

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

Application No. : RHBIBL-0002-2013-0025-1 Branch: City Mall Olympic Branch

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

1.1 CUSTOMER INFORMATION			
Borrower	Mdm. Kim Vuthidavatey (Age: 29) Mr. Sar Chetra (Age: 43) Mdm. Ros Sothearin (Age: 50) Mr. Kim Vuthy (Age: 54)	CIS No.	200002156
Group/ Ultimate Parent	N/A	Registration No.	19437/2015២/អព្យ
Ultimate Borrower's Beneficial Owner	N/A		
Business Address	No. 155, St. 155, Phum 3, Sangkat Toul Tompong 1, Khan Chamkarmon, Phnom Penh.		
NBC Sector	Retail Trade	Sub Sector	N/A
Core Business	Jewelry Shop (Mohanokor) and property rental		
Date of Incorporation	2003	Relationship Since	Sep 2013
Review Due Date	06-Nov-2016	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 Current CRR Rating    New CRR Rating		Final Rating (For credit decision only)	Watchlist Status EAM    AST		Exceptional Credit
<u>Borrowers:</u> Mdm. Kim Vuthidavatey Mr. Sar Chetra Mdm. Ros Sothearin Mr. Kim Vuthy	3                      3		3	Yes/ No    Yes/ No		Yes/ No
<u>Guarantors:</u> 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
Mdm. Kim Vuthidavatey	29	Daughter	50%	2003	N/A	>USD300K
Mdm. Ros Sothearin	50	Mothner	50%	2003	N/A	
No. of Employee: 3						
Succession Plan for key Personnel: N/A						
CBC / World Check Findings (if any): No						
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. <ul style="list-style-type: none"> <li>To approve additional 10-Year TL2 of USD200K for working capital in Jewelry Shop.</li> </ul>
2.2	Please state brief details of waivers, deviation of guidelines & notations. <ul style="list-style-type: none"> <li>To annual review the existing facility.</li> <li>To reduce interest rate from 9.75% p.a. to 9% p.a. for existing TL1.</li> </ul>

Part 3.0	FACILITY DETAILS
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3.1	FACILITY (USD'000)					
Facility Type	O/S 11-08-2016	Existing Limit	Increase/ Decrease (+/-)	New Limit	Pricing (ECOF: 5.5%)	Purpose
10-Year TL1 USD180 (Existing)	149.3	149.3	-	149.3	ECOF + 4.25% p.a. subject to min 9.75%p.a	To refinance from ANZ Royal Bank & ACLEDA Bank Plc. and to be partial working capital
10-Year TL2 USD200 (New)	-	-	+200	200	ECOF + 3.5% p.a. subject to min 9%p.a	To use as working capital
<b>Total</b>	<b>149.3</b>	<b>149.3</b>	<b>200</b>	<b>349.3</b>		

3.2	Term and Conditions	
Facility Type	Tenor/ Terms of Repayment	
TL1 USD180K (Existing)	Tenure : 10 years	
	Processing Fee : 1% on approved limit	
	Repayment : 120 monthly installments of USD2,345.16	
	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	
TL2 USD200K (New)	Tenure : 10 years	
	Processing Fee : 1% on approved limit	
	Repayment : 120 monthly installments of USD2,533.52	
	Prepayment : 1 <sup>st</sup> -5 <sup>th</sup> Year: 1% 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	349.3		349.3	349.3		349.3	349.3		349.3
RHB Bank Limit: Standalone:									



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RHB Labuan/ Islamic/ Investment/ Leasing									
SCEL**									
Beyond SCEL***									
Total RHB Group	349.3		349.3	349.3		349.3	349.3		349.3
Total Credit (RHB Group Exp+Other Banks)	349.3		349.3	349.3		349.3	349.3		349.3

\* 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 (USD'000)	Outstanding as at 31/07/2016	Security	Security Coverage
1	Campu	TL	10%p.a.	130	112.7	Sangkat Toul Tompong 1, Khan chamkarmon, Phnom Penh	N/A
2	BIDC	TL	10%p.a.	83	72.7	Villa in Borey Peng Hourt (The Star Natural)	N/A
	Total			213	185.4		
Comments: N/A							
Credit Bureau Findings: The repayment has been promptly paid World check: There are no entries matching.							

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Part 5.0	SECURITY DETAILS
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5.1	SECURITY DESCRIPTION
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Security Description	OMV (USD'000)	Security Value (as per CP)												
<p><b>Existing:</b></p> <ol style="list-style-type: none"> <li>Facility Agreement stamped for TL1 of USD180K</li> <li>Open All Monies 1st party 1st legal charge over the following property as subsidiary instrument</li> </ol> <p><b>Property</b>            Title No.: PP06941            Registered owner: Mr. Kim Vuthy and Mdm. Ros Sothearin (Husband and Wife)            Description: A parcel of land with a single storey villa. It is currently leased with monthly rental fee of USD1,000            Land: 700 sqm            Built-up: 300.89 sqm            Address/Location: Phum 2, Sangkat Chroy Changvar, Khan Russey Keo, Phnom Penh.</p> <p>Previous OMV: USD294,249.20            Formal Valuation by CARE dated 09-Oct-2013            Tenure: freehold            Lease expiry: N/A</p> <p>Insurance policy by:            RHBIBL's panel: Campu Longpac            Expiry date of insurance policy: 16-Oct-2016</p> <p>Verbal Check</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>03-Aug-16</td><td>Land cost: USD665,000 (USD950/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD746,240.30</b></td></tr> <tr> <td>2) BRG</td><td>03-Aug-16</td><td>Land cost: USD672,000 (USD960/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD753,240.30</b></td></tr> <tr> <td>3) ARC</td><td>03-Aug-16</td><td>Land cost: USD665,000 (USD950/sqm) Building cost: USD84,249.20 (USD280/sqm) Total: <b>USD749,249.20</b></td></tr> </tbody> </table> <p>Comment:            The property value is increased by 153.61% against to USD294,249.20 in 2013 due to the developing areas, surrounded by Sokha Hotel, Apartments, Schools, Guesthouses, and shop houses, etc. Branch is adopted the indicative value of CARE since it is reasonable and lower than BRG's and ARC's value.</p>	Valuer	Date	OMV/FSV (USD)	1) CARE	03-Aug-16	Land cost: USD665,000 (USD950/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD746,240.30</b>	2) BRG	03-Aug-16	Land cost: USD672,000 (USD960/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD753,240.30</b>	3) ARC	03-Aug-16	Land cost: USD665,000 (USD950/sqm) Building cost: USD84,249.20 (USD280/sqm) Total: <b>USD749,249.20</b>	746.2	522.3
Valuer	Date	OMV/FSV (USD)												
1) CARE	03-Aug-16	Land cost: USD665,000 (USD950/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD746,240.30</b>												
2) BRG	03-Aug-16	Land cost: USD672,000 (USD960/sqm) Building cost: USD81,240.30 (USD270/sqm) Total: <b>USD753,240.30</b>												
3) ARC	03-Aug-16	Land cost: USD665,000 (USD950/sqm) Building cost: USD84,249.20 (USD280/sqm) Total: <b>USD749,249.20</b>												
<p><b>New/ Additional (To Be Obtained)</b></p> <ol style="list-style-type: none"> <li>Facility Agreement stamped for TL2 of USD200K as the principal instrument.</li> <li>Open All Monies 1st party 1st legal charge over the following property as subsidiary instrument</li> </ol>														
Total	746.2	522.3												
New Limit of facility	349.3	349.3												
Security Coverage (Times) - Existing & New/ additional	2.13x	1.50												



