

RHB Indochina Bank

CONSUMER LOAN APPLICATION

Branch	KTU	Date	02 March 2018
To	HOC & ADCH	CA No.	RHBIBL-BDM-0004-2018-0023
(To be escalated to next level if applicable)			

Borrower(B) / Guarantor(G) Profile					
No.	Name	B/G	ID /Passport No.	Age	
1	Mr. Hak Kimhor	B	051079790	37	Borrowing Relationship Since (Year)
2	Mdm. San Sreymom	B	050853977	33	Related / Connected Party
					Borrow KYC Level
					Credit Grade

Applicant's Background/Business information:

Applicants, Mr. Hak Kimhor and Mdm. San Sreymom, are husband and wife with 2 children. Their permanent address is located in No. 236, Unnamed Road, Mea Nea Phsar Village, Kdoeung Reay Commune, Kanhchreach District, Prey Veng Province. Presently, a couple has maintained loan in Khmer Riel currency equivalent to USD140K with CNB since Mar 2017. Mr. Hak Kimhor is employment while Mdm. San Sreymom is owned business. The brief information of career and business are briefed as follow:

Mr. Hak Kimhor has engaged in career for over 10 years. He has employed with SIM Design and Constructions Co., Ltd. since 2012 where the establishment of the company is. Presently, he is holding position as Project Director with monthly gross salary of **USD1,800** where is paid by cash. (Employment letter and last 3-months pay slips are attached).

Mdm. San Sreymom has engaged in Petroleum Station business since 2012. The premise business is located in Prey Veng Province, next to their current resident where is currently charged with CNB. Presently, the business is under named of Hor Vouch Chheng Depo-Tela Station (Patent 2017 is attached). The business is not only petroleum but beverage is also offered. Purchase invoices of Petroleum for last 3 months were attached while the beverage income is not provided and it is not included to compute DSR as well. However, we noted that there are many beverage stored in their resident when we conducted site visit on the premise business in Prey Veng Province. As revealed by applicant, they could generate monthly net income of about **USD4,301.92** from petroleum station.

Besides, they also generate rental income of **USD2,500** per month from vehicle rental which is used to transport sand, rock, etc. for construction purpose. Noted, the tenure of rental is not mentioned as the tenant is the applicant's relative; however, the contract date is on 01 Jan 2018. (Car Registration Card and photo of car are attached).

Employer Background:

SIM Design & Construction Co., Ltd. is a local company provided design and construction service. The company is well operated since 2012 and situated in 114i, National Road No. 6A, Sangkat Chroy Changva, Khan Russey Keo, Phnom Penh.

Kampuchea TELA Company

Kampuchea Tela Company was established in 1993. At that time, the company's name was Kandal Import Export (Kadimex). Due to our continuous growth and in response to the demands of the free market, the company changed the nature of its business, as well as its name, from Kadimex to **Kampuchea Tela Company** in 1995.

Transportation Service

Presently, construction sector is satisfactorily increased consists of housing development, hotel, and commercial building as well as infrastructure. So, the transportation service by trucks is extremely important for transportation of construction material and supporting those projects.

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Request				
<ul style="list-style-type: none"> - To request 20-Year HL of USD88,000 under HL campaign (RHB Better Home Better life 2). - To seek approval for CRR grade 5. - To seek approval for a variance of land area and/or building area of the property charged subject to total OMV of not less than USD120,000. 	Request for		Y	N
	Age deviation		Y	N
	DSR deviation			N
	MOA deviation			N

Loan Details							
Type	Existing Limit	Proposed Limit (USD'000)	Total Limit (USD'000)	Outstanding Balance	Pricing (Current ECOF @ 5.5%)	Repayment Period (Years)	Repayment Amount (KHR' Million)
HL	-	88	88	-	ECOF + 2% p.a. on monthly rest subject to minimum 7.5% p.a. (1 st and 2 nd year) and; 8% p.a. (from 3 rd to 20 th year)	20	737 (Round Up)
Total	-	88	88	-			

Loan Purpose						
To part finance on purchase 3-Storey house located in No. 42EoE1E2, St. J10, Phum Prek Leap, Sangkat Prek Leap, Khan Chroy Changva, Phnom Penh City.						
Under Construction	Y	N	Completed from developer	Y	N	<ul style="list-style-type: none">- Since Mr. Hak Kimhor works in Phnom Penh, the applicant want to have owned house in Phnom Penh as well to comfort for staying; however, their current resident in Prey Veng Province.- Applicant has purchased a house with SPA of USD111K dated 26-Feb-2018. (SPA is attached)- 20% of SPA was already deposited by applicant. While, the balance shall be financed by RHBIBL.- MOA is at 79.28% against with SPA.
Name of Developer Panel Unit Capping Approved unit @ to date %, of completion SPA Price		: Borey Peng Hourt : N/A : N/A : N/A : 100% : USD111,000.				

