

RHB BANK BERHAD

BRIEF CREDIT APPLICATION/REQUEST FOR VARIATION (RFV) FORM

Request Type :

Administrative/Operational Request []

RFV [☒]

Others []

For Joint Approval By:

GCC Members/Retail/Business Banking

Credit Management

☒ Acting Country Head

☒ Head of Credit Management

For Approval By:

☐ CLC

To be affirmed By:

☐ BCC

Borrower	Mr. Khov Song Hao (59), Mdm. SeangSreng (55), Mr. Soeng Touch (55) and Mdm. Seang Son (50)	Application Date	25/Apr/2018
Business Activity	Takeo Silk Shop& Property Rental	Lending Unit	RHBIBL
Date Established	1994	Limit Expiry Date	N/A
Relationship Since	2014	Account Status	Normal
Connected Party	NO	Exceptional Credit	NO
EAM	NO	Impaired	NO
AST Monitoring	NO	Group/Ultimate Parent/	N/A
Name of Directors	NA	Percentage Ownership	NA

Borrower's Risk Rating	STANDALONE		LGD Rating	Expected Loss Rating	Final Rating (For credit decision only)
Borrower	Current CRR	New CRR			
Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son	2	4			4
Personal/Corporate Guarantor	Current PD Rating	New PD Rating			
N/A	-	-			
Remark (To provide reason for credit risk rating movement or final rating notch down)					

Group	Current Rating	New Rating	Core Business & Group Activities
N/A			

Nature of Requests

- To reinstate existing TL with initial approval limit of USD300K subject to charge 1% on reinstate amount.

Existing Terms	Revised Term
N/A	N/A

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
Submission Date : 23/Apr/2018
CBBC/Region : NA
Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount

Group Exposure/Group Clean Exposure : N/A

Existing Facilities	Facility Type	(USD'000)			Pricing/ Tenor
		Approved Limit	O/S as at 23-Apr-2018	New Limit	
	5-Year TL	300.0	98.2	300.0	ECOF + 2.5% subject to min 8%p.a
	OD	250.0	76.5	250.0	ECOF + 2.5% subject to min 8%p.a
	Total	550.0	174.7	550.0	
Comments on Conduct of Account:	For the last 12 months, monthly installments have been promptly paid.				

Group Exposure Profile									
Exposure With	Borrower			Related Borrowers**			Borrower + Related Borrowers (SCEL**)		
	Secured*	Clean	Total	Secured*	Clean	Total	Secured*	Clean	Total
RHB Bank Limit: Standalone:	550	-	550	-	-	-	550	-	550
RHB Labuan/Islamic/ Investment/Leasing SCEL**									
Beyond SCEL***									
Total RHB Group	550	-	550	-	-	-	550	-	550
Total Credit (RHB Group Exp+Other Banks)	1,732.8	-	1,732.8				1,732.8		1,732.8

Financial Position as a Jul 2017	(USD'000)			Gearing (times)
	Turnover	Pre-Tax Profit	Shareholders Fund	
Borrower	852	206	-	-
Corporate Guarantor	N/A			

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
Submission Date : 23/Apr/2018
CBBC/Region : NA
Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount

Group Exposure/Group Clean Exposure : N/A

Terms and conditions of this application:

Borrowers have been our loan customer since Sept 2014 with initial approved TL of USD300K and OD of USD250K. Presently, the O/S balance TL of USD98.2K and OD of USD76.5K as at 23-Apr-2018 under secured property as follow:

Security Detail

TD No. 12010601-0079

OMV: USD1,096K (By ARC 04-09-2014)

Verbal Check in Aug 2017

ARC: USD1,155K

KEY: USD1,138K

We still adapt with ARC's valuation on Sep 2014

Security Coverage: 1.29x (ascribe value) or MOA is 50.18% after reinstate TL.

