

Credit Evaluation – Loans and Credit Administration							
Date	:	31/05/2017	Branch	:	CMO		
From	:	Credit Evaluation – Loans and Credit Administration					
To	:	BM & Head, Credit Management					
1.0 Borrower Information							
Borrower:	1	Mr.Sin Voun	Nature of business/ Employment	1	Phone Shop		
	2	Mdm Taing Siv Guech		2	Property rental		
	3						
Guarantor:	1		Borrowing R's ship since:	2012			
	2						
	3						
CRR Grade	3						
2.0 Term Sheet							
New/ Additional	Facility	Existing Limit (USD)	+/-	Proposed Limit (USD)	O/S balance	Tenure	Interest rate ECOF = 5.50% p.a.
Existing	TL	65.6K		65.6K	65.6K	5 years	ECOF + 2.75% subject to min 8.25%
New	OD		+100K	100K		1 year	ECOF + 2.50% subject to min 8.00%
Total			+100K	165.6K			
Fees	Processing fee	:	1% on approved limit				
	Prepayment fee	:	1% on prepayment amount				
	Renewal fee	:	1% on renewal fee				
	Commitment fee	:	1% on unutilized portion				
Loan Purpose:	- For additional working capital						
Request/ Deviation:	- To seek approval to reduce interest rate of existing TL from 8.25% to 8.00% due to increase of ECOF.						

3.0 Comment by Credit Evaluation:	
1.	Borrowers are our existing customer since March 2014 with a 5 years TL which has been promptly paid to date. Their business in wholesale/retail of mobile phones and accessories remains unchanged for this new application. Their HL with Mega ICBC is also noted to be prompt as per CBC and bank statement furnished.
2.	The purpose for working capital is well justified via working capital calculation as per CA page 8 to support their stocks and receivables with net working capital requirement of USD124K.
3.	Comment on financials:-

- i. The past 3 financial year show continued improvement in sales by 19% from 2014 to 2016 with average monthly sales of USD109.5K mainly on smart phone & accessories sales mainly on wholesale. Profit margin reported at 18% is considered higher against other existing customer in the same line of business where reported profit margin ranging from 10% to 15%.
 Nevertheless it is still considered within acceptable range. The sales can be substantiated via 4 months sales invoices from Jan to Apr 2017 with 96% reflection rate.
- ii. The EBIT of USD24.9K provides strong DSR of 2.99x where under sensitized scenario with a 30% reduction, DSR is still acceptable at 2.09x. The repayment is also complemented by rental income received from their room rental in Stoeung Meanchey as well.
- iii. Borrower's financial projection of 9% increase in sales p.a. over the next 3 years is realistic based on past financial performance
4. There will be no additional collateral offered while the existing property appreciated by 34% from last valuation in 2014 where our security coverage is still good at 1.43x (ascribed value). Furthermore, the property is well located in commercial area along Mao Tse Toung Blvd where marketability is good.

4.0

Recommendation by Credit Evaluation

1. I would concur on branch's recommendation for Management's approval subject to :-
 - i. OD should be prized higher at 8.25% while TL to be reduced to original rate at 8%
 - ii. Undertaking by borrower to channel their operating account to us.

Concurred by:



Tang Siew Hon
 Senior Manager
 Date: 31/05/2017



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CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Request Type

☐ New☒ Additional☐ Renewal☐ R&R

Approving Authority

☒ Joint Approval: DLA Level ____IV____ Reason for escalation:☐ Group CCO & Head of Business:

Part 1.0	CUSTOMER PROFILE			
1.1	CUSTOMER INFORMATION			
Borrower	Mr. Sin Voun and Mdm. Taing Siv Guech		CIS No.	280003735
Group/ Ultimate Parent	N/A		Registration No.	3025
Ultimate Borrower's Beneficial Owner	N/A			
Business Address	Angkor Meas Phone Shop: No. 298Eo, Mao Tse Tong Blvd., Sangkat Boeung Salang, Khan Touk Kork, Phnom Penh. Property Rental <ul style="list-style-type: none">Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh. (Antenna-CamGSM)Steung Meanchey, Khan Meanchey, Phnom Penh. (Room rental)			
NBC Sector	Retail	Sub Sector	N/A	
Core Business	<ul style="list-style-type: none">Selling phoneProperty rental			
Date of Incorporation	2006	Relationship Since	Mar 2014	
Review Due Date	31-Apr-2017	Next Review Date	N/A	
BNM Reporting	<input type="checkbox"/> Broad Property Sector (Non Exempt) <input type="checkbox"/> Bridging Loan <input type="checkbox"/> Bullet/ Balloon Repayment			

