

## MEMBERS OF CORPORATION

Dato' Khoo Cheo Ping @ John Khoo  
(Chairman)

Mr. Haji Baharuddin @  
Abidin Bin Ab Wahid  
(Deputy Chairman)

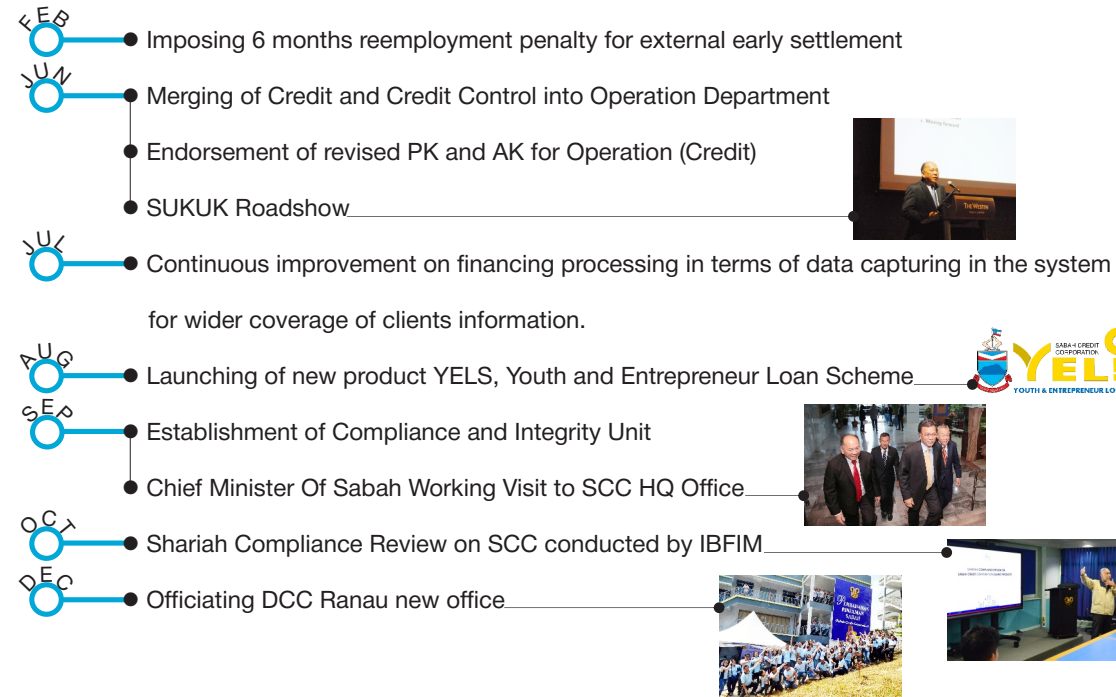
Mr. George Taitim Tulas  
(Secretary)

Ms. Benita Wong Shing Yee  
(Member)

Mr. Jami Berukang @  
Jimmy Berukang  
(Member)

Mr. Haji Japar Bin Hj. Awang  
(Member)

## SIGNIFICANT EVENTS



# REPORT CARD 2019



A Statutory Body Wholly Owned By The State Government

## MANAGEMENT TEAM

Mr. George Taitim Tulas  
(Chief Executive Officer)

Mr. Victor Monsibol  
(Deputy Chief Executive Officer)

Ms. Patricia Chow  
(Chief Financial Officer)

Mr. Charles Peter Mojuntin  
(Chief Audit Officer)

Mr. Nelson Chan  
(Chief Information Officer)

Mr. Chang Kok Kien  
(Chief Operation Officer)

Mr. Richard Chiew  
(Head of Corporate Services Department)

Mrs. Fatimah Kahar  
(Head of Human Resource Department)

