Sri Lankan Banking Sector

Financial Performance & Investment Outlook

Coverage:
Commercial Bank of Ceylon PLC | Hatton National Bank PLC | Sampath Bank PLC | Seylan Bank PLC

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March 2026

COMMERCIAL BANK OF CEYLON PLC (COMB.N/X)

HOLD

COMB.N

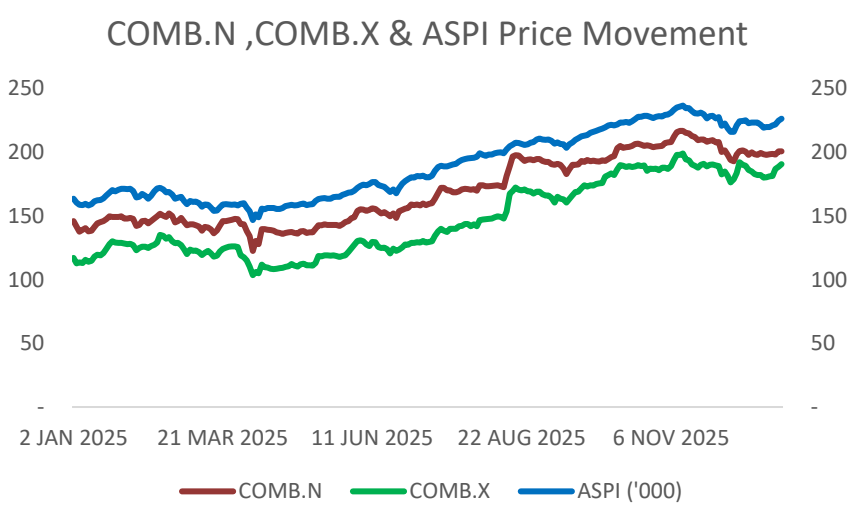
Number of Shares outstanding (Mn)	1,539.16
Price at Evaluation	221.50
Market Capitalization (LKR in Mn)	340924.37
% of Total market Capitalization	4.07%
52 Week High / Low	234.50 / 122.50
Market Float	99.85%
CSE Code	COMB.N

Prices as at 27 Feb 2026 ***Source: CSE Company Information***

COMB.X

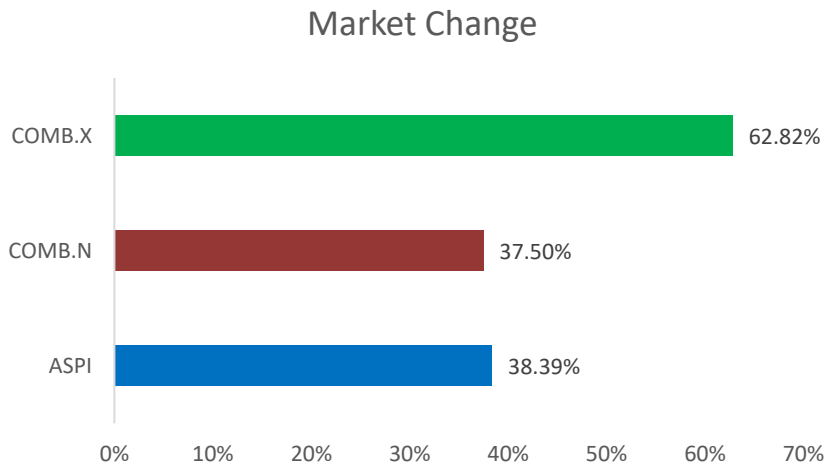
Number of Shares outstanding (Mn)	96.34
Price at Evaluation	204.75
Market Capitalization (LKR in Mn)	19,725.96
% of Total market Capitalization	0.24%
52 Week High / Low	209.50/103.50
Market Float	99.96%
CSE Code	COMB.X

