**Borrower : xffsdfsf**

**Approval Level : GMCC**

**Rating : BRR 16 / FRR F / EL RM4**

Note

AA renewal escalated to GMCC as the EL has exceeded Head CFS / CCO’s renewal AL (i.e EL > RM4.00).

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| **Key Credit Issues** | **Proposed Mitigation/ Remarks** |
| **Facility / security / repayment risk** Request for renewal of the existing facilities where overall clean exposure is high RM166.0169 (vs audited FYE 2013 TNW RM3.271). There is one reported 1MIA in the XYZ OD per CCRIS report | There was an excess in the OD RM14 due to overdue OD interest in August 2014. Repayment of the other XYZ / other FI facilities is satisfactory  95% of the limits is under BCF. Summary of abcd’s facilities is as follows :Package 1 (open line) RM 8.20Package 2 (BCF) RM 32.30 Package 3 (BCF) RM 0.81 Package 4 (BCF) RM136.80 |
| Repayment on the facilities would depend on ABCD’s ability to secure profitable projects and complete the projects on time. | The Bank is currently financing 2 contracts awarded by → Ministry of Education under Package 2 (36 month contract & 78% completed @ expiry date 01-02-2015). Contract value RM28.27. → Customs Department under Package 4 (24 month contract & 35% completed @ expiry date @ 22-10-2015). Contract value RM317.77. Per BC Head, no adverse record reported on the project progress. |
|  | For noting, the existing conditions for financing of the Customs contract under BCF Package 4 include : → LC/TR/OD-Invoice and OD Invoice limit to be reduced to RM90.00 and RM13 after 1 year from emplacement date. → OD-Invoice sub-limit RM28 to be reduced to RM13 after emplacement date @ 14-03-2014.  |
| To allow waiver of professional valuation report on the charged properties (for Package 1). | Verbal checking with 2 panel valuers has been undertaken by BC. Disposability of the 2 residential / 2 shop office units is viewed to be good given the location at Bandar Sri Damansara. |

2. **Policy issues**

 a) Waiver of directors’ income evidence.

3. **Others**

 a) The RRWA 10.40% is above the minimum benchmark.

 b) We have 99% exposure in terms of aCCD total working facilities.

 c) Issue on whether individual assessment on the account has been carried as per the impairment guidelines not been addressed.

 4. **Recommendation**

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| Though revenue is on improving trend, the NPMs are thin (less than 1.00%) with high gearing of above 10x. The average DCP / CPP trend infer that AAAA does not require working capital facilities. Overall clean exposure is high @ RM16. However 95% of working capital lines are under BCF where the contract proceeds are ring fenced. The new MATRADE job is within AAAA’s IT technical expertise and the contract amount is relatively small.  |
| Support recommendation as per BC with the following variations: a) submission of FYE 31-03-zczc4 audited account by 31-01zs5 (with another 1 month on unadvised basis) with negative variance of not more than 10% on turnover / pre-tax profit / TNW. b) BC to monitor closely on the existing U Custom project (financed under Package 4) and be satisfied that contract progress is on schedule. c) BC to ensure checking on the account as per the Bank's impairment guidelines has been carried out. d) all other existing terms and conditions are to remain unchanged.Note to BCThe conditions as per mentioned under ‘xxxxxxxxxxx (before approval)’ under Module1b should remain applicable as per pg 25 except item i) of condition1 and item ii) condition 6. |

 Though revenue is on improving trend, the NPMs are thin (less than 1.00%) with high gearing of above 10x. The average DCP / CPP trend infer that ABCD does not require working capital facilities. Overall clean exposure is high @ RM1

 Support recommendation as per BC with the following variations:

 a) submission of (with another 1 month on unadvised basis) with negative variance of not more than 10% on turnover / pre-tax profit / TNW.

 b) BC to monitor closely on the existing U Custom project (financed under Package 4) and be satisfied that contract progress is on schedule.

 c) the individual assessment on the account as per the impairment guidelines has been carried out.

 d) all other existing terms and conditions are to remain unchanged.