Term Loan Periodic Reset Rates (W5)

PURPOSE

This document explains how to maintain term loan periodic reset rates.

BACKGROUND

The reset rates functionality within the Term Loan is designed to manage loans in China with the PBOC rate.

WHY IS THIS IMPORTANT?

Periodic reset rates enable the maintenance and application of a set of periodic reset rates for interest computation during the term loan period. This functionality is commonly utilised for loans, such as the China PBOC loan, where the rate undergoes a monthly reset. This simplifies the rate update process for all loans using the PBOC rate when the reset occurs.

Limitation: This feature is not supported when the term loan includes interest capitalisation items.

PRE-REQUISITE

To use the reset rates functionality, refrain from making any amendments to the term loan repayment schedule. Any updates to the current repayment schedule will be disregarded once the reset rate is applied.

Reset rates should be maintained from the start ("VDate") to the maturity date ("MDate") of the term loan transaction. The

system will apply the reset rates and calculate interest based on the dates specified in the Maintain Periodic Reset Rates screen and beyond. Otherwise, the interest rate used for booking the loan drawdown will be applied.

PROCEDURE

1. To maintain periodic reset rates, go to the amend term loan repayment page. From the Term Loan launch screen, click on the Trade ID to be amended.

2. The Amend Term Loan screen will be displayed.

Amend Term Loan

← | Update | Repayment | 📄

Field	Value
Trade ID	TML100008.00
Transaction+	Borrow
Accounting Centre+	TFS-SG
TDate+	20/06/2017
Vdate+	20/06/2017
Mdate*	20/06/2022
Ccy+	SGD
Principal*	10,000,000.00
Reset/Fix Rate(%)*	4.000000
Cap Rate	
Floor Rate	
Float Basis*	Libor 6 mth
Margin(%)*	0.000000
Facility+	TFS < SCB-SG-TL
Counterparty ID+	SCB-SG
Frequency+	Semi-Annual
Day Convention*	No Adjustment
Settle Convention*	No Adjustment
Reset Convention*	No Adjustment
Reset Days*	0
Accruals*	Act/365 (fixed)
Repayment Style+	Bullet
Portfolio	
Transaction Type	-
Project	-
Our Dealer	admin@devent1.com
Ctpy Dealer	
Ctpy Reference	
Broker	
Brokerage	
Narrative	
Skip Holidays	☐
Trade Change History	

3. Click on Repayment, and the Amend Term Loan Repayment screen displays.

Amend Term Loan Repayment

Start Date	End Date	TradeID	VDate	Principal	Rate	Reset Date	Int. Cap.	Interest	Locked?	Outstanding	Total Cashflow	Cum. Int. Cap.
20 Jun 2017	20 Jun 2017	Book	20 Jun 2017	10,000,000.00	4.000000	20 Jun 2017	0.00	0.00	Y	10,000,000.00	10,000,000.00	0.00
20 Jun 2017	20 Dec 2017		20 Dec 2017	0.00	4.000000	20 Jun 2017	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2017	20 Jun 2018		20 Jun 2018	0.00	4.000000	20 Dec 2017	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2018	20 Dec 2018		20 Dec 2018	0.00	4.000000	20 Jun 2018	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2018	20 Jun 2019		20 Jun 2019	0.00	4.000000	20 Dec 2018	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2019	20 Dec 2019		20 Dec 2019	0.00	4.000000	20 Jun 2019	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2019	20 Jun 2020		20 Jun 2020	0.00	4.000000	20 Dec 2019	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Jun 2020	20 Dec 2020		20 Dec 2020	0.00	4.000000	20 Jun 2020	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2020	20 Jun 2021		20 Jun 2021	0.00	4.000000	20 Dec 2020	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2021	20 Dec 2021		20 Dec 2021	0.00	4.000000	20 Jun 2021	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2021	20 Jun 2022		20 Jun 2022	10,000,000.00	4.000000	20 Dec 2021	0.00	199,452.05		0.00	10,199,452.05	0.00

4. Click on Reset Rates button.

Maintain Periodic Reset Rates

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Update | Template | Clear Reset | Read file

Reset Date*	Rate Percent	+
No records found.		

