**M.G.N Emperor Bank Plc.**

**Credit Proposal**

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| **🞏 Retail 🗹 SME 🞏 Corporate** | |
| **CP No. MGN-BDD-2019-0007** | **From: Business Development Dept.** |
| **Approval Level: HBB & HCR** | **ARO: Sok Ratanak & Moeurn Chheleang** |
| **Submission Date:** | **Head: Mr. Chiv Hak** |

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| 1. **MATER FOR CONSIDERATION** | **NATURE OF PROPOSAL** | |
| * To request 10-Year TL of USD70K with interest rate at 8% p.a. to partially finance on construction of 3-Storey building with roof on the subject property to be charged with us. * To seek approval for variance of building area after issuing formal valuation subject to total value of not less than USD235.9K | **New** | **✓** |
| **Additional** | **-** |
| **Renewal** | **-** |
| **Restructuring** | **-** |
| **Others** | **-** |

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| 1. **purpose And Justification** | | | | | |
| To request 10-Year TL of USD70K with interest rate at 8% p.a.:   * Mr. Touch Ngorn just bought a vacant land (SPA: USD120K) to be charged with us. And the property is under construction of 3-storey building with roof consist of 60 rooms for rent and estimated to complete within 6 months from now onward. * The requested loan is for part finance the construction and the breakdown cost are briefed as below:  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | TD No. 12060101-0968  (To be charged with us) | sqm | Break Down Cost  (USD) | Verbal Check (USD) Jun 2019 | | Loan Dis. | % Finance | | | CPL | ARC | | Basement | - |  |  |  | 15,000 | 47% | | Ground F | 144 | 33,120 | 31,680 | 35,400 | | 1st F | 144 | 33,120 | 31,680 | 35,400 | 30,000 | 47% | | 2nd F | 144 | 33,120 | 31,680 | 35,400 | | 3rd F with Roof | 144 | 33,120 | 31,680 | 35,400 | 15,000 | 47% | | 100% completion of construction | 576 | 132,480 | 126,720 | 141,598 | 10,000 |  | | Total loan drawdown | | | | | 70,000 | 55% |  * The property charged is projected to construct in totaling building area of 576sqm consist of 60 rooms. As confirmed by Mr. Touch Ngorn, there is no construction agreement/documents for this project as the constructor is his relative who involved in private construction over 10 years. Applicant’s new business is also come up from his relatives’ idea who are successful in room rental business for decade. * The construction price is USD220psqm and USD246psqm are provided by CPL and ARC respectively while the breakdown of applicant is at USD230psqm. * Based on indicative value of our 2 panels, we adapt the min. indicative value of CPL as it is reasonable price and lower than the breakdown cost. * Loan will be disbursed upon the construction progress and not more than MOF: 80% (Credit Policy) * Overall, MOF is 55% against the total OMV: USD126,720 (Future building value after 100% completion) and MOA shall be at 29%. * After 100% completion of construction, the applicant shall be generated more income of USD1,800 per month in term of 100% occupancy room rate.   To seek approval for variance of building area after issuing formal valuation subject to total OMV of not less than USD241.6K after 100% completion of construction since the building area is inspection measurement for loan assessment. | | | | | |
| 1. **DETAILS OF FACILITIES (USD’000) / (~~KHR’mil~~)** | | | | | |
| **Facility** | **Current Limit** | **Proposed Limit** | **O/S as at**  **02-Jul-2019** | **-/+** | **New Limit** |
| 10-Year TL | - | 70 | - | +70 | 70 |
| **Total** | **-** | **70** | **-** | **+70** | **70** |

*Note: equivalent to USDxxxx (assumed exchange rate of KHR 4,000 per USD)*

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| 1. **TERMS AND CONDITIONS OF CREDIT PROPOSAL** | | | | |
| **Facility** | **Terms & Conditions** | | | |
| TL (New) | Purpose | To partially finance construction of 3-storey building with roof | | |
| Tenure | 10 Years | | |
| Interest rate | BLR+0.50% subject to min 8.00% p.a. (Current BLR=7.50%) | | |
| Repayment | 120 monthly installments of USD849.29 | | |
| Processing fee | 1% on approved amount | | |
| Renewal fee | N/A | | |
| Prepayment | 1st to 3rd year: 3%  4th year onward: Waiver | | |
| Commitment Fee | N/A | | |
| Refinance Fee | N/A | | |
| Change Condition Fee | USD200 per revision/approval | | |
| NBC Sector | Retail Trade | NBC Sub-Sector | N/A |
| **Disbursement Method** | After completion of blocking TD and submission of Tax Payment Receipt/Patent 2019, TL of USD70K shall be progressively disbursed into the borrower’s account maintained with MGN Emperor Bank as below:   * USD15K after completion of basement and ground floor building attached with site visit photo report * USD30K after completion of 1st and 2nd floor building attached with site visit photo report. * USD15K after completion of 3rd floor and roof building attached with site visit photo report. * USD10K after 100% completion of the 3-storey building with roof attached with site visit photo report, valuation report with total OMV of not less than USD241.6K and Fire Insurance on the property charged must be complied. | | |

