



RHB BANKING GROUP

☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2014-0020-1	Branch: City Mall Olympic Branch
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Request Type

☐ New
 ☒ Additional
 ☒ Renewal
 ☐ R&R

Approving Authority

☒ Joint Approval: DLA Level ___4___ Reason for escalation:

☐ Group CCO & Head of Business:

Part 1.0	CUSTOMER PROFILE
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1.1	CUSTOMER INFORMATION			
Borrower	Mr. Chiv (Cheav) Seng and Mdm. Lay Yeang		CIS No.	120003110
Group/ Ultimate Parent	N/A		Registration No.	PTS201704239
Ultimate Borrower's Beneficial Owner	N/A			
Business Address	No. 27, St/ 271, Phum Trapaing Chuk, S/K Tek Thla, Khan Sen Sok, Phnom Penh			
NBC Sector	Real Estate Operation-Residential	Sub Sector	N/A	
Core Business	Selling wooden furniture			
Date of Incorporation	2015	Relationship Since	Aug 2014	
Review Due Date	N/A	Next Review Date	N/A	
BNM Reporting	<div><div><input type="checkbox"/></div>Broad Property Sector (Non Exempt)</div> <div><div><input type="checkbox"/></div>Bridging Loan</div> <div><div><input type="checkbox"/></div>Bullet/ Balloon Repayment</div>			

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"/> NBFi <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. Chiv (Cheav) Seng and Mdm. Lay Yeang	4	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 Network	
Mr. Cheav Seng	38	Husband	100%	N/A	N/A	USD200K	
Mdm. Lay Yeang	36	Wife					
No. of Employee: 3							
Succession Plan for key Personnel: N/A							
CBC / World Check Findings (if any): There are no entries matching to World Check.							
Connected party: Yes / No		(If yes, please comment)					



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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 additional 10-Year TL of USD65K to part finance on purchase vacant land. - To annual review for existing facilities.
2.2	Please state brief details of waivers, deviation of guidelines & notations. N/A

Part 3.0	FACILITY DETIALS
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3.1	FACILITY (USD'000)					
Facility Type	O/S as at 25-10-2017	Existing Limit	Increase/Decrease (+/-)	New Limit	Pricing	Purpose
12-Year HL 160	132.1	132.1	-	132.1	ECOF + 3% p.a. on monthly rest subject to min 8.5% p.a.	To part finance the purchase of a ground floor of double storey flat
10-Year TL 65	-	-	+65	65	ECOF + 3% p.a. on monthly rest subject to min 8.5% p.a.	To part finance on purchase vacant land
Total	132.1	132.1	+65	197.1		

3.2	Repayment Terms		
Facility Type			Tenor/ Terms of Repayment
HL USD160K (Existing)	Interest Rate	:	ECOF + 5.5% p.a. on monthly rest subject to min 8.5% p.a.
	Tenure	:	12 Years
	Repayment	:	144 monthly installment of USD1,777
	Processing Fee	:	1% on approved amount
	Prepayment	:	1 st -5 rd Year: 3% and 6 th -12 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
TL USD65K (New)	Interest Rate:	:	ECOF + 5.5% p.a. on monthly rest subject to min 8.5% p.a.
	Tenure:	:	10 Years
	Repayment:	:	120 monthly installment of USD805.91
	Processing Fee:	:	1% on approved amount
	Prepayment:	:	1 st -5 rd Year: 3% and 6 th -10 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.

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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	197.1	-	197.1	-	-	-	197.1	-	197.1
RHB Bank Limit: Standalone:									
RHB Labuan/ Islamic/ Investment/ Leasing									
SCEL**									
Beyond SCEL***									
Total RHB Group	197.1	-	197.1	-	-	-	197.1	-	197.1
Total Credit (RHB Group Exp+Other Banks)	197.1	-	197.1	-	-	-	197.1	-	197.1

* 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	Approved Amount (USD'000)	Outstanding as at (USD)	Security	Security Coverage
	N/A						
Total							
Credit Bureau Findings: The borrowers have no loan with other banks.							
World check: No name matched. There is no match name record							