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5.2	SECURITY ANALYSIS
	<ul style="list-style-type: none"> <li>The property is about 350 meters and 540 meters from Bellevue Serviced Apartments and Sokha Hotel (Chroy Changva). It is currently leased to Korean for office operating with monthly rental fee of USD1,000.</li> <li>The property is suitable for resident and some type of business such as company, warehouse, and other business purpose. Presently, it is surrounded by private company, school, hotel, serviced apartment, and other business activities.</li> <li>The property may increase price in the future due to its strength as mentioned above.</li> </ul>

Part 6.0	CONDITIONS PRECEDENT & COVENANTS
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6.1	CONDITIONS PRECEDENT			
No.	Details	Complied		To comply
		Yes	No	
1	<p><u>Existing</u></p> <p>TL1 of USD180K</p> <p>1.1 Acceptance of Letter of Offer</p> <p>1.2 Payment of processing fee of 1% on approved limit</p> <p>1.3 Release of facilities subject to:-</p> <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, registration fee duly paid and registered at such registries as the Bank may deem necessary</li><li>• Receipt of valuation report from RHBIBL's panel valuer with value of not less than USD536,000 on subject properties.</li></ul> <p><u>Disbursement Method</u></p> <p>Upon the completion of signing and thumb print on legal documents and charging the TD to RHBIBL, the TL1 of USD180K will be released as follows:-</p> <ul style="list-style-type: none"><li>• USD81,250.11 shall be disbursed to redeem existing collateral with TD No. 12011106-0272 currently charged to ACLEDA Bank Plc. and to settle the outstanding loan at ACLEDA Bank.</li><li>• USD53,633.76 shall be disbursed to redeem existing collateral with TD No. អ័រ្ស័្ន០៦៩៤១(២x0275) currently charged to ANZ Royal Bank and to settle the outstanding loan at ANZ Royal Bank.</li><li>• The balance shall be disbursed to the borrower's account with RHBIBL upon TD No. 12011106-0272 and អ័រ្ស័្ន០៦៩៤១(២x0275) to be blocked and upon compliance with conditions precedent to the Bank's satisfaction.</li></ul>	✓	✓	
2	<p><u>New</u></p> <p>TL2 of USD200K</p> <p>1.1 Acceptance of Letter of Offer</p> <p>1.2 Payment of processing fee of 1% on approved limit</p> <p>1.3 Release of facilities subject to:-</p> <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, registration fee duly paid and registered at such registries as the Bank may deem necessary.</li><li>• Submission of Update Valuation Report form RHBIBL's panel valuer with total value of not less than USD746.2K</li></ul>			✓

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<b>Disbursement Method</b> Upon the completion of signing and thumb print on legal documents and charging the TD to RHBIBL, the TL2 of USD200K will be released to the borrower's account maintained with RHBIBL.			√
<b>Comments:</b> N/A			

6.2 COVENANTS / OTHER TERMS & CONDITIONS				
No.	Details	Complied		To comply
		Yes	No	
1	<u>Existing</u> Submission evidence of purchased invoices with amount of not less than USD124K within 3 weeks from disbursement date.	√		
2	<u>New</u> N/A			
<b>Comments:</b> (Please comment if any breaches/ non-compliance with approved covenants/ other terms & conditions).				

