

Table Showing Business

Transactions of the Corporation.

Annual charge on loans $4 \frac{1}{2}$ per cent, which included $3 \frac{1}{2}$ per cent interest, $\frac{1}{2}$ per cent amortization payment and $\frac{1}{2}$ per cent guaranty fund.

Bonds bear $3 \frac{1}{2}$ per cent interest; annual amortization payment on bonds one half of one per cent. Total payment on bonds 4 per cent. Net annual surplus becomes part of the capital.

The table is based upon the estimate that 100,000 loans of \$4,000 each, will be made the first year, and a like number in each subsequent year.

It is assumed that the entire capital will be kept invested in loans.

The bonds issued each year will be equal to the amount of loans minus the net surplus for the preceding year.

1 st Year.

Capital -----	\$ 100,000,000
Bonds -----	300,000,000
Loans -----	400,000,000
Gross Income -----	18,000,000
Loss on Income, 10 per cent -----	1,800,000
Net Income -----	16,200,000
Payment on Bonds 4 Per Cent -----	12,000,000
Net Surplus -----	4,200,000
Capital end of first year -----	104,200,000

2 nd Year.

Capital -----	\$ 104,200,000
Bonds -----	695,800,000
Loans -----	800,000,000
Gross Income -----	36,000,000
Loss on Income <u>10 Per Cent</u> -----	3,600,000
Net Income -----	32,400,000
Payment on Bonds 4 Per Cent -----	27,832,000
Net Surplus <u>For Second Year</u> -----	4,568,000
Capital End of Second Year -----	108,768,000

3 rd Year.

Capital -----	\$ 108,768,000
Bonds. -----	1,091,232,000
Loans -----	1,200,000,000
Gross Income -----	54,000,000
Loss on Income 10 Per Cent -----	5,400,000
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Net Income -----	48,600,000
Payment on Bonds 4 Per Cent -----	43,649,280
Net Surplus for third year -----	4,950,720
Capital end of third year -----	113,718,720

4 th Year.

Capital -----	\$ 113,716,720
Bonds -----	1,486,381,280
Loans -----	1,600,000,000
Gross Income -----	72,000,000
Less on Income 10 per cent -----	7,200,000
Payment on bonds 4 per cent -----	
Net Income -----	⁶⁴ 84,800,000
Payment on Bonds 4 per cent -----	59,055,251
Net Surplus for fourth year -----	5,344,749
Capital end of fourth year -----	119,063,469

5 th Year.

Capital -----	\$ 119,063,469
Bonds -----	1,881,036,531
Loans -----	2,000,000,000
Gross Income -----	90,000,000
Less on Income 10 per cent -----	9,000,000
Net Income -----	81,000,000
Payment on bonds 4 per cent -----	75,241,461.
Net Surplus --- for fifth year -----	5,758,539
Capital for fifth	
Capital end of fifth year -----	124,922,008

6 th Year.

Capital -----	\$ 124,822,008
Bonds -----	2,275,277,992
Leans -----	2,400,000,000
Gross Income -----	108,000,000
Less on Income 10 per cent -----	10,800,000
Net Income -----	97,200,000
Payment on Bonds 4 Per Cent -----	91,011,119
Net Surplus for 6 th year -----	6,188,880
Capital end of sixth year -----	131,010,888

7 th Year.

Capital -----	\$ 131,010,888
Bonds -----	2,669,089,112
Leans -----	2,800,000,000
Gross Income -----	126,000,000
Less on Income <u>10 per cent</u> -----	12,600,000
Net Income -----	113,400,000
Payment on Bonds 4 Per Cent -----	107,763,564
Net Surplus for seventh year -----	6,636,435
Capital end of seventh year -----	137,647,323

8 th Year.

Capital -----	\$ 137,647,323
Bonds -----	3,062,452,677
Loans -----	3,200,000,000
Gross Income -----	144,000,000
Less on Income 10 per cent-----	14,400,000
Net Income -----	129,600,000
Payment on Bonds 4 per cent -----	122,498,107
Net Surplus for eighth year -----	7,101,893
Capital end of eighth year -----	144,749,216

9 th Year.

Capital -----	\$ 144,749,216
Bonds -----	3,455,350,784
Loans -----	3,600,000,000
Gross Income -----	162,000,000
Less on income 10 per cent -----	16,200,000
Net Income -----	145,800,000
Payment on Bonds 4 per cent -----	138,214,031
Net Surplus for ninth year -----	7,585,969
Capital end of ninth year -----	152,335,185

10 th Year.

