

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-BDM-0002-2017-0122 Branch: City Mall

**Request Type**☒ New ☐ Additional ☐ Renewal ☐ R&R**Approving Authority**☒ Joint Approval: DLA Level 4 Reason for escalation: N/A☐ Group CCO & Head of Business:**Part 1.0 CUSTOMER PROFILE**

1.1 CUSTOMER INFORMATION			
Borrower	Mr. Chhang Sinat and Mdm. Sim Sona	CIS No.	N/A
Group/ Ultimate Parent	N/A	Registration No.	N/A
Ultimate Borrower's Beneficial Owner	Mr. Chhang Sinat and Mdm. Sim Sona		
Business Address	No. 35Eo, St. V13, Phum Toul Kork, Sangkat Toul Sangke, Khan Russey Keo, Phnom Penh Cambodia.		
NBC Sector	Real Estate Activities	Sub Sector	Real Estate Operations-Residential
Core Business	N/A		
Date of Incorporation	N/A	Relationship Since	New
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						
<b>Model Used:</b> <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 CRR Rating	New CRR Rating		EAM	AST	
Mr. Chhang Sinat		5-4	5-4	Yes/ No	Yes/ No	Yes/ No
Mdm. Sim Sona		5-	5-	Yes/ No	Yes/ No	Yes/ No
Guarantor/ Holding Company						
N/A						
Comments: (To comment if the final rating deterioration is 3 notches or more). 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 Networth (USD'000)
Mr. Chhang Sinat	46	Husband	50	new	15 years	1,000
Mdm. Sim Sona	43	Wife	50	new	15 years	
No. of Employee: N/A						
Succession Plan for key Personnel: N/A						
CBC / World Check Findings (if any): No adverse record and no name matched						
Connected party: Yes / No (If yes, please comment)						

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Part 2.0	DETAILS OF REQUEST
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2.1	<b>Brief details of new request.</b> <i>This is to seek approval for:-</i> <ol style="list-style-type: none"> <li>1. A new TL of USD81.5K to refinance outstanding TL at Cambodian Public Bank.</li> <li>2. And remaining balance of USD118.5K to part finance of purchased two adjoin 2-storey flat from Borey Lay Kung (Lay Kung International Group Co. Ltd.)</li> </ol>
2.2	<b>Please state brief details of waivers, deviation of guidelines &amp; notations.</b>  N/A

Part 3.0	FACILITY DETAILS
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3.1	FACILITY (USD'000)					
Facility Type	O/S	Existing Limit	Increase/ Decrease (+/-)	New Limit	Pricing (Current ECOF @ 5.5%)	Purpose (in brief)
Term Loan	0.00	0.00	+200	200	ECOF + 3.0%p.a. on monthly rest subject to minimum 8.50%p.a.	<ul style="list-style-type: none"> <li>- To refinance from Cambodian Public Bank</li> <li>- To part finance of the purchased 2unit flat from Lay Kung International Group Co. Ltd.</li> </ul>

3.2	REPAYMENT TERMS	
Facility Type	Availability Period of Drawdown	Tenor/ Terms of Repayment
Term Loan (New)	6 month from approval date	<b>Tenor:</b> 10 years <b>Repayment:</b> 120 monthly installment of USD2,479.71 each with adjustment at the last installment. <b>Processing Fee:</b> 1% on approved limit. <b>Prepayment:</b> 1 <sup>st</sup> to 5 <sup>th</sup> year: 3%; 6 <sup>th</sup> to 10 <sup>th</sup> year: 1% on prepayment amount if the facility is fully/partial 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	200		200	N/A			200		200
RHB Bank Limit: Standalone:									
RHB Labuan/ Islamic/ Investment/ Leasing									

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SCEL**								
Beyond SCEL***								
Total RHB Group	200		200			200		200
Total Credit (RHB Group Exp+Other Banks)	200		200			200		200

\* 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	Outstanding as at 03/08/2017	Security	Security Coverage
1.	CPB	Working Capital	10%	USD110K	81,749.40	Land and Building in Kg. Chhnang Province	N/A
Comments: The conduct at CPB has been regularly paid and up to date.							
Credit Bureau Findings:							
As per CBC dated 28/07/2017, we noted that Mr. Chhang Sinat having TL facility at CPB, the facility is used for built up gasoline station at Kampong Chhnang Province.							
There is no adverse record in CBC checking.							

