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Sabah Development Bank Berhad slashes pre-tax losses to RM86 million from RM878 million

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The bank approved RM1.763 billion in loans within its development mandate between January 2024 and June 2025, while rejecting RM9.646 billion in applications that fell outside its scope.

KOTA KINABALU: Sabah Development Bank Berhad (SDB) recorded a dramatic financial recovery,

slashing its pre-tax losses by 90 per cent to RM86 million in 2024, down from RM878 million the previous year.

In a statement Tuesday, the state-owned bank attributed the improvement to its ongoing transformation programme launched in late 2023 under a new leadership. The bank expects to return to profitability in FY2025.

“This progress reflects positive momentum in SDB’s ongoing 3-Year Transformation Journey,” SDB said, in a statement, noting that extensive provisions for bad loans and asset write-downs had contributed to the heavy losses in 2023.

The bank’s financial health has strengthened considerably, with its capital ratio recovering from 7.9 per cent at end-2023 to 20.71 per cent by December 2024, supported by the Sabah Government.

RAM Rating Services Berhad (RAM) affirmed SDB’s strong AA1 credit rating in June, citing high payment safety and stable outlook. The SDB has refocused its operations on financing Sabah’s development projects, particularly in infrastructure, power and water sectors.

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The bank has also made progress tackling non-performing loans through a dedicated recovery team, with RM965 million in settlement proposals approved and RM2 billion in pledged securities under receivership.