1.2	CUSTOMER RISK STATUS					
Model Used: <input type="checkbox"/> LC <input type="checkbox"/> MM <input type="checkbox"/> GPF <input type="checkbox"/> IPRE <input type="checkbox"/> NBF1 <input type="checkbox"/> SCRM <input type="checkbox"/> CBRR						
Borrower/ Guarantor	Standalone		Final Rating (For credit decision only)	Watchlist Status		Exceptional Credit
	Current CRR Rating	New CRR Rating		EAM	AST	
Mr. Sin Voun and Mdm. Tang Sivkgech	3	3	3	Yes/ No	Yes/ No	Yes/ No
Guarantor/ N/A	N/A	N/A	N/A			
Comments: N/A						

1.3	SHAREHOLDERS (S) / DIRECTORS (D)/ GUARANTOR (G) DETAILS					
Name/ IC / Passport No./ BRN	Age	Relationship	% of shareholding	Years with Co	Experience/ Qualification	Estimated Net worth
Mr. Sin Voun and	40	Husband	50%	2012	N/A	USD224K
Mdm. Taing Siv Guech	41	Wife	50%	2012	N/A	

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2014-0008-1	Branch: City Mall Olympic Branch
No. of Employee: 3	
Succession Plan for key Personnel: N/A	
CBC / World Check Findings (if any): N/A	
Connected party: Yes/ No	(If yes, please comment)

Part 2.0	DETAILS OF REQUEST
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2.1	Brief details of new, additional or renewal request. <ul style="list-style-type: none"> To request OD of USD100K for working capital in Angkor Meas Phone Shop. To reduce interest rate to 8% p.a. for existing TL existing TL rate was increased to 8.25%p.a due to increase in ECOF To annual review the existing TL.
2.2	Please state brief details of waivers, deviation of guidelines & notations.

Part 3.0	FACILITY DETAILS
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3.1	FACILITY (USD'000)					
	Facility Type	O/S as at 23-05-2017	Existing Limit	Increase/ Decrease (+/-)	New Limit	Pricing (ECOF: 5.5% p.a.)
	5-Year TL 150	65.6	65.6	-	65.6	ECOF + 2.75% p.a. on monthly rest subject to min 8.25% p.a.
	OD 100	-	-	+100	100	ECOF + 2.50% p.a. on monthly rest subject to min 8% p.a.
	Total	65.6	65.6	+100	165.6	

3.2	Repayment Terms	
	Facility Type	Tenor/ Terms of Repayment
TL USD150K (Existing)	Interest Rate:	ECOF + 2.75% p.a. on monthly rest subject to min 8.25% p.a.
	Tenure:	5 Years
	Repayment:	60 monthly installment of USD3,091.15
	Processing Fee:	1% on approved amount
	Prepayment:	1 st -3 rd Year: 3% and 4 th -5 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
OD USD100K (New)	Interest Rate	ECOF + 2.50% p.a. on monthly rest subject to min 8% p.a.
	Tenure	1 Year
	Repayment	Repayable on demand and interest in arrears to be serviced monthly
	Processing Fee:	1% on approved amount
	Commitment fee	1% p.a. on unutilized OD limit
	Renewal fee	1% of the total approved limit
	Prepayment	1% on prepayment amount if the facility is fully/partially settled before expire date



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Application No. : RHBIBL-0002-2014-0008-1	Branch: City Mall Olympic Branch
-------------------------------------------	----------------------------------

3.3	GROUP EXPOSURE PROFILE (USD'000)								
Exposure With	Borrower			Related Borrowers**			Borrower + Related Borrowers (SCEL**)		
	Secured*	Clean	Total	Secured*	Clean	Total	Secured*	Clean	Total
RHB Indochina Bank	165.6	-	165.6	-	-	-	165.6	-	165.6
RHB Bank Limit:									
Standalone:									
RHB Labuan/ Islamic/ Investment/ Leasing									
SCEL**									
Beyond SCEL***									
Total RHB Group	-	-	-	-	-	-	-	-	-
Total Credit (RHB Group Exp+Other Banks)	465.6	-	465.6	-	-	-	465.6	-	465.6

* Based on value as per Credit Policy

** Aggregated based on Power of Control (PoC) and Economic Dependency (ED)

*** All other exposure derived based on Power of Control (before disaggregation)

Part 4.0	DETAILS OF OTHER BANKERS/ FINANCIAL INSTITUTIONS						
No.	Name of Banker/ FI	Facility Type	Pricing (p.a.)	Approved Amount (USD'000)	Outstanding as at 30-Sep-2017 (USD)	Security	Security Coverage
	Mega ICBC	7-Year TL	6.75%	300	N/A	Land and Building	N/A
Total				300			
Credit Bureau Findings: N/A							
World check: There is no name match.							



