KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

The Board of Directors
Sampath Bank PLC,
No 110, Sir James Peiris Mawatha,
Colombo 02,
Sri Lanka.

06 October 2026

Dear Members of the Board,

ACCOUNTANTS' REPORT ("REPORT") FOR INCLUSION IN THE PROSPECTUS OF THE PROPOSED DEBENTURE ISSUE OF SAMPATH BANK PLC.

This Report has been prepared for the inclusion in the Prospectus of Sampath Bank PLC ("Bank") issued in connection with the issue up to Seventy Million (70,000,000) BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year and 7 Year Debentures with a Non-Viability Conversion feature (hereinafter referred to as the 'Debentures'), of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, to raise up to a sum of Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-), with an option to issue up to a further Thirty Million (30,000,000) of the said Debentures to raise up to a further sum of Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-), at the discretion of the Bank in the event of an oversubscription of the initial Issue.

We have examined the respective audited financial statements of "the Bank for the financial years ended 31 December 2021 to 31 December 2025, and report as follows. Extracts of these financial statements have been included in the prospectus and this Report.

1. INCORPORATION

Sampath Bank PLC (the "Bank") is a Public Limited Liability Company incorporated in Sri Lanka on 10th March 1986 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No 07 of 2007 on 28th April 2008. It is a licensed commercial bank under the Banking Act No.30 of 1998 and supervised by the Central Bank of Sri Lanka. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The registered office of the Bank is located at No. 110, Sir James Pieris Mawatha, Colombo 02. The principal activities of the Bank involve providing financial services encompassing Retail Banking, Corporate Banking, Digital banking, Small and Medium Enterprise (SME) Banking, project and infrastructure financing, leasing, housing finance, cash management, correspondent banking, remittance services, margin trading, pawning, treasury and investment services, and card operations.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
H.U.S.T Dayananda FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

KPMG

2. FINANCIAL STATEMENTS

2.1 Five-year summary of financial statements

A summary of Income Statement, Statement of Financial Position of the Bank for the five years ended 31 December 2021 to 2025, are based on the audited annual financial statements of the Bank prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS") laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007 are set out in Annexure I.

2.2 Audit reports

The financial statements of the Bank for the financial years ended 31 December 2021 to 2025 have been audited by the predecessor auditor. Unqualified audit opinions have been issued for the said financial years by the predecessor auditor.

Application of accounting standards and accounting policies

The financial statements of the Bank for the financial years ended 31 December 2021 to 2025 complied with and prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS").

The accounting policies of the Bank are stated in detail in the annual audited financial statements (Annual reports) of the Bank for the years ended 31 December 2021 to 2025. The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Bank from financial years ended 31 December 2021 to 2025 are given below.

Financial year	Adoption of revised Accounting Standards, and related changes in Accounting Policies
31 December 2021	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 01 January 2021 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to SLFRS 16 Leases: COVID-19-Related Rent Concessions beyond June 30, 2021** On December 04, 2020, CA Sri Lanka issued COVID-19-Related Rent Concessions - amendment to SLFRS 16 Leases. The amendments provided relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

	The amendment was intended to be applied until June 30, 2021, but as the impact of the COVID-19 pandemic continued. on June 28, 2021 CA Sri Lanka extended the period of application of the practical expedient up to June 30, 2022. Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2022	No new accounting standards were adopted by the Bank during the year The following amendments to existing standards which became effective from 1 January 2022 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to LKAS 37: Onerous Contracts – Costs of Fulfilling a Contract** • **Amendments to LKAS 16: Property, Plant and Equipment - Proceeds before intended use.** • **Amendments to SLFRS 3: Reference to the Conceptual Framework** Adoption of the above amendments did not have any material impact on the financial statements of the Bank. **Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortized Cost** During the year, the Bank re-classified bulk of its treasury bond portfolio, and entire in FVOCI category to amortized cost category, with effect from April 01, 2022, as a result of changes to the business model of managing the assets due to unprecedented changes in the macro-economic conditions in line with the guidelines issued by the CA Sri Lanka in the form of Statement of Alternative Treatment (SOAT) on Re-classification of Debt Portfolio as a one off option. The amortised cost of the treasury bonds reclassified from the FVOCI amounted to Rs 29 Bn as at 31 December 2022. The fair value and the cumulative mark to market loss of these bonds would have been Rs 25.1 Bn and Rs 3.9 Bn respectively, had the Bank continued to classify these bonds in the FVOCI portfolio. The additional mark to market loss that would have been recognised for the year ended 31st December 2022 would have been Rs 2.7 Bn. **Surcharge tax** As per the Surcharge tax Act No. 14 of 2022, surcharge tax is pertaining to the year of assessment 2020/21. According to the said Act, surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment 2020/21. Since the Act superseded the requirements of Sri Lanka Accounting standards, the surcharge tax expense was accounted for as recommended by the

