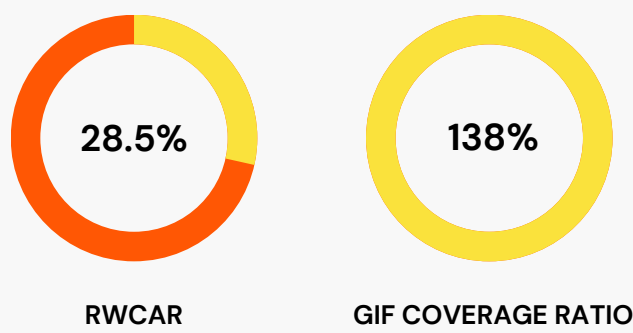
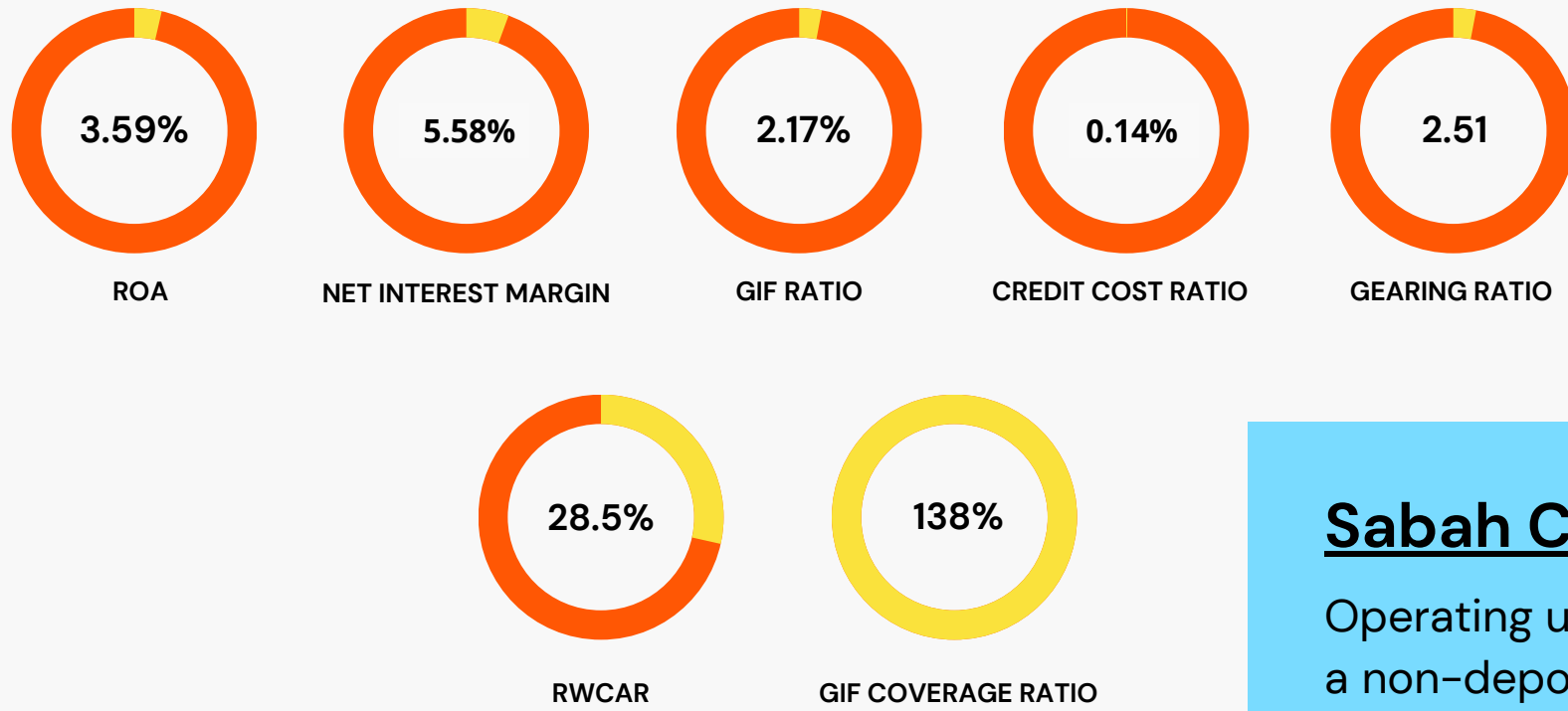


# Financial Updates

as at 31 December 2023



## RAM Rating (AA1/Stable/P1)

RAM Ratings has reaffirmed the AA1/Stable/P1 ratings of Sabah Credit Corporation's outstanding sukuk instruments.

