

Credit Evaluation – Loans and Credit Administration							
Date	:	16/11/2018	Branch	:	CMO		
From	:	Credit Evaluation – Loans and Credit Administration					
To	:	Head, Credit Management & Head, Business Banking					
1.0 Borrower Information							
Borrower:	1	Mr.Trang Ty (43)	Nature of business/ Employment	1	Media Advertising Company		
	2	Mr.Trang Heang (49)		2			
	3						
Guarantor:	1		Borrowing R's ship since:	Jun 2015			
	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	TL1	48.3K	-	48.3K	48.3K	7 years	ECOF + 3.5%p.a. subject to min 9%p.a.
Existing	TL2	234.1K	-	234.1K	234.1K	7 years	
Existing	TL3	44.6K	-	44.6K	44.6K	7 years	
New	TL4		+80K	80K	-	7 years	
Total		327K	+80K	407K	327K		
Fees	Processing fee	:	1% on approved limit				
	Prepayment fee	:	1 st – 5 th year: 3% 6 th – 7 th year: 1%				
	Renewal fee	:	NA				
	Commitment fee	:	NA				
Loan Purpose:	- As additional working capital						
Request/ Deviation:	- To seek approval for annual review.						

3.0 Comment by Credit Evaluation:	
1.	Borrowers have been banking with us since 2015 with their 3 TL facilities promptly paid over the past 12 months. Their advertising business under name of Multinational Advertising Group remains unchanged.
2.	The request for additional loan for working capital to support the business is on the high side considering that stocks not be of 30 days turnover as advertising materials is only ordered when there are contracts and should not have kept large inventory. Based on the revised working capital calculation excluding the stocks, total WC need should be adjusted to only USD148K only where the requested amount is still justifiable
3.	Comment on financials:- ➤ Main income is still generating from corporate clients with long term advertising contract i.e.

- Samsung, Cambrew etc where the reported revenue has improve by 23% in 2018 compared to 2017 monthly average. The reported revenue of USD193.45K can be justified via AMD of USD137.8K or 71% reflection while LU has also obtained latest 3 months sales invoices from Jun to Aug with average sales of USD216K.
 - The profit margin at 20% remains consistent for the past 2 years where average EBIT of USD26.1K provides strong DSR of 3.24x while we remain as their main banker to date. However, the main operating account is still maintained with MBB
 - The projection of 10% improvement in revenue over the next 3 years is realistic based on past performance coupled with the growing demand for A&P by major corporations would further support the business. DSR is expected to improve to 4.21x by 2021 while under sensitized scenario with 30% drop in EBIT, DSR is still acceptable at 2.27x at the minimal.
4. There will no additional collateral offered while the valuation has improved on subject property where security coverage remains adequate at 1.03x (ascribed value) where property is still used as their business premise.

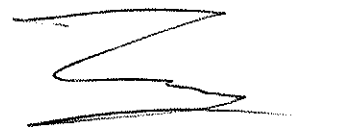
4.0

Recommendation by Credit Evaluation

I would concur on branch's recommendation for Management's approval under USD & KHR loan as followings:

- i. TL4 at USD30K with interest rate of 9%p.a. while loan tenor remains unchanged as recommended
- ii. TL5 at KHR120M with interest rate at 8.0%p.a. while loan tenor remains unchanged as recommended

Concurred by:



Tang Siew Hon
 Senior Manager
 Date: 16/11/2018



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CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2015-0007-3
Department: Retail and Mortgage Unit

Park to: CMO Branch

Request Type

☐ New ☒ Additional ☒ Renewal ☐ R&R

Approving Authority

☒ Joint Approval: DLA Level 3 Reason for escalation:☐ Group CCO & Head of Business:

Part 1.0	CUSTOMER PROFILE					
1.1	CUSTOMER INFORMATION					
Borrower	Mr. Trang Ty and Mr. Trang Heang		CIS No.	290002267		
Group/ Ultimate Parent	N/A		Registration No.	PTM201802466		
Ultimate Borrower's Beneficial Owner	N/A					
Business Address	No. 395, St. Lum, Ph. Rong Chak, S/K. Phnom Penh Thmey, Khan Sen Sok, Phnom Penh					
NBC Sector	Other non-financial service		Sub Sector	N/A		
Core Business	Printing House					
Date of Incorporation	2007		Relationship Since	Jun 2015		
Review Due Date	N/A		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 Rating	New Rating		EAM*	AST	
Borrower Mr. Trang Ty Mr. Trang Heang	3	3	3	Yes/ No	Yes/ No	Yes/ No
				M		
				MH		
				H		
MAS 612 Classification (For SG Operation)*	Pass	SM	SS	DF	Loss	
Guarantor/ Holding Company (if any)						
Comments: N/A						

