**RHB INDOCHINA BANK**

**CONSUMER LOAN APPLICATION**

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| **From: City Mall Olympic Branch**  **To: Head Office**  **PART 1** | | | | | | | |  | **CA No: RHBIBL-0002-2014-0008** | | | | |
| BORROWER :  **Mr. Sin Voun and Mdm. Taing Siv Guech** | | | | | | | |  | GROUP NAME: N/A | | | | |
| Credit Grade | | Security Coverage (%) | | | Borrowing Relationship Since: | | |  | Credit Grade | | Security Coverage (%) | | Exposure |
| **3** | | **166.67** | | | N/A | | |  | N/A | | N/A | | N/A |
| **Self-Employed** / Employed | | | | * **Phone Seller (Angkor Meas Phone Shop)** * **Room Rental** | | | | | | | | | |
| **Industrial Type** | | | | **- Wholesale and Retail**  **- Real Estate** | | | | | | | | | |
| Borrower’s KYC Level | | | | **Low** | | | | | | Related/Connected Party : Yes/**No** | | | |
| Branch : | | | | **City Mall Olympic Branch** | | | | | | Date: **19 February 2014** | | | |
| To: | | | | **Deputy Country Head** | | | | | | From: **Chiv Hak** | | | |
| **Request** | | | | * **New TL of USD150,000** | | | | | | Product Code: N/A | | | |
| **Facility Type** | | | | **Current limit (USD)** | | | **Proposed Limit (USD)** | | | **O/S @** | | **Pricing (ECOF @ 5.25%)** | |
| **Term Loan** | | | | **0.00** | | | **150,000.00** | | | **0.00** | | **ECOF + 3.75 %p.a. on monthly rest subject to minimum 9.00%p.a** | |
| **Total** | | | | **0.00** | | | **150,000.00** | | | **0.00** | |  | |
| Next Review Date: **One year from disbursement date.** | | | | | | | | | | | | | |
| **1.0** | **PURPOSE / TERMS / TENURE OF FACILITIES** | | | | | | | | | | | | |
| **Term Loan**  **USD150,000**  **(New)** | | | **Purpose:** | | | **To refinance existing borrowings from Hwang DBS Bank & reimburse on the construction cost of a 48-room-building.** | | | | | | | |
| **Interest Rate:** | | | **ECOF + 3.75 %p.a. on monthly rest subject to minimum 9.00%p.a** | | | | | | | |
| **Tenure:** | | | **5 Years** | | | | | | | |
| **Repayment:** | | | **60 monthly installments of USD3,113.75** | | | | | | | |
| **Processing Fee:** | | | **1% on approved amount (USD1,500)** | | | | | | | |
| **Prepayment:** | | | **1st year to 3rd year: 3% & 4th year onward: 1% on the prepayment amount if the facility is fully/partially settled before expiry date.** | | | | | | | |

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| **2.0** | **New Conditions Precedent and Other Terms & Conditions.** | **Complied** |
| **2.1** | **Acceptance of Letter of Offer** | **New** |
| **2.2** | **Payment of processing fee US$1,500.00** | **New** |
| **2.3** | **Release of facilities subject to:-**  **1. Compliance of Terms under Condition Precedent.**  **2. 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.**  **3. Receipt of valuation report from RHBIBL’s panel valuer with value of not less than USD250,000 on the subject property.** | **New**  **New**  **New** |

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| **3.0** | | **Security** | | | | | | | | | | | | | **Ascribed Value (US$)** | | | | |
| **3.1**  **3.2** | | **Facility Agreement for US$150,000.00 as principal instrument.**  **Hypothec Agreement as subsidiary instrument.** | | | | | | | | | | | | |  | | | | |
| **3.3** | | **1st Ranking Hypothecator (3rd party legal charge) in favor of RHB Indochina Bank over the following property:** | | | | | | | | | | | | | **USD250,000** | | | | |
| **Title Details (A)** | | | | |  | | | | | | | | | |
| **A parcel of land accommodating a ground floor of 4 storey shop house held under title deed No.PP23079 issued on 05-01-1998 by Phnom Penh Delegation of Royal Government.** | | | | | | | | | | | | | | |
| Tenure | | | **Freehold** | | | | | | | | | | | |
| Land Use | | | **Commercial** | | | | | | | | | | | |
| Land Condition | | | **N/A** | | | **Land Area** | | : **49.40sqm** | | | | | | |
| **Building Area** | | : **80sqm (Approximate)** | | | | | | |
