

*"SCC remained innovative and flexible despite heavy competition in the market."*



Over the past years, we have witnessed the continuous growth of Sabah Credit Corporation as a sustainable organisation, underpinned by an energising and purpose-driven vision and mission. Year 2015 was yet another year full of exciting progress 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.

While the country grappled with severe headwinds in the economic front last 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 dividend paid to the State Government in 2015 was RM16.2 million. This brings the total payments since 2002 to RM220.68 million, with dividend pay-outs intended to continue as a means of giving back to shareholders.

Our achievements 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 Shariah-compliant product; the *i-Executive*. At the closing of FY2015, the total assets of the Corporation were RM2.45 billion, which included a profit of RM70.35 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  
Chairman

## Members Of Corporation



YB Datuk 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. Mr. Idrus Bin Shafie  
(Director - Agriculture Department)
3. Th. Hj. Safar Bin Untong  
(Director - Lands &  
Surveys Department)

### Members

4. Mr. Marzuki Hj Spawi, JP  
(Lawyer)
5. Ir. Shahelmey Bin Yahya, JP  
(Engineer)
6. Mr. Zamani Hj Basri  
(Entrepreneur)
7. Mr. Raskan Asing  
(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. Jimmy Berukang  
(Urban Transformation Centre (UTC))
6. Ismail Benjamin  
(Administration & Property)
7. Nelson Chan  
(Information Technology)
8. Patricia Chow  
(Finance)
9. Fatimah Kahar  
(Human Resource)



