

Credit Evaluation – Loans and Credit Administration			
Date	:	14/08/2017	Branch : CMO
From	:	Credit Evaluation – Loans and Credit Administration	
To	:	Head, Credit Management & Branch Manager	

1.0	Borrower Information				
Borrower:	1	Mr. Kiv Sokunthea	Nature of business/ Employment	1	Director of Help Desk
	2	Mdm Leum Srey March		2	Director of Finance & Admin
	3				
Guarantor:	1		Borrowing R's ship since:	New	
	2				
	3				
CRR Grade	4				

2.0	Term Sheet						
New/ Additional	Facility	Existing Limit (USD)	+/-	Proposed Limit (USD)	O/S balance	Tenure	Interest rate ECOF = 5.50% p.a.
New	HL		+150K	150K	-	10 years	Y1: 7.50%p.a. Y2: 8%p.a.
Total			+150K	150K			

Fees	Processing fee	:	1% on approved limit
	Prepayment fee	:	1 st – 3 rd year: 3% 4 th – 10 th year: 1%
	Renewal fee	:	NA
	Commitment fee	:	NA
Loan Purpose:	To part finance the purchase of 2 parcels of land with a double storey house		
Request/ Deviation:	- NA		

3.0	Comment by Credit Evaluation:
<ol style="list-style-type: none"> Borrower is husband and wife where both of them are currently employed with Cambodian Distribution System (CDS) since 2012. Mr.Kiv is the Director of Help Desk & Training with monthly salary of USD2.5K and Mdm Leum is the Director of Finance & Admin with monthly salary of USD3K. Based on the employment contract, both of them entitled to contractual bonus of USD110K over the next 5 years. The Company is involved in tourism related business. Borrower is also existing HL with ANZ Royal with good repayment record where the house purchased is currently rented out. The proposed purchase of the double storey house is reportedly for owner occupation with expected SPA price of USD300K while verbal cross check with 2 panel valuer only reflects OMV of USD222K or the selling price is over market value by 35%. The house also appears to be in run down condition and request for HL is not justified since the house is not in living condition but LU claimed that borrower will 	

refurbished the house for own occupation

4. The combined net salary of USD7,220.83 on average provides strong DSR of 2.27x against total monthly commitment of USD3,177.20. Under sensitized scenario with monthly expenses included, DSR is projected to be still positive from 1.96x to 2.18x.
5. Key issue:-
 - i. Both borrowers are working in the same company holding senior management position where any retrenchment would affect the repayment.

4.0

Recommendation by Credit Evaluation

1. I would concur on branch's recommendation for Management's approval subject to:-
 - i. Site visit to be conducted on the subject property within 6 months after loan drawdown to confirm the property is owner occupied failing which interest rate to be revised to 8%

Concurred by:



Tang Siew Hon
Senior Manager
Date: 14/08/2017

Jointly approved by:

Converted to 7L/10 yrs/8.50% if not
owner occupied as conditioned by
CED -
Yong Ching San
Head, Credit Management
Date: 15/8/17
LU - there is risk in both being employed
in the same company

RHB Indochina Bank

CONSUMER LOAN APPLICATION

Branch	City Mall Olympic	Date	04-08-2017
To	Branch Manager and Head of Credit Management	CA No.	RHBIBL-BDM-0002-2017-0120

Borrower(B) / Guarantor(G) Profile						
No.	Name	B/G	ID /Passport No.	Age	Borrowing Relationship Since (Year)	
1	Mr. Kiv Sokunthea	B	010648803	48	New	
2	Mdm. Leum Srey March	B	011025380	42	Related / Connected Party	
					Borrow KYC Level	H M L
					Credit Grade	4

Borrower's Background

Applicants, Mr. Kiv Sokunthea and Mdm. Leum Srey March are related as husband and wife. They used to be our loan customer 2014 and fully settled loan in May 2017. Noted that, the loan was approval HL of USD150K located in Siem Reap City. But it was sold out to settle with us in May 2017, as confirmed by the applicants. Presently they requests new HL with us to part finance on purchased house located in Phnom Penh City for resident.

Mr. Kiv Sokunthea and Mdm. Leum Srey March has employed with CDS since 2012. Presently, Mr. Kiv is holding position as Director Help Desk and Training with monthly paid of **USD2,500 (Gross Salary)** with accrue a special bonus of USD50,000 during 5 years, i.e. average monthly of **USD833.33** (*Employment letter is enclosed*).

