

Members Of Corporation

Chairman

YB Datuk Linda Tsen Thau Lin

Deputy Chairman

Datuk Mohamad Bin Jafry

Secretary

Datuk Vincent Pung

Ex-Officio

Datuk Pg. Hassanel Bin Datuk Pg. Haji Mohd. Tahir  
(Permanent Secretary Ministry of Finance)

Datuk Idrus Bin Shafie  
(Director Agriculture Department)

Datuk Hj. Safar Bin Untong  
(Director Lands & Surveys Department)

Members

Mr. Marzuki Hj Spawi, JP  
(Lawyer)

Mr. Zamani Hj Basri  
(Entrepreneur)

Management Team

DATUK VINCENT PUNG (CEO)

GEORGE TAITIM TULAS (CFO)

VICTOR MONSIBOL (COO)

Nelson Chan (CIO IT)

Arius Jipiu (HOD Credit Control)

Chang Kok Kien (HOD Credit)

Eligius Samuel (HOD Corporate Services)

Charles Peter Mojuntin (HOD Internal Audit)

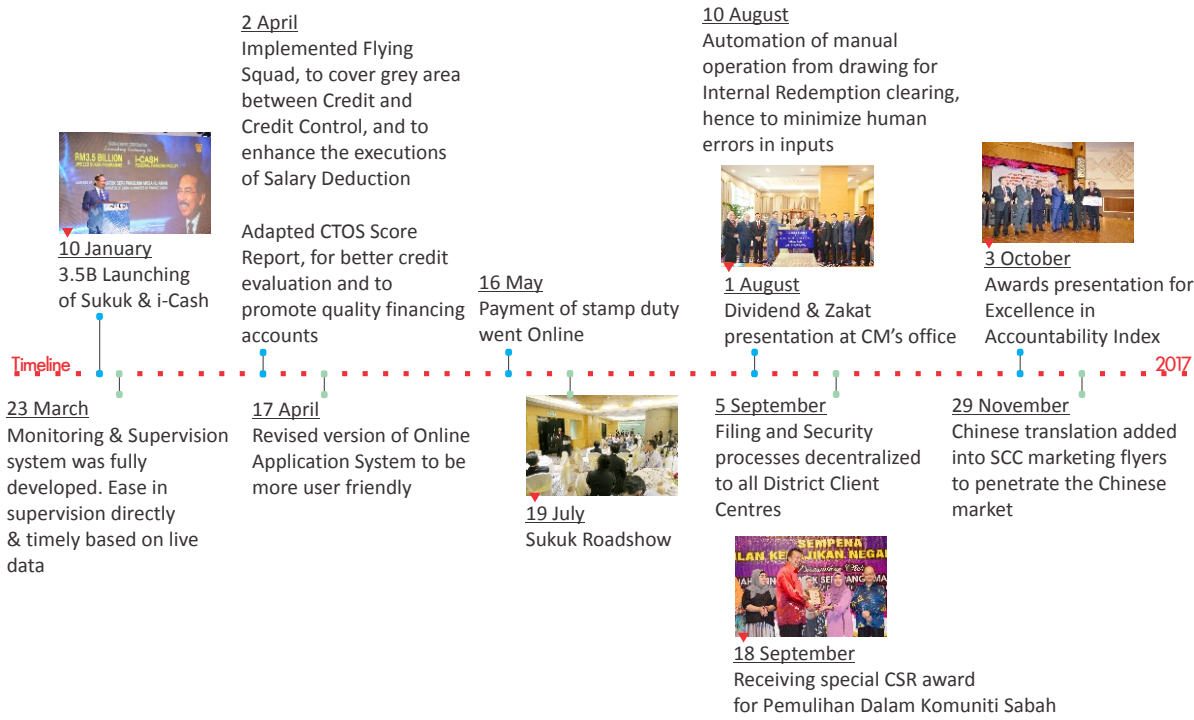
Ismail Benjamin (HOD Admin & Property)

Patricia Chow (HOD Finance)

Fatimah Kahar (HOD Human Resource)

