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RHB◆Indochina Bank

Credit Evaluation – Loans and Credit Administration						
Date:	:	27/03/2014	Branch	:	City Mall Olympic Branch	
From	:	Credit Evaluation – Loans and Credit Administration				
To	:	Country Head				
1.0	Borrower Information					
Borrower:	1	Mr. Meas Sokreth	Nature of business/ Employment	1	Property rental	
	2	Mdm. Thim Ponnawatey		2		
Guarantor:	1		Borrowing R'ship since:	New		
	2					
CRR Grade	4					
2.0	Term Sheet					
New / Additional	Facility	Existing Limit (USD)	Proposed Limit (USD)	O/s balance	Tenure	Interest rate ECOF = 5.25%
New	HL	-	500,000	-	12 years	ECOF +3.25% on monthly rest subject to min 8.5% p.a
Total		-	500,000	-		
Fees	Processing fee	:	1% on approved limit			
	Prepayment fee	:	1 st to 5 th years: 3%; 6 th to 12 th years: 1% on prepayment amount if the facility is fully/partially settled before expiry date.			
	Renewal fee	:	Nil			
	Commitment fee	:	Nil			
Loan purpose:	To part finance the purchase of a detached house					
Request/ Deviation:	i. To seek approval for the deviation of DSR less than 3x (i.e. DSR @ 1.71x) ii. To seek approval for the deviation of the age of Mr. Meas Sokret, who is currently 49 years old and will exceed the maximum age limit of 60 years during loan tenure.					
3.0	Comment by Credit Evaluation:					
1. The applicants are engaged in property rental with average monthly rental income of						

- USD9,490. Against the loan installment of USD5,551, the DSR is at 1.71x.
2. The applicants have approached the bank to part finance the purchase of a detached house with SPA of USD750K. The purchased house will be registered under the name of applicants' son-in-law and daughter. Branch confirmed that the house will be used for residence.
 3. The charged property is a parcel of land accommodating a hotel, which is next to the purchased property. The charged property was valued at USD1,096,600, which derives a MOA at 45.60%. The charged property is currently rented for monthly lease fee of USD5K.
 4. We've proposed for a rental assignment on the applicant's rented properties. Branch highlighted that the borrowers agreed the rental assignment with the amount of USD5K only.

4.0

Concurred by Credit Evaluation

I'd concur for management approval subject to:

- i. The drawdown against the submission of the evidence on the differential sum between the purchase price and the amount been paid.
- ii. Rental assignment with the amount of USD5K.

Prepared by :



Lay Polin
 Senior Associate
 Date: 27/03/2014

Concurred by :



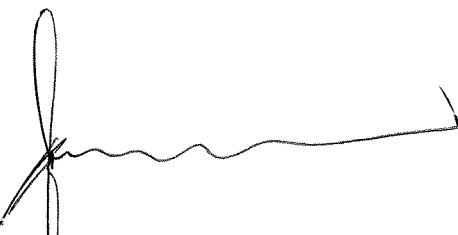
Tang Siew Hon
 Assistant Vice President
 Date : 27/03/2014

Concurred by:
Subject to:

- ① Noted the low DSR 1.7 times, however borrower's ability for upfront USD250,000 for the SPA appears to indicate sound financial.
- ② Location of property offered as security deemed good.
- ③ Undertaking to deposit rental proceeds if assignment is not possible.
- ④ If property is leased, the facility should be a TL subject to annual review.



Yong Ching San
Head of Loans and Credit Administration
Date: 28/3/14

Concurred by:
Subject to:


Wong Kee Poh
Deputy Country Head
Date: 28/3/14

Approved by:
Subject to:

Approved as recommended-


Lim Loong Seng
Country Head
Date: 1/4/14

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CONSUMER LOAN APPLICATION

Branch	City Mall Olympic Branch	Date	27-March-2014
To	Country Head	CA No.	RHBIBL-0002-2014-0013

Borrower(B) / Guarantor(G) Profile						
No.	Name	B/G	ID /Passport No.	Age		
1	Mr. Meas Sokreth	B	010012794	49	Borrowing Relationship Since (Year)	N/A
2	Mdm. Thim Ponnawatey	B	010012795	45	Related / Connected Party	Y N
					Borrow KYC Level	H M L
					Credit Grade	4

Request			
1. New HL of USD500,000.00	Request for	Y	N
2. To seek approval for the deviation of DSR less than 3 times (i.e. 1.71x)		Y	
3. To seek approval for the deviation of the age of Mr. Meas Sokret, who is currently 49 years old and will exceed the maximum age limit of 60 years during loan tenure.		Y	N

