

**BREAKEVEN, PAYBACK AND CAPITAL RECOUP ANALYSIS  
SAMPLE FINANCIAL INSTITUTION**

**RECONFIGURATION & LEASE**

ESTIMATED OPTIMAL DEPOSIT VOLUME OVER FIVE (5) TO SEVEN (7) YEARS --> \$60 MM AS FULL SERVICE BRANCH					
LINE ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Deposits - Incremental (1)	\$25,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Deposits - Cumulative	\$32,000,000	\$39,000,000	\$46,000,000	\$53,000,000	\$60,000,000
Net Gross Revenue @ 300 BP (2)	\$ 960,000	\$ 1,170,000	\$ 1,380,000	\$ 1,590,000	\$ 1,800,000
Net Gross Revenue from Fees @ 50 BP	\$ 160,000	\$ 195,000	\$ 230,000	\$ 265,000	\$ 300,000
<b>Total Net Gross Revenue</b>	<b>\$1,120,000</b>	<b>\$1,365,000</b>	<b>\$1,610,000</b>	<b>\$1,855,000</b>	<b>\$2,100,000</b>
<b>Expenses:*</b>					
Land Cost (Rent for Building & Land)	\$ 130,028	\$ 135,806	\$ 141,585	\$ 141,585	\$ 141,585
Building Remodel - Furniture, Fixtures, Equipment					
\$850,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Inclusive of Furniture, Fixtures, Bank Equipment					
ATM (2 @ \$40,000 = \$80,000 OVER 5 YEARS)	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Staffing	\$ 430,000	\$ 430,000	\$ 490,000	\$ 490,000	\$ 490,000
Taxes, Home Office Allocation	\$ 14,305	\$ 14,305	\$ 14,305	\$ 14,305	\$ 14,305
plus new signing @ 25 BP	\$ 80,000	\$ 97,500	\$ 115,000	\$ 132,500	\$ 150,000
Merchandising	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Combined Expenses (3)</b>	<b>\$ 775,333</b>	<b>\$ 788,611</b>	<b>\$ 871,890</b>	<b>\$ 889,390</b>	<b>\$ 906,890</b>
Projected Net Annual Revenue	(4) \$ 344,668	\$ 576,389	\$ 738,110	\$ 965,610	\$ 1,193,110
Cumulative Cash Flow (5)	(5) \$ 344,668	\$ 921,057	(6) \$ 1,659,167	\$ 2,624,777	\$ 3,817,887

**NOTES:**

- (1) The above scenario assumes that any new growth in deposits (upside potential) will be achieved over a period of several year
- (2) A 3.0% net margin is calculated against upside deposits and is used to cover both deposit and associated loan net revenues resulting from usage of funds at study group facilities or elsewhere within the distribution system.
- (3) Assumes full improvement and development cost over aperiod of several year
- (4) **Break even (positive cash flow) is reached in year one from the date of scenario commencement.** ■
- (5) **Pay back (on the investment) is reached in year one from the date of scenario commencement.** ■
- (6) **Capital Recoup is reached in year three from the date of scenario commencement** ■

\* Expenses are estimated as based upon GRFT's most recent and ongoing build projects. Additional efficiencies may also be realized via the reuse of owned equipment, etc.