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INDEPENDENT ASSURANCE REPORT

TO THE MANAGEMENT OF DEUTSCHE BANK AG, SRI LANKA BRANCH

We were engaged by the Management of Deutsche Bank AG, Sri Lanka Branch (“Branch”) to provide assurance on the accompanying Management’s Statement on Internal Control (“Statement”) for the year ended 31 December 2018.

Management’s responsibility for the Statement on Internal Control

Management is responsible for the preparation and presentation of the Statement in accordance with the “Guidance for Directors of Banks on the Directors’ Statement on Internal Control” issued in compliance with the section 3(8)(ii)(b) of the Banking Act Direction No. 11 of 2007, by the Institute of Chartered Accountants of Sri Lanka.

Scope of the engagement in compliance with SLSAE 3050

Our responsibility is to issue a report to the Management on the Statement based on the work performed. We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3050 – Assurance Report for Banks on Directors’ Statement on Internal Control issued by the Institute of Chartered Accountants of Sri Lanka.

Summary of work performed

Our engagement has been conducted to assess whether the Statement is both supported by the documentation prepared by or for the Management and appropriately reflects the process the Management have adopted in reviewing the system of internal control over financial reporting for the Branch.

To achieve this objective, appropriate evidence has been obtained by performing the following procedures:

- (a) Enquired the Management to obtain an understanding of the process defined by the Management for their review of the design and effectiveness of internal control and compared their understanding to the accompanying Statement made by the Management.
- (b) Reviewed the documentation prepared by the Management to support their Statement made.
- (c) Related the Statement made by the Management to our knowledge of the Branch obtained during the audit of the financial statements.
- (d) Reviewed the minutes of the meetings of the relevant Management Committees.
- (e) Considered whether the Management’s Statement on Internal Control covers the year under review and that adequate processes are in place to identify any significant matters arising.



(g) Obtained written representations from Management on matters material to the Statement on Internal Control where other sufficient appropriate audit evidence cannot reasonably be expected to exist.

SLSAE 3050 does not require us to consider whether the Statement covers all risks and controls, or to form an opinion on the effectiveness of the Branch's risk and control procedures. SLSAE 3050 also does not require us to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed will, in fact, remedy the problems.

Our conclusion

In assessing the internal control system, all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Branch were collated by the appointed officer and are counter verified by the respective Department Head independently for suitability of design and effectiveness on an ongoing basis.

Based on the procedures performed, nothing has come to our attention, which causes us to believe that the accompanying Statement is inconsistent with our understanding of the process the Management has adopted in the review of the design and effectiveness of internal control system over the financial reporting of the Branch.

A handwritten signature in black ink, appearing to read 'KPMG'.

Chartered Accountants
30 May 2019
Colombo