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

Part 7.0	<b>CREDIT ASSESSMENT</b>
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7.1 BORROWER BACKGROUND																					
<ul style="list-style-type: none"> <li>Mdm. Kim Vuthidavatey and Mr. Sar Chetra are related husband and wife. And Mr. Kim Vuthy and Mdm. Ros Sothearin are parents of Mdm. Kim Vuthidavatey.</li> <li>They have been our loan customer since October 2013 with initial approved limit of USD180K in purpose of refinancing loan from ACLEDA and ANZ Royal Bank. The outstanding balance is at USD149.3K as at 11 August 2016.</li> <li>Presently, Mdm. Vuthidavatey and Mdm. Sothearin have engaged in Jewelry business and property rental while Mr. Chetra and Mr. Vuthy are employed in Government Officer. The brief business information is summarized as follows:</li> </ul> <p><b>Property Rental 1 (Charged to RHBIBL)</b> Address: Phum 2, Sangkat Chroy Changvar, Khan Russey Keo, Phnom Penh.</p> <table border="1"> <tr><td>Lessor</td><td>: Mdm. Ros Sothearin</td></tr> <tr><td>Lessee</td><td>: Mr. Park Moon Ho and Mr. Park Han Sik</td></tr> <tr><td>Tenure</td><td>: 1 Year (20-Nov-2015 to 20-Nov-2016)</td></tr> <tr><td>Monthly Rental Fee</td><td>: USD1,000/month</td></tr> <tr><td>First Deposit</td><td>: USD2,000 (Will be returned on the maturity date of contract)</td></tr> </table> <p><b>Note:</b> Lease Agreement is enclosed.</p> <p><b>Property Rental 2</b> Address: No. B07, St. 456, S/K. Boeung Trabek, Khan Chamkarmon, Phnom Penh.</p> <table border="1"> <tr><td>Lessor</td><td>: Mdm. Ros Sothearin</td></tr> <tr><td>Lessee</td><td>: Mr. Khaim Sophear and Mdm. Khaim Sophornn</td></tr> <tr><td>Tenure</td><td>: 1 Year (15-Sep-2015 to 17-Sep-2016)</td></tr> <tr><td>Monthly Rental Fee</td><td>: USD800/month</td></tr> <tr><td>First Deposit</td><td>: USD2,400 (Will be returned on the maturity date of contract)</td></tr> </table> <p><b>Note:</b> Lease Agreement is enclosed.</p>		Lessor	: Mdm. Ros Sothearin	Lessee	: Mr. Park Moon Ho and Mr. Park Han Sik	Tenure	: 1 Year (20-Nov-2015 to 20-Nov-2016)	Monthly Rental Fee	: USD1,000/month	First Deposit	: USD2,000 (Will be returned on the maturity date of contract)	Lessor	: Mdm. Ros Sothearin	Lessee	: Mr. Khaim Sophear and Mdm. Khaim Sophornn	Tenure	: 1 Year (15-Sep-2015 to 17-Sep-2016)	Monthly Rental Fee	: USD800/month	First Deposit	: USD2,400 (Will be returned on the maturity date of contract)
Lessor	: Mdm. Ros Sothearin																				
Lessee	: Mr. Park Moon Ho and Mr. Park Han Sik																				
Tenure	: 1 Year (20-Nov-2015 to 20-Nov-2016)																				
Monthly Rental Fee	: USD1,000/month																				
First Deposit	: USD2,000 (Will be returned on the maturity date of contract)																				
Lessor	: Mdm. Ros Sothearin																				
Lessee	: Mr. Khaim Sophear and Mdm. Khaim Sophornn																				
Tenure	: 1 Year (15-Sep-2015 to 17-Sep-2016)																				
Monthly Rental Fee	: USD800/month																				
First Deposit	: USD2,400 (Will be returned on the maturity date of contract)																				

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**Property Rental 3**

Address: No. 36, St. 478, S/K. Toul Tompong 2, Khan Chamkarmon, Phnom Penh.

Lessor	: Mdm. Ros Sothearin
Lessee	: Mr. Chheng Sophearith
Tenure	: 1 Year (01-Aug-2015 to 01-Aug-2016)
Monthly Rental Fee	: USD400/month
First Deposit	: N/A

Note: Lease Agreement is enclosed.

**Property Rental 4**

Address: No. 36 (B), St. 478, S/K Toul Tompong 1, Khan Chamkarmon, Phnom Penh.

Lessor	: Mdm. Ros Sothearin
Lessee	: Mrs. Amy Van Nice
Tenure	: 1 Year (17-Aug-2015 to 17-Aug-2016)
Monthly Rental Fee	: USD400/month
First Deposit	: USD800 (Will be returned on the maturity date of contract)

Note: Lease Agreement is enclosed.

Normally, all lease agreement has valid only 1 year and it always renew the agreement after maturity date. In this view, the borrower is easy to well-manage on rental business when they want them back.

**Mohanokor Jewelry Shop**

Mohanokor Jewelry Shop was registered under Patent License No. 19437/2015២/២៣២ issued on 10 September 2015 subject to yearly renewal. Patent in 2016 is yet received. The business location is situated at No.155, St. 155, Sangkat Toul Tompong 1, Khan Chamkarmon, Phnom Penh. During our site visitation, the business stands at the bustling neighborhood nearby Toul Tompong market.

Borrowers advised that they sell various sets of jewelry including a ring, bracelet, necklace and earrings. There are many kinds of jewelries, which are made from gold, platinum and diamond. They further mentioned that the process of customers' buying and sale follow through issuing receipt, which allows clients to trade in jewelry back to their shop while the original price of gold, diamond or platinum will be 5% to 15% lost or upon renewal fee of kind of jewelry.

Mdm. Kim Vuthidavatey revealed that she purchases Diamond from R.A. Gems International Co., Ltd. It is located in Thailand which is an imported quality product from Belgaum, India, and Hong Kong. For all payment to suppliers, the borrower has made OTT service to Thailand through Campu Bank. (OTT slips are attached).

The sets of jewelry, which were stored as inventory in Mohanokor Jewelry Shop as at 31 Jul 2016 are described as follow:-

No.	Items	Price Estimate (USD)	Remark
1	Diamond Jewelry	80,000.00	Due to the increase in sale over the last seven months, Borrowers need cash to working capital and to respond to the advanced booking from their regular dealers.
2	Gold Jewelry	30,000.00	
3	Platinum Jewelry	20,000.00	
4	18K Fine Jewelry + Chain	20,000.00	
5	Gem Stone (Ruby, Blue Sapphire, Yellow Sapphire, Garnet, Natural amethyst and Pearl)	50,000.00	
Total		200,000.00	

**Customer**

The business is mainly targeted on many customers, who reside in Phnom Penh City, especially neighbor residences, and walk-in customers based on Mdm. Vatey's disclosure. Below is the list of top 8 regular dealers:

No.	Customers' Name	Contact No.	Remark
1	Chun Bona	012 391499	Borrowers revealed that their regular dealers' credit cap is offered at 30 days due to a long
2	H.E Sok Chanthha	012 914222	
3	H.E Serey Chanthou	012 736666	