*To add more if there is more than one facility*

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| 1. **Borrower/Guarantor Information** | | |  | | |
| **Borrower** | **Pro. Default** | | **LTV (%)** | **Exposure** | **Relationship** |
| Current | New |
| Mr. Touch Ngorn and  Mdm. Touch Sreymom | - | 2% | 28.97% | USD70K | New |
| **Guarantor** | **Pro. Default** | | **LTV (%)** | **Exposure** | **Relationship** |
| Current | New |
| N/A |  |  |  |  |  |
| **Group** | **Pro. Default** | | **LTV (%)** | **Exposure** | **Relationship** |
| Current | New |
| N/A |  |  |  |  | mm/yyyy |

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| 1. **PROFILE OF BORROWERS / GUARANTORS / DIRECTORs** | | | | |
| **Borrower Profile** | | | | |
| **Applicant** | : Touch Ngorn | DOB: 02-06-1992 | ID Card No. 010799457 | |
| Nationality | : Cambodian | Occupancy: Owner | Tel. No. 017 57 77 92 | |
| Address: | : Phum Russey, Sangkat Stueng Meanchey 3, Khan Meanchey, Phnom Penh | | | |
| KYC Level | : Low / Medium/ High | | | |
| Connected Party | : Yes / No | | | |
| Employer Name | : Ngorn Sreng Phone Shop | | Monthly Income: USD1,416.93 | |
| Employer Address | : No. 588Eo, St. 128, Phsar Depo 2, Toul Kork, Phnom Penh | | | |
| **Joint Applicant** | : Touch Sreymom | DOB: 06-08-1974 | ID Card No. 010189841 | |
| Nationality | : Cambodian | Occupancy: Owner | Tel. No. | |
| Address | : Phum Russey, Sangkat Stueng Meanchey 3, Khan Meanchey, Phnom Penh | | | |
| KYC Level | : Low / Medium/ High | | | |
| Connected Party | : Yes / No | | | |
| Employer Name | : House Rental | | Monthly Income: USD300 | |
| Employer Address | : Phum Russey, Sangkat Stueng Meanchey 3, Khan Meanchey, Phnom Penh | | | |
| **Guarantor Profile** | | | | |
| **Guarantor** | : N/A | DOB: | ID Card No. | |
| Nationality | : | Occupancy: | | Tel. No. |
| Address: | : | | | |
| KYC Level | : Low / Medium/ High | | | |
| Connected Party | : Yes / No | | | |
| Employer Name | : | | Monthly Income: | |
| Employer Address | : | | | |
| **Joint Guarantor** | : | DOB: | ID Card No. | |
| Nationality | : | Occupancy: | | Tel. No. |
| Address | : | | | |
| KYC Level | : Low / Medium/ High | | | |
| Connected Party | : Yes / No | | | |
| Employer Name | : | | Monthly Income: N/A | |
| Employer Address | : | | | |

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| 1. **COMPANY PROFILE** | | | | | | | | |
| Registration No. | | : N/A | | | Establishment Date | | | : |
| Tax Identification No. | | : | | |  | | |  |
| Registered Address | | : | | | | | | |
| Current Address  (if different from above) | | : | | | | | | |
| Business Activity | | : | | | | | | |
| Paid Up Capital | | : | | | | | | |
| Contact Person | | : | | | Tel No. | | | : |
| **shareholder (s)/ Directors (D)/guarantors (g)** | | | | | | | | |
| Name | Age (year) | | Shareholding (%) | Shareholding (USD) | | Serviced year | Qualification/Experience | |
| N/A |  | |  |  | |  |  | |
|  |  | |  |  | |  |  | |
| **Total** |  | |  |  | |  |  | |

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| 1. **CBC / AML / Blacklist Check** |
| **CBC Check:** Based on CBC report in July 2019, the applicant has no maintained loan with other Financial Institutions.  **AML and Blacklist Check:** There are no adverse record or match. |