Industry Type:							
Loan Details							
Type	Existing Limit (USD)	Proposed Limit (USD)	Total Limit (USD)	Outstanding Balance	Pricing (Current ECOF @ 5.25%)	Repayment Period (Years)	Repayment Amount (USD)
Housing Loan (New)	-	500,000	500,000	-	ECOF + 3.25%p.a. on monthly rest subject to minimum 8.5%p.a.	12	5,551.00

Loan Purpose						
I. To part finance the purchase of a detached house					II. N/A	
Under Construction	Y	N	Completed from developer	Y	N	(Indicate construction date/costs etc)
Name of Developer	: N/A					
Panel	: Y/N					
Unit Capping	: N/A					
Approved unit @ to date	: N/A					
%, of completion	: 100					
SPA Price	: USD750,000.00 /					

Note: The subject property under TD No. 18010404-0829, accommodating a detached house & adjoining to Borrower's property, is located at Phum 4, Sangkat Lek 4, Khan Mittapheap, Preah Shihanouk Vill. Borrowers have a verbal agreement with Seller/s to purchase the property with the total price of USD750,000.00 and the formal SPA will be formalized after HL approval.

According to cross check with Panel Valuer, KRE, it is indicated that the purchased property was USD800,000.00 and it is higher than SPA as it is in the commercial zone and easier to convert into hotel or other business shops anytime and it is nearby the beach enriched with the tourism sector.

III. Refinancing					
Bank	Approved / Operating Limit	Outstanding Balance	Pricing	Repayment Record	Remark
N/A	N/A	N/A	N/A	N/A	N/A
IV. Others	N/A				

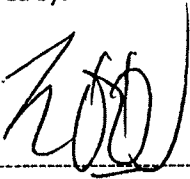
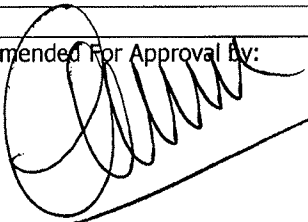
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Details of Property to be Charged					
		Property 1			
Address		Phum 4, Sangkat Lek 4, Khan Mittapheap, Preah Shihanouk Vill.			
Land Area		829sqm			
Built Up Area		892sqm			
Title Details					
i. Title No/Expiry Date of LH		18010404-0828			
ii. Tenure – FH/LH (Balance of Years)		Freehold			
iii. Registered Owner		Mr. Meas Sokreth and Mdm. Thim Ponnawatey			
iv. Encumbrances		No			
v. Restriction in Interest/Conditions		None			
Registered Owner's Relationship With borrower		Mr. Meas Sokreth and Mdm. Thim Ponnawatey (Husband and Wife)			
Fire Insurance by		To be insured by RHBIBL's panel			
Cross Charge (Y/N) (Please furnish details if "Y")		N			
Valuation					
i. Formal Valuation					
- Land Value		<u>To be issued by KRE</u>			
- Building Value					
- Total OMV					
- Value Name					
- Date					
ii. Verbal/Cross Check		Verbal 1		Verbal 2	
- Land Value		829m x USD1,000=USD829,000		829m x USD1,100=USD911,900	
- Building Value		892m x USD300=USD267,600.00		892m x USD280=USD249,760	
- Total OMV		USD1,096,600.00		USD1,161,660.00	
- Value Name		KRE		CARE	
- Date		24/03/2014		24/03/2014	
Total OMV		USD1,096,600.00			
Comments on Valuation		We adopted the indicated value by KRE since it is lower than CARE and it is reasonable for the properties in those areas.			
SPA		N/A		<u>Comment:</u>	
Margin of Financing (%)		45.60%			
Security Coverage (Times)		2.19times			
Conduct of Account I) With RHBIBL (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					
Bank	Facility	Approved/ Operating Limit	Outstanding Balance @	Pricing	Conduct
N/A	N/A	N/A	N/A	N/A	N/A
According to the CBC Check on 24 March 2014, the borrowers have no borrowing with other banks.					
Repayment Risk Analysis					
Total monthly Income	EBIT/EBITDA			USD9,490.00	
Less Total Commitment	i) RHBIBL (HL)	USD5,551.00		USD5,551.00	
	ii) Other Banks	-			
Balance Uncommitted				USD3,939.00	

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Estimated / Disclosed Net worth		USD2,500,000.00
Within Bank Lending Criteria	1/3 Income	N
	45% Income	N
Risks	Mitigating Factors	
Short Tenure of rental property 1, 2, 3, 4, 5 & 6 and loan tenure is 15 years:	Borrower mentioned that the rental contract will be automatically renewed after expiry date because the location of the property is in tourism sector nearby Shihanouk Vill's beach.	