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Branch: City Mall Olympic Branch

Part
5.0

SECURITY DETAILS

5.1

SECURITY DESCRIPTION

Security Description

OMV
(USD'000)Security
Value
(as per CP)Existing

1. Facility Agreement stamped for TL of USD150K as the principal instrument.
2. Open All Monies 1st party and 1st legal charge over the following property as subsidiary instrument

Property:

Title No.: PP23079

Registered owner: Mr. Sin Voun

Description: A ground floor of 4-Storey shop house

Land: 49.40sqm

Built-up: 49.40sqm

Address/Location: No. 298Eo, Mao Tse Tong Blvd., Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh.

OMV: USD253,000 (Formal Valuation by KEY dated 07-Mar-2014)

Tenure: freehold

Lease expiry: N/A

Insurance: Forte Cambodia

Expiry date: 10-Mar-2018

Verbal Check by:

Valuer	Date	OMV/FSV (USD)
ARC	May 2017	A unit of Eo only Total: USD340,000
CARE	May 2017	Land cost: USD339,320 (USD6,800/sqm) Building cost: USD10,978 (USD220/sqm) Total: USD350,298
KEY	May 2017	A unit of Eo only Total: USD339,000

Comment:

- We adapt the indicative value of KEY as it is reasonable value and lower than CARE's and ARC's indicative value.
- Note that, the property value is increased by 33.99% comparing to the previous past year 2014 as it is a good sign for the property located along the main road, Mao Tse Tong Blvd., in front of Derm Korr Market where still favorable place for business activities and market demand.

Total

339

237.3

Security Coverage (Times)

2.05x

1.43x

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-------------------------------------------	----------------------------------

5.2	SECURITY ANALYSIS
	<ul style="list-style-type: none"> Overall MOA is 48.85% with secure coverage of 1.43x. (ascribed value) Property is located along street No. 298Eo, Mao Tse Tong Blvd., Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh city where is a favorable zone in front of the Deum Kor Market. Marketability is good since the collateral is well located in well sought in Phnom Penh City.
5.3	GURRANTORS
N/A	

Part 6.0	CONDITIONS PRECEDENT & COVENANTS
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6.1	CONDITIONS PRECEDENT			
No.	Details	Complied		To
		Yes	No	comply
1	<p><u>Existing TL: USD150K</u></p> <ul style="list-style-type: none"> Acceptance of Letter of Offer Payment of Processing fees <p><u>Release of facilities subject to:-</u></p> <ul style="list-style-type: none"> Compliance of Terms under Condition Precedent. Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Borrower and/or the relevant security parties, duly stamped and registered at such registries as the Bank may deem necessary. <p><u>Disbursement Method:</u></p> <p>Disbursement of USD69,789.91 shall be disbursed to redeem existing collateral with TD No. PP23079 currently charged to HwangDBS Commercial Bank Plc., and the balance shall be credited into your account with RHBIBL upon compliance with condition precedent to the Bank's satisfaction.</p>	✓		
		✓		
		✓		
		✓		
		✓		
2	<p><u>New OD: USD100K</u></p> <ul style="list-style-type: none"> Acceptance of Letter of Offer Payment of Processing fees <p><u>Release of facilities subject to:-</u></p> <ul style="list-style-type: none"> Compliance of Terms under Condition Precedent. Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Borrower and/or the relevant security parties, duly stamped and registered at such registries as the Bank may deem necessary. Submission an updated valuation report (Fresh one page) from KEY with total value of not less than USD339K. <p><u>Disbursement Method:</u></p> <p>Upon the completion of legal document and blocking TD, OD of USD100K shall be released into the borrower' account maintained with RHBIBL.</p>			✓
				✓
				✓
				✓
				✓
Comments: N/A				



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6.2		COVENANTS / OTHER TERMS & CONDITIONS		
No.	Details	Complied		To comply
		Yes	No	
1	Existing N/A			
2	New N/A			
Comments:				