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| 1. **Borrower’s Exposure with other FIs** | | | | | | |
| **Name of FIs** | **Facility** | **Total Facilities (USD’000)** | | | | **Conduct of Account** |
| **Secured Limit** | **Clean Limit** | **Total** | **O/S @** |  |
| N/A |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

Comment:

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| 1. **Terms and Conditions** | | | |
|  | Complied | | To Comply |
| Yes | No |  |
| **Exiting Conditions Precedent**  N/A  **New Conditions Precedent**   1. Acceptance of Letter of Offer 2. Payment of 1% processing fee on approved amount 3. Released conditions of facilities subject to:  * Compliance of Terms under condition precedent * The release of banking facilities shall be subject to satisfactory completion of documentation and any other conditions imposed by bank which may be necessary to protect the security of bank or which a reasonable and prudent bank may require. * Before releasing, Credit Administration staff will verify that application for the release and any required documentation furnished by borrower (s) are sufficient in form and substance to satisfy the bank that borrower (s) is entitled to disburse the applied amount for pursuant to the provision of the Facility Agreement. * Submission of formal valuation report of the property charged from our bank’s panel with total OMV of not less than **USD235.9K** |  |  | ✓  ✓  ✓  ✓  ✓  ✓ |

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| 1. **security SUMMARY** | | | | |
| **Descriptions** | **Security Value (USD’000**) | | | |
| **OMV** | | **Max. LTV** | |
| 1. Facility Agreement for USD70K as principal instrument 2. Supplementary Hypothec Agreement as subsidiary instrument. 3. Joint and Several Guarantee for USD70K by: N/A 4. 1st Ranking Hypothecator (1st party legal charge) in favor of MGN Emperor Bank over the following property:   **New Security**   |  |  |  |  | | --- | --- | --- | --- | | Security Type | A parcel of land  (To be constructed as 3-Storey Building and roof) | | | | Title Deed No. | 12060101-0968 | | | | Registered Owner | Mr. Touch Ngorn | | | | Tenure | N/A | | | | Encumbrance | Free | | | | Address | Phum Russey, S/K Steung Meanchey, Khan Meanchey, Phnom Penh | | | | Fire Insurance | To be issued after 100% completion of construction. | | | | Land Area | 182sqm | | | | Building Area | 576sqm (Estimated measurement after full construciton) | | | | Security Value | **Formal VR** | **Verbal check (USD)** | | | Land Value | N/A | 109,200 | 100,000 | | Building Value |  | 126,720 | 177,000 | | OMV |  | **235,920** | **277,000** | | Valuer |  | **CPL** | **ARC** | | Date |  | 12 Jun 19 | 12 Jun 19 | | **Current Position**  **100.0** | **Future Position After 100% completion**  **235.9** | **Current Position**  **50.0**  **(50%)** | **Future Position After 100% completion**  **165.1**  **(70%)** |
| **Total Security Value** | **100.0** | **235.9** | **50.0** | **165.1** |
| **Facility Limit** | **Amount (USD’000)** | | **LTV (%)** | |
| **Existing** | **-** | | **-** | |
| **New** | **70.0** | | **29.67%** | |
| **Total** | **70.0** | | **29.67%** | |
| **COMMENT oN SECURITY** | | | | |
| Subject property to be charged is a parcel of land to be constructed as 3-storey building with roof. It is projected to build 60 rooms for rent where located in Phum Russey, S/K Steung Meanchey, Khan Meanchey, Phnom Penh City. It is classified the grade of the collateral as Residential Type in Grade B (Max. LTV: 70%) as it is within 3Km radius of downtown surrounded by markets, schools, residences & Borey, Banks, Factories and Industrial Parks, etc.  After conduction site visit on the subject property, we noted that it is distanced of:   * 600m from Veng Sreng Street. * 1Km from Vattanac Industry Park (Steung Meanchey) * 3Km from Steung Meanchey Market.   Against the min. indicative value of our panel, ARC, the property price shall be at 235.9K after 100% completion of construction reflects MoA of 29.67% only where is strongly secured for loan risk. | | | | |

