RHB INDOCHINA BANK LIMITED

Date	02/August/2017

Credit Risk Rating Sheet for Individuals

Borrower(s)	Mr. Chhang Sinat and Mdm. Sim Sona	Branch	CMO

Borrower Credit Rating		Score (A) (total annual income)		Weight (B)	Total Score (A X B)	
		Below USD50K	More than USD50K		Below USD50K	More than USD50K
1.1	Debt Service Ratio (Total Monthly Gross Income / Total Debt Servicing) = __2.46__ times					
	5 and above	4	5	50	200	250
	4 to less than 5	3	4		150	200
	3 to less than 4	2	3		100	150
	Below 3	1	2		50	100
	No document	1	1		50	50

Borrower Credit Rating		Score (C)	Weight (D)	Total Score (C X D)
1.2	Years of good conduct of borrowing with RHBIBL			
	Above 2 years	3	10	30
	1 year to less than 2 years	2		20
	6 months to less than 1 year	1		10
	No borrowing	0		0
	Unsatisfactory conduct	-3		-30
1.3	Net worth (Total Assets – Total Liabilities)			
	Above USD300K	4	10	40
	Above USD100K to USD300K	3		30
	Above USD50K to USD100K	2		20
	USD50K and below	1		10
	Unsubstantiated net worth	0		0
1.4	Age – Years			
	Above 35 to 55	4	10	40
	Above 30 to 35	3		30
	Above 25 to 30 / above 55 to 65*	2		20
	Above 18 to 25	1		10
	Below 18 / above 65	0		0
	* Note : Government servants retire at the age of 65			
1.5	Financial Statements			
	Audited by qualified professional	4	10	40
	Unaudited	2		20
	Unsubstantiated / No documents	0		0
	Total Borrower Credit Rating Score			**200** (Y)

Security Rating		Score (E)	Weight (F)	Total Score (E X F)
2.1	Security Coverage (Margin of Advance)			
	Less than 40%	4	30	120
	40% to less than 50%	3		90
	50% to less than 60%	2		60
	60% to less than 70%	1		30
	Above 70%	0		0
2.2	Type of Security			
	Fixed Deposit / Bank Guarantee	5	20	100
	Shophouses / Factories / Industrial Buildings / Residential Houses	4		80
	All Types of Vacant Development Land	2		40
	All Types of Cultivated / Vacant Agricultural Land	1		20
	Debenture / Guarantor / Clean	0		0
2.3	Penalty Factors			
	In the case of property:-			
	Within flooding vicinity			-40
	Mortgage/ownership of property could be subject to legal dispute (eg : owner of the property is the beneficiary of the deceased is stated in the title deed)			-40
			Total Security Rating Score	**110 (Z)**

3.0 Overall Credit Risk Rating Score	
Annual Income below USD50,000	$\dfrac{(Y + Z) \times 100}{570} = \quad \%$
Annual Income above USD50,000	$\dfrac{(200 + 110) \times 100}{620} = 50.00\%$

CREDIT SCORING CLASSIFICATION CRITERIA

No.	Credit Scoring	Credit Risk Grade
1	80% and above	1 = Excellent
2	70% to 79%	2 = Strong
3	60% to 69%	3 = Adequate
4	50% to 59%	4 = Minimum / Pass with condition
5	40% to 49%	5 = Watch list
6	Below 40%	6 = Unacceptable
7	Special Mention	7 = Special Mention*
8	Sub-standard	8 = Sub-standard*
9	Doubtful	9 = Doubtful*
10	Bad / Loss	10 = Bad / Loss*

* Classifications of Special Mention, Sub-standard, Doubtful and Bad/Loss is subject to the criteria as per NBC's Prakas on loan classification.

Notes	
1.1	Debt Service Ratio (DSR) i. Computation of borrowers' DSR should not include the guarantor's income and debt servicing. The guarantor is to be scored separately. ii. Borrower whose main source of income is derived from overseas, branch is to give a minimum score of "1" due to the difficulty in verifying the documents. However, if the oversea income of borrowers / guarantors is derived from Malaysia, the income is to be included in the normal computation of DSR subject to borrower / guarantor furnish at least one of the following:- (a) Salary slip from employer (latest 3 months) (b) Income tax assessment form (latest Form EA / Form BE) (c) Employee Provident Fund (EPF) latest statement iii. The debts under the joint-borrowers are to be borne jointly and score on a combined basis.
1.2	Years of good conduct of borrowing with RHBIBL i. Years of good conduct of borrowing with RHBIBL is defined as good conduct of loans / borrowings without default such as:- (a) More than 3 returned cheques in the last 12 months (b) Frequent OD excess (c) Habitual overdue trade bills (d) Habitual overdue instalments ii. Branch is to give score of -30 marks (unsatisfactory conduct) if any of the above (a) to (d) is established.

1.4	Age
	
	i. For joint borrowers, branch is to apply an average score of their individual score for their respective age.
	
	Example Score
	
	Borrower A : 32 years old 3
	Borrower B : 41 years old <u>4</u>
	          Total Score <u>6</u>
	
	Therefore, average score is 6 /2 = 3
	Branch is to assign a score of "3" for Age of the joint borrowers of A & B
	
	ii. Branch is to round down the score.
	
	ExampleScore
	
	Borrower C : 28 years old 2
	Borrower D : 31 years old <u>3</u>
	          Total Score <u>5</u>
	
	Therefore, average score is 5 /2 = 2.5
	Branch is to assign a score of "2" for Age of the joint borrowers of C & D

2.1	Security Coverage (margin of advance) Margin of advance = Outstanding Loan / Security Value

2.2	<u>Type of Property</u> In the case of multiple type of security pledged as collateral, branch is to score based on the type of security with highest market value.
3.0	<u>Overall Credit Risk Rating Score</u> Branch is to round down the score. Example, Y = 270 Z = 100 Total Score (Y+Z) = 370 $\dfrac{(370)}{620} \times 100 = \underline{59.7\%}$ Credit Scoring = 59% (Credit Risk Grade : 4 i.e. Minimum / Pass with condition)