Part 7.0		CREDIT ASSESSMENT
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7.1		BORROWER BACKGROUND																					
<p>Borrowers, Mr. Sin Voun (Age: 40) and Mdm. Tang Siv Kgech (Age: 41), are husband and wife. They are residing in No. 298Eo, Mao Tse Tong Blvd., Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh. They have been our loan customer since 2014 with initial approval TL of USD150K (O/S: USD65.6K as at 23-May-2017). Besides, they also have maintained loan with Mega Bank with limit of USD300K since 2015.</p> <p>Presently, the borrowers have involved in selling phone and property rental business with the following:</p> <p>Angkor Meas Phone Shop</p> <p>Established in 2006, Angkor Meas Phone Shop was found by the borrower and operated business in No. 298Eo, Mao Tse Tong Blvd., Sangkat Boeung Salang, Khan Chamkarmon, Phnom Penh where is also the borrower' resident. The shop was registered under business license No. 30250Jff, owned by Mdm. Tang Sivkgech while the Receipt of Tax payment in 2017 is already applied. (Receipt of Tax payment is enclosed).</p> <p>It is offered a variety of smart phones and accessories where are popular brand such as i-phone, Samsung, Hawei, Sony, etc. Both new and used phones are serviced. In overall, net profit margin is about 18% where they could generate income more higher rate from the second hand products, as revealed by the borrower. They further stated that the volume of sale is gradually increased due to high technology product of smart phone as well as the market demand. Most customers are businessmen, teenagers, company's staff etc. Further, they also corporate with AEON MFI for customers who want to monthly pay down. Besides the retail customers, the borrower has a few regular customers (local dealers) who purchase order to sell as well. Meanwhile, the shop is also provide a phone repair and assisted by 3 staffs.</p> <p>As mentioned by the borrower, they have to reserved fund to manage their inventory (Phone) as well as to display in their shop due to many new smart phones have been launched every year.</p> <p>Inventory, A/R, and A/P are summed up of about USD60K, USD8K, and USD5K. Noted that, the aging list and account payable are not properly made as they reported based on sale invoice. But some invoices are not made as it was fully paid with a small amount purchase.</p> <p>Supplier</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Product</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SS Mobile</td> <td>Samsung</td> </tr> <tr> <td>2</td> <td>TCC</td> <td>i-phone & ipad</td> </tr> <tr> <td>3</td> <td>THT (Ngov Chhea)</td> <td>i-phone & ipad</td> </tr> <tr> <td>4</td> <td>Vuthy Phone Shop</td> <td>Hawei & Sony</td> </tr> <tr> <td>5</td> <td>Nika Phone Shop</td> <td>i-phone</td> </tr> <tr> <td>6</td> <td>Khmer Leader Distribution Co., Ltd.</td> <td>Phone Accessories</td> </tr> </tbody> </table>			No.	Name	Product	1	SS Mobile	Samsung	2	TCC	i-phone & ipad	3	THT (Ngov Chhea)	i-phone & ipad	4	Vuthy Phone Shop	Hawei & Sony	5	Nika Phone Shop	i-phone	6	Khmer Leader Distribution Co., Ltd.	Phone Accessories
No.	Name	Product																					
1	SS Mobile	Samsung																					
2	TCC	i-phone & ipad																					
3	THT (Ngov Chhea)	i-phone & ipad																					
4	Vuthy Phone Shop	Hawei & Sony																					
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6	Khmer Leader Distribution Co., Ltd.	Phone Accessories																					



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Competitors

No.	Name	Product
1	Rattanak Phone Shop	Samsung
2	I apple media phone shop	i-phone & ipad
3	Deum Kor phone shop	i-phone & ipad

Borrowers generate property rental income where located in Phnom Penh City as below:

Property: Top Floor (Antenna)

Lessor	: Mr. Tang Siv Kgech
Lessee	: CamGSM Co., Ltd
Property address	: Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh.
Tenure	: 10 years (21-Mar-2008 to 21-Mar-2028)
Monthly Rental Fee	: USD300/month
Deposit	: USD3,600

Note: Rental agreement is enclosed.

Property: Room Rental

The borrowers have operated rental business since 2005. The building was subsequently constructed for rent. Presently, it consists of 186 rooms in total. Noted that, there is no room rental agreement as it is leased in a low price between USD25 to USD40 with evidence of monthly receipt, rental fee. (Some receipt are enclosed)

Location	Available Room	Occupied Room	Monthly Fee	Total Monthly Fee (USD)
Phum Toul Pong Ro 2, S/K Steung Meanchey, Khan Meanchey, Phnom Penh.	10	8	40	320
	6	6	35	210
	30	28	30	840
	36	35	22	770
	32	30	20	600
	26	25	35	875
	10	10	30	300
	14	14	22	308
	22	21	20	420
	Total	186	177	4,643

Based on the furnished financial statement, the occupancy room rate is about 85%. During site visit the premise business, LU observed that rooms are leased to tenants, both garment's workers and students.

