Description for Asset**

**Lease Management Fee for Transaction (%)**. This will be used in arriving at the profitability of transaction

**Direct Expenses for Transaction**. This will be used in arriving at the profitability of transaction.

**For half depreciation in first year**

**Depreciation Basis**

**Depreciation Method**

**Additional First Year Allowance**

**Tax depreciation rate (%)**

**Tax Year End**

**Tax Rate for Company (%)**

**Cost of Capital for Transaction (%)**. This will be used in arriving at the profitability of transaction

**VAT Rate for Asset (%)**

**Enter Gross Value of Lease**

Post Tax  
Lease Buy  
Profiling  
Import  
Export  
Clear

Flat Rate  
Goal Seek  
Random  
Prompts  
Print  
Default

Product  
Zero Rate  
Repricing  
Rate Conv  
Moratorium  
Financials

**Capinvest**  
Flat Rate N.A.

Lease Rental	269,177.96	98.86%
LMF	3,103.13	1.14%
Revenue	272,281.09	100.00%
Direct Exp	(5,000.00)	(1.81%)
Depreciation	(206,875.10)	(75.98%)
Expenses	(211,875.10)	(77.81%)
PBIT	60,405.99	22.19%
Interest	(44,595.71)	(16.38%)
PBT	15,810.28	5.81%
TAX	(5,810.28)	(2.13%)
PAT	10,000.00	3.67%

Equivalent Flat Rate. To enter a flat rate for transaction, enter flat rate as decimal, and hit 'Return'

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables



Click this button to setup a Moratorium Transaction wherein only Interest is collected during Moratorium

Enter Borrower Name

Click this button for Reverse Engineering of Cash Flows, i.e., compute rate of return from a series of cash flows.

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click this button to transfer transaction to other modules.

This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Asset Description

Enter Value of Transaction

Enter Term (years)

Enter Annual Finance Rate (%)

Enter Residual or Future Value

Select a Frequency Type

Select a Payment Type

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

**Vish Tumu Associates - Profiling**

## Leasing *profiled*

Quotation Date: August 11, 2004

Start Date: 25-Aug-2004

Asset Description: IBM PC

Lessee: ABC Corporation

Investment: 400,000.00

Transaction Period: \$ 0.00

Finance Rate (P.A.): 16.17%

Residual: 5,000.00

Frequency: Quarterly

Payment Type: Arrears

☐ Service Charges

Include in IRR: 1.00%

Direct Expenses: 5,000

## Leasing *profiled*

Grid	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Period 1	2.00	0.00	1.00	1.00	0.00	1.00	0.16	0.00
Period 2	2.00	0.00	1.00	2.00	2.00	0.50	0.20	0.00
Period 3	2.00	0.00	1.00	3.00	0.00	0.25	0.24	0.00
Period 4	2.00	0.00	1.00	4.00	2.00	0.13	0.31	0.00

This grid is the most important part of this module; use the grid to enter profiling factors to compute the repayment schedule; a factor of 1 indicates Base Rental; a factor of 0 indicates no rental in that period; other factors indicate multiples of Base Rental; for example to indicate a rental that is twice the base rental, input a value of 2 into the appropriate cell. To indicate no repayments during a particular year, place the factor of 0 in all cells for that year. To indicate 50% increases in repayment, use the following illustrative factors: 1, 1.5, 2, 2.5, 3, 3.5, and so on or any factor that reflects your requirements. The base repayment changes in response to factors.

Base Repayment: 14,252.66

The repayment for a period is equal to the base rental multiplied by the factor in the grid

Check this box to include service charges as part of return (and not additional return)

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Lease Rental	871,218.22	99.54%
LMF	4,000.00	0.46%
Revenue	875,218.22	100.00%
Direct Exp	(5,000.00)	(0.57%)
Depreciation	(400,000.00)	(45.70%)
Expenses	(405,000.00)	(46.27%)
PBIT	470,218.22	53.73%
Cost of Capital	(327,925.73)	(37.47%)
PBT	142,292.49	16.26%
TAX	(52,292.49)	(5.97%)

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Post Tax: ☐ EMI: ☐

Reports: ☐

Defaults:

Random:

Clear:

Reverse:

Goal Seek:

Print Sheet:

Help:

Click this button to save transaction as default transaction

Click this button to enter Random Factors into Grid

Click this button to clear the grid of factors or to enter new factors into the grid

Click this button to carry out a Goal Seek



Click this button to clear transaction data

For half depreciation in first year

This box is filled in automatically with the current date and time

Calendar button to select a date for the start of the contract

Description for Asset

Lessee Name

Enter Value of Lease or click button to calculate same

Enter Term (years) or click button to calculate same

Enter Annual Finance Rate (%) or click button to calculate same

Enter Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Select frequency Type

Click this button to setup a random transaction

Click this button to set this transaction as a default transaction

Click this button to carry out a Goal Seek on Post Tax Rate of Return

Click this button to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click to transfer this transaction to Leasing Equated Module

Pre-Tax Pricing Rate of Transaction

Expected Post-Tax Rate for non-lease transaction

Actual Post-Tax Rate of lease

Positive or negative effect of depreciation charge

Variance between actual and expected return

Post-Tax Decision Parameters

Additional First Year Allowance (%)

Clear Random

Defaults Print

Flows in Use

Native Profiling

EMI

Goal Seek

Reports

Help

Wrap-Up

Pre-Tax Return 18.00%

Expected Post Tax Return 11.39%

Actual Post Tax Return 12.33%

Depreciation Effect Positive

Variance from Expected 0.95%

Post Tax Return 12.33%

Post Tax Cost of Capital 6.33%

Post Tax Pricing Flexibility 6.01%

Cost of Capital of Transaction 10.00%

Additional First Year Allowance (%)