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4	H.E Cheng Neng	012 679333	term relationship while there are top ten regular dealers out of 40 clients. As at July 2016, the account receivables and account payable outstanding are accrued USD12,000 and USD9,000 respectively.
5	H.E Em Socheat	012 255553	
6	Sovann Nida	092 555590	
7	Sovann Chanrengsei	081 1999998	
8	H.E Chan Reth	012 407340	

Customer list is attached for reference

**Supplier**

Due to the price competition, Borrowers always have several choices to select good suppliers in order to set a reasonable price to sell out to their clients. Borrowers advised that there are around 20 suppliers in local and foreign market. However, only five suppliers, are selected as the best partners:-

No.	Name	Product/Service	Contact
1	Ly Hour	24K Gold	012 388180
2	R.A Gem International Co., Ltd (Thailand)	Diamond	N/A
3	Vimean Ekreach	Jewelry	012 639 288
4	Tang Ty Kea	Natural Stone Supplier	016 369 606
5	Y Heng	Platinum Hand Maker	012 602282

**Competitor & Strategy**

To outclass competitors the borrowers advised that they base their business on their reputation and they will not risk selling anything less than pure gold to damage that reputation. Branch also observed that there are 4 competitors entering to the marketplace with offering the same service within a 1 kilometer-distance from their shop.

- 1- Sreyroth Jewelry Shop
- 2- Poch Siv Chheng Jewelry Shop
- 3- Angkor Navy Jewelry Shop
- 4- Sok Sreypich Jewelry Shop

**7.2****JUSTIFICATION OF REQUEST**

- To approve additional 10-Year TL2 of USD200K for working capital in Jewelry Shop.
- To annual review the existing TL1 of USD180K from the TL2 disbursement date.
- To reduce interest rate from 9.75% p.a. to 9% p.a. for existing TL1 since the borrowers have been our loan customer since 2013.

**Justification**

Items	Historical Jan to Jun/2016 (Monthly)	Projected 2017 (Monthly)	Remarks
Z) Monthly sales (USD)*	94,861.05	102,449.93	Up to date, Stock is about USD200K
A) Debtor turnover (days)	30	30	A/R is about 12K
B) Stockholding turnover (days)	40	40	A/P is about 9K
C) Creditor turnover (days)	7	7	
D) Asset Conversion Cycle = (A + B) – C/30	2.10	2.10	
E) Monthly WC need = (D x Z)	199,208.20	215,144.85	
Existing + proposed WC lines	200,000.00	200,000.00	
(Shortfall)/Excess in WC lines	791.80	(15,144.85)	

Note: \*Sale is excluded service fee.





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- Borrowers have engaged in Jewelry since 2003. The business is continued growth and profitable from year to years, illustrated by the furnished income statement from 2014 to 2016.
- Average monthly sale track record reported of USD94,861.05 for the first 6 months (Y2016). It shall need WC of USD199.2K for daily operation in business as well as to well-manage on the borrower's collection (Debt).
- More importantly, the borrower has purchased diamonds from Thailand with limit of USD81,111 for the last 6 months. Mdm. Vuthidavatey said that all payments to Thailand are always made by OTT through Campu Bank. (OTT slip copies are attached).
- Assume that the additional loan is approved as per request; the average monthly sale and WC need in Y2017 shall be increase to USD102.4K and USD215.1K respectively. (Sale is projected to increase by 8%). As a result, total existing and proposed WC lines indicate amount of USD200K is still consider good condition and reasonable and stand in the limited WC requirement.
- All in all, the borrowers have requested additional TL2 of USD200K for working capital in business.

7.3

### INDUSTRY LENDING DIRECTION

Sector: Retail Trade

Within Industry Lending Limit? Yes /No (as at 18/08/2016)

☐ Most attractive

☐ Highly attractive

☐ Attractive

☒ Selective

☐ Unattractive

☐ Most unattractive

If Sector falls under unattractive or most unattractive, justification for maintain or increase exposure:

7.4

### SOURCE OF REPAYMENT

	Historical Jan to Jun 2016 (Monthly)	Projected 2017 (Monthly)	Remarks
A) EBITDA	USD14,922.46	USD15,057.53	<ul style="list-style-type: none"> <li>DSR is at 2.32x based on the furnished income statement as at June 2016.</li> <li>DSR to be improved to 2.37x in 2017.</li> </ul>
B) Other recurring income (rental income, FD interest, etc.) Property Rental	USD2,600.00	USD2,860.00	
C) Total cash flow available for debt service (A + B)	USD17,522.46	USD17,917.53	
D) Existing debt RHB 10-Year TL1: USD180K CAMPU 10-Year TL: USD130K BIDC 13-Year HL: USD83K	USD2,345.16 USD1,728.00 USD952.71	USD2,345.16 USD1,728.00 USD952.71	
E) Proposed additional Debt Repayment RHB 10-Year TL2: USD200K	USD2,533.52	USD2,533.52	
F) Total debt repayment (D + E)	USD7,559.39	USD7,559.39	
DSR [(A+B)/(D+E)]	2.32x	2.37x	
G) Other source of income (scheduled/dividend repayment)	N/A	N/A	
Adjusted DSR [(C + G)/F]	N/A	N/A	

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

Application No. : RHBIBL-0002-2013-0025-1 Branch: City Mall Olympic Branch

<b>7.5</b>	<b>EXTERNAL RATING (Applicable to PLCs only)</b>			
Moody's EDF9 Score (%) as at dd/mm/yyyy				
Borrower:			Guarantor:	
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:				

<b>7.6</b>	<b>CUSTOMER PROFITABILITY</b>								
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.									

<b>7.7</b>	<b>ANCILLARY BUSINESS/ CROSS SELLING</b>
Branch convinces the borrower to channel a fair sale with RHBIBL.	