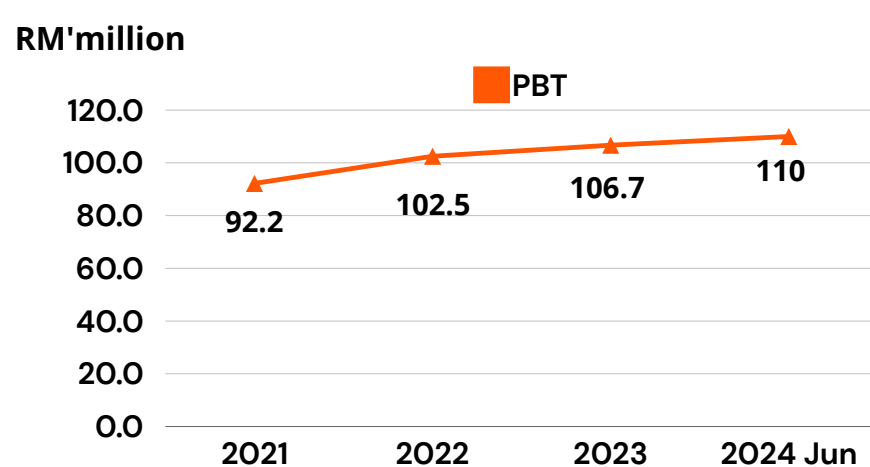
## Objective

The primary objective of the Corporation is to help contribute towards the socio-economic development of the State of Sabah. In its capacity as a financial institution, the Corporation complements the Sabah State Government's efforts by providing or facilitating financial credits to promote and encourage private investment involving agriculture, light industry, development of rural and urban housing, shophouses, public utilities and amenities.