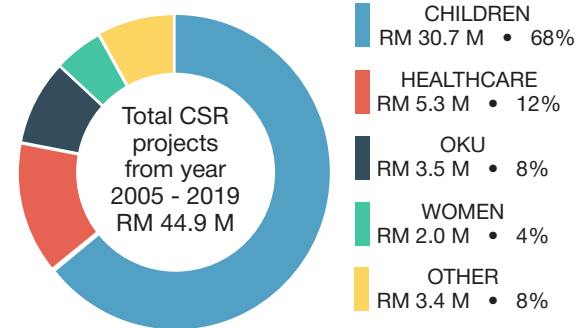
Mr. Ismail Benjamin  
(Head of Admin & Property Department)

Mr. Zahir Ridwan Bin Zainal  
(Head of UTC Management Office)

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 concentrate around the construction of rural hostels; school multipurpose halls; as well as centres for single mothers. SCC is also the biggest donor of dialysis machines to hospitals in the State.



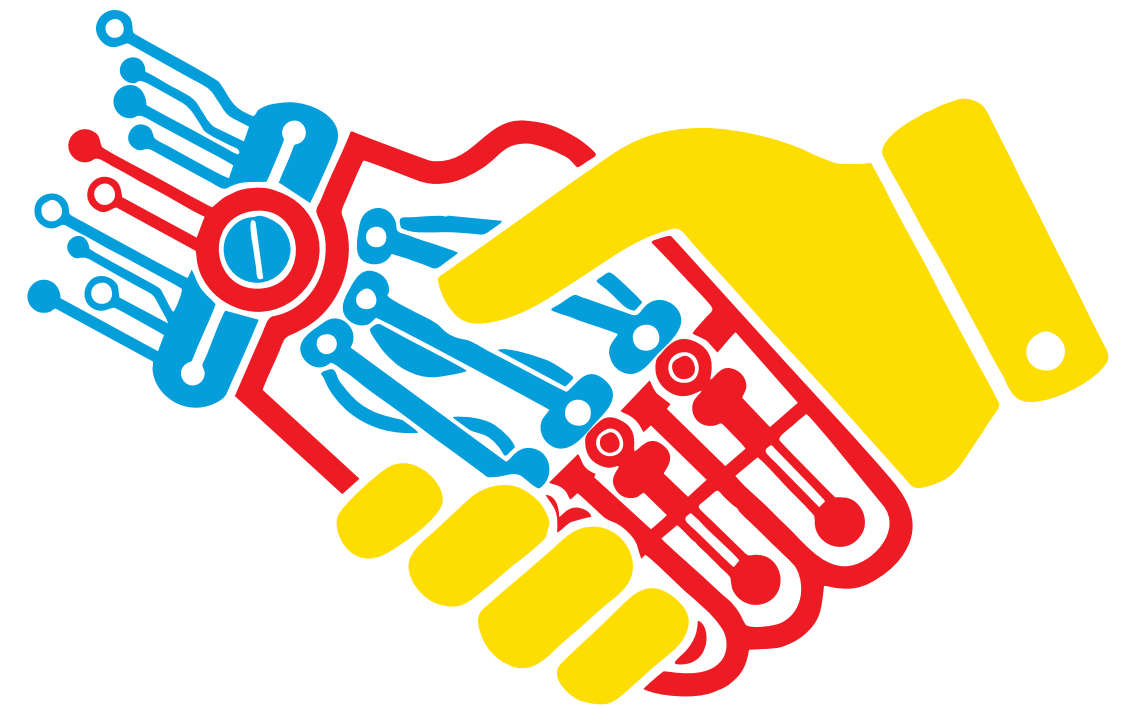
Dialysis Machines



Hostels



Open Halls



<https://www.sabahcredit.com.my>

## CHAIRMAN'S MESSAGE



Dear valued shareholders,

On behalf of the Members of the Corporation, I am pleased to present the report card of Sabah Credit Corporation (SCC) for the financial year ended 31 December 2019 (FY2019).

Fy2019 presented its fair share of challenges to the Corporation and we have met these challenges with diligence. We have managed to deliver promising results in year 2019 and are constantly working on taking the Corporation to the next level in its journey of ensuring a sustained growth and performance.

