

FINANCIAL PERFORMANCE HIGHLIGHTS

BALANCE SHEET AS AT 31 DECEMBER 2011

ASSETS	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balance	8,213,916	36,853,120	8,213,916	36,853,120
Investments	3,434,131	3,310,167	3,434,131	3,310,167
Deposits	242,853,186	18,800,755	242,853,186	18,800,755
Investment in jointly controlled entity	1,884,892	125,000	125,000	125,000
Amount owing from joint venture	7,998,199	7,834,594	7,998,199	7,834,594
Loans, advances and financing	1,352,282,527	1,189,701,232	1,352,282,527	1,189,701,232
Current tax asset	-	2,543,405	-	2,543,405
Other receivables	3,209,557	2,737,873	3,209,557	2,737,873
Property, plant and equipment	42,992,916	43,262,655	42,992,916	43,262,655

TOTAL ASSETS	1,662,869,324	1,305,168,801	1,661,109,432	1,305,168,801
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LIABILITIES AND SHAREHOLDERS' EQUITY

Borrowings	1,303,898,845	1,060,217,639	1,303,898,845	1,060,217,639
Other payables and accruals	54,120,690	60,568,167	54,120,690	60,568,167
Current tax liabilities	492,688	-	492,688	-

TOTAL LIABILITIES	1,358,512,223	1,120,785,806	1,358,512,223	1,120,785,806
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Share capital	150,000,000	50,000,000	150,000,000	50,000,000
Non-distributable reserves	361,001	266,817	361,001	266,817
Accumulated funds	153,996,100	134,116,178	152,236,208	134,116,178

TOTAL SHAREHOLDERS' EQUITY	304,357,101	184,382,995	302,597,209	184,382,995
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,662,869,324	1,305,168,801	1,661,109,432	1,305,168,801
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INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER 2011

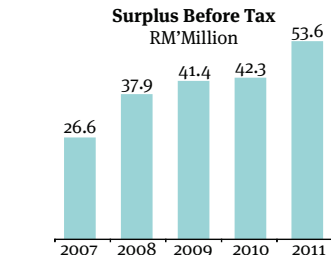
	2011 RM	2010 RM
Interest income	117,855,090	104,274,048
Interest expense	(42,000,338)	(41,302,703)

NET INTEREST INCOME	75,854,752	62,971,345
Non-interest income	16,159,239	6,845,842
Non-interest expense	(10,007,781)	(2,700,924)

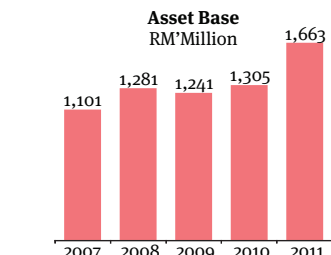
NET INCOME	82,006,210	67,116,263
Operating expenses	(30,236,959)	(24,837,775)
Share results of jointly controlled entity	1,847,664	-

SURPLUS BEFORE TAX	53,616,915	42,278,488
Tax expenses:		
- Company	(14,805,037)	(11,076,278)
- Jointly controlled entity	(87,772)	-

NET SURPLUS FOR THE YEAR	38,724,106	31,202,210
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Healthy and consistent growth of profitability



Maintaining strong asset size with wide retail-based concentration



Hire Purchase Loans
RM2.25 Mil
0.2%



Project Loans
RM53.56 Mil
4%



Residential Properties Loan
RM147.33 Mil
11%



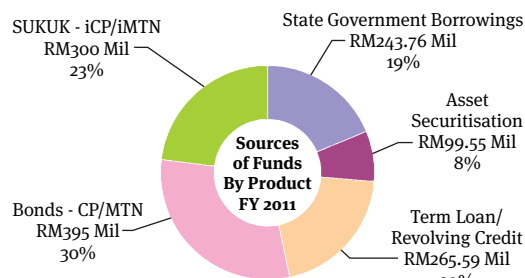
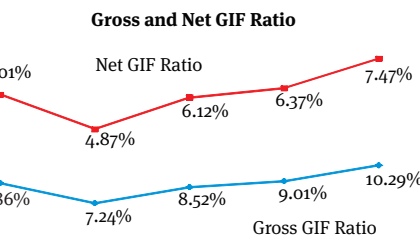
Executive Loan
RM520.74 Mil
39%



i-Executive Financing
RM610.70 Mil
45%



OTHERS
Other Loans
RM16.12 Mil
1%



Wider pool of investors through variety sources of funds

"RAM RATING : AA1/P1 WITH STABLE OUTLOOK"

CORPORATE SOCIAL RESPONSIBILITY

SCOPE

Since 2005, SCC has put aside 5% of its annual profit for community projects under its Corporate Social Responsibility (CSR) Program. This program emphasizes on WOMEN, CHILDREN and the LESS FORTUNATE, empowering them to move ahead in their quest for better opportunities and living, through the provision of infrastructure and the contributions of necessary equipment.



