

## Corporate Social Responsibility

Scope

SCC Corporate Social Responsibility (CSR) programme empowers WOMEN, CHILDREN and the LESS FORTUNATE to move ahead in their quest for better opportunities and living. With the annual funds of 10% of SCC surplus before tax, 28 districts all over the state of Sabah has benefited through the provision of infrastructure and the contributions of necessary equipment.



New Classroom  
SK St Pius Pamilaan, Tenom  
4 March



Library Pledge  
SM St Francis Convent, Kota Kinabalu  
16 April



PRIDE Halfway Home  
Community Rehabilitation Program(PDK), Ranau  
26 April



Learning Centre  
Sabah Society For The Deaf, Lahad Datu  
13 August



PRIDE Building  
Single Mothers Association, Sandakan  
2 September

## Members Of Corporation



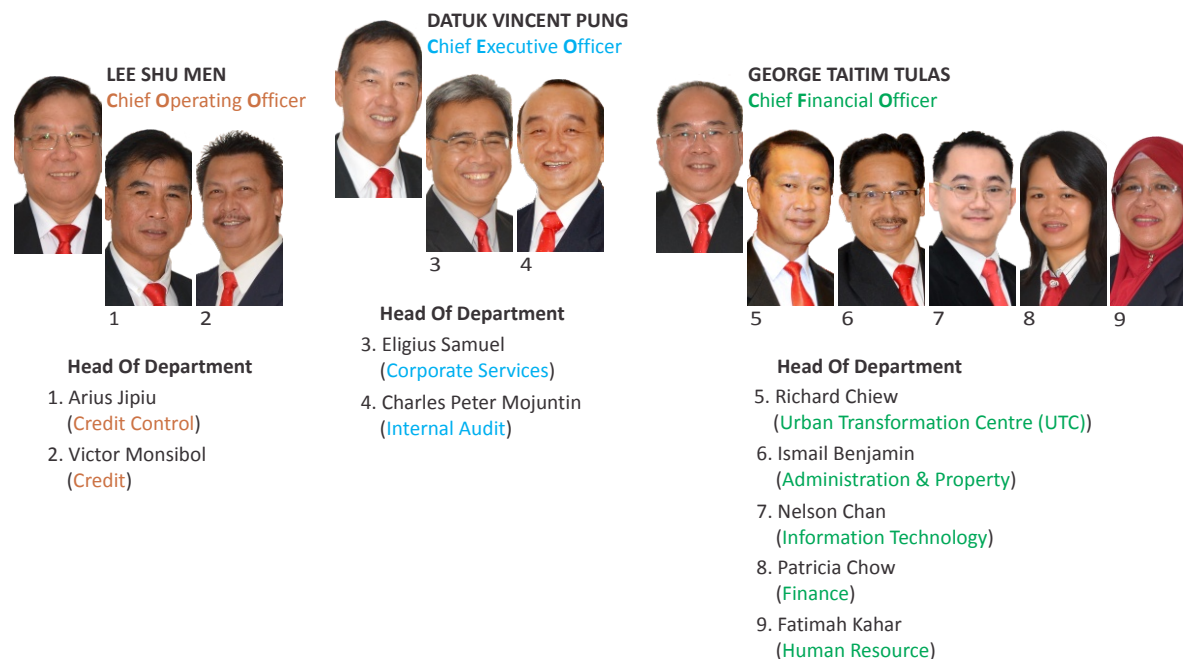
### Ex-Officio

1. Datuk Hj. Safar Bin Untong  
(Director Lands & Surveys Department)
2. Mr. Idrus Bin Shafie  
(Director Agriculture Department)
3. Mr. Muluk Bin Samad  
(Deputy Permanent Secretary Ministry of Finance)

### Members

4. Ir. Shahelmey Bin Yahya, JP  
(Engineer)
5. Mr. Marzuki Hj Spawi, JP  
(Lawyer)
6. Mr. Zamani Hj Basri  
(Entrepreneur)