Post-Tax Decision Parameters

Pre-Tax Pricing Rate of Transaction

Expected Post-Tax Rate for non-lease transaction

Actual Post-Tax Rate of lease

Positive or negative effect of depreciation charge

Variance between actual and expected return

Post-Tax Decision Parameters

Additional First Year Allowance (%)

Click this button to clear transaction data

For half depreciation in first year

This box is filled in automatically with the current date and time

Calendar button to select a date for the start of the contract

Description for Asset

Lessee Name

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Enter Term (years) or click button to calculate same

Enter Annual Finance Rate (%) or click button to calculate same

Enter Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Select frequency Type

Click this button to setup a random transaction

Click this button to set this transaction as a default transaction

Click this button to carry out a Goal Seek on Post Tax Rate of Return

Click this button to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click to transfer this transaction to Leasing Equated Module

Pre-Tax Pricing Rate of Transaction

Expected Post-Tax Rate for non-lease transaction

Actual Post-Tax Rate of lease

Positive or negative effect of depreciation charge

Variance between actual and expected return

Post-Tax Decision Parameters

Additional First Year Allowance (%)



Click this button to restore transaction as in this example even if another transaction has been saved as default.

Click this button to view Reports

Enter the annual lease-pricing rate for the lease (%)

Enter the LMF for the lease (%)

Enter the Lease Term for the lease (years)

Enter the Balloon for the lease (if any)

Enter the value of the asset

Click this button to enter a custom depreciation schedule

Save current transaction as default. Module opens with default transaction.

Sets up a transaction with equivalent lease and buy terms (as an example) – not required otherwise

Clicking one of these buttons calculates a value for that variable at which point leasing and buying are equal

Enter the cost of borrowings of the lessee

Enter the cost of equity of the lessee

Indicates the financial advantage or disadvantage of Leasing

Click this button to transfer variables to Lease Structuring Module

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** EMI

Enter the percentage of debt financing for buying the asset

This value is computed automatically

Enter the tax rate of the lessee (%)

Enter the depreciation rate for the asset (%)

Enter the depreciation type for the asset

Enter the tax life of the asset

Enter the tax delay between Y.E. and actual payment of tax

Click this check box to enter custom lease rentals

Year	Custom Rentals
1	28,200.00
2	28,200.00
3	28,200.00
4	28,200.00
5	28,200.00
6	1,200.00
7	1,200.00
8	1,200.00
9	0.00
10	0.00

First Year Additional Depreciation

**Cost of Leasing** 8.39%

**Cost of Buying** 10.93%

**Lease Outflows** (68,103)

**Buy Outflows** (73,406)

The flows associated with buying and leasing an asset

Click this tab if accumulated principal is to be recovered via equal repayments of Principal - a common practice with development finance institutions - or transfer the accumulated balance to the mother module and price the transaction there.

Portal opens with default date from Module. You can enter a new date.

Enter Moratorium Period in Months

The End Period is calculated by the Portal

Click the 'Moratorium' button to open this portal. You may also click this button

The screenshot shows the 'CapInvest / Moratorium Transactions' window. On the left is a sidebar with various buttons and fields. The main window has two tabs: 'Moratorium' (selected) and 'Repayments'. The 'Moratorium' tab contains a 'Moratorium' section with 'Start Date' (Feb-16-2004), 'Months' (12), and 'End Date' (Feb-15-2005). Below this is an 'Accumulation' section with 'Principal' (1,000,000.00), 'Annual Rate' (12.15%), 'Compounding' (Monthly), 'Updated Principal' (1,128,499.67), 'Add / Deduct' (0), and 'Final Principal' (1,128,499.67). At the bottom, there is a 'Rate Calculation' section with 'Simple' and 'Compound' radio buttons, and a 'Print' button. A red button is located at the bottom right of the 'Accumulation' section.

Click this tab if accumulated principal is to be recovered via equal repayments of Principal - a common practice with development finance institutions - or transfer the accumulated balance to the mother module and price the transaction there.

Portal opens with default date from Module. You can enter a new date.

Enter Moratorium Period in Months

The End Period is calculated by the Portal

Click the 'Moratorium' button to open this portal. You may also click this button

Portal opens with default Principal from Module. You can enter a new Value.

Portal opens with default Rate from Module. You can enter a new Value.

Select a Compounding Frequency from drop box

Accumulated Value of Principal

Carry out further changes via addition or subtraction

Select a calculation basis for accumulating Principal

This is the Principal that is due after Moratorium

Click the Print button to Print Moratorium Report to a separate worksheet

Click the Red button to transfer accumulated Principal to Mother Module

CapInvest / Moratorium Transactions

Moratorium | Repayments

Moratorium

Start Date: Feb-16-2004

Months: 12

End Date: Feb-15-2005

Accumulation

Principal: 1,000,000.00

Annual Rate: 12.15%

Compounding: Monthly

Updated Principal: 1,128,499.67

Add / Deduct: 0

Final Principal: 1,128,499.67

Rate Calculation

Simple | Compound

Print

Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchase: 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



Click this button to print calculations to a separate worksheet, including the Original Principal, the accumulated Principal and the Repayment Schedule for the transaction along with period finance charges

Vish Tnuu Associates - HP

# CapInvest finance

**Outstndn Date**  
2-Feb-2004 2:28 PM

**Contract Start Date**  
16-Feb-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

## 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 is the accumulated Principal after the Moratorium. You may also enter a new value

Enter the Repayment Period

Select a Repayment Frequency

Select a Repayment Type

Enter the annual finance charges

This is the equal Principal Repayment to which finance charge of a period will be added to arrive at the total repayment of a period



Click this button to open a form for developing a transaction wherein interest only is collected during Moratorium Period.

This effect is obtained by inputting appropriate profiling factors into cells representing periods during which interest only is collected from customer - in this example, Years 1-3.

The 'Interest-only Moratorium' Form computes and inserts profiling factors into cells representing Years 1-3.