	Statement of Alternative Treatment (SOAT) on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka. Accordingly, the Bank recognized the total liability to the surcharge tax as an adjustment to the opening retained earnings as at 01 January 2022. **Change in deductible loan loss provision method for income tax** According to the Government Gazette No.2064/57 dated 1st April 2018, specific loan loss provision made in accordance with the CBSL directives had been allowed as claimable loan loss provisions for income tax purpose up to 31st December 2021. However, as per gazette No. 2305/05 dated 25th October 2022, provisions for impairment charges of Stage 1 and 2 have not been considered claimable. Consequently, only Stage 3 impairment provisions (subject to conditions) have been considered as claimable loan loss provision for tax purpose in the current year. Specifications of the Gazatte has been applied from 1st January 2022. Accordingly, the transition adjustment as at 1st January 2022 has been calculated separately based on the new regulation and required adjustments have been made in Financial Statements.
31 December 2023	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 1 January 2023 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to "Accounting Policies, Changes in Accounting Estimates and Errors" (LKAS 8): Definition of Accounting Estimates** • **Amendments to "Income Taxes" (LKAS 12): Deferred Tax related to Assets and Liabilities arising from a Single Transaction** • **Amendments to "Presentation of Financial Statements" (LKAS 1): Disclosure of Accounting Policies** Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2024	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 1 January 2024 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to LKAS 1- Presentation of Financial Statements - Classification of Liabilities with Covenants as Current or Non-current** • **Amendments to LKAS 7 - Statement of Cash Flows and SLFRS 7 - Financial Instruments Disclosures : Disclosures on Supplier Finance Arrangements**

	• **Amendments to LKAS 12 - Income Taxes- International Tax Reform – Pillar Two Model Rules** • **Amendments to SLFRS 16 - Leases** Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2025	**SLFRS S1-General requirements for disclosure of sustainability related financial information and SLFRS S2 -Climate related disclosures** The Bank adopted Sustainability Disclosure Standard – SLFRS S1 on "General Requirements for Disclosure of Sustainability-related Financial Information" (SLFRS S1) and SLFRS S2 on "Climate-related Disclosures" (SLFRS S2) during the year. As these are Disclosure Standards, the related disclosures have been disclosed in the relevant sections of the Annual Report as appropriate, and they do not form part of the Financial Statements for the year ended 31 December 2025. • **Amendments to LKAS 21- Lack of Exchangeability** Adoption of the above amendment did not have any material impact on the financial statements of the Bank.

2. Events after reporting date

There were no significant events that occurred after the last audit report issued for the financial year ended 31 December 2025, other than mentioned below.

- **Final dividend for financial year 2025**

The Directors of the Bank recommended a final cash dividend of Rs 10.30 per share for the financial year ended 31st December 2025. This dividend was approved by the shareholders at the Annual General Meeting held on 30th March 2026.

In accordance with Sri Lanka Accounting Standard - LKAS 10 "Events after the Reporting Period", this proposed final dividend was not recognised as a liability as at 31st December 2025.

- **Incorporation of a new Subsidiary to conduct wealth management business**

The Central Bank of Sri Lanka granted approval for the Bank to engage in wealth management business through a wholly owned subsidiary of the Bank. The subsidiary is currently in the process of obtaining the requisite SEC approvals and implementing the necessary governance framework, systems, processes, and operational infrastructure required to commence business operations.

KPMG

3. Dividends

The Bank had declared the following dividends in respect of ordinary shares for the years ended 31 December 2021 to 31 December 2025.