Source: CSE Company Information



Period: Jan 2025 – Dec 2025

Source: CSE Historical Price Movement Data



Period: Jan 2025 – Dec 2025

Source: CSE Historical Data

Financial Outlook

FY ends 31/12/XX LKR Mn	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 E
Interest income	129,288	124,088	132,818	222,393	297,646	275,217	301,367	325,476
Interest expense	80,931	73,219	66,402	137,728	211,231	157,082	160,406	171,634
Net interest income	**48,356**	**50,869**	**66,416**	**84,665**	**86,415**	**118,135**	**140,961**	**153,841**
Operating profit	30,230	29,047	38,801	28,430	38,885	117,515	110,539	119,382
NPAT	17,263	16,940	24,062	23,812	21,115	55,073	60,110	66,121
Cash and cash equivalents	53,681	51,255	69,335	151,109	159,702	89,615	88,857	93,300
Loans and advances to other customers	893,919	909,829	1,029,584	1,155,493	1,204,866	1,421,004	1,958,361	2,447,951
Debt and other financial instruments	107,059	302,060	385,391	761,650	685,156	701,751	732,854	756,305
Property, plant and equipment	22,525	25,387	24,745	27,447	28,997	30,670	31,652	35,017
Total Assets	**1,408,941**	**1,762,496**	**1,983,491**	**2,499,554**	**2,655,612**	**2,875,993**	**3,378,864**	**3,776,895**
Due to banks	53,807	88,248	73,801	64,971	47,949	25,377	43,098	48,701
Due to Depositors	1,068,983	1,286,616	1,472,640	1,977,744	2,147,907	2,306,079	2,700,027	2,916,029
Total Liabilities	**1,272,928**	**1,601,547**	**1,813,939**	**2,286,581**	**2,430,637**	**2,590,173**	**3,041,279**	**3,314,081**
Stated capital	40,917	52,188	54,567	58,150	62,948	88,017	91,558	100,713
Retained earnings	5,182	8,124	9,891	6,790	9,943	17,534	20,773	24,927
Equity (Parent)	134,424	159,193	167,475	208,865	220,471	281,129	332,066	398,480
Total Equity	**136,013**	**160,949**	**169,553**	**212,973**	**224,974**	**285,819**	**337,586**	**413,813**
Number of shares (Mn)	1,028	1,167	1,194	1,240	1,314	1,610	1,636	1,653
Net Interest Income Margin (NIM)	3.43%	2.89%	3.35%	3.39%	3.25%	4.11%	4.17%	4.07%
Return on Equity (ROE)	12.69%	10.19%	14.19%	11.18%	9.39%	19.27%	17.81%	15.98%
Return on Assets (ROA)	1.23%	0.93%	1.21%	0.95%	0.80%	1.91%	1.78%	1.75%
EPS	16.41	15.7	19.41	19.21	15.37	37.94	36.86	40.00
DPS	6.5	6.5	7.5	4.5	6.50	9.50	10.50	11.50
BVPS	130.83	136.42	140.24	168.47	167.77	174.58	203.04	250.34
P/E (Voting)	5.79	5.15	4.09	2.61	6.47	3.82	5.45	6.25
P/BV (Voting)	0.73	0.59	0.57	0.30	0.59	0.83	0.99	1.00
Price @ year end (Voting)	95.00	80.90	79.30	50.20	99.5	144.75	200.75	250.00
Growth rate	-14.84%	-1.98%	-36.70%	98.21%	45.48%	38.69%	24.53%	
CASA Ratio	37.10%	42.72%	47.83%	38.36%	39.23%	38.07%	39.65%	

Source: Company Financial Reports and ACAP Equity Research

Commercial Bank remains fundamentally strong with improving profitability, stable asset quality, and a strong funding base supported by a high CASA ratio. Despite the recovery in the share price, the stock continues to trade around its fair valuation relative to historical levels and regional peers. With continued credit growth and stable net interest margins, earnings are expected to grow moderately over the medium term. Given the recent price appreciation and current market conditions, the stock is recommended as a **HOLD** for investors.

Financial Outlook

- The loan book surpassed Rs. 1.95 Tn in 2025, reflecting strong credit growth and continued asset expansion.
- Net interest income increased to **Rs. 141 Bn**, supported by higher lending volumes and margin expansion.
- Net profit rose to approximately **Rs. 60 Bn**, indicating a strong recovery in banking sector profitability following the economic crisis.
- Asset quality improved with lower **Stage 3 loan ratios** and stronger impairment coverage.
- The bank maintains a stable **CASA ratio of around 38–40%**, providing a strong low-cost funding base.
- With interest rates expected to rise over the next two years, banks with strong CASA positions such as **Commercial Bank** are likely to benefit through improved **net interest margins**.
- **2026 earnings are expected to grow moderately**, with **ROE normalising to around 16%**.

Total Shareholder Return (Jan 2021 – Jan 2026) – COMB.N

Item	Value
Price – Jan 2021 (LKR)	83.30
Price – Jan 2026 (LKR)	227.00
Total Dividends (2021–2025) (LKR)	38.50
Total Return	**218.73%**
Period	5 Years
Annualized Geometric Return	**26.09%**

Source: ACAP Equity Research

Commercial Bank delivered strong shareholder returns following the economic crisis in Sri Lanka, supported by improving profitability and a recovery in the banking sector. Between June 2021 and December 2025, the share price increased significantly, reflecting improving fundamentals and investor confidence. Including dividend distributions during the period, the stock generated a total return of approximately 218.7%, translating to an annualised return of around 26%. This performance highlights the strong recovery potential of fundamentally sound banks following periods of economic distress and supports a contrarian investment approach.