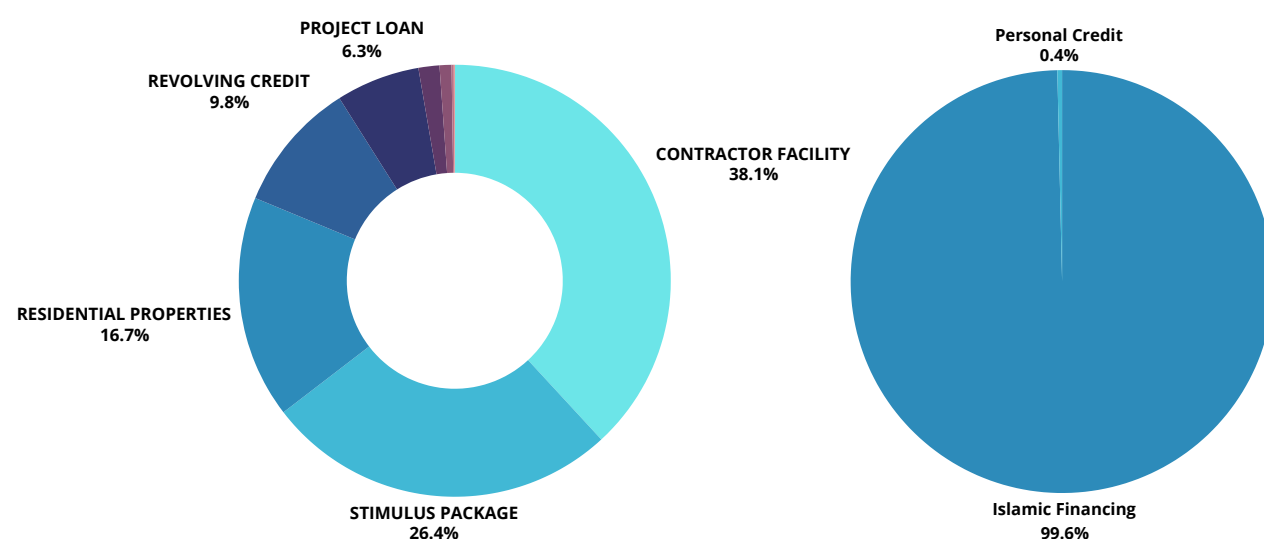
## Sabah Credit Corporation

Operating under the purview of Sabah's Ministry of Finance, SCC is a non-deposit taking financial institution fully owned by the Sabah government. While the Corporation has historically provided residential property and project financing, its current financing base predominantly comprises personal financing facilities extended to federal and state civil servants. The Corporation has 13 branches and 8 collection centres across Sabah, with a 189-strong force as at end of June 2024.

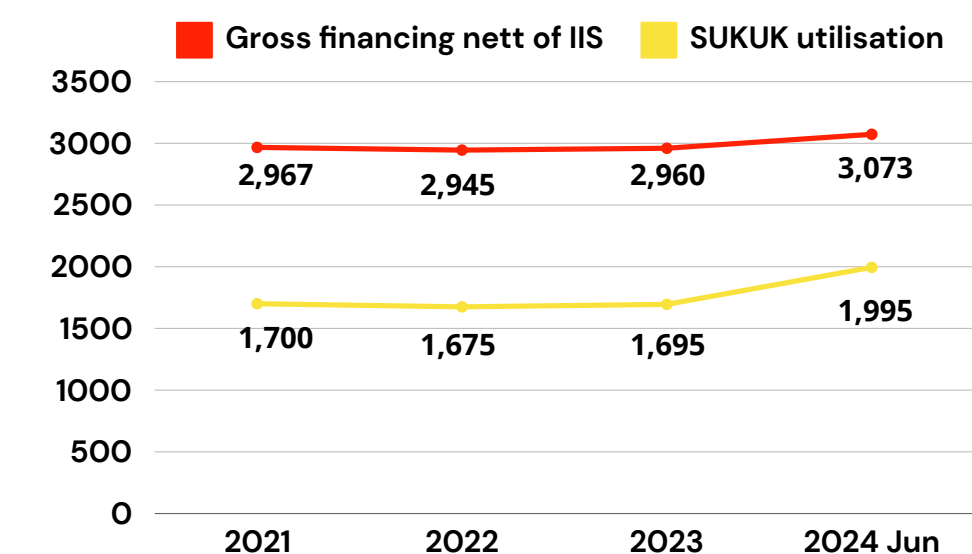
## Financial performance history



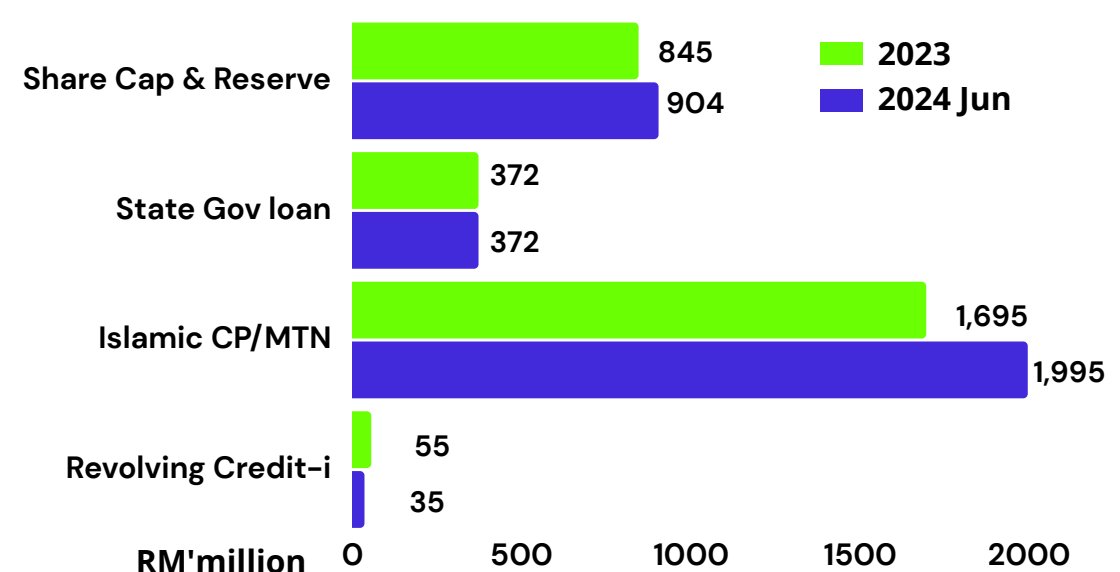
## Portfolio Magnifying as at 30 June 2024