## Management Team



LEE SHU MEN  
Chief Operating Officer

DATUK VINCENT PUNG  
Chief Executive Officer

GEORGE TAITIM TULAS  
Chief Financial Officer

### Head Of Department

1. Arius Jipiu  
(Credit Control)
2. Victor Monsibol  
(Credit)

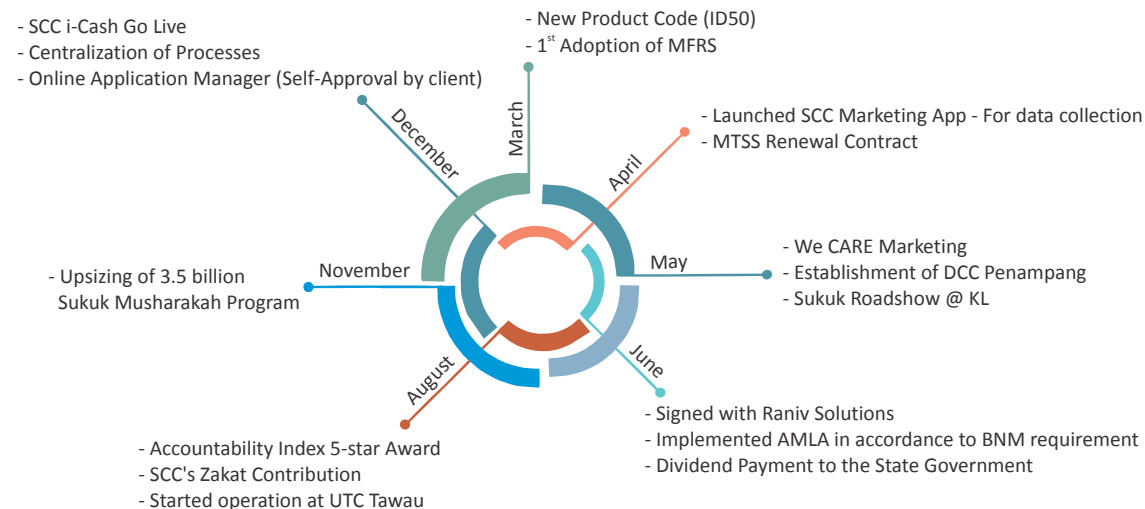
### Head Of Department

3. Eligius Samuel  
(Corporate Services)
4. Charles Peter Mojuntin  
(Internal Audit)

### Head Of Department

5. Richard Chiew  
(Urban Transformation Centre (UTC))
6. Ismail Benjamin  
(Administration & Property)
7. Nelson Chan  
(Information Technology)
8. Patricia Chow  
(Finance)
9. Fatimah Kahar  
(Human Resource)

## Significant Events



# Report Card 2016



PERBADANAN PINJAMAN SABAH  
(SABAH CREDIT CORPORATION)



Vision

"To make a Difference"







Sabah Credit Corporation has continuously over the years progressed as a sustainable organisation, underpinned by an energising and purpose-driven vision and mission. Year 2016 was yet another year full of exciting advancement and promising growth. As a result, members of the Corporation remain confident that its strategies will continue to generate sustainable returns for its shareholders and investors.

Over the past year the Corporation once again, demonstrated its ability to deliver long-term financial performance. Strong, dependable cash management has resulted in steadily increasing dividends each year. The full-year interim dividend paid to the State Government



It had been a year of challenges and achievements. Sabah Credit Corporation (SCC) has been aligned in its mission of consistency in financial performance. SCC has always been synonymous with Continuous Improvement and throughout 2016 we have further implemented necessary measures to address the challenges and to remain competitive amongst other market players.

**WeCare Campaign**  
The “WeCare” campaign was launched as a strategic plan to further enhance quality service delivery with value added expectations towards the most important aspect of the organisation, that is the clients. The plan entails a more strategic and structured approach of active marketing activities not only to attract new clients but also to reconnect back to existing clients. The improved programming of SCC's ICT has enabled more process to be centralized allowing SCC to mobilise more human assets towards marketing especially in the District Client Centres (DCCs). Now the DCCs can better serve and engage the district clients with a more efficient backup of Headquarters resources and personnel.

in 2016 was RM8 million. This brings the total payments since 2002 to RM228.68 million, with dividend pay-outs intended to continue as a means of giving back to shareholders.

Our accomplishments over the past year have confirmed that SCC remained innovative and flexible despite heavy competition in the market. The core business of the Corporation continues to improve with its latest Shariah-compliant product; the i-Cash. At the closing of FY2016, the total assets of the Corporation were RM2.72 billion, which included a profit of RM60.12 million. These financial results indicate that SCC is capable of facing the challenges posed by the market and will continue to be productive, as its efficient branch network and excellent customer service promises to deliver continuous revenue growth.

We have continued our mandated objectives of providing easier access to financial facilities and improving the socio-economic status of our community through our Corporate Social Responsibility programmes, which are financed by 10% of our declared surplus before tax.

**i-Cash**  
We have introduced a more flexible personal financing product i-Cash with the appropriate slogan “I'm in Control”. The intent is to provide greater flexibility to the clients to manage their financial requirement. The flexibility is given to the clients to draw down on their loans according to their needs.