A user needs to identify Moratorium Cells by clicking the small button on the right side of the text box in the form - doing so enables a user to switch to the grid to identify cells by dragging across the grid.

As can be noted from the example above, this is a 7 Year transaction with a moratorium of 3 years. The profiling factors in the grid have been computed by the form such that when the factor in the grid is

multiplied by the base repayment, it would be equal to the interest due on outstanding principal. The Principal (along with interest on outstanding principal) is collected during years 4-7 via the base repayment of 2106.71. This is indicated by entering the profiling factor of 1 in Years 4-7 (or any other factor that reflects repayment preference of the customer).

**Finance/HP** *profiled*

Vish Tumu Associates

Quotation Date: August 17, 2004

Contract Start: 31-Aug-2004

Asset: IBM PC

Borrower: ABC Corporation

Value: \$0,000.00

Term (Years): 7.00

Finance Rate (P.A.): 12.00%

Residual / Future: 0.00

Payment Frequency: Monthly

Payment Type: Arrears

Service Charges (%): 1.50%

Include in IRR: ☐

Direct Expenses: ☐

Grid	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Period 1	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 2	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 3	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 4	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 5	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 6	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 7	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 8	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 9	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 10	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 11	0.33	0.33	0.33	1.00	1.00	1.00	1.00
Period 12	0.33	0.33	0.33	1.00	1.00	1.00	1.00

Base Repayment: 2,106.71

Finance Income: 49,921

Service Charges: 1,200

Total Revenue: 51,121

Direct Expenses: 0.00

PBIT: 51,121

Interest Cost: (40,291)

PBT: 10,830.17

TAX: (3,900.09)

Profit After Tax: 6,850.08

Asset Value: \$0,000.00

Loan Start Date: 31-Aug-2004

First Payment Date: 1-Oct-2004

Last Payment Date: 1-Sep-2011

Total Repayment: 129,921.93

Period Pricing Rate: 1.00%

Product Pricing Rate: 1.00%

Interest-Only Moratorium Transaction

Use this form to set up Profiling Factors whose effect is to develop a repayment schedule wherein only interest on outstanding principal is collected during Moratorium Period - a practice common with educational loans.

To get started, enter 1 (or any other profiling factor) into cells where repayment will include Principal + Interest on outstanding Principal. For example: Years 4 through 7.

Next, click the button on the right side of the edit box below to select periods during which interest only is included in Repayment (and not also Principal). For example: Years 1 through 3.

The profiling factors needed to achieve this result are calculated and inserted into the identified cells.

Select Moratorium Periods

Profiling!\$F\$8:\$H\$19

Insert Profiling Factors

Click the Future Value tab to work with a situation where a customer places a deposit that is to be refunded at end of transaction. If you need to integrate the security deposit with transaction pricing, click the 'True Return' tab

Enter customer deposit in this box and select choices from the other boxes below to arrive at the amount to be repaid to the depositor on end of the deposit period.

Click this button to open the security deposit portal.

Instead of repayment of deposit, you may also adjust the same against transaction repayments - to do so, click the Transfer button. This transfers the accumulated value of deposit to the Future Value cell in the Mother Module and will recalculate the period repayment. In this scenario, the period repayment will be reduced since the financial institution claims the deposit on end of transaction

**CapInvest / Security Deposit Transactions**

Future Value | True Return | Calculation Report

**CapInvest** *finance*

**Quotation Date**  
2-Feb-2004 2:28 PM

**Contract Start Date**  
16-Feb-2004

**Borrower / Hire Purchaser**  
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

**Deposit**

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

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

Compounding Frequency

Future Value of Deposit. This is the accumulated value of the Deposit due to the depositor.

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

0.00

0.09

18.00

Monthly

0.00

Transfer



Click the True Return Tab to integrate Security Deposit into Transaction Pricing. This page enables an institution to examine the effect of receiving a deposit on the bottom line of a transaction and thus, to develop Transaction Pricing taking into account the effect of the deposit. The True Return is the return from the transaction after integrating the security deposit into the transaction.

These default values are from the transaction from the mother module - you may change these values by entering different values

Click this button to import a transaction from the Mother Module into the Portal

Click this button to export a transaction from the Portal into the Mother Module

Enter Security Deposit Parameters into these boxes - Amount, Rate

Note the True Return from transaction which is influenced by the terms of the deposit - when no finance charge is payable on the deposit, the True Return is higher than the Transaction Return and a financial institution has the flexibility to lower the transaction rate so that the true return is equal to the transaction rate.

The screenshot displays the 'CapInvest / Security Deposit Transactions' window. It features a sidebar on the left with buttons for 'Import', 'Export', and 'Loan / HP Value'. The main area has three tabs: 'Future Value', 'True Return' (selected), and 'Calculation Report'. The 'True Return' tab contains several sections: 'Transaction Details' with fields for Asset Value (1,000,000.00), Financing Rate (12.15%), Years (18), Frequency (Monthly), Future Value (0.00), Repayment (11,307.62), and Type (Advance); 'Security Deposit Value' with a spin button and a text box for the percentage rate (10.00%); and 'Security Deposit Finance Rate' with a spin button and a text box for the percentage rate (0.00%). At the bottom, there are fields for 'Deposit Present Value' (11,349.43), 'Deposit Future Value' (100,000.00), and 'True Return' (13.78%). A red button is located at the bottom right.

Click the Red Button to carry out a goal seek on True Return by changing security deposit parameters



Click this button to print calculations to a separate worksheet where you may examine the underlying equations in arriving at different values

This box summarizes the transaction



This box summarizes the security deposit parameters. Note that a security deposit of 100,000 with no finance charges has a future value of 100,000. However, the present value of 100,000 payable 18 years in future is 11,349.43 (discounted with the transaction rate of 12.15%). Thus, the present value reduces the initial investment in the transaction.