And Mdm. Leum Srey March is holding position as Director of Finance & Administration with monthly paid of **USD3,000 (Gross Salary)** with accrue a special bonus of USD60,000 during 5 years, i.e. average monthly of **USD1,000** (*Employment letter is enclosed*).

Company Profile - Cambodian Distribution System (CDS)

Cambodian Distribution System (CDS) is appointed as Distributor by Singapore-based Sabre Travel Network Asia Pacific, a leading Asia-Pacific travel facilitator with more than 15,000 agencies located in 24 markets, provides travel information and reservations specifically tailored to the Asia-Pacific regions with its 20 years of experience in fusing international best practices and local expertise with global and local partnerships. Cambodian Distribution System, one of Asia-Pacific Distributors, has a network over 438 travel agencies in Phnom Penh, Sihanuk Vill and Siem Reap. CDS is dedicated to servicing the travel industry through their technological solutions as well as expertise and knowledge of the industry.

<http://www.cambodiandistributionsystem.com>

Applicants' Assets and Liabilities

Statement of Assets and Liabilities (USD)			
Assets Owned		Liabilities	
Purchased house in PP Thmey	222,000.00	1- Bank Borrowing	
House in BKK	500,000.00	ANZ	45,579.73
House in Tek Thla	100,000.00	UCB	2,300.00
		RHBIBL	150,000.00
Total Assets	822,000.00	Total Liabilities	197,879.73
Net Assets	624,120.27		

RHB Indochina Bank

Request								
To request 10-Year HL of USD15,000.00 at interest rate 7.5% for 1st year and 8% p.a. from 2nd year onwards. (Under Home Loan: Realizing Your Dream Home Package)						Request for	Y	N
						Age deviation		N
						DSR deviation		N
						MOA deviation		N
Loan Details								
Type	Existing Limit	Proposed Limit (USD)	Total Limit (USD)	O/S Balance	Pricing (Current ECOF @5.50%)	Repayment Period (Years)	Repayment Amount (USD)	
HL	-	150	150	-	ECOF + 2% p.a. on monthly rest subject to minimum 7.5% p.a. (1st year) and; 8% p.a. (from 2nd to 10th year)	10	-1 st Year: 1,781 -2 nd -10 th year: 1,817 (Round Up)	
Total	-	150	150	-				

Loan Purpose					
To part finance on purchase house located Phum Chres, Sangkat Phnom Penh Thmey, Khan Russey Keo, Phnom Penh.				The total purchase price is USD300,000. (SPA and Differential sum on payment are to be submitted prior to loan release)	
Under Construction	¥	N	Completed from developer	¥	N
Name of Developer		: N/A		<ul style="list-style-type: none"> - Applicants want to purchase 2 parcels of land accommodating with a single 2-Storey building located in Phum Chres, S/K Phnom Penh Thmey, Khan Sen Sok, Phnom Penh. with total price of USD300,000. - Presently, they are not yet made or signed on SPA as they are waiting for loan approval first. Noted that, they request loan of USD150K or 67.57% against verbal check only the balance to be settled by the applicant. - TD to be registered under the applicant's name. 	
Panel		: N/A			
Unit Capping		: N/A			
Approved unit @ todate		: 100%			
% of completion		: USD300K (to be submitted prior loan release)			
SPA Price					

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

Details of Property to be Charged	
Type of Property	Property 1
Address	2 parcels of lands accommodating with a single 2-storey house. Phum Chres, Sangkat Phnom Penh Thmey, Khan Russey Keo, Phnom Penh.
Land Area	: Total: 528sqm
Built Up Area	: Total: 72sqm (Approximately measurement)
Title Details	
i. Title No /Expiry Date of LH	12080101-0913 and 12070501-0355
ii. Tenure - FH/LH (Balance of Years)	Freehold
iii. Registered Owner	To be registered under the applicant's name, Mr. Kiv Sokunthea and Mdm. Leum Srey March
iv. Encumbrances	None
v. Restriction in	None
vi. Interest/Conditions	None
Remark (s)	N/A
Registered Owner's Relationship With borrower	Husband and wife
Fire Insurance by	To be insured by RHBIBL's panel insurance
Cross Charge (Y/N)	N
(Please furnish details if "Y")	