<b>7.8</b>	<b>CONDUCT OF ACCOUNT ANALYSIS</b>					
<b>Bank Statement</b>						
RHBIBL						
Kim Vuthidavatey						
Period: Jul/15 to Jun/16						
Month	Trans	Debit (USD)	Trans	Credit (USD)	Balance (USD)	
Balance Forward					39.58	
Jul-15	1	2,317.61	1	2,320.00	41.97	
Aug-15	1	2,317.61	1	2,300.00	24.36	
Sep-15	2	3,037.61	2	3,040.00	26.75	
Oct-15	1	2,317.61	1	2,300.00	9.14	
Nov-15	2	2,331.61	1	2,400.00	77.53	
Dec-15	3	2,320.63	2	2,400.68	157.58	
Jan-16	1	2,317.61	1	2,300.00	139.97	
Feb-16	1	2,317.61	2	2,200.00	22.36	
Mar-16	3	57,319.61	2	57,400.00	102.75	
Apr-16	1	2,317.61	1	2,400.00	185.14	

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

Application No. : RHBIBL-0002-2013-0025-1      Branch: City Mall Olympic Branch

May-16	1	2,317.61	1	2,300.00	167.53
Jun-16	2	2,317.84	3	2,405.92	255.61
<b>Total</b>	<b>19</b>	<b>83,550.57</b>	<b>18</b>	<b>83,766.60</b>	
<b>Average</b>	<b>2</b>	<b>6,962.55</b>	<b>2</b>	<b>6,980.55</b>	<b>100.89</b>

**Comment:**

- Conduct of account for the last 12 months, total turnover credit and debit reported USD83.8K and USD83.6K respectively.
- Most transactions are cash deposit for monthly installment only. Mdm. Vuthidavatey mentioned that she cannot channel their fair sale with RHBIBL since they are mostly need cash on hand to support their business.

**CAMPU**

Kim Vuthidavatey

Period: Jan/16 to Jun/16

Month	Trans	Debit (USD)	Trans	Credit (USD)	Balance (USD)
<b>Balance Forward</b>					<b>112.52</b>
Jan-16	1	9,084.00	3	9,676.00	704.52
Feb-16	6	25,784.00	7	32,494.00	7,414.52
Mar-16	10	40,724.00	5	33,350.00	40.52
Apr-16	4	8,780.00	7	8,769.00	29.52
May-16	4	16,450.00	5	16,460.00	39.52
Jun-16	2	5,803.00	3	5,835.04	71.56
<b>Total</b>	<b>27</b>	<b>106,625.00</b>	<b>30</b>	<b>106,584.04</b>	
<b>Average</b>	<b>5</b>	<b>17,770.83</b>	<b>5</b>	<b>17,764.01</b>	<b>1,383.36</b>

**Comment:**

- Conduct of account for the last 6 months, total turnover credit and debit reported USD106.6K and USD106.6K respectively.
- Most transactions are cash deposit and OTT to Thailand for good payments. Noticeably, limit of OTT amount reported of USD81,111 for the last 6 months (Jan to Jun 2016).

**BIDC**

Kim Vuthidavatey

Period: Aug/15 to Jul/16

Month	Trans	Debit (USD)	Trans	Credit (USD)	Balance (USD)
<b>Balance Forward</b>					<b>50.88</b>
Aug-15	2	1198.51	1	1180	32.37
Sep-15	2	1194.04	1	1200.02	38.35
Oct-15	3	1168.15	1	1190	60.20
Nov-15	2	1185.10	1	1170.02	45.12
Dec-15	2	1159.29	1	1185.05	70.88
Jan-16	2	1176.17	1	1200.04	94.75

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

Application No. : RHBIBL-0002-2013-0025-1 Branch: City Mall Olympic Branch

Feb-16	2	1,171.70	1	1,177.08	100.13
Mar-16	2	1,125.41	1	1,200.11	174.83
Apr-16	2	1,162.76	1	1,200.09	212.16
May-16	2	1,137.67	1	1,140.09	214.58
Jun-16	3	1,154.03	1	1,200.10	260.65
Jul-16	3	1,129	1	1,150.00	281.20
<b>Total</b>	<b>14</b>	<b>6,881.02</b>	<b>6</b>	<b>7,067.47</b>	
<b>Average</b>	<b>2</b>	<b>1,146.84</b>	<b>1</b>	<b>1,177.91</b>	<b>207.26</b>

**Comment:**

- Conduct of account for the last 12 months, total turnover credit and debit reported USD7.06K and USD6.88K respectively.
- Most transactions are cash deposit for monthly installment only.

**Conduct Account with RHBIBL**

Name: Kim Vuthidavatey				
Conduct of TL1: USD180K (Past 12 Months)				
Account No. : 40001000628700000				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	2,317.61	10-Aug-15	11-Aug-15	1
2	2,317.61	10-Sep-15	11-Sep-15	1
3	2,317.61	10-Oct-15	11-Oct-15	1
4	2,317.61	10-Nov-15	11-Nov-15	1
5	2,317.61	11-Dec-15	11-Dec-15	0
6	2,317.61	11-Jan-16	12-Jan-16	1
7	2,317.61	10-Feb-16	15-Feb-16	5
8	2,317.61	10-Mar-16	15-Mar-16	5
9	2,317.61	11-Apr-16	12-Apr-16	1
10	2,317.61	10-May-16	12-May-16	2
11	2,317.61	10-Jun-16	16-Jun-16	6
12	2,317.61	11-Jul-16	12-Jul-16	1

**Comment:**

- During the last 12 months, the repayment history of TL has been overdue within 1 day due to the manual debit monthly installment.
- Noticeably, there was overdue up to 2 to 6 days since the borrower was so busy in business. As confirmed by Mdm. Vatey, all monthly installment of each banks, RHBIBL, CAMPU, and BIDC, are serviced by herself while her parents and husband were busy with their career. Therefore, there was overdue recorded up to 6 days for sometimes; however, she has committed to deposit on time.

