

RHB Indochina Bank

CONSUMER LOAN APPLICATION

Branch	TKK	Date	03-Jan-2018
To	HOC and ADCH	CA No.	RHBIBL-BDM-0010-2017-00188

Borrower(B) / Guarantor(G) Profile						
No.	Name	B/G	ID /Passport No.	Age		
1	Mr. Khoeurn Kheang	B	011031391	36	Borrowing Relationship Since (Year)	New
2	Mdm. Kim Kanika	B	030467316	26	Related / Connected Party	Y N
					Borrow KYC Level	H M L
					Credit Grade	5

Applicant's Background

Borrower's Background

Applicants, Mr. Khoeurn Kheang and Mdm. Kim Kanika, are husband and wife. They are residing along National Road No. 4, Sangkat Chom Chao, Khan Por Senchey, Phnom Penh, where is the parents' house.

A couple has involved in grocery shop under named "Mey Mey" operated in their current resident as address above. They have been in the business line since 2012 and managed by applicants. Presently, it is not only offered grocery items but it is also served the money exchange and money transfer operated as a family business. The business has been well operated and satisfactory growth while there are not many competitors located the surrounded premise business.

Since the business has been operated as a family business, income statement and sale invoices are not properly recorded but they provided purchased invoices for last 3 months. Reportedly, the average monthly purchase of USD3,933.02 (COGS) from grocery items such as daily consumer plastic product, electric home and kitchen appliance, rice, etc. and average monthly money exchange of USD8,233.33 evidence of invoice with private money exchange near Olympic Market. Totally, the applicant generate average monthly net income of **USD1,198.27.**

Request			
<ul style="list-style-type: none"> - To request 15-Year HL of USD56,000 at interest rate 7.5% for 1st year and 8.25% p.a. from 2nd year onwards. (Under Home Loan: Realizing Your Dream Home Package) - To seek for approval CRR in grade 5. 	Request for	Y	N
	Age deviation		N
	DSR deviation		N
	MOA deviation		N

Loan Details (USD'000)							
Type	Existing Limit	Proposed Limit (USD)	Total Limit (USD)	Outstanding Balance	Pricing (Current ECOF @ 5.5%)	Repayment Period (Years)	Repayment Amount (USD)
HL	-	56	56	-	ECOF + 2% p.a. on monthly rest subject to minimum 7.5% p.a. (1st year) and; 8.25% p.a. (from 2nd to 15th year)	15	-1 st Year: 520 -2 nd -15 th year: 542
Total	-	56	56	-			

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Loan Purpose

To part finance on purchase a parcel land erected upon with one storey house located in No. C65, St. 07, Phum Aung, Sangkat Chom Chao, Khan Por Senchey, Phnom Penh. (Borey New Town)

Under Construction	Y	N	Completed from developer	Y	N	<ul style="list-style-type: none">- Applicants want to purchase house located in above address where is near their current premise business.- The purchased price worth of USD82.8K.- Based on the furnished SPA, a partial of USD26.8K will be paid by applicant (MOF:32.37%) and the balance of USD56K shall be financed from RHBIBL (MOF:67.63%)
Name of Developer	: Borey New Town					
Panel	: N/A					
Unit Capping	: N/A					
Approved unit @ to date	: N/A					
% of completion	: 100% completed					
SPA Price	: USD82.8K					

% MOA financed by RHBIBL

House	Description	Area	SPA	Verbal Check	
				9-Base	ARC
The purchased house (Borey New Town)	Land	66sqm (Based on Hard TD)	-	66,000	64,680
	Building	66sqm (approximately)	-	15,000	15,840
	Total	-	82,800	81,000	80,520
	Requested Loan	-	56,000	56,000	56,000
	% MOF	-	67.63%	69.14%	69.55%

Note:

- LU adapts the conservative verbal value of ARC as it is lower than 9-Base's and SPA's.
- %MOA is at 69.55% and 67.63% against with ARC's and SPA's respectively.

I. Refinancing

Bank	Approved / Operating Limit	Outstanding Balance	Pricing	Repayment Record	Remark
N/A	N/A	N/A	N/A	N/A	N/A

II. Others

N/A

Details of Property to be Charged

Property	
Address	No. C65, St. 07, Phum Aung, Sangkat Chom Chao, Khan Por Senchey, Phnom Penh. (Borey New Town)
Land Area	66sqm
Built Up Area	66sqm (Approximately)
Title Details	
i. Title No /Expiry Date of LH	12090224-0658
ii. Tenure – FH/LH (Balance of Years)	None
iii. Registered Owner	To be registered under the borrower's name.
iv. Encumbrances	None
v. Restriction in Interest/Conditions	None
Remark (s)	N/A
Registered Owner's Relationship With borrower	N/A
Fire Insurance by	To be insured by RHBIBL's panel insurance
Cross Charge (Y/N) (Please furnish details if "Y")	No