RHB Indochina Bank

<u>Valuation</u>		
i. Formal Valuation by Bonna		
<ul style="list-style-type: none">- Land Value- Building Value- Total OMV- Value Name- Date	To be issued by RHBIBL's panel valuer with total price of not less than USD222K before loan disbursement.	
ii. Verbal/Cross Check		
<ul style="list-style-type: none">- Land Value- Building Value- Total OMV- Value Name- Date	By BRG USD211,200 (USD400psqm) USD10,800 (USD150psqm) USD222,000 (Roundup) BRG July 2017	By CARE USD221,760 (USD420psqm) USD12,960 (USD180psqm) USD234,720 CARE July 2017
Adopt market value	Branch adopts the BRG's indicative value as it is reasonable and lower than the ARC's and verbal SPA. (a formal SPA: USD300,000 will be made after loan approval)	
Margin of Financing (%)	67.57%	
Security Coverage (Times)	1.48x	

Comment:

- The subject property is considered as a high marketability and easy to access where located Borey New World, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh City.
- Actually the subject property is looked abandon for the current owner. But the applicant will clean and repaint the house after purchase.
- Their current address is in Tek Thla financed from ANZ, while another one is in BKK being rent (Rental agreement is enclosed). The requested HL with us is for the applicant's resident after purchase and repaint as that house look abandon for a long time. And their current address may rent to generate more income. Further, based on the CBC, the applicant has maintained 2 HLs maintained with ANZ but it is only a house with purchase purpose (HL1) and renovation purpose (HL2).
- Note that, Applicant accepts the sale price based on the current market in that location however; we adopt the lower price as verbal check is also lower. The charged property is in Tek Thla. And another one is in BKK is under soft title.

Conduct of Account					
ANZ Royal Bank					
Account Name: Srey March Leum and Sokunthea Kiv					
Account Number: 2581389					
Month	Transaction	Debit	Transaction	Credit	Balance
Balance Forward					36,126.67
Aug-16	10	38,177.40	4	12,000.00	9,949.27
Sep-16	3	2,017.40	2	4,400.00	12,331.87
Oct-16	6	7,967.40	2	1,400.00	5,764.47
Nov-16	2	1,292.40	3	6,700.00	11,172.07
Dec-16	3	7,292.40	-	-	3,879.67
Jan-17	3	1,392.40	3	5,200.00	7,687.27
Feb-17	6	7,192.40	2	4,200.00	4,694.87
Mar-17	2	1,292.40	3	2,400.00	5,802.47
Apr-17	2	1,117.40	-	-	4,685.07
May-17	9	223,590.40	2	220,253.00	1,347.67
Jun-17	6	30,591.40	4	34,773.00	5,529.27
Jul-17	11	248,017.40	3	245,425.00	2,936.87
Sub-Total	63	569,940.80	28	536,751.00	
Excluding Land payment of USD459,778					
Total	61	110,162.80	26	76,973.00	
Average	5	9,180.23	2	6,414.41	6,315.07
Bank	Facility	Approved/ Operating Limit	Outstanding Balance	Pricing	Conduct

RHB Indochina Bank

			As at 31-May-17		
ANZ Royal	HL1	41,000	20,152.65	9.99%	Prompt
	HL2	30,000	25,427.08	8.75%	Prompt
UCB	Credit Card	800	0	N/A	Prompt
	Credit Card	1,500	339.00	N/A	Prompt
Total		73,300	45,918.73		

Comment:

- Note that there was a big amount deposit in May 2017 and Jul 2017 where derived from selling property with total price of USD459,778.
- Excluding the land payment, for last 12 months, total turnover credit and debit reported of USD76.9K and USD110.1K derived monthly deposit and withdrawal of USD6.4K and USD9.1K respectively.

History Repayment

RHBIBL

Account Name: KIV SOKUNTHEA

Loan Account Number: 40001000952900000 (Full settlement in 05-May-2017)

Month	Installment	Due Date	Payment Date	No. of overdue days
Jun-16	1,901	03-Jun-16	03-Jun-16	0
Jul-16	1,901	04-Jul-16	05-Jul-16	1
Aug-16	1,918	03-Aug-16	03-Aug-16	0
Sep-16	1,918	03-Sep-16	03-Sep-16	0
Oct-16	1,918	04-Oct-16	04-Oct-16	0
Nov-16	1,918	03-Nov-16	03-Nov-16	0
Dec-16	1,918	03-Dec-16	03-Dec-16	0
Jan-17	1,918	03-Jan-17	07-Jan-17	4 (Sat-Sun)
Feb-17	1,918	03-Feb-17	03-Feb-17	0
Mar-17	1,918	03-Mar-17	07-Mar-17	4 (Sat-Sun)
Apr-17	1,918	03-Apr-17	03-Apr-17	0
May-17	1,918	03-May-17	03-May-17	0

