



Credit Risk Management System (CRMS)  
Term Exposure Module (EMM)

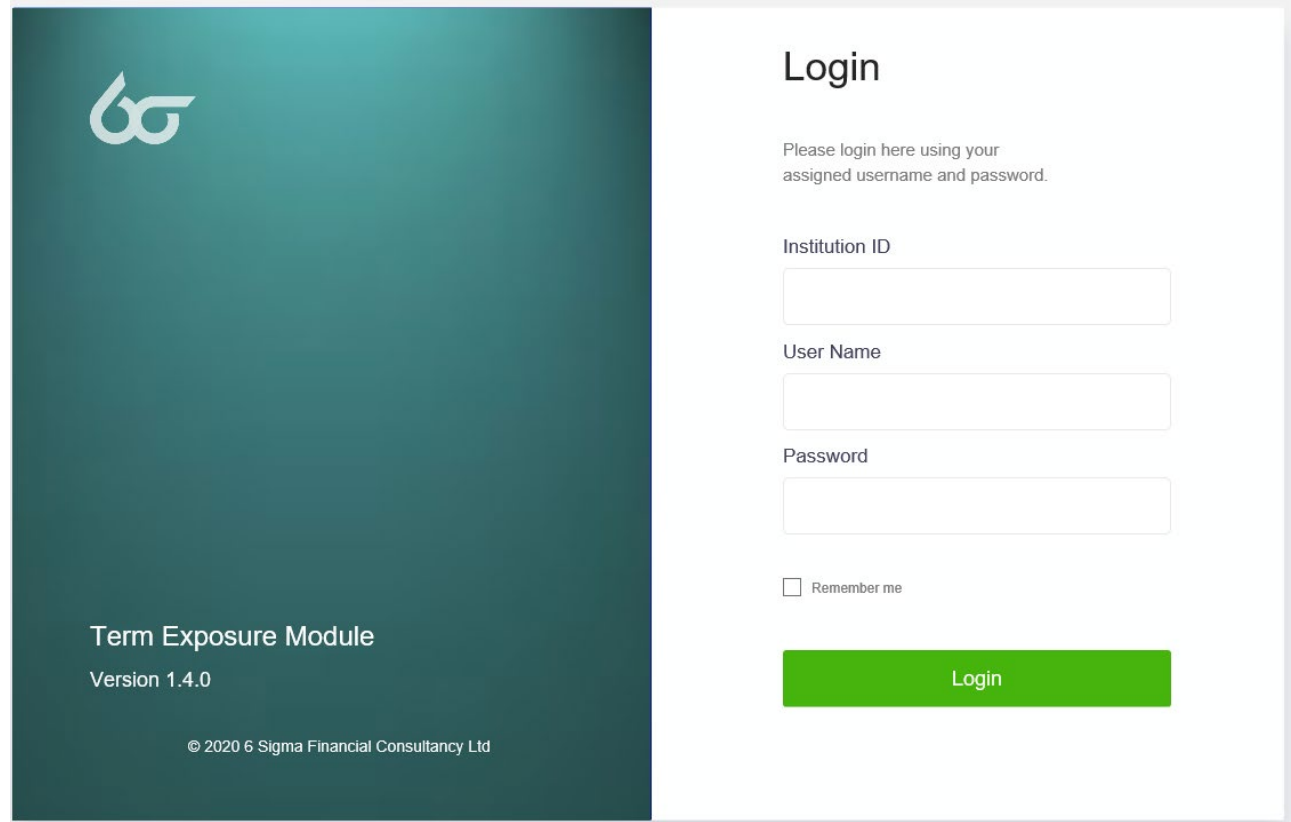
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DEMO Presentation

# TEM

**Term Exposure Module**, TEM is a module to manage, document and evaluate exposures that stretch beyond 12 months. These include Project Finance, Contractor Finance, Real Estate and all other stand-alone cash flow financings.

## Description



**6 Sigma**

Term Exposure Module  
Version 1.4.0

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### Login

Please login here using your assigned username and password.

Institution ID

User Name

Password

Remember me

Login

# TEM

Full feasibility study for Project, Real Estate and Contractor Finance using both qualitative and quantitative assessments:

## TMRACs

- Q&A of 200 questions covering:
- a. Project Details
  - b. General Assessment
  - c. Start-up Phase
  - d. Operational Phase
  - e. Environment
  - f. Financial Assessment
  - g. Other Tail End Risks

## Settings

- Configuring:
- Questions
  - Risk Ratings
  - Weights
- a.

## FINANCIAL MODELING

1. Revenues
2. Advances
3. Direct Costs
4. Admin Costs
5. Capex
6. Bank Debt
7. Bank Fees
8. Equity Injection
9. Other Items
10. Cash Flow Statement
11. Balance Sheet and Income Statement
12. Sensitivity Analysis
13. Print and Export of Results to other Modules

*TEM Features*

# TEM

Useful for all manner of term exposure including Contractor Finance, Object Finance, Asset Finance and Project Finance.