HATTON NATIONAL BANK PLC (HNB.N/X)

ACCUMULATE

HNB.N

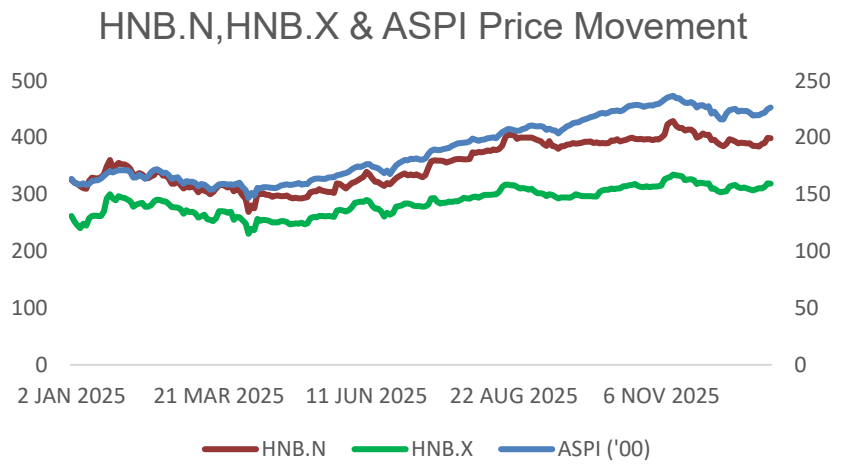
Number of Shares outstanding (Mn)	455.97
Price at Evaluation	447.00
Market Capitalization (LKR in Mn)	203,818
% of Total market Capitalization	2.46%
52 Week High / Low	457.25 / 269.00
Market Float	69%
CSE Code	HNB.N

Prices as at 27 Feb 2026 ***Source: CSE Company Information***

HNB.X

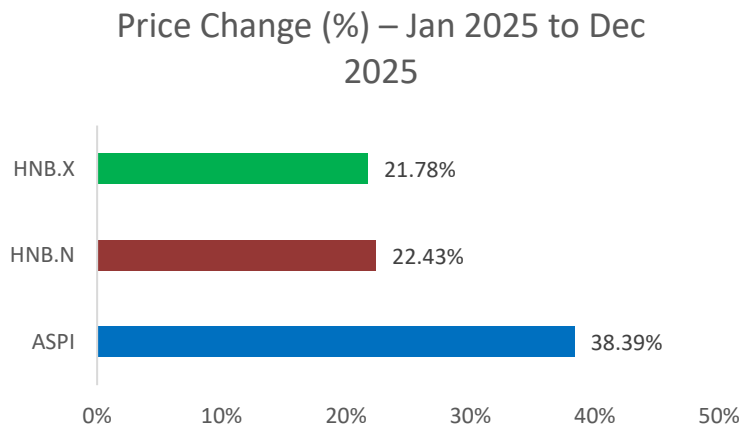
Number of Shares outstanding (Mn)	115.85
Price at Evaluation	385
Market Capitalization (LKR in Mn)	44,603
% of Total market Capitalization	0.54%
52 Week High / Low	399.50 / 230.50
Market Float	99%
CSE Code	HNB.X

Source: CSE Company Information



Period: Jan 2025 – Dec 2025

Source: CSE Historical Price Movement Data



Period: Jan 2025 – Dec 2025

Source: CSE Historical Data

Financial Outlook

FY ends 31/12/XX LKR Mn	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 E
Interest income	124,889	112,825	107,408	220,581	304,578	240,244	239,723	258,901
Interest expense	68,533	61,988	50,945	109,015	186,504	130,479	124,615	135,830
Net interest income	**56,356**	**50,837**	**56,462**	**111,567**	**118,075**	**109,765**	**115,109**	**123,071**
Operating profit	28,656	21,222	27,521	19,336	46,601	103,869	97,456	105,253
NPAT	14,670	13,095	19,025	15,329	22,771	43,539	47,593	52,352
Cash and cash equivalents	30,264	34,899	40,900	80,630	73,759	64,065	56,743	59,581
Loans and advances to other customers	769,392	800,816	911,253	1,014,519	988,601	1,104,013	1,505,588	1,686,258
Debt and other financial instruments	156,511	193,350	171,931	479,787	584,131	770,021	684,366	650,148
Property, plant and equipment	42,453	41,827	49,724	49,616	50,165	55,468	57,340	60,207
Total Assets	**1,197,635**	**1,371,483**	**1,453,651**	**1,798,275**	**2,047,040**	**2,209,174**	**2,638,237**	**2,954,825**
Due to banks	87,213	89,747	17,706	6,105	9,020	6,596	11,343	13,045
Due to Depositors	835,060	994,949	1,107,066	1,443,179	1,609,154	1,750,259	2,017,732	2,219,505
Total Liabilities	**1,047,165**	**1,211,823**	**1,270,383,300**	**1,608,188**	**1,827,484**	**1,939,424**	**2,320,756**	**2,599,246**
Stated capital	33,821	35,572	37,364	38,679	40,955	42,858	42,858	42,858
Retained earnings	23,073	29,361	43,644	50,247	68,252	91,385	125,166	156,458
Equity (Parent)	145,508	154,249	176,668	183,292	212,240	261,361	302,785	343,697
Total Equity	**150,471**	**159,659**	**1,453,651**	**1,798,275**	**219,557**	**269,749**	**317,481**	**355,579**
Number of shares (Mn)	500	512	526	536	560	572	572	572
Net Interest Income Margin (NIM)	4.71%	3.71%	3.88%	6.20%	5.77%	4.97%	4.36%	4.17%
Return on Equity (ROE)	9.75%	8.20%	1.31%	0.85%	10.37%	16.14%	14.99%	14.72%
Return on Assets (ROA)	1.22%	0.95%	1.31%	0.85%	1.11%	1.97%	1.80%	1.77%
EPS	28.65	25.58	35.52	28.62	39.82	76.14	83.23	91.52
DPS	8.00	8.00	9.00	5.00	8.00	15.00	20.00	23.00
BVPS	384.21	301.28	329.88	342.25	371.17	457.07	529.51	600.87
P/E (X) - Voting	6.01	4.95	3.80	2.76	4.25	4.20	4.79	5.14
P/ BV (X) - Voting	0.45	0.42	0.41	0.23	0.46	0.70	0.75	0.78
Price @ year end (Voting)	172.20	126.50	135.00	78.90	169.25	319.75	398.50	470.00
Growth rate	-26.54%	6.72%	-41.56%	114.51%	88.92%	24.63%	17.94%	
CASA Ratio	35.20%	35.00%	33.00%	31.00%	29.90%	34.20%	35.30%	

