

Credit Evaluation – Loans and Credit Administration						
Date	:	13/07/2016	Branch	:	City Mall Olympic	
From	:	Credit Evaluation – Credit Management Department				
To	:	Branch Manager & Head, Credit Management				
<b>1.0 Borrower Information</b>						
Borrower:	1	Mr. Chhun Rotha	Nature of business/ Employment	1	Employee	
	2	Mdm. Cheang Lyna		2	Wholesale of cigarette, phone shop and money transfer.	
Guarantor:	1	N/A	Borrowing R's ship since:	New		
CRR Grade	2					
<b>2.0 Term Sheet</b>						
New/ Additional	Facility	Existing Limit (USD)	Proposed Limit (USD)	O/S balance	Tenure	Interest rate ECOF = 5.50% p.a.
New	TL	-	50,000	-	10 years	ECOF+3.5% p.a. on monthly rest subject to mini 9% p.a.
<b>Total</b>			50,000			
<b>Fees</b>	<b>Processing fee</b>	:	- 1% on the approved limited			
	<b>Prepayment fee</b>	:	- 1 <sup>st</sup> -5 <sup>th</sup> year: 3% - 6 <sup>th</sup> -10 <sup>th</sup> year: 1% on the prepayment amount if the facility is fully/partially settled before expiry date.			
	<b>Renewal fee</b>	:	n/a			
	<b>Commitment fee</b>	:	n/a			
<b>Loan Purpose:</b>	- As additional working capital					
<b>Request/ Deviation:</b>	n/a					

3.0	Comment by Credit Evaluation:
1.	Mr. Chhun Rotha is a Legal Senior Accountant and Administrator at Ramar Holding Group Co.,Ltd with monthly salary of USD2,000 (Employment letter and salary slip enclosed).
2.	Beside the above, borrower also involved in cigarette trading, phone shop and money transfer service (E-Money) since 2012. The business premise is owned by their parents and managed by Mdm. Cheang Lyna and assisted by 2 staff in daily business operation.
3.	Additional working capital of about USD50K is justifiable to support the stock & receivables with average net working capital requirement of USD72.3K (CA page 6).
4.	Comment on financial i. Combined report income of USD325.5K (Jan-Jun 2016) or USD54K per month can be substantiated via summary sale invoice from Apr-Jun 2016 with an average of USD47.6K reflecting 88% of total report income. Borrower informed that the shortfall due to the invoice is not properly kept after full payment.

Borrowers: Mr. Chhun Rotha & Mdm. Cheang Lyna  
CA No: RHBIBL/0002/2016/0025

5. Strong DSR at 6.30x.
6. Comfortable MOA at 58.21%

**4.0**

**Concurred by Credit Evaluation**

I would concur for management approval as per branch proposed subject to loan tenor at 7 years instead of 10 years due to DSR still adequate at 4.96x.

**Prepared by:**

  
 Ngan Chhayheang  
 Assistant Manager  
 Date: 13/07/2016

**Concurred by:**  
**Subject to**

  
 Tang Siew Hon  
 Senior Manager  
 Date: 13/07/2016



RHB BANKING GROUP

☐ RHB Indochina Bank Ltd☐ RHB Bank Ltd

## CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2016-0025 Branch: City Mall Olympic Branch

## Request Type

☒ New☐ Additional☐ Renewal☐ R&R

## Approving Authority

☒ Joint Approval: DLA Level \_\_\_\_/V\_\_ Reason for escalation:☐ Group CCO & Head of Business:

## Part 1.0 CUSTOMER PROFILE

1.1 CUSTOMER INFORMATION			
Borrower	Mr. Chhun Rotha and Mdm. Cheang Lyna	CIS No.	N/A
Group/ Ultimate Parent	N/A	Registration No.	1927
Ultimate Borrower's Beneficial Owner	N/A		
Business Address	No. 30DEo, Street 374, Sangkat Toul Svay Prey 2, Khan Chamkarmon, Phnom Penh.		
NBC Sector	Wholesale	Sub Sector	N/A
Core Business	Selling cigarette, phone, and money transfer service		
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						
Model Used:						
<input type="checkbox"/> LC	<input type="checkbox"/> MM	<input type="checkbox"/> GPF	<input type="checkbox"/> IPRE	<input type="checkbox"/> NBFi	<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. Chhun Rotha Mdm. Cheang Lyna	N/A	2	2	Yes/ No	Yes/ No	Yes/ No
Guarantor/ N/A	N/A	N/A	N/A			
Comments: 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 Network
Mr. Chhun Rotha	31	Husband	50%	2012	N/A	>USD50K
Mdm. Cheang Lyna	24	Wife	50%	2012	N/A	
No. of Employee: 02						
Succession Plan for key Personnel: Whole sale and retail						
CBC / World Check Findings (if any): There are no entries matching						
Connected party: Yes / No (If yes, please comment)						