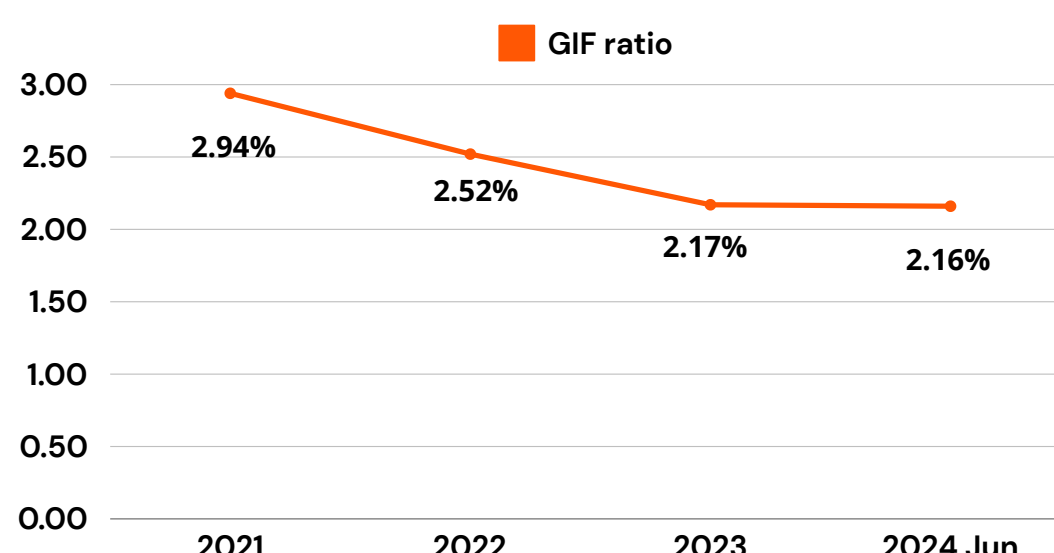
## Sources of funds



## Sources of funds



Scan for latest audited financial statement



## Analysis

As at end-December 2023, SCC's overall gross impaired financing (GIF) ratio eased to 2.2% (end-December 2022: 2.5%), thanks to lower accretion of GIF and still sizeable write-offs of impaired PF. As a state-owned entity, SCC's write-offs are slower compared to peers due to bureaucratic policies. Excluding impaired PF facilities that are 12 months or more in arrears and those impaired pursuant to the three-month moratorium granted in 2021 (for which repayment have resumed), the adjusted GIF ratio would have been a lower 1.5% (end-December 2022: 1.7% on adjusted basis). Overall, the Corporation's loss absorption buffer stayed robust, with GIF coverage of 138%.