# Report Card 2015



**PERBADANAN PINJAMAN SABAH**  
(SABAH CREDIT CORPORATION)

## Vision

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

**60<sup>th</sup>**  
Since 1955  
Together Is Our Strength

## 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.



Pusat Kegiatan  
PRIDE Pesara  
Sandakan  
4 March



Asrama Desa PRIDE  
SK Sabur Banggi  
9 July



Dialysis Machine  
Hospital Kudat  
9 July



Community Learning Centre  
Kg Tiku Penampang  
25 August



Dialysis Machine  
Hospital Duchess of Kent Sandakan  
9 October

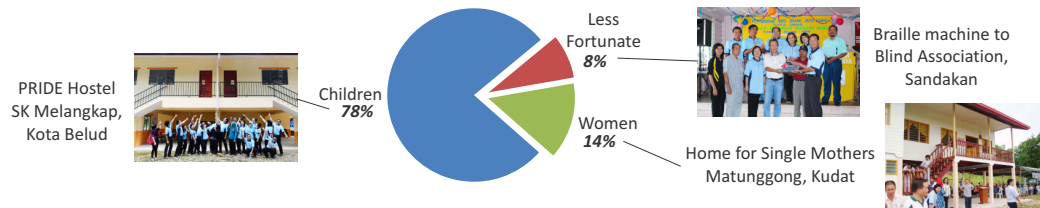


Solar Project  
Kg Sonsogon Magandai  
19 November

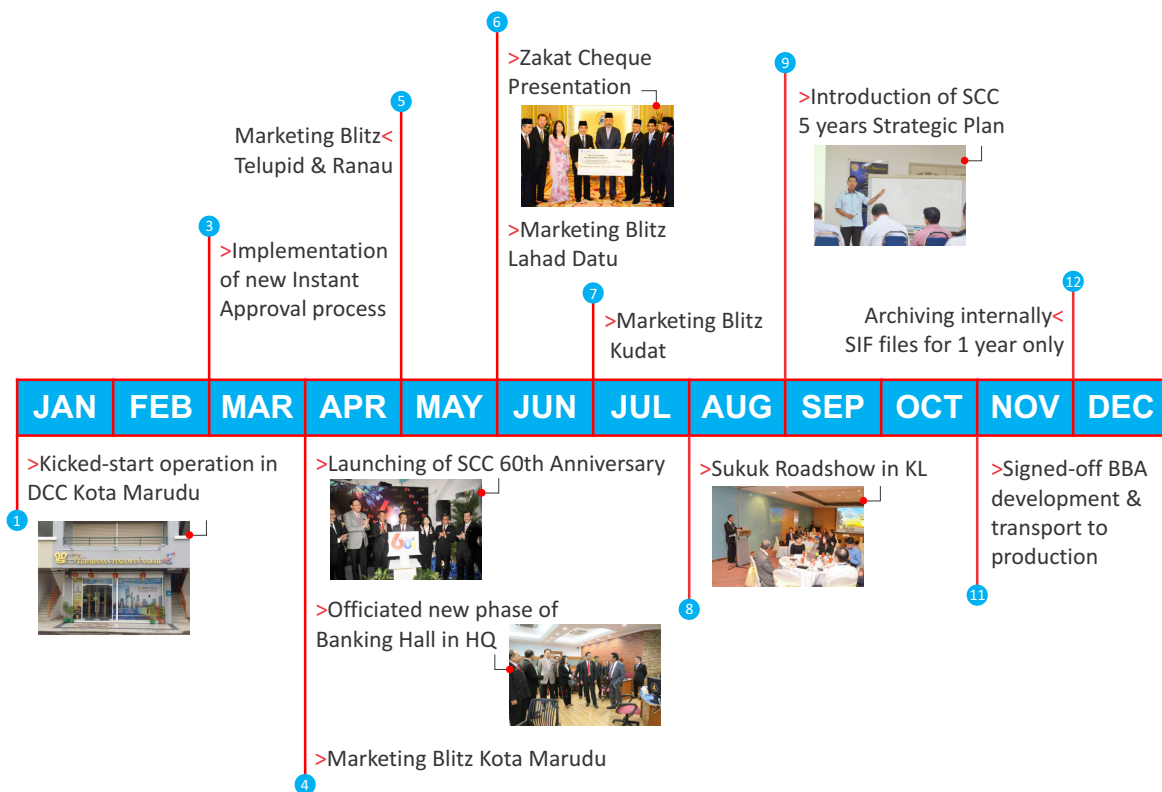


Wallace Sheltered  
Handicraft Workshop, KK  
24 November

### CSR Projects for the year 2005-2015



## Significant Events



“Accountability Index Rating ★★★★★”

## Financial Performance Highlights

### BALANCE SHEET AS AT 31 DECEMBER 2015

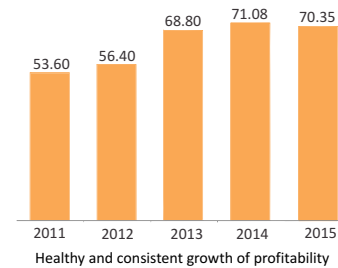
ASSETS	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<strong>NON-CURRENT ASSETS</strong>				
Property, plant and equipment	39,092,992	38,724,692	39,092,992	38,724,692
Investment in jointly controlled entity	9,524,414	6,905,575	8,123,199	8,123,199
	48,617,406	45,630,267	47,216,191	46,847,891
<strong>CURRENT ASSETS</strong>				
Other receivables	5,582,384	9,325,871	5,582,384	9,325,871
Investments	23,317,417	31,744,810	23,317,417	31,744,810
Deposits	2,555,819	5,635,227	2,555,819	5,635,227
Loans, advances and financing	2,341,876,111	2,195,374,457	2,341,876,111	2,195,374,457
Cash and bank balance	23,854,466	21,876,660	23,854,466	21,876,660
Current tax asset	4,663,778	-	4,663,778	-
	2,401,849,975	2,263,957,025	2,401,849,975	2,263,957,025
<strong>TOTAL ASSETS</strong>	<strong>2,450,467,381</strong>	<strong>2,309,587,292</strong>	<strong>2,449,066,166</strong>	<strong>2,310,804,916</strong>