History Repayment

ANZ Royal Bank

Account Name: Srey March Leum and Sokunthea Kiv

Account Number: N/A

Aug-16	675	30-Aug-16	30-Aug-16	0
Sep-16	675	30-Sep-16	01-Oct-16	1
Oct-16	675	30-Oct-16	31-Oct-16	1
Nov-16	675	30-Nov-16	30-Nov-16	0
Dec-16	675	30-Dec-16	30-Dec-16	0
Jan-17	675	30-Jan-17	30-Jan-17	0
Feb-17	675	28-Feb-17	28-Feb-17	0
Mar-17	675	30-Mar-17	30-Mar-17	0
Apr-17	675	30-Apr-17	01-May-17	1
May-17	675	30-May-17	30-May-17	0
Jun-17	675	30-Jun-17	30-Jun-17	0

History Repayment

ANZ Royal Bank

Account Name: Srey March Leum and Sokunthea Kiv


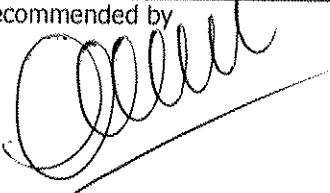
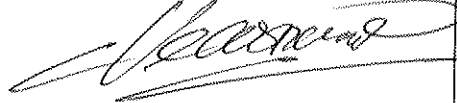
Account Number: N/A

Sep-16	617.40	25-Sep-16	26-Sep-16	1
Oct-16	617.40	25-Oct-16	25-Oct-16	0
Nov-16	617.40	25-Nov-16	25-Nov-16	0
Dec-16	617.40	25-Dec-16	26-Dec-16	1
Jan-17	617.40	25-Jan-17	25-Jan-17	0
Feb-17	617.40	25-Feb-17	27-Feb-17	2
Mar-17	617.40	25-Mar-17	27-Mar-17	2
Apr-17	617.40	25-Apr-17	25-Apr-17	0
May-17	617.40	25-May-17	25-May-17	0
Jun-17	617.40	25-Jun-17	26-Jun-17	1

RHB Indochina Bank

Jul-17	617.40	25-Jul-17	25-Jul-17	0
Repayment Risk Analysis				
Total Monthly Income (2017)	The Total Monthly incomes are from:- Mr. Sokunthea's salary: USD2,443.75 Mr. Sokunthea's bonus: USD833.33 Mdm. Srey March's salary: USD2,943.75 Mdm. Srey March's bonus: USD1,000			USD7,220.83
Less Total Monthly Commitment	i) RHBIBL	USD1,817.00	USD3,177.20	
	ii) ANZ Royal	USD675.00		
	iii) ANZ Royal	USD617.40		
	iv) UCB total limit of USD2,300 O/S : USD339	USD67.8		
Balance Uncommitted				USD4,043.63
Estimated / Disclosed Net worth				Around USD624K
Within Bank Lending Criteria	1/3 Income			Y
	45% Income			N
Risks	Mitigating Factors			
Source of incomes derived from employment, house rental and selling eggs.	<ul style="list-style-type: none"> Applicants are employed in CDS since 2012 with total monthly net salary and bonus of USD7,220.83 reflected 120.36% with average monthly deposit of USD6,414.41. Note that, besides the salary and bonus, the applicant generates income from house rental. But they are not provided the rental contract as their based salary and bonus are enough to secure the monthly installment. Totally, translate DSR 2.27x. 			

RHB Indochina Bank

Recommendation		
Prepared by 	Recommended by 	Jointly Approved by 
Name: Sok Ratanak Assistant Manager Credit Relationship Date: 04-08-2017	Name: Chiv Hak Senior Manager Retail and Consumer Date: 04-08-2017	Name: Keang Chanveasna Branch Manager Date: 07-08-2017

Credit Policy : In Compliance/Non-Compliance
D/P Check: Branch Manager and Head, Credit Management
AML/CFT Check: (No name matched)

DP Check (Amount in USD)		
Description	Borrower + related borrowers (RHBIBL only)	Borrower + related borrowers (RHB Banking Group)
Total Exposure	150,000	
Less standalone facilities	N/A	
Total exposure excluding standalone facilities	150,000	
Of which		
Secured facilities	150,000	
Unsecured facilities	N/A	
This application is within DP of	Branch Manager and Head, Credit Management.	