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| 1. **borrower information** |
| **Borrower’s Infor.**  Applicants, Mr. Touch Ngorn (Age: 27) and Mdm. Touch Sreymom (Age: 45) are related as mother and son. Mr. Touch is single and Mr. Touch Sreymom is widow. Their current residence is in Phum Russey, Sangkat Steung Meanchey 3, Khan Meanchey, Phnom Penh City.  Currently, Mr. Touch Ngorn has engaged in phone business while Mdm. Touch Sreymom earn income from house rental. The information of business is briefed as below:  **Phone Shop (Ngorn Sreng Phone Shop)**  Established in early 2018 and registered Business License in early 2019 with MOC under registration No. 19 1557. Presently, he already applied for Tax payment with related authorities, but the patent has not been ready. So, he confirmed to submit receipt of application before loan disbursement.  Mr. Touch Ngorn is owner of phone shop under name of NGORN SRENG PHONE SHOP which is well operated on the house rental located in No. 588Eo, Kampuchea Krom Blvd. (St. 128), Sangkat Phsar Depo 2, Khan Toul Kork, Phnom Penh City. Based on lease agreement provided, the premise business has been leasing with tenure of 5 years (18-Feb-2018 to 17-Feb-2023) and rental fee is USD950 for first 2 years and USD1,000 for subsequent years.  The business is retail of phone and accessories supplier, offering popular bands such as Apple, Samsung, Oppo, Hawei, …etc. As revealed by applicant, all products are bought from local dealers. And not only new and second-hand products are offered, but repair and maintenance serviced are also provided. For payment method, he must immediately pay to suppliers since his business is just newly operated and A/R is not allowed as the business is focusing on retail only. Based on the conducting of site visit premise business, we noticed that the business is well operated and displayed many products. Moreover, the shop is located in Commercial area, along Kampuchea Krom Blvd. (St. 128), where is marketable zone and easy to access.  **House Rental**  Mdm. Touch Sreymom has a joint ownership with her mother on a property located in No. 315, St. 271, Phum 4, Sangkat Tomnub Tek, Khan Chamkarmon, Phnom Penh City, where is currently leased and occupied as warehouse. So, the rental income of Mdm. Touch Sreymom is 50% share of total rental income. Based on the furnished lease agreement, it is illustrated as follow:   |  |  | | --- | --- | | House Rental | | | TD No. | TD No. 12011206-0220 | | Ownership | Mdm. Touch Chhayly and Mdm. Touch Sreymom | | Lessor | Mdm. Touch Sreymom | | Lessee | Mr. Soeun Soda | | Tenure | 7 Years (16-Feb-17 to 15-Feb-24) | | Monthly fee | USD500 (For first 2 years)  USD600 (For subsequent years) | | **50% income** | **USD300 (Mdm. Touch Sreymom’s share)** | | Deposited Fee | USD1,000 |   Note: this property has been constructed as a single warehouse and separated into 2 parts, one is used for car dealer and another one is used for warehouse which is owned by Mdm. Touch Sreymom and Mdm. Touch Chhayly. As confirmed by applicant, the single warehouse is owned by many owners who are related as relative. |

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| 1. **financial highlights** |

**Balance Sheet: N/A**

**Financial Statement**

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| **Description** | **Income Statement** | | **Assumed Annual** | **Income Projection** | | |
| **2018** | **2019** | **2019** | **2020** | **2021** | **2022** |
| **11-Months** | **5-Months** | **12-Months** | **12-Months** | **12-Months** | **12-Months** |
| Revenue |  |  |  |  |  |  |
| Phone & Accessories | 309,822.48 | 156,476.00 | 375,542.40 | 413,096.64 | 454,406.30 | 499,846.93 |
| COGS | 278,530.41 | 141,141.35 | 338,739.24 | 371,786.98 | 408,965.67 | 449,862.24 |
| Gross profit | 31,292.07 | 15,334.65 | 36,803.16 | 41,309.66 | 45,440.63 | 49,984.69 |
| House Rental | 2,750.00 | 1,500.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 |
| Room Rental | - | - | - | 900.00 | 1,260.00 | 1,620.00 |
| Total incomes | 34,042.07 | 16,834.65 | 40,403.16 | 44,909.66 | 49,040.63 | 53,584.69 |
| Expenses |  |  |  |  |  |  |
| Living Expense | 5,225.00 | 2,500.00 | 6,000.00 | 6,300.00 | 6,615.00 | 6,945.75 |
| Utilities Expense | 1,045.00 | 500.00 | 1,200.00 | 1,260.00 | 1,323.00 | 1,389.15 |
| Rental expense | 10,450.00 | 4,750.00 | 11,400.00 | 12,000.00 | 12,000.00 | 12,000.00 |
| Other expense | 1,045.00 | 500.00 | 1,200.00 | 1,260.00 | 1,323.00 | 1,389.15 |
| Total expense | 17,765.00 | 8,250.00 | 19,800.00 | 20,820.00 | 21,261.00 | 21,724.05 |
| Net income | 16,277.07 | 8,584.65 | 20,603.16 | 24,089.66 | 27,779.63 | 31,860.64 |
| **Average** | **1,479.73** | **1,716.93** | **1,716.93** | **2,007.47** | **2,314.97** | **2,655.05** |
| Profit Margin | 10.10% | 9.80% | 9.80% | 10.00% | 10.00% | 10.00% |

