

MEMBERS OF THE CORPORATION

Datuk 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)

Hj. Rusdin @ Musidi Bin Riman
(Permanent Secretary - Ministry Of Finance)

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

Mr. Muhidin Hj. Ismail
(Director - Agriculture Department)

Datuk Hj. Kaim Kalimin
(Member)

Mr. Nixon Bin Hj. Abdul Habi
(Member)

Mr. Willie Tadam
(Member)

Hjh. Zaitun Dsp Hj. Mohd Kassim
(Member)

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)

SIGNIFICANT EVENTS

February 2020

Launching of Sabah Pay, a digital app sanctioned by State Government of Sabah:
(a) SCC payments and online applications made available via Sabah Pay



April 2020

Launching of SCC We Care Package:
(a) Profit rate for iCash (public sector) reduced to 3.99%
(b) Profit rate for iExecutive (private sector) reduced to 4.5%
(c) New portfolio introduced, iGold 3.99% (government pensioners)

June 2020

Launching of 2 new portfolios under Sabah State Government Stimulus Package:
(a) Micro Credit Scheme 0.0%
(b) SME Loan Scheme 3.5

July 2020

Restructuring of Operation Department in combating NPA

August 2020

Processing and approval authority for iExecutive delegated to all DCC
Online signing of offer letter made available via Sabah Pay for Micro Credit



October 2020

Yearly update to investors via video conferencing

December 2020

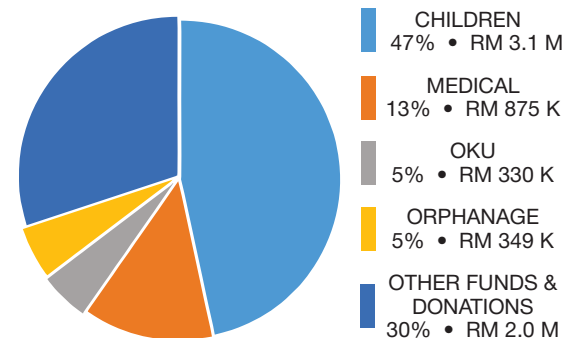
Dividend payment for financial year 2019 to Chief Minister Sabah



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 concentrated around the construction of rural hostels, school's multipurpose hall and the less fortunates. In addition for 2020, SCC also contributed to the State Disaster Relief Funds and UMS Covid19 Special Assistance Funds as well as critical medical equipment to assist the State Government in combating the pandemic.



Total CSR Projects For Year 2020
RM 6.67mil / 43 projects



Tabung Bencana Negeri



Tabung COVID-19 UMS



26 units High Flow Nasal Cannula



Open Hall SK Piasau Kota Belud



Computer, Printer and Projector
Donation to SPCA

REPORT CARD 2020



PERBADANAN PINJAMAN SABAH
(SABAH CREDIT CORPORATION)

A Statutory Body Wholly Owned By The State Government



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

CHAIRMAN’S MESSAGE



Dear valued shareholders,

2020 was momentous for Sabah Credit Corporation (SCC). At a time of unprecedented difficulty from the novel coronavirus COVID-19 pandemic, we were privileged to be in a position to help the State address these challenges. We have successfully sailed through these tough conditions and remained in a strong financial position, delivering solid results for the year under review.

Moving forward, the Corporation remains agile with exciting prospects in the near future. We are constantly working on taking the Corporation to the next level by further accelerating our digitalisation plan to deliver greater convenience to the State.

CHIEF EXECUTIVE OFFICER’S MESSAGE



The COVID-19 pandemic has led to an unprecedented crisis like never before, with movement and social restrictions curtailing our activities. Despite the challenges, 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.

SCC delivered well beyond expectations in FY2020, achieving a commendable profit before tax of RM98.2 million at the year end. Behind this noteworthy accomplishment is the strategic approach adopted by our collective leadership as well as the cooperation and support from the State Government. SCC also pivots its focus to serving the people with the launch of stimulus packages introduced by the State (Sabah We Care Micro Financing and SME Loan Scheme) for businesses that have been affected by the pandemic.