**Conduct Account with CAMPU**

Name: Kim Vuthidavatey				
Conduct of TL1: USD130K (Past 12 Months)				
Account No. : 0800230034460				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	1,728.00	04-Aug-15	05-Aug-15	1

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

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2	1,728.00	04-Sep-15	07-Sep-15	3
3	1,728.00	04-Oct-15	06-Oct-15	2
4	1,728.00	04-Nov-15	06-Nov-15	2
5	1,728.00	04-Dec-15	08-Dec-15	4
6	1,728.00	04-Jan-16	06-Jan-16	2
7	1,728.00	04-Feb-16	09-Feb-16	5
8	1,728.00	04-Mar-16	05-Mar-16	1
9	1,728.00	04-Apr-16	04-Apr-16	0
10	1,728.00	04-May-16	04-May-16	0
11	1,728.00	04-Jun-16	08-Jun-16	4
12	1,728.00	04-Jul-16	06-Jul-16	2

**Comment:**

- During the last 12 months, the repayment history of TL has been overdue within 5 days since the borrowers were busy in business.

**Conduct Account with BIDC Bank**

Name: Kim Vuthidavatey				
Conduct of TL: USD83K (Past 12 Months)				
Account No. :				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	1,198.51	05-Aug-15	05-Aug-15	0
2	1,194.04	05-Sep-15	05-Sep-15	0
3	1,167.94	05-Oct-15	06-Oct-15	1
4	1,185.10	05-Nov-15	05-Nov-15	0
5	1,159.29	05-Dec-15	05-Dec-15	0
6	1,176.17	05-Jan-16	05-Jan-16	0
7	1,171.70	05-Feb-16	05-Feb-16	0
8	1,125.41	05-Mar-16	05-Mar-16	0
9	1,162.76	05-Apr-16	05-Apr-16	0
10	1,137.67	05-May-16	05-May-16	0
11	1,153.82	05-Jun-16	06-Jun-16	1
12	1,129.02	05-Jul-16	07-Jul-16	2

**Comment:**

- During the last 12 months, the repayment history of TL has been overdue within 2 days since the borrowers were busy in business.

Part  
8.0**GUIDED RISK ANALYSIS TEMPLATE**

We have reviewed the facility as required and confirmed the following:

8.1	Management Risks	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
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# RHB BANKING GROUP

☒ RHB Indochina Bank Ltd

☐ RHB Bank Bhd

## CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2013-0025-1 Branch: City Mall Olympic Branch

- Borrowers are experienced in Jewelry business for over 15 years.
- There is no segregation of the finance and operation functions.
- No diversification from core business (Jewelry Shop).
- Has adequate borrowing to meet expansion business.

8.2	Industry Risks		Low		Medium	<input checked="" type="checkbox"/>	High
	<ul style="list-style-type: none"> <li>• There are some competitors entering to the marketplace with offering the same service recently. However, they still have a strong commitment to compete the market since the company has good reputation and relationship with other business partner for over 15 years.</li> <li>• Gold business is considered as high risk business; however, the demand on jewelry is still popular for Cambodian.</li> <li>• Besides, the borrower also generates additional income from property rental. Those properties are located in Phnom Penh.</li> </ul>						

8.3	Product Risks	<input checked="" type="checkbox"/>	Low		Medium		High
	<ul style="list-style-type: none"> <li>• Product / services have been in the market for over 15 years.</li> <li>• Volume of sale is highly increased in high season of tourism.</li> </ul>						

8.4	Supplier / Buyer Risks	<input checked="" type="checkbox"/>	Low		Medium		High
	<ul style="list-style-type: none"> <li>• Suppliers are local dealers and international company which is operated in business for many years.</li> <li>• The borrower has a strong relationship with suppliers more than 15 years as well as they have experienced in long term in business. So there is no concern on the borrower's business.</li> </ul>						
	Adverse findings from Trade Quality Assurance Department (if any)						
	Supplier/ Buyer	Due Diligence Findings	Action Taken				
	N/A						

8.5	Production Risks (applicable to manufacturing company only)		Low		Medium		High
	N/A						

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

8.7	FINANCIAL HIGHLIGHTS & ANALYSIS						
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### Income Statement

Mohanokor Jewelry Shop	2014	2015	2016
	12-months	12-months	6-months
Jewelry Sale	984,543.83	1,058,649.28	569,166.28
Service	54,070.80	56,916.63	29,956.12
Total Revenue	1,038,614.63	1,115,565.91	599,122.40
COGS			
Gold, Gem, and Diamond	877,110.05	941,537.63	503,262.82
Gross Profit	161,504.57	174,028.28	95,859.58
Operating Expense			
Salary	5,503.68	5,723.83	2,976.39
Utilities	3,439.80	3,577.39	1,860.24
Other	2,751.84	2,861.91	1,488.20
Total Operating Expenses	11,695.32	12,163.13	6,324.83
EBIT	149,809.25	161,865.15	89,534.75
Average EBIT	12,484.10	13,488.76	14,922.46

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

Application No. : RHBIBL-0002-2013-0025-1	Branch: City Mall Olympic Branch
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Monthly Property Rental Income	2,600.00	2,600.00	2,600.00
Monthly Average Income	15,084.10	16,088.76	17,522.46

**Comments:**

- During the last 3 years, the business is profitable from year to year.
- In the first 6 months of 2016, the average monthly revenue reported of USD99.85K, increased by 7% against to USD92.9K (Monthly) in 2015 while the profit before tax was USD14.9K, increased by 10% against to USD13.5K (Monthly) in 2015.
- Besides, the borrower also generate monthly income of USD2.6K from properties rental (Lease agreements are attached)
- Normally, all lease agreement has valid only 1 year and it always renew the agreement after maturity date. In this view, the borrower is easy to well-manage on rental business when they want them back.
- Total sale is justified from the furnished sales invoice for the last 6 months reported of USD99.85K per month. (Invoices are enclosed).
- Net Profit Margin was about 15% is acceptable, compared to the same business industry of our existing loan customer, Mr. I Heng and Eng Kheang Impex with profit margin between 9% and 11% respectively.
- Sales are not channeled with the banks, RHBIBL, CAMPU, and BIDC since the borrower uses cash for daily business operating.