**Financial Comment:**

* Annual sale of phone business reported of USD309K in 2018 reflected average monthly sale of 28.16K and increased to USD31.29K (or 11%) based on the furnished sale invoices for first 5 months of 2019. It is well justified by bank statement with ABA Bank for last 12 month with average deposit of USD43.9K per month.
* Profit Margin is about 10%.
* In addition, the applicant earns income from house rental with USD300 per month.
* Current DSR is 2.02x and it is further improved to 2.36x next year.
* In worst case (20% drop of net income), the sensitized DSR shall be 1.89x next year after completion of room construction for rent which is still acceptable based on our credit policy (Min. 1.8x for Non-Salary Earner)

**Income Projection:**

* Volume of sale is projected to increase by10% for 3 years coming based on the past sale record.
* House Rental Income is estimated to remain unchanged based on the furnished lease agreement.
* Room Renal income shall be added after 100% completion of construction financed from us. As mentioned by applicant, the property will be constructed as rooms for rent consist of 60 rooms with average monthly rental fee of USD30/room and projection of occupancy room rate of 50%, 70%, and 90% in 2020, 2021, and 2022 respectively.
* House rental expense is projected to remain unchanged subject to lease agreement while all expenses are projected to increase by 5%.

**Current DSR Computation**

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| --- | --- | --- | --- | --- |
|  | **2019** | **2020** | **2021** | **2022** |
| Net income | **1,716.93** | **2,007.47** | **2,314.97** | **2,655.05** |
| Monthly Installment | | | | |
| MGN-TL: USD70K | 849.29 | 849.29 | 849.29 | 849.29 |
| DSR (Times) | **2.02x** | **2.36x** | **2.73x** | **3.13x** |

**Sensitized DSR Computation (Drop 20% of net income)**

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| --- | --- | --- | --- | --- |
|  | **2019** | **2020** | **2021** | **2022** |
| Net income | 1,373.54 | 1,605.98 | 1,851.98 | 2,124.04 |
| Monthly Installment | | | | |
| MGN-TL: USD70K | 849.29 | 849.29 | 849.29 | 849.29 |
| DSR (Times) | **1.62x** | **1.89x** | **2.18x** | **2.50x** |

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| 1. **Industry information- applicable for Loan over USD500k** |
| **N/A** |

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| 1. **CONDUCT OF ACCOUNTS** |
| 1. **Account transactionS**   **Bank: ABA**  **Account name: Touch Ngorn**  **Account number: 000209383**  **Period: 12 Months (Jun 2018 to May 2019)**   |  |  |  |  | | --- | --- | --- | --- | | **Date** | **Credit** | **Debit** | **Ending Balance** | | **Bal. forward** | | | 92.93 | | Jun-18 | 44,389.60 | 44,438.66 | 43.87 | | Jul-19 | 42,651.00 | 42,340.78 | 354.09 | | Aug-19 | 60,683.00 | 61,019.87 | 17.22 | | Sep-19 | 273,375.00 | 273,352.80 | 39.42 | | Oct-19 | 22,965.00 | 22,669.34 | 335.08 | | Nov-19 | 12,068.49 | 12,342.83 | 60.74 | | Dec-19 | 12,068.49 | 11,865.57 | 263.66 | | Jan-19 | 2,487.00 | 2,732.81 | 17.85 | | Feb-19 | 3,064.00 | 1,813.00 | 1,268.85 | | Mar-19 | 18,392.00 | 19,636.10 | 24.75 | | Apr-19 | 12,230.00 | 12,227.08 | 27.67 | | May-19 | 23,185.00 | 23,197.18 | 15.49 | | **Total** | **527,558.58** | **527,636.02** |  | | **Average** | **43,963.22** | **43,969.67** | **205.72** |   **Comment:**   * For the last 12 months, turnover credit and debit reported of USD527.64 and USD527.56K derived average monthly deposit and withdrawal of USD43.97K and USD43.96K respectively. * Account has been actively conducted where common transactions are cash deposit and money transfer.  1. **Repayment records**   Applicants have not maintained loan with other Financial Institutions based on CBC report in July 2019. |