The Management team of Sabah Credit Corporation performed commendably to demonstrate its ability to deliver long-term financial performance while ensuring compliance with regulatory requirements, despite the ever-present challenges to the economic environment. In line with the Corporation's commitment to reward our shareholders, the Corporation continues to create and deliver shareholder value with a total dividend pay-out of year 2019 at RM17 million, resulting in a total payment of RM282.6 million since year 2002. The Members of the Corporation remain focused on enhancing the Corporation's position in creating value to our shareholders.

The core business of the Corporation continues to improve with its Shariah-compliant product: the i-Cash; as well as our product for employees of private sectors: the i-Executive. We have also introduced the Youth & Entrepreneur Loan Scheme (YELS) to assist the youth and development of entrepreneurship in the State. The initiatives implemented over the year have definitely contributed to SCC's growth and resilience, where at the closing of FY2019, the Corporation's total assets stood at RM2.96 billion, and profit before tax recorded were RM95.41 million. I believe our success is the result of our unwavering pursuit in bringing value and quality in everything that we have done in the past and will continue to do in the present.

Whilst we pursue our business commitments, we also acknowledge our responsibility to our community. We have continued our mandated objective in providing easier access to financial facilities and improving the socio-economic status of our community through Yayasan Perbadanan Pinjaman Sabah (YPPS), which is financed by 10% of our annual aggregate taxable income.

On behalf of the Members of the Corporation, I take this opportunity to express my gratitude for the constant support, assistance, and guidance from the Ministry of Finance, government agencies, stakeholders, industry collaborators and partners, and all the relevant authorities.

Most importantly, I extend a heartfelt thank you to the big family of SCC itself – the Management and the energetic Warga SCC for their dedication, excellence and inspired work over the past year. I am also very privileged to be surrounded by Members of high calibre. Finally, I thank our valued clients for their continuous support and loyalty.

Let us work together for better prospects and successes in 2020.

Thank you.

DATO' KHOO CHEO PING @ JOHN KHOO  
Chairman

## CHIEF EXECUTIVE OFFICER'S MESSAGE



The year was not without its challenges yet we continued our focus on efforts to maintain our profitability and long-term sustainable growth through sound adherence to our strategy. We are extremely appreciative of the continuous support shown by the State Government in helping us to achieve our goals as a Corporation. Rest assured that we have continued our persistence in delivering the best performance possible to drive the value of the Corporation to greater heights.

SCC delivered well beyond expectations in FY2019, recording a highest profit for the year to date. At the year end, SCC achieved a profit before tax of RM95.41 million, an increase of approximately 13.8% from the previous financial year. Our marketing approach has benefited us as evident from the addition of 2,472 new customers resulting to SCC reaching an asset base of RM2.96 billion by the end of the year.

SCC has also continued to exhibit commendable financial performance, and is verified by being assigned yet again an AA1/P1 rating on its sukuk instruments from RAM Ratings. These acknowledgements are fundamental to further increase stakeholder and investor confidence towards the Corporation.

We continue to uphold our responsibility as a good corporate citizen by engaging with the community, continuing our mission in "giving back" and further assisting the less fortunate by means of Corporate Social Responsibility (CSR) programmes. The programmes were designed for poverty mitigation through provisions of infrastructure and facilities especially in areas concerning social, education, and health-related projects. In year 2019, a total of 57 projects were approved at a cost of RM8.08 million with an emphasis on projects involving infrastructure of rural hostels and facilities to schools around the state.

In accordance with today's digital business environment, SCC continues to develop progressive initiatives that resonate with its current strategic plan: Journey Across the Digital Divide. We remain alert on further enhancing our digital capabilities, creating innovative payment capabilities as well as service and delivery enhancements to expand our value proposition to the clients. Looking forward, we are identifying opportunities in the digital space to give us a competitive edge in this era of digitalisation.