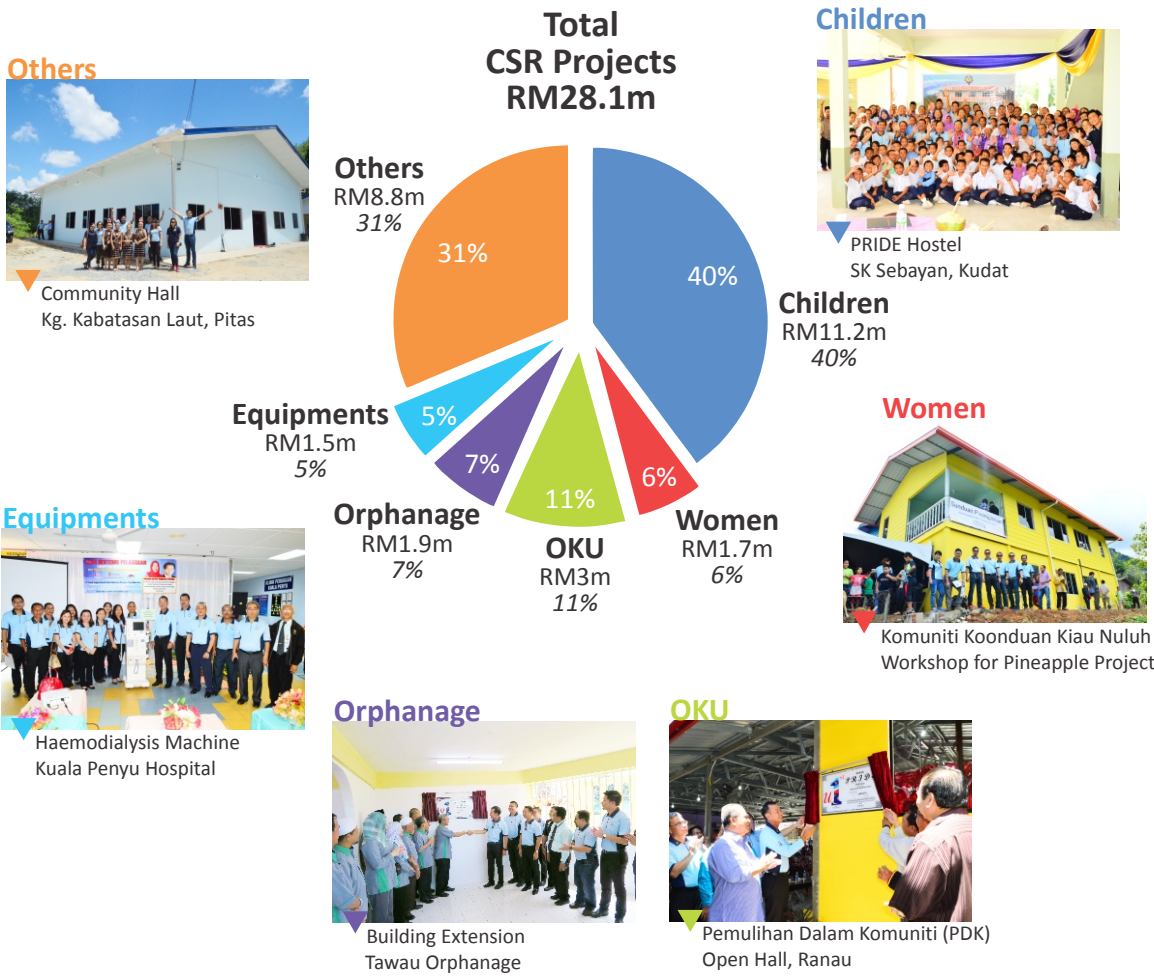
Richard Chiew (HOD (UTC))