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Part 5.0	SECURITY DETAILS
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5.1	SECURITY DESCRIPTION										
	Security Description	OMV (USD'000)									
	Security Value (as per CP)										
Existing											
1. Facility Agreement stamped for HL of USD160K as the principal instrument. 2. Open All Monies 1 st party and 1 rd legal charge over the following property as subsidiary instrument											
Existing Property											
Title No.: 15041 Registered owner: Mr. Chiv Seng and Mdm. Lay Yeang Description: A ground floor of double storey flat Land: 66.60sqm Built-up: 66.60sqm Address/Location: No. 240DEo, St. 182, S/K Phsar Depo 1, Khan Toul Kork, Phnom Penh. Tenure: freehold Lease expiry: N/A OMV: USD237,552 (Formal VR by CARE on 23-Jul-2014) Insurance: Campu Longpac Expiry date: 10-Aug-2018 Verbal Check by:											
<table border="1"> <thead> <tr> <th>Valuer</th><th>Date</th><th>OMV/FSV (USD)</th></tr> </thead> <tbody> <tr> <td>9-Base</td><td>Oct 2017</td><td>USD303,300 (A unit of Eo)</td></tr> <tr> <td>ARC</td><td>Oct 2017</td><td>USD288,000 (A unit of Eo)</td></tr> </tbody> </table>			Valuer	Date	OMV/FSV (USD)	9-Base	Oct 2017	USD303,300 (A unit of Eo)	ARC	Oct 2017	USD288,000 (A unit of Eo)
Valuer	Date	OMV/FSV (USD)									
9-Base	Oct 2017	USD303,300 (A unit of Eo)									
ARC	Oct 2017	USD288,000 (A unit of Eo)									
Comment: <ul style="list-style-type: none"> - We are adapts to the min. verbal value from ARC as it is reasonable value and lower than 9-Base's indicative value. - And the property value is increased by 21% against with the previous OMV in 2014 where is reasonable for current market in real estate sector. 											
New/ Additional (To Be Obtained)											
1. Facility Agreement stamped for TL of USD70K as the principal instrument. 2. Open All Monies 1 st party and 1 rd legal charge over the following property as subsidiary instrument											
Total											
Security Coverage (Times) - Existing & New/ additional											
	288	201.6									
	1.46x	1.02x									

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5.2	SECURITY ANALYSIS
	<ul style="list-style-type: none"> - We are adapts to the min. verbal value from ARC as it is reasonable value and lower than 9-Base's indicative value. - And the property value is increased by 21% against with the previous OMV in 2014 where is reasonable for current market in real estate sector especially property in central city. - The property is located in a favorable area of Phnom Penh City where is easy to access and run business. - MOA is at 68.43% with security coverage of 1.02x (Ascribe value). And it shall be further improved as all facilities are TLs with monthly principal installment. - Borrowers are not agreed. They said they may add collateral when they need loan for part finance on warehouse construction or other purpose in future.

5.3	GURRANTORS
	N/A

Part 6.0	CONDITIONS PRECEDENT & COVENANTS
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6.1	CONDITIONS PRECEDENT			
No.	Details	Complied		To comply
		Yes	No	
1	<p><u>Existing (HL: USD160K)</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.- Receipt of formal valuation report from bank's panel of valuer on market price is at least USD230K on the subject property <p>Disbursement Method HL of USD160K shall be disbursed to seller by issuance banker's cheque upon blocking certificate of ownership No. 15041 and upon compliance with conditions precedents to the Bank's satisfaction.</p> <p>Post Drawdown Submission Patent License within 3 months from disbursement date</p>	✓ ✓ ✓ ✓ ✓		
2	<p><u>New (TL: USD65K)</u></p> <p><u>New</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.			✓ ✓

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	- 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 of new formal valuation report from our panel on the subject property with total value is not less than USD288K			✓
	<u>Disbursement</u> After blocking of Title deed, the additional TL of USD65K shall be released by issuing banker's cheque to seller subject to : - Submission a SPA and differential sum on purchase a vacant land. - Reimbursement is allowed subject to full payment evidence.			✓ ✓
	<u>Post Drawdown:</u> Submission of letter of ownership of the purchase vacant land within 3 months after loan drawdown.			✓
Comments: N/A				