We will continue to strive for success, ensuring that our distinct culture remain visible. My sincere gratitude goes to the Members of the Corporation – the achievements of SCC today could not be made possible without your immense contributions and the benefit of their wisdom. Appreciation also goes to the Ministry of Finance for their continuous support to the Corporation. Moving forward, I call upon my amazing Team SCC who made it all happen to continue doing our best to grow and deliver positive results to strengthen our position; and as we step forward on achieving our goals, I call upon all our stakeholders to continue lending us your support.

Thank you.

GEORGE TAITIM TULAS  
Chief Executive Officer

## FINANCIAL PERFORMANCE HIGHLIGHTS

### Statements of Financial Position as at 31 December 2019

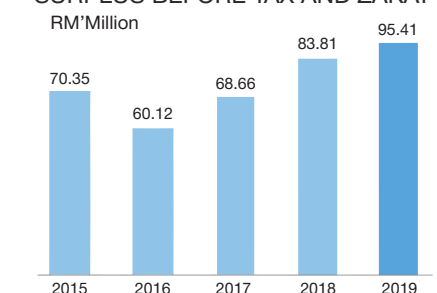
	Group		Corporation	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM	RM	RM	RM
<b>ASSETS</b>				
Non-current assets				
Property and equipment	36,648,124	36,026,522	36,648,124	36,026,522
Investment in jointly controlled entity	5,482,125	5,495,011	4,123,199	4,123,199
	42,130,249	41,521,533	40,477,323	40,149,721
Current assets				
Cash and bank balances	33,663,346	11,074,142	33,663,346	11,074,142
Deposits and placements with financial institutions	10,825,704	10,676,407	10,825,704	10,676,407
Financial assets at fair value through profit or loss	1,117,636	1,096,955	1,117,636	1,096,955
Tax recoverable	-	1,169,154	-	1,169,154
Other receivables, deposits and prepayment	6,630,129	8,863,369	6,630,129	8,863,369
Loans, advances and financing	2,866,127,237	2,857,223,484	2,866,127,237	2,857,223,484
	2,918,364,052	2,890,043,023	2,918,364,052	2,890,043,023
<b>TOTAL ASSETS</b>	<b>2,960,494,301</b>	<b>2,931,564,556</b>	<b>2,959,135,375</b>	<b>2,930,192,744</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Non-current liabilities				
Borrowings	18,286,087	6,910,536	18,286,087	6,910,536
Debt securities issued	1,070,000,000	1,110,000,000	1,070,000,000	1,110,000,000
Employee benefit	1,709,432	1,802,451	1,709,432	1,802,451
	1,089,995,519	1,118,712,987	1,089,995,519	1,118,712,987
Current liabilities				
Borrowings	286,622,572	328,554,575	286,622,572	328,554,575
Debt securities issued	920,000,000	880,000,000	920,000,000	880,000,000
Employee benefit	232,935	117,825	232,935	117,825
Other payables, provision and accrual	35,668,203	35,305,286	35,668,203	35,305,286
Overdraft	760,404	194,760	760,404	194,760
Tax payable	3,081,451	-	3,081,451	-
	1,246,365,565	1,241,639,088	1,246,365,565	1,241,639,088
<b>Total Liabilities</b>	<b>2,336,361,084</b>	<b>2,360,352,076</b>	<b>2,336,361,084</b>	<b>2,360,352,076</b>
Share capital	200,000,000	200,000,000	200,000,000	200,000,000
Retained earnings	424,133,217	371,212,481	422,774,291	369,840,669
Total Shareholders' Equity	624,133,217	571,212,481	622,774,291	596,840,669
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,960,494,301</b>	<b>2,931,564,556</b>	<b>2,959,135,375</b>	<b>2,930,192,744</b>