| Registered Owner / Relationship | | | **Mr. Sin Voun**  ***(Husband of Mdm. Taing Siv Guech)*** | | | | | | | | | | | |
| Occupant | | | **Occupied as Angkor Meas Phone Shop** | | | | | | | | | | | |
| Restriction in Interest | | | **No** | | | | | | | | | | | |
| Encumbrances | | | **Charged to Hwang DBS Bank** | | | | | | | | | | | |
| Formal Valuation By: | | | **To be issued by Key Real Estate** | | | | | | | | | | | |
| OMV: | | | **“KRE” on 17 February 2014 with Mr. Khan Sovannaroth, Deputy General Manager**  Land: 49.40sqm x $4,494/sqm: USD222,000  Building: 80sqm x$300/sqm: USD28,000  **Total: USD250,000** | | | | | | | | **FSV** | | | **: NA** |
| Verbal Checked By: | | | **“CARE” on 17 February 2014 with Mr. Kheng Nith, Valuation Officer**  Land: 49.40sqm x $5,668.01/sqm: USD280,000  Building: 80sqm x$250/sqm: USD20,000  **Total: USD300,000** | | | | | | | | | | | |
| Marketability Factor of….. and “as is basis” | | | The property stands in front of Deumkor market and it is surrounding by commercial shop houses in the center of Phnom Penh City. | | | | | | | | | | | |
| Insurance By: | | | To be insured by the Bank’s panel insurance company | | | | | | | | | | | |
| Mortgagee Clause | | | **Yes** | | | | | | | | | | | |
| Address Of Property | | | **No.298Eo, St.245, Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh.** | | | | | | | | | | | |
| Cross Charge (if applicable) | | | N/A | | | | | | | | | | | |
| **PART 2 (FOR NEW**/ENHANCEMENT) | | | | | | | | | | | | | | | |  |  |  |
| **4.0 Background Profile** | | | | | | | | | | | | | | | | | | | |
| **4.1** | **Applicant and Joint Applicant's Information** | | | | | | | | | | | | | | | | | | |
|  | **Applicant** | | | : Mr. Sin Voun | | | **Date of Birth** | | : 03-05-1977 | | | | **ID/**Passport No.**:** 010552816 | | | | | | |
|  | **Joint Applicant** | | | : Mdm. Taing Siv Guech | | | **Date of Birth** | | : 27-09-1976 | | | | **ID/**Passport No.**:** 010189839 | | | | | | |
|  | **Relationship** | | | : Husband and Wife | | |  | |  | | | |  | | | | | | |
|  | **Address** | | | : No.245Eo, St.245, Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh. | | | | | | | | | | | | | | | |
|  | **Business Type** | | | : Phone Seller (Angkor Meas Phone Shop) & Property Rental | | | | | | | | | | | | | | | |
|  | **Business Address** | | | : No.245Eo, St.245, Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh. | | | | | | | | | | | | | | | |
|  | **Telephone No.** | | | : 012802272& 070333022 | | | | | | **Since** | | : N/A | | | | | | | |

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| **4.2 Business Background**  **4.2.1 Business Industry**  Cambodia’s efforts to expand and upgrade its telecom infrastructure have been bearing fruit. In this country of around 15 million people, there was very little infrastructure remaining from before the tumultuous Khmer Rouge days. As a result, Cambodia largely by-passed rebuilding the fixed-line market and quickly launched into alternative technologies, jump-starting its telecommunications infrastructure with digital technology. Not surprisingly, mobile services completely overwhelmed the market, at least initially.  In recent times there have been between eight and ten mobile operators vigorously competing with each other in a crowded market segment that continued to grow at a healthy annual rate, despite the obstacles. By mid-2013, there were over 18 million mobile subscribers (penetration 118%); on the basis of reported statistics the market experienced a ‘correction’ in the first half of 2013, falling from around 20 million reported subscribers at end-2012.  Cambodia’s mobile phone market continues expanding at rapid rate, which can be translated into the significant growth of mobile phone demand. The burgeoning demand for smart phone in Cambodia, driven by a more affluent and growing middle class has doubled or even tripled sales revenues in the country. The market demand is shifting to the premium segment – from normal phones to smart phones.  