Part 5.0	SECURITY DETAILS
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5.1	SECURITY DESCRIPTION	
Security Description	OMV (USD'000)	Security Value (as per CP)
<b>Existing</b> (Obtained/If not obtained – brief comments) N/A		
<b>New/ Additional (To Be Obtained)</b> 1. Facility Agreement stamped for USD200K as the principal instrument. 2. Open All Monies 1st party 1st legal charge over the following property as subsidiary instrument <u>Property:</u> Title No.: ៧៨០០៥៦១៦ (Rv0326) Registered owner: Mdm. Sim Sona. Description: (Type, land area, build-up area, etc.) -Type: Vacant Land -Land Area: 12,304 sqm ( as per title deed ) / building area. Address/Location: National Road No. 5, Phum Prey Peus, Khum Chres, Srok Kompong Trolach, Kompong Chhnang Province, Cambodia. Tenure: Freehold Lease expiry: N/A Restriction in interest: Residential and Commercial. Encumbrance: N/A <u>Details of Property</u> Date: N/A OMV/FSV: N/A SPA date/ price: N/A Valuation by: To be submitted prior to issuing of LOO.	if adopt only land value to adopt 308.0	security value 50% only i.e 154K. 215.6. 246.4

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Insurance policy by: N/A

RHBI: N/A

Panel: To be insured by Bank's Panel Insurance Company

Expiry date of insurance policy: N/A

Verbal valuation (telecon /ARM / 2 valuers)

Valuer	Date	OMV/FSV (USD'000)
1) CARE	18 August 2017	Land cost: 430.6 Total : 430.6
2) 9-Base	17 August 2017	Land cost: 308.0 Total : 308.0

Total

308.0

215.6

246.4

Security Coverage (Times) - New

1.54x

1.23x

107 x.

5.2

**SECURITY ANALYSIS**Property (New)

The marketability of the subject property is good and it along the national road number 5. The property to be charged to RHB is located at National Road No. 5, Phum Prey Peus, Khum Chres, Srok Kompong Trolach, Kompong Chhnang Province, Cambodia, with total square meter is 12,304 sqm

The property to be charged is currently occupies as gasoline rental with monthly rental fee is USD2,500 effective from 01 Jan 2015 to 01 Jan 2020.

The property are freehold with no noticeable restriction in interest imposed by local authority.

Highlight security risk (if any):

N/A

Mitigation:

N/A

Part  
6.0**CONDITIONS PRECEDENT & COVENANTS**

6.1

**CONDITIONS PRECEDENT**

No.	Details	Complied		To comply
		Yes	No	
1	Existing N/A			
2	New <ol style="list-style-type: none"> <li>Acceptance of Letter of Offer</li> <li>Payment of processing fee 1% on approved limit</li> <li>Obtain valuation report from bank's panel valuer indicating property value of not less than USD308,000.0</li> <li>Release of facilities subject to:-               <ol style="list-style-type: none"> <li>Compliance of Terms under Condition Precedent.</li> <li>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, registration fee duly paid and registered as such registries as the Bank may deem necessary</li> </ol> </li> </ol>			✓ ✓ ✓ ✓
	<u>Disbursement method:</u>			✓
	- TL of USD81.5K is to be disbursed by issuing the cheque to refinance loan from CPB.			✓

redeem property

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	<ul style="list-style-type: none"> <li>- Upon blocking title deed, the outstanding balance with vendor is to be disbursed by issuing cheque to house vendor.</li> <li>- The remaining balance of the loan is to disburse to borrower's saving account.</li> </ul> <p>Reimburse is allowed if the borrower pay more than USD65,400.00 to vendor subject to acceptable evidence to the bank.</p>			✓
<b>Comments:</b>				