**Financial**  
Effectively, from January 2016, the Corporation adopted the Malaysian Financial Reporting Standard (MFRS) 139: Recognition & Measurement. Changing the interest recognition from straight line to the effective rate method. When we presented the financial simulations in 2015 to our stake holders and investors, we projected a surplus before tax to be RM54 million, a significant drop of approximately RM16 million from the previous year's RM70 million. However, at the year end result, SCC was able to surpass that expectation and achieve a surplus before tax of RM60.12 million with an increase in total asset base to RM2.72 billion and saw an addition of 4,765 new customers contributing to a RM134.13 million surge in portfolio balance. These are indicators that the positioning of SCC's strategies towards sustainability and client retention are on track.

SCC has strengthened its financial resources by upsizing one of the Sukuk programme from RM1.5 billion to RM3.5 billion. The intention is to gradually consolidate our Sukuk programme under one single umbrella with allowance of an extra RM1 billion for planned business and financial expansions.

Once again, on behalf of the Corporation, I take this opportunity to express my heartfelt gratitude for the constant 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 to continue to build long term sustainable foundations for the years ahead. Finally, I thank our valued customers for their continuous support and loyalty.

Thank you.

YB Datuk Linda Tsen  
Chairman

SCC has also been able to retain its AA1/P1 rating from RAM and was also awarded the 5-Star recognition in the Accountability Index Rating conducted by the National Audit Department. The achievement of both these reviews strengthened our Corporation quest for transparency and accountability. All these were made possible with the continuous improvements we have made to streamline our framework as we have centralised and decentralised more processes by capitalising on the strength of our ICT as well as rationalizing the human assets in SCC.

**Appreciation**  
I am most grateful for a very understanding and supportive Members of the 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. 2016 can be summarised in a few words: “In the face of significant challenges, we made significant progress”. My utmost appreciation to my Warga SCC for their greater sense of belonging and commitment.

Together is our Strength.

Datuk Vincent Pung  
Chief Executive Officer

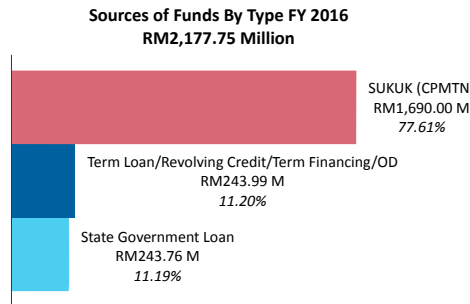
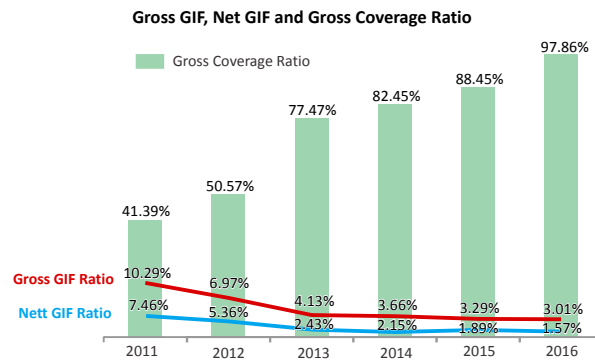
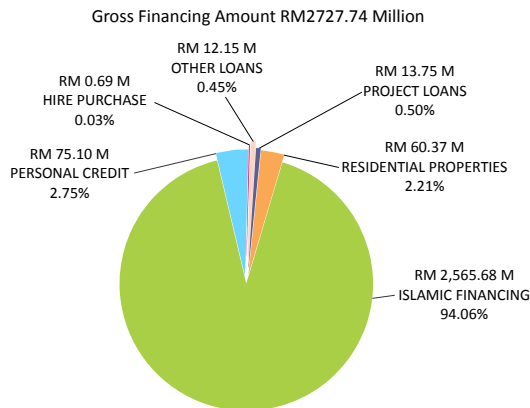
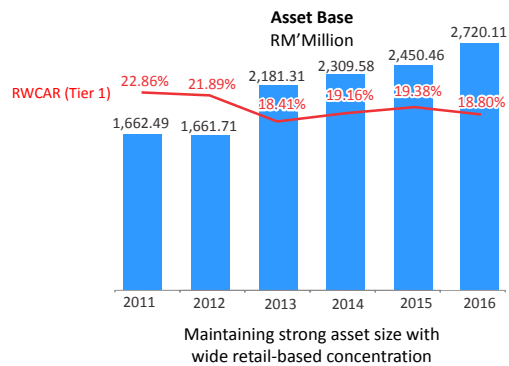
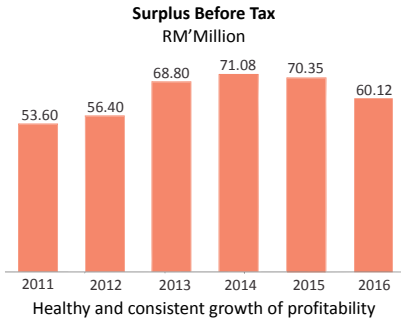
## Financial Performance Highlights