Smart phones are gaining ground in Cambodia’s mobile phone market when it comes to the number of units sold and market share. Cambodia’s smart phone industry is enjoying a rapid growth as an increasing number of people learn of the benefits of smart phones. Greater functionality is built in smart phones can do things much more quickly than standard mobile phone.  **4.2.2 Business Information**  **Borrower Background**  Mr. Sin Voun (37 years old) and Mdm. Taing Siv Guech (38 years old) are related as husband and wife. They have operated as a phone seller for over 8 years. In 2006, Mdm. Taing Siv Guech was a small vendor in selling mobile phone and accessories and she is aware of the market development of Cambodia on the smart phone, i.e. Apple & Samsung Products by turning to sell many kinds of expensive smart phones and famous model ranging from all models of I Phone, I Paid & Samsung Galaxy.  Besides, the Borrowers have invested in property and room rental since 2005 and they also got a financial support from ACLEDA and ANZ Royal Bank during that time. On 31 January 2011, the applicants also approached Hwang DBS Bank to redeem the collateral and to part-purchase the land. Thereafter, they also entered into Term Loan Facility Agreement with May bank on 27 October 2011. The Borrower used the TL facility with May bank to part-finance the construction of a 104-room-building for rental in Phum Toul Pong Ro 2, Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh.   1. **Angkor Meas Phone Shop**   Angkor Meas Phone Shop was registered under Business License No.6670 subject to yearly renewal, but it has not yet been renewed by local authority up to date.The business location is situated at No.245Eo, St.245, Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh During our site visitation, the business stands at the bustling neighborhood in front of Deum Kor market and there are 3 employees in the shop directly managed by Mr. Sin Voun and Mdm. Taing Siv Guech.  The Borrowers indicated that the selling volume of smart phone and spare part is increasing from year to year due to the continued growth of the market demand with the latest technology. The business is operated with the process of sale and purchase of phone with issuing receipt from the shop because it is easy to offer warranty package and to repurchase when the customers want to sell it back.    The sets of phone, which were stored as inventory in Angkor Meas Shop as at 31 January 2014 are described as follow:-   |  |  |  | | --- | --- | --- | | **No.** | **Items** | **Price Estimate (USD)** | | 1 | Apple Products | 22,000.00 | | 2 | Samsung Products | 18,000.00 | | 3 | Accessories and Others\* | 15,000.00 | | **Total** | | **55,000.00** |   Note: other products are Nokia, Sony and Huawei and accessories include connector, charging connector, speaker, back cover, LCD frame, adaptor, headset…etc.   1. **Customer**   During our discussion, Borrowers said that the business is mainly targeted on many kinds of customers, i.e. walk-in customers ranging from students, civil servant and people who reside near the shop by reference from existing client. The main regular customers are relatives, friends and private companies' staff who have two choices to pay in cash or on credit. In order to facilitate some customers who can afford the phone products on the monthly installment, the Borrowers also corporate with AEON Microfinance to offer loan.  They also revealed that their some regular dealers’ credit cap is offered at 30 days due to a long term relationship while there are 30 regular dealers. As at 31 January 2014, the account receivables and account payable outstanding are accrued USD1,500 and USD2,000 respectively.   1. **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 7 main suppliers:   |  |  |  |  | | --- | --- | --- | --- | | **No.