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<u>Valuation</u> i. Valuation Report <ul style="list-style-type: none">- Land value- Building Value- Total OMV- Value Name- Date		To be issued by the bank's panel with total price of not less than USD80,520 prior to loan disbursement.	
ii. Verbal/Cross Check <ul style="list-style-type: none">- Land value- Building Value- Total OMV- Valuer Name- Date		By 9-Base USD66,000 USD15,000 USD81,000 Mr. Pech 23-Nov-2017	By ARC USD64,680 USD15,840 USD80,520 Mr. Sithron 23-Nov-2017
Adopt market value		USD80,520 (To be issued by RHBIBL's panel valuer)	
Margin of Financing (%)		69.55%	
Security Coverage (Times)		1.44x	

Conduct of Account I) With (Own/Related Account)					
Name	Facility	Approved/ Operating Limit	Outstanding Balance	Pricing	Conduct
N/A	N/A	N/A	N/A	N/A	N/A
Conduct of Account II) With other financial institution as per CBC checking					
Bank	Facility	Approved/ Operating Limit	Outstanding Balance at	Pricing	Conduct
N/A					

CBC, AML and World Checking

Based on the CBC report in Dec 2017, the applicant has no maintained loan with other MFIs/Banks. Further, there is no entry matching to World Check and AML as well.

Account with ACLEDA Bank

Bank: ACLEDA			
A/C name: Mr. Khoeurn Kheang			
A/C number: 3500-02-522638-2-7 (KHR)			
Month	Debit (KHR)	Credit (KHR)	Balance (KHR)
		Balance Forward	12,600
Oct-17	8,000,000	9,000,900	1,013,500
Nov-17	7,000,100	27,001,700	21,015,100
Dec-17	20,000,000	-	1,015,100
Total	35,000,100	36,002,600	
Average	11,666,700	12,000,867	
Convert to USD	2,916.67	3,000.21	

Bank: ACLEDA			
A/C name: Mr. Khoeurn Kheang			
A/C number: 3500-02-522638-1-7 (USD)			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Balance Forward	3.31
Oct-17	10,500.00	10,500.14	3.45
Nov-17	6,700.00	6,700.00	3.45
Total	17,200.00	17,200.14	
Average	8,600.00	8,600.07	

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Statement of Assets and Liabilities (USD'000)			
Assets Owned by borrowers		Liabilities	
Property to be charged with RHBIBL	80,520	RHBIBL (Under process loan of USD56K)	56,000
Owned car (Highlander)	15,000		
Inventory	12,000		
Total Assets	107,520	Total Liabilities	56,000
Net Assets	51,520		

Repayment Risk Analysis			
Total monthly Income*	USD1,318.91		
	Net income from businesses: USD1,318.91		
Less Total Commitment**			USD542.00
	RHBIBL-15-Year-HL: USD56K		
DSR			2.43x
Balance Uncommitted			USD776.91
Estimated / Disclosed Net worth***			USD51,520
Within Bank Lending Criteria	1/3 Income		N
	45% Income		N
Risks		Mitigating Factors	
<ul style="list-style-type: none"> - Premise business is operated on the property owned by parents. - No Patent. - Financial report is not proper record. 		<ul style="list-style-type: none"> - The property owner is the applicant' parents who are living together. So, risk shall be not highly concerned for business moving. Moreover, there are many opportunities of house rental in the surrounded area if the current shop house is to be sold. - As it is operated as a family and small business, the Patent has not been complied but the business is well operated for more than 5 years. - However, the income is not well justified by sale invoice, but it can be verified by the premise business conducting and the bank's account as well as the purchase invoice (COGS). Further, they revealed that they generates profit margin of about 30% for grocery shop and 5% for money exchange where is considered as a reasonable rate comparing to our existing customer who run the same industry. - Noted that, their working capital shall be at around USD10,000 per month to manage their business operation based on the furnished invoice of about USD24,700 on money exchange for latest 3 months. Though, the monthly installment with us of USD542 should be concerned by the applicant. 	

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Financial Analysis

Description	Income Statement		
	2015	2016	2017
	12-Month	12-Month	11-Month
Revenues			
Grocery items	66,142.16	60,680.88	61,804.60
Money exchange	102,023.96	93,599.96	95,333.29
Total incomes	168,166.12	154,280.84	157,137.89
Expenses			
COGS-Grocery	46,299.51	42,476.62	43,263.22
COGS-Money exchange	96,922.76	88,919.96	90,566.63
Living exp.	5,956.50	6,270.00	6,600.00
Other exp.	1,985.50	2,090.00	2,200.00
Total expenses	151,164.27	139,756.58	142,629.85
Net income	17,001.85	14,524.26	14,508.04
Average	1,416.82	1,210.36	1,318.91

Comment:

- For Y2017, total incomes reported of USD157.1K for last 11 months (Jan to Nov) derived monthly sale of USD14.3K from grocery shop and money exchange. A profit margin of 30% for grocery shop and 5% for money exchange were justified and verified by the furnished purchase invoice (COGS) for last 3 months and the average monthly deposit with ACLEDA of about USD9K or 62.94% of total sale.
- Profit margin of 30% for grocery shop and 5% for money exchange are reasonable, compared with the existing loan customers who have run the same industry, i.e. Mr. Ea Leanghorn (29.57%)
- All sales are not channeled with the bank's account. It is habitually used cash in hand for daily business operating.
- After deduction of all expenses, the applicant get net income of USD1.3K per month where translates DSR is at 2.43 times against with their commitment.