RHB Indochina Bank

Head office use only

Comment by Loan and Credit Administration

Term Sheet

HL	USD150,000	<p>Tenure: 10 years</p> <p>Installment amount: 1st Year: USD1,781; & 2nd-10th year: 1,817 (Round Up)</p> <p>Processing fee: 1%</p> <p>Prepayment: 1st to 3rd year: 3%</p> <p>4th to 10th year: 1% on prepayment amount if the facility is fully/partially settled by refinancing before expire date only.</p>
-----------	-------------------	---

Condition precedent:

1. Acceptance of Letter of Offer
2. Payment of processing fee of 1% on approval limit
3. Release of facilities subject to :-
 - a) Compliance of Terms under Condition Precedent.
 - b) Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Applicants and/or the relevant security parties, registration fee duly paid and registered at such registries as the Bank may deem necessary.

Disbursement method:

To disburse the HL of USD150,000.00 by issuing banker check to the seller subject to:-

- i. Submission SPA of not less than USD300,000 and differential sum on the purchased house and reimbursement is allowed.
- ii. Completion blocking title deed charged to the bank;
- iii. Purchase of Fire Insurance over the subject property;
- iv. Obtain valuation report from bank's panel valuer indicate the property is value at least USD222,000.

Other terms and conditions (if any):

N/A

RHB Indochina Bank

Appendix I

Repayment Analysis

Item	Yes	No	NA	Remark (mandatory if "NO" is (x))
Employment Confirmation Letter	x			
Salary slip for the last 3 months	x			Apr to Jun 2017
Income statement (P&L)		x		Salary base
Sale/Purchase invoices (for the last 3 months)		x		Salary base
Balance Sheet		x		Salary base
Income Projection		x		Salary base
Sale-Purchase Agreement		x		Salary base

DSR (2017)	Total EBIT 2017 (USD7,220.83)	= 2.27 times
	Total commitment (USD3,177.20)	

Financial Analysis

Revenue	2017 Monthly
Net Salary- Mr. Siv Sokunthea	2,443.75
Bonus- Mr. Siv Sokunthea	833.33
Salary- Mdm. Leum Srey March	2,943.75
Bonus- Mdm. Leum Srey March	1,000.00
Total monthly income	7,220.83
Monthly commitment	
RHBIBL	1,817.00
ANZ	1,292.40
UCB	67.80
Total monthly commitment	3,177.20
DSR	2.27x
Uncommitted balance	4,043.63

Comment:

- Applicants get monthly gross salaries of USD5,500 and generate net salaries of USD5,387.50 with average special bonus of USD1,833.33 based on the Employment and Salary Pay slips (Apr/17-Jun/17), provided DSR of 2.27x included other monthly commitment with other banks.
- Based on the bank statement for last 12 months with ANZ Royal, the average monthly deposit of USD6,414.41 reflected 120.36% of salary. It was because the applicant generates more income from house rental but the rental contract is not provided as they think the based salary is sufficient for monthly installment.

Projected income and sensitized scenario

Revenue	2017 12-Month	2018 12-Month	2019 12-Month	2020 12-Month
Salary- Mr. Siv Sokunthea	30,000	31,500	33,075	34,728
Salary- Mdm. Leum Srey March	36,000	37,800	39,690	41,674
Bonus- Mr. Siv Sokunthea	10,000	10,000	10,000	10,000
Bonus- Mdm. Leum Srey March	12,000	12,000	12,000	12,000
Total income	88,000	91,300	94,765	98,402
Expenses				
Utilities exp.	1,080	1,134	1,191	1,250
Living exp.	9,600	10,080	10,584	11,113
Other exp.	2,400	2,250	2,646	2,778
Total expense	13,080	13,464	14,421	15,141
Net income	74,920	77,836	80,344	83,261

RHB Indochina Bank

Average net income	6,243.33	6,486.33	6,695.33	6,938.41
Total monthly installment	3,177.20	3,177.20	3,177.20	3,177.20
DSR (Times)	1.96x	2.04x	2.11x	2.18x

Comment:

- Salaries are projected to gradually increase 5% in next 3 years based on annual appraisal in min. rate.
- Expenses are projected to gradually increase 5% in next 3 years.
- Bonuses are projected to remain unchanged based on the employment contract and renewal with the same condition of special bonuses.
- DSR computation is conservatively deducted all the monthly personal expenses translates 1.96x, 2.04x, 2.11x, and 2.18x in Y2017, Y2018, Y2019, and Y2020 respectively.

Security Document	New / Complied
Facility agreement of USD150,000 as principal instrument	New
Hypothec Agreement as subsidiary instrument on Property <u>1</u>	New