** | **Name** | **Product/Service** | **Contact** | | 1 | SS Mobile | Samsung | 012388180 | | 2 | TCC | I Phone & I Paid | 0979999493 | | 3 | THT (Ngov Chhea) | I Phone, I Paid and Accessories | 092382668 | | 4 | G Gear | I Phone, Samsung and Accessories | 023888199 | | 5 | Vuthy Phone Shop | Nokia, Huawei and Sony | 012777787 | | 6 | Nika | Apple Products. | 017935151 | | 7 | Khmer Leader Distribution Co., Ltd. | Accessories and Samsung | 023997163 |  1. **Competitor & Strategy**   To outclass competitors the borrowers advised that they base their business on their reputation and they sell good products with reasonable price and offer a one- year-warranty service. On the other hand, the Borrowers have corporate with AEON Microfinance to support customers who want the monthly installment and they give a free of charge on the installation of program. Branch also observed that there are 3 competitors who stand surrounding Deumkor market such as:   1. Rattanak Phone Shop 2. I Apple Media Phone Shop 3. Deumkor Phone Shop 4. **Property and Room Rental**   Property Rental: Borrowers also occupied two plots of vacant land for leasing out and they have also entered into rental agreement with Cam GSM Co., Ltd to lease out Roof for installing Antenna.  Property 1:A plot of vacant of located at St.207, Sangkat Tamnub Teuk, Khan Chamkamorn, Phnom Penh.   |  |  | | --- | --- | | Lessor | : Mr. Sin Voun and Mdm. Taing Siv Guech | | Lessee | : Mr. Lay Socheat and Mdm. Ub Sophea | | Purpose | : Vehicle Garage | | Tenure | : 3 years (01-03-2011 to 01-03-2014) | | Monthly Rental Fee | : USD550/month | | Deposit | : 5 months of monthly rental fee or USD2,750 |   Rental agreement is enclosed for reference.  Property 2:A plot of vacant of located at St.271, Sangkat Phsar Deum Thkov, Khan Chamkamorn, Phnom Penh.   |  |  | | --- | --- | | Lessor | : Mr. Sin Voun and Mdm. Taing Siv Guech | | Lessee | : Mr. Thach Ngok and Mdm. Sok Kong | | Purpose | : Flower and Plant Sale | | Tenure | : 3 years (10-11-2011 to 10-11-2014) | | Monthly Rental Fee | : USD500/month | | Deposit | : N/A |   Rental agreement is enclosed for reference.  Property 3:It is a building roof located at Phum Toul Pongro 2, Sangkat Steung Meanchey, Khan Meachey, Phnom Penh.   |  |  | | --- | --- | | Lessor | : Mr. Sin Voun and Mdm. Taing Siv Guech | | Lessee | : Cam GSM Co., Ltd | | Purpose | : Install Antenna | | Tenure | : 10 years (17-05-2008 to 17-05-2018) | | Monthly Rental Fee | : USD300/month | | Deposit | : 12 months of monthly rental fee or USD3,600 |   Rental agreement is enclosed for reference.  Room Rental: The Borrowers have three terraces of building with 104 rooms to be rented out located in Phum Toul Pong Ro 2, Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh and the business is managed by the applicants' mother and brother.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Description** | **Room Available** | **Price/Room (USD)** | **Amount (USD)** | **Room Occupied** | **Amount (USD)** | | Room (35) | 6 | 35 | 210.00 | 6 | 210.00 | | Room (30) | 30 | 30 | 900.00 | 30 | 900.00 | | Room (22) | 36 | 22 | 792.00 | 36 | 792.00 | | Room (20) | 32 | 20 | 640.00 | 30 | 600.00 | | **Total** | **104** |  | **2,542.00** | **102** | **2,502.00** |   The receipt is enclosed for reference.  According to the Borrowers, the room rental business has been operated since 2005 and the building was subsequently built and it can completely reach to a 104-room-building for leasing out during the beginning year 2011. The applicant advised that the room occupancy rate was recorded in the past 3 years as below:   |  |  |  |  | | --- | --- | --- | --- | | Description (2011-2013) | **As at 31 Dec 2011** | **As at 31 Dec 2012** | **As at 31 Dec 2013** | | No. of rooms available | 104 | 104 | 104 | | No. of rooms occupied | 100 | 104 | 102 | | Occupancy Rate | 96% | 100% | 98% |   Due to the increasing demand of tenants, Borrowers took opportunity to convert their vacant land by further constructing a 48-room-building located in Phum Toul Pong Ro 2, Sankat Steung Meanchey, Khan Meanchey, Phnom Penh to be lease out in the beginning of 2014. The construction was started in June 2013 and it fully completed in December 2013. The construction cost are described in detail in section 4.2.5  The 48-room-building was just completed and the occupancy rate is at 96% as at 31 January 2014.     |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Description** | **Room Available** | **Price/Room (USD)** | **Amount (USD)** | **Room Occupied** | **Amount (USD)** | | Room (35) | 2 | 35 | 70.00 | 2 | 70.00 | | Room (30) | 10 | 30 | 300.00 | 10 | 300.00 | | Room (22) | 14 | 22 | 308.00 | 14 | 308.00 | | Room (20) | 22 | 20 | 440.00 | 20 | 400.00 | | **Total** | **48** |  | **1,118.00** | **46** | **1,078.00** |   **4.2.3 Banking Information**  Via CBC check on 18 February 2014, Borrowers have facilities with Hwang DBS & May Bank as follow:-   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Facilities** | **Approved Limit (USD)** | **OS@ Feb 2014(USD)** | **Interest Rate** | **Monthly Installments** | **Tenure** | **Purpose of Loan** | **Status** | | TL(May Bank) | 130,000.00 | 111,531.65 | 9%p.a | 1,647.00 | 120 months | To part-finance the construction cost of a 104-room-building. | Prompt | | TL1 (\*Hwang DBS Bank) | 80,000.00 | 41,634.84 | 10%p.a | 1,726.19 | 60 months | Refinance from ANZ Royal & ACLEDA Bank. | Prompt | | TL2 (\*Hwang DBS Bank) | 35,000.00 | 26,452.88 | 10%p.a | 748.15 | 60 months | To part-purchase land. | Prompt |   \* Hwang DBS Bank reduced the interest of TL1 & TL2 from 11%p.a to 10%p.a via letter on 05 July 2013.  **4.2.4 Financial Information**  **Income Statement**   |  |  |  |  | | --- | --- | --- | --- | | Angkor Meas Phone Shop | **31 Dec 2011** | **31 Dec 2012** | **31 Dec 2013** | | **Revenue** | **12-mths (USD)** | **12-mths (USD)** | **12-mths (USD)** | | - Telephone | 725,423.90 | 771,727.56 | 812,344.80 | | - Accessory & Spare Part | 181,355.97 | 192,931.89 | 203,086.20 | | - Total Revenue | **906,779.87** | **964,659.45** | **1,015,431.00** | | **Cost of Goods Sold** |  |  |  | | - Telephone, Accessory & Spare Part | 725,423.90 | 771,727.56 | 812,344.80 | | **Gross Profit** | **181,355.97** | **192,931.89** | **203,086.20** | | **Admin & Operating expenses** |  |  |  | | - Salary expense | 6,480.00 | 6,720.00 | 7,200.00 | | - Utilities expense | 4,200.00 | 4,410.00 | 4,630.50 | | - Other expenses | 6,000.00 | 6,300.00 | 6,615.00 | | **Total Admin & Operating expenses** | **16,680.00** | **17,430.00** | **18,445.50** | | **Earnings before Interest and Tax** | **164,675.97** | **175,501.89** | **184,640.70** | | **Monthly Average EBIT** | **13,723.00** | **14,625.16** | **15,386.73** |   The gross profit margin is at 20% while the other expenses refer to telephone, food and clothes.  **Income Analysis**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Average Monthly EBIT (USD)** | **2013** | **2014** | **2015** | **2016** | | Phone Shop | 15,386.73 | 16,925.40 | 17,940.92 | 19,017.38 | | Property Rental (1,2 & 3) | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | | Room Rental (104 rooms) | 2,502.00 | 2,502.00 | 2,542.00 | 2,542.00 | | Room Rental (48 rooms ) | - | 1,078.00 | 1,118.00 | 1,118.00 | | **Total** | **19,238.73** | **21,855.40** | **22,950.92** | **24,027.38** | | RHBIBL's TL=USD150K | 3,113.75 | 3,113.75 | 3,113.75 | 3,113.75 | | May Bank's TL=USD130K | 1,647.00 | 1,647.00 | 1,647.00 | 1,647.00 | | **Total Installments** | **4,760.75** | **4,760.75** | **4,760.75** | **4,760.75** | | **DSR (X)** | **4.04** | **4.59** | **4.82** | **5.05** |   Note: The room rental revenue is attributed to increase as the 48-room-building was rented in the beginning of 2014 and it is expected to get full occupancy rate at 100% from 2015 onward while the property rental revenue remained unchanged in the next few months.  