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**Part 2.0 DETAILS OF REQUEST**

2.1	Brief details of new, additional or renewal request. To approve 10-Year TL of USD50K to use as working capital in business.
2.2	Please state brief details of waivers, deviation of guidelines & notations. N/A

**Part 3.0 FACILITY DETAILS**

3.1	FACILITY (USD'000)					
Facility Type	O/S as at	Existing Limit	Increase/ Decrease (+/-)	New Limit	Pricing (ECOF: 5.50%)	Purpose
TL (New)	-	-	+50	50	ECOF + 3.5% p.a. on monthly rest subject to min 9% p.a.	To use as working capital
Total	-	-	+50	50		

3.2	Repayment Terms	
Facility Type	Tenor/ Terms of Repayment	
TL USD50K (New)	Interest Rate:	ECOF + 3.5% p.a. on monthly rest subject to min 9% p.a.
	Tenure:	10 Years
	Repayment:	120 monthly installment of USD633.38
	Processing Fee:	1% on approved amount
	Prepayment:	1 <sup>st</sup> -5 <sup>th</sup> Year: 3% and 6 <sup>th</sup> -10 <sup>th</sup> 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	50		50				50		50
RHB Bank Limit: Standalone:	N/A		N/A				N/A		N/A
RHB Labuan/ Islamic/ Investment/ Leasing SCEL**									
Beyond SCEL***									
Total RHB Group	N/A		N/A				N/A		N/A
Total Credit (RHB Group Exp+Other Banks)	50		50				50		50



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\* 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	Security	Security Coverage
	N/A						
	Total						
Credit Bureau Findings:							
Worldcheck: No name matched.							

Part 5.0	SECURITY DETAILS
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5.1	SECURITY DESCRIPTION														
	Security Description	OMV (USD'000)	Security Value (as per CP)												
	<p><b>New/ Additional (To Be Obtained)</b></p> <ol style="list-style-type: none"> <li>Facility Agreement stamped for USD50K as the principal instrument.</li> <li>Open All Monies 1st party 1st legal charge over the following property as subsidiary instrument</li> </ol> <p><u>Property:</u>            Title No.: 12090306-1620            Registered owner: Mr. Chhun Rotha and Mdm. Cheang Lyna            Description: 2-storey flat house            Land: 113 sqm            Built-up: USD128sqm            Address/Location: Phum Trapaing Lvea, S/K Kakab, Khan Por Senchey, Phnom Penh.            Tenure: freehold            Lease expiry: N/A            The property is located in favorable area surrounded by Market, Shop houses, and other activities businesses</p> <p>Verbal Check by:</p> <table border="1"> <thead> <tr> <th>Valuer</th> <th>Date</th> <th>OMV/FSV (USD)</th> </tr> </thead> <tbody> <tr> <td>1) CARE</td> <td>23-06-2016</td> <td>Land cost: USD56,500 (USD500/sqm) Building cost: USD29,440 (USD230/sqm) <b>Total: USD85,940</b></td> </tr> <tr> <td>2) ARC</td> <td>23-06-2016</td> <td>Land cost: USD62,150 (USD550/sqm) Building cost: USD29,440 (USD230/sqm) <b>Total: USD91,590</b></td> </tr> <tr> <td>3) BRG</td> <td>23-06-2016</td> <td>Land cost: USD67,800 (USD600/sqm) Building cost: USD25,600 (USD200/sqm) <b>Total: USD93,400</b></td> </tr> </tbody> </table> <p><b>Comment:</b> We are agreeable to indicative value of CARE as it is reasonable value and lower than ARC's and BRG's.</p>	Valuer	Date	OMV/FSV (USD)	1) CARE	23-06-2016	Land cost: USD56,500 (USD500/sqm) Building cost: USD29,440 (USD230/sqm) <b>Total: USD85,940</b>	2) ARC	23-06-2016	Land cost: USD62,150 (USD550/sqm) Building cost: USD29,440 (USD230/sqm) <b>Total: USD91,590</b>	3) BRG	23-06-2016	Land cost: USD67,800 (USD600/sqm) Building cost: USD25,600 (USD200/sqm) <b>Total: USD93,400</b>	85.9	60.1
Valuer	Date	OMV/FSV (USD)													
1) CARE	23-06-2016	Land cost: USD56,500 (USD500/sqm) Building cost: USD29,440 (USD230/sqm) <b>Total: USD85,940</b>													
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3) BRG	23-06-2016	Land cost: USD67,800 (USD600/sqm) Building cost: USD25,600 (USD200/sqm) <b>Total: USD93,400</b>													
	<b>New/ Additional (To Be Obtained)</b>														
	N/A														
	Total	85.9	61.5												
	Security Coverage (Times) - Existing & New/ additional	1.72x	1.03x												



