

Sampath Bank records 15 percent growth in Profit After Tax to 24.6 billion rupees



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Sampath Bank recorded a 15 percent growth in Profit After Tax (PAT) to 24.6 billion rupees for the nine months ended September 30, 2026, supported by strong core banking operations, significant loan portfolio expansion, and improved asset quality.

Interest income increased by 14 percent to 152.8 billion rupees, driven by loan growth and favorable movements in market lending rates. Despite a 13 percent increase in interest expenses to 86.9 billion rupees, Net Interest Income (NII) grew by 15 percent to 65.9 billion rupees. The Net Interest Margin (NIM) improved to 4.22 percent from 4.11 percent at the end of December 2025.

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Net fee and commission income rose by 21 percent to 18.9 billion rupees, reflecting increased activity across lending, cards, trade and electronic banking services. Total exchange income increased by 67 percent to 5.9 billion rupees, primarily due to the depreciation of the Sri Lankan rupee against the US dollar. However, capital gains from Treasury bills and bonds declined to 1.1 billion rupees.

The Bank recorded a total impairment charge of six billion rupees, compared to 1.7 billion rupees during the corresponding period of 2025. Impairment charges on loans and advances increased to 8.1 billion rupees, reflecting collective provisions associated with loan growth and prudent buffers against macroeconomic uncertainties.

Recoveries from previously written-off exposures increased to 841 million rupees from 341 million rupees, highlighting improved recovery efforts. Meanwhile, a net impairment reversal of 1.3 billion rupees on other financial instruments was driven by reduced provisioning requirements on foreign-currency bonds following Fitch Ratings’ upgrade of Sri Lanka’s sovereign rating.

Operating expenses increased by 22 percent to 40.8 billion rupees, reflecting higher personnel costs, expanded business activities and continued investments in technology and digital transformation. Consequently, the Cost-to-Income Ratio increased to 44.3 percent from 41.5 percent.

The Bank’s total tax charge declined to 20.6 billion rupees from 24.1 billion rupees, primarily due to favorable adjustments following the finalization of prior-year tax assessments. Return on Average Shareholders’ Equity improved to 18.38 percent, while Return on Average Assets before tax stood at 2.21 percent.

Sampath Bank maintained capital ratios above regulatory requirements, with Common Equity Tier 1 and Tier 1 ratios at 12.27 percent and the Total Capital Ratio at 15.32 percent. In October 2026, the Bank successfully raised ten billion rupees through an oversubscribed Basel III-compliant debenture issue to strengthen its capital base.

Liquidity remained strong, with the All-Currency Liquidity Coverage Ratio at 174.86

percent and Net Stable Funding Ratio at 157.87 percent, comfortably exceeding regulatory minimums.

Total assets increased by 13 percent to 2.23 trillion rupees, supported by a 273 billion-rupee expansion of the loan portfolio to 1,497 billion rupees. Asset quality improved, with the Stage 3 portfolio declining by 14.4 billion rupees.

Total liabilities rose by 14 percent to 2.05 trillion rupees, while customer deposits increased by 209 billion rupees to 1.86 trillion rupees. This included 148 billion rupees in additional rupee deposits and 61 billion rupees in foreign currency deposits, reflecting continued customer confidence.