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7.2

JUSTIFICATION OF REQUEST

• Working Capital Table

Items	Historical 2016 (Monthly)	Projected 2017 (Monthly)	Remarks
Z) Monthly sales (USD)	109,584.38	119,446.98	
A) Debtor turnover (days)	7	7	
B) Stockholding turnover (days)	30	30	
C) Creditor turnover (days)	3	3	
D) Asset Conversion Cycle = $(A + B) - C/30$	1.13	1.13	
E) Monthly WC need = $(D \times Z)$	124,195.63	135,373.24	
Existing + proposed WC lines	100,000.00	100,000.00	
(Shortfall)/Excess-in WC lines	24,195.63	35,373.24	

Borrower request OD limit of USD100K to use as working capital in phone business. The proposed limit is reasonable and verified by the table above where showed the average monthly sale of USD109.6K required the working capital limit of USD124.2K. In term of trading business, OD facility is a main product for the borrower to facilitate their work flow.

Noted that, loan with Mega is used to purchase house and land to expand their room rental business in future not involved in phone shop; however, the LOO with Mega was mentioned purpose of loan in working capital.

The borrower request to reduce interest rate to 8% p.a. for existing TL as the current interest rate of 8.25% p.a. was increased by ECOF increase in mid-2016. Actually, the borrower used to request for interest rate deduction to original approval (8% p.a.) at that time but they have been accepted with 8.25% p.a. after negotiation. Noticeably, the borrower also have maintained loan with Mega ICBC with Limit of USD300K with interest rate lower than 8% p.a.

7.3

INDUSTRY LENDING DIRECTION

Sector: Retail

Within Industry Lending Limit? Yes / No (as at 26-May-2017)

☐ Most attractive

☐ Highly attractive

☒ Attractive

☐ Selective

☐ Unattractive

☐ Most unattractive

If Sector falls under unattractive or most unattractive, justification for maintain or increase exposure: N/A

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7.4

SOURCE OF REPAYMENT

	Historical 2016 (Monthly)	Projected 2017 (Monthly)	Remarks
A) EBITDA			
Angkor Meas phone shop	USD20,491.75	USD22,335.54	
B) Other recurring Income:			
Rooms rental	USD4,466.00	USD4,720.00	
C) Total cash flow available for debt service (A + B)	USD24,957.75	USD27,055.54	
D) Existing debt repayment			
RHBIBL 5-Year TL: USD150K	USD3,091.15	USD3,091.15	
Mega Bank 7-Year TL: USD300K	USD4,584.12	USD4,584.12	
E) Proposed additional Debt Repayment			
RHBIBL OD: USD100K	USD666.66	USD666.66	
F) Total debt repayment (D + E)	USD8,341.93	USD8,341.93	
DSR [(A+B)/(D+E)]	2.99x	3.24x	
G) Other source of income (scheduled/dividend repayment)	N/A	N/A	
Adjusted DSR [(C + G)/F]	N/A	N/A	

7.5

EXTERNAL RATING (Applicable to PLCs only)

Moody's EDF9 Score (%) as at dd/mm/yyyy

Borrower:

Guarantor:

Share Price Movement over past 12 months:

DD/MM/YY (Current price)	High	Low

Implied Rating	S&P	Moody's

Comments:

RAM	MARC	S&P	Fitch	Moody's

Comments:



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7.6	CUSTOMER PROFITABILITY								
Facility	Average Utilization	Last 12 mths Gross Income	Current RAROC	Current RRWA	Current ROA	Projected 12 mths Gross Income	Projected RAROC	Projected RRWA	Projected ROA
N/A									
Reasons/ account strategy if less than model recommended target return.									

7.7	ANCILLARY BUSINESS/ CROSS SELLING
N/A	

7.8

CONDUCT OF ACCOUNT ANALYSIS

Bank Statement

Bank: RHBIBL					
Account: 2-01-0002-00003222-9					
Mr. Sin Voun					
12 Months					
Month	No. of Transaction	Debit (USD)	No. of Transaction	Credit (USD)	Balance (USD)
Balance Forward					1,849.30
May-16	2	3,080.82	1	2,000.00	768.48
Jun-16	2	3,081.26	2	6,011.14	3,698.36
Jul-16	2	6,080.82	1	3,000.00	617.54
Aug-16	1	3,091.15	1	3,000.00	526.39
Sep-16	1	3,091.15	1	3,000.00	435.24
Oct-16	1	3,091.15	1	3,000.00	344.09
Nov-16	1	3,091.15	1	3,000.00	252.94
Dec-16	2	3,091.27	2	3,103.21	264.88
Jan-17	1	3,091.15	1	3,100.00	273.73
Feb-17	2	3,098.15	1	3,000.00	175.58
Mar-17	2	3,161.15	1	3,500.00	514.43
Apr-17	1	3,091.15	1	3,500.00	923.28
Total	18	40,140.37	14	39,214.35	
Average	2	3,345.03	1	3,267.86	732.91

Comment:

- For the last 12 months, total turnover credit and debit reported USD39.2K and USD40.1K derived monthly deposit and withdrawal of USD3.3K and USD3.3K respectively.
- Common transactions are cash deposit and monthly loan installment.