<strong>LIABILITIES AND SHAREHOLDERS' EQUITY</strong>				
<strong>NON-CURRENT LIABILITIES</strong>				
Borrowings	1,934,627,733	1,835,360,390	1,934,627,733	1,835,360,390
<strong>CURRENT LIABILITIES</strong>				
Other payables and accruals	51,916,174	45,195,397	51,916,174	45,195,397
Current tax liabilities	-	151,735	-	151,735
<strong>TOTAL LIABILITIES</strong>	<strong>1,986,543,907</strong>	<strong>1,880,707,522</strong>	<strong>1,986,543,907</strong>	<strong>1,880,707,522</strong>
Share capital	200,000,000	200,000,000	200,000,000	200,000,000
Non-distributable reserves	725,492	638,142	725,492	638,142
Accumulated funds	263,197,982	228,241,628	261,796,767	229,459,252
<strong>TOTAL SHAREHOLDERS' EQUITY</strong>	<strong>463,923,474</strong>	<strong>428,879,770</strong>	<strong>462,522,259</strong>	<strong>430,097,394</strong>
<strong>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</strong>	<strong>2,450,467,381</strong>	<strong>2,309,587,292</strong>	<strong>2,449,066,166</strong>	<strong>2,310,804,916</strong>

### INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER 2015

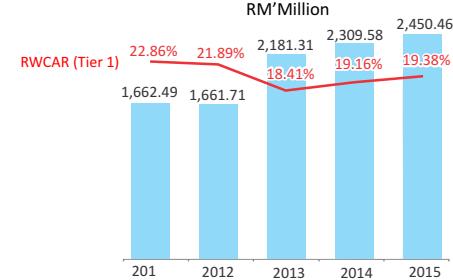
	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest income	201,602,281	187,265,611	201,602,281	187,265,611
Interest expense	(75,483,433)	(65,879,758)	(75,483,433)	(65,879,758)
<strong>NET INTEREST INCOME</strong>	<strong>126,118,848</strong>	<strong>121,385,853</strong>	<strong>126,118,848</strong>	<strong>121,385,853</strong>
Non-Interest income	8,253,690	13,769,784	8,253,690	13,769,784
Non-Interest expense	(23,207,375)	(22,444,819)	(23,207,375)	(22,444,819)
<strong>NET INCOME</strong>	<strong>111,165,163</strong>	<strong>112,710,818</strong>	<strong>111,165,163</strong>	<strong>112,710,818</strong>
Operating expenses	(40,878,298)	(38,873,191)	(40,878,298)	(38,873,191)
Share of profits in jointly controlled entity	64,894	(2,754,443)	-	-
<strong>SURPLUS BEFORE TAX</strong>	<strong>70,351,759</strong>	<strong>71,083,184</strong>	<strong>70,286,865</strong>	<strong>73,837,627</strong>
Zakat	(226,760)	-	(226,760)	-
Tax expense	(19,777,069)	(21,677,992)	(19,777,069)	(21,677,992)
- Corporation	(23,880)	(199,885)	-	-
- Jointly controlled entity	-	-	-	-
<strong>NET SURPLUS FOR THE YEAR</strong>	<strong>50,324,050</strong>	<strong>49,605,077</strong>	<strong>50,283,036</strong>	<strong>52,159,635</strong>

### Surplus Before Tax RM'Million



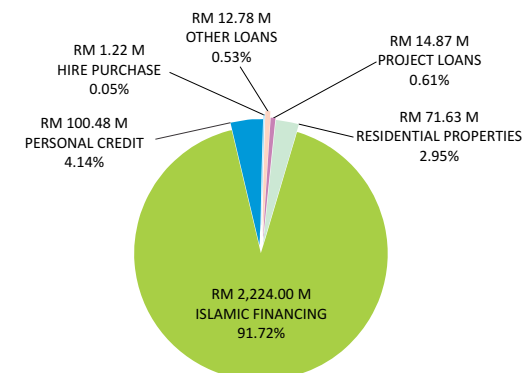
Healthy and consistent growth of profitability