Source: Company Financial Reports and ACAP Equity Research

Hatton National Bank remains fundamentally strong with improving profitability, solid asset quality and a stable funding base supported by a healthy CASA ratio. Despite the strong recovery in the share price, the stock continues to trade at attractive valuation multiples relative to historical levels and regional peers. With continued credit expansion and improving economic conditions, earnings are expected to grow moderately over the medium term. Considering the current market environment and recent share price movements, the stock is recommended as an **ACCUMULATE** for investors.

Financial Outlook

- The loan book expanded to Rs. 1.51 Tn in 2025, reflecting strong credit growth across retail, SME, and corporate segments.
- **Net interest income remained stable at Rs. 115 Bn**, supported by healthy lending volumes despite margin normalisation.
- **Net profit increased to Rs. 47.6 Bn**, driven by stronger operating income and lower impairment charges.
- Asset quality improved with a decline in **Stage 3 loan ratios**, supported by better recoveries and prudent credit risk management.
- The bank maintains a **CASA ratio of around 35%,** providing a stable low-cost funding base.
- **2026 earnings are expected to grow moderately**, supported by loan expansion and stable margins.

Total Shareholder Return (Jan 2021 – Jan 2026) – HNB.N

Item	Value
Price – Jan 2021 (LKR)	128.80
Price – Jan 2026 (LKR)	426.25
Total Dividends (2021–2025) (LKR)	57.00
Total Return	**275.19%**
Period	5 Years
Annualized Geometric Return	**30.27%**

Source: ACAP Equity Research

Hatton National Bank delivered strong shareholder returns following the recovery of Sri Lanka's banking sector after the economic crisis. Between January 2021 and January 2026, the share price increased significantly as investor confidence improved alongside stronger profitability and balance sheet expansion. Including dividend distributions during the period, the stock generated a **total return of approximately 275.2%**, translating to an **annualised return of around 30%**. This performance highlights the strong recovery potential of fundamentally sound banks during periods of economic normalisation.

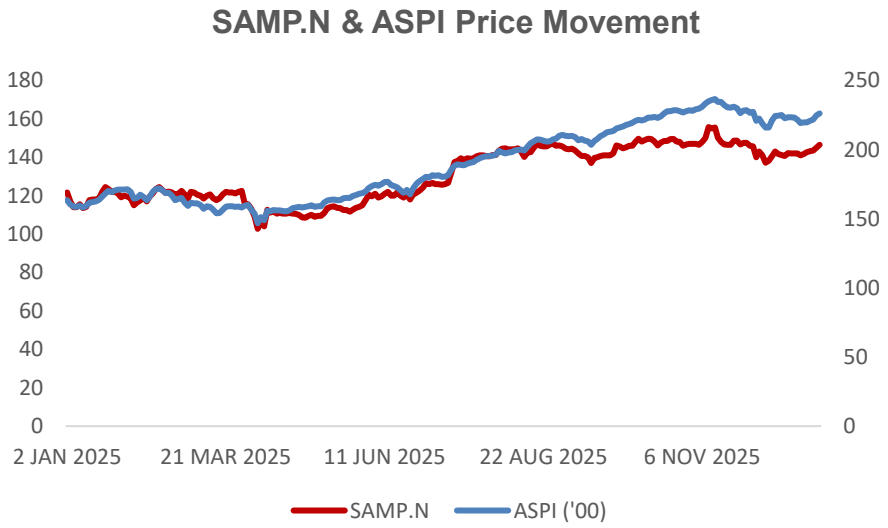
SAMPATH BANK PLC (SAMP.N)

