

Report Card 2013

MEMBERS OF CORPORATION



YB DATUK LINDA TSEN
Chairman

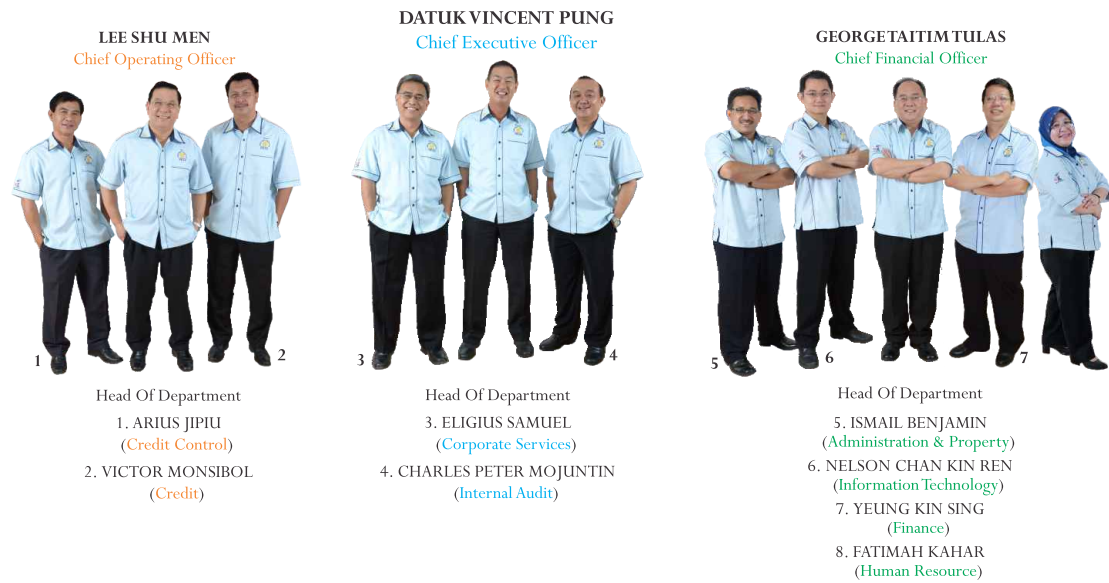
DATUK MOHAMAD BIN JAFRY
Deputy Chairman

DATUK VINCENT PUNG
Secretary

- EX-OFFICIO**
1. MR. MULUK BIN SAMAD
(Deputy Permanent Secretary
Ministry of Finance)
 2. MR. IDRUS BIN SHAFIE
(Director - Agriculture Department)
 3. DATUK OSMAN BIN JAMAL
(Director - Lands &
Surveys Department)

- MEMBERS**
4. DATUK PETER ATHANASIOS
(Entrepreneur)
 5. MR. MARZUKI HJ SPAWI, JP
(Lawyer)
 6. IR. SHAHELMY BIN YAHYA, JP
(Engineer)
 7. MR. ZAMANI HJ BASRI
(Entrepreneur)
 8. MR. RASKAN ASING
(Entrepreneur)

MANAGEMENT TEAM



LEE SHU MEN
Chief Operating Officer

DATUK VINCENT PUNG
Chief Executive Officer

GEORGETAITIM TULAS
Chief Financial Officer

- Head Of Department
1. ARIUS JIPIU
(Credit Control)
 2. VICTOR MONSIBOL
(Credit)

- Head Of Department
3. ELIGIUS SAMUEL
(Corporate Services)
 4. CHARLES PETER MOJUNTIN
(Internal Audit)

- Head Of Department
5. ISMAIL BENJAMIN
(Administration & Property)
 6. NELSON CHAN KIN REN
(Information Technology)
 7. YEUNG KIN SING
(Finance)
 8. FATIMAH KAHAR
(Human Resource)



- Headquarters
- Client Centres
- Collection Centres



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<http://www.facebook.com/SabahCreditCorporation>

PERBADANAN PINJAMAN SABAH
(SABAH CREDIT CORPORATION)

"I am happy to see that the competition given by competitors is actually making SCC more innovative and resilient"



Over the previous years we have seen the steady transformation of Sabah Credit Corporation into a sustainable growth organisation, underpinned by an energising and purpose-driven vision & mission. Year 2013 was another year of progress in that journey and the Members of Corporation remain confident that the Corporation's strategies will continue to generate sustainable returns for shareholders and investors.

Although the economic environment remains challenging, the Corporation's financial highlights point towards a business that is delivering long-term financial performance. Strong dependable cash management has led to steadily increasing dividends year on year. The full-year dividend paid to the State Government in 2013 was RM25.33 million and since 2002, the Corporation has paid a total sum of RM185.81 million of dividends and will proceed with dividend payments as a means of giving back to its shareholders.