Remarks (*): H – High; MH – Medium High; M – Medium, SM – Special Mention, SS – Substandard, DF – Doubtful



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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. Trang Ty	43	Brother	34%	2007	N/A	USD195K	
Mr. Trang Heang	49	Brother	33%	2007	N/A		
Mr. Khoy Limdara	-	Brother	33%	2007	N/A		
No. of Employee: 80							
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)							

Part 2.0	DETAILS OF REQUEST
2.1	Brief details of new, additional or renewal request. <ul style="list-style-type: none"> - To request additional 7-Year TL4 of USD80K for additional working capital. - To annual review for existing TL1, TL2, and TL3 with totaling of USD327.1K.
2.2	Please state brief details of waivers, deviation of guidelines & notations. N/A

Part 3.0	FACILITY DETAILS
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3.1	FACILITY (USD'000)					
Facility Type	O/S as at 31-10-18	Existing Limit	Increase/ Decrease (+/-)	New Limit	Pricing	Purpose
7-Year TL1 80	48.3	48.3	-	48.3	ECOF + 3.5% p.a. on monthly rest subject to min 9% p.a.	To part finance on purchase land
10-Year TL2 270	234.1	234.1	-	234.1		To part finance on construction of office building
7-Year TL3 50	44.6	44.6	-	44.6		To use as working capital
7-Year TL4 80	-	-	+80	80		To use as working capital
Total	327	327	+80	407		

3.2	Repayment Terms		
Facility Type		Tenor/ Terms of Repayment	
TL1 USD80K (Existing)	Interest Rate	:	ECOF + 3.5% p.a. on monthly rest subject to min 9% p.a.
	Tenure	:	7 Years
	Repayment	:	84 monthly installment of USD1,295.44
	Processing Fee	:	1% on approved amount
	Prepayment	:	1 st -5 th Year: 3% and 6 th -7 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
TL2 USD270K (Existing)	Interest Rate:	:	ECOF + 3.5% p.a. on monthly rest subject to min 9% p.a.
	Tenure:	:	10 Years



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	Repayment:	:	120 monthly installment of USD3,430.91
	Processing Fee:	:	1% on approved amount
	Prepayment:	:	1 st -5 th Year: 3% and 6 th -10 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
TL3 USD50K (Existing)	Interest Rate:	:	ECOF + 3.50% p.a. on monthly rest subject to min 9% p.a.
	Tenure:	:	7 Years
	Repayment:	:	84 monthly installment of USD804.45
	Processing Fee:	:	1% on approved amount
	Prepayment:	:	1 st -5 th Year: 3% and 6 th -7 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
TL4 USD80K (New)	Interest Rate:	:	ECOF + 3.50% p.a. on monthly rest subject to min 9% p.a.
	Tenure:	:	7 Years
	Repayment:	:	84 monthly installment of USD1,287.13
	Processing Fee:	:	1% on approved amount
	Prepayment:	:	1 st -5 th Year: 3% and 6 th -7 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.

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	407	-	407	-	-	-	407	-	407
RHB Bank Limit:									
Standalone:									
RHB Labuan/ Islamic/ Investment/ Leasing									
SCEL**									
Beyond SCEL***									
Total RHB Group	407	-	407	-	-	-	407	-	407
Total Credit (RHB Group Exp+Other Banks)	407	-	407	-	-	-	407	-	407

* 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 31-10-18 (USD)	Security	Security Coverage
1	Canada	HL	N/A	100	92.15	Land and Building	N/A
Total				100	92.15		

Credit Bureau Findings: The borrower has just maintained HL of USD100K with CNB in Aug 2017 with prompt repayment for last 12 months.



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Department: Retail and Mortgage Unit

World check: No name matched. But there are some names are listed with similar sure name "TRANG".