Sampath Bank
WE PRESENT YOUR FUTURE

ACCUMULATE

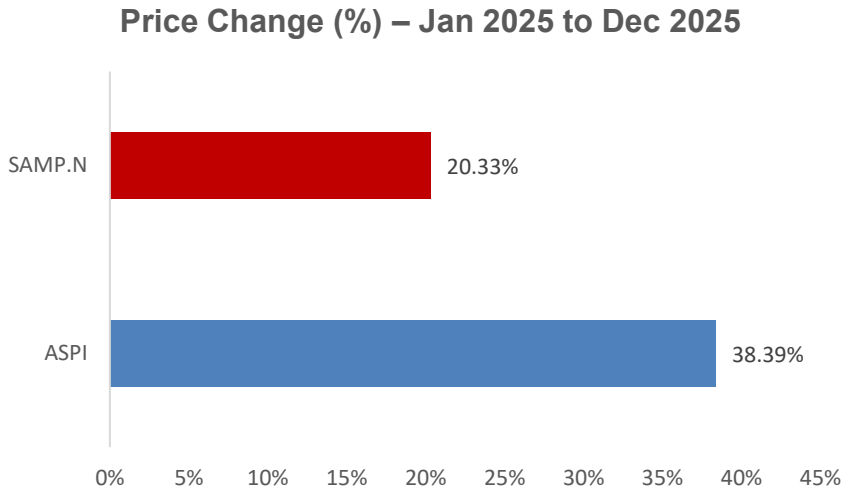
Number of Shares outstanding (Mn)	1,172.70
Price at Evaluation	160.75
Market Capitalization (LKR in Mn)	188,512
% of Total market Capitalization	2.27%
52 Week High / Low	164.00 / 102.75
Market Float	98.86%
CSE Code	SAMP.N

Prices as at 27 Feb 2026 ***Source: CSE Company Information***



Period: Jan 2025 – Dec 2025

Source: CSE Historical Price Movement Data



Period: Jan 2025 – Dec 2025

Source: CSE Historical Data

Financial Outlook

FY ends 31/12/XX LKR Mn	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 E
Interest income	109,855	94,647	92,428	164,776	212,459	192,359	192,137	201,744
Interest expense	65,092	57,820	46,910	88,734	137,016	107,697	108,566	115,080
Net interest income	**44,764**	**36,827**	**45,518**	**76,042**	**75,443**	**84,662**	**83,572**	**86,664**
Operating profit	23,490	15,284	23,121	21,971	40,287	63,158	68,123	74,935
NPAT	11,668	8,443	13,856	14,061	17,924	28,703	32,571	35,828
Cash and cash equivalents	17,978	29,219	23,028	79,345	79,530	46,501	62,564	75,077
Loans and advances to other customers	719,047	752,438	795,804	839,977	787,356	901,950	1,195,918	1,375,306
Debt and other financial instruments	156,309	275,126	294,667	284,238	373,900	405,616	523,233	601,718
Property, plant and equipment	15,702	15,891	16,338	19,067	19,961	22,013	28,274	32,798
Total Assets	**999,323**	**1,149,685**	**1,242,633**	**1,367,320**	**1,587,376**	**1,836,995**	**2,064,207**	**2,291,270**
Due to banks	1,568	1,523	31,532	15,255	17,345	30,068	43,930	61,502
Due to Depositors	730,190	902,499	994,318	115,156	1,276,551	1,487,149	1,662,953	1,829,248
Total Liabilities	**887,866**	**1,035,271**	**1,115,447**	**1,231,769**	**1,429,546**	**1,659,113**	**1,870,443**	**2,094,896**
Stated capital	47,622	47,622	47,622	47,622	48,741	48,741	48,741	48,741
Retained earnings	9,425	7,901	13,867	13,565	16,712	21,130	24,990	28,988
Equity (Parent)	111,457	114,415	127,186	135,551	157,830	177,882	193,764	213,140
Total Equity	**111,457**	**114,415**	**127,186**	**135,551**	**157,830**	**177,882**	**193,764**	**217,514**
Number of shares (Mn)	381	381	1,144	1,144	1,173	1,174	1,173	1,173
Net Interest Income Margin (NIM)	4.48%	3.20%	3.66%	5.56%	4.75%	4.61%	4.05%	3.78%
Return on Equity (ROE)	10.47%	7.38%	10.89%	10.37%	11.36%	16.14%	16.81%	16.47%
Return on Assets (ROA)	1.17%	0.73%	1.12%	1.03%	1.13%	1.56%	1.58%	1.56%
EPS	34.36	22.13	12.11	12.29	15.28	24.48	27.77	30.55
DPS	11.75	8.25	4.25	4.60	5.85	9.35	10.30	12.22
BVPS	292.19	299.94	111.14	118.45	134.59	151.69	165.23	185.48
P/E (X)	4.73	6.13	4.30	2.78	4.61	4.83	5.28	5.47
P/ BV (X)	0.56	0.45	0.47	0.29	0.52	0.78	0.89	0.90
Price @ year end	162.40	135.60	52.10	34.20	70.50	118.25	146.50	167.00
Growth rate	-16.50%	-61.58%	-34.36%	106.14%	67.73%	23.89%	13.99%	
CASA Ratio	35.20%	39.30%	45.70%	32.70%	33.40%	33.99%	34.66%	

Source: Company Financial Reports and ACAP Equity Research

Sampath Bank remains financially stable with improving profitability, solid asset quality and a stable funding base supported by a healthy CASA ratio. The bank reported profit after tax of Rs. 32.6 Bn in 2025, while the loan portfolio expanded to Rs. 1.20 Tn, reflecting strong credit growth. Asset quality improved with the Stage 3 loan ratio declining to around 3.3%. With continued credit expansion and improving economic conditions, earnings are expected to grow moderately in 2026. Considering the current market environment and valuation levels, the stock is recommended as an **ACCUMULATE** for investors.

Financial Outlook

- Sampath Bank reported **profit after tax of Rs. 32.6 Bn in 2025**, supported by higher operating income and improving credit demand.
- The loan portfolio expanded significantly to **Rs. 1.20 Tn**, reflecting strong lending growth across retail and corporate segments.
- **Net interest income reached Rs. 83.6 Bn**, supported by healthy lending volumes despite margin normalisation.
- Asset quality improved with the Stage 3 loan ratio declining to around 3.3%, indicating stronger credit risk management.
- The bank maintains a stable funding structure with a CASA ratio of around 34–35%, providing relatively low-cost funding.
- With continued credit expansion and improving economic activity, earnings are expected to grow moderately in 2026, supported by loan growth and stable margins.

Total Shareholder Return (Jan 2021 – Jan 2026) – SAMP.N

Item	Value
Price – Jan 2021 (LKR)	140.80
Price – Jan 2026 (LKR)	155.25
Total Dividends (2021–2025) (LKR)	34.35
Total Return	**34.66%**
Period	5 Years
Annualized Geometric Return	**6.13%**

Source: ACAP Equity Research

Sampath Bank delivered moderate shareholder returns over the past five years amid challenging macroeconomic conditions in Sri Lanka. Between January 2021 and January 2026, the share price increased from LKR 140.80 to LKR 155.25, reflecting gradual recovery in investor sentiment as the banking sector stabilised. Including dividend distributions during the period, the stock generated a total return of approximately 34.7%, equivalent to an annualised return of around 6.1%. While returns were lower compared with some larger banking peers, the improvement in profitability, strengthening asset quality, and continued credit growth suggest a stable outlook for the bank over the medium term.

SEYLAN BANK PLC (SEYB.N/X)

ACCUMULATE

SEYB.N

Number of Shares outstanding (Mn)	305.24
Price at Evaluation	111.00
Market Capitalization (LKR in Mn)	33,881
% of Total market Capitalization	0.40%
52 Week High / Low	114.75 / 64.80
Market Float	54.88%
CSE Code	SEYB.N

Prices as at 27 Feb 2026

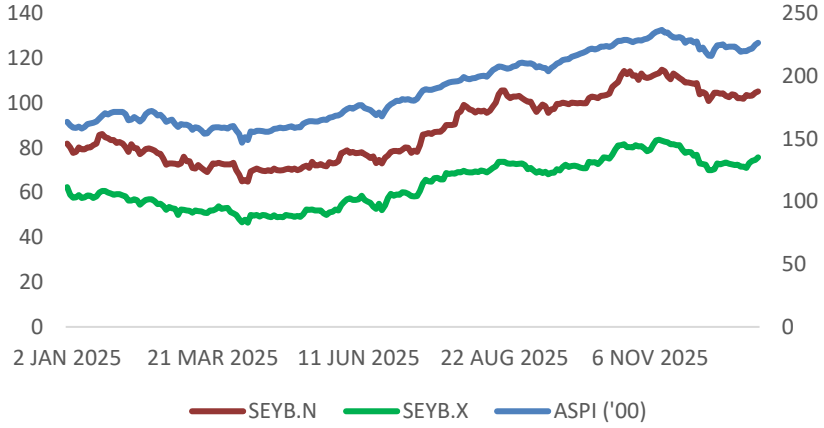
Source: CSE Company Information

SEYB.X

Number of Shares outstanding (Mn)	330.41
Price at Evaluation	77.80
Market Capitalization (LKR in Mn)	25,706
% of Total market Capitalization	0.54%
52 Week High / Low	83.50 / 46.50
Market Float	47.46%
CSE Code	SEYB.X