-Source: RAM Rating Service Berhad-



## Significant Events

Date	Event
Mar 2023	<ul style="list-style-type: none"> <li>• ADFIM International CEO Forum</li> <li>• KKIP Mangrove Tree Planting</li> </ul>
May 2023	<ul style="list-style-type: none"> <li>• Majlis Pelancaran Sambutan Pesta Kaamatan, Tuaran</li> <li>• Green Innovation for Industrial Development forum</li> <li>• Shariah Compliance Review by IBFIM</li> </ul>
Jun 2023	<ul style="list-style-type: none"> <li>• MOU Signing with Agridata Portal</li> <li>• SCC 68th Anniversary</li> </ul>
Jul 2023	<ul style="list-style-type: none"> <li>• AML/CFT In-House Training</li> <li>• Program Keusahawanan Wanita dan Belia</li> </ul>
Aug 2023	<ul style="list-style-type: none"> <li>• SUKUK Roadshow/Townhall</li> <li>• Urban Tamu Open Booth</li> <li>• Majlis Penutupan Minggu Integriti</li> <li>• Embarking on the Development of Tawarruq Personal Financing</li> </ul>
Sept 2023	<ul style="list-style-type: none"> <li>• Penyerahan Felo SMJ 2.0</li> <li>• Program Keusahawanan Wanita dan Belia</li> </ul>
Oct 2023	Program Keusahawanan Wanita dan Belia
Nov 2023	YONO Super App Launching
Dec 2023	Implementation of PEP, Adverse Media, Enforcement, and Sanctions List Screening Procedure

## Members Of The Corporation

Datuk Seri Panglima Dr. Yee Moh Chai  
(Chairman)

Datuk Surinam Binti Sadikun  
(Deputy Chairman)

Mr. George Taitim Tulas  
(Secretary)

YB Datuk Seri Panglima  
Sr. Hj. Safar Bin Untong, JP  
(Member)

Datuk Mohd Sofian Alfian Nair  
(Permanent Secretary - Ministry Of Finance)  
(Ex-Officio)

Datuk Sr. Bernard Liew Chau Min  
(Director - Lands & Surveys Department)  
(Ex-Officio)

Mr. Jifrin Hj. Mohamad  
(Director - Agriculture Department)  
(Ex-Officio)

Datuk Hj. Kaim Kalimin  
(Member)

Datuk Hjh. Zaitun DSP Hj. Mohd Kassim  
(Member)

Mr. Nixon Bin Hj. Abdul Habi  
(Member)

Mr. Willie Tadam  
(Member)

## Management Team

Mr. George Taitim Tulas  
(Chief Executive Officer)

Mr. Victor Monsibol  
(Deputy CEO-Operation)

Mr. Richard Chiew  
(Deputy CEO-Admin)

Mr. Nelson Chan  
(Deputy CEO-Technology)

Mr. Charles Peter Mojuntin  
(Head of Internal Audit Department)

Ms. Patricia Chow  
(Head of Finance Department)

Mr. Zahir Ridwan Bin Zainal  
(Head of CEO Office Department)

Mr. Chang Kok Kien  
(Head of Credit Department)

Mr. Johari Ahmad  
(Head of Recovery Department)

Mdm Doreen Lajuat  
(Head of Human Resource Department)

Mdm Salina Salimi  
(Head of Admin & Logistic Department)

Mr. Martinus Lunggeh  
(Head of Property Management Department)

## Corporate Social Responsibilities

In December 2018, the incorporation of Yayasan Perbadanan Pinjaman Sabah was made official to streamline the management of its CSR projects through the utilisation of the Corporation's 10% annual profit before tax.

Most of the projects concentrated around the construction of rural hostels, school's multipurpose hall and the less fortunate. In addition for 2023, SCC has approved RM3.7 million worth of CSR projects. During the performance period, SCC has disbursed RM4.4 million projects which comprises projects since 2020 which yet to finish disburse. Nevertheless, SCC will continue to support the social development of the Corporation's mandate.