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5.2	SECURITY ANALYSIS
	<ul style="list-style-type: none"> <li>Overall MOA of the property would be 58.21% with secure coverage of 1.72x.</li> <li>The subject property is located in favorable area surrounded by Borey New World, shop houses, Schools, Century Market, etc. It is currently leased to the applicant's friend with rental fee of USD150 but there is no lease agreement since the lessor is Mr. Rotha's friend.</li> </ul>

Part 6.0	CONDITIONS PRECEDENT & COVENANTS
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6.1	CONDITIONS PRECEDENT			
No.	Details	Complied		To comply
		Yes	No	
1	<u>Existing</u>  N/A			
2	<u>New</u> <ul style="list-style-type: none"><li>Acceptance of Letter of Offer</li><li>Payment of Processing fees</li></ul> <u>Release of facilities subject to:-</u> <ul style="list-style-type: none"><li>Compliance of Terms under Condition Precedent.</li><li>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.</li><li>Submission of Formal Valuation Report of not less than USD85.9K by the bank's panel of RHBIBL.</li></ul> <u>Disbursement Method:-</u> <p>Upon completion of signing and thumb print on legal documents and charging the title deed to RHBIBL, the loan will be released to the borrower's account maintained with RHBIBL.</p>			  <

6.2	COVENANTS / OTHER TERMS & CONDITIONS			
No.	Details	Complied		To comply
		Yes	No	
1	<u>Existing</u> <u>N/A</u>			
2	<u>New</u> <u>N/A</u>			
Comments:				



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### Part 7.0 CREDIT ASSESSMENT

#### 7.1 BORROWER BACKGROUND

Applicants, Mr. Chhun Rotha and Mdm. Cheang Lyna are related husband and wife and residing in No. 30DEoE1, Street 374, Phum 7, Sangkat Toul Svay Prey 2, Khan Chamkarmon, Phnom Penh. The property is owned by the applicant's parents.

Presently, Mr. Rotha is employed at Ramar Holding Group Ltd. With position as Legal Senior Accountant and Administrator with monthly paid of USD2K (Employment Letter and Salary slip are enclosed). He has joined the company since October 2008 where operated in No. 104, Street 296, Sangkat Toul Svay Prey 2, Khan Chamkarmon, Phnom Penh. Meanwhile, Mdm. Lyna has engaged in business and operated in the resident as mentioned above.

The brief information of businesses are summarized as follow:

##### Selling Cigarettes

The applicants have involved in selling Cigarettes since 2012 after Mr. Rotha has enjoyed in Ramar Holding Group Co., Ltd. for many years. The business is currently operated in their resident as mentioned above. Mdm. Lyna is a key person and assisted by 2 salesmen to recruit and delivery goods to customers.

Note that, the company is a trading company which is imported inclusive products from China, Hong Kong, and Malaysia with variety products such as Cigarettes, Milk, and Nappy. So, the cigarettes, brand of ORIS and GOLDHILL, are purchased from the Rama Company while the others such as FINE, HERO and MILDSEVEN are bought from local suppliers. Mr. Rotha mentioned that there is no purchase invoices from the Rama company for his own business since he has purchased order together through the company's purchasing from China. Most customers are wholesaler in Phnom Penh and some provinces such as Kampong Cham and Battambang province.