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Branch: City Mall Olympic Branch

Bank: Mega Bank

Account:

Sin Voun and Tang Siv Kgech

12 Months

Month	No. of Transaction	Debit (USD)	No. of Transaction	Credit (USD)	Balance (USD)
Balance Forward					2,045.94
Mar-16	2	6,291.23	1	5,000.00	754.71
Apr-16	0	-	1	5,000.00	5,754.71
May-16	1	4,543.08	1	5,000.00	6,211.63
Jun-16	3	10,586.16	2	5,000.17	625.64
Jul-16	0	0	0	-	625.64
Aug-16	2	9,086.16	2	9,500.00	1,039.48
Sep-16	0	-	1	4,500.00	5,539.48
Oct-16	2	9,127.20	1	4,500.00	912.28
Nov-16	1	4,584.12	1	5,000.00	1,328.16
Dec-16	1	4,584.12	2	5,000.13	1,744.17
Jan-17	1	4,584.12	1	5,000.00	2,160.05
Feb-17	2	6,584.12	1	4,600.00	175.93
Total	15	59,970.31	14	58,100.30	
Average	1	4,997.53	1	4,841.69	2,239.32

Comment:

- For the last 12 months, total turnover credit and debit reported USD58.1K and USD59.9K derived monthly deposit and withdrawal of USD4.8K and USD4.9K respectively.
- Common transactions are cash deposit and monthly installment.



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Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Conduct account

Bank: RHBIBL					
Loan Type	5-Year TL: USD150K				
Account Name	Mr. Sin Voun				
No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remark
1	3,080.82	15-06-16	15-06-16	0	
2	3,080.82	15-07-16	15-07-16	0	
3	3,091.15	15-08-16	16-08-16	1	Auto-Debit
4	3,091.15	15-09-16	15-09-16	0	
5	3,091.15	17-10-16	17-10-16	0	
6	3,091.15	17-11-16	18-11-16	1	Auto-Debit
7	3,091.15	15-12-16	15-12-16	0	
8	3,091.15	16-01-17	17-01-17	1	Auto-Debit
9	3,091.15	15-02-17	15-02-17	0	
10	3,091.15	15-03-17	15-03-17	0	
11	3,091.15	18-04-17	18-04-17	0	
12	3,091.15	17-05-17	18-05-17	1	Auto-Debit

Bank: Mega					
Loan Type	7-Year TL: USD300K				
Account Name	Mr. Sin Voun				
No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remark
1	4,543.08	30-06-16	30-06-16	0	
2	4,543.08	30-07-16	01-08-16	1	Borrower was busy
3	4,543.08	30-08-16	31-08-16	1	Deposited in 30-08-16
4	4,543.08	30-09-16	04-10-16	4	Deposited in 29-09-16
5	4,584.12	30-10-16	31-10-16	1	Deposited in 28-10-16
6	4,584.12	30-11-16	30-11-16	0	
7	4,584.12	30-12-16	30-12-16	0	
8	4,584.12	30-01-17	31-01-17	1	Deposited in 30-01-17
9	4,584.12	28-02-17	28-02-17	0	



RHB BANKING GROUP

☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Part 8:0

GUIDED RISK ANALYSIS TEMPLATE

We have reviewed the facility as required and confirmed the following:

8.1	Management Risks	✓	Low		Medium		High
<ul style="list-style-type: none"> There is no proper financial recorded, since it is a family business. However, the borrowers are still operating business well and profitable from year to year. 							