6.2		COVENANTS / OTHER TERMS & CONDITIONS		
No.	Details	Complied		To comply
		Yes	No	
1	Existing N/A			
2	New			
	1. Borrower is to submit the evidence of ownership registered under borrower's name within 3 months after loan drawdown			✓
	2. Undertaking by borrowers to deposit rental income with us at least USD3,600 per month			✓
	3. Undertaking by borrower not to further encumber the purchased properties.			✓
<b>Comments:</b> N/A				

*(Note: Please refer to Bank Circular on other terms & conditions for plantation, bridging loan & contract financing).*

Part 7.0	CREDIT ASSESSMENT
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7.1

BORROWER BACKGROUND

Mr. Chhang Sinat and Mdm. Sim Sona are related as husband and wife with two sons (Mr. Chhorn Sony 23 & Mr. Chhorn Soty 17). Currently they are living at house no. 35E0, St. V13, Phum Toul Kork, Sangkat Toul Sangke, Khan Russey Keo, Phnom Penh, Cambodia.

The applicants can get an income from their rental property about USD6,100.00 per month.

The below are the detail of the properties rental:-

No.	Types of properties	Location	Name of tenant	Period	Price	Remark
1	Gasoline Station	Phum Prei Pis, Khum Chres, Kompong Tralach, Kompong Chhnang Province	Mr. Kem Youkeang	01 Jan 2015 to 01 Jan 2020	2,500.00	
2	Villa	No. 12E0E1, St. 13, Phum Payab, Sangkat Phnom Penh, Thmey, Khan Sensok, PP	Mr. Yokoi Tomoryuki	01 Mar 2016 to 01 Mar 2019	900.00	

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3	Flat	No. E35 E0E1E2, St. V13, Phum Toul Kork, Sangkat Russey Keo, PP	Mr. Toun Sokhum	12 Dec 2015 to 12 Dec 2025	900.00	English School (d'cam school)
4	Warehouse	Pave Road, Phum Payab, Sanakat Phnom Penh Thmey, Khan Sensok, PP	Mr. Sun Heng	01 Feb 2015 to 01 Feb 2019	1,000.00	
5	Villa	No. 12E0E1E2, St. 5 Phum Toek Thla, Khan Sensok, PP	Mr. Chhun Art	From 09 Feb 2016 to 09 Feb 2019	800.00	
<b>Total</b>					<b>6,100.00</b>	

*Note: All the properties rental are obtained with leasing agreement and ownership under the applicants name.***7.2****JUSTIFICATION OF REQUEST**

1- The TL facility of USD81.5K is proposed as the current outstanding TL Cambodian Public Bank is USD81.7K.

2- And the remaining balance of USD118.5K is proposed as the borrower purchase houses with SPA of USD174K. Our financing margin is only 68.1%, which is acceptable under our credit policy.

To date the borrower has paid to Borey as per below summary:-

House No. 7F		House No. 8F		Both House	
O/S	54,300.0	O/S	54,300.0	O/S	108,600.0
SPA	87,000.0	SPA	87,000.0	SPA	174,000.0
Total	32,700.0	Total	32,700.0	Total	65,400.0
27-Jun-16	2,000.0	27-Jun-16	1,500.0	27-Jun-16	3,500.0
1-Jul-16	6,700.0	1-Jul-16	7,200.0	1-Jul-16	13,900.0
1-Aug-16	2,000.0	1-Aug-16	2,000.0	1-Aug-16	4,000.0
1-Sep-16	2,000.0	1-Sep-16	2,000.0	1-Sep-16	4,000.0
4-Oct-16	1,500.0	4-Oct-16	2,000.0	4-Oct-16	3,500.0
1-Nov-17	2,500.0	1-Nov-17	2,000.0	1-Nov-17	4,500.0
2-Dec-16	2,200.0	2-Dec-16	2,200.0	2-Dec-16	4,400.0
5-Jan-17	2,000.0	5-Jan-17	2,000.0	5-Jan-17	4,000.0
2-Feb-17	2,000.0	2-Feb-17	2,000.0	2-Feb-17	4,000.0
7-Mar-17	2,000.0	7-Mar-17	2,000.0	7-Mar-17	4,000.0
5-Apr-17	2,000.0	5-Apr-17	2,000.0	5-Apr-17	4,000.0
2-May-07	1,800.0	2-May-07	1,800.0	2-May-07	3,600.0
2-Jun-17	2,000.0	2-Jun-17	2,000.0	2-Jun-17	4,000.0
3-Jul-17	2,000.0	3-Jul-17	2,000.0	3-Jul-17	4,000.0