The previous valuation report of ARC in 2014 with OMV of USD1.09M which is strong secured at 2.85x (ascribe value) against the existing total loan of USD550K after reinstate TL. It shall be further strong as the property's value is increased based on the verbal check from ARC and KEY in Aug 2017. Moreover, new valuation report of the charged property by ARC will be submitted subject to total OMV of not less than USD1,096K prior to reinstated TL process. (KEY has been delisted)

Financial Statement

Takeo Silk Shop	2015	2016	2017
	12 Months	12 Months	Jan to Jul
Sale	1,230,082.20	1,328,488.78	852,446.96
COGS	897,960.01	969,796.81	622,286.28
Gross Profit	332,122.19	358,691.97	230,160.68
Operation Expense			
Salary	16,080.00	16,884.00	10,341.45
Utilities	3,240.00	3,402.00	2,083.73
Food	4,387.80	4,607.19	2,821.90
Others	12,767.88	13,150.92	8,054.94
Total Operating Expenses	36,475.68	38,044.11	23,302.02
Net Operating Profit	295,646.51	320,647.86	206,858.66
Average Monthly Profit	24,637.21	26,720.66	29,551.24
Property Rental Fee (Monthly)			
Property 1			4,699.80
Property 2			1,080.00
Property 3			-
Property 4			1,620.00
Property 5			-
Total properties rental fee (Monthly)			10,621.80
Total monthly EBIT			40,173.04

Note: the financial statement was updated as at Jul 2017 during loan review 2017. And the property rental income of P3 and P5 are excluded recently since the one was sold out and another one was postponed for rent after maturity date.

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
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Group Exposure/Group Clean Exposure : N/A

Computed DSR

DSR	2017 (USD)
Average EBIT	40,173.04
RHBIBL-OD: USD250K	1,718.75
RHBIBL-TL: USD300K	6,131.24
SHB-TL: USD220K	3,320.39
SHB-OD: USD220K	1,466.66
HLB-TL: USD300K	4,601.38
HLB-OD: USD450K	2,812.50
Total commitment	20,050.92
DSR (Times)	2.00x

Branch request to seek approval subject to the following reasons:

To reinstate existing TL with initial approval limit of USD300K subject to charge 1% on reinstate amount due to:

- Borrowers have maintained loan with us since 2014 with only tenure of 5 years. Their monthly installments have been promptly paid so far.
- The purpose of loan of existing TL: USD300K was used in silk business and the loan was gradually paid down over 3 years, and the O/S is USD98.2K as at 23 Apr 2018. Hence, the reinstate TL amount will be facilitate the borrower's working capital in silk business.
- Silk business is well operated and profitable, verified by the furnished income statement during loan review in Oct 2017 and average monthly deposit of USD613K channeled with us where is about 463% against total sale (USD121.7K) and total rental income (USD10.6K)
- Noted, there were 5 properties for rent including in the borrower's income so far. But now 2 properties rental income of USD3.22K are excluded since the one (No. 1, St. 336) is not renewal and another one (No. 13A, St. 338) was sold out. Presently, average total incomes from business and rental income is USD36.95K per month translates DSR at 3.34x

Conduct Account

RHBIBL (Account No. : 1010002000005693)

Account name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son (12 Months)

Month	Debit (USD)	Credit (USD)	Balance (USD)
		Balance Forward	(156,522.84)
April/17	(364,565.07)	1,513,972.93	992,885.02
May/17	(838,601.57)	41,060.26	195,343.71
June/17	(71,374.55)	93,384.18	217,353.34
July/17	(261,137.85)	63,720.39	19,935.88
Aug/17	(106,404.87)	83,092.09	(3,376.90)
Sep/17	(59,162.58)	140,039.00	(77,462.08)
Oct/17	(281,410.02)	461,556.30	257,645.80
Nov/17	(491,370.40)	417,980.25	184,255.65
Dec/17	(379,261.03)	1,175,690.58	980,685.20

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
Submission Date : 23/Apr/2018
CBBC/Region : NA
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Group Exposure/Group Clean Exposure : N/A

Jan/18	(949,267.87)	59,695.71	91,113.04
Feb/18	(399,417.60)	341,742.49	33,437.93
Mar/18	(289,700.14)	303,628.32	47,366.11
Total	(4,491,673.55)	4,695,562.50	
Average	(374,306.13)	391,296.88	244,931.89

