

28. Nations Trust Bank



Left: **Gihan Cooray**, Chairman/Non-Executive Director. Right: **Priyantha Talwatte**, Chief Executive Officer/Executive Director.

The Bank’s agility and responsiveness as a digitally-savvy, future-fit organisation served it well during the year, underpinning its resilience and continued value creation in these turbulent times.

Resilience and foresight in unprecedented conditions

Headed by Priyantha Talwatte, the revered banking expert, and compelling leader, NTB recorded a stellar performance with an outstanding 9% growth in profit after tax to Rs. 4.05 billion. This is indeed an admirable feat during a disruptive and tough year. The detailed work done in critically reviewing and rationalizing the portfolio through data-driven insights and decision making, along with investments in market-leading digital capabilities and nurturing an agile and dynamic professional workforce, allowed the Bank to be resilient in unprecedented operating conditions.

Agile and forward-thinking measures

Strategic emphasis was placed on supporting customers through the crisis, allocating Rs. 7 billion of internally generated funds to drive business revival, and disbursing Rs.1.8 billion under the Saubagya COVID-19 Renaissance Facility.

A deep-dive analysis of revenues, costs, and profitability and proactive efforts to drive efficiencies resulted in overhead costs reduced by 9% while the cost-to-income ratio declined to 46%, from 48% the previous year, despite the impact on income due to lower loan growth and contraction of margins.

The Bank continued to maintain close and continued engagement with customers, offering tailor-made solutions and flexible repayment schemes, which allowed the curtailing of the increase in impairment to a certain extent. Meanwhile, the Bank’s balance sheet remained strong with the Tier I Capital and Total Capital Adequacy ratios comfortably above regulatory levels at 14.4% and 17.9%, respectively.

To enhance capital and liquidity, Endeavors have strengthened the Group’s balance sheet, providing adequate buffers against potential stresses.

Total equity increased by 12% to Rs.35.12 billion. In comparison, the Group’s total capital ratio clocked in at 18.4%, comfortably above the regulatory minimum and affording a solid platform to drive growth as economic revival picks up speed.

Proactive response to the new normal

The continued focus was placed on leveraging digital capabilities to drive best-in-class solutions for customers and achieve efficiencies in work. The digital propositions were further strengthened through enhancing the direct banking platform and FriMi while commencing digital onboarding of customers in all our Divisions. As a result of these initiatives, digital transactions accounted for 82% of the Bank's total transactions, compared to 72% in the previous year. As interest margins narrowed, the relentless focus was placed on cost rationalization. A dedicated Cost Management Unit was established within the Finance group to identify avenues for cost control proactively. Measures adopted included rationalizing the branch network, combining roles and redeploying human capital, and increasing focus on automation and straight-through-processing to drive efficiencies in transaction processing.

Keeping the community and the environment at the heart

The pandemic has amplified some of the most significant challenges affecting the world today, demonstrating the urgent need for collaborative action to address inclusion, inequality, and climate change.

The Bank is committed to doing its part in driving these much-needed changes and has proactively sought to embed the principles of sustainability in its strategy, operations, and processes.

The Bank's Sustainability Policy is aligned to the United Nations' Sustainable Development Goals, and despite the challenges that prevailed, it continues to make progress in its community and environmental initiatives.



Board of Directors

Gihan Cooray

Chairman/Non-Executive Director

Priyantha Talwatte

Chief Executive Officer/Executive Director

1. Conrad D’Souza

Independent Non-Executive Director/ Senior Director

2. Suran Wijesinghe

Non-Executive Director

3. Rachini Rajapaksa

Independent Non-Executive Director

4. Russell De Mel

Independent Non-Executive Director

5. Sumith Maheshwari

Non-Executive Director

6. Savanth Sebastian

Independent Non-Executive Director

7. Sherin Cader

Non-Executive Director

8. Chanaka Wickramasuriya

Independent Non-Executive Director

9. Arjun Fernando

Non-Executive Director

10. Ramesh Shanmuganathan

Non-Executive Director

11. Theja Silva

General Counsel/Group Company Secretary