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 TL1 of USD80K, TL2 of USD270K, and TL3 of USD50K 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.: 12070506-0395 Registered owner: Mr. Trang Heang and Mr. Trang Ty. Description: A parcel of land accommodating single storey building Land: 587sqm Built-up: 1,255sqm Address/Location: Phum Rong Chak, S/K Phnom Penh Thmey, Khan Sen Sok, Phnom Pney. Tenure: freehold Lease expiry: N/A Formal valuation report by 9-Base dated 09 Oct 2017 Land cost: USD187,000 (USD320/sqm) Building cost: USD343,000 (USD273/sqm) OMV: USD573,000 Insurance: Forte Cambodia Expiry date: 09-Oct-2019 Verbal Check by: <table border="1"> <thead> <tr> <th>Valuer</th><th>Date</th><th>OMV/FSV (USD)</th></tr> </thead> <tbody> <tr> <td>Bonna</td><td>13-11-18</td><td> Land cost: USD275,890 ✓ (USD470/sqm) Building cost: USD326,300 ✓ (USD260/sqm) Total: USD602,190 ✓ </td></tr> <tr> <td>Lucky</td><td>21-09-18</td><td> Land cost: USD293,500 ✓ (USD500/sqm) Building cost: USD367,464 ✓ (USD293/sqm) Total: USD661,000 ✓ </td></tr> </tbody> </table> Comment: - We are adapts to the min. verbal value from LUCKY as it is reasonable value and lower than 9-Base's indicative value.	Valuer	Date	OMV/FSV (USD)	Bonna	13-11-18	Land cost: USD275,890 ✓ (USD470/sqm) Building cost: USD326,300 ✓ (USD260/sqm) Total: USD602,190 ✓	Lucky	21-09-18	Land cost: USD293,500 ✓ (USD500/sqm) Building cost: USD367,464 ✓ (USD293/sqm) Total: USD661,000 ✓	602.1	421.4
Valuer	Date	OMV/FSV (USD)									
Bonna	13-11-18	Land cost: USD275,890 ✓ (USD470/sqm) Building cost: USD326,300 ✓ (USD260/sqm) Total: USD602,190 ✓									
Lucky	21-09-18	Land cost: USD293,500 ✓ (USD500/sqm) Building cost: USD367,464 ✓ (USD293/sqm) Total: USD661,000 ✓									
New/ Additional (To Be Obtained) 1. Facility Agreement stamped for TL4 of USD80K as the principal instrument. 2. Open All Monies 1 st party and 1 rd legal charge over the following property as subsidiary instrument											
Total	602.1	421.4									
Security Coverage (Times) - Existing & New/ additional	1.47x	1.03x									



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5.2	SECURITY ANALYSIS
	<ul style="list-style-type: none"> - The property is located about 300m away from Hanoi Street which is a growing commercial area. - MOA is at 67.59% with security coverage of 1.03x (Ascribe value). And it shall be further improved as all facilities are TLs with monthly principal installment.

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	<u>Existing (TL1: USD60K)</u> <ul style="list-style-type: none">- Acceptance of Letter of Offer- Payment of Processing fees <u>Release of facilities subject to:-</u> <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 our panel on the subject property pricing upon the completion of construction. The property value is not less than USD176,100	✓ ✓		
2	<u>Existing (TL2: USD270K)</u> <u>Existing</u> <ul style="list-style-type: none">- Acceptance of Letter of Offer- Payment of Processing fees <u>Release of facilities subject to:-</u> <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 our panel on the subject property pricing upon the completion of construction. The property value is not less than USD573,800 <u>Disbursement</u> After blocking of Title deed, the additional TL2 of USD270K will be progressively released to borrower RHBIBL's account as below: <ul style="list-style-type: none">• USD60K subject to completion of foundation with invoice payment of not	✓ ✓		



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	less than USD97.9K & site visit photo with construction license from authority (Sangkat/Khan) and submission a construction agreement with total cost is not less than USD395K <ul style="list-style-type: none"> • USD90K upon completion of a double storey building and structural framework (MZ, Eo, & E1) with invoice payment of not less than USD123K and site visit photo • USD100K upon completion of all masonry work and roofing with invoice payment not less than USD133K • Balance of USD20K upon 100% completion of the office building with invoice payment of not less than USD41K & photo and submission a formal valuation report not less than USD573K 	✓		
3	<u>Existing (TL3: USD50K)</u> <ul style="list-style-type: none"> - Acceptance of Letter of Offer - Payment of Processing fees <u>Release of facilities subject to:-</u> <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 new valuation report from our bank's panel with total value of not less than USD527K <u>Disbursement</u> After completion of LOO acceptance and TD blocking, TL3 of USD50K shall be released into the borrower's account maintained with RHBIBL.	✓ ✓ ✓ ✓ ✓		
3	<u>New (TL4: USD80K)</u> <ul style="list-style-type: none"> - Acceptance of Letter of Offer - Payment of Processing fees <u>Release of facilities subject to:-</u> <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 new valuation report on the charged property from our bank's panel, LUCKY, with total value of not less than USD602.1K <u>Disbursement</u> After completion of LOO acceptance and TD blocking, TL4 of USD80K shall be released into the borrower's account maintained with RHBIBL.			✓ ✓ ✓ ✓ ✓
Comments:				