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



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Part
7.0

CREDIT ASSESSMENT

7.1

BORROWER BACKGROUND

- Borrowers, Mr. Chiv (Cheav) Seng (Age:38) and Mdm. Lay Yeang (Age:36) are related as husband and wife. They are residing in No. 27CEo, St. 271, Phum Trapaing Chuk, S/K Tek Thla, Khan Sen Sok, Phnom Penh where is the premise business. They have been our loan customer with initial approval HL of USD160K since Aug 2014.
- Historically, they used to involve in selling construction material (painting) when they applied loan with us in 2014. But their business has been changed industry to sell wooden furniture since 2015. And the business' location is still the same area with monthly rental fee USD500 per month (Patent 2017 and Rental agreement is enclosed)
- Presently, the business is offered a variety of furniture such as bed, chair, cabinet, table, etc which are made in wood. Those are sold in both set and retail with the price up to USD2,000/unit upon the kind of wood and customer's order. As revealed by Mr. Chiv Seng, he decided to change the business industry as he think it is more comfortable and profitable than the previous one as there is no validity of product and get net profit up to 30% as well. Further, the borrower has advised and consulted from his relative who also has the same business. As a result, their business has been profitable and stable; however, it is just operated almost 3 years.
- All furniture is delivered from some provinces such as Kratie, Steung Treng, Pursat, etc. Mr. Chiv Seng stated that their customers are retail who buy for personal use. And he noted that his sale is gradually increased for last one year meanwhile most of customers are purchased Borey for resident, so they need furniture for decoration and use however, it is worthy products.
- Mr. Chiv Seng mentioned that A/P and A/R are not made as all payment has to be paid in cash. And stock is lump sum of about USD50K. He further said that all furniture are stored in the premise business as mentioned above where is not comfortable for big chair, bed, and chair. So, he has purchased a vacant land for construct a warehouse for stock.

Competitors:

- Khmer Pronit Furniture
- Sophal Furniture
- Reaksmey Furniture

Some competitor entering to the marketplace with offering the same service recently. But the borrower has no concern and strong commitment to compete the market share since they have good relationship with customers as well as the qualified products.

- Beside the business, the borrower also generate income from property rental as follow

Tenant	: Ms. Um Chantevy
Lessor	: Mr. Chiv Seng
Property 1 address	: No. 240DEo, St. 182, Phsar Depo 1, Toul Kork, Phnom Penh (The charged property)
Tenure	: 3 years (02-Oct-2017 to 02-Oct-2020)
Monthly Rental Fee	: USD950/month
Deposit	: USD2,850

Tenant	: Great Wall Taxi
Lessor	: Mr. Chiv Seng
Property 2 address	: No. 11F, St. 369, Phum Ou Andoung, S/K. Prek Pra, Khan Chbar Ampov, Phnom Penh
Tenure	: 2 years (20-Jul-2017 to 20-Jul-2019)
Monthly Rental Fee	: USD500/month
Deposit	: USD2,000

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7.2**JUSTIFICATION OF REQUEST****To request TL: USD65K**

Borrower has engaged in selling wooden since 2015. It is profitable and stable business however, it is just started a few year operation. Now, the borrower has purchased a vacant land located along street No. 1966, Sankat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh city. They plan to construct a warehouse for furniture stock as the current premise business is not comfortable for their inventory.

