

### SCENARIO 3: NOT-GOOD - ALL THE WAY

| NUMBER   | DESCRIPTION   | YEARS (Amounts in C\$) |                   |                   |                   |                   | Comments / Explanation   |
|----------|---|------------------------|-------------------|-------------------|-------------------|-------------------|--|
|          |   | 2018                   | 2019              | 2020              | 2021              | 2022              |  |
| <b>A</b> | <b>ASSETS</b>   |                        |                   |                   |                   |                   |  |
| 1        | Immovable Property at Purchase Value ( House / Apartment / Residential Unit)          | 550,000.00             | 550,000.00        | 550,000.00        | 550,000.00        | 550,000.00        | House purchased as Bank approved the loan  |
| 2        | Vehicles(Market value as per black book / blue book / any website)                    | 30,000.00              | 25,000.00         | 20,000.00         | 15,000.00         | 10,000.00         | Vehicle market value decreases year over year, but no savings left for replacement.  |
| 3        | RRSPs / 401(K) / any other retirement savings   | 40,000.00              | 40,000.00         | 40,000.00         | 40,000.00         | 40,000.00         | No additions to retirement saving investments  |
| 4        | GICs / Term Deposits / any other savings  | 0.00                   | 0.00              | 0.00              | 0.00              | 0.00              |  |
| 5        | Shares of Publicly Traded Companies (Market Value as per stock exchange)              | 0.00                   | 0.00              | 0.00              | 0.00              | 0.00              |  |
| 6        | Jewelry (Gold and Diamond only at market value)                                       | 0.00                   | 0.00              | 0.00              | 0.00              | 0.00              |  |
| 7        | Cash Balance in Chequing / Saving account in banks etc.                               | 500.00                 | 500.00            | 500.00            | 500.00            | 500.00            |  |
|          | <b>TOTAL ASSETS (A)</b>   | <b>620,500.00</b>      | <b>615,500.00</b> | <b>610,500.00</b> | <b>605,500.00</b> | <b>600,500.00</b> |  |
| <b>B</b> | <b>LIABILITIES</b>  |                        |                   |                   |                   |                   |  |
| 1        | Mortgage on Immovable Property (House/Apartment):( Balance outstanding as on date)    | 500,000.00             | 490,000.00        | 480,000.00        | 470,000.00        | 460,000.00        | House purchased beyond means. Monthly repayment high in comparison to monthly income   |
| 2        | Vehicle Loan ( Balance outstanding as on date)  | 25,000.00              | 20,000.00         | 15,000.00         | 10,000.00         | 5,000.00          |  |
| 3        | Line of Credit from Banks / Financial Institutions ( Balance Outstanding as on date): | 90,000.00              | 105,000.00        | 115,000.00        | 125,000.00        | 135,000.00        | Line of Credit partly used to fund the house and the balance used to furnish the house   |
| 4        | Credit Cards ( Balance Outstanding as on date):                                       | 30,000.00              | 35,000.00         | 40,000.00         | 45,000.00         | 50,000.00         | Credit cards being used to run the household expenses  |
| 5        | Any other loans for personal use ( Balance Outstanding as on date)                    | 0.00                   | 0.00              | 0.00              | 0.00              | 0.00              |  |
|          | <b>TOTAL LIABILITIES (B)</b>  | <b>645,000.00</b>      | <b>650,000.00</b> | <b>650,000.00</b> | <b>650,000.00</b> | <b>650,000.00</b> |  |
|          | <b>Adjusted Household Net Assets ( A - B)</b>   | <b>-24,500.00</b>      | <b>-34,500.00</b> | <b>-39,500.00</b> | <b>-44,500.00</b> | <b>-49,500.00</b> | This scenario represents house purchased beyond means. Expenses high- monthly mortgage, interest on Line of Credit and Credit Cards (way higher interest rate). This person is getting into vicious circle of financial destruction and things will get worse in future. |