Recommendation	
Prepared by:	Recommended For Approval by:
	
Hour Chamroeun Credit Officer 27-March-2014	Chiv Hak AVP / Branch Manager 27-March-2014

Head office use only	
Comment by Loan and Credit Administration	
Term Sheet	
HL	USD500,000 Tenure: 12 Years Installment amount: USD5,551.00 Processing fee: 1% (USD5,000.00) Prepayment: 1st to 5th year: 3% on prepayment amount if the facility is fully/partially settled before expiry date. 6th to 12th year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
Condition precedent: <ol style="list-style-type: none"> Acceptance of Letter of Offer Payment of processing fee of 1% on approval limit (USD5,000) Release of facilities subject to :- <ol 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 Applicants and/or the relevant security parties, registration fee duly paid and registered at such registries as the Bank may deem necessary. Receipt of Valuation Report from RHBIBL's panel valuer on the subject properties not less than USD1,096,600 Submission of formal SPA with the value of not less than USD750K. 	
Disbursement method: After completed legal document and blocking TD, HL of USD500,000 will be disbursed via issuing banker's check to Seller/s name.	
Post drawdown condition: Branch will submit the ownership transfer under of the name of Mr. Ly Chanmony and Mdm. Meas Chanboromey, Borrower's son-in-law & daughter within 3 months from disbursement date.	
Other terms and conditions (if any): N/A	
Other comments:	

Appendix I

Repayment Analysis				
Item	Yes	No	NA	Remark (mandatory if "NO" is (x))
Employment Confirmation Letter		x		

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Salary slip for the last 3 months		X		
Income statement (P&L)	Y			
Sale/Purchase invoices (for the last 3 months)		x		
Balance Sheet		X		
Income Projection	Y			
Lease Agreement	Y			

Income statement

Rental Revenue (USD)	31-Dec-12 (12-mths)	31-Dec-13 (12-mths)	28-Feb-14 (2-mths)
Property 1	60,000.00	60,000.00	10,000.00
Property 2	25,000.00	30,000.00	5,000.00
Property 3	13,200.00	13,200.00	2,200.00
Property 4	7,200.00	7,200.00	1,200.00
Property 5	7,200.00	7,200.00	1,200.00
Property 6	6,600.00	6,600.00	1,100.00
Total Revenue	119,200.00	124,200.00	20,700.00
General Expenses			
Food	3,600.00	3,720.00	600
Utilities	4,440.00	4,800.00	750
Telephone	420	480	70
Others	2,040.00	1,800.00	300
Total Expenses	10,500.00	10,800.00	1,720.00
Net Income	108,700.00	113,400.00	18,980.00
Monthly Average Income	9,058.33	9,450.00	9,490.00

Current DSR	Total EBIT / EBITDA -Jan-Feb 14 (USD9,490.00) ----- = 1.71x ✓ Total commitment (USD5,551.00)		
Rental Revenue (USD)	2014 (12-mths)	2015 (12-mths)	2016 (12-mths)
Property 1	60,000.00	60,000.00	60,000.00
Property 2	30,000.00	35,000.00	36,000.00
Property 3	13,200.00	13,200.00	13,200.00
Property 4	7,200.00	7,200.00	7,200.00
Property 5	7,200.00	7,200.00	7,200.00
Property 6	6,600.00	6,600.00	6,600.00
Total Revenue	124,200.00	129,200.00	130,200.00
General Expenses			
Food	3,672.00	3,745.44	3,782.89
Utilities	4,590.00	4,681.80	4,728.62
Telephone	428.40	436.97	441.34
Others	1,836.00	1,872.72	1,891.45
Total Expenses	10,526.40	10,736.93	10,844.30
Net Income	113,673.60	111,863.07	119,355.70
Monthly Average Income	9,472.80	9,871.92	9,946.31
Projection Basis	The projection was based on the rental contract while the income of the property 2 will be increase to USD3,000/month from the 4th year to 6th year.		

Existing Security Document	New / Complied
Facility agreement of USD500,000 as principal instrument	New
Hypothec Agreement as subsidiary instrument on Property 1	New
Personal guarantee / Corporate guarantee	N/A