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
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Details of Property to be Charged	
	Property 1
Property Type	3-Storey house
Address	No. 42EoE1E2, St. J10, Phum Prek Leap, Sangkat Prek Leap, Khan Chroy Changva, Phnom Penh City.
Land Area	107sqm (Based on Hard TD)
Built Up Area	192sqm (Approximately)

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Title Details		
i. Title No/ Expiry Date of LH	៩៣៣៣២៨២	
ii. Type of Property	A parcel of land accommodating three-storey Villa.	
iii. Tenure – FH/LH (Balance of Years)	Freehold	
iv. Registered Owner	To be registered under Mr. Hak Kimhor and Mdm. San Sreymom	
v. Encumbrances	None	
vi. Restriction in Interest/Conditions	None	
Remark (s)	N/A	
Fire Insurance by	To be insured by RHBIBL's panel insurance company	
Cross Charge (Y/N) (Please furnish details if "Y")	No	
Valuation		
i. Valuation Report		
<ul style="list-style-type: none"> - Land value - Building Value - Total OMV - Value Name - Date 		To be issued by RHBIBL's panel valuer, ARC, with total price of not less than USD120,000 prior to loan disbursement.
ii. Verbal/Cross Check		
		Verbal 1
		Verbal 2
<ul style="list-style-type: none"> - Land value - Building Value - Total OMV - Valuer Name - Date 		USD77,000 (USD750 psqm) USD43,000 (USD224 psqm) USD120,000 ARC 13 March 2018
		USD90,950 (USD850 per sqm) USD38,400 (USD200 per sqm) USD129,000 9 Base 12 March 2018
Adopt market value		Based on SPA USD111,000
Margin of Financing (%)		79.28 % based on SPA
Security Coverage (Times)		1.26time

Conduct of Account I) With RHBIBL (Own/Related Account)					
Name	Facility	Approved/ Operating Limit	Outstanding Balance	Pricing	Conduct
N/A	N/A	N/A	N/A	N/A	N/A
Conduct of Account II) With other financial institution as per CBC checking on 15 March 2018					
Name/Bank	Facility	Approved/ Operating Limit	Outstanding Balance	Pricing	Conduct
CNB	TL	KHR400M	KHR366.2M	10.5% p.a.	Prompt
CNB	TL	KHR160M	KHR155.5M	10.5% p.a.	Prompt
Total		KHR560M			

AML and World Checking

Based on latest CBC and World Checking on 27 March 2018, the borrower has maintained TL1 of KHR400Million and TL2 of KHR160Million. Their monthly installment has been promptly paid. And there is no entry matching to World Check and AML as well.

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Conduct Account

Bank: Canada (Bank)			
AC Name: Hak Kimhor			
AC No.: (6000) 054-0000017088			
7 months			
Month	Debit (KHR)	Credit (KHR)	Balance (KHR)
		Bal. forward	68,945
Sep-17	6,244,378	6,220,000	44,567
Oct-17	165,812,562	166,017,756	249,761
Nov-17	8,434,229	9,201,925	1,017,457
Dec-17	8,434,206	8,201,338	784,589
Jan-18	8,434,195	8,011,068	361,462
Feb-18	8,211,676	8,422,888	572,674
Mar-18	8,656,652	8,445,000	361,022
Total	214,227,898	214,519,975	
Average	30,603,985	30,645,711	484,505

CNB					
Conduct of 8-Year TL1: KHR400M					
Period: 7 Months					
Account No.: 0540000017072					
Account Name: Hak Kimhor					
No	Installment Amount (KHR)	Due Date	Payment Date	Days Past Due	Remarks
1	6,211,852	21-09-17	22-09-17	1	
2	6,211,852	21-10-17	21-10-17	0	
3	6,211,852	21-11-17	21-11-17	0	
4	6,211,852	21-12-17	23-12-17	2	
5	6,211,852	21-01-18	22-01-18	1	
6	6,211,852	21-02-18	21-02-18	0	
7	6,211,852	21-03-18	23-03-18	2	

Comment: Overdue date with 2 days as the applicant was busy in business.

