



Sri Lanka’s Best Corporate Citizen continues to Record Sustainable Performance



Nihal Jayawardene, Chairman, HNB.



Jonathan Alles, CEO/MD, HNB.

Hatton National Bank (HNB) showcased strong and sustainable performance in 2023 in all aspects, namely liquidity, asset quality, capital, efficiency and profitability amidst global and local economic uncertainties.

Nihal Jayawardene, Chairman, HNB, stated, “We commenced the year with optimism, hoping that the worst financial crisis was behind us. However, we remained cautious about the uncertainties that prevailed. The Board continued to focus on key risk areas and the opportunities to navigate the uncertainty in the operating environment. This enabled us to record robust performance overall.” He added, “The Board joins me in commending Jonathan Alles, CEO/MD for the leadership provided to steer ahead during the most difficult times in history. I sincerely thank the HATNA team for their commitment and our customers who have been HNB’s strongest champions”.

The Bank’s interest income experienced a YoY growth of 37.2 per cent, reaching 284.1 billion rupees despite approximately a decline in AWPLR. Eight percentage points during the last two quarters of the year align with the Central Bank’s

expansionary monetary policy. Although deposit rates declined in line, the 12.2 per cent growth in deposits and the term deposits mobilized at higher interests resulted in Interest expense increasing by 72.6 per cent to 179.8 billion rupees. The resultant net interest income expanded by 1.4 per cent YoY to 104.3 billion rupees. The Bank's net fee and commission income saw a YoY increase of 4.4 per cent with 15.8 billion rupees. The Bank recorded a profit after tax of 20.35 billion rupees and a PAT of 23.6 billion rupees.

Jonathan Alles, MD/CEO, HNB stated that, "During these most challenging and uncertain times, the Bank has focused on sustainable growth ensuring the safety of depositors, facilitating access to finance and business revival for customers, providing fair rewards and recognition for employees, and offering investors a reasonable return for the assumed risk. Inspiring our customers to move forward with optimism is key to growth, and we set out to understand and address customer pain points. We also supported our customers through the pandemic, the financial crisis and its aftermath, keeping businesses afloat by restructuring loans, offering moratoria and even grants for micro-entrepreneurs. HNB has established a robust support system for our clients, catering to their financial services requirements across their entire value chain through the Bank and other Group companies. HNB has always aligned its strategy to the country's needs and is committed to charting a course that delivers shared prosperity to Sri Lankans and supporting the Country's transition to a low carbon economy. Areas identified for growth include tourism, exports, renewable energy, healthcare, education, information technology, local manufacturing, and agriculture. We are excited about inspiring farming communities to adopt green agricultural practices to strengthen the country's food security. We also want to groom the next generation of entrepreneurs through dedicated programs and working with educational institutions at different levels. Simultaneously, we will work to attract foreign direct investments to optimize the infrastructure in place. Growth must be resilient, built on solid foundations of disciplined financial management and sound corporate governance. It is the need of the hour at individual, entity and government levels as we stand up not just for our rights but also to honor our obligations."

The Bank's asset base expanded at 14.4 per cent YoY to 1.9 trillion rupees as of the end of December 2023. However, the Bank witnessed a contraction in the gross loan book of 1.8 per cent due to sluggish demand for credit and the cautious approach adopted during the first half, with interest being relatively high. The bank's total deposits continued their growth trajectory, expanding by 12.2 per cent

YoY to 1.6 trillion rupees.

HNB secured a top five position on Business Today’s Top 40 rankings for 2023.