The room rental revenue is averagely represented 21% of the total EBIT. By taking out the room rental revenue, the Borrowers’ income from phone shop is still able to adequately serve the monthly installment with RHBIBL.  **Income Projection**   |  |  |  |  | | --- | --- | --- | --- | | Angkor Meas Phone Shop | **31 Dec 2014** | **31 Dec 2015** | **31 Dec 2016** | | **Revenue** | **12-mths (USD)** | **12-mths (USD)** | **12-mths (USD)** | | - Telephone | 893,579.28 | 947,194.04 | 1,004,025.68 | | - Accessory & Spare Part | 223,394.82 | 236,798.51 | 251,006.42 | | - Total Revenue | **1,116,974.10** | **1,183,992.55** | **1,255,032.10** | | **Cost of Goods Sold** |  |  |  | | - Telephone, Accessory & Spare Part | 893,579.28 | 947,194.04 | 1,004,025.68 | | **Gross Profit** | **223,394.82** | **236,798.51** | **251,006.42** | | **Admin & Operating expenses** |  |  |  | | - Salary expense | 7,920.00 | 8,395.20 | 8,898.91 | | - Utilities expense | 5,093.55 | 5,399.16 | 5,723.11 | | - Other expenses | 7,276.50 | 7,713.09 | 8,175.88 | | **Total Admin & Operating expenses** | **20,290.05** | **21,507.45** | **22,797.90** | | **Earnings before Interest and Tax** | **203,104.77** | **215,291.06** | **228,208.52** | | **Monthly Average EBIT** | **16,925.40** | **17,940.92** | **19,017.38** |   Borrowers advised that revenue is expected to increase by 10% in 2014 and 6% from 2015 to 2016 due to the following factors:-   * The Borrowers have a plan to invest into a business by more importing smart phones and accessories to sell in the year 2014. * The market demand is shifting to the premium segment – from normal phones to smart phones while they have positive forecasting on the better living standard of Cambodian people as economic growth in the next few years and the importance of smart phone in business or daily life.   **4.2.5 Loan Purpose**    The applicant have approached our bank to apply for TL facility of USD150,000 for:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **No.** | **Purpose** | **Amount** | **Refinance from Hwang DBS Bank & reimburse on a 48-room-building.** | **Description** | | 1 | To refinance existing borrowings from Hwang DBS Bank. | **USD69,789.91** | **USD69,789.91 (100%)** | Borrowers have had borrowing relationship with Hwang DBS Bank since 31-Jan-2011 while the total OS of TL1 & TL2 @ Feb 2014 is equal to approximate sum of **USD41,634.84** and **USD26,452.88** respectively**.**  As for prepayment penalty, it is equivalent to sum of **USD1,702.19.** Therefore, the total amount is **USD69,789.91** | | 2 | To reimburse the construction cost of a 48-room-building located in Phum Toul Pong Ro 2 Sankat Stoeung Meanchey nearby the 104-room -building. | **USD80,210.09** | **USD81,600.00**  **(98.30%)** | According to the construction contract on 15 June 2013, It takes 6 months to fully complete the project and it totally costs USD81,600 **(USD1,700/room x 48 rooms=81,600.00).** Branch also indicated with KRE on the reasonableness of the above cost. | |  | **Total** | **USD150,000.00** | **USD151,389.91** |  | |  | **% of RHBIBL’s financing** | | **99.08%** |  |   **Disbursement method**  **TL of USD150,000**   * TL amount USD69,789.91 to refinance TL from Hwang DBS Bank and redeem property to charge with RBHIBL. * Upon blocking TD, the remaining balance of 80,210.09 will be released to the Borrowers' account and the Borrowers are to submit the construction contract of the 48-room-building with the amount of USD81,600 for evidence.   **4.2.6 Collateral Information**  The subject of property accommodating a ground floor of a 4 storey-shop house is located at No.245Eo, St.245, Sangkat Boeung Salang, Khan Toul Kork, Phnom Penh. The collateral is in front of Deumkor market, standing in the heart of Phnom Penh City surrounding by many commercial shops.  