The average sale is about 40K per month. For payment method, It is mostly used in cash basic. Further, credit term up to 15 days is offered to potential customer in order to maintain and strengthen their network. Up to date, A/R and Stock are summed of about USD5K and USD30K respectively as disclosed by Mdm. Lyna.

##### Candy and cake

Mdm. Lyna further revealed that she has engaged in selling food for kids almost one year. It is consist of candy and cake which are purchased from Rama Holding Group Co., Ltd as well. The target customers are located in provinces with the high season on New Year Festival and Pchom Ben Day. Since it is just started, so she has not yet invest with a huge sale as much as the cigarette business. That is why she does not include into the income statement.

##### E-Money Transfer Service

The business has been operated for many years. Mdm. Lyna stated that it is a popular business recently since it is provided a convenience services to customers such as money transfer across 25 provinces in Cambodia and Bill Payment service consist of Utilities expenses and Mobile Top up. Based on Mdm. Lyna's disclosure, she have to deposit with Metfone company to operate and manage cash flow of money transfer; however, she has initial deposit account with ACLEDA Bank i.e. USD2K. All deposits with the company are confirmed by SMS to the borrower's phone number (No deposit slip).

The facility and fee charge are summarized as follow:

No.	Facilities service	Amount	Fee Charge/Transaction	Commission Allowance
1	Money Transfer	Up to USD500	USD1.25	USD0.50
		More than USD500	USD2.00	USD0.85
2	Bill Payment (Utilities)	Unlimited	USD0.40	USD0.20
3	Mobile Top Up	Unlimited	Free	5% of bill amount



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## Mobile Phone

Besides, they also sell mobile phone, CAMPHONE Brand, phone accessories. It is operated under named "Camfone Mobile Shop", registered license No. 1924 from Phnom Penh City Hall. It is part of business to add up service of E-Money Transfer. The price is ranged from USD35 to USD135 with profit margin of 25% upon the phone's style. Meanwhile, the shop is offered some spare part and phone's accessory. Mostly, the borrower purchase goods from the company and get a credit term up to 7 days for fully payment. As Mdm. Lyna said that she targets her customer who stays around the shop where it is near the Derm Kor Market as well. Up to date, A/P and Stock are summed of about USD1K and USD2.5K while there is no A/R recently as the borrower is a retail sale and fully payment on demand from customers.

**Competitors:** there is some competitor entering to the marketplace with offering the same service recently for cigarette business. However, they still have a strong commitment to compete the market since the applicant has good network and relationship with supplier, Ramar Holding Group Co., Ltd.

7.2

## JUSTIFICATION OF REQUEST

- WC Line Requirement in business:

Items	Historical 2016 (Monthly)	Projected 2017 (Monthly)	Remarks
Z) Monthly sales (USD)	54,250.56	56,068.25	Up to date. Stock is about USD32.5K,
A) Debtor turnover (days)	15	15	A/R is about USD5K
B) Stockholding turnover (days)	30	30	A/P is about USD1K
C) Creditor turnover (days)	5	5	WC line is good when the proposed WC lines
D) Asset Conversion Cycle = (A + B) - C/30	1.33	1.33	stay within the monthly WC line requirement.
E) Monthly WC need = (D x Z)	72,334.08	74,757.66	
Existing + proposed WC lines	50,000.00	50,000.00	
(Shortfall)/Excess in WC lines	(22,334.08)	(24,757.66)	

- Note that the average monthly sale reached of USD54.2K for the first 6 months of 2016. It is generated from selling cigarettes, phone & accessories, and money transfer service. In this view, the monthly WC limit line shall be needed of USD72.3K based on the WC table above.
- A credit-term up to 15 days is offered to potential customers while the applicants were provided only 5 days for payment to suppliers. So, a shortage cash flow shall be happened sometime, the applicant disclosed.
- Therefore, the borrower has requested TL of USD50K to use as working capital in business.
- The request is reasonable and stayed in WC limit line should be required based on the table above.