To view the calculation of Net Investment in Transaction, double click this box - as can be noted, the net investment is equal to the outflow of 1,000,000 plus the security deposit of 100,000 (inflow) plus the present value of security deposit of 11,349.43 (outflow) which results in a net investment outflow of 911,349.43. Since the net investment has dropped, the true rate of return rises to 13.78%

Vish Tumu Associates - HP

### CapInvest / Security Deposit Transactions

Future Value | True Return | Calculation Report

Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire-Purchaser: 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

#### Transaction Details

Transaction Value	1,000,000.00	Transaction Type	Advance
Term (Years)	18	Period Repayment	11,307.62
Nominal Rate (%)	12.15%		
Future Value	0.00		
Transaction Frequency	Monthly		

#### Deposit Details

Deposit (%)	10.00%	Deposit Rate	0.00%
Deposit (\$)	100,000.00	Compounding Frequency	Monthly
		Security Deposit Future Value	100,000.00
		Security Deposit Present Value	11,349.43

#### Transaction Wrap-Up

Net Investment in Transaction	Period Repayment	Periods	Future Value	True Return
(911,349.43)	11,307.62	216	0.00	13.78%

Click the Goal Seek button to open the Goal Seek Portal

### STEP TWO

Enter a new value in this box for the target that was selected in Step One. The existing value is in the box next to the Red Button

### STEP ONE

Select a Target by clicking one of the Red buttons. The values next to the red buttons are the existing values that you can change by entering a new value in Step Two. Values are from the transaction in the Mother Module

**CapInvest / Goal Seek Portal / LOAN HP Module**

**STEP 1 / Select a "Target" by clicking a Red Button**

pmt Frequency	Monthly
pmt Type	Advance
Investment	1,000,000.00
<b>Finance Income</b>	1,442,445.98
LMF Income	15,000.00
<b>Total Revenue</b>	1,457,445.98
Total Expenses	(15,000.00)
<b>DEBT</b>	1,442,445.98
Interest Cost	(1,007,663.37)
<b>PMT</b>	434,782.61
TAX	(159,782.61)
<b>PAT</b>	275,000.00

**STEP 2 / Enter New "Value" for Target**

Enter desired Target Value in Cell

**STEP 3 / Select a Variable to change by clicking a Green Button**

<b>Pricing Rate</b>	12.15%
<b>Term</b>	18.00
<b>LOAN / HP</b>	1,000,000.00
<b>Down Pmt</b>	0.00
<b>EFF Financing</b>	1,000,000.00

**Wrap-Up / Goal Seek Choices**

"Target" Variable

"Change" Variable

**STEP 4 / Carry Out Goal Seek**

**Goal Seek**

**Left Sidebar:**

Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-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

These boxes contain Goal Seek Choices

Click this button to carry out a Goal Seek. Note the new values as calculated per specification

### STEP THREE

Select a Variable to change to arrive at the Target value, by clicking one of the green buttons. The existing values for these variables are in the boxes next to the buttons



Click the Flat Rate Button to open the Flat Rate Portal

Click this tab to view Flat Rate Calculations

Click this tab to read an overview of Flat Rate Calculations

Enter the Rate and Term in these boxes

Select an option: you can convert a True Rate to Flat Rate or vice versa

Indicate the frequency and type for the Rate using these drop down boxes

The screenshot shows the 'CapInvest / Flat Rate Calculator' window. The interface includes a sidebar with various input fields, a central calculation area with tabs for 'Rate Calculator', 'Calculations', and 'Overview', and a right-hand panel with a table of results. Annotations with red lines point to specific elements: the 'Flat Rate' button in the sidebar, the 'Calculations' tab, the 'Overview' tab, the 'Term (Years)' and 'Annual Rate (%)' input boxes, the 'TRUE to FLAT' and 'FLAT to TRUE' radio buttons, the 'Frequency' and 'Type' dropdown menus, the 'Equivalent FLAT Rate' output box, and the 'Transfer to Module' button.

**CapInvest / Flat Rate Calculator**

Rate Calculator | Calculations | Overview

Select a Conversion Option

☒ TRUE to FLAT

☐ FLAT to TRUE

TRUE Rate Variables

Term (Years): 18

Annual Rate (%): 12.15%

TRUE Rate Variables

Frequency: Monthly

Type: Advance

Equivalent FLAT Rate: 8.01%

Transfer to Module

**Table of Results:**

Value	Percentage
42,445.98	98.97%
5,000.00	1.03%
57,445.98	100.00%
5,000.00	(1.03%)
42,445.98	98.97%
57,663.37	(59.14%)
4,782.61	29.83%
59,732.61	(10.98%)
5,000.00	18.87%

NPV of Deal: 216,561.51

This box sets out the equivalent rate for the exercised choice

If a Flat Rate is converted to True Rate, this button is enabled and you can click to transfer the true rate to the Mother Module

Click the Wizard Button to open this Form. This form is useful in developing a transaction when a user is new to the program.

The Wizard provides a step by step approach in developing a transaction.

As the user makes choices, these are transferred to the relevant cells in the Mother Module and the user can see the process at work.

Note the various tabs: Step 1, Step 2, Step 3

Once a user is familiar with the program it is unlikely this wizard will be used to develop a transaction since direct interaction with the module provides more control

What is your OBJECTIVE for this TRANSACTION?

You can calculate any of the following pricing variables by providing values for the other four variables in Step 3.

As you make your choices and fill in required data, keep an eye on the background where you will be able to see your choices being transferred into the appropriate cells in the module. If this form is in the way, you can move it to the side to get a better view of the module.

To get started with the TRANSACTION, make a selection from the following.