Year ended 31 December	Dividend Per Share Rs.	Remarks
2021	4.25	Rs. 4.25/- by way of cash dividend.
2022	4.60	Rs. 3.45/- by way of a cash dividend and Rs. 1.15/- by way of a scrip dividend.
2023	5.85	Rs. 5.85/- by way of cash dividend.
2024	9.35	Rs. 9.35/- by way of cash dividend.
2025	10.30	Rs. 10.30/- by way of cash dividend.

4. Purpose and restriction on use and distribution

This Report is prepared solely for the purpose of the Board of Directors of Sampath Bank PLC to be used in the Prospectus for the issuance up to Seventy Million (70,000,000) BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year and 7 Year Debentures with a Non-Viability Conversion feature (hereinafter referred to as the 'Debentures'), of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, to raise up to a sum of Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/), with an option to issue up to a further Thirty Million (30,000,000) of the said Debentures to raise up to a further sum of Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-), at the discretion of the Bank in the event of an oversubscription of the initial Issue.

This Report should not be used for any other purpose except for the inclusion in the Prospectus as mentioned above and should not be distributed to or used by parties other than the Bank.

Yours faithfully,

Chartered Accountants

Colombo

SAMPATH BANK - FINANCIAL INFORMATION

Statement of Profit or Loss

Bank

For the year ended 31st December	2021	2022	2023	2024	2025
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Gross Income	**104,570,303**	**197,570,518**	**226,154,096**	**195,321,016**	**218,780,329**
Interest income	85,986,952	157,619,458	203,447,113	183,054,746	181,059,355
Less : Interest expense	44,317,761	84,117,088	131,157,456	103,046,806	103,276,965
Net interest income	**41,669,191**	**73,502,370**	**72,289,657**	**80,007,940**	**77,782,390**
Fee & commission income	13,239,648	21,940,763	22,909,822	22,289,477	27,240,631
Less: Fee & commission expense	1,764,995	2,499,396	4,023,353	4,780,225	6,005,276
Net fee & commission income	**11,474,653**	**19,441,367**	**18,886,469**	**17,509,252**	**21,235,355**
Net gain/(loss) from trading	399,243	(2,248,355)	761,786	(1,777,456)	4,254,888
Net gain on derecognition of financial assets					
Capital gain on sale of financial assets	150,413	541,825	591,711	1,134,815	3,968,812
Impact on restructuring of Sri Lanka International Sovereign Bonds	-	-	-	(8,365,338)	-
Net other operating income	4,794,047	19,716,827	(1,556,336)	(1,015,228)	2,256,643
Total operating income	**58,487,547**	**110,954,034**	**90,973,287**	**87,493,985**	**109,498,088**
Less: Impairment charge	17,084,814	62,706,010	20,148,542	(11,728,043)	(637,253)
Net operating income	**41,402,733**	**48,248,024**	**70,824,745**	**99,222,028**	**110,135,341**
Less: Operating expenses					
Personnel expenses	9,542,996	12,496,048	14,249,843	18,056,922	19,945,786
Depreciation and amortisation expenses	2,454,371	2,544,968	2,644,499	3,088,048	4,895,065
Other operating expenses	8,670,697	13,006,891	15,562,653	18,187,593	21,927,581
Total operating expenses	**20,668,064**	**28,047,907**	**32,456,995**	**39,332,563**	**46,768,432**
Operating profit before taxes on financial services	**20,734,669**	**20,200,117**	**38,367,750**	**59,889,465**	**63,366,909**
Less: Taxes on financial services					
Value added tax on financial services	3,900,725	4,953,917	7,519,371	11,561,312	12,360,192
Social security contribution levy	-	222,054	1,087,971	1,605,738	1,716,693
Profit before income tax	**16,833,944**	**15,024,146**	**29,760,408**	**46,722,415**	**49,290,024**
Less : Income tax expense	4,376,447	1,889,994	12,620,329	19,401,803	19,079,307
Profit for the year	**12,457,497**	**13,134,152**	**17,140,079**	**27,320,612**	**30,210,717**
Attributable to:					
Equity holders of the Bank	12,457,497	13,134,152	17,140,079	27,320,612	30,210,717
Non - controlling interest					
	12,457,497	**13,134,152**	**17,140,079**	**27,320,612**	**30,210,717**

