

# Sampath Bank marks 2025 as a year of disciplined execution



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Sampath Bank.



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Sampath Group delivered its strongest financial performance in history in 2025, recording a Profit Before Tax (PBT) of 53 billion rupees and a Profit After Tax (PAT) of 32.6 billion rupees, reflecting year-on-year growth of eight percent and 13 percent, respectively. The Group's total asset base surpassed two trillion rupees, up 12 percent from 2024.

Sampath Bank also achieved record profitability for the year ended 31 December 2025. The Bank reported a PBT of 49.3 billion rupees and a PAT of 30.2 billion rupees, representing year-on-year growth of five percent and 11 percent, respectively. Adjusted for the additional profit recorded in 2024 from the restructuring of Sri Lanka International Sovereign Bonds (SLISBs), PBT and PAT

growth stood at an impressive 22 percent.

The Board recommended a final cash dividend of 10.30 rupees per share, an increase of 0.95 rupees from the previous year, with a payout ratio of 39.98 percent. Gross income grew by 12 percent to 218.8 billion rupees, supported by interest, fee-based, and other income streams.

Total interest income declined marginally by one percent to 181.1 billion rupees, driven by lower AWPLR and reduced yields on government securities. The Bank strategically redirected funds from government securities to its lending portfolio in response to falling market rates.

Net Interest Income (NII) decreased by three percent to 77.8 billion rupees, while Net Interest Margin (NIM) contracted by 79 basis points to 4.11 percent. Net fee and commission income rose 21 percent to 21.2 billion rupees, driven by credit growth, increased economic activity, and higher card usage, supported by process improvements under strategic initiatives.

The Bank recorded a four billion rupees gain from the disposal of financial assets, compared to a 7.2 billion rupees loss in 2024, related mainly to SLISB restructuring. Net trading and other operating income showed a gain of 6.5 billion rupees, largely due to an exchange gain of 5.3 billion rupees following LKR depreciation, compared to a loss in 2024 when the currency appreciated. The Bank reported a total impairment charge of 1.4 billion rupees in 2025, mainly from short-tenor PDI bonds. A one billion rupee impairment reversal on loans and advances, contrasted with a charge in 2024. Improved credit quality was evident, with Stage 3 loans declining to 9.6 percent from 13.7 percent, and Stage 2 loans reducing to 7.6 percent from 15.7 percent.

Enhanced recoveries, improved repayment capacity, and reinstatement of parate execution laws supported this progress. Additional provisions were made for customers affected by Cyclone Ditwah and for moratorium-related exposures, though requests were significantly lower than during COVID-19. Operating expenses rose by 19 percent due to investments in strategic growth initiatives, technology upgrades, and staff expansion.

Personnel costs increased by ten percent. Consequently, the cost-to-income ratio increased to 42.7 percent. The total tax charge rose to 33.2 billion rupees, with an effective tax rate of 52.3 percent, while total taxes paid exceeded 39 billion rupees.

Total assets grew by 11 percent to 1.98 trillion rupees, driven by strong loan growth. Gross loans expanded by 259 billion rupees to 1.22 trillion rupees, reflecting 27 percent growth, with lending momentum accelerating since August 2025. Deposits increased by 178.1 billion rupees to 1.65 trillion rupees. Capital adequacy remained strong, with CET1 and Tier 1 ratios at 14.75 percent and Total Capital at 17.65 percent. Liquidity ratios remained well above regulatory minimums.

The Bank strengthened its ESG leadership through sustainability initiatives, including “Wewata Jeewayak,” coral and mangrove restoration, green finance expansion, and implementation of SLFRS S1 and S2. A Green Fixed Deposit was launched under a verified framework.