Significant Events

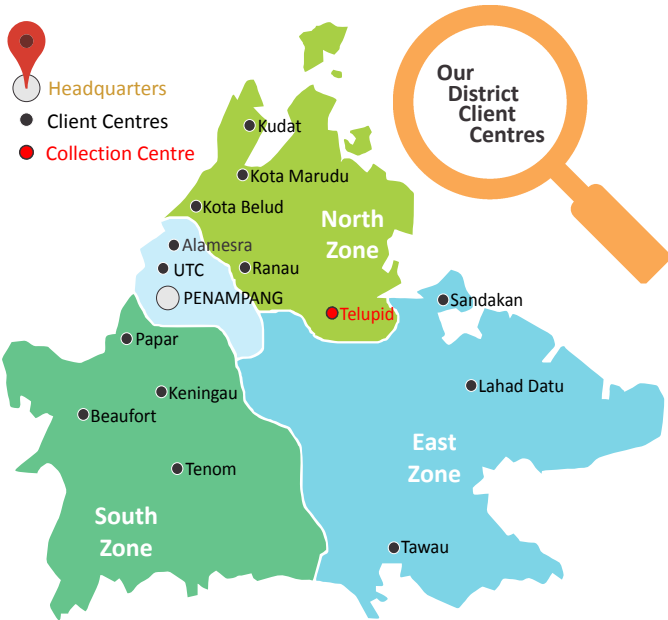


Corporate Social Responsibility

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.



EPOR CARD 2017



JOURNEY ACROSS THE DIGITAL DIVIDE



PERBADANAN PINJAMAN SABAH  
(SABAH CREDIT CORPORATION)

A Statutory Body Wholly Owned By The State Government

Chairman’s Message



Sabah Credit Corporation has constantly over the years progressed as a sustainable organisation, underpinned by an invigorating and purpose-driven vision and mission. Year 2017 was yet another year full of exciting progression and promising growth. As a result, members of the Corporation remain assured that its strategies will continue to generate sustainable revenues for both its shareholders and investors.

In 2017 the Corporation has again exhibited its ability to deliver long-term

financial performance. Strong, dependable cash management has resulted in steadily increasing dividends each year. The total payments since 2002 to 2017 is RM234.67 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 FY2017, the total assets of the Corporation were RM2.89 billion, which included a profit of RM68.66 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.

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 THAU LIN  
Chairman

CEO’s Message



2017 had been a very challenging year for growth. Apart from that, the financial indicators of Sabah Credit Corporation (SCC) had stayed in expected range and manageable.

This was the second year that SCC has applied the MFRS on Income Recognition (first applied in 2016) and we are happy to see the income has recovered back to the 2015 pre-conversion of RM 70 million and in accordance to our financial model prediction.

At the year end, SCC was able to surpass expectations and achieve a surplus before tax of RM68.66 million with an increase in total asset base to RM2.89 billion and saw an addition of 3826 new customers contributing to a RM186.3 million surge in portfolio balance. This achievement reflects our continuous efforts to penetrate both urban and rural

areas in quality customer service delivery and is also an indicator that our District Client Centres are performing exceptionally.

In 2017, the strategic plan and aphorism employed by SCC was “WeCare”; a strategy taken to further boost, preserve and strategically extend its brand towards the most

important aspect of the organisation, that is the clients. SCC's also placed heavy emphasis on merging ICT into more processes targeting decentralising & centralizing, automisation and precision. These have enabled SCC to concentrate 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 from Headquarters resources and personnel. The Corporation holds a very strong belief: “Take care of the clients, and they will take care of us”, and with this the Corporation aims to elevate this campaign even more in the upcoming years.

In line with its Journey towards Credibility, SCC's unwavering and commendable financial management system has again earned recognition from Rating Agency Malaysia (RAM), successfully retaining its AA1/P1 rating.

In addition, SCC also maintained its 5-Star ranking under the Accountability Index rating by the National Audit Department. Both of these acknowledgements are crucial to further increase stakeholder and investor confidence towards the Corporation.

SCC has continued to carry the mantle as an organization with a soul and has continued in its mission to give back and further assist the less fortunate by means of Corporate Social Responsibility programs. In 2017, a total of 44 projects were completed at a cost of RM5.63 million with strong emphasis on school children. Another more significant contribution of SCC was the purchasing of Mobile Equipments for eye surgeries. This has enable hundreds of cataract operations to be carried out in the district hospitals for the rural poor.