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| 1. **CHECKLIST- applicable for Annual Review** | **Yes** | **No** | **N/A** | **Remarks** |
| 1. Is there any late in principal and/or interest repayment for the last 6 months? |  | **✓** |  |  |
| 1. Is there any breach of conditions covenant noted from borrowers and/or guarantor? |  | **✓** |  |  |
| 1. Is there significant loan increment of borrowers/guarantors noted from CBC or other sources? |  | **✓** |  |  |
| 1. Based on the provided financial statement, did the revenues/net profit of the business/borrowers’ record significantly drop? (more than 30%) |  | **✓** |  |  |
| 1. Is there any record of inconsistency between loan purpose and its utilization ? |  | **✓** |  |  |
| 1. Did the lasted audited financial report show Qualified/Adverse/Disclaimer Opinion from Auditor? |  |  | **✓** | In form of family business |
| 1. Is there any warning/negative comment from government or related authority to the borrowers? |  | **✓** |  |  |
| 1. Is there non-compliance of terms, conditions or other commitment? |  | **✓** |  |  |
| 1. Is there any major change in shareholders, directors, executives or key managements in the organization? |  | **✓** |  |  |
| 1. Is the lawsuit/illegal accusation against borrowers/guarantors? |  | **✓** |  |  |
| 1. Is there a major change in business nature/strategy? |  | **✓** |  |  |
| 1. Is there change in borrowers’ address? |  | **✓** |  |  |
| 1. Is there a major change of business objective? |  | **✓** |  |  |
| 1. Is there a change of key suppliers or buyers of borrowers? |  | **✓** |  |  |
| 1. Is there a major change of construction plan/budget? (applicable for construction loan) |  | **✓** |  |  |
| 1. Does the bank displace the pledged collateral? |  | **✓** |  |  |
| 1. Is there major deterioration to collateral/security? i.e flood or fire …etc. |  | **✓** |  |  |
| 1. Is there a deficit of collateral market value? (more than 10%) |  | **✓** |  |  |

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| 1. **risks and mitigating factors** |
| |  |  | | --- | --- | | **Risks** | **Mitigating Factors** | | * Age * Business’s premise * Business’s Length * Loan against the future OMV after 100% completion of construction. | * Main incomes are Mr. Touch Ngorn’s revenue while his age is under 30 years old. However, it is considered as a young businessman or short experience in business, he is always assisted and supported by his relatives who have long experience in phone shop and room rental business to manage as well as to understand the market demand. As a result, he has ability to purchase land in pricing of USD120K in age of 27 years old. * It is operated under leasing agreement within tenure of 5 years (18-Feb-2018 to 17-Feb-2023) subject to renewal. In worst case, if the lessor stops to rent before/after maturity date of lease agreement, the properties for rent surrounded area are still marketable/available in future where the applicant shall be not concerned to find the new house rental for running business. * Mr. Touch Ngorn has just engaged in phone shop over one year but he has long experienced while he worked with his relative who has run phone shop, Angkor Meas Phone Shop, located in front of Derm Ko Market as well. * However, the business is just operated; the volume of sale is significantly increased and legally registered with related authorities.      * However, the current position of property charged is vacant land to be built a single 3-storey building with roof for room rental; we will propose to progressively release subject to construction’s progress as well as the property’s value with max. MOF: 50% where the risk can be well mitigated. | |

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| 1. **credit summary & recommendations** |
| * Mr. Touch Ngorn has involved in selling phone over 5 years and owned business over 1 years. However, it is just a short period, but it is well operated and profitable. As a result, he has opportunity to purchase land and create new business, rooms for rent, to add more incomes. * Purpose of loan is clarified by financing on construction cost for room rental business. * For last 12 months, average deposit reported of USD43.97K channeled with ABA Bank which derived from phone shop business. * Currently, source of income is come from phone shop and house rental to secure monthly loan installment with us where DSR is at 2.02x. And the DSR will be further improved to 2.36x next year based on additional income of room rental after financing from us. * Collateral Location is residential type where surrounded by many business activities in Steung Meanchey area where can be classified max. LTV is up to 70%. * As per recommendation, we would like to seek for approval as per request. |

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| 1. **CONFIRMATION** |
| To the best of my knowledge, I would like to confirm that the information provided in this credit proposal is true and correct. |

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| **Prepared by:** |  |
| Mr. Sok Ratanak  Manger, Credit Analyst  Date: |  |