KPMG Chartered Accountants

SAMPATH BANK - FINANCIAL INFORMATION

Statement of Financial Position

Bank

As at 31st December	2021	2022	2023	2024	2025
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Assets					
Cash & cash equivalents	22,882,999	79,162,545	79,272,087	46,229,318	62,018,008
Balances with Central Bank of Sri Lanka	30,874,556	31,579,185	14,463,854	16,373,983	21,835,192
Placements with banks	2,739,514	10,927,216	33,741,322	26,452,245	39,223,825
Reverse repurchase agreements	2,752,011	10,072,569	-	1,000,220	44,282
Derivative financial instruments	1,399,119	44,598	587,577	507,054	2,468,488
Financial assets recognised through profit or loss - measured at fair value	3,907,704	4,641,277	4,744,188	4,614,332	403,260
Financial assets at amortised cost					
- loans & advances	762,588,294	811,157,649	756,435,559	860,151,610	1,127,776,792
- debt & other instruments	293,766,967	278,775,796	368,100,002	401,280,763	523,176,568
Financial assets - fair value through other comprehensive income	43,004,145	32,772,930	216,022,295	367,782,512	148,256,497
Investment in subsidiaries	3,503,350	3,898,512	4,110,642	4,190,721	4,226,113
Property, plant & equipment	7,817,923	8,910,525	9,623,120	10,854,850	15,187,778
Intangible assets	544,916	578,031	745,395	888,711	1,040,433
Right-of-use assets	3,265,318	3,540,286	3,605,525	7,860,280	7,190,091
Current tax receivables	-	-	-	-	-
Deferred tax assets	6,157,958	21,734,244	17,292,023	10,934,412	10,597,476
Other assets	14,708,621	26,630,974	33,204,832	18,820,112	14,807,760
Total Assets	**1,199,913,395**	**1,324,426,337**	**1,541,948,421**	**1,777,941,123**	**1,978,252,563**
Liabilities					
Due to banks	23,653,247	11,297,181	11,621,838	23,259,811	24,687,100
Derivative financial instruments	607,923	1,449,393	1,498,777	3,200,590	805,063
Securities sold under repurchase agreements	4,157,662	2,283,291	34,688,209	40,312,784	32,785,653
Financial liabilities at amortised cost					
- due to depositors	977,945,952	1,096,099,874	1,253,642,547	1,455,864,416	1,627,060,300
- due to other borrowers	14,434,115	9,173,923	6,637,129	8,061,364	8,357,756
- due to debt securities holders	31,006,592	25,259,536	26,709,893	18,891,500	29,795,272
Retirement benefit obligation	2,573,127	1,845,228	3,170,247	5,799,502	7,490,860
Dividend payable	148,032	187,141	212,571	298,695	405,100
Current tax liabilities	7,524,844	18,754,155	16,220,788	14,522,729	16,762,008
Deferred tax liabilities	-	-	-	-	-
Other liabilities	19,110,242	31,696,670	39,673,346	41,191,516	51,229,076
Total Liabilities	**1,081,161,736**	**1,198,046,392**	**1,394,075,345**	**1,611,402,907**	**1,799,378,188**
Equity					
Stated capital	47,622,493	47,622,493	48,741,119	48,741,119	48,741,119
Reserves					
Statutory reserves	5,075,000	5,755,000	6,615,000	9,645,470	11,379,931
Other reserves	57,247,452	64,832,981	81,950,709	94,494,548	103,504,994
Retained earnings	8,806,714	8,169,471	10,566,248	13,657,079	15,248,331
Total equity attributable to equity holders of the Bank	**118,751,659**	**126,379,945**	**147,873,076**	**166,538,216**	**178,874,375**
Non - controlling interest					
Total Equity	**118,751,659**	**126,379,945**	**147,873,076**	**166,538,216**	**178,874,375**
Total Liabilities & Equity	**1,199,913,395**	**1,324,426,337**	**1,541,948,421**	**1,777,941,123**	**1,978,252,563**
Commitments and contingencies	392,079,682	315,363,167	481,333,065	523,844,321	624,740,931

KPMG Chartered Acc.