As per above payment, the outstanding with developer is USD108.6K, while borrower request reimbursement of USD9.9K to pay for the ownership transfer fee of the two units (payment slip is obtained for more reference)

The purchased house No. 7 &amp; 8F are fully completed. It is accommodating as adjoin two storey-flat with total land size of 128 sqm and building size of 256 sqm. As per valuation on subject properties from the bank's panel of valuers in August 2017, the properties is valued at USD161K by CARE and USD165K by 9-base.

Base on that mention above, we found that the request is considered acceptable. *8%*

Although applicant has many properties, he purchased two adjoin houses for residence as it is the residential zone, while he will develop the vacant land (properties to be charged to RHB) to warehouse so it would be easily to control.

*please amend**as the collateral offer is petrol station*

[abbreviation]

CBBC Head

[abbreviation]

ARM/SARM

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<b>7.3</b>	<b>INDUSTRY LENDING DIRECTION</b>
<b>Sector:</b> <i>Real Estate Activities</i> <b>Within Industry Lending Limit? Yes / No (as at 02/08/2017)</b>	
<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	
If Sector falls under unattractive or most unattractive, justification for maintain or increase exposure: N/A	

<b>7.4</b>	<b>SOURCE OF REPAYMENT</b>		
<ul style="list-style-type: none"> <li>• <i>Comment on the 1<sup>st</sup> way-out.</i></li> <li>• <i>Comment on the 2<sup>nd</sup> or alternate source of repayment.</i></li> <li>• <i>Justify if the DSR from the 1<sup>st</sup> way-out is less than 1.0 time</i></li> <li>• <i>Tabulate the calculation of DSR with reliable/justifiable assumption (by filling up the table below):</i></li> </ul>			
	<b>Historical 2017</b>	<b>Projected 2018</b>	<b>Remarks</b>
A) EBITDA			
B) Other recurring income (rental income, FD interest, etc.)	6,100.0	6,100.0	• <i>DSR is considered acceptable based on 2017 financials at 2.46x</i>
C) Total cash flow available for debt service (A + B)	6,100.0	6,100.0	
D) Existing debt repayment (bond, TL, MTL, HP, etc.) CPB: USD81,749.40: USD1,463.00			<i>Loan at Campu to be settled before the disbursement of HL</i>
E) Proposed additional Debt Repayment RHB Bank:  TL: USD200K: USD2,479.71	2,479.71	2,479.71	
F) Total debt repayment (D + E)	2,479.71	2,479.71	
<b>DSR [(A+B)/(D+E)]</b>	2.46x	2.46x	
G) Other source of income (scheduled/dividend repayment)	0.00	0.00	
<b>Adjusted DSR [(C + G)/F]</b>	2.46x	2.46x	

<b>7.5</b>	<b>EXTERNAL RATING (Applicable to PLCs only)</b>	
Moody's EDF9 Score (%) as at 02/08/2017		
Borrower: Pheng Borith		Guarantor: N/A

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Share Price Movement over past 12 months:

DD/MM/YY (Current price)	High	Low

Implied Rating	S&P	Moody's

Comments:

*(Share price movement over past 12 months (high/low/current price), its equivalent to S & P and Moody's Ratings & reasons for high score if 4% and above and whether EDF score is reflective of credit rating).*

RAM	MARC	S&P	Fitch	Moody's

Comments:

N/A

**7.6****CUSTOMER PROFITABILITY**

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.

