


# Sampath Bank Records Growth



Sampath Bank, consisting of the Bank and four subsidiary companies, continued to maintain its growth momentum in the first half of 2010, by recording all-round impressive results over the corresponding period in 2009, the Bank announced.

Pre Tax Profit of Rs 1,884.781 million of the Group for the first half of 2010 recorded a growth of Rs 304.5 million or 19.3 percent over the previous year's pre-tax profit of Rs 1,580.260 million with Sampath Bank contributing bulk (94 percent) of the profit as the main entity of the Group.

The Bank's pre-tax profit which rose to Rs 1,772.165 million as per the audited accounts as at June 30, 2010, reflected an increase of Rs 239.2 million or 15.6 percent over the pre-tax profit of Rs 1,532.965 million for the corresponding period in 2009. The higher profit growth rate in group level is attributed to improved performance of the four subsidiary companies.

The post tax profit of the Group rose to Rs 1,365.647 million, registering a growth of Rs 516.3 million or 60.8 percent over the post-tax profit of Rs 849.330 million for the corresponding period last year. Similarly, Sampath Bank too recorded a post tax profit growth of 56.9 percent over the corresponding period last year, rising from Rs 829.765 million in 2009 to Rs 1,301.645 million in 2010.
In contributory factors, the Net Interest Income (NII), which is the net return of the Bank's entire fund-based operations, made the single largest contribution for the increased profitability, by rising from Rs 3,619.1 million in 2009 to Rs 4,265.7 million in 2010, registering a growth of Rs 646.6 million or 17.9 percent.

Other income of the Bank, bulk of which is Commission and Fee-Based income recorded a growth of Rs 124.532 million or 15.5 percent in 2010, over 2009. Increase in the Bank's operating expenses over the previous year was managed at Rs 418.1 million or 15.9 percent despite the additional expenditure incurred on account of the branch expansion programme, new recruitments and annual wage increase.

Improved profits paved the way for almost all the key financial ratios of the Bank to record significant improvements over the previous years. Signifying business growth, the Bank's total deposit base and the total assets also grew by 10.85 percent and 9 percent respectively in the first half of 2010, at a faster pace than the industry growth rates of 4.30 percent and 6.27 percent respectively.

The Bank opened ten new branches up to June 30, 2010 and plans are underway to

accelerate the branch expansion programme and open 40 new branches in 2010.

Outlining the Bank's performances further as well as the future plans, Harris Premaratne, Executive Director and CEO of Sampath Bank said that the Bank has demonstrated that it is an investor friendly Bank.

He also thanked the investors and the brokers for the excellent support given to Sampath Bank, which he noted was a significant factor in making Sampath Bank shares the most sought after in the market.

Sampath Bank, over the last two years, has demonstrated that it is an investor friendly bank. That is, to reciprocate the confidence placed by internationals and locals in the Sampath Bank. "We were always available to the investors and the brokers, the directors and the senior management was always available if you wanted to come and meet us and discuss with the bank. At the same time, we were demonstrating how we were investor friendly," he noted.

"In summary, your bank is having healthy profit growth and it is having healthy volume growth, and we are taking all the efforts to bring down the non-performing loans, below the industry levels", he added.