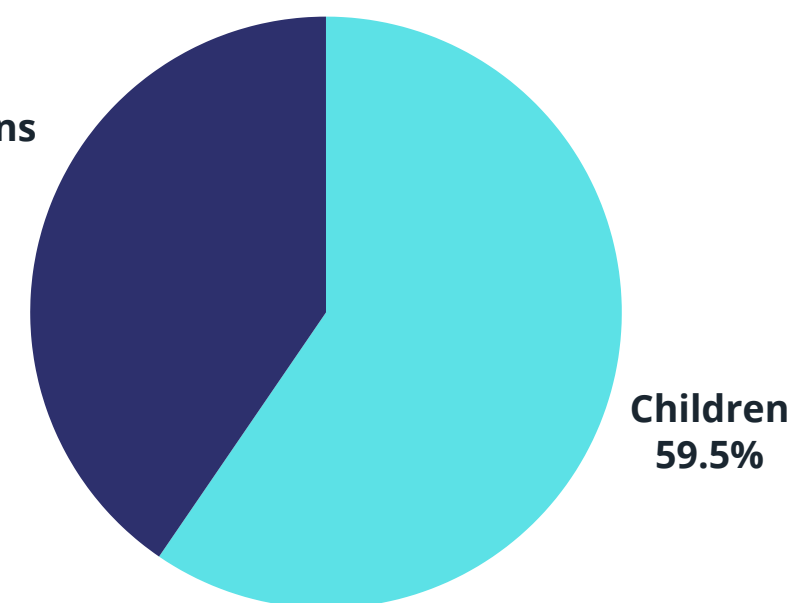


CSR SK Kuala Salong, Nabawan  
Build Hostel for students



CSR Handover Asrama Desa SK Tiga  
Papan Kudat

Other Funds & Donations  
40.5%



Total CSR Projects For Year 2023  
RM 3.7mil / 15 projects





**CONFIDENTIAL**

Our Ref: 0650/RAMR/2024

19 July 2024

Sabah Credit Corporation  
Wisma Perbadanan Pinjaman Sabah  
Donggongon New Township  
88805 Penampang  
Kota Kinabalu, Sabah  
**Attn: Mr George Taitim, Chief Executive Officer**

Dear Sir

**ANNUAL RATING REVIEW OF SABAH CREDIT CORPORATION'S (SCC)**

- **RM3.5 BILLION ISLAMIC MEDIUM-TERM NOTES PROGRAMME (2014/2039)**
  - **RM1.0 BILLION ISLAMIC MEDIUM-TERM NOTES PROGRAMME (2011/2031)**
  - **RM1.75 BILLION ISLAMIC COMMERCIAL PAPERS PROGRAMME (2021/2028)**
- 

We are pleased to inform you that RAM Ratings has reaffirmed the respective long- and short-term ratings of AA<sub>1</sub> and P1 for SCC's sukuk issues above; the long-term ratings have a stable outlook. The AA<sub>1</sub> rating indicates high safety for payment of financial obligations while the P1 rating reflects high safety for payment of financial obligations in the short-term.

The rating rationale and media release are appended for your review, the factual content of which is available for discussion.

Please contact us should you require further clarification.

Thank you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julie Ng'.

**Julie Ng**  
Chief Executive Officer



## SHARIAH ADVISER'S REPORT FOR SABAH CREDIT CORPORATION ("SCC")

*In the name of Allah, the Most Gracious, the Most Merciful*

In carrying out the roles and responsibilities of the Shariah Adviser in accordance with our letter of appointment, we hereby submit the following report to SCC for the financial year ended 31 December 2023.

We have provided the Shariah advisory services related to Islamic financing business operations of SCC from 1 January 2023 to 31 December 2023 in order to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings.

We have also performed our review on Shariah matters so as to obtain all the information and explanations, to provide us with sufficient evidence to give a reasonable Shariah compliance assurance.

Based on the information provided and disclosed to us and to the best of our knowledge, we are of the opinion that:

- a. the contracts and legal documents of the Islamic financing products that we have reviewed are in compliance with the applicable Shariah rules and principles;
- b. computation of Zakat on Islamic financing business payable by SCC amounting to RM271,989.65 to *Majlis Ugama Islam Sabah* is using working capital method in compliance with applicable Shariah rules and principles; and
- c. nothing has come to our attention that causes us to believe that the overall Islamic financing business operations of the SCC involve any material Shariah non-compliance.

We hereby confirm that the Islamic financing business operations of the SCC for the financial year ended 31 December 2023 had been conducted in conformity with the applicable Shariah rules and principles.

We pray to Allah SWT to grant us wisdom, strength and humility to perform our tasks in the best possible way and lead us on the right path. Allah SWT knows best.

For **IBFIM**

A handwritten signature in black ink, appearing to read 'Mohamad Salihin Deris', written over a light blue horizontal line.

**Mohamad Salihin Deris**

Director, Shariah Business Advisory

12 July 2024