6.2	COVENANTS / OTHER TERMS & CONDITIONS		
No.	Details	Complied	To



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		Yes	No	comply
1	Existing N/A			
2	New N/A			
Comments:				

Part 7.0	CREDIT ASSESSMENT
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7.1	BORROWER BACKGROUND
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- Borrowers, Mr. Trang Ty and Mr. Trang Heang are related as brother. They have been our loan customer since Jun 2015. Noted that the monthly installments have been promptly paid.
- They have involved in printing house business under the company name "Multinational Advertising Group, MAG" since 2007 registered business license No.00015002. And Patent 2017 is attached. The company has 3 shareholders i.e. Mr. Trang Ty (34%), Mr. Trang Heang (33%) and Mr. Khoy Limdara (33%). Mr. Trang Ty and Mr. Trang Heang are key person on business while Mr. Khoy Limdara who is a silent shareholder stays in the United State.
- In 2016, the borrower has granted TL2 of USD270K to part finance on construction of office building, Multinational Advertising Group. Now, it was fully completed and moved to the new building office in early 2016. Presently, the company is operated in No. 920, St. 86P, Phum Dey Thmey, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, where is the charged property. And there are 2 workshops; one is located in front of the MAG's office and another one is located about 50m from the MAG. And the TL3 of USD50K was financed for working capital in company.
- The business is managed by Mr. Trang Ty and Mr. Trang Heang and assisted by 80 staffs consists of office' staffs and technical workers for daily business operating with full display of products and service such as Billboard, Banner & Sticker Printing, Light Box and Signage board, offset printing, etc. There many potential customers who support their service consist of Angkor Beverage Company, Sumsung, Genzberge Beer, ISI Steel, Wing, etc.

Potential customers:

- | | | |
|----------------------|-----------|--------------|
| - Cambodia Beverage | - Steel | - Tiger Beer |
| - Sumsung (Cambodia) | - Wing | - Eragow |
| - Genzberge Beer | - AMK MFI | |

Competitors:

- Moonmedia
- Tang Pheng Por Co., Ltd.
- Magic Print and Signage Cambodia
- Phnom Penh Media Co., Ltd.
- As confirmed by the borrower, their customers are offered one month-credit term for payment. Presently, A/R is about USD90K while A/P is about USD40K while inventory lump-sum of about USD150K. Aging list is not properly made since they follow A/R upon the sale invoices.
- The business is not only a printing house for served the customer's order, but it is also offered outdoor advertising for rent. Outdoor advertising, also known as out-of-home (OOH), is a term primarily associated with billboards, street furniture, transit displays, and other alternative media. Outdoor advertising includes all media formats specifically intended to reach consumers outside of the home. As revealed by Mr. Trang Ty, his company is authorized from Ministry of Interior for standing billboards in 25 provinces and cities across Cambodia.