RHBIBL (Account No. : 1010002000022880)			
Account name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son (12 Months)			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Balance Forward	0.00
Mar/18	(500,153.01)	403,633.80	(96,519.21)
@11/Apr/18	(20,000.00)	40,000.00	(76,519.21)
Total	(520,153.01)	443,633.80	
Average	(260,076.51)	221,816.90	(86,519.21)
Consolidate OD utilization from account No. 1010002000005693 and 1010002000022880			
Average Monthly Deposit	613,113.78		
Average Monthly Withdrawal	634,382.64		
OD limit	250,000.00		
Average utilized OD limit	(63,469.35)		
OD utilization rate	25.39%		

Comment:

- So far, the borrower used current account advantage and OD account in the same account. And the OD account has been separated to new current account since Mar 2018.
- For last 12 months, total turnover credit and debit is USD5.14M and USD5.01M derived from average monthly deposit and withdrawal of USD613.1K and USD634.4K respectively.
- Monthly installment and OD interest payment have been promptly paid.
- No cheque return or any distress.
- No exceeded OD limit record.
- OD utilization rate is at 25.39%.

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Group Exposure/Group Clean Exposure : N/A

Conduct TLs Account

RHBIBL Conduct of TL: USD300K Period: Apr/17 to Mar/18 (12 Months) Account No. : 40001000955300000 Account Name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son					
No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remark
1	6,156.84	08/05/17	08/05/17	0	
2	6,156.84	08/06/17	08/06/17	0	
3	6,156.84	08/07/17	08/07/17	0	
4	6,156.84	08/08/17	08/08/17	0	
5	6,156.84	08/09/17	08/09/17	0	
6	6,156.84	09/10/17	09/10/17	0	
7	6,156.84	08/11/17	08/11/17	0	
8	6,156.84	08/12/17	08/12/17	0	
9	6,156.84	08/01/18	08/01/18	0	
10	6,131.24	08/02/18	08/02/18	0	
11	6,131.24	09/03/18	09/03/18	0	
12	6,131.24	09/04/18	09/04/18	0	

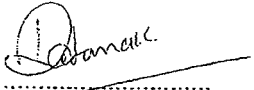
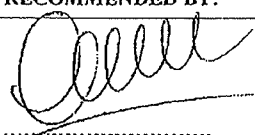
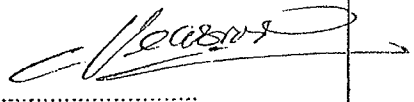
Comment: Monthly installments have been promptly paid.

Justification/Comments:	
Branch also recommends on the borrower's request as the following reasons:	
<ul style="list-style-type: none"> - Borrowers have been our loan customer since 2014 with prompt repayment. - Borrowers' businesses are well operated and profitable. - Security coverage is at 2.85x after reinstate existing TL. - DSR is at 2.00x. - The approval will be maintained good relationship with customers while there are many competitors have approached them for a competitive interest rate. 	

EXCEPTIONS/CERTIFICATIONS			
	Yes	No	N/A
1. Full compliance with mandatory terms of Credit Policy	x		
2. Existing approved terms & conditions fully complied with	x		
3. No past dues/unsettled TOD /arrears over the past 12 months	x		
4. Existing security documentation checked & confirmed in order	x		
5. Previous audit/credit inspection recommendation fully implemented	x		
5. No negative CCRIS/CTOS/BMC/Market Findings	x		

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount

Group Exposure/Group Clean Exposure : N/A

We hereby confirm that the information represented herein is accurate & the application is within the Bank's credit guidelines/policies with all exceptions duly highlighted.		
PREPARED BY:	RECOMMENDED BY:	RECOMMENDED BY:
		
Sok Ratanak Assistant Manager Date: 23-04-2018	Chiv Hak Senior Manager Date: 23-04-2018	Keang Chanvassana Branch Manager Date: 23-04-2018

APPROVER 1	APPROVER 2
APPROVED/DECLINED	APPROVED/DECLINED
Yong Ching San Head, Credit Management Date:	Simon Cheong Acting Deputy Country Head Date:
Comments: [If any]	Comments: [If any]
Additional Terms/Conditions/Covenants: [If any]	Additional Terms/Conditions/Covenants: [If any]

Notes:

* A proposal is deemed as approved only if both Approver 1 (Business) & Approver 2 (CMD) approve the proposal.

** Additional comments/terms/conditions by approvers, in a case of inadequate space, can be done via attachment.

Decline Codes (Pls tick the relevant code for declined proposals)

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