N/A

**7.7****ANCILLARY BUSINESS/ CROSS SELLING***(To indicate present & future ancillary businesses i.e. CASA, FD, Insurance, Reflex, etc)*

As per record of closing balance with Campu Bank, we expect the borrower to maintain significant saving with us.

**7.8****CONDUCT OF ACCOUNT ANALYSIS***Briefly describe overall payment track record (i.e. payment for trade bills, TL, RC, OD etc are up to-date) and adverse findings if any.*Track record/Utilization/Repayment record:

Term Loan : USD110,000.00  
 Bank : Cambodian Public Bank  
 Name : Mr. Chhang Sinat and Mdm. Sim Sona  
 Tenor : 120 months

No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remarks
1	1,463.0	30-Jul-16	30-Jul-16	0	
2	1,463.0	30-Aug-16	30-Aug-16	0	
3	1,463.0	30-Sep-16	30-Sep-16	0	
4	1,463.0	30-Oct-16	30-Oct-16	0	
5	1,463.0	30-Nov-16	30-Nov-16	0	
6	1,463.0	30-Dec-16	30-Dec-16	0	
7	1,463.0	30-Jan-17	30-Jan-17	0	
8	1,463.0	28-Feb-17	28-Feb-17	0	



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9	1,463.0	31-Mar-17	31-Mar-17	0	
10	1,463.0	30-Apr-17	30-Apr-17	0	
11	1,463.0	31-May-17	31-May-17	0	
12	1,463.0	30-Jun-17	30-Jun-17	0	

Comment: The monthly installment for the past 12 months has been regularly paid.

**Banking Records**

The below are the summaries of the their accounts conduct at CPB from 01/Jul/16 to 30/Jun/17:

Bank	CPB
Period	01/Jul/16 to 30/Jun/17
Account Number	140-02-30-02015-2
Type of Account	Saving Account
Account Name	Mr. Chhang Sinat & Mdm. Sim Sona
Avg. Monthly Credit turnover	26,855.0
Avg. Monthly Debit turnover	30,960.0
Avg. No. of Trans (Dr/Cr)	40/11
Avg. Monthly Lowest Balance	46,070.0
Avg. Monthly Highest Balance	82,052.0
Avg. Closing Balance	64,738.0
Limit	
Average OD utilization	Nil/Nil
Chq Return/Excess	Nil/Nil

**Comment:**

The conduct Account number at CPB for the last one year was fairly active with average monthly turnover more than USD26K. Furthermore, the conduct of account was good and promptly paid without late payment.

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
N/A							

8.2	Industry Risks	✓	Low		Medium		High
N/A							

8.3	Product Risks	✓	Low		Medium		High
N/A							

8.4	Supplier / Buyer Risks	✓	Low		Medium		High
N/A							
Adverse findings from Trade Quality Assurance Department (if any)							
Supplier/ Buyer		Due Diligence Findings		Action Taken			
N/A							



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8.5	Production Risks (applicable to manufacturing company only)	<input checked="" type="checkbox"/>	Low	Medium	High
	N/A				

8.6	Other Risks (e.g. Specialized Lending, Project / Contract Financing)
Non-Renewal Risk	
The risk is low in view that:-	
<ol style="list-style-type: none"> <li>1. The properties rental are in the commercial zone</li> <li>2. The rental income is not relied only on one tenant</li> <li>3. The rental fee is reasonable with only one tenant is over USD1,000</li> <li>4. If in the worst case the income reduce by 50% the rental income would still USD3,050, which is sufficient to pay monthly installment.</li> </ol>	

### 8.7 FINANCIAL HIGHLIGHTS & ANALYSIS

#### Financial Analysis

#### Income Projection:

Applicant submitted the financial projection up to year 2020 by expecting to increase around 10% from 2020 onward since some properties rental have to be renew rental contract.