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Previous Year (Already submitted agreement with previous CA)					
No.	Tenant's name	Billboard zone (Province/City)	Annual Fee	Tenure	No. of Months
1	Cambreward Ltd	Kampong Cham	USD10,000	21-08-17 to 20-08-18	12
2	Angkor Beverage Co., Ltd	Kampong Thom	USD11,000	21-08-17 to 20-08-18	12
3	Branch Of Thai Samsung	Battambang	USD21,450	22-08-17 to 21-08-18	12
4	Branch Of Thai Samsung	Kampong Cham	USD18,700	08-08-17 to 07-08-18	12
5	Havas Riverorchid	Siem Reap, Preah Vihea, Kampong Thom, Oddar Meanchey, Pailin, Battambang, Banteay Meanchey, Poi Pet, Pursat, & Kampong Chhnang.	USD67,200	17-05-17 to 16-11-17 (Already renew but not furnished renewal agreement)	12
6	Havas Riverorchid	Battambang	USD8,750	15-07-17 to 31-12-17 (Already renew but not furnished renewal agreement)	6
7	Welt Bio Co., Ltd.	Tbong Khmom, Monduliri, & Ratanakiri	USD28,000	06-03-17 to 05-03-18 (Already renew but not furnished renewal agreement)	12
Current Year (All agreement are attached)					
8	Image Building Adv.Co.,Ltd	National Road No. 4, PP	USD27,000	10-08-18 to 10-08-19	12
9	Image Building Adv.Co.,Ltd	National Road No. 3, PP	USD27,000	10-08-18 to 10-08-19	12
10	Havas Riverorchid	Near Golden Lion, Sihanouk vile	USD6,690	01-09-18 to 31-12-17	4
11	Jotun (Cambodia)	Near PTT petrol, National Road No. 1	USD30,000	01-02-18 to 01-02-19	12
12	Marketing Solution Asia	Near Preah Kussamak Hospital, St. 271	USD29,000	25-08-18 to 25-08-19	12
13	Media G.B Enterprise Co.	Near Tela Gas, National Road No. 6	USD25,000	25-05-18 to 25-05-19	12
14	Cambodia Cooperation Pharma	7 Makara Sky Bridge, Russian Blvd.	USD15,500	09-02-18 to 09-02-19	12
15	Eragold Corporation	Before Preap Sar Round about, National Road No.5	USD20,000	12-02-18 to 12-02-19	12
16	Eragold Corporation	Before Skun Roundabout, KCM	USD20,000	12-02-18 to 12-02-18	12
17	Eragold Corporation	Near Sathapana Bank, National Road No. 4	USD25,000	12-02-18 to 12-02-19	12
18	Man Advertising Co., Ltd	Near Baek Chan Market, National No. 4	USD20,000	15-06-18 to 15-06-19	12
19	Man Advertising Co., Ltd	In front of Prek Pnov Market, National Road No. 5	USD20,000	20-09-18 to 20-09-19	12
20	Man Advertising Co., Ltd	Near Kor Ki Market, National Road No. 1	USD10,000	12-09-18 to 12-09-19	12
21	Man Advertising Co., Ltd	Prek Leap, Bridge No. 2, National Road No. 6	USD30,000	20-09-18 to 20-09-19	12
Total			USD470,290		



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Average USD39,190.83

Note:

- In Aug 2017, the MAG was authorized for operating outdoor advertising billboard space with 12 zones more. (Authorized letter is enclosed).
- All rental agreements of current year are enclosed. Generally, the borrower has made rental tenure between of 6 months and 1 year subject to renewal after maturity date.
- Borrower has to inject the cost of about USD20K per billboard for the first year and annual tax payment for subsequent years. Noted, there are totaling of 21 billboard are current leased with total rental income of USD470.2K per year or USD39.1K per month (New 13 billboard for rent in 2018 with average income of USD25.4K while the previous year consist of 8 billboard rental only).
- For more detail of standing billboard's location, (Facebook page: Multinational Advertising Group PTE.,Ltd).

7.2

JUSTIFICATION OF REQUEST

WC Line Requirement:

Items	Historical Jan-Aug/2018 (Monthly)	Projected 2019 (Monthly)	Remarks
Z) Monthly sales (USD)	193,481.69	207,025.40	
A) Debtor turnover (days)	30	30	
B) Stockholding turnover (days)	30	30	
C) Creditor turnover (days)	7	7	
D) Asset Conversion Cycle = (A + B) - C/30	1.77	1.77	
E) Monthly WC need = (D x Z)	341,817.64	365,744.88	
Existing + proposed WC lines (TL3 and TL4)	130,000.00	130,000.00	
(Shortfall)/Excess in WC lines	-211,817.64	-235,744.88	

Note:

- Average sale in 2018 reported of USD193.4K per month where illustrated the monthly WC need of about USD341.8K based on the WC need table above. Noted, the existing TL1 and TL2 were approved for part finance on purchase property and office building's construction while the TL3 was used as WC in business only.
- Adding new TL4, total existing and new WC limit shall be at USD130K situated in WC line at USD341.8K based on their past 8 months record in 2018. It means that the borrower shall be shortfall of WC line at USD211.8K which is supported by their own saving to facilitate their cash flow in business.
- Moreover, the new requested TL4 is reasonable and justified on the growing of business in billboard for rent. As disclosed in CA on page 8, there are new 13 standing billboards have been leased in early 2018 where generated average rental income of USD25.4K per month and COGS of standing billboard shall be at USD260K (About USD20K per unit). Noted, 21 standing billboards are currently leased as at Aug 2018 (Rental Agreement are attached)

LU already convinced the borrower to request some loan in Khmer Riel currency under our campaign Khmer Riel (Lower interest rate), but they are not interested since their business are all paid in USD currency.