5. Click Add button to add new row.

Maintain Periodic Reset Rates

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Update | Template | Clear Reset | Read file

Errors found
4: Mandatory Value missing

ID	Reset Date*	Rate Percent	+
1	20/07/2017	4.102	−
2	18/08/2017		−
3	20/09/2017		−
4	20/10/2017		−

6. Enter the Reset Date and Rate Percent. You can manage a series of periodic reset dates and save them. Rate Percent is optional; you may leave it blank.

See [Term Loan Rates Reset Management](#) on how to update reset rates for all loans using the PBOC rate when the reset occurs.

7. Click Update.

8. At the prompt, click OK to confirm.

9. Interest will be recomputed based on the reset rates once it is successfully updated. Interest rate will not be displayed in the repayment schedule once the reset rates are maintained.

10. Click on the End Date to view the detailed breakdown of the reset rate analysis at the bottom of the page.

Amend Term Loan Repayment

admin

←	Reset Rates	Unlock All	Import	📄 ⬇	Amortise Fee? ✔									

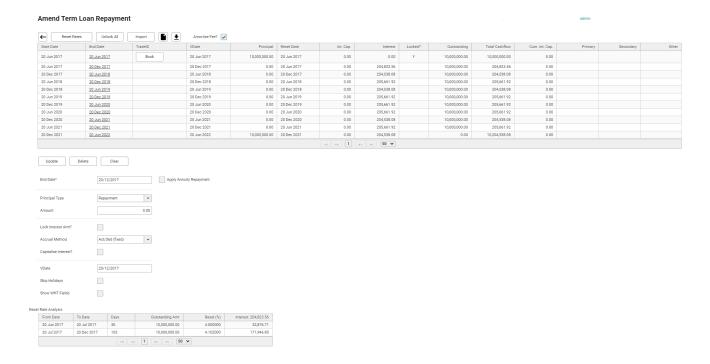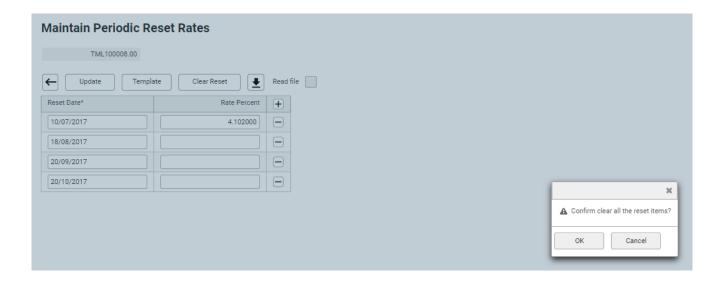| Start Date	End Date	TradeID	VDate	Principal	Reset Date	Int. Cap.	Interest	Locked?	Outstanding	Total Cashflow	Cum. Int. Cap.	Primary	Secondary	Other
20 Jun 2017	20 Jun 2017	Book	20 Jun 2017	10,000,000.00	20 Jun 2017	0.00	0.00	Y	10,000,000.00	10,000,000.00	0.00			
20 Jun 2017	20 Dec 2017		20 Dec 2017		20 Jun 2017	0.00	204,823.56		10,000,000.00	204,823.56	0.00			
20 Dec 2017	20 Jun 2018		20 Dec 2017		20 Dec 2017	0.00	204,538.08		10,000,000.00	204,538.08	0.00			
20 Jun 2018	20 Dec 2018		20 Dec 2018		20 Jun 2018	0.00	205,661.92		10,000,000.00	205,661.92	0.00			
20 Dec 2018	20 Jun 2019		20 Jun 2019		20 Dec 2018	0.00	204,538.08		10,000,000.00	204,538.08	0.00			
20 Jun 2019	20 Dec 2019		20 Dec 2019		20 Jun 2019	0.00	205,661.92		10,000,000.00	205,661.92	0.00			
20 Dec 2019	20 Jun 2020		20 Jun 2020		20 Dec 2019	0.00	205,661.92		10,000,000.00	205,661.92	0.00			
20 Jun 2020	20 Dec 2020		20 Dec 2020		20 Jun 2020	0.00	205,661.92		10,000,000.00	205,661.92	0.00			
20 Dec 2020	20 Jun 2021		20 Jun 2021		20 Dec 2020	0.00	204,538.08		10,000,000.00	204,538.08	0.00			
20 Jun 2021	20 Dec 2021		20 Dec 2021		20 Jun 2021	0.00	205,661.92		10,000,000.00	205,661.92	0.00			
20 Dec 2021	20 Jun 2022		20 Jun 2022	10,000,000.00	20 Dec 2021	0.00	204,538.08		0.00	10,204,538.08	0.00			