RURAL HOSTELS
Asrama Pride
SM Advent Goshen
Kota Marudu

MEDICAL EQUIPMENT FOR HOSPITAL



Haemodialysis Machine
Hospital Keningau

ORPHANAGE HOSTELS



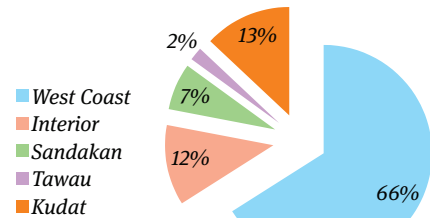
Rumah Anak Yatim Islam
Tawau

WATER GRAVITY PROJECT

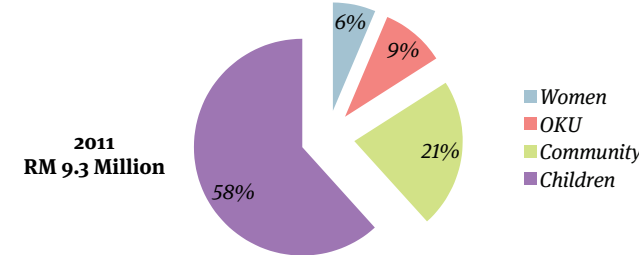


Water Gravity Pipe Kg. Kionsom
Inanam

DISTRIBUTION OF PROJECTS BY DISTRICTS



DISTRIBUTION OF PROJECTS BY CATEGORIES



SIGNIFICANT EVENTS

Online Application

- Allows customers to apply for the i-Executive financing online
- Less waiting time
- Located in its main website www.sabahcredit.com.my



SCC On Social Media

- SCC has launched its very own Facebook Page www.facebook.com/SabahCreditCorporation
- To complement SCC's main website
- A more personal touch towards friendly service



IT Support



- Team of people function as a Managed Technical Support Services (MTSS) team that provides the IT related services for SCC
- Best practices and expertise of IBM is to be transferred to SCC personnel
- Cross breeding of knowledge and skills

Sukuk

- SCC launched a RM 1 billion Sukuk program as a mean to fund its Islamic products



Corporate Image

- Keningau and Kota Belud District Client Centres were completed with its new modern and executive outlook
- Sandakan District Client Centre relocated to Prima Square
- Ranau District Client Centre also started its renovation works
- Lahad Datu District Client Centre's new office construction arrived at its final completion stage
- Telupid marketing centre was also launched on March 2011



"You are the Brand"



Another challenging year has passed and SCC has once again made significant steps forward with new approaches in order to strengthen its foundations laid in sustaining its future.

Financial Performance

SCC has recorded another hike in surplus before tax of RM53.6 million, an increase of 40% from RM42.3 million in FY2010. The reaping of high profits is supported by a wide asset base of RM1.7 billion of which 82% is composed of personal credit financing. SCC's gross impaired financing (GIF) has deteriorated to 10% as at FY2011 due to impairment of a lumpy loan, otherwise the GIF would slightly improve to 8%. The introduction of a Prevention Squad, which is geared toward monitoring of no-first payment received and the adoption of current write-off methodology as practised in the industry will further improve GIF.

Sources of Funds

On 14 December 2011, SCC has successfully launched its RM1 billion Sukuk Programme with the assistance of our Lead Arranger, Aminvestment Bank Berhad. This will further strengthen the funding base to support its Islamic business growth. The first tranche of RM300 million has been issued and fully taken up at very favourable rates on 22 December 2011.

