

Risk Acceptance Criteria for Selected Sectors of RHB Indochina					
Month & Year	Month:	July	Year:	2018	
Non Target Sector	Real Estate and Construction				
Customer Name	Mr. Ouch Pysal and Mdm. Keo Sokhathary				
Facility	OD1 and OD2	Amount	USD175K		
Region	Cambodian				
Branch	TKK				
Criteria Met?	Yes *Please select "No" if any criteria is not met.				
No.	Criteria	Description	Criteria Met?	If No, select	Justification for not meeting criteria
A) Customer Eligibility Criteria					
A1)	Borrower/Customer or Corporate Guarantor	Minimum risk grade of CR4 or better	Yes		
A2)	Years in Business	At least 3 years of operational track record	Yes		
A3)	Key Mgmt Experience	At least 3 years of relevant experience	Yes		
A4)	Special Purpose Vehicle/ New Set-ups	Guarantee from holding company/sponsors should be procured	NA		
B) Financial Criteria					
Note: For SPVs/New set-ups, to apply the corporate guarantor's / key sponsors financials for the below criteria.					
B1)	Profit Before Tax (PBT)	Positive PBT in the latest 3 financial years	Yes		
For Property Development projects ONLY					
B2)	Minimum DSCR ^{Note 1}	Not less than 1.7X	Yes	more or equal to 1x but less than 1.5x	
C) Industry Specific Criteria:-					
For Real Estate Operations (For All Properties)					
C1)	Property must be strategically located with good transportation connectivity and public amenities.		Yes		
C2)	Income-producing real estate.		Yes		
C3)	Tenancy agreements with reputable party with good prospect of lease renewal and to be verified by lending unit with physical site inspection conducted.		Yes		
C4)	Able to generate sufficient rental income in current market condition to meet the borrower's operational and financing cost.		Yes		
C5)	If properties are rented/leased to third parties, to obtain undertaking to channel the rental proceeds to the Bank.		Yes		
C6)	The property price should not be more than 20% of the current market value quoted by the Bank's panel valuer for similar properties in the vicinity of the project location.		Yes		
C7)	Maximum Margin of Advance (MOA) as per the Group Credit Guidelines.		Yes		
C8)	Fully secured against acceptable collateral as per the Group Credit Guidelines.		Yes		

For Commercial and Shopping Complex				
C1)	For properties to be rented out, there is/are anchor tenant(s) with good prospect of lease renewal.	Yes		
C2)	If property management is outsourced, the outsourced party must be a reputable property/asset management company with relevant experience.	Yes		
C3)	Satisfactory occupancy rate that can generate minimum DSCR of 2x under base case and minimum 1.5x under stress cashflow	Yes		
C4)	There should be diverse mix of tenancy base, spread between various trade categories (except for special purpose retail malls that trade a specific product genre – e.g. IT malls, furniture malls, etc).	Yes		
C5)	Not more than 30% of rental revenue concentration to any single tenant.	Yes		
For Construction / Property Development project				
C1)	All permits/approvals are to be obtained before loan disbursement.	Yes		
C2)	Good past track record in developing similar type and size of properties with successful completion and delivery.	Yes		
C3)	Maximum margin of advance (MOA) must not exceed 70% for land and building with maximum for land alone up to 50% of market value or S&P agreement or 100% of FSV, whichever is lower.	Yes		
C4)	Redemption cover of minimum 1.5x (Principal + Interest) based on 80% sales level.	Yes		
C5)	The property price should not be more than 20% of the current market value quoted by the Bank's panel valuer for similar properties in the vicinity of the project location.	Yes		
C6)	Undertaking from borrower to channel all the cashflow proceeds from the project/property in the Bank	Yes		
C7)	Base case cashflow projection must be based on valid assumptions that reflects the current market conditions and further sensitised under reasonable stressed/worst case scenarios.	Yes		
C8)	Disbursement should be tied to pre-sales condition and stage of completion.	Yes		
C9)	Fully secured against acceptable collateral as per the Group Credit Guidelines.	Yes		

D) Applicable Sub-Sectors			
For Real Estate			
D1)	Real Estate Development - Purchase of Land	No	
D2)	Other Real Estate Development, n.e.c.	Yes	
D3)	Real Estate Operations - Industrial Building & Factories	No	
D4)	Real Estate Operations - Shopping Complex	No	
D5)	Real Estate Operations - Office Building	No	
D6)	Real Estate Operations - Shophouse	Yes	
D7)	Real Estate Operations - Commercial Complex	No	
D8)	Real Estate Activities on a Fee or Contract Basis	Yes	
D9)	Real Estate - Residential	Yes	
D10)	Real Estate - Apartments	No	
D11)	Real Estate - Condominiums	No	
D12)	Real Estate - Others residential	Yes	
For Construction			
D1)	Construction of Industrial Building & Factories	No	
D2)	Construction of Hotels	No	
D3)	Construction of Shopping Complex	No	
D4)	Construction of Office Building	Yes	
D5)	Construction of Other Commercial Complex	No	
D6)	Construction of Residential Houses (Landed Property)	Yes	
D7)	Construction of Apartments	Yes	
D8)	Construction of Condominiums	No	
D9)	Construction - Others Residential	Yes	
D10)	Construction - Utilities & Infrastructure	Yes	
D11)	Contractors and Others - Other Construction	Yes	

Note 1: Based on projected EBITDA with reasonable assumptions reflecting historical trends.

Prepared by:

Reviewed by:

Date:

Sok Ratanak

Chiv Hak

23-Jul-18

Evaluated by:

Comments by GCM to support application (only for cases where any of the RAC criteria is unmet):

Date : <Insert date>