SCC's strength is also due to the family in SCC who went far beyond the ordinary with their commitment to their responsibilities and in providing the best quality service to our valuable clients. Thank you for your unwavering support.

Together is our Strength.

DATUK VINCENT PUNG  
Chief Executive Officer

Financial Performance Highlights

Statements of Financial Position as at 31 December 2017

	Group		Corporation	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
<b>Assets</b>				
<b>Non-Current Asset</b>				
Property and equipment	36,848,073	37,934,372	36,848,073	37,934,372
Investment in jointly controlled entity	5,543,316	5,591,363	4,123,199	4,123,199
	<b>42,391,389</b>	<b>43,525,735</b>	<b>40,971,272</b>	<b>42,057,571</b>

<b>Current Asset</b>				
Cash and bank balances	10,545,293	20,373,256	10,545,293	20,373,256
Deposits and placements with financial institutions	9,384,360	8,296,291	9,384,360	8,296,291
Financial assets at fair value through profit or loss	1,281,955	1,213,069	1,281,955	1,213,069
Tax recoverable	2,338,021	6,372,710	2,338,021	6,372,710
Other receivables, deposits and prepayment	11,582,416	5,949,015	11,582,416	5,949,015
Loans, advances and financing	2,817,272,197	2,634,386,696	2,817,272,197	2,634,386,696
	<b>2,852,404,242</b>	<b>2,676,591,037</b>	<b>2,852,404,242</b>	<b>2,676,591,037</b>
	<b>2,894,795,631</b>	<b>2,720,116,772</b>	<b>2,893,375,514</b>	<b>2,718,648,608</b>

<b>Total assets</b>				
<b>Liabilities and Shareholders’ Equity</b>				
<b>Non-Current Liabilities</b>				
Borrowings	7,510,968	82,088,280	7,510,968	82,088,280
Debt securities issued	1,080,000,000	1,130,000,000	1,080,000,000	1,130,000,000
	<b>1,087,510,968</b>	<b>1,212,088,280</b>	<b>1,087,510,968</b>	<b>1,212,088,280</b>

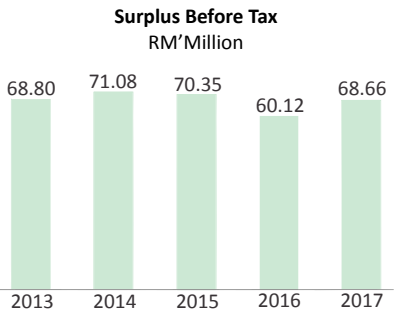
<b>Current Liabilities</b>				
Borrowings	372,029,429	408,210,944	372,029,429	408,210,944
Debt securities issued	860,000,000	560,000,000	860,000,000	560,000,000
Other payables, provision and accrual	38,222,154	33,312,567	38,222,154	33,312,567
Overdraft	119,791	2,414,849	119,791	2,414,849
Tax Payable	-	-	-	-
	<b>1,270,371,374</b>	<b>1,003,938,360</b>	<b>1,270,371,374</b>	<b>1,003,938,360</b>
	<b>2,357,882,342</b>	<b>2,216,026,640</b>	<b>2,357,882,342</b>	<b>2,216,026,640</b>

<b>Total liabilities</b>				
Share capital	200,000,000	200,000,000	200,000,000	200,000,000
Retained earnings	336,913,289	304,090,132	335,493,172	302,621,968
<b>Total Shareholders' Equity</b>	<b>536,913,289</b>	<b>504,090,132</b>	<b>535,493,172</b>	<b>502,621,968</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,894,795,631</b>	<b>2,720,116,772</b>	<b>2,893,375,514</b>	<b>2,718,648,608</b>