7.3

INDUSTRY LENDING DIRECTION

Sector: ~~Retail Trading~~ *Other Non-FI Service*

Within Industry Lending Limit? Yes / No (as at 15-Nov-2018)

☐ 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 2018 (Monthly)	Projected 2019 (Monthly)	Remarks
A) EBITDA	USD26,124.36	USD27,776.37	
B) Other recurring Income	N/A	N/A	
C) Total cash flow available for debt service (A + B)	USD26,124.36	USD27,776.37	
D) Existing debt repayment RHBIBL TL1: USD60K RHBIBL TL2: USD270K RHBIBL TL3: USD50K CNB HL: USD100K	USD1,295.44 USD3,430.91 USD804.45 USD1,253.00	USD1,295.44 USD3,430.91 USD804.45 USD1,253.00	
E) Proposed additional Debt Repayment RHBIBL TL4: USD80K	USD1,287.13	USD1,287.13	
F) Total debt repayment (D + E)	USD8,070.93	USD8,070.93	
DSR [(A+B)/(D+E)]	3.24x	3.44x	
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									
Facility	Average	Last 12	Current	Current	Current	Projected	Projected	Projected	Projected



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	Utilization	mths Gross Income	RAROC	RRWA	ROA	12 mths Gross Income	RAROC	RRWA	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
-----	-----------------------------

Borrowers have maintained account with RHBIBL since Jun 2015 since they have maintained loan with us. Further, they have maintained current corporate account with Maybank. The conduct account is briefed as follow:

Bank: RHBIBL			
Mr. Trang Ty (AC: 1010002000006160)			
12 months			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Bal. forward	65,859.45
Nov-17	29,151.77	-	36,707.68
Dec-17	15,633.69	9,460.72	30,534.71
Jan-18	5,530.80	-	25,003.91
Feb-18	5,530.80	6,754.80	26,227.91
Mar-18	5,530.80	-	20,697.11
Apr-18	5,530.80	-	15,166.31
May-18	5,530.80	-	9,635.51
Jun-18	15,533.80	20,894.00	14,995.71
Jul-18	5,530.80		9,464.91
Aug-18	6,847.80	-	2,617.11
Sep-18	5,530.80	16,418.20	13,504.51
Oct-18	5,926.38	4,000.00	11,578.13
Total	111,809.04	57,527.72	
Average	9,317.42	4,793.97	18,011.13

Comment: For last 12 months, total turnover credit and debit reported USD57.5K and USD111.8K derived monthly deposit and withdrawal of USD4.7K and USD9.3K respectively. Noted, the account has been not satisfactory active since it is used for monthly loan installment only.

Bank	MAY BANK		
Account Name	Multinational Advertising Group PTE., Ltd		
Account No.	00007/02/000028/07		
12 Months			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Balance Forward	103,697.46
Oct-17	116,219.38	107,060.94	99,539.02
Nov-17	112,432.67	77,599.93	64,706.23
Dec-17	144,979.06	115,912.78	35,640.00
Jan-18	111,454.86	211,574.86	135,760.00
Feb-18	175,367.50	127,573.20	87,965.70
Mar-18	229,327.81	258,396.54	117,034.43
Apr-18	187,719.31	108,522.70	37,837.82
May-18	162,336.71	197,868.50	73,369.61
Jun-18	86,103.63	142,276.46	129,542.44



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Jul-18	123,219.24	30,339.15	36,662.35
Aug-18	130,423.08	138,675.49	44,914.76
Total	1,579,583.25	1,515,800.55	
Average	143,598.48	137,800.05	78,452.03

Comment:

- Total turnover credit and debit reported USD1.51M and USD1.57M derived monthly deposit and withdrawal of USD137.80K and USD143.59K respectively.
- Common transactions are cash deposit, cheque withdrawal and deposit by their customers. Mr. Trang Ty mentioned that he has maintained his company account at Maybank for many years and his customers are made payment by cheque or TT through this account.

