SAMPATH BANK PLC (SAMP.N)

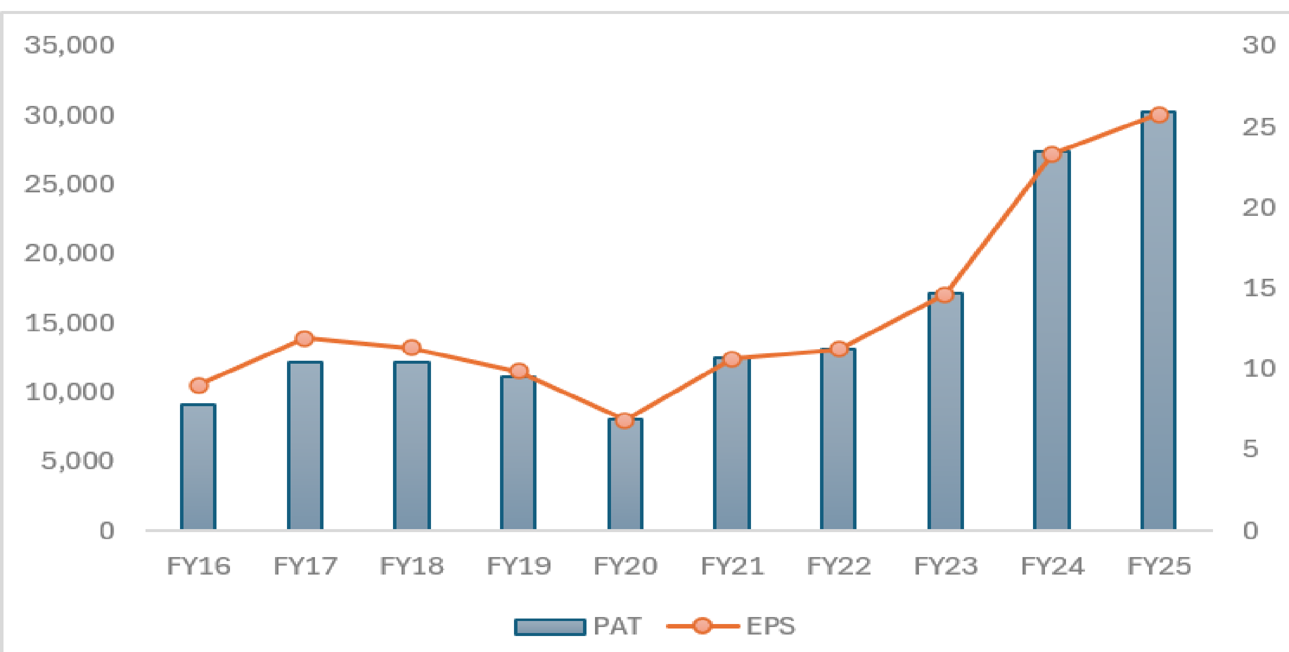
Buy	Target Price : 160.00	Sector: Banks

Key Statistics

Recommendation	BUY
Target Price (LKR)	160.00
Market Price (LKR)	140.50
Upside (%)	14%