Based on the furnished SPA, the purchased property is briefed as follow

Property Type	Steps	SPA	Payment	Verbal Check in Oct 2017 (USD)	
		Amount (USD)	Date	9-Base	ARC
Vacant Land 116sqm	1st deposit	30,000	07-Oct-17	-	-
	2nd deposit	50,000	07-Nov-17		
	Final settlement	85,000	After completion ownership transfer to the borrower	-	-
	Total	165,000		145,000	101,500
	% MOF	39.39%		44.83%	64.04%

- ❖ MOF is at 39.39% against with SPA and 44.83% against with the 9-Base's and 64.04% against with ARC's.
- ❖ Noted, MOF is over request against with ascribe value of vacant land subject to following reason:
 - LU adapts verbal value with 9-Base (Average indicative value) as it is reasonable with the furnished SPA.
 - Force sale value of SPA (20% down) is at USD132K which is similar with the minimum verbal value by 9-Base.
 - Noted, ARC is almost always provides a lower than market price and it turns to increase when they issue a formal valuation.
 - The purchased land is to be constructed as warehouse, revealed by the borrower. So, the total value of property and MOF shall be increased and decreased respectively against with loan request. Noted, the construction plan is about USD30K as confirmed by borrower.
- ❖ MOA is at 68.43% against with collateral provided security coverage of 1.02x (Ascribe value). And it shall be further improved as all facilities are TLs with monthly principal installment.

To request tenure of loan with 10 years

Repayment capacity of borrower is well substantiated from business and rental income derived average EBIT of USD10.9K, where provides DSR of 4.25x. However, DSR is strongly comfortable but the borrower still want to request a long tenure of 10 years as they plan to construct a new warehouse on the purchased vacant land as mentioned in loan purpose. So, a long tenure shall be facilitated the borrower's cash flow on their budget plan.

As confirmed by the borrower, they are approached with interest rate and 7% p.a. with Kookmin Bank. So, they still request for 8.5% p.a. as same as their existing loan. And 9% p.a. with Sacom with no lock-in period and no penalty on partial settlement.

All in all, the borrower requested additional 10-Year TL of USD65K to part finance on purchase vacant land for business expansion's purpose.

7.3**INDUSTRY LENDING DIRECTION****Sector: Real Estate Operation-Residential****Within Industry Lending Limit? Yes / No** (as at 27-10-2017)

- | | | |
|---|--|--|
| <input type="checkbox"/> Most attractive | <input type="checkbox"/> Highly attractive | <input type="checkbox"/> Attractive |
| <input checked="" type="checkbox"/> Selective | <input type="checkbox"/> Unattractive | <input type="checkbox"/> Most unattractive |

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

7.4	SOURCE OF REPAYMENT		
	Historical 2017 (Monthly)	Projected 2018 (Monthly)	Remarks
A) EBITDA			
Wooden Furniture	USD9,525.11	USD9,709.76	
Properties rental	USD1,450.00	USD1,450.00	
B) Other recurring Income	N/A	N/A	
C) Total cash flow available for debt service (A + B)	USD10,975.11	USD11,159.76	
D) Existing debt repayment RHBIBL12-Year HL: USD160K	USD1,777.00	USD1,777.00	
E) Proposed additional Debt Repayment RHBIBL10-Year TL: USD70K	USD805.91	USD805.91	
F) Total debt repayment (D + E)	USD2,582.91	USD2,582.91	
DSR [(A+B)/(D+E)]	4.25x	4.32x	
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:				

7.6	CUSTOMER PROFITABILITY
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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
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Borrowers have maintained account with RHBIBL since Aug 2014 while they are granted HL of USD160K. The conduct account is briefed as follow:

Bank: RHBIBL			
Mr. Cheav Seng (Account No: 2010002000038615)			
12 months			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Bal. forward	15.55
Nov-2016	1,796.00	1,800.00	19.55
Dec-2016	1,796.09	1,802.37	25.83
Jan-2017	1,796.00	9,800.00	8,029.83
Feb-2017	7,796.00	-	233.83
Mar-2017	1,796.00	1,700.00	137.83
Apr-2017	21,777.00	34,000.00	12,360.83
May-2017	11,777.00	-	583.83
Jun-2017	1,777.91	1,322.87	128.79
Jul-2017	1,777.00	1,700.00	51.79
Aug-2017	1,847.00	1,900.00	104.79
Sep-2017	60,777.00	70,800.00	10,127.79
Oct-2017	51,777.00	51,877.26	10,228.05
Total	166,490.00	176,702.50	
Average	25,613.85	27,185.00	3,502.73

Comment:

- For last 12 months, total turnover credit and debit reported USD176.7K and USD166.5K derived monthly deposit and withdrawal of USD27.2K and USD25.6K respectively.
- Common transactions are cash deposit and loan installments.