Outsourcing of IT support

SCC understands that in this fast-paced world, business and technology intelligence both play important roles in contributing to the success of an organization. However, business and technology intelligences become a secondary priority when internal IT resources are struggling with routine IT services, which cover desktop services such as e-mail, back-office services such as storage and mid-office services such as security. A modern and online organisation is crippled when these fundamental services failed to be delivered. Rather than struggle inefficiently with these services internally, sourcing them externally from an expert would be a wiser choice. It is with this understanding that SCC has engaged into a "Managed Technical Support Services" (MTSS) contract with IBM Malaysia Sdn Bhd on April 2011 for the next five years to administer its IT fundamental services.

Outlook

We expect 2012 to be a year where we will harvest much rewards from the challenges faced in 2009, 2010 and 2011. However, we will not be complacent but we will enter a new year with renewed vigour and momentum of "cross-breeding" where the offsprings of new partnerships and processes often creates a better gene pool of quality, expertise and leadership in order to remain relevant in our ever-changing dynamic world.

Appreciation

I give full credit to my Warga PPS for such a feat as they had accepted and faced the challenges head on with professionalism, resilience and positive vibes. You are the Brand!

I am also most grateful for a very understanding and supportive Members of the Corporation and a very responsive Ministry of Finance. It is indeed very encouraging and empowering to have such good working relationships.

Datuk Vincent Pung
Chief Executive Officer

"ACCOUNTABILITY INDEX RATING ★★★★★"

Report Card 2011



MEMBERS OF CORPORATION



YB DATIN 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. DATUK M.C ISMAIL SALAM
(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
(Engineer)
 7. MR. ZAMANI HJ BASRI
(Entrepreneur)
 8. MR. RASKAN ASING
(Entrepreneur)

MANAGEMENT TEAM

- HEAD OF DEPARTMENT**
1. VICTOR MONSIBOL
(Credit)
 2. ARIUS JIPIU
(Credit Control)
 3. CHARLES PETER MOJUNTIN
(Internal Audit)
 4. ELIGIUS SAMUEL
(Corporate & Training)



LEE SHU MEN
Chief Operating Officer

DATUK VINCENT PUNG
Chief Executive Officer

GEORGE TAITIM TULAS
Chief Financial Officer

- HEAD OF DEPARTMENT**
5. ISMAIL BENJAMIN
(Administration & Property)
 6. NELSON CHAN KIN REN
(Information Technology)
 7. FIONA KAU SHUK FANG
(Finance)
 8. FATIMAH KAHAR
(Human Resource)



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

"Competition is actually making SCC
more innovative and more hardy"



Vision

To become a leading Corporate Citizen
in Malaysia and to contribute to the
State Social Agenda with the intention
"To make a Difference"

The Malaysian economy has been surprisingly resilient in facing the global slowdown arising from the European financial crisis. Stabilising global and domestic demand conditions has resuscitated manufacturing output, while large public expenditure has contributed to expansion in both construction and services activities. With that, the Malaysian economy recorded an expansion in growth of 5.2% at end of the fourth quarter of 2011.

Even in the light of aggressive measures employed by central banks to reduce indebtedness in the market and intensified competition from the key players in the market, the Corporation continued with its admirable performance in the year 2011. Existing and new players are offering new financial packages to attract new clients in a market that is getting more and more congested. Notwithstanding this red ocean environment I am happy to see that the competition is actually making SCC more innovative and more hardy. This is shown when we look at our achievements for the year.

The core business of the Corporation continues to improve ever since the launching of its Shariah-compliant product, i-Executive, in November 2010. The total account receivables of the Corporation closed at RM1.35 billion in FY2011, an increase by 14% from FY2010, and contributed to a profitability of RM53.6 million in FY2011. These are good indicators that SCC is readily on their toes to contend with the intense challenges posed by the many and varied players in the market.

With this accomplishment, the Corporation declared a gross dividend of RM25 million to the State Government for the year 2011, and the Corporation will continue its contribution back by way of dividend payment. In no way have we forgotten our mandated objectives of providing easier access to financial facilities as we have also further endeavoured to jack up the socio-economic status of our community at large through our Corporate Social Responsibility programmes.

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, and all the relevant authorities.

Showers of thanks to the Management and Warga PPS. Their professionalism and going-the-extra-mile contribution have resulted in yet another year of admirable financial performance. Finally, I thank our valued customers for their continuous support and loyalty.

Thank you.

YB DATIN LINDA TSEN
Chairman