The Corporation continues to create and deliver shareholder value with a total dividend pay-out of RM17 million for FY2020, resulting in a total payment of RM299.6 million since year 2002. Barring any unforeseen circumstances, the Members of the Corporation remain confident that our commitment towards ambitious goals will help us ride out any challenging times ahead.

The challenges and uncertainties arising from the COVID-19 pandemic upended our best laid plans. However, we are pleased to have delivered a RM98.2 million profit before tax in FY2020, which is a RM2.8 million increase from last year. This is a remarkable result given the extensive disruptions COVID-19 caused on our operations. These financial results indicate that SCC possesses the capability and knowledge of facing the challenges posed by the market, and will continuously develop our capabilities to expand our value proposition to clients, backed by strong support from the State Government.

We have also continued our mandated objective in providing easier access to financial facilities and improving the socio-economic status of our community through the incorporation of Yayasan Perbadanan Pinjaman Sabah (YPPS) to administer our Corporate Social Responsibility programmes, which are financed by 10% of our annual aggregate taxable income.

The year in review also sees an addition of 1,737 new customers resulting to the organisation 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. In addition, SCC also maintained its 5-star ranking on its Accountability Index Rating that was presented by the National Audit Department in 2017. 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 focusing on education, children, women and the disable in the rural areas. In year 2020, a total of 43 projects were approved at a cost of RM 6.6 million which included relief for those affected by the COVID-19 pandemic.

In accordance with today's digital business environment, SCC continues to develop progressive initiatives and remains 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.

On behalf of the Members of the Corporation, I would like to express my utmost gratitude to all our investors for their unwavering support and belief in SCC. I also wish to convey my heartfelt appreciation to the Ministry of Finance, government agencies, industry collaborators and partners, as well as all the relevant authorities for their continuing trust and confidence in us.

Most importantly, I extend a heartfelt thank you to the big family of SCC itself – the Management for their efforts in delivering yet another strong performance, and the energetic Warga SCC for their dedication, excellence and inspired work over the past year. A sincere appreciation also goes to my predecessor, YBhg. Dato' Khoo Cheo Ping @ John Khoo, for his past services and contributions to the Corporation. Finally, I thank our valued clients for their continuous support and loyalty.

Thank you.

DATUK DR. YEE MOH CHAI
Chairman

Since the pandemic brought physical operations to a screeching halt, SCC turns to the use of technology to engage with our clients through the Sabah Pay mobile app which resulted to greater operational effectiveness and efficiency.

Although the economic conditions may remain challenging in FY2021 with uncertainties continuing to cloud the market, we have put in place the strategies to focus our efforts to strive for success. 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 shareholders to continue lending us your support.

Thank you.