Description	Income Projection		
	2018	2019	2020
	12-Month	12-Month	12-Month
Revenues			
Grocery items	74,165.52	81,582.07	89,740.28
Money exchange	109,199.96	114,659.95	120,392.95
Total incomes	183,365.48	196,242.03	210,133.23
Expenses			
COGS-Grocery	51,915.86	57,107.45	62,818.20
COGS-Money exchange	103,739.96	108,926.96	114,373.30
Living exp.	7,560.00	7,938.00	8,334.90
Other exp.	2,520.00	2,646.00	2,778.30
Total expenses	165,735.82	176,618.41	188,304.70
Net income	17,629.65	19,623.62	21,828.53
Average	1,469.14	1,635.30	1,819.04

Comment:

- Sales are projected to increase 10% based on the past sale record.

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- COGSs are estimated to remain unchanged.
- All expenses are assumed to increase 5%.

Computed DSR

Year	2017 Monthly	2018 Monthly	2019 Monthly	2020 Monthly
Net income	1,318.91	1,469.14	1,635.30	1,819.04
Commitment				
RHBIB: 15-Year HL: USD56K	542.00	542.00	542.00	542.00
DSR (Times)	2.43x	2.71x	3.02x	3.36x

Sensitized scenario (20% drop of income)

Year	2017 Monthly	2018 Monthly	2019 Monthly	2020 Monthly
Net income	1,055.13	1,175.31	1,308.24	1,455.24
Commitment				
RHBIB: 15-Year HL: USD56K	542.00	542.00	542.00	542.00
DSR (Times)	1.95x	2.17x	2.41x	2.68x

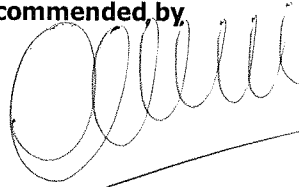
Recommendation

Prepared by



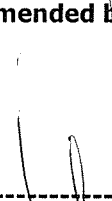
Mr. Sok Ratanak
Assistant Manager,
Retail & Consumer, BDM
Date: 03-01-2018

Recommended by



Mr. Chiv Hak
Senior Manager,
Retail & Consumer, BDM
Date: 03-01-2018

Recommended by



Mr. Huot Sovathanak
Branch Manager

Date: 03.01.2018

Credit Policy : ~~Non-Compliance~~/ In Compliance

D/P Check: HOC and ADCH

AML/CFT Check: No name matched

DP Check (Amount in USD)

Description	Borrower + related borrowers (RHBIBL only)	Borrower + related borrowers (RHB Banking Group)
Total Exposure	USD56,000.00	N/A
Less standalone facilities	N/A	N/A
Total exposure excluding standalone facilities	USD56,000.00	N/A
Of which	N/A	
Secured facilities	USD56,000.00	N/A
Unsecured facilities	N/A	N/A
This application is within DP of	HOC and ADCH	N/A

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Head office use only

Comment by Loan and Credit Administration

Term Sheet

Home Loan (New)	USD56,000.00	Tenure	: 15 Years
		Installment amount	: 1 st year: USD520 and 2 nd year onward: USD542
		Processing fee	: 1% of approved limit
		Prepayment	: 1 st to 3 th year: 3% on prepayment amount if the facility is fully/partially settled before expiry date. 4 th to 15 th year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.

Condition precedent:

1. Acceptance of Letter of Offer
2. Payment of processing fee of 1% on approval limit
3. Release of facilities subject to :-
 - a) Compliance of Terms under Condition Precedent.
 - b) 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 Applicants and/or the relevant security parties, registration fee duly paid and registered at such registries as the Bank may deem necessary.
 - c) To submit valuation report from the bank' panel on the subject property with total value of not less than USD80.5K prior to loan release. Otherwise, to reduce limit to maintain the MOA at 69.55% only.

Disbursement method:

After completion of LOO acceptance and TD blocking, HL of USD56,000 shall be issued by banker' check to the seller/vendor subject to:-

- Submission of SPA and satisfactory differential sum on the purchase house.
- Or reimbursement is allowed subject to evident of full settlement by the applicant.

Post drawdown condition: N/A

Other terms and conditions (if any):N/A

Appendix I

Repayment Analysis

Item	Yes	No	NA	Remark (mandatory if "NO" is (x))
Employment Confirmation Letter	x			
Salary slip for the last 3 months		x		
Rental agreements	x			
Income statement (P&L)			x	
Sale/Purchase invoices (for the last 3 months)			x	
Balance Sheet			x	
Income Projection			x	
Sale-Purchase Agreement	x			

Security Document

New / Complied

Facility agreement of USD56,000 as principal instrument

New

Hypothec Agreement as subsidiary instrument on Property __1__

New