Description (USD)	FY 2017	FY2018	FY 2019	FY 2020
Monthly Income	Annualize	Projection	Projection	Projection
Properties rental	6,100.0	6,100.0	6,100.0	6,710.0
Expenditure				
Family exp	500.0	500.0	500.0	500.0
Utilities exp	100.0	110.0	121.0	133.1
Gasoline exp	250.0	275.0	302.5	332.8
Other Exp	300.0	330.0	363.0	399.3
Total Expense	1,150.0	1,215.0	1,286.5	1,365.2
Remaining Income	4,950.0	4,885.0	4,813.5	5,344.9
Monthly Commitment	2,479.7	2,479.7	2,479.7	2,479.7
Sensitized DSR	1.99 2.0x	1.97 2.0x	1.94 1.9x	2.2x
Uncommitted Balance	2,470.3	2,405.3	2,333.8	2,865.1

#### Sensitized Scenario:

We conduct sensitized scenario base on the following two events:-

- Sensitized Scenario A: Total income drop by 20%
- Sensitized Scenario B: Total income drop by 50%

Description (USD)	Monthly 2017	Monthly 2017	
		Sensitized 1	Sensitized 2
Rental Income	6,100.0	4,880.0	3,050.0
Total Income	6,100.0	4,880.0	3,050.0
Monthly Commitment	2,479.7	2,479.7	2,479.7
DSR (X)	2.46x	1.97x	1.23x
Uncommitted balance	3,620.3	2,400.3	570.3

In the worst case, repayment capacity remains sufficient with DSR is 1.23x and uncommitted balance still remain sufficient for monthly expense at USD570.3

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9.0**RECOMMENDATION BY LENDING UNIT****SUMMARY & RECOMMENDATION**

Branch would like to recommend management for consideration to the approval of the application as follows:

- Mr. Chhang Sinat and Mdm. Sim Sona has a very high commitment in responsible and good in characteristic, easy and accessible.
- Borrowers' repayment capacity is strong. It provides a debt service cover of 2.46 times.
- The repayment for of existing Term Loan with CPB has been prompt paid without any late.
- High net worth of the borrower with total asset over USD1.0mil

**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.

**Recommendation**

Prepared by

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Assistant Manager, Mortgage  
08 August 2017

Recommended by

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Senior Manager, Mobile Credit & Mortgage  
08 August 2017

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-BDM-0002-2017-0122

Branch: City Mall

Part  
10.0**INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL**

10.1

**CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION**

Within Lending Limits:

☐ Yes☐ NoIssues / Findings / Breaches (if any)

No.	Issues / Findings	Comments / Mitigations
1		
2		
3		

No.	Policy Breaches	Comments / Mitigations
1		
2		
3		

**Recommendation***(Justification/Rationale to support or decline)*

Evaluated by:

Name:

Position:

Date:



RHB BANKING GROUP

☒ RHB Indochina Bank Ltd

☐ RHB Bank Bhd

## CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-BDM-0002-2017-0122      Branch: City Mall

10.2	APPROVAL
Approver 1	<p>Decision:      <input type="checkbox"/> Approved      <input type="checkbox"/> Declined</p> <p>Comments: (if any)</p>  <p>Additional Terms/ Conditions/ Covenants: (if any)</p>  <p>Name: <u>Yong Ching San, Head of Credit Management</u></p> <p>Date:      <u>Branch Manager.</u></p>
Approver 2	<p>Decision:      <input type="checkbox"/> Approved      <input type="checkbox"/> Declined</p> <p>Comments: (if any)</p>  <p>Additional Terms/ Conditions/ Covenants: (if any)</p>  <p>Name: <u>Lim Loong Seng, Country Head/Managing Director</u></p> <p>Date:      <u>Mr. Yong</u>      <u>Head, Credit Management.</u></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)