GEORGE TAITIM TULAS
Chief Executive Officer

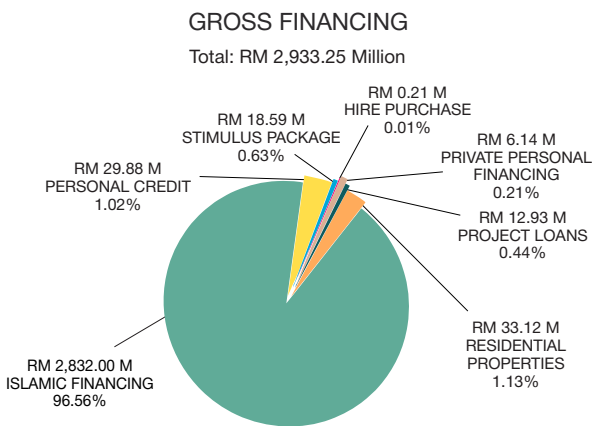
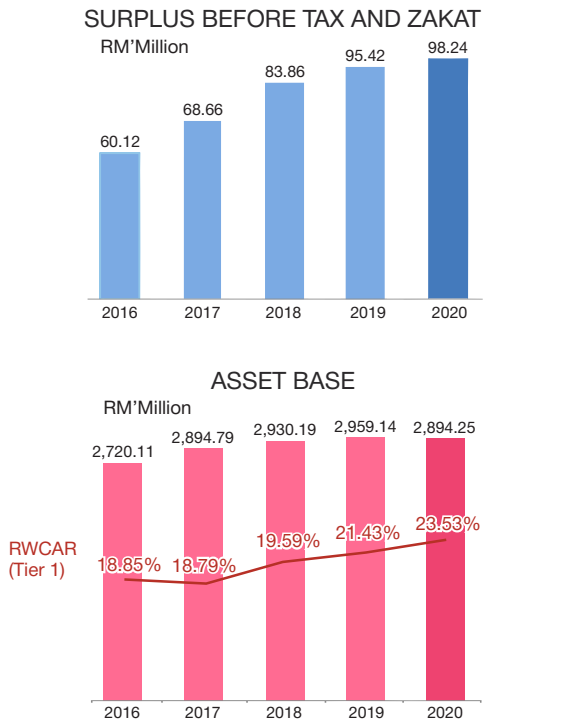
FINANCIAL PERFORMANCE HIGHLIGHTS

| Statements of Financial Position as at 31 December 2020 | | | | |
|---|---------------|---------------|---------------|---------------|
| | Group | | Corporation | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| | RM | RM | RM | RM |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property and equipment | 36,134,816 | 36,648,124 | 36,648,124 | 36,648,124 |
| Investment in jointly controlled entity | 5,458,240 | 5,482,125 | 4,123,199 | 4,123,199 |
| Loans, advances and financing | 13,252,787 | 17,974,339 | 13,252,787 | 17,974,339 |
| | 54,845,843 | 60,104,588 | 53,510,802 | 58,745,662 |
| Current assets | | | | |
| Cash and bank balances | 3,702,868 | 33,663,346 | 3,702,868 | 33,663,346 |
| Deposits and placements with financial institutions | 13,743,457 | 10,825,704 | 13,743,457 | 10,825,704 |
| Financial assets at fair value through profit or loss | 1,169,049 | 1,117,636 | 1,169,049 | 1,117,636 |
| Tax recoverable | - | - | - | - |
| Other receivables, deposits and prepayment | 33,017,627 | 6,630,129 | 33,017,627 | 6,630,129 |
| Loans, advances and financing | 2,789,108,032 | 2,848,152,898 | 2,789,108,032 | 2,848,152,898 |
| | 2,840,741,033 | 2,900,389,713 | 2,840,741,033 | 2,900,389,713 |
| TOTAL ASSETS | 2,895,586,876 | 2,960,494,301 | 2,894,251,835 | 2,959,135,375 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Non-current liabilities | | | | |
| Borrowings | 107,636,660 | 18,286,087 | 107,636,660 | 18,286,087 |
| Debt securities issued | 740,000,000 | 1,070,000,000 | 740,000,000 | 1,070,000,000 |
| Employee benefit | 4,291,721 | 1,709,432 | 4,291,721 | 1,709,432 |
| | 851,928,381 | 1,089,995,519 | 851,928,381 | 1,089,995,519 |
| Current liabilities | | | | |
| Borrowings | 397,427,982 | 286,622,572 | 397,427,982 | 286,622,572 |
| Debt securities issued | 930,000,000 | 920,000,000 | 930,000,000 | 920,000,000 |
| Employee benefit | 281,839 | 232,935 | 281,839 | 232,935 |
| Other payables, provision and accrual | 30,209,595 | 35,668,203 | 30,209,595 | 35,668,203 |
| Overdraft | 4,469,580 | 760,404 | 4,469,580 | 760,404 |
| Tax payable | 3,146,754 | 3,081,451 | 3,146,754 | 3,081,451 |
| | 1,365,535,750 | 1,246,365,565 | 1,365,535,750 | 1,246,365,565 |
| Total Liabilities | 2,217,464,131 | 2,336,361,084 | 2,217,464,131 | 2,336,361,084 |
| Share capital | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 |
| Retained earnings | 478,122,745 | 424,133,217 | 476,787,704 | 422,774,291 |
| Total Shareholders' Equity | 678,122,745 | 624,133,217 | 676,787,704 | 622,774,291 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 2,895,586,876 | 2,960,494,301 | 2,894,251,835 | 2,959,135,375 |