7.3

## INDUSTRY LENDING DIRECTION

Sector: Wholesale

Within Industry Lending Limit? Yes / No (as at 06-July-2016)

☐ 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 2016 (6-Month)	Projected 2017	Remarks
A) EBITDA	USD1,992.77	USD2,083.93	<ul style="list-style-type: none"><li>• DSR based on latest reported financial in 2016 (6-Month) stands at 6.30x.</li><li>• Total revenue is project to increase by 3% based on the past year recorded. So, DSR to be further improved to 6.60x.</li></ul>
B) Other recurring Income: Mr. Rotha's salary	USD2,000.00	USD2,100.00	
C) Total cash flow available for debt service (A + B)	USD3,992.77	USD4,183.93	
D) Existing debt repayment	N/A	N/A	
E) Proposed additional Debt Repayment 10-Year TL: USD50K	USD633.38	USD633.38	
F) Total debt repayment (D + E)	USD633.38	USD633.38	
DSR [(A+B)/(D+E)]	6.30x	6.60x	
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:



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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:

RAM	MARC	S&P	Fitch	Moody's

Comments:

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.									

7.7	ANCILLARY BUSINESS/ CROSS SELLING
N/A	

7.8

CONDUCT OF ACCOUNT ANALYSIS

Applicants have maintained saving account with PPCB Bank. The conduct account for the last 12 months is summarized as follows:

PPCB Bank			
AC No. : 113-02-078874-2			
Mr. Chhun Rotha			
Month	Debit (USD)	Credit (USD)	Balance (USD)
		Balance Forward	0.00
Jun-15	0.11	18,300.14	18,300.03
Jul-15	24,002.00	5,966.00	264.03
Aug-15	9,400.00	9,622.00	486.03
Sep-15	0.75	18.69	503.97
Oct-15	-	-	503.97
Nov-15	-	5,389.40	5,893.37
Dec-15	52,850.86	50,021.45	3,063.96



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Jan-16	9,000.00	10,007.57	4,071.53
Feb-16	15,200.00	20,745.72	9,617.25
Mar-16	15,900.94	11,842.14	5,558.45
Apr-16	18,200.00	18,425.00	5,783.45
May-16	18,400.00	38,046.40	25,429.85
<b>Total</b>	<b>162,954.66</b>	<b>188,384.51</b>	
<b>Average</b>	<b>13,579.56</b>	<b>15,698.71</b>	<b>6,622.99</b>

Comment:

- Total turnover credit reported USD188.4K derived monthly deposit of USD15.7K.
- Common transactions are cash & check deposit and cash withdrawal.
- Noticeably, there were about 29% of total revenues channeled with PPCB while the balance was kept in hand to facilitate the daily business operating.

Part  
B.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"> <li>• There is no promptly financial recorded, since it is a family business. However, the borrowers have still operated business well and profitable by year to year.</li> </ul>				

8.2	Industry Risks	✓	Low	Medium	High
	<p><b>Tobacco</b></p> <ul style="list-style-type: none"> <li>• Tobacco companies and rogue vendors face fines and even prison under a proposed tobacco control bill, labelled "comprehensive" by a health expert and "concerning" by a cigarette company.</li> <li>• The draft law on tobacco control, a copy of which was obtained by the Post, proposes reinforcing and extending bans on the promotion, advertising and sale of tobacco products, including banning cigarette sales at education facilities, sport clubs, children's parks, religious and historical sites, museums and gas stations. According to statistics, cited by Daravuth, about 2 million people in Cambodia smoke.</li> <li>• Cigarette is still considered a harmful drug for all people. But the display of cigarette is still happened and continued growth due to the habit of smokers; however, it is a World's health issue. Further, the borrowers have multi-resource of income besides selling cigarette to secure the loan request.</li> </ul> <p><b>Mobile Phone Use</b></p> <ul style="list-style-type: none"> <li>• Cambodia's economy has grown rapidly during the past decade and has recorded an average GDP growth of 7.0% year-on-year since 2010. With high population growth and continued development in the Cambodian economy as well as high technology recently, demand of using smart phone is satisfactorily increased by year to year especially brand of iphone and samsung which are top branch in Cambodia.</li> </ul> <p><b>Money Transfer</b></p> <ul style="list-style-type: none"> <li>• Kim Vada, director general of banking supervision at the National Bank of Cambodia (NBC), said the Kingdom's domestic money transfer services have developed significantly in the last five years. Half of adults in Cambodia are using this kind of service and the sector has grown significantly," Vada said. "NBC will continue to monitor the financial and banking system, as well as money transfer services, to ensure [they adhere to its] efficiency, safety and standard regulations.</li> </ul>				