**Income Projection**

Revenue (USD)	2017	2018	2019
	12-months	12-months	12-months
Jewelry Sale	1,229,399.16	1,327,751.10	1,433,971.19
Service	62,907.85	66,053.24	69,355.91
Total Revenue	1,292,307.02	1,393,804.34	1,503,327.09
COGS			
Gold, Gem, and Diamond	1,098,460.96	1,184,733.69	1,277,828.03
Gross Profit	193,846.05	209,070.65	225,499.06
Operating Expense			
Salary	6,190.89	6,438.53	6,696.07
Utilities	3,869.31	4,024.08	4,185.04
Other	3,095.45	3,219.26	3,348.03
Total Operating Expenses	13,155.64	13,681.87	14,229.15
EBIT	180,690.41	195,388.78	211,269.92
Average EBIT	15,057.53	16,282.40	17,605.83
Monthly Property Rental Income	2,860.00	2,860.00	2,860.00
Monthly Average Income	17,917.53	19,142.40	20,465.83

**Comment:**

- Revenue is projected to growth by 8% on sale in the next 3 year based on the past track recorded and after financing from RHBIBL.
- Properties rental are project to increase 10%.

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

Application No. : RHBIBL-0002-2013-0025-1	Branch: City Mall Olympic Branch
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**DSR Scenario**

Average Monthly EBIT (USD)	2016	2017	2018	2019
Net Income	17,522.46	17,917.53	19,142.40	20,465.83
RHB 10-Year TL1: USD180K	2,345.16	2,345.16	2,345.16	2,345.16
CAMPU TL: USD130K	1,728.00	1,728.00	1,728.00	1,728.00
BIDC TL: USD83K	952.71	952.71	952.71	952.71
RHBIBL TL2: USD200K	2,533.52	2,533.52	2,533.52	2,533.52
Total Commitment	7,559.39	7,559.39	7,559.39	7,559.39
DSR (Time)	2.32x	2.37x	2.53x	2.71x

**In case of 50% drop of net income**

Average Monthly EBIT (USD)	2016	2017	2018	2019
Net Income	8,761.23	8,958.76	9,571.20	10,232.91
RHB 10-Year TL1: USD180K	2,345.16	2,345.16	2,345.16	2,345.16
CAMPU TL: USD130K	1,728.00	1,728.00	1,728.00	1,728.00
BIDC TL: USD83K	952.71	952.71	952.71	952.71
RHBIBL TL2: USD200K	2,533.52	2,533.52	2,533.52	2,533.52
Total Commitment	7,559.39	7,559.39	7,559.39	7,559.39
DSR (Time)	1.16x	1.18x	1.27x	1.35x



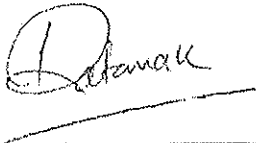

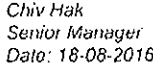


RHB BANKING CO., LTD.  
Phnom Penh, Cambodia

### CREDIT APPLICATION (CA2)

*(Information for approval)*

Application No. : RHBIBL-0002-2013-0025-1 Branch: City Mall Olympic Branch

Part 9.0	RECOMMENDATION BY LENDING UNIT
<b>SUMMARY &amp; RECOMMENDATION</b>	
<p>i) Borrowers have long experienced in various businesses with over 15 years. They have been banking with us since 2013.</p> <p>ii) The business is stable and profitable from year to year. And the average monthly income derived from Jewelry business and property rental are secured on monthly installment.</p> <p>iii) The purpose of loan is clarified.</p> <p>iv) The collateral is located in the favorable zone in Phnom Penh with high marketability. The security coverage is at 2.13x.</p>	
<p><u>Reminder</u> 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-Credit Relationship Date: 18-08-2016	Keang Chanveasna Branch Manager Date: 18-08-2016
	Recommended by:
	
	Chiv Hak Senior Manager Date: 18-08-2016

RHB BANKING GROUP

☒ RHB Indochina Bank Ltd

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CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2013-0025-1

Branch: City Mall Olympic Branch

Part  
10.0

INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL

10.1

CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION

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

(Justification/Rationale to support or decline)

Evaluated by:

Name:

Position:

Date:

Credit Evaluation – Loans and Credit Administration							
Date	:	12/09/2016	Branch	:	City Mall Olympic		
From	:	Credit Evaluation – Credit Management Department					
To	:	Head, Credit Management & Deputy Country Head					
<b>1.0 Borrower Information</b>							
Borrower:	1	Mdm. Kim Vuthidavatey	Nature of business/ Employment	1	Jewelry Shop		
	2	Mr. Sar Chetra		2	Property Rental		
	3	Mdm. Ros Sothearin		3			
	4	Mr. Kim Vuthy		4			
Guarantor:	1	N/A	Borrowing R's ship since:	Sep 2013			
	2						
CRR Grade	3						
<b>2.0 Term Sheet</b>							
New/ Additional	Facility	Existing Limit (USD)	Proposed Limit (USD)	O/S Balance @ 11/08/16	Tenure	Interest rate ECOF = 5.5% p.a.	
Existing	TL1	149,300	-	149,300	10 years	ECOF +4.25%p.a. on monthly rest, subject to minimum 9.75%p.a.	
New	TL2	-	200,000	-	10 years	ECOF +3.5%p.a. on monthly rest, subject to minimum 9%p.a.	
<b>Total</b>		<b>149,300</b>	<b>200,000</b>	<b>149,300</b>			
<b>Fees</b>	<b>Processing fee</b>	:	1% on the total approved limit				
	<b>Prepayment fee</b>	:	1 <sup>st</sup> - 5 <sup>th</sup> year: 3% 6 <sup>th</sup> onward: 1% on 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>	For working capital						
<b>Request/ Deviation:</b>	i) To seek approval for annual review of the existing facilities ii) To seek approval for interest reduction from 9.75% p.a. (ECOF +4.25%p.a.) to 9% p.a. (ECOF +3.5%p.a.) for the existing TL1						
<b>3.0 Comment by Credit Evaluation:</b>							
<ol style="list-style-type: none"> <li>Mdm. Kim Vuthidavatey and Mdm. Ros Sothearin, our existing customers of City Mall Olympic Branch since Sep 2013, have been involved in jewelry business under the name of "Mohanokor Jewelry Shop" for over 15 years and also involved in the property rental since 2008, while Mr. Sar Chetra and Mr. Kim Vuthy have been employed as a government officer.</li> <li>To recap, the existing TL1 was granted in Sep 2013 in which TL1 is used to refinance from ANZ Royal and ACLEDA and to replenish working capital for their jewelry business.</li> <li>The proposed TL2 will be used for the additional working capital. As per LU's justification, the proposed working capital loan of USD245.11K (TL2 of USD200K and TL1's balance of USD45.11K) is in excess of the working capital requirement of USD199.20K in 2016 and of USD215.14K in projected 2017. Hence, the proposed loan for working capital use is not recommended at the moment.</li> <li>As per CBC 12/08/2016, the repayment with Campu Bank for the last 24 months has seen 14 incidents of lateness and the repayment for the last 12 months with BIDC is also late for three times.</li> </ol>							