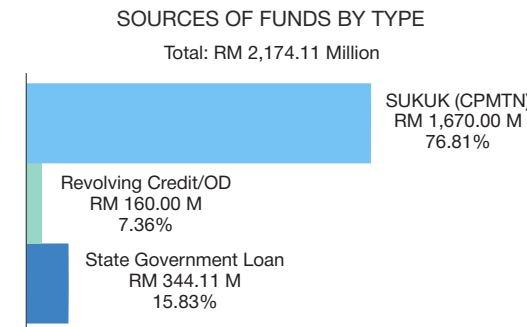
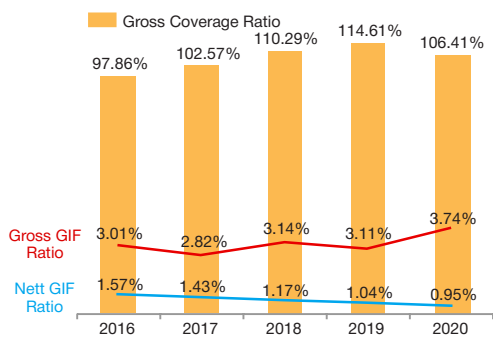
Statements of Comprehensive Income for the financial year ended 31 December 2020

| | Group | | Corporation | |
|---|--------------|--------------|--------------|--------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| | RM | RM | RM | RM |
| Interest income | 234,940,865 | 237,595,474 | 234,940,865 | 237,595,474 |
| Interest expense | (83,698,021) | (93,432,238) | (83,698,021) | (93,432,238) |
| Net interest income | 151,242,844 | 144,163,236 | 151,242,844 | 144,163,236 |
| Non-interest income | 19,118,358 | 25,199,897 | 19,118,358 | 25,199,897 |
| | 170,361,202 | 169,363,133 | 170,361,202 | 169,363,133 |
| Operating expenses | (47,519,227) | (48,368,175) | (47,519,227) | (48,368,175) |
| Other gain/(loss) | 51,413 | 21,170 | 51,413 | 21,170 |
| Share of profits of jointly controlled entity | (23,885) | (12,886) | - | - |
| Depreciation | (3,227,030) | (3,110,777) | (3,227,030) | (3,110,777) |
| Impairment on loan and advances | (21,425,913) | (22,485,235) | (21,425,913) | (22,485,235) |
| Profit before taxation and zakat | 98,216,560 | 95,407,230 | 98,240,445 | 95,420,116 |
| Taxation - Corporation | (25,548,893) | (26,018,826) | (25,548,893) | (26,018,826) |
| Zakat | (340,594) | (497,668) | (340,594) | (497,668) |
| Profit after taxation/total comprehensive income | 72,327,073 | 68,920,736 | 72,350,958 | 68,933,622 |
| Other comprehensive (expense)/income | | | | |
| Item that will not be reclassified subsequently to profit or loss | | | | |
| Remeasurement | (1,337,545) | - | (1,337,545) | - |
| Total comprehensive income | 70,989,528 | 68,920,736 | 71,013,414 | 68,933,622 |

5-YEAR FINANCIAL SUMMARY



GROSS GIF, NET GIF, & GROSS COVERAGE RATIO



“RAM Ratings: **AA1/P1** With Stable Outlook”