Average monthly deposit with Banks

Banks	Average Debit	Average Credit
RHBIBL	9,317.42	4,793.97
MAYBANK	143,598.48	137,800.05
Total	152,915.90	142,594.02

Repayment History of TL1, TL2, and TL3

RHBIBL				
Conduct of 7-Year TL1: USD60K				
Period: 12 Months				
Account No.: 40001001247300000				
Account Name: Mr. Trang Ty				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	1,295.44	16-11-17	16-11-17	0
2	1,295.44	16-12-17	16-12-17	0
3	1,295.44	16-01-18	16-01-18	0
4	1,295.44	16-02-18	16-02-18	0
5	1,295.44	16-03-18	16-03-18	0
6	1,295.44	18-04-18	18-04-19	0
7	1,295.44	17-05-18	17-05-19	0
8	1,295.44	16-06-18	16-06-19	0
9	1,295.44	16-07-18	16-07-19	0
10	1,295.44	16-08-18	16-08-19	0
11	1,295.44	17-09-18	17-09-19	0
12	1,295.44	17-10-18	17-10-19	0

Comment: The monthly installment has been promptly paid for last 12 months.

RHBIBL				
Conduct of 10-Year TL2: USD270K				
Period: 12 Months				
Account No.: 40001001570700000				
Account Name: Mr. Trang Ty				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	3,430.91	10-11-17	10-11-17	0
2	3,430.91	12-12-17	12-12-17	0
3	3,430.91	10-01-18	10-01-18	0
4	3,430.91	10-02-18	10-02-18	0
5	3,430.91	10-03-18	10-03-18	0



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6	3,430.91	10-04-18	10-04-18	0
7	3,430.91	10-05-18	10-05-18	0
8	3,430.91	11-06-18	11-06-18	0
9	3,430.91	10-07-18	10-07-18	0
10	3,430.91	10-08-18	10-08-18	0
11	3,430.91	10-09-18	10-09-18	0
12	3,430.91	10-10-18	10-10-18	0

Comment: The monthly installment has been promptly paid for last 12 months.

RHBIBL

Conduct of 7-Year TL3: USD50K

Period: 12 Months

Account No.: 40001002323800000

Account Name: Mr. Trang Ty

No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	804.45	30-11-17	30-11-17	0
2	804.45	30-12-17	30-12-17	0
3	804.45	30-01-18	30-01-18	0
4	804.45	28-02-18	28-02-18	0
5	804.45	31-03-18	31-03-18	0
6	804.45	28-04-18	28-04-18	0
7	804.45	31-05-18	31-05-18	0
8	804.45	30-06-18	30-06-18	0
9	804.45	31-07-18	31-07-18	0
10	804.45	31-08-18	31-08-18	0
11	804.45	31-09-18	31-09-18	0
12	804.45	31-10-18	31-10-18	0

Comment: The monthly installment has been promptly paid for last 12 months.

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 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	Low	✓	Medium	High
	<p>Outdoor Advertising</p> <p>As Cambodia develops and the consumer base matures, more and more people are going outside, away from the reach of traditional media platforms like television and radio. As the economy grows, more people are spending time outside, traveling to work, visiting friends and family, and taking holidays all across Cambodia.</p> <p>Mass media advertising works best when it combines a wide reach with a memorable impact. Outdoor Advertisings can reach people wherever they go, delivering and reinforcing the company brand's critical messages whenever and wherever it matters most.</p>				

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Cambodia remains a uniquely interesting country when it comes to its media and advertising market. Though the market is rapidly going through a move towards digital media and marketing, Cambodians are still showing great favor to traditional mediums like TV in ways that cannot be downplayed. Based on a combination of research data, media insights and market knowledge from IMS Consulting Group's strong and ongoing presence in Cambodian media and advertising, Out Of Home has grown in certain cities to be all enveloping with everything in view being branded.

8.3	Product Risks	Low	Medium	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. 			
	Adverse findings from Trade Quality Assurance Department (if any)			
	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. 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	

8.7 FINANCIAL HIGHLIGHTS & ANALYSISIncome Statement

Description	2016	2017	2018
	12-Month	12-Month	8-Month (Jan to Aug)
Revenue	1,399,339.92	1,898,108.11	1,547,853.48
COGS	629,702.97	840,880.87	652,703.90
Gross Profit	769,636.96	1,057,227.24	895,149.58
Operating expenses	415,388.17	654,313.15	583,216.89
EBIT	354,248.79	402,914.09	311,932.69
67% share (Borrower' share)	237,346.69	269,952.44	208,994.90
Average monthly EBIT	19,778.89	22,496.04	26,124.36

Comment:

- Satisfactory financial performance over the past 8 months in 2018 with sale increased by 22.32% in average monthly sale of USD193.4K which can be justified through AMD of USD137.8K with us and Maybank.
- Noted, the bulk of sale in 2017 and 2018 due to the revenue from standing billboard rental since the borrower is authorized for operating outdoor advertising billboard space across Cambodia. Presently, 21 standing billboards are leased with total annual rental income of USD470.2K.
- Moreover, the average sale reported of USD216.3K based on the summary sale invoice for last 3 months (Jun to Aug 2018).
- Net Profit margin is at 20% illustrated average EBIT of USD26.1K upon 67%-borrower's shares. NPM is reasonable comparing to Mr. Lim Sambat who has the same line in business.