CNB					
Conduct of 5-Year TL2: KHR160M					
Period: 5 Months					
Account No.: 054000019601					
Account Name: Hak Kimhor					
No	Installment Amount (KHR)	Due Date	Payment Date	Days Past Due	Remarks
1	2,222,300	03-11-17	01-11-17	0	
2	2,222,300	03-12-17	04-12-17	1	
3	2,222,300	03-01-18	03-01-18	0	
4	2,222,300	03-02-18	03-02-18	0	
5	2,222,300	03-03-18	05-03-18	2	

Comment: Overdue date with 2 days as the applicant was busy in business.

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Repayment Risk Analysis		
Total monthly Income*	USD8,714.73	
	Mr. Hak Kimhor's salary	USD1,800.00
	Net monthly income (Petroleum Station)	USD4,414.73
	Vehicle rental income	USD2,500.00
Less Total Commitment	Total commitment	USD2,845.54
	RHBIBL: USD737	
	CNB- TL1: equaling to USD555.58	
	CNB-TL2: equaling to USD1,552.96	
Balance Uncommitted	USD5,869.19	
DSR	3.34x	
Estimated / Disclosed Net worth**	USD23,000	
Within Bank Lending Criteria	1/3 Income	N
	45% Income	Y
Risks		Mitigating Factors
<ul style="list-style-type: none"> - Rental agreement of vehicle has not mentioned on maturity date of leasing. - Premise business is located in Prey Veng Province. 		<ul style="list-style-type: none"> - In sensitized scenario by including income from vehicle rental income, DSR is still acceptable at 2.18 where the current DSR is at 3.06x. - However, the premise business is located in the province, it is operated in a longer term with a strong position comparing to surrounded area. Moreover, business and patent are complied. - Their monthly installment with CNB has no any distress based on the furnished bank statement where is consider their characteristic and capacity repayment shall be not concerned.

Financial Analysis

Income Statement

Petroleum Station	2016	2017	2018
	12-Month	12-Month	3-Month (Jan to Mar)
Revenue			
No. of liters	632,336.56	651,893.36	168,013.75
Sale (KHR currency)	2,466,112,579.15	2,542,384,102.21	655,253,634.59
Total revenue (KHR currency)	2,466,112,579.15	2,542,384,102.21	655,253,634.59
COGS (KHR currency)	2,244,162,447.02	2,313,569,533.01	596,280,807.48
Total profit (KHR currency)	221,950,132.12	228,814,569.20	58,972,827.11
Operating expenses (KHR currency)			
Salary (KHR currency)	15,107,850.00	15,903,000.00	4,185,000.00
Utilities (KHR currency)	3,167,775.00	3,334,500.00	877,500.00
Repair and Maintenance (KHR currency)	779,760.00	820,800.00	216,000.00
Other expenses (KHR currency)	2,590,265.25	2,726,595.00	717,525.00
Total operating expense (KHR currency)	21,645,650.25	22,784,895.00	5,996,025.00
EBIT (KHR currency)	200,304,481.87	206,029,674.20	52,976,802.11
Average EBIT (KHR currency)	16,692,040.16	17,169,139.52	17,658,934.04
Average EBIT Convert to USD currency	4,173.01	4,292.28	4,414.73
Mr. Hak Kimhor's salary (USD monthly)	1,624.50	1,710.00	1,800.00
Vehicle rental (USD monthly)	2,256.25	2,375.00	2,500.00
Total income (USD monthly)	8,053.76	8,377.28	8,714.73

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Comment:

- Sale reported of KHR655M for first 3 months in 2018 with average 56K lite per month, increased by 3% against to KHR2,542M in 2017.
- Sale invoices are not properly kept as it is mostly used in cash basic and were lost after full payment. So, we could justify income based on:
 - ✓ The furnished average purchase invoice of 65.3K lite while the average sale reported of 56K lite. It means that 85.75% of stock is sold out.
 - ✓ Average cost is between KHR3,400 and KHR3,600 per lite.
 - ✓ So, sale shall be computed as follow
 $56,000 \text{ lite} \times \text{KHR}3,500 \times 3 \text{ months} = \text{KHR}588,000,000$ or 90% of the reported sale and the balance of 10% is generated from selling lubricant.
- Net profit margin is about 8% which is reasonable and acceptable comparing to our existing customer, Mr. Meng Sunna who has the same business.
- Vehicle rental income is based on the furnished rental agreement.