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<b>8.3</b>	<b>Product Risks</b>	Low	<input checked="" type="checkbox"/>	Medium	<input type="checkbox"/>	High
<ul style="list-style-type: none"> <li>Demand for product and services are increasing.</li> <li>Fake products are mixed in market. But risk can be mitigated due to a long experience and good relationship with suppliers.</li> <li>Technology and phone's style are up to grade by year to year. There can be stuck/out of date of inventory if not flexible on management.</li> </ul>						

<b>8.4</b>	<b>Supplier / Buyer Risks</b>	Low	<input checked="" type="checkbox"/>	Medium	<input type="checkbox"/>	High
<ul style="list-style-type: none"> <li>Products are imported from China which is well known as a strong developed country; however, it tends to meet a bit concern in economy recently.</li> <li>Credit-terms are offered to potential customers to strengthen/built relationship stronger.</li> </ul>						

Adverse findings from Trade Quality Assurance Department (if any)

Supplier/ Buyer	Due Diligence Findings	Action Taken
N/A		

<b>8.5</b>	<b>Production Risks</b> (applicable to manufacturing company only)	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
<ul style="list-style-type: none"> <li>Not highly labour intensive or where affirmative is not a major concern.</li> <li>Product is in good working condition and well maintained.</li> <li>Pricing allows positive returns.</li> </ul>							

<b>8.6</b>	<b>Other Risks</b> (e.g. Specialised Lending, Project / Contract Financing)
N/A	

**8.7 FINANCIAL HIGHLIGHTS & ANALYSIS****Income Statement**

Description	Income Statement		
	2014	2015	2016
	12-Month	12-Month	6-Month
<b>Revenues</b>			
Cigarette	446,669.92	460,484.45	237,363.12
Phone & Accessories	39,810.92	40,623.39	20,726.22
Money Transfer	121,682.31	128,086.64	67,414.02
<b>Total Revenues</b>	<b>608,163.15</b>	<b>629,194.48</b>	<b>325,503.36</b>
<b>COGS</b>			
Cigarette	428,803.12	442,065.07	227,868.60
Phone & Accessories	30,006.79	30,436.89	15,596.23
Money Transfer	120,465.48	126,805.77	66,739.88
<b>Total COGS</b>	<b>579,275.39</b>	<b>599,307.74</b>	<b>310,204.70</b>
<b>Gross Profit</b>	<b>28,887.75</b>	<b>29,886.74</b>	<b>15,298.66</b>
<b>Operating Expense</b>			
Utilities	677.45	698.40	360.00
Transportation	2,432.65	2,516.78	1,302.01
Salary	3,032.40	3,192.00	1,680.00
<b>Total expenses</b>	<b>6,142.50</b>	<b>6,407.18</b>	<b>3,342.01</b>



RHB BANKING GROUP

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Net Income	22,745.25	23,479.56	11,956.65
Mr. Rotha's Salary	21,660.00	22,800.00	12,000.00
Total Income	44,405.25	46,279.56	23,956.65
Average	3,700.44	3,856.63	3,992.77

**Comment:**

- FY-2016, total revenues reached of USD325.5K for the first 6-month, increased by 3.47% against to USD629.2K in Y2015 where 73% of total revenue are wholesale of cigarette. In 6-Month of 2016, average monthly sale and net income reported of USD54.2K and USD1.9K respectively.
- The income statement is justified by the summarized latest 3-month sale invoices from Apr to Jun 2016 with the average monthly sale of USD47.6K (Cigarettes, Phones, and Money Transfer Service). As it is a family business, all sale invoices are not properly kept after fully payment. Actually, the applicants have purchased cigarette, FINE Brand only, with amount of USD26K in March 2016. (Invoice Copies are enclosed).
- There were about 29% of total revenues channeled with PPCB while the balance was kept in hand to facilitate the daily business operating.