Income Projection

Description	2019	2020	2021
	12-Month	12-Month	12-Month
Revenue	2,484,304.84	2,658,206.17	2,844,280.61



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COGS	1,068,251.08	1,143,028.65	1,223,040.66
Gross Profit	1,416,053.76	1,515,177.52	1,621,239.95
Operating expenses	918,566.60	964,494.93	1,012,719.68
EBIT	497,487.15	550,682.59	608,520.27
67% share (Borrower share)	333,316.39	368,957.33	407,708.58
Average monthly EBIT	27,776.37	30,746.44	33,975.71

Comment:

- Sale is projected to increase by 10% for the next 3 years based on past sale recorded and billboard rental agreement.
- COGS are estimated to remain unchanged.

Current DSR Scenario

Year	2018	2019	2020	2021
Average Monthly EBIT (USD)	26,124.36	27,776.37	30,746.44	33,975.71
RHBIBL 7-Year TL1: USD60K	1,295.44	1,295.44	1,295.44	1,295.44
RHBIBL 10-Year TL2: USD270K	3,430.91	3,430.91	3,430.91	3,430.91
RHBIBL 7-Year TL3: USD50K	804.45	804.45	804.45	804.45
RHBIBL 7-Year TL4: USD80K	1,287.13	1,287.13	1,287.13	1,287.13
CNB 10-Year HL: USD100K*	1,253.00	1,253.00	1,253.00	1,253.00
Total commitment	8,070.93	8,070.93	8,070.93	8,070.93
DSR (X)	3.24x	3.44x	3.81x	4.21x

*Note: Installment of HL with CNB is included to compute DSR, however, it is under loan of Mr. Trang Ty only (No joint borrowing with Mr. Trang Heang)

Sensitized DSR Scenario: (30% drop of EBIT)

Year	2018	2019	2020	2021
Average Monthly EBIT (USD)	18,287.05	19,443.46	21,522.51	23,783.00
RHBIBL 7-Year TL1: USD60K	1,295.44	1,295.44	1,295.44	1,295.44
RHBIBL 10-Year TL2: USD270K	3,430.91	3,430.91	3,430.91	3,430.91
RHBIBL 7-Year TL3: USD50K	804.45	804.45	804.45	804.45
RHBIBL 7-Year TL4: USD80K	1,287.13	1,287.13	1,287.13	1,287.13
CNB 10-Year HL: USD100K*	1,253.00	1,253.00	1,253.00	1,253.00
Total commitment	8,070.93	8,070.93	8,070.93	8,070.93
DSR (X)	2.27x	2.41x	2.67x	2.95x

Part 9.0	RECOMMENDATION BY LENDING UNIT
SUMMARY & RECOMMENDATION	
<ul style="list-style-type: none"> - Borrowers are active businessmen who has involved in business since 2007. The business is well operated and profitable from year to year. - They have been our loan customer since 2015 and their repayment history has been promptly paid for the last 12 months. - Loan purpose is clarified. - Repayment capacity of borrower is well substantiated from printing house and advertising billboard rental with average EBIT of USD21.1K, where provides DSR of 3.24x. - Noted that, the income from billboard rental with average of USD13.7K is comfortable for the borrower's commitment. - Collateral locates in good location with higher security coverage and marketable. - MOA is at 67.59% with security coverage of 1.03x (Ascribe value). And it shall be further improved as all facilities are TL with monthly principal paid down. 	



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Reminder:

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.

Prepared by:

Sok Ratanak
Assistant Manager-Credit Relationship
Date: 15-Nov-2018

Recommended by:

Chom Modyta
Banking Service Manager
Date: 15-Nov-2018



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Part
10.0

INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL

10.1

CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION

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		

Recommendation

Evaluated by:

Name:

Position:

Date:



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10.2	APPROVAL
Approver 1	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any)</p> <p><i>As recommended by CEO</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i></p> <p>Mr. Yong Ching San Head of Credit Management</p> <p>Date:</p>
Approver 2	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any)</p> <p><i>per CEO.</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i></p> <p>Lim Leong Sang Country Head - Head, RBC Banking</p> <p>Date: 19/11/2015</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)