### Statements of Financial Position as at 31 December 2016

	Group 31.12.2016 RM	31.12.2015 RM	01.01.2015 RM	Corporation 31.12.2016 RM	31.12.2015 RM	01.01.2015 RM
<b>Assets</b>						
<b>Non-Current Asset</b>						
Property, plant and equipment	37,934,372	39,092,992	38,724,692	37,934,372	39,092,992	38,724,692
Investment in jointly controlled entity	5,591,363	9,524,414	6,905,575	4,123,199	8,123,199	8,123,199
	43,525,735	48,617,406	45,630,267	42,057,571	47,216,191	46,847,891
<b>Current Asset</b>						
Cash and bank balances	20,373,256	23,854,466	21,876,660	20,373,256	23,854,466	21,876,660
Deposits and placements with financial institutions	8,296,291	24,699,483	36,251,306	8,296,291	24,699,483	36,251,306
Financial assets at fair value through profit or loss	1,213,069	1,173,753	1,128,731	1,213,069	1,173,753	1,128,731
Tax recoverable	6,372,710	4,663,778	-	6,372,710	4,663,778	-
Other receivables, deposits and prepayment	5,949,015	5,582,383	9,325,871	5,949,015	5,582,383	9,325,871
Loans, advances and financing	2,634,386,696	2,320,948,532	2,195,374,457	2,634,386,696	2,320,948,532	2,195,374,457
	2,676,591,037	2,380,922,395	2,263,957,025	2,676,591,037	2,380,922,395	2,263,957,025
<b>Total assets</b>	2,720,116,772	2,429,539,801	2,309,587,292	2,718,648,608	2,428,138,586	2,310,804,916
<b>Liabilities and Shareholders' Equity</b>						
<b>Non-Current Liabilities</b>						
Borrowings	490,299,224	466,679,817	507,108,547	490,299,224	466,679,817	507,108,547
Debt securities issued	1,690,000,000	1,470,000,000	1,330,000,000	1,690,000,000	1,470,000,000	1,330,000,000
	2,180,299,224	1,936,679,817	1,837,108,547	2,180,299,224	1,936,679,817	1,837,108,547
<b>Current Liabilities</b>						
Other payables, provision and accrual	33,312,567	35,827,993	45,193,201	33,312,567	35,827,993	45,193,201
Overdraft	2,414,849	561,588	892,181	2,414,849	561,588	892,181
Current tax liabilities	-	-	151,735	-	-	151,735
	35,727,416	36,389,581	46,237,117	35,727,416	36,389,581	46,237,117
<b>Total liabilities</b>	2,216,026,640	1,973,069,398	1,883,345,664	2,216,026,640	1,973,069,398	1,883,345,664
<b>Share capital</b>	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
<b>Retained earnings</b>	304,090,132	256,470,403	226,241,628	302,621,968	255,069,188	227,459,252
<b>Total Shareholders' Equity</b>	504,090,132	456,470,403	426,241,628	502,621,968	455,069,188	427,459,252
<b>Total Liabilities and Shareholders' Equity</b>	2,720,116,772	2,429,539,801	2,309,587,292	2,718,648,608	2,428,138,586	2,310,804,916

### Statement of Comprehensive Income for the financial year ended 31 December 2016

	Group 31.12.2016 RM	31.12.2015 RM	Corporation 31.12.2016 RM	31.12.2015 RM
Interest income	199,793,442	180,674,702	199,793,442	180,674,702
Interest expense	(83,719,572)	(75,483,433)	(83,719,572)	(75,483,433)
Net interest income	116,073,869	105,191,269	116,073,869	105,191,269
Non-Interest income	10,063,609	8,253,690	10,063,609	8,253,690
	126,137,478	113,444,959	126,137,478	113,444,959
Operating expenses	(38,070,005)	(38,066,329)	(38,070,005)	(38,066,329)
Other gain/(loss)	39,316	45,022	39,316	45,022
Share of profits of jointly controlled entity	66,951	41,014	-	-
Depreciation	(2,736,013)	(2,811,969)	(2,736,013)	(2,811,969)
Impairment on loan and advances	(25,317,417)	(23,252,397)	(25,317,417)	(23,252,397)
<b>Profit before taxation and zakat</b>	60,120,311	49,400,300	60,053,360	49,359,286
<b>Taxation</b>				
- Corporation	(17,142,473)	(19,777,069)	(17,142,473)	(19,777,069)
Zakat	(85,686)	(226,760)	(85,686)	(226,760)
<b>Profit after taxation/total comprehensive income</b>	42,892,152	29,396,471	42,825,201	29,355,457



“Accountability Index Rating ★★★★★”

“RAM Rating : AA1/P1 With Stable Outlook”