Set an Objective for the Transaction by Selecting one of the following

- ☒ Calculate Periodic Repayment for a loan / hp
- ☐ Calculate the Amount to be Financed
- ☐ Calculate a Future Repayment
- ☐ Calculate the Annual Interest Rate
- ☐ Calculate Number of Periods for the Transaction

Quotation Date:	2-Feb-200
Contract Start Date:	16
Borrower / Hire Part:	ABC C
LOAN / HP Value:	
(Down-Payment):	
Percent:	
Effective Loan / HP:	
Loan Period (Years):	
Finance Rate (P.A.):	
Period Repayment:	
Residual (Future):	

0.00 31-Mar NPV of Deal 0.00



Click the Repricing button to open the Repricing Portal

Enter the number of payments received at which point you wish to reprice the transaction - note this is not years but payments received

This opening balance is from the transaction in the mother module. You cannot change this value since it is linked to the terms for the transaction

This is the amount that been repaid to date (given payments received to date)

This is the outstanding balance at the start of the repricing exercise

Follow instructions to calculate a revised principal and to reprice the same for a secondary term. This could include levying penal interest, additions or deductions to principal, new pricing parameters, and so on.

Vish Tumu Associates - HP

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

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 Uptodate 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

Click this button to print the Repricing Exercise to a separate worksheet

Click this button to transfer Updated transaction to Mother Module



Click this tab to view the Report for this transaction and to print the transaction to a separate worksheet

Click this tab to read an overview of the process of developing zero rated or concessional finance transactions

Click the Zero Rate button to open the Zero Rate Portal. Use the Portal to develop transactions that incorporate no finance charge or concessional finance charge to end user.

The difference is made up by contribution from a third party such as manufacturer or dealer

### STEP ONE

Set up a customer friendly transaction using these boxes.

For example, to develop a zero finance product, set financing rate to 0. As you develop the transaction, note the repayment of the transaction which reflects the concessional finance

Click this button to transfer the transaction to the Mother Module

Click this tab to view the Report for this transaction and to print the transaction to a separate worksheet

Click this tab to read an overview of the process of developing zero rated or concessional finance transactions

Click the Zero Rate button to open the Zero Rate Portal. Use the Portal to develop transactions that incorporate no finance charge or concessional finance charge to end user. The difference is made up by contribution from a third party such as manufacturer or dealer

**STEP ONE**  
Set up a customer friendly transaction using these boxes. For example, to develop a zero finance product, set financing rate to 0. As you develop the transaction, note the repayment of the transaction which reflects the concessional finance

**STEP TWO**  
Enter the normal expected rate of the institution in this box. As you do so, the compensation that needs to flow from the third party is shown in this box.

Click the Financials Button to generate this report.

This report sets out the financials of the transaction for all payment frequencies, such as monthly, quarterly, and so on.

To see financials for payment type, click the 'Click Me' button to toggle between Advance and Arrear Type Payments.

Note the difference in PAT for various payment frequencies:

PAT will be highest for Monthly and lowest for Annual when payment is in Advance.

Conversely, PAT will be lowest for Monthly and highest for Annual when payment is in Arrears.

You can enter a new values for items in red (Principal, Term and Rate) in the box next to the label and the financials will update - for example, you can change the term to a different term without going to the Mother Module, by entering the same in the box

Click this button to toggle between Advance and Arrear Type Payments

Click this button to print the financials to a separate worksheet

Vish Tumu Associates - HP

CapInvest / Financials by 'Payment' Frequency

ABC Corporation

Print Type / Advance

Click Me

Transaction Parameters

Principal	1,000,000.00
Term	18
Rate (p.a.)	0.121512884
Residual	00.00
Cap Cost	9.00%
Tax	36.75%
Fee	1.50%
Expenses	15,000.00
Print Type	Advance

Number of Payments

Period Repayment

First Pmt Date

Last Pmt Date

Finance Income

Fee

Gross Income

Expenses

PBIT

Cap Cost

PBT

Tax

PAT

Monthly	Quarterly	Half Yearly	Yearly
216.00	72.00	36.00	18.00
11,307.62	33,349.15	65,059.51	124,097.50
Feb-16-2004	Feb-16-2004	Feb-16-2004	Feb-16-2004
Jan-16-2022	Nov-16-2021	Aug-16-2021	Feb-16-2021
1,442,445.98	1,401,138.80	1,342,142.47	1,233,754.95
15,000.00	15,000.00	15,000.00	15,000.00
1,457,445.98	1,416,138.80	1,357,142.47	1,248,754.95
(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)
1,442,445.98	1,401,138.80	1,342,142.47	1,233,754.95
(1,007,663.37)	(984,121.37)	(950,055.57)	(886,074.52)
434,782.61	417,017.43	392,086.90	347,680.42
(159,782.61)	(153,253.90)	(144,091.94)	(127,772.56)
275,000.00	263,763.52	247,994.96	219,907.87



Click the 'Product' button to open the Product Developer Portal where you may develop advanced products, both financial and savings. Read the documentation for developing products for a detailed discussion of the topic

Click this tab to enter recurring items for a transaction

Click this tab to enter non-recurring items for a transaction

This tab sets out the Capitalized Value of the Transaction which is the aggregate of recurring and non-recurring items

This is the Lending Rate of Institution used for disbursements made prior to the start date of the transaction

This is the Savings Rate of Institution used for disbursements made after the start date of the transaction

Click this button to open recurring items for a transaction

Click this button to open non-recurring items for a transaction

The screenshot shows the 'CapInvest / Product Developer' window with the following components and annotations:

- Window Title Bar:** Vish Tumu Associates - HP
- Tab Bar:** Capitalized Value (selected), Recurring Items, Non Recurring Items, Introduction, Creating Products.
  - Annotation: "Click this tab to enter recurring items for a transaction" points to the 'Recurring Items' tab.
  - Annotation: "Click this tab to enter non-recurring items for a transaction" points to the 'Non Recurring Items' tab.
- Capitalized Value Section:**
  - Transaction Start Date: Feb-16-2004
  - Annual Rate (Lending): 0.121512884
  - Annual Rate (Savings): 0.090000000
- Transaction Value Section:**
  - TOTAL Recurring Items: 0.00
  - TOTAL Non-Recurring Items: 1,000,000.00
  - Capitalized value of Transaction: 1,000,000.00
- Compounding Section:**
  - Pre-Start: Monthly
  - Post-Start: Monthly
- Buttons:**
  - Transfer: "Click this button to transfer capitalized value to Mother Module"
  - Example: "Click this button to select an example of a Financial or Savings Product"
  - Clear: "Click this button to clear transaction data"
  - Recurring: "Click this button to open recurring items for a transaction"
  - Non Recurring: "Click this button to open non-recurring items for a transaction"
- Product Type Section:**
  - Financial (selected)
  - Savings
- Annotations on the right:**
  - "From Recurring Items Page" points to the 'TOTAL Recurring Items' field.
  - "From Non-Recurring Items Page" points to the 'TOTAL Non-Recurring Items' field.

If product is a Finance Product, the capitalized value is transferred to Value Cell. If product is a Savings Product, the capitalized value is transferred to future Value cell.

Click this tab to enter recurring items for a transaction - for example, annual insurance payments

These items are from the Mother Module but can be changed to different values

Select the frequency of payment: Monthly, Quarterly.....

Enter the number of repeats; for example: 5

Enter the investment amount

Enter the date of investment

The number of days between start date of transaction and investment date is calculated automatically by the program

Vish Tumu Associates - HP

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

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

Annual Rate (Lending): 0.121512884

Annual Rate (Savings): 0.090000000

Transaction Start Date: Feb-16-2004

Recurring Items / Indicate Frequency, Number of Repeats and Other Details

Frequency	Repeats	Investment Amount	Date	Days	DCF 1	DCF 2
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0

(Main) Click to go to Main Screen of Portal

Non Recurring Click to go to Non-Recurring Items

Clear Click to clear items

Total of DCF 1: 0.00 Total of DCF 2: 0.00

DCF 1 and DCF 2 are calculated using the dates relevant to the transaction



Click this tab to enter non-recurring items of a transaction

These items are from the Mother Module but can be changed to different values

Enter the investment amount

Enter the date of investment

The number of days between start date of transaction and investment date is calculated automatically by the program

DCF is calculated using the dates relevant to the transaction, i.e., start date and date of investment. Discounting is carried out using Lending or Savings Rate as appropriate

Vish Tumu Associates - HP

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: Feb-16-2004

Annual Rate (Lending): 0.121512884

Annual Rate (Savings): 0.090000000

Non-Recurring Items

Investment Amount	Date	Days	DCF
1,000,000.00	Feb-16-2004	0	1,000,000.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00

Main | Recurring

Click to go to Main Screen of Portal

Click to go to Recurring Items

Clear

Total of DCF: 1,000,000.00

Click to clear items



To reconvert the effective rate as calculated in the table on the extreme right into an equivalent nominal rate for use in the transaction in the Mother Module, enter the compounding frequency for the transaction

This is the reconverted nominal rate that serves as a bridge between two differing rate platforms, for use in the transaction

Click the Rate Conv button to open the Rate Conversion Portal. You may also click this button to open the portal

The screenshot shows the 'CapInvest / Rate Conversion Form' window. On the left is a sidebar with the 'CapInvest finance' logo and a list of transaction details: Quotation Date (2-Feb-2004 2:30 PM), Contract Start Date (16-Feb-2004), Borrower / Hire Purchaser (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), and Residual / Future (0.00). The main window has tabs for 'Convert', 'Introduction', and 'Example'. The 'Convert' tab is active, showing instructions and a clock icon. It contains a 'Transaction Conversion Periods' field set to 12 and a 'Transaction Equivalent Annual Rate (%)' field set to 0.121512884. On the right, there are two 'Annual Rate (%)' input boxes: 'Nominal' (0.121512884) and 'Effective' (0.128514066). Below these are 'Calculate' buttons for 'Nominal' and 'Effective'. Annotations with red lines point to various fields: the 'Effective Loan / HP' field in the sidebar points to the 'Effective' rate box; the 'Finance Rate (P.A.)' field points to the 'Transaction Equivalent Annual Rate (%)' field; the 'Rate Conv' button in the sidebar points to the 'Calculate' buttons; the 'Nominal' rate box points to the 'Nominal' button; the 'Effective' rate box points to the 'Effective' button; and the 'Transaction Conversion Periods' field points to the 'Effective' button.

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.

Transaction Conversion Periods

12

Transaction Equivalent Annual Rate (%)

0.121512884

Annual Rate (%)

Nominal

0.121512884

Annual Rate (%)

Effective

0.128514066

Calculate

Nominal Effective

Enter the Nominal Annual Rate in this box or calculate the same by clicking the Nominal button below after entering the Effective Rate

Enter the conversion periods in this box; for example, enter 365 for daily compounding, 12 for monthly compounding, and so on

Enter the Effective Annual Rate in this box or calculate the same by clicking the Effective button below after entering the Nominal Rate

Click these button to calculate Rates after first entering the required information in the boxes above

Clicking either of the red buttons transfers the nominal rate in that box to the Mother Module's Rate cell

Click the Power Pack Button to open the Power Pack Portal

Click this tab to go to the Ingredients Page - ingredients are analytical components that you may add to the basic transaction with a view to lowering the cost of repayments while maintaining the institution's rate of return.