Despite the measures taken by Bank Negara Malaysia to reduce indebtedness and intensified competition from the key players in the market, the Corporation continued its admirable performance in the year 2013. Despite a major change in indebtedness policy imposed to all civil servants, I am happy to see that the competition given by competitors is actually making SCC more innovative and resilient. This is shown by our achievements for the year.

The core business of the Corporation continues to improve with its Shariah-compliant product, the i-Executive, which was launched in November 2010. At the closed of FY2013, the total assets of the Corporation is RM2.18 billion that contributed to a profit of RM68.8 million. These are good indicators that SCC is readily on their toes to contend with the intense challenges posed by the market.

In no way have we forgotten our mandated objectives of providing easier access to financial facilities as we have also further endeavoured to improve the socio-economic status of our community at large through our Corporate Social Responsibility programmes from 10% of our declared surplus before tax.

Once again, on behalf of the Corporation, I take this opportunity to record my heartfelt gratitude for the continuous support, assistance and guidance from the Ministry of Finance, government agencies, stakeholders, business partners and all the relevant authorities.

On behalf of the Members of Corporation, I would like to thank our Management and Warga SCC for their dedication, excellence and inspired work over the past year and for helping us continue to build a strong and sustainable foundation for the years ahead. Finally, I thank our valued customers for their continuous support and loyalty.

Thank you.

YB DATUK LINDA TSEN
Chairman

CORPORATE SOCIAL RESPONSIBILITY

SCOPE

SCC Corporate Social Responsibility (CSR) programme emphasizes on WOMEN, CHILDREN and the LESS FORTUNATE all over the state of Sabah, empowering them to move ahead in their quest for better opportunities and living, through the provision of infrastructure and the contributions of necessary equipment. SCC has been putting aside 10% of its surplus before tax to fund these programmes and to date, has benefited 28 districts.