The repayment with RHBIBL for the last 12 months has also reflected 11 incidents of lateness. According to LU, the late repayment results from the borrowers' being busy with their business and the borrowers are committed to on-time monthly loan installments (Campu bank's late up to 5 days, up to 6 days with us and 2 days with BIDC).

**5. Comments on the borrowers' financials:**

i) Financials over the period of 2014, 2015 and Jan-Jun 2016 reflects a stable growth in revenue by 7.41%. Average reported revenue of USD99.85K for Jan-Jun 2016 can be verifiable against the latest 6-month summarized sales invoices (Jan-Jun 2016) with average monthly sales of USD99.85K or 100% reflection rate while monthly deposits of USD25.92K or 26% of the reported revenue are credited into the operating account with RHBIBL, Campu and BIDC.

ii) Average EBIT of USD17.52K for Jan-Jun 2016 inclusive of property rental income translates to a comfortable DSR of 2.32x (including the commitments with Campu and BIDC). Under the worst case scenario of 50% drop in EBIT, DSR is at the minimum of 1.16x in 2016.

6. The proposed loan will be fully secured by the existing collateral i.e. land with a single-storey villa located in Chroy Changvar of Phnom Penh Capital. The collateral value verbally offered by CARE, BRG and ARC in Aug 2016 with the respective OMV of USD746.24K, USD753.24K and USD749.24K increases by over 250% against the previous OMV of USD294.24K offered by CARE on Oct 09, 2013 due to according to LU, the property is located in the areas of the new development projects and infrastructure enhancement further surrounded by the high-rise buildings, condominium, hotels and apartments. OMV of USD746.24K adopted on CARE's lower verbal check derives an MOA of 46.81% or SCR of 1.49x (based on the ascribed value).

**7. Key credit issues:**

i) The late repayment with us and their existing bankers i.e. Campu and BIDC raises further concerns over the future repayment with us. Note the concerns over the borrowers' lateness have also been raised by HCM since Sep 2014 during the annual review of the existing facilities in which over the last 11 months, the borrowers have seen habitual delays in the repayment between 1 and 8 days.

ii) The operating accounts with RHBIBL, Campu and BIDC reflect less banking transactions i.e. only for monthly installments while over 70% of the reported sales are conducted on cash basis, leading to concerns about their purpose of loan for working capital use.

**4.0 Concurred by Credit Evaluation**

We'd concur on Branch's recommendation for the management's approval, subject to:

- i) Annual review of the existing facilities to be recommended for the management approval
- ii) The interest rate reduction to be capped at 9.25% p.a. (ECOF + 3.75% p.a.) (agreeable by LU)
- iii) Evidence of the lease renewal for all the rented properties to be furnished prior to interest rate reduction
- iv) Additional TL2 of USD200K to be declined in view of late repayments with RHBIBL (11 times for the last 12 months), Campu Bank (14 times for the last 24 months) and BIDC (3 times for the last 12 months)

**Prepared by:**



Voan Ratana  
 Assistant Manager  
 Date: 12-09-2016

**Concurred by:**

A lower loan amount of USD100K for 8 years is recommended notwithstanding the habitual late payment up to 6 days noted which is still within the grace period.



Tang Siew Hon  
 Senior Manager  
 Date: 12-09-2016

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

Application No. : RHBIBL-0002-2013-0025-1

Branch: City Mall Olympic Branch

10.2	APPROVAL
Approver 1	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any) <i>As recommended by Chris Tang instead together with condition i), ii) &amp; iii).</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i> Yong Ching San Head, Credit Management Date: <i>27/10/16</i></p>
Approver 2	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any) <i>As recommended</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i> Thoo Kim Seng Deputy Country Head Date: <i>27/10/16</i></p>

No.	Decline Code (Please tick the relevant code for declined proposals)
<input type="checkbox"/>	D001 First Level Screening Not Carried Out by LU (e.g. : CCRIS, CTOS, NP69 findings)
<input type="checkbox"/>	D002 High risk of impairment (1 or more AST/MST)
<input type="checkbox"/>	D003 Inappropriate/ unsuitable credit structure
<input type="checkbox"/>	D004 Repayment capacity inadequate/ unmitigated
<input type="checkbox"/>	D005 No justification/ rationale for request in CA
<input type="checkbox"/>	D006 Unacceptable level of risk
<input type="checkbox"/>	D007 Unsatisfactory financial performance/ key financial indicators
<input type="checkbox"/>	D008 Unsatisfactory conduct of account
<input type="checkbox"/>	D009 WC requirement not adequately justified/ mitigated
<input type="checkbox"/>	D010 Project viability not adequately justified/ mitigated
<input type="checkbox"/>	D011 High clean exposure not justified & mitigated
<input type="checkbox"/>	D012 Others ( provide description)