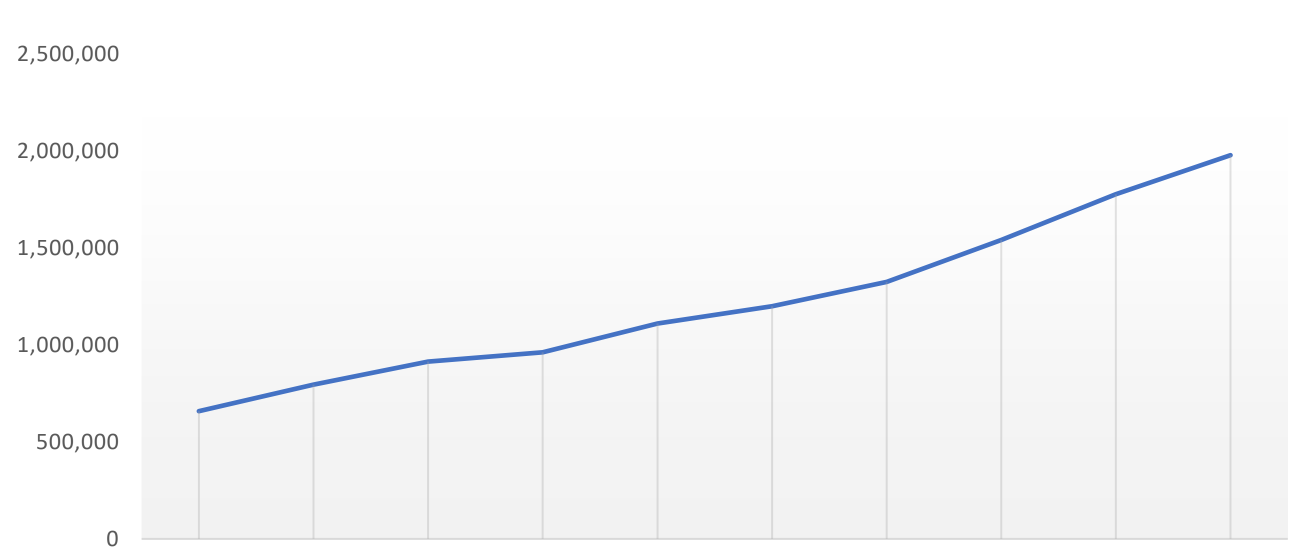
GICS Subsector	Diversified Banks
CSE Ticker	SAMP.N
Close price (04.06.2026)	140.50
Market Cap (LKR Mn)	165,057
Market Cap (USD Mn)	485
No of Shares (Bn)	1.17
52 week high/low (LKR)	67.1/80
Public Float (%)	98.86
Free Float (%)	43.79

PAT & EPS Performance



Price vs ASPI

Total Assets Growth



Sampath Bank PLC is the *third-largest bank in Sri Lanka by market capitalization, at approximately LKR 165Bn*, reflecting its strong franchise position within the domestic banking sector. **We maintain a BUY** recommendation for SAMP with **target price of LKR 160.00 offering an upside return of nearly 14%** from the current market price of LKR 140.50. SAMP's NAV of LKR 159.70 further underscores that the stock continues to trade at a compelling discount to its underlying asset value, despite maintaining resilient balance sheet fundamentals and a strong financial position.

1Q'26 Financial Performance

Steady growth in total operating income

SAMP recorded total operating income of LKR 30.8 Bn surged by 4% YoY mainly supported by surge in NII by 7% YoY to LKR 21.8 Bn primarily due to expansion of the loan portfolio during the 1Q'26 and in the latter part of the previous year , as well as upward movement in the AWPLR .Income growth also supported by the increase of net fee and commission income by 29% YoY to LKR 6.4 Bn driven by the credit expansion , higher trade volumes and increased credit cared usage .Further bank recorded total exchange gain of LKR 1.5 Bn due to the depreciation of the Sri Lankan Rupee against USD by LKR 5.52 during the 1Q'26.

However, SAMP's PAT declined by 23% YoY to LKR 6.8 Bn due to significantly higher impairment provision of LKR 4.5 Bn and the decline of one-off gains from the disposal of financial instruments to LKR 0.7 Bn compared to the LKR 2.0 Bn of elevated levels recorded in Previous year.

SAMP's robust loan portfolio to underpin sustainable income growth

Samp's Total asset base crossed LKR 2 milestone for the first time representing significant achievement supported by strong loan growth by 11% YoY to LKR 1.3 Tn, growth was primarily due to credit growth momentum across retail, SME and corporate lending segments. This robust loan portfolio drives sustainable income growth based on the elevated impairment provisioning of LKR 4.3 Bn and additional overlay allowance of LKR 1.5 Bn which reflects bank's prudent credit risk management, ensuring adequate buffers and resilience against potential adverse developments in the operating environment and the broader global landscape.

Looking forward, the recent policy rate increase of CBSL by 100 bps is expected to have mixed implications on SAMP. Higher OPR could support higher loan yield, in contrast deposit repricing may increase pressure on margins and private sector credit demand can be decline due to higher cost. However, SAMP's strong capital position, diversified loan portfolio and prudent risk management framework will ensure sustainable earning growth.

Outlook and Key expectations

We expect SAMP's EPS to sustain a steady long-term growth trajectory, underpinned by resilient operating income generation and continued expansion of its diversified loan portfolio. This growth is further supported by a strong provision buffer, which enhances earnings stability and mitigates potential credit risk volatility.