Repayment History of HL

RHBIBL

Conduct of 12-Year HL: USD160K

Period: 12 Months

Account No.: 40001000923500000

Account Name: Mr. Cheav Seng

No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remarks
1	1,796	11-11-16	11-11-16	0	
2	1,796	12-12-16	13-12-16	1	Deposit on due date
3	1,796	11-01-17	11-01-17	0	
4	1,796	13-02-17	13-02-17	0	
5	1,796	11-03-17	13-03-17	2	Sat-Sunday
6	1,777	11-04-17	12-04-17	1	Deposit on due date
7	1,777	11-05-17	11-05-17	0	
8	1,777	12-06-17	13-06-17	1	Deposit on due date

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9	1,777	11-07-17	12-07-17	1	Deposit on due date
10	1,777	11-08-17	12-08-17	1	Deposit on due date
11	1,777	11-09-17	12-09-17	1	Deposit on due date
12	1,777	11-10-17	11-10-17	0	

Comment: For the Last 12 months repayment record of HL has been promptly paid.

Part 8.0	GUIDED RISK ANALYSIS TEMPLATE
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We have reviewed the facility as required and confirmed the following:

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

8.2	Industry Risks	<input type="checkbox"/>	Low	<input checked="" type="checkbox"/>	Medium	<input type="checkbox"/>	High
<p>Wooden Furniture Cambodian Wooden Furniture is a popular product for both house and office. With the Cambodia Real Estate Growth recently, the number of usage of wooden furniture is gradually increased since the buyers need wooden furniture to equip their new house for resident. Most products are of bed, kitchen appliance, and cabinet. Meanwhile, there are many type of furniture which are made in plastic and steel but those are not more popular than wooden products however, it is more expensive.</p> <p>Regarding to the Cambodia is the developing country; some main industries are still growth such as Borey, Hotel, Restaurant, etc. In this view, the wooden furniture is still on demand in market and it is considered as a long term business in Cambodia.</p>							

8.3	Product Risks	<input type="checkbox"/>	Low	<input checked="" type="checkbox"/>	Medium	<input type="checkbox"/>	High
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><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)	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
<ul style="list-style-type: none"> Not highly labour intensive or where affirmative is not a major concern. Product is in good working condition and well maintained. Pricing allows positive returns. 							

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

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8.7 FINANCIAL HIGHLIGHTS & ANALYSISIncome Statement

Description	2015	2016	2017
	12-Month	12-Month	9-Month (Jan to Sep)
Revenue			
Wooden Furniture	397,530.38	432,098.24	352,254.00
Property 1 rental	11,400.00	11,400.00	8,550.00
Property 2 rental	6,000.00	6,000.00	4,500.00
Gross Profit	414,930.38	449,498.24	365,304.00
COGS	278,271.27	302,468.77	249,759.00
Profit	136,659.11	147,029.47	115,545.00
Expenses			
Salaries exp.	4,680.00	4,914.00	3,869.78
Living exp.	9,600.00	10,080.00	7,938.00
Other exp.	6,000.00	6,300.00	4,961.25
Total exp.	20,280.00	21,294.00	16,769.03
EBIT	116,379.11	125,735.47	98,775.98
Average	9,698.26	10,477.96	10,975.11

Comment:

- For last 3 years, sale was increased by 8% on wooden furniture and reported average monthly sale of USD39.1K with profit margin is at 30%. It can be verified by the summary sale record (note-book) for the last 3 months (Jul to Sep 2017) with average sale of USD39.2K. (Note-book record and some sale invoice are enclosed)
- About 66.98% of total income was channeled with us and the balance was used for daily business operation.
- Property rental incomes are totally of USD1.4K per month where are justified by the furnished rental agreement.
- As such, the borrower get average net monthly income of USD10.9K provided a comfortable DSR of 4.25x.

