


7. HNB




Left: **Dinesh Weerakkody**, Chairman. Right: **Jonathan Alles**, Managing Director /CEO.

HNB reset its agenda and will continue to do so going forward, embedding

the new-found speed and agility into ways of working and identifying the best ways to respond amidst a volatile environment.

Performance resilience and courage amidst volatility

In 7th place, is HNB the iconic and much-loved Bank, passionately spearheaded by the far-sighted and courageous leader, Managing Director/Chief Executive Officer Jonathan Alles. He showcased his resilient and indomitable leadership through strategic paradigm shifts, which propelled the Group into a solid growth curve.

The HNB Group and Bank recorded a profit after tax of Rs.13.7 billion and Rs. 11.5 billion respectively in 2020, managing elevated risks through a year of extreme volatility. Declining interest margins and trade volumes contributed to a decrease of 11.3% in net interest, fee, and commission income of the Group to Rs. 58.9 billion. Group impairment charge amounted to Rs. 16.0 billion, an increase of 40% over the previous year, with the Bank accounting for Rs. 15.3 billion of this charge.

The Group's Total Assets increased by 14.5% to Rs. 1,371.5 billion, attributed mainly to increased investments as loan growth was subdued due to the prevailing investment climate. Total deposit growth was encouraging at 19.5% for the Group and the Bank. In comparison, CASA deposits grew by an outstanding 35% despite the lower interest rates, reflecting the trust earned by HNB during its 132-year legacy.

Connecting the rural farmer and the aspiring SME to global supply chains

The unwavering commitment to the SME and Micro Finance portfolios hardwired into the Bank's DNA from the inception led the Bank to address the root causes and transform its structures and programs to bring about transformative changes in this vital sector, innovating products and services around their needs. Today, HNB is a catalytic force that connects the rural farmer and the aspiring SME to global supply chains through its comprehensive future-ready product portfolios, accelerating and supporting their journey.

Supporting the Community

HNB provided working capital finance of over Rs. 24 billion under the Saubhagya

Renaissance relief scheme initiated by the CBSL and was proactive in establishing a Rs.5 billion SME Fund for customers who did not qualify under the government scheme. Over 40% of the Bank’s loan book was under moratorium during the first phase reflecting the commitment of HNB to support customers. Additionally, a grant of Rs. 20 million was distributed to 200 microfinance customers to revive their livelihoods as part of its strategic CSR program.

Proactive strategies to overcome and strengthen

HNB prepared itself for a tough year in 2020 and gained a head start as the pandemic created extreme volatility across multiple risk factors. Credit quality was key, as it strengthened its credit culture and recoveries at the Bank. Separation of loan origination, appraisal, approval, administration, and recoveries over the past two years paid dividends as it enhanced the process efficiencies and objectivity in portfolio management. Setting up Special Asset Management Units for Corporate Banking and SME also proved to be catalytic; the Bank could proactively support clients through stressful times on the road to recovery. The settlement of dues by a large State-Owned Enterprise also contributed significantly to the health of the asset portfolio.



Board of Directors

Dinesh Weerakkody

Chairman

Jonathan Alles

Managing Director/CEO

1. Rusi Captain

Non-Executive Director

2. Amal Cabraal

Non-Executive Director

3. Duliksha Soosaipillai

Independent, Non-Executive Director

4. A N De Silva

Independent, Non-Executive Director

5. Damien Fernando

Non-Executive Director

6. Madu Ratnayake

Independent/Non-Executive Director

7. Dr Harsha Cabral PC

Independent/Non-Executive Director

8. Devaka Cooray

Independent/Non-Executive Director

9. Dilshan Rodrigo

Executive Director / Chief Operating Officer

10. Prawira Rimoe Saldin

(Alternate Director To Mr Rusi Captain)

11. Dr Prasad Samarasinghe

Alternate Director To Mr Damien Fernando

12. Thushari Ranaweera

Company /Board Secretary