Capital -----	\$ 152,335,185
Bonds -----	3,847,764,815
Loans -----	4,000,000,000
Gross Income -----	180,000,000
Loss on income 10 per cent -----	18,000,000
Net Income -----	162,000,000
Payment on Bonds 4 per cent -----	153,910,592
Net Surplus for 10 th year -----	8,089,407
Capital end of 10 th year -----	160,424,592

11 th year.

Capital -----	\$ 160,424,592
Bonds -----	4,238,675,408
Loans -----	4,400,000,000
Gross Income -----	198,000,000
Loss on Income ---10 per cent -----	19,800,000
Net Income -----	178,200,000
Payment on Bonds 4 per cent -----	169,547,016
Net Surplus <u>for eleventh year</u> -----	8,652,984
Capital <u>end of eleventh year.</u> -----	169,077,576

12 th Year.

Capital -----	\$ 169,077,576
Bonds -----	4,630,022,424
Loans -----	4,800,000,000
Gross Income -----	216,000,000
Loss on Income 10 Per Cent -----	21,600,000
Net Income -----	194,400,000
Payment on Bonds 4 per cent -----	185,200,897
Net Surplus <u>for 12th year</u> -----	9,199,103
Capital end of 12th year.-----	178,276,679

13 th Year.

Capital -----	\$ 178,276,679
Bonds -----	5,020,823,321
Loans -----	5,200,000,000
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Gross Income -----	234,000,000
Loss on Income 10 per cent -----	23,400,000
Net Income -----	210,600,000
Payment on Bonds 4 per cent -----	200,332,933
Net surplus for 13th year-----	9,267,067
Capital end of 13th year -----	188,043,746

14 th Year.

Capital -----	\$ 188,043,746
Bonds -----	5,411,056,254
Loans -----	5,600,000,000
Gross Income -----	252,000,000
Loss on Income 10 per cent -----	25,200,000
Net Income -----	224,800,000
Payment on bonds 4 per cent -----	216,442,250
Net Surplus for 14th year -----	10,357,750
Capital end of 14th year -----	198,401,496

15 th Year.

Capital -----	\$ 198,401,496
Bonds -----	5,800,698,504
Loans -----	6,000,000,000
Gross Income -----	270,000,000
Loss on income 10 per cent -----	27,000,000
Net Income -----	243,000,000
Payment on bonds 4 per cent -----	232,027,940
Net surplus for 15th year -----	10,972,060
Capital end of 15th year -----	209,373,556

16 th Year.

Capital -----	\$ 209,375,556
Bonds -----	6,189,726,444
Loans -----	6,400,000,000
Gross Income -----	288,000,000
Less on Income 10 per cent -----	28,800,000
Net Income -----	259,200,000
Payment on bonds 4 per cent -----	247,579,058
Net surplus for 16th year -----	11,620,942
Capital end of 16th year -----	220,994,498

17 th Year.

Capital -----	\$ 220,994,498
Bonds -----	6,578,105,502
Loans -----	6,800,000,000
Gross Income -----	306,000,000
Loss on Income --10 per cent-----	30,600,000
Net Income -----	275,400,000
Payment on bonds 4 per cent -----	263,124,220
Net surplus for 17th year -----	12,275,780
Capital end of 17 th year -----	233,270,278

18 th Year.

Capital -----	\$ 235,270,278
Bonds -----	6,965,829,722
Loans -----	7,200,000,000
Gross Income -----	324,000,000
Less on Income 10 per cent -----	32,400,000
Net Income -----	291,600,000
Payment on bonds 4 per cent -----	278,633,189
Net surplus for 18 th year -----	12,966,911
Capital end of 18th year -----	246,237,089

19 th Year.

Capital -----	\$ 246,237,089
Bonds -----	7,352,862,911
Loans -----	7,600,000,000
Gross Income -----	342,000,000
Less on income 10 per cent -----	34,200,000
Net Income -----	307,800,000
Payment on bonds 4 per cent -----	294,164,516
Net surplus for 19th year -----	13,695,484
Capital end of 19th year -----	259,932,573

20 th Year.

Capital -----	\$ 259,932,573
Bonds -----	7,739,167,427
Loans -----	8,000,000,000
Gross Income -----	360,000,000
Loss On Income 10 Per Cent -----	36,000,000
Net Income -----	324,000,000
Payment on Bonds <u>4 per cent</u> -----	309,566,697
Net Surplus for 20 th year -----	14,433,303
Capital end of 20th year -----	274,365,876
