Aligning Banking Tech to Growth: Inside HNB’s Emerging Innovation Ecosystem



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Innovation in banking faces the dual challenge of fostering creativity while maintaining stability and compliance. In Sri Lanka, this balance is critical as the nation accelerates its digital transformation under the National Digital Economy Strategy 2030, which aims to quadruple the digital economy to USD 15 billion by 2030. Damith Pallewatte, Managing Director/CEO, Hatton National Bank emphasizes

that achieving exponential growth is essential, positioning digitalized banking as the foundation of national productivity and transformation. For HNB, innovation is deeply ingrained, with a legacy of pioneering par tnerships and technologies that advance financial inclusion and empowerment.

Recent strategic realignments are driving a new phase of innovation-led growth, guided by lessons from earlier digital initiatives and a recognition that cross-vertical collaboration unlocks greater value. HNB's innovation model encourages experimentation through collaboration across internal teams, fintechs, startups, academia, and young innovators, forming a vibrant innovation ecosystem.

A major shift came with the 2024 digital strategy review, aligning technology more directly with growth and introducing a "dual-speed innovation" model. The bank established a Chief Innovation Officer (CINVO) role to oversee the end-to-end innovation agenda, harmonized with the Chief Information Officer (CIO), Chief Data Officer (CDO), and Project Management Office. The CINVO leads the HNB Innovation Studio, where new ideas are rapidly tested in controlled sandbox environments. Promising initiatives advance based on measurable results, ensuring innovation proceeds swiftly yet safely. Meanwhile, the CIO maintains system stability and security, and the CDO strengthens data governance and analytics. This structure reduces fr iction, promotes collaboration, and accelerates innovation across the organization.

The model 's impact was demonstrated with the 2025 launch of HNB Accept at the Sri Lanka FinTech Summit. Developed in partnership with Visa, it allows small merchants to accept card payments directly through the HNB Mobile App without needing physical POS devices, simplifying digital transactions and supporting the shift from a 90 percent cash-based economy. The product's rapid three-month development showcased the effectiveness of the Innovation Studio's agile coordination with IT, data, and business units.

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HNB is also piloting AI-driven initiatives to enhance internal efficiency and customer service, including the automation of loan assessments for same-day approvals. The bank is learning from global digital leaders and aims to collaborate with fintechs and technology partners to deliver innovations consistent with HNB’s values. By integrating governance, technology, and ecosystem partnerships, HNB is positioning itself as a catalyst for Sri Lanka’s digital economy, proving that disciplined innovation can drive both transformation and resilience.