In addition, SAMP's robust capital and liquidity position, coupled with a CBSL tight monetary policy to support higher interest income. The continued expansion of net fee and commission income, along with potential foreign exchange gains arising from LKR depreciation, will further reinforce the bank's sustainable earnings growth.

Source: Company annual reports, CSE,CBSL,Economy Next

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Financial Performance

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Net interest income	22,754	28,363	38,054	41,575	33,823	41,669	73,502	72,290	80,008	77,782
Growth in income (%)	43.7	37	24.5	3.1	-13.9	2.2	88.9	14.5	-13.6	12
Profit for the year	9,125	12,104	12,143	11,151	8,025	12,457	13,134	17,140	27,321	30,211
Growth in profit (%)	48.8	32.7	0.3	-8.2	-28	55.2	5.4	30.5	59.4	10.6
Total assets	658,512	795,102	914,225	962,350	1,110,271	1,199,913	1,324,426	1,541,948	1,777,941	1,978,253
Growth in total assets (%)	25.4	20.7	15	5.3	15.4	8.1	10.4	16.4	15.3	11.3
Dividend paid/proposed (Rs Mn)	3,362	4,598	4,565	4,482	3,147	4,864	5,264	6,860	10,965	12,079
Dividend per share (Rs)	18.75	17.2	16.25	11.75	2.75	4.25	4.6	5.85	9.35	10.3
Dividend cover (times)	2.71	2.63	2.66	2.49	2.55	2.56	2.5	2.5	2.49	2.5
Dividend yield (%)	7.2	5.45	6.91	7.24	6.08	8.16	13.45	8.3	7.91	7.03
Earnings per share (Rs)	8.98	11.88	11.32	9.86	6.84	10.62	11.2	14.62	23.3	25.76
Price earning ratio (times)	5.5	5.63	5.44	4.95	6.45	4.78	2.98	4.82	5.08	5.69
Price to book value (times)	1.09	1.08	0.78	0.59	0.48	0.5	0.31	0.56	0.83	0.96
Net asset value per share (Rs)	43.76	62.45	78.69	92.86	91.71	101.26	107.77	126.1	142.01	152.53
Market price as at 31st December (Rs)	260.4	315.7	235	162.4	135.6	52.1	34.2	70.5	118.25	146.5
ROE(%)	0.21	0.19	0.14	0.11	0.07	0.10	0.10	0.12	0.16	0.17
Net loans and advances (Rs Mn)	458,831	562,884	650,014	689,378	720,215	762,588	811,158	756,436	860,152	1,127,777
Net loans and advances growth (%)		0.23	0.15	0.06	0.04	0.06	0.06	-0.07	0.14	0.31
Deposits (Rs Mn)	516,273	630,442	698,085	718,301	886,873	978,368	1,103,213	1,264,470	1,469,222	1,647,343
Deposits growth (%)		0.22	0.11	0.03	0.23	0.10	0.13	0.15	0.16	0.12

Top 20 Shareholders

	Name of the Shareholder	No. of shares	% holding
1	Vallibel One PLC	175,352,762	14.95
2	Phantom Investments (Pvt) Limited	117,270,076	10
3	Mr Y S H I Silva	117,035,065	9.98
4	Employees' Provident Fund	116,948,697	9.97
5	Rosewood (Pvt) Limited	55,228,954	4.71
6	Akbar Brothers Pvt Ltd	37,599,005	3.21
7	Mr D P Pieris	30,000,000	2.56
8	Mr W Jinadasa	27,356,683	2.33
9	Ayenka Holdings Private Limited	18,361,334	1.57
10	Ms P D A S Beruwalage	13,088,176	1.12
11	Mr N A Madanayake	12,425,855	1.06
12	Sampath Bank PLC Account No 04	11,832,461	1.01
13	BBH - Tundra Sustainable Frontier Fund	9,837,629	0.84
14	BBH - Tundra Shikari Global	9,164,000	0.78
15	Mr Sarath Kumara Wijekoon	8,824,930	0.75
16	Employees' Trust Fund Board	8,790,875	0.75
17	Magna Wealth (Pvt) Ltd	7,146,815	0.61
18	Mr K.D.H. Perera	5,466,462	0.47
19	Yaden Capital (Private) Limited	5,200,000	0.44
20	Sri Lanka Insurance Corporation Life Ltd Participating Portfolio A/C 1	4,900,699	0.41
	Total	**791,830,748**	**67.52**

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Disclaimer: