


# HNB Digital Merchant Acquisition Surges




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Resistance to cashless transactions has rapidly given way to enthusiastic usage as an unprecedented number of Sri Lankans are switching to digital banking channels, according to Gauthami Niranjan, Head of Cards, HNB. Compared with 2020, the volume of transactions on digital channels grew by 158 percent Year-on-Year in 2021, while the value of digital transactions increased by a corresponding 153 percent YoY.“HNB had already captured the lion’s share of the market in digital merchant acquisition before the pandemic. We leveraged these experiences to ensure that even businesses, which were initially unsure of digital payments, could seamlessly adapt and integrate these technologies into their total business model.

The results of these efforts are compelling as reflected in the massive uptake in digital payment optionsboth from customers and businesses," Niranjan said. HNB IPG (Internet Payment Gateway) recorded growth of over 100 percent in merchants during the period, with businesses embracing HNB's secure payment channel and services for online payments from any debit, credit VISA, and Master- Card. Merchants improved their cashless payment options with HNB MOMO for cash-on-delivery services. As a result, the mobile solution for electronic payment cards holds a 50 percent market share in low-cost mobile POS terminals in Sri Lanka. Such a rapid proliferation of digital payments creates a compelling financial incentive for any enterprise particularly as an affinity for cashless transactions expands out of major urban centers and into all parts of the country. "Developments in cashless payments are still only emerging. However, technologies like tokenization – technology at the heart of ride-hailing and food delivery apps – are likely to expand in the coming months as more local businesses launch dedicated apps with payment features built-in. This is another area in which we have supported some of the successful tech-based enterprises in Sri Lanka by enabling card details to be securely linked to convenient payment portals. These dynamics will ultimately provide valuable and much-needed benefits for a broad spectrum of Sri Lankan enterprise – from small businesses and self-employed individuals to hospitality providers, large and small and promote a broader and more resilient and equitable economic recovery. However, the barrier for entry into a digital transaction has never been lower, and our goal is to make sure that all Sri Lankan enterprises can compete in this new paradigm," Niranjan concluded.