**Income Projection**

Description	Income Statement		
	2017	2018	2019
	12-Month	12-Month	12-Month
<b>Revenues</b>			
Cigarette	488,968.03	503,637.07	518,746.18
Phone & Accessories	42,281.49	43,127.12	43,989.66
Money Transfer	141,569.44	148,647.91	156,080.31
<b>Total Revenues</b>	<b>672,818.96</b>	<b>695,412.10</b>	<b>718,816.15</b>
<b>COGS</b>			
Cigarette	469,409.31	483,491.59	497,996.33
Phone & Accessories	31,297.01	31,727.01	32,156.55
Money Transfer	140,153.75	147,161.43	154,519.51
<b>Total COGS</b>	<b>640,860.06</b>	<b>662,380.03</b>	<b>684,672.39</b>
<b>Gross Profit</b>	<b>31,958.90</b>	<b>33,032.07</b>	<b>34,143.77</b>
<b>Operating Expense</b>			
Utilities	741.60	763.85	786.76
Transportation	2,682.15	2,762.61	2,845.49
Salary	3,528.00	3,704.40	3,889.62
<b>Total expenses</b>	<b>6,951.75</b>	<b>7,230.86</b>	<b>7,521.87</b>
<b>Net Income</b>	<b>25,007.15</b>	<b>25,801.21</b>	<b>26,621.90</b>
Mr. Rotha's Salary	25,200.00	26,460.00	27,783.00
<b>Total Income</b>	<b>50,207.15</b>	<b>52,261.21</b>	<b>54,404.90</b>
<b>Average</b>	<b>4,183.93</b>	<b>4,355.10</b>	<b>4,533.74</b>

**Comment:**

- Revenue projected to increase by 3% for the next 3 years based on the previous year recorded.
- COGS is projected unchanged.
- Mr. Rotha's salary is expected to increase by 5% for the next 3 years.



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## CREDIT APPLICATION (CA2)

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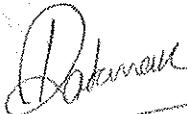
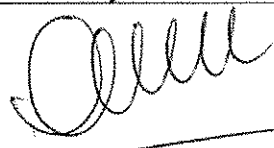
Application No. : RHBIBL-0002-2016-0025 Branch: City Mall Olympic Branch

Current DSR Scenario

Average Monthly EBIT (USD)	2016	2017	2018	2019
Monthly EBIT	3,992.77	4,183.93	4,355.10	4,533.74
RHBIBL's TL= USD50K	633.38	633.38	633.38	633.38
Total commitment	633.38	633.38	633.38	633.38
DSR (X)	6.30x	6.61x	6.88x	7.16x

Sensitized DSR Scenario: (50% drop of EBIT)

Average Monthly EBIT (USD)	2016	2017	2018	2019
Monthly EBIT	1,996.39	2,091.97	2,177.55	2,266.87
RHBIBL's TL= USD50K	633.38	633.38	633.38	633.38
Total commitment	633.38	633.38	633.38	633.38
DSR (X)	3.15x	3.30x	3.44x	3.58x

Part 9.0	RECOMMENDATION BY LENDING UNIT
<b>SUMMARY &amp; RECOMMENDATION</b> <ul style="list-style-type: none"><li>Borrower is an active businessman who has experienced in business since 2012.</li><li>The business is well operated and profitable by year to year.</li><li>Repayment capacity of borrower is well substantiated from average monthly net income of USD1.9K and salary of USD2K where translated DSR of 6.30x.</li><li>MoA is 58.21%.</li><li>Collateral locates in good location with higher security coverage and marketable.</li></ul> <p><b>Reminder:</b> 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 &amp; (iv) indicating in details other sources of information i.e. updated sales report, current account summary, cash balances, CCRIS, etc.</p>	
Prepared by:	Recommended by:
 Sok Ratanak Assistant Manager Date: 06/07/2016	 Chiv Hak Senior Manager Date: 06/07/2016



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### CREDIT APPLICATION (CA2)

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Part 10.0	INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL
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10.1	CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION
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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:







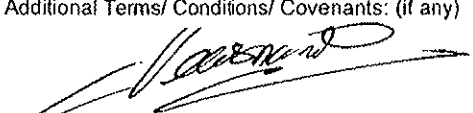

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## CREDIT APPLICATION (CA2)

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10.2 APPROVAL	
Approver 1	Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined Comments: (if any)  Additional Terms/ Conditions/ Covenants: (if any)   Keang Chanvassana Branch Manager Date: 06/07/2016
Approver 2	Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined Comments: (if any)  As recommended by CEO  Additional Terms/ Conditions/ Covenants: (if any)   Name: Yong Ching San Head, Credit Management Date: 13/7/16

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)