### Statements of Comprehensive Income for the financial year ended 31 December 2019

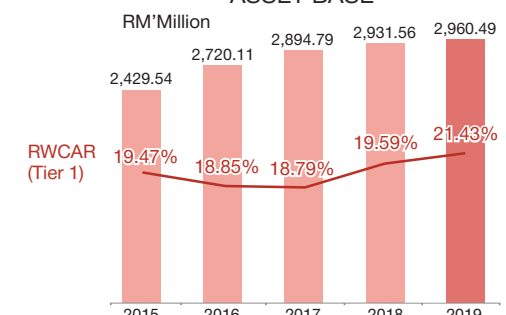
	Group		Corporation	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM	RM	RM	RM
Interest income	237,595,474	230,139,344	237,595,474	230,139,344
Interest expense	(93,432,238)	(96,259,748)	(93,432,238)	(96,259,748)
Net interest income	144,163,236	133,879,596	144,163,236	133,879,596
Non-interest income	25,199,897	23,420,833	25,199,897	23,420,833
	169,363,133	157,300,429	169,363,133	157,300,429
Operating expenses	(48,368,175)	(46,331,248)	(48,368,175)	(46,331,248)
Other gain/(loss)	21,170	(185,448)	21,170	(185,448)
Share of profits of jointly controlled entity	(12,886)	(48,777)	-	-
Depreciation	(3,110,777)	(2,873,985)	(3,110,777)	(2,873,985)
Impairment on loan and advances	(22,485,235)	(24,048,017)	(22,485,235)	(24,048,017)
Profit before taxation and zakat	95,407,230	83,812,914	95,420,116	83,681,691
Taxation				
- Corporation	(26,018,826)	(21,994,254)	(26,018,826)	(21,994,254)
Zakat	(497,668)	(100,001)	(497,668)	(100,001)
Profit after taxation/total comprehensive income	68,920,736	61,718,659	68,933,622	61,767,436

## 5-YEAR FINANCIAL SUMMARY

### SURPLUS BEFORE TAX AND ZAKAT

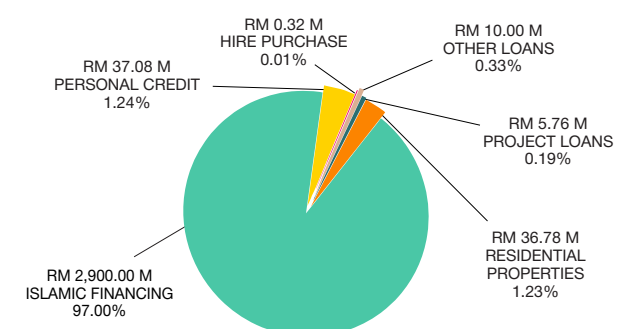


### ASSET BASE

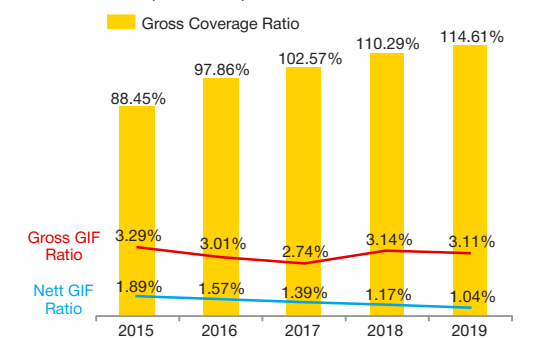


### GROSS FINANCING

Total: RM 2,989.58 Million

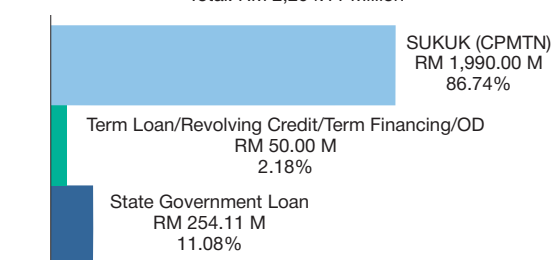


### GROSS GIF, NET GIF, & GROSS COVERAGE RATIO



### SOURCES OF FUNDS BY TYPE

Total: RM 2,294.11 Million



"RAM Ratings: **AA1/P1** With Stable Outlook"