### Asset Base RM'Million

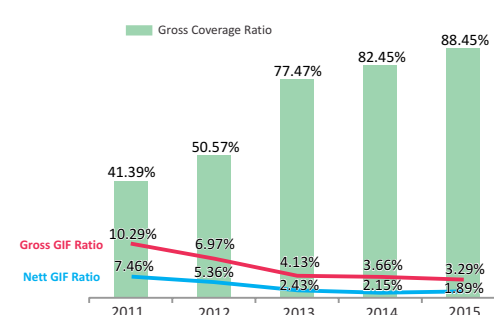


Maintaining strong asset size with wide retail-based concentration

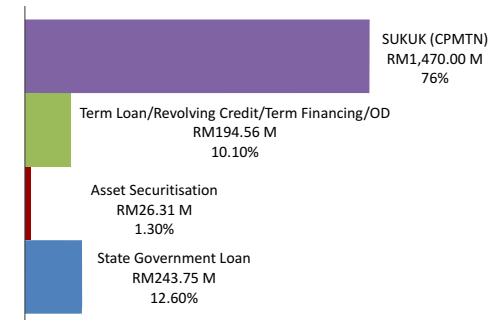
### Gross Financing Amount RM2424.98 Million



### Gross GIF, Net GIF and Gross Coverage Ratio



### Sources of Funds By Type FY 2015 RM1,934.62 Million



“Together is Our Strength”  
A measure taken to further boost  
and inspire teamwork towards  
better productivity by our most  
important resource, our Warga SCC



The Year of the Ram, 2015 was a very challenging and tough year of market and interest volatility and as before, Sabah Credit Corporation (SCC) has been focused and consistent in its goals: That is to create value for shareholders, and to increase the State's social economic welfare, one step at a time. Each year, SCC has followed a disciplined approach: building on existing operations towards precision and sustainability, seeking out new growth opportunities and prudently positioning its capital. As such, SCC now plays a major role in the State's rapidly growing financial services sector offering value added services. In 2015, the strategic plan and aphorism employed by SCC was “Together Is Our Strength”; a measure taken to further boost and inspire teamwork towards better productivity by our most important resource, our Warga SCC.

### FINANCIAL PERFORMANCE

Similar to the previous years, 2015 was another excellent year of solid growth as SCC's Additional Financing, another segment of the i-Executive product under the Islamic portfolio, strengthened the Corporation's Journey towards Sustainability. Despite the threats of rate hikes and the changing market, SCC was still able to achieve a profit surplus of RM70.35 million. Through our 'stickiness factor' marketing, we managed to see an increase of 8,053 new customers totalling to an RM190.16 million surge in portfolio balance, which contributes to SCC reaching an asset base of RM2.45 billion by year end 2015. 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 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.

### LOOKING AHEAD

SCC took the prudent step of realigning its income recognition with the Financial Reporting Standard (FRS) 139: Recognition & Measurement. This change in methodology will contribute to a drop in income recognition, of approximately RM15 million, in year 2016 as the income will be recognised further down to reflect the effective allocation of Income and Expenses over the relevant period. Detailed consultations were carried out with Islamic Banking & Finance Institute Malaysia (IBFIM) – SCC's Shariah Advisors, Rating Agency Malaysia (RAM), External Auditors and Tax Consultants to facilitate this conversion. This was subsequently approved by SCC's Board of Directors and the Ministry of Finance.

### 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. 2015 can be summarised in a few words: In the face of significant challenges, we made significant progress. I thank Warga SCC for your continued commitment and all that you do to deliver on our purpose, which is to help customers seize opportunity at every stage of their financial lives. I see the dedication, passion and pride of Warga SCC everywhere I go. I appreciate all of your great work this year: it is because of you, and because we know we can do so much more for customers than anyone else, that I have such great confidence in our future.

### U1st

Datuk Vincent Pung  
Chief Executive Officer

“RAM Rating : AA1/P1 With Stable Outlook”