Referred to verbal check with the following panel valuers:-   |  |  |  | | --- | --- | --- | | **Cross Check** | **Verbal Check** | **Verbal Check** | | **A parcel of land with a ground floor of 4-storey shop house** | **17 February 2014** | **17 February 2014** | | **“KRE”** | **“CARE”** | | **(USD)** | **(USD)** | | Land (49.40sqm) | 222,000 | 280,000 | | A ground floor of 4-storey shop house (80sqm) | 28,000 | 20,000 | | **Total** | **250,000** | **300,000** | | **MOF (%)** | **60%** | **50%** |   We are agreeable to “KRE” with reasonable value and it reveals the rational assessment of the subject property by reference from the sold and purchased land surrounding the vicinity.   |  |  |  | | --- | --- | --- | | **5.0** | **Repayment Risk Analysis** | | | **5.1** | **Income Assessment**/ Employment | | |  | a) Monthly average income (As at 31 Dec 2013) |  | |  | -Income from Phone Shop, Property and Room Rental | **USD19,238.73** | |  | b) Less: Total commitment (include other FIs) |  | |  | RHBIBL  TL: USD150K  May Bank  TL:USD130K | **USD3,113.75**    **USD1,647.00** | |  | **Total** | **USD4,760.75** | |  | c) Balance uncommitted | **USD14,477.98** | |  | d) Estimated/ disclosed net worth | **USD2,072,200.00** | |  | **Whether within Bank's Lending Criteria** | **Y/N** | |  | 1/3 income | **Y** | |  | 45% income | **Y** | |  | Age (Borrowers) | **37 & 38 Years** | |  | Tenure | **5 Years** | |  | Price | **TL=ECOF + 3.75 %p.a. on monthly rest subject to minimum 9.00%p.a** | |  | Margin of Finance | **60%** | |  | Length of Business | **8 Years** | |  | Income Justification | **Yes** | |  | Repayment Record (for refinancing cases) | **Yes** | |  | Unexpired leased term | **N/A** |  |  | | --- | | **6.0 Conduct of Account (including related borrowings)** | | 6.1 Track record/Utilization/Repayment record.    Upon CBC check, Borrowers’ repayment is prompt and up to date.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **No** | **Bank** | **Facilities (USD)** | **Average Monthly Deposit (USD)** | **Average Monthly Balance (USD)** | **O/S Balance@** | **Remark** | | **Feb 2014 (USD)** | | 1 | Hwang DBS Bank | TL1: 80,000  TL2: 35,000 | - | - | TL1=41,634.84  TL2=26,452.88 | Prompt | | 2 | May Bank | TL:130,000 | - | - | TL=111,531.65 | Prompt |   6.2 Credit/Debit Turnover (with the Bank &/or other FIs) :  The Borrowers use saving account for only repayment. | | 6.3No adverse credit findings/reports (including the company – if self employed)    Borrowers have a good credit reports.  6.4 Trade Credit Checks *(If applicable)*  The borrowers have long term experience and well-established network on their business site.     * 1. Credit Scoring (If applicable)   Grade 3 |  |  |  |  |  | | --- | --- | --- | --- | | **7.0 Recommendation** | |  |  | | * The Borrowers’ business is operated with over 8 years of experience and the Borrowers can develop market share by basing business on their reputation with the offering reasonable price and building good relationship with existing customers. * The applicants have high net worth with the three different businesses such as Angkor Meas Phone Shop, Property Rental and Room Rental. * The purpose of TL is to refinance from Hwang DBS Bank and to reimburse on the construction cost of the 48-room-building for leasing out, which can make additional source of income. * Repayment track records of the Borrowers with existing banks, i.e. May Bank & Hwang DBS were trouble free according to the track record in passbook. * The subject property accommodates a ground floor of four-storey shop house under Angkor Meas Shop with the margin of finance of 60%. | |  |  | | Prepared By:  ............................................  Hour Chamroeun  Senior Associate/Credit Officer | Recommended for Approval By:  ............................................  Chiv Hak  AVP/ Branch Manager |  |  | |