8.2	Industry Risks		Low	✓	Medium		High
<p>Smart Phone</p> <p>Cambodians are increasingly moving away from buying simple and low-budget phones and are willing to shell out a hefty figure for the latest in smartphone technology, with brands like Samsung and Apple the most popular. Meanwhile, mobile internet dominates more than 98% of internet subscribers and the trend will continue to growth in the future based on the tendency of people towards increased smartphone usage.</p>							

8.3	Product Risks	✓	Low		Medium		High
<ul style="list-style-type: none"> N/A 							

8.4	Supplier / Buyer Risks	✓	Low		Medium		High						
<ul style="list-style-type: none"> Credit-terms are offered to potential customers to strengthen/built relationship stronger. <p>Adverse findings from Trade Quality Assurance Department (if any)</p> <table border="1"> <tr> <td>Supplier/ Buyer</td> <td>Due Diligence Findings</td> <td>Action Taken</td> </tr> <tr> <td>N/A</td> <td></td> <td></td> </tr> </table>								Supplier/ Buyer	Due Diligence Findings	Action Taken	N/A		
Supplier/ Buyer	Due Diligence Findings	Action Taken											
N/A													

8.5	Production Risks (applicable to manufacturing company only)	✓	Low		Medium		High
<ul style="list-style-type: none"> Not highly labour intensive or where affirmative is not a major concern. Pricing allows positive returns. 							

8.6	Other Risks (e.g. Specialised Lending, Project / Contract Financing)						
N/A							

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

8.7 FINANCIAL HIGHLIGHTS & ANALYSIS

Income Statement

Angkor Meas Phone Shop	Income Statement		
	2014	2015	2016
	12-Month	12-Month	12-Month
Revenue (USD)			
Phone, Accessories, and repair	1,106,819.79	1,206,433.57	1,315,012.59
Total revenue	1,106,819.79	1,206,433.57	1,315,012.59
Operating Expenses			
COGS	885,455.83	965,146.86	1,052,010.07
Salary	5,400.00	5,940.00	6,534.00
Utilities	3,000.00	3,150.00	3,307.50
Other	6,000.00	6,600.00	7,260.00
Total expenses	899,855.83	980,836.86	1,069,111.57
EBIT	206,963.96	225,596.71	245,901.02
Average monthly EBIT	17,247.00	18,799.73	20,491.75
Monthly rental (Antenna)	300.00	300.00	300.00
Average monthly rental income	3,430.00	3,920.00	4,166.00
Total monthly income	20,677.00	22,719.73	24,957.75

Comment:

- Average monthly revenue in Y2016 reported of USD109.6K derived from selling phone (80% sale), accessories (10% sale), and repair (10% sale) in Angkor Meas Phone Shop. In overall, the profit Margin is at 20%.
- In addition, the borrower also generates income of USD4.2K per month derived from Antenna and rooms rental business. After deduction of expenses, DSR is at 2.99x.
- The borrower's income of 82% is derived for phone shop.

Revenue justification

- Sale is justified by the furnished sale invoice for the last 4 months (Jan to Apr 2017), i.e. USD105.5K or 96% against sale. Based on the sale invoice, many smart phones were sold such as i-phone 7, Samsung S8, etc. Profit Margin of 20% is acceptable, comparing to the existing customer.
- Rental incomes are justified by the furnished rental agreement and monthly receipt payment for room rental with occupancy room rate 85%. Moreover, LU also took a site visit on the premise business where is currently leased with 186 rooms in total and observed it is located in a favorable zone for rental business as it is surrounded by Garment's factories.
- Noted that, there was only 7.69% of sale was channeled with the bank's account, RHBIBL and Mega in purpose of monthly loan installment only. The balance was kept in hand for daily business operating.



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Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Income Projection

Angkor Meas Phone Shop	Income Projection		
	2017	2018	2019
	12-Month	12-Month	12-Month
Revenue (USD)			
Phone, Accessories, and repair	1,433,363.73	1,562,366.46	1,702,979.44
Total revenue	1,433,363.73	1,562,366.46	1,702,979.44
Operating Expenses			
COGS	1,146,690.98	1,249,893.17	1,362,383.55
Salary	7,187.40	7,906.14	8,696.75
Utilities	3,472.88	3,646.52	3,828.84
Other	7,986.00	8,784.60	9,663.06
Total expenses	1,165,337.26	1,270,230.43	1,384,572.21
EBIT	268,026.47	292,136.03	318,407.23
Average monthly EBIT	22,335.54	24,344.67	26,533.94
Monthly rental (Antenna)	300.00	300.00	300.00
Average monthly rental income	4,420.00	4,664.00	4,900.00
Total monthly income	27,055.54	29,308.67	31,733.94

Comment:

- Revenue of phone shop is expected to increase 9% in the next 3 years based on the past sale record.
- Profit margin is expected to remain unchanged.
- Antenna rental is remained unchanged based on the furnished agreement.
- Room rental business is expected to increase based on occupancy room rate with 90%, 95%, and 100% for Y2017, Y2018, and Y2019 respectively.