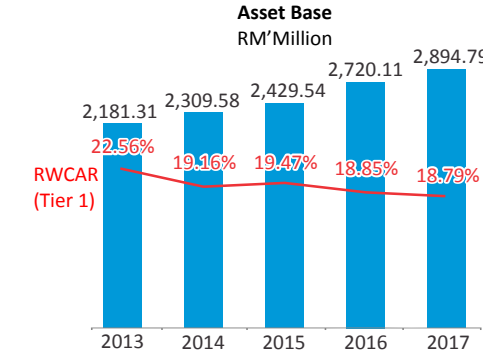
Statement of Comprehensive Income for the financial year ended 31 December 2017

	Group		Corporation	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Interest income	219,040,463	199,793,442	219,040,463	199,793,442
Interest expense	(92,327,135)	(83,719,572)	(92,327,135)	(83,719,572)
Net interest income	126,713,328	116,073,870	126,713,328	116,073,870
Non-Interest income	9,613,243	10,063,609	9,613,243	10,063,609
	<b>136,326,571</b>	<b>126,137,479</b>	<b>136,326,571</b>	<b>126,137,479</b>
Operating expenses	(41,079,986)	(38,070,005)	(41,079,986)	(38,070,005)
Other gain/(loss)	68,886	39,316	68,886	39,316
Share of profits of jointly controlled entity	(48,047)	66,951	-	-
Depreciation	(2,789,618)	(2,736,013)	(2,789,618)	(2,736,013)
Impairment on loan and advances	(23,812,108)	(25,317,417)	(23,812,108)	(25,317,417)
<b>Profit before taxation and zakat</b>	<b>68,665,698</b>	<b>60,120,311</b>	<b>68,713,745</b>	<b>60,053,360</b>

Taxation				
- Corporation	(21,728,933)	(17,142,473)	(21,728,933)	(17,142,473)
Zakat	(113,608)	(85,686)	(113,608)	(85,686)
	<b>46,823,157</b>	<b>42,892,152</b>	<b>46,871,204</b>	<b>42,825,201</b>

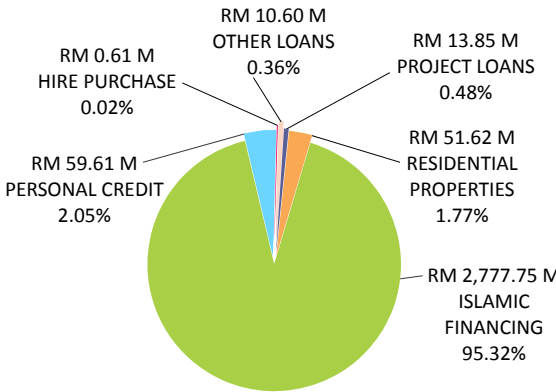


Healthy and consistent growth of profitability

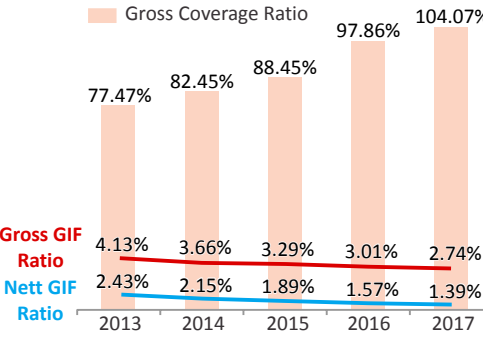


Maintaining strong asset size with wide retail-based concentration

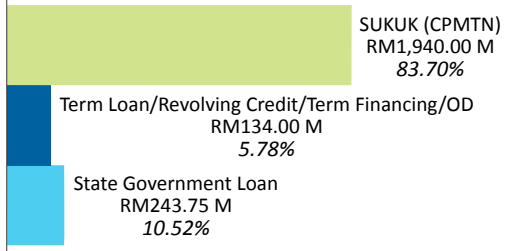
Gross Financing Amount RM2,914.04 Million



Gross GIF, Net GIF and Gross Coverage Ratio



Sources of Funds By Type FY 2017 RM2,317.75 Million



“Accountability Index Rating ★★★★★”

“RAM Rating : AA1/P1 With Stable Outlook”