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Update	Delete	Clear

End Date* `20/12/2017` ☐ Apply Annuity Repayment

Principal Type `Repayment ▾`

Amount `0.00`

Lock Interest Amt? ☐

Accrual Method `Act/365 (fixed) ▾`

Capitalise Interest? ☐

VDate `20/12/2017`

Skip Holidays ☐

Show WHT Fields ☐

Reset Rate Analysis

From Date	To Date	Days	Outstanding Amt	Reset (%)	Interest: 204,823.56
20 Jun 2017	20 Jul 2017	30	10,000,000.00	4.000000	32,876.71
20 Jul 2017	20 Dec 2017	153	10,000,000.00	4.102000	171,946.85

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11. To remove periodic reset rates, click on Clear Reset from the Maintain Periodic Reset Rates screen.

12. At the prompt, click OK to confirm.

Maintain Periodic Reset Rates

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←	Update	Template	Clear Reset	⬇	Read file ☐

Reset Date*	Rate Percent	➕
10/07/2017	4.102000	➖
18/08/2017		➖
20/09/2017		➖
20/10/2017		➖

⚠ Confirm clear all the reset items?

OK	Cancel

13. The periodic reset dates and rates will be deleted.

Maintain Periodic Reset Rates

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| ← | Update | Template | Clear Reset | ⬇ | Read file | ☐ |

Reset Date*	Rate Percent	⊞
No records found.		

14. Click the Back button to return to the Amend Term Loan Repayment screen. The term loan's drawdown interest rate will be applied to the repayment schedule.

Amend Term Loan Repayment

| ← | Reset Rates | Unlock All | Import | ▤ | ⬇ | Amortise Fee? ✓ |

Start Date	End Date	TradeID	VDate	Principal	Rate	Reset Date	Int. Cap.	Interest	Locked?	Outstanding	Total Cashflow	Cum. Int. Cap.
20 Jun 2017	20 Jun 2017	Book	20 Jun 2017	10,000,000.00	4.000000	20 Jun 2017	0.00	0.00	Y	10,000,000.00	10,000,000.00	0.00
20 Jun 2017	20 Dec 2017		20 Dec 2017	0.00	4.000000	20 Jun 2017	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2017	20 Jun 2018		20 Jun 2018	0.00	4.000000	20 Dec 2017	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2018	20 Dec 2018		20 Dec 2018	0.00	4.000000	20 Jun 2018	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2018	20 Jun 2019		20 Jun 2019	0.00	4.000000	20 Dec 2018	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2019	20 Dec 2019		20 Dec 2019	0.00	4.000000	20 Jun 2019	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2019	20 Jun 2020		20 Jun 2020	0.00	4.000000	20 Dec 2019	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Jun 2020	20 Dec 2020		20 Dec 2020	0.00	4.000000	20 Jun 2020	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2020	20 Jun 2021		20 Jun 2021	0.00	4.000000	20 Dec 2020	0.00	199,452.05		10,000,000.00	199,452.05	0.00
20 Jun 2021	20 Dec 2021		20 Dec 2021	0.00	4.000000	20 Jun 2021	0.00	200,547.95		10,000,000.00	200,547.95	0.00
20 Dec 2021	20 Jun 2022		20 Jun 2022	10,000,000.00	4.000000	20 Dec 2021	0.00	199,452.05		0.00	10,199,452.05	0.00

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RELATED INFORMATION

[Launching Term Loan](#)

[Create Term Loan](#)

[Term Loan Rates Reset Management](#)

CHANGE HISTORY

Date	By	Changes
15-Jun-2016	V	Created.
19-Nov-2019	Lyra	Updated screenshots.
16-Jan-2024	TS	Updated instructions and screenshots.