## *Advantages*

1. Allows users to assess various types of projects across 7 criteria in a simple and user-friendly manner
2. Captures all cash flow elements across a broad horizon
3. Allows users to input various assumptions relating to both inflows and outflows
4. Produces a Consolidated Cash Flow, Balance Sheet and Income Statement
5. Allows users to sensitize the cash flows to assess worse case scenarios comparing NPVs, DSCRs and Ratings
6. Allows users to configure the all the variables associated with the risk rating
7. Links easily with the product programs for these types of financing.

# Risk Ratings

## *Risk Rating Section*

The system starts off by capturing user knowledge of all aspects of the project/financing.

- The system requires the user to answer institution designed and configured questions relating to various risks associated with long term finance. These are spread across the criteria listed earlier, and the answers are typically yes, no, not applicable type. There is also a notes section so that the user can enter comments relating to each of the sections.
- Answers to the questions will result in individual ratings, which are weighted against pre-configured plan, the combination of which will result in individual ratings at Sub-Criteria, Criteria and Total Project levels.
- Some parts of the Financial Risks sections will be risk rated automatically by the system from the Financial Model section.
- Overall Risk Rating results will have to be assessed by the institution's product program relating to each type of finance.

# Settings

The first of three settings is the management of Product Types, where the institution can create and edit existing types of projects:

## Product Types

**Project Type Listing** [+ Add New](#)

1	Project Finance		
2	Commodity Finance		
3	Asset Valuation		
4	Vessel Finance		
5	Income Producing Real Estate		
6	High Volatility Commercial Real Estate		
7	Contractor Finance		
8	Start-up Enterprise		
9	Established Enterprise		

# Settings

The second of these is the creation of questions, allocation of weights and risk ratings, and configuring the Product Type criteria:

## Questions

**General** | **Appraisals** | Project Type: Default

**Questions** + Question

		Weight %			
1	Independent Appraisal conducted and reviewed?	33.34			<span>+ Answer</span>
	Yes	3.00			<span>+ Sub Answer</span>
	No	7.00			<span>+ Sub Answer</span>
2	What is the Quality of the Appraiser?	33.33			<span>+ Answer</span>
	Best in Class	3.00			<span>+ Sub Answer</span>
	Average	5.00			<span>+ Sub Answer</span>
	Poor	7.00			<span>+ Sub Answer</span>

# User Side

The user screen is the Project Details section where the user can create several Projects for each Obligor, the below fields are required to be filled out:

- Project Name
- Project ID
- Project Type
- Project Amount
- Number of Periods
- Total Number
- Interest to be Charged pa
- Period Type
- Sponsor
- Developer
- Operator
- Industry
- Country
- Financiers

The screenshot shows the 'Project Details' section of the 'Term Exposure Module (TEM)'. The interface includes a navigation bar with tabs for 'Project Details', 'General', 'Start-up Phase', 'Operations', 'Environment', 'Financial', 'Other', 'Modelling', and 'Financial M'. The form contains the following fields:

- Obligor Name: dropdown menu
- Project Name: text input
- Project ID: dropdown menu
- Project Type: dropdown menu (set to 'Default')
- Project Amount: text input
- Total Number: text input
- Interest to be charged pa %: text input
- Tax %: text input
- Period Type: dropdown menu
- Sponsor: text input
- Developer: text input
- Operator: text input
- Industry: dropdown menu

## Intro Section



# Risk Rating

- As questions are answered, the system provides the ratings associated with each criteria.
- The type of questions answered, and the resultant ratings are as configured by the institution.



*RR Section*

# Financial Modelling

The last feature is the creation of Financial Model in line with the Feasibility Study for that project, and which creates a 20 years Balance Sheet, Income Statement and Cashflow that can be Sensitized:

*Output*

Period	P1	P2	P3	P4	P5	P6	P7
Revenues	3,379,751	24,744,349	28,996,809	33,474,137	38,975,197	45,418,643	53,473,073
COGS	(946,330)	(6,928,418)	(8,119,107)	(9,372,758)	(10,913,055)	(12,717,220)	(14,972,460)
<b>Gross Profit</b>	<b>2,433,421</b>	<b>17,815,931</b>	<b>20,877,702</b>	<b>24,101,379</b>	<b>28,062,142</b>	<b>32,701,423</b>	<b>38,500,613</b>
SG&A	(5,670,530)	(11,860,438)	(10,163,915)	(11,686,207)	(13,556,567)	(15,747,339)	(18,485,845)
Depreciation	(1,901,000)	(1,911,000)	(1,921,000)	(1,931,000)	(1,941,000)	(1,471,000)	(1,481,000)
Bank Fees	0	0	0	0	0	0	0
Finance Charge	0	0	0	0	0	0	0
<b>Net Profit &lt; Tax</b>	<b>(5,138,109)</b>	<b>4,044,493</b>	<b>8,792,787</b>	<b>10,484,172</b>	<b>12,564,575</b>	<b>15,483,084</b>	<b>18,533,768</b>
Tax	0	0	0	0	0	0	0
<b>Net Profit &gt; Tax</b>	<b>(5,138,109)</b>	<b>4,044,493</b>	<b>8,792,787</b>	<b>10,484,172</b>	<b>12,564,575</b>	<b>15,483,084</b>	<b>18,533,768</b>