The default transaction is from the Mother Module. You may enter different values for all variables except the repayment which is locked. This is a transaction without any ingredients - this is the raw transaction to which ingredients are added to develop a flexible transaction

Expiry Date of the Program

**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)
1,000,000.00	18.00	11,306.77

Frequency	Type	Expected Annual Rate (%)
Monthly	Advance	12.15%

Dec-31-2004



This transaction is from the earlier page and cannot be changed in this page. If you need to change transaction variables, backtrack to the earlier page, make changes and return to this page

Note the four ingredients labeled as A, B, C, D. The customer repayments and rate drops in response to addition of ingredients

Enter Processing Fee as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the processing fee and thus, the overall rate of return of the transaction is as before

Enter Transfer Fee payable on end of transaction as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the transfer fee and thus, the overall rate of return of the transaction is as before

Enter purchasing discounts negotiated with suppliers of goods as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the purchasing discount and thus, the overall rate of return of the transaction is as before

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CapInvest / Power Pack Portal

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

Basic Transaction

Transaction Value	Term (Years)	Repayment	Frequency	Type
1,000,000.00	18.00	11,306.77	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 (%)

Rate	Frequency
0	Monthly

Present Value: 0.00, Future Value: 0.00

Transaction Rates

Required Rate	Customer Rate
12.15%	12.15%

Reset | Transfer | Print | OK

Click this button to clear ingredients

Click this button to transfer transaction to module

Click this button to print transaction details to a separate worksheet

Enter Security deposit parameters into these boxes, including, amount, finance rate and frequency

Click this button to close the portal

CapInvest finance

Quotation Date: 2-Feb-2004 2:30 PM

Contract Start Date: 16-Feb-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



This page sets out the calculations for the Institution's Rate by relating the lower repayments to the additional income from ingredients. The boxes on the left set out the net investment in the transaction while the boxes on the right set out the repayment from customer. The rate of return is obtained by relating the net investment to repayments from customer

Vish Tumu Associates - HP

CapInvest / Power Pack Portal

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

**Investment**

Transaction Face Value: (1,000,000.00)

Processing Fee: 0.00

Purchasing Discount: 0.00

Security Deposit: 0.00

Security Deposit (PPV): 0.00

Investment Reduction: 0.00

Net Investment: (1,000,000.00)

**Repayment**

Repayment: 11,306.77

Transfer Fee: 0.00

Repayment Term: 18.00

Repayment Frequency: Monthly

Repayment Periods: 216

Repayment Type: Advance

**Institution Rate**

12.15%

Quotation Date: 2-Feb-2004 2:30 PM

Contract Start Date: 16-Feb-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



This page sets out the calculations for the Customer Rate by relating the investment in the transaction to the repayment to financial institution

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### CapInvest / Power Pack Portal

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

**Transaction Profile**

Transaction Value:	1,000,000.00
Processing Fee (%)	0.00%
Transfer Fee (%)	0.00%
Security Deposit (%)	0.00%
Security Deposit Interest (%)	0
Repayment	11,306.77
Repayment Periods	216
Repayment Frequency	Monthly
Repayment Type	Advance

**Customer Rate**

12.15%

**CapInvest finance**

**Quotation Date**  
2-Feb-2004 2:30 PM

**Contract Start Date**  
16-Feb-2004

**Borrower / Hire Purchaser**  
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





After using the Power Pack Portal to develop a transaction, the same needs to be transferred to the Mother Module for generating reports. This page explains the transfer process so that a user may fully appreciate the transaction and be able to process the same further in the mother module

Vish Tumu Associates - HP

**CapInvest / Power Pack Portal**

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

**CapInvest** *finance*

**Quotation Date**  
2-Feb-2004 2:30 PM

**Contract Start Date**  
16-Feb-2004

**Borrower / Hire Purchaser**  
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

**TRANSFERS**  
After a transaction has been developed with the Power Pack Portal, this needs to be transferred to the Mother Module by clicking the 'Transfer' button. Transfer to the Module enables a user to access the several reports that are automatically generated by the module for every transaction, including transactions developed with the Power Pack Portal. Thus, the Power Pack Portal Transaction enters main-stream analysis from this point onwards and is captured for inventorying, reporting, follow-up and other operational activities.

Items from the 'Portal' (left side) are transferred to the Module (right side) as follows and the rate of return of the transaction (institutional rate) is calculated by the Module after the transfer is complete:

Transaction Value (\$)	Transferred to Gross Value Cell
Term (Years)	Transferred to Loan Period Cell
Repayment (\$)	Transferred to Period Repayment Cell
Frequency	Transferred to Payment Frequency
Type	Transferred to Payment Type
Processing Fee (%)	Transferred to Service Charge Cell
Transfer Fee (\$)	Transferred to Future Value Cell
Purchase Discount (%)	Transferred to Down Payment Cell
Security Deposit	Not Transferred
Interest on Security Deposit	Not Transferred

**PROCESSING FEE**  
Since the Module levies Processing Fee on the Effective Value of Financing and since Purchasing Discount (used in the Portal) will go to lower the Effective Value, the Service Fee that is transferred to the Module is automatically adjusted upwards so that the Absolute amount of Service Fee is equal to the amount that has been used in developing the transaction in the portal – otherwise, the Service Fee in the Module will be less than the Service Fee in the Portal. This situation does not arise if a transaction has not employed purchasing discount as an ingredient – in such situations, the Service Fee in the module will be the same as in the portal and the transfer takes place normally.

**RATE OF RETURN**  
After transferring items from the Portal to the Module, the Rate of Return of the transaction (Institution Rate) as calculated in the Module and the Institution Rate as calculated in the Portal will differ as follows:

**Situation 1 / No Security Deposit**  
In a situation where a transaction has been developed without employing Security Deposit as an ingredient, the Rate of Return in the Module and the Rate of Return in the Portal will be the same. The Module fully reflects all ingredients that have been used in developing a transaction, such as Processing Fee, Transfer Fee, and Purchasing Discount. There is fully parity between the results.

**Situation 2 / With Security Deposit**  
In a situation where a transaction has been developed using Security Deposit parameters, the Rate of Return in the Module will be lower than the Rate of Return in the Portal because the pricing parameters in the Module do not include Security Deposit Parameters. While the gains from Security Deposit are not reflected in the Rate of Return in the Module, nevertheless, the gains accrue to the institution.