Community Centre
Kg. Tulid
Sook, Keningau
24 April



100 Chairs to Kg. Terian
Penampang
25 January



Anjung PRIDE, SK Kauluan
Tuaran
1 March



Medical Equipment
Hospital Likas, Kota Kinabalu
13 April



Rancangan Makanan Tambahan
SK Jaya Baru, Keningau
24 April

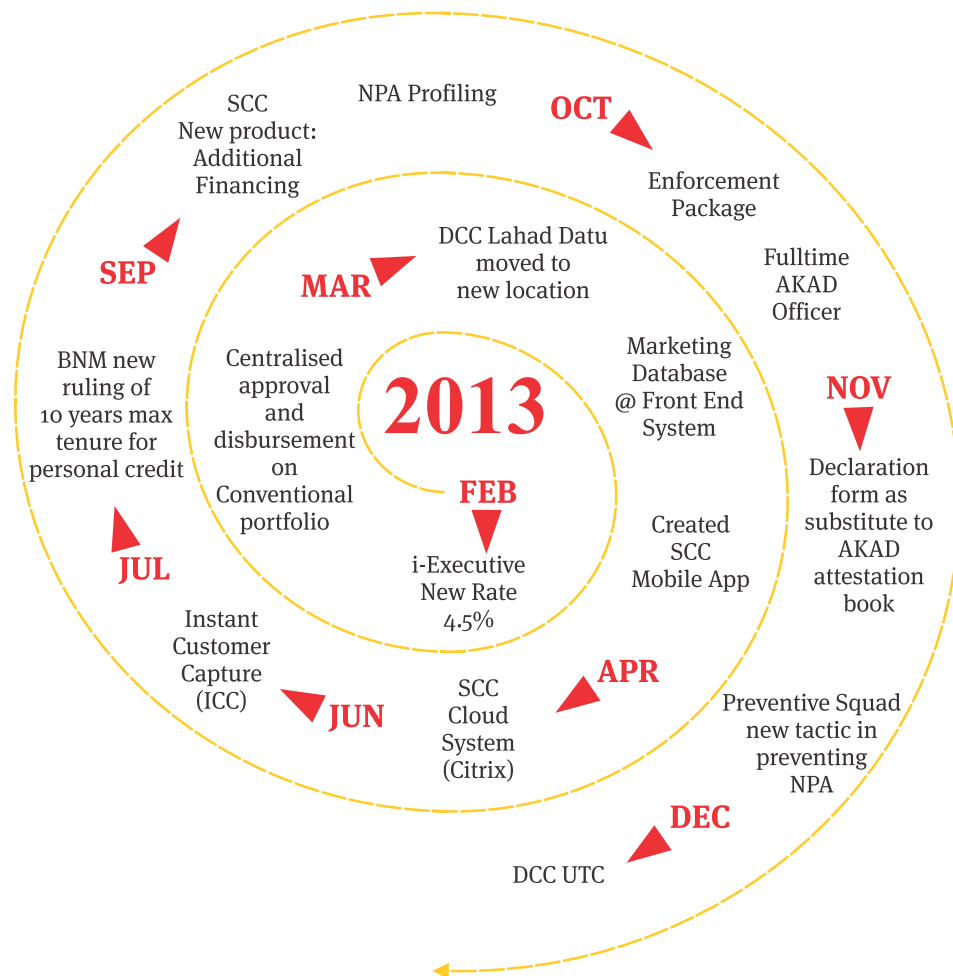


Girl Guides Wilderness Park
Kota Kinabalu
4 May



Rumah Anak Yatim
Pitas
11 December

SIGNIFICANT EVENTS



“ACCOUNTABILITY INDEX RATING ★★★★★”

FINANCIAL PERFORMANCE HIGHLIGHTS

BALANCE SHEET AS AT 31 DECEMBER 2013

ASSETS	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
NON-CURRENT ASSETS				
Property, plant and equipment	43,828,607	45,350,680	43,828,607	45,350,680
Investment in jointly controlled entity	11,779,721	10,192,116	8,123,199	8,123,199
	55,608,328	55,542,796	51,951,806	53,473,879

CURRENT ASSETS				
Other receivables	936,159	17,248,471	936,159	17,248,471
Investments	73,975,132	27,423,736	73,975,132	27,423,736
Deposits	19,086,114	2,355,518	19,086,114	2,355,518
Loans, advances and financing	2,000,363,151	1,544,994,288	2,000,363,151	1,544,994,288
Cash and bank balance	29,383,354	11,604,468	29,383,354	11,604,468
Current tax asset	1,957,989	2,543,405	1,957,989	2,543,405
	2,125,701,899	1,606,169,886	2,125,701,899	1,606,169,886
TOTAL ASSETS	2,181,310,227	1,661,712,682	2,177,653,705	1,659,643,765

LIABILITIES AND SHAREHOLDERS' EQUITY				
NON-CURRENT LIABILITIES				
Borrowings	1,752,416,265	1,262,626,959	1,752,416,265	1,262,626,959

CURRENT LIABILITIES				
Other payables and accruals	45,784,319	57,912,195	45,784,319	57,912,195

TOTAL LIABILITIES	1,798,200,584	1,320,539,154	1,798,200,584	1,320,539,154
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Share capital	182,000,000	165,000,000	182,000,000	165,000,000
Non-distributable reserves	553,432	461,432	553,432	461,432
Accumulated funds	200,556,211	175,712,096	196,899,689	173,643,179

TOTAL SHAREHOLDERS' EQUITY	383,109,643	341,173,528	379,453,121	339,104,611
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,181,310,227	1,661,712,682	2,177,653,705	1,659,643,765
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INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER 2013

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest income	156,835,682	133,540,028	156,835,682	133,540,028
Interest expense	(57,405,987)	(51,601,580)	(57,405,987)	(51,601,580)
NET INTEREST INCOME	99,429,695	81,938,448	99,429,695	81,938,448
Non-Interest income	26,140,461	18,194,280	26,140,461	18,194,280
Non-Interest expense	(18,486,765)	(10,598,261)	(18,486,765)	(10,598,261)

NET INCOME	107,083,391	89,534,467	107,083,391	89,534,467
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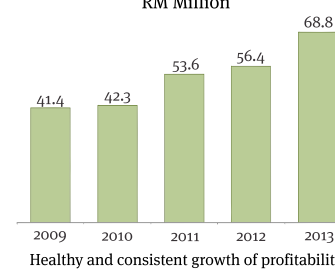
Operating expenses	(40,235,073)	(33,816,239)	(40,235,073)	(33,816,239)
Share of profits of jointly controlled entity	1,954,691	690,692	-	-

SURPLUS BEFORE TAX	68,803,009	56,408,920	66,848,318	55,718,228
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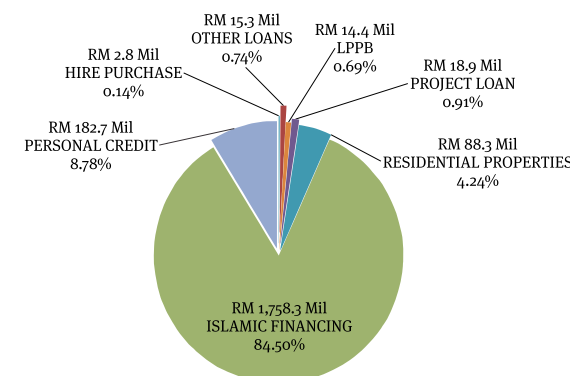
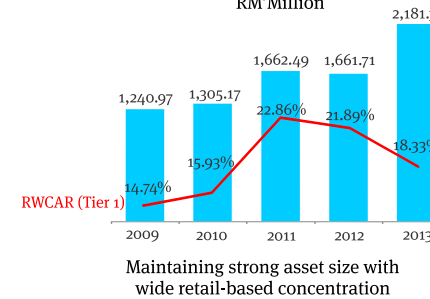
Tax expense	(24,526,517)	(13,210,826)	(24,526,517)	(13,210,826)
- Corporation	(181,770)	-	-	-
- Jointly controlled entity	-	-	-	-