# RHB INDOCHINA BANK LIMITED

Date 02/August/2017

## Credit Risk Rating Sheet for Individuals

Borrower(s)		Mr. Chhang Sinat and Mdm. Sim Sona			Branch	CMO
<b>Borrower Credit Rating</b>						
		<b>Score (A)</b> (total annual income)		<b>Weight</b> (B)	<b>Total Score</b> (A X B)	
1.1	Debt Service Ratio (Total Monthly Gross Income / Total Debt Servicing) = <u>2.46</u> times	<u>Below</u> <u>USD50K</u>	<u>More than</u> <u>USD50K</u>		<u>Below</u> <u>USD50K</u>	<u>More than</u> <u>USD50K</u>
	5 and above	4	5	50	200	250
	4 to less than 5	3	4		150	200
	3 to less than 4	2	3		100	150
	Below 3	1	2		50	100
	No document	1	1		50	50
				<b>Score</b> (C)	<b>Weight</b> (D)	<b>Total Score</b> (C X D)
1.2	Years of good conduct of borrowing with RHBIBL					
	Above 2 years			3	10	30
	1 year to less than 2 years			2		20
	6 months to less than 1 year			1		10
	No borrowing			0		0
	Unsatisfactory conduct			-3		-30
1.3	Net worth (Total Assets – Total Liabilities)					
	Above USD300K			4	10	40
	Above USD100K to USD300K			3		30
	Above USD50K to USD100K			2		20
	USD50K and below			1		10
	Unsubstantiated net worth			0		0
1.4	Age – Years					
	Above 35 to 55			4	10	40
	Above 30 to 35			3		30
	Above 25 to 30 / above 55 to 65*			2		20
	Above 18 to 25			1		10
	Below 18 / above 65			0		0
	* Note : Government servants retire at the age of 65					
1.5	Financial Statements					
	Audited by qualified professional			4	10	40
	Unaudited			2		20
	Unsubstantiated / No documents			0		0
<b>Total Borrower Credit Rating Score</b>						<b>200 (Y)</b>

Security Rating		Score (E)	Weight (F)	Total Score (E X F)
2.1	Security Coverage (Margin of Advance)			
	Less than 40%	4	30	120
	40% to less than 50%	3		90
	50% to less than 60%	2		60
	60% to less than 70%	1		30
	Above 70%	0		0
2.2	Type of Security			
	Fixed Deposit / Bank Guarantee	5	20	100
	Shophouses / Factories / Industrial Buildings / Residential Houses	4		80
	All Types of Vacant Development Land	2		40
	All Types of Cultivated / Vacant Agricultural Land	1		20
	Debenture / Guarantor / Clean	0		0
2.3	Penalty Factors			
	In the case of property:-			
	Within flooding vicinity			40
	Mortgage/ownership of property could be subject to legal dispute (eg : owner of the property is the beneficiary of the deceased is stated in the title deed)			-40
Total Security Rating Score				<del>70 (Z)</del>

110

3.0 Overall Credit Risk Rating Score	
Annual Income below USD50,000	$\frac{(Y + Z) \times 100}{570} = \%$
Annual Income above USD50,000	$\frac{(200 + 70) \times 100}{620} = 43.55\%$ 50%

### CREDIT SCORING CLASSIFICATION CRITERIA

No.	Credit Scoring	Credit Risk Grade
1	80% and above	1 = Excellent
2	70% to 79%	2 = Strong
3	60% to 69%	3 = Adequate
4	50% to 59%	4 = Minimum / Pass with condition
5	40% to 49%	5 = Watch list
6	Below 40%	6 = Unacceptable
7	Special Mention	7 = Special Mention*
8	Sub-standard	8 = Sub-standard*
9	Doubtful	9 = Doubtful*
10	Bad / Loss	10 = Bad / Loss*

\* Classifications of Special Mention, Sub-standard, Doubtful and Bad/Loss is subject to the criteria as per NBC's Prakas on loan classification.