Current DSR Scenario

	2016 (Monthly)	2017 (Monthly)	2018 (Monthly)	2019 (Monthly)
Average Monthly EBIT (USD)	24,957.75	27,055.54	29,308.67	31,733.94
RHBIBL 5-Year TL: USD150K	3,091.15	3,091.15	3,091.15	3,091.15
RHBIBL OD: USD100K	666.66	666.66	666.66	666.66
Mega 7-Year TL: USD300K	4,584.12	4,584.12	4,584.12	4,584.12
Total Commitment	8,341.93	8,341.93	8,341.93	8,341.93
DSR (Time)	2.99x	3.24x	3.51x	3.80x

Sensitive DSR Scenario (drop 30% income)

	2016 (Monthly)	2017 (Monthly)	2018 (Monthly)	2019 (Monthly)
Average Monthly EBIT (USD)	17,470.42	18,938.87	20,516.07	22,213.76
RHBIBL 5-Year TL: USD150K	3,091.15	3,091.15	3,091.15	3,091.15
RHBIBL OD: USD100K	666.66	666.66	666.66	666.66
Mega 7-Year TL: USD300K	4,584.12	4,584.12	4,584.12	4,584.12
Total Commitment	8,341.93	8,341.93	8,341.93	8,341.93
DSR (Time)	2.09x	2.27x	2.46x	2.66x



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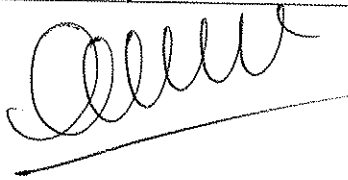
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CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Part 9.0	RECOMMENDATION BY LENDING UNIT
SUMMARY & RECOMMENDATION <ul style="list-style-type: none">Borrowers have involved in business since 2006 and they have been our loan customers since 2014 with good repayment record.Purposed of loan is clarified for working capital in Angkor Meas Phone Shop.Capacity repayment is secured to monthly installment and translates DSR at 2.99x.Overall MOA is 48.85% with secure coverage of 1.43x. (ascribed value) <p><u>Reminder:</u> All credit submission must have financial statements (audited or management accounts) which are not older than 6 months from the date of submission. Also, in any case, audited account must not be more than 12 months old from the date of submission. In the event that the above could not be complied, LU is to make notification detailing (i) the reason for audited financials; (ii) justifying the reasons why it is in order to accept the outdated financials; (iii) committing the date when the updated financials can be obtained & (iv) indicating in details other sources of information i.e. updated sales report, current account summary, cash balances, CCRIS, etc.</p>	
Prepared by:  Sok Ratanak Assistant Manager-Retail & Consumer Business Development and Marketing Date: 26-May-2017	Recommended by:  Chiv Hak Senior Manager-Retail & Consumer Business Development and Marketing Date: 26-May-2017



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☐ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2014-0008-1

Branch: City Mall Olympic Branch

Part
10.0**INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL**

10.1

CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION

Within Lending Limits:

☐ Yes☐ NoIssues / Findings / Breaches (if any)

No.	Issues / Findings	Comments / Mitigations
1		
2		
3		

No.	Policy Breaches	Comments / Mitigations
1		
2		
3		

Recommendation

Evaluated by:

Name:

Position:

Date:




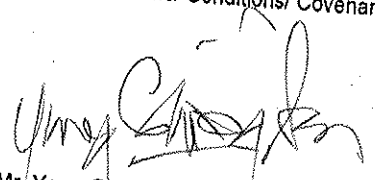
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CREDIT APPLICATION (CA2)

Application No. : RHBIBL-0002-2014-0008-1 (Form for joint approval)

Branch: City Mall Olympic Branch

10.2	APPROVAL	
Approver 1	Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined	
	Comments: (If any)	
	Additional Terms/ Conditions/ Covenants: (If any)	
	 Mr. Keang Chuanveasana Branch Manager Date: 26/05/2017	
Approver 2	Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined	
	Comments: (if any)	
	Additional Terms/ Conditions/ Covenants: (If any)	
	 Mr. Yong Ching San Head, Credit Management Date: 31/5/17	

No.	Decline Code (Please tick the relevant code for declined proposals)
D001	First Level Screening Not Carried Out by LU (e.g. : CCRIS, CTOS, NP69 findings)
D002	High risk of impairment (1 or more AST/MST)
D003	Inappropriate/ unsuitable credit structure
D004	Repayment capacity inadequate/ unmitigated
D005	No justification/ rationale for request in CA
D006	Unacceptable level of risk
D007	Unsatisfactory financial performance/ key financial indicators
D008	Unsatisfactory conduct of account
D009	WC requirement not adequately justified/ mitigated
D010	Project viability not adequately justified/ mitigated
D011	High clean exposure not justified & mitigated
D012	Others (provide description)