Source: CSE Company Information

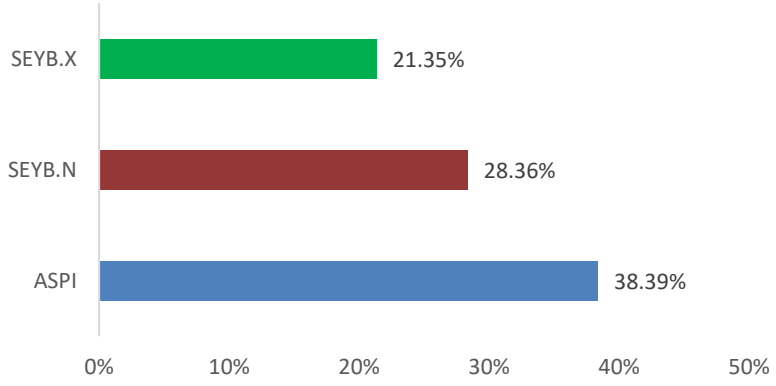
SEYB.N,SEYB.X & ASPI Price Movement



Period: Jan 2025 – Dec 2025

Source: CSE Historical Price Movement Data

Price Change (%) – Jan 2025 to Dec 2025



Period: Jan 2025 – Dec 2025

Source: CSE Historical Data

Financial Outlook

FY ends 31/12/XX LKR Mn	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 E
Interest income	55,431	52,328	46,781	86,106	107,168	84,363	82,428	89,846
Interest expense	36,488	32,517	22,877	45,219	66,717	47,273	43,794	47,298
Net interest income	**18,943**	**19,811**	**23,904**	**40,887**	**40,452**	**37,090**	**38,634**	**42,549**
Operating profit	8,034	5,824	8,119	9,571	14,205	21,614	26,168	28,261
NPAT	3,733	3,039	4,653	4,574	6,321	10,113	12,168	13,628
Cash and cash equivalents	11,759	10,036	16,079	40,255	48,322	17,384	18,203	19,113
Loans and advances to other customers	379,259	393,766	441,977	444,220	437,532	462,951	599,802	671,778
Debt and other financial instruments	27,039	53,692	68,156	106,430	104,626	136,315	120,489	126,514
Property, plant and equipment	7,088	6,773	7,064	6,463	6,627	7,923	8,503	9,646
Total Assets	**516,531**	**558,006**	**608,090**	**672,835**	**717,993**	**780,067**	**920,910**	**1,022,210**
Due to banks	28,770	32,680	24,504	12,158	12,097	8,142	23,899	33,458
Due to Depositors	400,731	440,303	488,653	547,316	591,623	646,817	732,960	806,256
Total Liabilities	**468,887**	**505,950**	**552,803**	**615,369**	**654,295**	**706,391**	**835,694**	**944,334**
Stated capital	17,045	17,548	18,324	19,926	20,909	21,693	21,693	21,910
Retained earnings	23,494	25,382	29,967	31,698	35,541	42,361	52,133	62,559
Equity (Parent)	46,379	50,770	53,958	56,202	62,382	72,605	84,116	95,892
Total Equity	**47,644**	**52,056**	**55,287**	**57,466**	**63,698**	**73,676**	**85,216**	**98,561**
Number of shares (Mn)	504	517	534	578	615	636	636	636
Net Interest Income Margin (NIM)	3.67%	3.55%	3.93%	6.08%	5.63%	4.75%	4.20%	4.16%
Return on Equity (ROE)	7.83%	5.84%	8.42%	7.96%	9.92%	13.73%	14.28%	13.83%
Return on Assets (ROA)	0.72%	0.54%	0.77%	0.68%	0.88%	1.30%	1.32%	1.33%
EPS	8.83	5.88	8.05	7.92	9.94	15.91	19.14	21.43
DPS	2.00	1.50	3.00	2.00	2.50	3.50	4.00	4.50
BVPS	92.09	98.20	101.01	97.27	101.36	114.22	132.33	151.42
P/E (X)	5.95	7.82	5.47	3.99	4.42	4.90	5.49	5.60
P/ BV (X)	0.57	0.47	0.44	0.32	0.43	0.68	0.79	0.79
Price @ year end (Voting)	52.50	46.00	44.00	31.60	43.90	77.90	105.00	120.00
Growth rate	-12.38%	-4.35%	-28.18%	38.92%	77.45%	34.79%	14.29%	
CASA Ratio	28.39%	33.03%	35.41%	29.80%	29.90%	28.76%	29.94%	

Source: Company Financial Reports and ACAP Equity Research

Seylan Bank remains financially stable with improving profitability and a solid balance sheet supported by a stable funding base. With continued credit expansion and improving macroeconomic conditions, earnings are expected to grow moderately over the medium term. However, given current market uncertainties and recent price movements, the stock is recommended as an **ACCUMULATE** for investors.

Financial Outlook

- The loan book expanded to Rs. 599 Bn in 2025, reflecting solid credit growth across lending segments.
- **Net interest income increased to Rs. 38.6 Bn**, supported by higher lending volumes and improved margins.
- **Net profit rose to around Rs. 12.2 Bn**, driven by stronger operating income and improving economic conditions.
- Asset quality remained stable with **low Stage 3 loan ratios**, indicating effective credit risk management.
- The bank maintains a **CASA ratio of around 30%**, supporting a stable low-cost funding base.
- **2026 earnings are expected to grow moderately**, with profit projected to reach around **Rs. 13.6 Bn**.

