

# HNB Group Records a 9.8 billion rupees PAT in the First Six Months of 2023

Posted on



*Nihal Jayawardene PC, Chairman, HNB.*



*Jonathan Alles, Managing Director and Chief Executive Officer, HNB.*

Hatton National Bank continued its steady performance in Q2 2023, posting a 1H 2023 PBT of 13.6 billion rupees, while 1H 2023 PAT stood at 8.6 billion rupees, growing 56 per cent YoY.

Meanwhile, the Group made a consolidated PBT and PAT of 15.2 billion rupees and 9.8 billion rupees, respectively.

Nihal Jayawardene, Chairman of Hatton National Bank, stated, "This quarter underscored the Sri Lankan economy displaying signs of normalisation, with inflation moderating, interest rates gradually pulling down, and the Rupee appreciating. Moreover, the announcement of the much-awaited Domestic Debt Optimisation (DDO) plan and the resulting clarity marked a significant step towards settling the qualms surrounding the debt restructuring programme and its potential impact on the banking sector."

Although interest rates tapered off towards the latter part of Q2 2023, 1H 2023 rates remained relatively higher when compared with the corresponding period in 2022, enabling the Bank to report a net interest income of 59.3 billion rupees in 1H 2023, up 48 per cent YoY. Additionally, net fee and commission income grew by 12 per cent YoY to 8.0 billion

rupees, driven by increased activity in cards, remittances, trade and digital platforms.

Jonathan Alles, Managing Director and Chief Executive Officer of Hatton National Bank, stated, “We are pleased to see the positive developments on the country’s macroeconomic front and HNB’s solid performance in the first six months of this year. We commend the government’s DDO plan – which insulated the banking sector from any reprofiling of Treasury Bills or Bonds. This, in turn, enables banks, inundated with mounting credit impairment and higher taxes, to use much-needed capacity in supporting the revival of key sectors and the broader economy.”

“As we advance, we will step up efforts to expand support to those adversely impacted over the past few years, focusing on the micro and SME sectors. Our role towards developing SMEs goes beyond that of a traditional financial partner, as we assist in capacity building and technical know-how through strategic partnerships with key multilateral agencies and international stakeholders.

“While we will continue to enhance our digital offerings and infrastructure, we will also explore capitalising on emerging digital technologies to improve our service delivery and workplace productivity. Our consistent performance, notwithstanding extremely volatile conditions, is a testament to the untiring efforts of the HNB Team. Creating a culture of learning and development is vital to the success of any organisation, and HNB reiterates its commitment towards investing in our employees’ growth and wellbeing. As Sri Lanka charts a new course towards its economic recovery, we at HNB remain undeterred in supporting that journey as we continue to raise the bar as the country’s premier corporate citizen.”

Since March 2023, the asset base marginally grew to 1.8 trillion rupees as of the end of June 2023. Moreover, given the tight credit conditions and exchange rate volatility prevailing for most of the June quarter, the Bank’s gross loan book dropped to 986 billion rupees at the end of 1H 2023. Meanwhile, as deposits remained attractive to customers, the Bank’s deposit base reached closer to 1.5 trillion rupees at the end of June 2023.

HNB is rated among the top five positions on Business Today’s Top 40 rankings for 2022.