NET SURPLUS FOR THE YEAR	44,094,722	43,198,094	42,321,801	42,507,402
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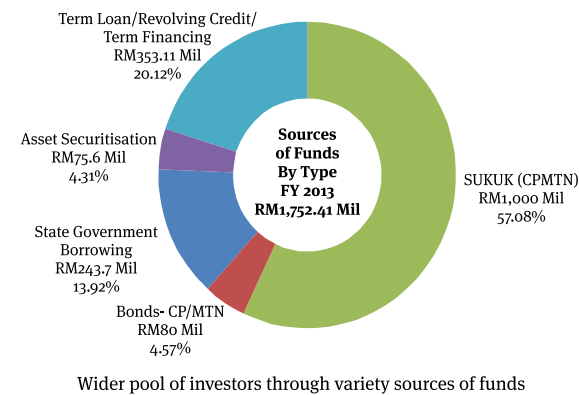
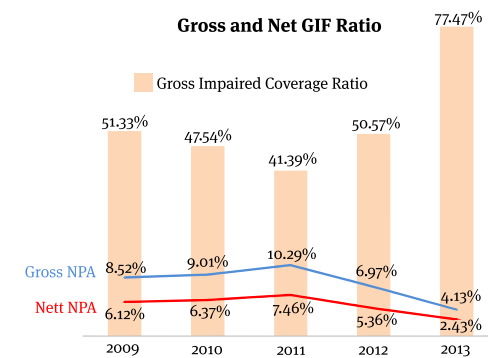
Surplus Before Tax RM'Million



Asset Base RM'Million



Gross and Net GIF Ratio



Wider pool of investors through variety sources of funds

“Nurturing Quality Habits”



Sabah Credit Corporation has always been focused and consistent in its goals: That is to create value for shareholders, and to increase the state social economic welfare, one step at a time. Each year, SCC has followed a disciplined approach: building on existing operations towards precision and sustainability, seeking out new growth opportunities and prudently deploying our capital resources. As such, SCC now plays a major role in the State's rapidly growing financial services sector offering value added services. In 2013 the strategic plan and challenge employed by SCC was Nurturing Quality Habits, a measure taken to enhance the quality and service delivery by our most valuable resource, our Warga SCC.

Financial Performance

Year 2013 was another year of solid growth. In spite of Bank Negara Malaysia's 10-year personal financing limit, SCC has gone beyond expectation by turning an expected downturn, to an exponential gain in profits where we received a profit surplus of RM68.8 million, an increase of 22% from RM56.4 million in 2012. This is mainly due to the strength of excellent performances from our Islamic portfolio, the i-Executive. I am really proud of the way Warga SCC rose to face the increase of demand for this product which saw a significant increase of 20,700 new customers totalling to a RM1.55 billion increase in portfolio balance. The huge demand has contributed to SCC reaching a new milestone in 2013 as our asset base reached a record RM2.18 billion by year end.

Our efforts to revamp our MS-ISO compliance culture in 2013 resonates as SCC also retains the highest rating of 4-Stars for our Accountability Index from the Auditor General Malaysia as well as the AA1/P1 rating from RAM Rating Services.

Outlook

Year 2014 will bring SCC into more uncharted territories and challenges. SCC has been appointed by the State Cabinet to look after the Urban Transformation Centre (UTC) Sabah, which started its operations on December 2013. This is a completely new territory for SCC in managing office premises. We also see this as a great synergy to our core business and have simultaneously set up a new DCC in UTC. UTC also provides SCC with great opportunities in not only training our leaders in new roles, but a huge advantage to us in delivering our services to the customers' doorsteps. Nevertheless, we will not remain complacent but shall continue to improve on our marketing efforts in spreading SCC's “Anda DiUtamakan” brand throughout the State, especially in the rural areas.

Appreciation

I am most grateful for a very understanding and supportive Members of Corporation. In addition, I am delighted with the positive response by our stakeholders, the Ministry of Finance. It is indeed very encouraging and empowering to have such good working relationships.

Finally, I wish to thank all my Warga PPS for their strong support and commitment in 2013. Because of you, SCC is able to achieve greater heights and financial performance. This is aptly coined by our corporate catchphrase, “Together is our Strength”.

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DATUK VINCENT PUNG
Chief Executive Officer

“RAM RATING : AA1/P1 WITH STABLE OUTLOOK”