Income Projection

Petroleum Station	2019	2020	2021
	12-Month	12-Month	12-Month
Revenue			
Sale (KHR currency)	2,699,644,974.51	2,780,634,323.75	2,864,053,353.46
Total revenue (KHR currency)	2,456,676,926.81	2,530,377,234.61	2,606,288,551.65
COGS (KHR currency)	242,968,047.71	250,257,089.14	257,764,801.81
Total profit (KHR currency)	2,699,644,974.51	2,780,634,323.75	2,864,053,353.46
Operating expenses (KHR currency)			
Salary (KHR currency)	17,577,000.00	18,455,850.00	19,378,642.50
Utilities (KHR currency)	3,685,500.00	3,869,775.00	4,063,263.75
Repair and Maintenance (KHR currency)	907,200.00	952,560.00	1,000,188.00
Other expenses (KHR currency)	3,013,605.00	3,164,285.25	3,322,499.51
Total operating expense (KHR currency)	25,183,305.00	26,442,470.25	27,764,593.76
EBIT (KHR currency)	217,784,742.71	223,814,618.89	230,000,208.05
Average EBIT(KHR currency)	18,148,728.56	18,651,218.24	19,166,684.00
Average EBIT Convert to USD currency	4,537.18	4,662.80	4,791.67
Mr. Hak Kimhor's salary (USD monthly)	1,890.00	1,984.50	2,083.73
Vehicle rental (USD monthly)	2,500.00	2,500.00	2,500.00
Total income (USD monthly)	8,927.18	9,147.30	9,375.40

Comment:

- Sale is projected to increase 3% for the next 3 years based on past record.
- COGS is still unchanged with 91% while the net project margin is at 8%.
- Operating expenses are estimated to increase by 5%.
- Vehicle rental income is projected to unchanged since the lease agreement is not mentioned the maturity date of contract.

DSR calculation

Commitment	Y2018	Y2019	Y2020	Y2021
Monthly income	8,714.73	8,927.18	9,147.30	9,375.40
CNB	555.58	555.58	555.58	555.58
CNB	1,552.96	1,552.96	1,552.96	1,552.96
RHB	737.00	737.00	737.00	737.00
Total commitment	2,845.54	2,845.54	2,845.54	2,845.54
DSR (times)	3.06x	3.14x	3.21x	3.29x

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Sensitized DSR calculation (Excluding vehicle rental income)

Commitment	Y2018	Y2019	Y2020	Y2021
Monthly income	6,214.73	6,427.18	6,647.30	6,875.40
CNB	555.58	555.58	555.58	555.58
CNB	1,552.96	1,552.96	1,552.96	1,552.96
RHB	737.00	737.00	737.00	737.00
Total commitment	2,845.54	2,845.54	2,845.54	2,845.54
DSR (times)	2.18x	2.26x	2.34x	2.42x

Prepared by	Recommended by	Recommended by
<p>-----</p> <p>Sok Ratanak Assistant Manager 02-Apr-2018</p>	<p>-----</p> <p>Chiv Hak Senior Manager 02-Apr-2018</p>	<p>-----</p> <p>Nhim Borey Branch Manager 02-Apr-2018</p>

Credit Policy : ~~In Compliance~~ / Non Compliance

D/P Check: HOC & ADCH

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	USD88,000.00	N/A
Less standalone facilities	N/A	N/A
Total exposure excluding standalone facilities	USD88,000.00	N/A
Of which	N/A	N/A
USD88,000.00	USD88,000.00	N/A
Unsecured facilities	N/A	N/A
This application is within DP of	HOC & ADCH	N/A

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Head office use only

Comment by Loan and Credit Administration

Term Sheet

Home Loan (New)	USD88,000.00	Tenure : 20 Years Installment amount : 737.00 Processing fee : 1% of approved limit Prepayment : 1 st to 3 th year: 3% on prepayment amount if the facility is fully/partially settled before expiry date. 4 th to 20 th year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
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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:

Housing Loan ("HL") of USD88,000.00 should be released as below:

- Obtain valuation report from bank's panel, ARC, on the subject charged property with total value is not less than USD120,000.
- Purchase of Fire Insurance over the subject charged property.
- After completion of LOO acceptance and TD blocking, HL of USD88,000.00 shall be issued by banker check to the seller subject to submission differential sum of not less than USD23,000.
- Reimbursement is allowed subject to submission of evident of full payment by applicant.

Post drawdown condition:

N/A

Other terms and conditions (if any): N/A

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			
Bank Statement for the last 3 months	x			
Income statement (P&L)			x	Salary earner
Sale/Purchase invoices (for the last 3 months)			x	Salary earner
Balance Sheet			x	Salary earner
Income Projection			x	Salary earner
Sale-Purchase Agreement	x			SPA is attached

Security Document

New / Complied

Facility agreement of USD88,000.00 as principal instrument

New

Hypothec Agreement as subsidiary instrument on Property __1__

New