Total Shareholder Return (Jan 2021 – Jan 2026) – SEYB.N

Item	Value
Price – Jan 2021 (LKR)	46.70
Price – Jan 2026 (LKR)	108.25
Total Dividends (2021–2025) (LKR)	15.00
Total Return	**163.92%**
Period	5 Years
Annualized Geometric Return	**21.42%**

Source: ACAP Equity Research

Seylan Bank delivered strong shareholder returns following the recovery of Sri Lanka's banking sector after the economic crisis. Between January 2021 and January 2026, the share price increased from LKR 46.70 to LKR 108.25, reflecting improving investor confidence and stronger profitability. Including dividend distributions during the period, the stock generated a total return of approximately 163.9%, translating to an annualised return of around 21.4%. This performance highlights the bank's improving fundamentals and the recovery potential of fundamentally strong banks during periods of economic stabilisation.

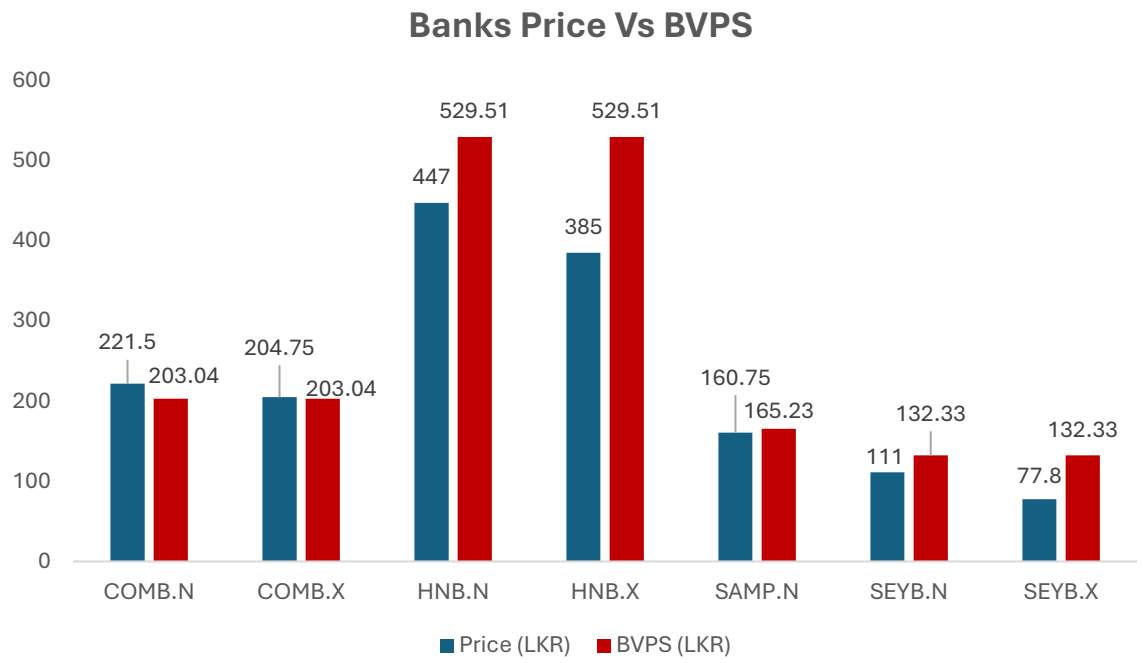
Bank Sector Comparison

Sector P/E	5.33	Sector P/BV	0.94

Bank	COMB.N	COMB.X	HNB.N	HNB.X	SAMP.N	SEYB.N	SEYB.X
Price *(LKR)*	221.5	204.75	447.00	385.00	160.75	111.00	77.80
EPS *(LKR)*	7.79	7.79	24.69	24.69	8.03	6.04	6.04
BVPS *(LKR)*	203.04	203.04	529.51	529.51	165.23	132.33	132.33
ROE	19.51%	19.51%	18.11%	18.11%	17.93%	15.89%	15.89%
P/E	6.03	5.58	5.37	4.63	5.79	5.8	4.06
P/BV	1.09	1.01	0.84	0.73	0.97	0.84	0.59

Source: ACAP Equity Research

Prices as at 27 Feb 2026



- The Sri Lankan banking sector is currently trading at around 5.3x P/E and 0.94x P/BV, suggesting relatively attractive valuations compared to historical averages.
- Commercial Bank trades slightly above book value, reflecting stronger profitability and higher investor confidence compared to peers.
- Seylan Bank trades at a deeper discount to book value, indicating a comparatively cheaper valuation among the selected banks.
- Banks with stronger CASA ratios such as Commercial Bank and HNB may benefit further from margin expansion if interest rates rise.

Source: Company Annual Reports, Company Filings, ACAP Research Estimates

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Special Note

- This report was originally prepared on 27 February 2026 based on the market conditions and information available at that time. Subsequent global geopolitical developments have created increased volatility in international and local financial markets, which may have affected conditions in the Colombo Stock Exchange (CSE) after the preparation of this report.

This report was released on the 11th March 2026

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