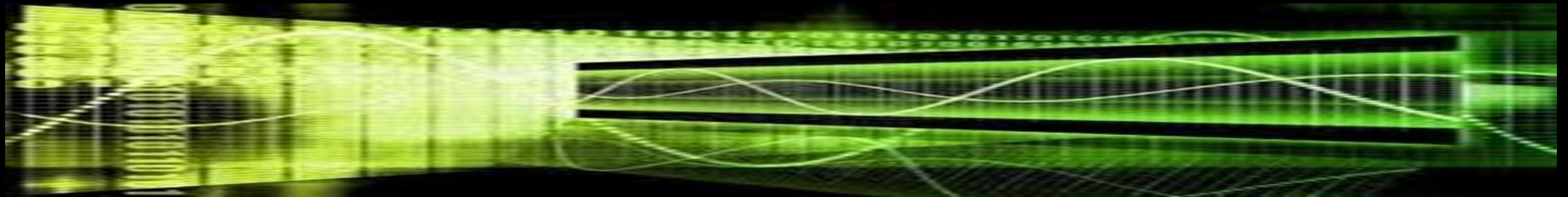




PID1

Difference between using a Classic
loan and **PID** Model



Loan Calculator

Types of loans available: Standard loan 6,99%*

- Amount you'd like to borrow (€): 10 000
- Repayment Term: Monthly
- For how long (years): 5 years

Loan Repayment Details

- Each repayment will be: €197.96 per month
- Your total repayment will be: €11877.89
- The total interest will be: €1877.89
- Return: $\frac{€1877.89}{€10\,000} = 18,77\%$

• *taken from Dundalk Credit Union 10/03/2014



Loan Calculator using **PID1** to increase Rentability

| | |
|--|-------------------------------|
| Amount you'd like to borrow | 10.000,00 |
| Total funding | 11.000,00 |
| Complement warranty (capitalize) | 1.000,00 |
| Each repayment will be Montly | 214.20 |
| For how long (years): | 5 years |
| Security deposit duration : | 7 years |
| Interest rate of the loan : | 6.3% fixed for 5 Years |
| Capitalization rate : | 2 % |
| TAX: | |
| Customer deposit refund guarantee (%): | 100 % |



Loan Repayment Details

- Each repayment will be: €214.20 per month
- Your total repayment will be: €11.851,92
- The total interest will be: €1.851,92
- Total interest on €1000 Complement warranty : €218,03

Return: €1.851.92+ €218.03= €2.069,94/€11.000

Return 18.82%



Advantage for client

| | Classic | PID Account |
|---|----------------|---|
| AMOUNT | €10,000 | €11.000 |
| • Rate | 6,99% variable | 6.3% Fixed |
| • Duration months | 60 | 60 |
| • Montly repayment | €197.96 | € 214.20 <small>€195.94 for loan + €16.67 saving</small> |
| Total Interest on loan | €1877.89 | €1756.58 |
| Total Interest on warranty | NIL | €132.28 |
| • Return of Complement warranty | NIL | €1.000,00 |
| • Rentability for Lender | 18,77% | 18.82% |
| Cost for Client (operation) | 18,78% | 15.96% |
| • The total cost to the client is reduced: 18.78% to 15,96% | | |
| • This is a fixed term loan, giving more security and peace of mind. | | |
| • In 7 years the client will be return €1000 so we are encouraging the client to save. | | |



Advantage for Lender

- Lender starts to meet the requirements set by Basel III. In particular with respect to the introduction of a new standard of liquidity: providing 10% liquidity.
- The lender has a choice to increased its margin or reduce interest rates while maintaining its margin, without affecting the client.
- The Lender has now a “more virtuous philosophy” and above all, apolitical, with the purpose of putting finances back in to the hands of the individual, the community and general public interest, shown in this case by giving a fixed loan rate at 6.3%
- The customer is loyal because the warranty runs for an additional 24 months. Client gets his savings at the end of the Warranty period. The client may reinvest their return of the complement warranty back on saving, improving liquidity.
- No extra savings required to obtain the loan as it is made up with 10% extra on the amount of loan.

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