Income Projection

Description	2018	2019	2020
	12-Month	12-Month	12-Month
Revenue			
Wooden Furniture	507,245.76	547,825.42	591,651.45
Property 1 rental	11,400.00	11,400.00	11,400.00
Property 2 rental	6,000.00	6,000.00	6,600.00
Gross Profit	524,645.76	565,225.42	609,651.45
COGS	367,252.03	395,657.79	426,756.02
Profit	157,393.73	169,567.63	182,895.44
Expenses			
Salaries exp.	5,417.69	5,688.57	5,973.00
Living exp.	11,113.20	11,668.86	12,252.30
Other exp.	6,945.75	7,293.04	7,657.69
Total exp.	23,476.64	24,650.47	25,882.99

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EBIT	133,917.09	144,917.16	157,012.45
Average	11,159.76	12,076.43	13,084.37

Comment:

- Sale is projected to increase by 8% for the next 3 years coming based on the past record.
- COGS are estimated to remain unchanged with 70%.
- Rental incomes are expected to remain unchanged based on the furnished rental agreement and increased by 10% subject to renewal agreement after maturity date.
- All expenses are project to increase by 5% for next 3 years.

Current DSR Scenario

Year	2017	2018	2019	2020
Average Monthly EBIT (USD)	10,975.11	11,159.76	12,076.43	13,084.37
RHBIBL 12-Year HL: USD160K	1,777	1,777	1,777	1,777
RHBIBL 10-Year TL: USD65K	805.91	805.91	805.91	805.91
Total commitment	2,582.91	2,582.91	2,582.91	2,582.91
DSR (X)	4.25x	4.32x	4.68x	5.07x

Sensitized DSR Scenario: (50% drop of EBIT)

Year	2017	2018	2019	2020
Average Monthly EBIT (USD)	5,487.55	5,579.88	6,038.21	6,542.19
RHBIBL 12-Year HL: USD160K	1,777	1,777	1,777	1,777
RHBIBL 10-Year TL: USD65K	805.91	805.91	805.91	805.91
Total commitment	2,582.91	2,582.91	2,582.91	2,582.91
DSR (X)	2.12x	2.16x	2.34x	2.53x

Part 9.0	RECOMMENDATION BY LENDING UNIT
SUMMARY & RECOMMENDATION <ul style="list-style-type: none"> - Borrowers have involved in wooden furniture business since 2015. The business is well operated and profitable from year to year. - They have been our loan customer since Aug 2014 and their repayment history has been promptly paid so far. - Loan purpose is clarified. - Repayment capacity of borrower is well substantiated from business and rental income derived average EBIT of USD10.9K, where provides DSR of 4.25x. However, DSR is strongly comfortable but the borrower still want to request a long tenure of 10 years as they plan to construct a new warehouse on the purchased vacant land as mentioned in loan purpose. So, a long tenure shall be facilitated their cash flow management. - Collateral locates in good location with higher security coverage and marketable. MOA is at 68.43% with security coverage of 1.02x (Ascribe value). And it shall be further improved as all facilities are TLs with monthly principal installment. - Borrowers are a sole banker. <p>Reminder: <i>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.</i></p>	

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Prepared by:	Recommended by:
<div></div> <div>Sok Ratanak Assistant Manager-Credit Relationship Date:</div>	<div></div> <div>Chiv Hak Senior Manager Date:</div>

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Part 10.0	INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL
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10.1	CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION
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Within Lending Limits: ☐ Yes ☐ No

Issues / Findings / Breaches (if any)

No.	Issues / Findings	Comments / Mitigations
1		
2		
3		

No.	Policy Breaches	Comments / Mitigations
1		
2		
3		

RecommendationEvaluated by:
Name:
Position:
Date:

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10.2	APPROVAL
Approver 1	<p>Decision: [] Approved [] Declined</p> <p>Comments: (if any)</p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p>Mr. Keang Chanveasna</p> <p>Date:</p>
Approver 2	<p>Decision: [] Approved [] Declined</p> <p>Comments: (if any)</p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p>Mr. Yong Ching San</p> <p>Date:</p>

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)