Click the Reverse button to open the Reverse Engineering Portal. This portal is accessible only from the Profiling Modules.

You can use the Reverse Portal for three different tasks:

(1) Analyze a set of cash flows to compute the Rate of Return embedded in the cash flows (given Principal Value) - to do so, set transaction parameters, such as term, principal, payment type and frequency and so on. The grid redraws itself to reflect the transaction. Enter absolute cash flows into the grid. Click the 'Rate' button to compute the Rate.

(2) Analyze a set of cash flows to compute the Present Value of flows (given rate) - to do so, set transaction parameters, such as term, rate, payment type and frequency and so on. The grid redraws itself to reflect the transaction. Enter absolute cash flows into the grid. Click the 'Principal' button to compute the Present Value of flows.

(3) You can also use this portal to set up a flexible repayment schedule using absolute repayment values (as contrasted to profiling factors). To do so, set transaction parameters, such as term, rate, principal, frequency, type and so on, and enter absolute repayments into the grid. Select one cell for balancing the transaction and click the 'CF' button. The portal calculates a value for the chosen cell such that the transaction is in financial

harmony - i.e., a positive value in the selected cell indicates amount due by customer, a negative value indicates amount due to customer. This way, a customer can draw a repayment schedule that reflects his repayment preferences rather than the institution drawing up the repayment schedule.

**Finance/HP profiled**  
Vish Tumu Associates

Quotation Date: February 9, 2004

Contract Start: 23-Feb-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%

Include in IRR: ☐

Direct Expenses: 0

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: 783.39

capinvest

Asset Value: 80,000.00

Loan Start Date: 23-Feb-2004

First Payment Date: 23-Feb-2004

Last Payment Date: 23-Jan-2007

Total Repayment: 97,531.21

Period Pricing Rate: 1.24%

Period Pricing Rate: 36.00

Profit After Tax: 4,500.00 24.02%

CapInvest / Reverse Engineering

ReWind

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.

Principal Rate

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.

CF



Click the 'Savings Loan' button in the Mother Module to open this portal.

Use this portal to develop 'Savings-Loan' Housing finance products.

Read the 'Savings-Loan' document for details on developing such products.

A 'Savings Loan' Product combines features of a savings and a financial product to offer a facility to a customer to save a contracted amount of money over a contracted period of time and in return, to receive a loan to buy a home at a concessional rate. This portal offers several variables to manipulate the 'Savings' and 'Loan' dimensions of the transaction to develop a product that fully reflects customer requirements.

CapInvest / Savings-Loan Portal

Introduction | Product

### Savings Loan

Use this Portal to develop customized 'Savings-Loan' Products, wherein a customer makes periodic savings deposits over a contractual period and in return, receives a loan at a concessional rate for buying a home. Such schemes encourage Savings in an economy and have other advantages. It is up to the institution to pay or not-pay interest on deposits. In general, non-payment benefits the customer since there would be no tax on Savings while Savings influence the concessional rate on the loan. This portal provides the tools to relate the 'Savings' and 'Loan' dimensions of a transaction to manipulate relevant variables, without compromising the rate of return expectations of a financial institution. When the 'Net Position' of a transaction is positive, an institution is earning more than the expected rate; when the Net Position is negative, the opposite is true. Thus, the 'Net Position' can be driven to zero (break-even) by changing the value of variables identified by red buttons - clicking a button will lead to a recalculation of the variable to arrive at a Zero Net Position for the transaction. Several variables can be set to develop a fine-tuned transaction.

---

Transaction Date: Aug-18-2004

Contract Start Date: Sep-1-2004

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Customer Name: ABC Corporation

Transaction Number: 081804 -

Click this button to go to the next page of Portal to develop the transaction.



Note the LOAN Parameters which are entered into these boxes

Note the RATE Parameters which are entered into these boxes. Click a Green button to unlock a text box to enter a RATE Parameter - by default, RATE text boxes are locked

Clicking a Red button recalculates that variable to arrive at a zero NET position - the break even value for the transaction

Note the SAVINGS Parameters which are entered into these boxes

Note the NET Position of the transaction - a positive balance indicates institution is in surplus position and can sweeten the transaction further; a negative position indicates the opposite.

CapInvest / Savings-Loan Portal

Introduction | Product

<b>RATE Parameters</b>	
Savings Rate (p.a.)	<input type="text" value="4.00%"/>
Lending Rate (p.a.)	<input type="text" value="7.50%"/>
Concessional Rate (p.a.)	<input type="text" value="5.75%"/>

<b>SAVINGS Parameters</b>	
Period Savings Amount	<input type="text" value="7,500.00"/>
Savings Term (Years)	<input type="text" value="10"/>
Savings Frequency	<input type="text" value="Monthly"/>
Total Savings	<input type="text" value="900,000.00"/>
Accumulated Interest	<input type="text" value="204,373.54"/>
Accumulated Savings	<input type="text" value="1,104,373.54"/>

<b>LOAN Parameters</b>	
Loan Multiple	<input type="text" value="3"/>
Sanctioned Loan	<input type="text" value="2,700,000.00"/>
Total Customer Resources	<input type="text" value="3,600,000.00"/>
Loan Repayment Period	<input type="text" value="10"/>
Repayment Frequency	<input type="text" value="Monthly"/>
Repayment Type	<input type="text" value="Advance"/>
Repayment (concessional rate)	<input type="text" value="29,496.35"/>

<b>NET Position</b>	
Sanctioned Loan	<input type="text" value="2,700,000.00"/>
PV of Repayments (lending rate)	<input type="text" value="2,500,443.35"/>
Principal Recovery (Shortfall) / Surplus	<input type="text" value="(199,556.65)"/>
Accumulated Interest	<input type="text" value="204,373.54"/>
<b>Surplus</b>	<input type="text" value="4,816.89"/>

Clear Print

Default Close

# CapInvest

*End of Manual*

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